



THE WEEKLY AGRO WATCH



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17th October, 2016 Vol.3. No.42

The Country has more than 1 million tons of maize

Preliminary indications from a maize verification exercise conducted 27th September and 2nd October 2016 as well as the stock monitoring committee submissions from players along the maize value chain last week are that the country currently has about 1.2 million metric tons of maize.

The stock monitoring committee members called for government to hasten their decision making on the maize marketing situation as the current uncertainties in policy direction and closure of borders was promoting smuggling of the commodity and would potentially negatively affect the marketing of the upcoming maize crop. It was highlighted that FRA needed to pay the farmers for the already purchased maize to stimulate further supply from the small-scale farmers. It was further stated that the farmers who had supplied FRA needed their payments to purchase inputs for the 2016/17 agricultural season. As at 6th October 2016, FRA had purchased 276,608MT of maize valued at over 470 million Kwacha.

Meanwhile, ZNFU is still waiting for a response from Government on the early maize proposal as well as on the possibility of government purchasing white maize from the emergent and large scale farmers. Follow-ups are being made and members will be informed as soon as the decision is made.

Fuel Price Hike to Raise Production Costs

In a Bid to move towards cost reflective pricing, the Energy Regulation Board adjusted the fuel prices upwards on Friday by 30% on average.

NATIONAL UNIFORM PUMP PRICE K/LITRE				
Product	Old Price	New Price	Absolute Variance	% Increment
Petrol	9.87	13.7	3.83	39%
Diesel	8.59	11.4	2.81	33%
Kerosene	6.12	8.03	1.91	31%
LSG	10.88	13.69	2.81	26%

In a press release, the Energy Regulation Board stated that the main factor behind this adjustment was the volatility of the exchange rate. Between July 2015 and Mid-October 2016, the exchange rate had depreciated by over 30% and prices of fuel remained stable despite government continuing to import fuel and other finished products during this period of high Kwacha volatility.

The hike in fuel prices will inevitable raise agricultural production costs as most inputs are imported and further transmitted to agricultural production hubs, mostly in rural areas, through road transport. Furthermore, some farm processes such as land preparation, chemical application as well as harvesting may require use of fuel- powered

tractors. Several vegetable producers, poultry and dairy farmers also rely on generators and will thus be affected. It is hoped that farmers will not have to bear the impact of the fuel price alone through suppressed prices of the final output.

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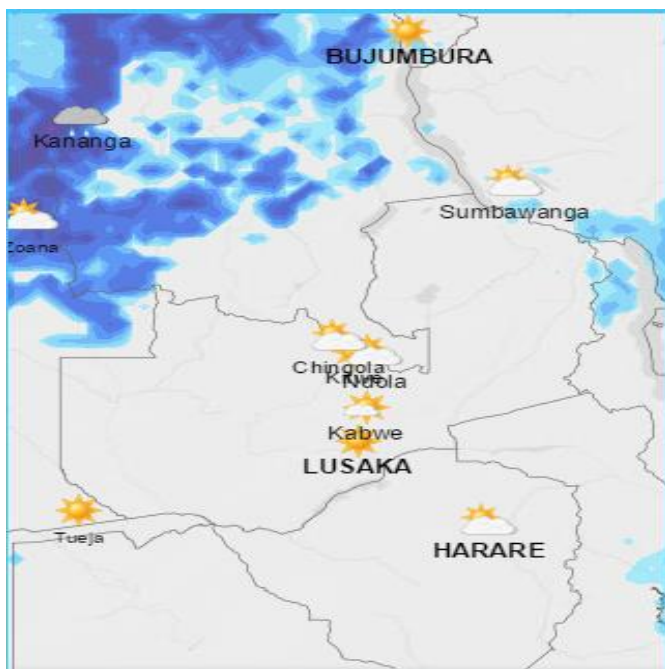
Contact Nick, 0966 866663, alldean@iconnect.zm

Exchange Rates

	17/10/2016						10/10/2016					
CURRENCY	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.85	10.05	0.69	0.71	11.98	12.22	9.93	10.13	0.72	0.74	12.31	12.56
Standard Chartered Bank	9.83	10.02	0.69	0.70	11.95	12.19	9.81	10.00	0.71	0.73	12.17	12.41
ZANACO	9.82	10.01	0.69	0.70	11.95	12.17	9.87	10.06	0.72	0.73	12.23	12.48
Bank of Zambia	9.90	9.94	0.69	0.70	12.02	12.07	9.91	9.96	0.71	0.72	12.31	12.36

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 18th to 24th October, 2016. Mostly partially cloudy to clear sunny skies forecast for the week under review with very light showers in a few districts. It is however anticipated that rainfall activity might increase after 24th October.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Forecast is for mostly sunny to partially sunny skies with some full cloud cover on the afternoon of the 24th. ➤ Average daily Temps: 21-33°C
Mkushi	<ul style="list-style-type: none"> ➤ Mostly clear sunny skies with no rains forecast. ➤ Average daily Temps: 21-33°C
Kabwe	<ul style="list-style-type: none"> ➤ No rainfall forecast and mostly clear sunny skies expected during the week. ➤ Average daily Temps: 21-33°C

