



THE WEEKLY AGRO WATCH



Zambia National Farmers' Union, Farmers Village, Showgrounds P.O Box 30395 Tel 260-1-252649 Fax: 260-1-252648 E-mail: znfu@zamnet.zm web: www.znfu.org.zm

10th May, 2016 Vol.3. No.19



In this week's issue:

- More Maize in Northern Zambia
- Local Trade in Maize hampered
- IGC pessimistic on global soya beans output
- Average minimum temperatures forecast to drop generally

Exchange Rates

CURRENCY	09/05/2016						04/05/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.84	10.04	0.65	0.67	14.19	14.48	9.55	9.75	0.65	0.66	13.89	14.17
Standard Chartered Bank	9.81	10.01	0.65	0.66	14.17	14.45	-	-	-	-	-	-
ZANACO	9.75	9.94	0.64	0.66	14.05	14.32	9.61	9.79	0.64	0.66	13.93	14.18
Bank of Zambia	9.88	9.90	0.649	0.652	14.27	14.30	9.67	9.69	0.651	0.653	14.02	14.05

Parity Prices

Domestic Import Parity Prices as at 03/05/2016

US\$/ZAR=14.91 US\$/ZMW=10

Parity Prices		US\$/ZMW	Maize	Soya	Wheat
Lusaka		10	484.41	601.57	486.71
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	27.50	511.91	629.07	514.21
Mkushi	225	22.50	506.91	624.07	509.21
Ndola	250	25.00	509.41	626.57	511.71
Kitwe	250	25.00	509.41	626.57	511.71

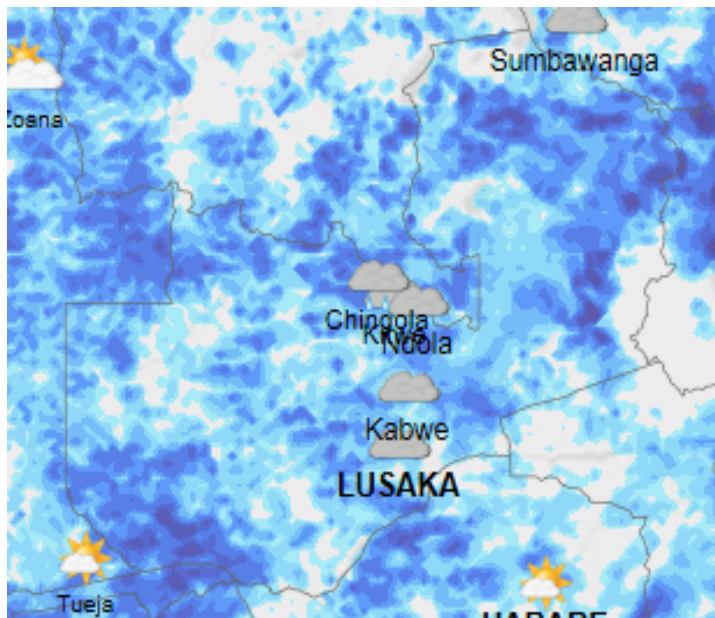
*Note: wheat import parity prices are for July delivery while the rest are for June delivery.

Export Parity Price Ranges (EPP) Harare-Lusaka as at 15th April 2016

Soya Beans	505-525
Wheat	300-427
Maize	218-281

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period, 11th to 16th May 2016. No rains are forecast as average minimum temperatures are anticipated to drop in general.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ The week will mostly have clear skies with no rains. Light to gentle breeze is expected. ➤ Average daily Temps: 12 -27°C
Mkushi	<ul style="list-style-type: none"> ➤ Clear skies with no rainfall is forecast for the week. Light to gentle breeze is expected. ➤ Average daily Temps:12-26°C
Kabwe	<ul style="list-style-type: none"> ➤ The week will mostly have clear skies with no rains. Average daily Temps: 12-26°C
Lusaka	<ul style="list-style-type: none"> ➤ The week will mostly have clear skies with no rains forecast. Light to gentle breeze is expected. ➤ Average daily Temps: 12-25°C
Mazabuka	<ul style="list-style-type: none"> ➤ Clear skies with no rainfall is forecast for the week. ➤ Average daily Temps: 12°C to 28°C.
Choma	<ul style="list-style-type: none"> ➤ The week will mostly have clear skies with no rains forecast. ➤ Average daily Temps: 11 -26°C

Livingstone	<ul style="list-style-type: none"> ➤ Mostly clear skies with no rainfall forecast for the week. Light to gentle breeze is expected. ➤ Average daily Temps: 14-29°C
Mongu	<ul style="list-style-type: none"> ➤ Mostly clear skies with no rain is forecast for the week. ➤ Average daily Temps: 16-29°C.
Mansa	<ul style="list-style-type: none"> ➤ The week will mostly have clear skies with no rains. Light to gentle breeze is expected ➤ Average daily Temps: 17-27°C.
Kasama	<ul style="list-style-type: none"> ➤ The week will have clear to fair skies. ➤ Average daily Temps: 11-26 °C.
Solwezi	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rain is forecast. ➤ Average daily Temps: 12-28°C.
Chipata	<ul style="list-style-type: none"> ➤ Mostly clear skies with no rain is forecast for the week. Light to gentle breeze is expected. ➤ Average daily Temps: 13-27°C.

Source: Norway meteorological Institute

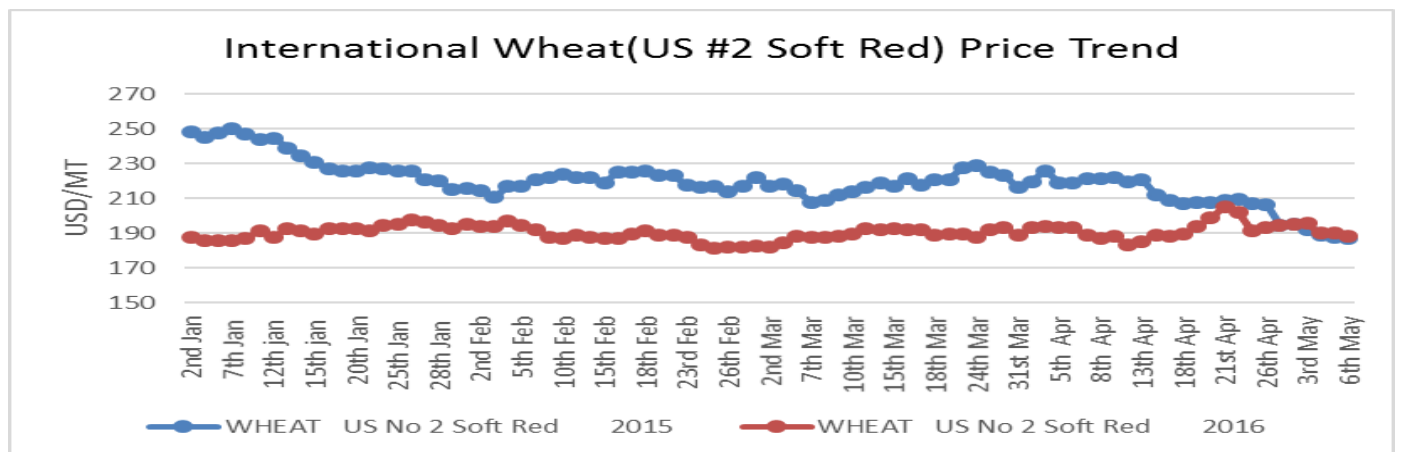
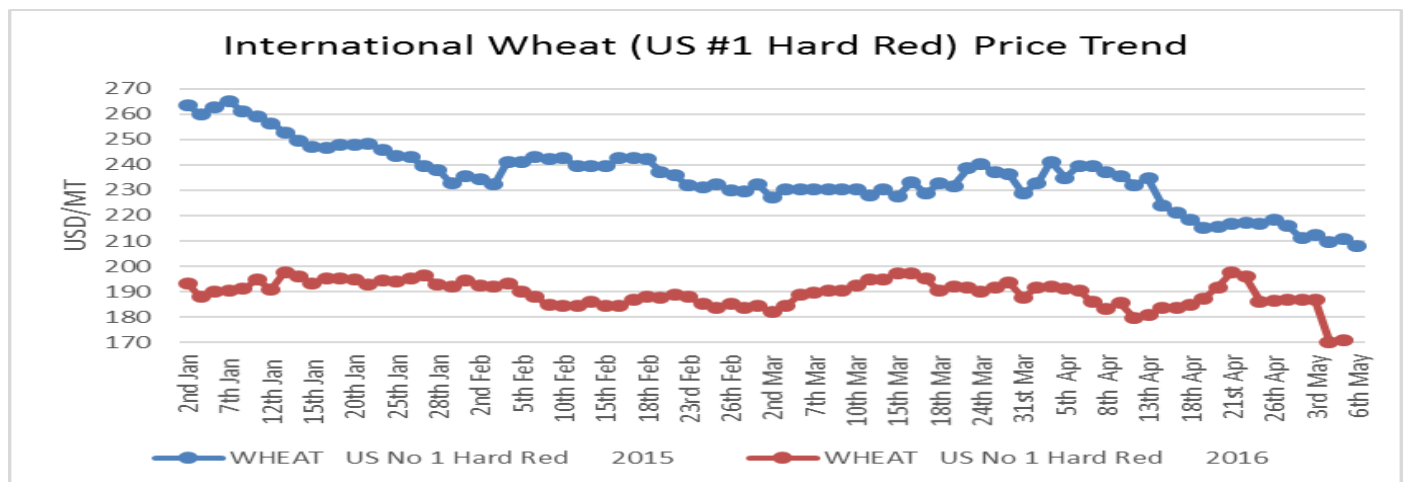
Wheat

