



THE WEEKLY AGRO WATCH



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4th April, 2016 Vol.3. No.14

In this week's issue:

- Kwacha Slightly gains
- Local maize purchases by private buyers reduces.
- Trade deficit rises by 191.4%

EVENT BROCHURE

AGRItech
EXPO
ZAMBIA

14 – 16 April 2016
GART Research Centre,
Chisamba, Zambia

FREE TO ATTEND

14 April: Commercial Farmers Focus day
15 – 16 April: Open to all agriculture professionals

Livestock Stakeholders call for Increased Monitoring

The Ministry of Fisheries and Livestock held a consultative Stakeholder Meeting on 31st March 2016 to discuss trading of fish, and processed meat. The meeting was graced by the Minister of Fisheries and Livestock, Hon. Greyford M. Monde. Stakeholders generally raised concern on the poor monitoring of the local and imported fish and livestock products. It was resolved that systems should be implemented that would curb smuggling and increase monitoring of goods In-transit. The traceability of livestock products should also be enhanced so as to ensure consumer needs are also safeguarded. The stakeholders resolved that all companies involved in importing and exporting livestock products should therefore be registered with the Ministry of Fisheries and Livestock. It was also recommended that importation of poultry mechanically deboned meat be allowed but that it should only be through companies registered with the Ministry. The Stakeholders further recommended that the Sanitary and Phyto-Sanitary Committee be re-constituted and that there should be increased involvement of the private sector in the monitoring of Livestock Trade.

It was further noted during the consultative meeting that there was need to strengthen data linkages amongst the stakeholders. Additionally, it was highlighted that the gap between wholesale and retail prices of beef was rising as the farmer offer price declined while retail prices were rising.

Trade Deficit Widens

Zambia's trade deficit for the month of February 2016, according to the Central Statistical Office, rose to K683.1 million, 191.4% above the January 2016 record. This was however below the October 2015 unprecedented trade deficit of 2, 677.8 million Kwacha. The Country has been posting trade deficits since December 2014.

Exchange Rates

The Kwacha has exhibited some slight appreciation over the last week largely due to offloading of dollars on the local market as corporates meet their month-end obligations.

CURRENCY	04/04/2016						29/03/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	10.83	11.04	0.74	0.76	15.40	15.71	11.20	11.42	0.73	0.74	15.93	16.25
Standard Chartered Bank	10.83	11.04	0.74	0.75	15.40	15.71	11.16	11.38	0.72	0.74	19.90	16.22
ZANACO	10.85	11.05	0.74	0.75	15.43	15.70	11.22	11.42	0.72	0.74	15.96	16.25
Bank of Zambia	10.92	10.94	0.74	0.75	15.58	15.61	11.31	11.33	0.7299	0.7315	15.97	16.01

Parity Prices

Domestic Import Parity Prices as at 04/04/2016

US\$/ZAR=14.67

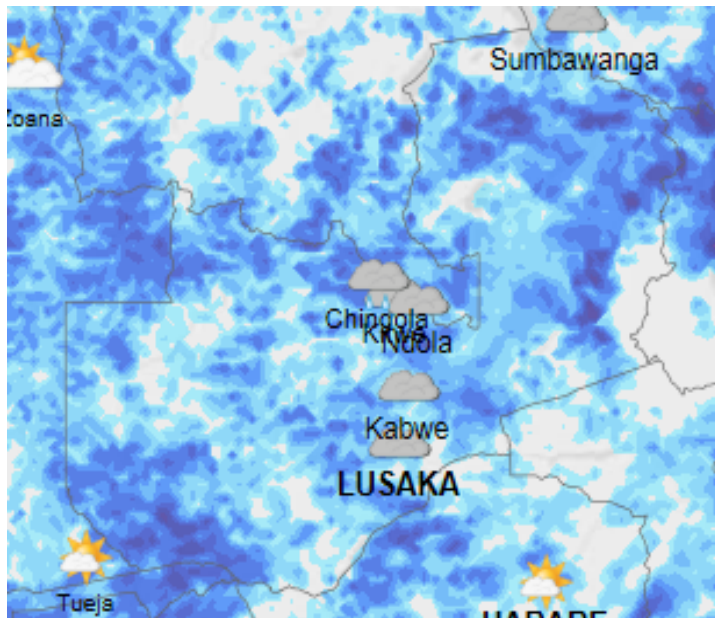
US\$/ZMW=11.05

Parity Prices		U\$/ZMW Maize	Soya	Wheat
Lusaka		11.05	488.49	565.85
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$
Chipata	275	24.89	513.38	590.74
Mkushi	225	20.36	508.85	586.21
Ndola	250	22.62	511.11	588.47
Kitwe	250	22.62	511.11	588.47

*Note: import parity prices based on May delivery

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 5th March to 11th April, 2016. Most of the areas are forecast to experience a drop in maximum temperatures.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ The 5th – 6th are expected to be partly cloudy with slight showers on the 5th. Rainfall in the range of 4-7mm forecast for the 9th & 10th with over 10mm on the 11th ➤ Average daily Temps: 17-25°C
Mkushi	<ul style="list-style-type: none"> ➤ Partly cloudy to cloudy skies forecast for the 5th-7th. 06.mm of showers forecast for the 8th. The 9th, 10th & 11th are expected to record rainfall totals of 4.7mm, 17.6mm & 4mm respectively. ➤ Average daily Temps:16-25°C
Kabwe	<ul style="list-style-type: none"> ➤ 1.1mm, 1.7mm, 1.5mm & 8mm forecast for the 5th, 7th, 10th & 11th respectively. the rest of the week is anticipated to be partly cloudy to cloudy. ➤ Average daily Temps: 15-25°C
Lusaka	<ul style="list-style-type: none"> ➤ Most of the week will partly cloudy to cloudy with 0.5-0.8mm or showers forecast for the 7th, 8th & 11th. ➤ Average daily Temps: 16-24°C

Mazabuka	<ul style="list-style-type: none"> ➤ About 6.2mm of rain is forecast for the 7th, while the 8th is expected to be cloudy with the rest of the week being partially cloudy. ➤ Average daily Temps: 17-25°C.
Choma	<ul style="list-style-type: none"> ➤ 2.4mm, 5.2mm, 0.7mm & 3.6mm of rains forecast for the 7th, 9th, 10th & 11th while the rest of week will be partly cloudy. ➤ Average daily Temps: 14 -23°C
Livingstone	<ul style="list-style-type: none"> ➤ The week is expected to be mostly partly cloudy with 0.6mm & 1.7mm of light rain forecast for the 9th & 11th. ➤ Average daily Temps: 16-26°C
Mongu	<ul style="list-style-type: none"> ➤ 5.2mm, 4.9mm & 0.7mm of rains forecast for the 5th, 6th & 8th with the rest of the week being partly cloudy. ➤ Average daily Temps: 19-29°C.
Mansa	<ul style="list-style-type: none"> ➤ 53.mm & 2mm forecast for the 5th & 8th. The rest of the week is expected to be partly cloudy to cloudy. ➤ Average daily Temps: 18-25°C.
Kasama	<ul style="list-style-type: none"> ➤ 7.2mm, 1.7mm, 0.7mm, 1.2, 0.6mm & 0.8mm forecast for the 5th, 6th, 7th, 8th, 9th, and 11th respectively. the 10th will be partly cloudy. ➤ Average daily Temps: 17-23 °C.
Solwezi	<ul style="list-style-type: none"> ➤ 0.8mm-2.2mm forecast for the 5th to 8th save for the 7th when it is expected to be partially cloudy with no rain. 7.7mm & 6.8mm of rains are forecast for the 10th & 11th respectively. ➤ Average daily Temps: 17-24°C.
Chipata	<ul style="list-style-type: none"> ➤ The week is expected to be mostly partly cloudy to cloudy with 4.8mm of rain on the 7th. ➤ Average daily Temps: 16-25°C.