Lusaka	<ul style="list-style-type: none"> ➤ Mostly clear sunny skies expected during the week with about 0.5mm of showers forecast for the 23rd & 24th. ➤ Average daily Temps: 20-30°C
Mazabuka	<ul style="list-style-type: none"> ➤ No rainfall forecast and mostly clear to partially cloudy skies expected during the week. Cloudy skies forecast for the afternoon of the 22nd. ➤ Average daily Temps: 23-36°C.
Choma	<ul style="list-style-type: none"> ➤ Mostly clear to partially cloudy skies expected during the week. Cloudy skies forecast for the morning of the 23rd. ➤ Average daily Temps: 20-33°C
Livingstone	<ul style="list-style-type: none"> ➤ 0.7mm of showers forecast for the 22nd with the rest of the week having mostly fairly cloudy to clear sunny skies. ➤ Average daily Temps: 22-37°C
Mongu	<ul style="list-style-type: none"> ➤ No rainfall forecast and mostly partially cloudy skies expected during the week. ➤ Average daily Temps: 22-37°C.
Mansa	<ul style="list-style-type: none"> ➤ Partially cloudy to clear sunny skies forecast for the week. ➤ Average daily Temps: 20-34°C.
Kasama	<ul style="list-style-type: none"> ➤ Partially cloudy to clear sunny skies forecast for the week. ➤ Average daily Temps: 18-33°C.
Solwezi	<ul style="list-style-type: none"> ➤ Mostly partially cloudy skies forecast with some full cloudy cover on the 20th and 24th ➤ Average daily Temps: 18-34°C.
Chipata	<ul style="list-style-type: none"> ➤ The week is anticipated to mostly have clear sunny to partially cloudy skies ➤ Average daily Temps: 20-32°C.

Source: Norway meteorological Institute

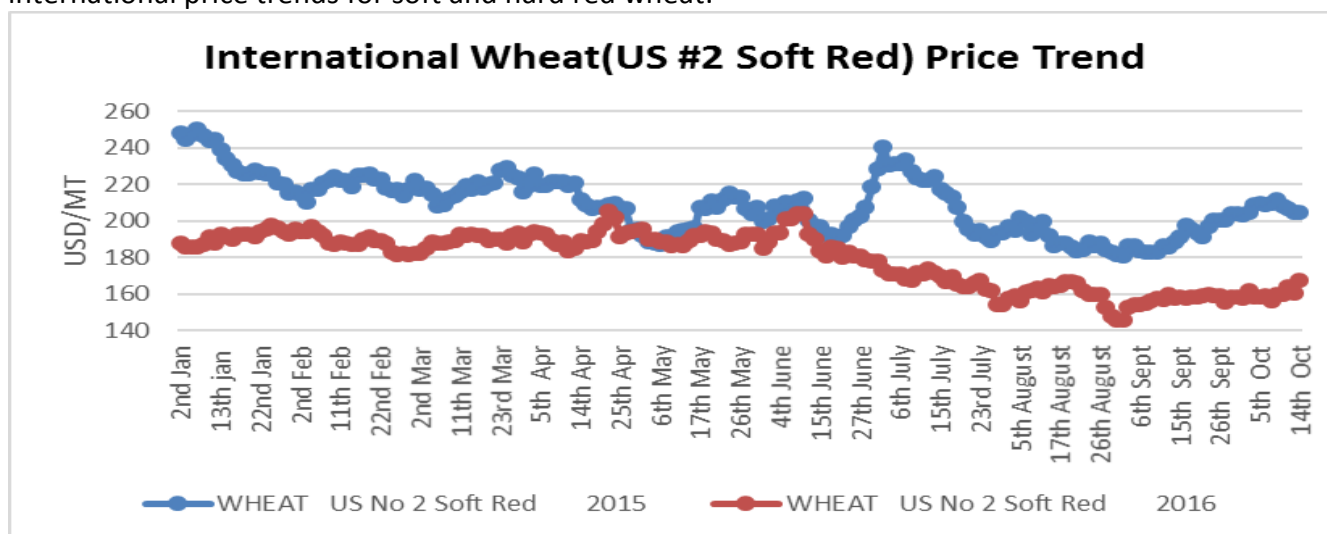
Wheat

Highlights

- Despite the falling international prices, initial food balance sheet estimates by the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) indicate that the country's imports in the 2016/17 year will reduce as millers consume more of the local wheat due to its higher than average quality. The opening of a bioethanol plant mid this year is also expected to increase the country's wheat demand.
- Hard red wheat for December delivery on the Chicago Mercantile Exchange (CME) opened trading at US\$152.71/MT on 17th October 2016.
- Local wheat offer prices for the 2016 crop are about ZMW3,675/ton.

International Price trends

The Safex international soft red and hard red wheat prices averaged US\$148.79/MT and US\$162.30/MT during the week ending 14th October respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



Source: Safex

Soya Beans

Highlights

- Forecasts on Chinese soya beans imports have continued to be positive with estimates on the country's 2016/17 imports standing at around 85 million tons. China has however decided to offload some of its soya beans reserve on the market. The continued restriction by China on use of imported biotech soya beans for food processing creates a niche market for countries that have not embraced genetic modification in soya beans and might also encourage local Chinese purchases.

