



FRIDAY BRIEF

WEEK 13, 2019

HIGHLIGHTS

- **FOOT AND MOUTH DISEASE: DECLARE NATIONAL DISASTER**

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- **ZNFU/ZESCO MEET OVER PROPOSED TARIFF**

The Zambia National Farmers' Union (ZNFU) and Zesco Limited met on Thursday 28th March 2019 to discuss the proposed tariff adjustments and how this would affect both the agriculture sector and the power utility.

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The Bank of Zambia Deputy Governor made a presentation at the agribusiness chamber meeting at the ZNFU Offices in the showgrounds laying out the macroeconomic projections for 2019 and historical trends. During the meeting, interest rates were singled out to have crept upwards because of the treasury bill rates (risk free investment options) which have remained high.

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DETAILS ...

FOOT AND MOUTH DISEASE: DECLARE NATIONAL DISASTER

With new reported cases of Foot and Mouth Disease (FMD) in Monze, Pemba, Chisekesi and Mazabuka emerging spontaneously, farmers are extremely concerned that a decisive position is not being taken to contain the disease.

And with reports of over 1000 cattle in Eastern Province reportedly infected with the FMD, farmers are now saying the FMD situation should be declared a national disaster.

So far in Southern Province, there is little headway being made to contain the disease, with numbers of animals carrying the serotype O increasing.

While a Task Force has been formed and working day in and out to contain the situation, the vaccine for the disease is not readily available and farmers are now panicking over the matter.

Farmers feel there should be more effort being put into place to eliminate the FMD, saying progress is moving at snail's pace.

Farmers are now worried that with reports of huge numbers reportedly infected in Eastern Province, it may leave the country in a precarious position and are calling on the Ministry of Fisheries and Livestock to take leadership on the matter and not rely on the private sector to drive the process.

ZNFU/ZESCO MEET OVER PROPOSED TARIFF

The Zambia National Farmers' Union (ZNFU) and Zesco Limited met on Thursday 28th March 2019 to discuss the proposed tariff adjustments and how this would affect both the agriculture sector and the power utility.

Both parties weighed in with challenges the sectors are facing and what it would mean if tariffs are increased for the agriculture sector, and what would also happen if the proposed tariffs were not implemented to the wider economy including agriculture.

The meeting which took over four hours explored various strategies, but at the end resolved that the agriculture sector, through the ZNFU presents its position to the Utility for further discussions.

The ZNFU is hence asking for submissions from its members on the proposed tariff increment, which should be submitted through the Executive Director's office email:

judy.hamonzwe@znfu.org.zm;

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BoZ DEPUTY GOVERNOR OPERATIONS INTERACTCS WITH AGRIBUSINESS CHAMBER MEMBERS AT A CHAMBER MEMBERS MEETING

The Bank of Zambia Deputy Governor made a presentation at the agribusiness chamber meeting at the ZNFU Offices in the showgrounds laying out the macroeconomic projections for 2019 and historical trends. During the meeting, interest rates were singled out to have crept upwards because of the treasury bill rates (risk free investment options) which have remained high. It also turned out that 18% of credit is in form of Agriculture lending which is in second place to personal loans and 33% of agriculture loans are nonperforming. It was also revealed that the agriculture sector loans are mostly in foreign currency hence there is exposure to exchange rate risks where income is in local currency. The presentation showed that agriculture sector contribution to GDP has been declining and inflationary risks are likely to emerge because of the drought which has hit most parts of the country and the pending upward adjustments of electricity tariffs which affects the entire economy.

Chamber members seized the opportunity to seek clarifications on many issues and share concerns such as: -

- To find out if the Government is printing money to pay for external debt falling due? This was denied on the basis that Government borrowing is regulated by law.
- Agriculture is in a severe crisis not just because of drought risks but because of policy induced risks because of policy inconsistencies such as interference with the free market. Government was urged to focus on fixing the challenges it has control of.
- Policy makers should become aware of the ripple effects in the economy of not paying agro suppliers as this contributes to poor performance of the rest of the sector & non-performing loans highlighted. Therefore, Government should develop plans to address this recurring problem.
- The culture of savings cannot be encouraged if banks are closing branches. Agribusinesses bemoaned the challenges they face to draw huge sums of cash to do businesses in remote areas such as when buying cattle plus there are new limits on cheque amount values, cash amounts withdrawals, etc. Therefore, decisions appear to be made without due consideration of the real situation on the ground.
- Formal businesses paying taxes are disadvantaged by informal trading in certain imports because of non-payment of import taxes which is evaded.

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- The outbreak of FMD in Southern Province has wiped out the chance to export beef from the province when some companies have invested hugely to break into



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the export market. Furthermore, availability of vaccines is a challenge and with the drought, farmers are getting rid of their asset base not because of planned sales but because of these prevailing external factors. Therefore, Government should consider extending tax relief to businesses in the area as there will be need to rebuild their cattle stocks in future.

