



CHIDZIVA TOBACCO PROCESSORS (PRIVATE) LIMITED





Week 13 - Zimbabwean FCV market Report

SEASONAL AUCTION FIGURES UP TO 05/06/15 (DAY 64)

| Seasonal | TSF | BTF | PTF | Total Auction 2015 | Total Auction 2014 | Percent Change % |
|----------------------|------------|------------|------------|--------------------|--------------------|------------------|
| Mass sold(kg) | 19,532,339 | 12,338,232 | 8,744,749 | 40,615,320 | 43,670,028 | -6.99% |
| Value(US\$) | 49,677,154 | 29,726,860 | 21,248,863 | 100,652,878 | 121,042,807 | -16.85% |
| Avg.price US\$/kg | 2.54 | 2.41 | 2.43 | 2.48 | 2.77 | -10.59% |
| Rejected % | 12.88% | 15.57% | 18.99% | 15.07 | 10.43 | 44.51% |
| Bales laid | 307,029 | 208,898 | 144,820 | 660,747 | 704,798 | -6.25% |
| Bales Sold | 267,479 | 176,376 | 117,315 | 561,170 | 631,298 | -11.11% |
| Rejected Bales | 39,550 | 32,522 | 27,505 | 99,577 | 73,500 | 35.48% |
| Avg.Bale Weight (kg) | 73 | 70 | 75 | 72 | 69 | 4.63% |

Auction Floor Quality, Styles and Offerings:

- At this stage of the marketing season the offerings on the auction floors are naturally dominated by leaf and cutters with the very seldom occurrence of lugs and priming's. As one would expect, the percentage of 3rd to 4th quality leaf deliveries is generally high, as farmers are nearing the end of their selling season.
- The overall average price continues to remain lower than last year, with lower to middle quality lugs fetching +/- 0.80c less than 2014 as well as the middle quality cutters being 0.50c - \$1.00 cheaper than the previous year. The top quality leaf is still firm and relative to 2014. These styles are fetching between \$4.00 and \$4.99.
- During week 13 we have also seen a decrease in the delivered volume, relating to 6,99 % less tobacco if compared to the same selling day last year. The average price remains lower with this year price sitting at \$2.48/kg. For the same period in 2014 the average was \$2.77/kg.
- Regarding the quality of the auction crop – we are experiencing a very similar crop in character to 2014, however in general, the Nicotine percentages are for the most part higher comparing grade for grade. Considering the average price being lower than 2014 and the chemistries higher, we believe there is some reasonable value tobacco on offer across the sales.



SEASONAL CONTRACT FIGURES PER COMPANY AS OF 05/06/15 (DAY 64)

