



# THE WEEKLY AGRO WATCH



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18<sup>th</sup> July, 2016 Vol.3. No.29



## *In this week's issue:*

- Local soya prices edge downwards
- Day Old Chick Prices rise by 15% year on year
- Optimism still high on global wheat output

## Upcoming Events/Alerts

### **TUTA ABSOLUTA!!!!**

**Attention Farmers!!!** Be informed that there is a pest attacking tomatoes, called *Tuta absoluta* or leaf miner. *Tuta absoluta* is a serious pest of tomatoes causing losses of up to 100% by mining the leaves and burrowing into the fruits. Since the first detection in Zambia, the pest has spread fast causing very high levels of damage to tomato crops. Tomato growers are therefore advised and encouraged to visit their nearest Agro-chemical supplier or Ministry of Agriculture office for professional advice on how to contain, control and prevent it. You can also contact the Zambia Agriculture Research Institute (ZARI) Entomologist- Mr. Chipabika on 0977633750.

### **PAZ Constitutional Amendments**

The Poultry Association of Zambia (PAZ) Secretariat would like to inform members of the poultry industry that the annual general meeting is scheduled for the 26<sup>th</sup> July 2016 at the Mulungushi International Conference Center. One of the key issues to consider at this year's AGM, are the proposed amendments to the PAZ constitution. Submissions have already been received from members and have since been sent to all internet enabled members. The PAZ members are therefore urged to take time to be familiarized with the proposed amendments.

## Exchange Rates

CURRENCY	18/07/2016						11/07/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.93	10.13	0.70	0.71	13.13	13.39	9.96	10.17	0.69	0.70	12.89	13.15
Standard Chartered Bank	9.79	9.99	0.67	0.7	12.98	13.24	9.94	10.14	0.69	0.70	12.90	13.15
ZANACO	9.91	10.09	0.69	0.71	13.28	13.53	10.05	10.20	0.69	0.70	12.97	13.21
Bank of Zambia (15/07/16)	10.07	10.12	0.70	0.71	13.43	13.50	10.17	10.22	0.70	0.71	13.21	13.27

## Parity Prices

Domestic Import Parity Prices as at 15/07/2016					
US\$/ZAR=14.33 US\$/ZMW=10.12					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		10.12	442	637.91	445.54
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	27.17	469.17	665.08	472.71
Mkushi	225	22.23	464.23	660.14	467.77
Ndola	250	24.70	466.70	662.61	470.24
Kitwe	250	24.70	466.70	662.61	470.24

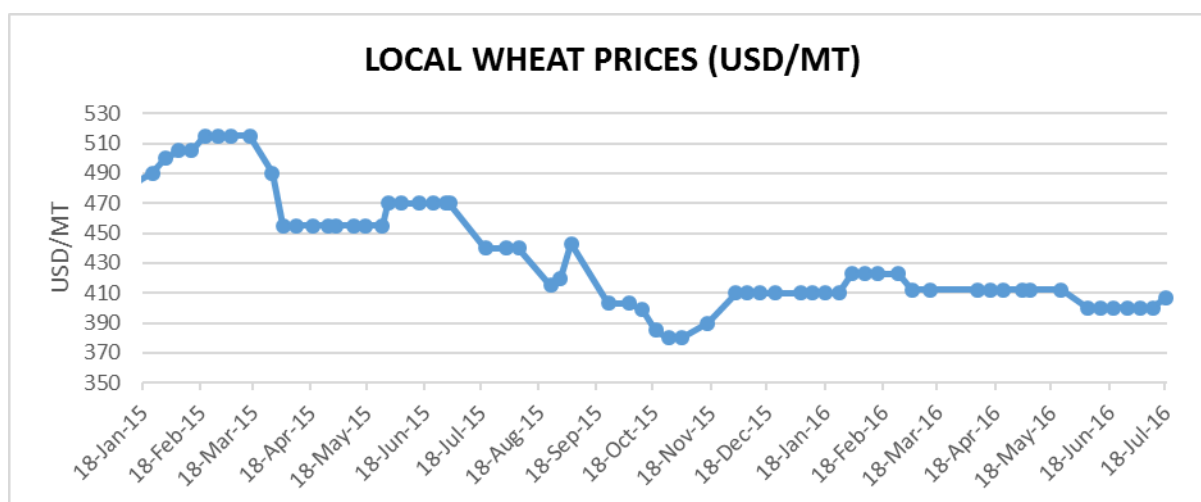
Note: Import parity based on July September delivery for soya beans and August delivery for Maize and wheat

Export Parity Price Ranges (EPP) Harare-Lusaka as at 08/07/16	
Soya Beans	476-486
Wheat	330-349.5
Maize	286-320

## Wheat

### Highlights

- Production optimisms have continued to reign in the wheat markets with the USDA raising its 2016/17 global wheat production estimate to 738.5 million tons. Larger crops are projected in Argentina, Australia, Canada, Serbia, Ukraine and the United States.
- Back home, indications from wheat commodity representatives, during a meeting held last week, are that the crop is growing well and are anticipating good yields. Contractual commitment by processors for the off-take of the commodity is however low.
- Soft red, for September delivery, on the Chicago Mercantile Exchange (CME) opened trading at US\$155.21/MT on 15<sup>th</sup> July 2016.
- Local wheat offer prices for the old crop are in the range of US\$407-420/ton while pre-harvest offer prices for the 2016 crop are about US\$360-390/ton.



Source: ZNFU Market Price Information System, 2016

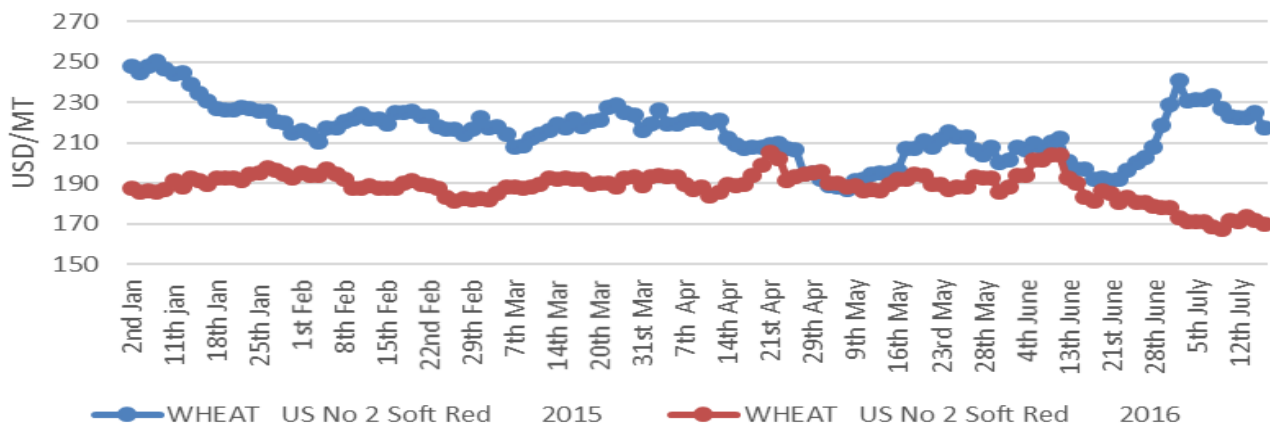
### Price trends

The Safex international soft red and hard red wheat prices averaged US\$153.51 /MT and US\$ 171.42/MT during the week ending 15<sup>th</sup> July respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:

