



THE WEEKLY AGRO WATCH



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20th June, 2016 Vol.3. No.25



In this week's issue:

- Sales of day old chicks improve
- Maize offer prices by private traders' edge upwards
- International Prices of whole Milk powder rise

South Africa Hit by African Swine Fever

The South African Department of Agriculture, Forestry and Fisheries earlier this month confirmed the outbreak of African Swine Fever in the country's North West and Free State Provinces. This is the first outbreak of the disease the country has recorded since 2012 and the source is not clear. The South African government has since banned the importation of pigs until further notice. Meanwhile, Namibia has also suspended the importation of live pigs and raw pork products from South Africa until the outbreak is adequately resolved.

Importation of refined edible oils suspended

A stakeholder consultative meeting was held today at the Ministry of Agriculture offices to review the Zambian edible oils market. The meeting was chaired by the Minister of Agriculture, Hon. Given Lubinda, and graced by the presence of the Minister of Commerce, Trade and Industry, Hon. Margaret Mwanakatwe. In attendance was representation from the Oilseed crushers, the Central Statistical Office, Ministry of Commerce, Trade and Industry Officials, Ministry of Agriculture Officials and ZNFU. During the meeting, concern was raised on the indiscriminate importation of edible oil especially refined products which was negatively affecting the growth of the local industry. It was resolved that the importation of refined edible oils be suspended in preference for semi-processed and crude products. Meanwhile, the multi stakeholder committee constituted last year by the Ministry of Agriculture on edible oils was expected to resume its meetings and recommend procedures and guidelines on the importation of edible oils.

PUBLIC NOTICE

The Water Resources Management Authority (WARMA) is a quasi-government organization established by an Act of Parliament, the Water Resources Management (WRM) Act No. 21 of 2011. WARMA is mandated to manage all water resources both surface and groundwater in Zambia that vests in the President. In accordance with the spirit of Integrated Water Resources Management (IWRM) principles and decentralization, WARMA has organized three Public Hearing Meetings (PHMs) to sensitize stakeholders on the Water Resources Act and WARMA's operations.

All water users and interested parties are cordially invited to attend as notices are given in their respective areas. The scheduled meetings for the month of June are in the following catchment areas:

#:	Venue	Location
1	Mwomboshi Sub-Catchment	Chisamba
2	Mulungushi Sub-Catchment	Kabwe
3	Luombwa Sub-Catchment	Luombwa/Serenje

For further details, please contact Oscar Silembo on **0955-863089**.

Exchange Rates

CURRENCY	22/06/2016						06/06/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB							10.66	10.87	0.71	0.72	15.14	15.45
Standard Chartered Bank	10.88	11.09	0.74	0.75	16.00	16.32	10.65	10.86	0.70	0.72	15.14	15.44
ZANACO	10.93	11.14	0.74	0.75	16.09	16.40	10.68	10.88	0.70	0.71	15.16	15.45
Bank of Zambia (20/06/16)	10.94	10.99	0.736	0.74	16.03	10.11	10.76	10.81	0.708	0.711	15.27	15.34

Parity Prices

Domestic Import Parity Prices as at 17/06/2016					
US\$/ZAR=15.24 US\$/ZMW=10.99					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		10.99	484.22	696.61	486.45
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	25.02	509.24	721.63	511.47
Mkushi	225	20.47	504.69	717.08	506.92
Ndola	250	22.75	506.97	719.36	509.20
Kitwe	250	22.75	506.97	719.36	509.20

Note: Import parity based on July delivery

Export Parity Price Ranges (EPP) Harare-Lusaka as at 17/06/16	
Soya Beans	458.7-495.75
Wheat	330-349.5
Maize	240.3-300.7

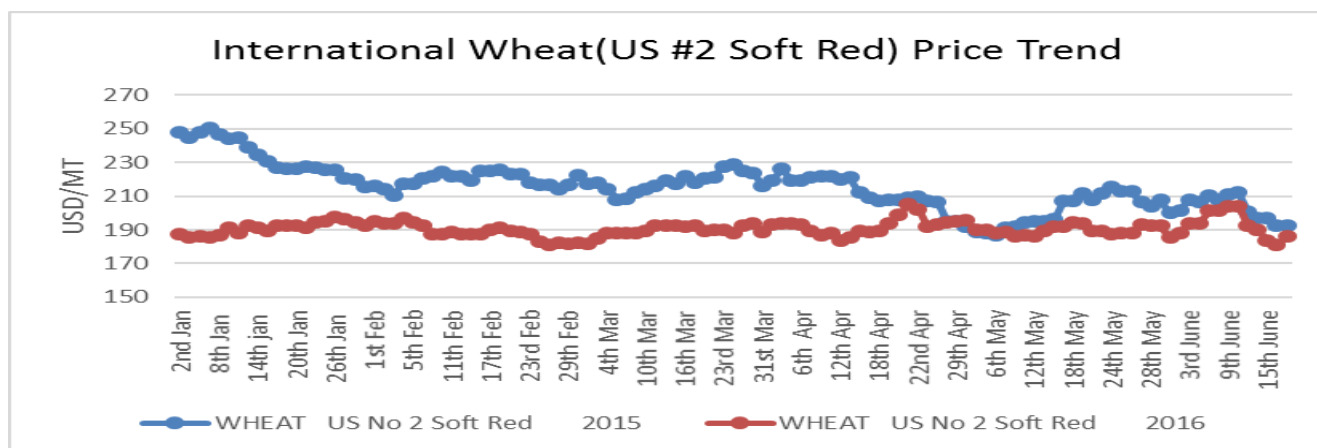
Wheat

Highlights

- According to the latest Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) crop report, Australia's wheat production in the 2016/17 year is forecast to rise by 5 percent to 25.4 million tons due to an increase in average yields. Above average rainfall has improved planting conditions in the country and the anticipated La Nino is expected to bring more rainfall to the country. Over two-thirds of Australia's wheat is earmarked for the export markets.
- Soft red, for July delivery, on the Chicago Mercantile Exchange (CME) opened trading at US\$173.80/MT on 21st June 2016.
- Local wheat offer prices were still in the range of US\$400-415/ton last week.

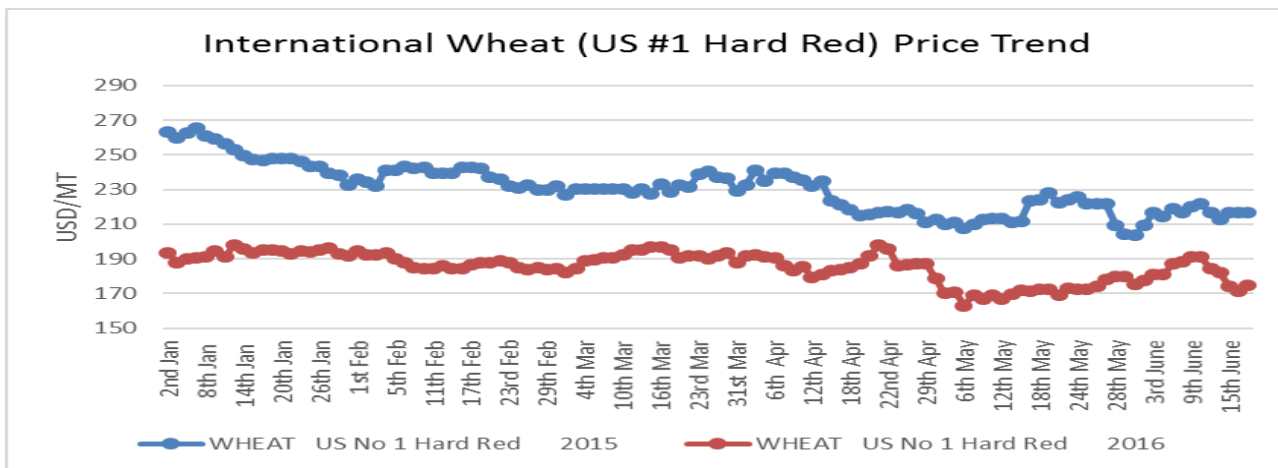
Price trends

The Safex international soft red and hard red wheat prices averaged US\$180.54 /MT and US\$ 190.24/MT during the week ending 17th June respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



