



THE WEEKLY AGRO WATCH



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8th December, 2015 Vol.48

The weekly Agro Watch Highlights

- Price of whole milk powder records a marginal increase on the international market.
- Brent crude oil prices plunges through to US\$40/barrel.
- Local wheat prices moves north by 3%.

Exchange Rates

CURRENCY	07/12/2015						30/11/2015					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid	Offer	Bid	Offe	Bid	Offer	Bid	Offer	Bid	Offe	Bid	Offe
FNB	10.6	10.9	0.7	0.7	16.03	16.35	10.21	10.41	0.7	0.7	15.34	15.6
Standard Chartered	10.6	10.8	0.7	0.7	15.9	16.3	10.3	10.5	0.7	0.7	15.4	15.7
ZANACO	10.6	10.8	0.7	0.7	-	-	10.27	10.47	0.7	0.7	-	-
Bank of Zambia	10.6	10.7	0.7	0.7	16.0	16.1	10.3	10.3	0.7	0.7	15.4	15.5

Note: BOZ rates are for 07/12/2015.

Parity Prices

Domestic Import Parity Prices as at 8/12/2015					
US\$/ZAR=14.44 US\$/ZMW=10.86					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		10.44	417.6	596.26	487.12
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	26.34	443.94	622.60	513.46
Mkushi	225	21.55	439.15	617.81	508.67
Ndola	250	23.95	441.55	620.21	511.07
Kitwe	250	23.95	441.55	620.21	511.07

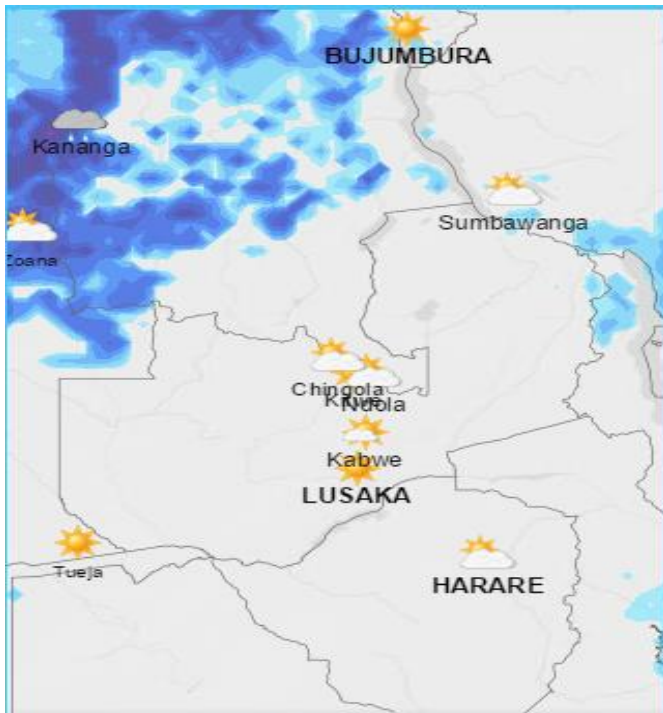
Export Parity Price Ranges (EPP) Harare-Lusaka

Soya Beans	505-525
Wheat	310.5-427.5
Maize	198.37-222.75

Note: Wheat export parity price calculations based on Zimbabwe's Grain Marketing Board Prices while computation of soya beans and maize prices was based on offers by private sector players.

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 10th to 15th December 2015.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Most of the period is forecast to have rainfall activities. 11th, 13th & 15 are expected to have normal rains while 12th & 14th are expected to have heavy rains. ➤ Average daily Temps: 18-30^oC
Mkushi	<ul style="list-style-type: none"> ➤ 10th & 11th are expected to have clear to partly cloudy skies. 12th to 14th are expected to have heavy rains while 15th is expected to have normal rains. ➤ Average daily Temps:19-31^oC
Kabwe	<ul style="list-style-type: none"> ➤ 10th to 12th mostly clear skies are expected. 13th and 14th normal rains are forecast while on the 15th heavy rains are forecast. Average daily Temps:18-33^oC
Lusaka	<ul style="list-style-type: none"> ➤ 10th to 12th clear to fair skies are expected. From 13th to 15th December, heavy rains are forecast. ➤ Average daily Temps:19-32^oC
Mazabuka	<ul style="list-style-type: none"> ➤ 10th to 12th clear to fair skies are expected. On 13th normal rains are expected while on 14th & 15 heavy rains are forecast. ➤ Average daily Temps: 21-34^oC.

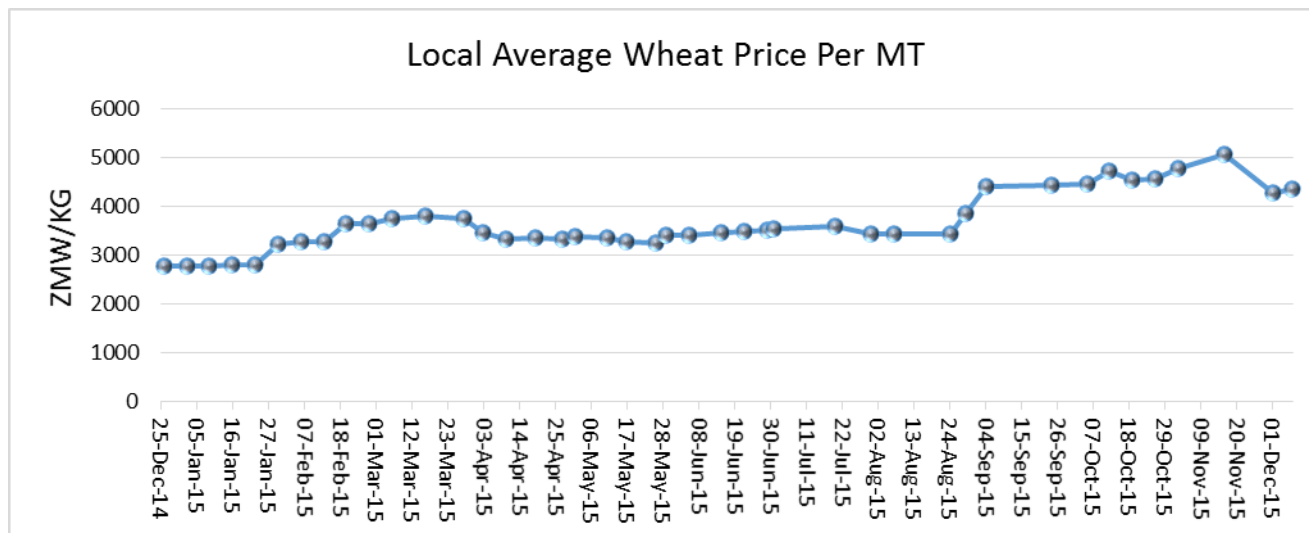
Choma	<ul style="list-style-type: none"> ➤ 10th to 12th fair to partly cloudy skies are expected. From 13th to 15th December, heavy rains are forecast. ➤ Average daily Temps:20-32^oC
Livingstone	<ul style="list-style-type: none"> ➤ Mostly rainfall activity is forecast with shower rains on 11th, on 13th normal rains are anticipated while on 14th and 15th heavy rains are forecast. 10th & 12 are expected to be mainly partly cloudy. ➤ Average daily Temps:22-34^oC
Mongu	<ul style="list-style-type: none"> ➤ 10th and 11th are forecast to have rain showers, while on 12th heavy rains are forecast. On 13th and 14th normal rains are anticipated. The 15th December is expected to be mainly cloudy. ➤ Average daily Temps: 20-31^oC.
Mansa	<ul style="list-style-type: none"> ➤ Rainfall activity, mainly normal rain is expected throughout the period under review. ➤ Average daily Temps: 19-27^oC.
Kasama	<ul style="list-style-type: none"> ➤ Normal rains are forecast on 10th, 11th, 12th and 15th December. While 13th & 14th heavy rains are forecast. ➤ Average daily Temps: 17-26^oC.
Solwezi	<ul style="list-style-type: none"> ➤ The whole period is forecast to have rains with 10th & 15th having rain showers, 11th & 12th heavy rains while 13th and 14th will have normal rains. ➤ Average daily Temps: 17-26^oC.
Chipata	<ul style="list-style-type: none"> ➤ Clear to cloudy skies are expected on 10th to 12th, normal rains are expected from 13th to 14th, while the 15th is forecast to have heavy rains. ➤ Average daily Temps: 21-34^oC.

