



# CHIDZIVA TOBACCO PROCESSORS (PRIVATE) LIMITED





# Week 3 - Zimbabwean FCV market Report

## SEASONAL AUCTION FIGURES UP TO 23.03.15 (DAY 14)

Seasonal	TSF	BTF	PTF	Total Auction 2015	Total Auction 2014	Percent Change %
Mass sold(kg)	1,421,486	1,056,032	514,689	2,992,207	4,510,699	-33.66%
Value(US\$)	2,531,837	1,581,510	825,921	4,939,268	11,031,028	-55.22%
Avg.price US\$/kg	1.78	1.50	1.60	1.65	2.45	-32.50%
Rejected %	16.49%	19.31%	28.14%	19.71	9.88	99.50%
Bales laid	25,091	20,792	10,593	56,476	72,490	-22.09%
Bales Sold	20,954	16,778	7,612	45,344	65,328	-30.59%
Rejected Bales	4,137	4,014	2,981	11,132	7,162	55.43%
Avg.Bale Weight (kg)	68	63	68	66	69	-4.43%

### Auction Floor Quality, Styles and Offerings:

- Offerings on the Floor's continue to be dominated by priming's and lugs, with inconsistent deliveries of cutters and leaf, although these styles will naturally increase as the season progresses. From what we have seen in these early stages this years crop is pointing towards a riper crop than 2014. On the lower quality lugs and leaf the crop is more wholesome and bodied even with the increase in ripeness compared to last year, which will translate into more balanced chemistries.
- In these early stages of purchasing the market is still finding stability. Overall the price is lower than last year with lower to middle quality lugs fetching +/- \$1.00 less than 2014 as well as the middle quality cutters being 50c - \$1.50 cheaper than the previous season. The top quality leaf is still firm with similarities to last year. These styles are fetching between \$4.00 and \$4.99.
- There has been a 33.66% percent decrease in volume sold this season compared to the equivalent period last year. This is due to the delayed start of the growing season. However, the average price is down this year at \$1.65/kg, compared to last years \$2.45 at the same stage. This is due to the majority of tobacco that is delivered being lugs which are currently in oversupply in the world market thus the average price being lower. In general the crop seems to be of better quality and with the average price being lower than last year, some reasonable value tobacco is on offer across the auction sales.



## SEASONAL CONTRACT FIGURES PER COMPANY AS OF 23.03.15 (DAY 14)

COMPANY	Mass purchased (kg's)	Value \$US	Ave Price \$US	Rejection %	Bales Laid	Bales Sold	Rejected Bales	Ave bale Weight (kg' s)
CHIDZIVA	471,311	955,409	2.03	11.42	7,136	6,321	815	75
BOOSTAFRICA	253,258	487,606	1.93	8.40	3,927	3,597	330	70
CURVERRID	269,171	673,191	2.50	4.25	3,200	3064	136	88
GOLDEN LEAF	126,925	256,361	2.02	0.00	1494	1494	0	85
MTC	816,224	1,626,526	1.99	5.30	13,847	13,113	734	62
TSL CLASSIC	188,840	384,036	2.03	24.57	2,381	1,796	585	105
TRIBAC	117,801	140,409	1.19	13.49	1,705	1,475	230	80
SHASHA	19,959	40,150	2.01	2.65	189	184	5	108
TIAN ZE	2,252,968	7,535,666	3.34	8.15	22,907	21,041	1,866	107
MAXLUCKY	23,511	71,851	3.06	6.62	317	296	21	79
ZLT	545,018	948,284	1.74	10.22	7,472	6,708	764	81
VOESEL	61,409	139,241	2.27	0.00	633	633	0	97
PREMIER	64,802	144,082	2.22	3.28	824	797	27	81
MIDRIVER	136,800	361,082	2.64	5.64	1366	1289	77	106
NORTHERN	978,584	2,634,996	2.69	19.86	12,364	9,908	2,456	99
<b>TOTAL CONTRACT 2015</b>	<b>6,326,581</b>	<b>16,398,889</b>	<b>2.59</b>	<b>10.09</b>	<b>79,762</b>	<b>71,716</b>	<b>8,046</b>	<b>88</b>
<b>TOTAL CONTRACT 2014</b>	<b>7,486,452</b>	<b>23,731,006</b>	<b>3.17</b>	<b>6.88</b>	<b>93,907</b>	<b>87,448</b>	<b>6,459</b>	<b>86</b>
<b>PERCENTAGE CHANGE %</b>	<b>-15.49%</b>	<b>-30.90%</b>	<b>-18.23%</b>	<b>46.66%</b>	<b>-15.06%</b>	<b>-17.99%</b>	<b>24.57%</b>	<b>3.04%</b>

### Contract Buying Floor Quality Styles and Offerings:

•As we finish week 3 we see a significant amount of tobacco that has been delivered and bought on the contract sales by many different companies, even though it is a slightly smaller volume in comparison to last year, it is 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. Deliveries are expected to rapidly increase over the next few weeks.

