



# CHIDZIVA TOBACCO PROCESSORS (PRIVATE) LIMITED





# Week 10 - Zimbabwean FCV market Report

## SEASONAL AUCTION FIGURES UP TO 13/05/15 (DAY 48)

| Seasonal             | TSF        | BTF        | PTF        | Total Auction 2015 | Total Auction 2014 | Percent Change % |
|----------------------|------------|------------|------------|--------------------|--------------------|------------------|
| Mass sold(kg)        | 14,541,487 | 9,641,728  | 7,487,685  | 31,670,900         | 32,346,402         | -2.09%           |
| Value(US\$)          | 37,591,665 | 22,857,671 | 18,301,325 | 78,750,660         | 92,380,269         | -14.75%          |
| Avg.price US\$/kg    | 2.59       | 2.37       | 2.44       | 2.49               | 2.86               | -12.94%          |
| Rejected %           | 12.52%     | 16.01%     | 18.00%     | 14.95              | 8.95               | 67.11%           |
| Bales laid           | 227,315    | 165,228    | 123,383    | 515,926            | 522,781            | -1.31%           |
| Bales Sold           | 198,845    | 138,780    | 101,180    | 438,805            | 476,017            | -7.82%           |
| Rejected Bales       | 28,470     | 26,448     | 22,203     | 77,121             | 46,764             | 64.92%           |
| Avg.Bale Weight (kg) | 73         | 69         | 74         | 72                 | 68                 | 6.21%            |

### Auction Floor Quality, Styles and Offerings:

•As the season continues, the offerings on the auction floors are naturally dominated by leaf and cutters with occasional runs of lugs and priming's still being seen, although we notice these styles are slowly fading away. With the increase in leaf and cutters coming in, our thoughts on this years crop are confirmed, it is indeed a riper crop than last years, this is largely due to the late rains.

•The overall average price still remains lower than last year, with lower to middle quality lugs fetching +/- 0.80c less than 2014 as well as the middle quality cutters being 50c - \$1.00 cheaper than the previous season. The top quality leaf is however still firm equating to last years values. These styles are fetching between \$4.00 and \$4.99.

The average price still remains down this year at \$2.49/kg, compared to last years \$2.8/kg at the same period. In general the crop seems to be of better quality and with the average price being lower than last year, some reasonable tobacco is on offer across all sales floors.

•Week 10 we have seen a decrease in delivery volumes relating a decrease of 2,09 % in comparison to the same period last year. This confirms that the irregular rains forced a delayed start for the farmers .



## SEASONAL CONTRACT FIGURES PER COMPANY AS OF 13/05/15 (DAY 48)

| COMPANY                    | Mass sold (kg's)  | Value \$US         | Ave Price \$US | Rejection %   | Bales Laid     | Bales Sold     | Rejected Bales | Ave bale Weight (kg' s) |
|----------------------------|-------------------|--------------------|----------------|---------------|----------------|----------------|----------------|-------------------------|
| MTC                        | 13,998,786        | 39,257,709         | 2.80           | 3.74          | 215,929        | 207,861        | 8,068          | 67                      |
| TIAN ZE                    | 12,546,319        | 48,378,096         | 3.86           | 4.12          | 120,102        | 115,149        | 4,953          | 109                     |
| NORTHERN                   | 11,370,222        | 40,510,141         | 3.56           | 11.38         | 132,158        | 117,122        | 15,036         | 97                      |
| ZLT                        | 8,931,838         | 26,795,680         | 3.00           | 6.77          | 109,833        | 102,396        | 7,437          | 87                      |
| CHIDZIVA                   | 5,730,555         | 14,515,961         | 2.53           | 5.51          | 81,918         | 77,404         | 4,514          | 74                      |
| BOOSTAFRICA                | 5,361,697         | 14,058,227         | 2.62           | 2.80          | 73,843         | 71,772         | 2,071          | 75                      |
| TRIBAC                     | 4,785,439         | 13,676,634         | 2.86           | 3.82          | 58,841         | 56,596         | 2,245          | 85                      |
| CURVERRID                  | 4,114,750         | 12,178,433         | 2.96           | 1.16          | 50,921         | 50,332         | 589            | 82                      |
| GOLDEN LEAF                | 2,071,200         | 5,969,691          | 2.88           | 0.00          | 24261          | 24,261         | 0              | 85                      |
| TSL CLASSIC                | 1,569,012         | 4,557,305          | 2.90           | 9.36          | 16,383         | 14,849         | 1,534          | 106                     |
| SHASHA                     | 720,625           | 2,297,521          | 3.19           | 1.89          | 7655           | 7510           | 145            | 96                      |
| VOEDEL                     | 406,931           | 1,058,103          | 2.60           | 0.00          | 4,800          | 4,800          | 0              | 85                      |
| MIDRIVER                   | 404,856           | 1,191,628          | 2.94           | 4.57          | 4046           | 3,861          | 185            | 105                     |
| PREMIER                    | 313,595           | 832,705            | 2.66           | 2.12          | 4,189          | 4,100          | 89             | 76                      |
| ILT                        | 283,346           | 883,636            | 3.12           | 0.00          | 3189           | 3189           | 0              | 89                      |
| MAXLUCKY                   | 262,456           | 738,792            | 2.81           | 12.71         | 3509           | 3,063          | 446            | 86                      |
| <b>TOTAL CONTRACT 2015</b> | <b>72,871,627</b> | <b>226,900,262</b> | <b>3.11</b>    | <b>5.19</b>   | <b>911,577</b> | <b>864,265</b> | <b>47,312</b>  | <b>84</b>               |
| <b>TOTAL CONTRACT 2014</b> | <b>74,843,854</b> | <b>251,655,056</b> | <b>3.36</b>    | <b>3.78</b>   | <b>977,800</b> | <b>940,794</b> | <b>37,006</b>  | <b>80</b>               |
| <b>PERCENTAGE CHANGE</b>   |                   |                    |                |               |                |                |                |                         |
| <b>%</b>                   | <b>-2.64%</b>     | <b>-9.84%</b>      | <b>-7.40%</b>  | <b>37.14%</b> | <b>-6.77%</b>  | <b>-8.13%</b>  | <b>27.85%</b>  | <b>5.99%</b>            |