Source: Norway meteorological Institute

Wheat

Highlights

- Chicago Mercantile Exchange (CME) wheat futures prices for March 2016 delivery increased to 178.2/MT from 175 recorded last week.
- Local wheat prices increases by 3% to ZMW4,400/MT during the week from ZMW 4264/MT in the previous week as shown in the graph below;



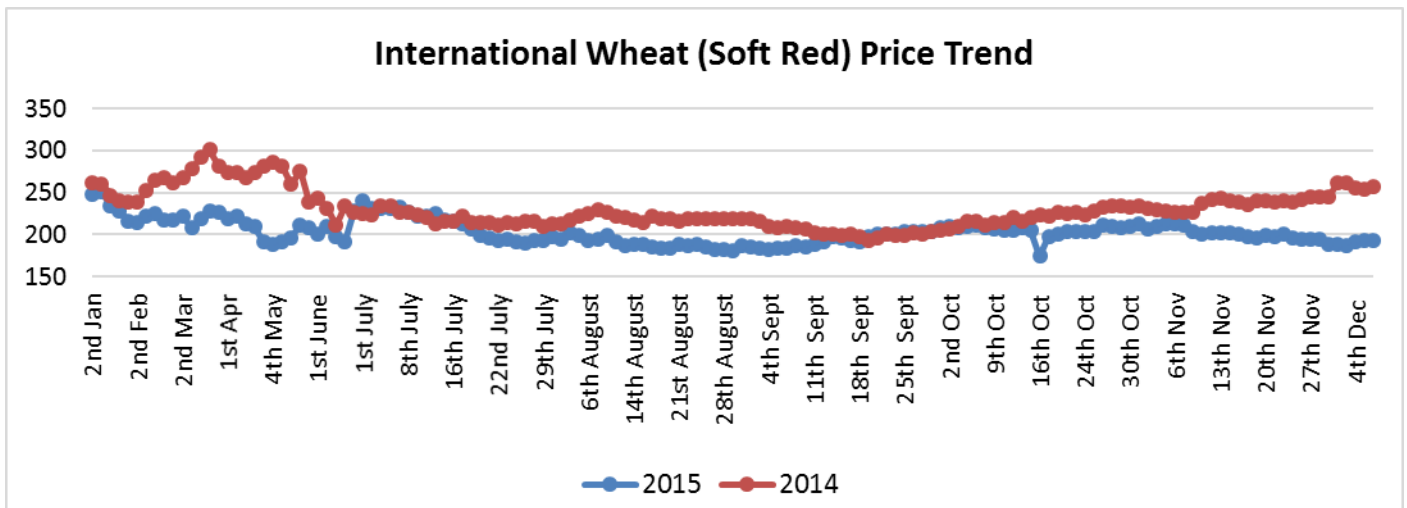
Source: ZNFU, 4455 Market Price Information System

Price trends

The Safex international soft red wheat prices averaged US\$ 190.19 during the week ending 8th December 2015 lower, when compared to US\$ 196.7/ton reported last week. All prices are fob gulf.

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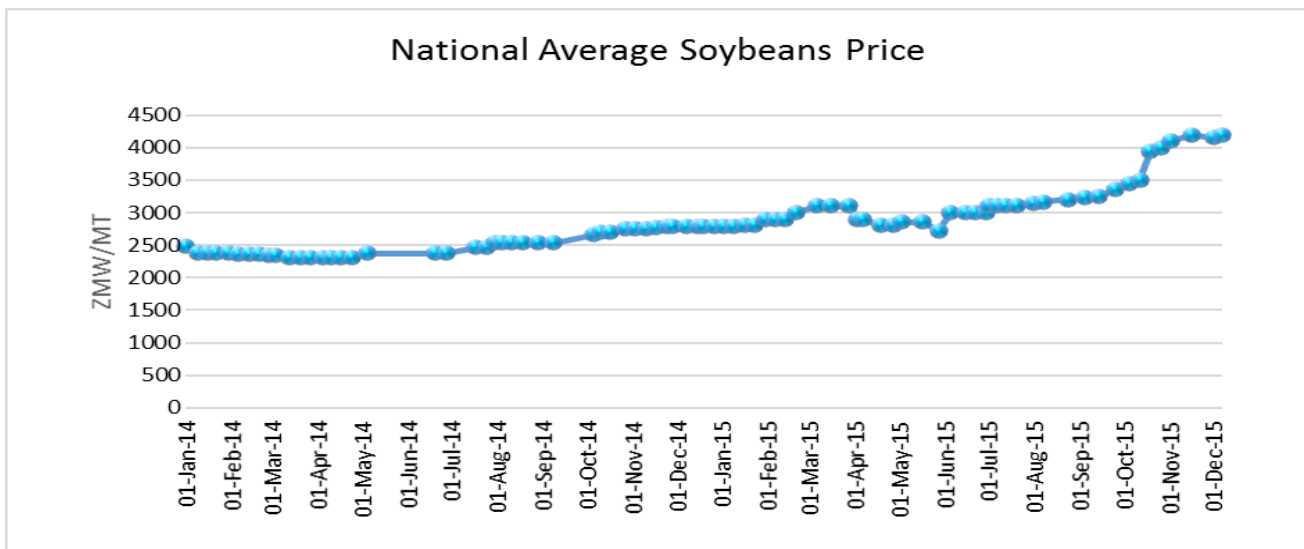


Source: Safex

Soya Beans

Highlights

- CME soya beans future prices for March 2016 delivery increased to 326.4/MT from 325.18 reported last week.
- Local Soya beans prices recorded a marginal increase of ZMW 4,200 during the week compared to ZMW4,150 per ton reported last week as shown in the graph below;



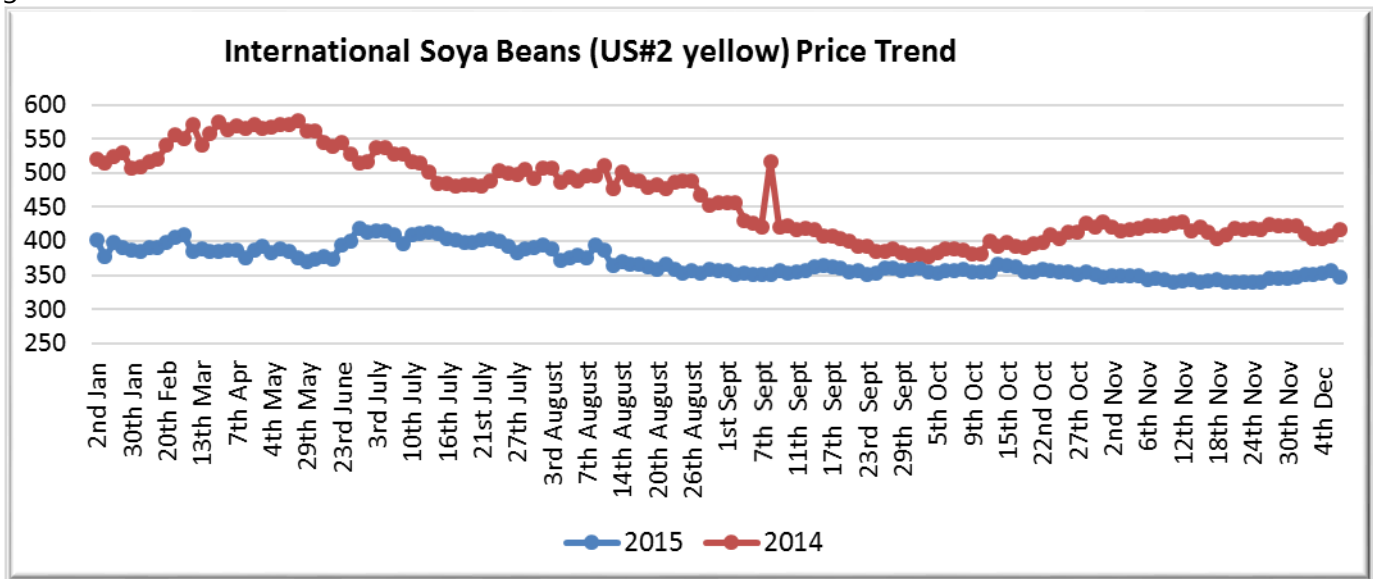
Source: ZNFU, 4455 Market Price Information System

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Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 8th December 2015 averaged US \$ 351.06/MT posting a 2.7% increase on US\$341.71/MT reported last week. All prices are fob gulf.



