



THE WEEKLY AGRO WATCH



Zambia National Farmers' Union, Farmers Village, Showgrounds P.O Box 30395 Tel 260-1-252649 Fax: 260-1-252648 E-mail: znfu@zamnet.zm web: www.znfu.org.zm

5th December, 2016 Vol.3. No.49

In this week's issue:

- FRA stops purchases from small-scale farmers
- OPEC agrees to Ceiling on Crude Oil Production
- Prices of Broilers fall
- Southern Hemisphere wheat to pressurize wheat prices

WARMA Gives Farmers up to 31st December 2016 to Register All Water Facilities

WARMA Management is urging all farmers with unregistered water facilities on farms to register by 31st December 2016. This follows ZNFU request to WARMA to allow farmers with unregistered water facilities to comply with the law given that most farmers had missed the advert by government in 2015. Registration fee for each dam or water structure is ZMW500. All applications **MUST be with WARMA** by the 31st of December 2016.

For those members who had already made applications to WARMA and are waiting for water permits, kindly **re-submit your applications to WARMA or ZNFU Head Office** but without the registration fee.

Kindly find below a check list to facilitate your water permit application. Please treat this matter with urgency as the amnesty by WARMA is only valid up to the end of this year 2016.

WATER RESOURCES MANAGEMENT AUTHORITY APPLICATION FOR A WATER PERMIT

CHECKLIST

<input type="checkbox"/>	Application Fee (K500)	
<input type="checkbox"/>	Two copies of application forms	
<input type="checkbox"/>	A copy of Engineer's Report (To be done by WARMA)	
<input type="checkbox"/>	Title deed or a letter from the Chief if customary land	
<input type="checkbox"/>	Design Report of hydraulic structure	
<input type="checkbox"/>	Design drawing of hydraulic structure	For storage Permit
<input type="checkbox"/>	Hydraulic structure wholly on owner's property	
<input type="checkbox"/>	Does an application need an EIA?	
<input type="checkbox"/>	Is application advertised in the papers?	
<input type="checkbox"/>	Has Application been considered by WARMA TC?	

	Has Application been considered by WARMA Board?					
	Approved		Denied		Deferred	
	Has client been written to?					
	Notified			Granted		
Remark	-----					

	Submitted by -----					
	Received by-----					
	Verified by-----					
	Date -----					

Exchange Rates

CURRENCY	05/12/2016						28/11/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.68	9.87	0.70	0.72	12.28	12.53	9.78	9.97	0.71	0.72	12.21	12.46
Standard Chartered Bank	9.66	9.87	0.70	0.71	12.27	12.51	9.78	9.98	0.70	0.72	12.23	12.47
ZANACO	9.70	9.89	0.70	0.71	12.32	12.55	9.78	9.97	0.70	0.71	12.23	12.47
Bank of Zambia	9.77	9.82	0.706	0.709	12.43	12.49	9.86	9.90	0.708	0.711	12.22	12.28

Parity Prices

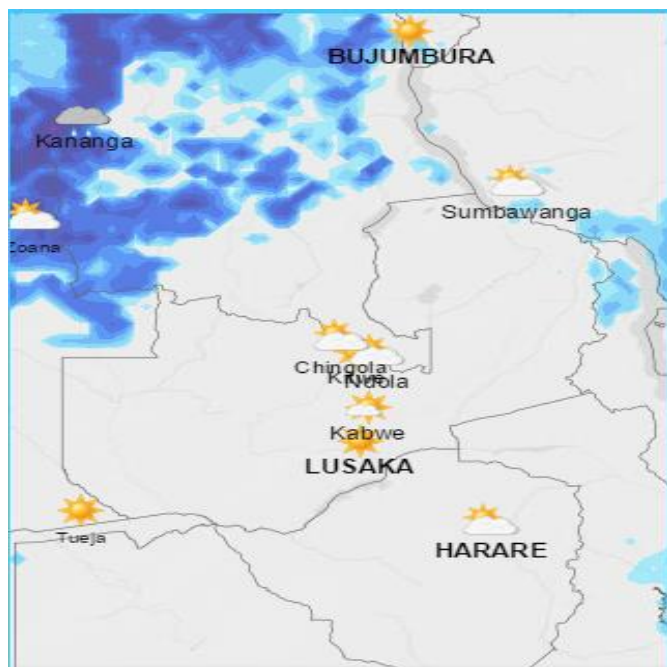
Domestic Import Parity Prices as at 02/12/2016					
US\$/ZAR=14.13 US\$/ZMW=9.9					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.9	465.88	638.78	445.14
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	27.78	493.66	666.56	472.92
Mkushi	225	22.73	488.61	661.51	467.87
Ndola	250	25.25	491.13	664.03	470.39
Kitwe	250	25.25	491.13	664.03	470.39

Note: Import parity based on December delivery

Export Parity Price Ranges (EPP)Harare-Lusaka as at 21/11/16	
Soya Beans	456.75-525
Wheat	388.5-427.25
Maize	261.7-300.75

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 6th to 12th December, 2016.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Normal rains forecast for most of the week save for the 10th when heavy rains are anticipated. ➤ Average daily Temps: 17-27°C
Mkushi	<ul style="list-style-type: none"> ➤ Normal rains forecast for most of the week save for the 8th, 9th & 11th when heavy rains are anticipated. Average daily Temps: 17-27°C
Kabwe	<ul style="list-style-type: none"> ➤ 0.6mm of showers forecast for the 6th, partially cloudy skies on the 7th, heavy rains on the 9th and normal rains the rest of the week. ➤ Average daily Temps: 18-26°C
Lusaka	<ul style="list-style-type: none"> ➤ Partly cloudy skies forecast for the 7th, heavy rains on the 9th & 12th and normal rains the rest of the week. ➤ Average daily Temps: 18-26°C
Mazabuka	<ul style="list-style-type: none"> ➤ Fairly cloudy skies forecast for the 7th, heavy rains on 9th and normal rains the rest of the week. ➤ Average daily Temps: 20-28°
Choma	<ul style="list-style-type: none"> ➤ Fairly cloudy to clear sunny skies anticipated for the 7th, showers on the 6th, 9th & 12th and normal rains the rest of the week. ➤ Average daily Temps: 18-27°C

