





Contents:

1.0 Crop Review.....3

2.0 Commercial Growers.....4

2.1 Small Scale growers.....4

3.0 Auction Figures as at Day 12.....5

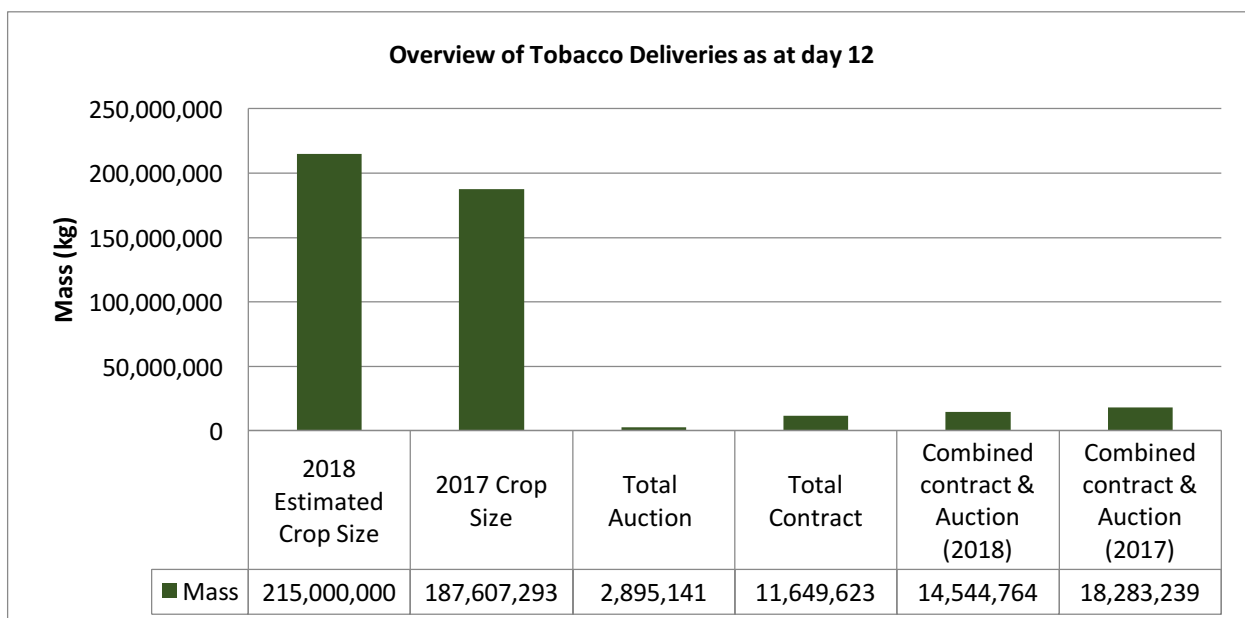
4.0 CTP Contract Overview.....6

4.1 Combined Auction and Contract Purchases per Merchant.....7

Zimbabwean FCV Market Report 10th of April 2018



1.0 Crop Review.



- Total crop production for the 2016/17 season was 187,607,293 kg.
- The estimated crop size for 2018 season remains at 215,000,000 Kg.
- Total crop sold to date (day 12) at the Auction floors is 2,895,141 kg.
- Total crop sold to date (day 12) at the Contract floors is 11,649,623 Kg.
- Auction floor deliveries constitute 20% of total tobacco deliveries to date.
- Contract floor deliveries constitute 80% of total tobacco deliveries to date.

The current volume delivered to date in the 2018 season is 14,544,764 kg which is 20% lower than the 2017 total of 18,283,239 at the same time.

The slower deliveries are attributed to farmers concentrating more on reaping, and grading hence we expect a rise in deliveries mid April.



2.0 Commercial Growers.

To date CTP contracted commercial deliveries are minor and have only contributed 16% of the total CTP contract deliveries.

The commercial crop on offer at the contract floor is characterized by lemon and orange lower stalk to middle stalk leaf of medium to good quality.

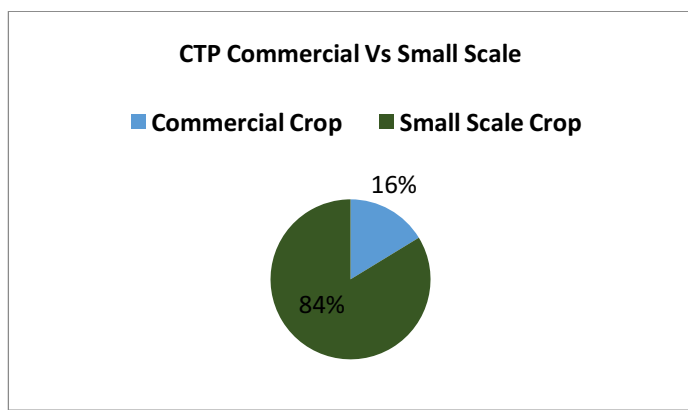
2.1 Small Scale Growers.