Many more issues were discussed, and the meeting was informative for the chamber members as they contemplate on future business decisions.

CFU HOLDS A DISTRICT FIELD DAY

The Conservation Farming Unit (CFU) in Petauke district has held it's district field day under the theme: *conservation farming for better yields, food security and profits in a changing climatic conditions.*

The District Commissioner Mrs. Velenasi Banda Moyowho graced the occasion as the guest of honor, encouraged farmers to adopt new farming technologies such as conservation farming so as to improve on their yields.

She also emphasised the need for farmers to plant early and use early maturing seed so as to help mitigate the problem of lack of rainfall, due to climate change. The field day was also attended by 400 farmers from various areas within the district as well as stakeholders such as Saro, Diaconia Camco , ZNFU and Ministry of Agriculture officer's.

CHADIZA DISTRICT FIELD DAY

The Ministry of Agriculture in conjunction with seed companies held the field day in Chadiza.

More than 350 farmers attended the field day and the guest of honour, the District Agriculture Coordinator Mr. George Phiri thanked the participants and encouraged the farmers to adopt new farming technologies and plant good and certified seed for them to have good yields. He told the farmers to take farming seriously and implement conservation farming technology for them to survive the climate change impact.

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AGRO WATCH

Exchange Rates

ZAMBIA'S KWACHA TO REMAINS STABLE IN MARCH 2019

The Kwacha continued to trade bearish in yesterday's trading session as a globally resurgent dollar maintains momentum. The local unit opened trading at K12.100/12.1500 per dollar and shortly slipped to trade at K12.1500/12.200 per dollar for the rest of the day, levels we anticipate to hold as the market opens trading today. As the week winds down, market players will trade cautiously putting an eye on the next USD/ZMW level.

Liquidity levels in the local money markets dropped to K1, 356.00 million from a previous close of K1,567.09 million. Despite this, we saw the volume of funds traded on the interbank drop to K225.00 million from a previous close of K298.50 million. The cost of borrowing funds on the interbank maintained at 9.92 per cent and is expected to trade below 9.95 percent in the short term due to high liquidity levels on the market.

Source# BoZ

ALERTS! ALERTS! ALERTS! ALERTS!

BOREHOLE REGISTRATION DEADLINE

The Zambia National Farmers' Union (ZNFU) wishes to advise its members that the extension of the registration of boreholes by the Water Resources Management Authority (WARMA) comes to an end on 30th March 2019.

Members are advised to make arrangements to have their boreholes registered before the deadlines to avoid penalties.

For members that would like to access the ZAMACE Report; kindly go to the link below;

<https://www.dropbox.com/s/bnxihcir2udtgyg/ZAMACE%20Market%20Report-Week%2004.pdf?dl=0>

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fergusoaflynn@gmail.com





INVITATION TO PARTICIPATE IN THE 2ND CHINA INTERNATIONAL IMPORT EXPOSITION (CIIE) SHANGHAI, CHINA– NOVEMBER 2019

The Zambia Development Agency is coordinating Zambia's participation in the 2nd China International Import Expo (CIIE), scheduled to take place in Shanghai, China in November, 2019.

The CIIE is the world's first import-themed national level exhibition and great innovation in the history of International trade. The Chinese Government has made the CIIE an annual event to give firm support to trade liberalization and globalization to actively open the Chinese Market to the world.

With the world's largest population, China is the second largest economy, second largest importer and consumer in the world. China's total imports of goods and services are expected to exceed US \$ 30 trillion and 10 trillion respectively in the next 15 (fifteen) years.

Zambia successfully participated in the first CIIE in Shanghai, China in November 2018 where six companies showcased their products and generated sales contracts worth US \$ 92 million. ZDA therefore invites export ready companies in the following sectors to participate in the 2nd China International Import Exposition:

- Trade in services
- Medical equipment and healthcare products
- Food and Agricultural Products
- Beauty and cosmetic products

Benefits of participating in the CIIE include amongst others, show casing of products, networking to a large constituent of international buyers and sellers from all over the world, partnerships and joint ventures with investors, negotiation of deals and sales contracts through business to business meetings and match making.

BOOTH RATES

- Raw space: US \$ 300/m²
- Standard Booth: US \$ 3000/9m²
- Exhibitors that sign the participation contract and make an advance payment of not less than 50%, will enjoy a discount of 20%.
- Booking deadline is 30th April, 2019

Kindly indicate to us your willingness to participate in this Expo by calling or emailing Mr. Obby Banda on 0977455867, email: Obby.Banda@zda.org.zm or Mrs. Kabwe Phiri on 0977160817, email: Kabwe.Phiri@zda.org.zm. Our fax and telephone numbers are 222509 and 224790, respectively.

