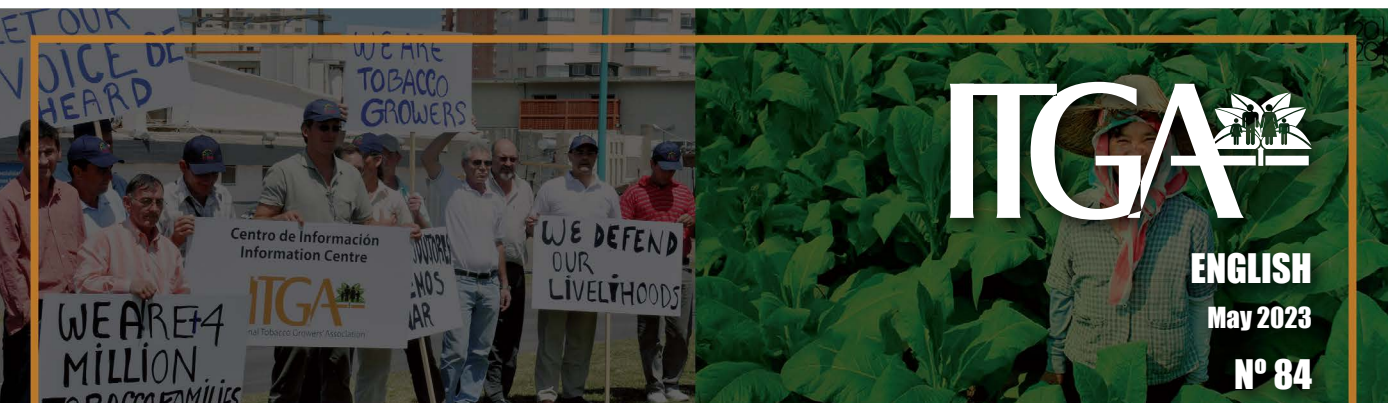


TOBACCO

COURIER



ITGA

ENGLISH

May 2023

Nº 84

May 31st World Understanding Tobacco Farming Day

Listen to Farmers. ITGA Annual Survey outcome.

ITGA Strategy in 2023

Mercedes Vázquez
ITGA CEO

ITGA Market Survey 2023

Ivan Genov
ITGA Manager Tobacco Industry Analysis

2023 Crop Situation in Key Markets

Tobacco Leaders
ITGA Interviews

ITGA Members Country Reports

Latest Crop Data
ITGA Member Associations



ITGA MARKET SURVEY

SINCE 2015, MALAWI HAS BEEN EXPERIENCING CYCLONES LIKE NEVER BEFORE.
MALAWI

THE MAIN CHALLENGE IS THE HUGE INCREASE IN COST OF PRODUCTION, ESPECIALLY THE PRICE OF FERTILIZER.
ZAMBIA

A SUBSTANTIAL PORTION OF THE CROP WAS DAMAGED BY HEAVY RAINS.
INDIA

YOUNG FARMERS DON'T WANT TO CONTINUE TOBACCO CULTIVATION.
POLAND

ALMOST 40% OF ALL TURKISH TOBACCO COMES FROM AREAS DEEPLY AFFECTED BY THE EARTHQUAKE.
TURKEY

WE ARE HOPEFUL THAT TOBACCO WILL SEE IMPROVEMENTS IN THE LONG-TERM, AS IT IS THE SOLE SOURCE OF LIVELIHOOD FOR MANY FARMERS.
LEBANON

GROWERS ARE FACING SIGNIFICANT CHALLENGES HIRING AFFORDABLE LABOR.
USA

WHAT WE HAVE OBSERVED IS A SHORTAGE OF CONTRACTED LABOR, SIGNIFICANTLY INCREASING PRODUCTION COSTS.
BRAZIL

LACK OF SUCCESSION IN THE FIELD WILL COMPROMISE TOBACCO PRODUCTION IN THE LONG-TERM.
BRAZIL

INFLATION IS A BIG PROBLEM IN THE COUNTRY.
ARGENTINA

LISTEN TO FARMERS



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Index

COMMENTS ITGA AND PARTNERS



INTERVIEWS



INFOGRAPHICS



ITGA MEMBERS' REPORTS



ITGA FOUNDATION 1984

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ITGA Address: Av. 1º de Maio - 99, 1º Dtoº 6000-086 Castelo Branco - Portugal
Contact: Tel.: 00 351 272 092 583
Mail: itga@tobaccoleaf.org | Website: www.tobaccoleaf.org

ITGA MEMBERS

PARTICIPATING IN THIS ISSUE



MESSAGE FROM ITGA PRESIDENT



International Tobacco Growers' Association
Echoing Tobacco Growers' Voices since 1984

DEAR ITGA MEMBERS, DEAR READERS,

It is a great pleasure and honour to address you on the pages of Tobacco Courier for the first time as ITGA's President. As you are well aware, I officially assumed the position last October during the 2022 Annual General Meeting (AGM) in Castelo Branco, Portugal. This was a very important event that got most of us physically together for the first time since the start of the global pandemic. In fact, it is worth emphasizing that ITGA made a great effort to keep the organization in good shape and provide a global platform for us all, while normal meetings were next to impossible. What comes to mind is the online system that was used for our Annual General Meetings, World Tobacco Growers' Day celebrations and awareness bringing campaigns such as #TogetherWeCare.

During the 2022 AGM, we listened to insightful presentations giving us an excellent grasp of what is happening in the world of tobacco – both on regional and international level. We also managed to discuss country level issues and aligned on important challenges that increasingly threaten our livelihoods.

As a result, we have not wasted a moment in 2023 by meeting with


growers in the Americas region. The 2023 ITGA Americas Regional Meeting was held in Salta, Argentina with representation and information shared from Argentina, Brazil, Colombia, the Dominican Republic, and USA, as well as international participants of leading tobacco sector stakeholders. The event was also a good opportunity to gather all leading sectoral players from Argentina. Notably, the group participated in a field day where we listened to first hand accounts from local growers.

In early spring, I have attended several important meetings in Geneva, Switzerland together with Mr. Albert van Wyk, from our vice president country – Zambia, advancing the interests of the organization. Our schedule for the year is full and the ITGA will take all actions necessary to make sure our common interests are taken into consideration by governments and international institutions.

Connected to this, I want to bring once again to your attention the threats to our existence brought forward by the World Health Organization (WHO) Framework Convention on Tobacco Control (COP) and the tenth Conference of the Parties (COP10) which will take place in November in Panama. We must do everything possible on local, regional, and international level

to counter the very serious threats coming from this event. In addition, we continue to see very little from the important Article 17 that is dealing with finding economically viable alternatives to tobacco growing. A crucial point, that was designed to help countries and growers heavily dependent on tobacco growing. We, the growers, have not received any support from the FCTC, no consultation, no concrete results.

I urge you to bring forward these points to your respective governments. We cannot afford to allow important decisions about our own existence to be taken without consulting the weakest link in the supply chain, the grower. This is even more striking as COP meetings are being held in the dark, against their own rules of procedure. I appeal to the governments of all tobacco growing countries to support growers and to protect our legitimate interests in regulatory meetings. The future and livelihoods of millions of people depend on this.

Finally, I want to echo a common theme that is being raised in all recent ITGA meetings – the importance of the global platform that ITGA provides and the united front we need to continue building. All this does not come easy and without effort. Members must remain committed and be ready to multiply their efforts to make the most of our global association – the ITGA. 

José Javier Aranda
ITGA President



José Javier Aranda, ITGA 2022 Annual
General Meeting in Castelo Branco, Portugal



ITGA STRATEGY IN 2023



International Tobacco Growers' Association
Echoing Tobacco Growers' Voices since 1984

DEAR MEMBERS, PARTNERS, AND FRIENDS,

Tobacco Courier's first edition for 2023 is full of quality information including the latest data from the leading markets – materials that are designed to build the capacity of our Members. I have good expectations for the year ahead and by extension for ITGA's Members.

2022 was very important for the association. During the year, we did everything in our power to make it count, having in mind the three years of

ITGA managed to organize two important Regional Meetings - one in Africa (hosted by our members in Zambia) and one in the Americas (hosted by our members in the Dominican Republic), as well as the Annual General Meeting in Castelo Branco, Portugal – the home of our Secretariat.

limitations caused by the global pandemic. ITGA managed to organize two important Regional Meetings - one in Africa (hosted by our members in Zambia) and one in the Americas (hosted by our members in the Dominican Republic), as well as the Annual General Meeting in Castelo Branco, Portugal – the home of our Secretariat.

ITGA has started 2023 enhanced by the support received by Members and the strength of our partnerships. The year is very much defined by the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) Conference of the Parties 10 (COP10) - a strategic point of focus for the tobacco sector taking place in Panama in November. COP9 was held virtually and most of the key decisions were postponed to COP10. We can expect strong pressure on the social and environmental aspects of tobacco growing. The misuse of human rights is a new obsession for the anti-tobacco lobbyists. The elimination of tobacco production is the ultimate target. Although, preferably reached at a slower pace to allow this funding machine, that has become the FCTC, to continue feeding its numerous NGOs tentacles around the world. We have learnt from the past and we will not underestimate the damage that could be done.

In addition, Article 17 (related to finding economically viable alternatives to tobacco growing) has not delivered any substantial evolution. The only article in the treaty to bring hope to growers. ITGA is focusing its attention on this very Article. If we continue to see complete disregard in this area, we will be holding FCTC accountable, together with governments and tobacco growers' representatives.

Mercedes Vázquez
ITGA CEO



On May 30th the WHO is launching its annual 'World No Tobacco Day' campaign. A whole set of arguments will be centred around the issues mentioned above (social, environmental, human rights). Without providing a single piece of evidence, no studies, no in-depth analysis from the farming side and more importantly: avoiding any sort of consultation with the subject of their accusations, tobacco growers. It is particularly surprising to see how Article 17 has been omitted in this campaign. By doing this, the FCTC clearly acknowledges its Achilles heel. As a result, our May 30th campaign will be called 'World Understanding Tobacco Growing Day'.

The year is very much defined by the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) Conference of the Parties 10 (COP10) - a strategic point of focus for the tobacco sector taking place in Panama in November.



The Americas Regional Meeting in Salta, Argentina was a perfect setting to start advancing our unified message this year.

With the objective of creating maximum impact about the need of understanding tobacco growing and educating the public about the realities of our sector, ITGA will enhance its platforms and meetings this year, organizing multi stakeholders' engagements and providing visibility to tobacco growers' right to plant tobacco as long as there is a demand for it, especially, when there are no viable alternatives in most of markets.

The Americas Regional Meeting in Salta, Argentina was a perfect setting to start advancing our unified message this year. ITGA Members are highly motivated to work on behalf of the sector and its common goals, but we are learning also about the increasing challenges. The findings of our annual survey bring us to

a sad scenario. The root cause of tobacco growers' lack of viability is poverty and unless there is a substantial improvement, we will not need the FCTC to put a final blow to tobacco production. Some countries are adapting to the change in market dynamics and switching to other crops. Unfortunately, this is not the case for the vast majority.

The generational issue is also a top concern. Agriculture is not seen as an attractive career path for the youth given the lack of opportunities and the hard work vs low reward. The continuous trend in the rise of cost of production is flagged by the respondents of the survey as the most persistent problem, especially when pricing is not balanced, followed by the consequences of climate change with its devastating effect on crops every year.

