



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

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In this week's issue:

- Botswana declared free of CBPP
- Traces of rain showers forecast in some districts
- International price of milk powder edges up

Zambia Still Has Enough Wheat Stocks

A meeting was convened today, 7th June 2016 at the Ministry of Agriculture to review, among other issues, the local wheat and maize markets. The meeting was chaired by the Minister of Agriculture, Hon. Given Lubinda and had representation from the Zambia National Farmers' Union (ZNFU), the Grain Traders Association of Zambia (GTAZ) and the Millers Association of Zambia (MAZ). It was established that the national wheat stocks were currently about 100,000MT and hence there is no need for the country to import wheat. The Ministry of Agriculture indicated that they would soon commence a wheat stock verification exercise and further stated that the Ministry would not interfere with

agricultural commodities pricing and would allow market forces to play their role. During the discussions, Stakeholders urged government to expedite the issuance of export permit for the 167,000MT of maize already earmarked for exports from the last marketing season in order for traders to create storage space for the 2016 harvest.

From El Nino to La Nina

As the El Nino wanes off, meteorologists are indicating a possibility of the development of a weak La Nina towards late spring through to the coming rain season. A La Nina event, depending on its strength, may result in generally above normal rainfall in Zambia between December 2016 and March 2017. The SADC Regional Vulnerability Assessment Committee is currently meeting in South Africa where a regional perspective will be developed on the forecasted La Nina event.

Call for 2017 National Budget Submissions

The Ministry of Finance has called for Tax and Non Tax Proposals for the 2017 National Budget. Kindly send us your tax and non-tax proposals for submission to Ministry of Finance by **Monday 20th June 2016**. Your submissions should clearly indicate the **proposed measure** and **justification** in terms of expected impact.

CURRENCY	06/06/2016						30/05/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	10.45	10.66	0.69	0.71	15.00	15.31	10.32	10.51	0.66	0.67	15.06	15.36
Standard Chartered Bank	10.47	10.68	0.70	0.72	15.09	15.39	10.34	10.54	0.66	0.68	15.11	15.40
ZANACO	10.45	10.65	0.69	0.70	15.04	15.32	10.26	10.45	0.65	0.66	15.0	15.28
Bank of Zambia	10.53	10.58	0.705	0.708	15.18	15.24	10.37	10.42	0.6566	0.6598	15.17	15.24

Parity Prices

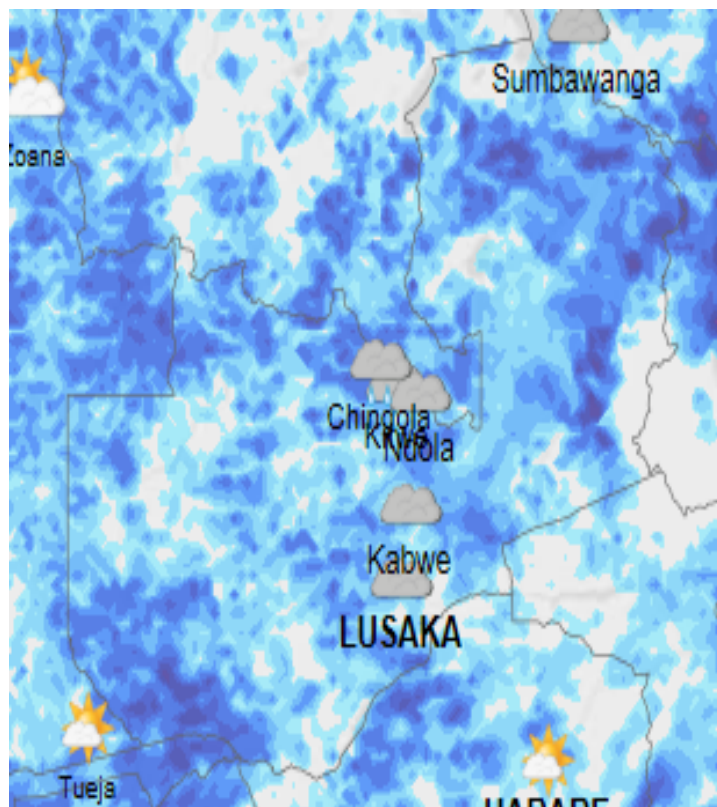
Domestic Import Parity Prices as at 06/06/2016					
US\$/ZAR=15.60 US\$/ZMW=10.66					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		10.66	470.03	664.72	487.48
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	25.80	495.83	690.52	513.28
Mkushi	225	21.11	491.14	685.83	508.59
Ndola	250	23.45	493.48	688.17	510.93
Kitwe	250	23.45	493.48	688.17	510.93

Note: Import parity based on July delivery

Export Parity Price Ranges (EPP) Harare-Lusaka as at 30/05/15	
Soya Beans	458.7-495.7
Wheat	330-349.5
Maize	240-281

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 7th to 14th June, 2016. Traces of rains forecast in Choma, Mazabuka, Livingstone, Kabwe and Lusaka.



Mongu	➤ Average daily Temps: 14-26°C.
Mansa	➤ Average daily Temps: 13-24°C.
Kasama	➤ Average daily Temps: 12-24 °C.
Solwezi	➤ Average daily Temps: 11-24°C.
Chipata	➤ Average daily Temps: 11-24°C.

Source: Norway meteorological Institute

TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Clear to cloudy skies ➤ Average daily Temps: 11-24°C
Mkushi	<ul style="list-style-type: none"> ➤ Average daily Temps: 11-22°C
Kabwe	<ul style="list-style-type: none"> ➤ Rain showers of up to 0.7mm are forecast on 13th and 14th ➤ Average daily Temps: 11-22°C
Lusaka	<ul style="list-style-type: none"> ➤ Light rain showers of up to 0.8mm forecast for 7th & 13th June ➤ Average daily Temps: 10-21°C
Mazabuka	<ul style="list-style-type: none"> ➤ Light rain showers of up to 0.5mm forecast on 13th June ➤ Average daily Temps: 11°C to 23°C.
Choma	<ul style="list-style-type: none"> ➤ Rain of up to 2.3mm forecast on 13th June ➤ Average daily Temps: 11 -20°C
Livingstone	<ul style="list-style-type: none"> ➤ Rain of up to 2.1mm is forecast for 14th June ➤ Average daily Temps: 11-23°C

