



THE WEEKLY AGRO WATCH



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25th July, 2016 Vol.3. No.30



In this week's issue:

- Kwacha marginally gains against major convertible currencies
- National average local maize offer prices by private traders remain bullish
- Local average prices for dairy products records a general increase

Alerts/Upcoming Events

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.

Exchange Rates

CURRENCY	25/07/2016						18/07/2016 (BoZ- 15/07/16)					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.43	9.62	0.661	0.674	12.393	12.643	9.93	10.13	0.70	0.71	13.13	13.39
Standard Chartered Bank	-	-	-	-	-	-	9.79	9.99	0.67	0.7	12.98	13.24
ZANACO	9.440	9.619	0.659	0.672	12.412	12.648	9.91	10.09	0.69	0.71	13.28	13.53
Bank of Zambia	9.506	9.553	0.660	0.667	12.460	12.523	10.07	10.12	0.70	0.71	13.43	13.50

Parity Prices

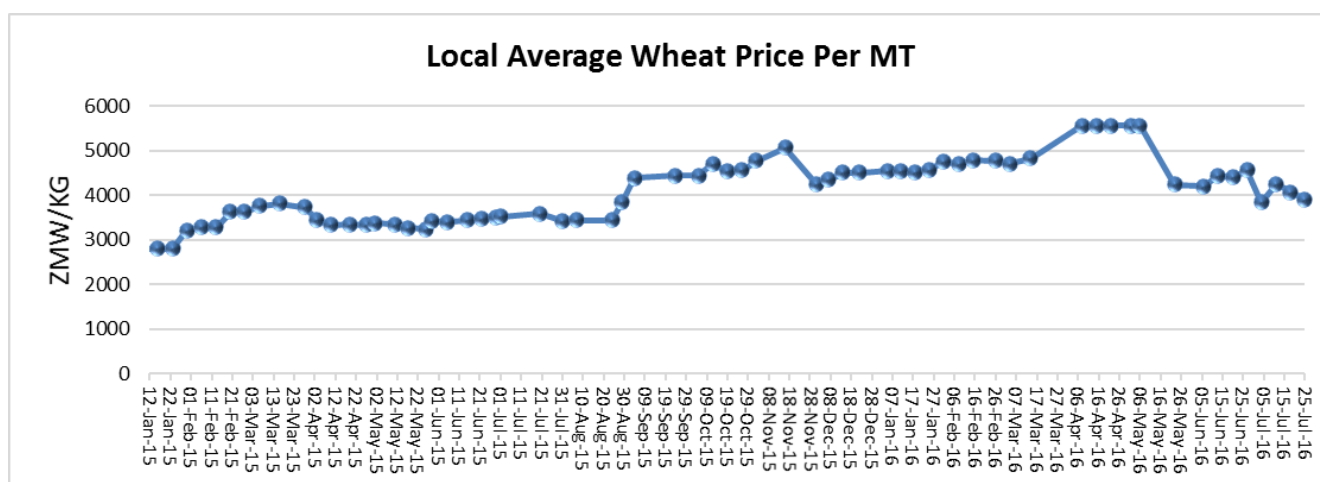
Domestic Import Parity Prices as at 22/07/2016					
US\$/ZAR=14.23 US\$/ZMW=9.34					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.34	476.69	658.56	476.86
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	29.44	506.13	688.00	506.30
Mkushi	225	24.09	500.78	682.65	500.95
Ndola	250	26.77	503.46	685.33	503.63
Kitwe	250	26.77	503.46	685.33	503.63

Note: Import parity based on August delivery

Wheat

Highlights

- The black seas region has continued its bullish hold of the wheat exports markets by winning tenders in July to supply Egypt, the largest wheat importer, 480,000MT of the commodity. Given the export advantage arising from the depreciating Rouble, Russia is set to supply half of the quantity. Egypt resumed its wheat purchases on the international market about two weeks ago when its local wheat marketing season ended with the Egyptian General Authority for Supply Commodities (GASC) purchasing 5 million tons of wheat from its domestic market.
- Soft red wheat, for September delivery, on the Chicago Mercantile Exchange (CME) opened trading at US\$153.29/MT on 22nd 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\$355-380/ton.