Highlights

- Russia exported about 22.1 million tons of wheat between 1st July 2015, the onset of its marketing season, and 27th April 2016, about 9 percent higher on a year-on year basis. Expectations are for the country to increase its exports further in the 2016/17 year. This will be supported by expectations of lower government purchases of the commodity due to storage limitations.
- CME wheat futures prices for July 2016 opened trading at US\$168.8/MT on 10th May 2016.

Price trends

The Safex international soft red and hard red wheat prices averaged US\$191.07 /MT and US\$ 191.08/MT during the week ending 6th May respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



Source: Safex

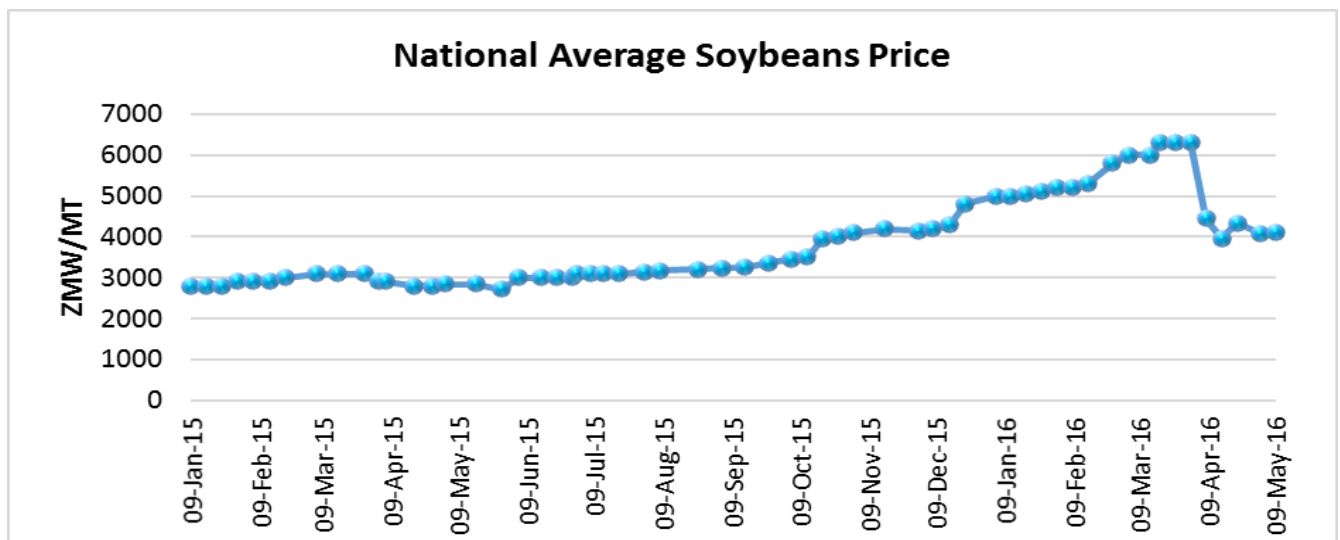
ZNFU CORPORATE SPONSORS



Soya Beans

Highlights

- The International Grain Council in its April 2016 report has intimated a bearish outlook on South America's soya beans output for the 2015/16 production year on weather concerns. The forecast 318 million tons will however be just marginally lower than last year's all-time high. A drop in Brazil, and Argentina's crop prospects, the 2nd and 3rd largest producers of soya beans respectively, would result in an upward movement in international prices.
- CME Soya futures price for July 2016 delivery opened trading at US\$376.84/MT on 10th May 2016.
- According to the ZNFU market Price Information System, average national offer prices were hovering around ZMW 4,100/MT last week as shown in the graph below;



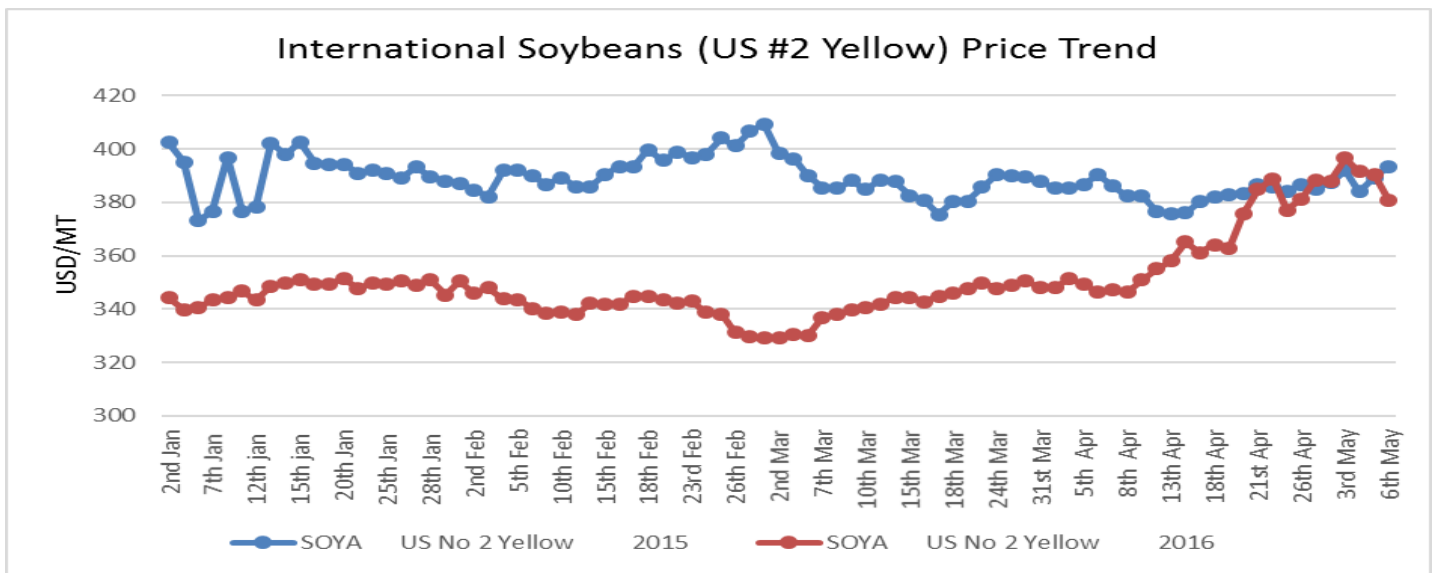
Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$389.80/MT in the week ending 6th May 2016, 1.6% above the average price of US\$383.67/MT recorded in the previous week. Prices are fob gulf.