| COMPANY | Mass sold (kg's) | Value \$US | Ave Price \$US | Rejection % | Bales Laid | Bales Sold | Rejected Bales | Ave bale Weight (kg' s) |
|----------------------------|--------------------|--------------------|----------------|---------------|------------------|------------------|----------------|-------------------------|
| MTC | 20,504,525 | 58,251,504 | 2.84 | 3.67 | 313,121 | 301,619 | 11,502 | 68 |
| TIAN ZE | 17,819,489 | 68,491,848 | 3.84 | 3.74 | 170,726 | 164,335 | 6,391 | 108 |
| NORTHERN | 16,771,888 | 59,808,868 | 3.57 | 8.80 | 191,304 | 174,460 | 16,844 | 96 |
| ZLT | 13,971,510 | 43,000,086 | 3.08 | 6.59 | 171,638 | 160,323 | 11,315 | 87 |
| CHIDZIVA | 8,967,377 | 22,285,157 | 2.49 | 5.31 | 128,672 | 121,839 | 6,833 | 74 |
| TRIBAC | 7,776,645 | 23,329,324 | 3.00 | 3.81 | 95,515 | 91,880 | 3,635 | 85 |
| BOOST AFRICA | 7,729,567 | 20,253,028 | 2.62 | 2.84 | 105,859 | 102,852 | 3,007 | 75 |
| CURVERRID | 6,605,661 | 19,371,015 | 2.93 | 1.19 | 82,506 | 81,522 | 984 | 81 |
| GOLDEN LEAF *(ZLT) | 3,091,675 | 9,103,130 | 2.94 | 0.00 | 35817 | 35817 | 0 | 86 |
| TSL CLASSIC | 1,940,865 | 5,623,803 | 2.90 | 8.37 | 20,178 | 18,489 | 1,689 | 105 |
| SHASHA *(Tribac) | 1,197,222 | 3,819,574 | 3.19 | 1.63 | 12846 | 12637 | 209 | 95 |
| PREMIER *(Tian Ze) | 676,913 | 1,703,489 | 2.52 | 6.95 | 9,431 | 8,776 | 655 | 77 |
| MIDRIVER | 504,312 | 1,443,420 | 2.86 | 4.34 | 5023 | 4805 | 218 | 105 |
| VOESEL *(Tian Ze) | 465,950 | 1,187,405 | 2.55 | 0.00 | 5,528 | 5,528 | 0 | 84 |
| ILT | 428,831 | 1,447,298 | 3.37 | 0.00 | 4679 | 4679 | 0 | 92 |
| MAXLUCKY | 326,450 | 933,126 | 2.86 | 10.69 | 4245 | 3791 | 454 | 86 |
| TOTAL CONTRACT 2015 | 108,778,880 | 340,052,074 | 3.13 | 4.70 | 1,357,088 | 1,293,352 | 63,736 | 84 |
| TOTAL CONTRACT 2014 | 119,168,480 | 396,664,304 | 3.33 | 3.37 | 1,541,582 | 1,489,580 | 52,002 | 80 |
| PERCENTAGE CHANGE % | -8.72% | -14.27% | -6.08% | 39.23% | -11.97% | -13.17% | 22.56% | 5.13% |

Contract Buying Floor Quality Styles and Offerings:

•During week 13 we have seen the contract delivery volume decrease when compared to previous weeks. This decrease relates to 8.72 as a percentage. This is typical as we near the end of the selling season.

•Contract deliveries are similar to the auction floors and we see that the tobacco being received on contract at this time of the year is generally 3rd to 4th quality leaf, with top quality leaf appearing less and less. Like the Auction floors, contract deliveries have been generally higher in chemistries when compared with the equivalent styles received in 2014. Taking this into consideration and the fact that the crop average has retracted, we feel that there is certainly some good value Zimbabwean semi to full flavour tobacco on offer.

•Again in similar fashion to the auction floors there has been a continued trend of lower prices in comparison to the same period in 2014. The average seasonal price reduction of 6.08% equates to \$3.13 per kg compared to \$3.33per kg for the same period last year.

