



THE WEEKLY AGRO WATCH



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In this week's issue:

- *Local sales of day old chicks declines*
- *International soya beans demand forecast to rise*
- *Average Max temp forecast to drop*

ZAMACE certifies Warehouses

The Zambia Agricultural Commodity Exchange (Zamace) has certified the following warehouses for use in the warehouse receipt system:

NWK- Mpongwe, Kabwe, Katete and Petauke warehouses

AFGRI- Mkushi, Mpongwe and Petauke warehouses

CHC Commodities- Kapiri Mposhi and Lusaka warehouses

Zdenakie- Lusaka warehouse

This entails that a farmers' maize or soya beans can be held at any of the above mentioned storage places in exchange for a warehouse receipt. This does not only remove the bottlenecks of the farmer having to physically move the commodity when trading but removes the storage burden of a farmer as they wait to sell the commodity at a future date as well and will also enable the farmer to access finance as the warehouse receipt will be used as collateral.

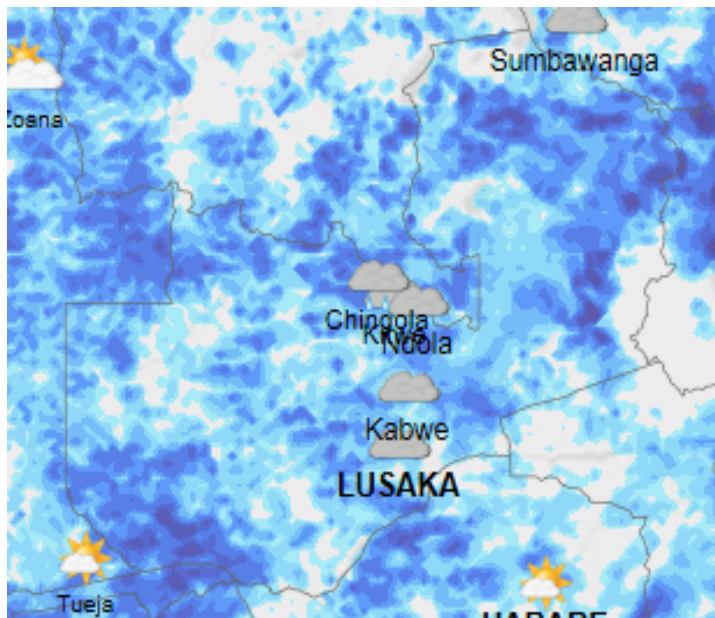
The piloting of commodity spot trading through the Zamace platform is scheduled to begin in June. For more information on the benefits of trading your grain through Zamace and its benefits, visit www.zamace.co.zm or call +260960432266

Exchange Rates

CURRENCY	17/05/2016						09/05/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.96	10.17	0.64	0.66	14.43	14.72	9.84	10.04	0.65	0.67	14.19	14.48
Standard Chartered Bank	9.98	10.18	0.64	0.65	14.45	14.74	9.81	10.01	0.65	0.66	14.17	14.45
ZANACO	9.96	10.15	0.64	0.65	14.43	14.70	9.75	9.94	0.64	0.66	14.05	14.32
Bank of Zambia	10.03	10.05	0.64	0.66	14.40	14.43	9.88	9.90	0.649	0.652	14.27	14.30

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period, 18th to 24th May 2016. No rains are forecast as average maximum temperatures are anticipated to drop.



Livingstone	<ul style="list-style-type: none"> ➤ Mostly clear to fair skies with no rainfall forecast. Light to gentle breeze is expected. ➤ Average daily Temps: 13-25°C
Mongu	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast Average daily Temps: 15-26°C.
Mansa	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast Average daily Temps: 14-25°C.
Kasama	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast Average daily Temps: 12-25 °C.
Solwezi	<ul style="list-style-type: none"> ➤ Clear to fair skies with no rain is forecast. ➤ Average daily Temps: 12-25°C.
Chipata	<ul style="list-style-type: none"> ➤ Clear to fair skies with no rain is forecast. ➤ Average daily Temps: 13-24°C.

Source: Norway meteorological Institute

TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ The week will mostly have clear skies with no rains. ➤ Average daily Temps: 12 -23°C
Mkushi	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast. Light to gentle breeze is expected. ➤ Average daily Temps:12-23°C
Kabwe	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast. ➤ Average daily Temps: 12-23°C
Lusaka	<ul style="list-style-type: none"> ➤ The week will mostly have clear to cloudy skies with no rains forecast. Light to moderate breeze is expected. ➤ Average daily Temps: 12-22°C
Mazabuka	<ul style="list-style-type: none"> ➤ Mainly fair to partly cloudy skies with no rainfall is forecast. ➤ Average daily Temps: 11°C to 24°C.
Choma	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast Average daily Temps: 11 -22°C

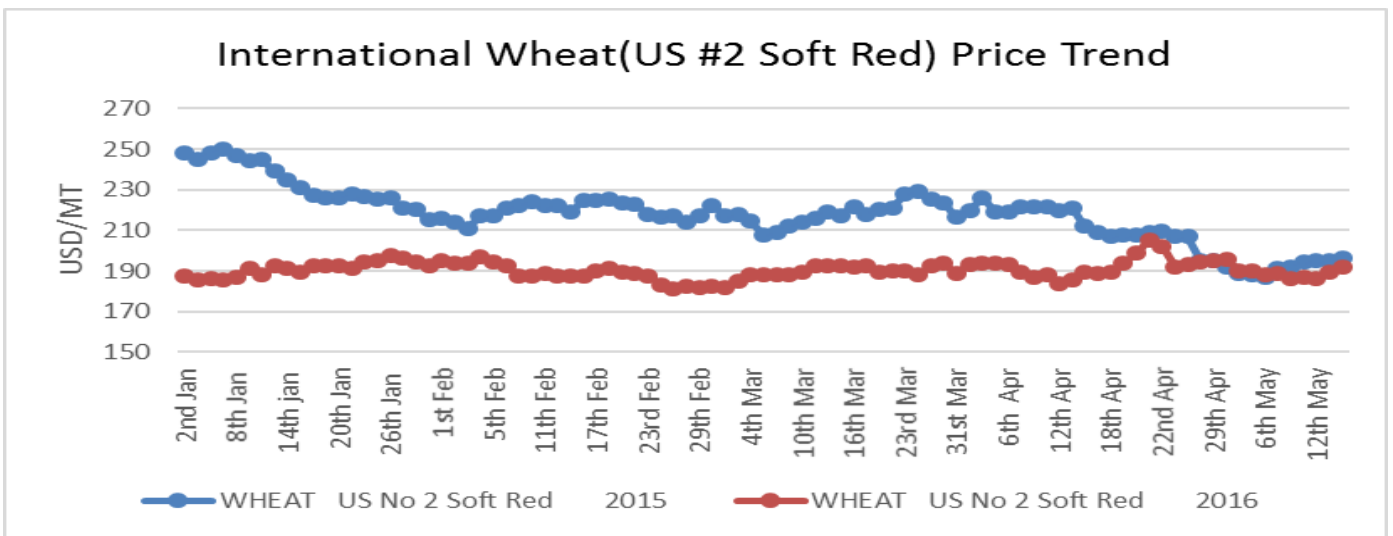
Wheat

Highlights

- Despite the latest USDA estimates forecasting the 2016/17 wheat crop at 727million tons, 7.1 million below the previous year's production, International prices of wheat are still likely to be suppressed as the world production will still be above the consumption demand.
- CME wheat futures prices for July 2016 opened trading at US\$173.65/MT on 17th May 2016.