Source: ZNFU Market Price Information System, 2016

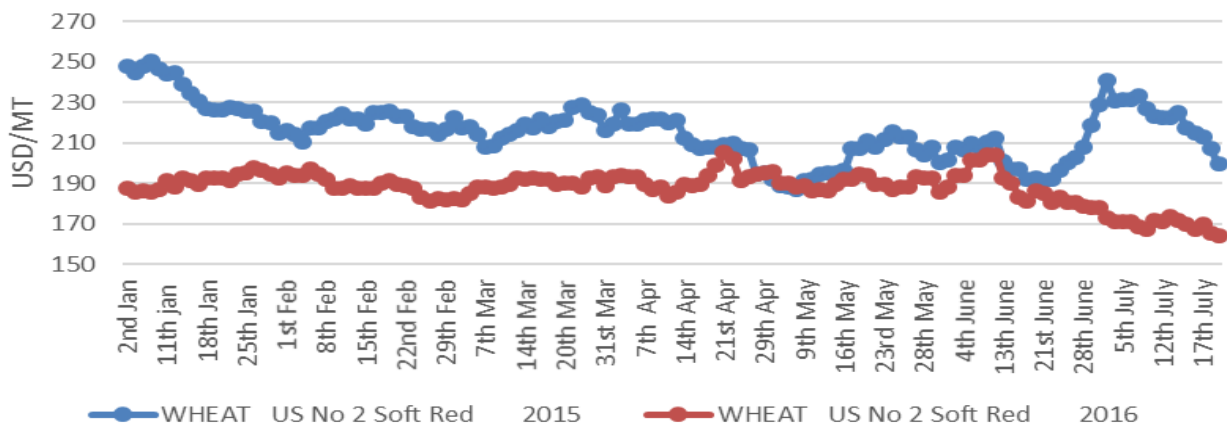
Price trends

The Safex international soft red and hard red wheat prices averaged US\$150.35 /MT and US\$ 165.90/MT during the week ending 22nd July respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:

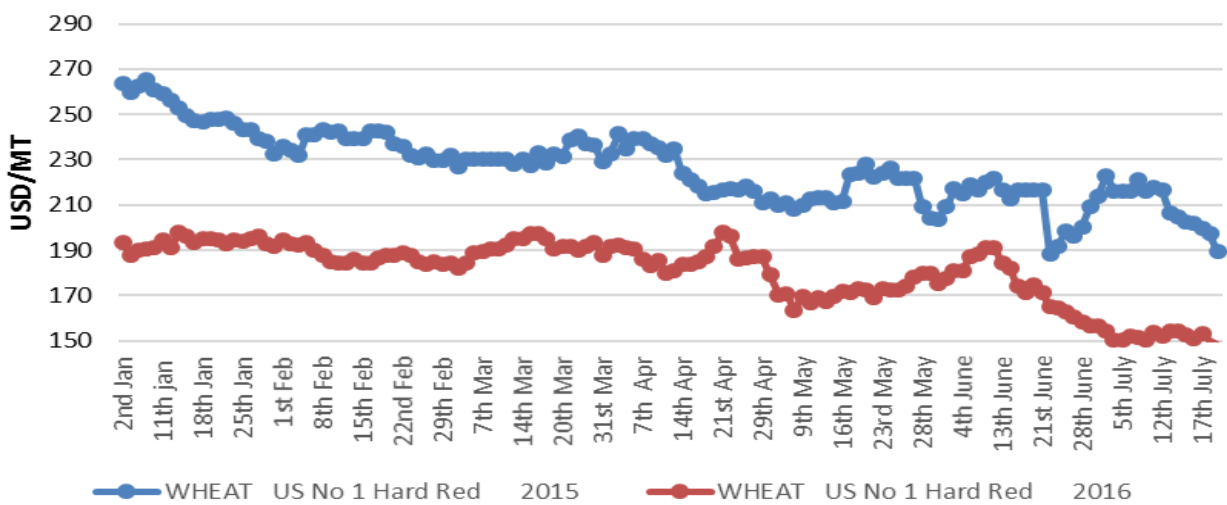
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International Wheat(US #2 Soft Red) Price Trend



