



# THE WEEKLY AGRO WATCH



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19<sup>th</sup> September, 2016 Vol.3. No.38

## ZNFU AND WARMA MEET TO DISCUSS PENALTIES ON UNREGISTERED DAMS

The Zambia National Farmers' Union (ZNFU) Officers from Head Office in Lusaka and farmers from Choma/Kalomo held a meeting in Choma with the Water Resources Management Authority (WARMA) Officials to discuss the issue of penalties on farmers with unregistered water facilities. The meeting was prompted by farmers in Kalomo, Zimba and Livingstone who complained to ZNFU during the last quarter of 2015 that WARMA had imposed hefty fines/penalties on farmers with unregistered dams. To this effect, ZNFU started discussing the matter with WARMA which culminated into the recent meeting with farmers in Choma.

During the meeting, farmers raised a number of important issues that required urgent attention of WARMA. Some of the key issues raised by farmers include;

- Delays in issuance of water permits by WARMA despite most farmers having made the necessary applications a long time ago;
- Lack of access to information by farmers on the registration of dams and other water facilities in line with the provisions of the Water Resource Management Act of 2011. The lack of access to information is largely due to the absence of print media in rural areas.
- Hefty penalties by WARMA on farmers that were alleged to be using unregistered dams/water facilities;
- Lack of adequate ZNFU presentation on WARMA Board;
- Confusion between the roles performed by WARMA and other government departments such as Water Board and UNZA on water issues in Southern Province;

In order to address the above challenges, the meeting agreed as follows;

- ZNFU to write to WARMA requesting to waive all water penalties/fines imposed on farmers. This is important in order to avoid collapsing the agriculture sector due to hefty fines/penalties;
- Farmers to register all water facilities in line with the Water Resource Management Act;
- Farmers to establish shadow Water Users Associations including all stakeholders in their respective catchment areas;
- WARMA to collaborate and work with ZNFU to ensure that all information on water use reach farmers as major users of water; and
- WARMA to consult ZNFU on water pricing strategy;

## Exchange Rates

CURRENCY	19/09/2016						12/09/2016 (09/09/16)					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
<b>FNB</b>	10.02	10.23	0.72	0.73	13.08	13.34	10.07	10.27	0.70	0.72	13.37	13.64
<b>Standard Chartered</b>	10.08	10.28	0.72	0.73	13.15	13.41	10.1	10.3	0.71	0.72	13.41	13.68
<b>ZANACO</b>	10.08	10.27	0.71	0.73	13.15	13.40	10.06	10.26	0.70	0.71	13.36	13.61
<b>Bank of Zambia</b>	10.12	10.17	0.720	0.725	13.23	13.29	10.21	10.25	0.710	0.713	13.58	13.64

## Parity Prices

Domestic Import Parity Prices as at 16/09/2016					
US\$/ZAR=14.14 US\$/ZMW=10.23					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		10.23	432.36	625.2	451.87
Town	<b>Ex-Lusaka freight (ZMW)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Chipata	275	26.88	459.24	652.08	478.75
Mkushi	225	21.99	454.35	647.19	473.86
Ndola	250	24.44	456.80	649.64	476.31
Kitwe	250	24.44	456.80	649.64	476.31

*Note: Import parity based on October delivery for maize and wheat and December delivery for Soya beans*

Export Parity Price Ranges (EPP) Harare-Lusaka as at 13/09/16	
Soya Beans	456.7-505.5
Maize	261.7-286.12

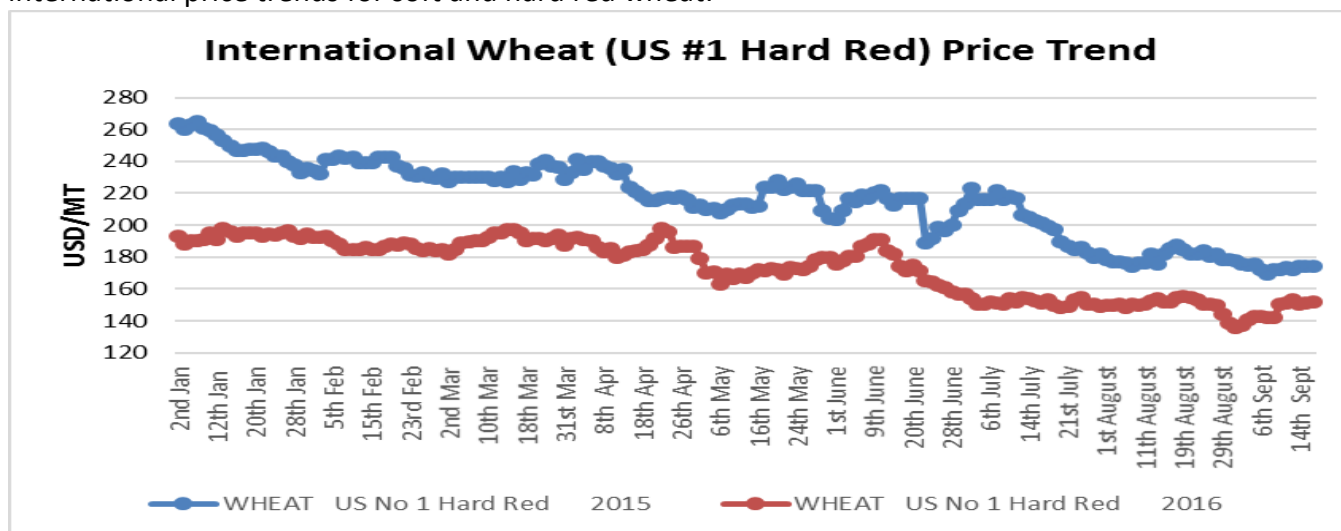
## Wheat

### Highlights

- For the first time in 10 years, Ukrainian wheat has landed on the Indian market this year. Since June 2016, Ukraine has exported over 240,000MT of wheat to India. France, one of India's traditional sources of wheat has further cut its 2016 wheat output by 31 percent on a year-on-year comparison. Meanwhile, despite an estimated slight increment in India's 2016/17 wheat production, its ending stocks are projected to hit the lowest level in over five years due to increased consumption demand.
- Soft red wheat for December delivery on the Chicago Mercantile Exchange (CME) settled at US\$148.44/MT on 19<sup>th</sup> September 2016.
- Local wheat offer prices for the 2016 crop edged slightly higher to about US\$375/ton.