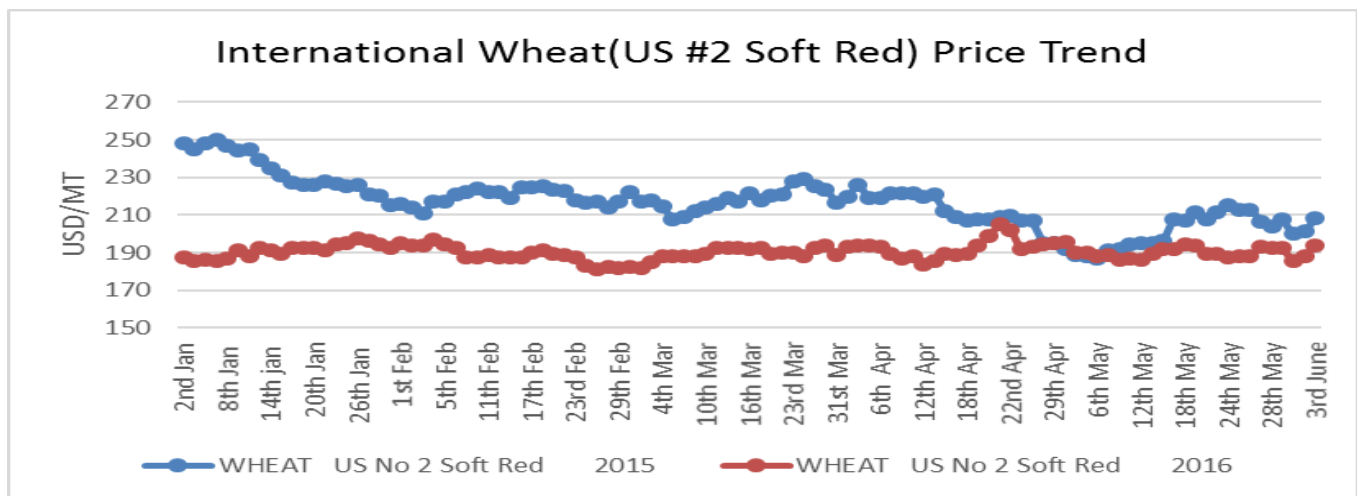
Wheat

Highlights

- The food and agriculture organization has revised its global cereal production estimates higher to 2,543 million tons mainly on account of anticipated increases in the wheat crop output from Argentina, the EU and Russia.
- Soft red, for July delivery, on the Chicago Mercantile Exchange (CME) opened trading at US\$182.25/MT on 6th June 2016.
- Local wheat offer prices were in the range of US\$400-415/ton last week.

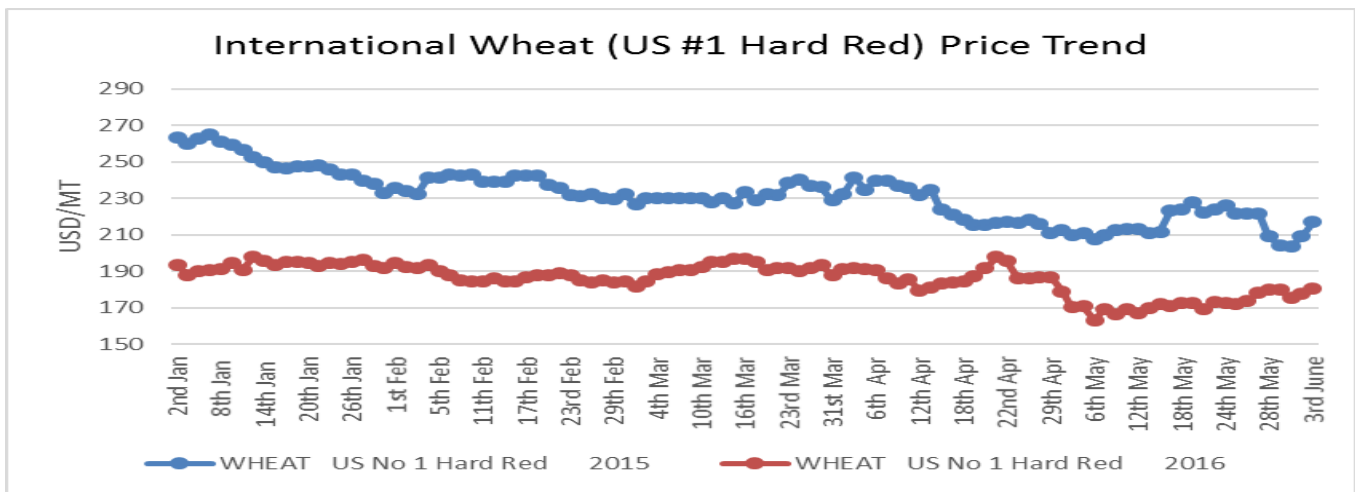
Price trends

The Safex international soft red and hard red wheat prices averaged US\$178.74 /MT and US\$ 190.49/MT during the week ending 3rd June respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



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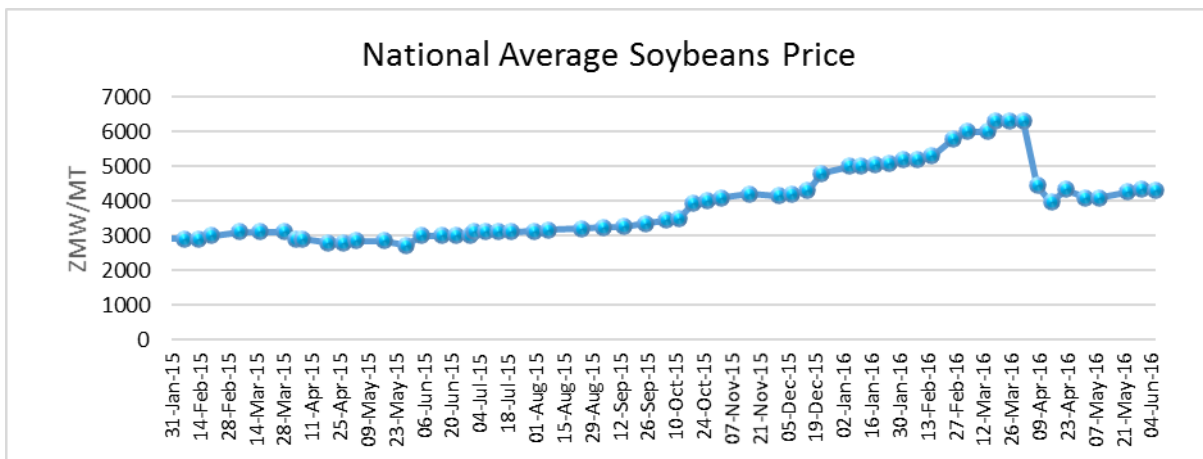




Source: Safex

Soya Beans Highlights

- South Africa’s fifth soya beans production estimates indicates that the country produced about 728,650MT of soya beans this year with an average yield of 1.45 tons/ha. This is lower than the estimated total national demand of 947, 000MT, out of which 4,500MT is earmarked for exports.
- Soy beans for July delivery opened trading on CME at US\$420.054/MT on 6th June 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 ZMW4,300MT last week as shown in the graph below;



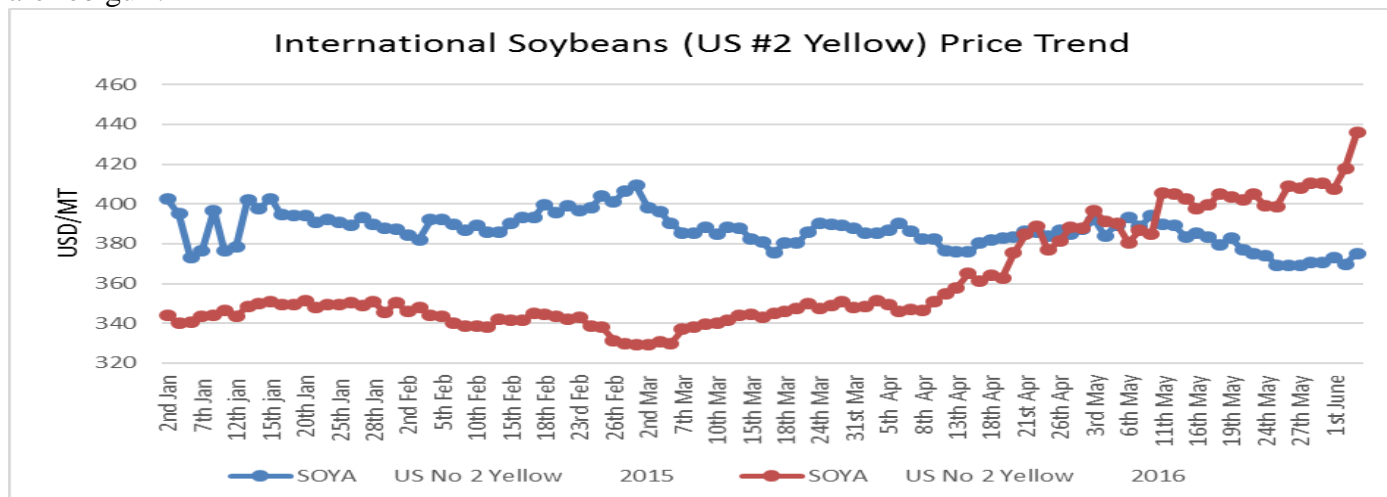
Source: ZNFU, 4455 Market Price Information System

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Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$416.34/MT in the week ending 3rd June 2016, 3.08% above the average price of US\$403.9/MT recorded in the previous week. Prices are fob gulf.