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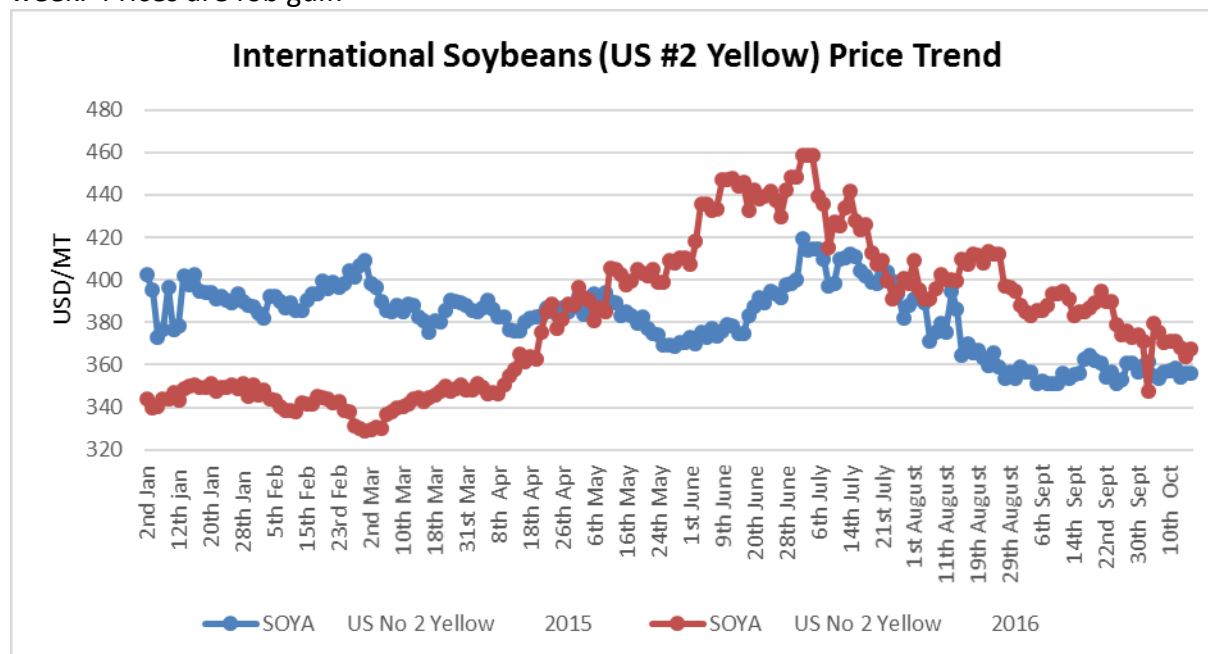


Price might however be a restraining factor for Zambian soybeans to hit the Chinese market. Chinese auction prices are about RMB 3,300/ ton (\approx US\$490/ton).

- Soy beans for November delivery opened trading on CME at US\$353.33/MT on 17th October 2016.
- According to the ZNFU market Price Information System, national soya beans offer prices continued to trade at an average of ZMW4,250/MT. meanwhile early indications are that 2016/17 season pre-contract prices are about US\$400/ton.

International Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$368.50/MT in the week ending 14th October 2016, barely 0.1% below the average price of US\$368.74/MT recorded in the previous week. Prices are fob gulf.



Source: Safex

Maize

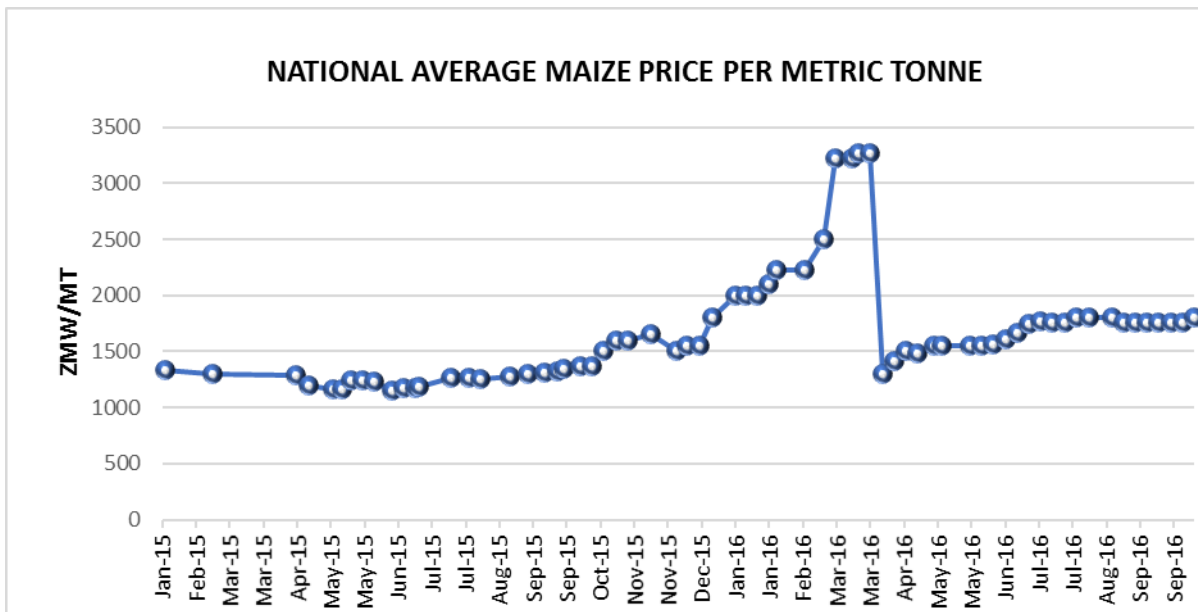
Highlights

- The USDA has revised upwards slightly the sub-Sahara Africa import demand for the 2016/17 marketing year to 7.355 million tons.

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- Wholesale maize prices in Gitega, Burundi and Kisumu, Kenya were pegged at US\$472.72/ton on 14th October, 2016. Meanwhile, prices in Iringa, Tanzania were about US\$233.43/ton. This is as captured by the East African Grain Council intelligence network (RATIN).
- Maize for December delivery on CME opened trading at US\$138.97/MT on 17th October 2016.
- The national average local maize offer price by private traders is still averaging at about K 1,800/ton.