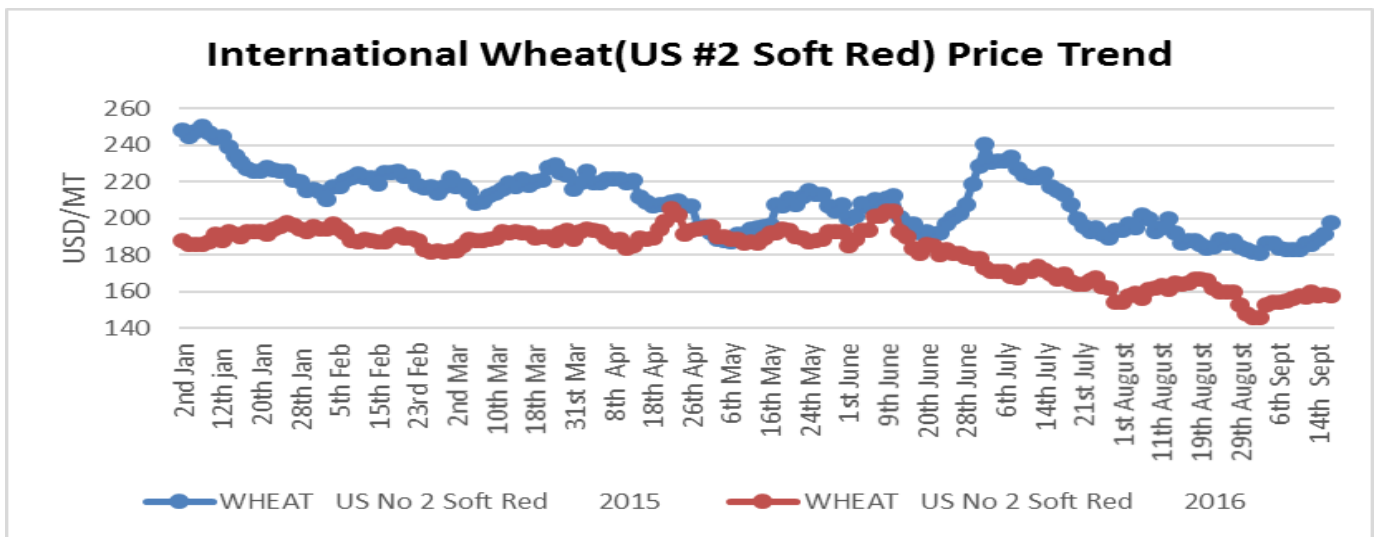
### Price trends

The Safex international soft red and hard red wheat prices averaged US\$151.65/MT and US\$158.12/MT during the week ending 16<sup>th</sup> September 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

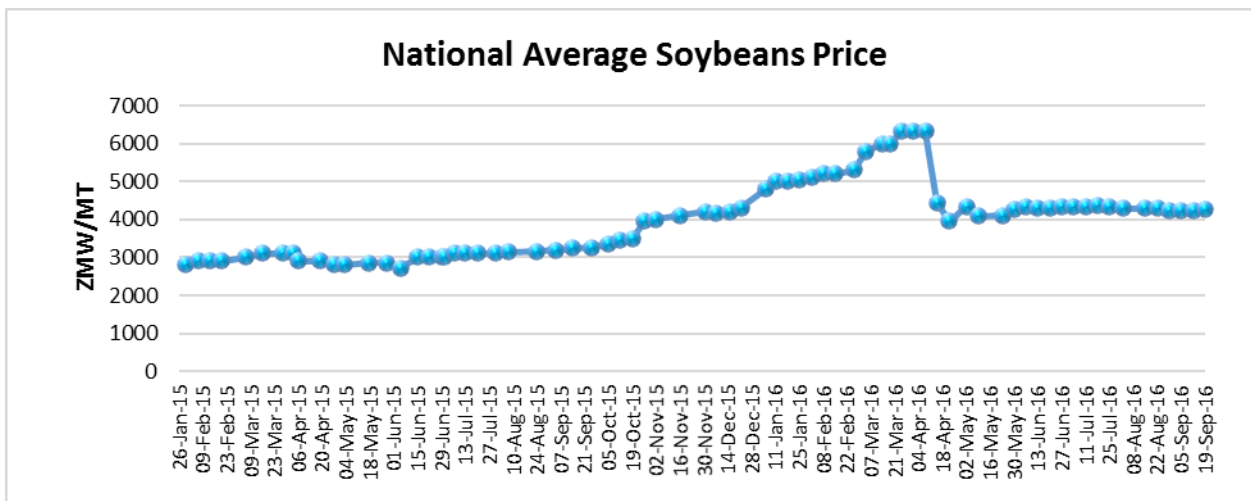
## Soya Beans

### Highlights

- The rejection of Soya beans import cargo, between May and June 2016, due to higher than permissible Ambrosia and fungus content by Egypt has increased the North African State’s demand for soya beans and soya meal. According to USDA, if Egypt’s agricultural quarantine office continues to block soybean shipments, domestic crush will continue to fall and Egypt will continue to rely more on the imported soya bean meal and oil in the 2016/17 year. Egypt is currently getting the bulk of its soya meal from Argentina.
- Soy beans for November delivery opened trading on CME at US\$356.56/MT on 19<sup>th</sup> September 2016.
- According to the ZNFU market Price Information System, average national soya beans offer prices continued to trade at an average of ZMW4,250/MT last week as shown in the graph below.

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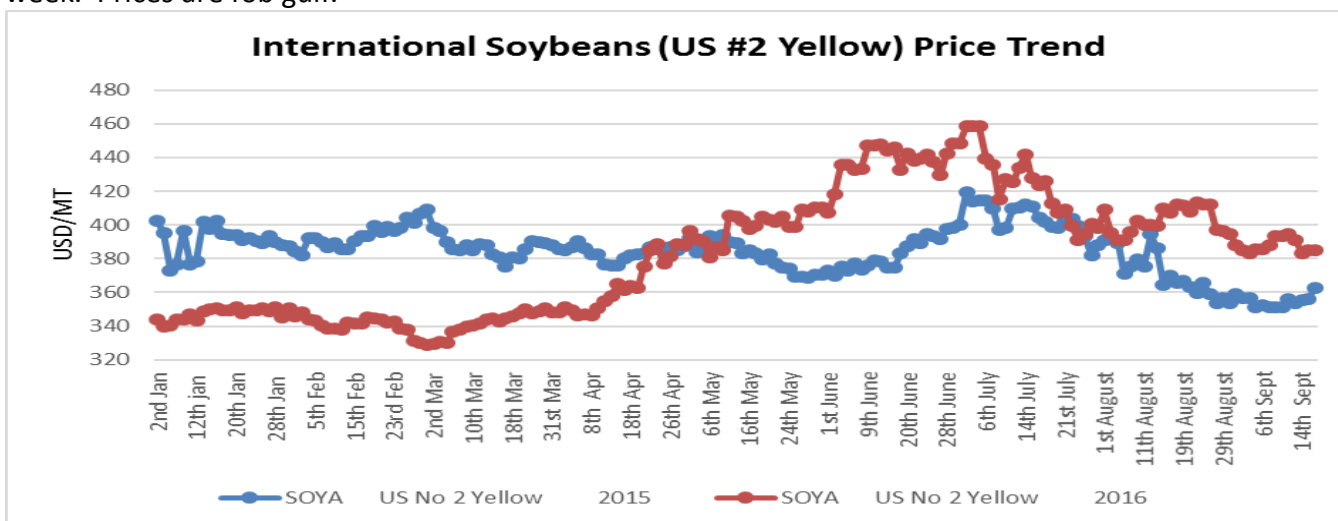




Source: ZNFU, 4455 Market Price Information System

### Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$387.69/MT in the week ending 16<sup>th</sup> September 2016, 0.39% below the average price of US\$389.22/MT recorded in the previous week. Prices are fob gulf.



