



Chidziva Tobacco Processors



Zimbabwe Crop Report 07 March 2014 Week 3

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Week 3 - Zimbabwean FCV market Report

SEASONAL AUCTION FIGURES UP TO 07.03.14 (DAY 13)

Seasonal	TSF	BTF	PTF	Total Auction 2014	Total Auction 2013	Percent Change %
Mass sold(kg)	1,942,460	1,147,053	872,112	3,961,625	3,350,996	15.4%
Value(US\$)	4,881,555.58	2,685,078.38	2,032,186	9,598,819.96	11,054,537.00	-15.2%
Avg.price US\$/kg	2.51	2.34	2.33	2.42	3.30	-36.2%
Rejected %	9.86	11.45	8.93	10.12	11.07	-9.4%
Bales laid	30,789	18,564	14,029	63,382	55,322	12.7%
Bales Sold	27,754	16,438	12,776	56,968	49,196	13.6%
Rejected Bales	3,035	2,126	1,253	6,414	6,126	4.5%
Avg.Bale Weight (kg)	70.0	69.8	68.3	69.5	68.1	2.1%

Auction Floor Quality, Styles and Offerings:

•Offerings on the floor continue to be dominated by priming's and lugs, with inconsistent deliveries of cutters and leaf, although these styles are naturally increasing slightly as the season progresses. This year's crop is considered riper than the 2013 crop. 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 +/- 40c less than 2013 as well as the middle quality cutters being 50c - \$1.00 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 15.4% percent increase in volume sold this season compared to the equivalent period last year and this percentage increase is expected to continue as the season progresses. However, the average price is down this year at \$2.42/kg, compared to last years \$3.30 at the same stage. 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 07.03.14 (DAY 13)