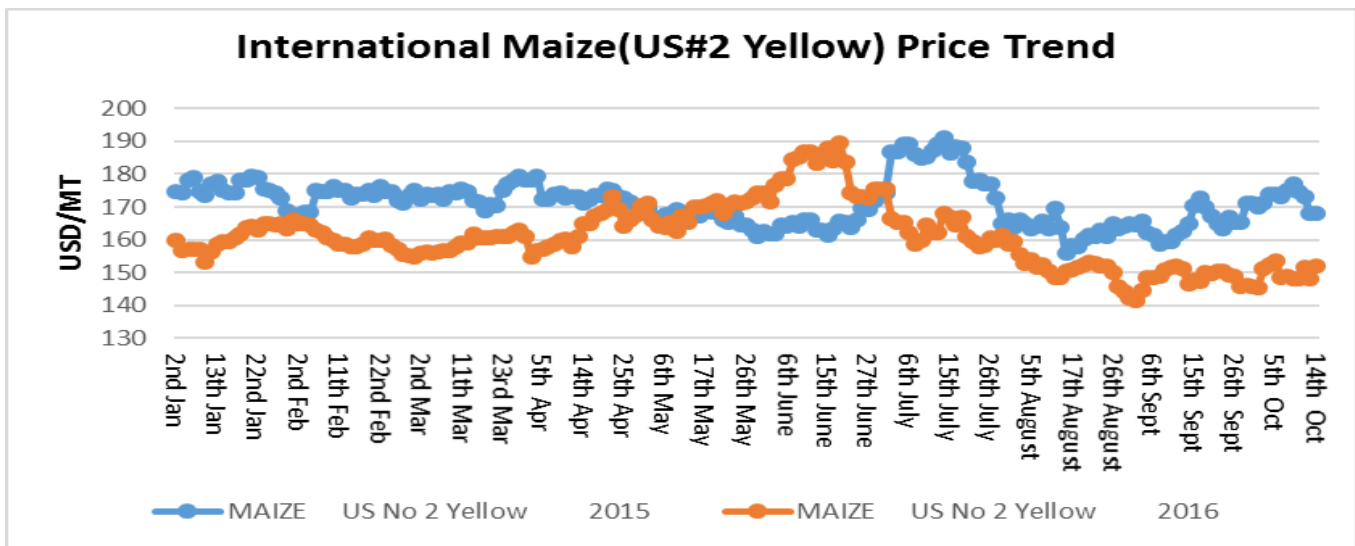
Source: ZNFU Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 149.60/MT during the week ending 14th October 2016. All prices are fob gulf.

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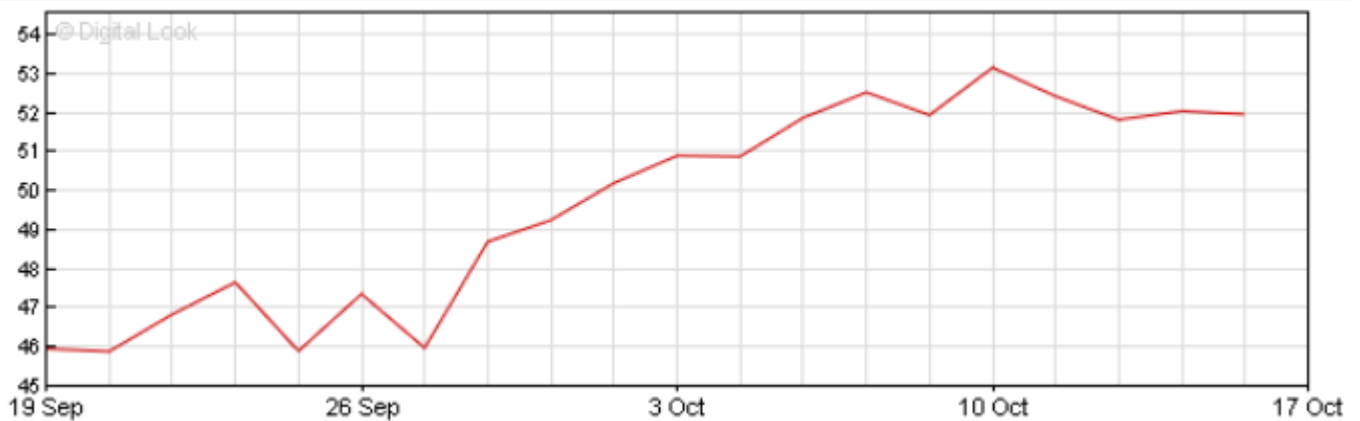


Source: Safex

Crude oil

- International crude oil prices continued to trade side-ways last week as markets anxiously continue to wait for the November 30 meeting which will determine whether OPEC’s long standing agenda on production cuts will come to fruition. Meanwhile the US has continued to increase its crude oil output for four straight weeks.
- Brent crude oil futures prices around 10:30 CAT on 17th October, 2016 were pegged at US\$51.97 barrel.
- The Dubai Mercantile exchange Oman crude oil marker price for December 2016 delivery settled at US\$49.77/barrel on 14th October 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC, 2016.