Source: Norway meteorological Institute

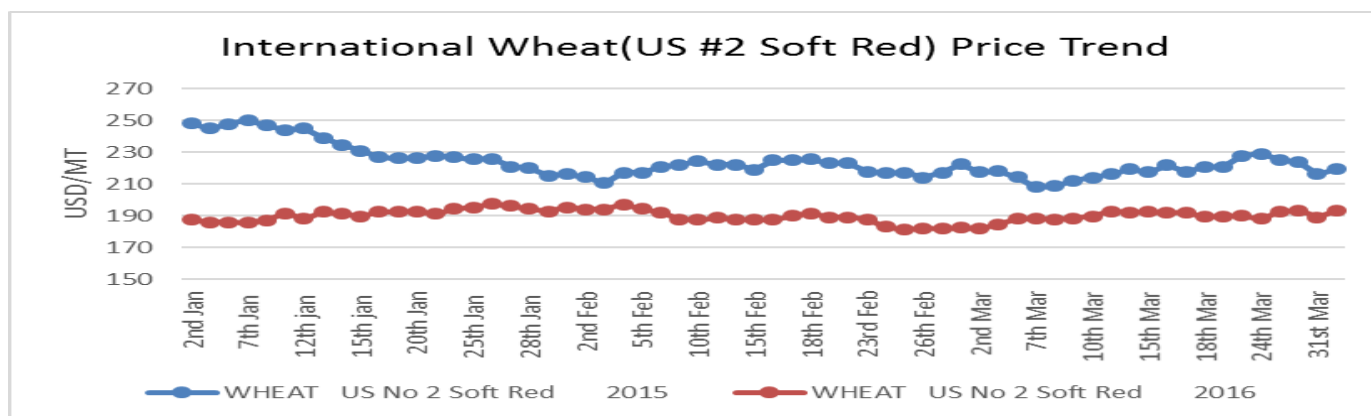
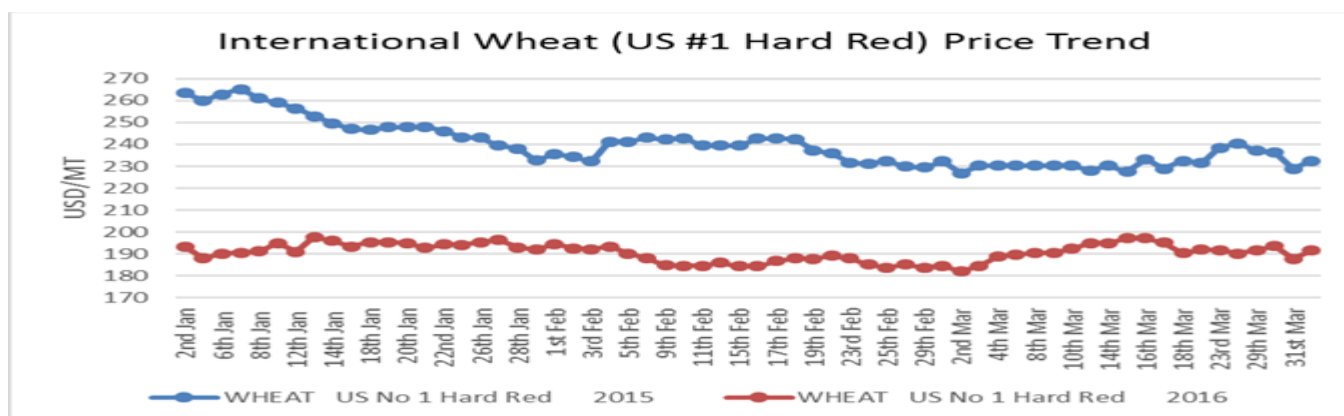
Wheat

Highlights

- Russian wheat exports for the 2015/16 marketing year (ended 29th March 2016) grew by 3.5 percent from the previous year. The country is forecast to further increase its exports from 20.58 Million tons to about 23 million tons in the 2016/17 marketing year.
- Meanwhile local wheat farmers are calling for pre-planting contracts with off-takers as the wheat planting season draws near. Some farmers still have uncommitted wheat in their sheds from last year's crop even as they contemplate sowing a new crop.
- CME wheat futures prices for May 2016 opened trading at US\$14.9/MT on 4th April 2016.

Price trends

The Safex international soft red and hard red wheat prices averaged US \$ 191.96/MT and US\$ 191.13/MT during the week ending 1st April respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



Source: Safex

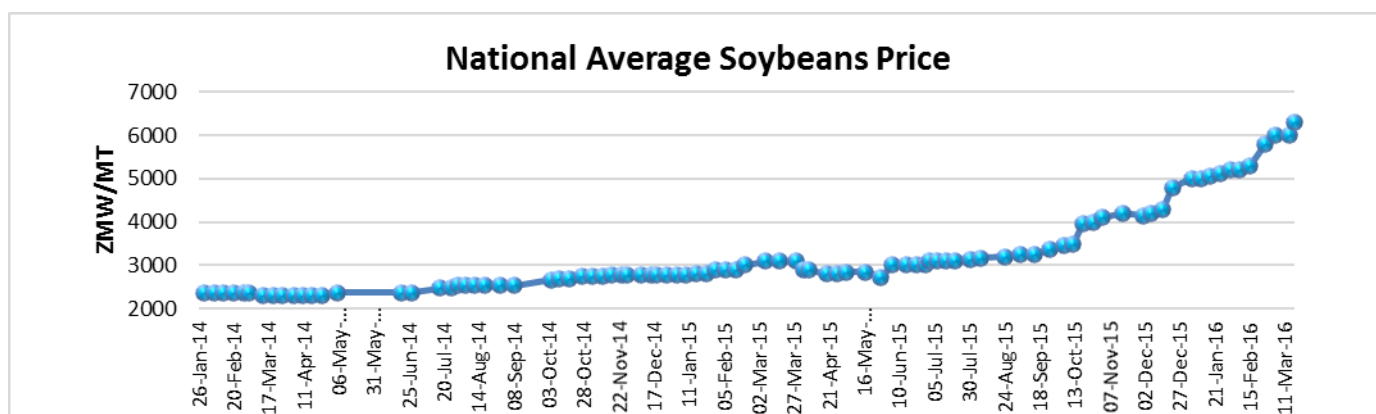
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Soya Beans

Highlights

- India has been quoted, by its local media, to have imported 10,000MT of soya meal. India is traditional an exporter of soya meal but two consecutive droughts have affected the country's production and quality of agricultural commodities which has resulted in a hike in local commodity prices. India only consumes non-GM soy currently and reduced supply of non-GM soya beans by India is likely to raise the premium paid on the commodity.
- South Africa's soya beans estimate has been lowered by 4.53% from the February estimate to 691,750MT.
- CME Soya futures price for May 2016 delivery opened trading at US\$337.45/MT on 4th April 2016.
- Local Soya beans spot prices were hovering around ZMW5, 900-6,400/MT last week according to information captured on the ZNFU market price information system.