Source: Safex

## Maize

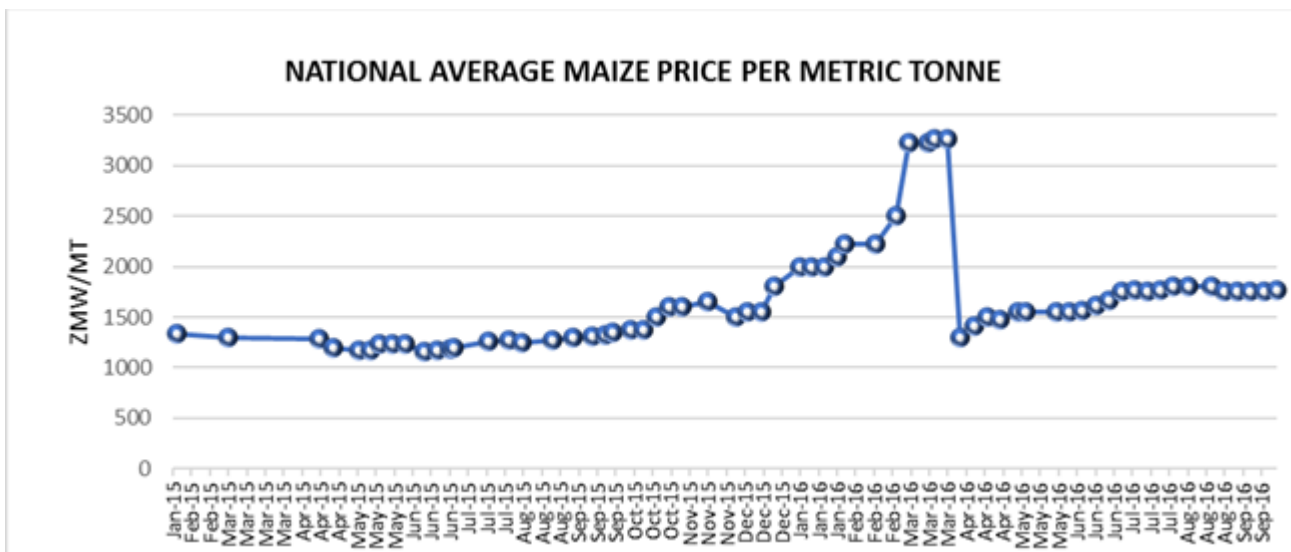
### Highlights

- Zimbabwe's maize stocks are currently enough to meet the country's needs for the next eight months. This came to light during the presentation of Zimbabwe's Mid-term fiscal policy report on 8<sup>th</sup> September 2016 by the country's Minister of Finance and Economic Development, Patrick Chinamasa. Zimbabwe's annual national maize requirement is estimated at 2.2 million tons

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- Zambia’s maize exports have continued though on a slow note with August maize grain exports recorded to be just over 6,500 tons by the Zambia Revenue Authority. This is way below the August 2015 exports which hit a record of 102,500MT. The highest exports in 2016 were recorded in January at 16,536MT.
- Wholesale maize prices in Gitega, Burundi and Kisumu, Kenya were pegged at US\$455.86/ton and US\$351.95/ton respectively on 19<sup>th</sup> September, 2016. Meanwhile, prices in Iringa, Tanzania were about US\$233.92/ton. This is as captured by the East African Grain Council intelligence network (RATIN).
- Maize for December delivery on CME opened trading at US\$132.75/MT on 19<sup>th</sup> September 2016.
- The national average local maize offer price by private traders was averaging K 1,761/ton on the ZNFU market information system last week.



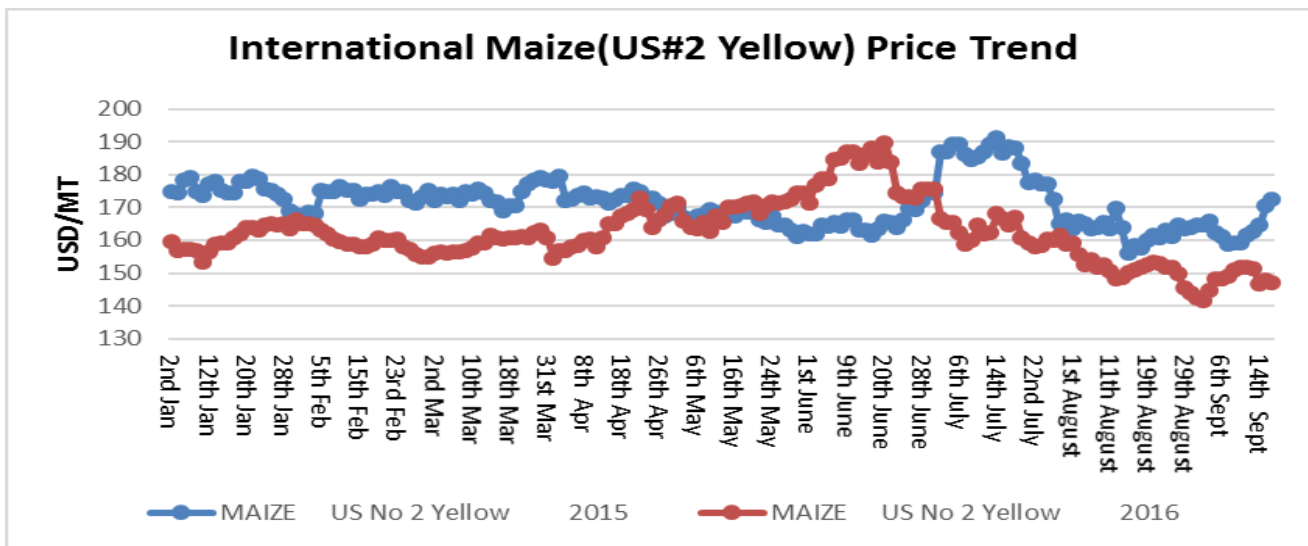
Source: ZNFU Market Price Information System

**Price trends**

International maize spot prices traded at an average of US\$ 148.95/MT during the week ending 16<sup>th</sup> September 2016. All prices are fob gulf.

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Source: Safex

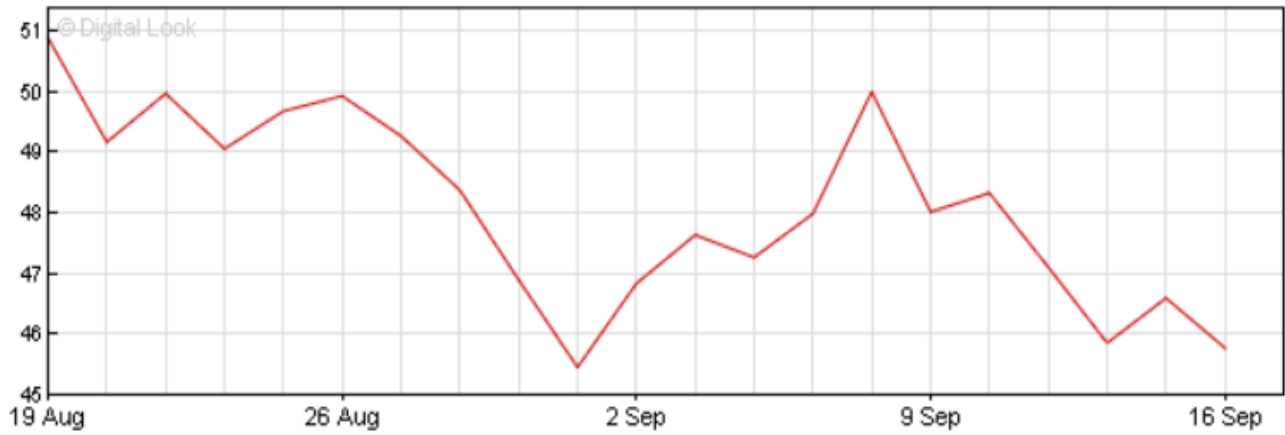
### Crude oil

- In their latest monthly report, Oil world has indicated that global growth in oil demand has been slower than initially forecast so far in 2016. This news supported the downward spiral in crude oil prices experienced last week. While world oil supplies generally fell in August 2016, the output by OPEC countries grew to 33.47million barrels per day mainly due to increased output from the Middle East.
- Brent crude oil futures prices around 09:00hrs CAT on 19<sup>th</sup> September, 2016 were pegged at US\$46.51 barrel.
- The Dubai Mercantile exchange Oman crude oil marker price for November 2016 delivery settled at US\$42.6/barrel on 19<sup>th</sup> September, down from the 9<sup>th</sup> September settlement of US\$44.60/barrel.

