

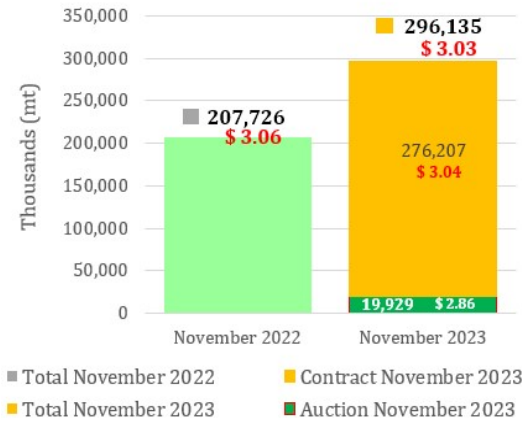


This issue...

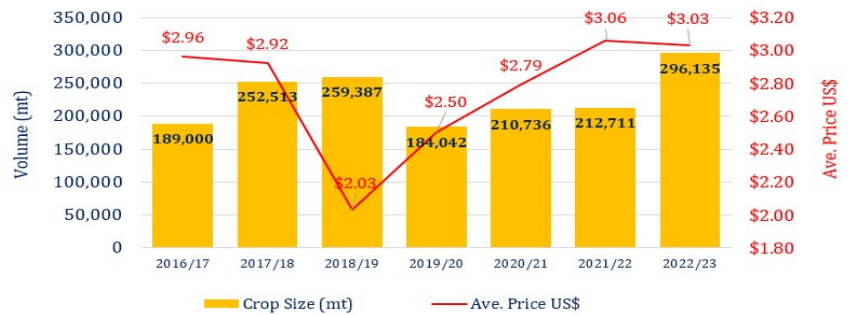
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MARKET UPDATE

Monthly Purchase Comparison YoY



Zimbabwe Historical Volume and Average Price



The above graph shows Zimbabwe's historical volume and average price comparison. A total crop size of 296,135mt was sold for the 2022/23 season. (As at 15-Sep-2023)

- Auction floors are opening for sales on the 13th of March, with most merchant contract floors expected to open the following day. Small-scale and large-scale contract floors will open for sales on the 20th of March.
- We estimate a total crop size of 220,000mt.
- Market Report: Week 1-15 March 2024

Company	Auction			Contract			Total		
	Volume	% To date	Avg. US\$	Volume	% To date	Avg. US\$	Volume	% To date	Avg. US\$
Atlas Agri P/L	0	0,00%	US\$0,00	467 724	12,78%	US\$3,03	467 724	11,27%	US\$3,03
Premium Leaf Zimbabwe	73 781	15,08%	US\$2,84	583 581	15,95%	US\$3,60	657 362	15,85%	US\$3,52
Mashonaland Tobacco Company	99 278	20,30%	US\$3,38	315 401	8,62%	US\$3,37	414 679	10,00%	US\$3,37
Zimbabwe Leaf Tobacco	57 885	11,83%	US\$3,38	1 176 293	32,15%	US\$3,12	1 234 178	29,75%	US\$3,13
Curverid Tobacco	13 757	2,81%	US\$3,08	0	0,00%	US\$0,00	13 757	0,33%	US\$3,08
Northern Tobacco	0	0,00%	US\$0,00	132 468	3,62%	US\$2,90	132 468	3,19%	US\$2,90
Boost Hail & Cotton P/L	23 435	4,79%	US\$3,34	173 473	4,74%	US\$3,01	196 908	4,75%	US\$3,05
Tian Ze Tobacco Company	26 257	5,37%	US\$4,03	0	0,00%	US\$0,00	26 257	0,63%	US\$4,03
Intercontinental Leaf Tobacco Company	125 964	25,75%	US\$3,00	0	0,00%	US\$0,00	125 964	3,04%	US\$3,00
Voedsel	0	0,00%	US\$0,00	494 758	13,52%	US\$3,03	494 758	11,93%	US\$3,03
Sub-Sahara Tobacco P/L	0	0,00%	US\$0,00	15 486	0,42%	US\$3,23	15 486	0,37%	US\$3,23
Others	68 813	14,07%	US\$2,87	300 049	8,20%	US\$2,25	368 862	8,89%	US\$2,37
TOTAL	489 170	100,00%	US\$3,15	3 659 233	100,00%	US\$3,11	4 148 403	100,00%	US\$3,12

- As of week one in the market:
 - Sales floors consist predominantly of bright lower reappings, with slight sponge.
 - Green, "V" style tobacco is also notably common on the sales floor.
 - Prices are significantly higher than traditional modern prices, especially for lower reappings.

CROP STATUS

Crop Status	Seedbeds	Transplanting	Topping	Curing	Grading	Buying	Processing
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							

LARGE SCALE UPDATE

CROP PROGRESS: 60% of total hectares planted has been reaped, cured and stored either in slate packs, stick bulks, or graded bales. The remaining 40% should be completed over the next 6 to 8 weeks.

The late crop is stressed, as little to no rain has been received throughout all growing regions.

All farmers have made a concerted effort to irrigate the remaining crops in the ground, which has resulted in the crop producing softer natured styles and better qualities.

RAINFALL RECIEVED: The initial forecast for February indicated that there could have been rain for middle of February, but nothing substantial materialized, resulting in a hot and dry month across all growing regions.