The ultimate objective of ITGA's strategy is to bring the sector together to face these common challenges by building our Members' capacity and reinforcing the role of growers' associations at national level. The dialogue among different players in the tobacco supply chain needs to be consistent and to make sure it happens we are running our 2023 agenda providing the opportunity to listen and learn from each other.

In June, the Africa Regional Meeting will take place in Zimbabwe and up to the



The ultimate objective of ITGA's strategy is to bring the sector together to face these common challenges by building our Members' capacity and reinforcing the role of growers' associations at national level.

end of the year we hope to hold the Asia Tobacco Forum and the Oriental Tobacco Forum culminating in our meeting in October in Zambia, where the AGM will take place.

Be prepared for the celebrations of World Tobacco Growers' Day, join us by raising your voice in the global campaigns on May 30th - World No Tobacco Day and in November in Panama for COP10.

We thank our Members and partners for their priceless support!



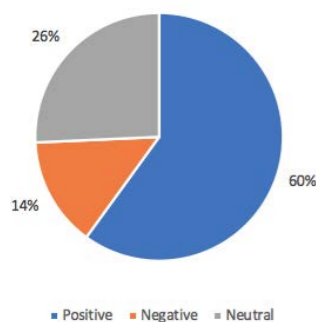
ITGA 2022 Annual General Meeting in Castelo Branco, Portugal

ITGA Market Survey 2023



In line with the established tradition of conducting market surveys in the beginning of the calendar year, in 2023, ITGA made an additional effort to obtain the widest response rate in recent history. The survey provided up to date insights from Africa (Malawi, Zambia, and Zimbabwe), the Americas (Argentina, Brazil, the Dominican Republic, and USA), Asia (India and Pakistan), Europe (Hungary and Poland), and the Middle East (Lebanon and Turkey). Combined with the information gathered during the 2023 ITGA Regional Meeting in Argentina and fresh updates received from members in the biggest tobacco growing markets, we can with great confidence evaluate the current market situation around the world.

How do you see the short-term prospects for tobacco growing in your market?



Africa

Without a doubt, the most frequently mentioned economic issue in the leading African markets is cost of production. Some respondents believe that the criterion of establishing cost of production is compromised, leaving out important components for small and medium scale

growers. In Malawi, farmers are pressed by solvency issues from high costs of production in combination with increasing costs of living. While growers admit they don't have much control over cost of production and pricing, they are working hard to improve yields to balance the equation. Growers in Zimbabwe share that the curing process is being badly affected by lack of electricity in the country while structural inefficiencies in the economy, mainly the dual exchange rate, lead to loss of value from the crop. Respondents from all three markets noted the crop price as a significant problem, which continues to negatively affect farming communities season after season.

In the domain of environmental issues, deforestation stands out. This problem is at the centre of ITGA's efforts in the Africa region, manifested by the afforestation awareness campaign we conducted in the end of 2022 in three important tobacco growing regions in Zimbabwe, together with local partners. What is particularly harmful for growers in Malawi is the increasing occurrence of cyclones, at least since 2015. For example, Cyclones Gombe and Anna in 2022 and Cyclone Freddy in 2023 caused massive devastation, loss of life and damage to the agricultural supply chain. Another problem for the country is soil conservation and the corresponding lack of initiatives to minimize soil loss. In Zimbabwe, some respondents highlight the lack of support and enforcement of regulations.

Regarding social issues, poverty is the most urgent problem followed by lack of opportunities for the youth – two issues that are fundamentally connected. Their

Ivan Genov
ITGA Manager
Tobacco Industry
Analysis

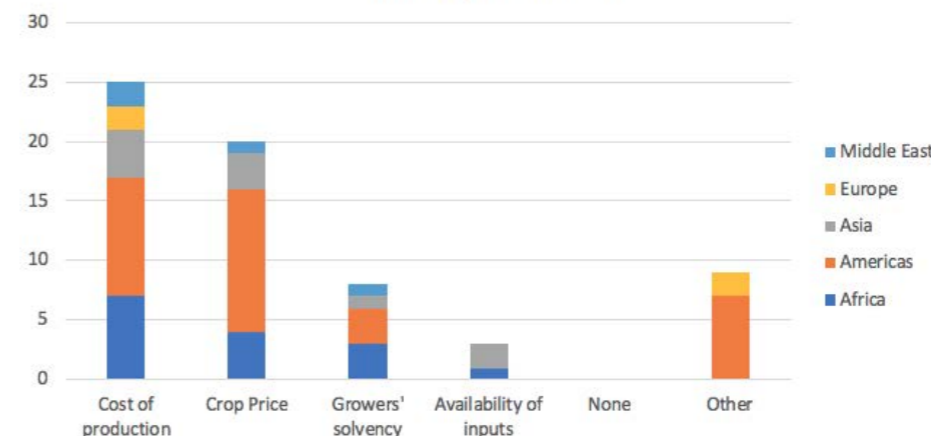


solution requires a holistic approach that needs to include all parts of the supply chain, otherwise the long-term prospects of agriculture in general will be severely impacted.

Growers in Africa recognize that demand for tobacco leaf will likely exceed current supply levels, an issue flagged by leading leaf merchants, which now have uncommitted inventories in the single digits, a historic low. Such market realities play a role in the short-term vision about the future of the sector, with opinions being predominantly positive or neutral. However, the long-term prospects seem to be more varied, in big part due to the economic, environmental, and social issues discussed.

Malawi's record low production in 2022 - 85.1 million kg (69.3 million kg of burley tobacco) was one of the big news of the year. However, early season 2023 expectations are as high as 129 million kg (with burley exceeding the 100 million kg threshold). In Zimbabwe, last year's 212.7 million kg of FCV is expected to rise to 230 million kg, based on good weather conditions, quality leaf and the licensing of new buyers. Nevertheless, ITGA members point out that growers' viability was significantly reduced in the last two seasons. While cost of production is rapidly on the rise, pricing continues to move up at a much slower rate, something that remains valid in the first few weeks of the marketing season. In Zambia, the total crop size in 2022 was 36.2 million kg, in line with the figure for the season before. Regardless of the excess rain reported by local growers, the 2023 crop is expected to be good.

Please select the most urgent economic issues facing the sector in your market?



Americas

Crop prices and cost of production are the main sources of concern for growers in the Americas region. In Argentina, there is the added burden of extremely high inflation that reached 94.8% in 2022. An extra problem for the country is the exchange disparity with neighbouring Brazil, combined with a porous border with very limited control where the diversion of green leaf and informal sale is centred. In Brazil, there are difficulties in agreeing all components of the cost of production with companies, while in the US farmers report pricing is up but yields are down.

All markets in the region flag the common occurrence of unusual weather patterns that affect the crop. In Brazil, there was lack of rain from mid-December, while in the last four seasons climate was adverse in all four southern regions. Brazilian growers also suffer from low water storage capacity for irrigation. Alternatively, Dominican growers note that there are changes in the traditional rainy season. Issues with water in the region are likely to rise in importance in the immediate future.

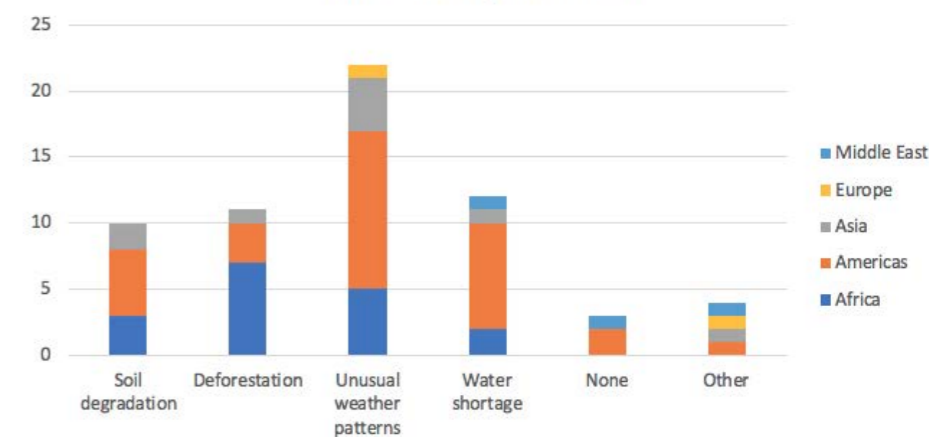
Social issues are a big focus for the Americas region. However, they differ from the ones common in Africa. While education is often highlighted as a focus area, the main problem is the lack of manpower, shortages of contracted labour, and finding labour at any at price, as noted by US growers. This is in part affected by people leaving the rural areas and the lack of succession by younger generations. This is a serious problem that could compromise tobacco production in the long run.

Growers in Argentina see the short-term prospects of the sector as positive but remain neutral in the long-term. In Brazil, the short-term prospects are also evaluated mostly as

positive or neutral, while in the long-term they are seen as neutral to negative. While Dominican respondents see the overall prospects for the local sector as positive in all time periods, the US growers are more pessimistic, seeing the race for competition to operate at lower costs of production, disadvantaging their place in the global context.

Argentina produced around 91.6 million kg of tobacco in 2022, a complicated year with lower volumes than expected. However, production of around 100 million kg is expected in the coming season. Nevertheless, the economic issues on macro level could impact the final output. In Brazil, the 2022 crop reached 590 million kg (512.6 million kg of FCV) but this year production is likely to bounce back to over 600 million kg (approximately 550 million kg of FCV). The increase in price for last season attracted growers to the incoming crop. The US total production in 2022 was 202.9 million kg (137.3 million kg of FCV). Local ITGA members believe that opportunities for dark-fired tobacco are in place, but there will be no relief in cost of production in the immediate future.

Please select the most urgent environmental issues facing the sector in your market?



Asia

Tobacco growers in India and Pakistan share a common frustration with the rapidly rising costs of production and current crop pricing. In Pakistan, farmers are facing additional pressure from high inflation rates and unstable macro environment. In India, the government allowed the sale of excess tobacco production without penalties in Karnataka region, which helped growers in recovering certain losses.

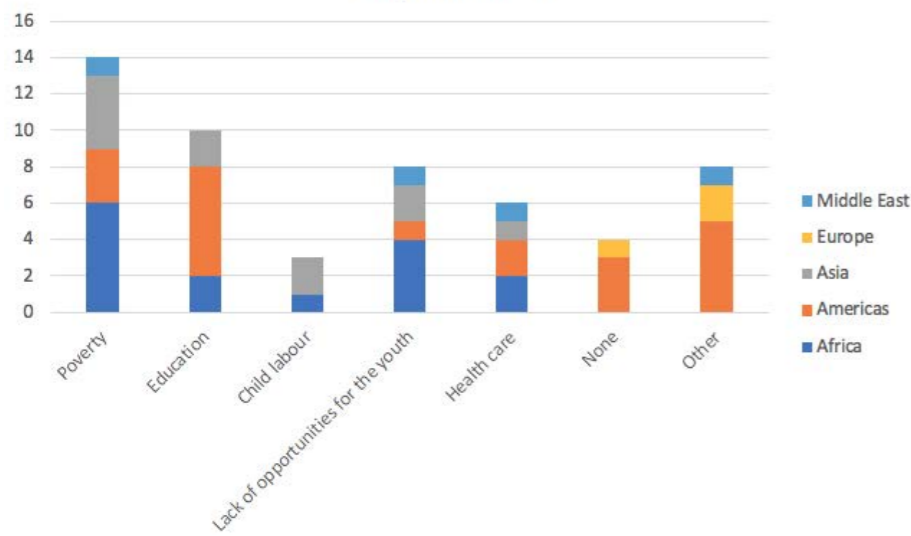
The prevalence of unusual weather patterns is affecting both markets with Pakistan indicating weather is getting warmer and with lower rainfall. In addition, soil degradation remains an issue for India while water shortages are impacting farmers in Pakistan. A large portion of the Karnataka FCV crop in 2022 was damaged due to heavy rains, while Cyclone Mandous affected the crop in Andhra Pradesh.