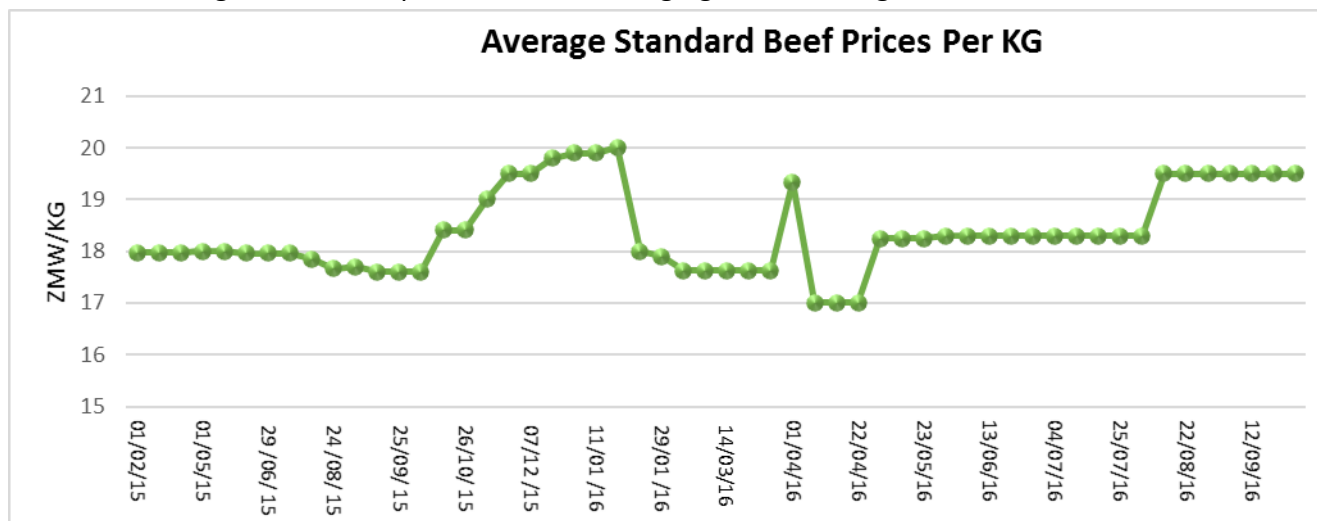
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Beef

Highlights

- Namibian Grade A beef prices for the week ending 10th October 2016 were in the range of ZAR27.78-36.19/kg. Auction prices for oxen and heifers were pegged at ZAR15.08/kg and ZAR14.21/kg respectively by the Blaauberg auction market on 5th October 2016. This is according to the Namibian Meat Board.
- Dressed weight beef offer prices are still averaging ZMW19.5/kg on the local market



Source: ZNFU, 4455 Market Price Information System

Dairy Updates for the Week Ending 14th October 2016

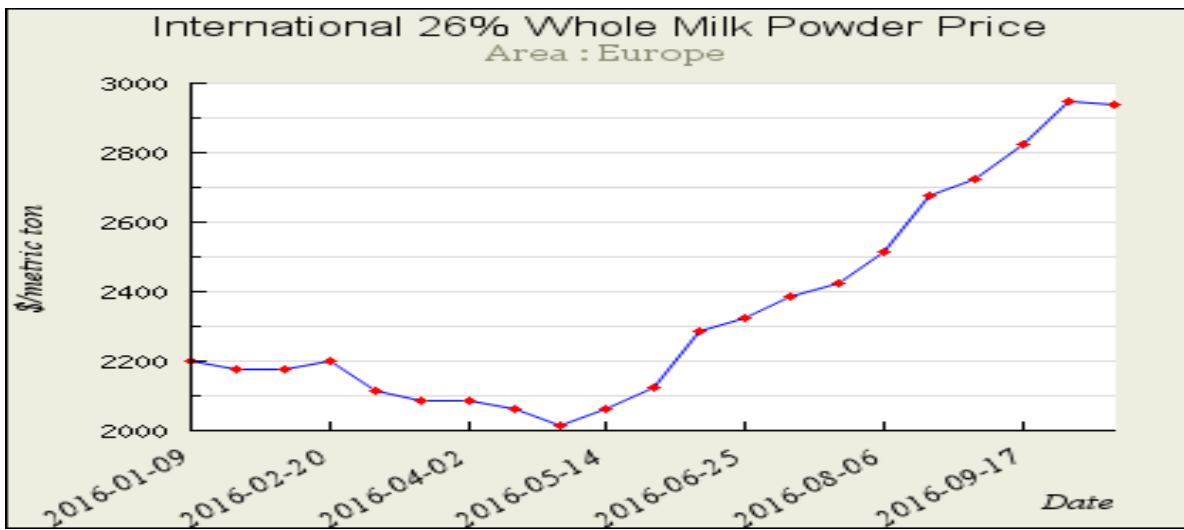
Global Whole Milk Powder Price Trends

Price of whole milk powder on the international market was at US\$2,937.50 per metric ton as at 14th October 2016 indicating a 39.1 % increase in price from US\$2,112.50 per metric ton recorded in March, 2016

Average Monthly Whole Milk Powder Prices

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Source:

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

Average Prices Fresh Milk, UHT and Yogurt

Average prices for dairy products generally remained constant during the period 7th to 14th October, 2016 but for the price for 1 litre fresh milk, 250mls drinking yogurt and 500g smooth yogurt that increased slightly by 1.2%, 2% and 1.2% respectively.

AVERAGE DAIRY PRODUCT PRICES LUSAKA, SOUTHERN & COPPERBELT			
Dairy Product	AVG PRICE 7TH OCTOBER 2016	AVG PRICE 14TH OCTOBER 2016	VAR (%)
1Ltr Fresh Milk	8.99	9.10	1.2%
2Ltrs Fresh Milk	17.55	17.65	0.6%
500mls Fresh milk	4.60	4.60	0.0%
250mls Drinking Yogurt	4.02	4.10	2.0%
175g Yogurt	6.30	6.30	0.0%
500mls UHT Milk	7.50	7.50	0.0%
500g Yogurt	14.40	14.50	0.7%
500mls Drinking Yogurt	8.10	8.20	1.2%
250 UHT Milk	4.29	4.30	0.2%

Source: DAZ OCTOBER 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 7th to 14th October, 2016. Notable price adjustments were for 50 kg s dairy 19 that increased by 2% and 50kgs sunflower cake that increased by 1%. Price for 50kgs no.3 meal and 50kg cotton cake reduced by 2% and 3% respectively.