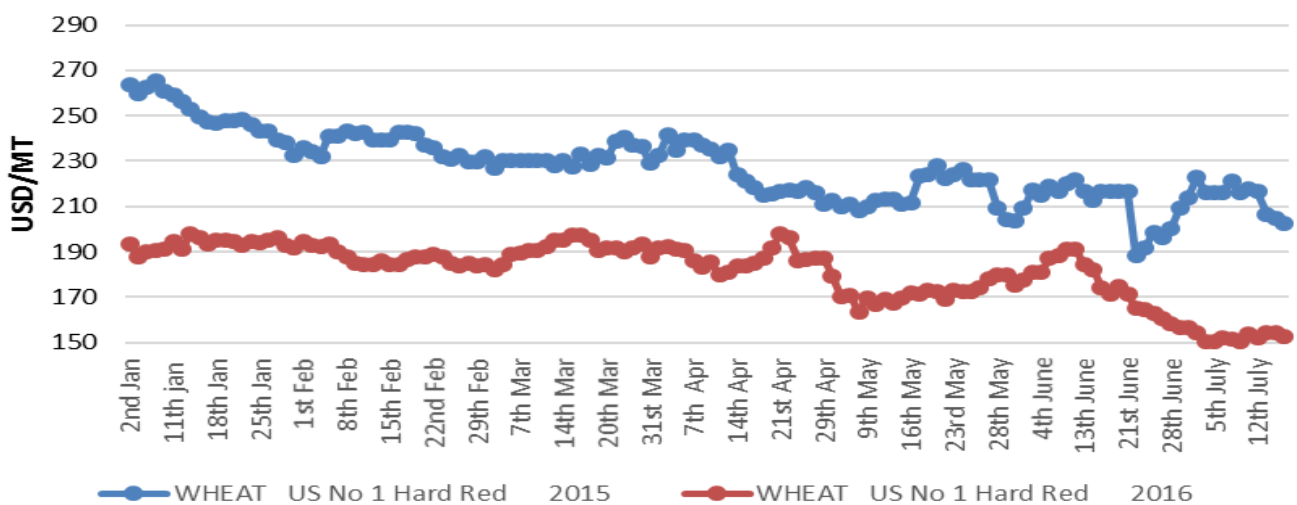
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### International Wheat(US #2 Soft Red) Price Trend



### International Wheat (US #1 Hard Red) Price Trend



Source: Safex

### Soya Beans

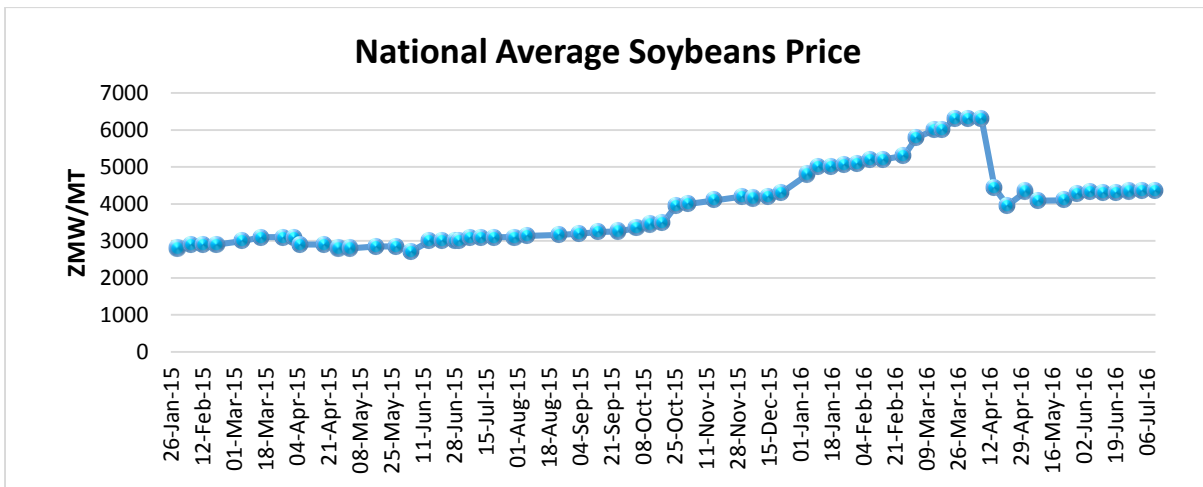
#### Highlights

- The United States Department of Agriculture has raised slightly the 2016/17 global soya beans exports to 138.25 million tons mainly due to an anticipated increase in US and Canada’s soya beans exports. Meanwhile, south American soya exports are forecast to slow down in the third quarter of 2016 due to the strengthening of the Argentinian and Brazilian currencies against the US dollar as well as increased crush demand from Argentinian processors.

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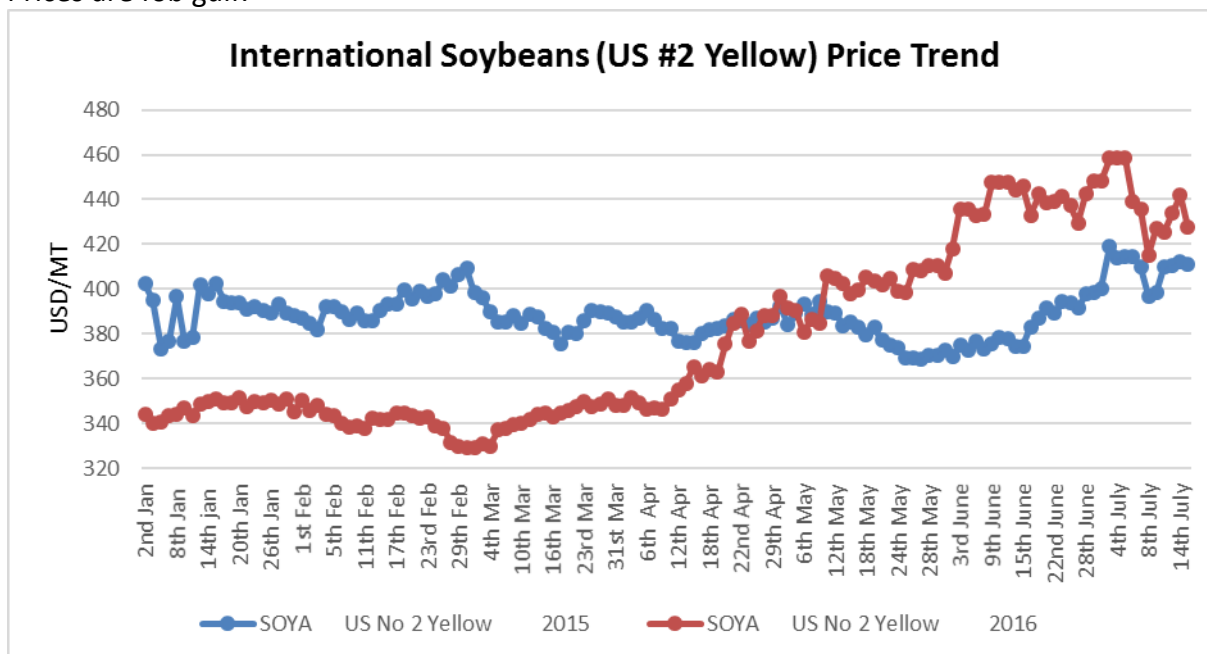
- Soy beans for September delivery opened trading on CME at US\$387.86/MT on 15<sup>th</sup> July 2016.
- According to the ZNFU market Price Information System, average national offer prices were still in the range of ZMW 3,000 – 5,100/MT with an average of ZMW4,341/MT last week as shown in the graph below;



Source: ZNFU, 4455 Market Price Information System

### Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$431.13/MT in the week ending 15<sup>th</sup> July 2016, 2.33% below the average price of US\$441.39/MT recorded in the previous week. Prices are fob gulf.