International Wheat (US #1 Hard Red) Price Trend



Source: Safex

Soya Beans

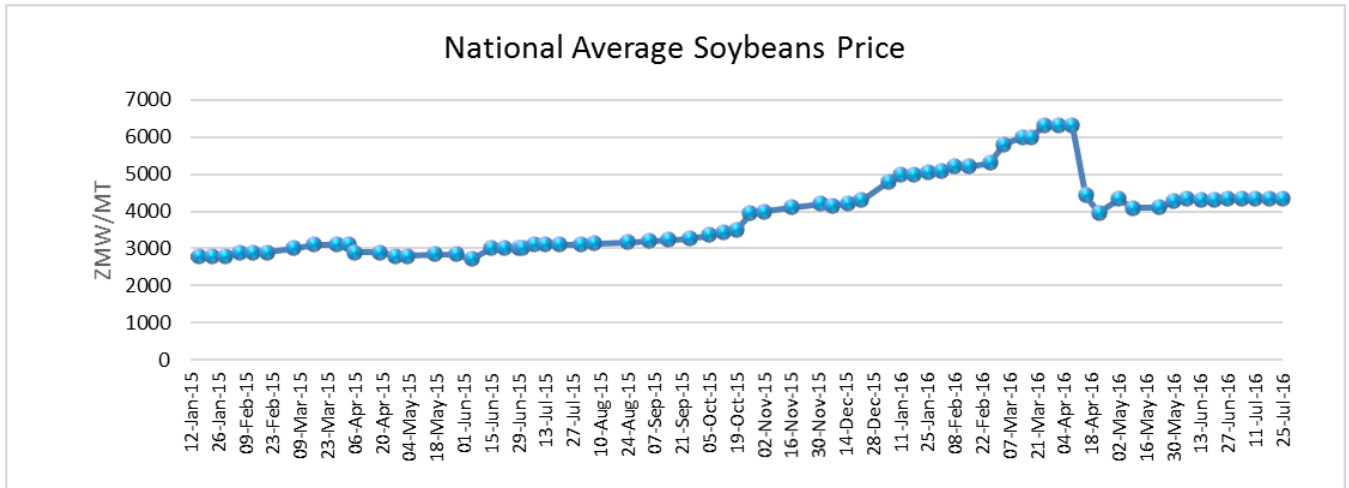
Highlights

- On a year-on-year comparison, Malaysia’s crude oil production in the first half of 2016 dropped by about 16% to 7.5 million tons. Palm oil exports over the same period declined by about 7 % with no exports to Zambia recorded. However, In the first half of 2015, 226 tons of Malaysian palm oil was captured by the Malaysian Palm Oil Board (MPOB) as destined for Zambia.
- Soy beans for September delivery opened trading on CME at US\$372.8/MT on 22nd July 2016.

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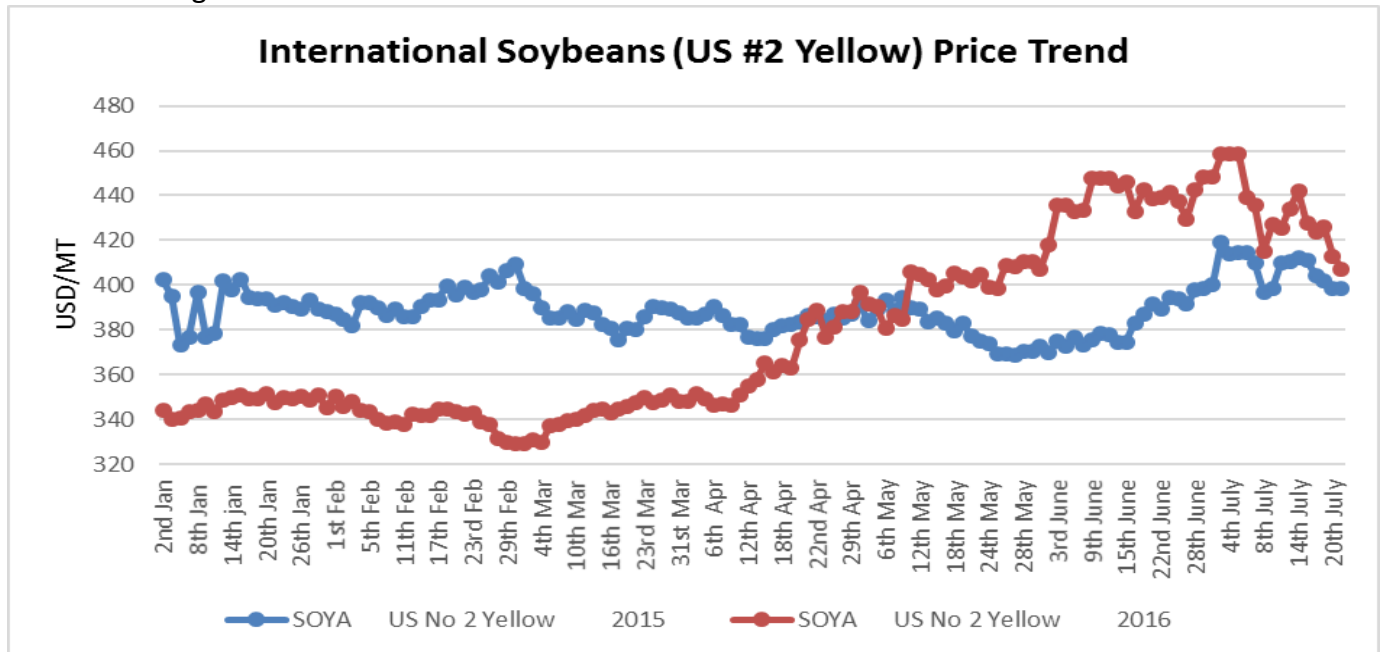
- According to the ZNFU market Price Information System, average national offer prices edged lower during the week ending 22nd July ,2016 ranging between ZMW 3,000 – 5,100/MT with an average of ZMW4,292.75 MT being recorded;



Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$415.65/MT in the week ending 22nd July 2016, 3.59% below the average price of US\$431.13//MT recorded in the previous week. Prices are fob gulf.