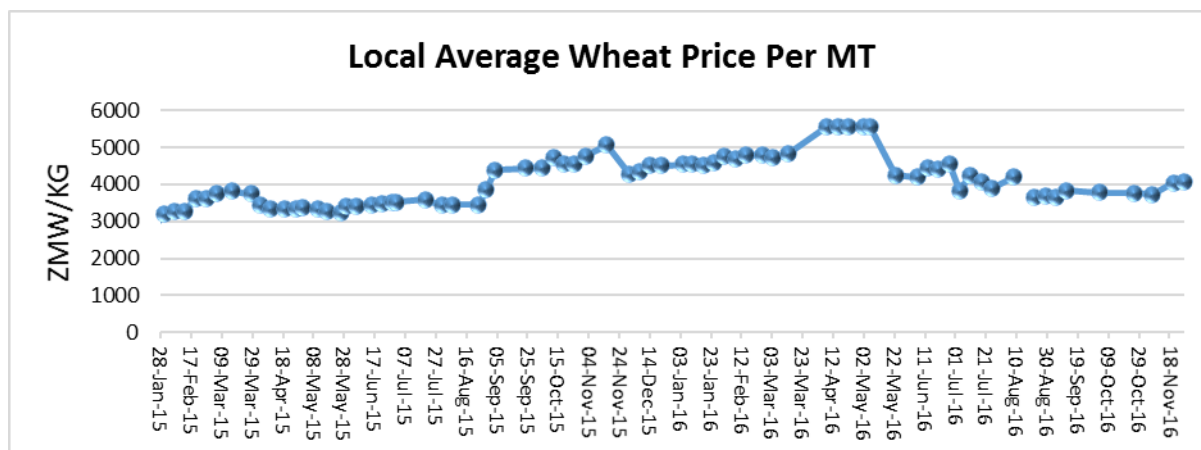
Livingstone	<ul style="list-style-type: none"> ➤ Fairly cloudy skies forecast for the 6th-8th and normal rains the rest of the week. ➤ Average daily Temps: 20-33°C
Mongu	<ul style="list-style-type: none"> ➤ Partially cloudy skies anticipated on the 6th, heavy rains on the 10th & 11th and normal rains the rest of the week. ➤ Average daily Temps: 19-31°C.
Mansa	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 6th, 8th & 9th and normal rains the rest of the week. ➤ Average daily Temps: 18-27°C.
Kasama	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the earlier part of the week, normal rains on the 10th & 11th and showers on the 12th. ➤ Average daily Temps: 17-25°C.
Solwezi	<ul style="list-style-type: none"> ➤ Normal to heavy rains forecast for the week. ➤ Average daily Temps: 16-27°C.
Chipata	<ul style="list-style-type: none"> ➤ Heavy rains forecast for most of the week save for the 8th when its anticipated to be cloudy, the 11th when normal rains are anticipated and 12th when it will be fairly cloudy. ➤ Average daily Temps: 19-29°C.

Source: Norway meteorological Institute on 05/12/16

Wheat

Highlights

- As wheat starts pouring in from the Southern hemisphere, Russia may be put under some stiff competition on the international markets. Argentina had harvested about 17.7% of their total expected 12.5 million tons by 24th November despite the weather challenges according to the Buenos Aires Cereal Exchange. The Australian wheat harvest is reported to be progressing well and on target to achieve the anticipated record harvest of 28 million tons. The increase in supply will most likely put pressure on international markets to the close of 2016.
- The International futures price of hard red wheat for March Delivery opened trading at US\$ 148.59/ton on 5th December 2016.
- Local wheat offer prices by traders averaged US\$380/ton at the end of November 2016.



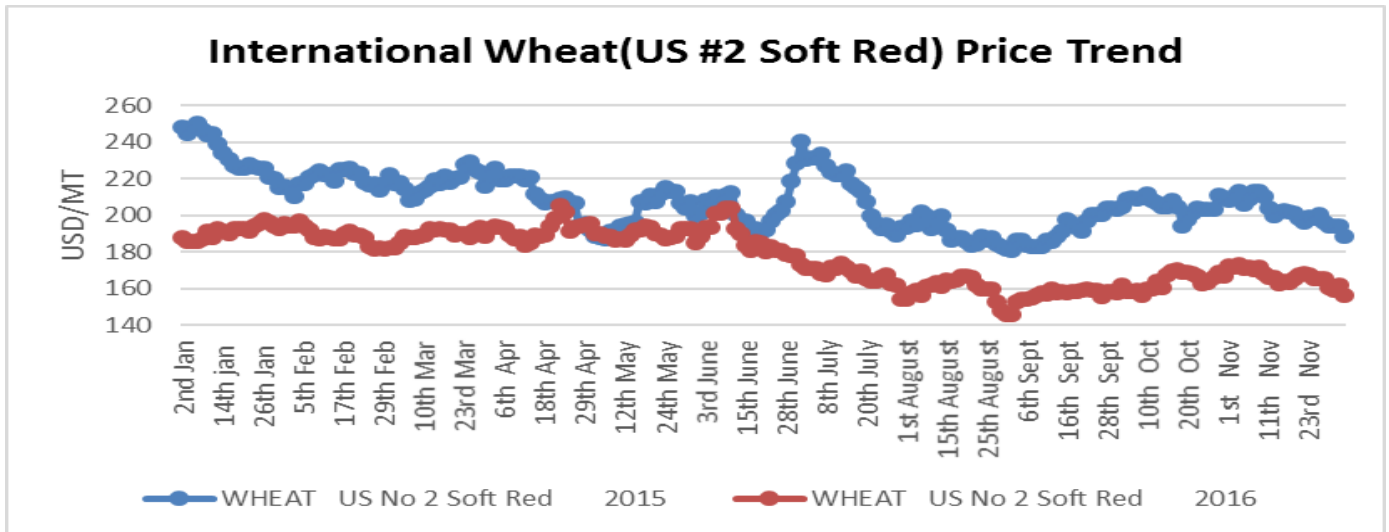
Source: ZNFU Market Price Information System

International Price trends

The Safex international soft red and hard red wheat prices averaged US\$146.90/MT and US\$160.66/MT during the week ending 2nd December 2016. respectively. All prices are fob gulf.

