



CHIDZIYA TOBACCO PROCESSORS (PRIVATE) LIMITED





Zimbabwean FCV Market Report as at 23rd March 2017

Crop Review:

Total crop production for the 2015/16 season was 201,953,546 kilograms. The estimated crop size for 2017 season is between 175 – 180 Million Kilograms.

Quality on Offer:

Commercial Growers:

Growers are remaining consistent from the beginning of the season, producing good quality tobacco. There have been runs of open grained, soft, orange styles on offer and they are fetching top prices between 4.20 - 5.20 US/KG respectfully.

Small Scale Growers:

Quality in the small scale sector has improved; a lot of soft lemon tobacco is on offer. Handling and grading issues has been a slight draw back in fetching top prices, however, a conscious effort by our grower's representatives have been made to ensure there is an improvement in these areas.

General Overview:

The quality at this stage of the season is extremely promising in comparison to that of last year at the equivalent stage of the season. Weather conditions were slightly unfavorable, however the required styles are evident on the particular sales floors and are being paid for accordingly.

Below Insert: 1st Quality Lemon Tobacco on Offer



TOTAL SEASONAL FIGURES PER COMPANY AS OF 23/03/17 (DAY 7)

COMPANY	Mass sold (kg's)	Value \$US
CHIDZIVA	654,677	1,371,257
BOOST	226,562	441,953
CURVERRID	521,712	1,200,359
INTERCONTINENTAL	368,119	765,389
KRATOS	7,252	15,398
MASHONALAND	1,943,654	5,453,213
NORTHERN	541,119	1,621,538
OTHER	919	2,145
PAMUKA	47,375	102,926
PREMIUM	744,808	1,729,538
TIANZE	309,292	983,089
VISION LEAF	38,494	96,339
ZLT	564,664	1,277,788
TOTAL 2017	5,224,584	15,060,932
TOTAL 2016	5,275,160	11,723,591
PERCENTAGE CHANGE %	-1%	28.5%

Contract Buying Floor Quality Styles and Offerings:

- Light orange to lemon styles are dominant here; a few orange styles are coming through with prevalent spot and perish in the leaves, due to the heavy rainfall experienced in the growing season.
- Some variegated crops are appearing on the contract floors with green and running green also visible. This is a result of incorrect curing.
- Small scale crops are currently dominating the floors. Large scale growers' tobacco has yet come onto the floors in any significant volume..

SEASONAL AUCTION FIGURES UP TO 23/03/17 (DAY 7)

