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➤ **Crop Forecast 2024**

General Growing Conditions

- February weather has been unusually dry and hot for most regions, with occasional rainfall being received in the northern, central, eastern, and western areas. Therefore, crop development is at differing stages, due to the variable and patchy precipitant rates.
- Under these challenging climatical conditions, most regions have managed to produce fair to good quality crops, with some project areas in the south, that were not able to subsidize with irrigation water being hit the hardest.
- Scattered rains in late February and early March have gone a long way to breathing life back into these challenging circumstances, for some southern project farmers.
- Current rainfall throughout the country has been well received by growers, as we move forward into March. These rains couldn't have come at a better time for the late crop as we reach a critical phase in development, with expected further rains, this crop should recover and attain its full potential.

➤ **Crop Development 2024**

2024	Seedbeds	Transplanting	Topping	Harvesting	Curing	Buying	Processing
January							
February							
March							
April							
May							
June	Started 1/06/2023						
July							
August							
September		Started 1/09/2023					
October							
November			Started 1/11/2023				
December				Started 1/12/2023	Started 1/12/2023		

➤ **Commercial Irrigated Crop Status**

- The early irrigated commercial crop planted from September onwards has grown out well, with reaping and curing having been completed.
- Farmers are working where possible to move their irrigation equipment to the dryland crop, to mitigate the adverse prolonged dry conditions, this will result in more surface water being used than planned for this crop year.
- Maturity and quality of irrigated crops to date is to a desirable standard, with clean, soft, open grained lemon to light orange leaf being predominant, with an inclusion of a smaller quantity of some riper soft natured styles carrying a degree of spot.
- As an overview of our commercial season, our commercial growers have faced challenges times of late, however with ingenuity and flexibility, farmers remain optimistic and positive in this sector, in achieving a good productive outcome.

➤ Commercial Dryland Crop

- The commercial dryland crop was topped early and is at the reaping stage of being roughly fifty percent of the plant.
- Early dryland planting with sufficient water has enabled the commercial dryland crop to preserve under the prolonged dry conditions.
- Commercial farmers are rallying to subsidize what little rainfall they are receiving with drip feeding and irrigation water.
- Of late reports have been received of strong winds and some hail damage to crops, due to the instability created by dry hot ground temperatures.

➤ Small Scale Crop Status

- The dryland crop in the East and Northern region have received scattered rainfall in the last couple of weeks.
- The Southern dryland crop is yet to receive rainfall since the 20th of January, however tobacco handles drought conditions better than most crops, so we remain hopeful that this small-scale sector will weather the effects of El Nino and bounce back with some rainfall.
- Roughly eighty percent of the rainfed tobacco crops in Western, Central and Eastern region have progressed well, with quality indications being to a good standard. The additional twenty percent has uneven growth with a mixture of good and fair to low quality, due to it not growing out well.
- Overall, the state of the rainfed tobacco in Southern Zambia is estimated to be fifty percent okay, thirty percent is hanging on for more rainfall, and twenty percent has failed. The reason for this unsuccessful twenty percent failed portion is due to patchy rainfall resulting in different planting periods.

➤ Zambian Tobacco Leaf Crop Cycle – Crop Year 2024

PROVINCE	Transplanting %	Topped %	Reaped %
Northern Region	100 %	100 %	50 %
Western Region	100 %	100 %	50 %
Central Region	100 %	100 %	75 %
Eastern Region	100 %	100 %	50 %
Southern Region	100 %	100 %	75 %

➤ Tobacco Varieties and Proportion

- Most Tobacco varieties are available locally in Zambia from DDV Seed Services.
- 30% = Seed varieties KRK66, KRK26, KRK29—from Zimbabwe Tobacco Seed Association and Kutsaga.
- 67% = Seed varieties CC35, CC13, K326—from Cross Creek Seed Suppliers in United States of America.
- 3% = Seed varieties DDV33—from DDV Seed Services, developed and produced in Zambia.

➤ Weather Forecast

- The effects of the El Nino phenomena for February have been challenging for our farmers in all of growing regions, with long dry hot periods being experienced throughout the country, especially in the Southern region, however recent scattered rains, have brought some mild relief to certain areas, however dry and hot conditions currently prevail and are predicted to further continue into March.
- The Southern and parts of the Eastern region have been affected substantially, as up until the dry spell which started on the 20th of January, they had received less than 300mm of rain.
- With good foresight, our agronomy department implemented pre-season measures to combat the anticipated effects of the drier than normal El Nino conditions expected this season. These include bigger ridges, for moisture retention and greater and deeper root development. Tie ridges, for water capture, soil saturation etc.
- The Zambian Government has recently declared the prolonged conditions a national disaster, an emergency state has been declared. It is currently estimated that fifty percent of the planted maize crop has perished under these adverse dry, hot conditions.
- Ground and surface water have been affected under these unfavourable circumstances, with the energy sector facing a considerable deficit throughout 2024.

