





Consolidated Tobacco Processors

Zimbabwe FCV Market Report No 5

1.0 Industry Highlights

Officially, the selling season ended on the 21st of September but a few final contract sales are still to sell. Currently the crop size stands at 182 million kgs and now apparent the national crop volume will fall short of the original estimations (220-230 million kgs) and mid-season revised target of 190 million kgs.

The 2019/20 market season has lasted approximately 100 days compared to 131 days in the 2018/19 season. Coupled with a shorter crop there were delays in the commencement of the marketing season due to Covid 19.

In general, the crop quality throughout the purchasing period was characterised by acceptable standard grades with very few droughty crops despite the dry spells experienced during the growing period.

In summary, tobacco farmers have earned US\$457 million after delivering 182 million kilograms of tobacco at an average price of US\$2.50 per kg during the course of the 2020 marketing season.

All growers have shifted attention from marketing and are now concentrating on tending of seedbeds and land preparation ahead of planting in September and October.

1.1 Covid-19 Impact

There are no cases of Covid-19 that have been reported at tobacco contract and auction floors since the marketing season began on April 29 as the new health protocols helped to keep the virus at bay.

In a major break from the past marketing seasons, tobacco auction floors were decentralised, which did not only eliminate congestion at the floors, but brought the market closer to the growers.

The recent relaxation of Covid 19 restrictions, have enabled growers to access their inputs in time for the next growing season.

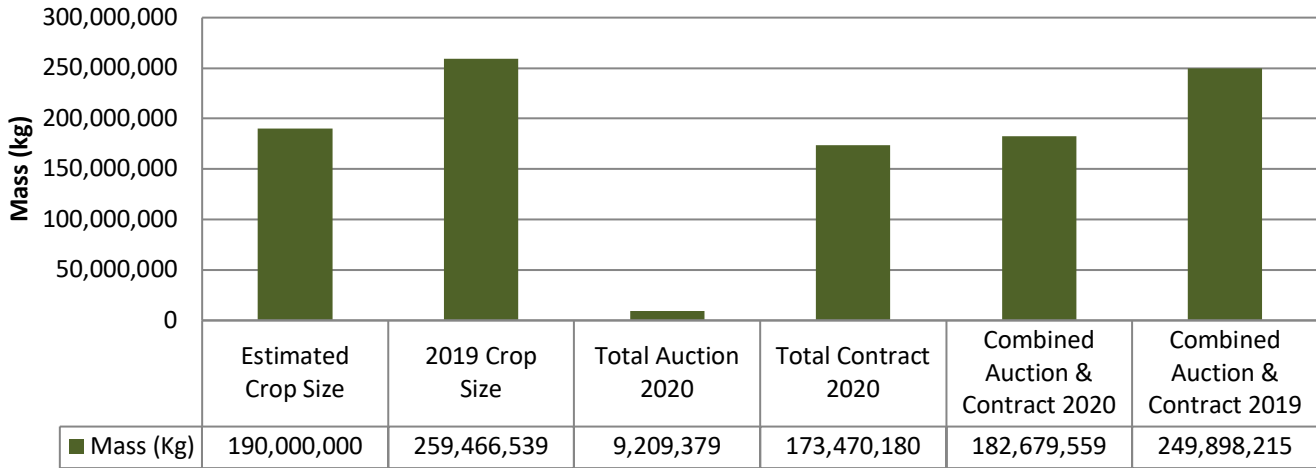
The daily infection rate has currently dropped to less than 20 recorded new infections per day.

2.0 Crop Volume

Auction sales closed at 9,209,379 kgs whilst 173,470,180 kgs were sold on Contract floors. Auction sales constitute 5 % and Contract 95 % of the volume as at day 100.