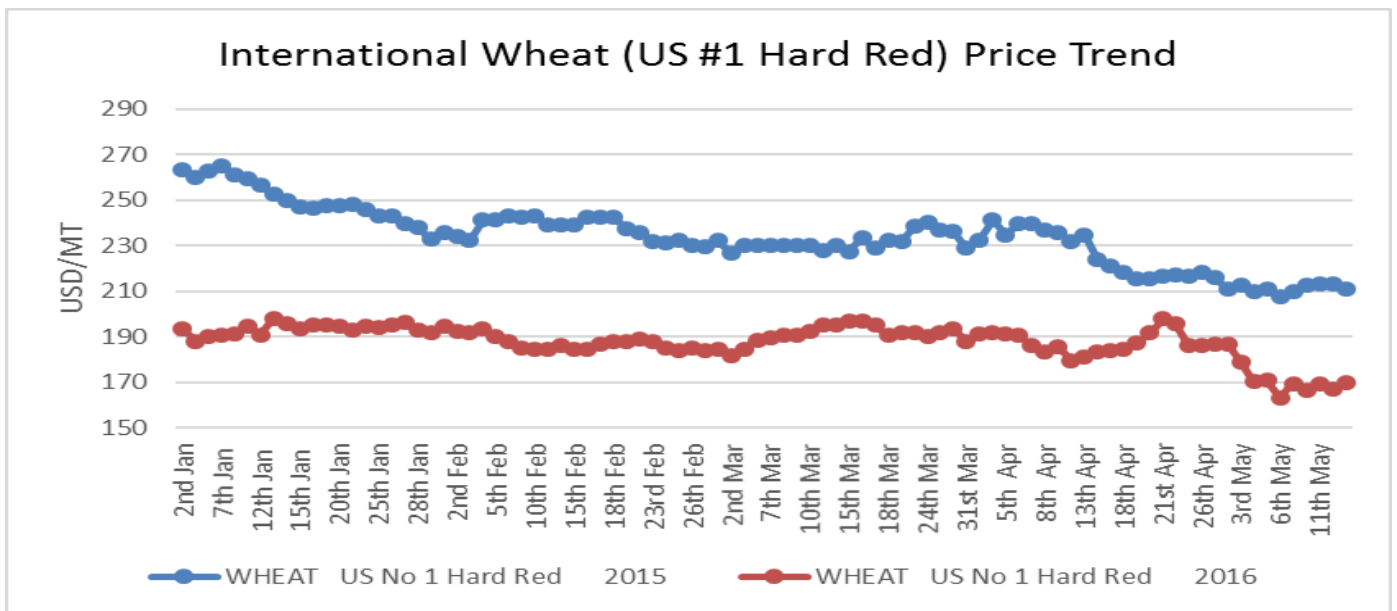
Price trends

The Safex international soft red and hard red wheat prices averaged US\$168.47 /MT and US\$ 187.42/MT during the week ending 13th May respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



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Source: Safex

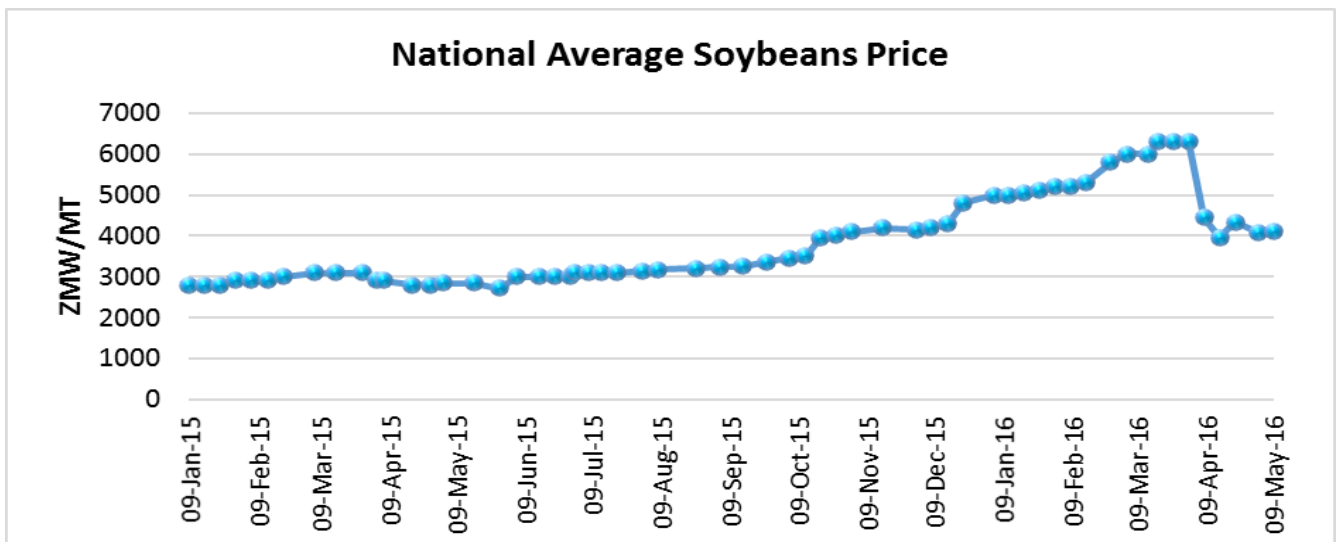
Soya Beans

Highlights

- The strong soya beans import demand by China, South East Asia and the European Union has been forecast to be sustained during the 2016/17 marketing season by the United States Department of Agriculture. A rise in consumption demand amidst tight supplies is anticipated. This will result in lower carry-over stocks and support increments in international prices.
- CME Soya futures price for July 2016 delivery opened trading at US\$390.81/MT on 17th May 2016
- Locally, farmers are beginning to wind up their soya beans harvesting and trade in the commodity has become active.
- According to the ZNFU market Price Information System, average national offer prices were in the range of ZMW 3,000 – 5,800/MT last week as shown in the graph below;

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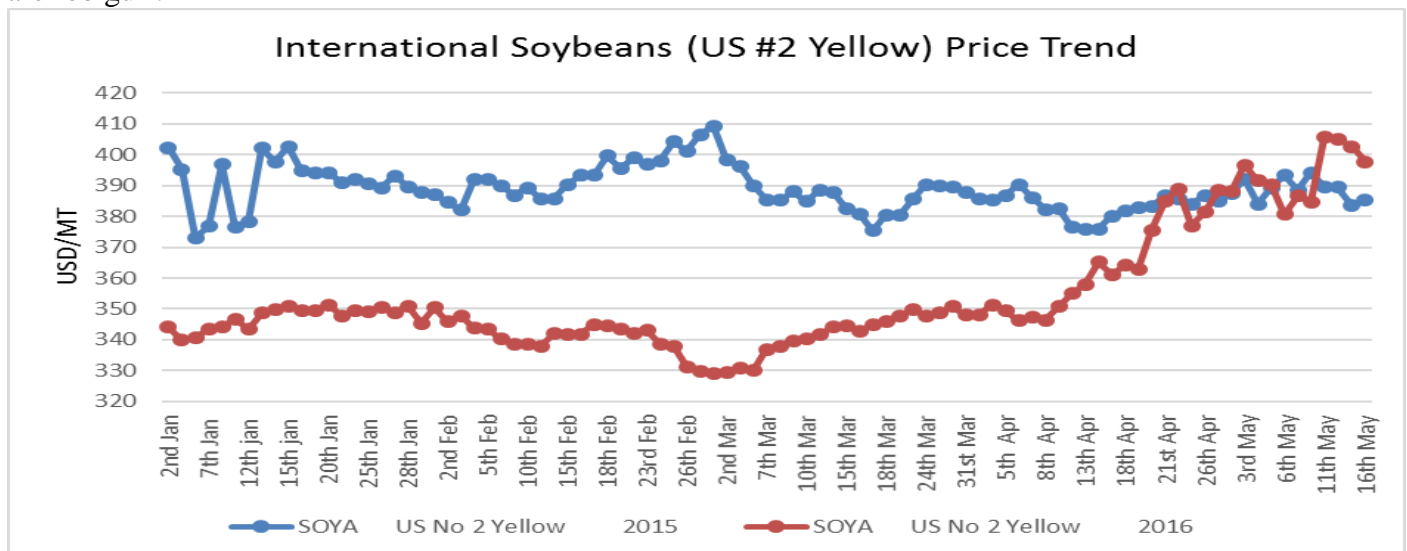




Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$396.93/MT in the week ending 17th May 2016, 1.8% above the average price of US\$389.80/MT recorded in the previous week. Prices are fob gulf.