For further details on the CIIE visit the website on www.ciie.org

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DESK OFFICERS AT ZNFU

General Issues affecting farmers/Union - Mrs. Ellah Chembe – A/Executive Director – 0973 795 942

Email: chembe@znfu.org.zm;

Outreach/Land Issues - Mrs. Florence Phiri – D/Head MMS – 0977 434 312

Email: florencephiri@znfu.org.zm

Accounts/Administration – Mr. William Ndhlovu – Finance Manager – 0977 433 347

Email: william.ndhlovu@znfu.org.zm

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Till and No-Till Maize Planters Per Row
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Price on request.

0.37kW - System: **ZMK 12 530***
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Fine seed roller 1.8m planter
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NEWS FROM POULTRY ASSOCIATION

INTERNATIONAL NEWS

PLENTIFUL FEED SUPPLY LEADS TO KEEN PRICES FOR FARMERS

Feed availability is good, with a kinder spring than many had expected leading to lower demand, which in turn is putting pressure on prices. Advisers and traders say despite plentiful supplies, now may be the time to get into the market for energy and protein feed cover. Prices are lower than they paid in winter but there is a limit to how far some commodities are likely to fall. However, there is caution on both sides of the price outlook. Brexit negotiations could take a dramatic turn either way, which will affect the value of sterling and commodity prices. Many commodities are well down in price on a year ago levels, apart from wheat and maize-based products and molasses.

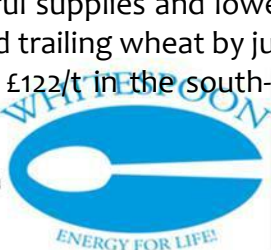
Soya

The picture for soya markets has changed dramatically over the past year, as the US-China trade dispute began, escalated and has now become prolonged. UK users of both soya meal and soya hulls are benefitting from depressed soya markets at a time of plentiful supply. Prices for HiPro meal are £60-£80/t lower than a year ago, at less than £300/t on farm for April/May delivery and through to November-January. Soya hull prices have in turn also fallen, to £135-£145/t delivered in April and May, which is more than £40/t lower than in late 2018. China has switched from using the US as its chief supplier to sourcing South American soya beans and meal, putting pressure on US prices. Aside from this, Chinese demand has also reduced, with a 5-10% drop expected, a dramatic reversal of the long-term trend of a 5-10% annual increase in demand.

This is thought to be due partly to lower pig numbers because of African swine fever, but also possibly to slower economic growth reducing demand for meat and further to a determination to rely less on imports. The Chinese government is aiming for growth of 6% to 6.5% this year, slightly lower than last year's growth of 6.6%, which in turn was its slowest rate of economic growth for almost 30 years. However, traders caution also that any sign of agreement in the US-China trade talks is likely to push up soya prices as speculators return to the futures markets.

Palm Oil- High palm oil stocks mean palm kernels are one of the cheapest energy sources. Wheat has also been under pressure since mid-December, when it stood at almost £169/t spot ex-farm. This week it is averaging £162.70/t spot ex-farm, although in a regional range from £155-£168/t. London November 2019 new-crop wheat futures were below £149/t as *Farmers Weekly* went to press on Wednesday (27 March), down by about £14/t over the past three months.

Wheat feed, barley and OSR- Wheat feed is about £25/t cheaper than a year ago, at £142-£150/t delivered spot. Barley prices have fallen by more than wheat since the start of this year and with plentiful supplies and lower use in feed in 2018, was averaging £132/t spot ex-farm midweek and trailing wheat by just over £30/t. However, it is also priced in a wide regional range from £122/t in the south-east of England to £155/t ex-farm in north-east



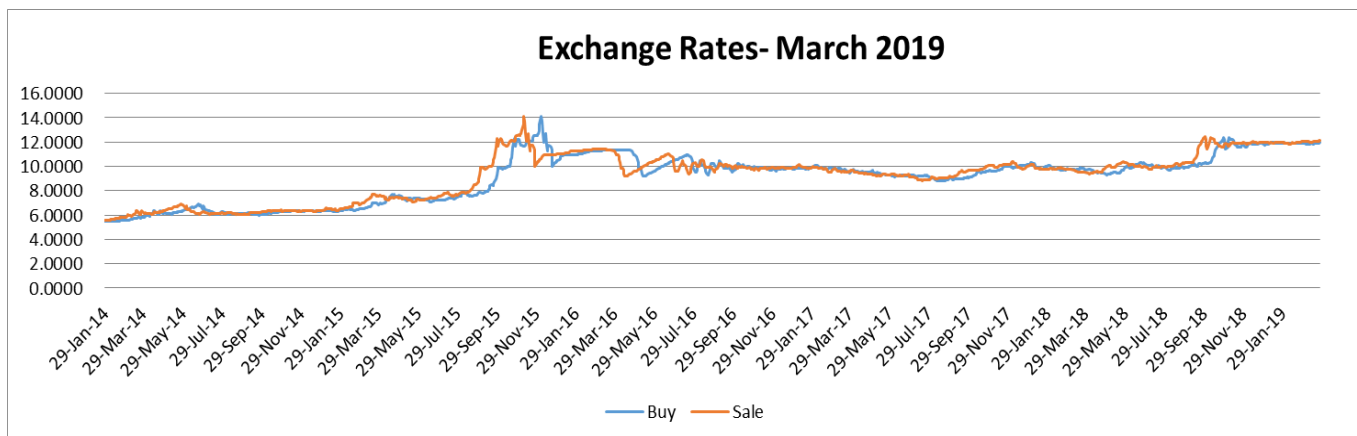
Scotland. A larger EU crop expected from the 2019 harvest is also keeping the pressure on prices. Rapeseed prices continue under pressure in a relatively quiet market, added to by China's recent refusal to take Canadian oilseed rape, which means this is also looking for additional sales in other markets.

