



THE WEEKLY AGRO WATCH



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23rd May, 2016 Vol.3. No.21



In this week's issue:

- Zim Targets to import 700,000MT of maize by September
- Local maize prices edge slightly higher
- SA imports US beef after more than a decade

Exchange Rates

CURRENCY	23/05/2016						17/05/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	10.18	10.39	0.66	0.67	14.78	15.08	9.96	10.17	0.64	0.66	14.43	14.72
Standard Chartered Bank	10.15	10.35	0.65	0.66	14.73	15.01	9.98	10.18	0.64	0.65	14.45	14.74
ZANACO	10.16	10.36	0.65	0.66	14.75	15.03	9.96	10.15	0.64	0.65	14.43	14.70
Bank of Zambia	10.24	10.28	0.651	0.654	14.81	14.87	10.03	10.05	0.64	0.66	14.40	14.43

Parity Prices

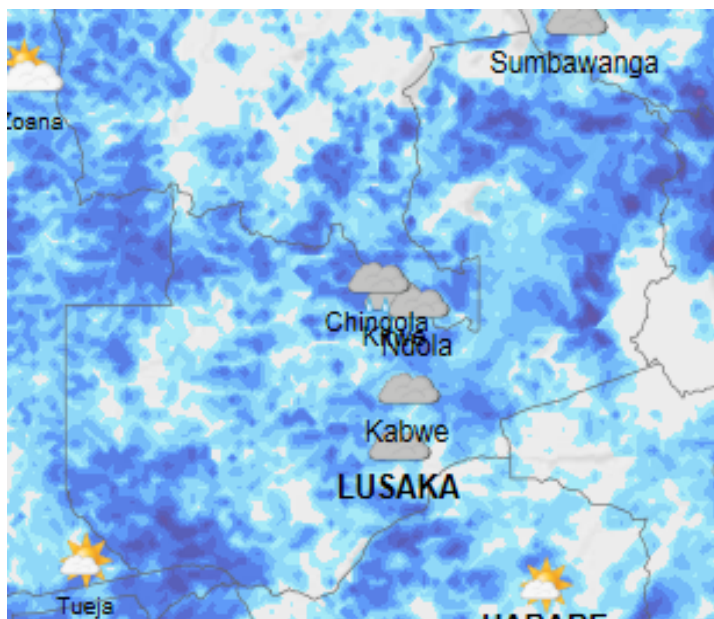
Domestic Import Parity Prices as at 23/05/2016					
US\$/ZAR=15.75 US\$/ZMW=10.38					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		10.38	472.77	627.73	483.62
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	26.49	499.26	654.22	510.11
Mkushi	225	21.68	494.45	649.41	505.30
Ndola	250	24.08	496.85	651.81	507.70
Kitwe	250	24.08	496.85	651.81	507.70

Note: Import parity based on June delivery for maize and Soya beans and July delivery for wheat

Export Parity Price Ranges (EPP) Harare-Lusaka	
Soya Beans	456.75-472.77
Wheat	330-349.5
Maize	240.3-291

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period, 24th to 30th May 2016. No rains are forecast as temperatures are expected to drop further.



TOWN	WEATHER SUMMARY
Ndola	➤ Average daily Temps: 11-24°C
Mkushi	➤ Average daily Temps: 11-22°C

Kabwe	➤ Average daily Temps: 10-22°C
Lusaka	➤ Average daily Temps: 11-21°C
Mazabuka	➤ Average daily Temps: 10°C to 23°C.
Choma	➤ Average daily Temps: 8 -21°C
Livingstone	➤ Average daily Temps: 12-24°C
Mongu	➤ Average daily Temps: 12-24°C.
Mansa	➤ Average daily Temps: 13-25°C.
Kasama	➤ Average daily Temps: 11-25 °C.
Solwezi	➤ Average daily Temps: 11-25°C.
Chipata	➤ Average daily Temps: 11-23°C.

Source: Norway meteorological Institute

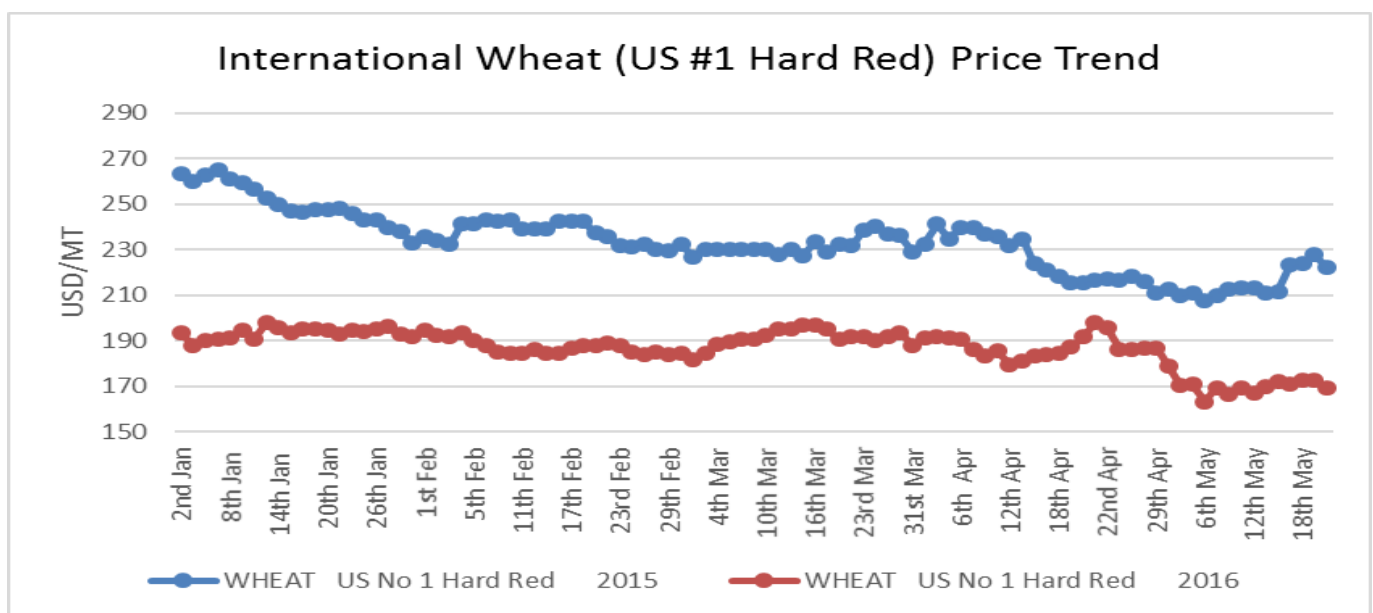
Wheat

Highlights

- South Africa, in the week ending 12th May 2016, made the largest weekly purchase of US wheat since October 2011. The Southern African state purchased 45,000MT of hard red wheat for June delivery, a move that has excited traders as they anticipate more imports from South Africa due to the effects of El Nino.
- Meanwhile, Zimbabwe is targeting to support the production of 100,000MT of wheat this year. This is about a quarter of the country's national consumption requirement.
- CME wheat futures prices for July 2016 opened trading at US\$171.22/MT on 23rd May 2016.