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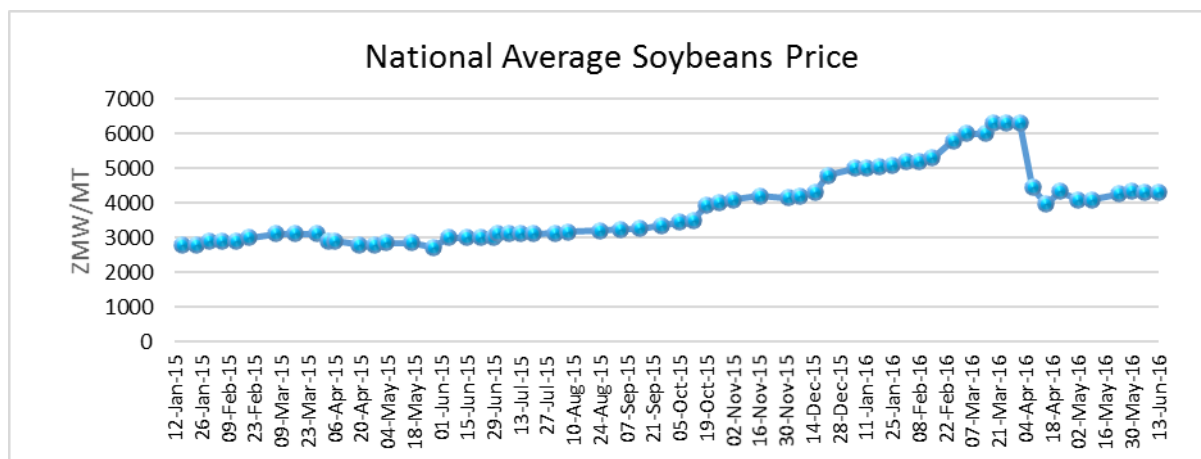




Source: Safex

Soya Beans Highlights

- Malaysia is reported to have pushed to next month its program of increasing the palm oil content in its biodiesel blend. Blending to the new standards is expected to increase the Malaysia palm oil consumption in biodiesel production by over 40 percent. Implementation of this program by Malaysia will likely result in higher international palm oil prices and ultimately a rise in demand in alternative sources of edible oils such as soy.
- Soy beans for July delivery opened trading on CME at US\$416.82/MT on 21st June 2016.
- According to the ZNFU market Price Information System, average national offer prices were in the range of ZMW 3,000 – 5,300/MT with an average of ZMW4,334/MT last week as shown in the graph below;

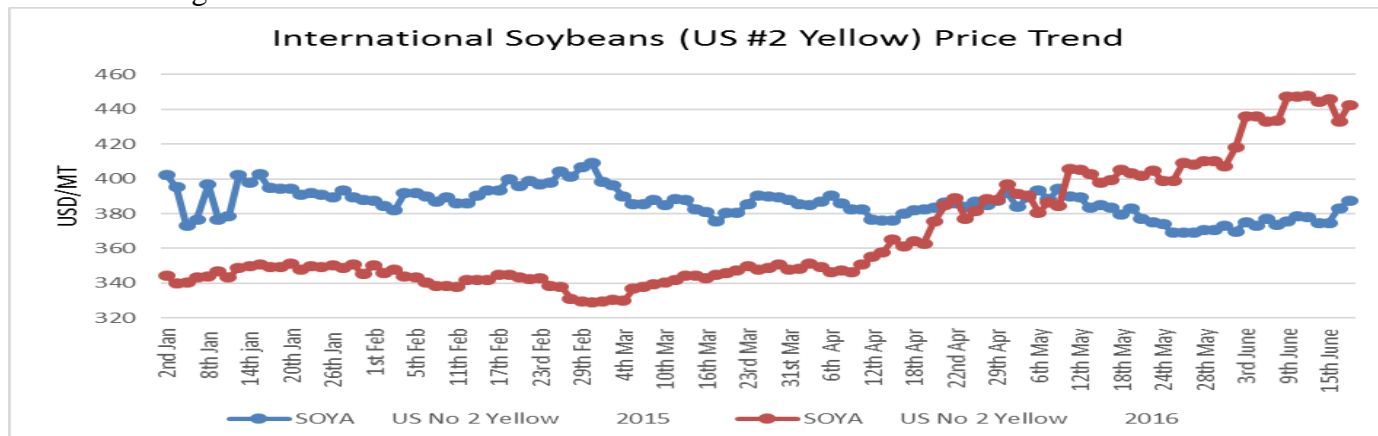


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Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$443.67/MT in the week ending 17th June 2016, 1.45% above the average price of US\$437.34//MT recorded in the previous week. Prices are fob gulf.