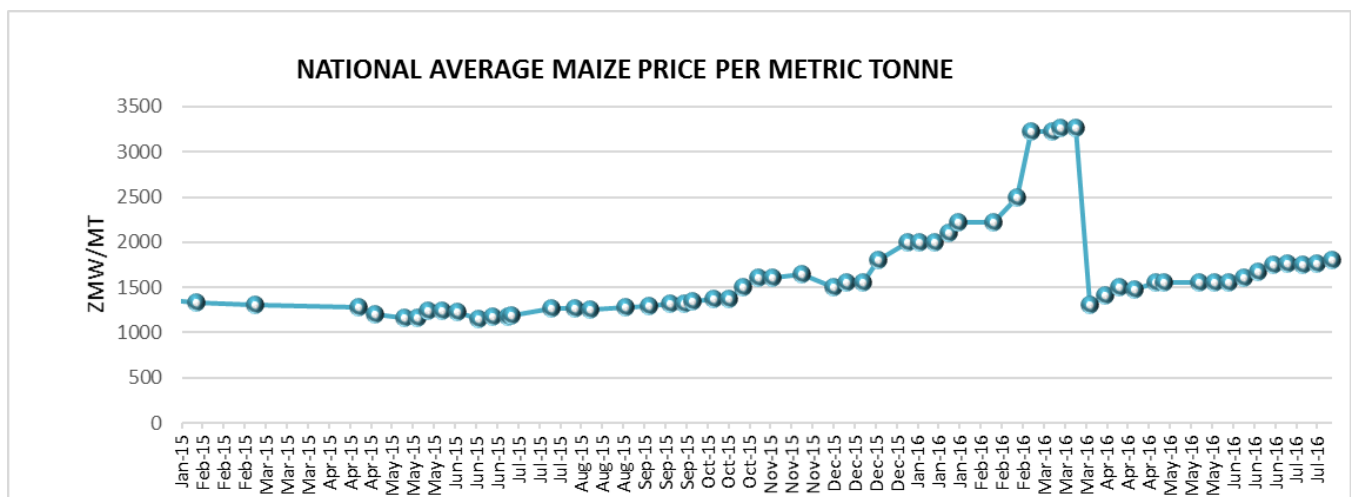
Source: Safex

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Highlights

- South African farmers had commercially delivered about 1.59 million tons of their 2016 white maize harvest by mid-July according to information from the South African Grain Information Service. This translates into 26% of the country’s forecasted 2016 white maize harvest. Meanwhile, total maize (both white and yellow) deliveries have hit 60% of the estimated total production.
- Meanwhile, Zimbabwe and Botswana have continued to be the main importers of South African white maize while the country’s yellow maize export markets stretch to as far as Korea. The SAGIS data further indicates that Zambian maize has not yet landed on the South African Soils since the onset of the 2016/17 marketing season in May.
- On the local scene, indications are that farmer deliveries to FRA depots in regions with high private sector participation are slow while farmers in far flung areas with little, if any, private sector involvement such as in Northern Province are supplying FRA as it is the only luring market.
- Maize for December delivery opened trading on CME at US\$134.09/MT on 22nd July 2016.
- The national average local maize offer prices by private traders have remained bullish averaging ZMW 1,806.5/ton on the ZNFU market information system in the week ending 22nd July, 2016.



