



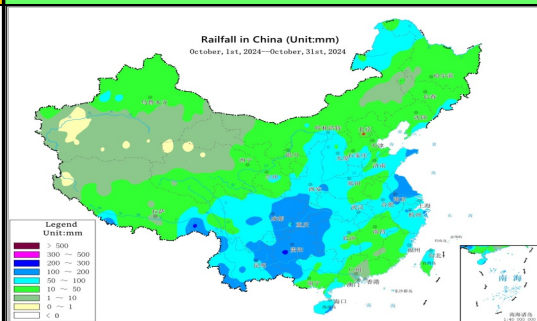
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Crop Update

**Yunnan**  
 Moderate to low temperatures have prevailed throughout the region for the month of October. FCV tobacco curing ended in mid-October. Green leaf transport is underway and tobacco leaves re-sorting has begun. Processing for the domestic sector for 2024 began in the middle of this month.  
 As of this year, the pilot project of Yunnan's intelligent tobacco leaf procurement has been carried out with favorable, achieved results for five consecutive years and will be rapidly promoted in Yunnan Province in the future.

China Rainfall October 2024



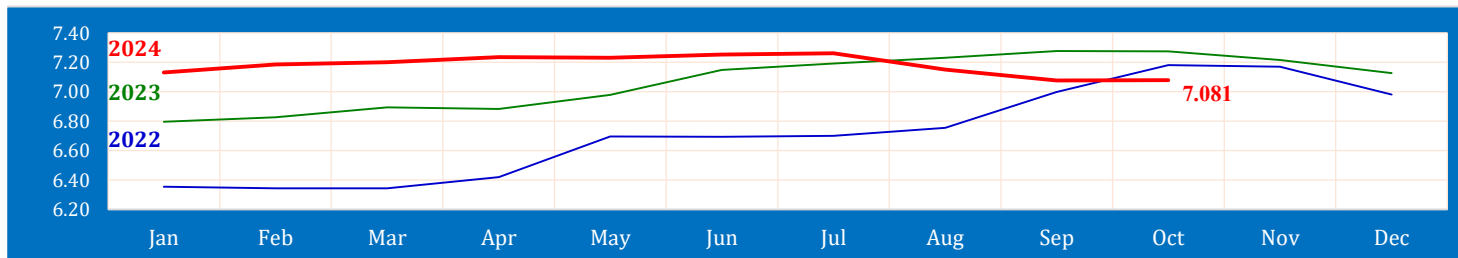
**Guizhou**  
 This month, Guizhou experienced lower temperatures with moderate rainfall. Guizhou completed leaf purchasing by the end of this month. Currently, local CNTC have guided tobacco farmers to clean up the tobacco fields, remove tobacco stalks, plastic mulch residue recovery and tobacco field cleaning and ploughing in a timely manner.  
 The tobacco leaves transport to GLT factories began this month and tobacco leaf re-sorting began in all GLT's.

Currency Exchange (USD 1 : CNY x.xxx)

Monthly Average

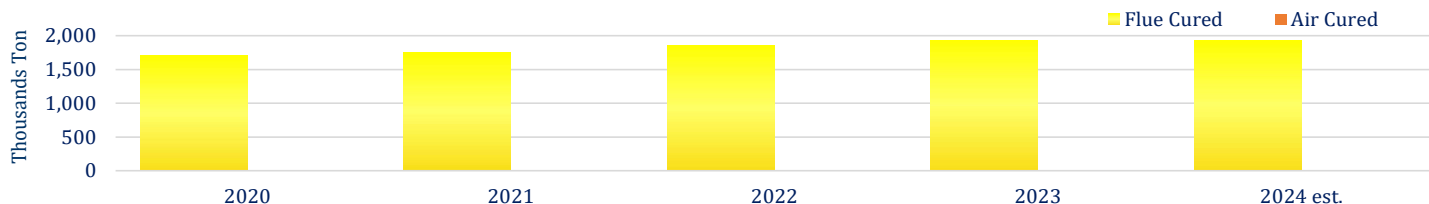
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	7.133	7.186	7.202	7.237	7.233	7.253	7.263	7.151	7.076	7.081		
2023	6.797	6.826	6.894	6.883	6.980	7.149	7.192	7.233	7.278	7.276	7.217	7.126
2022	6.356	6.345	6.344	6.420	6.696	6.694	6.731	6.797	7.000	7.182	7.171	6.981

Currency Exchange



Crop Size (Metric Tons)

Variety	2020	2021	2022	2023	2024 est.
Flue Cured	1,701,500	1,750,000	1,853,000	1,933,000	1,922,000
Air Cured	6,000	6,000	8,000	10,000	10,000