PESTS AND DISEASE: Minimal pests and diseases to speak of. Some of the crops' top leaves have been affected by sun scorch and heat stress.

HAIL DAMAGE: No damage to report even though high temperatures were experienced, which can relate to higher claims. There has been no moisture around to develop into potential threats.

ELECTRICITY ISSUES: For the month of February electricity has been a more constant, with less faults occurring. This assisted farmers' irrigation cycles.

MARCH FORECAST: With local weather stations and online weather sites indicating that there will be little to no rain forecast for the rest of the season, farmers will have to manage their crops accordingly.

With nighttime temperatures expected to drop, the growth of the crop in the ground will slow down. This will help with the late crop maintenance and, in some cases, increase the weight.

SMALL SCALE UPDATE

WEATHER AND RAINFALL UPDATE: February has been hot and dry for the whole month. Except for isolated and erratic showers in some areas there has been no rainfall.

CATEGORIES	MASH WEST	MASH CENTRAL	MASH EAST	AVERAGE
Higest Recorded Amount and Area for Current Month	95mls Mutoroshanga	140mls Mvurwi West	65mls Mutoko South-West	
Lowest Recorded Amount and Area for Current Month	0mls Raffingora North, Chegutu/Selous,Chi nhoyi, Karo North-East	1mls Guruve North-East	0mls Mutare, Burma Valley, Odzi, Mutoko S & E, Macheke E, Headlands NE & Chivu	
Monthly Overall Average	28.2mls	41.9mls	10.7mls	28.5mls
Higest Seasonal Total and Area	620mls Raffingora North	715mls Chiweshe	590mls Mutoko SW	
Lowest Seasonal Total and Area	320mls Tengwe Central	251mls Bindura Northeast/Shamva	182mls Mutoko South	
Progressive Seasonal Average For Province / Region	418mls	483.8mls	393mls	435mls

mls = millilitres

CURRENT FARMING ACTIVITIES: The main activities that have been seen in February are weeding, topping, application of suckerides and curing. The growers have been putting down lots of water in the barns and slowing down the curing to try and achieve a good colour on a drought stressed crop.

CROP STAGE:

CATEGORIES	MASH WEST	MASH CENTRAL	MASH EAST	SMALLSCALE TOTALS
% AGE OF GROWERS PLANTED TO DATE	100.0%	100.0%	100.0%	100.0%
% AGE OF Ha PLANTED TO DATE	100.0%	100.0%	100.0%	100.0%
% AGE OF GROWERS TOPPED	94.4%	98.2%	89.0%	94.3%
% AGE OF GROWERS REAPING & CURING	57.6%	87.4%	66.9%	70.8%
% AGE OF GROWERS GRADING	1.8%	4.0%	8.0%	4.2%

INPUT DISTRIBUTION: Additional wood distribution for growers in the east is underway and will continue till the end of March.

FORESTRY: The growers that received their 50 eucalyptus tree seedlings are now watering and putting in fire breaks.

General News

Zimbabwe has been experiencing sporadic and below-average rainfall, potentially resulting in a shorter growing season, thereby curbing 2024 cereal production prospects. This could result in a sharp increase in maize prices amid high levels of food insecurity. However, the government has promised all citizenry that no one will go hungry.

An International Monetary Fund (IMF) staff team visited in February 2024, to discuss the authorities' request for a Staff Monitored Program (SMP) and commence 2024 Article IV Consultation. At the conclusion of the IMF mission, the following statement was made: "Economic activity in Zimbabwe continues to show resilience in the face of currency instability and high inflation." GDP growth is estimated at 5.3 percent in 2023, on the back of an expansion in agriculture and mining, and—buoyed by related foreign currency inflows and by remittances—in the highly-dollarized domestic trade and services. Growth is expected to decelerate to about 3¼ percent in 2024, partly reflecting the impact of a drought on agriculture production and lower commodity prices. These factors are also expected to reduce foreign currency inflows, but remittances will likely remain strong, and the current account is projected to be in small surplus. This should support liquidity in the dollarized part of the economy, sustaining growth in domestic trade, services, and construction. However, local-currency (ZWL) instability intensified: the official exchange rate has depreciated by about 95 percent since the beginning of December 2023; the gap to the parallel market rate remains wide (above 30 percent); and ZWL inflation is still very high. This instability weighs on sentiment, while exchange rate restrictions (prescribing retailers to use the official ZWL exchange rate with up to a 10 percent margin—inflating US dollar prices) continue to be a burden on the formal sector. They promote informality, which erodes the tax base and undermines longer-term growth prospects. Risks remain skewed to the downside, and the outlook will crucially depend on progress toward macroeconomic stabilization and transformational structural reforms.

An ANNUAL inflation for February surged to 47,6% (January was 34.8%) on the back of receding month-on-month inflation of 5,4% (January was 6.6%). However, the inflationary trends come at a time when the Reserve Bank of Zimbabwe (RBZ) has been quietly working towards achieving exchange rates equilibrium.

Inflation Rate

Month	Monthly	Annual
February' 24	5.4 %	47.6 %

Exchange Rate U.S. Dollar against other currencies

Month	U.S. Dollar	Chinese	Zambian	British	Euro	Zimbabwe
February' 24	USD 1.00	RMB 7.20	ZWK 23.69	GBP 0.79	EUR 0.92	ZWL 15,672.71

End of Report

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