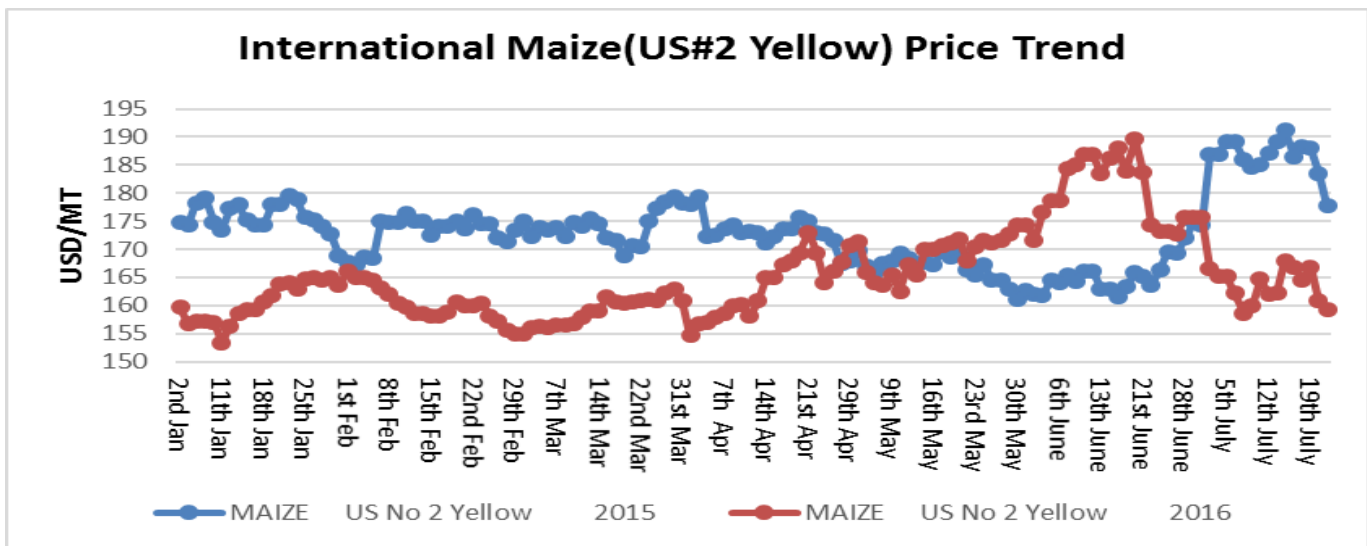
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 161.95/ MT during the week ending 22nd July 2016, 1.70% below the previous week’s average. All prices are fob gulf.

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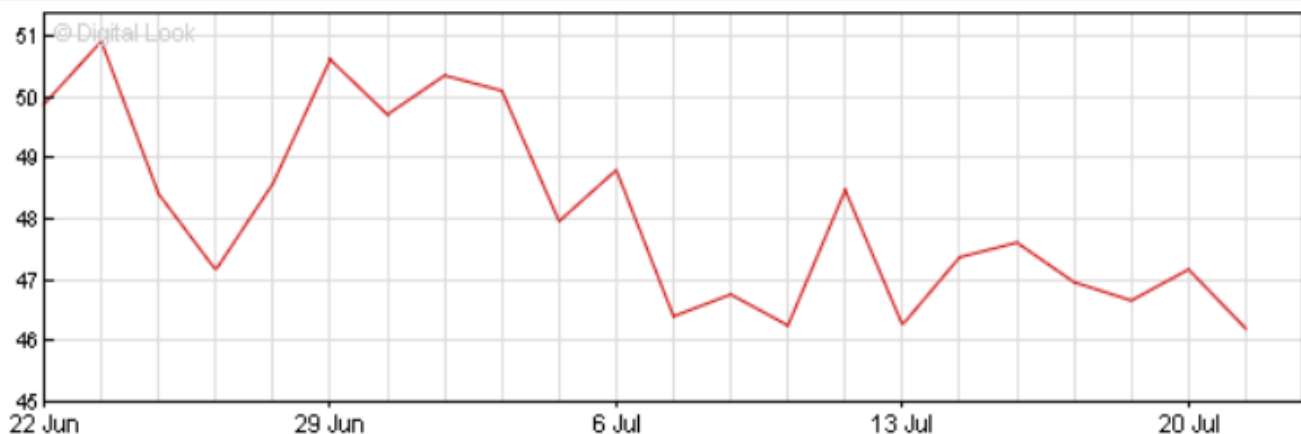


Source: Safex

Crude oil

- Brent crude oil futures prices were seemingly on a descent last week, settling at US\$46.08/barrel by mid-morning on 22nd July 2016.
- The Dubai Mercantile exchange crude oil marker price for September 2016 delivery settled US\$42.84/barrel on 15th July 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC, 2016.