Source: Safex

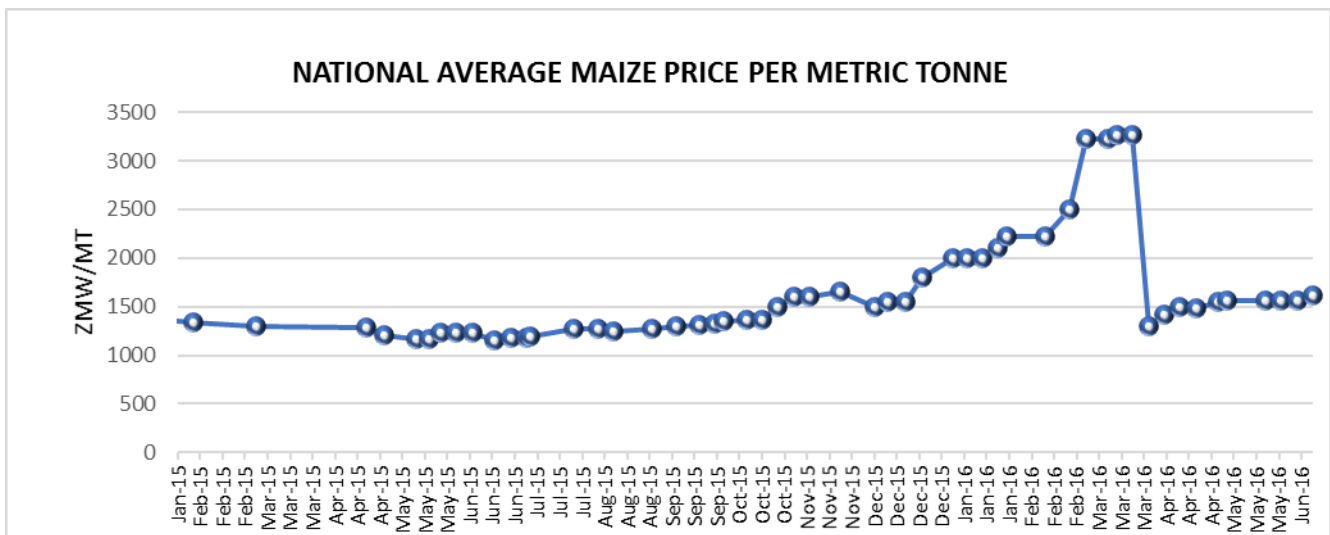
Maize

Highlights

- Maize for July delivery opened trading on CME at US\$165.35/MT on 21st June 2016.
- Zimbabwe’s maize market has been made less lucrative to international traders by the cash shortages the economy is currently experiencing despite offers prices being quoted mostly in the range of US\$330-390/ton. Zimbabwe’s acute cash shortages has been attributed to, among other things, tight liquidity and externalization of the US dollar.
- On the Zambian front, the K10 upward revision of the Maize purchase price by the Food Reserve Agency to K85/ 50kg bag has influenced the private traders to adjust their offer prices upwards as well. The National offer prices were averaging K1600/ton last week according to the ZNFU market price information system.

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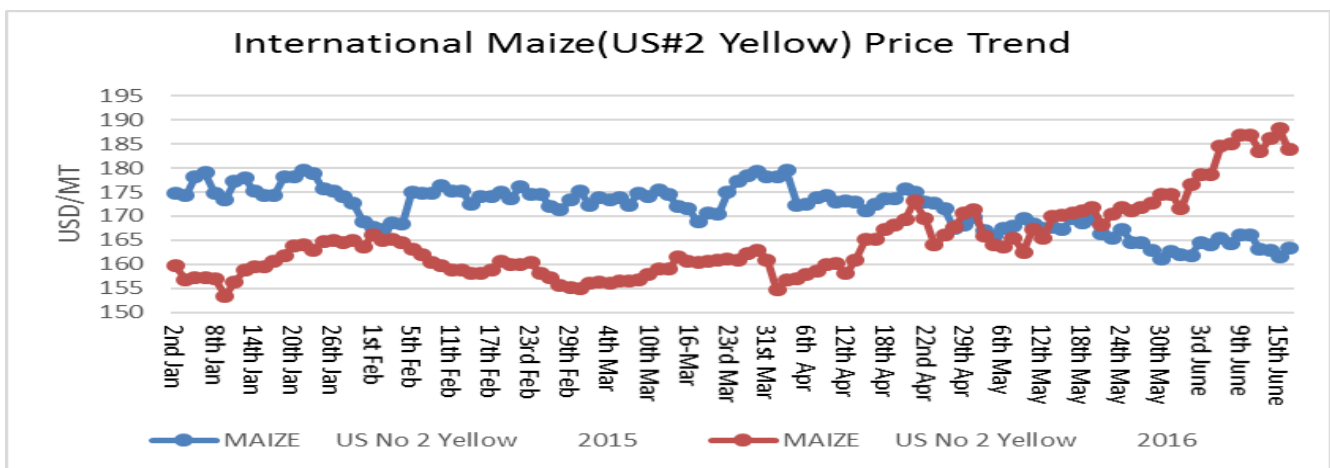




Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 185.69/ MT during the week ending 17th June 2016, 1.06% above the previous week's average. All prices are fob gulf.



Source: Safex

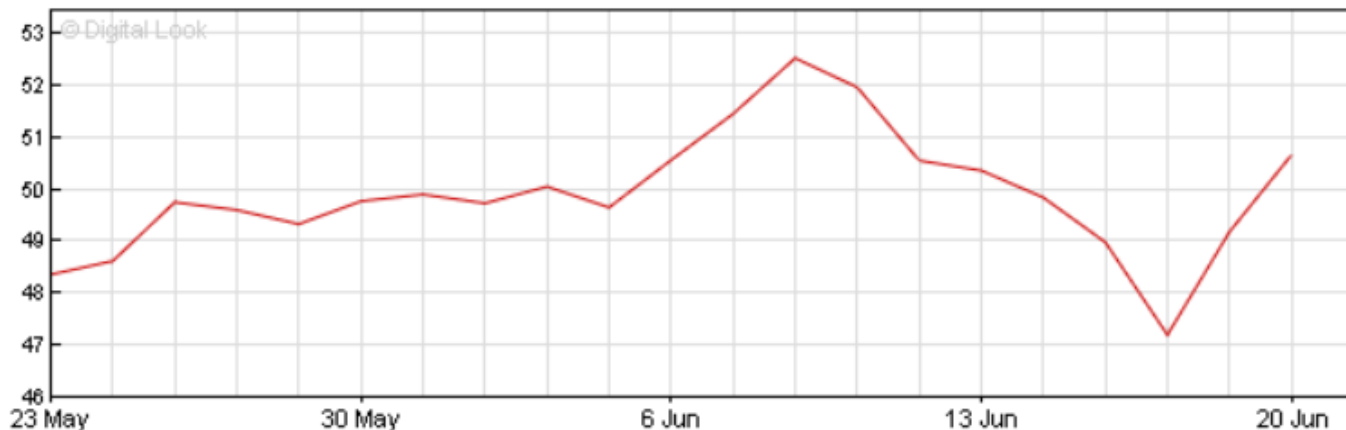
Crude oil

- Brent crude oil futures prices around 14:15hrs CAT on 21st June 2016 were pegged at US\$49.74/barrel.
- The Dubai Mercantile exchange crude oil marker price for August 2016 delivery settled at US\$47.15/barrel on 20th June.

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Brent Crude Oil Futures \$/barrel

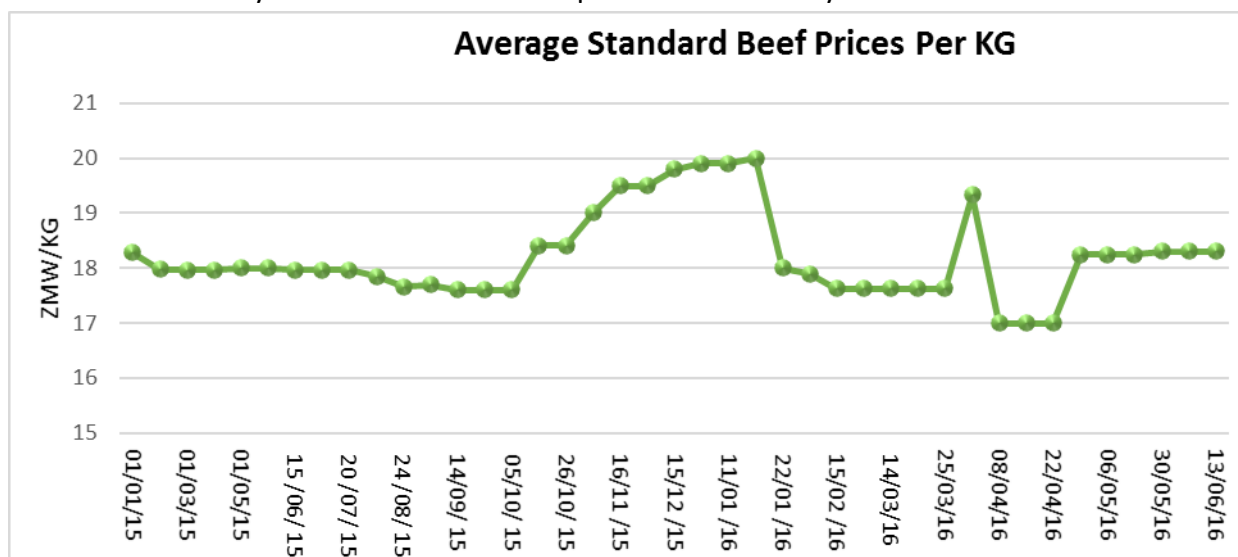


Source: BBC, 2016.