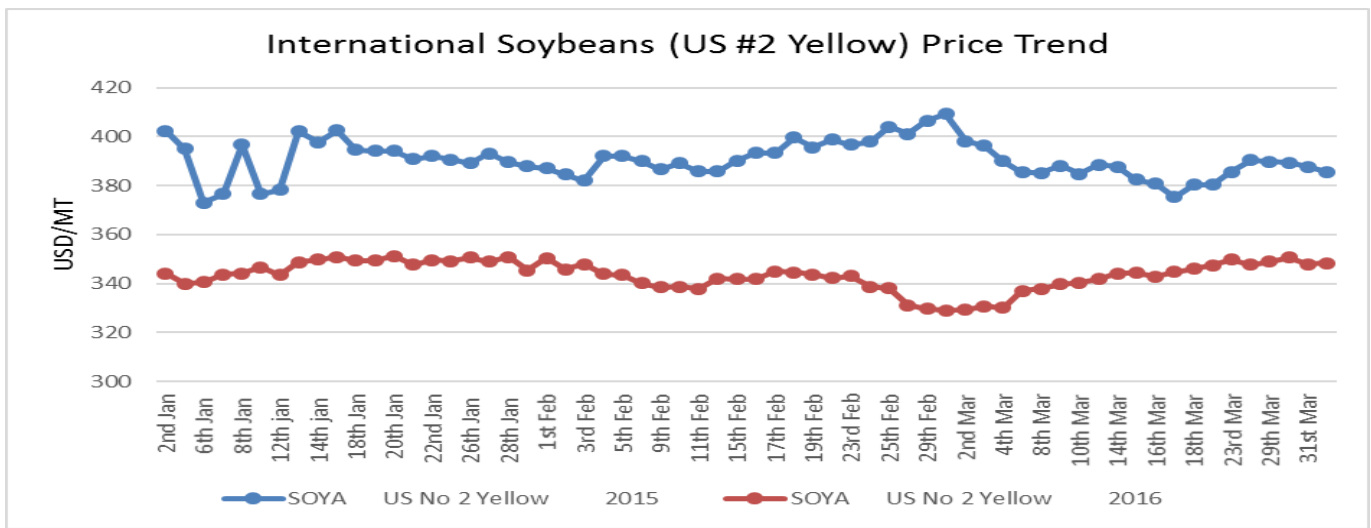
Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$348.95/MT in the week ending 1st April 2016, 0.16% above the average price of US\$348.39/MT recorded in the previous week. Prices are fob gulf.

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Source: Safex

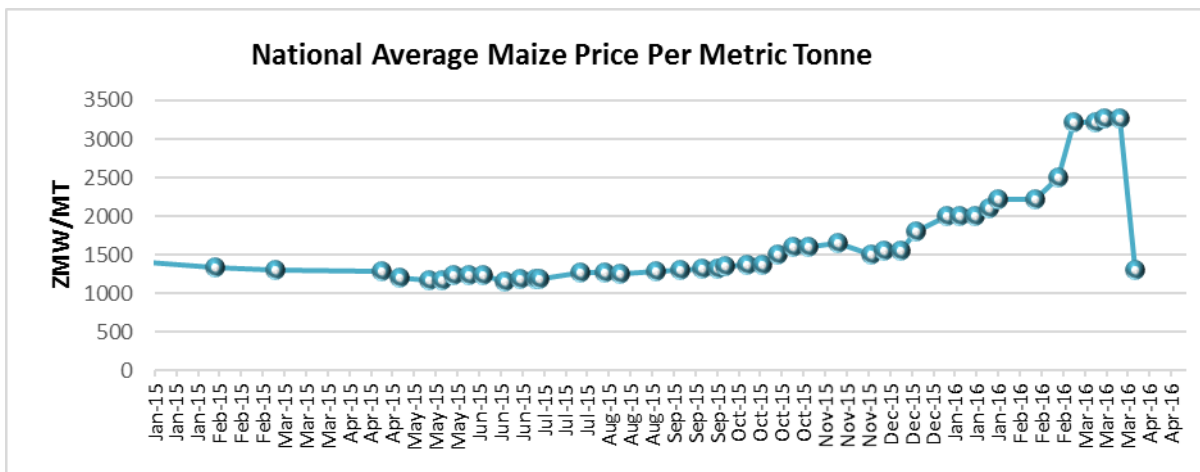
Maize

Highlights

- South Africa has revised its 2016 maize harvest prospects 2.63 % lower than the earlier estimate, on account of continued drought in the western and central parts of the Free State, as well as in the western and northern parts of the North West provinces. Total maize production estimates now stand at 7.065MT. the country's total local demand of the commodity is estimated at 10.526 million tons.
- On the local scene, a reduction of private trading has reduced with some traders on the ZNFU market information system ceasing to offer purchase prices as most millers are obtaining the staple grain from the food Reserve Agency.
- The CME Corn futures price for March 2016 delivery opened trading at US\$139.36/MT on 4th April 2016.
- Reduced offers for maize on the ZNFU market information system saw the average offer price drop to ZMW 1,300/MT in the week ending 1st April 2016.

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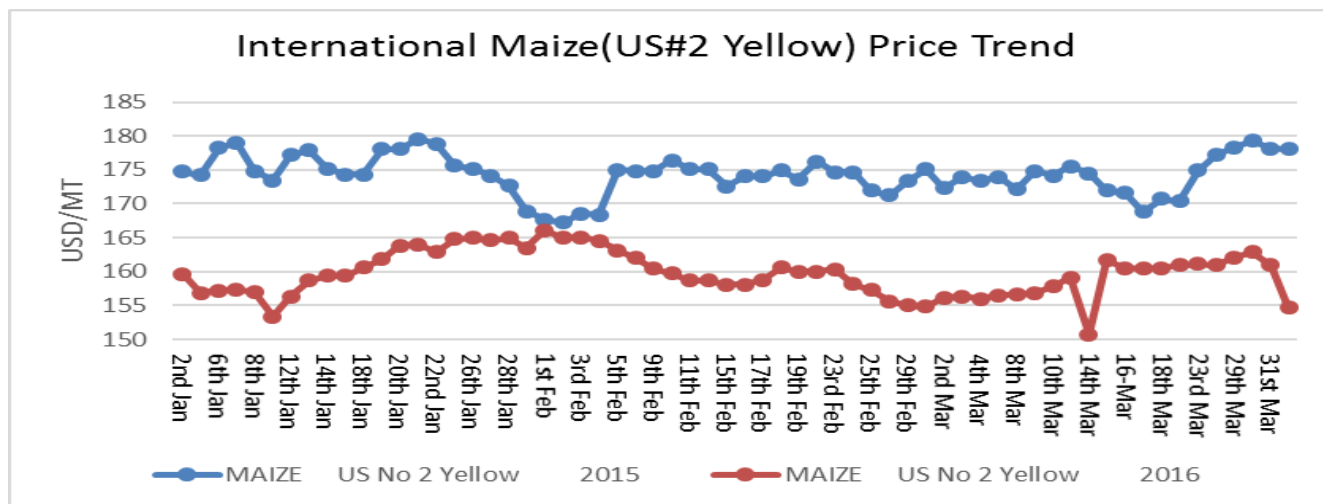




Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 160.16/ MT during the week ending 1st April 2016, 0.53% lower than the previous week's average. All prices are fob gulf.