### Contract Buying Floor Quality Styles and Offerings:

•On completion of week 10 we see a significant amount of tobacco that has been delivered and bought on the contract sales by many different companies, even though it equates to a decrease of 2.64%,the difference has decreased by 3 % compared to 4 weeks ago. The deliveries are still a notable quantity for this specific period in the selling season considering a large percentage of farmers are still grading due to the delayed start of the growing season.

•There is evidence of better styles continues, with tobacco regularly seen over the selling days having body, oil and structure resulting in good yielding and cutting qualities. The increased body and firmness of the crop has resulted in chemistries being higher than 2014 for the equivalent styles, recent trial runs have confirmed this. This is pleasing and rewarding regarding the merchants efforts associated with agronomy and general agricultural practices.

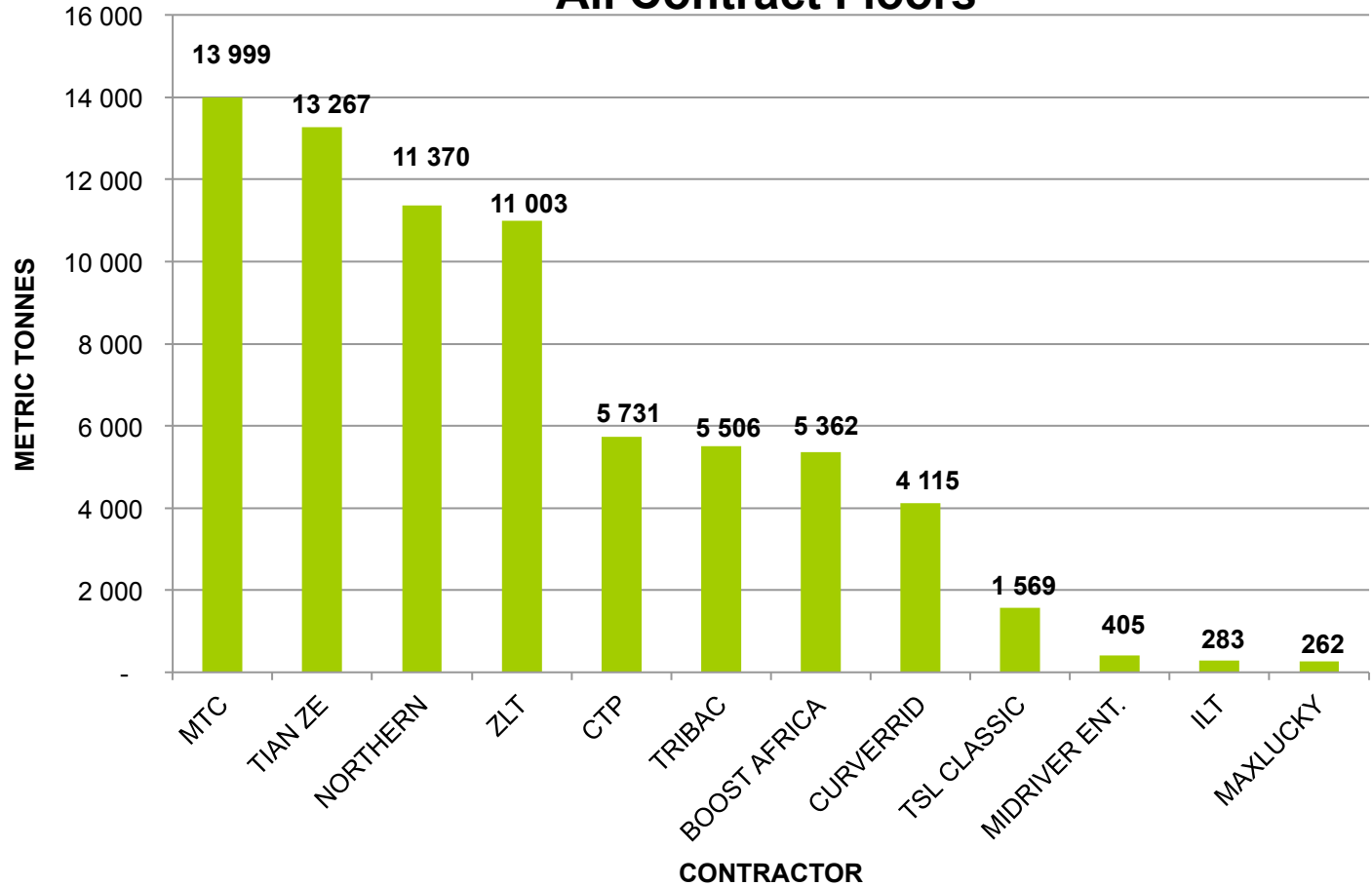
•We have seen a decrease in average price of 7.40% recently in comparison to the same time last year, the seasonal average now sits at \$3.11 compared to \$3.35 for the same period in 2014. Although this said, the 2015 seasonal average has improved over the past few weeks due to lugs and cutters slowly fading away and we see more frequent deliveries of good quality leaf. The bodied good quality leaf prices remain similar to last year, fetching prices between \$4.00 and \$6.25 with a strong appetite from the merchants for long wholesome and top quality Leaf.



