



Zimbabwe FCV Market Report 2021

No 1 – 15 April

1.0 Crop Review:

Despite the drought that ravaged Zimbabwe during the 2019/20 tobacco growing season, there was a reasonable tobacco output of 184 million kg worth US\$522.6 million at an average price of US\$2.50 per kg.

Good rains coupled with consistent availability of inputs to growers prompted a decent set off for the 2020/21 season.

The estimated crop size for 2021 has been pegged at +-200 million kgs.

2.0 General Crop Overview.

The 2021 tobacco selling season officially kicked off on the 7th of April. Initial deliveries have been impressive across all sales floors across the country. In addition to this there has been no delays due to suitable adherence to the regulations and precautions pertaining to Covid-19, unlike the previous season.

We expect these excessive sales volumes to continue at this rate and will maintain for the next 2 months as growers become more conscious of payment modalities, market prices etc., which will inevitably have majority of the crop purchased within the next 3 months.

During the first marketing week, offerings mainly consisted of small scale irrigated and dry land lower and middle stalk primings, lugs and cutters. A few runs of upper stalk leaf have also been on offer.

Comparing this crop quality vs previous seasons: it is apparent that this crop is generally softer natured and initially throwing riper lemon to full orange styles with very few runs of ripe smoking leaf, which is expected at this early stage.

The quality seen for all small holder tobacco across the auction floors is similar to that of contract. Whilst the contract has stabilised early the initial demand on the auction is firm and mainly attributed to certain contract growing merchants buying directly or via 3rd party buyers on the auction floors.

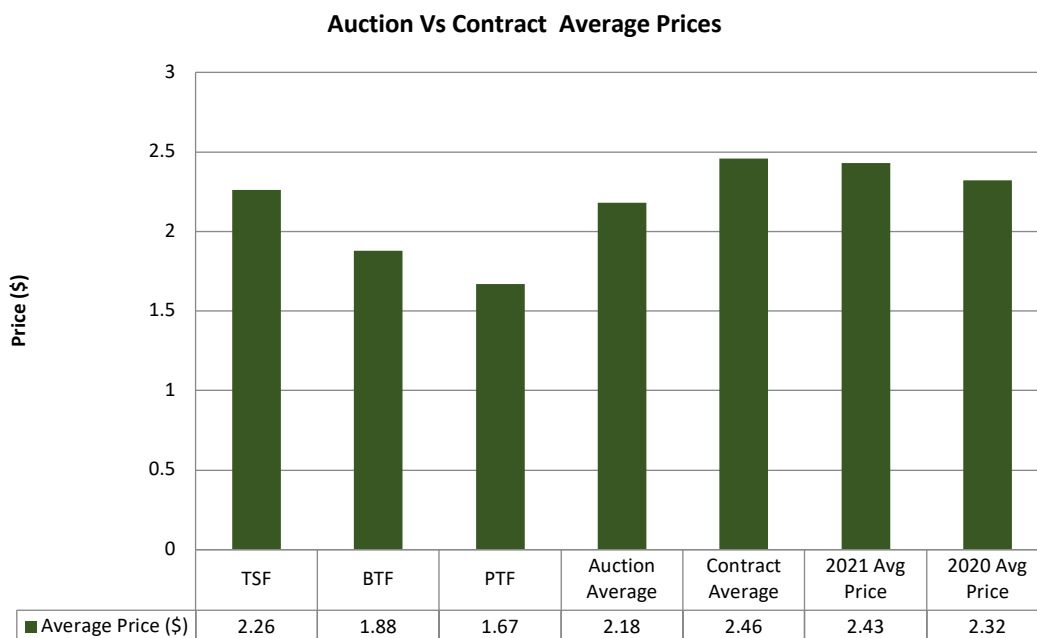
3.0 Auction Overview.

Apart from day 1 the prices of the lower end primings, lugs and cutters were very firm and comparable to last season. We anticipate more competitive and firm pricing of the lower end offerings as merchants compete for these tobacco styles.