Source: Safex

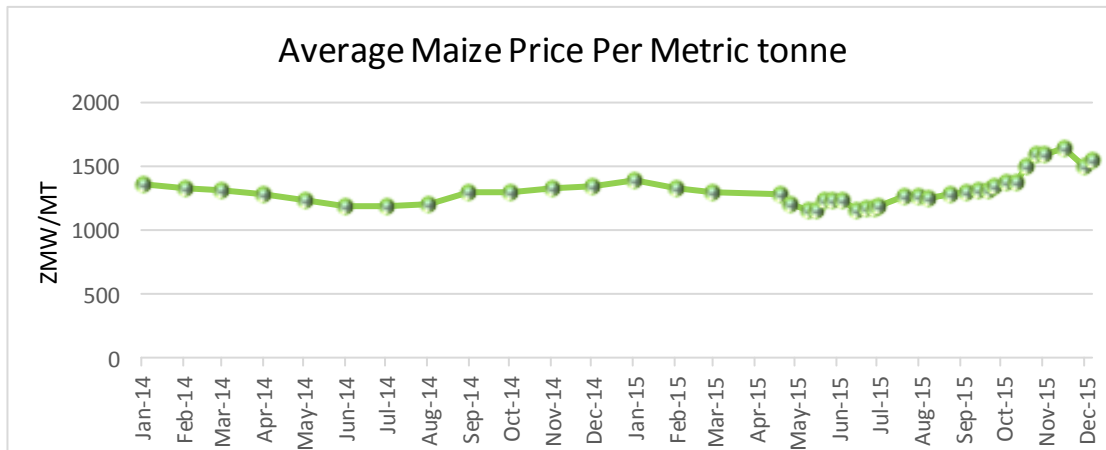
Maize

Highlights

- Chicago Mercantile Exchange (CME) corn futures prices for March 2016 delivery increased to 147.6/MT from 147.24 reported last week.
- Maize offer average price to the farmers records a marginal increase to ZMW 1550/MT during the week compared to an average price of K1500/Tonne recorded last week as shown in the table below.

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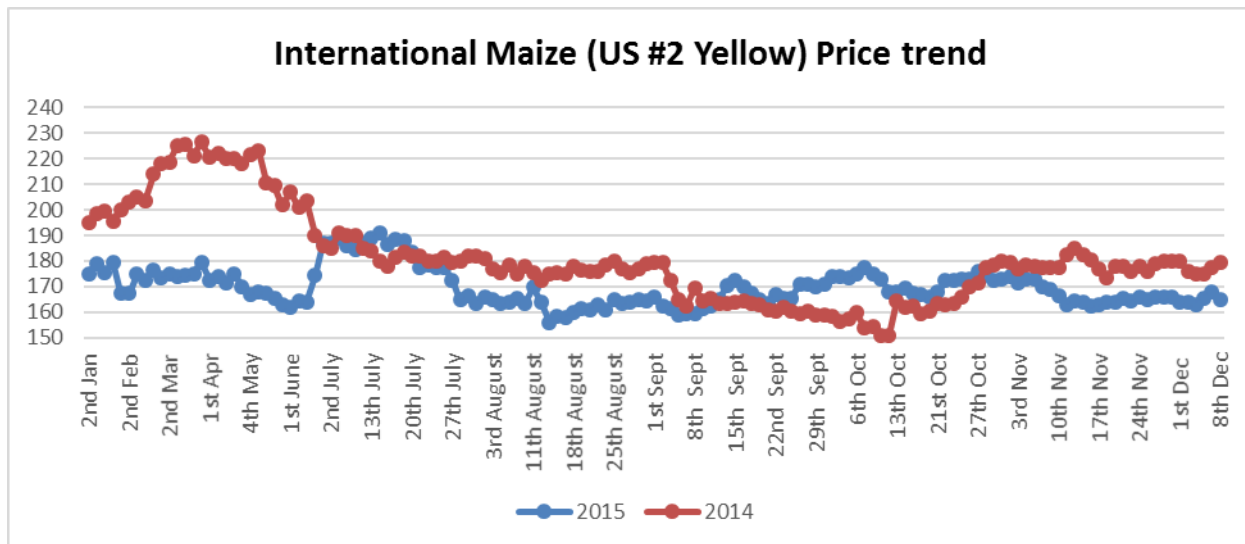




Source: ZNFU, 4455 Market Price Information System

Price trends

- International maize prices traded an average of US\$ 164.79 on Safex during the week ending 8th December 2015. Prices are fob gulf.



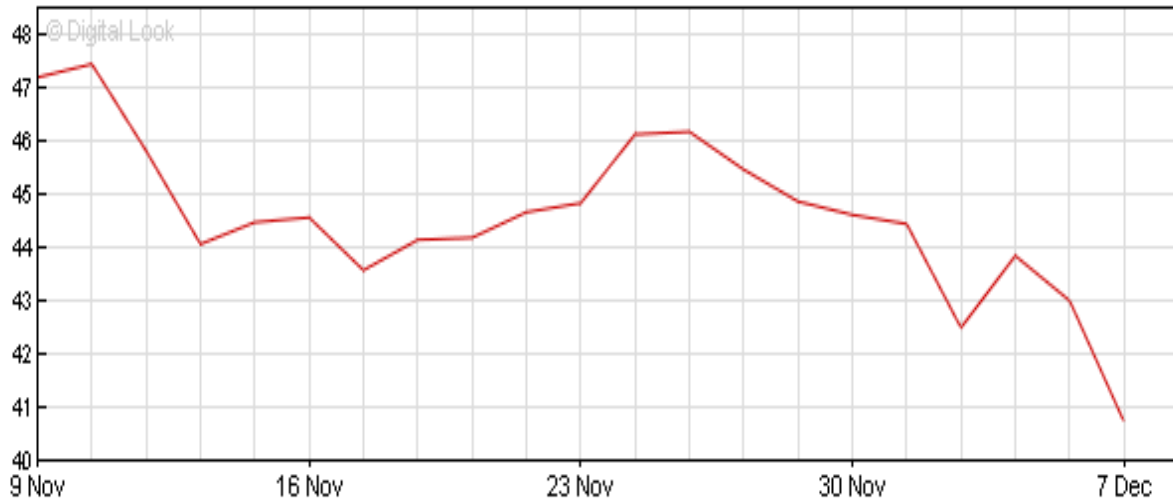
Source: Safex

Crude oil

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- Brent crude oil prices plunges to US\$40/barrel on account of commodity crunch in the metal industry such as iron and copper.

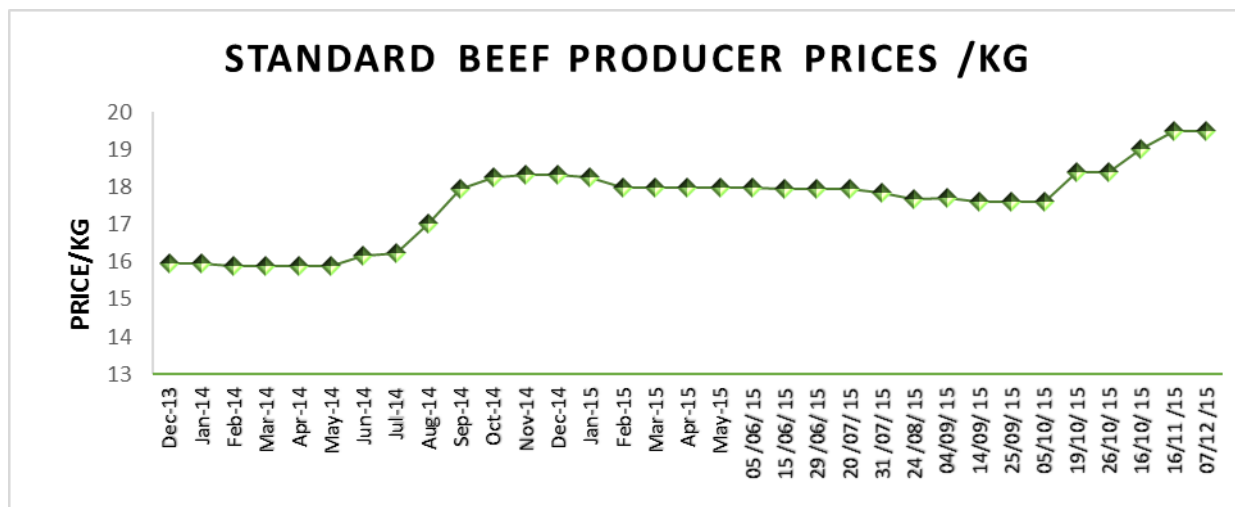


Source: BBC Business, 2015

Beef

Highlights

- Beef prices have stagnated at ZMW 19.5 per kg during the week, same as reported last week. This is as monitored by the ZNFU 4455 system.