Small scale volumes are increasing each day as more farmers are completing field operations and grading.

The majority of the small scale crop that is on offer is from fast growing areas in Mashonaland West and Mashonaland Central. These areas had a fairly good growing season which saw them reaping their crop earlier. The crops from these areas are predominantly good quality orange to mahogany ripe styles of tobacco.

Slow growing areas in Manicaland have hardly begun deliveries. The few deliveries from these areas are from early planted irrigated crops and are characterized by lemon to light orange tobacco with light to heavy “K” and “J” styles.

The small scale crop on offer at the contract floor is dominated by lower to middle stalk leaf, with and a few runs of good quality moderately bodied “smoking” leaf.

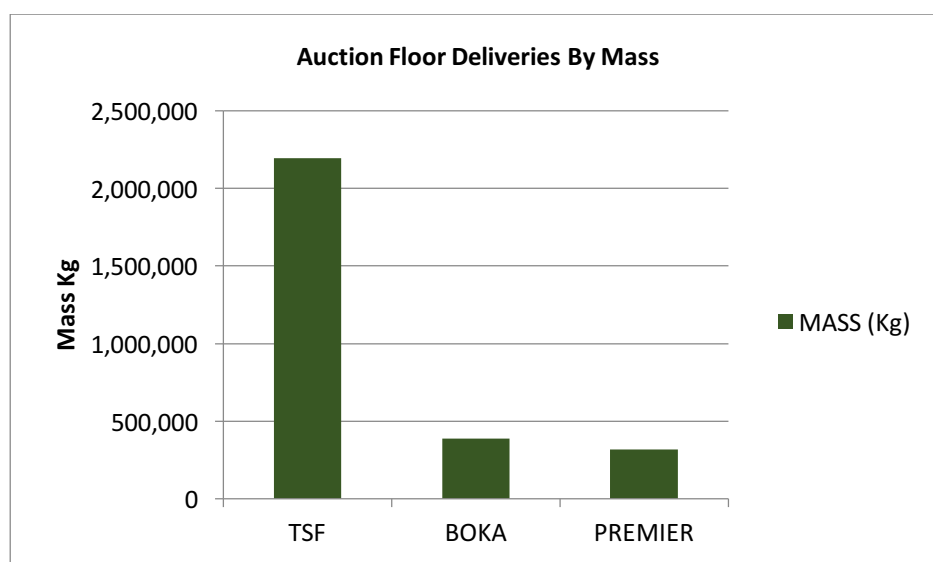




Over the period, the small scale crop has dominated the total purchases contributing 84% of the total purchases compared to 16% of the commercial crop.

3.0 Auction Figures as at Day 12.

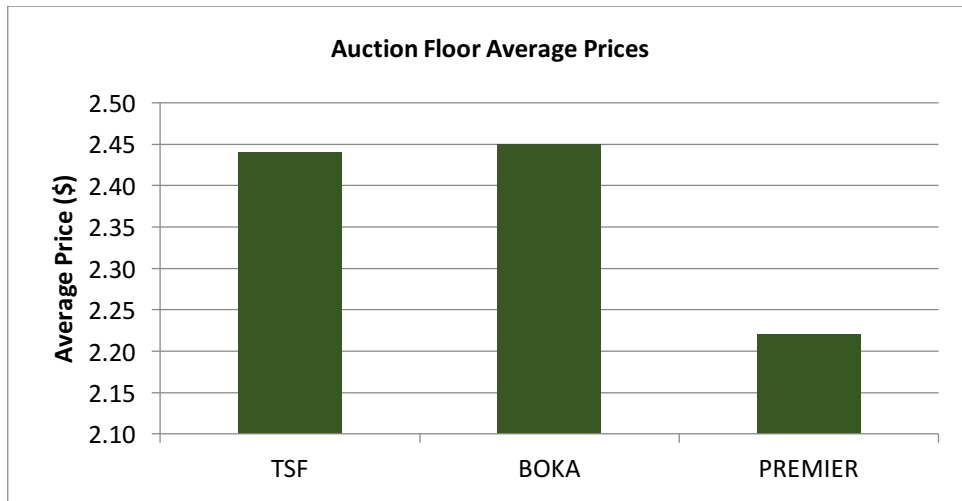
Seasonal	TSF	BOKA	PREMIER	Total Auction 2018
Mass (kg)	2,193,468	385,958	315,715	2,895,141
Avg. Price (US\$/kg)	2.44	2.45	2.22	2.42



3.1 Auction Floors.

TSF has been the market leader in terms of volumes sold as at day 12.

We are still in the preliminary stages of the marketing season and most deliveries are constituted by lower and middle stalk leaf of medium to good quality. There is an increased amount of upper stalk leaf, strips and loose leaf appearing.



Combined average price for the Auction market is \$2.42 compared to \$3,01 for the Contract floors as at day 12.