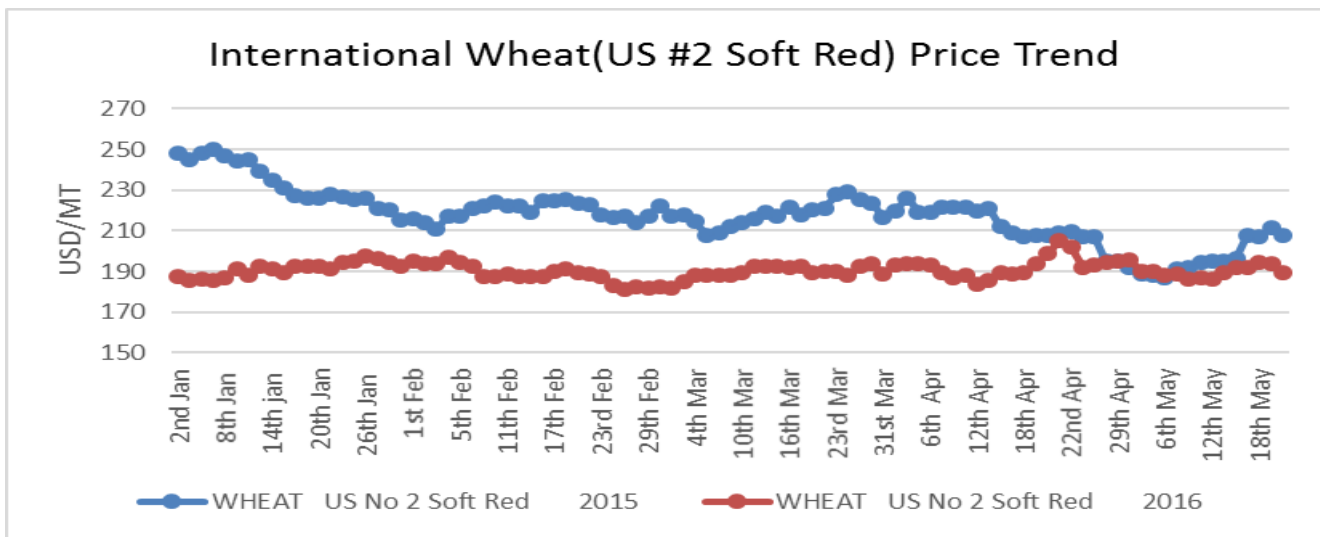
Price trends

The Safex international soft red and hard red wheat prices averaged US\$171.41 /MT and US\$ 192.47/MT during the week ending 20th 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

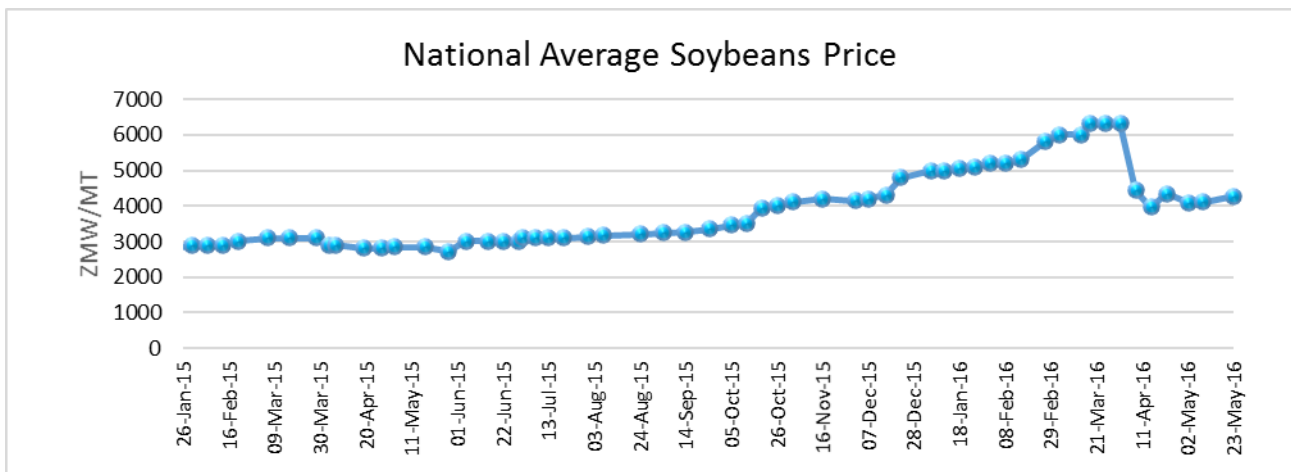
Soya Beans

Highlights

- According to Oil world, an independent international forecasting agency for oilseeds-oils and meals, global exports of soymeal between April and September 2016 will decline due to a smaller than previously assumed shipment from Argentina. Global consumers of soymeal, particularly in Asia and Europe, are thus expected to be faced with lower than initially expected supplies which may translate into a hike in prices. The Argentinian soy harvest has been reduced by flooding.
- CME Soya futures price for July 2016 delivery opened trading at US\$394.7/MT on 23rd May 2016
- According to the ZNFU market Price Information System, average national offer prices were in the range of ZMW 3,000 – 5,800/MT with an average of ZMW4,246/MT last week as shown in the graph below;