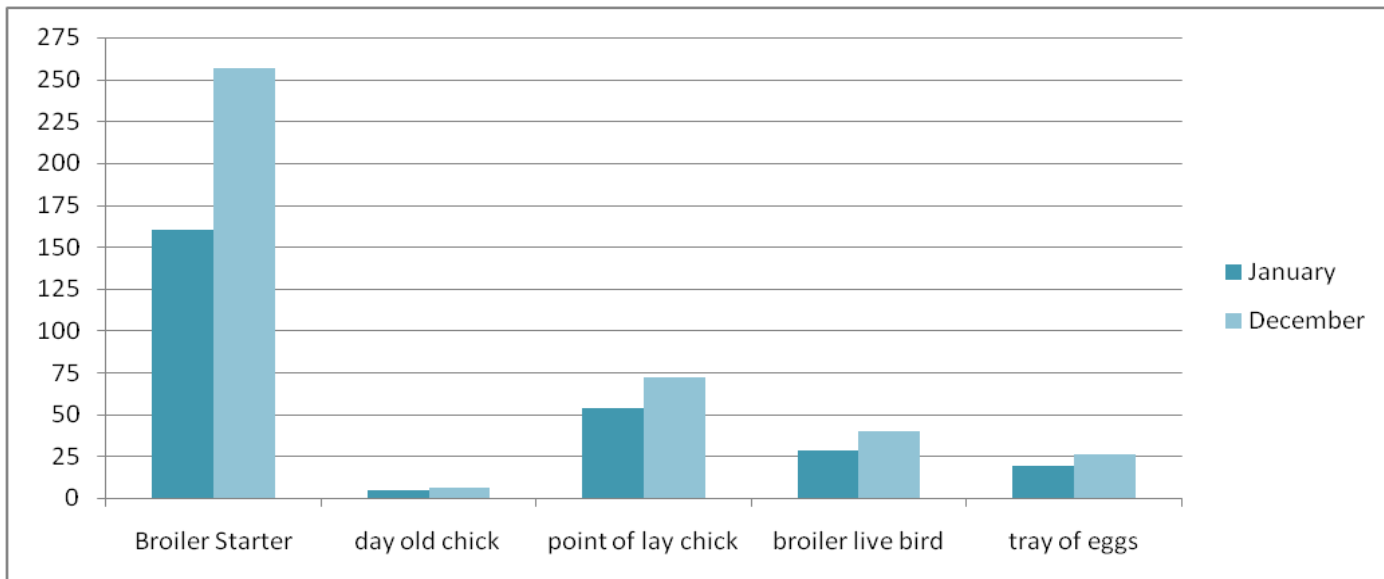
Source: ZNFU, 4455 Market Price Information System

Poultry Updates

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The following graph compares the price of poultry products in ZMW for the months of January 2015 and December 2015. The graph shows significant difference in prices between the two months. This has been mainly due to the devaluation of the kwacha which has made dollar based inputs to be more costly than the period when the kwacha was stronger. Apart from increase in the cost of doing business in the country, load shedding has also contributed to the high prices being experienced in the sector.



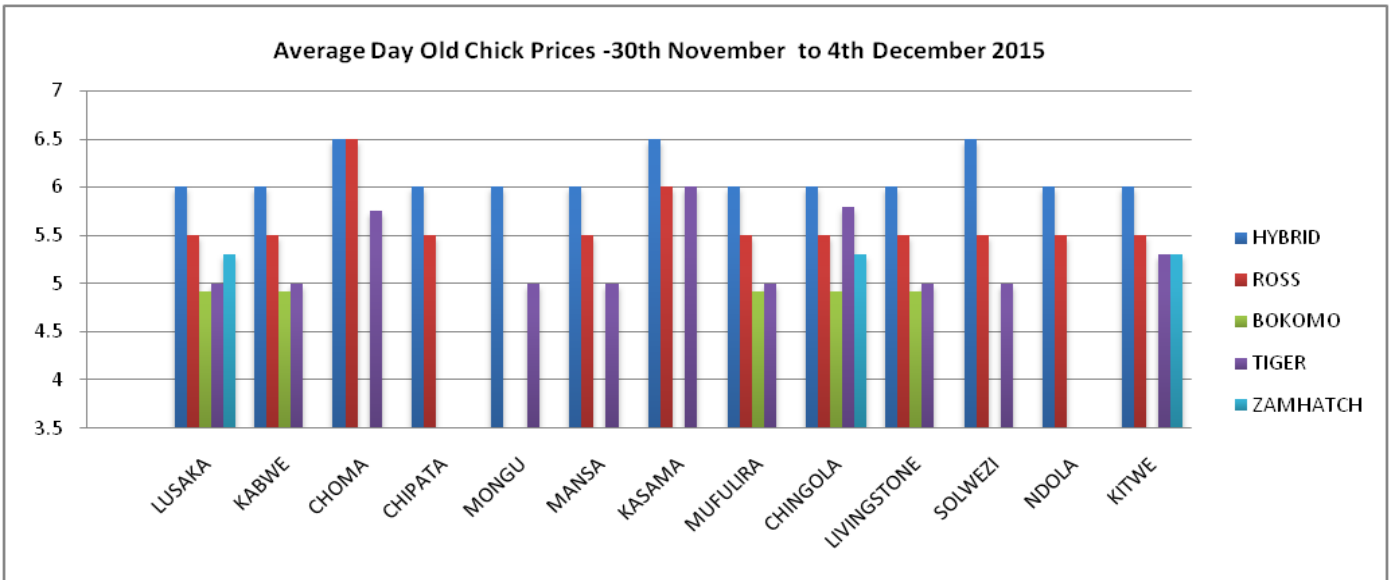
Source: Poultry Association of Zambia

AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. Prices of day old chicks were static during the course of the week with the highest going for ZMW6.5 and the lowest ZMW5.

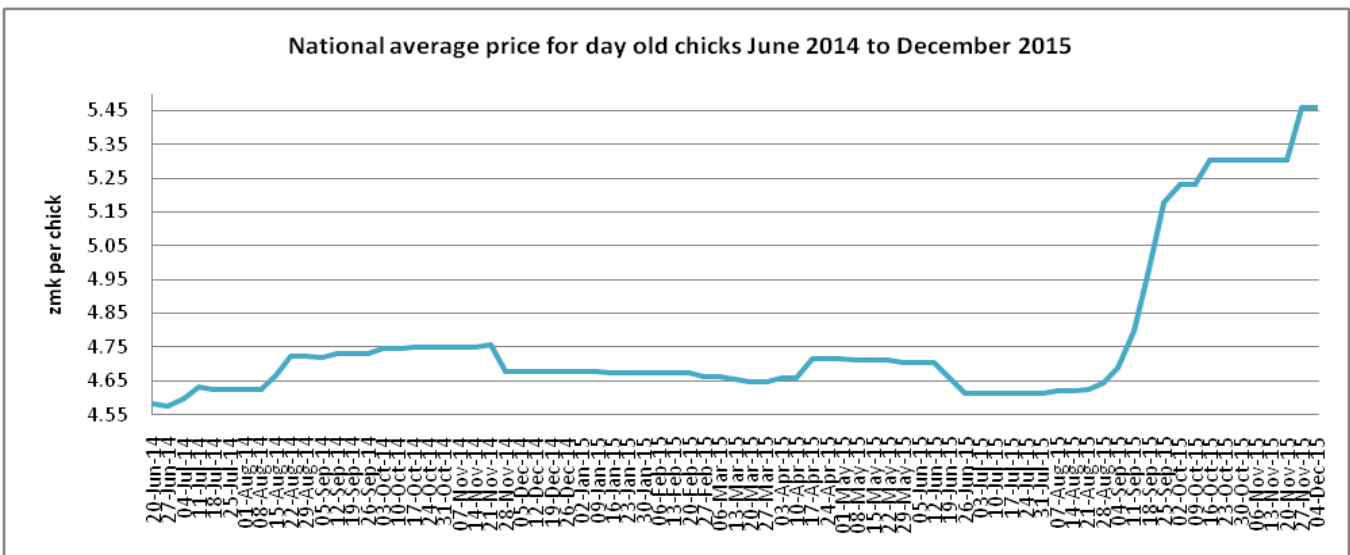
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to December 2015. The graph shows that the national average price of day old chicks has increased to ZMW5.46.