Generally, the current demand on the auction floors is relatively firm; prices for lower stalk tobaccos have been firmer than anticipated and we expect this trend to continue. As the buying season continues we are seeing some firming in the middle quality leaf area , whilst demand for top quality leaf, when available, remains firm as per the previous buying seasons.

1.04.0 CTP Contract Overview.

The deliveries from CTP contracted growers has been positive. Contracted tobaccos, volumes and quality delivered to date has been per our operational agronomy plan.

Volumes continue to rise gradually as most farmers are completing reaping and grading.

Currently, most of the crops on offer are from fast ripening areas which include Mashonaland central and Mashonaland west.

The crops on offer have been of a good standard, middle / top quality lower stalk and middle stalk leaf ranging from lemon to mahogany styles.

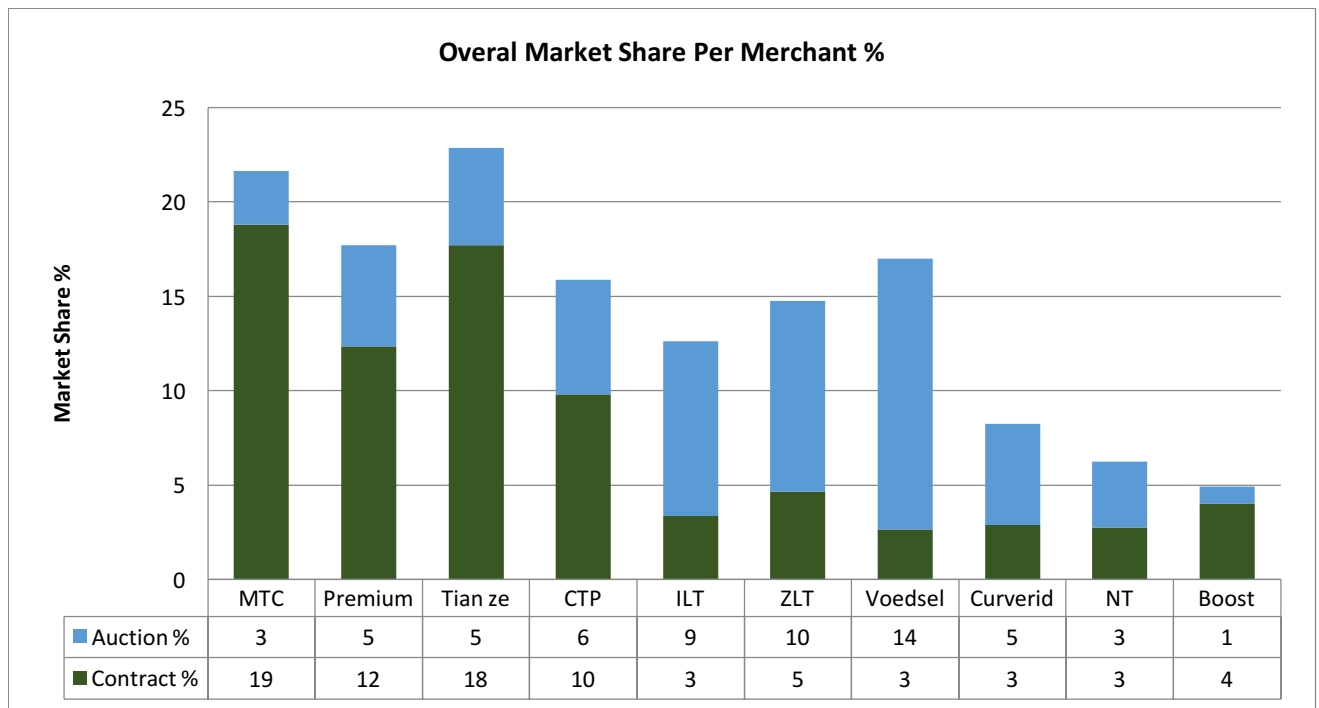


There have been few runs of good quality upper stalk leaf from irrigated crops and early planted dry land crops.



Insert 1: CTP Small Scale Contract Floor.

4.1 Combined Auction and Contract Purchases per Merchant.





Summary

Currently, tobacco purchases are less than the previous years' (2017) purchases by 20% in the same period as most farmers are still reaping and grading.

Contract tobacco farming continues to be the mainstay of the industry, to date 64% of the crop has been sold through the contract system.

Tobacco sales in all platforms are immensely on the rise as high market demand and low market supply have upheld the average prices.

The Contract floors have a higher average price of \$3.01 compared to \$2.42 at the Auction floors.

The marketing season is still in the early days and is dominated by lower end primings, lugs and cutters.

There have been few runs of upper end leaf and tips, of which prices fluctuate depending on quality. Top quality clean lemon/orange leaf on auction is fetching \$4.99.

Growers are enthusiastic with a US\$300 cash payment per sale, which was stipulated by the Central Bank of Zimbabwe. This will influence the rapid increase in deliveries. We expect the peak of purchases to be attained earlier than expected.

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 2018 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.