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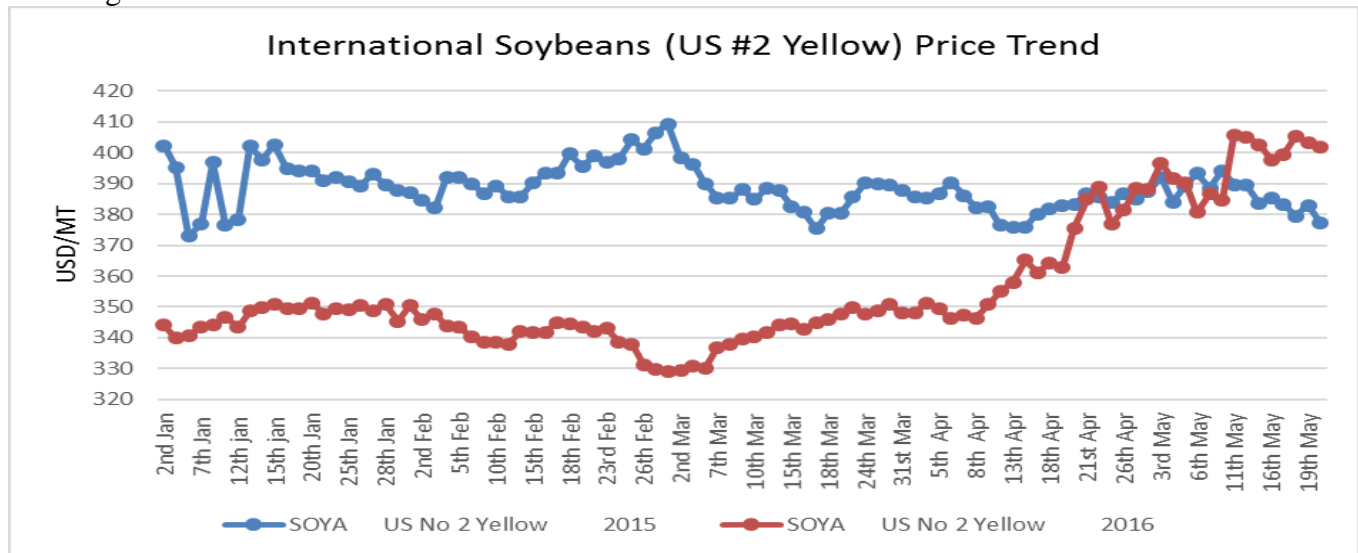




Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$402.48/MT in the week ending 20th May 2016, 1.4% above the average price of US\$396.93/MT recorded in the previous week. Prices are fob gulf.



Source: Safex

Maize

Highlights

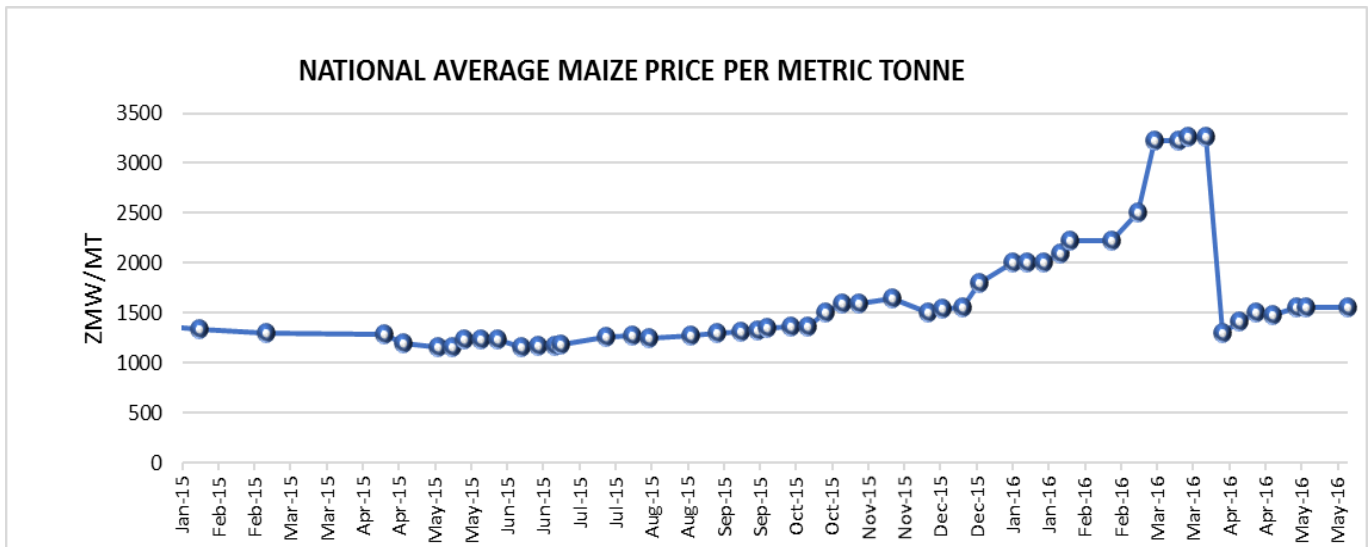
- Zimbabwe's Grain Marketing Board has already started receiving white maize from its farmers at a price of US\$390/ton. The Zimbabwean government is further targeting to import 500,000-700,000MT of maize between April and September with additional stock being facilitated by the private sector to cover up the country's deficit. This is according to information from the Commercial

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Farmers Union of Zimbabwe. Exports of the 2015/16 maize harvest from Zambia, one of Zimbabwe's traditional sources of white maize, have however been suspended until the end of September 2016.

- On the local scene, Zambia's local maize trade is still being frustrated by the movement restrictions with traders losing in excess of US\$250 per truck for each day of delayed movement.
- Maize purchase offer prices are edging slightly upwards according to the statistics from the ZNFU market price information system. Offer prices are hovering around ZMK1500-2020/MT.
- The CME Corn futures price for July 2016 delivery opened trading at US\$155.11/MT on 23rd May 2016.



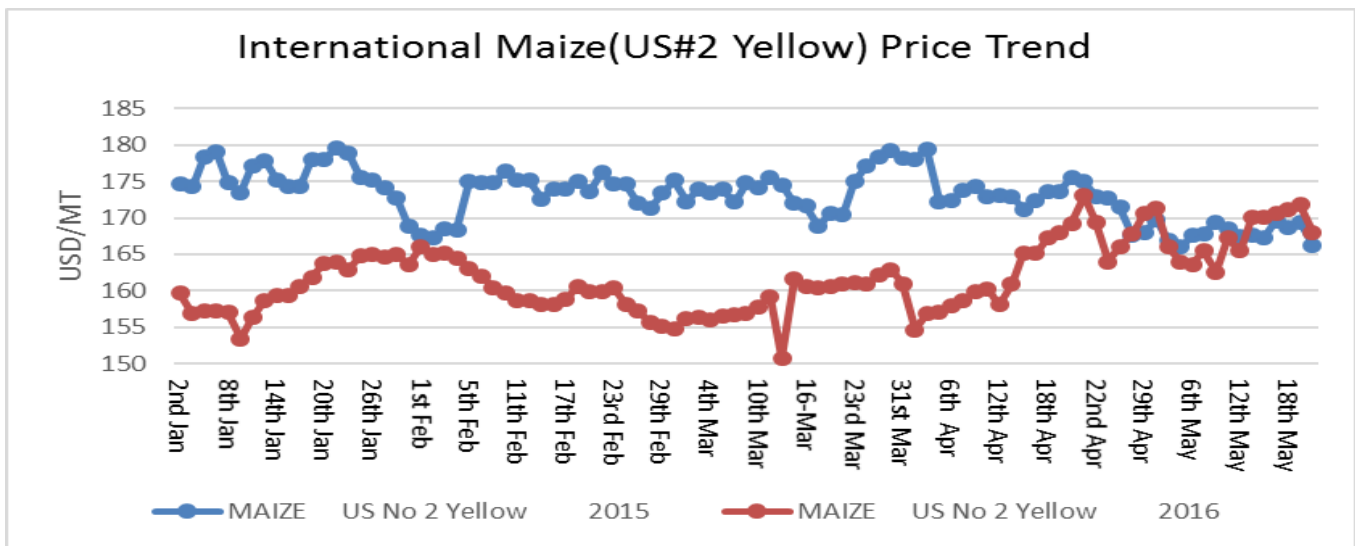
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 170.40/ MT during the week ending 20th May 2016, 1.33% above the previous week's average. All prices are fob gulf.