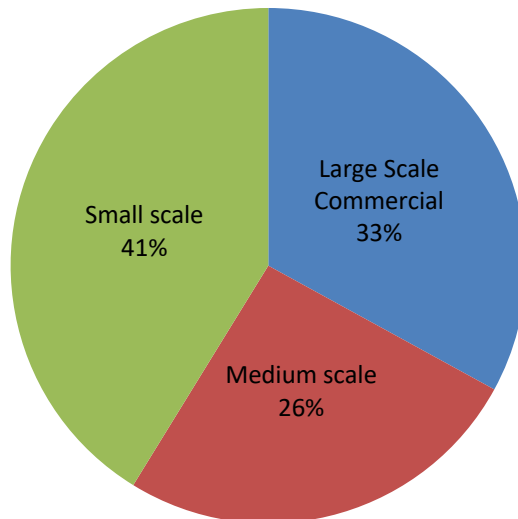


Overview of Tobacco Deliveries as at Day 100



2.1 Growers Performance by Mass

Small scale vs. Commercial



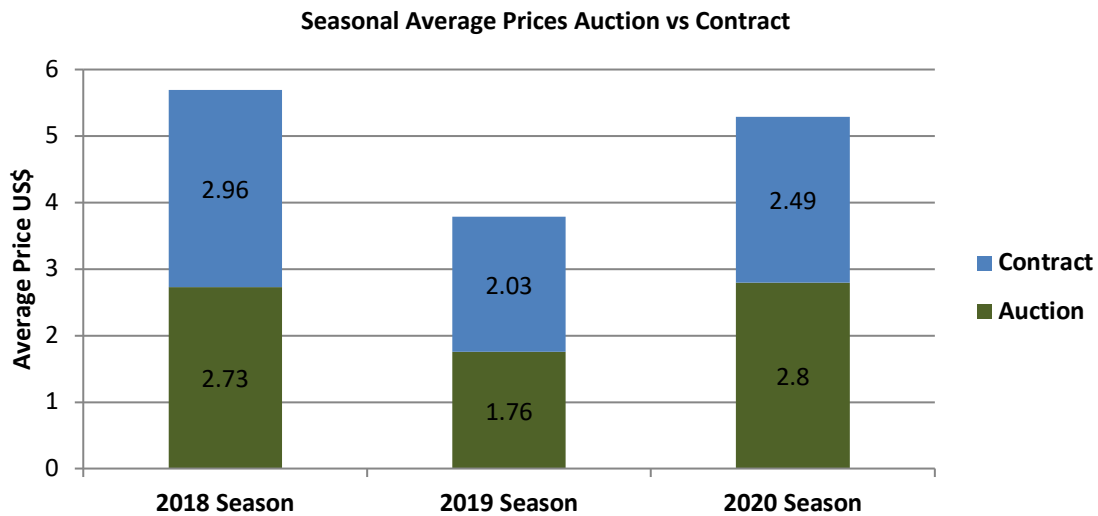
Small scale growers considered to be the mainstay of the industry sold the bulk of the crop 72,077,056 million kg equating to 41% of the total crop.

Large scale commercial growers despite producing better quality crops, delivered 60,059,666 million kg which is 33% of the national crop.

Medium scale growers delivered 47,006,445 million kg which constitutes 26% of the total crop.



2.2 Seasonal Price Review



It is evident that auction sales in the current season have fetched higher market prices than previous seasons driven by competition by buying companies on an unexpectedly smaller auction volume and reduced crop size.

Contract prices were also firm and competitive in comparison with the previous two seasons. The highest prices recorded were US\$4.99/kg for Auction floors and US\$6.20/kg on contract floors.

2.3 Seasonal Crop Quality

Group	Primings (P)	Lugs (X)	Cutters (C)	High Maturity Leaf (H)	Leaf (L)	Tips (T)	Others
2020 (%)	8.44	27.03	4.19	0.09	48	2.04	10.21
2019 (%)	5.24	20.55	4.20	0.05	56.8	2.01	11.15
2018 (%)	7.84	23.87	4.21	0.06	52.11	2.17	9.74

As usual, most of the crop throw in the 2020 marketing season was dominated by upper stalk leaf and lugs. In terms of quality, small scale growers predominantly produced ripe soft natured crops in regions unaffected by adverse weather while close grained "J" and "K" qualities were visible in drought affected areas.

In general, the appearance of the crop throughout the purchasing period was acceptable characterised by standard lemon to deep orange grades.



3.0 Auction

The combined volume sold on the auction market is 9,209,379 kgs at an average \$2.80 p/kg and 173,470,180 kgs at an average of \$2.49 sold on contract floors.