Feed market factors

- Supply of all main ingredients is good, demand is lower than expected
- Soya prices have been on a downward trend for a year – further downward potential is limited, say traders
- 2019 wheat crop is expected to be 7% larger than from the 2018 harvest among the world's top eight exporters
- Currency markets and therefore commodities are likely to be volatile on Brexit news over next two weeks
- Contracts for some ingredients are likely to include import tariff clauses, passing import taxes to the farmer in event of a no-deal Brexit

Source: <https://www.fwi.co.uk/business/markets-and-trends/crop-prices/plentiful-feed-supply-leads-to-keen-prices-for-farmers>

LOCAL NEWS



Source: Bank of Zambia

PRICES FOR THE DOCS REMAINED UNCHANGED IN THE MONTH OF MARCH 2019

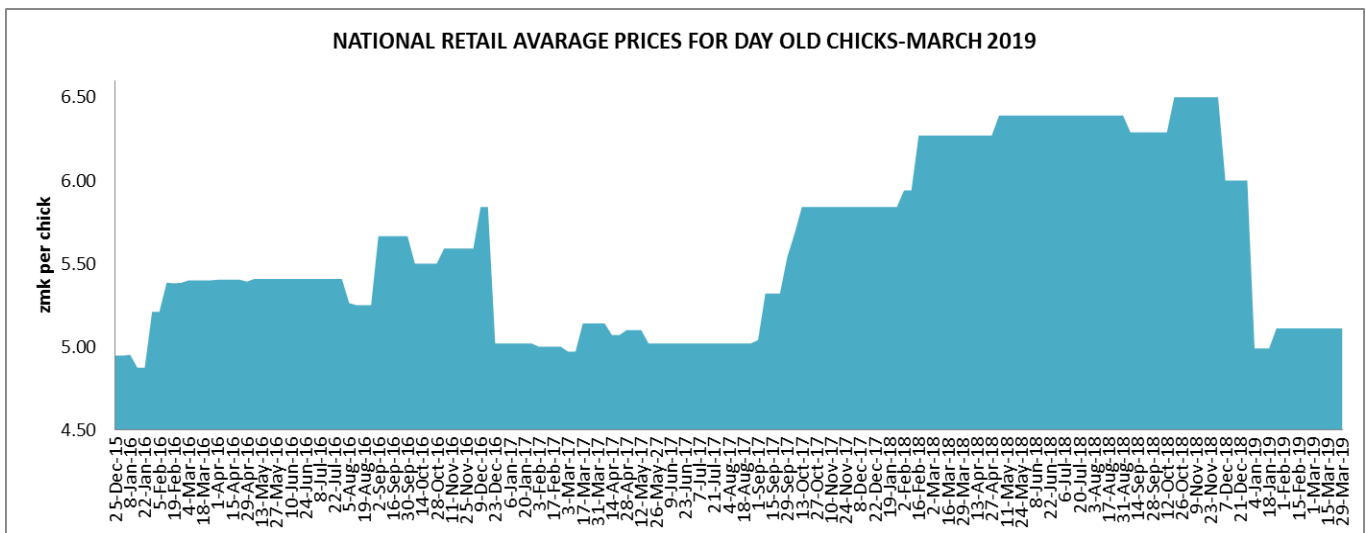


The prices of day old remained unchanged in the whole month of March 2019

The average prices averaged ZMK5.11 the whole month owing to the price promotions undertaken by the hatcheries. The lowest chick on the market is trading at ZMK4.95 and the highest is ZMK5.50 per day old chicks, depending on location

There are no movements equally on the prices of pullets which are also trading at ZMK10.24.

The graph captures the national average price trend for the day old broiler chicks. For the pullets, most of the bookings are open between May and June 2019.



