



## **Zimbabwe FCV Market Report 1**

**Monday 18<sup>th</sup>, May, 2020**

### **1.0 Crop Review - 2019:**

Despite the drought that ravaged Zimbabwe during the 2018/19 tobacco growing season, there was a record-breaking tobacco output of 259 466 539 kg.

2019 tobacco marketing season overall average price was at US\$2.03 per kg.

Overall, the value of tobacco sold in 2018/19 tobacco marketing season was US\$522.6m.

The estimated crop size for **2020 season** remains at 220 - 230 million kg.

### **2.0 CTP Contract Overview.**

The 2020 tobacco selling season officially kicked off on the 29<sup>th</sup> of April. Due to the Covid -19 pandemic and subsequent national lockdown the start has been slightly delayed.

The total volume sold to date of contracted tobacco is 14,825,691 kgs at an average of \$2.23.

Initial deliveries have been somewhat subdued as all stakeholders prepared and implemented the necessary measures to ensure that all safety precautions and policies related to Covid-19 were introduced. As things settle it is anticipated that deliveries will now increase on a weekly basis.

Staying with tradition CTP contract growers first deliveries mainly consisted of small scale primings and lugs. Few runs of cutters and upper stalk leaf were also on offer.

Most of the tobacco on offer was soft natured orange, with some mahogany styles showing an early appearance.

### **3.0 Market Synopsis**

Generally, demand is firm for all lower stalk offerings. Certainly, for this segment of the crop the demand is noticeably firmer compared to the same period @ 2019 season. The overall quality seen to date is showing that the lower stalk is mostly ripe and soft natured with a fair spread of live brown tobacco on offer, which is normal for the start of the season.

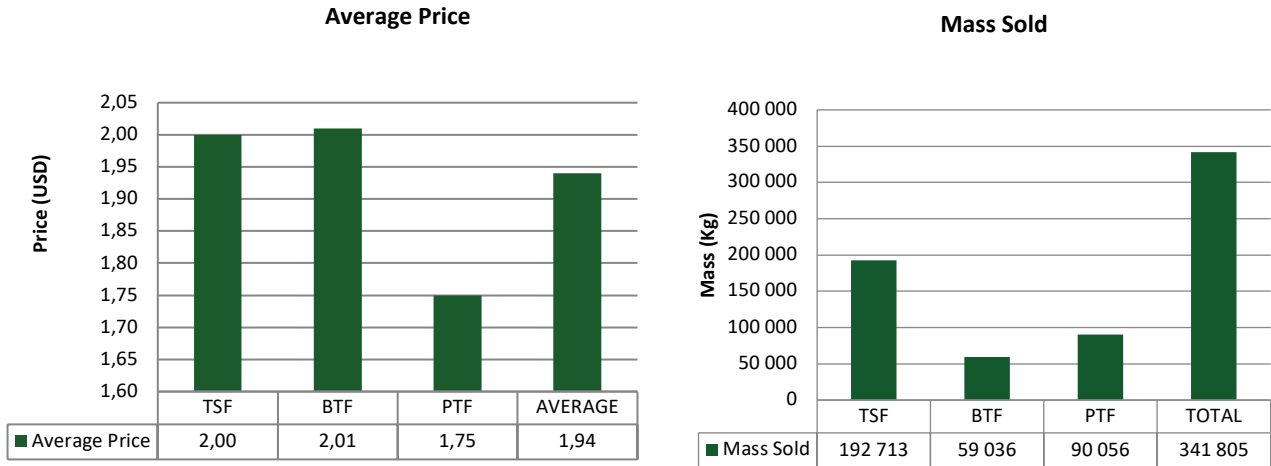
Leaf offerings were minimal and varied; what has been on offer largely consisted of lemon to orange medium standard qualities, with some showings of clean "J" and "K" medium to top qualities. No real pattern has been established pertaining to quality vs. demand for upper stalk. Within the next 10 selling days and as the

deliveries increase encompassing other areas/regions then a broader quality range will be seen and a clearer demand pattern will emerge, especially regarding the upper stalk plant position.

#### 4.0 Tobacco Auction Floors.

Tobacco Sales Floor (TSF), Boka Tobacco Sales Floor (BTF) and Premier Tobacco Sales Floor (PTF) are the three auction floors that have been registered to sell tobacco in the 2020 marketing season.

#### 4.1 Auction Averages.

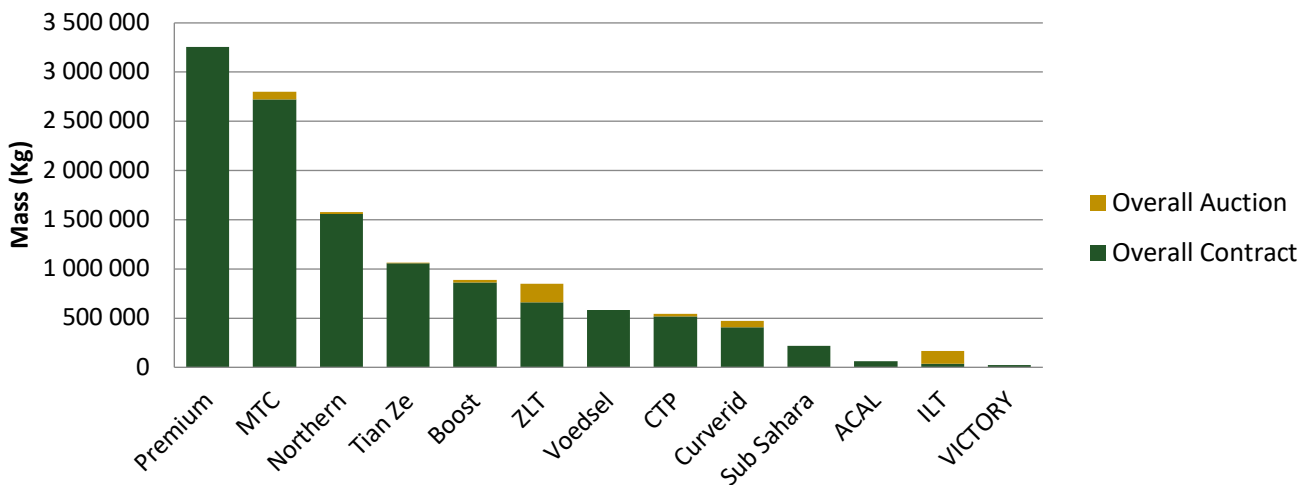


Average prices per floor

Mass sold per floor

As of Thursday, 14<sup>th</sup> May 2020 a total of 392 733 kgs at an average of \$1.97 across all auction floors.

#### 5.0 Contract and Auction Market Share per Company



## 6.0 Covid-19 Preventative Measures

All sales floor platforms are adhering to the Government/ TIMB COVID-19 preventative measures and guidelines.

In order to limit the number of people visiting the sales floors the Tobacco Industry and Marketing Board (TIMB) will only allow growers selling in excess of 100 bales per sale to attend the sale, whilst all other growers can have an individual representative to attend and witness their sales as a collective group.

Decentralisation of floors has been done by setting up selling points across all major tobacco growing areas in order to reduce congestion in Harare. However, deliveries will increase in Harare as the weeks progress.

**DISCLAIMER:** *The information provided in this document is merely intended for the use as an indicative opinion of the 2020 tobacco marketing season and statistics relating to the 2020 Zimbabwean tobacco marketing season. All descriptions and advice relating to the marketing season are subjective and should not be used other than for an insight from a Consolidated Tobacco Processors perspective. CTP and its employees accept no legal liability relating to the opinions and representations expressed in this document.*