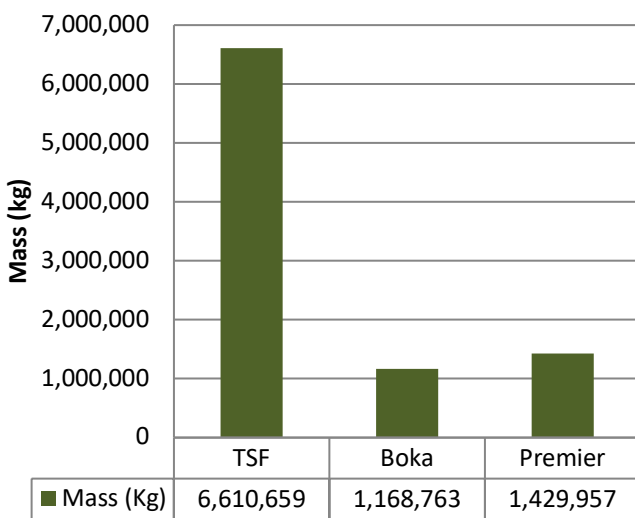
Auction Figures as at Day 100

	TSF	BOKA	PREMIER	Total Auction 2020
Mass (kg)	6,610,659	1,168,763	1,429,957	9,209,379
Avg. Price (US\$/kg)	2.86	2.60	2.67	2.80

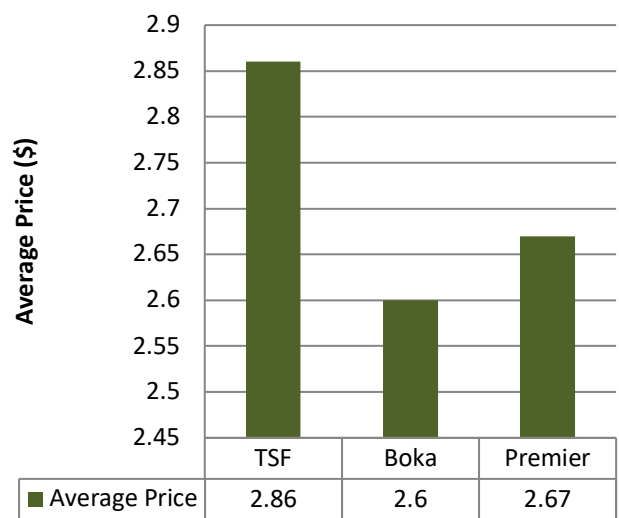
TSF led all auction sales by volume and average price having secured 72% of total auction sales at an average price of \$2.80.

TSF at 6.6 million kgs were 73% below prior year owing to the smaller tobacco crop and decentralized rural markets. However, the firm still holds the largest market share in the Auction segment and has the highest seasonal average price.