Source: PAZ

LIVE CHICKEN PRICES SHOWS SOME MOVEMENTS IN MARCH 2019

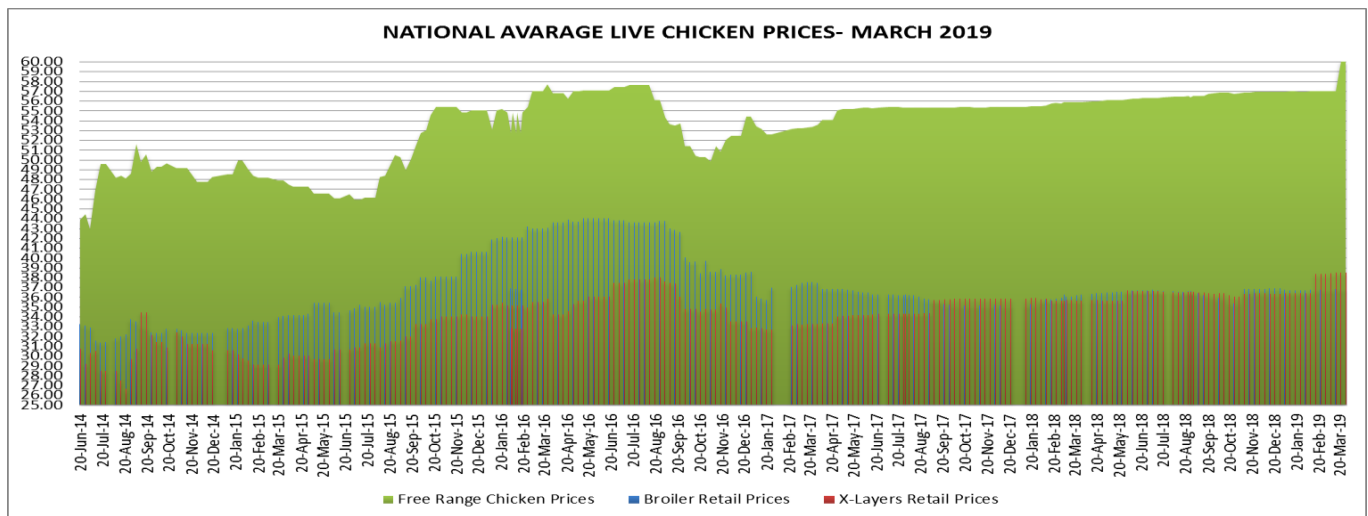


The national average prices for the live chickens adjusted upwards during the month of March 2019. This is mainly attributed to input price hiked especially on feed.

The national live broiler bird prices averaged zmk36.81 up from ZMK 36.71 at the beginning of the month.

The x-layer prices also recorded some upwards adjustment and traded at ZMK 38.49 in the month of March 2019 compared with the ZMK38.36 recorded at the beginning of March 2019.

The prices for the free range chickens averaged ZMK 60.04 up from the ZMK56.97 recorded at the beginning of march 2019 January 2019.