Source: Safex

Maize

Highlights

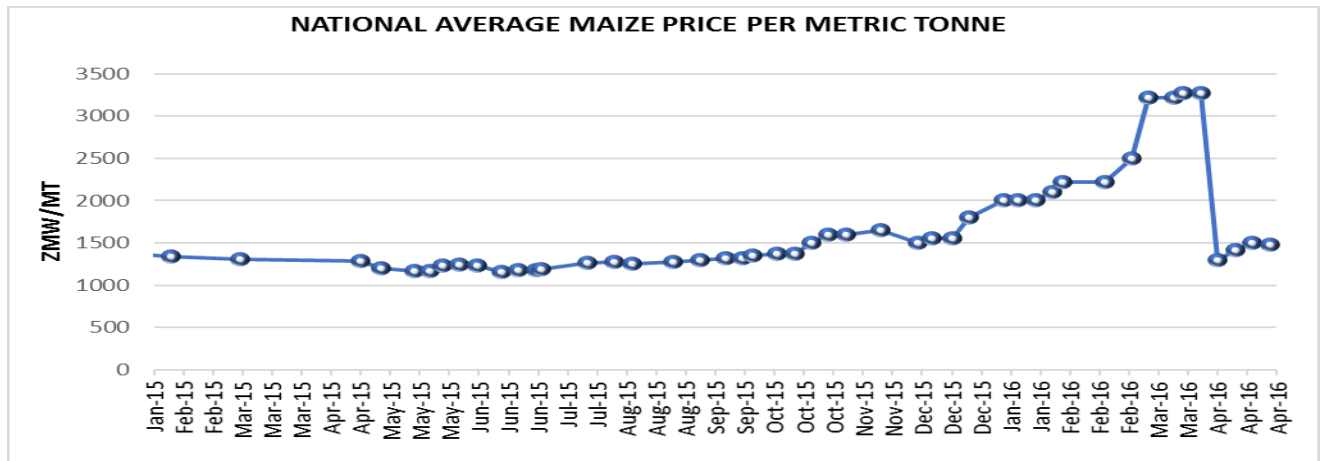
- Indications are that Zimbabwean grain traders and millers are purchasing maize from their local farmers at about US\$335/ton while the country's Grain Marketing Board is offering a price of

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US\$390/ton in order to incentivize the farmers to produce more maize as the country battles to overcome the food deficits experienced over the last two seasons.

- Expectations are for the Zambian Food Reserve Agency to enter the market in about two weeks' time. Last week, the Minister of Agriculture announced the FRA maize purchase price of K75/50kg bag (\approx US\$150/ton).
- The CME Corn futures price for July 2016 delivery opened trading at US\$154.81/MT on 17th May 2016.
- The maize offer prices on the ZNFU market information system were in the range of ZMW 1300-2000/MT in the week ending 13th May 2016 as shown below:



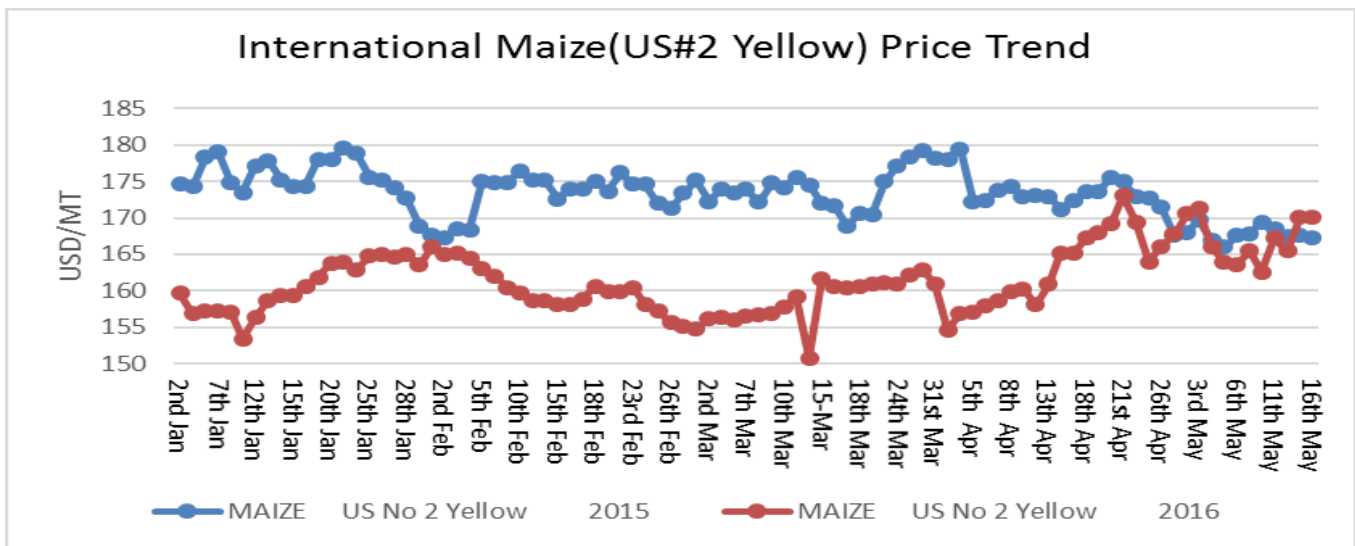
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 168.29/ MT during the week ending 13th May 2016, 1.25% above the previous week's average. All prices are fob gulf.

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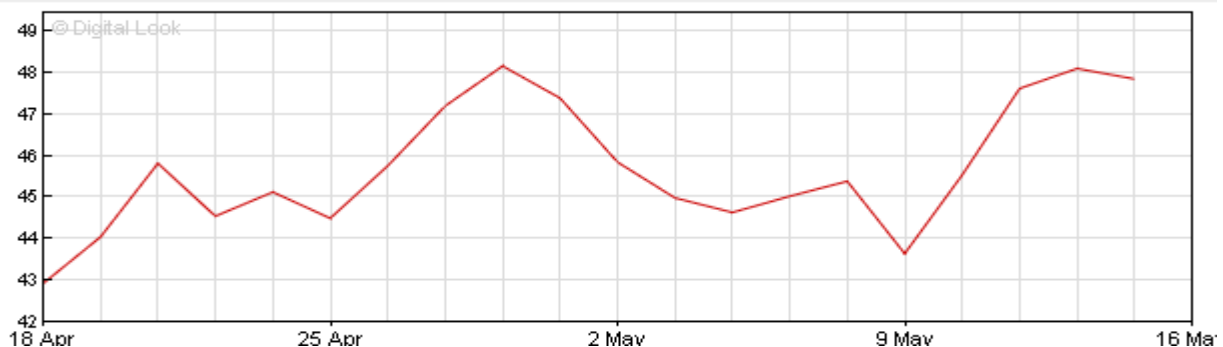


Source: Safex

Crude oil

- The reduction in Nigeria’s crude oil output by about 400,000 barrels/ day due to the shutdown of a pipeline as a result of a leakage supported the rise in international prices over the last week.
- Brent crude oil futures prices opened trading on 17th May 2016 around US\$49.38/barrel.
- The Dubai Mercantile exchange crude oil marker price for July 2016 delivery settled at US\$45.57/barrel on 16th May 2016, down from the settlement price of US\$40.60/ barrel on 9th May 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC News, 2016.