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Source: Safex

Crude oil

- Some invisible hand is seemingly keeping international crude oil prices from bridging the US\$50/ barrel mark.
- Brent crude oil futures prices around midday on 23rd May 2016 were pegged at US\$47.89/barrel.
- The Dubai Mercantile exchange crude oil market price for July 2016 delivery settled at US\$45.59/barrel on 20th May 2016, slightly up from the settlement price of US\$45.57/ barrel on 16th May 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC News, 2016.

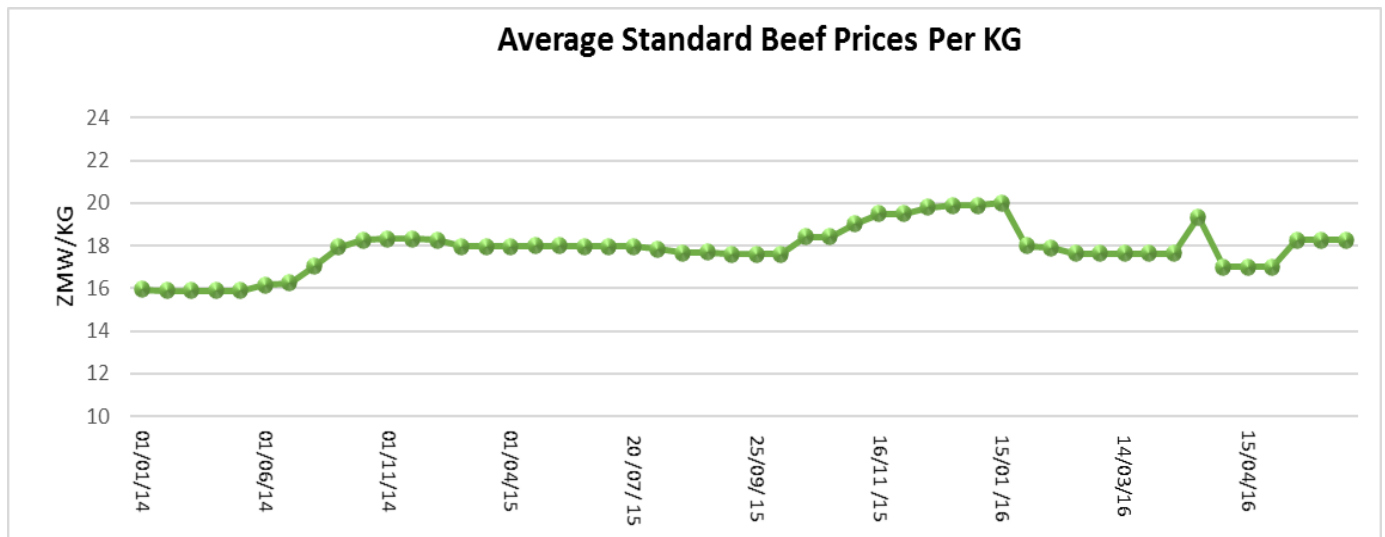
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Beef

Highlights

- The United States has continued to record milestones in its international trade with the first shipment of US beef to South Africa, since 2003, having been confirmed to have arrived at its export destination last week. On January 7, 2016, after more than two years of intense discussions, the United States and the Republic of South Africa concluded an agreement on sanitary barriers and related health certificates for U.S. beef, pork and poultry products exported to South Africa. Given the trade relations South Africa enjoys with other countries within the Southern region, the effects of increased US beef supply on the South African market are likely to spill over to other countries in the region.
- Namibian grade A beef prices in abattoirs, captured by the Namibian Meat board, edged slightly lower during the week ending 16th May 2016 to trade in the range of ZAR30.90-36.86/kg. The auction price for heifers and weaners also reduced from ZAR15.92/kg and ZAR 16.56/kg to ZAR 15.60/kg and ZAR16.25/Kg respectively between 29th April and 13th May 2016.
- Dressed weight beef prices on the domestic market were averaging ZMW18.25/kg during the week ending 20th May 2016. This is as monitored by the ZNFU 4455 system.



Source: ZNFU, 4455 Market Price Information System

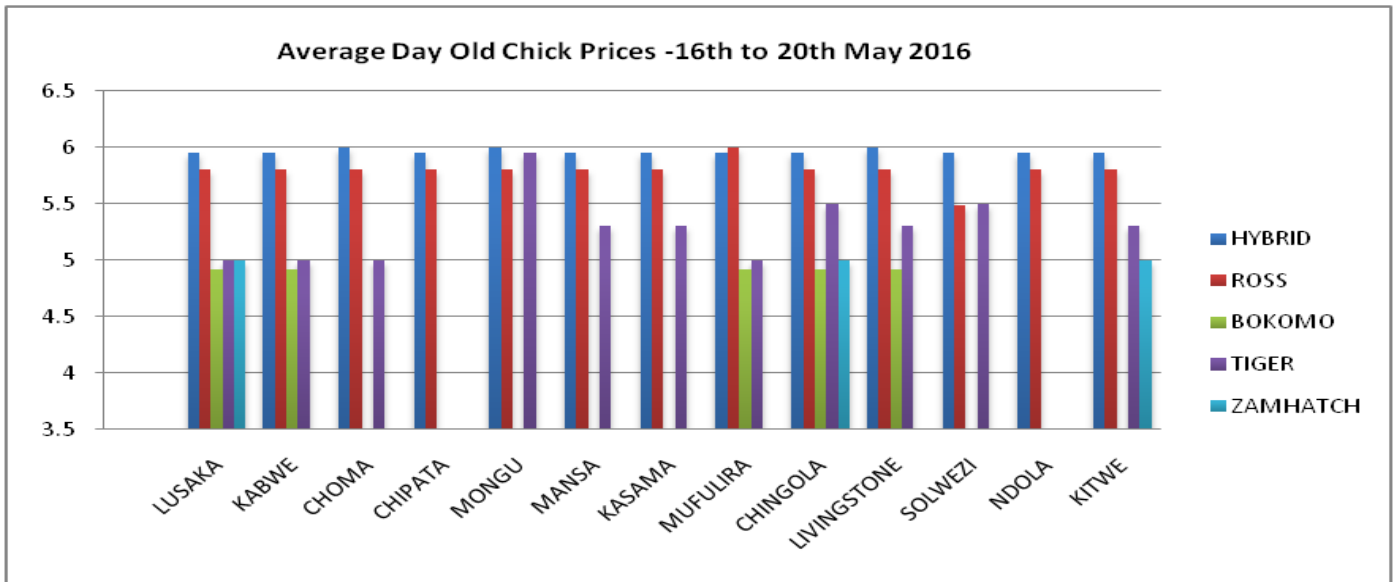
POULTRY UPDATES FOR THE WEEK ENDING 20th MAY 2016