Auction Floor Deliveries By Mass

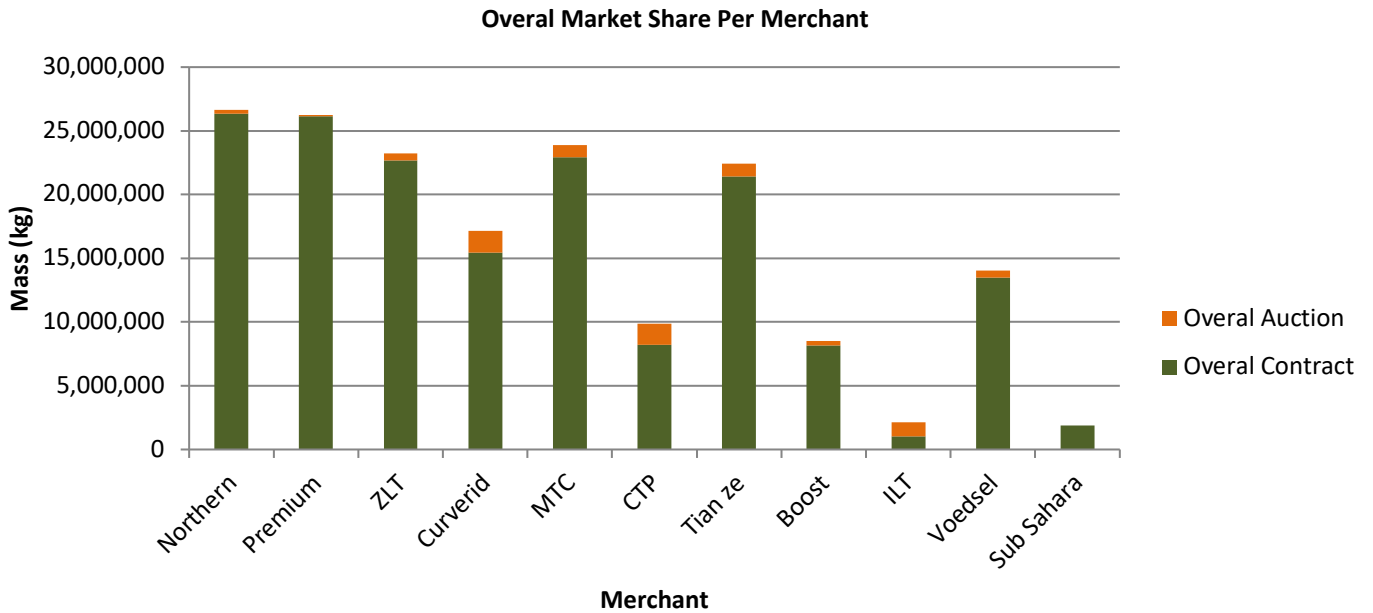


Auction Average Prices





3.1 Auction and Contract FCV Sales



4.0 Contract

4.1 Commercial Growers

Land preparation and seedbed preparation have been concluded throughout all commercial growers. Seedbed condition shows fair to good performance with no evidence of diseases. Transplanting of irrigated crops began on 1 September and to date about +/- 5% of the irrigated crop has been planted. Crop development in the field is of a fair to good standard so far.



Commercial Float Tray Seed Beds



4.2 Small Scale Growers

Land preparation is in progress while seedbed sowing is complete among the small scale growers. In general, seedbeds are showing good germination with no disease incidence.



Small Scale Conventional Seed Beds

5.0 CTP Contract Overview

CTP has timeously contracted farmers for the 2020/21 season to meet its volume targets. Farmers have been contracted from good growing areas namely Mashonaland West, Mashonaland East, Manicaland and Mashonaland Central.

Inputs were timeously distributed to farmers, these included seedbed packs, fertilizers and chemicals. Currently CTP' Field Officers are hard at work with contracted growers ensuring Good Agricultural Practices are being adhered to. This agronomic technical support and monitoring will continue for the entire season, considering any changes in the weather pattern. Reforestation and awareness in this regard remains high priority for CTP and their growers. The Sustainable Afforestation Association forms part of this and growth of this sector continues.

5.1 Seed Sales

		As at 15/09/19	Hectares	As at 11/09/20	Hectares
ZTSA	Flue Cured	133,600	22,267	119,025	19,838
TRB	Flue Cured	603,743	100,624	816,778	136,130
	Total FC (g)	737,343	122,891	935,803	155,967

Source: TIMB Weekly Bulletin



Tobacco seed sales for the 2020/21 cropping season has increased by 27% to 935,803 kgs covering 155 967 hectares. Transplanting of the irrigated crop has begun across most commercial growers.

6.0 Summary

The national crop size has dropped by 27 % from a record 259 million kg last year to 182 million kg in the current season.

Small scale growers have been the mainstay of the industry having sold the bulk of the crop 72,077,056 million kg equating to 41% of the total crop.

Land preparation and seedbed sowing are in progress throughout all growers. Seedbed condition shows fair to good performance with no evidence of diseases.

The combined volume sold on the auction market is 9,209,379 kgs at an average \$2.80 p/kg and 182,679,215 kgs at an average of \$2.49 sold on contract floors.

In terms of quality, most of the crop throw in the 2020 marketing season was dominated by upper stalk leaf and lugs of medium to good quality.

Seed sales have increased by 27% as at 11 September 2020 raising optimism of a sizeable 2020/21 season.

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