ZNFU CORPORATE SPONSORS





Source: Safex

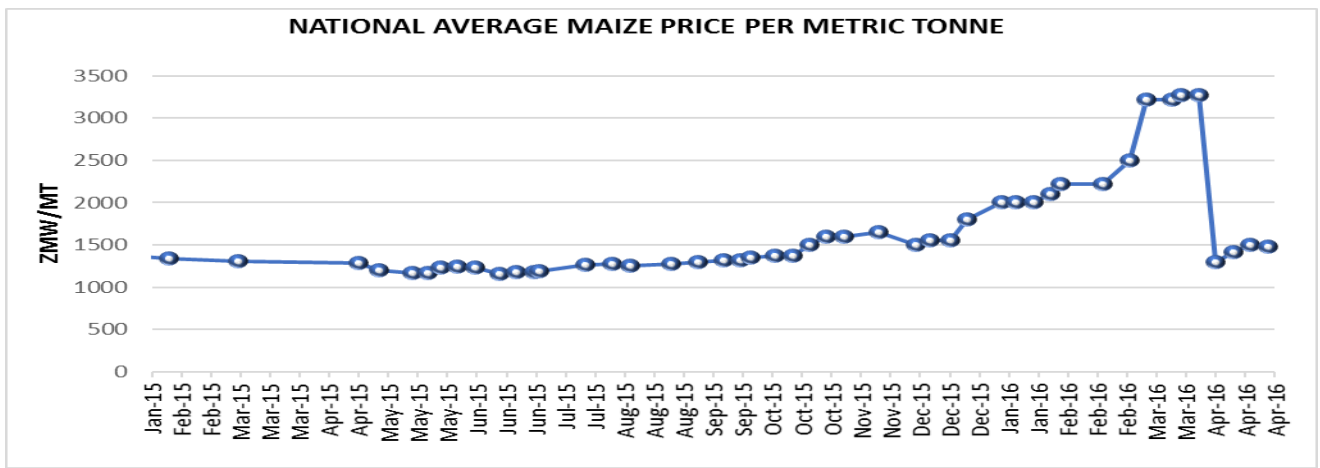
Maize

Highlights

- The crop forecast results released last week reveal that about 60 percent of Zambia’s maize crop will be from the northern half of the country. The maize marketable surplus in the Southern half provinces (i.e. Western, Northern Western and Southern Provinces) has risen in comparison to the previous year save for Eastern Province which is anticipated to record a 51.8 percent drop in its maize sales during the 2016/17 marketing seasons.
- The restrictions in maize movements by government are causing bottlenecks as the early maize harvesters in Mkushi try to deliver their produce to Lusaka millers. Maize movements were restricted about a month ago in an effort to curb smuggling of maize obtained from the Food Reserve Agency across borders.
- Meanwhile, the maize value chain is anxiously awaiting the announcement of the FRA maize purchase price and governments policy direction for the marketing of maize in the 2016/17 season.
- The CME Corn futures price for July 2016 delivery opened trading at US\$145.11/MT on 10th May 2016.
- The maize average offer price on the ZNFU market information system was ZMW 1552/MT in the week ending 10th May 2016 as shown below:

ZNFU CORPORATE SPONSORS

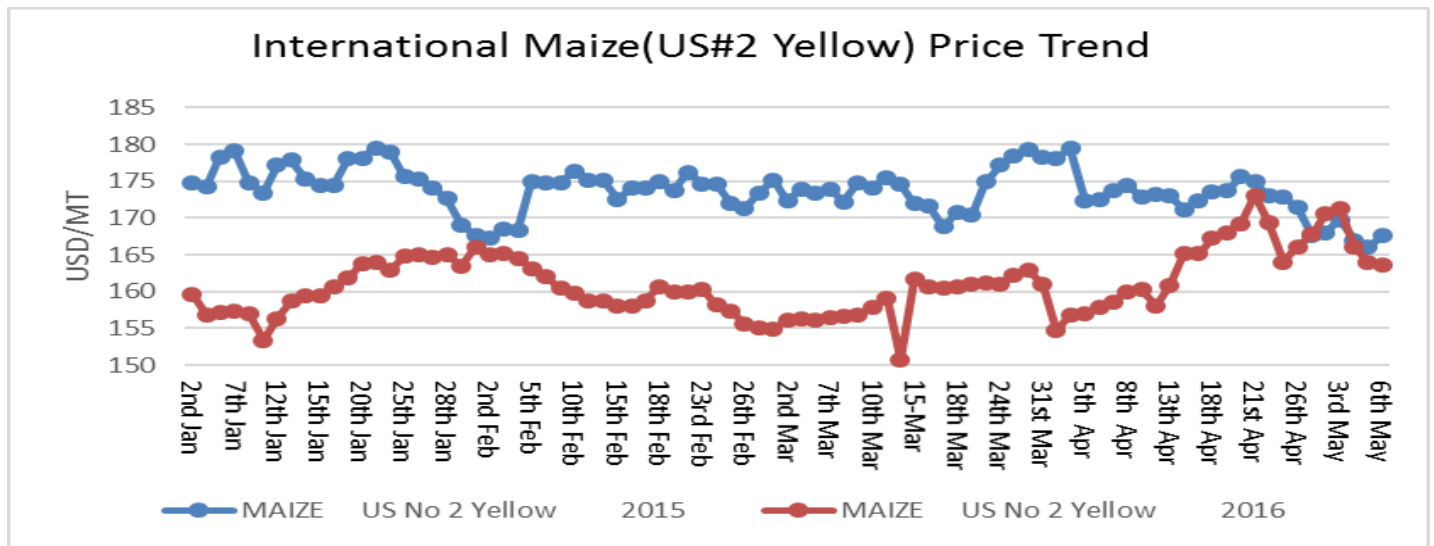




Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 166.22/ MT during the week ending 6th May 2016, 0.53% lower than the previous week's average. All prices are fob gulf.



Source: Safex

Crude oil

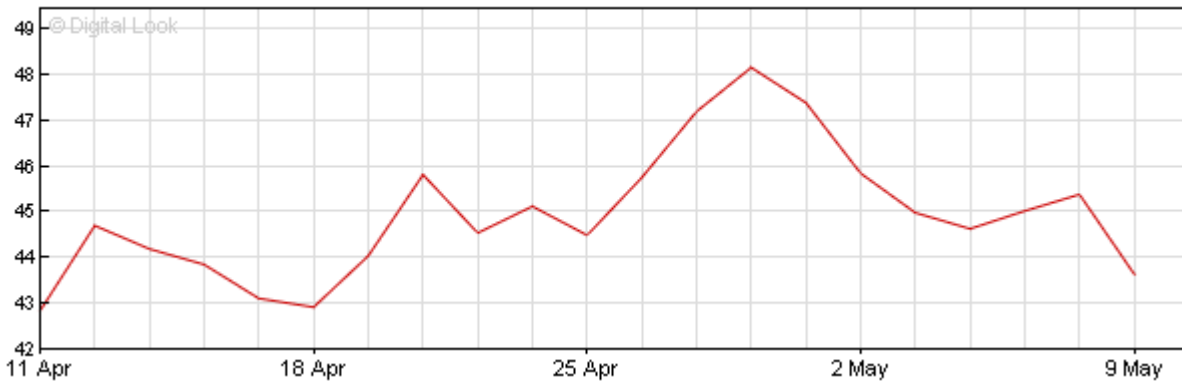
- Despite falling crude oil output by Canada due to raging wildfires, internal oil prices have generally been slumping due to positive supply prospects from the US.
- Brent crude oil futures prices closed trading on 10th May 2016 around US\$44.23/barrel while spot prices were hovering around US\$43.77/barrel the previous day.