Source: Safex

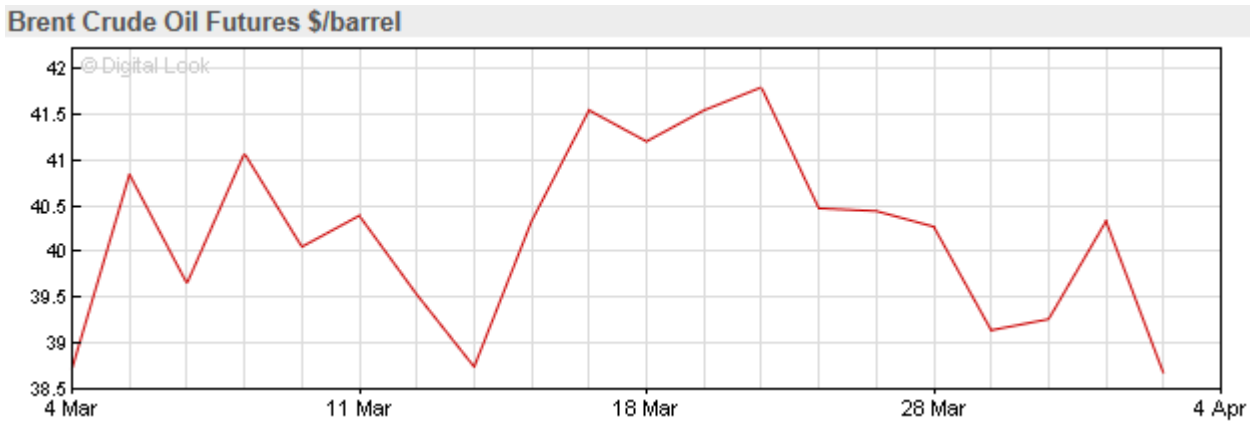
Crude oil

- Saudi Arabia's U-turn on a tentative agreement with Russia to freeze output at current production levels has fueled the nose dive in international prices. Saudi's new position is that it will only freeze output if Iran and other major producers curtail theirs'. Iran's position has however been that it would only freeze its output after its pre-sanction market share.

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- By 10:45 CAT on 4th April 2016, the Brent futures price was US\$38.5/barrel while the spot price closed Thursday's trading session at US\$38.73/barrel. About same time last year, crude oil prices were hovering around US\$65/barrel.
- The Dubai Mercantile exchange crude oil marker price for June 2016 delivery was settled at US\$35.5/barrel on 1st April 2016, down from the settlement price of US\$37.35/ barrel on 29th March 2016.

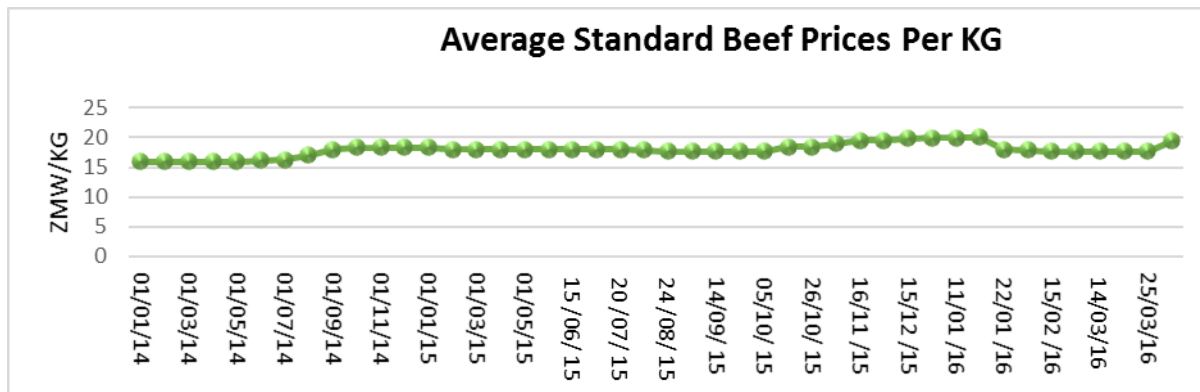


Source: BBC News, 2016.

Beef

Highlights

- The latest Rabobank Beef report has forecast South America's beef exports to rise by 11 percent in 2016 due to favorable currency values, improved access to importing countries and increased availability of beef.
- Dressed weight beef prices in Zambia were still in the range of ZMW15-24/kg during the week ending 1st April 2016. This is as monitored by the ZNFU 4455 system.



Source: ZNFU, 4455 Market Price Information System

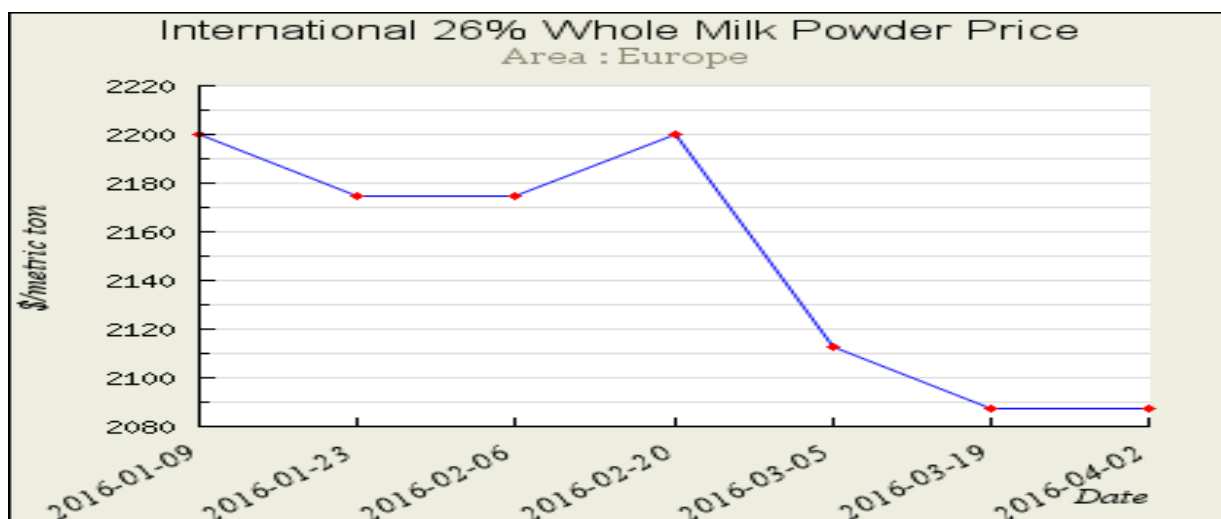
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DAIRY UPDATES FOR THE WEEK ENDING 1ST APRIL 2016

Global Whole Milk Powder Price Trends

Price of whole milk powder on the international market slumped from USD 2,200 on 9th January 2016 to USD 2,087.50 on 1st April 2016 as seen below;



Source: <http://future.aae.wisc.edu/>

Average Prices Fresh Milk, UHT and Yogurt

Average prices for dairy products increased by 4-8% during the period 25th March to 1st April 2016. Notable price increase was for a 500mls UHT tetra pack which increased by 8% from K6.70 to K7.25 as highlighted in the table below.