ZNFU CORPORATE SPONSORS





Source: Safex

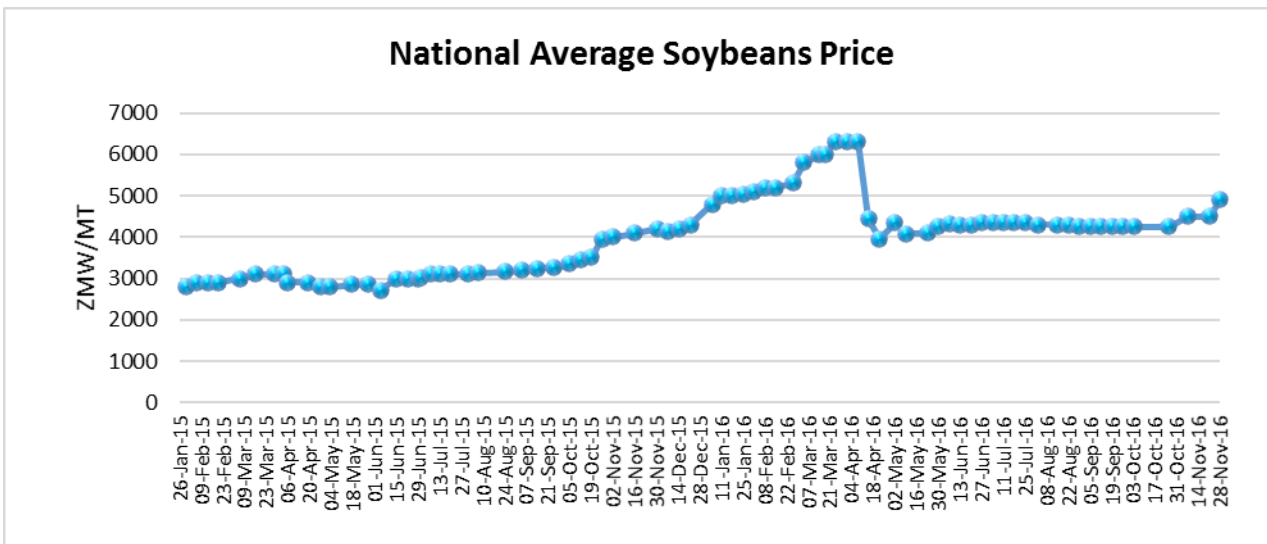
Soya Beans

Highlights

- According to oil world, international price of soya, palm and lauric oils are vulnerable to set backs until the end of December. The international prices are however expected to pick some steam in the new year on tight supplies by both importing and producing countries. World stocks of palm oil are only anticipated to recover after Mid 2017.
- A hike in international vegetable oil prices might help support local demand of soya beans though the availability of a bigger export window for soya cake is more critical. Meanwhile Zambia's soya beans exports have continued on a somewhat slower note with the hope that they might pick up soon, subject to the resolutions of the oilseed stakeholders meeting scheduled for the 8th of December 2016
- U.S. soybean futures on CME for January 2017 delivery opened trading at US\$378.61/ton on 5th December 2016.
- Zambia's local trader offer prices averaged US\$491/ton as at end of November 2016.

ZNFU CORPORATE SPONSORS

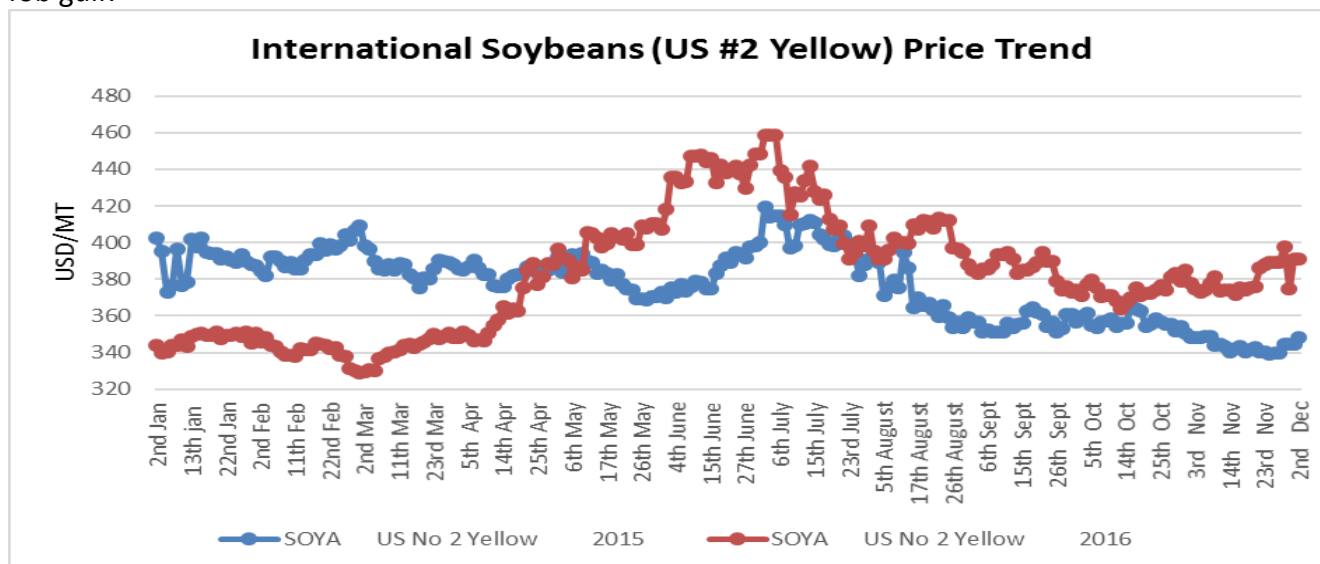




Source: ZNFU Market Price Information System

International Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$388.69/MT in the week ending 2nd December 2016 posting a rise of 0.8% from the price recorded in the previous week. Prices are fob gulf.