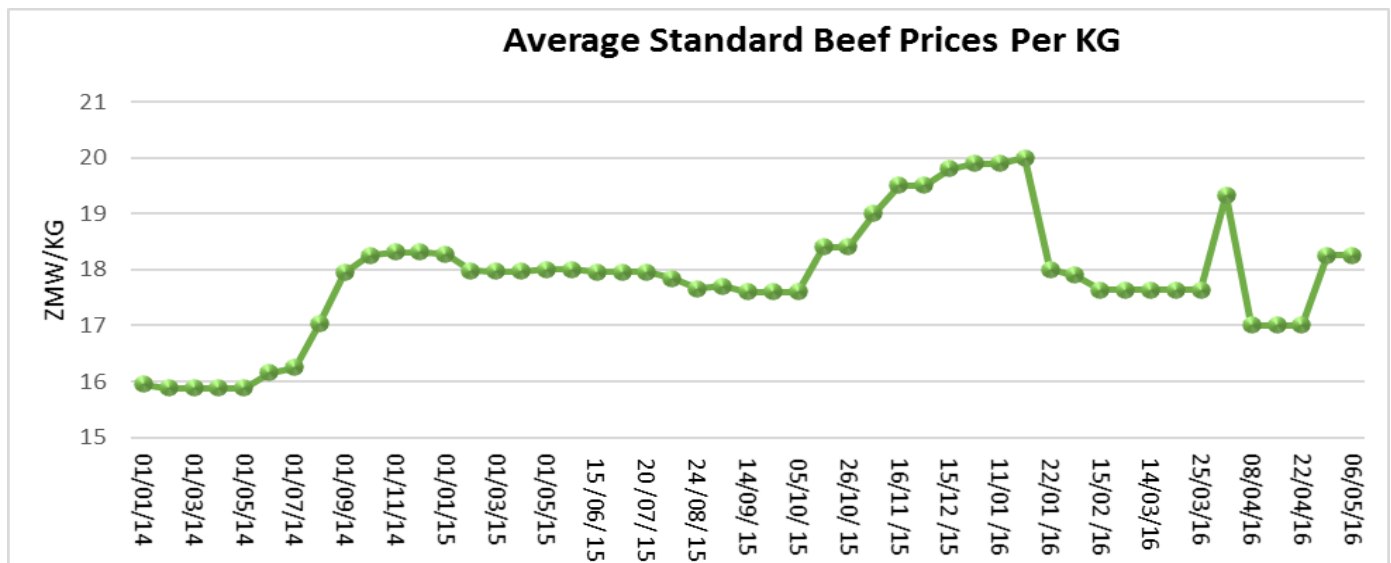
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Beef

Highlights

- Research is currently being undertaken by the University of Columbia on whether waste paper could be fed to ruminants as part of efforts to ensure availability of animal feed in times of poor weather. The *Beefsite* has indicated that the research will begin by feeding sheep a ration of 15% waste paper from companies and 85% conventional feed. The idea is for cellulose contained in paper, which is also present in pasture plants, to replace some grazing requirements of the animals.
- Namibian grade A beef prices in abattoirs, captured by the Namibian Meat board, was trading in the range of ZAR31.02-37.06/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 beef prices were in the range of ZMW15-22/kg during the week ending 13^h May 2016. This is as monitored by the ZNFU 4455 system.



Source: ZNFU, 4455 Market Price Information System

DAIRY UPDATES FOR THE WEEK ENDING 13th MAY 2016

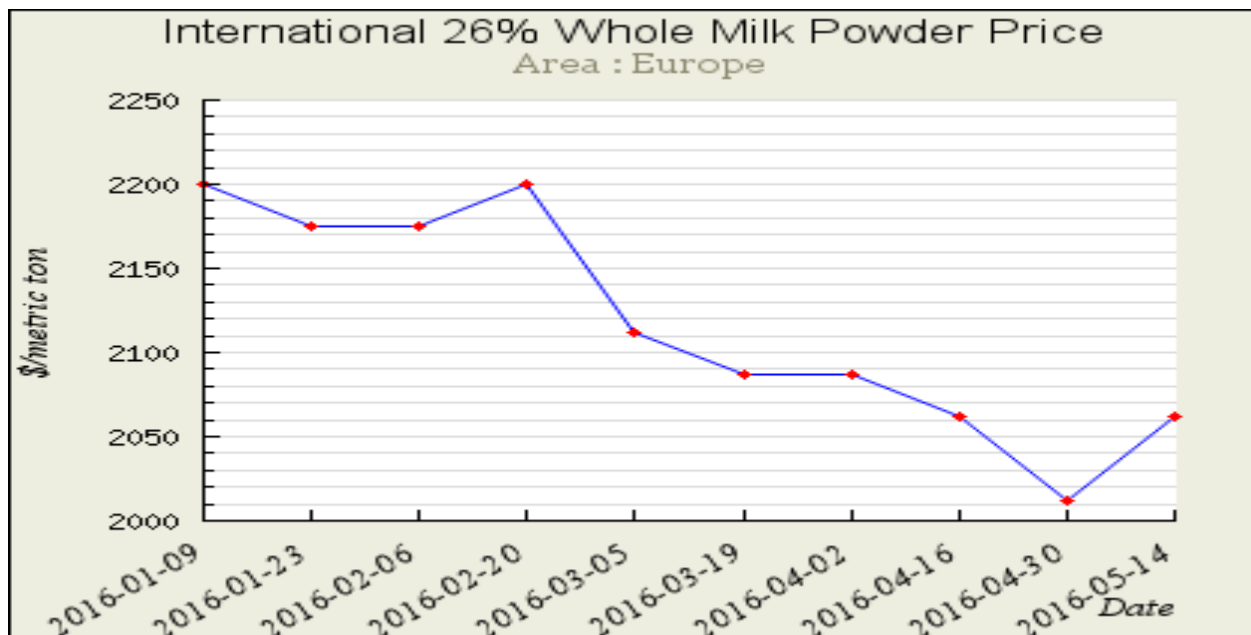
GLOBAL WHOLE MILK POWDER PRICE TRENDS

Price of whole milk powder on the international market increases by 2.5% from USD 2,012 on 30th April 2016 to USD 2062.5 on 14th May 2016 as seen below;

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FIGURE 1 AVERAGE MONTHLY WHOLE MILK POWDER PRICES 14th May 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.