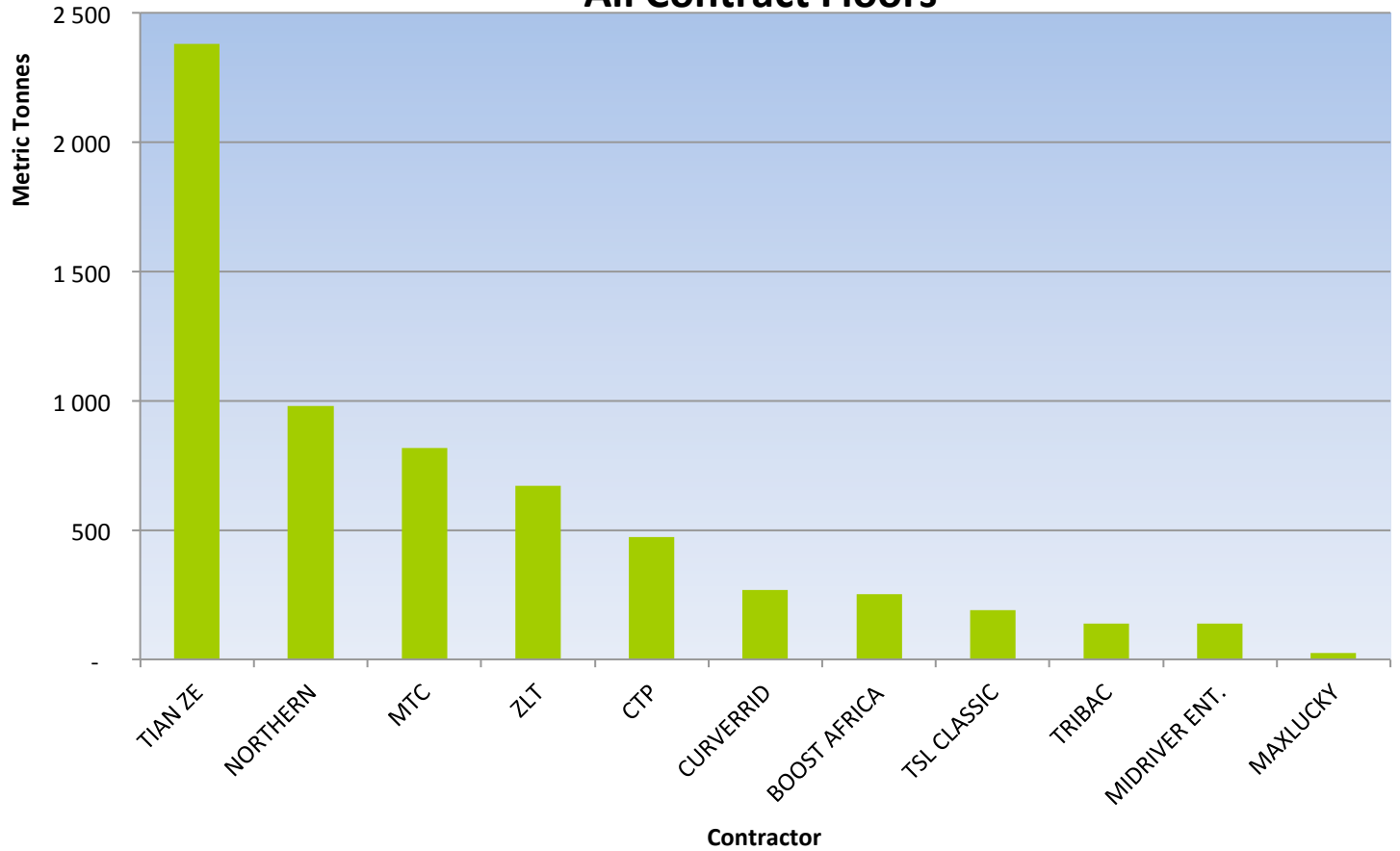
•The quality of tobacco on offer at the contract floors is improving with each passing week. There is evidence of better presentation, moisture content and soundness of the tobacco with farmers adhering to the good presentation standards. Although there is still room for improvement, a lot has been done to improve their presentation practices in order to eventually become compliant with our expectations. We expect the trend of improvement to continue as we start to receive more tobacco from the middle and upper stalk positions which are generally easier to handle.

•There has been a decrease in average price of 18.23% which sits at \$2.59 compared to \$3.17 in the same period last year. This is due to the bottom end lugs fetching much lower prices than last year. The bodied good quality leaf prices remain similar to last year fetching prices between \$4.00 and \$4.99 with strong appetite from merchants for long, wholesome, good quality Leaf.