Source: Safex

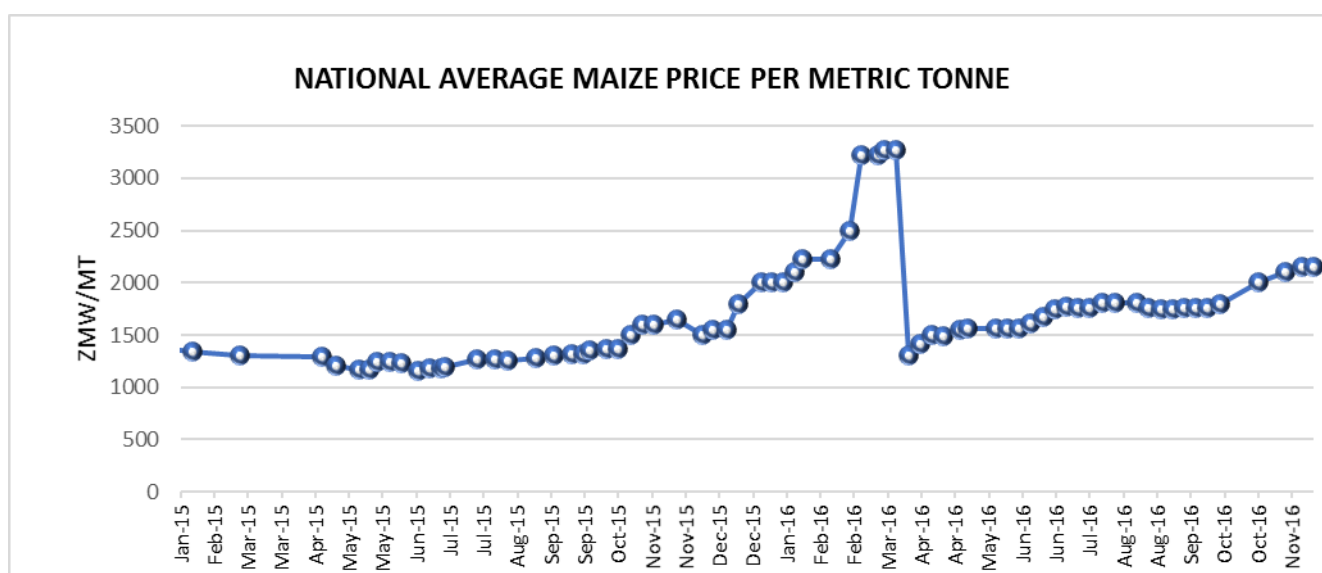
ZNFU CORPORATE SPONSORS



Maize

Highlights

- As the market remains in anticipation of what government pronouncements might come from FRA on the current maize marketing season, maize exports have continued to Malawi and Zimbabwe mostly on humanitarian grounds. Formal exports in October were about 21,500MT. Meanwhile, Malawian media has reported that about 320MT of the total 100,000MT the Malawian Agricultural Development and Marketing Corporation (ADMARC) was expecting from Zambia had arrived in the country by 26th November. Another 420 tons was expected to have arrived by end of November.
- The Food Reserve Agency has closed its purchases of maize from the small-scale farmers. The Agency has bought about 280,000MT of maize this year. This is below the strategic reserve requirement of 500,00MT.
- U.S. maize futures on CME for January 2017 delivery opened trading at US\$136.61/ton on 5th December 2016.
- Zambia's local trader offer prices averaged US\$241/ton (~ZMW2400/ton) as at end of November 2016.



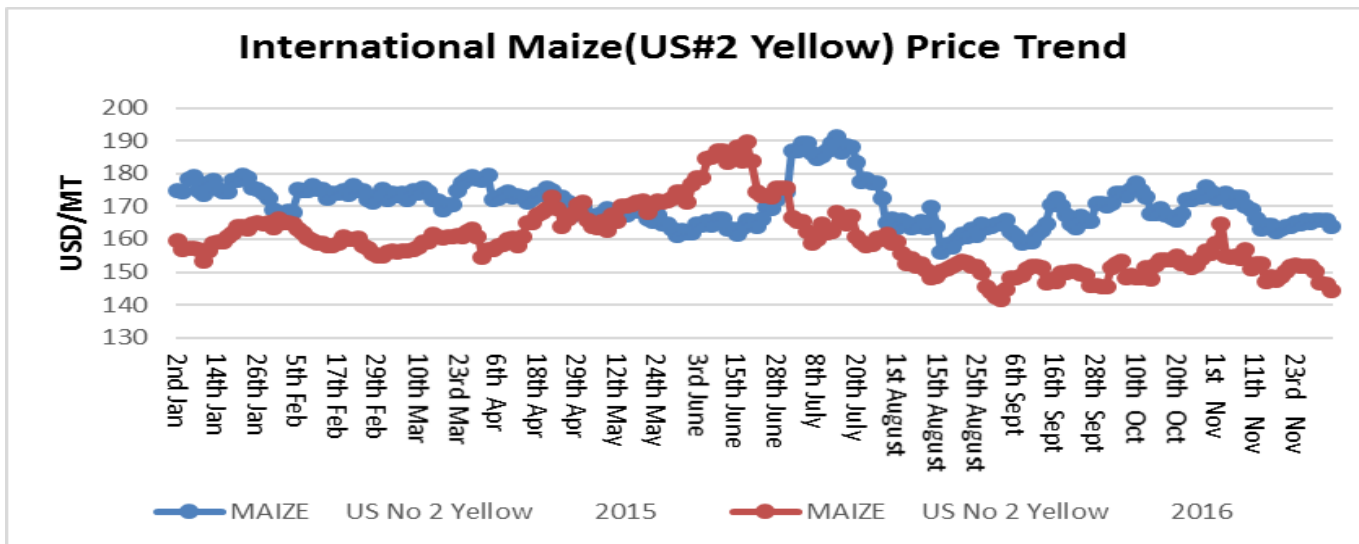
Source: ZNFU Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 147.91/ton during the week ending 2nd December 2016. All prices are fob gulf.