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 were stable during the course of the week. However, industry players have stated that sales are below desirable levels due to the prevailing high cost of producing poultry.

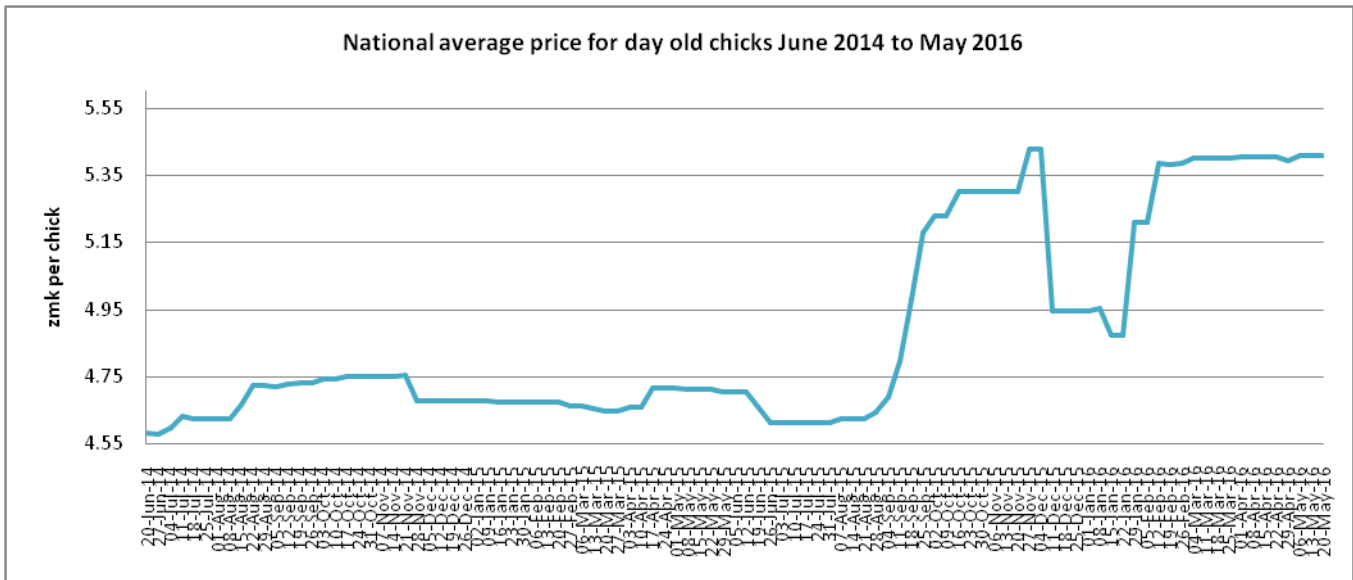
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to May 2016. The graph shows that the national average price of day old chicks stood at ZMW5.41/chick last week. This is 14.8% higher than the national average price during the same period of 2015.