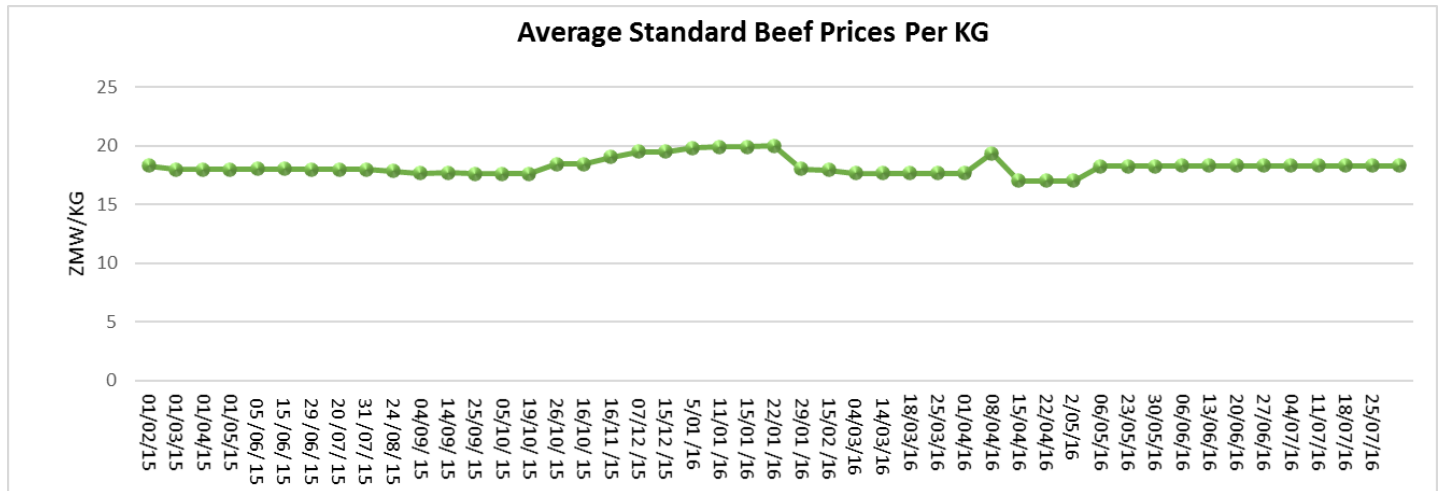
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Beef

Highlights

- On the Zambian scene, dressed weight beef prices have remained horizontal averaging ZMW18.3/kg during the week ending 22nd July 2016. This is as monitored by the ZNFU 4455 market price information system.



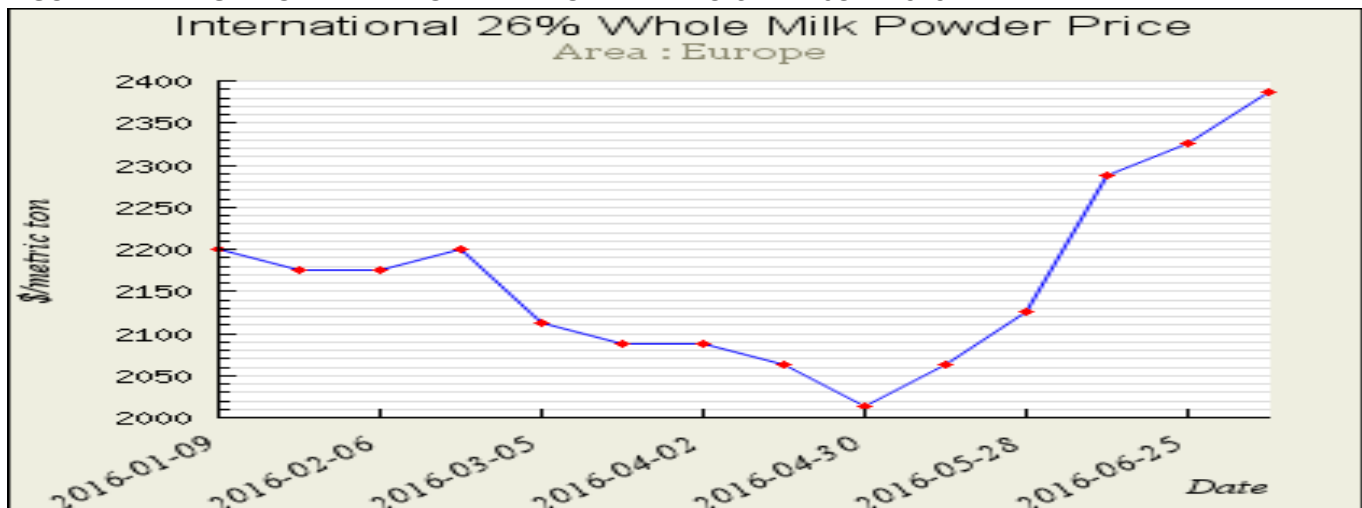
Source: ZNFU, 4455 Market Price Information System