ZNFU CORPORATE SPONSORS



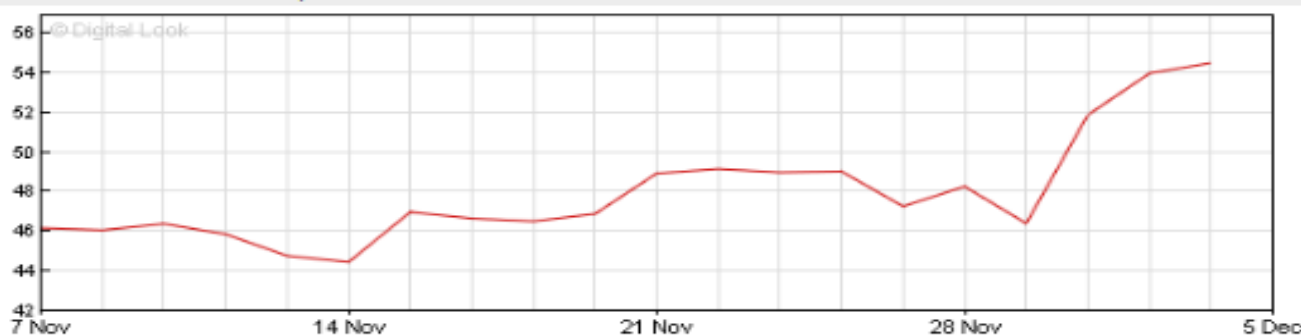


Source: Safex

Crude oil

- Crude oil prices took an upward rally last week after OPEC agreed to restrict its oil production to 32.5mb/d, in order to accelerate the ongoing drawdown of the stock overhang and bring the oil market rebalancing forward from 1st January 2017. OPEC has further assigned a high-level committee to monitor the implementation of the agreement. Oil Cartel has stated that the agreement is aimed at ensuring that oil prices are suitable to both consumers and producers and that a framework of cooperation would be institutionalized with non-OPEC oil producing states in order to achieve this objective.
- The Dubai Mercantile exchange Oman crude oil marker price for February 2017 delivery was settled at US\$52.12/barrel on 2nd December 2016.
- Brent crude oil futures were pegged at US\$54.36 barrel by end of trading on 2nd December 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC, 2016.

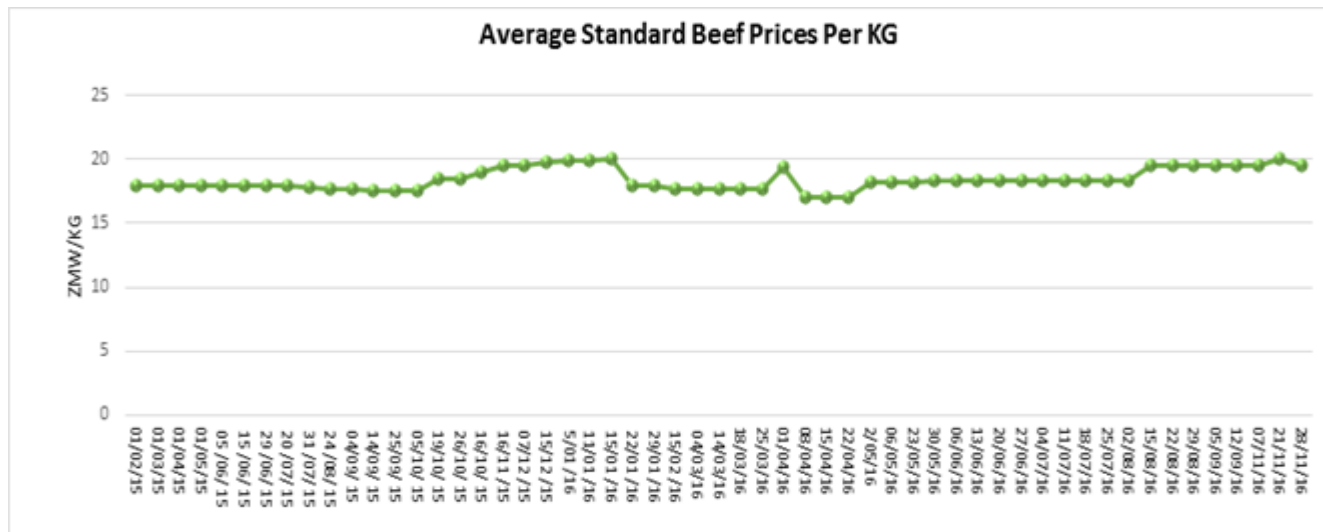
ZNFU CORPORATE SPONSORS



Beef

Highlights

- The Irish Cattle and Sheep Farmers Association (ICSA) has showed concern on the policy by Ireland to increase beef production despite a projection of a price slump in 2017. According to the beef site, Teagasc Research Institute has projected a 10% drop in Irish beef prices. This might result in increased export pressure of Irish beef.
- Namibian Grade A beef prices for the week ending 28th November 2016 were in the range of ZAR30.44-38.69/Kg. Meanwhile auction prices for weaners and heifers were about ZAR 14.16/Kg and ZAR17.54/Kg on 24th November 2016.
- Dressed weight beef were averaging ZMW19.5/kg as at end of November 2016.