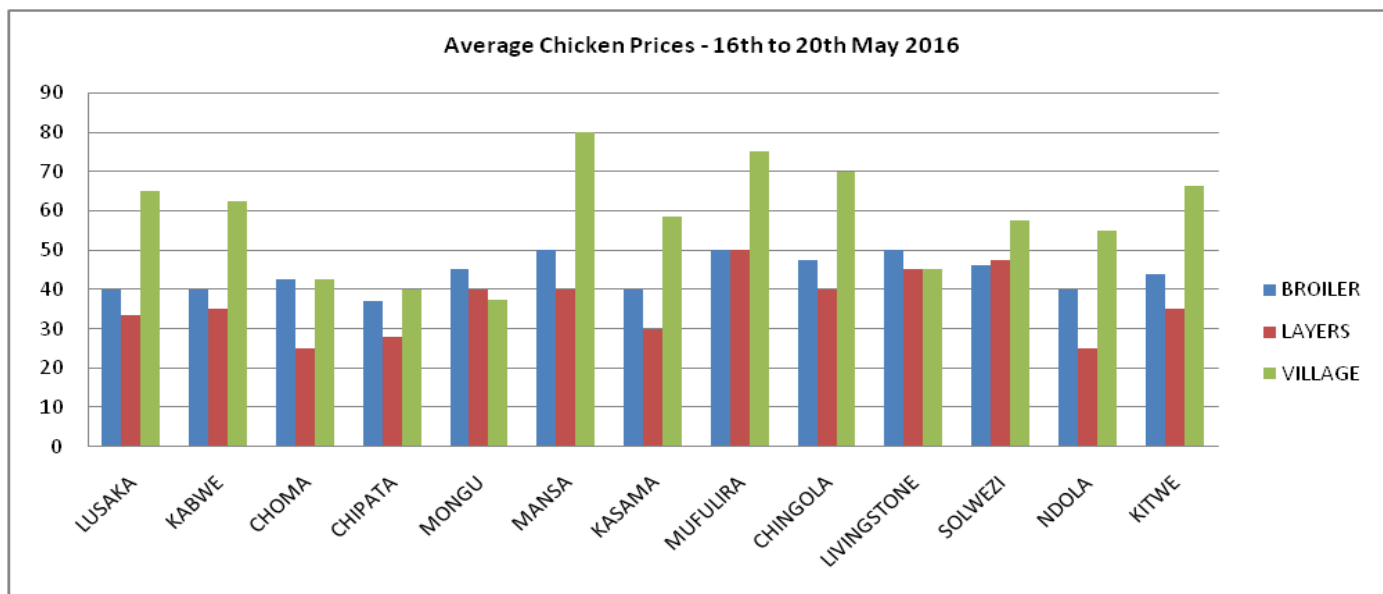
Source: Poultry Association of Zambia

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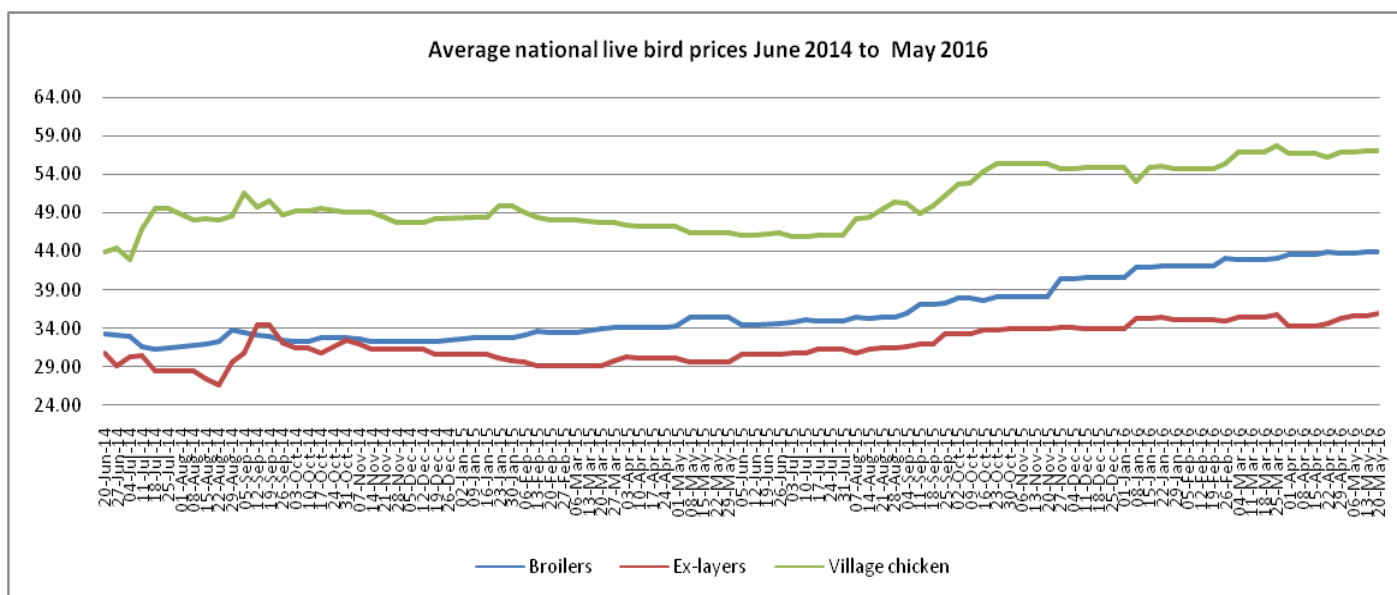
AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in selected districts. Prices of live birds remained relatively stable during the course of the week. However, farmers have bemoaned low bird prices in comparison to the high production costs. In Lusaka, broiler producer prices have declined to between ZMW33-35.



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, ZMW36 and ZMW57.04 respectively.

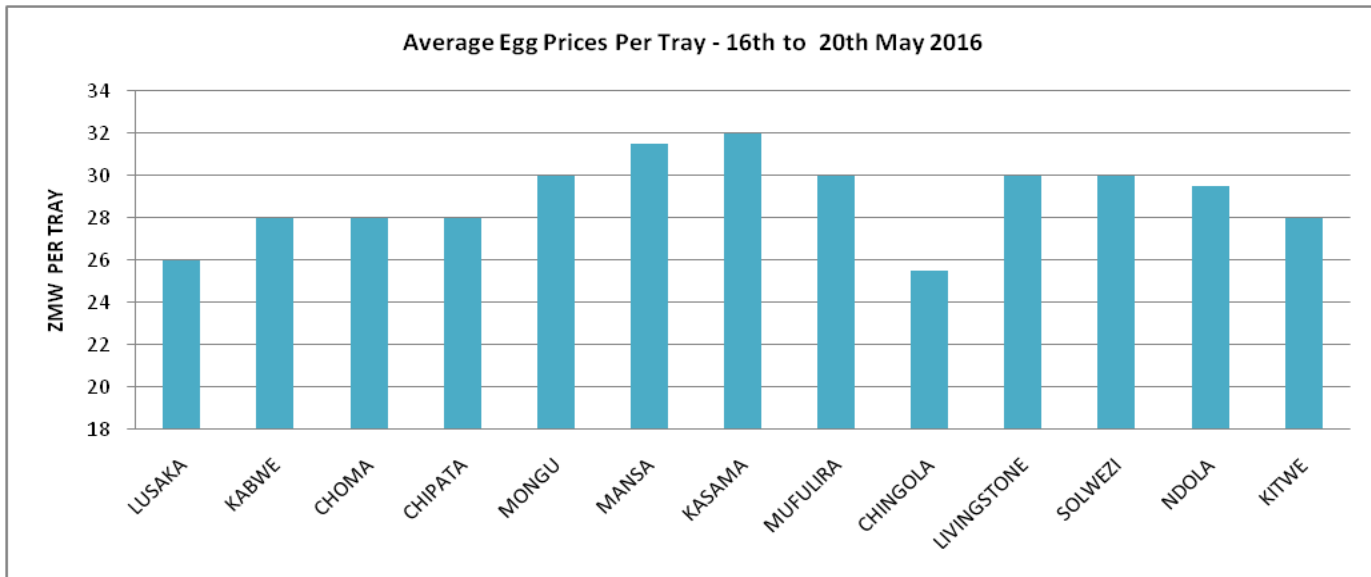


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AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Just like broiler farmers, egg farmers are also being hit hard by high production costs and declining producer prices for eggs. In Lusaka for instance, producer prices have reduced to as low as ZMW22/ tray due to a reduction in consumer demands.