Source: Poultry Association of Zambia

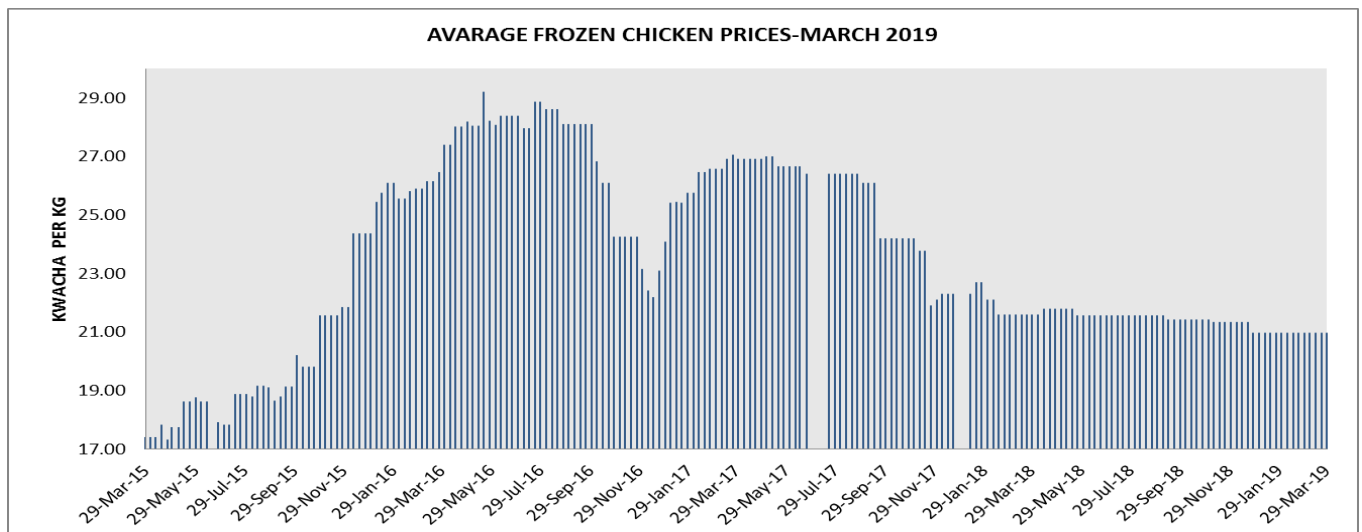
WHOLE DRESSED CHICKEN PRICES REMAINS STICKY



The prices for the frozen chicken remained sticky for the whole month of march 2019. The average price for the whole frozen chicken in Lusaka is still trading at about ZMK 20.98 same as the price recorded at the beginning of the month. The lowest price in some chain stores is still trading at ZMK17.99 per kg while the highest is trading at ZMK27.25 per kg. The chicken sizes are ranging between 1.3kg to 1.7kg in different stores.



Please note that the prices are obtained from Pick n Pay, Shoprite, Zambef, Melisa supermarket and Cheers Stores. Different outlets have different pricing models hence the figures displayed is an average price for all the sampled chainstores. It should also be noted that these are Lusaka prices only.



Source: Poultry Association of Zambia

AVERAGE PRICES FOR THE POINT OF LAY REMAINS UNCHANGED



The prices for the point of lay registered no movements during the course of the week. The average price is still ranging between ZMK70 to ZMK84 per bird depending on the supplier.

Some of the major suppliers of point of lay include but not limited to the following companies

Yielding Tree, Great Gowen, Base Farms, Cholimba, and Zambef among others.

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For the beginners who are interested in getting battery cages, cage price

ranges between ZMK2700 to ZMK8000 depending on the capacity and also the sources of the cages.

NATIONAL RETAIL AVERAGE EGG REMAINS UNCHANGED FOR THE MONTH OF MARCH 2019



The egg prices in the domestic market remained unchanged in the month of March 2019.

The retail prices in markets that are operating within Lusaka averages between ZMK 26.45 to ZMK28.46 per tray for large eggs, and medium eggs while smaller eggs are trading between ZMK23 and ZMK24 farm gate price. No change on the prices of pullet eggs which are still trading between ZMK18 and ZMK20 per tray. For the month of March the prices have started on a high note averaging ZMK26.52 and 28.45 for farm gate and retail prices respectively. Further, retail prices in some Chainstores have also remained unchanged, averaging between ZMK32 to ZMK35 per tray of 30 eggs depending on the supplier and packaging.

Source: Poultry Association of Zambia

AVERAGE STOCK FEED PRICES POSTS SOME SLIGHT CHANGES IN THE MONTH OF MARCH 2019



The national average prices for broiler and layer feeds posted some

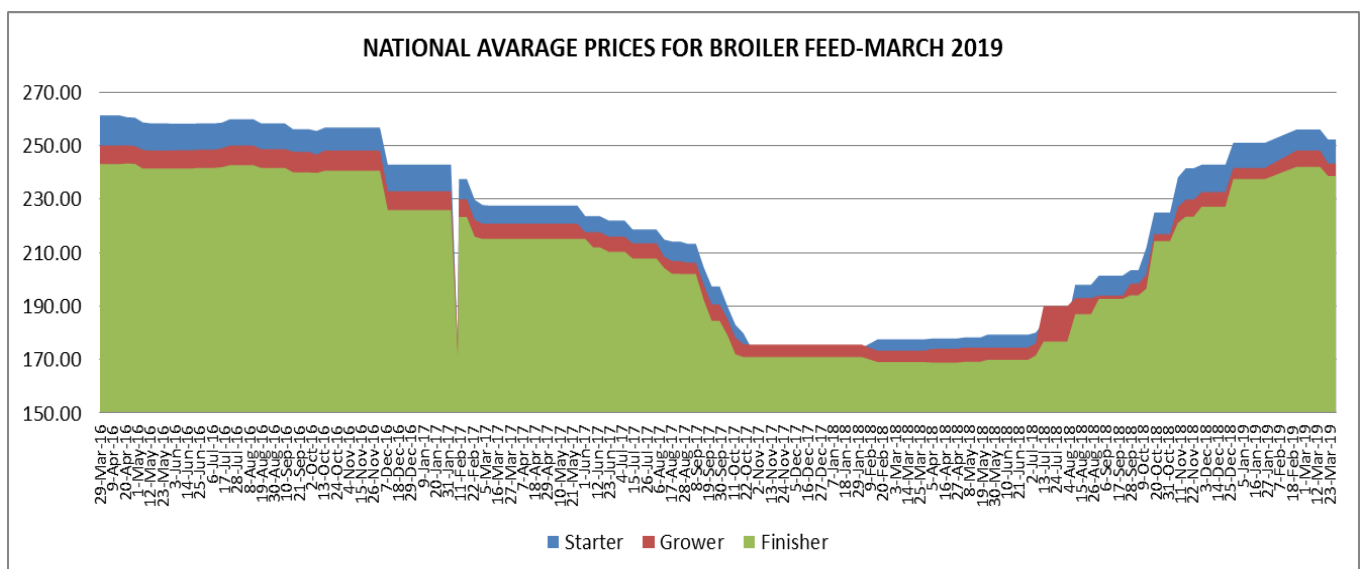
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slight changed during the month of march .Broiler starter trade on average price of ZMK256.11 at the beginning of march and now trading at ZMK 252.39. this represents a 1.45% reduction in prices

Broiler Grower averaged at ZMK243.37 from ZMK 248.29 at the beginning of the month of March 2019.