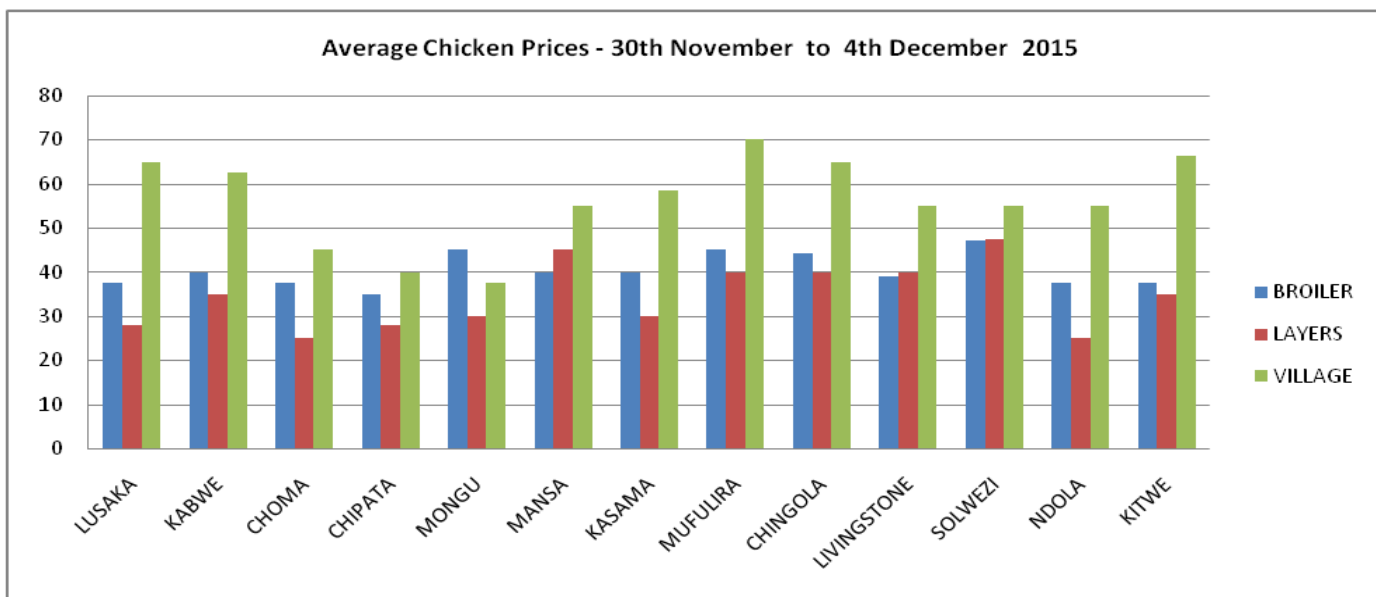
Source: Poultry Association of Zambia

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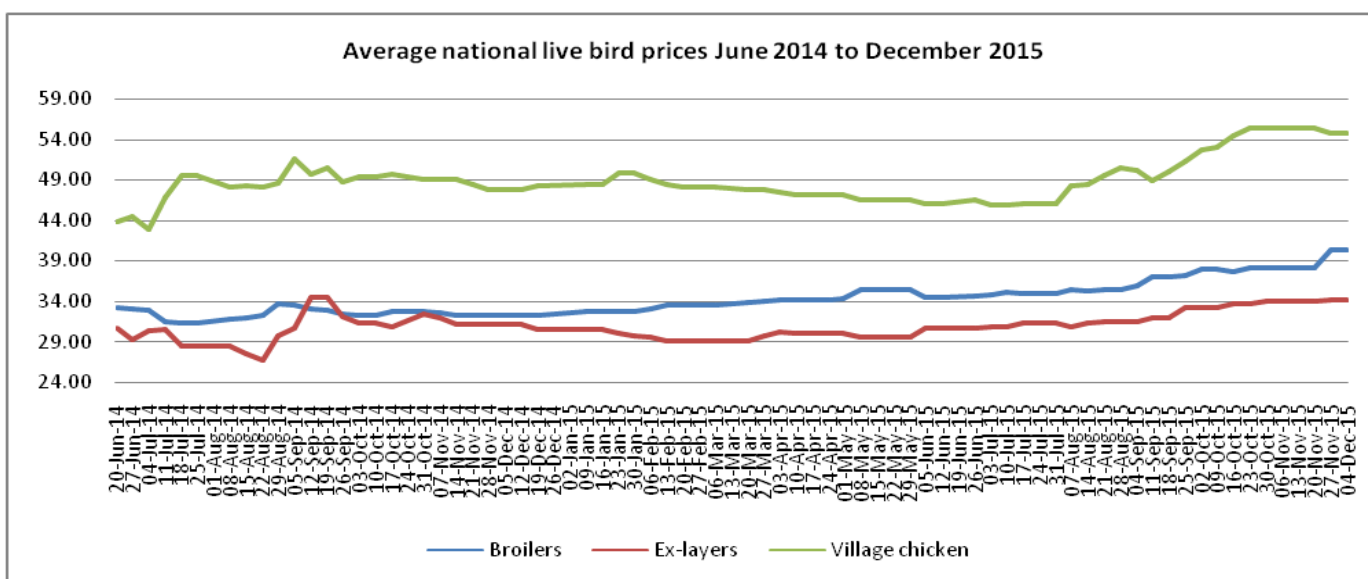
AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. Prices of live birds in the towns displayed were stable during the course of the week with no notable changes observed.



Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The national average price of broilers, ex-layers and village chicken during the course of the week was ZMW40.40, ZMW34.18 and ZMW54.79 respectively.



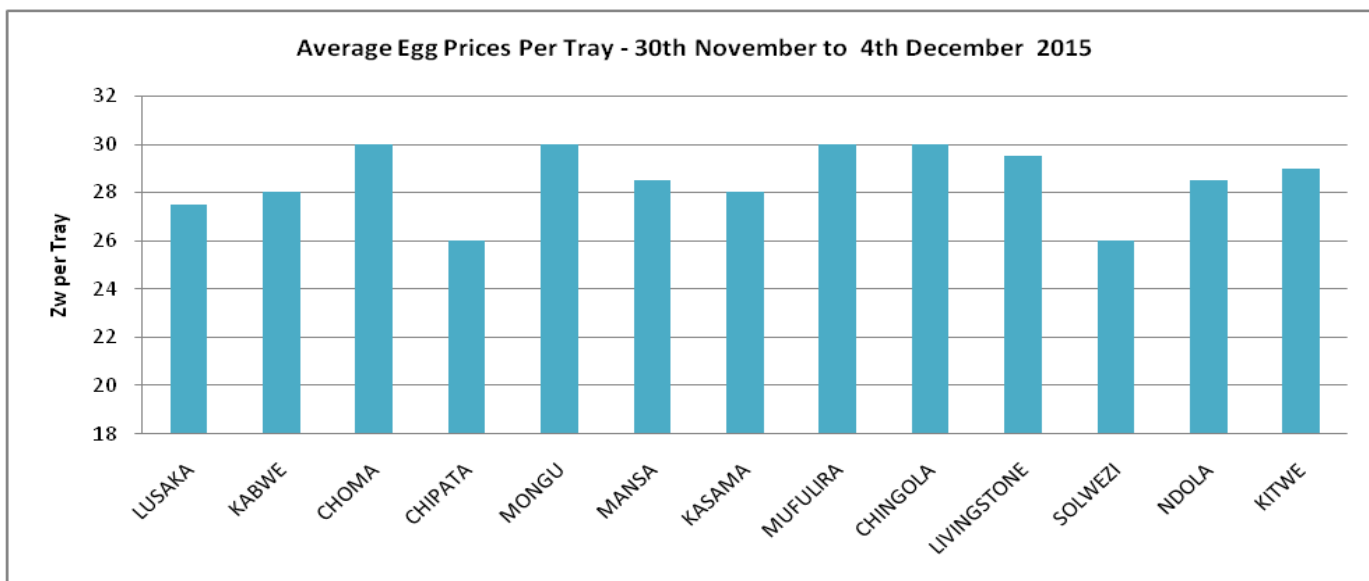
Source: Poultry Association of Zambia

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AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Compared to the first quarter of 2015, the price of eggs has experienced an up-swing reaching levels as high as ZMW30. This has been attributed mainly to the increase in production costs in the poultry sector.