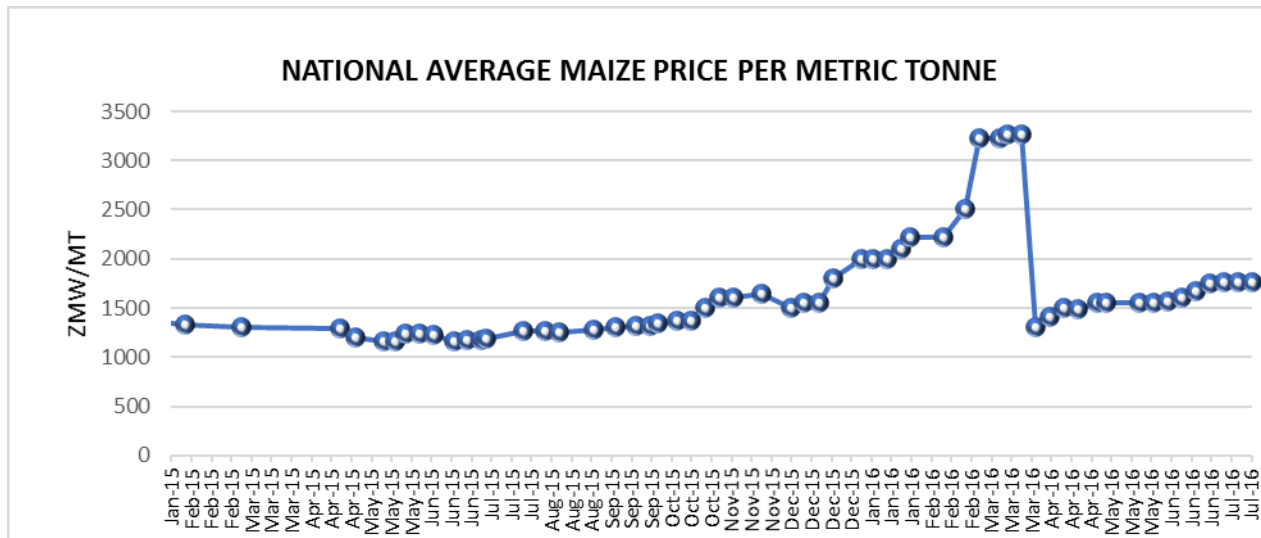
Source: Safex

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Highlights

- The wholesale price of maize in Kisumu Kenya and Dar-es-salaam Tanzania is currently about US\$350/ton according to the Regional Agricultural Trade Intelligence Network (RATIN).
- Zambia has formally exported slightly over 30,000MT of Maize during the first two months of the 2016/17 agricultural marketing year which begun on 1<sup>st</sup> May, 2016. Until September, Zambia’s maize exports are restricted to the 2015 harvest.
- Maize for December delivery opened trading on CME at US\$138.67/MT on 15<sup>th</sup> July 2016.
- The national average local maize offer price by private traders was averaging K 1,761/ton on the ZNFU market information system.



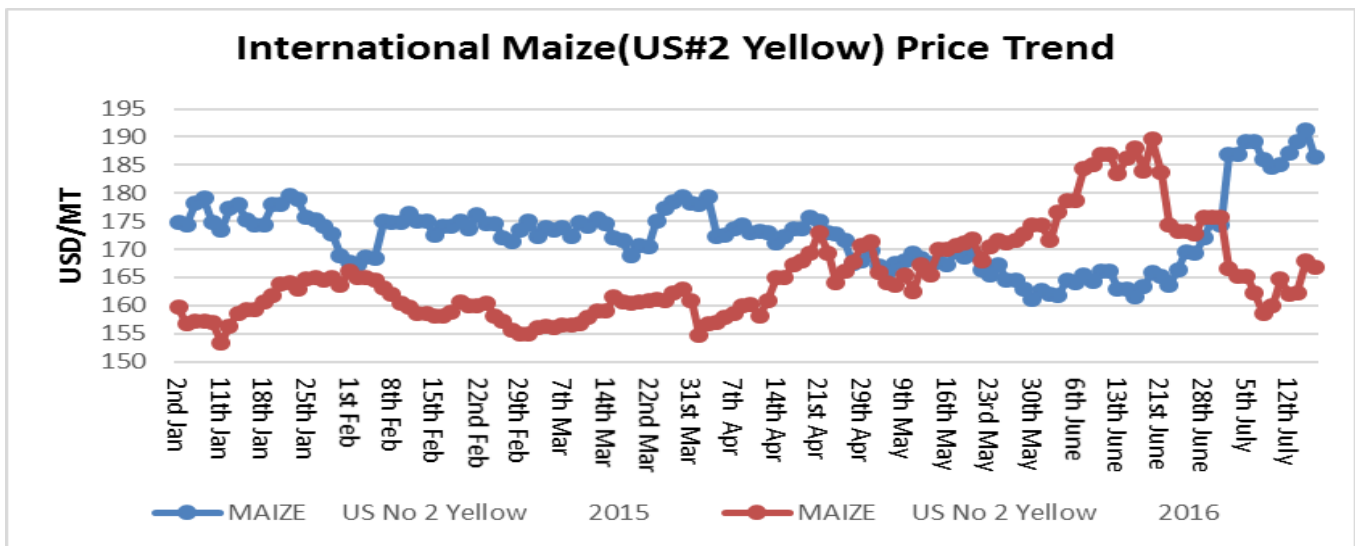
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 164.75/ MT during the week ending 15<sup>th</sup> July 2016, 1.54% above the previous week’s average. All prices are fob gulf.

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Source: Safex

### Crude oil

- With effect from 1<sup>st</sup> July 2016, Gabon has rejoined the Organization of the Petroleum Exporting Countries (OPEC). Gabon had left OPEC in 1995 after failure to get its contributions to the group reduced on account of it being the smallest member of the group in terms of oil output.
- The global crude oil output increased in the month of June 2016 to an average of 94.33 million barrels per day according to the OPEC June market report.
- Brent crude oil futures prices around 13:45hrs CAT on 18<sup>th</sup> July 2016 were pegged at US\$47.20/barrel.
- The Dubai Mercantile exchange crude oil marker price for September 2016 delivery settled US\$44.36/barrel on 15<sup>th</sup> July 2016.

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## Brent Crude Oil Futures \$/barrel

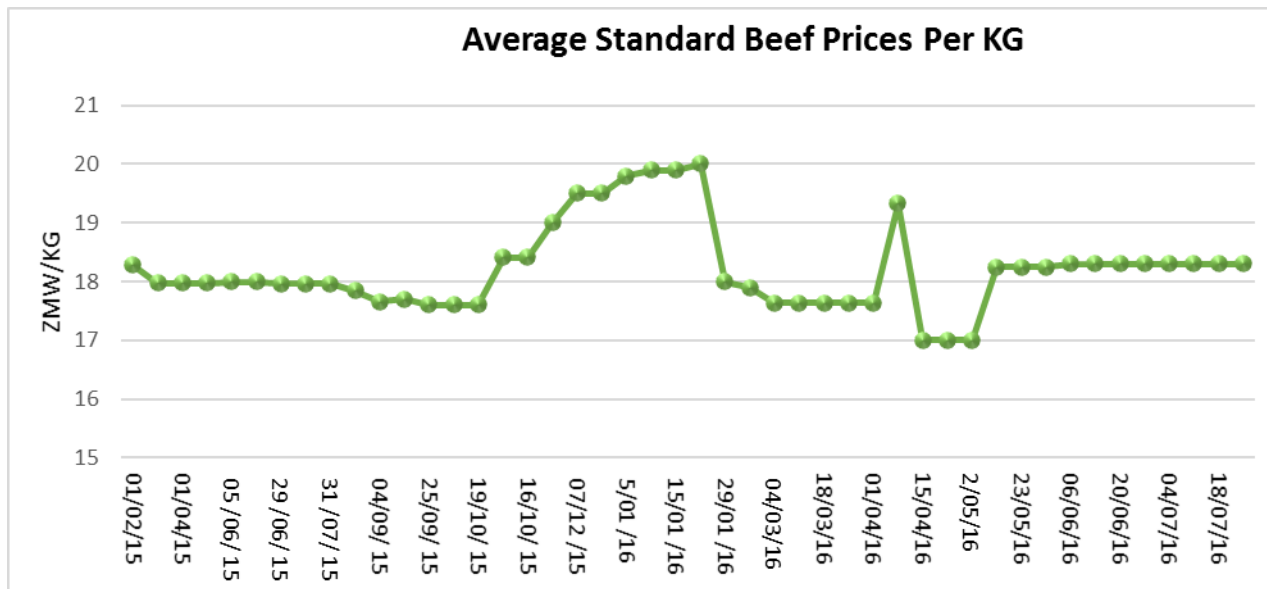


Source: BBC, 2016.