## 2024 Crop Progress

Variety	Seedbed Sown	Transplanted	Harvested	Cured	Sold to date
Flue Cured	100 %	100 %	100 %	100 %	90 %
Burley	100 %	100 %	100 %	100 %	80 %

FCV Crop Summary	2021	2022	2023	2024 est.
Crop Size - M/Tons	1,754,000	1,853,000	1,933,000	1,922,000
Planting Area - Hectares	897,467	950,000	986,228	
Number of Growers	746,000	735,000	724,680	
Average Plot Size/Grower - Hectares	1.19	1.29	1.36	
Average Income/Grower	RMB 81,000 USD 12,768	RMB 108,700 USD 15,575	RMB 108,200 USD 15,135	

## General News

Yunnan	<p>In Yunnan Province, the intelligent tobacco procurement pilot project is being implemented in five new areas: Chujing, Baoshan, Kunming, Wenshan and Dali. A total of 269 sets of tobacco grading and sorting equipment have been invested in. Since 2020, Yunnan Tobacco Enterprise has been implementing the intelligent tobacco procurement pilot project for five consecutive years, leading the industry in the research and development of tobacco grading and sorting equipment and exploring application models for intelligent equipment. In the past five years, intelligent equipment, such as integrated grading and sorting machines and graders, has been continuously improved and upgraded during the research and pilot process. It has achieved various improvements in production capacity, grading accuracy rate, grading consistency rate and grading efficiency, and gradually achieved the goal of "miniaturization, low energy consumption, easy operation and low cost" for intelligent grading and sorting equipment. At present, various intelligent procurement modes have been developed and stabilized during the pilot process.</p> <p>Recently, Kunming City, Yunnan Province, has successfully carried out the 2024 Flue-cured tobacco leaf procurement. Since the procurement began on August 21, Kunming has continuously improved the management of procurement organizations and has consistently implemented the procurement model of "centralized grading and classification, centralized transportation, proxy tobacco delivery, and fixed-point and scheduled delivery", with 100% centralized grading and classification, 100% centralized transportation, and 62% proxy tobacco delivery. Procurement progress has been balanced, and the service level for tobacco farmers has been further improved. The quality level of tobacco leaves has been continuously improving. A leading group of "Chief Quality Officers" has been established, effectively performing the functions of quality directors, primary inspectors, and primary assessors in the four quality positions. Strictly implementing the grading and procurement by samples, and the negative evaluation of the quality of the procured grades has been introduced, which has further improved the quality of the tobacco leaves.</p>
Guizhou	<p>Since mid-August, Qiannan County, Guizhou Province has set up a tobacco leaf procurement quality inspection team based on the actual tobacco leaf procurement work. With the goals of controlling the total quantity, improving the structure, ensuring quality and improving efficiency, and visiting the tobacco leaf procurement sites. Also, environmental control and quality standards in the tobacco area, comprehensively controlling and implementing the quality of tobacco leaf procurement and providing high-quality tobacco leaf raw materials for industrial enterprises. Establishing a tobacco curing and procurement team, conducting tobacco procurement effectively, and classifying measures to serve tobacco farmers better and increasing the income of tobacco farmers year by year.</p> <p>To further improve the soil conservation ability, Liupanshui, has recently carried out tobacco waste disposal, non-tobacco crop residue disposal, organic fertilizer planting and other works to "detoxify and beautify" tobacco fields. Tobacco farmers have learned the benefits of cleaning tobacco roots and leaves in a timely manner, avoiding piles up at the edges of fields and ditches, and using natural compost or farm compost. They implore centralized treatment, monitor the spread of diseases and insects in winter, and effectively cut off the breeding cycles of viruses. They have vigorously promoted the harm of non-tobacco waste to the natural environment, clarified the recycling policy of plastic mulch residue, related subsidy standards, recycling channels, etc., and guided tobacco farmers to recycle plastic mulch residue in a timely manner to ensure a healthy environment. They have advised tobacco farmers to use winter compost to plant green fertilizer crops such as peas and radishes, pay attention to the growth of green fertilizer, and continuously improve the soil conservation ability.</p> <p>Biomass particle ash contains many essential elements. Recently, Fenggang, Guizhou has advised tobacco farmers to recycle biomass particle ash from new energy incinerators and deliver the biomass particle ash to villagers near the incinerator free of charge, or tobacco farmers to recycle it intensively for next year's production of flue-cured tobacco or use it as organic fertilizer for other crops to improve soil pH, adjust soil pH and improve soil quality.</p>

## End of Report

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