ZNFU CORPORATE SPONSORS



- The Dubai Mercantile exchange crude oil marker price for July 2016 delivery settled at US\$40.60/barrel on 9th May 2016, down from the settlement price of US\$43.96/ barrel on 25th April 2016.

Brent Crude Oil Futures \$/barrel

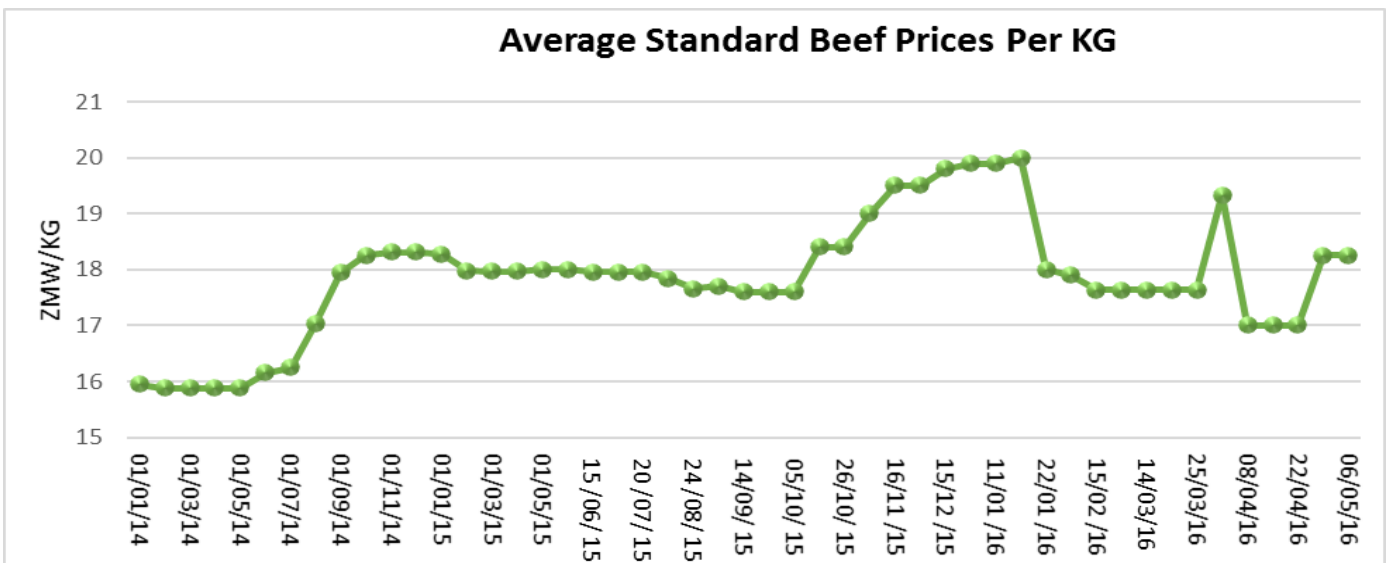


Source: BBC News, 2016.

Beef

Highlights

- Namibian grade A beef prices in abattoirs, captured by the Namibian Meat board, was trading in the range of ZAR31.1-37.06/kg during the week ending 9th May 2016. The auction price for heifers and weaners was ZAR15.92/kg and ZAR 16.56/kg respectively on 29th April 2016.
- Dressed weight average beef prices in Zambia was ZMW18.25/kg during the week ending 9th May 2016. This is as monitored by the ZNFU 4455 system.



Source: ZNFU, 4455 Market Price Information System

ZNFU CORPORATE SPONSORS

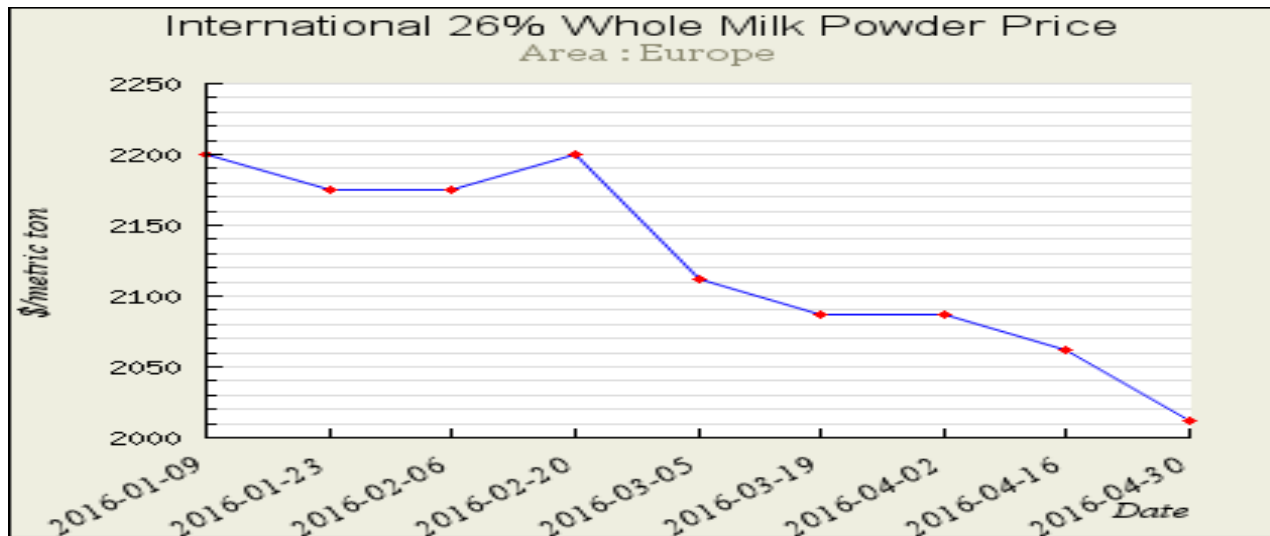


DAIRY UPDATES FOR THE WEEK ENDING 6th MAY 2016

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 2,012.50** on 30th April 2016 as seen below;

FIGURE 1 AVERAGE MONTHLY WHOLE MILK POWDER PRICES 30th APRIL 2016



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

AVERAGE PRICES OF FRESH MILK, UHT AND YOGURT

Average prices for dairy products remained relatively constant during the period 29th April to 6th May 2016. Notable price adjustment was that for drinking yogurt that recorded a slight increase of 3% from K4.45 to K4.59.