## Beef

### Highlights

- On the Zambian scene, dressed weight beef prices were still averaging ZMW18.3/kg during the week ending 15<sup>th</sup> July 2016. This is as monitored by the ZNFU 4455 market price information system.



Source: ZNFU, 4455 Market Price Information System

## DAIRY UPDATES FOR THE WEEK ENDING 15<sup>th</sup> July 2016

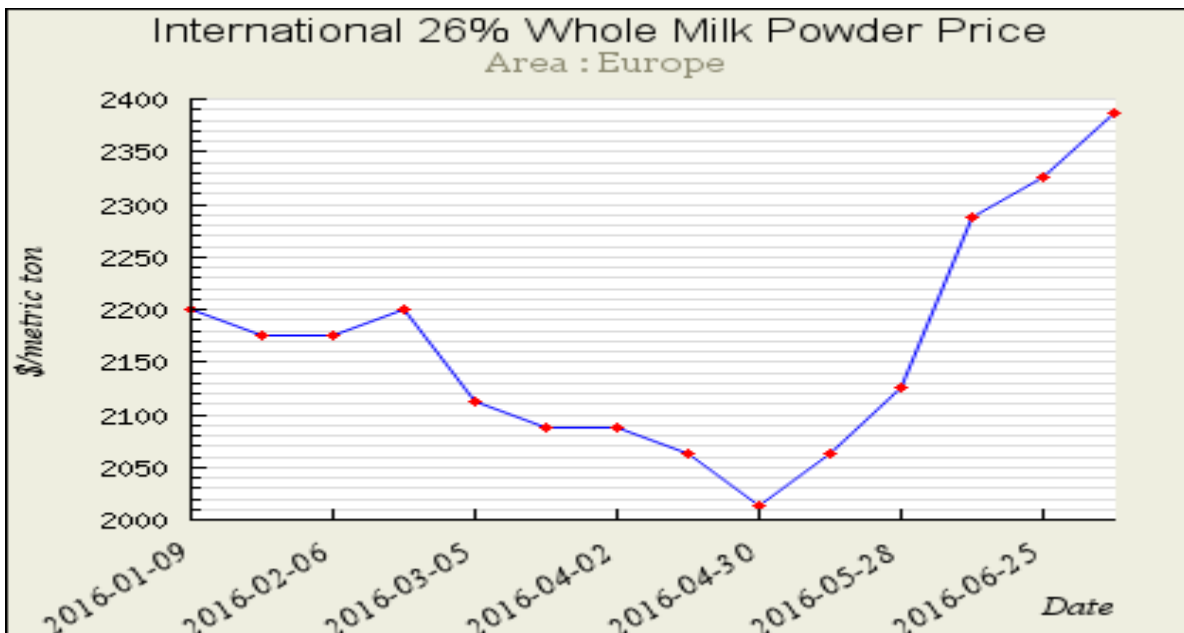
### Global Whole Milk Powder Price Trends

Price of whole milk powder on the international market was at US\$2387.5 per metric ton as at 9<sup>th</sup> July 2016 as highlighted in the figure below;

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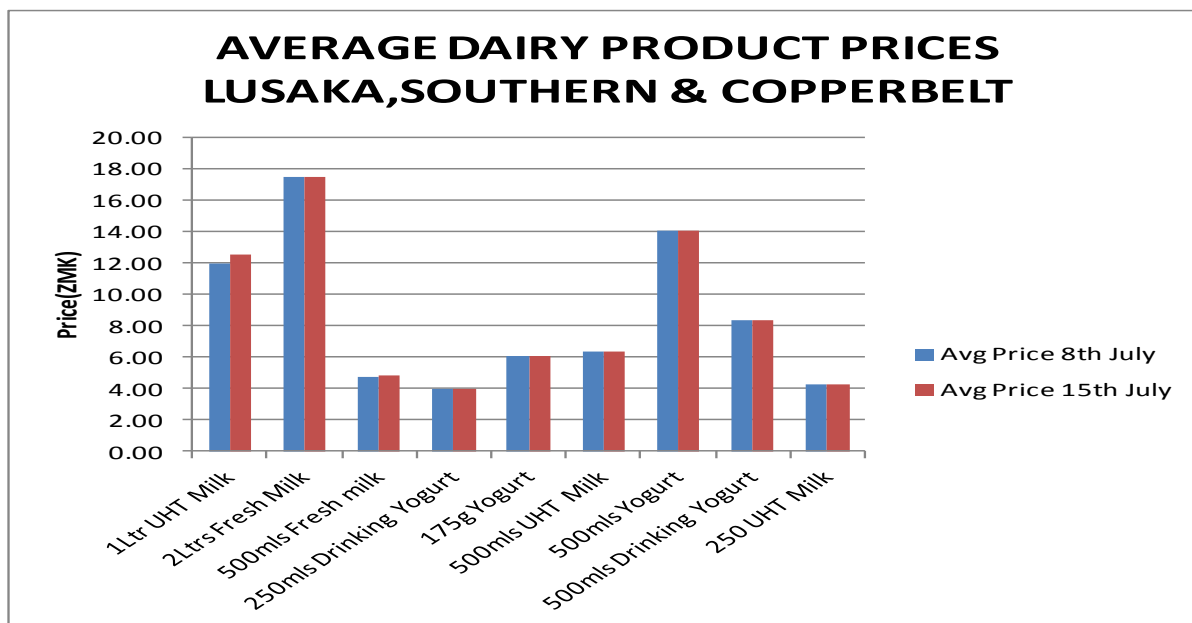




Source: <http://future.aae.wisc.edu/data/weekly>

### Local Average Prices of Fresh Milk, UHT and Yogurt

Average prices for dairy products remained relatively constant during the period 8<sup>th</sup> to 15<sup>th</sup> July, 2016. Notable price adjustments were that for 1 litre UHT milk that increased by 4 % from K11.99 to K12.50.



Source: DAZ, 2016

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

Average dairy feed prices and that of drugs generally remained constant during the period 8<sup>th</sup> to 15<sup>th</sup> July 2016 but for the price of soya cake and maize bran that reduced slightly by 6% and 1% respectively. The average price for DCP and dairy 19% increased by 1% during the same reporting period.