# ALL MERCHANTS SEASONAL CONTRACT PURCHASES TO DAY 14 23.03.14

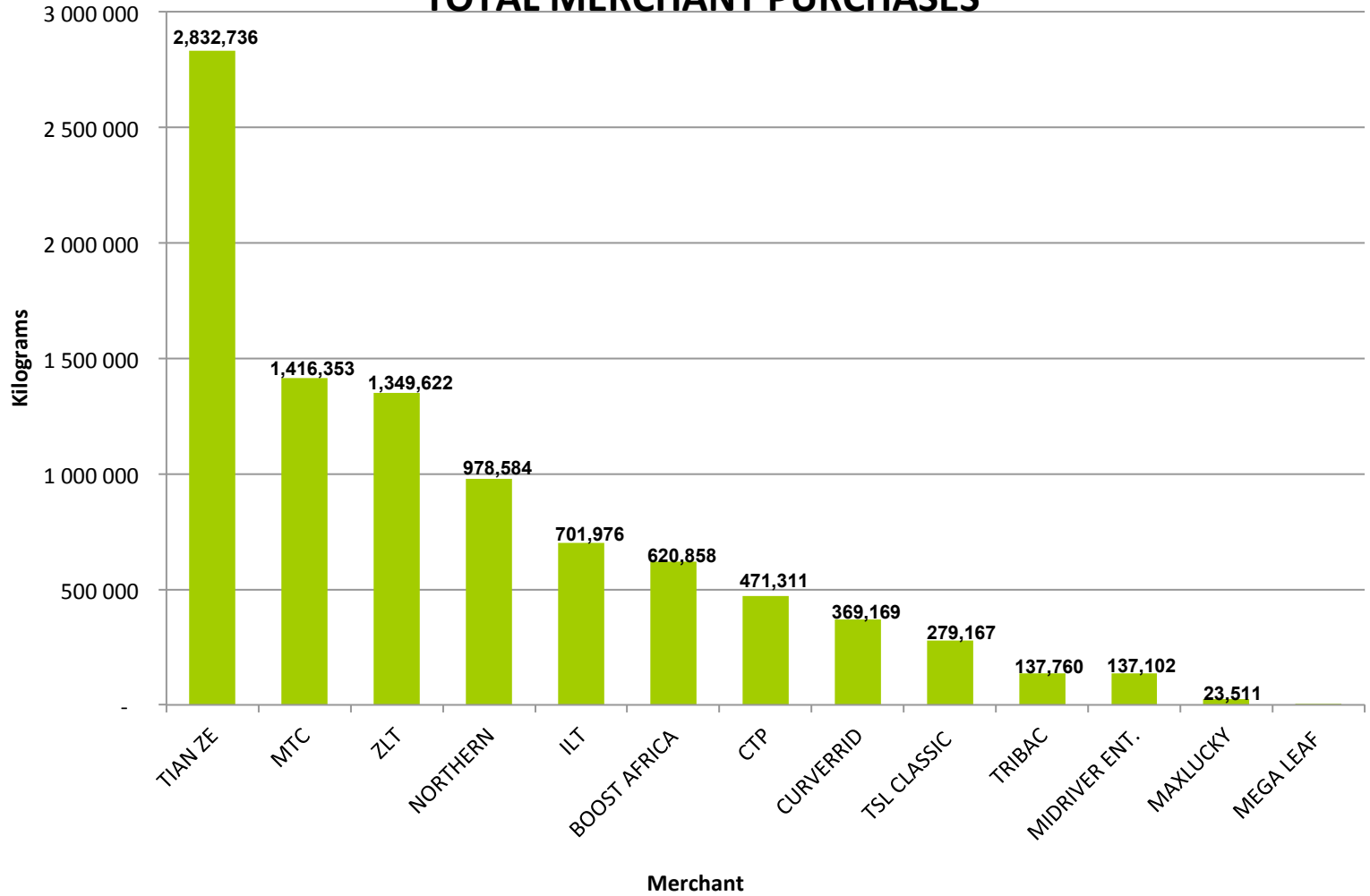
## All Contract Floors





# ALL MERCHANTS COMBINED AUCTION AND CONTRACT SEASONAL PURCHASES

## TOTAL MERCHANT PURCHASES





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

<b>Price indications (US\$/KG)</b>	<b>Week 3</b>
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 - \$6.20





## INSERTS ON OFFERINGS, STYLES AND MARKET TRENDS UP TO 23.03.15 DAY 14



**Left Insert:** A crop Comparison between Ripe orange leaf and Soft lemon Leaf.



**Left Insert:** Increased Deliveries As the season progresses at CTP.



**Left Insert:** 3<sup>rd</sup> Quality Lemon Leaf with little Spot on offer at CTP.



**Left Insert:** 1<sup>st</sup> Quality Ripe Orange Leaf with Spot on Offer at CTP.

**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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