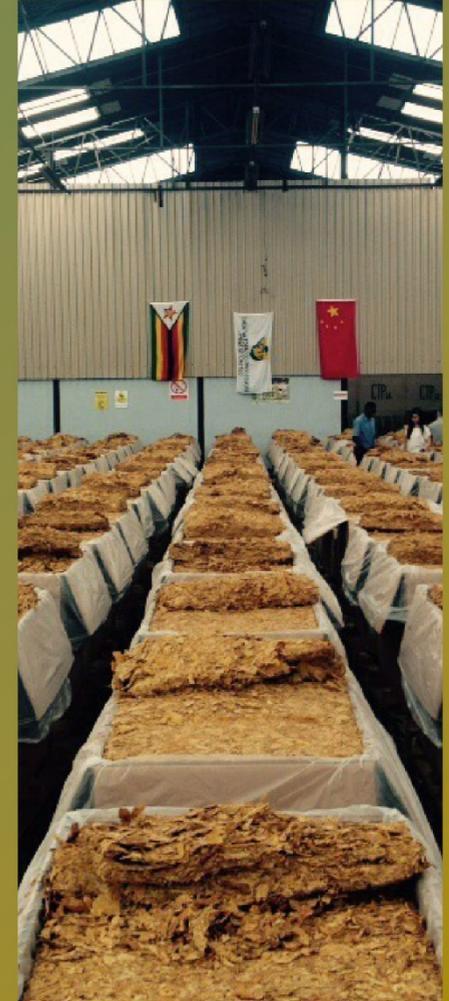




CHIDZIVA TOBACCO PROCESSORS (PRIVATE) LIMITED





Zimbabwe FCV Crop Overview January 2017

Weather: All growing regions have received very good rains with most areas in Mashonaland and Manicaland provinces receiving in excess of 600 mm of rain to date this growing season.

Heavy rains are expected to continue for the better part of January. The ground in some growing areas is well soaked and has reached saturation level and these rains will further aggravate and increase the risk of flooding in these areas.

A series of low pressure systems both in the lower and middle levels of the atmosphere have entered the country through Mozambique and are responsible for the wet spell that the country is experiencing at present.

Day time temperatures in most growing areas are reaching a high of 30 and a low of 17 degrees celcius. Cloudy and overcast conditions are prevalent in most growing areas with sporadic bursts of heavy rains.

Irrigated Crop: Irrigated tobacco that was planted in the month of September 2016 has generally grown out well with good potential for both yield and quality. A number of hail storms together with heavy and continuous rains will probably see a problem with angular coming in, although so far the crops are mainly clean from disease.





Continued

Good tobacco is being cured from the irrigated crop ranging from lemon to bright orange. Crops will ripen a lot faster in a season like we are experiencing and with high humid and warm conditions quality should continue to improve.

Commercial dryland Crop: Dryland crops planted early October have also generally fared well as the crop had largely grown out before the continuous rains but side dressings of nitrogen will be necessary for yield and quality. This crop is also clean from disease/pests with weeding ongoing. Harvesting and curing of the early planted dryland crop has started and is ongoing.

Later planted dryland crops which were planted in late November and December have taken the brunt of the heavy rains and these crops will need additional dressings of both compound and nitrogen in regions where leaching has taken place. A few weeks of sun will change the scenario hugely, although weights are already going to be down on this crop - quality is expected to be vastly better than the previous season.

Small Scale Dryland Crop: The majority of our small scale growing areas started planting from mid November to early December. A few farmers who planted early are starting to harvest and cure. The average crop now has 12 leaves so still a few weeks from topping and applying first AN top dressing and expect this to commence in mid to late January.

So far we do not have any pest or disease issues in the crop but it is still early on in the growth of the crop and this may change. Rainfall has been good and most days are sunny with rain falling in the late afternoons/early evenings. There have been no reports of hail damage and there is no significant waterlogging of fields.



Irrigated Crop (Dec-2016)





Summary

The total hectareage planted for the 2016 / 2017 crop is 81 301 hectares which is 4.41% higher than the 70 412 hectares that were planted in the 2015 / 2016 crop. The majority of this additional hectareage is made up of the dryland crop which increased by 4 101 hectares on the previous season's hectareage. This is a direct result of the additional 14 283 new farmers that registered to grow the crop this season.

Should the current wet spell continue, yield losses will be suffered in both the irrigated and dryland crops . Additional nitrogen will be required to boost the dryland crops and counter the leaching that is taking place if decent yields are to be achieved. The quality of both the irrigated and dryland crops that we have seen so far is excellent and we are expecting a good quality crop which is more superior to the 2015 / 2016 crop.

Judging on the amount on rainfall received and forecasted to come, although there has been an increase in hectareage we anticipate the 2017 crop to fall between **190-200 Million Kg's** at this point. This estimation will be updated as the season progresses.

The 2016 / 2017 marketing season is likely to start early this year after the RBZ Governor requested an early start and hinted towards a mid February start.