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%

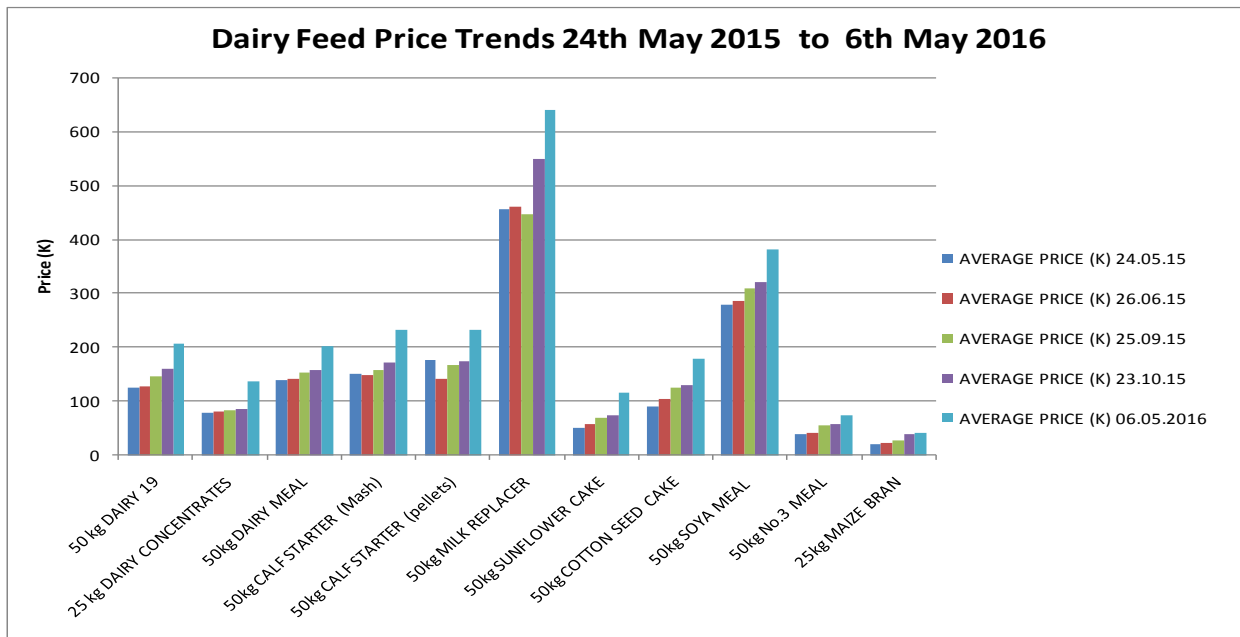
Source: DAZ May, 2016

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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 50 kg bag of no.3 meal increased by 85%, sunflower cake by 132% and cotton cake by 99% in the same period .



Source: DAZ, 2016

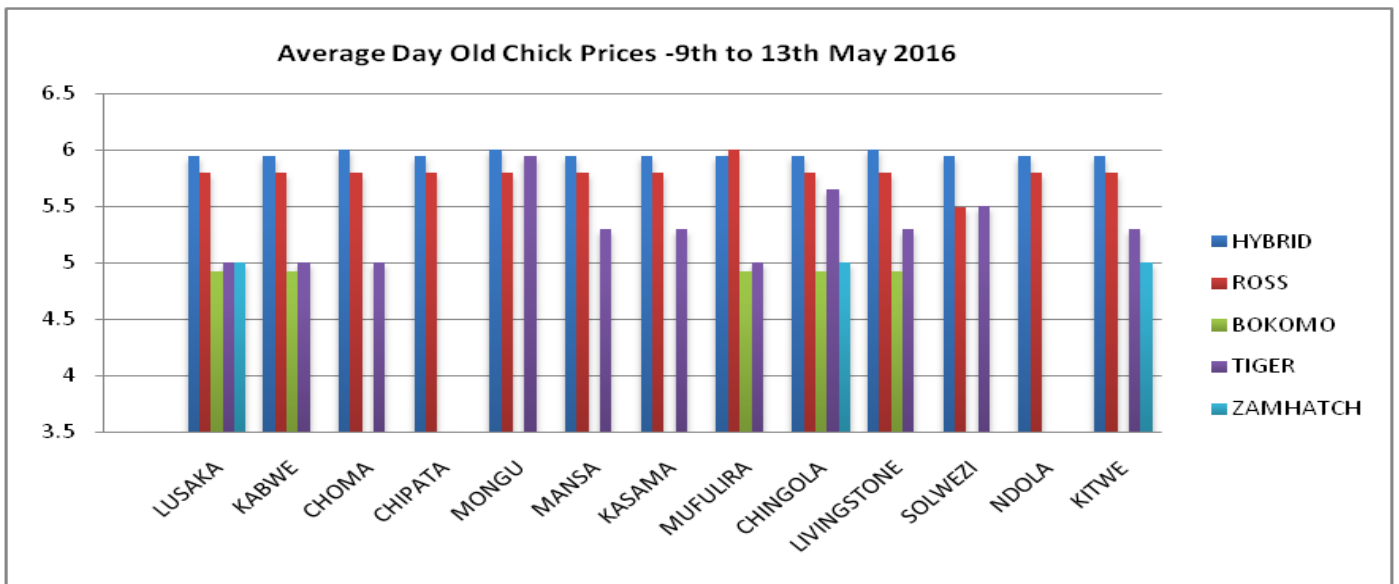
POULTRY UPDATES FOR THE WEEK ENDING 13th MAY 2016

AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected town. While prices of day old chicks have remained stable, sales of day old chicks have declined in most of the outlets around the country. This has been attributed to the high cost of poultry production which has caused poultry producers to either reduce their numbers or pull out of production.

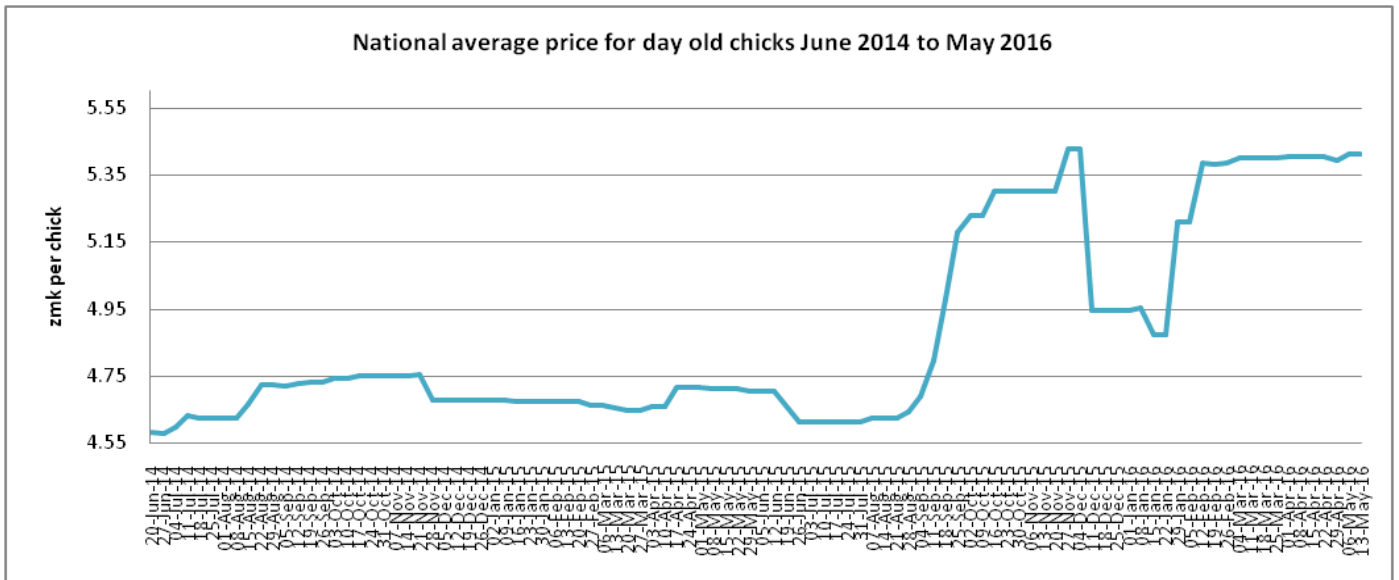
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to May 2016. The graph shows the national average of price of day old chicks at ZMW5.41. This was 14.8% higher than the national average price over the same period in 2015.



