

FRIDAY BRIEF

WEEK 16, 2018

HIGHLIGHTS

- **Farmers Celebrate Agritech Expo**
- **E-Voucher Continues**
- **ZNFU calls for Consultation**
- **Oilseed Committee optimistic about Soya Harvest**

IN DETAIL....

FARMERS CELEBRATE AGRITECH EXPO

Even with the Foot and Mouth Disease (FMD) scare in Chisamba area, farmers thronged the Golden Valley Agricultural Research Trust (GART) to celebrate the fifth Agritech Expo with the Minister of Agriculture Michael Katambo calling it a huge success.

Perhaps the most comforting pronouncement, was that the FMD stress had been investigated and procedures to curb the disease were underway.

Minister of Fisheries and Livestock Kampamba Mulenga that the FMD outbreak had resulted in the 2018 Agritech Expo not exhibiting any animals. She was bullish that the disease would be contained, what with a Task Force being put into place and biosecurity measures upped.

She told the Expo gathering that three motor vehicles had been sourced for the Task Force to effectively help monitor and combat the disease.

Minister of Agriculture Honourable Katambo said the Agritech Expo is a platform where solutions for diversification are found and urged farmers to embrace technologies exhibited during the expo for them to improve on efficiency and increase production.

Mr. Katambo, described the 2018 Agritech Expo as a success and congratulated ZNFU for successfully organizing the Agritech Expo for five straight years.

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E-VOUCHER CONTINUES

Despite the numerous flaws experienced during the 2017/2018 100% FISP e voucher roll out, President Edgar Lungu has assured farmers that the program would continue as it is the most effective system for service delivery of agricultural inputs, especially to small scale farmers.

The Head of State acknowledged that the 2017/2018 e voucher program had numerous challenges but said this development would not deter the program from progressing.

He assured farmers that his government was doing everything possible to rectify the challenges faced to ensure it becomes flawless.

ZNFU CALLS FOR CONSULTATION

The Zambia National Farmers' Union (ZNFU) says it is committed to working with government to ensure that the agriculture sector becomes the main driver of the economy.

Speaking during the fifth Agritech Expo in Chisamba, ZNFU president Jervis Zimba said the Union genuinely believes that through an open-door policy, government would be more in tune with the plight of farmers and respond favourably to the challenges they encounter.

Mr. Zimba said farmers would continue to forge a true partnership with Government so that the policies being peddled by Government reflect what the agriculture value chains are yearning for on the ground.

He said this should be so because at the end of the day, when the agricultural sector is booming in the country, it creates a win-win situation for all.

INDUSTRY UPDATES

OILSEED COMMITTEE OPTIMISTIC ABOUT SOYA HARVEST

The ZNFU oilseed Commodity Committee met on Wednesday 17th April to, among other things, consider the pre-harvest reports from around the country. It was noted that whilst the dry spell experienced from December 2017 to January 2018 affected the performance of all crops in general, the soya beans outlook remained positive. Pre-harvest indications are that large scale farmers were expecting to harvest not less than 206,000MT of soya beans. Despite some small-scale farmers abandoning the growing of





soya beans during the 2016/17 season such as certain parts of Copperbelt Province, other areas had a good crop prospect.

The committee bemoaned the unfairly low prices small scale farmers were subjected to during the 2017 marketing season and resolved to avoid a repeat. Noting that some farmers were paid K2,000/ ton for their crop last year yet the price was around K4,000 per ton, it was highlighted that paying the farmer a fair price would not only guarantee future production but enhance economic growth. Therefore, farmers agreed to utilize Zamace when trading to get a market reflective price. This was viewed feasible by bulking of the commodity and enhancing negotiating skills of small-scale farmers was necessary. Farmers further raised concern on the ever-rising costs such as the cost of labour and the increasing number and charges of statutory levies and fees despite the falling commodity prices. The meeting considered what it costs to grow soyabeans by small scale and large scale farmers in preparation for marketing.

INCONSISTENT POLICIES AFFECTING AGRICULTURE GROWTH

The Grains Commodity Committee members met on Thursday 19th April 2018. During the deliberations, concern was raised on the non-issuance of maize export permits by government despite committing to keeping the borders open at the beginning of the 2017/18 marketing season in May last year. It was highlighted that inconsistent policies on maize marketing have affected a lot of agribusiness players with some traders scaling down operations due to losses made in the past when borders abruptly closed to exports. It was noted that Zambia was considered as a viable option for foreign direct investment but there was need to increase confidence in potential investors in agriculture by having consistent and predictable policies. Farmers further emphasized on the need for government to consult stakeholders in the policy decision making processes and hoped that wide consultations will be done during the current Land Policy review process.