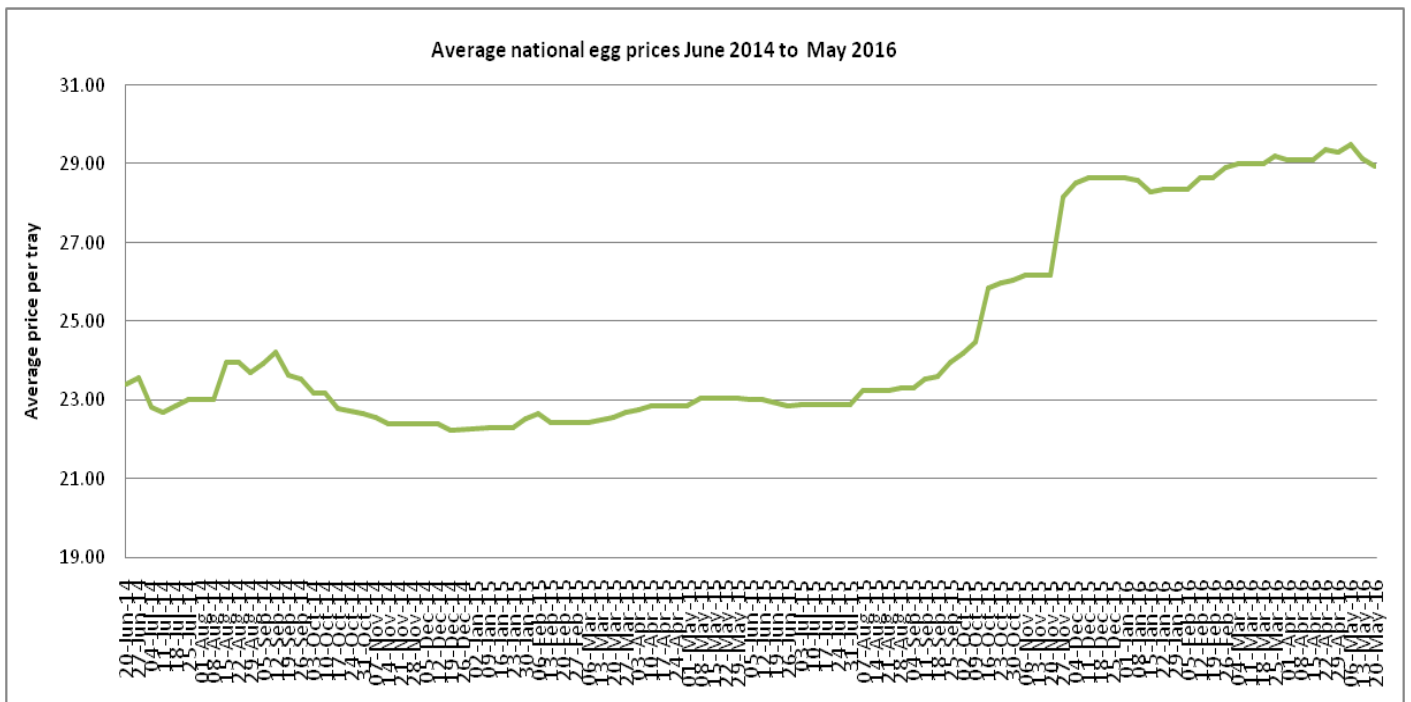


Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to May 2016. As can be seen from the graph, the national average price for eggs declined during the course of the week to ZMW28.96 per tray.

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Source: Poultry Association of Zambia

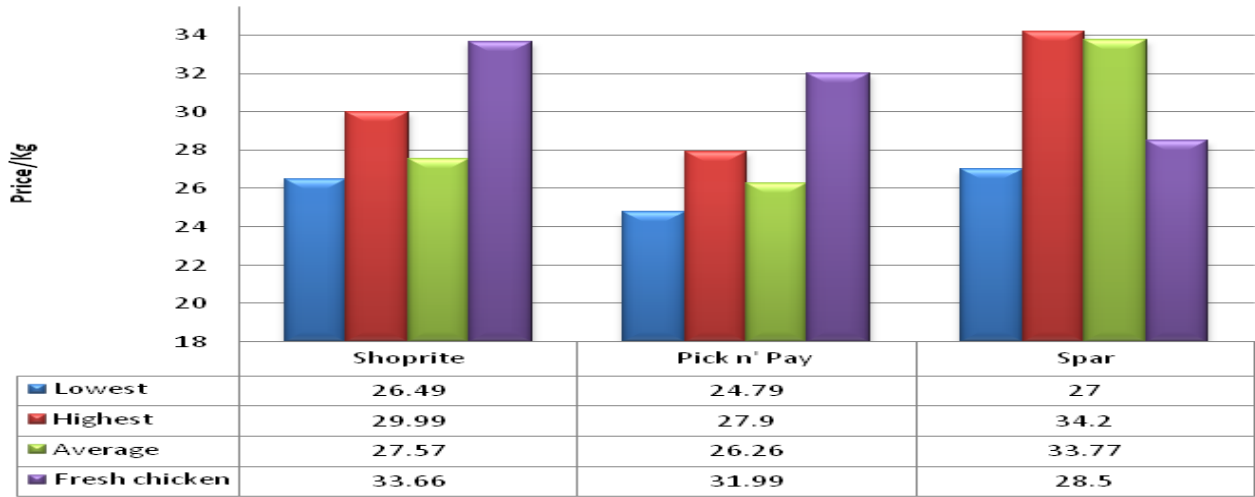
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. Pick n’ Pay had the lowest average price for frozen whole chicken at ZMW26.26 per kg and a price range of ZMW24.79 -ZMW27.90 per kg. Spar had the highest average price at ZMW33.77 whilst the average price for frozen whole chicken in Shoprite was ZMW27.57 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 ZMW33.66, ZMW31.99 and ZMW28.50 respectively.