Broiler finisher averaged ZMK239.37 from ZMK 234.44 at the beginning of the month.

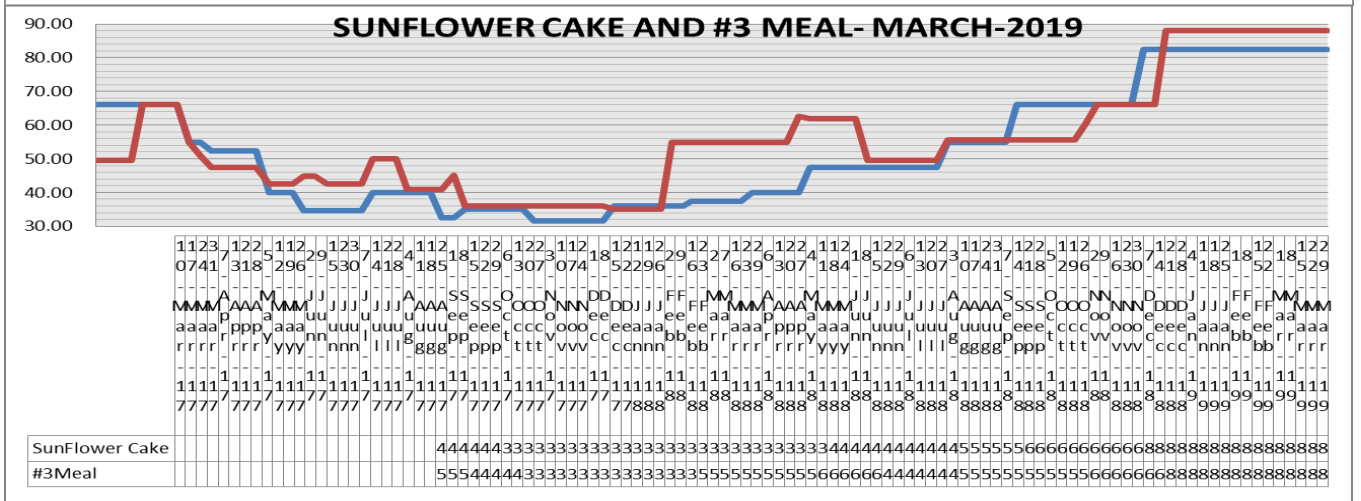
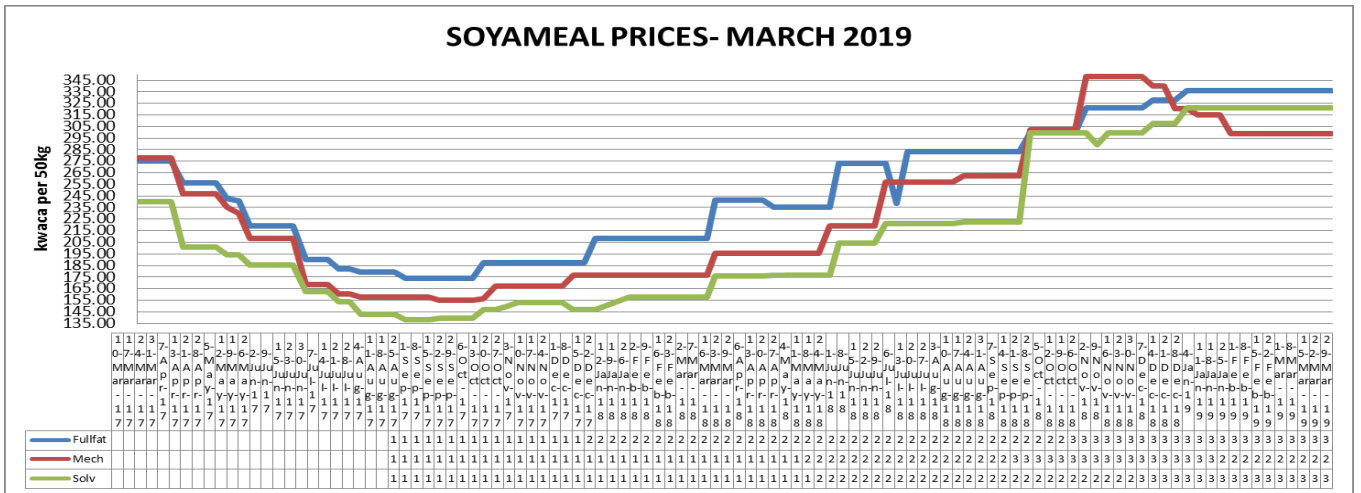
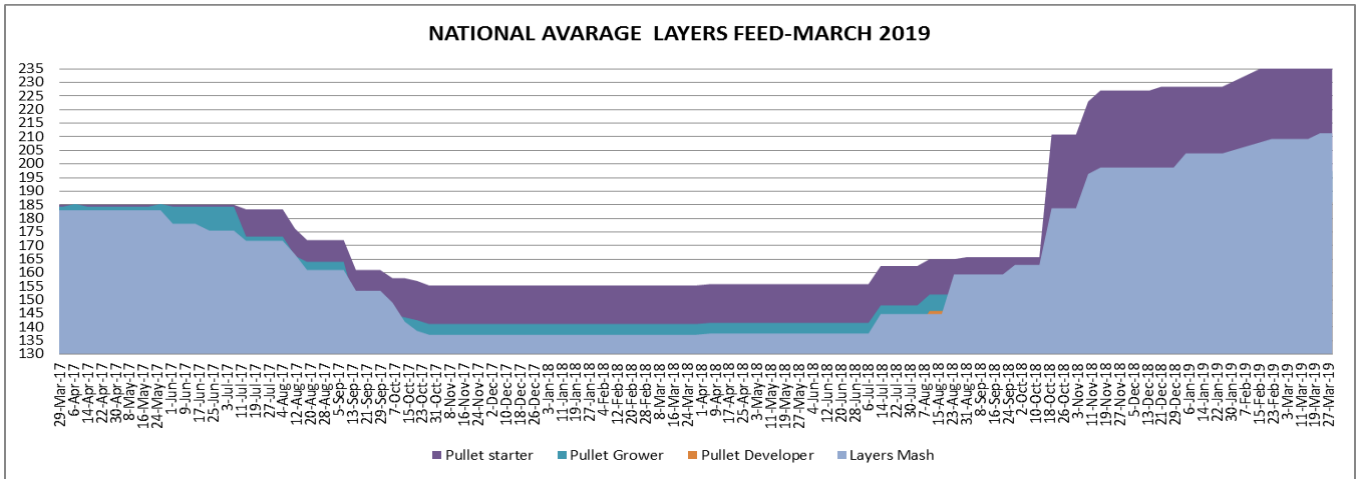
In the sameway, the layer feed prices have been adjusted upwards. For those compunding their ownfeed, ingredients prices have also been going up with maize bran, sunflower cake, soyacake as well as fishmeal registered some incremants.