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## Brent Crude Oil Futures \$/barrel

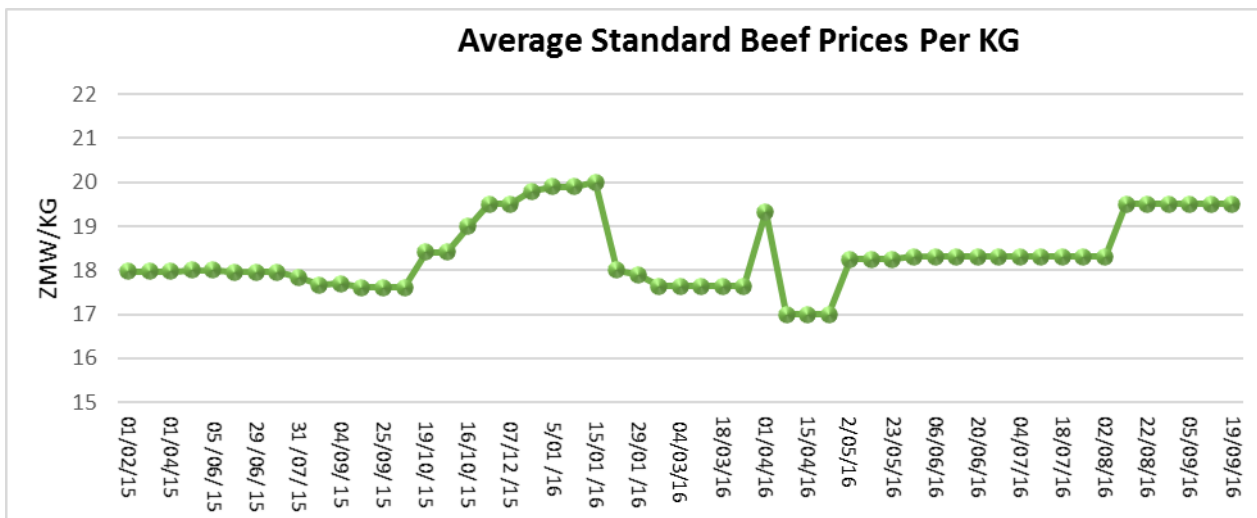


Source: BBC, 2016.

## Beef

### Highlights

- Namibian Grade A beef prices for the week ending 12<sup>th</sup> September 2016 were in the range of ZAR27.78-36.19/Kg. Auction prices for weaners and heifers were pegged at ZAR17.43/kg and ZAR16.42/kg respectively on 9<sup>th</sup> September 2016. This is according to the Namibian Meat Board.
- On the Zambian scene, the relatively stagnant local beef prices against the increased costs of production are acting as a disincentive for further expansions of feedlots by farmers with some being forced to cut back. Dressed weight beef prices averaged ZMW19.5/kg during the week ending 19<sup>th</sup> September 2016. This is as monitored by the ZNFU 4455 market price information system.



Source: ZNFU, 4455 Market Price Information System

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**Average Prices of Fresh Milk, UHT and Yogurt**

Average prices for dairy products generally remained constant during the period 9<sup>th</sup> to 16<sup>th</sup> September, 2016. Notable price adjustment was that for 500g smooth yogurt that recorded a slight increase of 1.1% from K14.20 to K14.35.

AVERAGE DAIRY PRODUCT PRICES LUSAKA, SOUTHERN & COPPERBELT			
Dairy Product	Avg Price 9th September	Avg Price 16th September	Var(%)
1Ltr Fresh Milk	8.99	8.99	0.0%
2Ltrs Fresh Milk	17.50	17.50	0.0%
500mls Fresh milk	4.55	4.57	0.4%
250mls Drinking Yogurt	4.00	4.02	0.5%
175g Yogurt	6.27	6.29	0.3%
500mls UHT Milk	7.50	7.50	0.0%
500g Yogurt	14.20	14.35	1.1%
500mls Drinking Yogurt	8.10	8.10	0.0%
250 UHT Milk	4.29	4.30	0.2%

Source: DAZ September 2016

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

Average dairy feed prices and that of selected drugs generally remained constant during the period 9<sup>th</sup> to 16<sup>th</sup> September, 2016. However a few products recorded price adjustments such as 2500mg Albendazole tablet price reduced by 25% while 50kg fullfat soya cake and sunflower cake increased by 4% and 2% respectively.

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AVERAGE DAIRY FEED/DRUG PRICES LUSAKA,SOUTHERN & COPPERBELT			
PRODUCT	AVG PRICE 9TH SEPTEMBER	AVG PRICE 16TH SEPTEMBER	VAR (%)
50Kg Dairy 19	218	218	0%
50kg # 3 Meal	61	61	0%
50Kg Calf starter	228	230	1%
50Kg DCP	419	419	0%
2500 mg Albendazole	4	3	-25%
50kg Soya cake (Full fat)	321	333	4%
50kg Cotton Cake	170	170	0%
50Kg Sunflower Cake	83	85	2%
20Kg Milk Replacer	460	460	0%
25 Kg Maize bran	37	37	0%

Source: DAZ September 2016

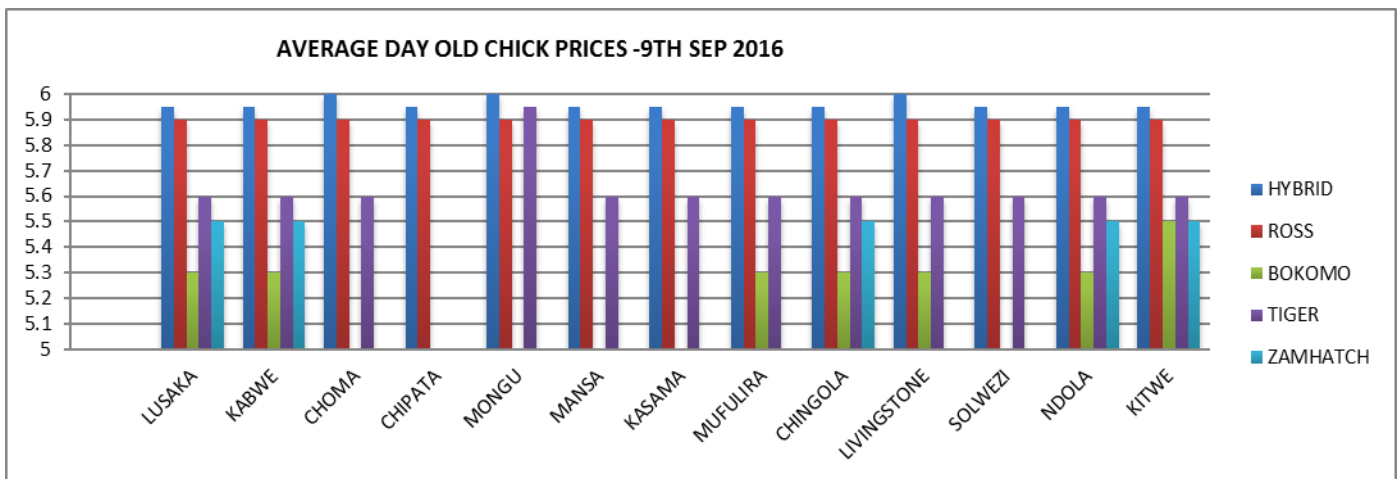
## Poultry Updates for the Week Ending 16<sup>th</sup> September 2016

