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➤ Commercial Farmers

Early Irrigated crop

- This year's 2025/2026 irrigated tobacco season in Zambia was characterized by stable production, improved crop quality, and continued expansion of irrigation practices, particularly among commercial and contract growers. Irrigation played a decisive role in mitigating rainfall variability in drier areas, proceeding the onset of the wet season, ensuring consistent plant growth and supporting higher, grade leaf production.
- Irrigated tobacco area expanded by an estimated 5–7% compared to CY25, driven by contract farming incentives.
- Improved irrigation scheduling contributed to uniform crop establishment and maturation.
- Expansion was observed in Central, Eastern, and Southern provinces.

Leaf Quality

- A higher proportion of top-grade and export-quality leaf is being achieved.
- Uniform leaf size, improved colour, clean lemon to light orange, with better curing outcomes having been achieved so far.
- Reduced incidence has been noted of physiological stress and uneven ripening.
- Long-term growth potential in this mainly commercial driven sector will depend on addressing cost constraints, environmental sustainability, and evolving global tobacco market dynamics.
- CY26 irrigated tobacco season reaffirmed the critical role of irrigation in enhancing productivity, quality, and reliability in Zambia's tobacco sector. While economic and environmental challenges persist, the continued adoption of efficient irrigation systems and improved agronomic practices positions the sector for sustained growth and competitiveness.
- Overall, the sector demonstrated resilience and moderate growth, with irrigated tobacco outperforming rain-fed production in both yield and quality.

Commercial Irrigated Crop Central Region (Chisamba) CY26



Commercial Dryland

- To date our Zambian 2025/2026 commercial dryland tobacco season has delivered a moderately strong performance, supported by professional farm management, consistent input application. Despite rainfall variability and some mid-season dry spells, commercial producers have maintained relatively stable yields and above-average leaf quality compared to the broader dryland sector, which do not have the same large-scale means, as our commercial growers.
- Commercial operations continue to demonstrate operational resilience, leveraging mechanization, agronomic expertise, and economies of scale. However, profitability will be moderately constrained by rising production costs, particularly fertilizers, power, fuel, and labour.

Weather conditions to date

- Central and Eastern provinces: Moderate to favourable conditions
- Northern zones: Generally good rainfall and strong crop development
- Southern areas: Noticeable moisture stress impacting yields
- Overall tobacco output to date was assessed as moderate to good, with variability linked to rainfall patterns.
- Commercial farms continue to achieve consistently higher production levels than smallholder systems due to superior resource access.

Leaf Quality

- Leaf quality assessed on farms so far is generally high, with a strong proportion of:
 - Upper and middle leaf grades falling into this category.
 - Leaf colour at this stage is generally lemon to light orange, with minor spot
 - Top quality export, flue-cured styles are showing good early potential.
- Uniform Moisture stress in some areas resulted in:
 - Rapid ripening
 - Reduced leaf size
 - Slightly thinner leaf structure
- Well established Commercial curing, storage and handling infrastructure has ensured consistent colour development and grading outcomes.
- Commercial grower supply and quality through drought and overly wet seasons, continues to be a critical cornerstone of the Zambian tobacco industry.

Economics

- Commercial & Small-scale producers benefited from structured marketing arrangements and direct buyer linkages.
- International demand for sustainable flue-cured tobacco has remained stable, supporting competitive pricing for higher-grade leaf.
- Profitability has been moderately strong, although margins have been negatively affected by:
 - Rising input costs
 - Labor expenses
 - Fuel and energy prices, the lack of energy supply

Key Commercial Challenges

- Rainfall variability and exposure to dry spells
- Rising cost of inputs and production (Power costs and supply challenges)
- Dependence on rain-fed systems despite commercial scale
- Quality variability affecting price realization
- Environmental concerns, including soil degradation and curing fuel use
- To date the CY26 commercial dryland tobacco season in Zambia underscores the relative resilience of commercial farming systems, while also highlighting their continued vulnerability to rainfall variability and extreme weather conditions. Although production and quality outcomes have been generally stable, strategic investment in supplementary irrigation, cost management, and sustainable practices will be critical to enhancing long-term productivity and profitability in the sector.

**Commercial Dryland Crop
Central Region CY26**



Small scale - Project Tobacco (Dryland)

- The CY26 agricultural season for Small-scale dryland tobacco farmers in Zambia has been marked by favorable and well-distributed rainfall, although excessive at times in certain areas. Generally good rainfall supported healthy crop establishment, growth, and leaf development, resulting so far in above-average yields and improved leaf quality in most producing regions, particularly Eastern, Central, and parts of Southern Provinces.