<b>AVERAGE DAIRY FEED/DRUG PRICES LUSAKA,SOUTHERN &amp; COPPERBELT</b>			
<b>PRODUCT</b>	<b>AVG PRICE 8TH JULY</b>	<b>AVG PRICE 15TH JULY</b>	<b>VAR (%)</b>
50Kg Dairy 19	205	208	1%
50kg # 3 Meal	60.5	60.5	0%
50Kg Calf starter	235	235	0%
50Kg DCP	374.31	377	1%
2500 mg Albendazole	5	5	0%
50kg Soya cake (Full fat)	379	356	-6%
50kg Cotton Cake	175.7	175.7	0%
50Kg Sunflower Cake	71.5	71.5	0%
20Kg Milk Replacer	484	484	0%
25 Kg Maize bran	34	33.5	-1%

Source: DAZ, 2016

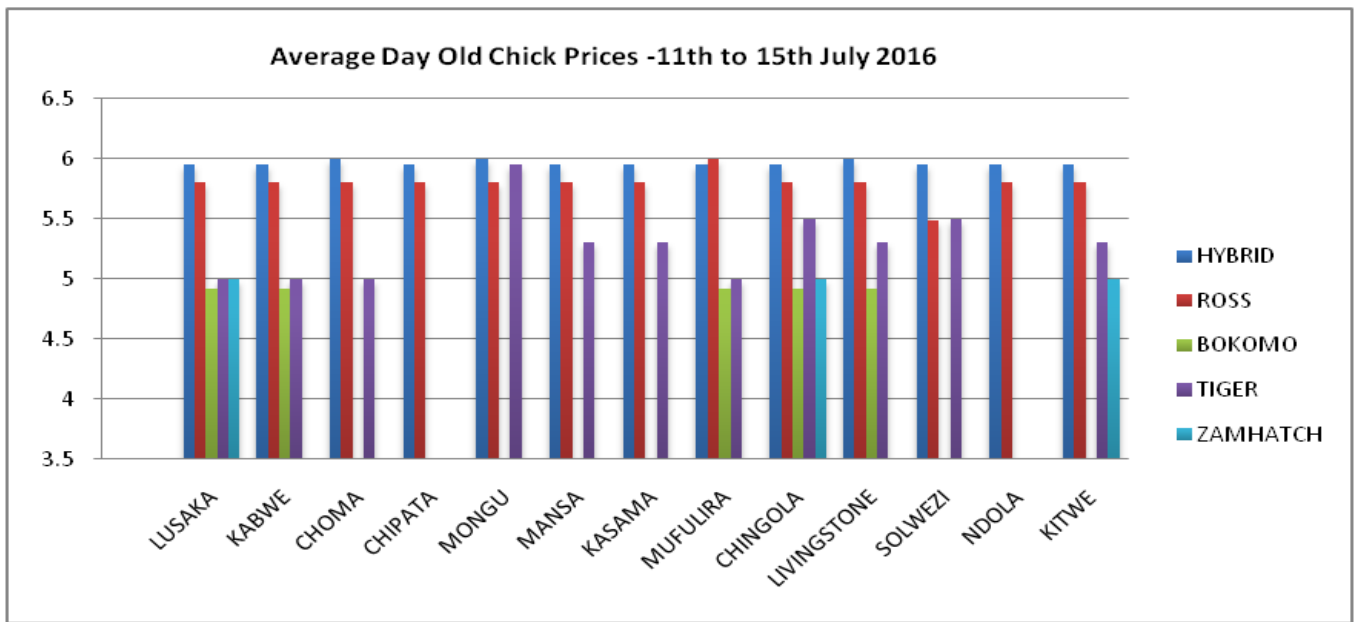
## POULTRY UPDATES FOR THE WEEK ENDING 15<sup>th</sup> July 2016

### Average Day Old Chick Prices

The graph below shows the price of different breeds of day old chicks in selected towns. While prices have been stable the past two months, prices of day old chicks are higher than they were last year by about 15%.

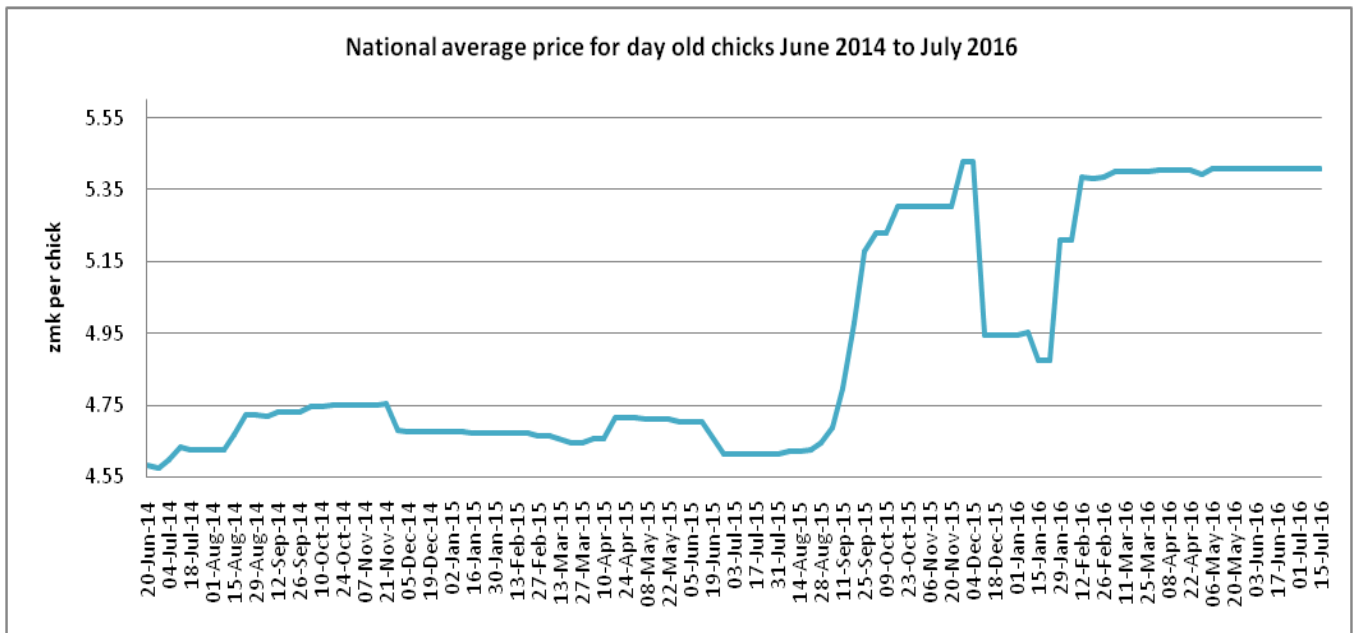
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to July 2016. The graph shows that the national average price of day old chicks has remained at ZMW5.41 per chick the past few months.