Source: Safex

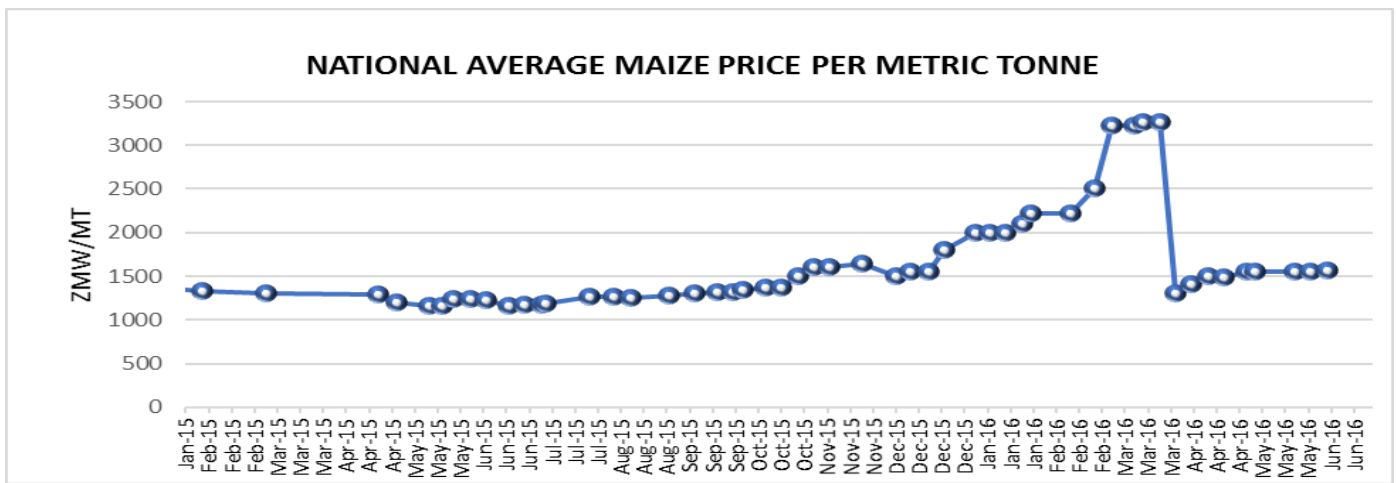
Maize

Highlights

- Brazil, a leading maize exporter, is anticipating a 23 percent reduction in its maize yield this year, in comparison to the 2014/15 crop, on account of dry weather. With less than 1 percent of the 2015/16 crop already harvested, the Brazilian Mato Grosso Institute of Agricultural Economics (Imea) has estimated the total harvest at 21.24 million tons. The country's national crop agency is however expected to release its estimates this week on production and projected exports.
- Maize for July delivery opened trading on CME at US\$165.19/MT on 6th June 2016.
- Maize purchase offer prices were hovering around ZMK1300-1950/MT last week according to the ZNFU market information system.

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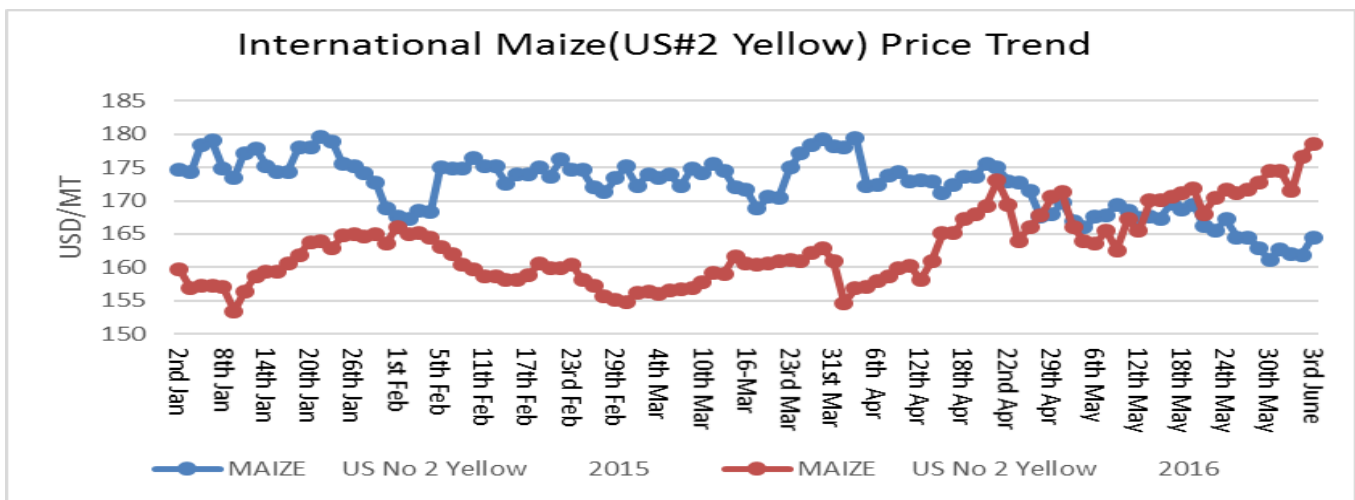




Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 175.11/ MT during the week ending 3rd June 2016, 2.09% above the previous week's average. All prices are fob gulf.



Source: Safex

Crude oil

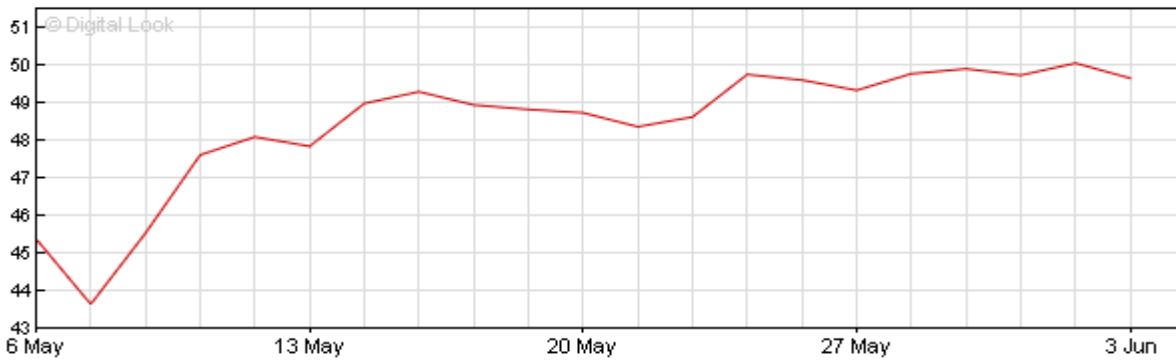
- After trading in fairly stable waters of between US\$49-50/ barrel over the last two weeks, international crude oil prices finally bridged the US\$50 mark on the backdrop of a weakening dollar and tight supplies from Nigeria. Saudi Arabia has been quoted to have increased its oil price to its US and Asian customer base, a sign of increased confidence in the global demand.
- Brent crude oil futures prices around 13:30hrs CAT on 6th June 2016 were pegged at US\$50.17/barrel.

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- The Dubai Mercantile exchange crude oil marker price for July 2016 delivery settled at US\$46.23/barrel on 3rd June 2016, fairly similar to the settlement price of US\$46/ barrel recorded on 27th May 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC, 2016.