ZNFU CORPORATE SPONSORS

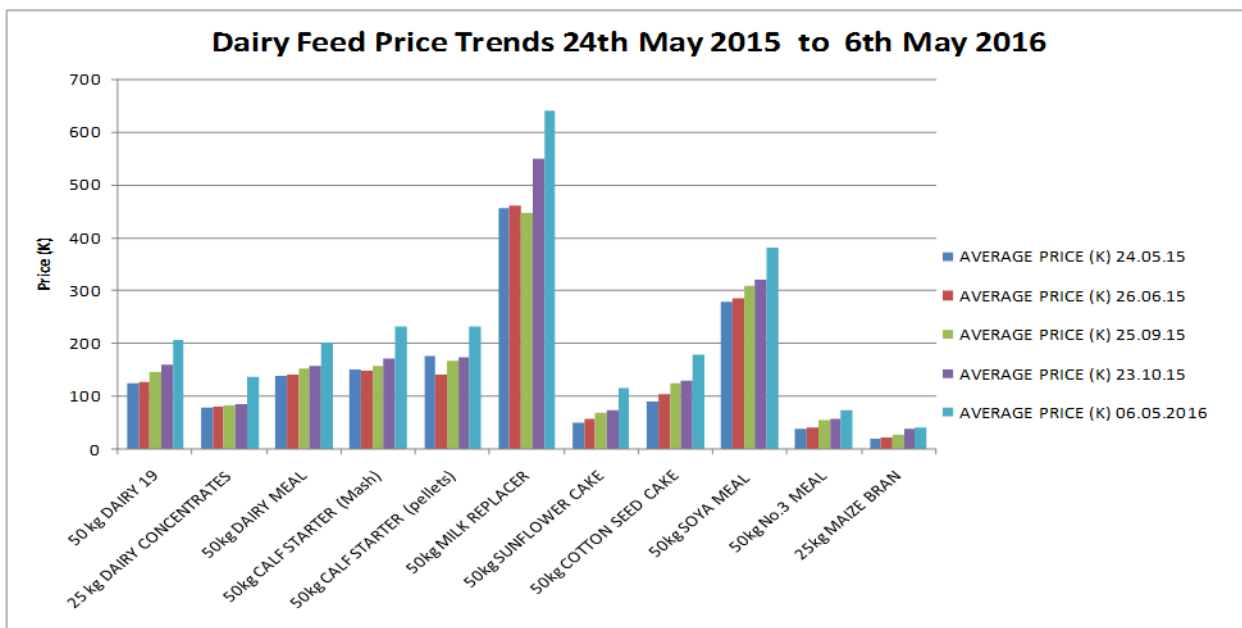


MILK PRODUCT PRICES				
Copperbelt,Southern and Lusaka				
Ser.	PRODUCT	AVERAGE PRICE 29.04.16	AVERAGE PRICE 06.05.16	VAR (%)
1	500mls FRESH MILK	5.05	5.05	0%
2	1 Ltr FRESH MILK	10.30	10.30	0%
3	2 Ltrs FRESH MILK	18.00	18.00	0%
4	250 mls UHT MILK	4.30	4.25	-1%
5	500mls UHT MILK	7.30	7.25	-1%
6	1 Ltr UHT MILK	14.20	14.20	0%
7	175 mls YOGURT	6.20	6.26	1%
8	250mls DRINKING YOGURT	4.45	4.59	3%
9	500mls YOGURT	13.60	13.64	0%

Source: DAZ MAY , 2016

NATIONAL AVERAGE 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 on 6th May 2016. The price of a 50kg bag of no.3 meal increased by 85%,sunflower cake by 132%,cotton cake by 99% in the same period.



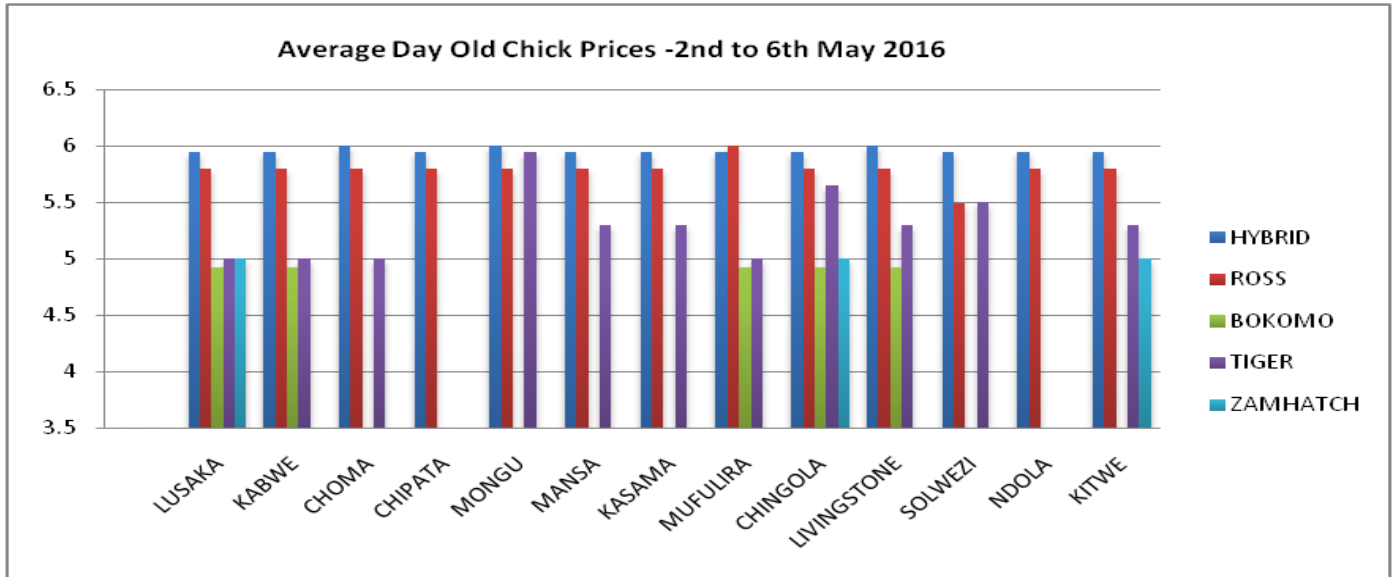
Source: DAZ, 2016

ZNFU CORPORATE SPONSORS



AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected town. There have been downward price adjustments in some towns, however according to industry players’ sales of day old chicks have significantly slowed down and this has been attributed to the high cost of production in the poultry sector making some farmers either scale down or pull out of poultry production.

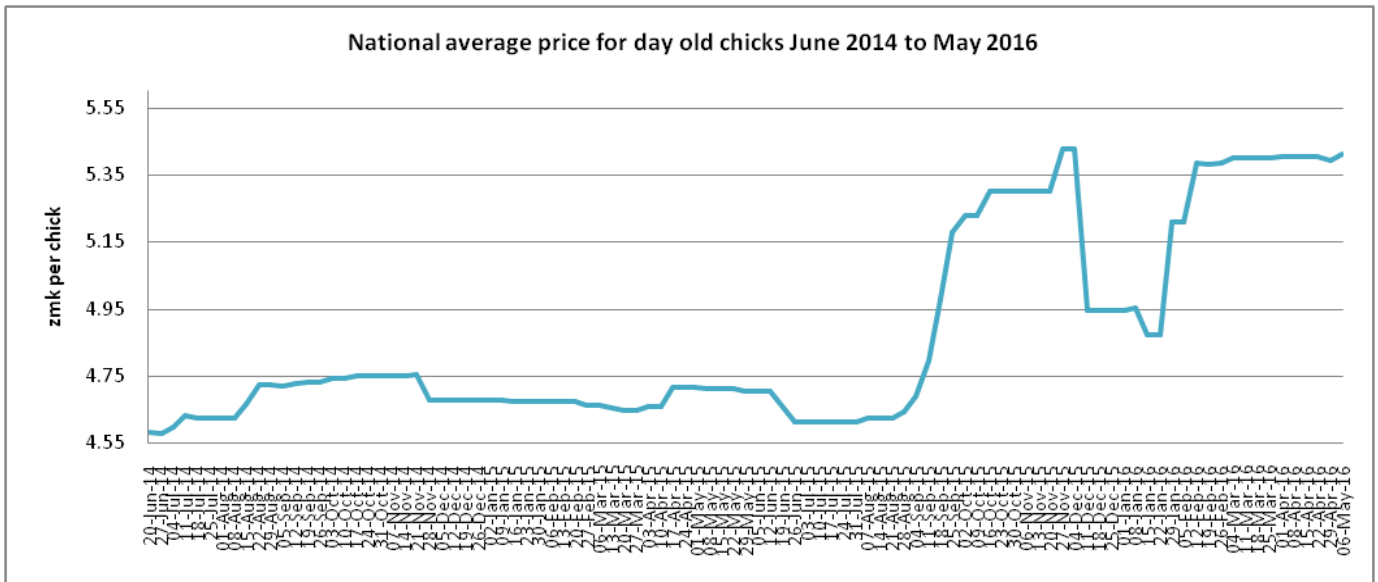


Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to May 2016. According to the graph the national average price of day old chicks during the course of the week was ZMW5.41.