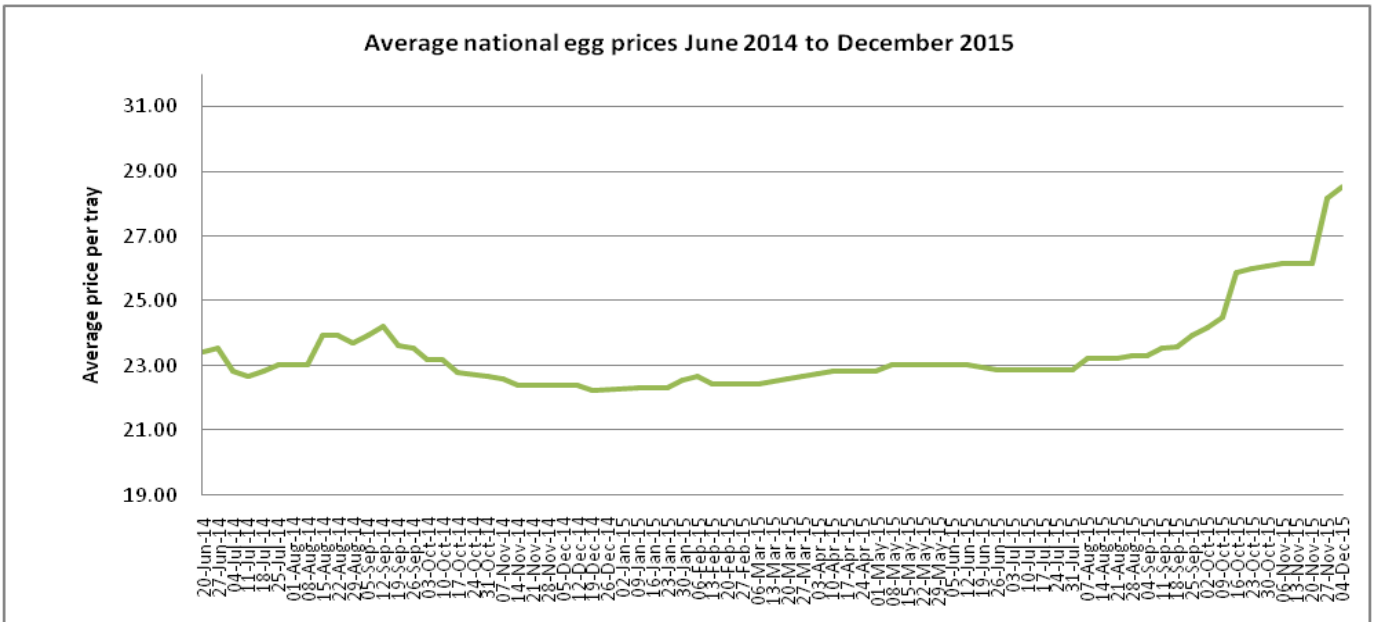


Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to December 2015. The graph shows that since October, there has been a significant increase in the national average price of eggs of about 18%. The national average price of eggs is currently at ZMW28.54.

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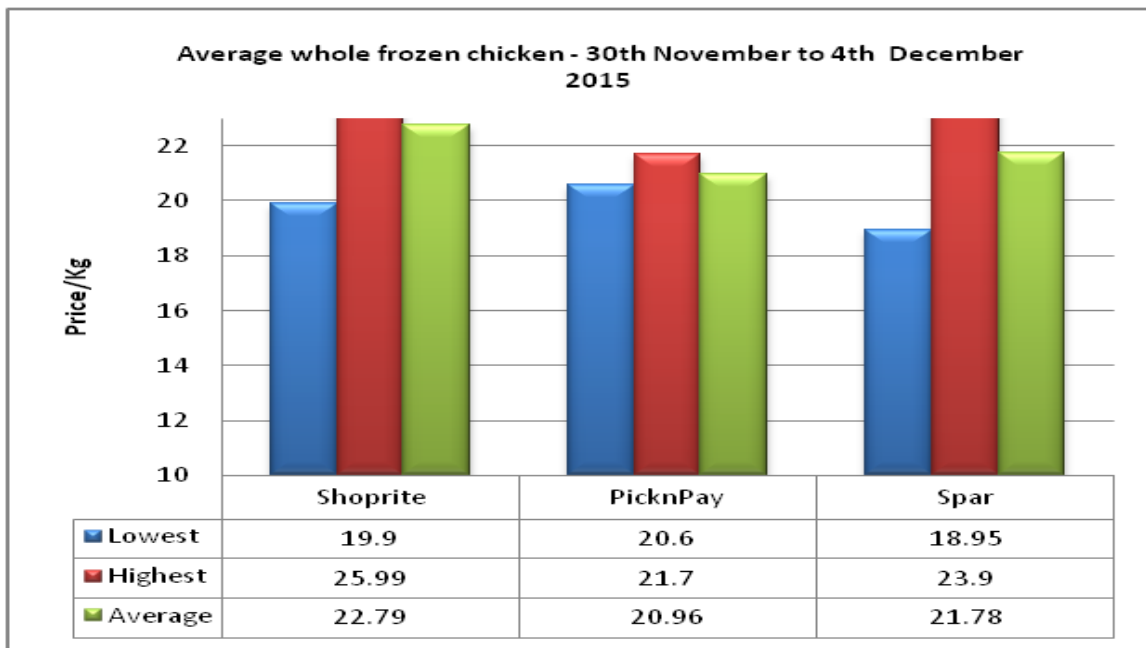
Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 below shows average prices of whole frozen chickens in the three chain stores around Lusaka. The average price of frozen whole chickens in Pick n’ Pay is ZMW20.96 with the lowest and highest going for ZMW20.60 and ZMW21.70 respectively. In Shoprite average price is ZMW22.79 with the lowest going for ZMW19.90 and the highest going for ZMW25.99. On the other hand, the average price for frozen whole chicken is ZMW21.78 with the lowest and highest priced frozen whole chicken going for ZMW18.95 and ZMW23.90 respectively.

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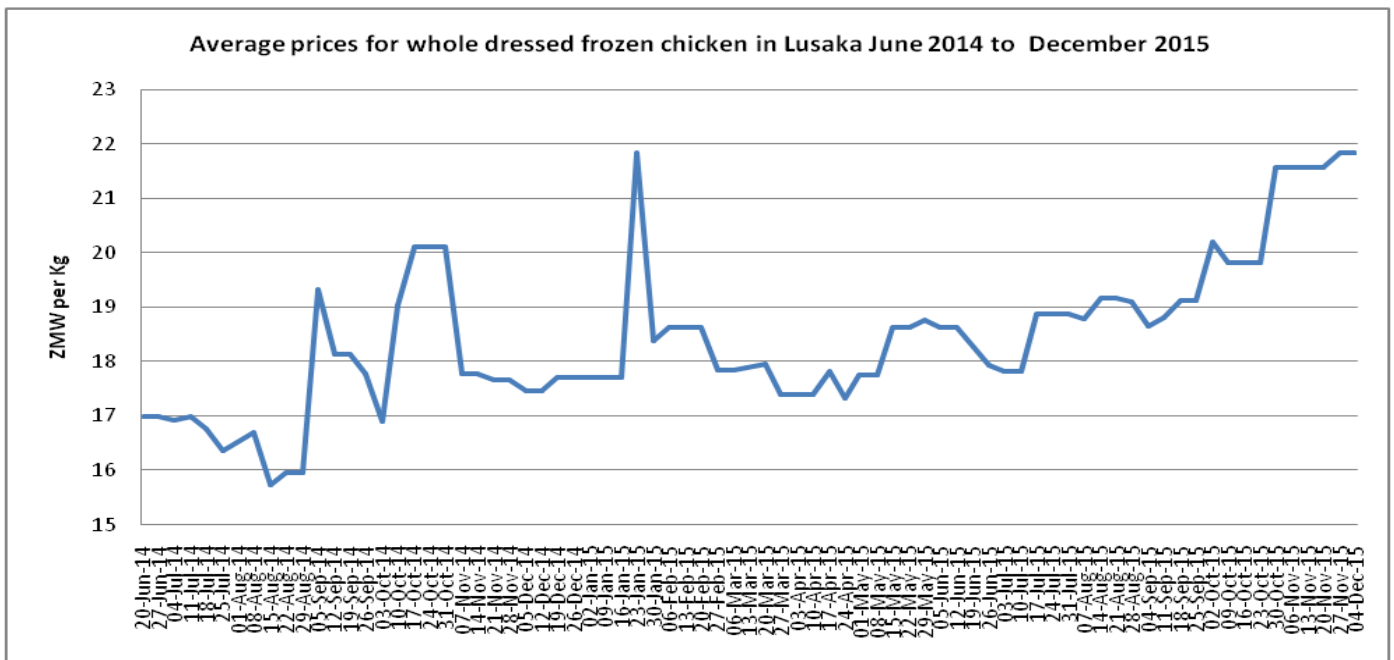
Graph 2 below compares the average price of frozen whole chicken to the average price of pork, tbone and fish in the three chain stores in Lusaka. The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – December 2015. The average price of frozen whole chickens in Lusaka remained stable at ZMW21.84 during the course of the week.



