

FRIDAY BRIEF

WEEK 26, 2018

HIGHLIGHTS

- ZNFU questions rationale for FRA/Transporters maize trade off during peak marketing period
- Agro dealers cry foul over non-payment
- Lake Kariba water levels continue Rising

IN DETAIL....

ZNFU questions rationale of FRA/Transporters maize trade off during peak marketing period

The Zambia National Farmers' Union (ZNFU) has questioned the rationale behind the maize trade off between the Food Reserve Agency (FRA) and the transporters at a time when farmers are offloading their produce on the market.

Speaking during the 20 years celebration of Camco existence in Zambia on Saturday, ZNFU president Jervis Zimba lamented the timing of the trade off warning it may influence price movements negatively.

The FRA traded off some maize with transporters to offset the huge haulage bill incurred during the 2017 marketing season.

And Mr. Zimba decried the costs of drilling for water saying the pricing has hit the roof because of the Statutory Instruments (SIs) passed to regulate usage of underground water.

Mr. Zimba said borehole drilling charges have now shot up from between K8, 000 and K10, 000 to between K25, 000 and K27, 000.

He said it will be hard for companies such as Camco to sell pumps and irrigation equipment because it has become a costly undertaking to sink a borehole or a dam.

Mr. Zimba called on government to consider revisiting the Sis, which he said were a hindrance to agricultural growth.

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Agro dealers cry foul over non-payment

Some agro-dealers are up in arms over the non-payment of services rendered under the FISP e voucher system and are now worried that their businesses face imminent closure. Speaking on behalf of other agro-dealers, Mutchy Agro Marketing proprietor, Mr. Kabwe said some agro outlets have not been paid for well over three seasons by the Ministry of Agriculture (MoA) in spite of the service rendered.

Mr. Kabwe said for Mutchy Agro Marketing, the company has not been paid since the 2015/2016 farming season. He said his company met all the conditions outlined by the MoA and delivered all documentation, but nothing has come out of it.

He said most agro-dealers, including his company, are now under pressure from suppliers who are threatening to issue them with demand notices.

He appealed to the MoA to pay off the agro dealers so that they could also pay the suppliers and continue being in business and creating employment.

LAKE KARIBA WATER LEVELS CONTINUE RISING

Lake Kariba water levels have reached a high of 86 per cent. This is as at the week closing on 25th June 2018.

According to the Zambezi River Authority (ZRA), the Lake level steadily rose by 0.08m during the week under review to 486.82 metres due to inflows on the main stream Zambezi River. This brings relief to farmers who are busy irrigating the winter crop, especially wheat.

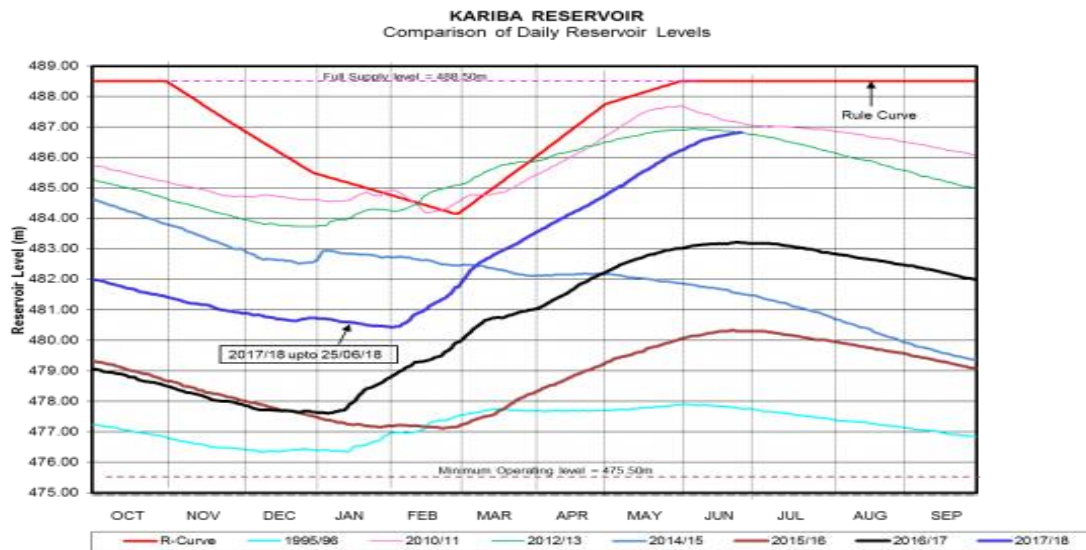
Last year on the same date, the Lake level was 483.21 metres or 56 per cent full.