Beef

Highlights

- Namibian grade A beef prices in abattoirs, captured by the Namibian Meat board, were in the range of ZAR28.44-36.67/kg during the week ending 13th June 2016. The auction price for heifers and weaners were ZAR15.01/kg and ZAR 17.30/kg respectively on 10th June 2016.
- Dressed weight beef prices were averaging ZMW18.3/kg during the week ending 17th June 2016. This is as monitored by the ZNFU 4455 market price information system.



Source: ZNFU, 4455 Market Price Information System

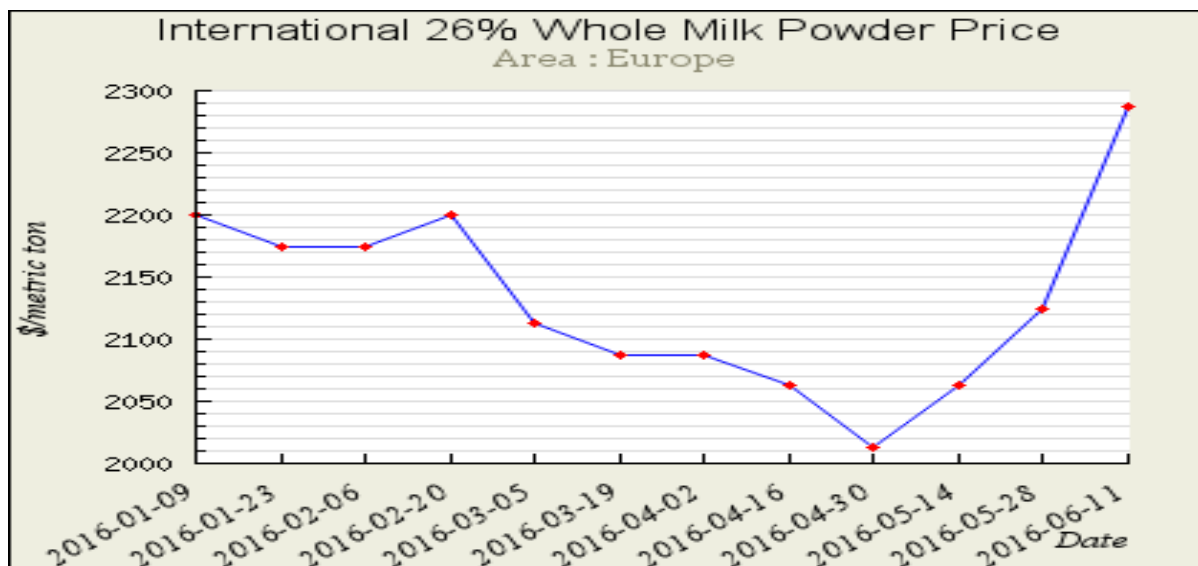
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DAIRY UPDATES FOR THE WEEK ENDING 17th JUNE 2016

Global Whole Milk Powder Price Trends

Price of whole milk powder on the international market was pegged at USD **2,287.50** per metric ton as of 11th June 2016, representing a 14% increase from **USD2,012** recorded in May this year. This is the highest price recorded since January this year. Refer to figure 1 below;



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 3rd to 17th June, 2016. Notable price adjustments were for 175g smooth yogurt that recorded an increase of 7% from K5.68 to K6.08 and for the 500mls fresh milk sachet that slumped by 4.1% over the same period.

AVERAGE DAIRY PRODUCT PRICES LUSAKA, SOUTHERN & COPPERBELT			
Dairy Product	Avg Price June 3	Avg Price June 17	Var(%)
1Ltr UHT Milk	13.10	13.05	-0.4%
2Ltrs Fresh Milk	17.16	17.70	3.1%
500mls Fresh milk	5.59	5.36	-4.1%
250mls Drinking Yogurt	3.99	3.99	0.0%
175g Yogurt	5.68	6.08	7.0%
500mls UHT Milk	6.39	6.39	0.0%
500mls Yogurt	14.02	14.02	0.0%
500mls Drinking Yogurt	8.39	8.39	0.0%
250 UHT Milk	4.29	4.29	0.0%

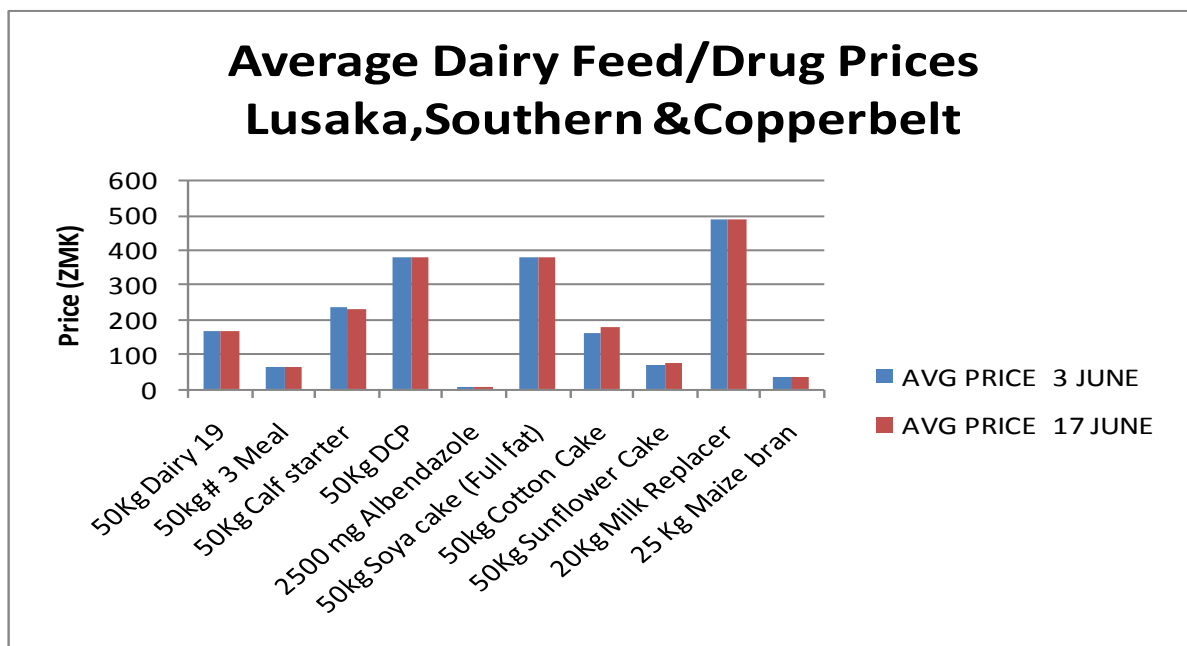
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Source: DAZ, 2016

Average Dairy Feed/Drug Prices-Lusaka, Southern and Copperbelt

Average dairy feed prices and that of drugs generally remained constant during the period 3rd to 17th June 2016 save for the price of No.3 meal and maize bran that reduced slightly by 2% and 1% respectively. The average price for cotton cake increased by 10% from K160 to K175.7 during the same reporting period.