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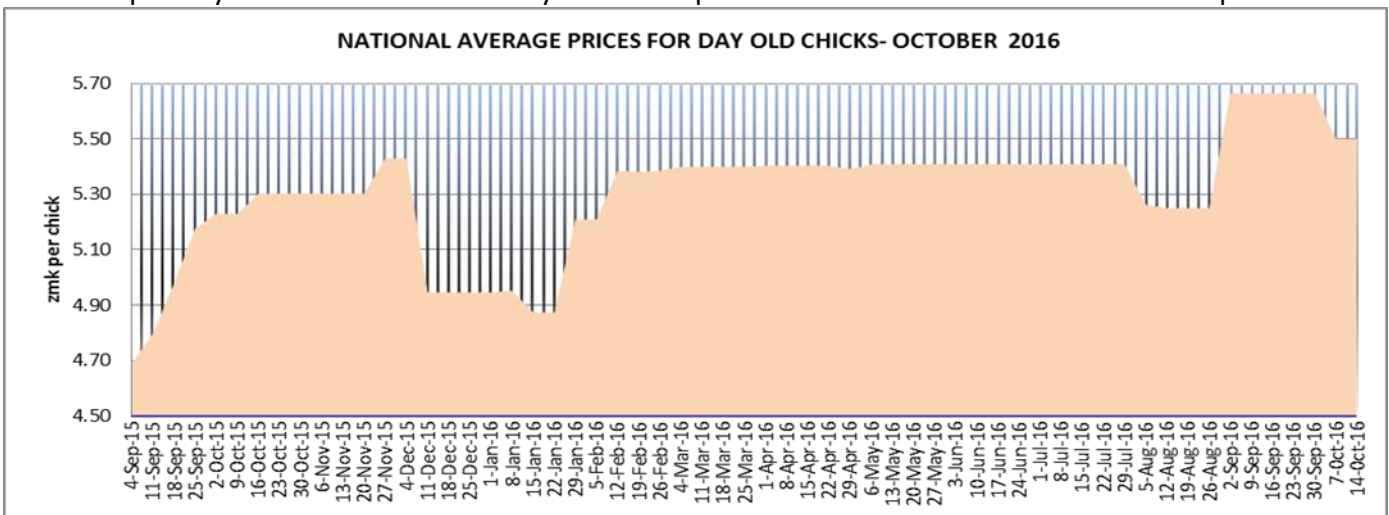
AVERAGE DAIRY FEED/DRUG PRICES LUSAKA,SOUTHERN & COPPERBELT

PRODUCT	AVG PRICE 7TH OCTOBER 2016	AVG PRICE 14TH OCTOBER 2016	VAR (%)
50Kg Dairy 19	220	225	2%
50kg # 3 Meal	63	62	-2%
50Kg Calf starter	230	230	0%
50Kg DCP	419	419	0%
2500 mg Albendazole	3	3.1	3%
50kg Soya cake (Full fat)	335	335	0%
50kg Cotton Cake	175	170	-3%
50Kg Sunflower Cake	87	88	1%
20Kg Milk Replacer	460	460	0%
25 Kg Maize bran	37.5	37.5	0%

Poultry Updates for the Week Ending 14th October 2016

National Average Day Old Prices

The national average prices for the day-old broiler chicks remained stable last week at ZMW 5.35 per bird. The prices for the day-old pullets Isa Brown was averaging ZMW 9.45 whilst Roman brown was costing ZMW 6.8 per day old bird. The Redbro day old chicks prices were also maintained at ZMW6.0 per bird.