ZNFU CORPORATE SPONSORS

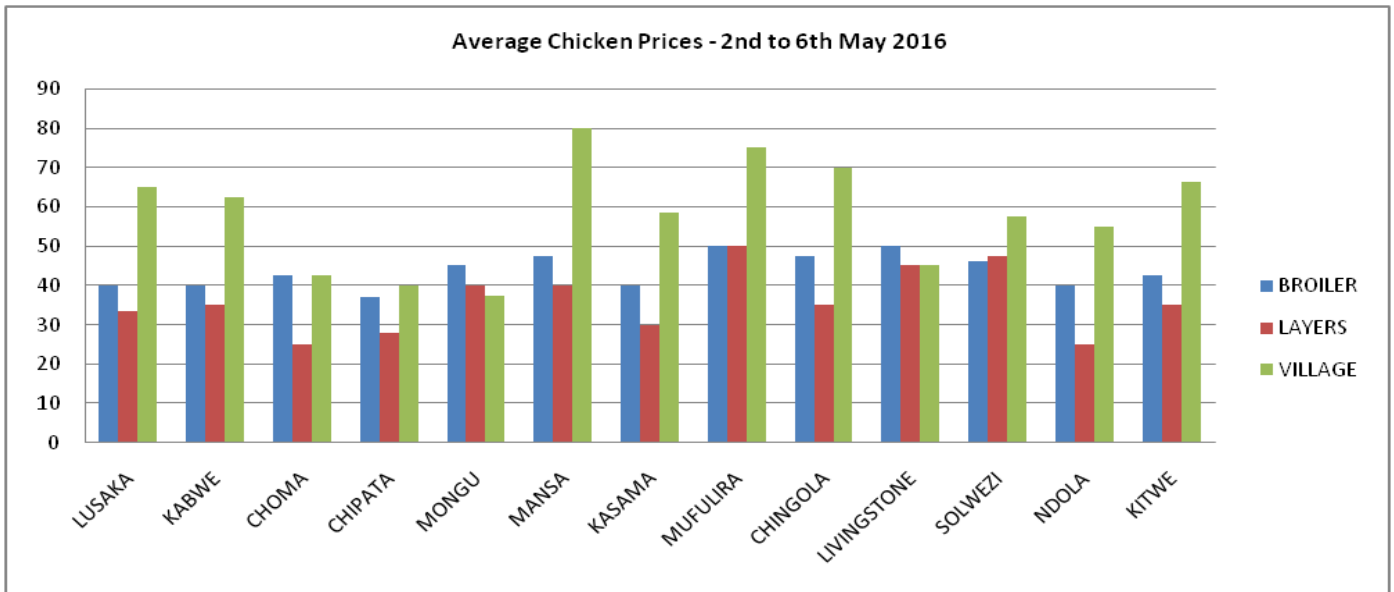




Source: Poultry Association of Zambia

AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in selected towns. Prices of live birds in most towns were stable during the course of the week. However, farmers have complained that selling of birds now takes longer than it used to, thereby adding onto many challenges that farmers are already faced with. Keeping birds for longer period is a cost to the farmer resulting in tightened profit margins.