➤ Crop Forecast 2024 Estimated Volumes

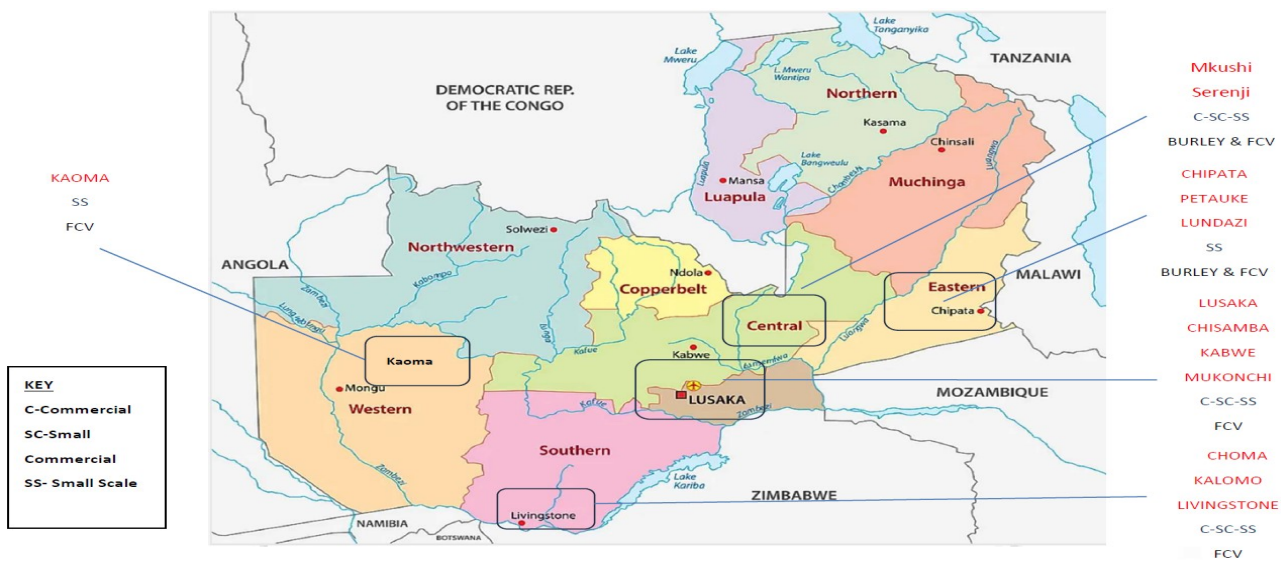
- Zambia's National crop size is anticipated to be 30,000 to 32,000 million kilograms.
- Zambian Burley - potential volume available 700 tons green.

Crop Variety	Planned Volume Kgs (Est.)
Flue Cured Virginia	32,000,000
Burley	1,000,000
Combined Total	39,000,000

➤ 2024 Sales Markets and Factory Operations

- Tobacco marketing, sales dates, for TAZ and Small-Scale floors are expected to be announced in March, we anticipate sales floors will open early to mid-April after the Easter holidays.
- Processing test runs, and operations are expected to start in early May 2024.

➤ Zambian FCV & Burley tobacco growing map, Commercial and Small Scale.



➤ Political and Economic Update

- Zambia's president, Hakainde Hichilema, and his party, the United Party for National Development, will retain power until the 2026 elections. Austerity and cost-of-living pressures will spur a rise in public protest. A restructuring of Zambia's debt with private bondholders will be agreed by all players (including official creditors) in the first half of 2024. Inflation will remain high and the currency weak and volatile in the early part of the forecast period. An improvement in copper output and prices will eventually lend fundamental support to the kwacha, helping to rein in inflation. A deficit will be recorded on the current account in 2024, in line with the fall in copper output in 2023, which will take years of investment to turn around fully, although a largish current-account surplus will be re-established by 2028. The fiscal deficit will begin to mount from 2026 as Zambia exits its financing arrangement with the IMF at end-2025. External debt as a proportion of GDP will drop precipitously as higher copper output and prices help the country to address its financial crisis.
- Zambia's currency rallies of late, following central bank tightening, following an increase in the policy rate to 12.5%, the hawkish stance has had the desired strengthening effect on the kwacha.

➤ Exchange Rate – As of 6th March 2024

U.S. Dollar	Chinese	Zambian	British	Euro	Zimbabwe
USD 1.00	RMB 7.20	ZWK 23.84	GBP 0.79	EUR 0.92	RTGS 15,672.71

End of Report

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