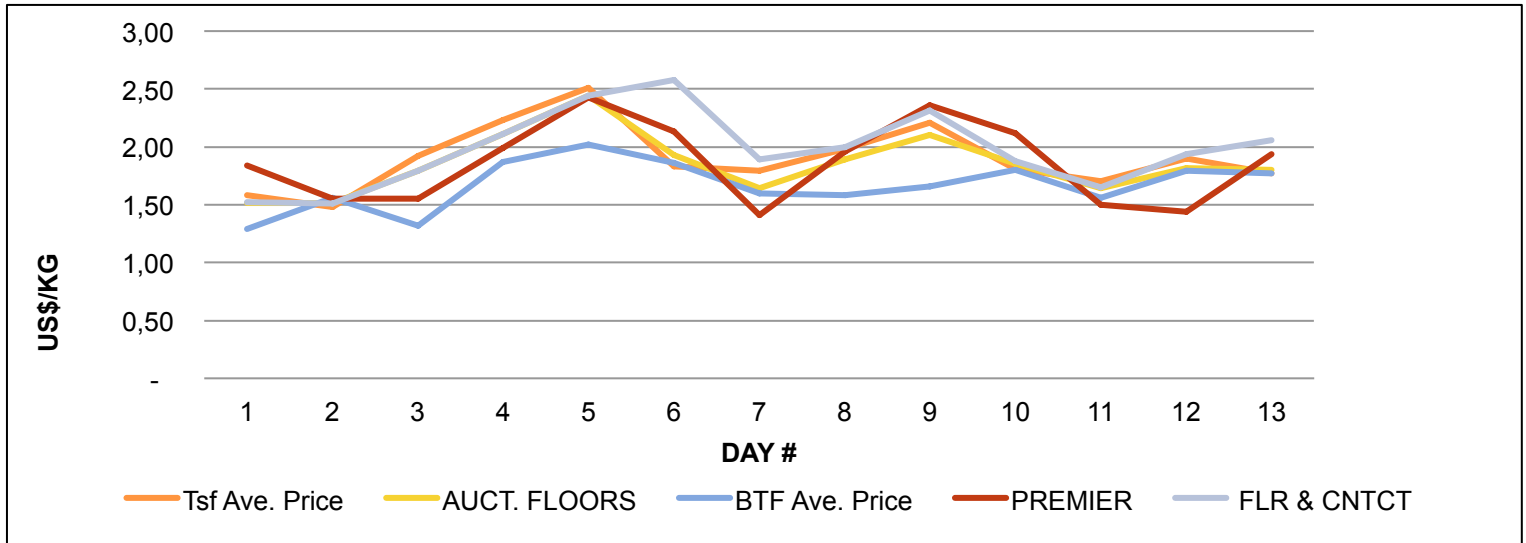
COMPANY	Mass sold (kg's)	Value \$US	Ave Price \$US	Rejection	Bales Laid	Bales Sold	Rejected Bales	Ave Bale Weight (kg's)
CHIDZIVA	186,828	435,470.40	2.33	7.30	2,480	2,299	181	81.3
BOOSTAFRICA	218,929	549,070	2.51	2.60	3,314	3,228	86	67.8
CURVERRID	564,313	1,523,757.82	2.70	3.41	7,351	7,100	251	79.5
GOLDEN LEAF	58,691	164,558.65	2.80	0.00	675	675	0	86.9
KM	45,794	113,249.38	2.47	0.00	572	572	0	80.1
LEAF TRADE	4,641	13,972.35	3.01	4.62	65	62	3	74.9
MTC	1,209,333	3,178,807.25	2.63	5.88	19,009	17,892	1,117	67.6
TSL CLASSIC	124,407	396,282.03	3.19	6.36	1,431	1,340	91	92.8
TRIBAC	474,511	1,568,801.76	3.31	3.86	5,593	5,377	216	88.2
SHASHA	30,335	90,981.60	3.00	0.00	311	311	0	97.5
TIAN ZE	1,448,664	5,635,708.24	3.89	8.78	14,658	13,371	1,287	108.3
ZPTFU	44,144	116,471.56	2.64	0.00	581	581	0	76.0
ZLT	666,765	1,767,548.11	2.65	7.22	8,699	8,071	628	82.6
MIDRIVER	2,448	6,102.61	2.49	0.00	25	25	0	97.9
NORTHERN	1,101,638	3,900,545.13	3.54	13.06	12,935	11,246	1,689	98.0
TOTAL CONTRACT 2014	6,181,441	19,461,326.89	2.88	7.14	77,699	72,150	5,549	85.7
TOTAL CONTRACT 2013	6,426,075	22,421,014.00	3.49	7.18	76,668	71,167	5,501	90.3
PERCENTAGE CHANGE %	-3.96%	-15.21%	-21.30%	-0.54%	1.33%	1.36%	0.87%	-5.39%