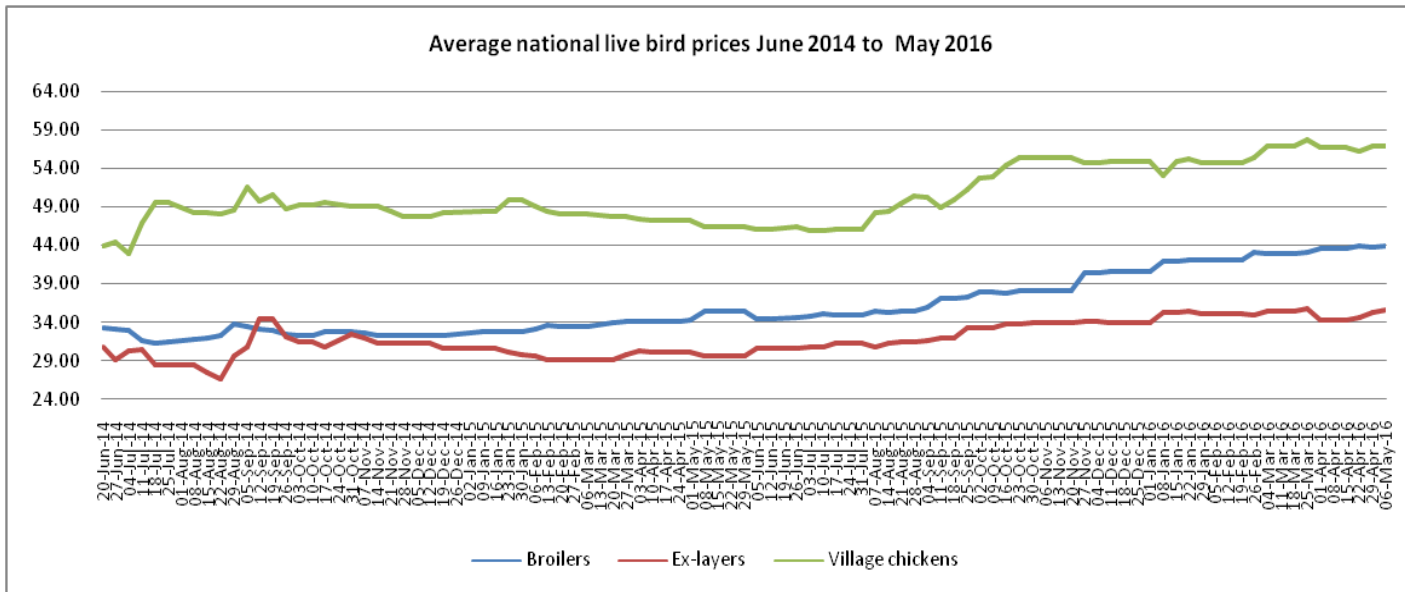


Source: Poultry Association of Zambia

ZNFU CORPORATE SPONSORS



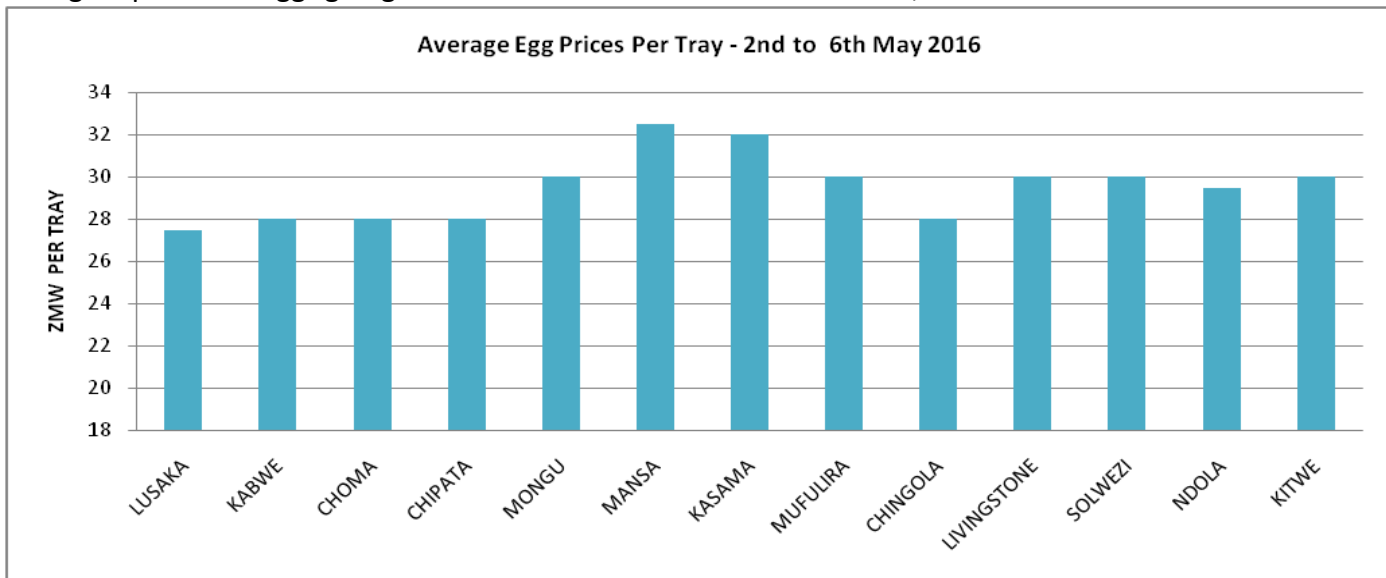
The graph below shows the national average price trends for live broilers, ex-layers and village chickens. The national average price for broilers, ex-layers and village chickens during the course of the week was ZMW43.69, ZMW35.64 and ZMW56.93 respectively.



Source: Poultry Association of Zambia

AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Over the past few weeks, egg farmers in some towns have been faced with lower demand coupled with reduced egg prices. Most of this has been said to be caused by the reduced purchasing power by consumers. Despite farm gate prices for eggs going as low as ZMW23 in Lusaka for instance, demand has been on the lower side.

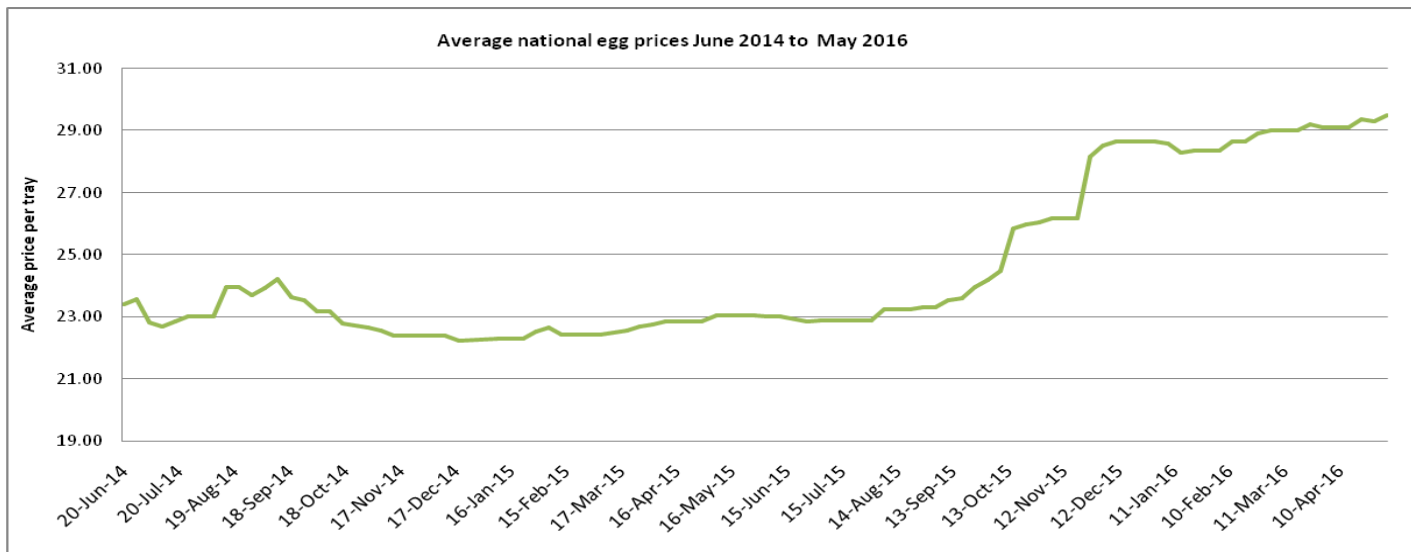


ZNFU CORPORATE SPONSORS



Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to May 2016. According to the graph the national average price for a tray of eggs is ZMW29.50



Source: Poultry Association of Zambia

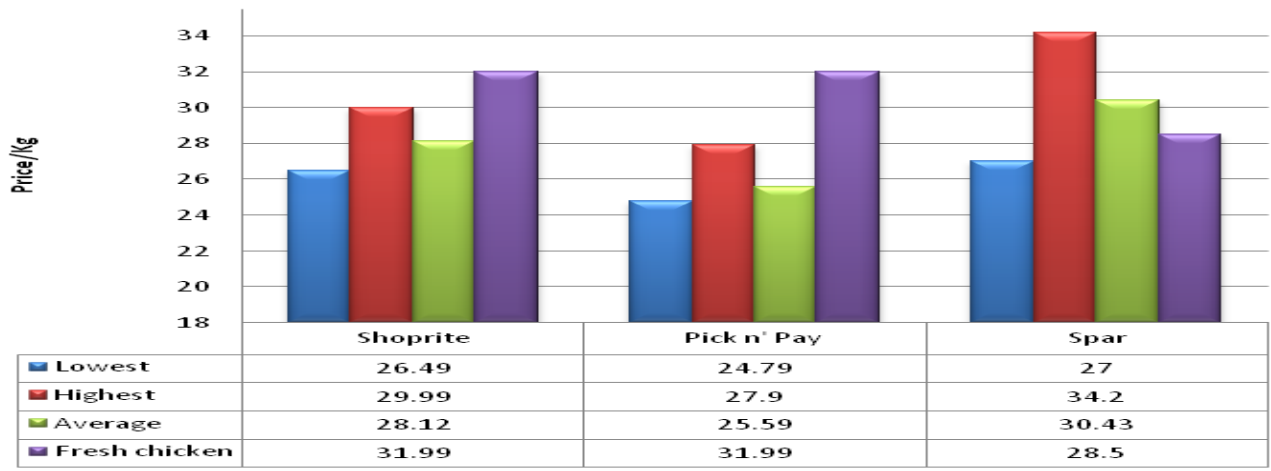
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. Spar maintained the highest average price at ZMW30.43/kg with the lowest and highest going for ZMW27/kg and ZMW34.20/kg respectively. Pick n’ Pay also maintained the lowest average price for frozen whole chicken at ZMW25.59/kg with the lowest priced chicken at ZMW24.79/kg and the highest going for ZMW27.90 per kg. On the other hand, the average price for frozen whole chicken in Shoprite was ZMW28.12 /kg with the lowest going for ZMW26.49/kg and the highest going for ZMW29.99/kg. Meanwhile the average price for fresh whole chickens in Shoprite, Pick n Pay and Spar was ZMW31.99, ZMW31.99 and ZMW28.50 per kilogram respectively. Other prices include frozen whole chicken in Zambeef outlets at ZM25.90/kg and ZMW30/kg in Melissa Supermarket.