The grains commodity committee noted that the prolonged dry spell experienced at a critical time in the 2017/18 agricultural season coupled with the army work attacks and the challenges experienced in farmers accessing inputs under the FISP e-Voucher would greatly impact negatively the 2018 maize crop output. It was observed that in grain marketing, Government should enhance its monitoring focus on the price disparities between producer prices and what consumers pay for processed products which is huge. The meeting also considered the cost of producing maize by small scale farmers and large scale farmers and also agreed that a model for producing maize under FISP should be prepared. Farmers are encouraged to access this information from the ZNFU in preparation for crop marketing and negotiate prices with full information.

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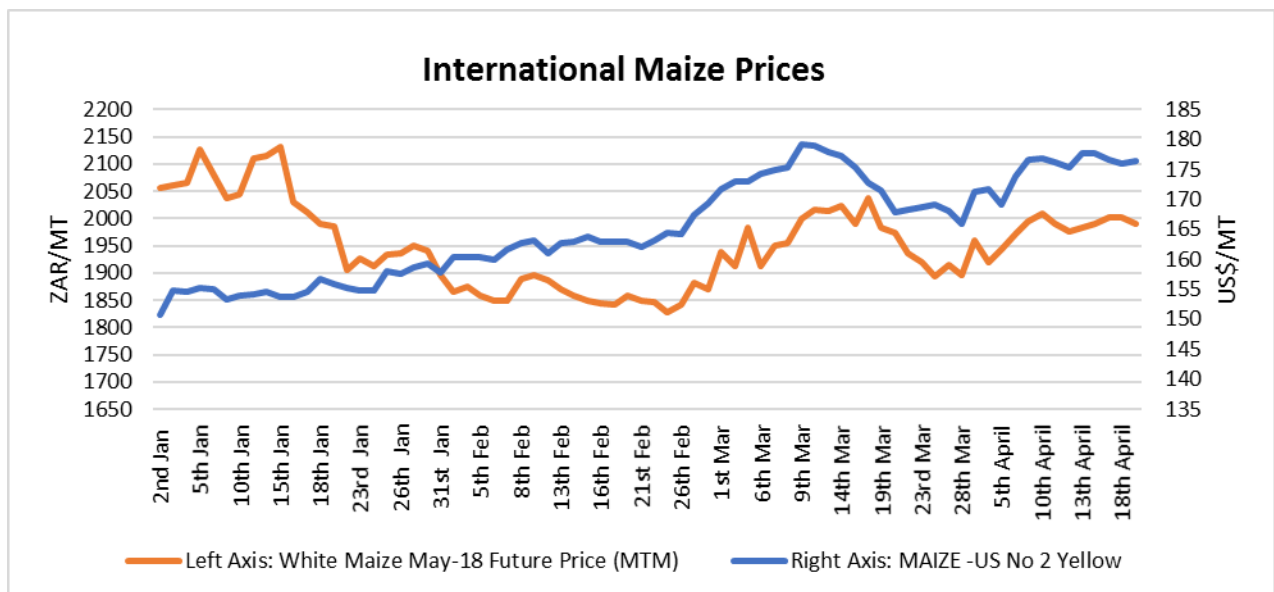
COMMODITY UPDATES

Maize Updates

- The East African Regional Agricultural Trade Intelligence System (RATIN) reports that there has been an increase in maize meal prices over the past few weeks in all of Rwanda. According to a mini-survey by The New Times, prices of various brands of locally-produced maize flour have increased greatly. A 10-kilogramme bag currently costs ≈US\$8.2 from ≈\$5.8 previously, while that of 25kg is at ≈US\$19.8 compared to ≈US\$15.8 two weeks ago. It was reported that their Maize output during the last crop year was only 93,800 tonnes of maize, which was lower than the same period the previous year when 103,640 tonnes were realised.
- Wholesale prices of maize in Tanzania and Uganda were in the range of US\$133-163/ton and US\$177-191/ton respectively. Meanwhile prices in Kenya, Rwanda and Burundi were in the range of US\$281-401/ton, US\$297/ton and US\$430/ton respectively according to RATIN.
- On the local scene, there were no commodity offers or bids for maize last week but during this week, ending 20th April 2018, ZAMACE recorded a total of 4 offers with prices ranging from ZMK 1,550 /tonne to ZMK 1,720/tonne. (≈\$155 – 172/ton).

