



Chidziva Tobacco Processors



Zimbabwe Crop Report 10 March 2015 Week 1





Week 1 - Zimbabwean FCV market Report

SEASONAL AUCTION FIGURES UP TO 10.03.15 (DAY 5)

Seasonal	TSF	BTF	PTF	Total Auction 2015	Total Auction 2014	Percent Change %
Mass sold(kg)	593,639	409,031	227,822	1,230,492	1,874,357	-34.35%
Value(US\$)	963,107	631,296	329,976	1,924,379	4,514,088	-57.37%
Avg.price US\$/kg	1.62	1.54	1.45	1.56	2.41	-35.06%
Rejected %	16.61%	18.46%	26.18%	19.18	9.28	106.70%
Bales laid	10,590	7,524	4,667	22,781	29,169	-21.90%
Bales Sold	8,831	6,135	3,445	18,411	26,462	-30.42%
Rejected Bales	1,759	1,389	1,222	4,370	2,707	61.43%
Avg. Bale Weight (kg)	67.2	66.7	66.1	66.8	70.8	-5.64%

Auction Floors:

- As the season begins offerings on the floor are dominated by priming's and lugs, with inconsistent amounts of cutters and leaf appearing although these styles will increase slightly as the season progresses. This years crop on Auction seems very similar to the 2014 crop despite the irregular rains that occurred between December and January.
- In these early stages of buying the market still seems to be finding stability. Overall the price is lower than last year showing almost \$1.00 decrease on the average price with lower to middle quality lugs fetching \$0.80c less than last year. The middle quality cutters are generally \$0.50c- \$1.50 cheaper than the previous season. The top quality leaf has stayed firm and is similar to last year, fetching between \$4.00 and \$4.99 due to the strong appetite from merchants for bodied and matured leaf.
- There has been a 34.35% percent decrease in volume sold this season compared to this time last season. We have also seen the average price decrease this year, for the current week it stands at \$1.55/kg, in comparison to last years \$2.41. This, we believe, is due to the uncertain global stock positions and the over production of FCV in general. It is very early, however, the crop on the Auctions seems to be of similar quality when compared with 2014. Taking into consideration the average price being lower than last year, the early signs are of good value tobacco on the auction market.

SEASONAL CONTRACT FIGURES PER COMPANY AS OF 10.03.15 (DAY 5)

COMPANY	Mass sold (kg's)	Value \$US	Ave Price \$US	Rejection %	Bales Laid	Bales Sold	Rejected Bales	Ave bale Weight (kg' s)
CHIDZIVA	26,105	47,361	1.81	6.99	386	359	27	73
TIAN ZE	537,419	1,988,891	3.70	8.48	5,462	4,999	463	108
ZLT	48,975	85,273	1.74	7.88	698	643	55	76
NORTHERN	18,757	32,812	1.75	11.44	271	240	31	78
TOTAL CONTRACT 2015	631,256	2,154,338	3.41	8.45	6,817	6,241	576	101
TOTAL CONTRACT 2014	1,076,020	3,269,586	3.04	6.94	14,255	13,265	990	81
PERCENTAGE CHANGE %	-41.33%	-34.11%	12.31%	21.66%	-52.18%	-52.95%	-41.82%	24.69%

Contract Buying Floor Quality Styles and Offerings:

As we start off the season on the contract market we notice a decrease in deliveries of 41.33% compared to the same time frame in 2014 which equated to \pm 450,000 kg' s sold. We feel this delay is related to the delayed growth of crop due to the late and irregular rains.

Another contributing factor to consider for the delay could be related to the news of lower prices therefore prompting growers to consider holding back deliveries in anticipation of perceived increases later in the season.

The average price for contracted tobacco for the first week this year is \$3.41 - compared to \$3.04 in 2014. This particular increase and differential in price is predominantly due to one specific merchant having purchased a significant quantity of tobacco from large scale growers, this tobacco is traditionally better in quality. These specific leaf deliveries are unprecedented at this time of year in the marketing cycle. Once more quantities are marketed in the coming weeks the averages will fall in line with the prices for the equivalent styles on the auction floor.

The majority of tobacco that has been received in this opening week has been lower stalk with occasional runs of leaf and cutters. The sporadic deliveries of leaf and cutters that have been received from both large and small scale farmers, although small in volume and early in the crop, these have been of exceptional quality and this is showing a lot of promise for the rest of the seasons. These styles are wholesome with body, oil and good cutting qualities.

The deliveries have also shown an improvement in presentation as a whole. This improvement illustrates that farmers are adhering to the specific instructions given to the grower by CTP agronomy during the growing season. Growers are aware of the required presentation standards and the zero tolerance of inorganic NTRM enforced by CTP. Although there is still room for improvement, a considerable amount has been done by the farmer to improve the integrity of the product. These improvements will eventually fall into line with our expectations in regard to the high standard that is expected from CTP growers.





PRICE TRENDS RELATING TO STYLES BEING OFFERED ON AUCTION AND DIRECT CONTRACT

Price indications (US\$/KG)	Week 1
Low quality Priming's(4 th and 5 th)	\$0.20 - \$0.50
Middle quality Priming's (2 nd and 3 rd)	\$0.50 – \$0.80
Good quality Priming's(1 st and 2 nd)	\$0.80 - \$1.20
Middle quality Cutters (2 nd and 3 rd)	\$1.50 - \$3.00
Good quality Cutters (1 st)	\$3.00 - \$4.20
Low quality leaf (4 th and 5 th)	\$1.20 - \$1.70
Middle quality Leaf (2 nd and 3 rd)	\$2.20 - \$4.20
Good quality leaf (1 st)	\$4.20 - \$4.99





Offerings of the different styles on CTP contract floor

Below Insert: CTP contract floor opening day



Below insert: 2nd quality lemon lugs on offer



Below Insert: First quality lemon cutters on offer



Below Insert: First quality orange Leaf on offer



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 2014 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.