DAIRY UPDATES FOR THE WEEK ENDING 22nd July 2016

GLOBAL WHOLE MILK POWDER PRICE TRENDS

Price of whole milk powder on the international market was at US\$2,425 per metric ton as at 23rd July 2016 indicating a 15% increase in price from the US\$2,112.50 per metric ton recorded in March, 2016. Refer to figure 1 below;

FIGURE 1 AVERAGE MONTHLY WHOLE MILK POWDER PRICES 22ND JULY 2016



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

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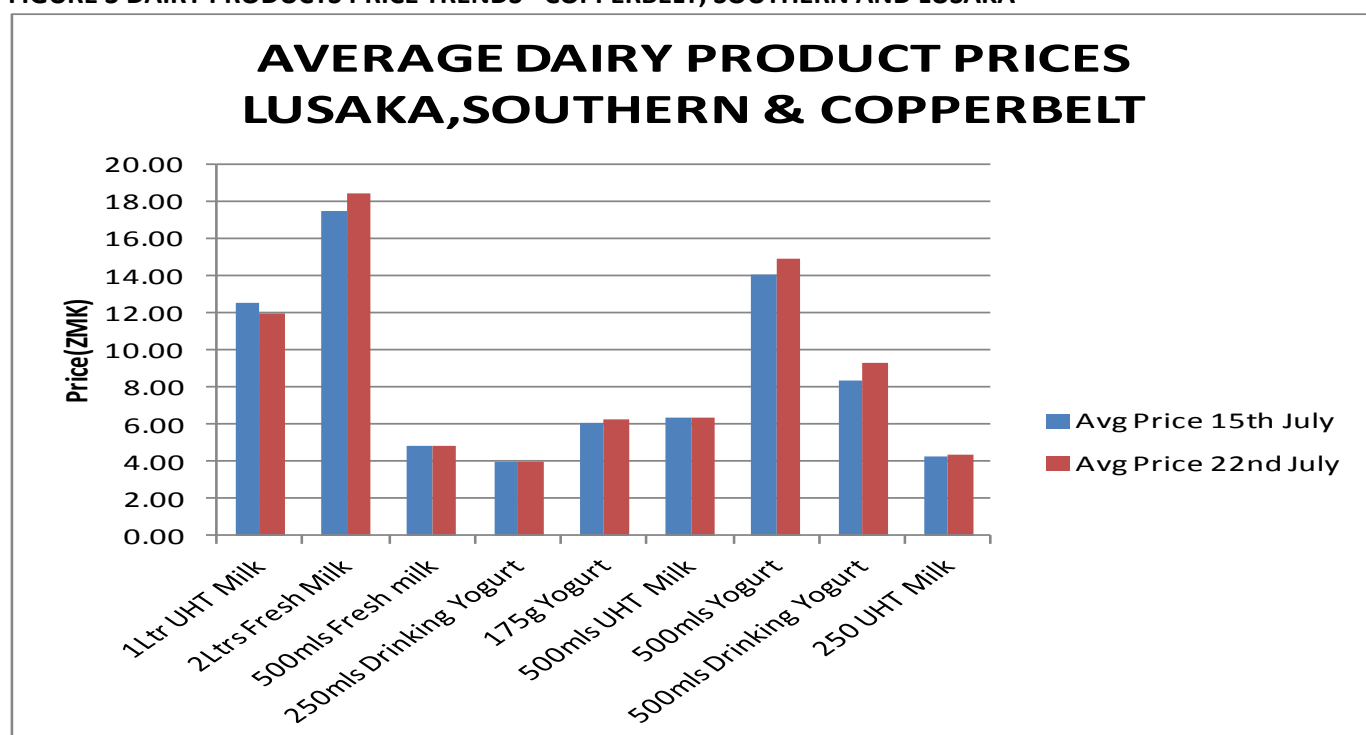


FIGURE 2 AVERAGE PRICES FRESH MILK, UHT AND YOGURT

AVERAGE DAIRY PRODUCT PRICES LUSAKA, SOUTHERN & COPPERBELT			
Dairy Product	Avg Price 15th July	Avg Price 22nd July	Var(%)
1Ltr UHT Milk	12.50	11.96	-4.3%
2Ltrs Fresh Milk	17.50	18.47	5.5%
500mls Fresh milk	4.80	4.80	0.0%
250mls Drinking Yogurt	4.00	4.00	0.0%
175g Yogurt	6.06	6.27	3.5%
500mls UHT Milk	6.39	6.39	0.0%
500mls Yogurt	14.01	14.95	6.7%
500mls Drinking Yogurt	8.40	9.32	11.0%
250 UHT Milk	4.30	4.39	2.1%

Average prices for dairy products recorded some increase during the period 15th to 22nd July, 2016. Notable price adjustments were that for 500 mls drinking yogurt that increased by 11 % from K8.40 to K9.32 and 500 mls smooth yogurt that increased by 6.7%. On the other hand, a liter of UHT milk recorded a 4.3% price reduction.