Contract Buying Floor Quality Styles and Offerings:

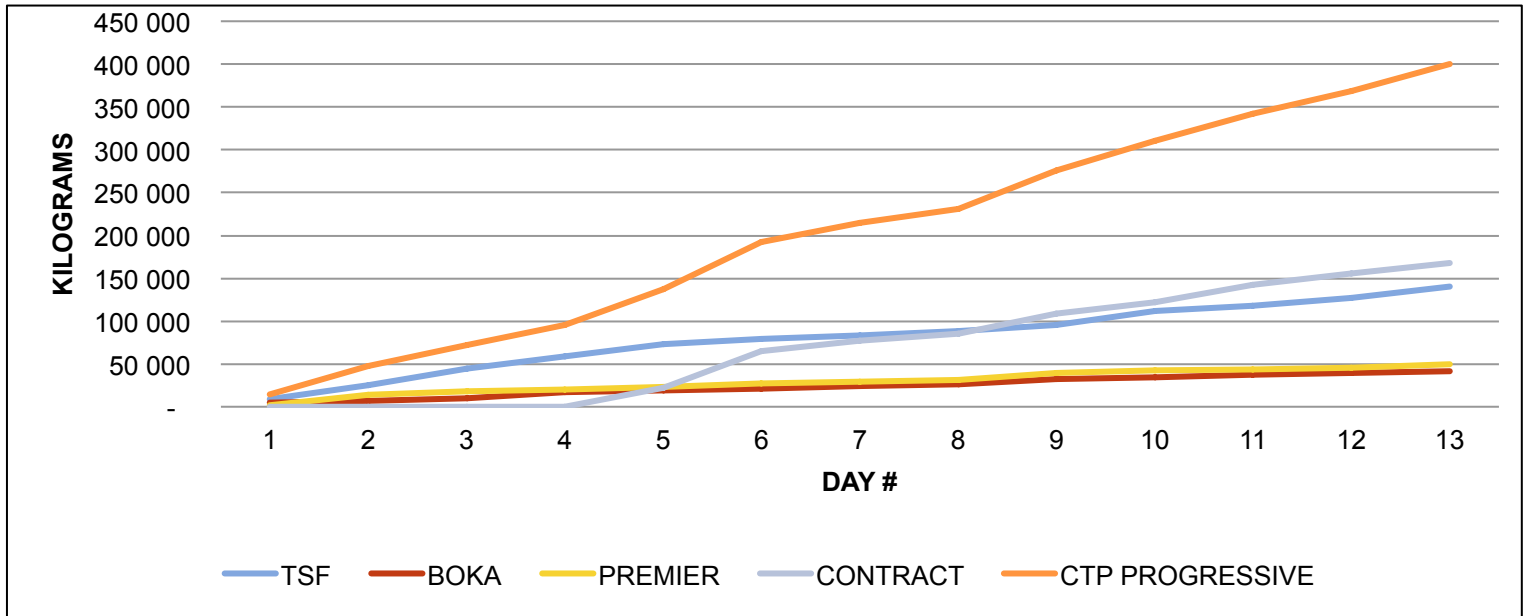
- As we finish week 3 we see a significant amount of tobacco that has been delivered and bought on the contract sales by many different companies, even though it indicates a slightly smaller volume in comparison to last year, it is still a notable quantity for this specific period in the selling season considering a large percentage of farmers are still grading. Deliveries are expected to rapidly increase in the next three 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 and zero tolerance of inorganic NTRM enforced by CTP. 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 in regard to the high integrity of the product. 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.
- To date the small percentage of cutters and leaf that has been received from the commercial farmers is of exceptional quality. The grades are wholesome and have some good cutting qualities. The styles are showing a lot of promise in both quality and body in comparison to the 2013 crop.
- To date the bulk of the tobacco that has been on offer on the contract floor has been similar to that of the auction floors mainly consisting of fair quality low end priming's and lugs. Occasionally cutters and leaf from the commercial farmers and small scale farmers re on offer with these expected to increase significantly in the next three weeks.



CTP AVERAGE PRICE PER FLOOR UP TO DAY 13 - 07.03.14



CTP PURCHASES UP TO DAY 13 - 07.03.14





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

Price indications (US\$/KG)	Week 3
Low quality Priming's(4 th and 5 th)	\$0.50 - \$1.10
Middle quality Priming's (2 nd and 3 rd)	\$1.20 – \$2.10
Good quality Priming's(1 st and 2 nd)	\$2.10 - \$2.80
Middle quality Cutters (2 nd and 3 rd)	\$2.80 - \$4.00
Good quality Cutters (1 st)	\$4.00 - \$4.75
Low quality leaf (4 th and 5 th)	\$1.50 - \$2.00
Middle quality Leaf (2 nd and 3 rd)	\$2.50 - \$4.00
Good quality leaf (1 st)	\$4.80 - \$4.99





PROGRESSIVE BUYERS PERCENTAGES PER COMPANY UP TO 07.03.14 DAY 13

COMPANY	DAILY TSF %	DAILY BOKA %	DAILY PREMIER %	COMBINED AUCTION %	COMBINED CONTRACT %
CHIDZIVA	7.23	3.64	5.72	5.86	3.57
TRIBAC	-	-	-	-	4.74
ILT	18.68	20.81	23.21	20.30	8.03
ZLT	15.34	18.31	13.32	15.76	11.52
TIAN ZE	22.33	18.15	24.83	21.67	23.04
MTC	9.15	11.87	4.53	8.92	14.61
PAMUKA	2.78	0.96	0.90	1.84	0.73
BOOST AFRICA	20.44	22.54	26.57	22.40	10.78
LEAF TRADE	3.83	3.71	-	2.95	1.21
SUNRISE TOBACCO	-	-	0.82	0.18	0.07
NORTHERN	-	-	-	-	13.05
CURVERRID	-	-	-	-	5.63
MIDRIVER	-	-	-	-	0.02
SHASHA	-	-	-	-	0.22
TSL CLASSIC LEAF	-	-	-	-	1.24
ZPTFU	-	-	-	-	0.44
KM ENTERPRISES	-	-	-	-	0.46
GOLDEN LEAF	-	-	-	-	0.59

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.