MILK PRODUC PRICES				
Copperbelt, Southern and Lusaka				
Ser.	PRODUCT	AVERAGE PRICE 25.03.16	AVERAGE PRICE 01.04.16	VAR (%)
1	500mls FRESH MILK	4.80	5.05	5%
2	1 Ltr FRESH MILK	16.20	16.99	5%
3	2 Ltrs FRESH MILK	17.00	18.00	6%
4	250 mls UHT MILK	4.10	4.25	4%
5	500mls UHT MILK	6.70	7.25	8%
6	1 Ltr UHT MILK	13.50	14.20	5%
7	175 mls YOGURT	6.26	6.26	0%
8	250mls DRINKING YOGURT	4.59	4.59	0%
9	500mls YOGURT	13.64	13.64	0%

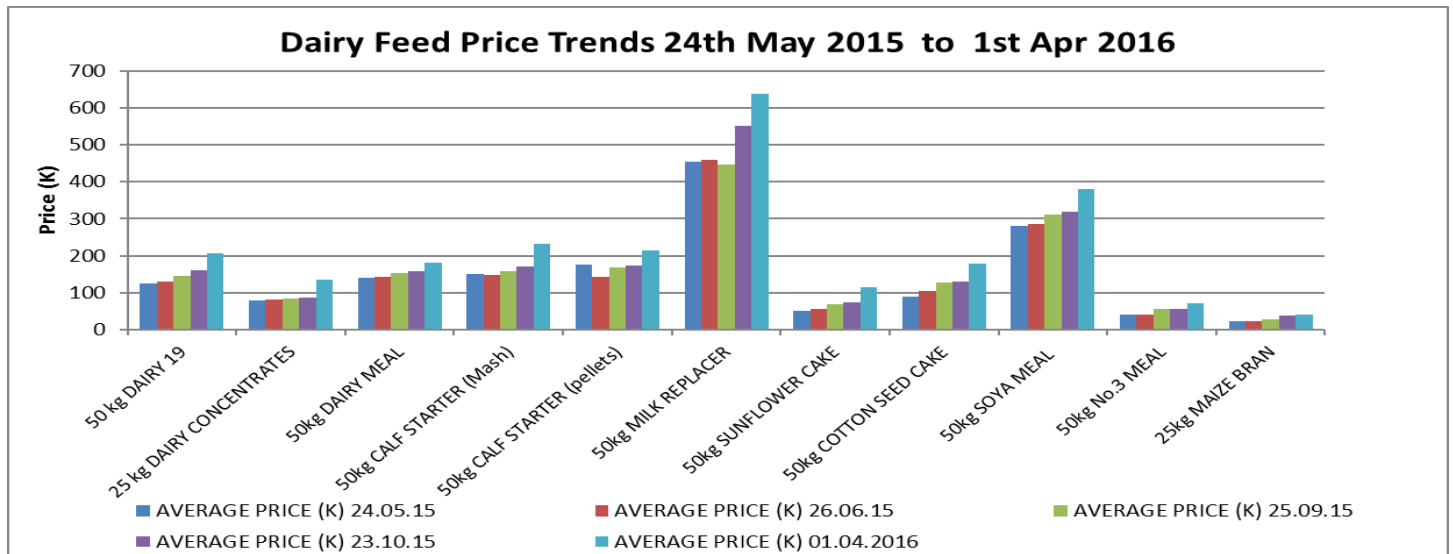
Source: DAZ, 2016

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Dairy Feed Prices

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 91% from K22 in May 2015 to K42 currently. The price of a 50 kg bag of no.3 meal increased by 80%, sunflower cake by 130% and cotton cake by 98% in the same period. The graph below highlights compares prices of dairy feed between 24th May 2015 and 1st April 2016. Prices were captured from Copperbelt, Central and Lusaka Provinces.

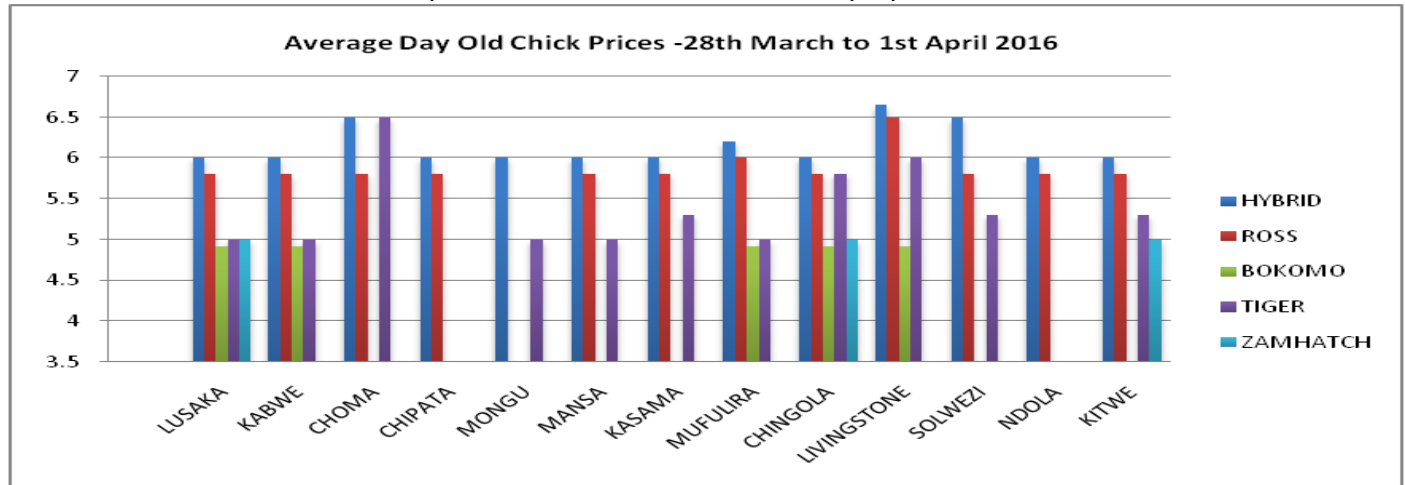


DAZ, 2016

POULTRY UPDATES FOR THE WEEK ENDING 4TH APRIL 2016

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 have been static over the past one month in the towns displayed.