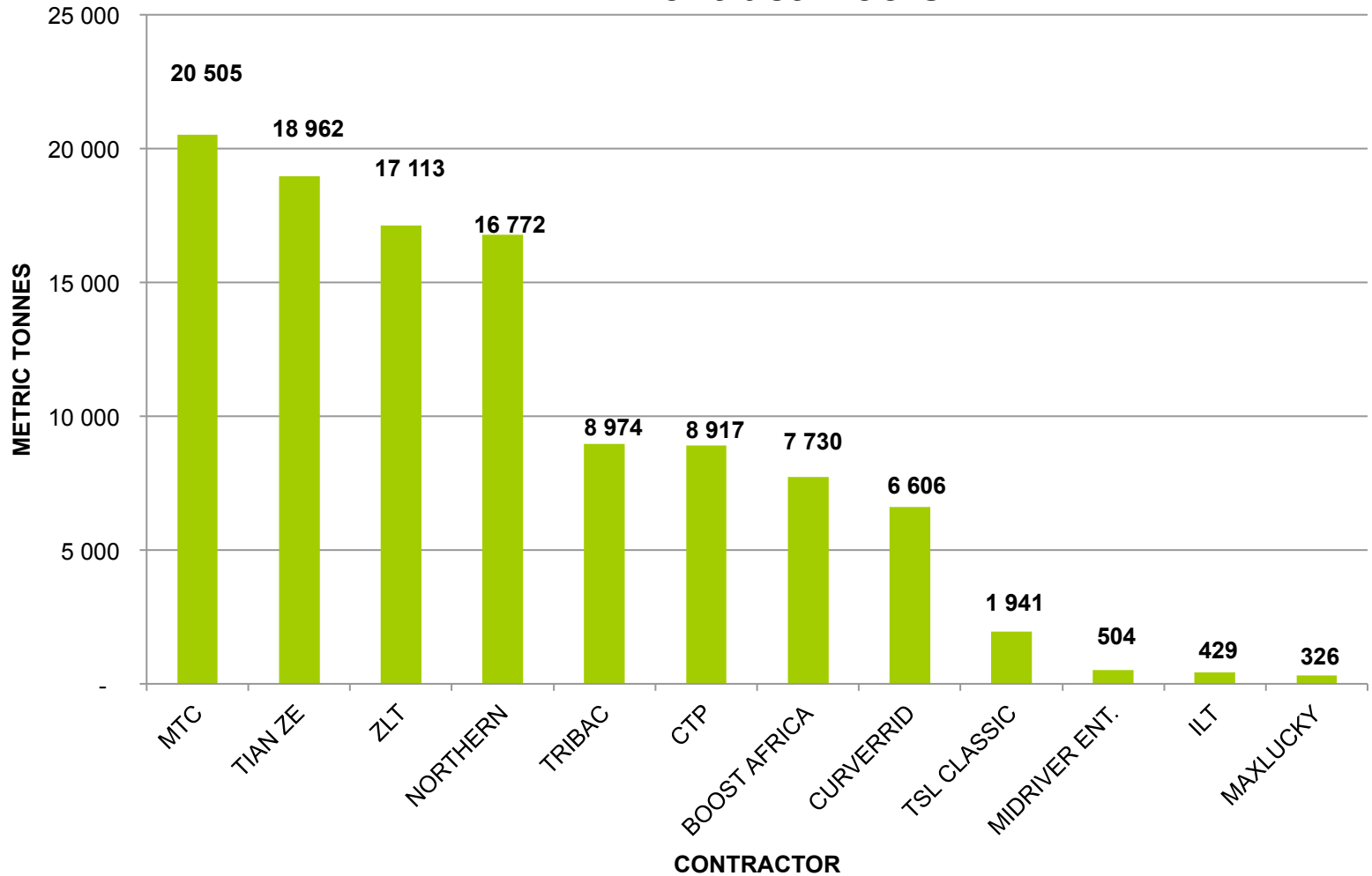
•The bodied, good quality leaf prices remain comparative to 2014, still fetching sales prices ranging between \$4.00 and \$6.25. It is evident that there is a firm demand from merchants for lengthily, good yielding, wholesome, mature, top quality Leaf.

* Buying on behalf of (ZLT, TRIBAC & TIAN ZE)