### Average Day Old Chick Prices

The prices for the day old chicks remain stable during the course of the week in different selected districts. Some brands of day old chicks are not yet in other districts that are being sampled in price surveys. Note that these are average prices collected at district level by district Associations and might not be a reflection of the prices obtaining in districts that are not being captured. These are average prices collected between 12<sup>th</sup> and 16<sup>th</sup> September 2016.

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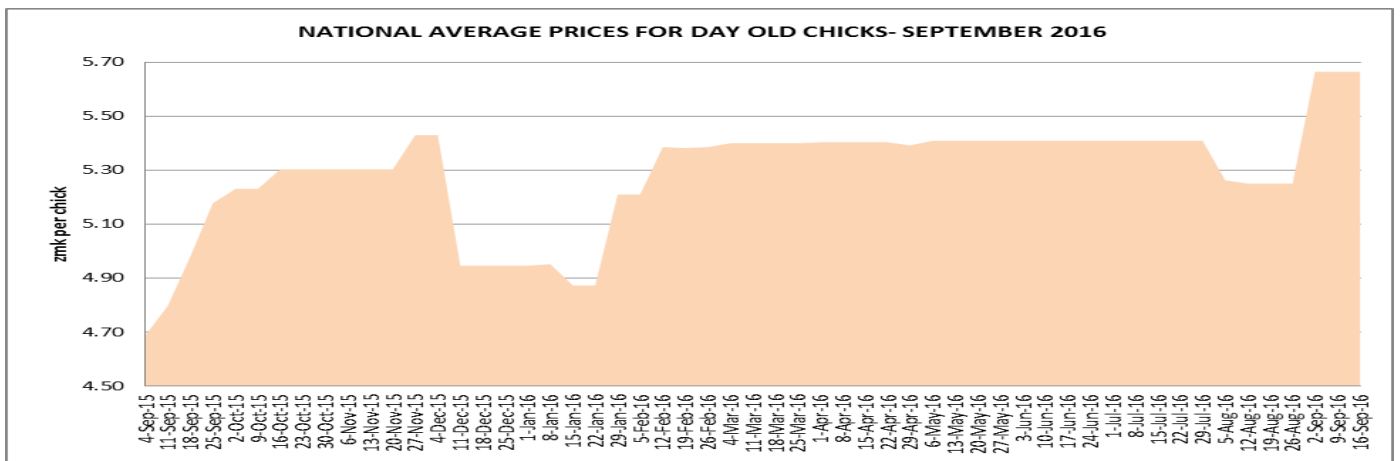




Source: Poultry Association of Zambia

### National Average Day Old Prices

The graph below shows the national average price trend for day old chicks for a one-year period up to September 2016. The graph shows that the national average price of day old chicks has remained at ZMW5.66 per chick for one month now. The political uncertainties that faced the country has had a toll on the industry in the last three months forcing some poultry farmers to scale down on placements. A number of hatcheries and feed millers have started conducting trainings on summer brooding and poultry farmers are encouraged to take advantage of these trainings to upgrade their skills.



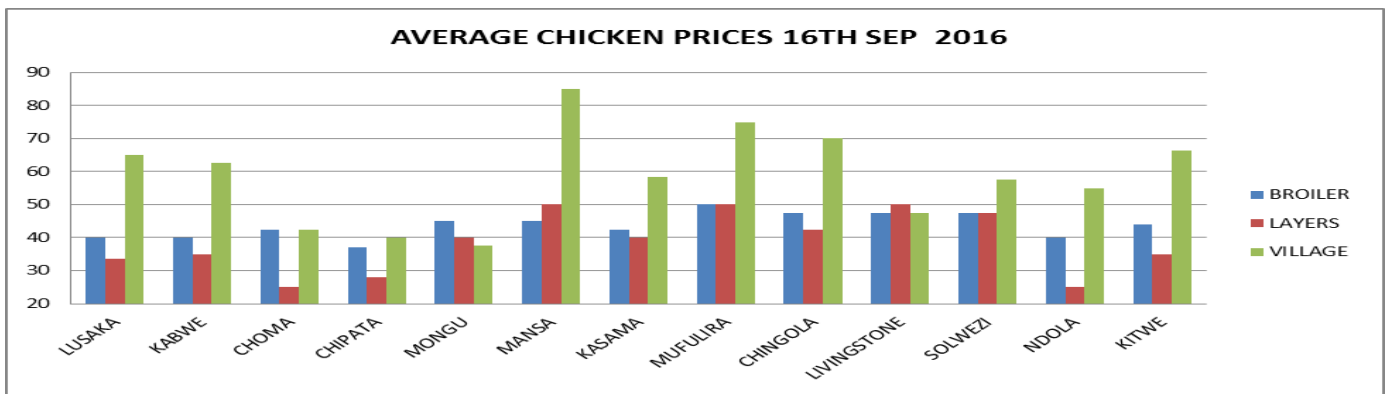
Source: Poultry Association of Zambia

### Average Live Birds Prices at District Level

The graph below shows the average live bird prices in different districts. No major movements have been observed in price of fully grown birds. The national farm gate prices of broiler live birds ranges between ZMW38 to ZMW40 per bird. The retail prices in different markets ranges between ZMK 40 to ZMK50 per live broiler bird depending on the market. The stability in prices of the bird is in line with the stability in the prices of stockfeed.

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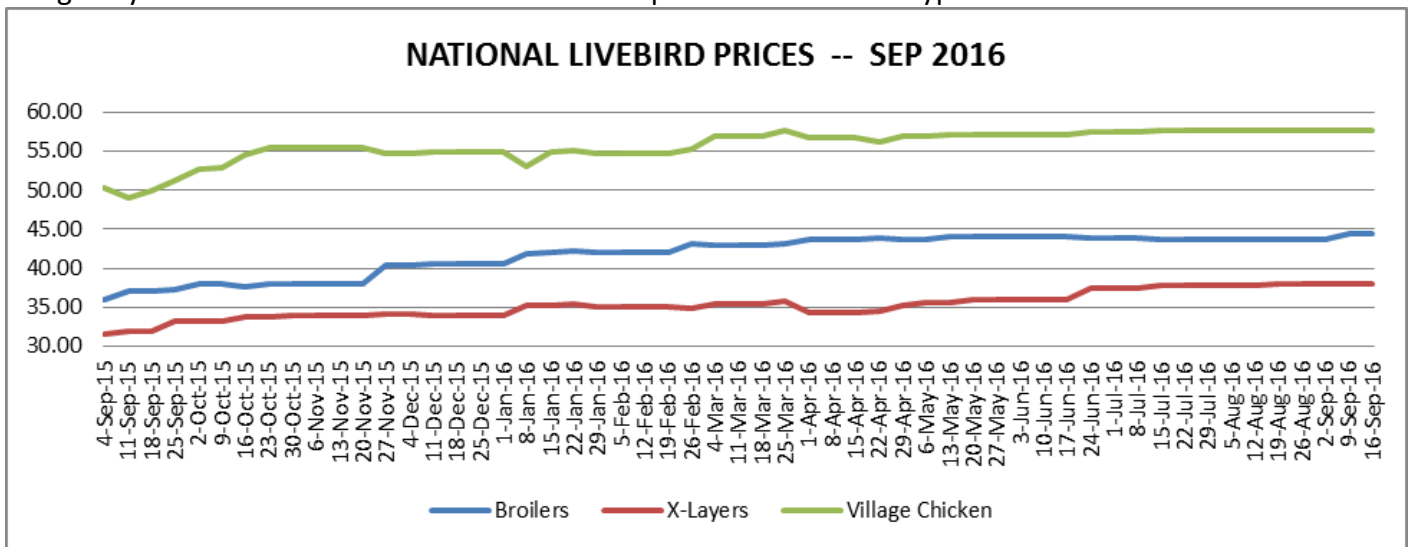




