

Zim misses tobacco target

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HARARE - Zimbabwe is set to miss its tobacco 200 million kilogrammes target after farmers delivered 186,3 million kg of the golden leaf on Day 105 compared to 200 million kg delivered in the same period last year.

At its peak, in 2000, the country produced 237 million kg before hitting an all-time low of around 40 million kg in 2008 due to adverse effects of a land reform programme initiated in 2000.

Figures released by the Tobacco Industry and Marketing Board last Friday showed that the country's earnings from sales of tobacco, a major foreign currency earner, fell 7,26 percent to a below target \$552,8 million this year.

Zimbabwe earned over \$590 million in the previous corresponding period. Tobacco deliveries on Day 105 saw total auction sales at about 31 million kg valued at \$88,5 million, while contract sales accounted for the remaining 155 million kg sold for \$464 million.

Rejected bales in the 105-day period stood at 144 193, which was 24,68 percent lower than the 191 439 rejected bales recorded for the same period last year. Total bales laid stood at 2 452 835 down 7,52 percent from the 2 652 329 recorded for the same period last year.

Bales sold during the period were down 6,19 percent to 2 308 642 from 2 460 890. The highest price of \$6 was recorded, which was four percent lower than the \$6,25 recorded in prior year. The lowest price offered for the golden leaf remained flat at \$0,10 with the weight of the average bale down one percent to 81kg from 82kg.

Ethical Holdings Tobacco chief executive officer David Machingaidze recently blamed the incessant rains as having adversely affected the tobacco crop resulting in the country missing its target.

Machingaidze, however, noted that many of Zimbabwe's tobacco farmers, who had dumped maize production in favour of the more lucrative crop, were struggling to access their money due to a debilitating cash crunch.

"The cash crisis has affected tobacco growers in a significant way because they are taking time to adjust to alternative payment systems in the conduct of their business.

"The main issue is that growers need more education and appreciation on the benefits of using plastic money as opposed to the traditional notes and coins, loosely referred to as cash," he said. "Some growers were spending days sleeping at the selling points so that they could get a sizeable amount of cash withdrawals to meet their demands," he added.

Source: <https://www.dailynews.co.zw/articles/2017/08/22/zim-misses-tobacco-target>