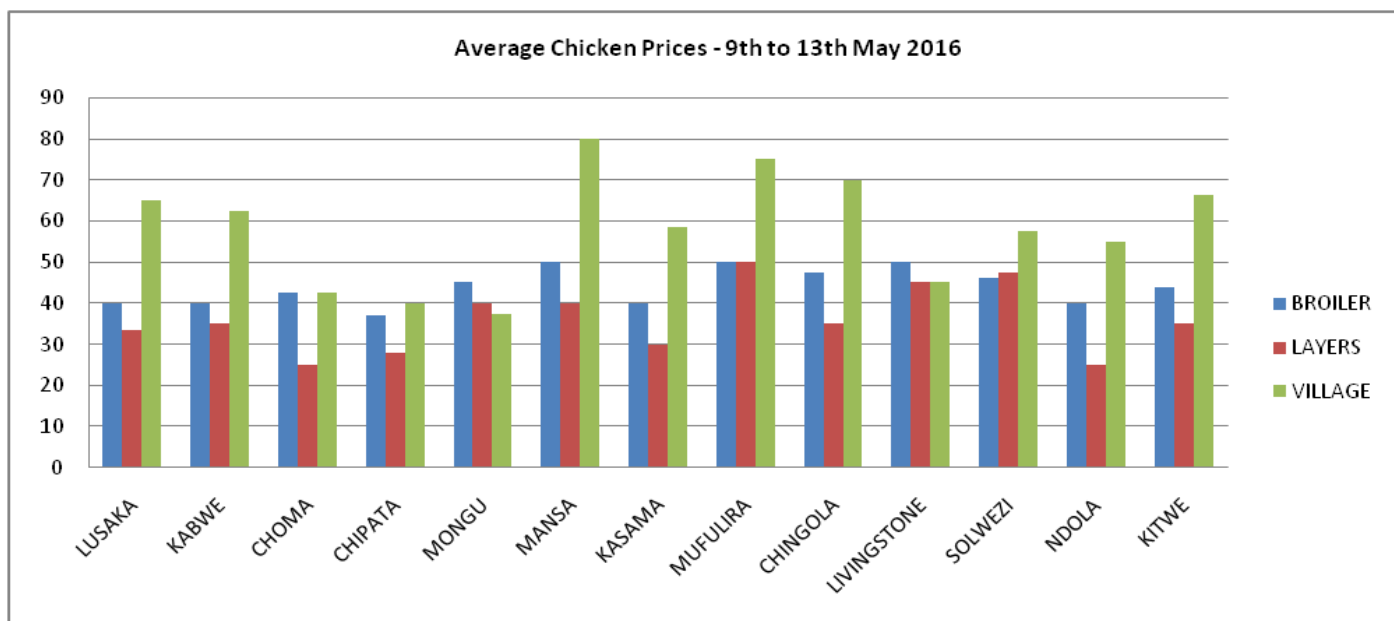
Source: Poultry Association of Zambia

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AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in selected districts. Poultry producers, especially broiler producers, in most districts have complained about the low prices that they are faced with in relation to the cost of production. Despite the fact that retail prices of broiler live birds are above ZMW40, farmers are forced to accept prices as low as ZMK35 and ZMW38. This has put pressure on farmers as their profits have been drastically reduced.

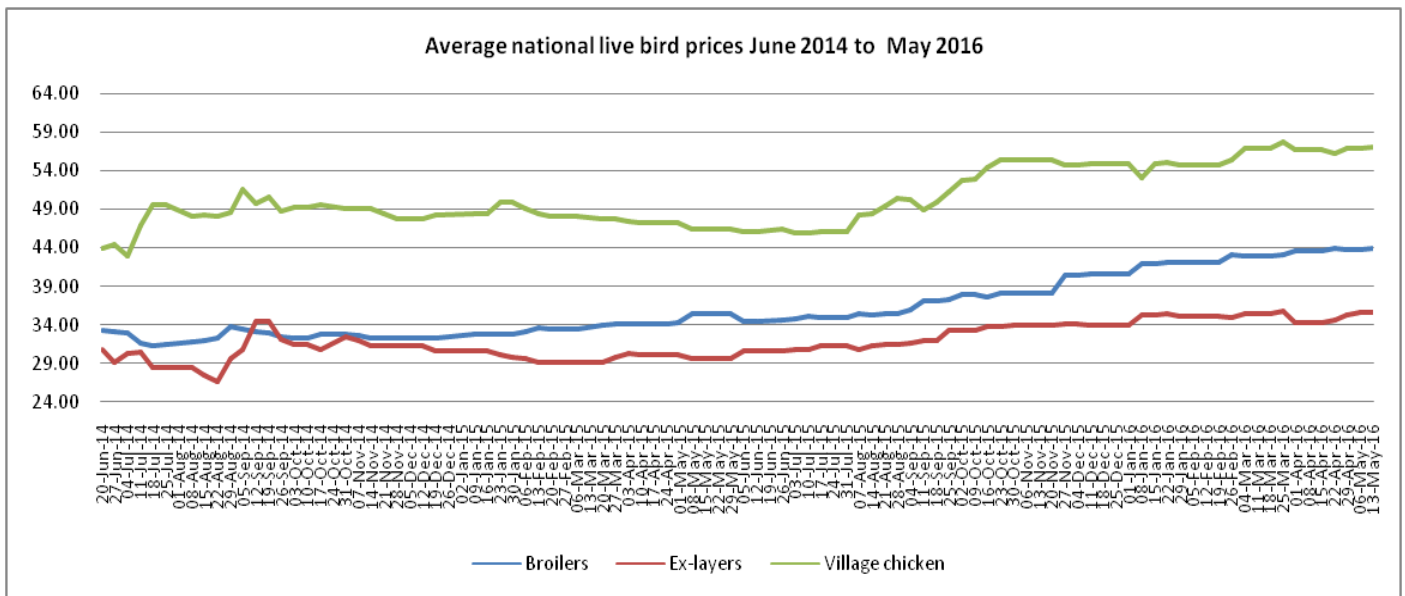


Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The national average price for broilers, ex-layers and village chickens during the course of the week was ZMW44, ZMW35.64 and ZMW57.04 respectively.

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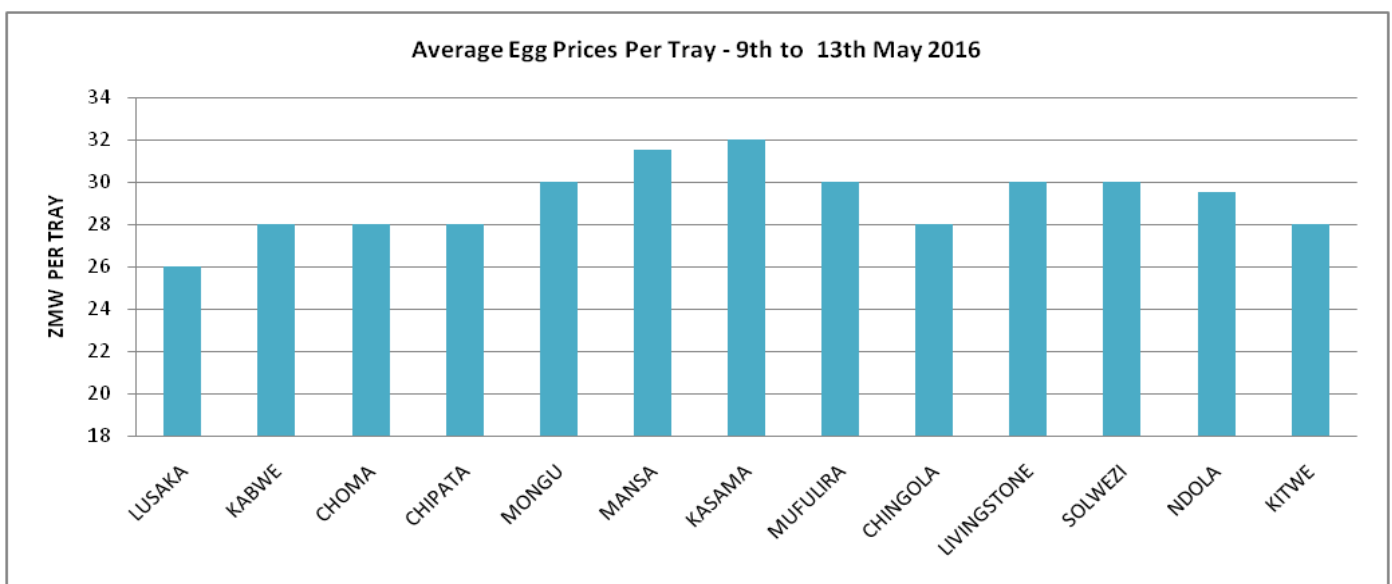




Source: Poultry Association of Zambia

AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Despite an increase in production costs, the producer price of eggs has been declining and is currently as low as ZMW23 in Lusaka. Farmers have generally noted a reduction in demand for eggs.