Source: Poultry Association of Zambia

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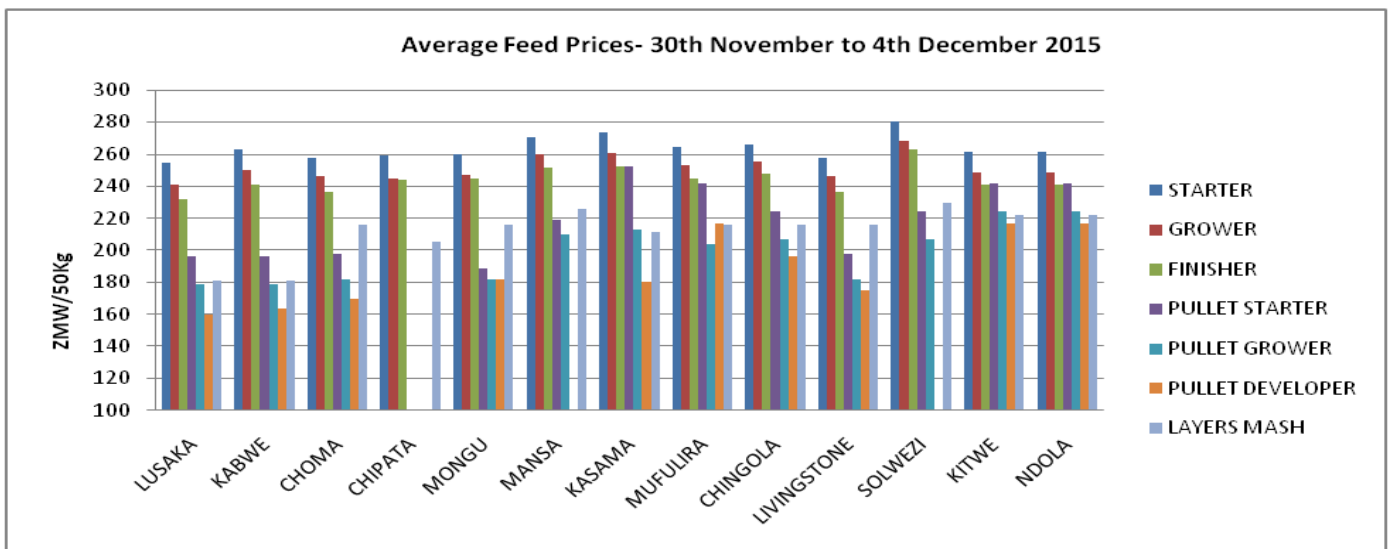




Source: Poultry Association of Zambia

AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns. The price of most feeds remained stable during the course of the week except for a few brands that reduced their prices. However generally the price of feed in all towns is still high causing a reduction in the poultry farmers profit margins as consumers have been resisting upward price adjustments of chicken meat and products.

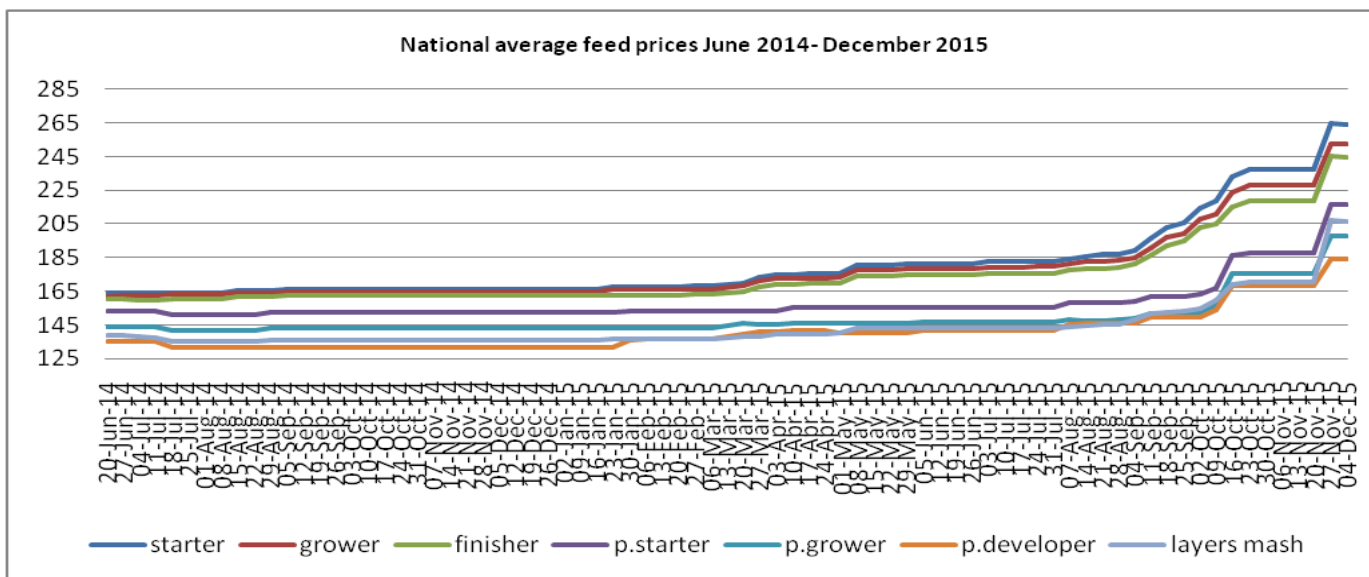


Source: Poultry Association of Zambia

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The graph below shows the national average price trend of feed prices from June 2014 to December 2015. The graph shows that there has been a slight decline in the average price of poultry feeds. However compared to October of this year, the average price of broiler starter, grower and finisher has risen by 23%, 22% and 21% respectively. On the other hand the average price of pullet starter, grower, developer and layers mash has risen by 33%, 29%, 23% and 34% respectively.



Source: Poultry Association of Zambia

Dairy Updates

Price of whole milk powder on the international market increased slightly from USD 2,025 on 22nd August 2015 to USD 2,450 as at 28th November 2015. A kilogram of powdered milk is currently averaging USD 2.45 on the international market.