The Kariba Lake was created and designed to operate between levels 475.50m and 488.50m with 0.70m freeboard at all times.

Below is the water level graph at Lake Kariba as compiled by the ZRA.

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INDUSTRY UPDATES

CHONGWE TICK-BORNE DISEASES UPDATE

The Chongwe District Veterinary offices have released some statistics showing that East coast fever (ECF), a form of Tick-borne disease (TBD), had the highest number of cases and deaths seconded by Anaplasmosis since January 2018. Other TBDs include Babesiosis and Heartwater. The table below summarises the number of cases and deaths for each TBD.

TBD trends in Chongwe District 2018								
	January		April		May		TOTALS	
Tick Borne Disease (TBD) Name	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths
East Cost Fever (ECF)	33	8	17	4	141	32	191	44
Anaplasmosis	5	0	6	2	75	19	86	21
Babesiosis	2	0	0	0	28	13	30	13
Heartwater	6	2	0	0	27	8	33	10
TOTALS	46	10	23	6	271	72	340	88

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The veterinary office in the district has continued putting up measures to ensure that the spread of these diseases is stopped, and these measures include;

1. Increased sensitization to the farmers on the need to conduct preventive measures that include, prompt dipping/spraying of cattle with the recommended/prescribed acaricides,
2. Timely reporting of suspected cases to the district veterinary office
3. Timely treatment of the affected animals,
4. Strict movement controls by screening/testing all animals moving out of the district for Tick Borne Infections before issuing veterinary stock movement permits.

In places where the above-mentioned measures within the district are strictly adhered to, the infections have reduced drastically.

TBDs are one of the common infections among livestock farmers and, East Coast Fever (Corridor) is categorized as Management disease as the application of prevention/control measures is solely the farmer's responsibility. However, the government (veterinary personnel) only come in to provide technical advice through provision of extension services as well as construction/monitoring of dipping facilities (dip tanks) that are spread within the district to be accessed by farmers to dip their animals. As for Chongwe district, a project on Infect and Treat Method (ITM) for ECF will commence this year under the Government/Donor supported project, E-SLIP (Enhanced-Smallholder Livestock Investment Project). It is hoped that this project which will run for 5 years will supplement other ECF prevention/control measures put in place in the district by reducing the further loss of livestock due to ECF.