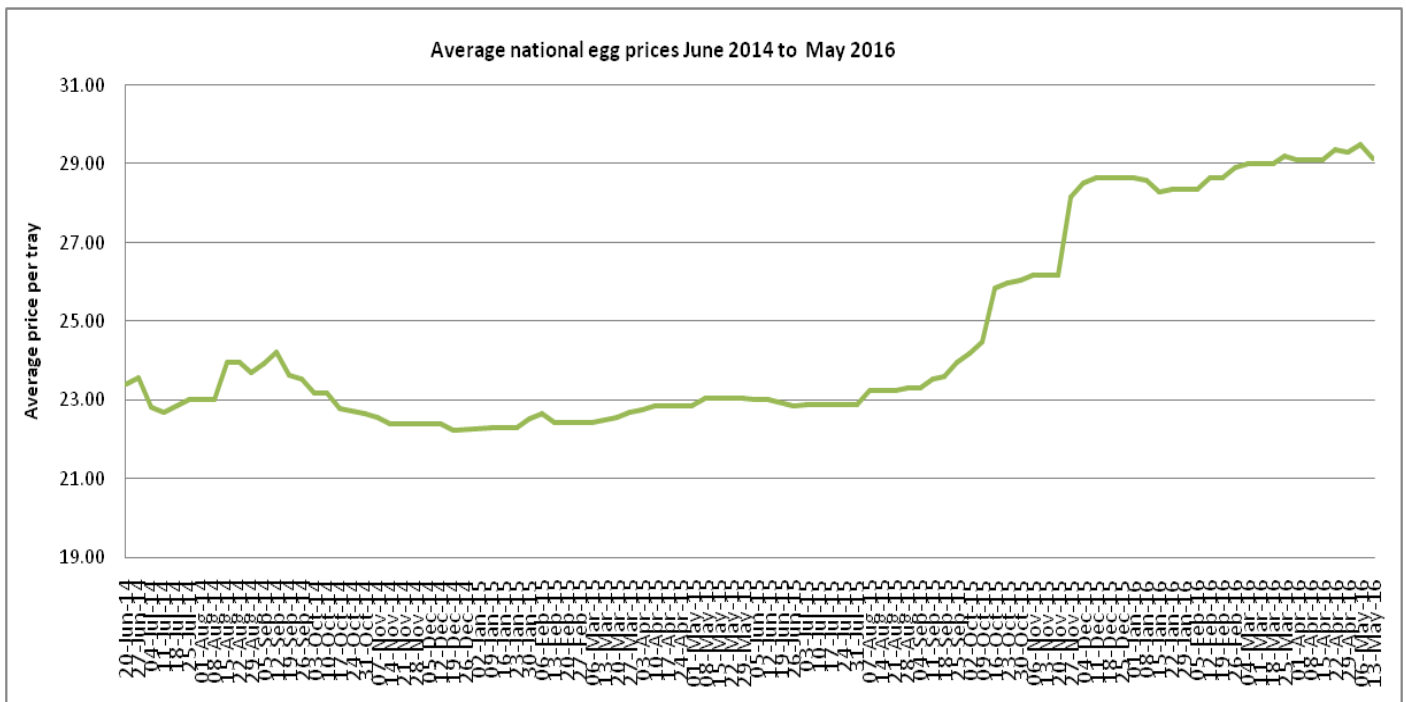


Source: Poultry Association of Zambia

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 has slightly declined to ZMW29.15.

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Source: Poultry Association of Zambia