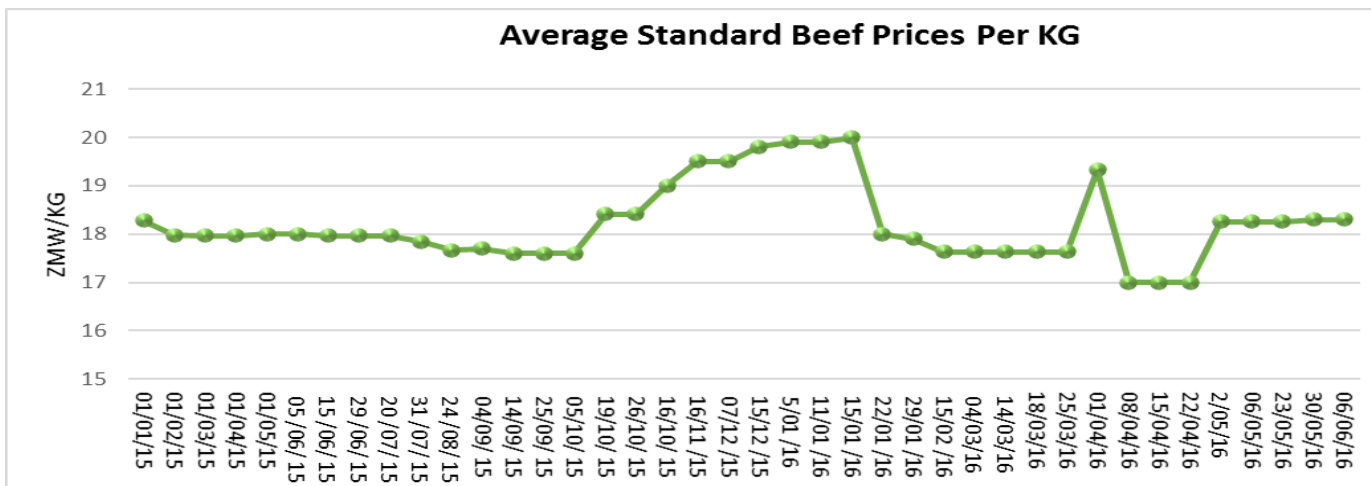
Beef

Highlights

- Namibia, during the 84th International Organization for Animal Health (OIE) general assembly held last week, was given ‘negligible Bovine Spongiform Encephalopathy (BSE), or Mad Cow Disease Risk’ status. This made Namibia the first country in Africa to be awarded this status and has increased the country’s beef export opportunities to China. Meanwhile Botswana and the foot and mouth disease free zone of Namibia have attained CBPP free status.
- Namibian grade A beef prices in abattoirs, captured by the Namibian Meat board, were in the range of ZAR30-36.67/kg during the week ending 30th May 2016. The auction price for heifers and weaners were ZAR15.86/kg and ZAR 17.35kg respectively on 27th May 2016.
- Dressed weight beef prices were averaging ZMW18.3/kg during the week ending 3rd June 2016. This is as monitored by the ZNFU 4455 market price information system.

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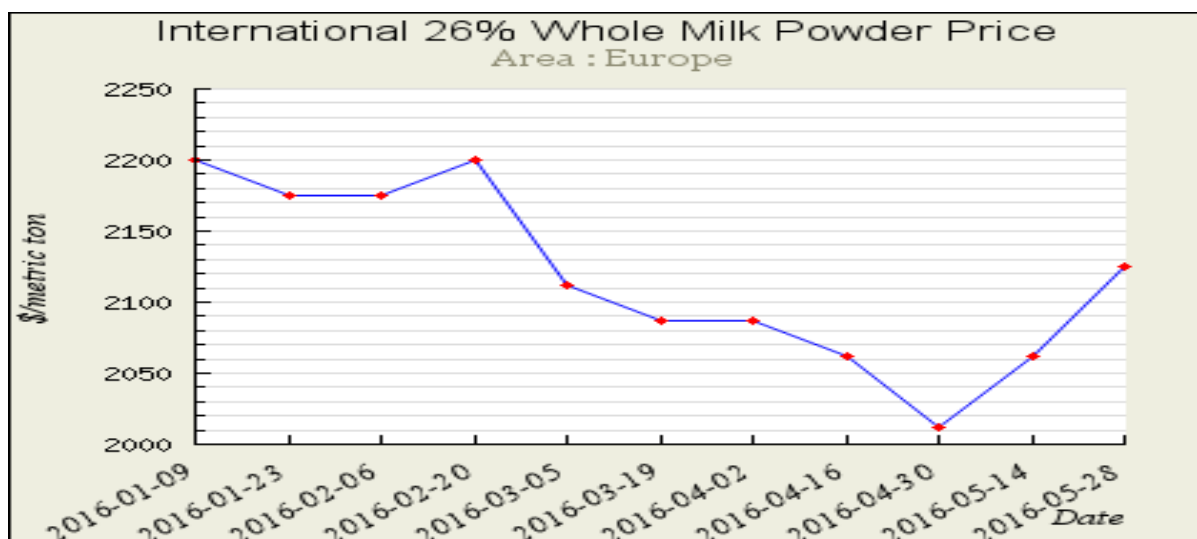


Source: ZNFU, 4455 Market Price Information System

DAIRY UPDATES FOR THE WEEK ENDING 3rd JUNE 2016

GLOBAL WHOLE MILK POWDER PRICE TRENDS

The price of whole milk powder on the international market increased slightly from USD 2,062.5 on 14th May 2016 to USD 2,125 on 28th May 2016 as seen below;



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

AVERAGE PRICES OF FRESH MILK, UHT AND YOGURT

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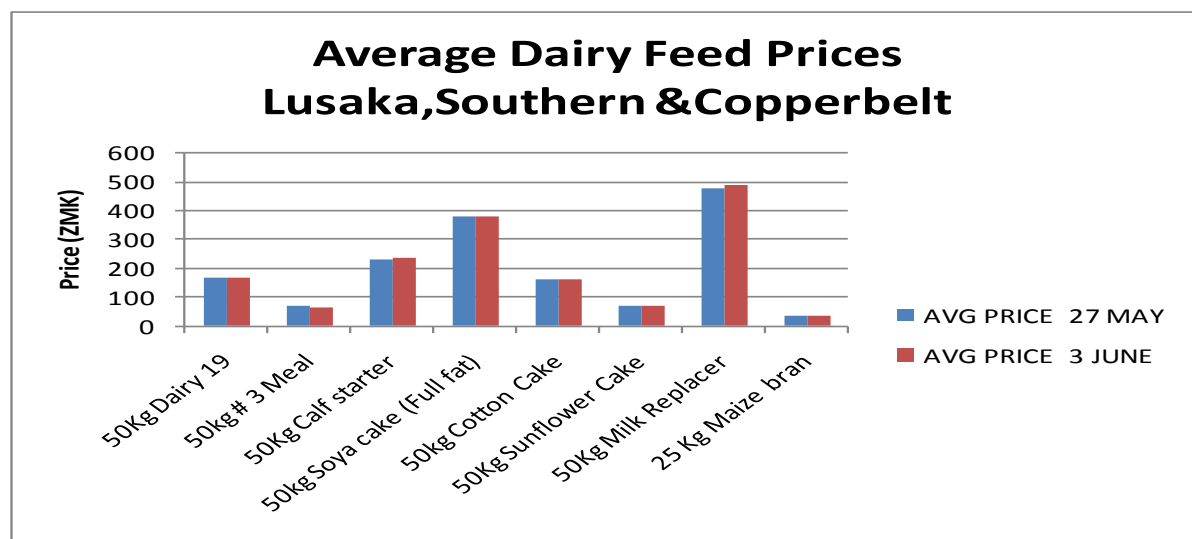
Average prices for dairy products remained relatively constant during the period 27th May to 3rd June, 2016. Notable price adjustment was that for 175g smooth yogurt that recorded a slight increase of 1.4% from K4.6 to K4.68.