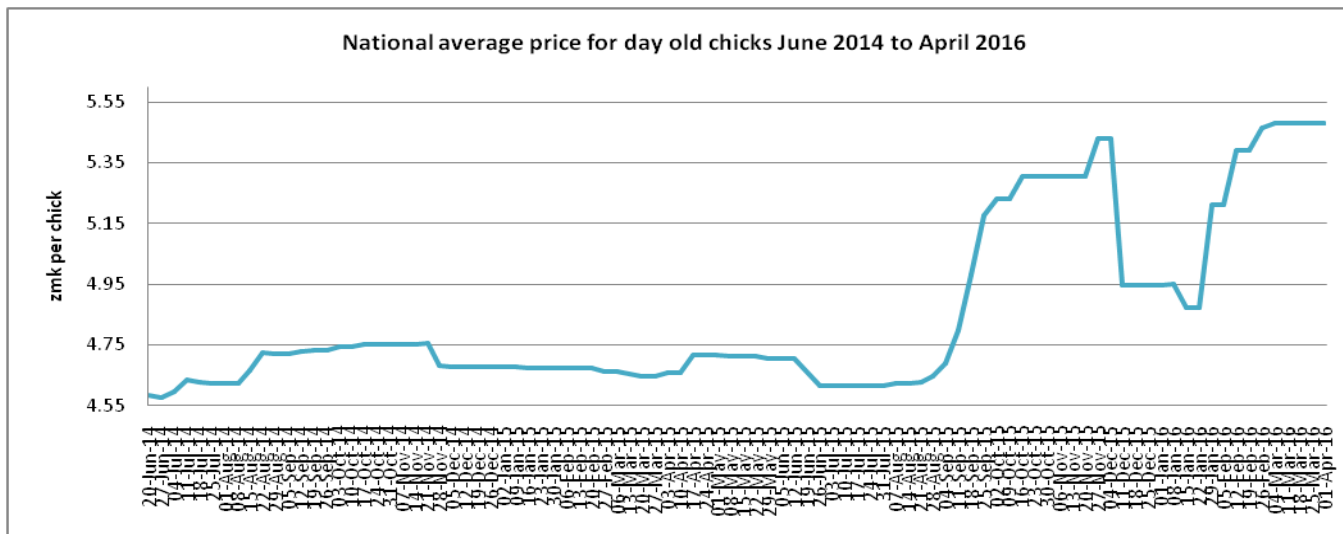


Source: Poultry Association of Zambia

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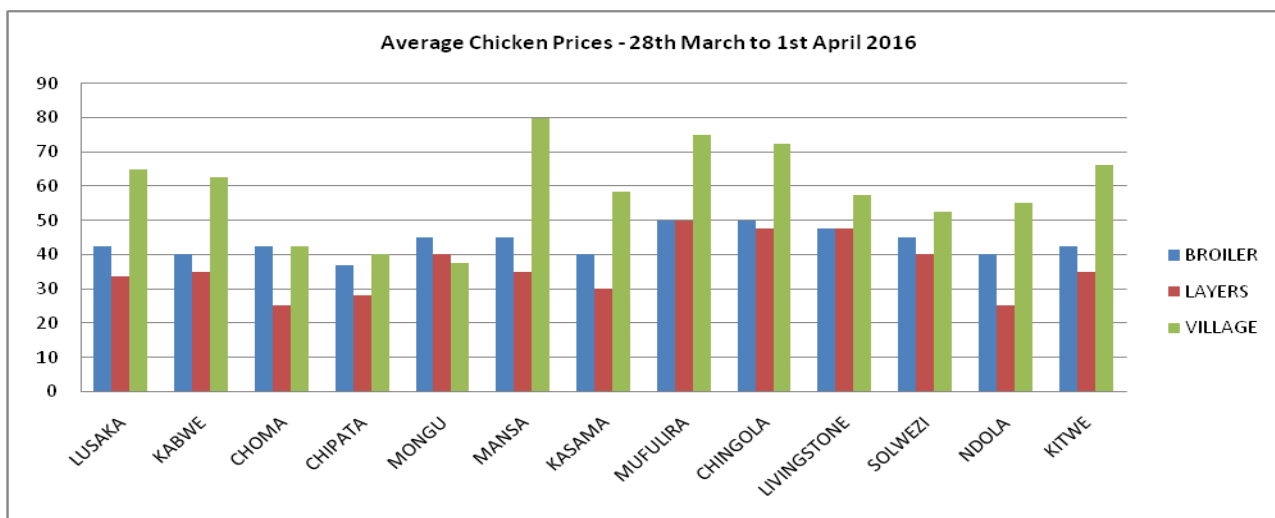
The graph below shows the national average price trend for day old chicks from June 2014 to April 2016. The graph also shows that the national average price of day old chicks has been at ZMW5.48 since 4th March 2016.



Source: Poultry Association of Zambia

Average Live Birds Prices

The graph below shows the average live bird prices in selected districts. The average price of broiler chickens in Chingola swung up from ZMW42.5 to ZMW50 over the last two weeks representing 16.7% price increase. On the other hand, the average price of ex-layers and village chicken in Chingola declined from ZMW47.5 to ZMW25 and from ZMW72.5 to ZMW60 representing 47% and 17% declines respectively.



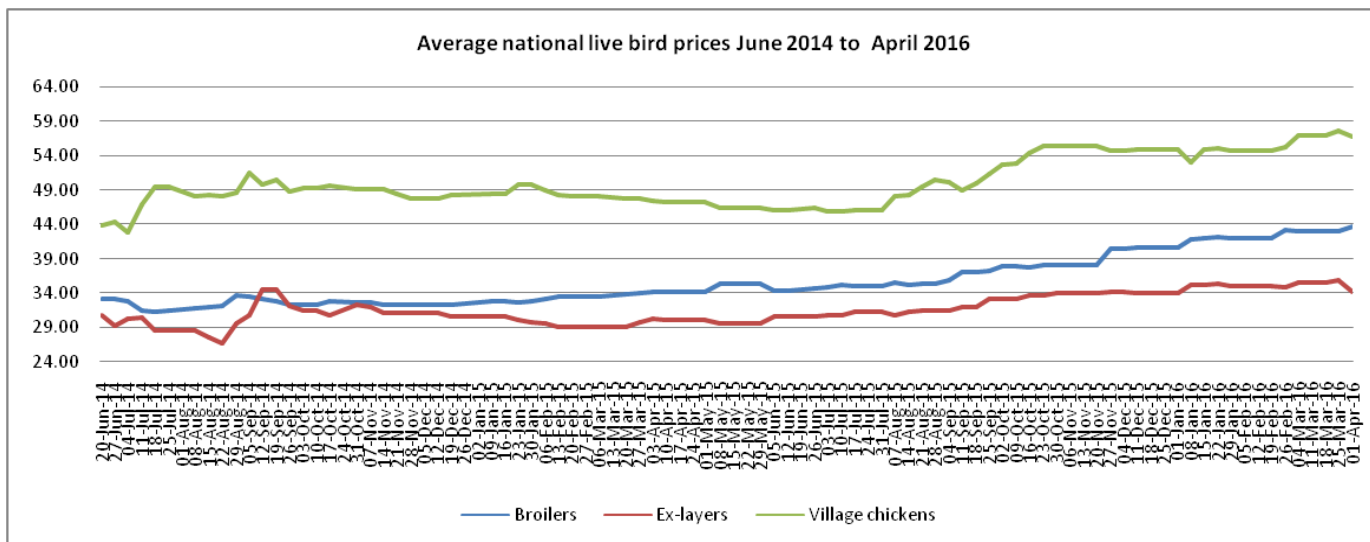
Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The graph shows that the average national price of village chickens and ex-layers declined during the course of

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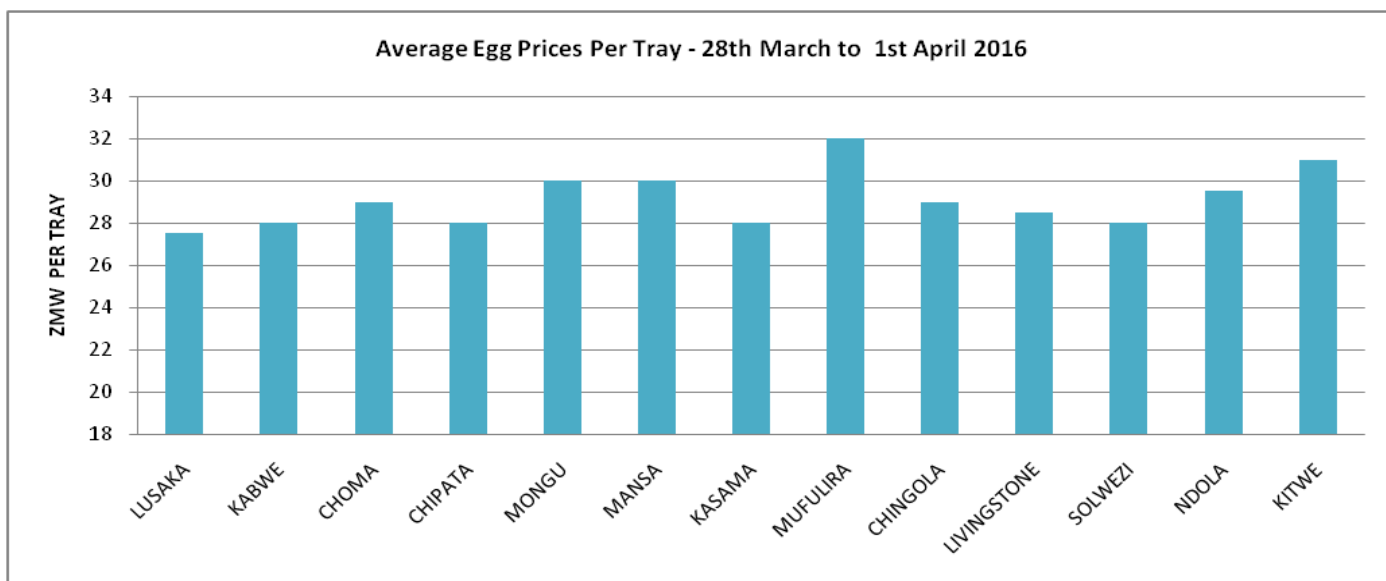
the week while the national average price of broilers went up. The national average price for broilers, ex-layers and village chickens during the course of the week was ZMW43.62, ZMW34.21 and ZMW56.76 per bird respectively.