Poverty, lack of opportunities for the youth and child labour are the most frequently flagged social issues, with younger generations having limited interest in agriculture. Nevertheless, short-term expectations for tobacco growing in India are positive, while long-term - positive to neutral. Regardless, less support for tobacco from the Government in comparison to other crops leaves a level of uncertainty for the future. In Pakistan, respondents were less optimistic in both time frames, citing that negative pressures far outlay the demand incentive coming from the market.

FCV production in India stood at 191 million kg in 2022 while forecasts for the new season point to a potential quantity of 210 million kg but reaching the government

quotas will be a challenge. In Pakistan, FCV production in 2022 was 64.7 million kg, one of the lowest quantities in the last 10 marketing seasons as farmers turn to staple food crops.

Please select the most urgent social issues facing the sector in your market?



Europe

Cost of production is the biggest economic concern for Europeans responding to the survey. The double-digit inflation in many of the traditional EU tobacco growing markets, skyrocketing prices of oil, gas, and energy, combined with other external pressures, such as the war in Ukraine are causing serious problems for the sector. According to the European Commission, tobacco is currently grown in 12 EU markets, while ITGA member associations flag that the total production is around 160 million kg. Being on the upper price range disadvantages European growers, while big manufacturers are shifting their purchasing to other regions.

Climate is also having an impact on tobacco, with some anomalies being reported, for example in Hungary. European growers also believe there are not enough registered plant protection products for tobacco. In the social aspect, a trend that has been persistent for some years is the lack of seasonal labour. Other obstacles include aging traditional tobacco growers and the increasing popularity of other more profitable economic alternatives.

As a result, it is not surprising that respondents see the long-term prospects for tobacco growing as strictly negative, while there is some variance in their short-term views. In general, the focus

of local growers will be on stabilizing cultivation and stopping the downward trend in production, at least on current levels. European growers see some opportunities in heated tobacco, one of the next generation products of big tobacco manufacturers, but it is worth noting that the demand is still small in comparison to traditional products.

Middle East

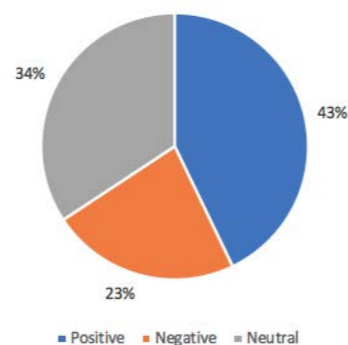
The two focus markets in the Middle East region – Turkey and Lebanon, went through some extraordinary events in recent years that have a serious negative effect on their economies. In Turkey, a number of earthquakes devastated the South-Eastern part of the country, where 40% of the total Turkish tobacco comes from. In addition, the country has also experienced some significant water shortages. On the other hand, Lebanon has been experiencing the hardest time in its modern history, with the economic and financial crisis of 2019, worsened by the COVID-19 outbreak, the Port of Beirut explosion in 2020 and the influx of refugees coming from the war in Syria. Vulnerable groups, such as the farming community, are disproportionately affected by the crisis. In addition, the situation resulted in tobacco farmers being excluded from the health insurance coverage and the devaluation of the Lebanese pound has resulted in difficulties in sourcing the necessary agricultural inputs for production – such as pesticides, nutrients, and stimulants,

that are largely imported and priced in US dollars.

Despite the serious challenges, the local Federation Union, with the support of the private sector, has made significant strides in addressing the issue of child labour in the sector. This has been accomplished through the establishment of libraries in all tobacco farming regions in Lebanon, providing educational and cultural activities for the children of tobacco farmers. In addition, financial assistance is provided to those who excel academically, allowing them to pursue higher education without being hindered by their families' difficult financial circumstances. In Turkey, social issues are similar to those facing the EU markets, with younger generations unwilling to get involved in the tobacco farming business.

The Turkish Oriental Tobacco crop has decreased from 250 million kg to 60 million kg in the years since the privatization of the Turkish Tobacco Monopoly that happened 15 years ago. The migration to cities has also affected the production of all types of agricultural goods, with tobacco being the most affected crop. The Lebanese growers are hopeful that the tobacco farming sector will eventually see improvements in the long run, as it serves as the sole source of livelihood for many farmers in the country. However, given the current economic, financial, and social challenges facing the country the short-term prospects remain cautious. Despite this, respondents recognize the resilience and determination of farmers in this sector who rely solely on tobacco cultivation to make ends meet. They have no other means of supporting themselves and their families. Simply put, tobacco farming is their only weapon in the fight against the difficult circumstances they face. ¹⁶

How do you see the long-term prospects for tobacco growing in your market?



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Minimal Environmental Impact
Support for People & Communities
Ethical & Responsible Business

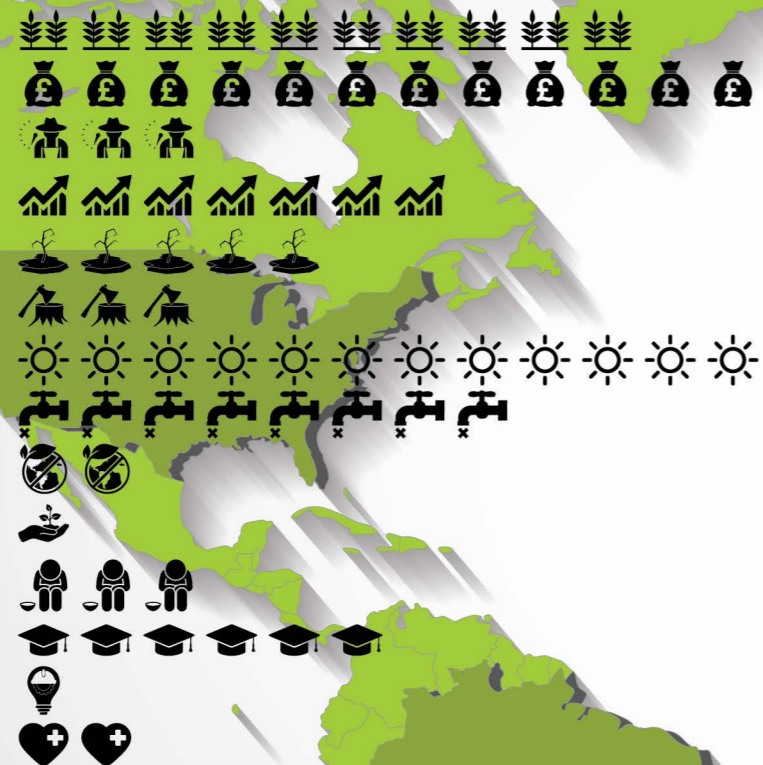
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ITGA MAP

Tobacco Growers' Sustainability Issues

Americas

US
Argentina
Brazil
Dominican Republic



IN THE ECONOMIC ASPECT

- Cost of production
- Crop Price
- Growers' solvency
- Availability of inputs
- None
- Other

IN THE ENVIRONMENTAL ASPECT

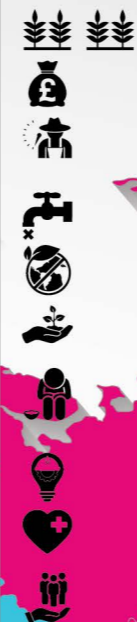
- Soil degradation
- Deforestation
- Unusual weather patterns
- Water shortage
- None
- Other

IN THE SOCIAL ASPECT

- Poverty
- Education
- Child labour
- Lack of opportunities for the youth
- Health care
- None
- Other

Middle East

Turkey
Lebanon



Asia

India
Pakistan



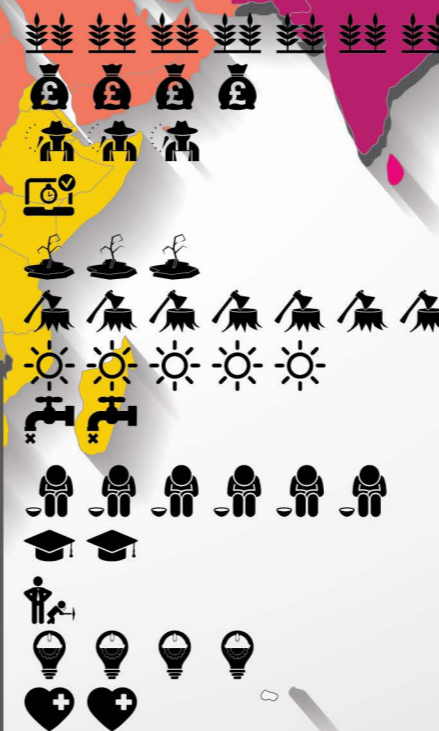
Europe

Hungary
Poland



Africa

Malawi
Zimbabwe
Zambia



Brazil Country Report

Original text provided in Portuguese



Afubra



CROP EVOLUTION:

WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

Harvest 2022/2023: planting ended in October 2022; at harvest, Virginia harvested 85%, Burley 92%, and Common Shed 87.3%. Commercialization, Virginia 5%, Burley 4% and Common Shed 30%.

RECENT WEATHER PROBLEMS/CHANGES:

Harvest 22/23, in general, the weather did not have a big influence on the issue of productivity and quality. In some regions, in the South of Rio Grande do Sul there was a small drought but without bringing great damage. With hail, we had 10% more incidences than last season.

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

Harvest 2021/2022 – 128.448 families
Harvest 2022/2023 – 124.993 families

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:

Harvest 2021/2022 – 246.590 hectares
Harvest 2022/2023 – 261.740 hectares

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

Harvest 2021/2022 – 560.181 tons
Harvest 2022/2023 – 604.732 tons

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASON:

Attached Table 1.