Source: DAZ, 2016

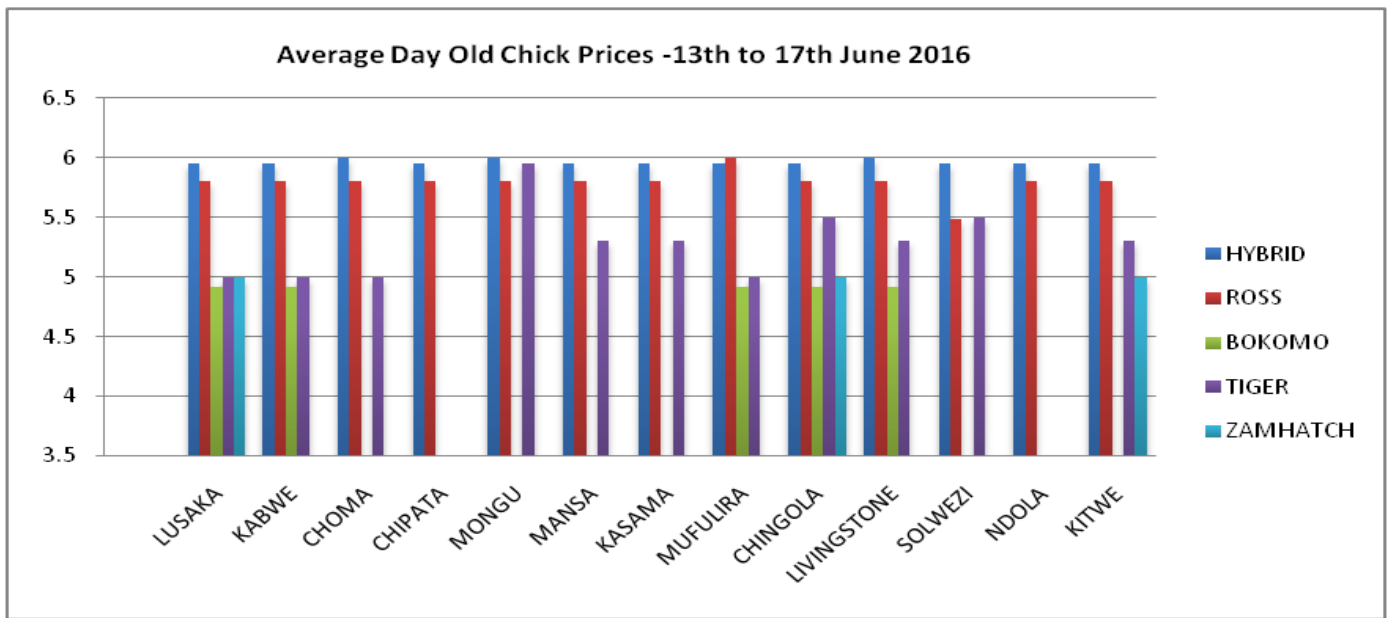
POULTRY UPDATES FOR THE WEEK ENDING 17th JUNE 2016

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. Further day old chick agents have indicated that there has been an improvement in sales during this month compared to last month.

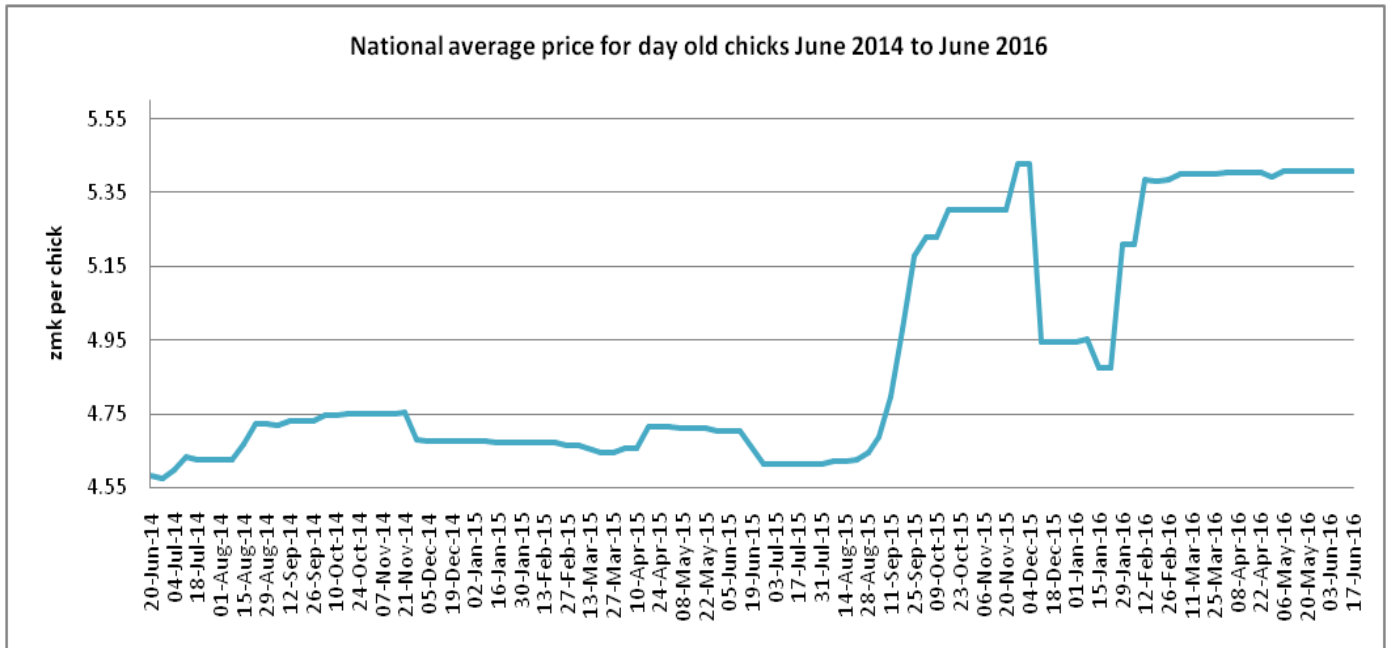
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Source: Poultry Association of Zambia

