



PRESS STATEMENT ON THE 2018 COTTON MARKETING AND FINANCING ARRANGEMENTS

1. In preparation of the impending cotton marketing season, the Reserve Bank of Zimbabwe wishes to advise cotton growers, cotton merchants and other stakeholders on the of the marketing and financing arrangements for the 2018 season.
2. Cotton growers shall be paid an export incentive of 10%, which shall be paid on a monthly basis through bank accounts or Mobile Money Services. In this regard, cotton merchants shall submit to Reserve Bank, the list of growers and their respective account details every month by the 7th of the month following the one for which the incentive is being claimed.
3. In line with international best practices and the need to promote the use of plastic money, cotton growers shall be paid in cash, a maximum of \$40 per each bale sold, with the balance being deposited into the grower's bank account or Mobile Wallet Account.
4. Furthermore, seed cotton shall continue to be purchased using offshore lines of credit. In this regard, cotton merchants are required to secure offshore lines of credit prior to purchasing seed cotton. For avoidance of doubt, only those cotton merchants who were financed by Government, and those who financed cotton production using their own resources shall buy seed cotton.

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GOVERNOR