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

Attached Table 2. 📄

TABLE 1

TYPES	TOBACCO GROWN IN THE PREVIOUS CROP - 2020/21					
	PRODUCERS	CULTIVATED AREA	TONS		US\$ / kg	
	FAMILIES	HECTARES	PRODUCED	EXPORTED	PRODUCER	EXPORT.
Virgínia	109 870	245 041	572 732		1,97	
Burley	24 311	25 169	49 260		1,85	
Common	3 437	3 107	6 497		1,33	
Othors	13 770	24 928	32 233		7,34	
TOTAL	151 388	298 245	660 722	514 288	1,93	3,185

TABLE 2

TOBACCO GROWN IN THE CURRENT CROP - 2021/22						
Virgínia	102 690	223 108	512 594		3,39	
Burley	22 503	20 734	41 793		3,15	
Common	3 255	2 748	5 794		2,54	
Others	13 742	23 554	30 064		9,28	
TOTAL	142 190	270 144	590 245	464 429	3,29	3,153

Source: Afubra

INFORMATION ABOUT THE VARIETY: VIRGÍNIA CROP: 2021/2022				
ORD	COST ITEMS	UN.	QUANTITY PER HECTARE	TOTAL VALUE US\$/ha
1	Labor	hs	992	2 989,03
2	Base Fertilizer	kg	1 025,8	440,57
3	Covering Fertilizer	kg	253,8	245,37
4	Defensives	kg	16,5	283,05
5	Firewood	m.st.	23	247,19
6	Other costs			1 183,83
TOTAL COST OF PRODUCTION				5 389,04

INFORMATION ABOUT THE VARIETY: BURLEY CROP: 2021/2022				
ORD	COST ITEMS	UN.	QUANTITY PER HECTARE	TOTALVALUE US\$/ha
1	Labor	hs	751	2 164,10
2	Base Fertilizer	kg	959,7	394,79
3	Covering Fertilizer	kg	329,8	236,61
4	DefensivEs	kg	15,9	226,63
5	Other costs			1 000,20
				4 022,33

Source: Afubra



ITGA Press Conference hosted by Afubra in March 2023 - Santa Cruz do Sul, Brazil

2023 Crop Situation in USA

ITGA: Please discuss your observations and key takeaways from the most recent crop (2022)?

Daniel Green: The 2022 USA flue cured crop totalled 56,615 hectares with total production of 137,260 metric tons. Burley farmers harvested 13,116 hectares for production of 26,580 metric tons.

ITGA: What are the main challenges for growers in your market? (e.g. economic, social, environmental and other issues)

Daniel Green: Growers are facing significant challenges hiring affordable labor for producing tobacco. The high cost of growing tobacco is discouraging many farmers from growing as interest rates have risen substantially over the past year.

ITGA: What is the level of support for growers from the local authorities, if any?

Daniel Green: As tobacco production has concentrated into smaller geographic areas over the past few years, growers still receive strong support from local authorities. However, support at the federal



Support at federal level is waning.

level is waning as the number of tobacco growers continue to decline.

ITGA: What are the most notable changes taking place in the supply chain at the moment?

Daniel Green: Tobacco growers are switching to alternative crops that require less labor and have lower input costs, but still offer good profitability. Many farmers have expanded production of grain crops and cattle production.

ITGA: Where do you see the biggest opportunities? What are your priorities for the year?

Daniel Green: General farm profitability has improved over the past year with growers finding good opportunities to replace tobacco production. Tobacco growers wishing to increase production of tobacco are finding plenty of buyers, but growers are generally disappointed with pricing compared to opportunities with other crops.



Growers are facing significant challenges in hiring affordable labor.

Daniel Green
Burley Stabilization Corporation (BSC)
CEO



ITGA: What is your expectation for the incoming crop (2023)?

Daniel Green: USA flue cured production is expected to decline by 5% in 2023 and burley is expected to remain unchanged. Prices have only increased enough to cover additional costs of production. Supply shortages are expected to continue at least through 2024, with more extreme shortages in burley supply than flue cured.

How do you see the long-term prospects for tobacco growers in your market?

ITGA: **Daniel Green:** USA tobacco growers expect to benefit from a slowly decreasing, but reliable demand for tobacco domestically. Export opportunities are expected to decline more rapidly as USA becomes more expensive. 🇺🇸



Supply shortages are expected to continue at least through 2024.

North Carolina, USA Report



Burley Stabilization Corporation (BSC)



CROP EVOLUTION: WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY - PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS): BURLEY

As of the end of February 2023, marketing of the 2022 burley crop has just completed and farmers are preparing greenhouses for transplant production for the 2023 crop. The number of burley tobacco hectares in the United States for 2023 is expected to remain unchanged compared to 2022. Growers continue to face challenges related to unavailable labor and expensive labor rates relative to the price of burley.

DARK AIR-CURED AND FIRE-CURED TOBACCO

Dark fire cured tobacco production is expected to decline by 30 percent in 2023 compared to 2022. Dark air cured production is expected to decline by 20 percent.

LATEST WEATHER PROBLEMS/CHANGES:

Excessively dry conditions in the last half of the burley growing season resulted in below average yields and quality for the 2022 crop.

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

The number of burley growers in 2023 is expected to decline slightly, whereas farm size may increase.

HOW MUCH IS THE AREA PLANTED IN HECTARES - CURRENT SEASON VS LAST SEASON:

Burley: 13,100 in 2022 vs 15,600 in 2020 For 2023, Burley is expected to increase to 14,500 hectares

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

Burley: 26,580 MTs in 2022 vs 35,300 MTs in 2021 For 2023, Burley is estimated at 31,750 MTs

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON VS LAST SEASON:

Average production cost in 2023 is estimated at \$12,100/ha for burley.

AVERAGE PRICE FOR THE CURRENT SEASON VS LAST SEASON:

Burley: \$4.85/KG in 2022 vs \$4.49 in 2021 For 2023, Burley price is expected to be \$5.29/KG 🇺🇸



BSC CEO Daniel Green, ITGA 2022 Annual General Meeting in Castelo Branco, Portugal

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Argentina Country Report

Original text provided in Spanish



Camara del Tabaco de Salta



CROP EVOLUTION:

WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

Average harvest and commercialization.

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:

Current season 2022-2023 marketing year: 13,240 ha to date
Previous season 2021-2022 marketing year: 21,282.66 ha

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

Current season 2022-2023: \$ 1,655,630
Previous season 2021-2022: \$ 733,230.2 EXCHANGE RATE ON 02/23/2022

RECENT WEATHER PROBLEMS/CHANGES:

Severe drought and high temperatures during the dry season and mid-summer.

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

Current season 2022-2023 to date 12,186,833, estimated 36,000,000 kg
Previous season 2021-2022 season: 33,063,450 kg

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

Campaign Average 2022-2023 and 2021-2022: \$ 1,301,698 ^{ti}

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

Current season 2022-2023 marketing year: 1 824 producers
Previous marketing year 2021-2022: 1829 producers



ITGA 2023 Americas Regional Meeting in Salta, Argentina

Argentina Country Report

Original text provided in Spanish



**Coprotab - Salta
Tobacco Growers'
Cooperative**



PRODUCTION 22/23: FOR THIS SEASON THE FOLLOWING DATA ARE ESTIMATED:

Ha Planted: 20.584
Estimated Production: 36.050Tns.
Weighted Yield: 1.929 kgs/Ha

Due to adverse weather conditions (hail in January and February), lack of rain in September, October, Novembre and Decembre), the production tons were reduced in the following values.

- Losses due to the lack of rain: 1,950 Tons (Güemes, R. de Lerma, La Merced)
- Losses due to the hail: 1,000 Tons (La Merced, Cerrillos y El Carril)
- Losses due to diseases: 320 Tons (Güemes, R. Lerma, La Merced y El Carril)

PLANTED AREA BY DEPARTMENT— 22/23

PLANTED AREA ON 17/02/2023

DEPARTAMENTS	PLANTD AREA (ha)
CHICOANA	4.062,88
ROSARIO DE LERMA	4.918,68
CAPITAL	66,33
GRAL. GÜEMES	4.060,28
LA VIÑA	743,06
LA CALDERA	158,82
GUACHIPAS	164,47
METAN	66,70
LA CANDELARIA	513,74
CERRILLOS	5.829,11

CLIMATE:

In the month of February the weather conditions were: Average temperatures 21.1 °C, absolute minimum 8.1 °C. maximum temperatures reached 35.6 °C. The average relative ambient humidity was 76%. During this month there was little sunlight due to the cloudiness and relative humidity, the prevailing winds were from the Northeast (NE) which reached a maximum of 49.9 km/h.

CLIMATOLOGICAL SUMMARY CR CERRILLOS - SALTA

REFERENCE	HISTORICAL	FEBRUARY 2023
T° Max Abs - °C	33,1 °C	35.6 °C
T° Min Abs - °C	5.2 °C	8.1 °C
T° Average - °C	20.0 °C	21.1 °C
Rain - mm	110 mm	125.3 mm
HRm (%)	80 %	80 %
Winds Dir. Dom	NE	NE
Winds Mx – Km/h	s/d	49.9 Km/H

RAIN:

Rainfall this month averaged 125.3 mm (historical 110.0 mm). There were 3 days with rainfall greater than 10 mm. According to climate records of the INTA Cerrillos Regional Center.

Hail:

In this season to date, about 1,895 hectares have been damaged by hail at 100% according to Mutual's data. According to our estimates, 1,000 tons of tobacco have been lost in the different occurrences of the phenomenon and in the different localities.

VARIETIES:

The following table shows the percentages of the most used varieties this season compared to the previous one.

VARIETIES	2021/2022	2022/2023	DIFERENCIA
K 394	16.4 %	25,3%	8,9 %
MB 59	39,5 %	37,5 %	-2,0 %
MB 312	39,9 %	31,9 %	-8,0 %
OTHERS	4,0 %	3,5 %	-0,5 %

In the 22/23 season, the best performance in terms of health and quality were the crops.

MB 59 and MB 312.

BATCH TASKS:

The main tasks in the lots are: Herbicide application in the transplant line for weed control (Farolito, ataco, verdolaga, bejudo, etc.) and/or insect pests (Cogolero, Caterpillars, Aphids and Trips). We continue with the deflowering, which is very late due to the lack of labor.

PLANTATIONS:

The crops continue to develop well due to the rains (they have recovered remarkably in all locations in the valley). There are some drainage problems, soil fungus problems, (Rhizoctonia, Phytophthora) and miner, the most common

symptoms. There are plantings with many flowers, which is the task that is behind schedule, and weedy plantings due to lack of planning and correct use of pre and post-emergent herbicides.

CROP

Harvest continues (54% progress) at all sites in the three valleys, with very good expectations of producing quality in all cuts (X, C, B). We note that on very few farms the harvest is timely, on the other farms, overripe leaves are harvested causing loss of quality and final pounds.

CURED TOBACCO:

In the sorting rooms, it can be seen that the upper leaves are not separated between the upper and middle upper leaves, which means that the M tobacco is mixed. In the upper classes the light green is being separated, the gray is not separated. In the lower classes (4 and 5), in some areas these lasses are mixed (South Zone). The stews in general are homogeneous, with a tendency towards tobaccos with a lot of orange color and maturation pits.