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



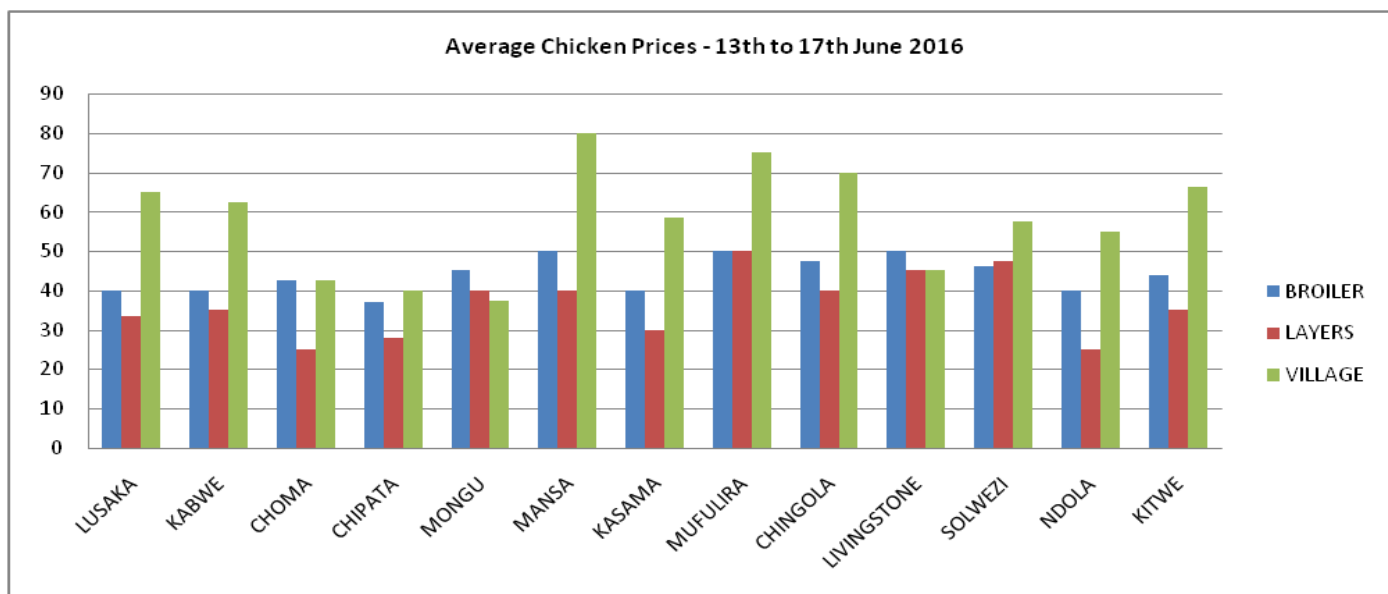
Source: Poultry Association of Zambia

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Average Live Birds Prices

The graph below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu, Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. It is anticipated that as temperatures drop, the weight of most live birds being sold on the market may reduce thereby increasing a demand for larger sized live birds. The reduction in weight during the cooler parts of the year is caused by increased body metabolism by birds in an attempt to keep warm.

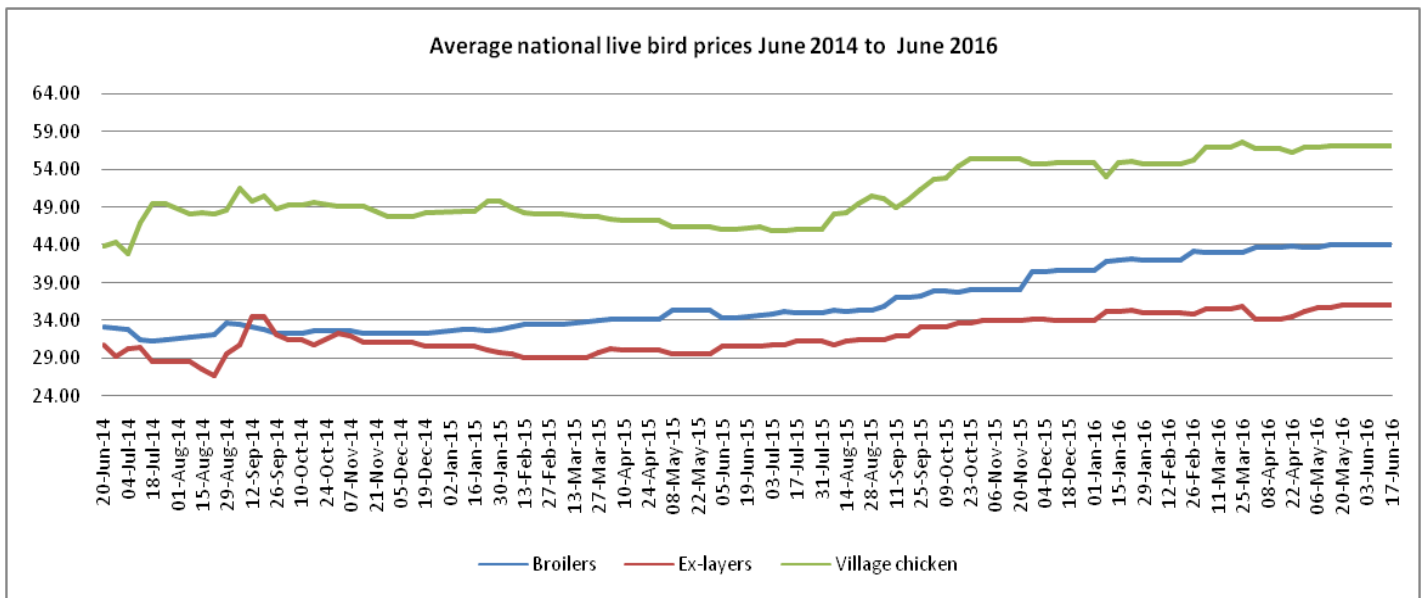


Source: Poultry Association of Zambia

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.

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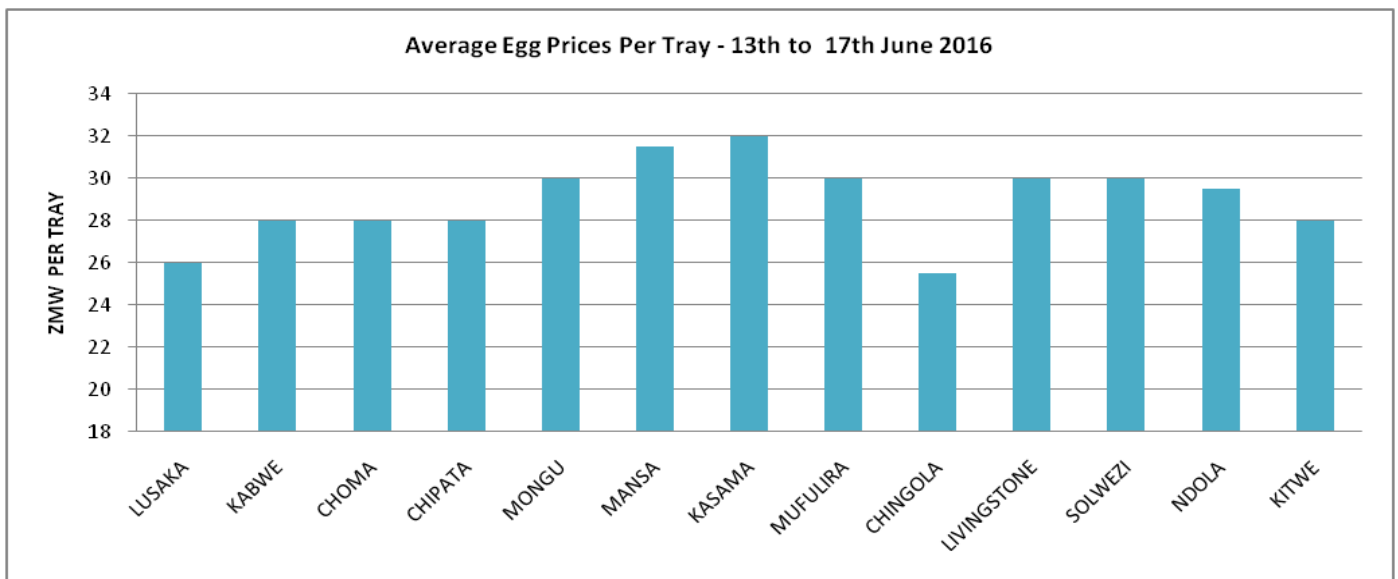