Source: Poultry Association of Zambia

### National Average Live Bird Prices

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 ZMW45.5, ZMW37.96 and ZMW57.58 respectively. In the period of two weeks the broiler prices increased marginally from ZMK43.73 to ZMK44.5 whilst the prices for the other types remained static.



Source: Poultry Association of Zambia

### Average Whole Dressed Chicken Prices for Lusaka

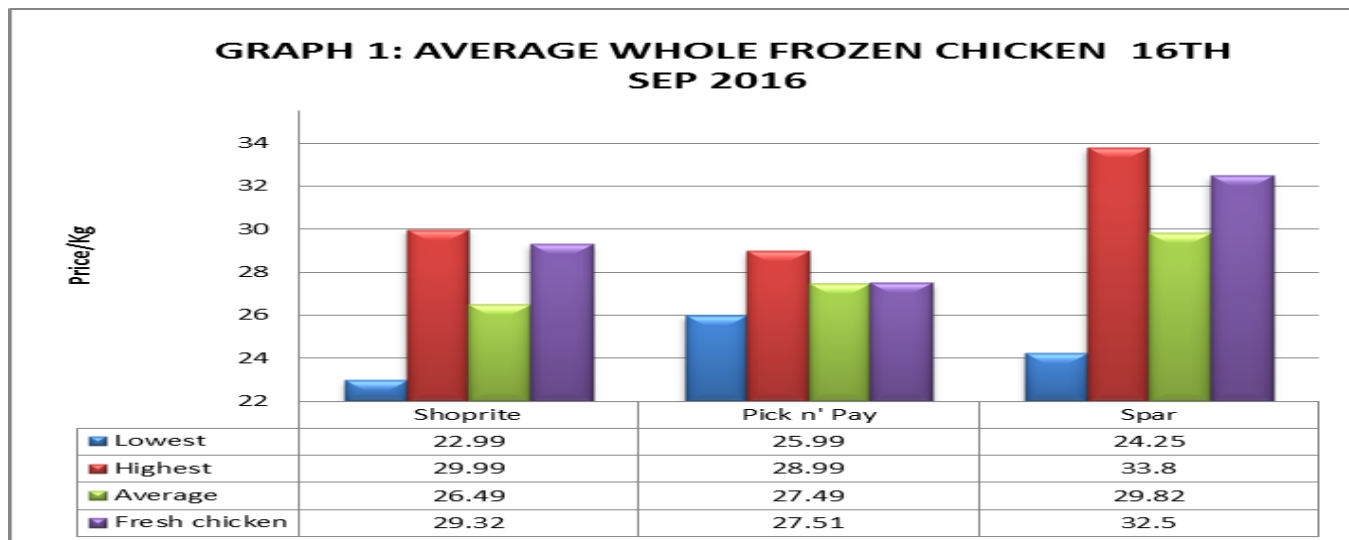
The average prices of whole frozen chickens in the three chain stores around Lusaka remained stable during the course of the week. The average price for the frozen whole chicken in Pick n' Pay averaged ZMW27.49 per kg with the lowest priced chicken at ZMW25.99 per kg and the highest going for ZMW28.99 per kg.

The same scenario was observed in SPAR with an average price ranging between ZMW24.25 per kg and ZMW33.80 per kg respectively. On the other hand, the average price for frozen whole chicken in Shoprite

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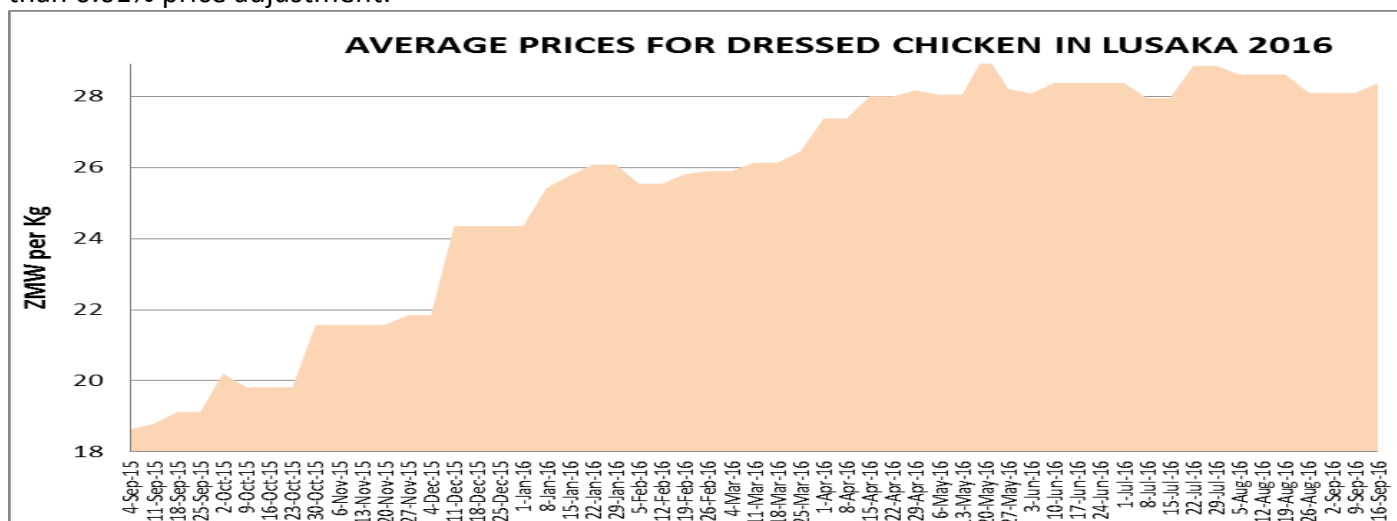


was ZMW22.99 per kg and ZMW29.99 per kg. Other prices include frozen whole chicken in Zambeef outlets at ZMK26.99/Kg and ZMW30/Kg in Melissa Supermarket.



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka for a one-year period from September 2015 to September 2016. The average price for frozen whole chickens increased marginally from ZMW 28.11 recorded at the end of last week to ZMW28.38 per kg. This represents a less than 0.01% price adjustment.