HARVEST AND PRODUCTION PROGRESS BY ZONES - 2022/2023 SEASON

ZONE	HA PLANTED	HAIL HA 100%	REAL HECTARES	KGS/HA	KGS. ESTIMATED	PERCENTAGE OF HARVEST PROGRESS				KGS CROP	DIFFERENCE KGS
						DEC.	JAN.	FEB.	ACUMUL.		
CHICOANA	3.241	108,6	3.132	1.865	5.841.255	1,0%	9,0%	25,0%	35,0%	2.044.439	3.796.815
R. LERMA	2.228	229,8	1.998	1.705	3.406.249	5,0%	15,0%	40,0%	60,0%	2.043.749	1.362.500
CERRILLOS	3.428	805,0	2.623	2.520	6.608.952	3,0%	16,0%	35,0%	55,0%	3.634.924	2.974.028
QUIJANO	1.985	0,35	1.985	1.920	3.810.528	1,0%	24,0%	20,0%	45,0%	1.714.738	2.095.790
LA MERCED	2.050	268,1	1.782	1.965	3.501.434	5,0%	19,0%	35,0%	60,0%	2.100.860	1.400.573
EL CARRIL	2.100	265,0	1.835	1.780	3.266.300	5,0%	20,0%	35,0%	60,0%	1.959.780	1.306.520
MOLDES/LA VIÑA	913	56,0	857	1.760	1.507.475	1,5%	7,0%	31,5%	40,0%	602.990	904.485
GUEMES - BETANIA	2.580	34,5	2.546	1.970	5.014.635	20,0%	28,5%	20,0%	70,0%	3.510.245	1.504.391
GUEMES - EL BORDO	1.480		1.480	1.510	2.235.223	20,0%	28,5%	20,0%	70,0%	1.564.656	670.567
EL JARDIN	580	128,2	452	1.898	858.427	1,0%	3,0%	30,0%	34,0%	291.865	566.562
TOTAL:	20.584	1.895	18.689	1.929	36.050.478	6,3%	18,1%	29,0%	54,0%	19.468.246	16.582.232

ESTIMATED KILOGRAMS OF PRODUCTION PER VALLEY - 2022/2023 SEASON

ZONE	HA EST.	HAIL HA 100%	REAL HECTARES	KGS/HA	KGS. ESTI-MATED	KILOGRAMS OF CROP ADVANCE				KGS CROP	FIELD DIFFER-ENCE
						DEC.	JAN.	FEB.	ACUMUL.		
VALLE DE LERMA	15.943	1.732,8	14.211	1.966	27.942.192	826.098	4.432.665	8.741.613	14.101.480	14.101.480	13.840.712
VALLE DE SIANCAS	4.060	34,5	4.026	1.801	7.249.858	1.449.972	2.066.209	1.449.972	5.074.900	5.074.900	2.174.957
LA CANDELARIA	580	128,2	452	1.898	858.427	8.584	25.753	257.528	291.865	291.865	566.562
TOTAL:	20.584	1.895	18.689	1.929	36.050.478	2.284.653	6.524.627	10.449.113	19.468.246	19.468.246	16.582.232

ANALYSIS OF THE APC:

The conditioned samples are sent to two laboratories: LAnaRT (University of Jujuy – Jujuy) 460 samples sent and JLA (Private Laboratory – Corboda) 271 samples sent. Of the 700 analyses received, 228 are divided into Positives (Samples with APC Residues exceeding the MRLs and APCs not recommended for cultivation) and 472 Negatives (Residues recommended and not exceeding the allowed limits). Results as of 28/02/2023. 📄

REPORT AS OF 02/28/02023

RESULTS	SEASON 21.22 (1/2/22)	SEASON 22.23 (31/1/23)
POSITIVE	250	228
NEGATIVE	591	472
ANALYZED SAMPLES	841	700
SUBMITTED SAMPLES	930	751



ITGA Member Associations, ITGA 2023 Americas Regional Meeting in Salta, Argentina

Argentina Country Report

Original text provided in Spanish



CTM COOPERATIVA AGROINDUSTRIAL DE MISIONES LIMITADA

CTM Misiones



Argentina

CROP EVOLUTION:

WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

During the 22/23 season, crop development was according to plan. Work was done from the seedling stage, training and correcting some root rot difficulties. As for planting, growers were instructed to bring forward their normal transplanting dates to avoid a possible drought period.

RECENT WEATHER PROBLEMS/ CHANGES:

Producers in the central zone were affected by hail, more precisely in El Soberbio.

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

21/22 Season: 4.257
22/23 Season: 4.000

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:

21/22 Season: 5.943
22/23 Season: 5.526

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

21/22 Season: 10.792 tn – Estimated: 7.000 tn
22/23 Season: 10.215 tn - Estimated 8.265 tn

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

21/22 Season: \$ 269.500,00/ha
22/23 Season: \$ 430.423,00 /ha

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

21/22 Season: \$197 por kg
22/23 Season: ... so far 15 working days of stockpiling \$519 per kg. 📄



Field day, ITGA 2023 Americas Regional Meeting in Salta, Argentina

Colombia Country Report

Original text provided in Spanish



Fedetabaco



CROP EVOLUTION: WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

The average national production in the last two years was 3,250 tons and was formally concentrated in the departments of Sucre and Bolívar and with an informal market in Santander.

The average production area in the country is 2,167 hectares.

In 2022, a total production area of 466 hectares was obtained, which compared to 2021, there is a reduction of 40 hectares.

RECENT WEATHER PROBLEMS/CHANGES:

The weather affected the tobacco crop this year because it was an atypical year due to excessive rainfall and brought as a consequence the following problems:

1. Seeds with many diseases due to fungal problems (Dancing off).
2. Poor soil preparation, both traditional and technified due to excess moisture.
3. Seeding with very wet plots, affecting the seedlings due to excess moisture.
4. Crops in poor condition due to Phytopthora caused by waterlogging of plots.
5. Flooding due to streams going out of their course (total loss) in some tobacco growing areas.
6. Tobacco washed out by overwatering without honey, leading to poor quality.
7. Crop leaves are shortening and taking on lighter shades.
8. Leaves with veins full of water that rot too much, in general we know that tobacco crops do not need these amounts of water because it affects leaf quality and low productivity.

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

For the year 2023, a total average of 3,597 producers will be calculated and in the year 2021 it was a total of 2,134 tobacco producers in the country.

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:

In 2023, a tobacco production area of

2,167 hectares is forecast in the country and compared to the previous year with an area of 1,067 hectares, with a variation of 1,100 hectares.

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

PRODUCTION COST FOR ONE HA PF VLACK TOBACCO 2022				
ITEM INCOME	UNIT KG	QUANTITY 2500	VALUE 1,56	TOTAL 3.906
EXPENSES				
Labour				
Ploughing and harrowing	Hours	8	14,58	117
Sowing	Wage	15	10,42	156
Replanting	Wage	2	10,42	21
Fertilization	Wage	8	10,42	83
Weed and Pest Control (2)	Wage	30	10,42	313
Control of Pests and Diseases	Wage	8	10,42	83
Control of cape and suckers	Wage	8	10,42	83
Harvesting	Wage	40	10,42	417
Ropes and Hanging	Wage	60	10,42	625
Packing Classification	Wage	7	10,42	73
Soca Rooting	Wage	5	10,42	52
Collecting Undergrowth	Wage	3	10,42	31
Subtotal Labour	Wages	186		1.938
TOTAL LABOUR				2.054
Agricultural Revenues				
Seedlings	Seeding	20.000	0,0125	250
Agricultural Inputs Fertilizers 14-14-14-2	Bulk	20	50	1.000
Pesticide	Litre	1	31	31
Other (cabuya 25 conos)	Cones	25	2	60
Subtotal Revenues				1.341
Lot for rent	Ha	1	68	68
PRODUCTION COSTS				3.463
INDIRECT COSTS				
National Tobacco Fund			2.0%	78
Transportation	Kg	3000	Global	42
Subtotal ndirect Costs				120
TOTAL COSTS				3.583

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

1. Average tractor rental costs with plowing and harrowing implements are \$14.58 / Hour.
2. The daily wage rate for these municipalities is \$10.42. Elsewhere it is \$11.14
3. Catchment weed control has been agreed that the Number is (2) and the 40-day wage in the other parts is (3).
4. Yield is calculated with a yield of 2,500 kilograms per hectare at a cost of US 1.56.
5. The technical assistance offered by the industry is free and does not charge in-

The total expected production at the end of 2023 is 4,334,000 kilos of dark tobacco, of which 1,627,000 kilos of dark tobacco are marketed within the country and 3,200,000 kilos are exported.

6. Rent was set by the producers at \$68/ha and was not calculated as a percentage of total sales.

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

The price per kilogram of tobacco varies between the following values (year 2023):
 Virginia tobacco \$ 8,000 kg dollar value US 4,800 = US 1.67
 Burley tobacco \$ 7,000 kg dollar value US 4,800 = US 1.46

Investing in Digital Agriculture Technology and its Payback Period



Supply chain disruption, rising input prices and labor costs, geopolitical uncertainty together with overall climate change challenges are currently influencing global corporate farming sector. According to the recent McKinsey survey from 2022, 75 percent of farmers expect cost hikes, and around 60 percent of them expect the current inflationary environment to increase spending in the next 12 to 18 months. In addition, fertilizer, crop protection, and labor are the top three areas in which farmers are experiencing cost increases.

Current macroeconomic conditions could further drive farmers' adoption of AgTech products, which are already addressing their primary concerns. Economic pressures are leading farmers to be more open to AgTech innovations as potential tools to optimize their returns and minimize their financial risk. Tools that might have seemed niche just a few years ago have gained more acceptance. Namely, nearly 55 percent of large farms today use farm management systems, and more than 50 percent of large farms use some form of precision agriculture hardware.

Moreover, the data indicates that the AgTech market will see the most growth in adoption between now and 2024. Rising input prices are currently the greatest worry that farmers face, with 67 percent citing increased input prices as one of their top three concerns for profitability over the next two years. Farmers are thus more motivated to use technologies to manage market unpredictability, especially the expectation of the cost hikes in the next 12 to 18 months.

Empowering Whole AgriFood Value Chain With Data-Driven Technology

McKinsey survey shows that the current environment is likely to encourage farmers in combining two key submarkets: farm-management software systems and precision-agriculture hardware solutions. Farm management software systems (FMS) are particularly promising because they can equip farmers with the information needed to evaluate and manage how they utilize large value pools, including inputs such as fertilizers, seeds, and pesticides. A farm management software program implemented in an

agricultural operation leads to reduced expenses, increased yields, better yield quality, higher profitability, and lower operational risk.

As a market-leading farm management software, AGRIVI 360 Farm Enterprise software enables large agribusiness companies to control complex farm operations, make data-driven decisions, optimize cost, and improve yields based on real-time insights and advanced field analytics.

AGRIVI's farm management software delivers tangible benefits, especially to enterprise farms and own farms of food & beverages companies:



OPERATIONAL BENEFITS

- Better risk mitigation
- Timely decision-making
- Full operations management control
- Traceability and food safety compliance
- Simplified administration



BUSINESS BENEFITS

- Cost savings
- Yield volume increase
- Yield quality increase
- Higher profitability



ESG BENEFITS

- Improved carbon footprint
- Support for scaling regenerative practices
- Labour demographics
- Utilization control

Cost Savings With AGRIVI's Farm Management Software

Every aspect of farm business, such as crop management and protection, labor and water management, soil health,

fertilizer application etc. is a complex process. AGRIVI's farm management software (FMS) encompasses all those aspects in order to provide monitoring, activity planning, and appropriate timing for various activities, thereby assisting farmers to overcome global

economic challenges and regulatory requirements.

Specifically, AGRIVI's data-driven approach to crop management can provide a comprehensive overview. Powerful farm management software provides real-time agronomic and economic insights throughout the entire food production process and helps producers in producing healthy, nutritious and safe food by applying sustainable and climate-smart agricultural practices.

Moreover, this digital solution offers thorough planning of the required workforce as well as monitoring of workers' efficiency for more detailed activity planning. While labor management and costs are a major challenge for businesses of all sizes, with the right tools and strategies, businesses can optimize their workforce and increase productivity, leading to cost savings.

Those are some of the specific examples of direct benefit that farmers can have by using this safe-to-go solution which ultimately enables total cost saving from 10 to event 20 percent. But what is the payback period of the investment in such a digital solution, and does it show a clear ROI?