Poultry Updates for the Week Ending 2nd December 2016

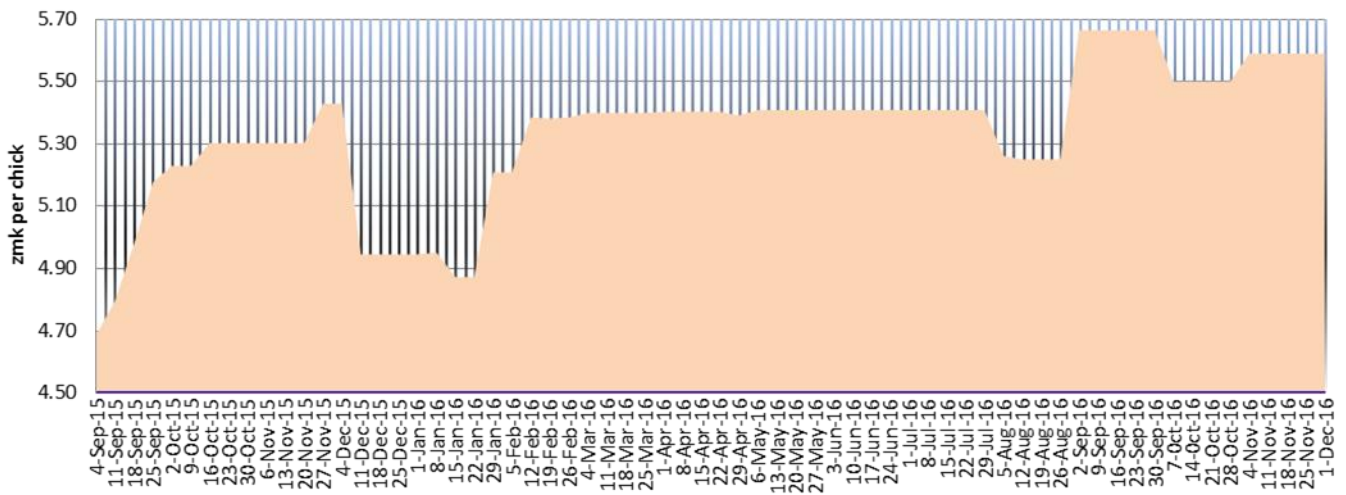
National Average Prices of Day Old Chicks

The prices for day-old chicks continued with its stability for the fourth week in succession. The prices for the day-old broiler chick during the week averaged ZMW 5.59. Reductions on the price of Day old chicks are expected next week. As the peak period is ending, day old chick uptake has started sliding down. Pullets prices remains at ZMW 9.45 and ZMW 6.8 per day old for Isa brown and Lohman brown respectively. The prices for red-bro birds have also been maintained at ZMW 6.0 per bird. The graph below shows the national average price trend for the broiler day old chick.

ZNFU CORPORATE SPONSORS



NATIONAL AVERAGE PRICES FOR DAY OLD CHICKS- DECEMBER 2016

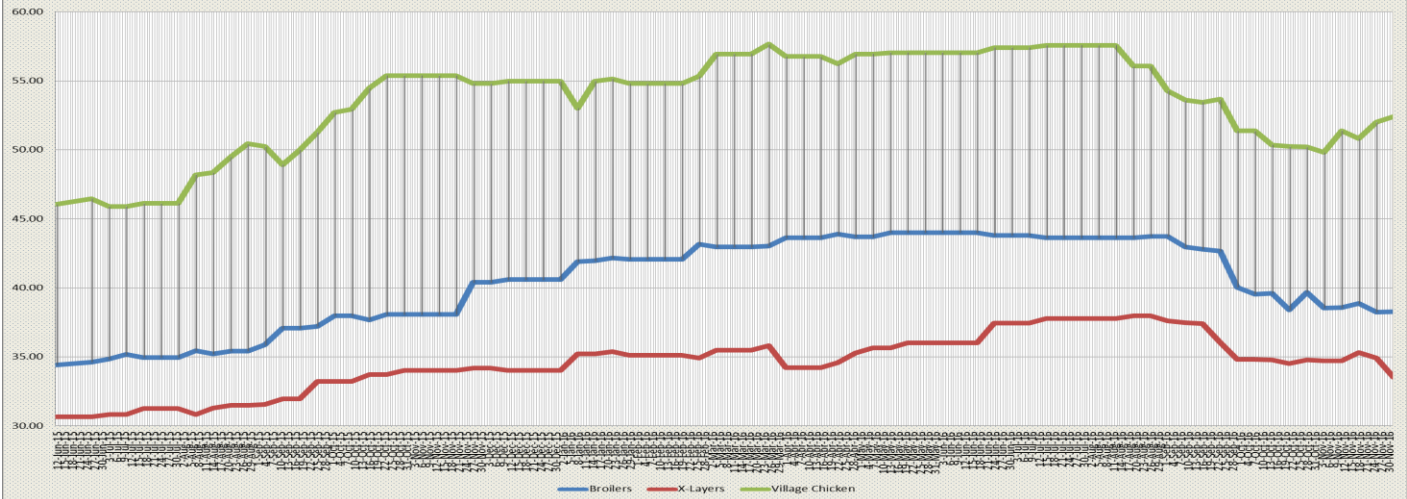


Source: Poultry Association of Zambia

National Average Live Bird Prices

The national average prices for live chicken in the open markets showed some resistance to price decline during the course of the week. The live broiler bird prices are now averaging ZMW 38.27 which is ZMW0.03 higher than the price of ZMW 38.24 recorded last week. In Lusaka Soweto, Mtendere and SOS markets, the broiler prices have drastically reduced averaging between ZMW28 to ZMW35 kwacha per bird. It has to be noted that these prices differ from one district to another. The ex-layer prices have started sliding downwards, currently trading at ZMW 34.90, which is ZMW 1.40 lower than the price of ZMW34.90 recorded last week. On the other hand, the village chicken continued with its price recovery, posting a ZMW 0.4 price increase, now trading at ZMW 52.4 compared with ZMW52 which was an average price for the whole of last week.