# ALL MERCHANTS SEASONAL CONTRACT PURCHASES TO DAY 48 13/05/15



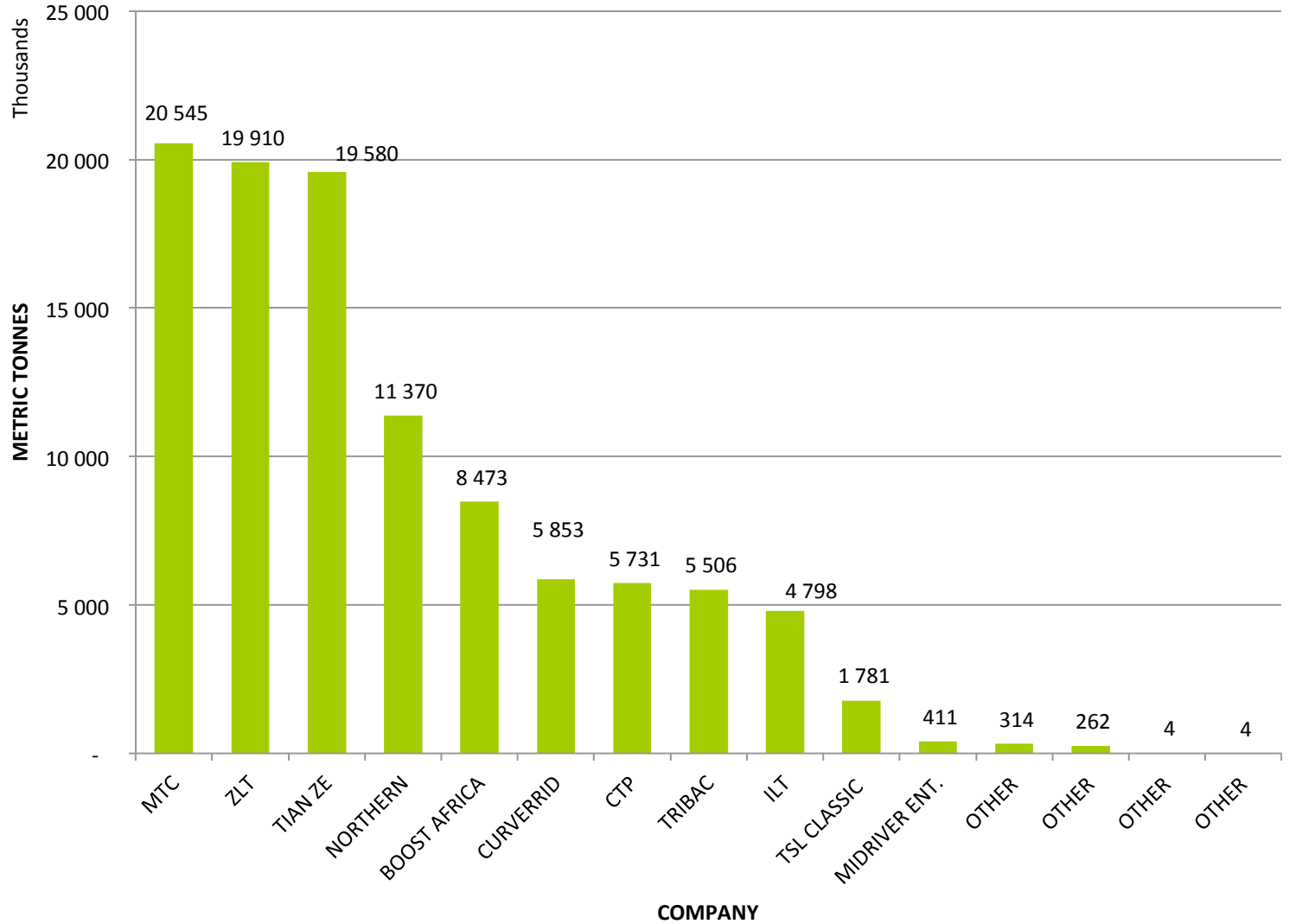
## All Contract Floors





# ALL MERCHANTS COMBINED AUCTION AND CONTRACT SEASONAL PURCHASES

## ALL FLOORS COMBINED





## SEASONAL BUYERS PERCENTAGES PER COMPANY AS OF 13/05/15

|                     | <b>TSF %</b> | <b>BOKA %</b> | <b>PREMIER %</b> | <b>COMBINED AUCTION %</b> | <b>CONTRACT %</b> | <b>COMBINED AUCTION AND CONTRACT %</b> |
|---------------------|--------------|---------------|------------------|---------------------------|-------------------|--|
| <b>MTC</b>          | 19.95        | 19.92         | 19.92            | 19.82                     | 19.13             | 19.34                                  |
| <b>ZLT</b>          | 27.65        | 28.21         | 24.36            | 27.06                     | 15.24             | 19.01                                  |
| <b>TIAN ZE</b>      | 18.42        | 22.12         | 21.28            | 20.02                     | 18.89             | 18.97                                  |
| <b>NORTHERN</b>     | -            | -             | -                | -                         | 16.52             | 11.25                                  |
| <b>BOOST AFRICA</b> | 8.50         | 10.79         | 9.98             | 9.54                      | 7.66              | 8.26                                   |
| <b>CTP</b>          | -            | -             | -                | -                         | 8.58              | 5.84                                   |
| <b>CURVERRID</b>    | 7.25         | 6.05          | -                | 5.21                      | 5.90              | 5.67                                   |