COMMODITY UPDATES

Maize Updates

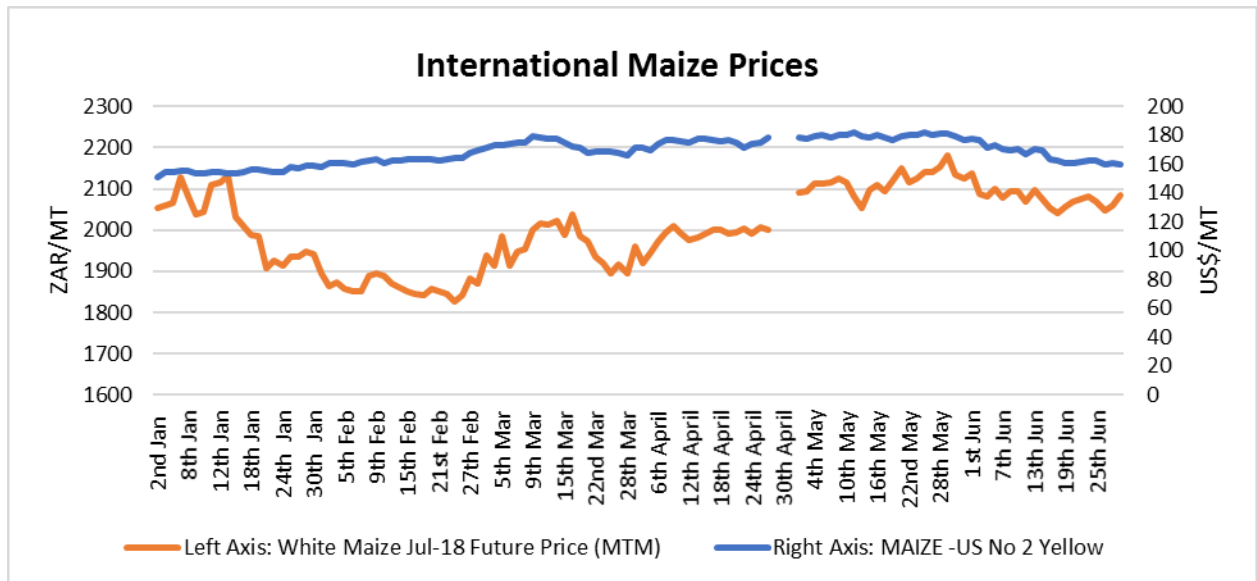
- According to FEWSNET, food supplies from the 2018 harvest are improving the food security situation in most parts of Southern Africa as households are consuming their own-produced foods and relying less on purchases. This has caused prices for major staple foods, especially maize, to start decreasing.
- FEWSNET reports that Maize prices in Malawi are currently trending lower than the same time last year and slightly below average. Maize prices are expected to increase from July to October, pushing prices closer to average during this period. From November onwards, maize prices will increase and trend above average. The increasing price and longer than normal length of time households will be required to make purchases will constrain purchasing power and result in livelihood protection and food deficits.

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International Price Trends

- The U.S gulf spot prices of yellow maize was quoted at US\$ 159.96/MT on 28th June 2018 while the white maize futures for June delivery on SAFEX settled at ZAR 2086/MT (\approx US\$151.16/MT).



Source: SAFEX 2018

Soya Beans Updates

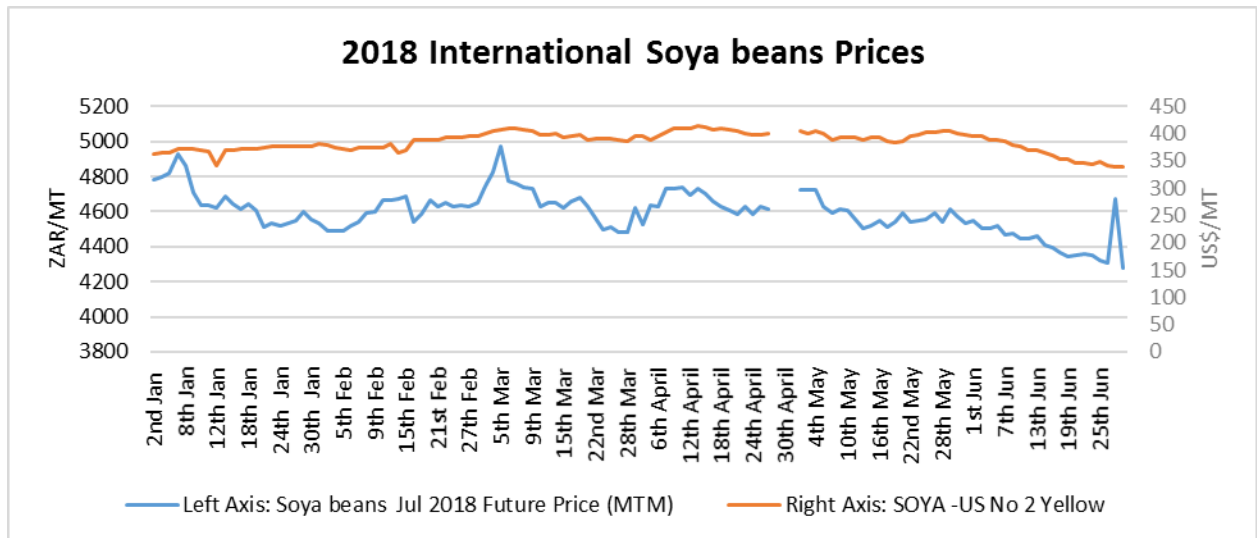
- Soybean futures for August have plummeted to a two-year low since US President Donald Trump's trade war began in earnest. Indeed, agricultural commodities as a group have slumped. (Source: Investing)
- It's not all bad news for U.S. soybean farmers when it comes to the trade spat with China. While looming tariffs are likely to curb American exports of the commodity to China, opportunities are opening up in the European Union, the world's second-largest importer. (Source: NWA)