AVERAGE DAIRY PRODUCT PRICES LUSAKA, SOUTHERN & COPPERBELT			
Dairy Product	Avg Price May 27	Avg Price June 3	Var(%)
1Ltr UHT Milk	15.00	15.05	0.3%
2Ltrs Fresh Milk	17.10	17.16	0.4%
500mls Fresh milk	5.59	5.59	-0.1%
250mls Drinking Yogurt	4.00	3.99	-0.2%
175g Yogurt	5.60	5.68	1.4%
500mls UHT Milk	6.39	6.39	0.0%
500mls Yogurt	13.99	14.02	0.2%
500mls Drinking Yogurt	8.39	8.39	0.0%
250 UHT Milk	3.29	3.29	0.0%

Source: DAZ June 2016

AVERAGE FEED PRICES-LUSAKA, SOUTHERN AND COPPERBELT

Average dairy feed prices and that of feed ingredients generally remained constant between 27th May and 3rd June 2016 save for the prices of No.3 meal and Maize bran that reduced slightly by 4% and 5% respectively. The average price for cotton cake and milk replacer increased by 1 and 2% respectively in the same period.



Source: DAZ June 2016

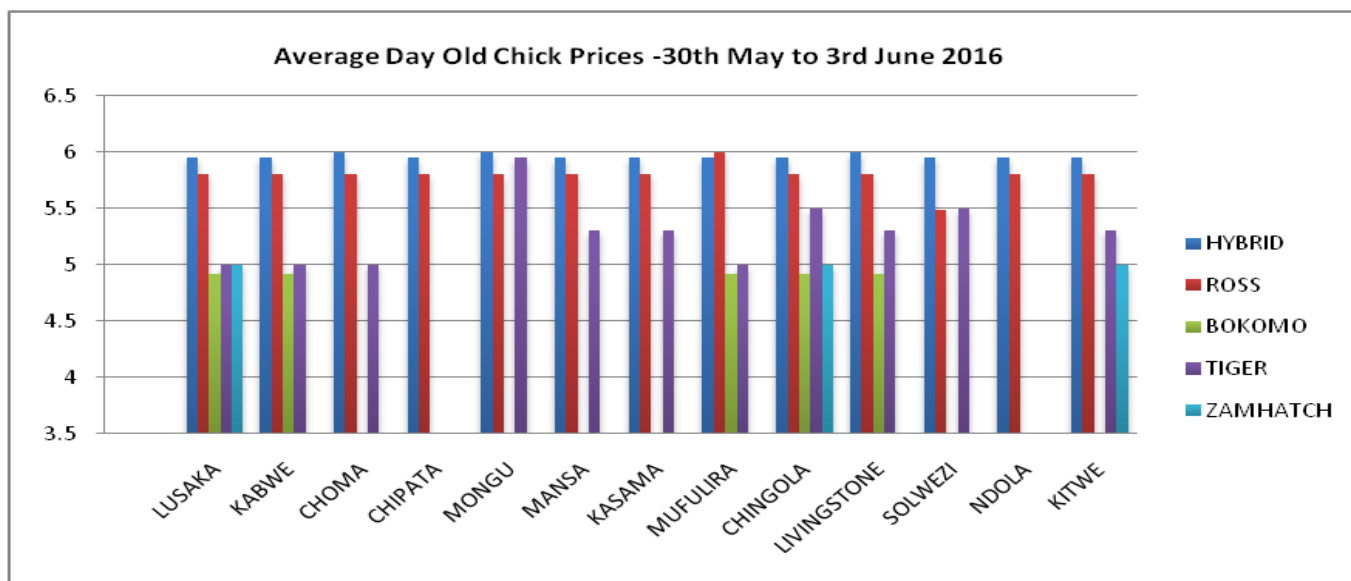
POULTRY UPDATES FOR THE WEEK ENDING 3rd JUNE 2016

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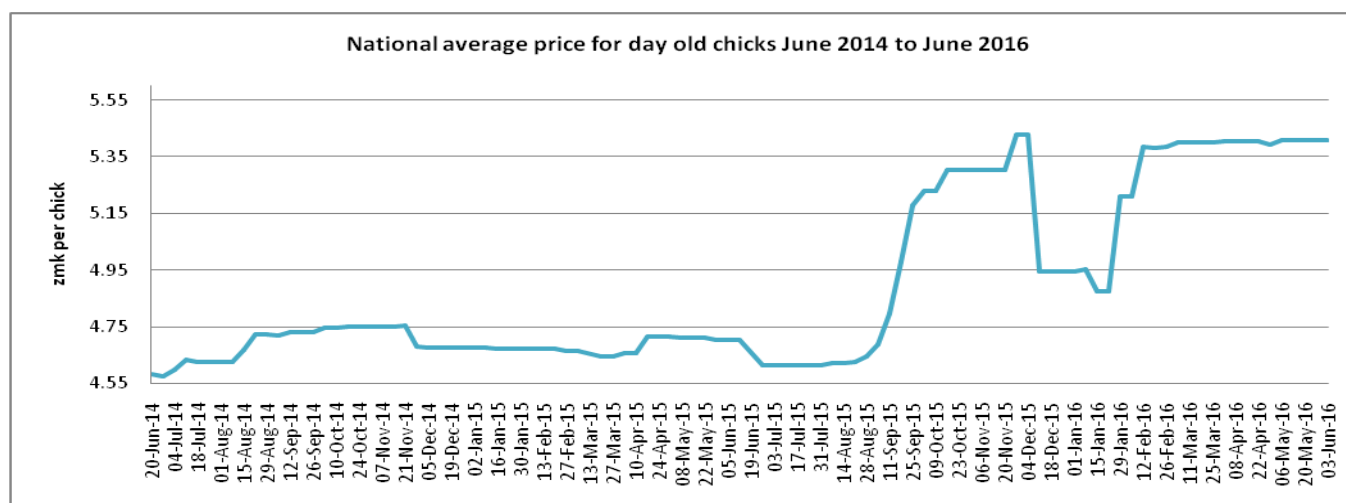
AVERAGE DAY OLD CHICK PRICES

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.



Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to June 2016. The graph shows that the national average of price of day old chicks was ZMW5.41/chick last week.