NATIONAL AVERAGE LIVEBIRD PRICES - DECEMBER 2016



Source: Poultry Association of Zambia

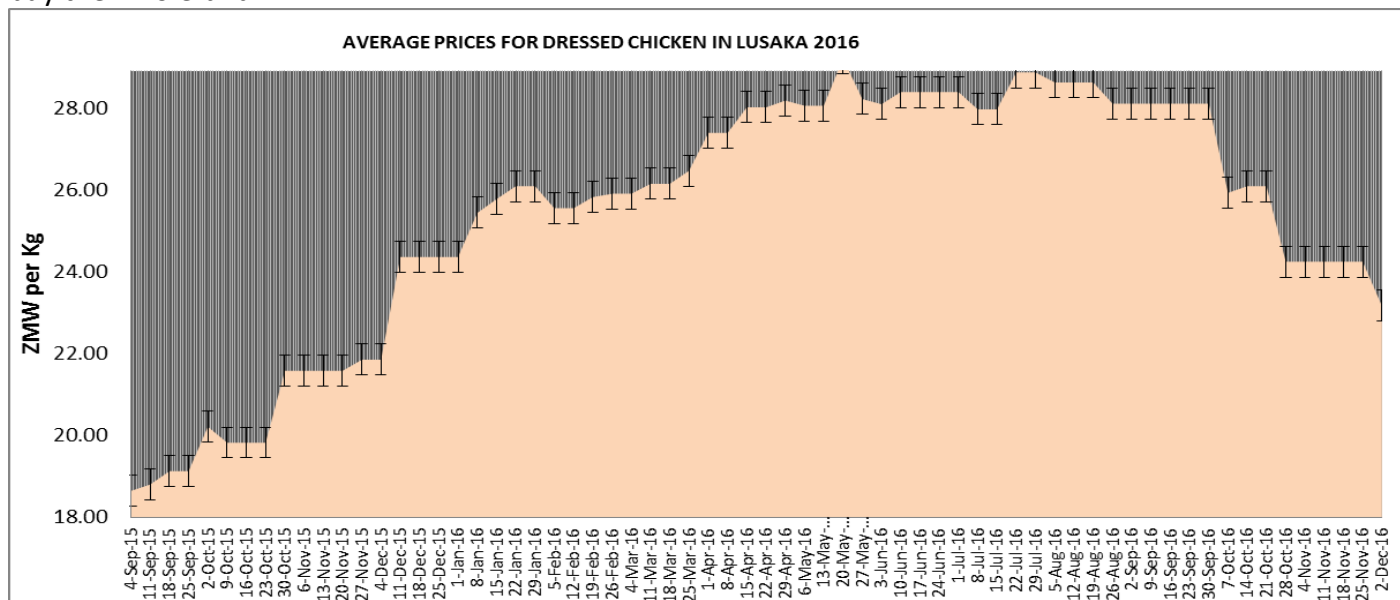
ZNFU CORPORATE SPONSORS



Average Whole Dressed Chicken Prices - Lusaka

There was a drop in the prices of frozen chickens in some super markets in Lusaka. The average price for the whole frozen chicken in Lusaka dropped by ZMW 1.08, trading at an average price of ZMW 23.16 compared with ZMW 24.24 was obtaining last week. The price reduction is attributed to a number of price promotions being undertaken by some processors.

As the festive season approaches, a number firms will continue with price promotions running towards December to ensure that affordable protein is offered to the consumers. The prices are obtained from pick n pay, Shoprite, Zambeef and Melisa supermarket. Meanwhile fresh market is growing slowly especially in high density areas where small packets are being sold to the public especially those who cannot afford to buy the whole bird.



Source: Poultry Association of Zambia

Average Prices for The Point of Lay

The prices for the point of lay are ranging between ZMW 66 to 70 per bird depending on the supplier. The price differential is dependent on the supplier and also the quantities being purchased. Depending on the number of birds purchased, Yielding tree the largest supplier of point of lay in Zambia continues with its incentives for all the active PAZ members. 10% discount for purchases above 1,000, 15% discount for purchases over 2,500 and 20% discount for 5,000. It has to be noted that sales volume for the point of lay has drastically reduced owing to the challenges facing the egg industry in terms of price reduction which has translated into declining profit margins for the layers' farmers.

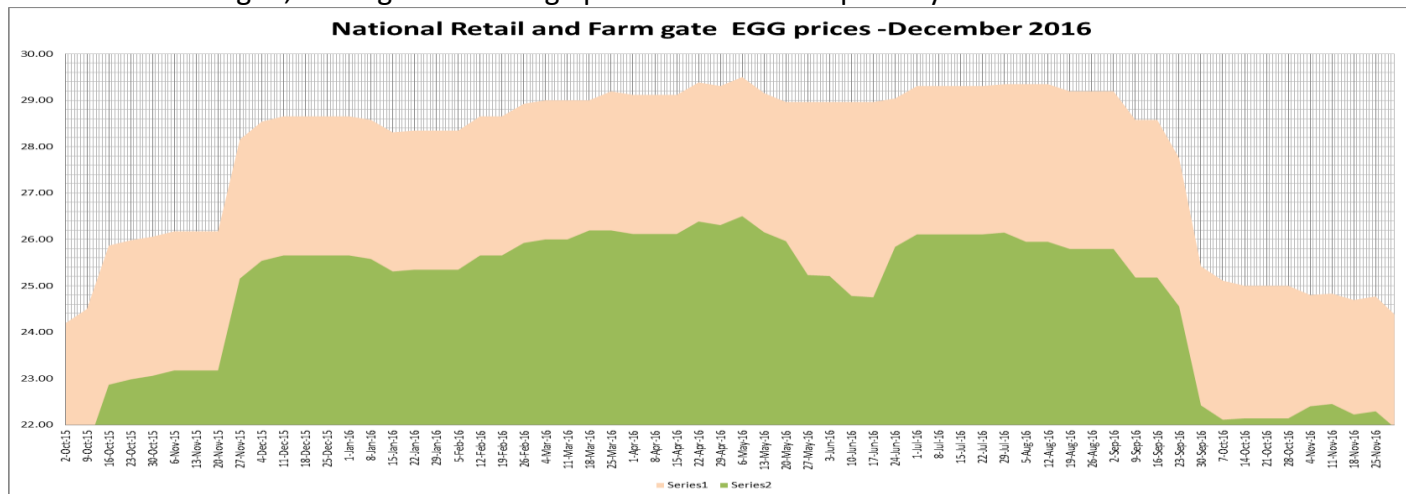
National Average Egg Prices

The national average egg price continued showing some slide during the course of the week with retail prices trading at a national average price of ZMW 24.38. The farm gate price declined by ZMW 0.35 per tray, now trading at an average price of ZMW 21.95 per tray compared with a ZMW 22.29 obtained last week. The delivery prices at Soweto, which is the biggest market in Lusaka, are ranging between ZMW 16 for pullet eggs, ZMW 18 for medium eggs and ZMW 21 for large eggs. The retail prices at the same market