International Price Trends

- The U.S gulf spot price of Soya beans was pegged at US\$ 338.4/MT on 28th June 2018 while the Soya beans futures for June delivery on SAFEX settled at ZAR 4276/MT (\approx US\$309.86/MT).

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Source: SAFEX 2018

Wheat Updates

- According to the South African CEC, Zambia imported 2, 419 MT of wheat from South Africa during the week ending 22nd June 2018.
- RATIN reports that Pakistan wheat exports swelled to 1.120 million tonnes in July-May 2017-18 as against just 3,937 tonnes in the same period last year. Market players are hopeful that the target of 1.4m tonnes by sea route will be achieved by end of this fiscal year.

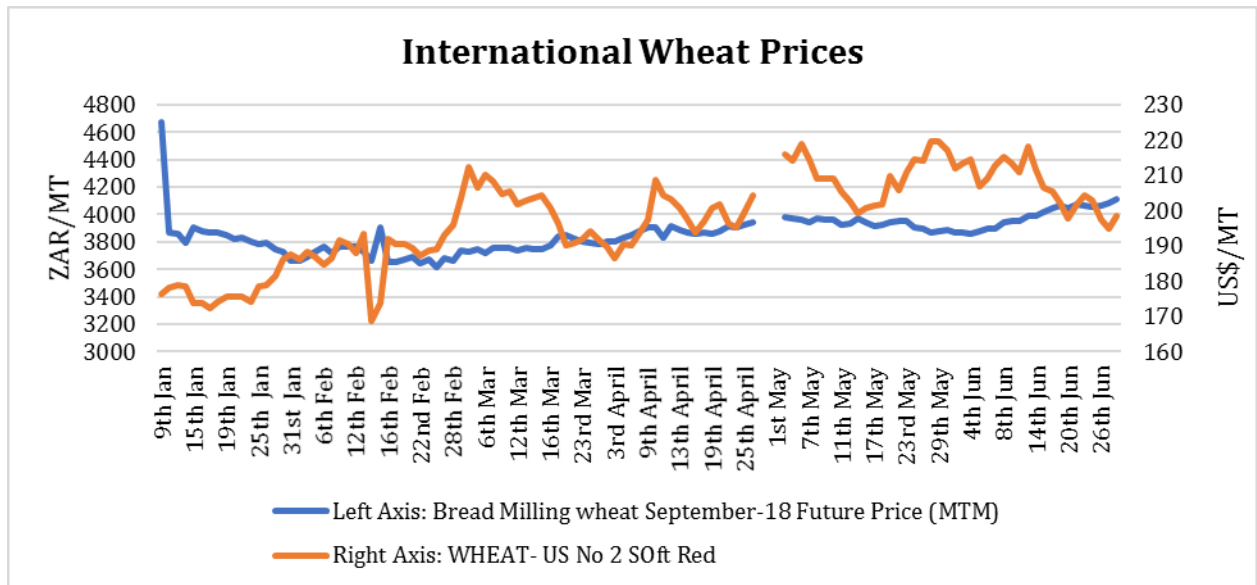
International Price Trends

- The U.S gulf spot price of wheat averaged US\$ 198.41/MT on 28th June 2018 while the bread milling wheat futures for September delivery on SAFEX settled at ZAR 4114/MT (≈US\$298.16/MT).

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Source: SAFEX 2018

ALERTS! ALERTS! ALERTS! ALERTS!