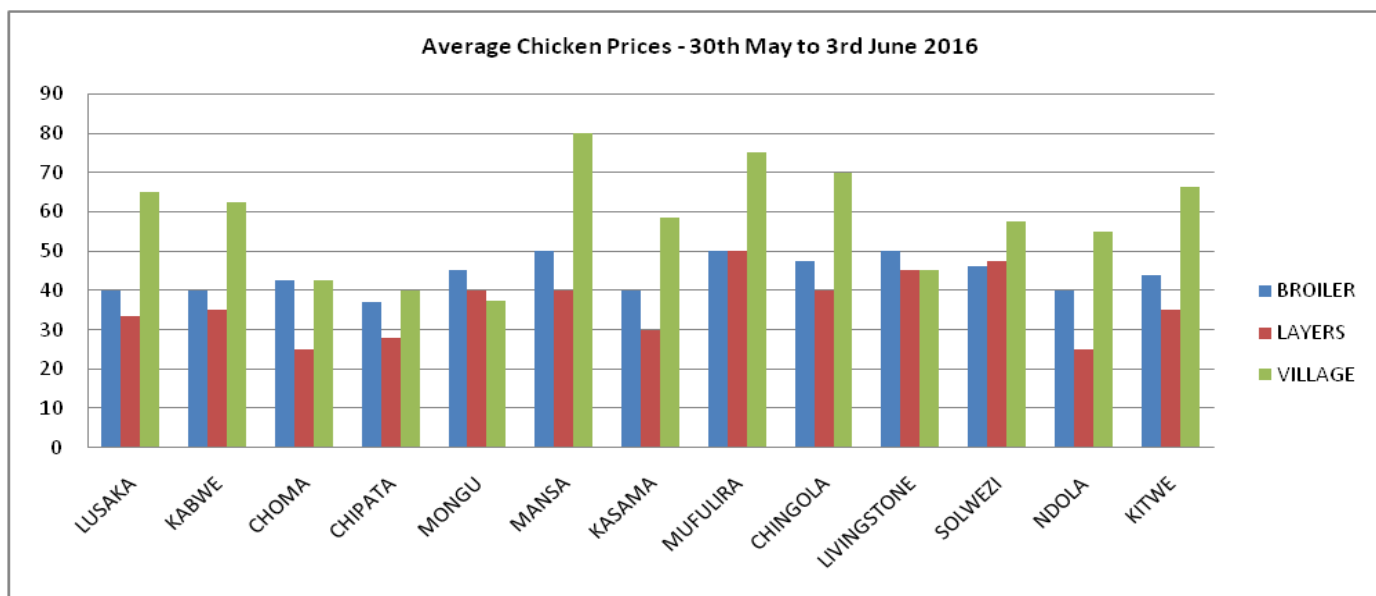
Source: Poultry Association of Zambia

AVERAGE LIVE BIRDS PRICES

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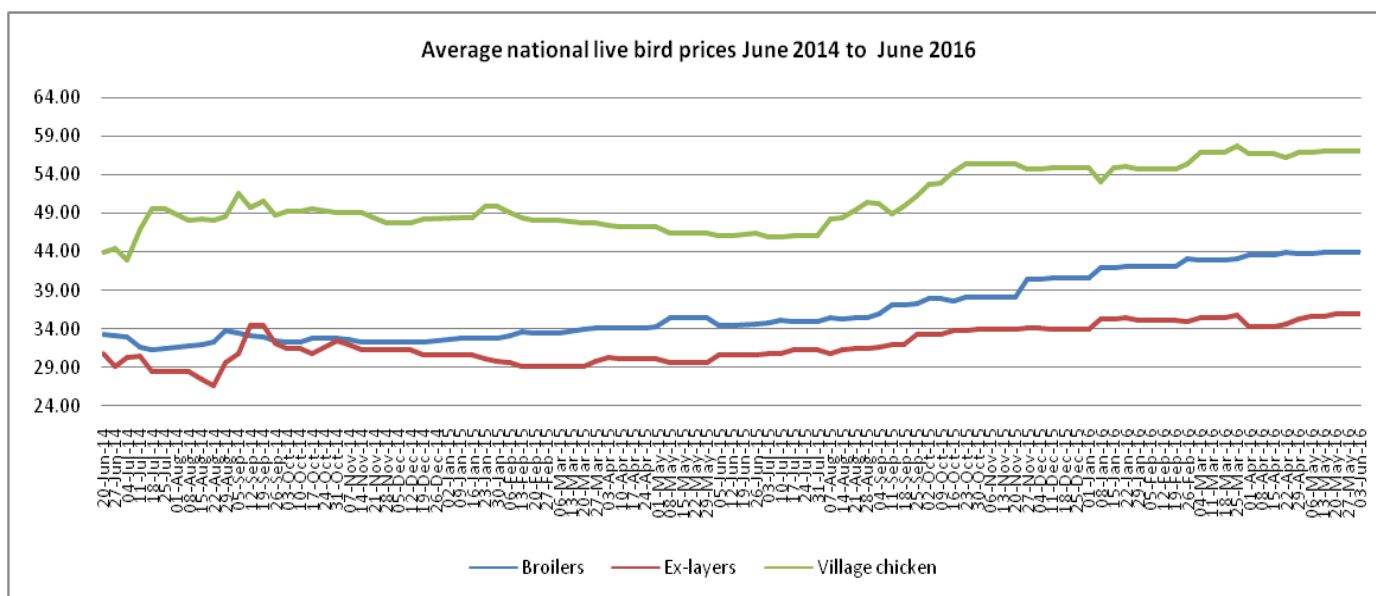


The graph below shows the average live bird prices in selected towns. There were no changes in producer prices during the course of the week with bulk sales of broiler birds in Lusaka averaging ZMW35/bird. It is however anticipated that prices will rise during this cold season as is the case mostly due to the fact that demand usually outstrips supply as some producers pull out due to challenges arising from adverse weather.



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 per bird respectively.



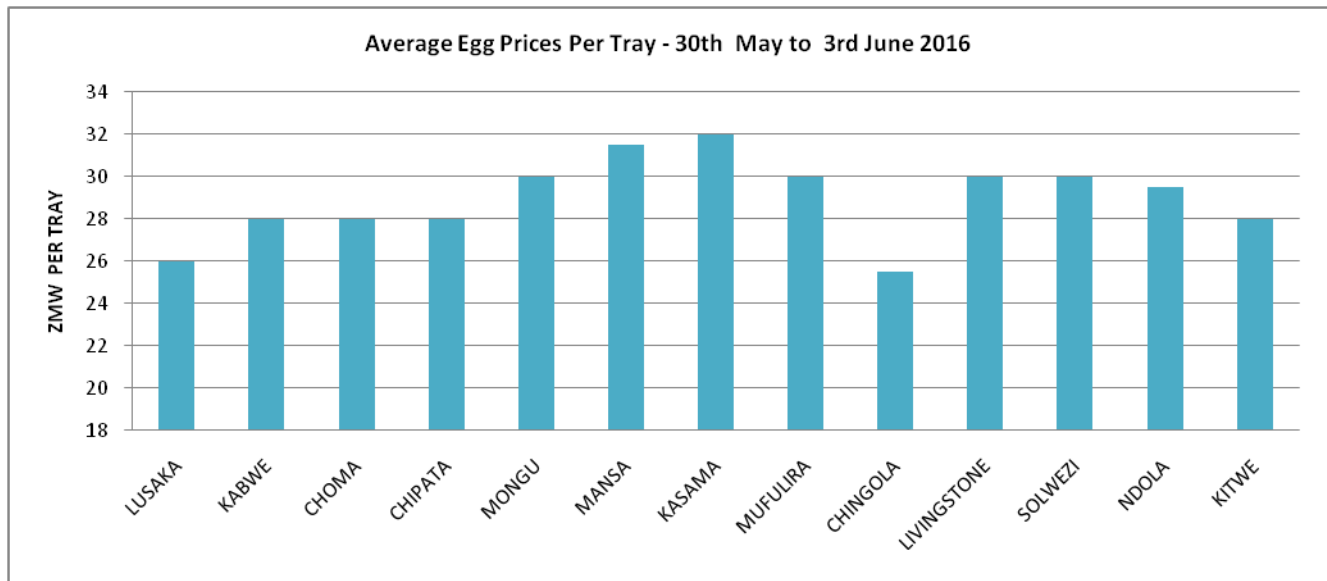
Source: Poultry Association of Zambia

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AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Producer prices remained low though stable during the course of the week.