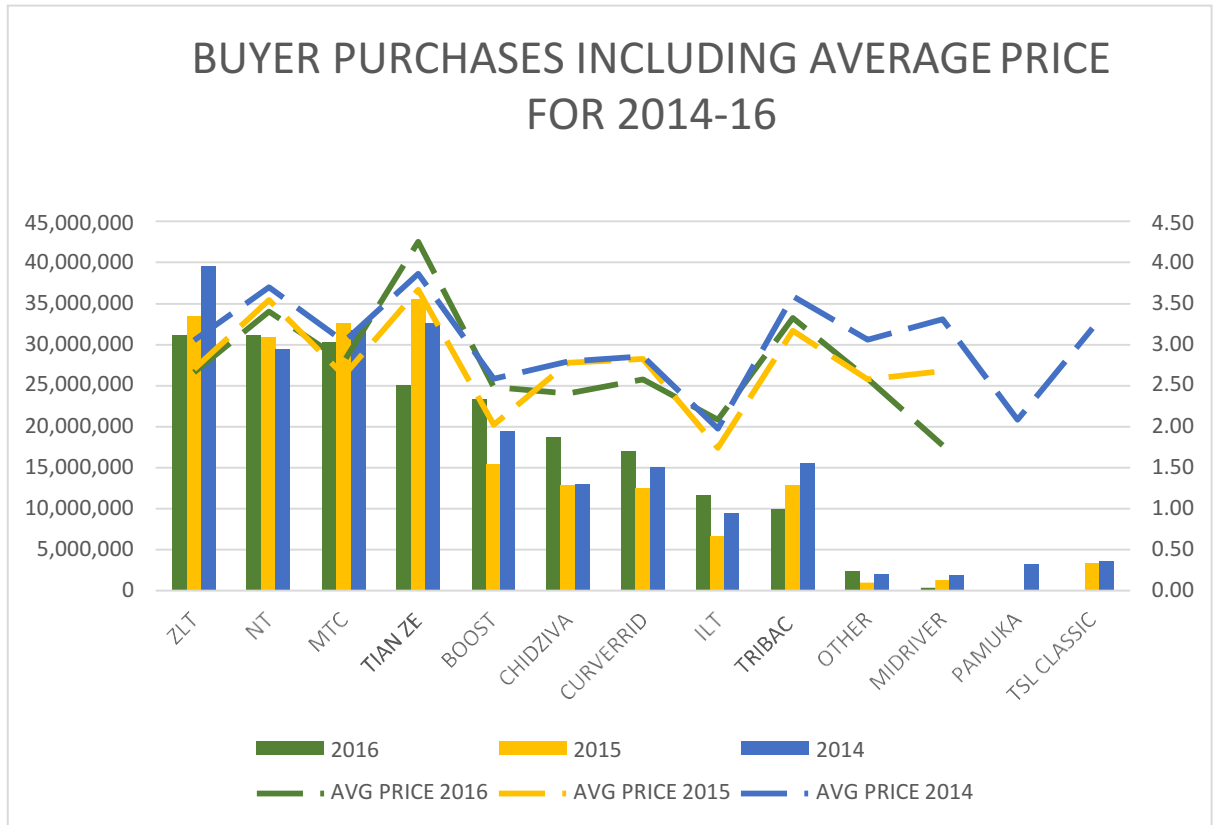
Seasonal	TSF	BTF	PTF	Total Auction 2017	Total Auction 2016	Percent Change %
Mass sold(kg)	1,399,687	301,838	167,200	1,868,725	2,302,855	-18.85%
Value(US\$)	3,273,180	641,474	395,829	4,310,483	3,886,920	10.89%
Avg.price US\$/kg	2.33	2.13	2.37	2.30	1.69	36.09%

Auction Floors:

- The 2017 marketing season began on 15th March 2017. Naturally the auction floors are dominated by priming's and lugs, with the occasional runs of cutters and leaf. Some of the styles on offer are soft, clean and good quality tobacco.
- In the early stages of buying, the market as a whole is still trying to find stability with regards to pricing. The average price is significantly higher than that of last year, with a 36.09% increase so far. Priming and lugs are fetching 30-40c more than in 2016, this segment is very firm.
- We have seen a -18.85% decrease in the deliveries of tobacco to the auction floors when compared to the previous year. Explanations for this could be due to the estimated crop size being lower than 2016 and or a combination of this and the late opening date last year. In other words, more tobacco was ready for sale last year on the opening week.



Buyer Purchases Including Average Price per Company for 2014-2016



2017 Buying Price Estimates:

Price indications (US\$/KG)	Estimated
Low quality Priming's(4 th and 5 th)	\$0.60 - \$1.00
Middle quality Priming's (2 nd and 3 rd)	\$1.20 - \$1.60
Good quality Priming's(1 st and 2 nd)	\$1.60 - \$1.80
Middle quality Cutters (2 nd and 3 rd)	\$2.30 - \$3.20
Good quality Cutters (1 st)	\$3.20 - \$4.20
Low quality leaf (4 th and 5 th)	\$1.20 - \$1.90
Middle quality Leaf (2 nd and 3 rd)	\$2.20 - \$4.20
Good quality leaf (1 st)	\$4.20 - \$5.60

Disclaimer: The information provided in this document is merely intended for the use of an indicative opinion on the market trends and statistics relating to the 2017 Zimbabwean tobacco selling season. All descriptions and advice relating to the market are subjective and should not be used other than for an insight into the market from a Chidziva Tobacco Processors perspective. Chidziva Tobacco Processors and its employees accept no legal liability relating to the opinions and representations expressed in this document.