

\$70m boost for small-scale tobacco farmers

Zimbabwe - Government, through the Reserve Bank of Zimbabwe (RBZ), will provide \$70m to small-scale tobacco farmers for this year's planting season, up from \$28m last year. The daily cash withdrawal limit for farmers has also been set at \$300 for the 2017/2018 tobacco marketing season, which opens on 21 March.

By [Elita Chikwati](#) 9 Mar 2018



Julia Freeman-Woolpert via [Freelimages](#)

The funds for small-scale tobacco farmers will be disbursed through RBZ's Tobacco Finance Facility, which will be administered through the Tobacco Industry Marketing Board (TIMB) and Agribank. Through the facility, farmers will receive seeds, fertilisers, chemicals and wages for their workers. They will also receive coal for curing and packaging materials.

In a statement, RBZ Governor Dr John Mangudya said the intervention was meant to ensure that farmers had access to affordable inputs.

"The RBZ has increased the Tobacco Finance Facility from \$28m to \$70m for the 2018 planting season in an effort to ensure the inputs get to the farmer at affordable prices. The export incentive for the tobacco growers was increased from 12.5% and this amount shall continue to be paid through the respective growers' bank accounts or mobile money services," he said.

Cash withdrawals

Growers, said Mangudya, would be entitled to \$300 daily cash withdrawals after selling their crop at the auction floors.

"In order to ensure a smooth payment system that is consistent with international best practices on daily cash withdrawal limits, growers shall be paid a maximum of \$300 per day through banks stationed at the auction floors," he said. "This shall be disbursed at all banks stationed at the auction floors upon presentation of the respective sales statements by the tobacco growers."

The balance will be transferred into the growers' bank account or mobile money wallet. It is believed that tobacco production has been increasing due to favourable prices, an organised market and support from contractors.

The government decided to come up with a dedicated funding facility for small-scale producers of the "yellow leaf" after realising that they were experiencing difficulties accessing funds from banks.

Last year, more than 5,360 farmers accessed the \$28m facility. The number is projected to significantly increase as the

funds have been made available early.

There has been an increase in tobacco registrations from 82,438 growers last year to 118,338 this year.

Read the [original article](#) on [The Herald](#).

For more, visit: <https://www.bizcommunity.com>