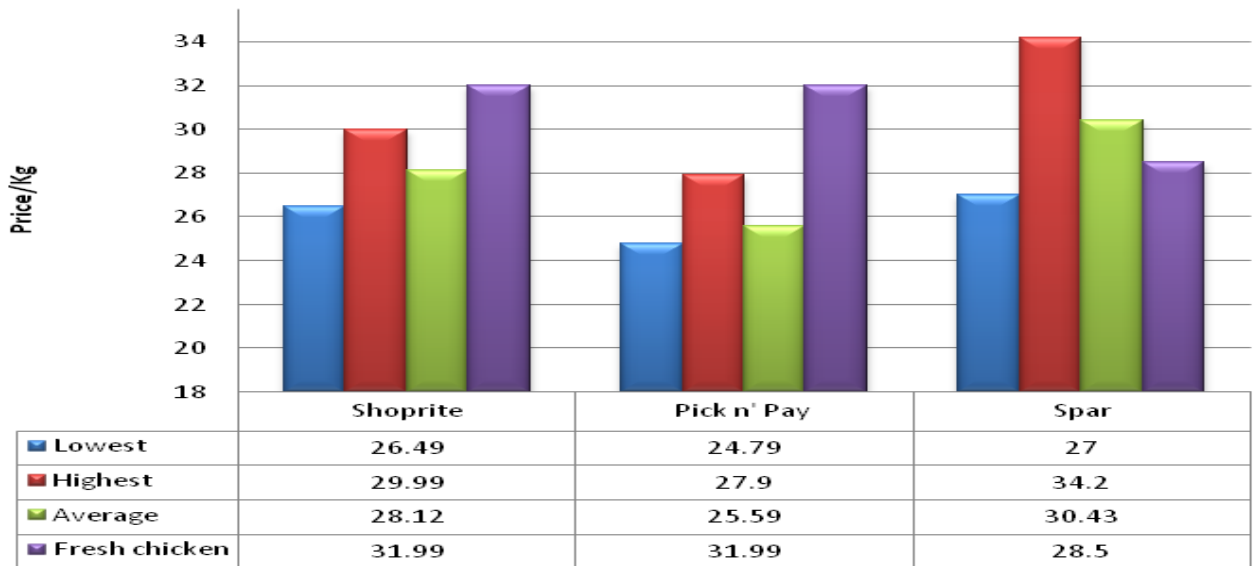
AVERAGE WHOLE DRESSED CHICKEN PRICES

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

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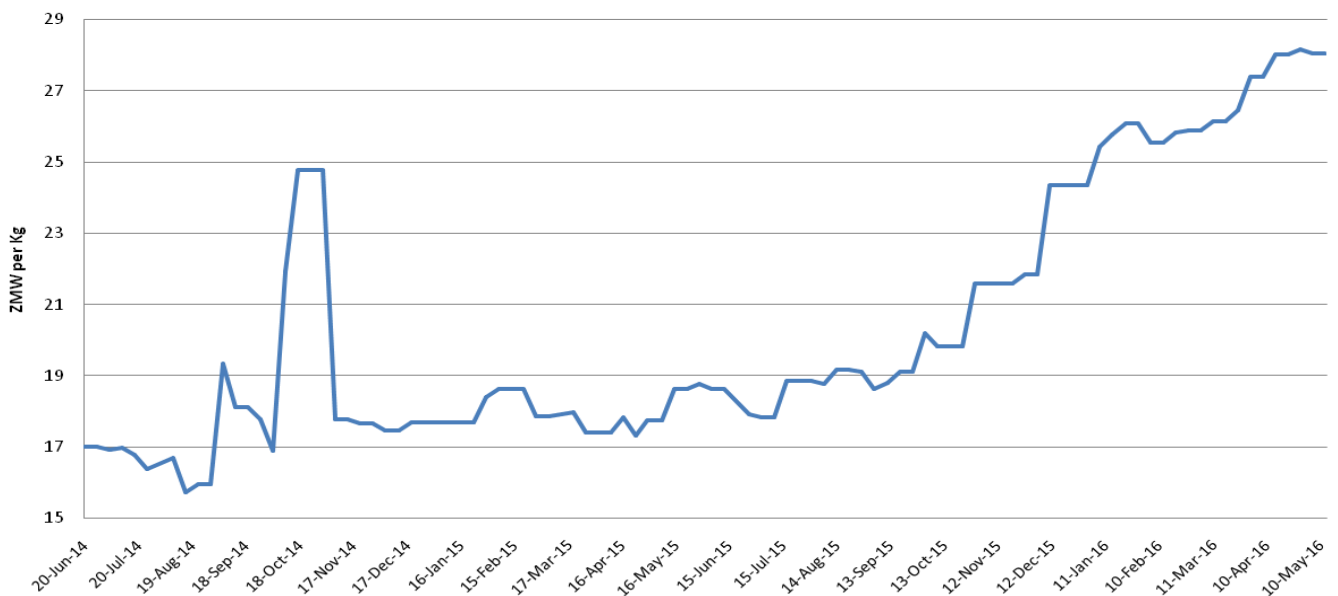
Graph 1: Average whole frozen chicken - 9th to 13th May 2016



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 graph shows that the average price of frozen whole chicken during the course of the week was ZMW28.17/kg.

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



Source: Poultry Association of Zambia

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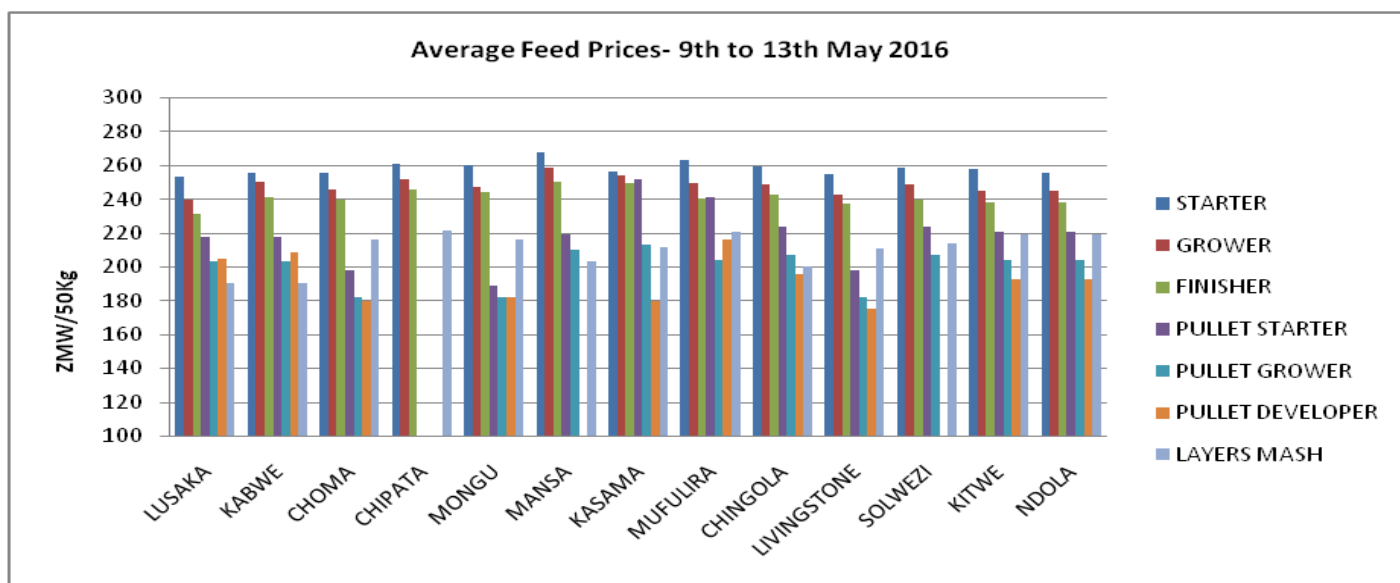


AVERAGE FEED PRICES

The graph below shows the price of some of the most important ingredients that are used in feed production per 50 kilogram bag. An increase in the cost of these ingredients increases the cost of feed production and vice versa.

	SOYA MEAL FULL FAT	SOYA MEAL SOLVENT EXTR	NO.3 MEAL	FISHMEAL
PRICE (ZMW)	337.05	304.95	63.57	512.86

The graph below shows average feed prices in selected towns. Despite reductions in the price of some brands of stock feeds, the average price in most districts remains high putting poultry farmers under pressure.

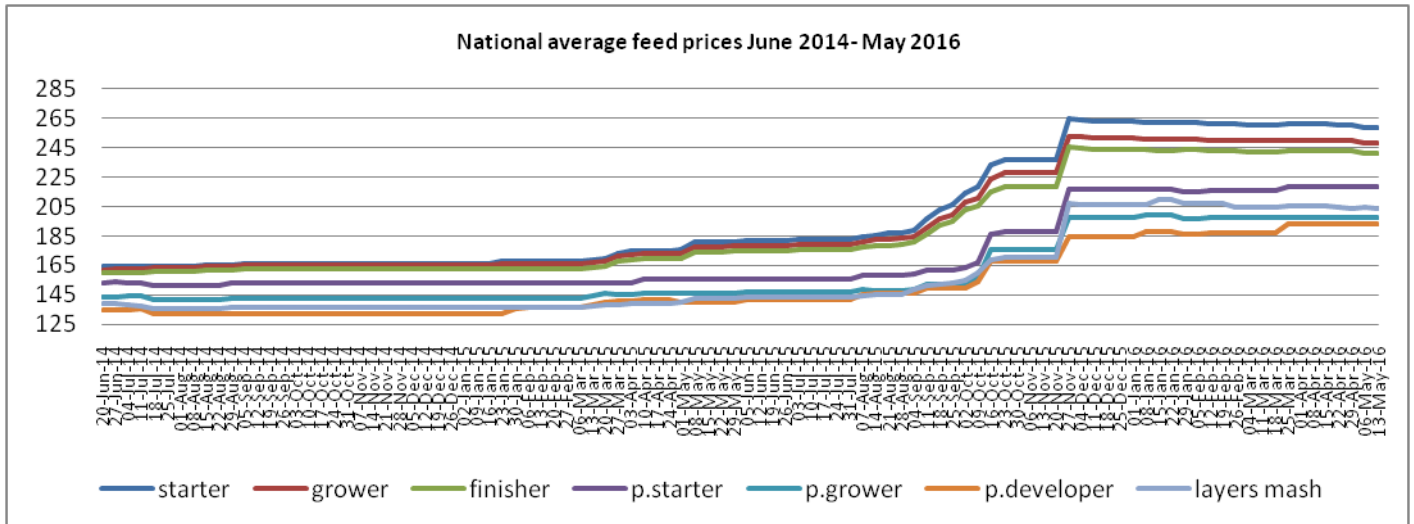


Source: Poultry Association of Zambia

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



Source: Poultry Association of Zambia

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