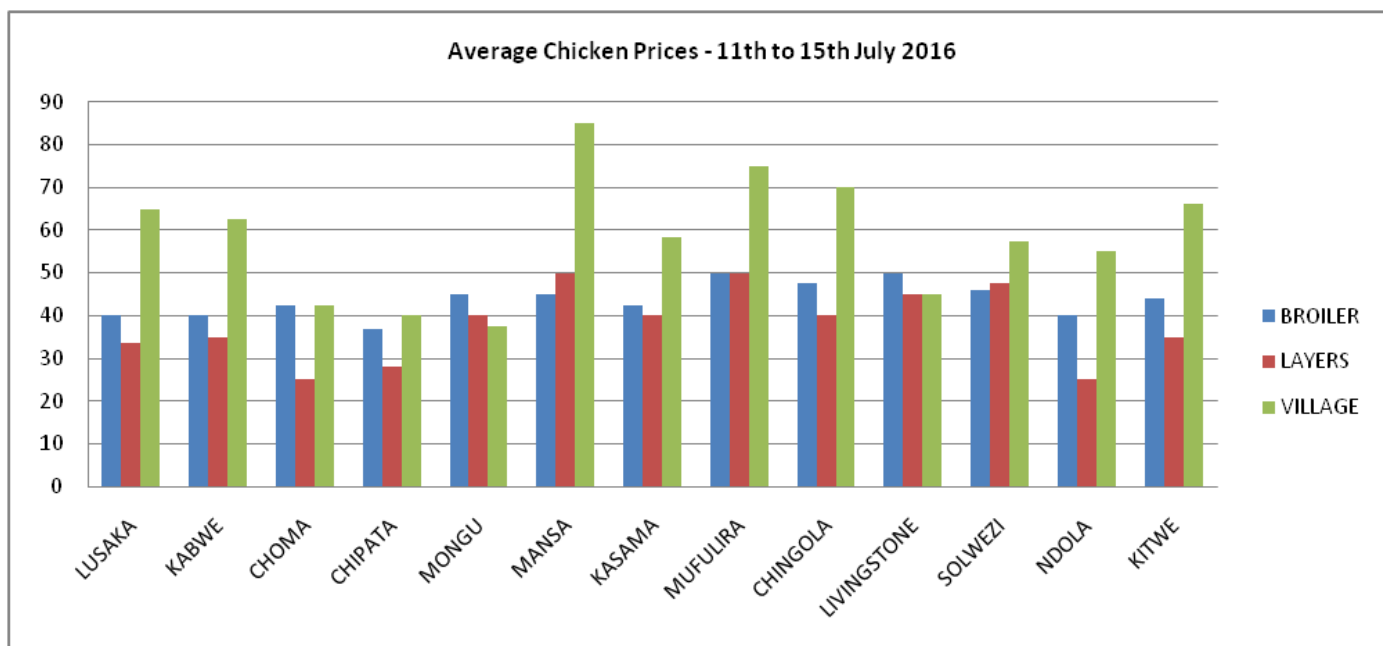
Source: Poultry Association of Zambia

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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. In Livingstone, the average price for broiler live birds declined by 5% from ZMW50 to ZMW47.5 per bird while the average price of ex-layers rose by 11% from ZMW45 to ZMW50 per bird.

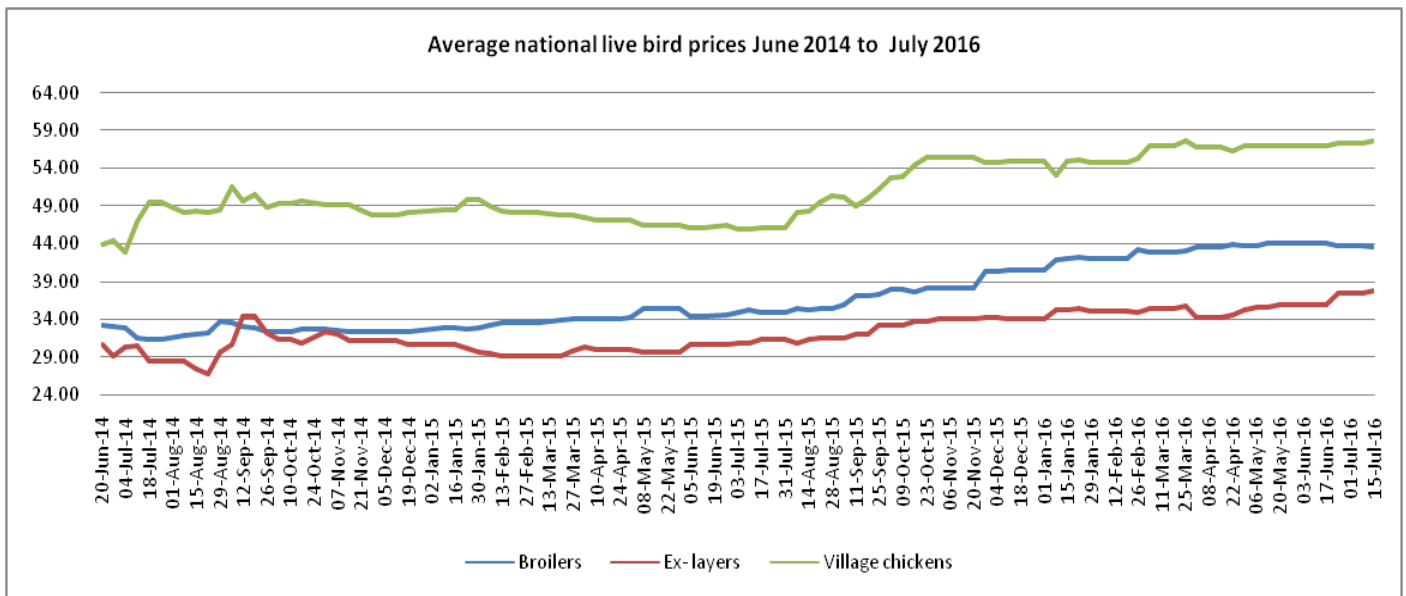


Source: Poultry Association of Zambia

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 ZMW43.62, ZMW37.43 and ZMW57.40 per bird respectively.

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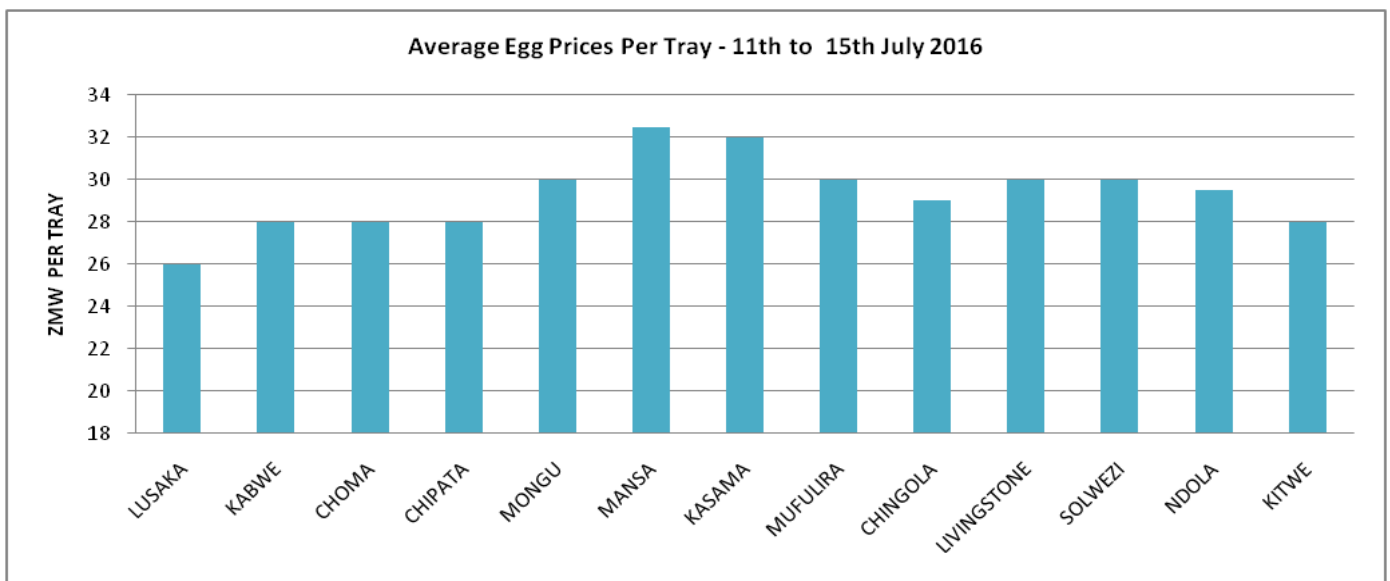




Source: Poultry Association of Zambia

### Average Egg Prices

The graph below shows average retail prices of table eggs in selected towns around the country. While the price of feed has tremendously risen, the average price for a tray of eggs has not risen as much and in some cases farmers have had to deal with a decline in farm gate prices. However due to an increase in demand the past couple of weeks, farmers have seen an improvement in farm gate prices.