ALL MERCHANTS SEASONAL CONTRACT PURCHASES TO DAY 64 05/06/15

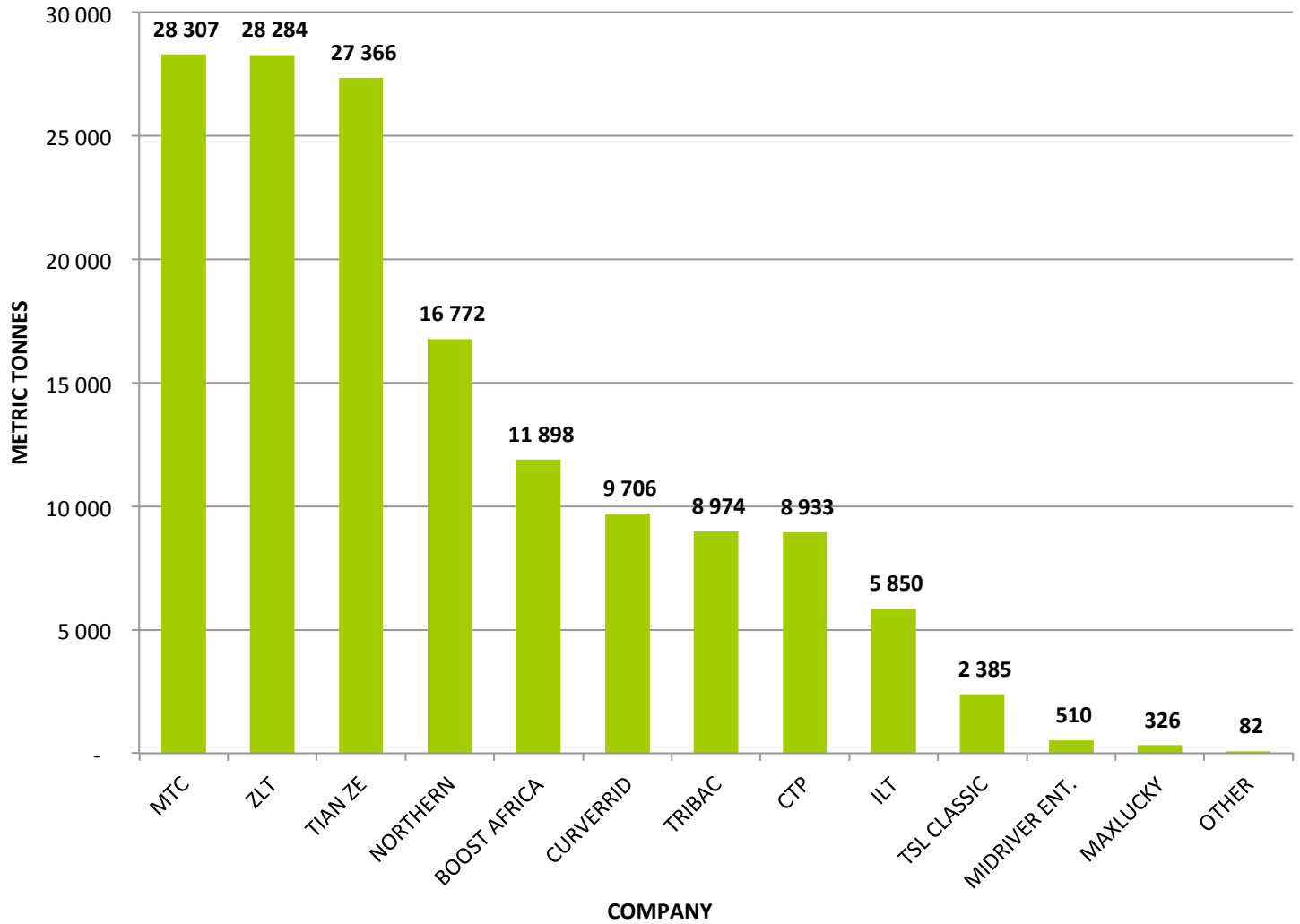
All Contract Floors





ALL MERCHANTS COMBINED AUCTION AND CONTRACT SEASONAL PURCHASES

ALL FLOORS COMBINED





SEASONAL BUYERS PERCENTAGES PER COMPANY AS OF 05/06/15

| | TSF % | BOKA % | PREMIER % | COMBINED AUCTION % | CONTRACT % | COMBINED AUCTION AND CONTRACT % |
|--------------|-------|--------|-----------|--------------------|------------|---------------------------------|
| ZLT | 26.23 | 28.33 | 23.83 | 26.37 | 15.88 | 18.85 |
| MTC | 17.71 | 17.83 | 18.35 | 17.88 | 18.87 | 18.60 |
| TIAN ZE | 17.45 | 22.46 | 20.90 | 20.03 | 17.45 | 18.07 |
| NORTHERN | - | - | - | - | 16.09 | 11.25 |
| BOOST AFRICA | 9.33 | 10.55 | 10.35 | 9.92 | 7.32 | 8.06 |
| CURVERRID | 9.94 | 7.77 | 0.16 | 7.22 | 6.29 | 6.55 |
| CTP | - | - | - | - | 8.77 | 6.29 |
| TRIBAC | - | - | - | - | 8.41 | 6.03 |
| ILT | 11.78 | 11.28 | 17.34 | 12.80 | 0.36 | 3.87 |
| TSL CLASSIC | 1.52 | 2.01 | 0.05 | 1.44 | 1.89 | 1.74 |
| MIDRIVER | - | 0.05 | - | 0.02 | 0.45 | 0.32 |
| MAX LUCKY | - | - | - | - | 0.31 | 0.22 |





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

| Price indications (US\$/KG) | Week 13 |
|---|-----------------|
| 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 - \$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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