FIGURE 3 DAIRY PRODUCTS PRICE TRENDS –COPPERBELT, SOUTHERN AND LUSAKA



Source: DAZ July 2016

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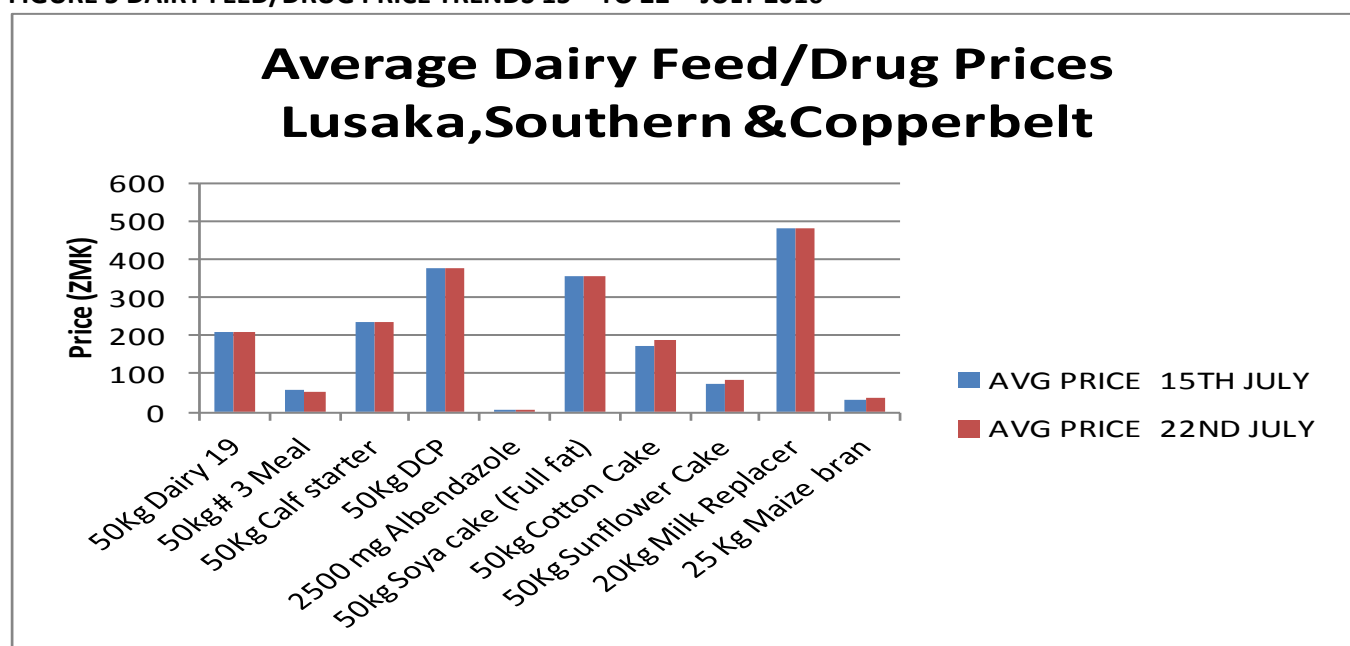


FIGURE 4 AVERAGE DAIRY FEED/DRUG PRICES-LUSAKA, SOUTHERN AND COPPERBELT

AVERAGE DAIRY FEED/DRUG PRICES LUSAKA,SOUTHERN & COPPERBELT			
PRODUCT	AVG PRICE 15TH JULY	AVG PRICE 22ND JULY	VAR (%)
50Kg Dairy 19	208	208	0%
50kg # 3 Meal	60.5	53.5	-12%
50Kg Calf starter	235	236	0%
50Kg DCP	377	377	0%
2500 mg Albendazole	5	5	0%
50kg Soya cake (Full fat)	356	356	0%
50kg Cotton Cake	175.7	187.86	7%
50Kg Sunflower Cake	71.5	84.8	19%
20Kg Milk Replacer	484	484	0%
25 Kg Maize bran	33.5	35.3	5%

Average dairy feed prices and that of drugs generally remained constant during the period 15th to 22nd July 2016 however, the price of no.3 meal reduced by 12% and that for sunflower cake recorded a 19% increase. The average price for cotton cake and maize bran increased by 7% and 1%, respectively during the same reporting period.

FIGURE 5 DAIRY FEED/DRUG PRICE TRENDS 15TH TO 22ND JULY 2016



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