Source: Poultry Association of Zambia

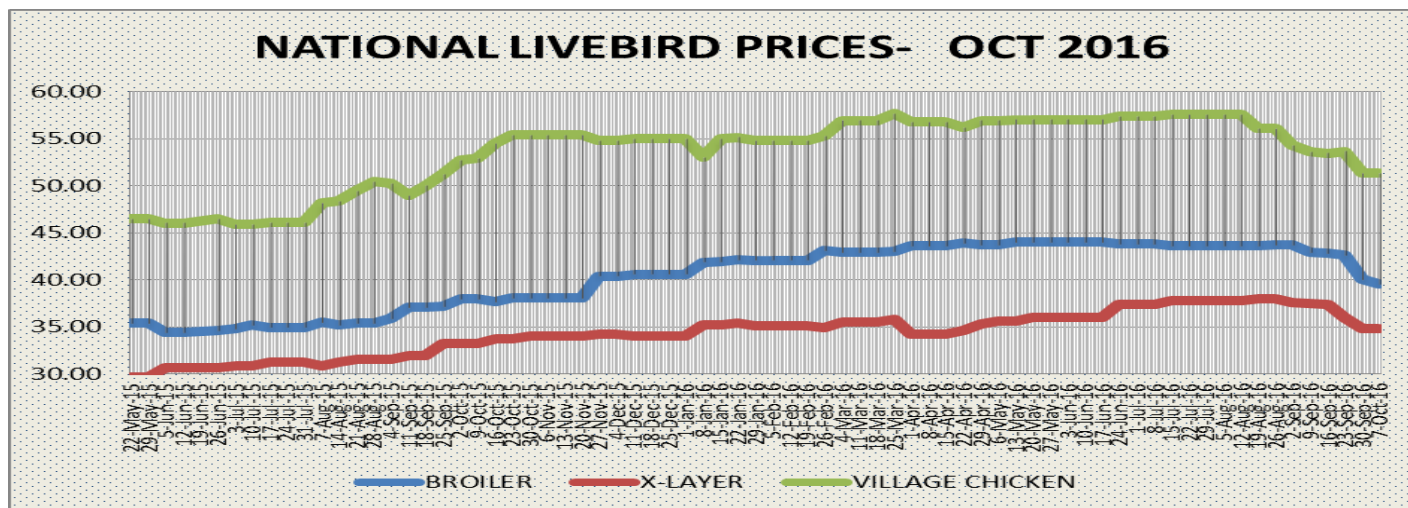
National Average Live Bird Prices

The national average prices for live chickens has shown some marginal signs of recovery with a national price of a live broiler bird averaging at K 39.62/bird which is K0.01 higher than the price of K 39.54/bird

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recorded the previous week. The Ex-layer prices showed some stability last week, selling at an average price of K 34.79/bird compared with the K 34.80 recorded last week. The Ex-layers downward price slide observed in the last two months resulted from oversupply of ex-layers as a number layers farmers started to lay off the layers due to egg marketing challenges facing the layers sub-sector. The Village chicken continued with its sliding mode and was selling at an average price of K50.36/bird compared with K51.36/bird recorded in the previous week. This slide is emanating from over supply as village chicken farmers source money for crop inputs.



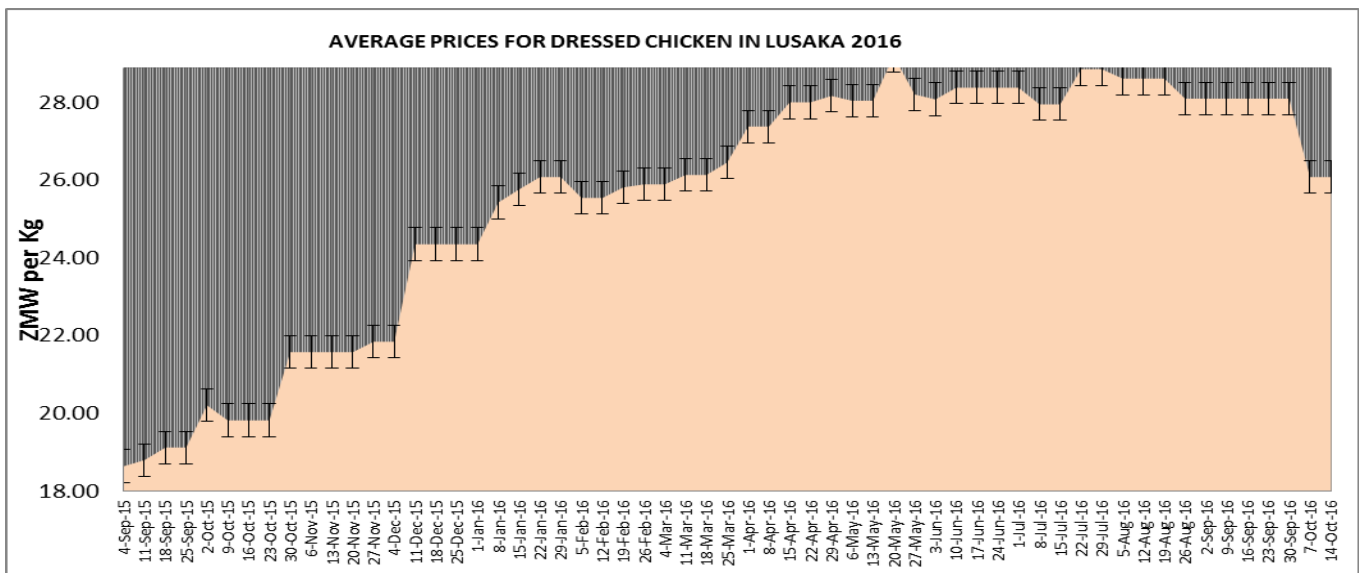
Source: Poultry Association of Zambia

Average Whole Dressed Chicken Prices for Lusaka

There were no major movements in the prices of frozen chickens in the super markets in Lusaka. A number of chicken processors have continued with the price promotions. The average price for the whole frozen chicken in Pick n’ Pay was still averaging ZMW 24.99 per kg with the lowest priced whole frozen chicken selling at ZMW20.99 per kg whilst the highest priced whole frozen chicken was going for ZMW28.99 per kg. The prices of frozen chicken SPAR with an average price ranging between ZMW23.25 per kg and ZMW33.80 per kg respectively. The average price for frozen whole chicken in Shoprite was still trading at ZMW20.99 per kg and ZMW28.49 per kg. Other prices include frozen whole chicken in Zambeef outlets which was still trading at ZM26.99/Kg and ZMW30/Kg in Melissa Supermarket. The graph below shows the average price trend for whole frozen chicken in Lusaka for a one-year period from September 2015 – 14th October 2016.

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Source: Poultry Association of Zambia

National Average Egg Prices

The egg price showed some stability in the past two weeks, with national egg retail, and farm gate prices now trading at ZMW 25.00 and ZMW22.14 per tray respectively. This is slightly lower than the prices that were obtained the previous week, which averaged ZMW 25.11 and ZMW 22.14 per tray for retail and farm gate prices respectively. The retail egg prices in the chain stores were ranging between ZMK 27.99 per tray for mixed tray of 30 eggs, ZMW 34.99 for medium and ZMW 35.99 per tray for large eggs.