Climatic Conditions

- Central Rainfall Patterns: Rains commenced on time in November, continued steadily through March, and were evenly distributed across the season. This ensured adequate soil moisture during critical stages, such as transplanting, sustainable growth, and leaf expansion.
- March marks the transitional period from the wet to the dry season, with the dry cool season beginning in May.
- Some minor incidences of hail damage have been reported in certain areas; however, this is factored in to have minimal effect on the total crop volume.
- Temperature: Seasonal temperatures remained within normal ranges, without prolonged heatwaves or cold stress, creating optimal conditions for tobacco growth.
- Soil Moisture: Good rainfall replenished soil moisture levels, particularly in sandy and loamy soils, supporting uniform crop establishment and minimizing plant stress.

Crop Establishment and Area Planted

- The total area planted by small-scale farmers increased moderately compared to previous seasons, driven by favourable market conditions last year and good consistent weather.
- Seedling establishment and transplanting were largely successful, with low mortality rates reported due to sufficient moisture levels. A longer seedling hardening period would have been optimal for the overall health of the Small-scale dryland crop.

Crop Growth and Development

- **Early Season (November–December):** Timely rains allowed strong seedling establishment and early leaf growth.
- **Mid-Season (January–February):** Consistent rainfall supported rapid leaf expansion, robust plant height, and healthy even crop development.
- **Late Season (March):** Adequate precipitant, residual moisture facilitated uniform maturation of leaves, contributing to a potential for high-quality farmer grades at harvest and curing.

Yield and Leaf Quality

- **Yields:** Small-scale dryland tobacco yields are expected to be above average, with most farmers reporting strong plant development and large leaf sizes.
- **Leaf Quality:** Fair to good rainfall to date has contributed to uniform leaf colour, texture, and thickness, enhancing small-scale marketable quality and outturn.
- Higher-grade leaves, thin leaf to firm are expected to dominate, with minimal losses from stress-related defects.

Inputs and Agronomic Practices

- The contact farmers applied fertilizers and crop protection Agents according to the customer's tested schedules and benefited from favourable growing conditions.
- GAP agriculture practices, including crop rotation and minimum tillage, were increasingly adopted, contributing to soil health and moisture retention.
- The contract coordinators, field officers and staff, continue to assist our Small-scale growers in all of our growing regions, providing critical hands-on technical guidance and knowledge, along with online TPL project management systems, ensuring adequate input supply.

Pest and Disease Incidence

- Central Pest pressures, including aphids, cutworms, and whiteflies, were reported at **moderate levels** but were effectively managed through timely intervention.
- Disease incidence was limited through biologicals, as good rainfall and healthy crop growth minimized fungal and bacterial infections.

Harvest Outlook

- Ongoing harvesting for small-scale dryland tobacco farmers is proving to be very positive, with good yields and superior leaf quality to date.
- Eastern Province and parts of Central Province are projected to produce the largest surpluses, while Southern Province reports slightly lower but still should achieve satisfactory outcomes.

Key Challenges

- Some localized waterlogging occurred in low-lying fields due to excessive rains, causing minor leaf damage.
- Market fluctuations may influence income despite strong production and quality.
- To date our 2026 season demonstrates the critical role of well-distributed rainfall in supporting small-scale dryland tobacco production in Zambia. Healthy plant growth, strong yields, and superior leaf quality reflect the positive impact of favourable climatic conditions.
- To date, as an ongoing process, has drilled 46+ boreholes through out rural growing areas in Zambia, benefiting farmers and their communities.
- Continued investment in agronomic practices, input availability, and post-harvest infrastructure will help maintain the resilience and profitability of smallholder tobacco farming in future seasons.
- So far, it has been instrumental in building 5,165 Highly efficient energy saving Kamanga Barns throughout Zambia.



Project Growers Crops at Various Stages Throughout the Country



➤ Zambian Tobacco Leaf Crop Cycle

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

➤ Tobacco Varieties and Proportion CY26

- 30% = Seed varieties KRK66, KRK26, KRK29—from Zimbabwe Tobacco Seed Association and Kutsaga.
- 70% = Seed varieties CC35, CC13, K326—from Cross Creek Seed Suppliers in United States of America.