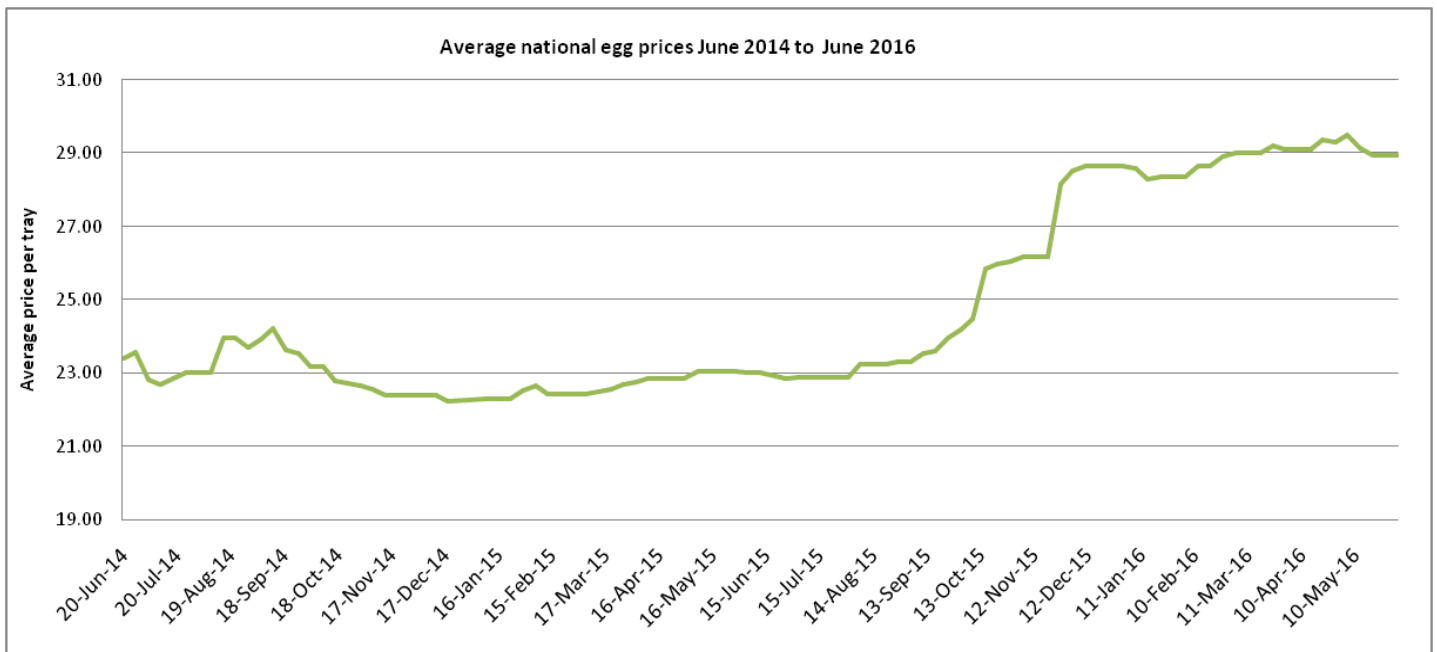


Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to June 2016. The graph shows that the national average price for a tray of eggs has stayed at ZMW28.96/tray the past three weeks.

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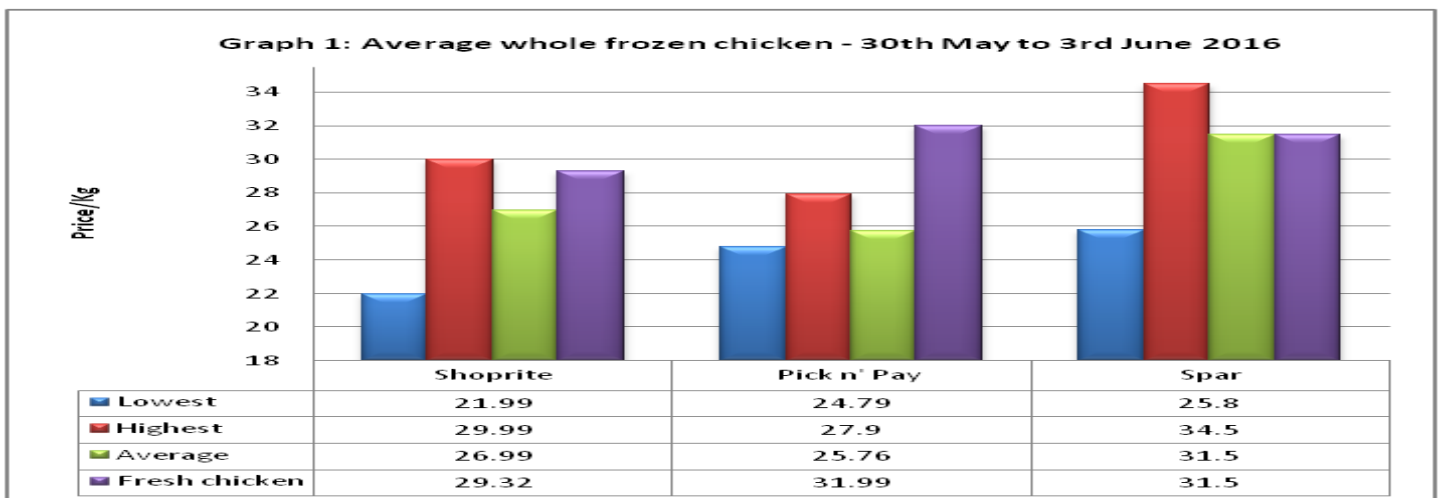




Source: Poultry Association of Zambia

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 ZMW26.76 per kg Spar had the highest average price at ZMW31.50 while frozen chicken in Shoprite was averaging ZMW26.99 per kg. Meanwhile the average price for fresh whole chickens in Shoprite, Pick 'n' Pay and Spar was ZMW29.32, ZMW31.99 and ZMW31.50 per kg respectively. Frozen whole chicken in Zambeef outlets and Melissa Supermarket was pegged at ZM25.90 per kilo and ZMW30 per kilo respectively.