Can Investment in FMS Be Competitive Compared to Traditional Forms of Investing in Agriculture?

Along all the mentioned benefits from digital agriculture technology, one of the key distinctions between an investment in such a digital business tool and conventional form of investing in agribusiness such as mechanization and irrigation is the payback period.

“*Current macroeconomic conditions could further drive farmers' adoption of AgTech products, which are already addressing their primary concerns.*”

Although most farmers opt for traditional forms of increasing and

improving the quality of crop yield payback period for such type of investment are much longer. Specifically, six years for investment in new and better mechanization, and four to seven years in improved irrigation systems, respectively.

On the other hand, proven payback time from investment in AGRIVI's farm management software is maximum of two years. This means the first direct results on all operational levels can be seen already after two, but in more cases one harvest season. If we take into account the time period in which most farmers are expecting cost hikes, which is highlighted in a recent McKinsey survey, AGRIVI's farm management software is a right tool that can help farmers to overcome the uncertain inflationary environment above all other operational and business benefits.

Companies such as Driscoll's, Tequila Sauza, Procesadora Tropical, and many more, have recognized AGRIVI and are using its digital agriculture technology to manage and improve their crop production.

If you are interested in the benefits farm management software can bring to your agricultural operation, contact us. [📧](#)

Zimbabwe Country Report



Zimbabwe Tobacco Association



CROP REPORTS

Weather - All areas reported significant rainfall amounts in the month of January, with the seasonal average to date at 600mm. Although drier weather came into the start of the month of February, some areas received further significant downpours during the month into early March. Cyclone Feddy did not impact on the crops. Isolated cases of significant hail and wind damage were recorded, but overall affected hectares are well down on last season. Dams levels in most areas are at 100% full.

Small Scale - With the earlier land preparations and contractors input support, good planting conditions and crop management the crop remains well grown out with a high yield and quality potential. Some angular and budworm were reported in some crops. In areas where heavy rainfall was received in January, there was an element of leaching, but nothing of major concern. Forestry Commission has been active with gum seedlings provision, provided the growers have prepared lands, with the association assisting with transport for ease of distribution. With the much higher yield potential in the lands it is not known as to whether there will be sufficient sustainable curing fuel to cure the whole crop and this includes extra barn capacity. Growers are currently reaping, curing and grading their tobacco. An increasing number are start to send their crops to the tobacco auction floors or to their respective contractor floor.

Large Scale - Curing of the irrigated crop was completed in January. The quality of the cures was very good, soft natured and a significant improvement of last season. Yields are estimated to be similar to slight-

ly down on last season. The **Dry land Crop** last planting dates were mid November and progress of the crop is good with a higher yield potential. In areas where high rainfall amounts have been received, there is some leaching which is being managed. Alternaria, Angular and T74 white mould were reported in some crops. Growers are currently reaping, curing and grading their tobacco. An increasing number are

start to send their crops to the tobacco auction floors or to their respective contractor floor. One contractor started to receive tobacco in January in loose leaf form under an approved scheme to examine the cost savings to growers.

Marketing - Based on seed sales, TIMB statistics and Councillors views, a ZTA crop estimate is in the region of 240 million kilograms. Latest TIMB statistics:

	2021/22	2022/23	%
Number Of Growers	128,974	151,119	+17
New Growers		3,304	
Irrigated Hectares	17,867	18,607	+4
Dry Land Hectares	94,426	99,410	+5
Total Hectares	112,293	118,017	+5

The quality of the crop is projected to be much higher than last season and this alone will result in average prices improving, over and above the need for firmer prices to cover increased costs of production. The crop has more good quality lemon styles which could trigger increased demand from China and while there are fewer orange styles this could cause increased competition for what will

be available. The 2023 Marketing Season commenced on the xx March 2023 and was opened by the Vice President of the Republic of Zimbabwe Hon. Constantino Chiwenga, who is also the Minister of Health and Child Care. The Vice President called for increased local funding for tobacco production and value addition in order to achieve the goal of a USD5 billion industry by 2025. [📧](#)

SALES STATISTICS – 28 MARCH 2023

SEASONAL	AUCTION	CONTRACT	TOTAL 2023	TOTAL 2022
Mass sold(kg)	3,019,669	22,753,032	25,772,701	28,812,435
Value(US\$)	8,660,198	68,558,934	77,219,132	82,986,535
Avg.price US\$/kg	2.87	3.01	3.00	2.88
Rejected %	12.97	2.24	3.71	2.78



Source: Agrivi's website

Malawi Country Report



TAMA
Farmers Trust



TOBACCO LICENSING - 2023 SEASON

TOBACCO CULTIVATED - 2023			Actual Sales - 2022	Crop Estimate (February 2023)	(Projected) % Increase
TYPE	Licensed Growers	Estimated Hectare	tonnes	tonnes	
Burley	39 298	75 304	69 282	106 486	53,70
FCV - (Virginia)	4 076	9 990	13 242	18 971	43,26
Dark Fired (Fire Cured)	1 272	4 804	2 550	3 209	25,84
	44 646	90 098	85 074	128 666	51,24

Note : * Projected volume (figures) based on 1st round tobacco crop estimates

TOBACCO SALES & PRODUCTION

TYPE	Actual Sold - 2022 season			Previous Season Actual Sold - 2021			% Ave. Price (+/-)
	Licensed Active Growers	Weight sold (tonnes)	Ave. US \$/kg	Licensed Active Growers	Weight Sold (tonnes)	Ave. US \$/kg	
Burley	26 910	69 282	2,03	40 788	104 218	1,49	36,24
FCV - (Virginia)	2 477	13 242	2,75	3 173	16 758	2,23	23,32
Dark Fired (Fire Cured)	1 111	2 550	1,93	1 065	2 705	1,58	22,15
	30 498	85 074	2,14	45 026	123 681	1,59	34,59

Note : 91.15% production is on IPS (Contract farming) - actual sales
Overall prices increased by 34.59%

TOBACCO EXPORTS

TYPE	PREVIOUS SEASON - 2021			CURRENT SEASON - 2022 (sales)		
	PRODUCED (tonnes)	EXPORTED (tonnes)	Ave. US \$/kg	PRODUCED (tonnes)	EXPORTED (tonnes)	Ave. US \$/kg
Burley	104 218	90 757	3,25	69 282	59 829 779	n/a
FCV - (Virginia)	16 758	10 229	3,85	13 242	9 876 833	n/a
Dark Fired (Fire Cured)	2 705	8 005	3,06	2 550	2 764 333	n/a
	123 681	108 991	3,29	85 074	72 470 945	-

Note : Trade requirements 131,000 tons

COST OF PRODUCTION

TYPE	YIELD - kg/ha			TOTAL COST (Cost US \$/ha)		
	High inputs - IPS	Medium Inputs - IPS	Low Inputs - IPS	High inputs - IPS	Medium Inputs - IPS	Low Inputs - IPS
Burley	2 400	1 600	1 200	6 637	3 344	2 190
FCV - (Virginia)	2 700	-	1 700	7 934	3 996	-
Dark Fired (Fire Cured)	2 400	1 155	600	6 638	2 584	1 396

INFORMATION ON VARIETY

1. FLUE CURED (Virginia)	Total Value - US \$/ha	Quantity per ha	Notes
Seed, Fertilizer and Chemicals	685,00		
Labour	715,00		Exchange rate
Machinery & Equipments costs	799,00		
Marketing costs	501,00		\$1 : MK1,028.48
Management Costs	1 512,00		
Curing Costs	1 321,00		
TOTAL PRODUCTION COST	5 533,00		

2. BURLEY TOBACCO	Total Value - US \$/ha	Quantity per ha	Notes
Seed, Fertilizer and Chemicals	607,00		
Labour	511,00		Exchange rate
Machinery & Equipments costs	378,00		
Marketing costs	134,00		\$1 : MK1,028.48
Management Costs	621,00		
Curing Costs	340,81		
TOTAL PRODUCTION COST	2 591,81		

3. DARK FIRED (Fire Cured)	Total Value - US \$/ha	Quantity per ha	Notes
Seed, Fertilizer and Chemicals	374,00		
Labour	373,00		Exchange rate
Machinery & Equipments costs	299,00		
Marketing costs	299,00		\$1 : MK1,028.48
Management Costs	657,00		
Curing Costs	389,57		
TOTAL PRODUCTION COST	2 391,57		

SECTOR INFORMATION

- 1 Malawi is expecting a legislative review of the Tobacco Industry Act in this first quarter of 2023. Current sitting of Parliament has indicated to have this law on its agenda for discussion. The current law version has been in use since 2019 but most industry stakeholders complained of too many negative developments hence the early revision.
- 2 The First Round tobacco production estimates survey that was carried out from the 16th of January to the 3rd of February, 2023 projects that the nation will produce 128,666,780 kilograms of all tobacco types against 85,073,520 kilograms of all tobacco types sold the previous season. This suggests a 51.24% upward change.

OTHER INFORMATION

- 1 Tama Farmers Trust was announced the 2022 best Organisation in fighting child labour in Malawi by the Employers Consultative Association of Malawi (ECAM). Tama Farmers Trust continues to advocate for child labour free farms through social dialogue and Occupation Health Safety risk assessments, and awareness campaigns.
- 2 Tobacco Market opened on 11th April 2023.



TAMA Farmers Trust CEO Nixon Lita receives the Best Organization in Fighting Child Labour in Agriculture award from Malawi's President - Lazarus Chakwera

2023 Crop Situation in Zambia

Albert van Wyk
General Manager
of Tobacco Association of Zambia (TAZ)



ITGA: What are the main challenges for growers in your market? (e.g. economic, social, environmental and other issues)

Albert van Wyk: Main challenge is the huge increase in Cost of production, especially the fertilizer price that has hit all producers worldwide, locally cost of production has risen by approximately 10 to 15%.

Above average rainfall has resulted in a better than average quality crop however yields will be down.

Farmer viability remains our primary concern.

ITGA: What is the level of support for growers from the local authorities, if any?



Main challenge is the huge increase in cost of production.



Focus is to build on our sustainable model of tobacco production.

Albert van Wyk: Zambian tobacco production is 100% private sector driven, local authorities regulate registration and marketing.

ITGA: What are the most notable changes taking place in the supply chain at the moment?

Albert van Wyk: In Zambia tobacco production is mostly done or guaranteed by the contracting merchant.

ITGA: Where do you see the biggest opportunities? What are your priorities for the year?

Albert van Wyk: Focus is to build on our sustainable model of tobacco production, this is paramount for a long term successful supply chain.

ITGA: What is your expectation for the incoming crop (2023)?

Albert van Wyk: Good quality, lower yields, pricing is still too early to tell. Cautiously optimistic.

ITGA: How do you see the long-term prospects for tobacco growers in your market?

Albert van Wyk: If sustainability models are fully implemented Zambia will continue to produce at the moderate sustainable level it is currently achieving.



Cautiously optimistic about the 2023 crop.

Zambia Country Report



Tobacco Association of Zambia



CROP EVOLUTION

1 - Tobacco fields – Farmers were very eager to produce a good crop and they had put in a lot of effort, but due to weather conditions, especially the heavy rainfall experienced in this current season 2022/2023 season, where fertilizers have leached and some fields partially destroyed by floods the crop stand is just average. We will see a light bodied leaf on the market this marketing season.