International Price Trends

- The U.S gulf spot prices of yellow maize was pegged at US\$176.32/MT on 19th April 2018 while the white maize futures for May delivery on SAFEX settled at ZAR 1991/MT (≈US\$166.61/MT).



Data Source: SAFEX, 2018

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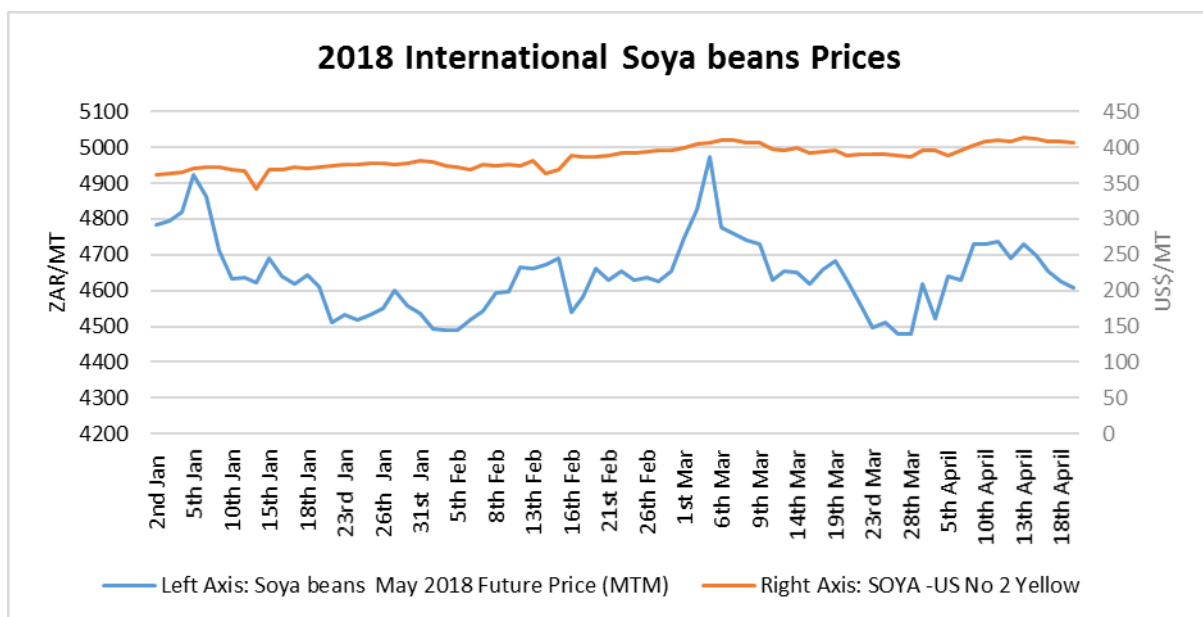


Soya beans updates

- Argentina’s imports of soy meal and soy oil are expected to be much higher this year on the backdrop of the drought that will significantly reduce its harvest. Media reports indicate that Argentina this week booked the largest consignment of soya beans from the USA since 1997. Meanwhile, China seems to have turned its eyes away from the USA, as the trade war between the two countries continues, and is reported to have increased its shipment of soymeal from Ukraine.
- Locally, harvesting of the new soya beans crop has begun. Offer prices are hovering just around US\$400-430/ton. Some pre-harvest contract prices were however around US\$380/ton.

International Price Trends

- The US Gulf soya beans prices increased 3.6% on average this week in comparison to the previous week. The price was pegged at US\$406.65/TM on 19th April 2018 while South African prices for May delivery were pegged at ZAR 4608/MT (≈US\$385.61/MT) on the same day.