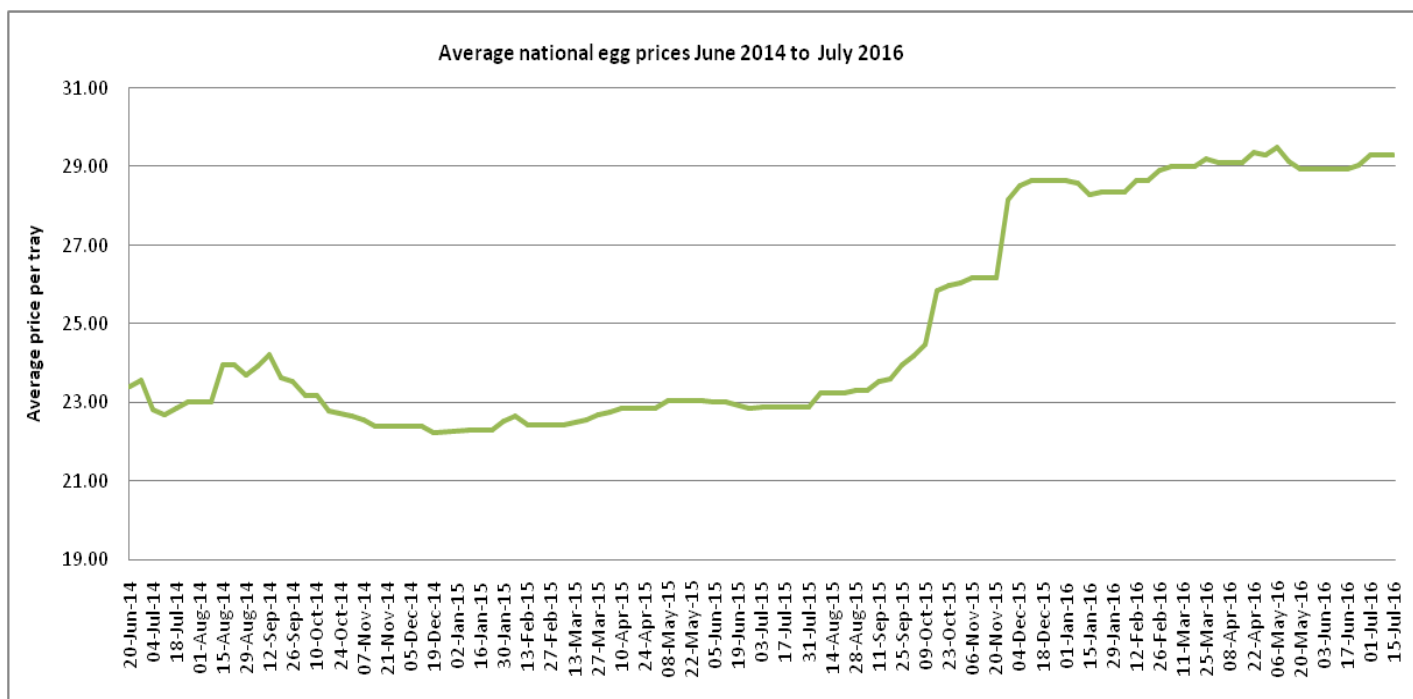


Source: Poultry Association of Zambia

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The graph below shows the price trend for a tray of eggs from mid-June 2014 to July 2016. The graph shows that the national average price for a tray of eggs has been static the last two weeks at ZMW29.31 per tray of eggs.



Source: Poultry Association of Zambia

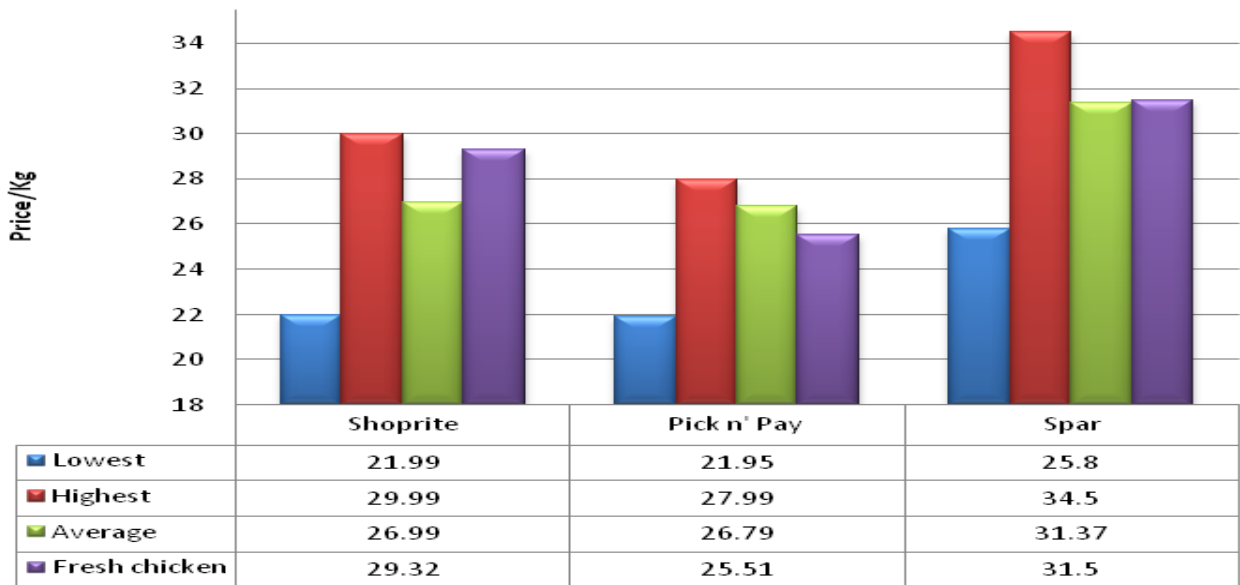
### Average Whole Dressed Chicken Prices

**Graph 1** shows average prices of whole frozen chickens in the three chain stores around Lusaka. The average price of frozen whole chicken in Pick n’ Pay during the course of the week was ZMW25.51 per kg with the lowest priced chicken at ZMW21.95 per kg and the highest going for ZMW27.99 per kg. Spar maintained the highest average price at ZMW31.37 per kg with the lowest and highest going for ZMW25.8 per kg and ZMW34.50 per kg respectively. On the other hand, the average price for frozen whole chicken in Shoprite was ZMW26.99 per kg with the lowest going for ZMW21.99 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 ZMW29.32, ZMW31.99 and ZMW31.50 respectively. Frozen whole chicken prices in Zambeef outlets and Melissa Supermarket were pegged at ZM25.90/Kg and ZMW30/Kg respectively.