Source: Poultry Association of Zambia

Average Egg Prices

The graph below shows average retail prices of table eggs in selected towns around the country. While prices of eggs in most of the towns remained stable last week, the average price of eggs in Chingola declined from ZMW30 to ZMW29 representing a 3% price reduction.

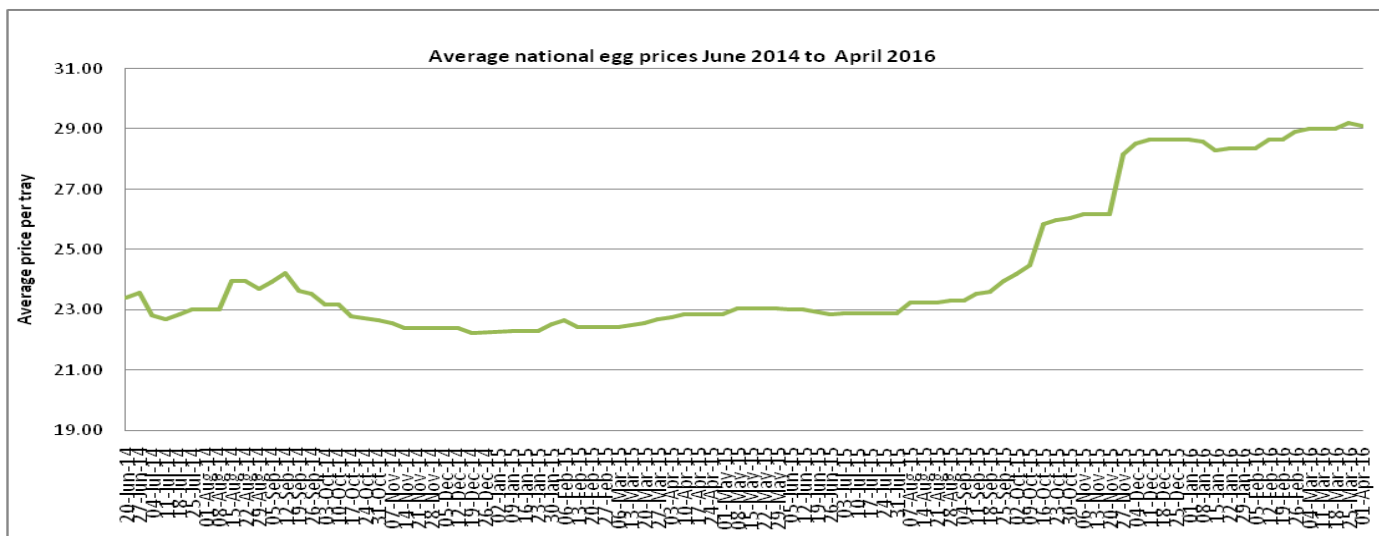


Source: Poultry Association of Zambia

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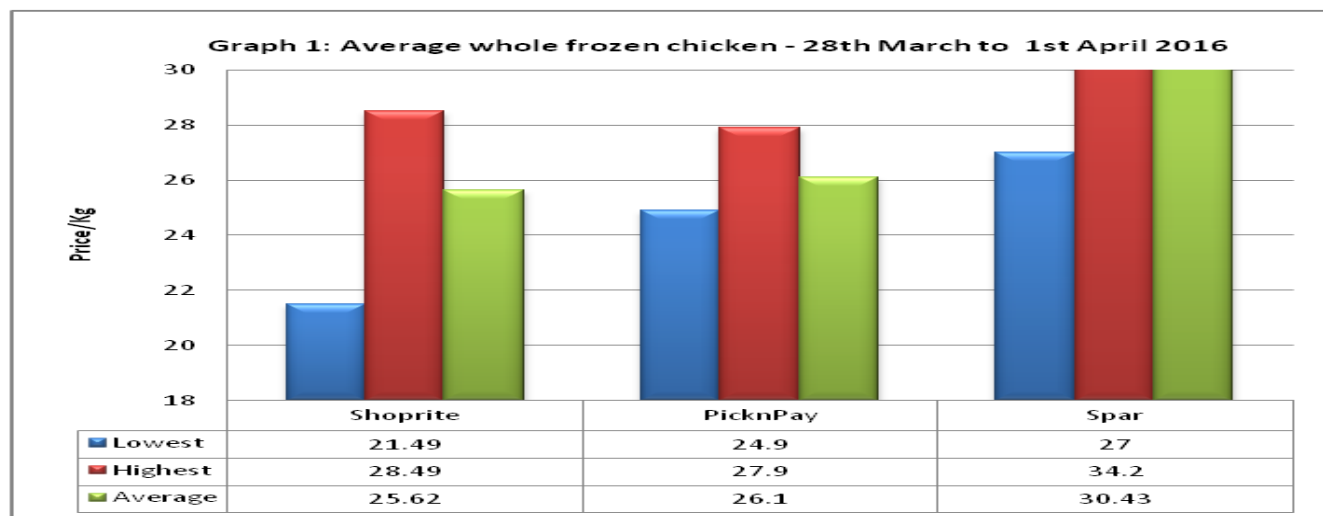
The graph below shows the price trend for a tray of eggs from mid-June 2014 to April 2016. The graph shows that the average price of eggs declined to ZMW29.12.



Source: Poultry Association of Zambia

Average Whole Dressed Chicken Prices

Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. Last week, Shoprite had the lowest average price at ZMW25.62 per Kg. On the other hand, Spar had the highest average price at ZMW30.43/Kg while the average price in Pick n’ Pay was ZMW26.10 per Kg.