Source: Poultry Association of Zambia

Average Egg Prices

The graph below shows average retail prices of table eggs in selected towns around the country. Indications were that Farm gate prices for eggs slightly rose during the course of the week by K0.5 per tray. Producer prices were therefore ranging between ZMW24 - ZMW24.5 per tray. However, no significant change was noted in retail prices.

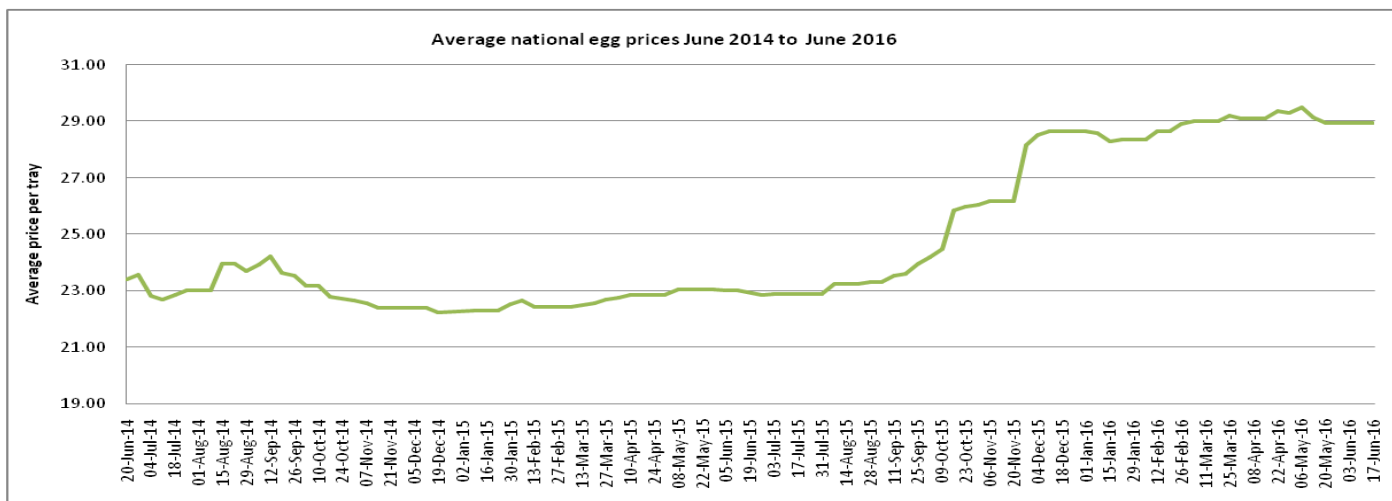


Source: Poultry Association of Zambia

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The graph below shows the price trend for a tray of eggs from mid-June 2014 to June 2016. As can be seen from the graph, the national average retail price for eggs was ZMW28.96/tray.



Source: Poultry Association of Zambia

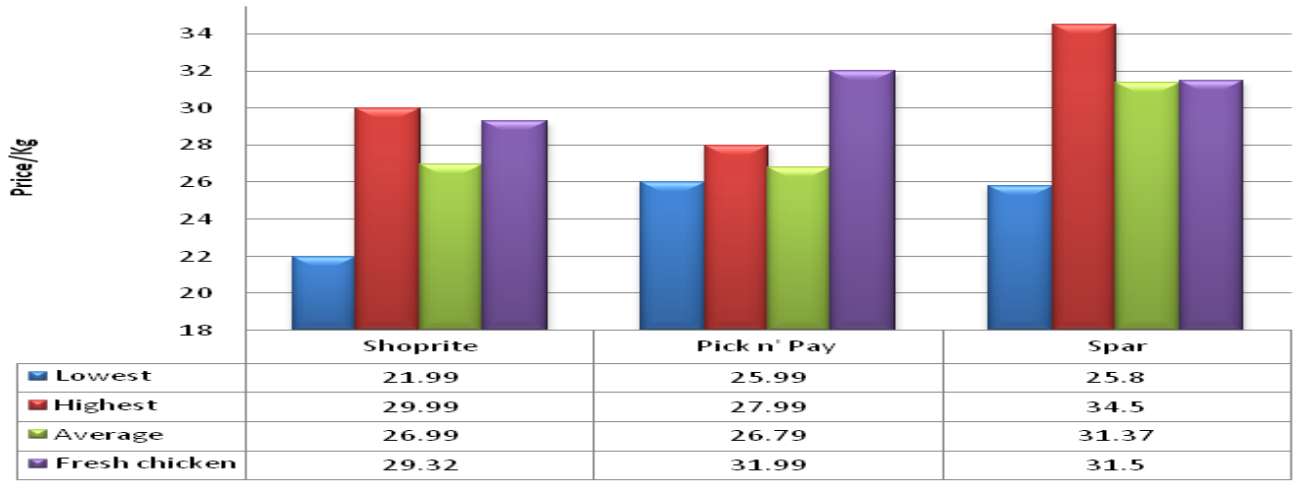
Average Whole Dressed Chicken Prices

Graph 1 shows average prices of whole frozen chickens in three of Lusaka’s chain. Spar had the highest average price at ZMW31.37 per kg while Pick n’ Pay maintained the lowest average price for frozen whole chicken at ZMW26.79 per kg. The average price for frozen whole chicken in Shoprite was ZMW26.99 per kg. Meanwhile the average price of fresh whole chickens in Shoprite, Pick ‘n’ Pay and Spar was ZMW29.32, ZMW31.99 and ZMW31.50 respectively. Meanwhile frozen whole chicken in Zambeef and Melissa Supermarket outlets were pegged at ZM25.90/Kg and ZMW30/Kg respectively.