| <b>TRIBAC</b>       | -            | -             | -                | -                         | 7.70              | 5.25                                   |
| <b>ILT</b>          | 12.32        | 12.44         | 18.12            | 13.69                     | 0.34              | 4.60                                   |
| <b>TSL CLASSIC</b>  | 0.20         | 0.75          | 0.05             | 0.54                      | 2.30              | 1.73                                   |
| <b>MIDRIVER</b>     | -            | 0.06          | -                | 0.02                      | 0.53              | 0.37                                   |
| <b>MAX LUCKY</b>    | -            | -             | -                | -                         | 0.38              | 0.26                                   |



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

| Price indications (US\$/KG)                                     | Week 10         |
|---|-----------------|
| Low quality Priming's(4 <sup>th</sup> and 5 <sup>th</sup> )     | \$0.20 - \$0.50 |
| Middle quality Priming's (2 <sup>nd</sup> and 3 <sup>rd</sup> ) | \$0.50 – \$0.80 |
| Good quality Priming's(1 <sup>st</sup> and 2 <sup>nd</sup> )    | \$0.80 - \$1.20 |
| Middle quality Cutters (2 <sup>nd</sup> and 3 <sup>rd</sup> )   | \$1.50 - \$3.00 |
| Good quality Cutters (1 <sup>st</sup> )                         | \$3.00 - \$4.20 |
| Low quality leaf (4 <sup>th</sup> and 5 <sup>th</sup> )         | \$1.20 - \$1.70 |
| Middle quality Leaf (2 <sup>nd</sup> and 3 <sup>rd</sup> )      | \$2.20 - \$4.20 |
| Good quality leaf (1 <sup>st</sup> )                            | \$4.20 - \$6.25 |

**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 2015 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.*

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