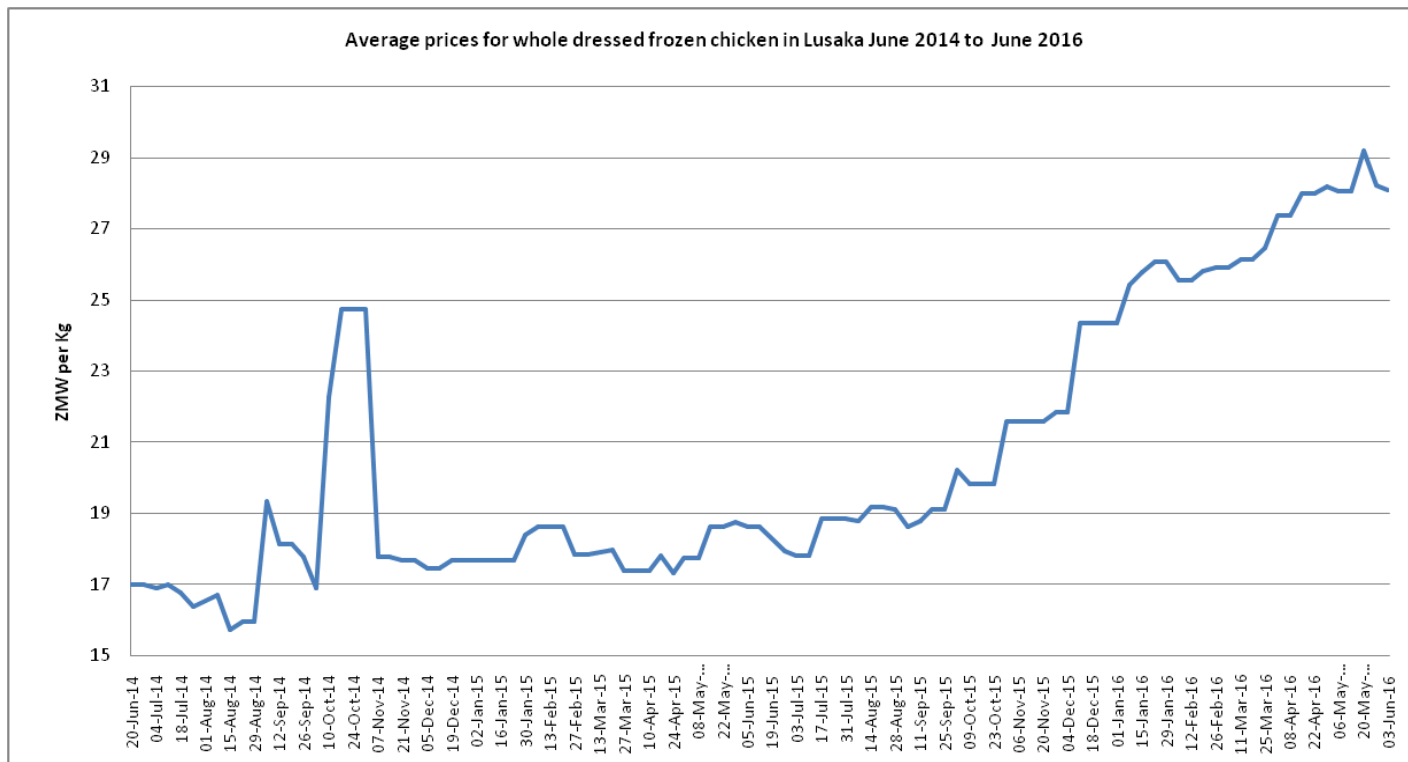


Source: Poultry Association of Zambia

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The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – June 2016. There was a slight decline in the average price for frozen whole chickens during the course of the week to ZMW28.08 per kg due to promotions being run on some brands of frozen chicken.



Source: Poultry Association of Zambia

AVERAGE FEED PRICES

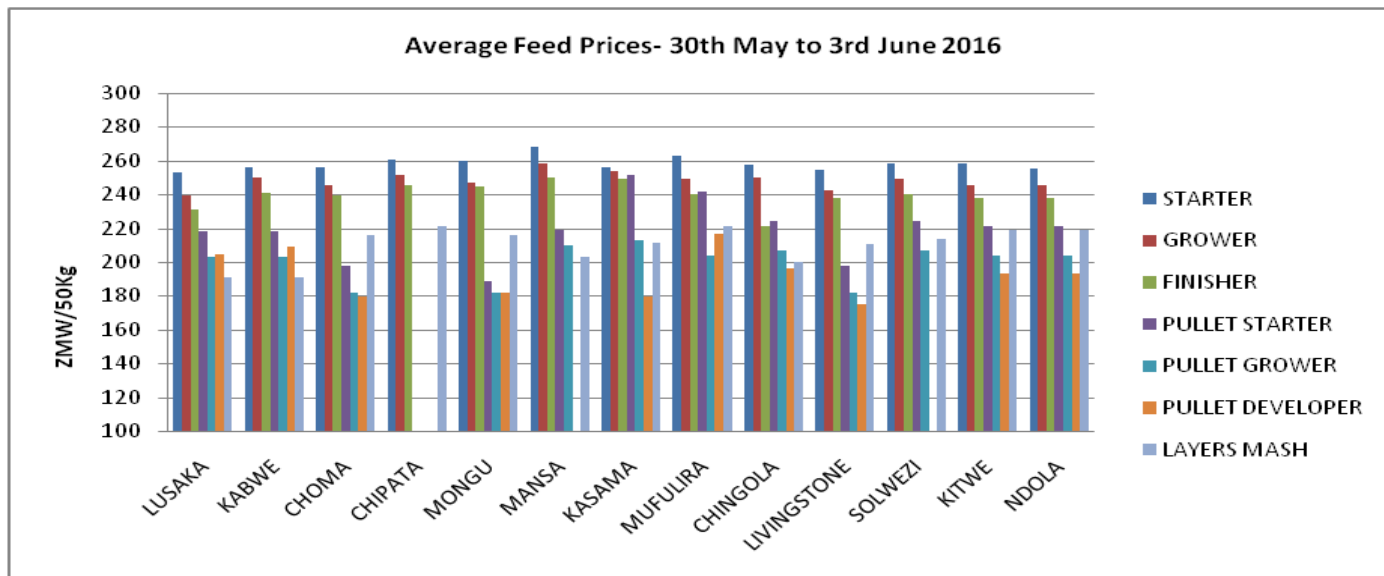
The graph below shows the price of some of the most important ingredients that are used in feed production per 50 kilogram bag. Most of the inputs below are affected by the exchange rate.

	SOYA MEAL FULL FAT	SOYA MEAL SOLVENT EXTR	SOYA MEAL SOLVENT EXTR	NO.3 MEAL	FISHMEAL
PRICE (ZMW/50Kg)	310.30	316.12	320.52	55	512.86

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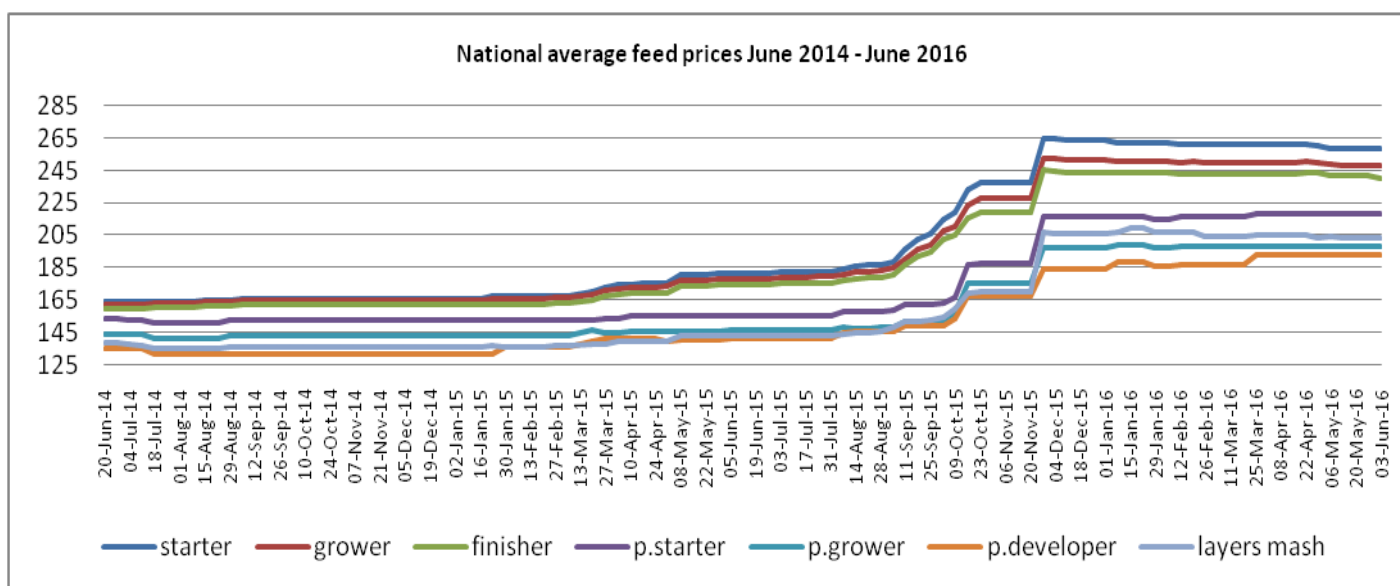


The graph below shows average feed prices in selected towns. There has been some slight decline in the price of selected stock feeds in some towns, However stock feed prices have remained the biggest burden among poultry farmers.



Source: Poultry Association of Zambia

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



Source: Poultry Association of Zambia

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