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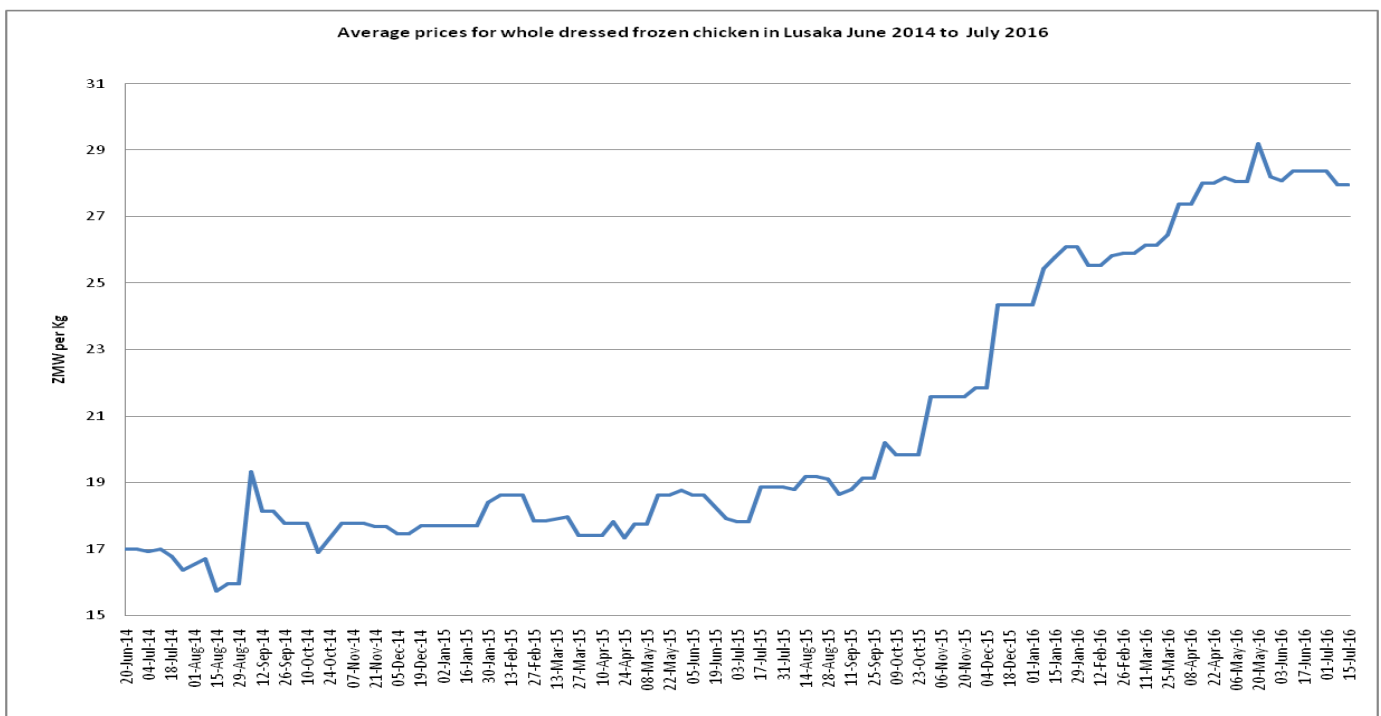


**Graph 1: Average whole frozen chicken - 11th to 15th July 2016**



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – July 2016. The average price for frozen whole chickens remained at ZMW27.96 per kilogram during the course of the week.



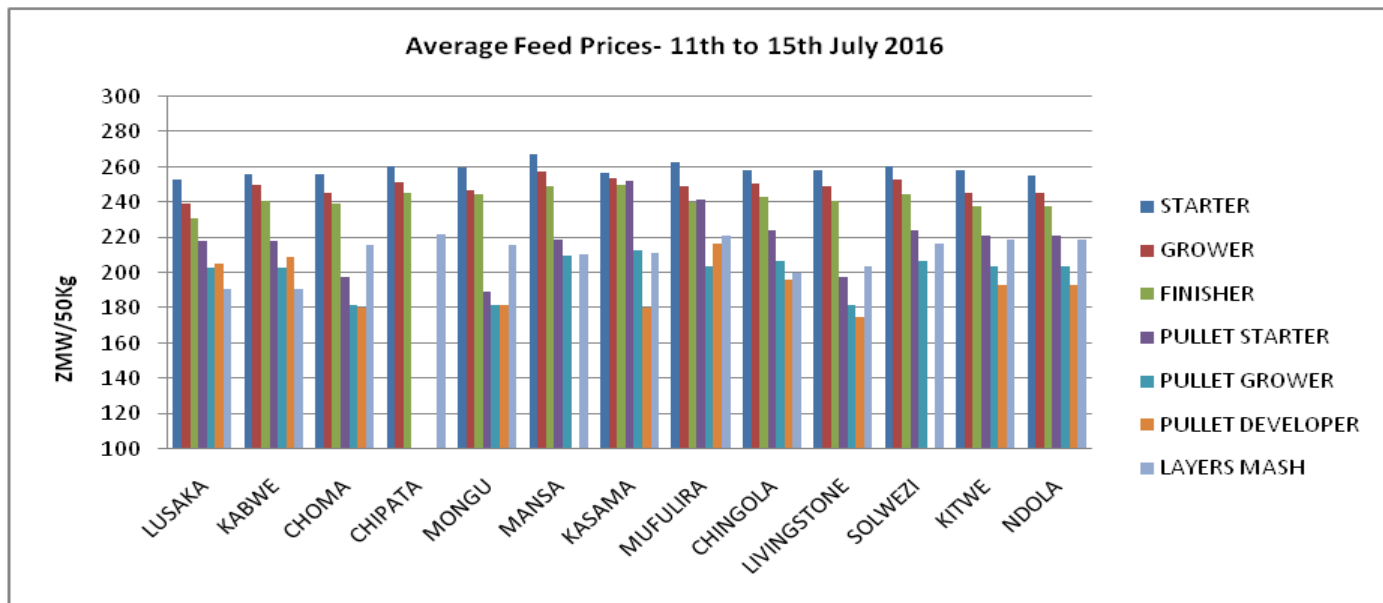
Source: Poultry Association of Zambia

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### Average Feed Prices

The graph below shows average feed prices in selected towns. Stock feed prices have remained high but stable. The high prices of stock feed has caused a number of farmers to downscale while others have pulled out of production.



Source: Poultry Association of Zambia

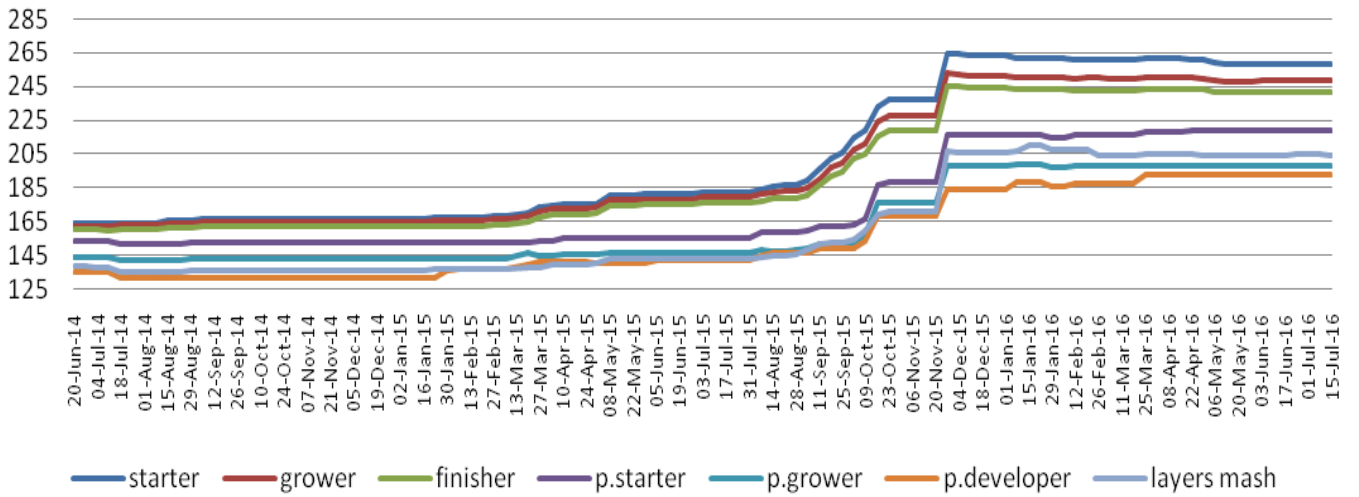
The graph below shows the national average price trend of feed from June 2014 to July 2016. There have been no improvements in the price of stockfeed in most towns. However some towns faced minimal upward price adjustments during the course of the week.

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National average feed prices June 2014 - July 2016



Source: Poultry Association of Zambia

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