ZNFU CORPORATE SPONSORS



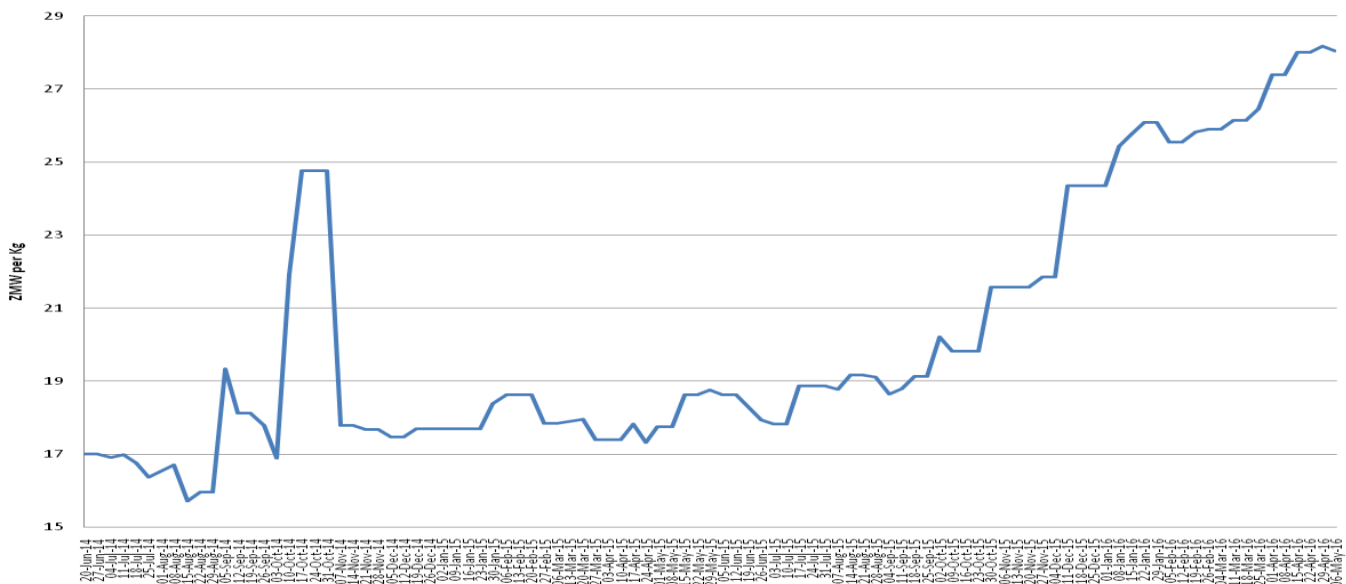
Graph 1: Average whole frozen chicken - 2nd to 6th May 2016



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – May 2016. The average price of frozen whole chicken in Lusaka during the course of the week was ZMW28.17/kg which is 50.57% up from the average price of ZMW17.5/kg during a similar period of 2015.

Average prices for whole dressed frozen chicken in Lusaka June 2014 to May 2016



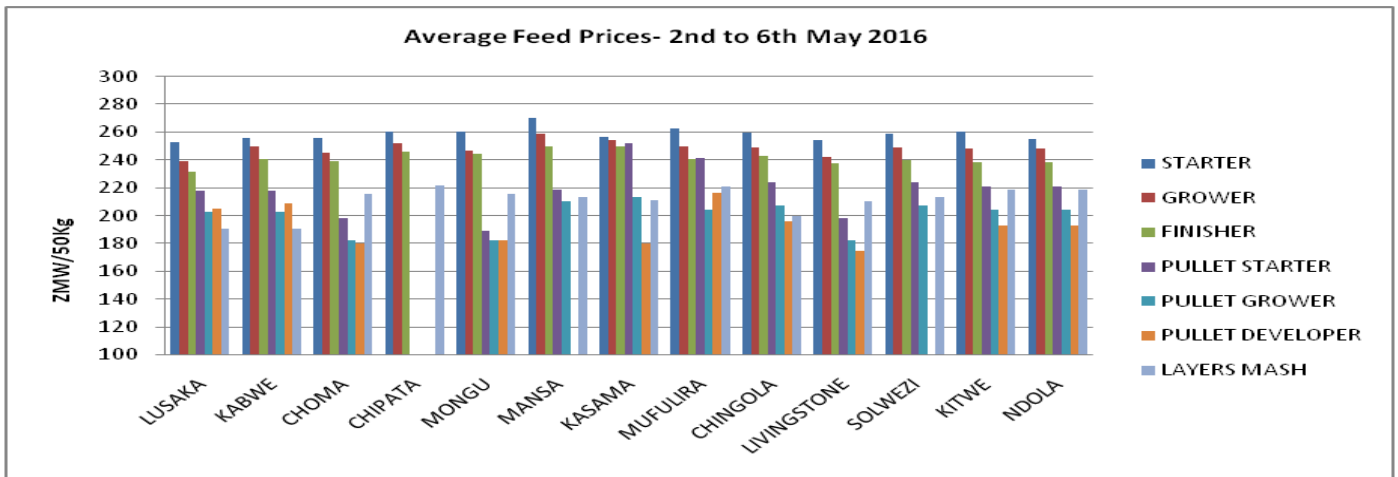
Source: Poultry Association of Zambia

ZNFU CORPORATE SPONSORS



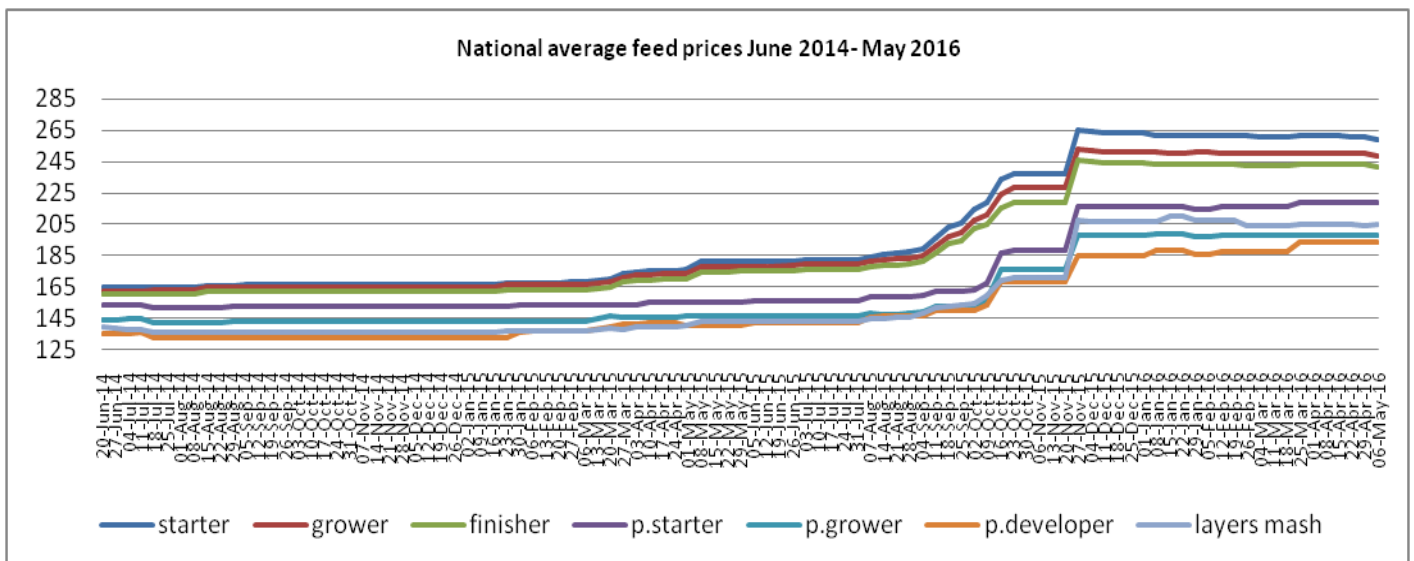
AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns. While prices of feed are still high, there were some downward adjustments in the price of feed in most towns for some brands bringing some relief to poultry farmers.



Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed from June 2014 to May 2016. The graph shows a decline in the national average price of some feeds especially broiler feeds.



Source: Poultry Association of Zambia

ZNFU CORPORATE SPONSORS