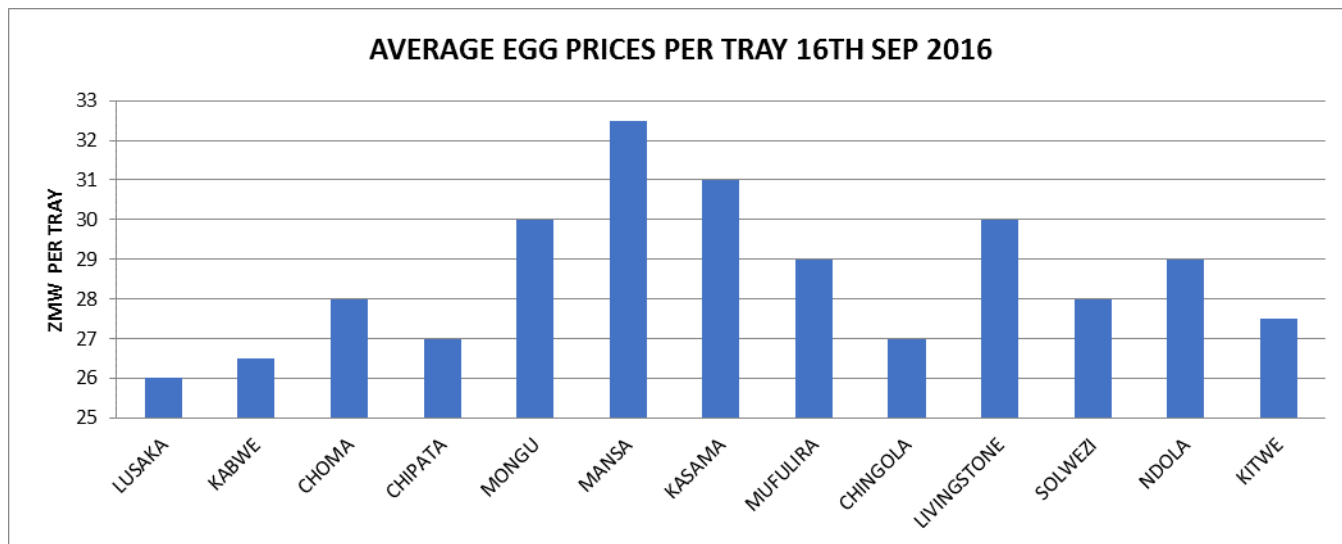
Source: Poultry Association of Zambia

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### Average Egg Prices at District Level

The graph below shows average retail prices of table eggs in selected towns around the country. Table egg prices showed some downward trend during the course of the week with farm gate prices ranging between ZMW22.5 to ZMW24 for large eggs and between ZMW17 to ZMW19 for small-eggs, the downward trend has been attributed to oversupply of table eggs in the market and the fall of prices in the major exporting destination for most of Zambian eggs, the Democratic Republic of Congo, resulting in a number of major producers resorting to local market.



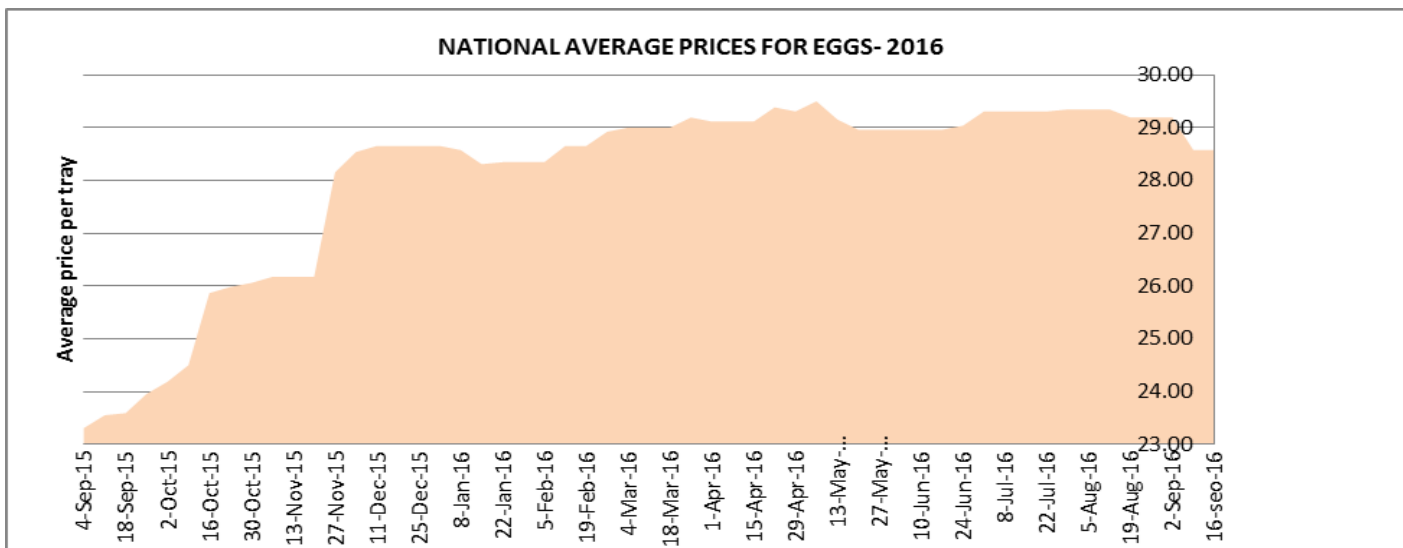
Source: Poultry Association of Zambia

### National Average Egg Prices

The graph below shows the retail price trend for a tray of table eggs. The national average price for a tray of eggs was ZMW28.54 per tray during the course of the week which is 3% reduction in the prices recorded two weeks ago. The reduction in price is due to increase in production related to weather. As the domestic eggs production increases and egg uptake shrinks in DRC, most commercial producers have resorted to supply the domestic market. With the sustained high prices of stock feed on the local market, egg producers are most likely to suffer a knock on their profitability.

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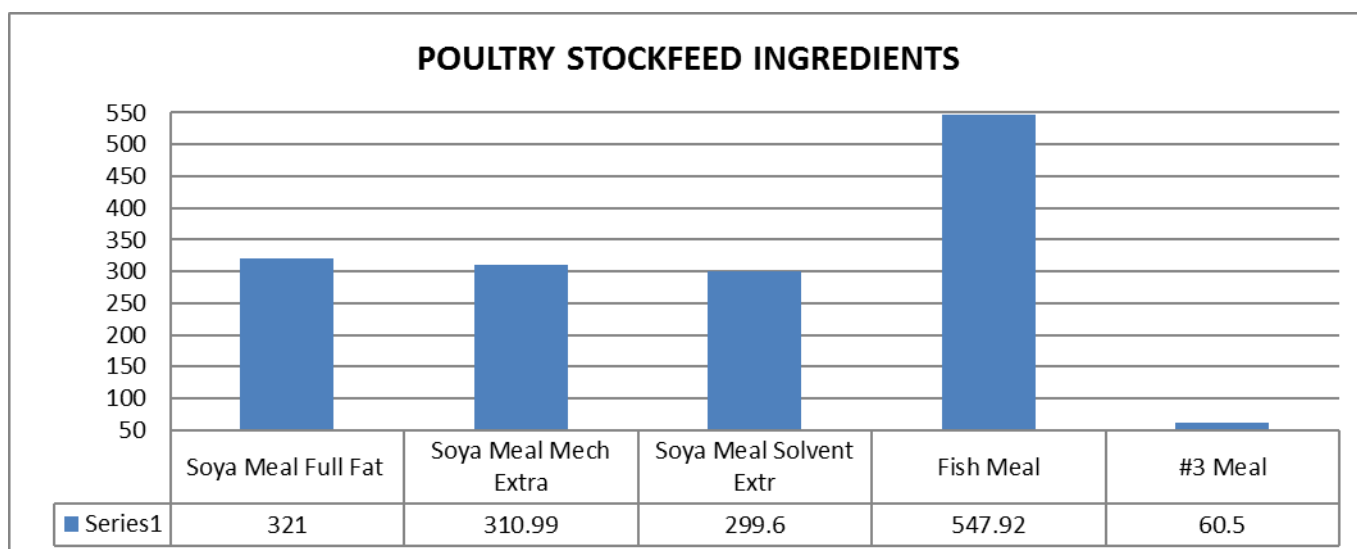