ZNFU OFFERING GROUP LAND SURVEY SERVICES



ZAMBIA NATIONAL FARMERS UNION

- Zambia National Farmers Union (ZNFU) is offering Group Land Survey Services (GLSS) to farmers and entities intending to obtain title to land
- The GLSS enables farmers/entities to make payment as a group for land survey to be conducted making the procedure affordable
- This service also helps to facilitate procedures for land deeds registration

For further details call Florence Phiri at ZNFU on;

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Email: florencephiri@znfu.org.zm

Or Grace Kambidima

Email: grace@znfu.org.zm





ZNFU CALL FOR BUDGET SUBMISSIONS

Government has started calling for budget submissions from various sectors of the economy. It is from this background that the ZNFU is calling on its members to make budget submissions on salient issues affecting the agriculture sector in Zambia.

For submissions or further details contact;

Mrs. Judy Hamonzwe on;

Email: judy.hamonzwe@znfu.org.zm

FROM NORTHERN REGION

MPULUNGU

SNR CHIEF CHINAKILA PRODS FARMERS TO BE FOOD SECURITY CONSCIOUS

Senior Chief Chinakila of Mpulungu has urged his subjects not to sell all their agriculture produce as doing so would put them at risk of facing hunger.

He was speaking during a camp show held in Chinakila earlier; which was held under the theme; **Sustainable Economic Empowerment**.

He informed the show attendees and invited guests that the Chiefdom is expecting to harvest more upland rice than before, pointing to the fact that the area which was under cultivation in the 2017/2018 season had increased. He said this entails that a lot farmers had diversified from growing maize to growing rice and other cash crops. He further appealed to Ministry of Agriculture (MoA) and other stakeholders to help farmers in lobbying for better market prices for maize this season.

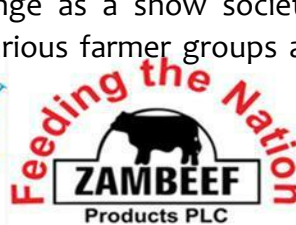
MPULUNGU SUCCESSFULLY HOSTS DISTRICT SHOW

The newly formed Mpulungu District Agriculture and Commercially show society successfully hosted the Mpulungu Agriculture and Commercial Show under the theme of **Sustainable Economic Empowerment** on 13th June 2018.

The show society was previously under the supervision of the MoA, which usually fell short in terms of accountability and mobilization of show participants which often ended up at inviting cooperatives and a few institutions.

However, that trend is about to change as a show society has been formed. This comprises of elected members from various farmer groups and institutions. The show

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was a success as it attracted many participants ranging from Cooperatives, ZNFU, seed companies, government ministries and financial institutions which has not been the case previously.



Senior Chief Chinakila at camp show Chinakila



Mpulungu District show Picture

KAVUMBU IC MEMBERS ASK FOR MARKET LINKAGES

With the marketing season in its infancy, and some farmers wondering where that "good Samaritan" is coming from, who would liberate them, what with the agony of



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exploitation by unscrupulous buyers and the unfavourable market price being offered to them.

The FRA purchased **4,554.05** mt against the target of **10,500** mt in Mpulungu District in 2017.

During an IC meeting last week in Kavumbu farmers appealed to ZNFU to help them source for more markets for their farm produce; especially maize and beans. In a bid to be more relevant to members the DFA made an effort to conduct a market research and see whether the DFA could find markets within or any potential links to markets outside I.e.; Burundi and Rwanda. The Market research is still on going and the Mpulungu DFA hopes that markets could be found by July.

However, in the DFA's quest to find markets, it visited Mpulungu Harbour to get more clarity on the maize exports and if there were any potential buyers willing to purchase maize on the Zambian side.

The DFA had an opportunity to speak to Mr. Kabunda and Mr. Chama Kauseni, managers at same institution, who disclosed that there was market for Maize and Cassava in Burundi and they also revealed that about 28,000mt of maize was exported last year to Burundi, Rwanda and other countries via water transport.

However, they were not so certain on the process of acquiring export permits for maize.

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