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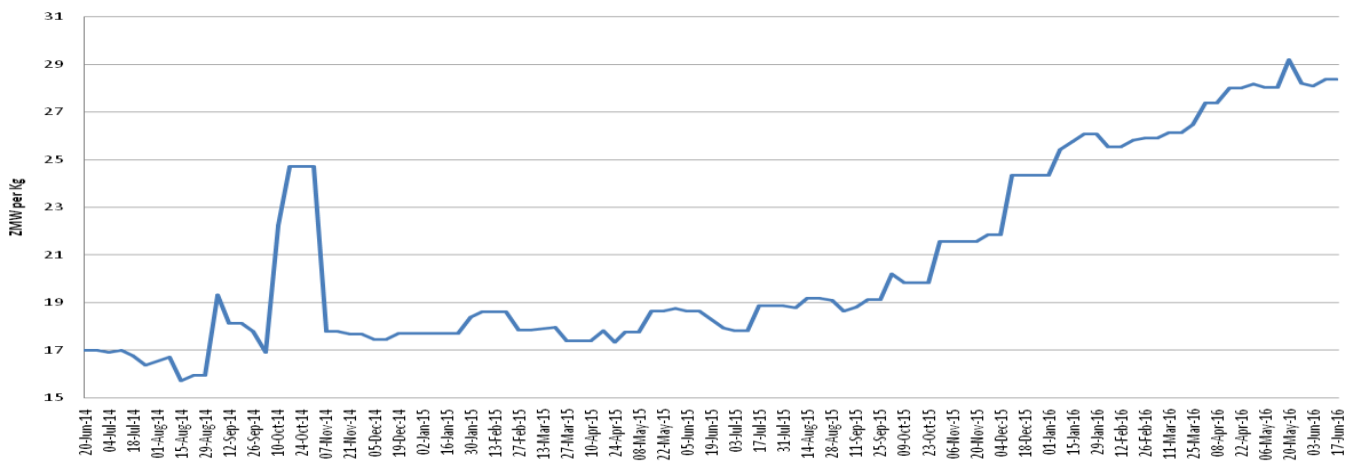
Graph 1: Average whole frozen chicken - 13th to 17th June 2016



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – June 2016. The average price for frozen whole chickens was static last week at ZMW28.38 per kilogram.

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



Source: Poultry Association of Zambia

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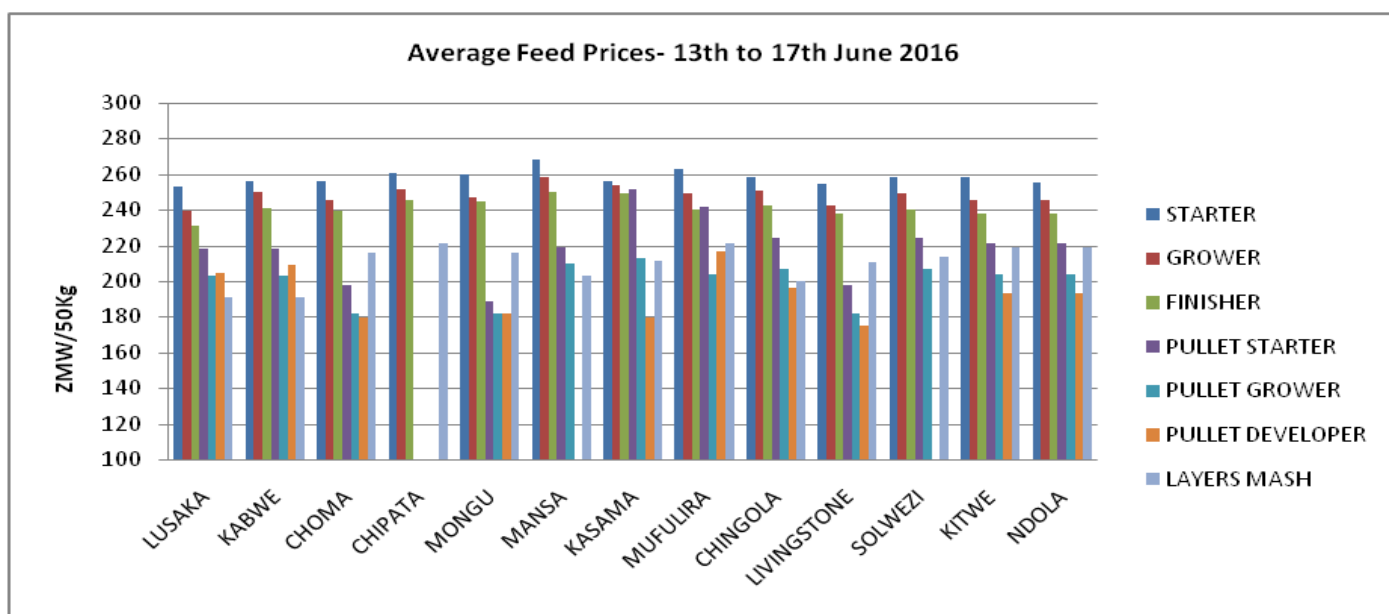


Average Feed Prices

The graph below shows the price of some of the most important ingredients that are used in feed production per 50 kilogram bag.

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

The graph below shows average feed prices in selected towns. Apart from a minimal upward adjustment in the average price of feed in Chingola prices of feed were generally static during the course of the week in most of the towns displayed.

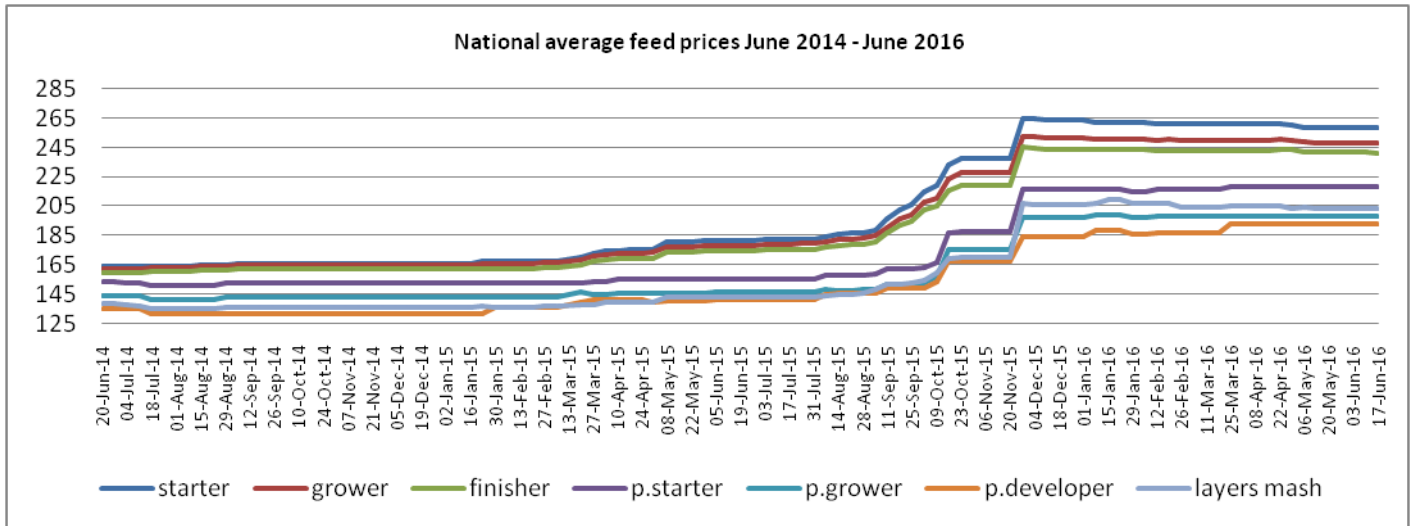


Source: Poultry Association of Zambia

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The graph below shows the national average price trend of feed from June 2014 to June 2016. The graph shows that poultry stock feed prices were stable during the course of the week.



Source: Poultry Association of Zambia

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