Source: Poultry Association of Zambia

### Average Prices of Selected Stockfeed Ingredients

There was no movements in the prices of key ingredients in the stockfeed industry despite the kwacha posting some positive gains against the USD. The graph below shows the price of some of the most important ingredients that are used in feed production per 50 kilogram bag. These indicative prices are obtained from Livestock Services limited and may change without notice.



Source: Poultry Association of Zambia

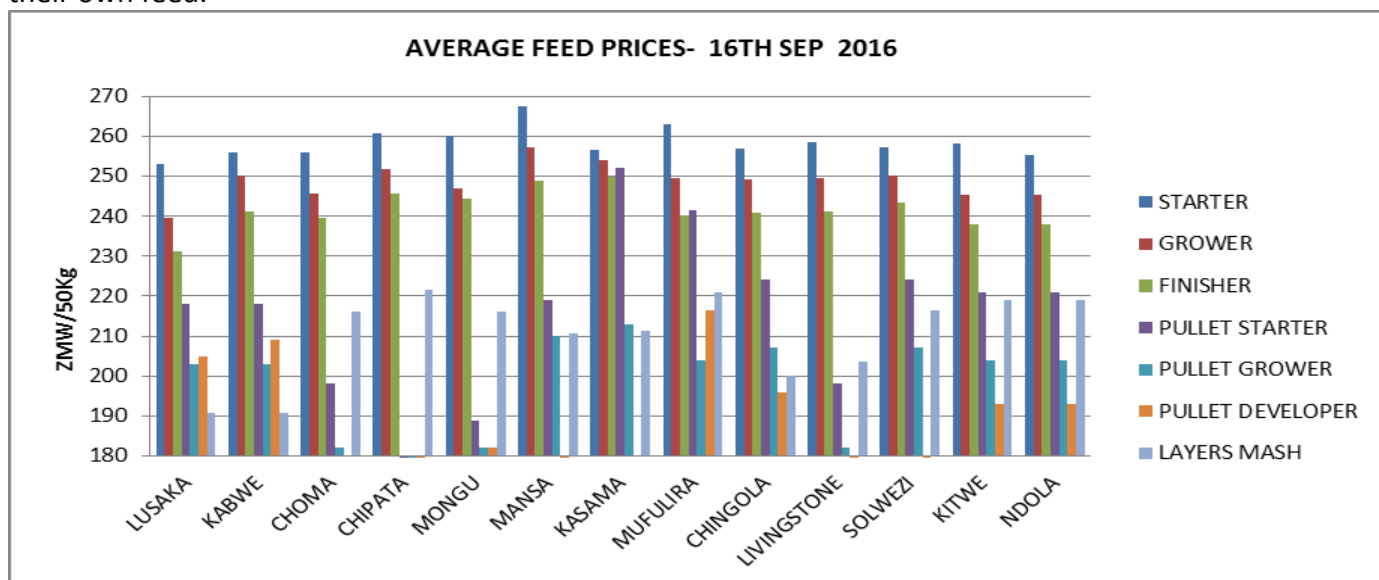
### Average Stockfeed Prices At District Level

Stockfeed prices remained stable during the course of the week with no significant changes. These are indicative prices obtaining at district level. The push by millers to export 8,00MT of maize bran, might push

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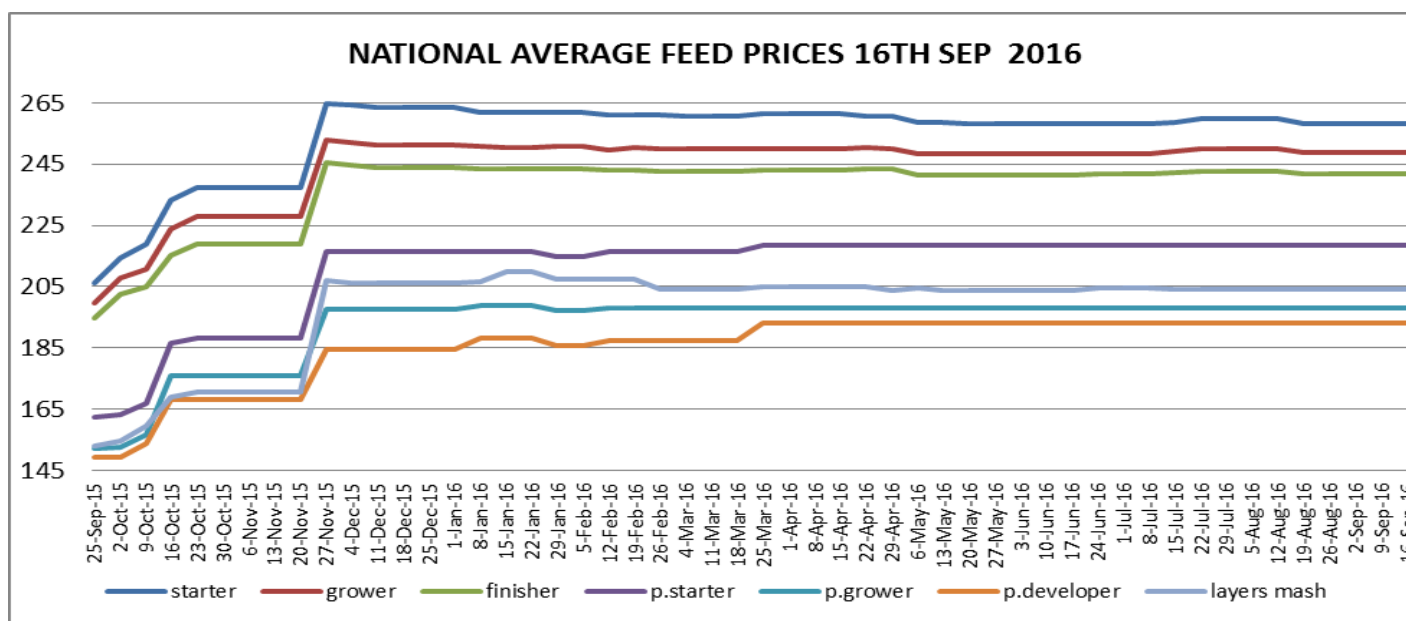
the price of maize bran in the domestic market and may to a large extent affect farmers who produce their own feed.



Source: Poultry Association of Zambia

### National Average Prices For Stockfeed

The graph below shows the national average price trend of feed for a period starting from September 2015 to September 2016. The graph shows that national average prices for feed were static during the week.



Source: Poultry Association of Zambia

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