2 - Weather conditions- Too much rain has caused fertilizer leaching in most tobacco fields thereby making tobacco plants to be pale with a lot of false ripening. Some farmers have been forced to reapply the fertilizer especially CAN, thereby making it more costly to produce this crop. Another problem is that too much rain has caused the collapsing of the tobacco barns, especially small scale making curing of tobacco very difficult.

3 - Reaping and curing- Almost all farmers have started to cure their tobacco. What is coming out of the barns is a light lemon leaf with dark spots in many farms. There is false ripening due to excessive rain which has caused leaching of fertilizers. Excessive rains have caused some barns to collapse in some areas. Those farmers whose barns have collapsed have resorted to curing tobacco by express means that is shortening the curing process.

RECENT WEATHER PROBLEMS/CHANGES

Generally, Zambia has experienced heavy throughout the country which has caused a lot of issues to some farmers. i.e., in some areas the crop has lost weight due to heavy rainfall, most of the roads are impassable due to floods and bridges are washed away as the dams and streams are full.

NUMBER OF GROWERS INVOLVED IN 2021/ 2022

A total of 21,612 growers were registered representing a 7% increase in terms of the number of growers registered compared to 20,073 growers registered in 2020/21 season

NUMBERS OF FARMERS INVOLVED

A total of 21,612 growers have planted tobacco in the range of 0.5 to 1.5 hectares, for most small scale growers and between 20 – 120 hectares for large scale growers. About 95% of the growers are contracted.

2021/2022 VOLUMES

FCV Virginia	31,231,398.00	32,852,978.00	+5%
Air Cured Burley	5,653,258.00	3,418,275.00	- 40%
TOTAL	36,884,656.00	36,271,253.00	-2%
	(2021)	(2022)	

PRICES/AVERAGE - 2022

Flue Cured Virginia	32,852,978.00	\$2.81	\$92,316,868.18
Air Cured Burley	3,418,275.00	\$1.84	\$6,289,626.00
TOTAL	36,271,253.00		\$98,606,494.18

ZAMBIAN MARKETS, 2023

The Burley market predominately in the east of the country is scheduled to open late March, while the FCV Virginia market in the country at large is scheduled to open mid April. 📅



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Advancing the Fight Against Child Labour in Agriculture in Indonesia



In March 2023, the board of directors of Eliminating Child Labour in Tobacco Growing (ECLT) Foundation approved a \$1 million project to fight child labour in agriculture in Indonesia. The Accelerating Child Labour Actions in Agriculture Project will be implemented from July 2023, and aims at:

- Enhancing government capacity to coordinate actions against child labour, close regulatory gaps and ensure responsible business conduct.
- Enhancing sustainability of the Partnership for Action Against Child Labour in Agriculture (PAACLA) as a key coordinating platform on elimination of child labour by improving its service delivery, membership, and diversifying funding.

In March 2023, the board of directors of Eliminating Child Labour in Tobacco Growing (ECLT) Foundation approved a \$1 million project to fight child labour in agriculture in Indonesia.

- Strengthening the government referral system by implementing Child Labour Free Zones and piloting an efficient model of child labour monitoring and remediation.

The ACCLAIM project will be implemented in the provinces of East Java, Central Java, and West Nusa Tenggara. The project aims to reach over 2'100 beneficiaries directly and more than 100'000 indirectly.

Child labour is an issue of concern in Indonesia. According to the child labour survey conducted by the Central Statistics Agency (BPS) and ILO in 2009, around 4 million children aged 5 to 17 years were working: 43.3 % of them in child labour. The agricultural sector had the most child labour (57%). Children in child labour in agriculture were working for their families as unpaid workers and in paid work on plantations such as tobacco, palm oil, rubber, sugar cane, and other commodities.

ECLT has a long history of supporting research and projects involving farmers, farmers associations, government, and companies in Indonesia in their efforts to eliminate child labour in agriculture. For instance, ECLT Foundation commissioned research on child labour in agriculture in 2017, which showed that:

- The highest prevalence of child labour was in the age group of 15-17 years with the highest proportion coming from farm labourers' households. Most of these children were involved at the post-harvest stages of production.



The project aims to reach over 2100 beneficiaries directly and more than 100000 indirectly.

- Factors that encourage children to work in agriculture include the level of parental awareness, the need for children to fill in their spare time (due to limited after-school facilities, sports, playgrounds), religious piety and economic factors (such as family income contribution).
- Factors pull children to work on tobacco plantations are high demand for labour (particularly during the harvest season), regulations that have not explicitly specified hazardous works in the agricultural sector and the need for skills transfer and regeneration in the agricultural sector.

In response to this data, the Indonesian Ministry of National Development Planning (BAPPENAS) and other concerned stakeholders, with the support from the ECLT Foundation, formed the Partnership for Action Against Child Labour in Agriculture (PAACLA) in 2018 as a comprehensive and long-term platform for tackling child labour in the agricultural sector.

Furthermore, the ECLT Foundation implemented the KESEMPATAN project with the aim to strengthen stakeholder cooperation and coordination of actions against child labour in agriculture in Indonesia. The strategic objective was to prevent children from 5 to 17 years old from all forms of child labour in agriculture, with specific objectives including:

- Strengthening PAACLA as a platform for scaling up action against child labour in agriculture sector in Indonesia.
- Increasing understanding and awareness of farmers and farm workers about child labour and regulations related to child labour and elimination of the worst forms of child labour in agriculture.
- Enhancing national level stakeholders' knowledge on child labour in agriculture sector in Indonesia.
- Developing a model of child-friendly village that is proven effective in reducing child labour in agriculture to be replicated to other villages.

This project has not only directly supported over 3'000 children and 600 caregivers across East Java and 200 in West Nusa Tenggara provinces, but also has helped PAACLA become a multi-stakeholder platform chaired by BAPENNAS, comprising 27 members including: 5 government institutions, 8 companies, and 14 civil society organisations.

Moreover, the KESEMPATAN project strengthened PAACLA members' capacities on child labour by delivering tailor made trainings for its members, producing books on child labour issues



The strategic objective was to prevent children from 5 to 17 years old from all forms of child labour in agriculture.

within the agriculture sector, and facilitating meetings among members.

In 2021, a list of hazardous tasks for children in tobacco growing was finalized in consultation with PAACLA members and other stakeholders. This list provides information on whether a particular job or task in tobacco farming can be done by children and serves as a reference for the KESEMPATAN project partners in the field in carrying out awareness activities about tasks that are hazardous to children.

About the ECLT Foundation

The ECLT Foundation is committed to collaborative solutions for children, farmers, and families, that combat the root causes of child labour in areas where tobacco is grown.

Based in Geneva, Switzerland, ECLT advocates for strong policies, shares best practices to multiply our impact, and engages rural families so they can benefit from farming while ensuring that their children are healthy, educated and encouraged to reach their full potential.

The project in numbers

- 188 local cadres from 30 KESEMPATAN project villages have been trained as trainers.
- 30 villages were targeted for developing "child-friendly villages".
- 2'691 farmers and agricultural workers in target villages in East Java and West Nusa Tenggara had attended training on child labour in the agricultural sector and on regulations prohibiting child labour.



ECLT Foundation Executive Director Dr. Innocent Mugwagwa, ITGA 2022 Annual General Meeting in Castelo Branco, Portugal

2023 Crop Situation in India

ITGA: Please discuss your observations and key takeaways from the most recent crop (2022)?

TII: Being rain-fed, the output of the Tobacco crop in India is largely dependent on weather conditions. Untimely rains or drought affects production, causing immense hardships for the tobacco farmers. Adverse weather conditions in the Flue Cured Virginia (FCV) tobacco-growing regions in Karnataka and Andhra Pradesh, have adversely impacted crop production in the last two years.

Due to the unexpected drought situation in the 2021-22 crop season,

“ The Tobacco Board has set a crop size of 142 million kgs for the 2022-23 season in Andhra Pradesh for which auctions are currently underway. In Karnataka, the size for 2023-24 crop has been kept at 100 million kgs.

tobacco growers in Karnataka could grow only 68.14 million kgs against the Tobacco Board authorized crop size of 97 million kgs. The situation was no better in the 2022-23 season as a substantial portion of the crop was damaged by heavy rains. As a result, only around 59.98 million kgs of tobacco was marketed against the authorized crop limit of 100 million kgs.

In Andhra Pradesh too, untimely downpour impacted the FCV tobacco crop during 2021-22 season, resulting in the production of only 121 million kgs of leaf against the authorized crop size of 130 million kgs. Heavy rains caused by Cyclone Mandous in December 2022 again affected the FCV crop in Andhra Pradesh. With a large portion of the standing tobacco crop submerged in rainwater, farmers lost almost half of the crop in Prakasam district, necessitating replantation.

ITGA: What is the level of support for growers from the local authorities, if any?

TII: FCV tobacco farmers suffer due to the large illicit cigarette trade in the country which is almost 1/3rd of the legal cigarette volumes. Since the illicit/smuggled cigarettes do not use domestically produced tobaccos, their presence over the years has caused drop in demand for tobacco produced locally, affecting earnings of FCV tobacco farmers in the country. In addition, FCV tobacco production in recent years has faced challenges of unfavourable weather conditions leading to crop damages in the FCV tobacco growing States of India.



TII
The Tobacco Institute of India (TII)

“ Besides climatic adversities, rising cost and non-availability of labour in various tobacco growing regions make the cultivation of the crop more challenging for the growers.

Besides climatic adversities, rising cost and non-availability of labour in various tobacco growing regions make the cultivation of the crop more challenging for the growers.

The Tobacco Board under the Government of India oversees Flue Cured Virginia (FCV) tobacco production, marketing and exports. The Board undertakes crop planning and fixes annual crop size in view of the prevailing local and international demand and supply situation.

The Board also supervises FCV crop during various stages of production and makes various interventions from time to time to ensure high crop quality and yield.

Additionally, the Board organizes transparent electronic auctioning of the produce facilitating remunerative price realizations by the growers.

Besides, the Central Tobacco Research Institute (CTRI) carries out extensive research on different crop varieties to improve quality and yield, conducts field trials and educates tobacco growers on recommended farming practices.

ITGA: Where do you see the biggest opportunities? What are your priorities for the year?

TII: In a positive development for the country's tobacco sector, India's tobacco and tobacco products export earnings in 2022-23 (April-February) increased by 24% to Rs. 9,004 crore from Rs. 6,881 crore recorded for the same period last year.

FCV tobacco export earnings also increased to Rs. 4,133 crore during April-February (2022-23) as against Rs. 2,890 crore in the same period in 2021-22.

In spite of India having around 13% share of the world's tobacco production, its value share of the global tobacco leaf exports is only about 5%. Among the large tobacco producing countries, India exports only 24% of the tobacco produced in the country, whereas other leading tobacco growing countries export much higher share of their domestic production.

“ In spite of India having around 13% share of the world's tobacco production, its value share of the global tobacco leaf exports is only about 5%.

With a wide variety of tobaccos grown in the country and the improving quality of produce there exists a significant opportunity for the tobacco industry in India to extend and consolidate its position in the world of tobacco trade. India has a huge potential to increase its export earnings, if it aligns its tobacco production pattern with global demand.

ITGA: What is your expectation for the incoming crop (2023)?