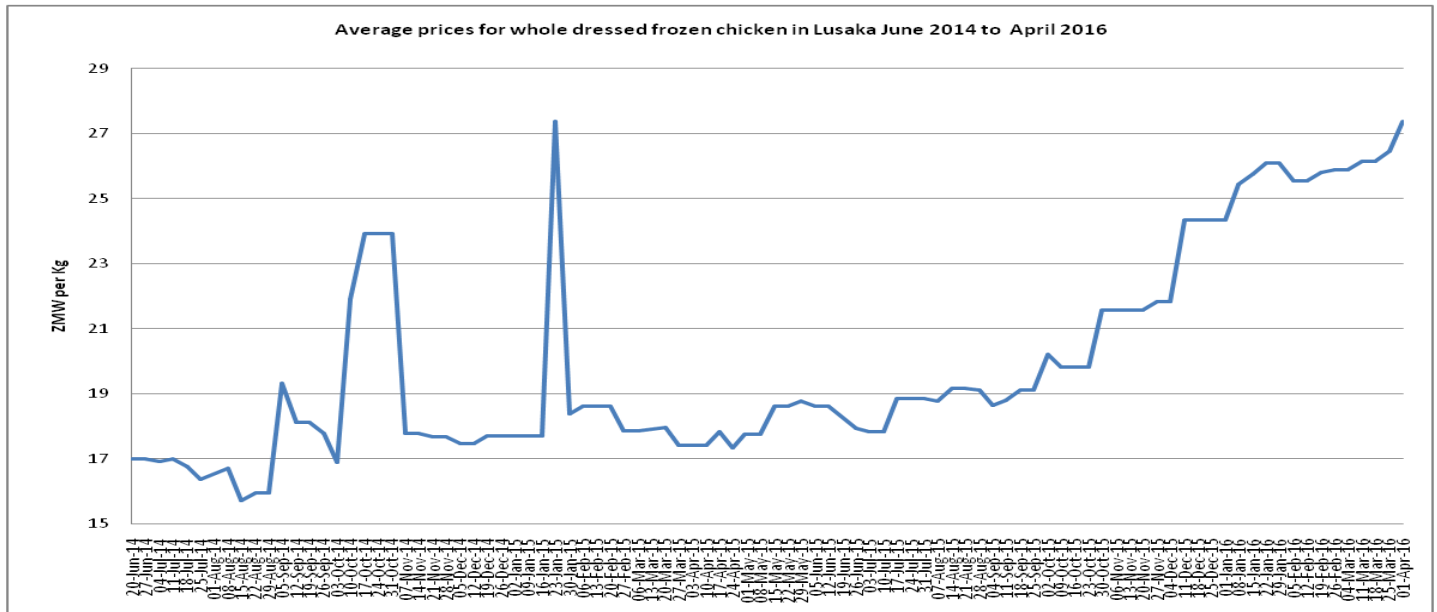


Source: Poultry Association of Zambia

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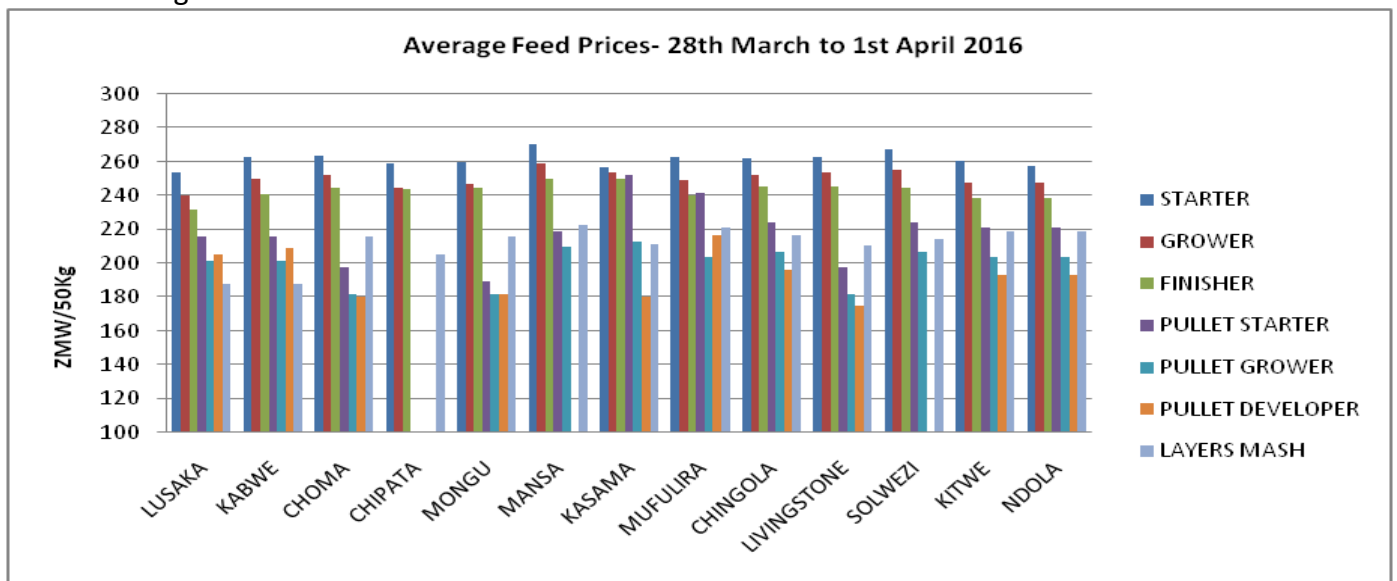
The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – April 2016. The average price for frozen whole chickens in Lusaka went up during the course of the week to ZMW27.38 per kilogram.



Source: Poultry Association of Zambia

Average Feed Prices

The graph below shows average feed prices in selected towns. There were no notable changes in the price of feed during last week.

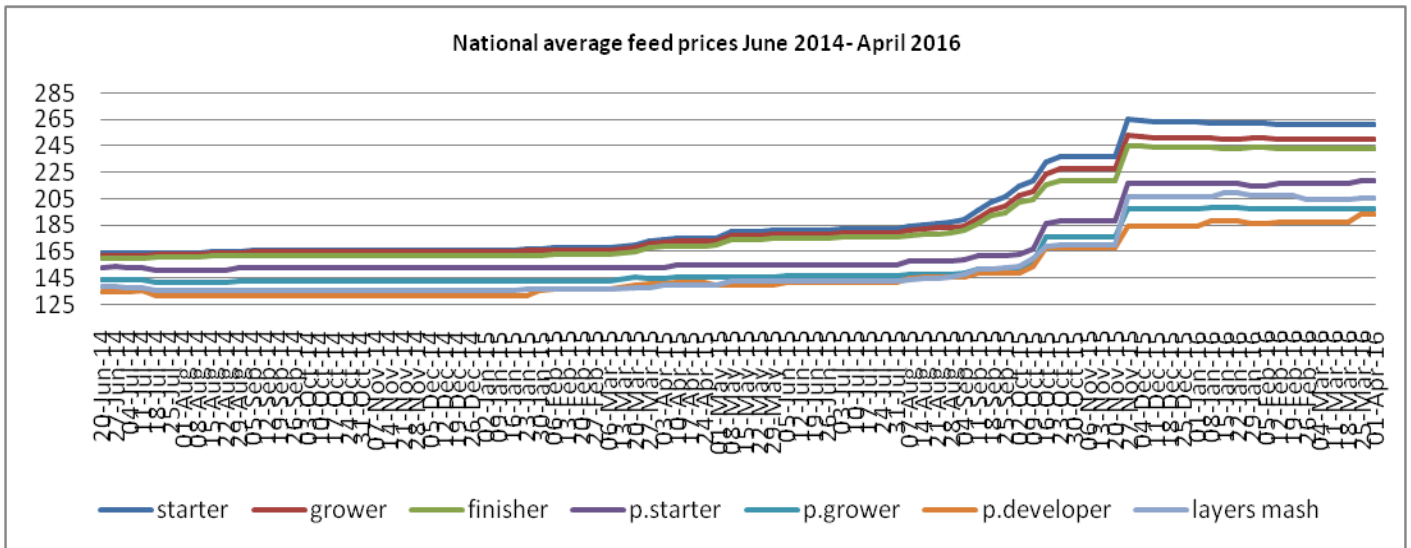


Source: Poultry Association of Zambia

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The graph below shows the national average price trend of feed from June 2014 to April 2016.



Source: Poultry Association of Zambia

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