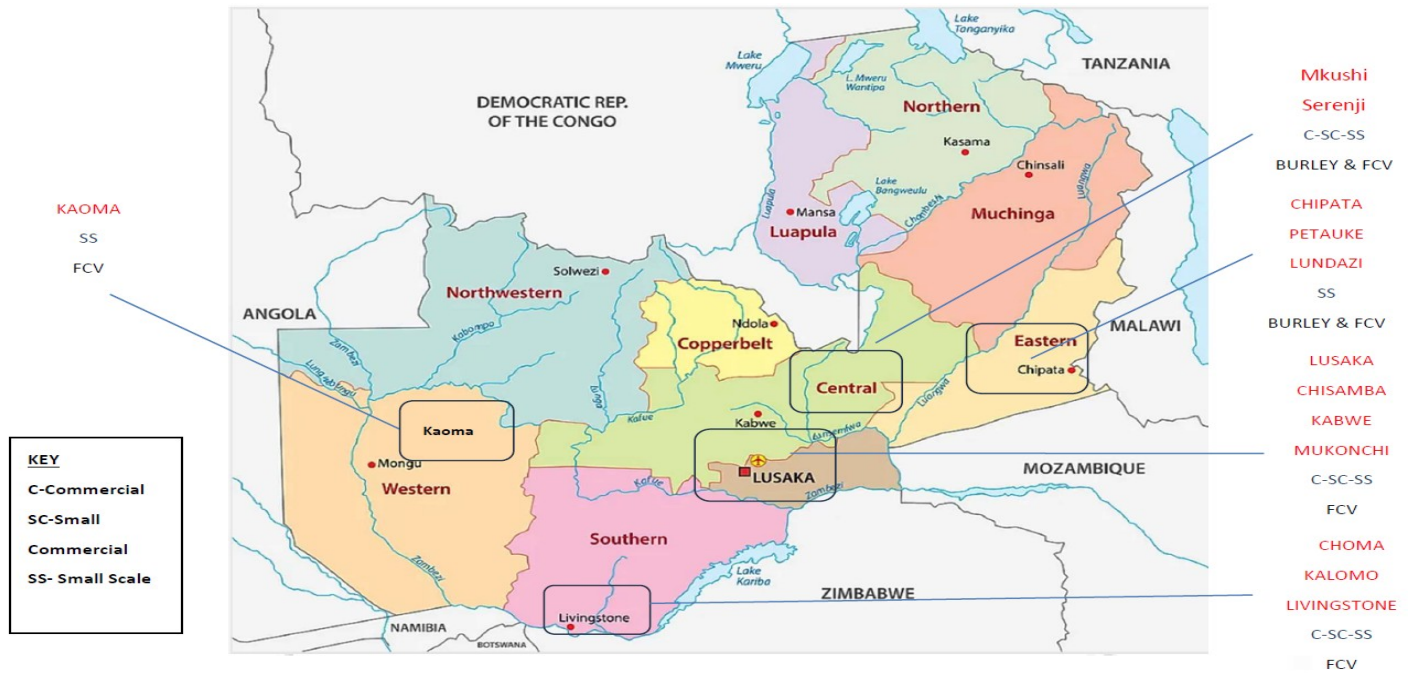
➤ Crop Calendar 2026

Crop Status	Seedbeds	Transplanting	Topping	Harvesting	Curing	Buying	Processing
January							
February							
March							
April						Started	
May						Mid-April 2026	Started
June	Started 1-06-2025						Mid-May 2026
July							
August							
September		Started 1-09-2025					
October							
November			Started 1-11-2025				
December				Started 1-12-2025	Started 1-12-2025		

➤ Crop Forecast - CY26 Projected Volumes

- Zambia’s National crop size for this year is anticipated to be between 57 & 62 million kilograms.
- Zambian Burley volume estimated availability this season 700 tons, green.
- Markets this year are expected to open, mid to late April, with factory startup in mid-May 2026.

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



➤ **Political and Economic Update**

Politics

- **Election momentum building:** Campaign activity is rising ahead of the August 2026 general elections, with the government emphasizing stability in line with fair and peaceful elections, with credible polls.
- **Opposition pressure increasing:** Opposition parties are focusing on cost of living, jobs, and governance as key campaign issues.
- **Fiscal discipline concerns:** Risk of higher public spending in the election period (wages, subsidies, farming support).

Economy

- **Growth steady:** GDP expected around ~5-6% in 2026, supported by mining recovery and services.
- **Debt restructuring progress:** Zambia remains in a post-default recovery phase, with improved macro stability.
- **IMF engagement ongoing:** Discussions on a follow-up IMF programme likely to conclude after elections.

Key Drivers & Risks

- **Mining expansion:** Strong copper sector outlook with new investments boosting medium-term growth.
- **Inflation risks:** Possible pressure from fuel prices and currency volatility.
- **Election-year risk:** Spending pressures could weaken fiscal gains if not managed.

The bottom line

- **Politics heating up;** economy improving but fragile.
- **Outlook positive,** but dependent on fiscal discipline and external conditions.
- It's widely speculated that the current president honourable Hakainde Hichilema will retain power post-election for another five-year final term.

➤ **Exchange Rate – As of 5th April 2026**

U.S. Dollar	Chinese	Zambian	British	Euro	Zimbabwe
USD 1.00	RMB 6.88	ZK 19.28	GBP 0.76	EUR 0.87	ZIG 25.37

End of Report

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