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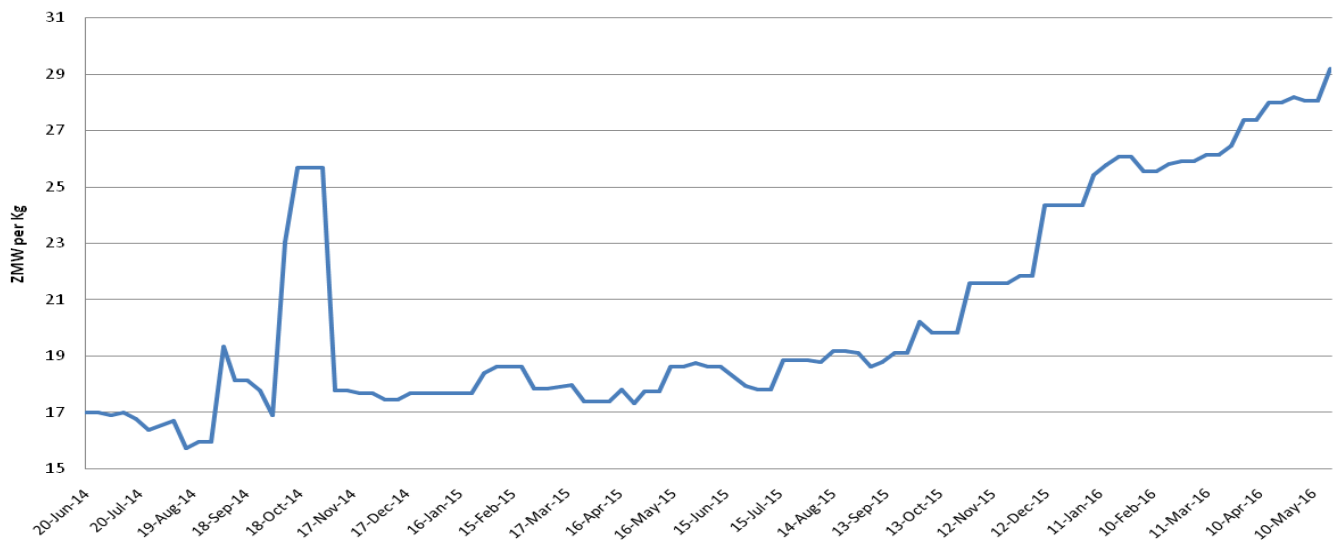
Graph 1: Average whole frozen chicken - 16th to 20th May 2016



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 took an upswing during the course of the week and went up to ZMW29.20/kg. This increase is due to high production costs.

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



Source: Poultry Association of Zambia

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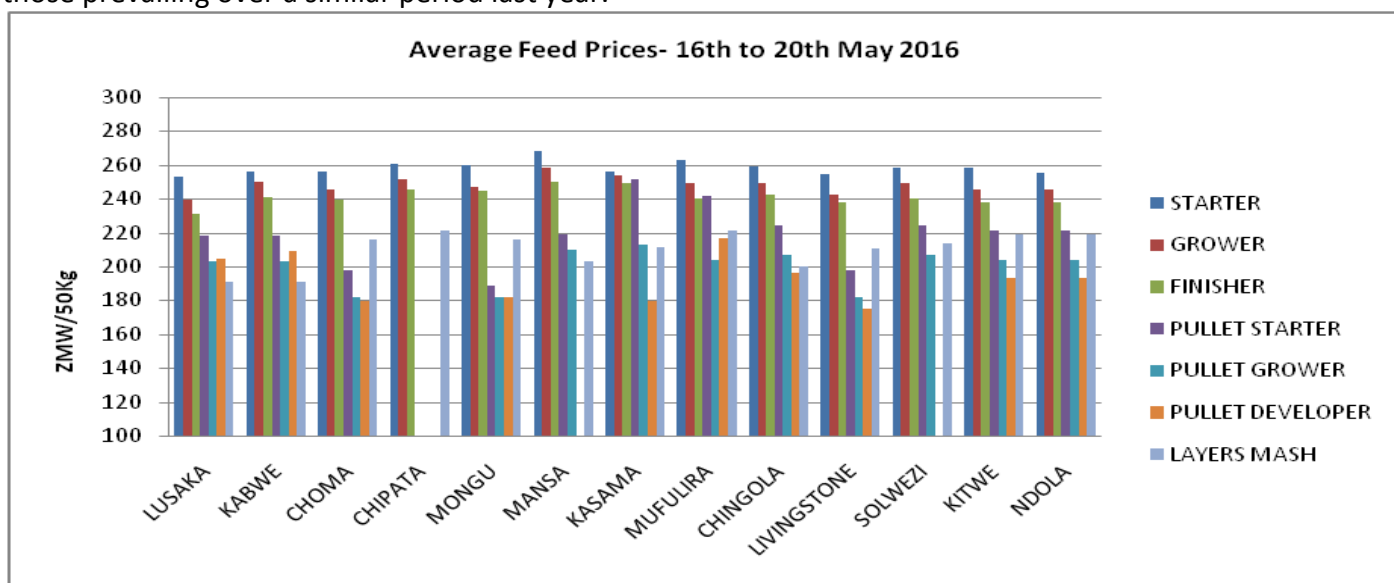


AVERAGE FEED PRICES

The graph below shows the price of some of the most important ingredients that are used in feed production per 50 kilogram bag. Changes in price for the following products also affects feed prices.

	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. There were some downward price adjustments on some brands of feed in the recent past. Prices are however still very high in comparison to those prevailing over a similar period last year.



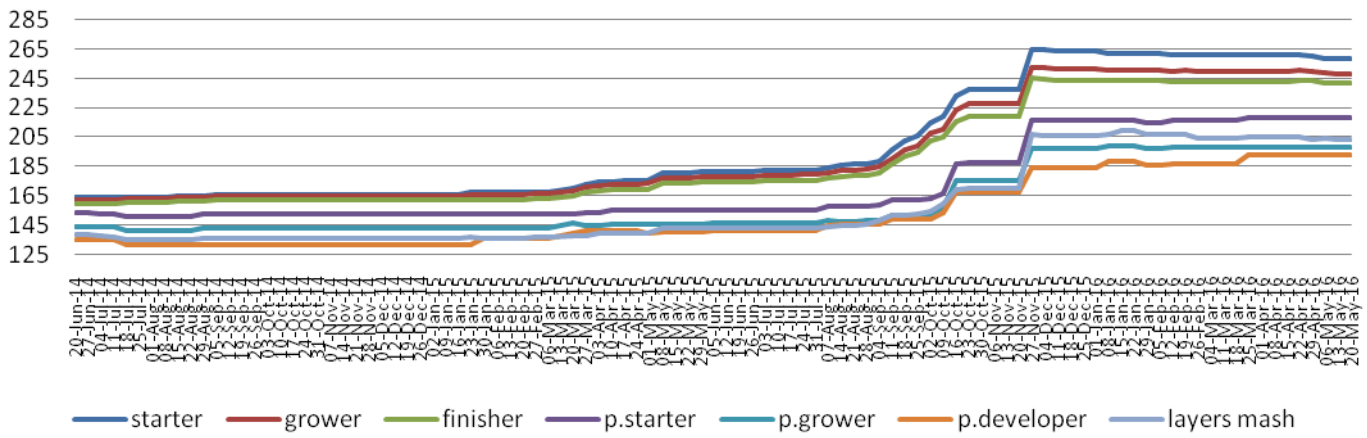
Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed from June 2014 to May 2016. Compared to the first quarter of 2015 prices of feed have gone up by over 60%.

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National average feed prices June 2014- May 2016



Source: Poultry Association of Zambia

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