ZNFU CORPORATE SPONSORS



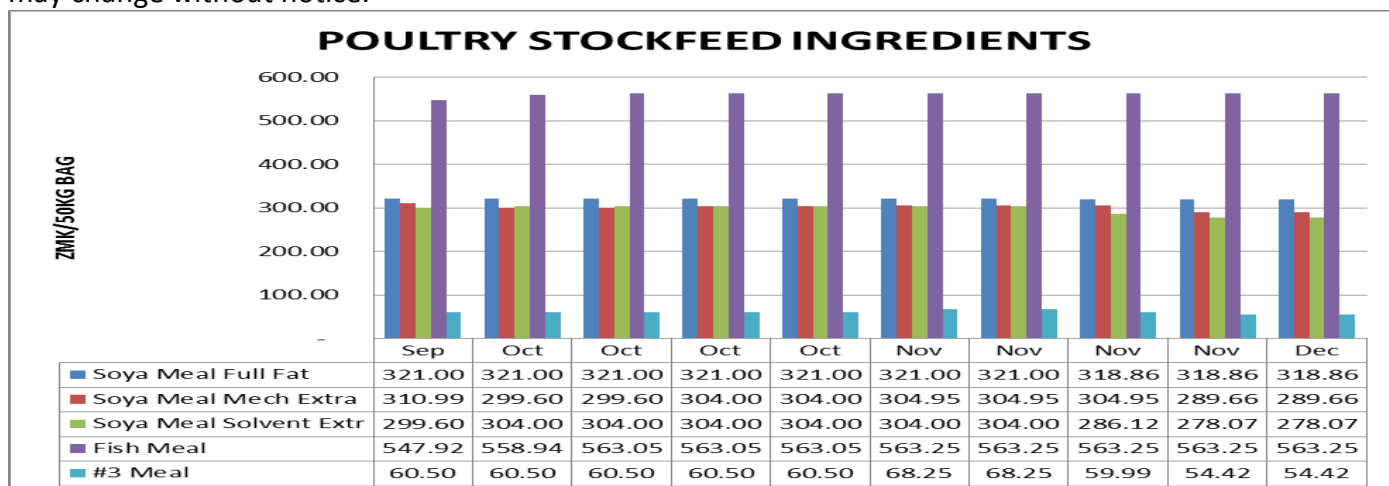
are ranging between ZMW 18 for pullet eggs, ZMW 21 for medium and ZMW 25 for large eggs. On the other hand, the retail egg prices in the chain stores in Lusaka also showed some decline owing to promotions being undertaken. The egg prices averaged 25.99 per tray for mixed eggs. The quail eggs remained unchanged, trading at an average price of ZMW17.49 per tray.



Source: Poultry Association of Zambia

Average Prices of Selected Stockfeed and Stockfeed Ingredients

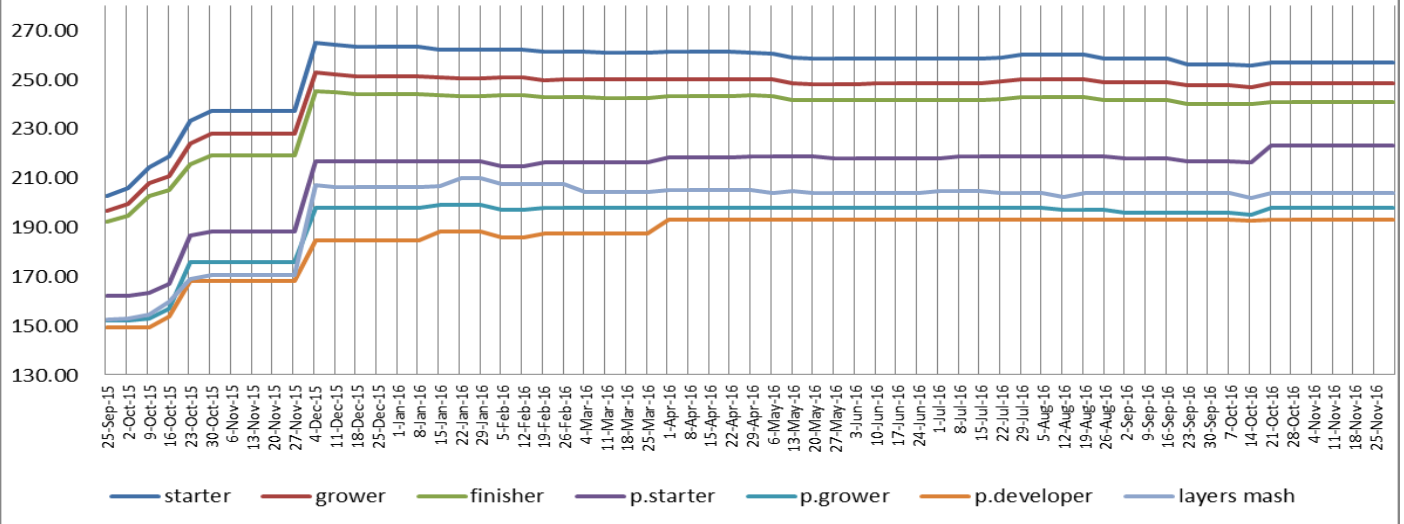
The national average prices for broiler starter is still trading at ZMW 256.8, broiler grower is trading at ZMW 248.27, while broiler finisher is trading at an average price of ZMW 240.68. Layer feed is trading between ZMW 193 and ZMW223 for pullet developer and pullet starter respectively. The chart below outlines the prices of some of the ingredients for poultry stockfeed as captured at Livestock Services. Number three meal is trading at ZMW 54.42 per 50kg . Soyameal full fat registered is still trading at ZMW 289.66 per 50kg bag while soyameal solvent extracted is trading at ZMW 278.07 per 50kg bag this week. These prices are obtained from Livestock Services limited and note that these are indicative prices which may change without notice.



ZNFU CORPORATE SPONSORS



NATIONAL AVERAGE STOCKFEED PRICES - DECEMBER 2016



Source: Poultry Association of Zambia

ZNFU CORPORATE SPONSORS