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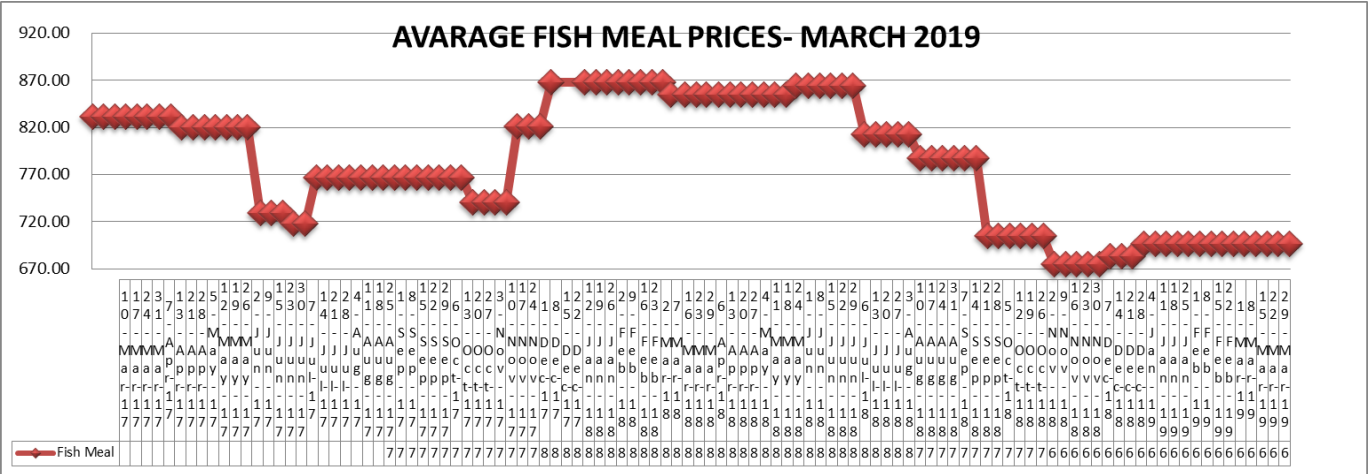
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