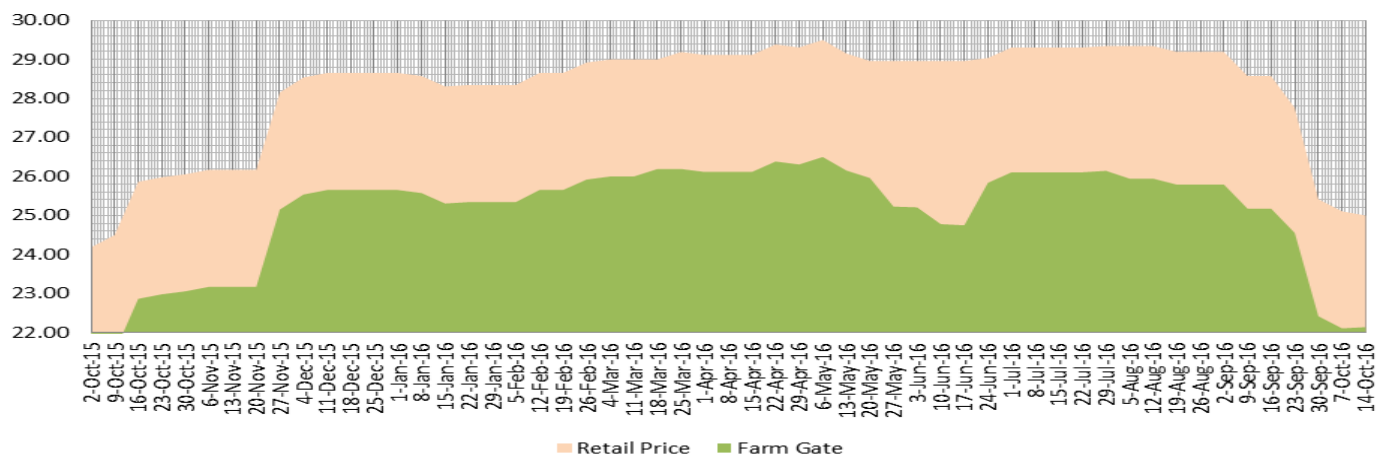
The quail eggs were trading at an average price of ZMW17.49 per tray. Many layer farmers are hoping that the egg farm gate prices can recover before majority of them are forced out of production. There is a serious need to attract investments in upstream egg value addition if the current egg production can be maintained. Otherwise, if the trend continues, it is likely that many of the egg producers, mostly small scale layer farmers whose costs of producing a tray is about ZMK28, will be pushed out of production in the immediate and medium term.

As the country focuses on diversifying agriculture sector, with Livestock being a priority area, it is important that government and private sector considers attracting investments in egg processing valued addition

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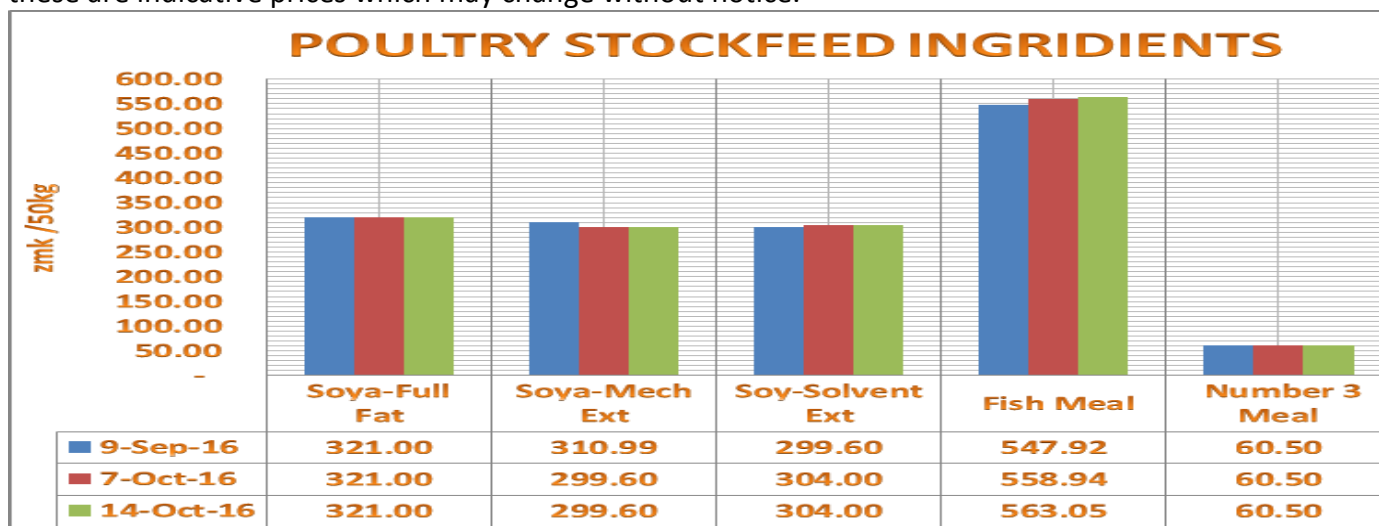
NATIONAL RETAIL AND FARM GATE EGG PRICES -OCTOBER 2016



Source: Poultry Association of Zambia

Average Prices for Selected Stockfeed Ingredients

The graph below outlines the prices of some of the ingredients for poultry stockfeed as captured at Livestock Services. Major movements were observed on the prices of fish meal which posted a 0.7% price increase from ZMW 558.95 last week to ZMW 563.05 per 50Kg this week. On the other hand, the prices of number three meal, soyameal full fat and soyameal mechanically extracted remained static during the period under review. These prices are obtained from Livestock Services limited and note that these are indicative prices which may change without notice.



Source: Poultry Association of Zambia

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