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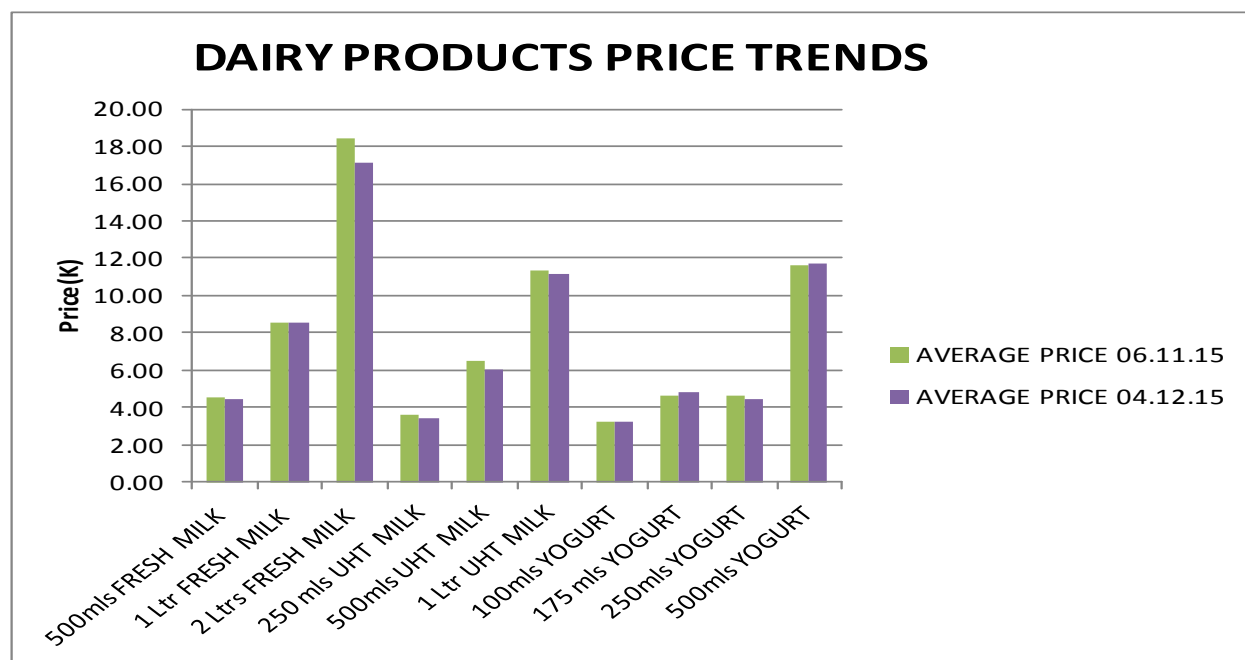


FIGURE 2 AVERAGE PRICES FRESH MILK, UHT AND YOGURT

MILK PRODUC PRICES				
Copperbelt,Southern and Lusaka				
Ser.	PRODUCT	AVERAGE PRICE 06.11.15	AVERAGE PRICE 04.12.15	VAR (%)
1	500mls FRESH MILK	4.70	4.86	3%
2	1 Ltr FRESH MILK	8.50	10.30	21%
3	2 Ltrs FRESH MILK	16.38	18.49	13%
4	250 mls UHT MILK	3.40	3.90	15%
5	500mls UHT MILK	5.60	6.45	15%
6	1 Ltr UHT MILK	11.50	12.60	10%
7	175 mls YOGURT	5.80	5.44	-6%
8	250mls YOGURT	4.40	4.29	-3%
9	500mls YOGURT	12.99	12.39	-5%

Average prices of fresh and UHT recorded slight increases from 3% to 21% while yogurt prices reduced by 3 to 6 % in the period 6th November to 4th December 2015.

FIGURE 2 DAIRY PRODUCTS PRICE TRENDS



Source: DAZ December, 2015

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FIGURE 3 AVERAGE FEED PRICES-NATIONAL

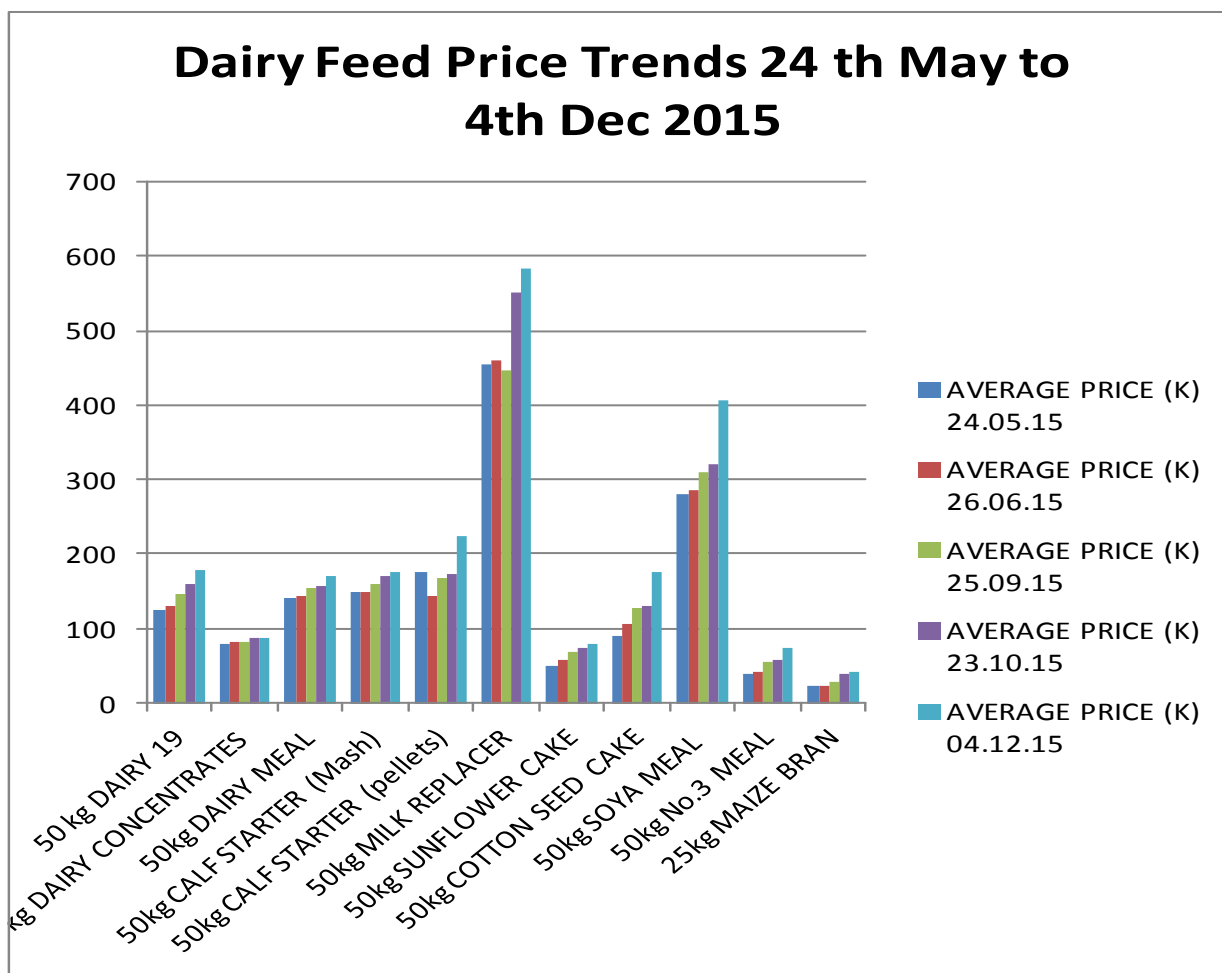
NATIONAL DAIRY FEED AVERAGE PRICES								
SER.	PRODUCT	AVERAGE PRICE (K) 24.05.15	AVERAGE PRICE (K) 26.06.15	AVERAGE PRICE (K) 25.09.15	AVERAGE PRICE (K) 23.10.15	AVERAGE PRICE (K) 06.11.15	AVERAGE PRICE (K) 04.12.15	% Increase 24 May- 4th Dec 2015
1	50 kg DAIRY 19	125	129	146	161	168	178	42%
2	25 kg DAIRY CONCENTRATES	80	82	83	86	86	88	10%
3	50kg DAIRY MEAL	140	143	153	157	171	171	22%
4	50kg CALF STARTER (Mash)	150	149	159	171	177	177	18%
5	50kg CALF STARTER (pellets)	176.0	143.0	167.7	174	220	225	28%
6	50kg MILK REPLACER	455	460	447	550	651	583	28%
7	50kg SUNFLOWER CAKE	50	57	68.75	75	75	78	56%
8	50kg COTTON SEED CAKE	90	105	126.5	130	130	176	96%
9	50kg SOYA MEAL	280	285	310	320	390.5	405	45%
10	50kg No.3 MEAL	40	42	55	57	71	73	83%
11	25kg MAIZE BRAN	22	24	28.5	39	42	42.5	93%

Average dairy feed prices and that of feed ingredients have generally increased in recent months. The average price of a 25 Kg bag of maize bran increased by over 93% from K22 in May to K42.5 currently. The price of no.3 meal increased by 83%, sunflower cake by 56%, cotton cake by 96% and milk replacer by 28% from 24th May to 4th December 2015.

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FIGURE 4 DAIRY FEED PRICE TRENDS



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