Data Source: SAFEX, 2018

Wheat updates

- According to the South African Grain Information Service (SAGIS) South Africa has exported 5,060 metric tons of wheat to Zambia between 24th March and 13th

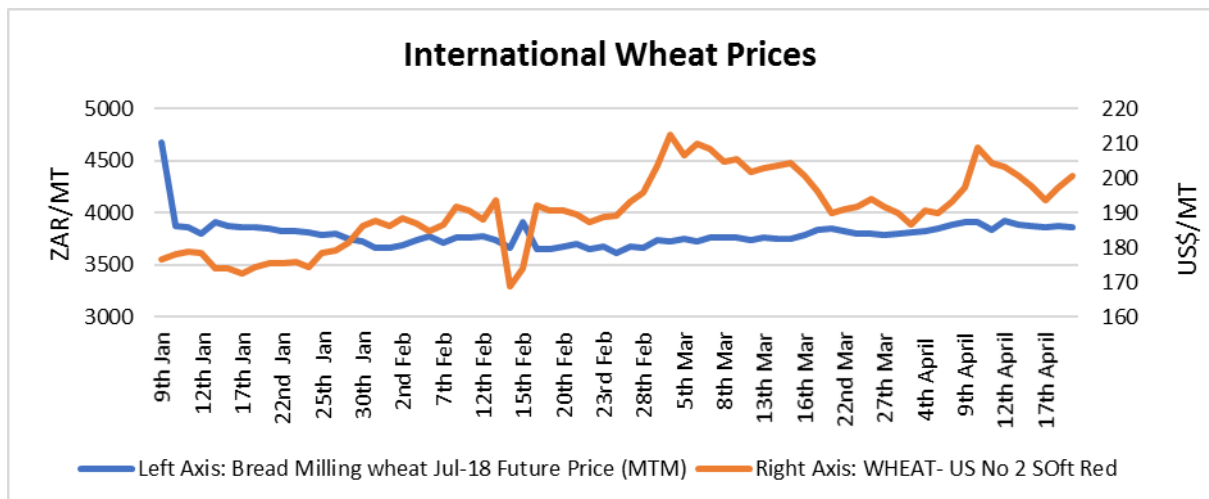


April 2018. Last month, the Zambian government approved a wheat import quota of 100,000MT.

- In addition to supply from its own local farmers of 1.52 million tons, South Africa has so far imported about 1.16 million tons of wheat with the major source being Russia. Other sources include Lithuania, Argentina, Germany, Latvia, Romania, Ukraine and the USA. In total, South Africa has exported 27,080MT of wheat out of its projected exports of 35,000MT of whole wheat grain for the current season which ends of 30th September 2018.

International Price Trends

- The South African bread milling wheat for July delivery averaged ZAR3864 MT (≈US\$323.34/ton) on 19th April 2018. The US gulf fob spot prices of soft red wheat where on the other hand hovering around US\$200.71/ton on the same day.



Data Source: SAFEX, 2018

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FROM THE REGIONS

WESTERN

MUMBWA POULTRY FARMERS BEMOAN SHORTAGE OF CHICKS

Farmers in Mumbwa are disappointed that suppliers of day old chicks are failing to meet the demand. The farmers say this has affected their businesses because it is now taking more than two (2) months to receive an order. Farmers have asked ZNFU to help them in addressing this issue.



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Meanwhile, farmers have appreciated the effort that Hybrid Poultry has made in introducing the Hybrid Village Chicken because its less consumption of feed will result into more profit for the farmers. The farmers have, however, asking for steady supply of the chicks in order to facilitate business.

The farmers say this diversification in Agriculture enterprise will help them earn more income and hence fight poverty.

TOBACCO FARMERS HAPPY

Japan Tobacco International (JTI) has officially opened the 2017/2018 marketing season. JTI started tobacco purchases at Rosewood in Kaoma on Wednesday 18th April from both its outgrowers and independent farmers. Farmers are happy with this cash crop which has a ready market.

WEATHER

ZAMBIA EVENING WEATHER FORECAST: FRIDAY (20/04/2018)

GENERAL SITUATION

Relatively dry airflow from the South East is affecting most parts of Zambia.

FORECAST FOR TONIGHT: FRIDAY (20/04/2018)

Most areas: Partly cloudy and cool to mild.

FORECAST FOR THE WEEKEND: SATURDAY (20/04/2018) & SUNDAY (21/04/2018)

Extreme northern parts of Luapula and Northern Provinces: Partly cloudy and mild, progressively becoming cloudy with a chance of afternoon showers.

The Rest of Zambia: Mainly sunny and mild, becoming partly cloudy to cloudy and warm in the afternoon.

OUTLOOK TO MONDAY: (22/04/2018)

Mainly sunny conditions to continue over most parts of the country.

Produced by Zambia Meteorological Department, Ministry of Transport and Communications.

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