Upper end leaf prices have firmed earlier than the previous season hence escalating the market average price. A top price of \$4.99 was attained on the main auction floor whilst a one off \$6.20 was paid at a Contract floor for first quality upper stalk leaf. Demand on the 2 other remaining auction is seemingly lower.

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 2021 marketing season.

3.1 Auction vs. Contracts Sales.

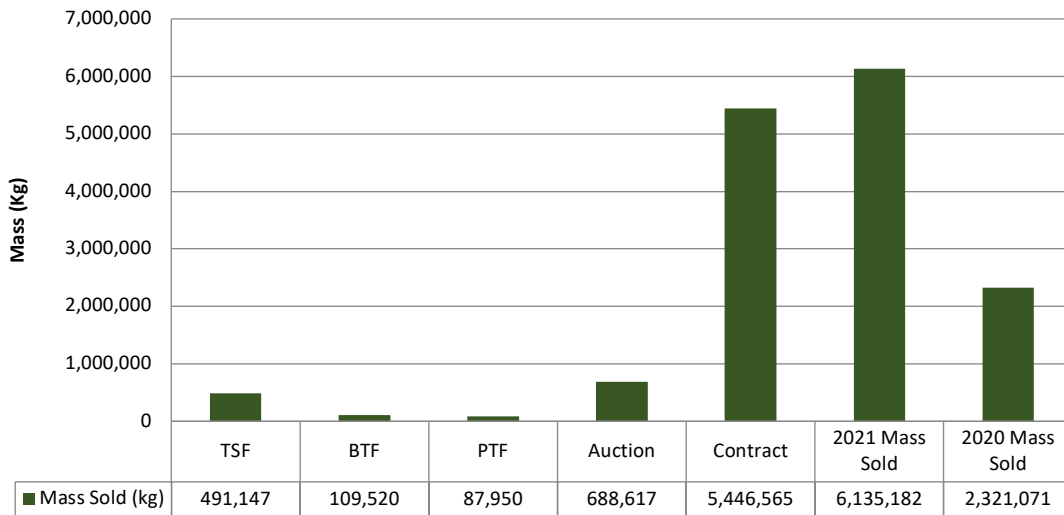


Average prices per floor.

The average price at TSF was higher compared to the rest of the auction floors and contract floors as shown in the chart.

The current industry price average for the crops on offer is 11 US cents higher than the previous season at the same time which is largely due to improved crop quality.

Auction vs Contract Mass Sold



Mass sold per floor.

Contract floors combined have sold more bales equally selling more volume than auction floors combined as shown in the chart.

The mass sold on all floors combined, has also surpassed the previous season at the same time.

4.0 CTP CONTRACT OVERVIEW.

The deliveries from CTP contracted growers were good this first week of the marketing season.

Most growers are completing their grading hence we anticipate volumes to continuously rise as the marketing season progresses.

The crops on offer have been soft natured middle to top quality lower stalk and middle stalk leaf ranging from lemon to full orange styles with a few runs of good standard, wholesome upper stalk leaf appearing early.

“K” and “J” styles have been less prevalent in the current crop attributed to good rains received during the growing season, in addition to this an apparent reduction of “V” and “G” tobaccos are on offer.

5.0 Covid-19 and

Amid the relaxation of the Covid 19 restrictions, the government has relaxed travel restrictions for growers to market their crops at any marketing location of their choice unlike the previous season where only representatives were allowed to sell tobacco on behalf of growers.

Decentralization of floors has also been maintained as in the previous season as more selling points have been set up across all major tobacco growing areas.

At the entrance of all selling points strict check protocols are being followed and all stakeholders are screened before entering the floors as in the previous season.

Face masks, hand sanitizers and disinfectant sprays/mist showers have been implemented and made available for all stakeholders participating in the selling of tobacco at all the floors.

DISCLAIMER: The information provided in this document is merely intended for the use as an indicative opinion of the 2021 tobacco marketing season and statistics relating to the 2021 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.