TII: Tobacco growers in India look forward to a remunerative marketing season. The Tobacco Board has set a

crop size of 142 million kgs for the 2022-23 season in Andhra Pradesh for which auctions are currently underway. In Karnataka, the size for 2023-24 crop has been kept at 100 million kgs, which is same as the 2022-23 crop season.

Please share any additional points you want to highlight:

The Cigarette Industry has seen volume recovery from the lows reached during the year 2020-21 due to disruptions caused by the covid pandemic.

Additionally, the legal cigarette industry has been able to recover small volumes from illicit cigarettes on the back of tax stability provided in the Union Budgets of 2021-22 and 2022-23. With recovery in legal cigarette volumes, the demand for locally produced tobaccos should witness an uptrend, helping the FCV tobacco growers in the country to increase their earnings.

Recognizing the increased global demand for tobaccos, the Tobacco Board has increased the authorised crop size for FCV tobacco, which augurs well for the farming community in the country. 



ITGA 2016 Asia Tobacco Forum in New Delhi, India

India Country Report



The Tobacco
Institute
of India



CROP INFORMATION ANDHRA FCV TOBACCO

A crop size of 142 million kgs has been authorized by the Tobacco Board in Andhra Pradesh for the FCV crop 2022–2023. Auctions for this crop will commence on February 24, 2023.

The auctions for the previous crop (2021-22) came to an end on July 28, 2022. A total of 121 million kgs were sold at an average price of US\$ 2.24 per kg.

FCV CROP - ANDHRA PRADESH

Year	Area Planted (Hectares)	Quantity Marketed	Average Price US\$/Kg
2020-21	65,142	113	1.84
2021-22	66,265	121	2.24

Source: Tobacco Board, Government of India
Currency Conversion: US\$ = INR 80

KARNATAKA FCV TOBACCO

The Tobacco Board authorized an FCV crop size of 100 million kgs for the 2022-23 crop in Karnataka. Auctions for this crop started on 25th October 2022 and are currently in progress.

A large portion of the Karnataka FCV crop was damaged due to heavy rains in the months of June and July 2022. As a result, the FCV tobacco production in the State is expected to be much lower than the authorized crop size.

As on February 15, 2023, a quantity of around 41 million kgs was marketed at an average price of US\$ 2.95 per Kg.

FCV CROP - KARNATAKA

Year	Area Planted (Hectares)	Quantity Marketed	Average Price US\$/Kg
2021-22	68,002	68.14	2.04
2022-23 (Auctions are in progress)	-	41.17	2.95

Source: Tobacco Board, Government of India
Currency Conversion: US\$ = INR 80

TOBACCO EXPORTS:

INDIA'S EXPORT OF TOBACCO & TOBACCO PRODUCTS (QUANTITY IN MILLION KG & VALUE IN MILLION US\$)

Item	2021-22 (April to March 2022)		2021-22* (April to March 2022)	
	Quantity	Value	Quantity	Value
Unmanufactured Tobacco	190	581	100	417
Tobacco Products	30	295	21	219
Total	220	876	121	644

*Current year - data available only up to November 2022;
Currency Conversion: US\$ = INR 80
Source: Tobacco Board, Government of India

CYCLONE MANDOUS IMPACT ON FCV CROP IN ANDHRA PRADESH

The untimely heavy rains due to Cyclone Mandous in the second week of December 2022 badly affected the Flue-Cured Virginia tobacco (FCV) crop in thousands of hectares of land in Andhra Pradesh. A large share of the standing tobacco crop was submerged in rainwater post the devastating cyclone. Farmers, who had cultivated 53,000 hectares, lost their crops in about 26,000 hectares. As a result, farmers had to replant the crop or fill the gap, created post the cyclone.

In order to help thousands of farmers in the cyclone-hit areas and enable them to take immediate damage mitigation measures, the Government of India in January 2023 sanctioned a disbursement of Rs. 28.11 crore (US\$ 3.51 Million) by the Tobacco Board. Under this bail-out package, the Tobacco Board will disburse a special interest-free loan of Rs 10,000 (US\$125) to each of the affected farmers under the Board's Growers' Welfare Schemes. ¹³

Republic of Korea Country Report



KTGO



CROP EVOLUTION:

WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

- Plant/ contract

RECENT WEATHER PROBLEMS/CHANGES:

- Drought intensifies and yellow sand problem

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

	(grower)	
	2022	2023
Flue-cured tobacco	2,057	1,871
Burley	658	513
Sum	2,715	2,384

HOW MUCH IS THE AREA PLANTED IN HECTARES - CURRENT SEASON VS LAST SEASON:

	(ha)	
	2022	2023
Flue-cured tobacco	2,953	2,882
Burley	304	245
Sum	3,257	3,127

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

	(ton)	
	2022	2023(E)
Flue-cured tobacco	6,507	6,917
Burley	720	662
Sum	7,227	7,579

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

- The average production cost per 10a in 2022 is about \$2,390
- It is estimated that the production cost per 10a in 2023 will be similar to that in 2022 due to the increase in international oil prices caused by the war and labor costs.

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

- The average price in 2022 is about \$7.6 per kg
- The average price in 2023 season is expected to be \$8.0 per kg ¹⁴

2023 Crop Situation in Italy

ITGA: Please discuss your observations and key takeaways from the most recent crop (2022)?

Giovanni Mercati: The Italian green tobacco market has become very much concentrated due to the decision of the big companies to have only one partner in Italy, dropping the local Cooperatives from their suppliers lists.

The production costs have increased a lot (gas, energy, fertilizers); growing tobacco on a 100 hectares farm used to cost around 1,3 - 1,4 million euro. In 2022 the costs have raised up well above 2 million euro.

As a consequence, a significant number of farmers reduced or quit tobacco swapping to other productions. They were worried for both the poor economic results and for the significant financial efforts connected to tobacco.

The 2022 crop has also been affected by severe weather conditions: after a chilly springtime (transplanting time), the season turned into a severe draught, with temperatures above 40° C for more than 60 consecutive days. Before the beginning and during the harvesting operations heavy thunderstorms hit the crops with losses which have been estimated around 20-25% of the total expected volumes.

As a consequence, the production has decreased significantly: the Italian crop in 2022 has been less than 30 million kg. It was 90 million kg in 2011.



The Italian crop in 2022 has been less than 30 million kg. It was 90 million kg in 2011.

A further decrease of 20% (weather disasters excluded) is expected for 2023.

ITGA: What are the main challenges for growers in your market? (e.g. economic, social, environmental and other issues)

Giovanni Mercati: The economic issue is the most important one.

2022 was characterized by a long price negotiation between the buyers and the farmers who kept asking for an adequate compensation for the extra costs they had to face.

A few farmers, after the confirmation of the final price for 2022, took the decision to quit tobacco.

In 2023 the farmers will also have to take into consideration irrigation issues, due to existing draught problems complicated by a very dry winter.

ITGA: What is the level of support for growers from the local authorities, if any?

Giovanni Mercati
Flue Cured Verona
(FCV) CEO



Giovanni Mercati: None

ITGA: What are the most notable changes taking place in the supply chain at the moment?

Giovanni Mercati: A high level of concentration in one threshing company who is ruling the market.

ITGA: Where do you see the biggest opportunities? What are your priorities for the year?

Giovanni Mercati: We believe that only a selected number of farmers will continue to produce tobacco.

ITGA: What is your expectation for the incoming crop (2023)?

Giovanni Mercati: More farmers will quit producing tobacco.

How do you see the long-term prospects for tobacco growers in your market?

Very negative.

Please share any additional points you want to highlight:

The Italian market is ruled by an inter-professional branch organization called Organizzazione Interprofessionale Tabacco Italia – OIT, which is the equivalent of the European ELTI for Italy and whose governance is in the hands of the two market leaders. 🇮🇹

Italy Country Report



CROP EVOLUTION: WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

The Italian production has dropped significantly in the last few years; the exceptional, steep increase of the farming costs (fertilizers, curing gas and energy, diesel) occurred in 2021 and 2022 has indeed created new incentives to leaving tobacco production and to swapping to crops which are less capital intensive.

As a matter of fact, the volumes in 2023 will further decrease (exp.: -20%).

The big players (Philip Morris, BAT, Japan Tobacco, Imperial) are still buying tobacco in Italy.

The four of them implemented the following business models:

- Philip Morris is contracting directly the tobacco through the farmers' Union Coldiretti, and chose Deltafina (Universal Leaf Group) as exclusive third party packing partner.
- Japan Tobacco is buying processed tobacco exclusively from Deltafina (Universal Leaf Group).
- BAT is buying processed tobacco exclusively from Deltafina (Universal Leaf Group).
- Imperial is buying processed tobacco exclusively from Deltafina (Universal Leaf Group).

Reportedly, all of the "Big Four" still

have in place specific agreements with the Italian Government, according to which they commit themselves to buy a precise volume of Italian tobacco.

However, none of them is meeting the target volumes they committed to, due to the lack of tobacco.

At the same time, the tobacco which is contracted by the local Cooperatives is available for sale to other International players.

RECENT WEATHER PROBLEMS/CHANGES:

Crop 2022 has been affected by severe weather conditions: a draught at the beginning of the season, a temperature above 40° Celsius for nearly two months and subsequent heavy thunderstorms with strong winds and hail have jeopardized the efforts of many farmers, with an estimate loss of 20-25% of the crop.

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

- o Crop 2022: 1.415 farmers
- o Crop 2021: 1.610 farmers

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:

- o Crop 2022: 10.899 hectares
- o Crop 2021: 12.859 hectares

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

Official data: 41 million kg in 2021:

FCV - Flue Cured Verona



- 28 million kg Flue Cured Virginia
 - 10 million kg Burley
 - 3 million kg others
- In our humble opinion these volumes have been over estimated.

Concerning 2022, official data is not available yet; we estimate a total production of less than 30 million kg (the farmers contracted 20% less than in 2021, heavy damages due to severe weather reduced the volumes further); estimates are for:

- 20 million kg Flue Cured Virginia
- 6,5 million kg Burley
- 2,5 kg others

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

In 2022 the production costs per hectare were about 2,1 million euro (traditionally: 1,4-1,5 million until 2021).

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

The average price in 2022 for Flue Cured Virginia was 4,50 euro/kg (3,50 in 2021), composed by 3,30 as basic contract price + 1,20 euro to compensate the extra costs.

The average price in 2022 for Burley was 3,00 euro/kg (2,60 in 2021) Please note that the "extra cost compensation" was based on a few parameters, such as gas and energy cost increase, etc etc.

In principle, the request from the Flue Cured Virginia farmers was 5,00/5,30 euro per kg, which will not be achieved.

This is why the volumes will drop further more in 2023. 🇮🇹

Turkey Country Report



Star Agritech International



CROP EVOLUTION:

WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

The contacts started with the farmers in most of the regions except the Blacksea region. It is predicted that the number of producers and the yield will decrease this year. This is due to both the dry season and the high input costs.

RECENT WEATHER PROBLEMS/ CHANGES:

The autumn months and December of 2022 were very dry. January 2023 was also very dry compared to the season. There will be a water problem for the 2023 crop.

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

Growers for 2021: 40.529
Growers for 2023: 43.355

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:

2021 Season: 875.482
2022 Season: 928.009

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

2021: 58.646.590 kg
2022: 69.337.31 kg

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASON:

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

2021 Season: 29.7 Turkish Lira average price
2022 Season: 55 Turkish Lira average price



Bulgaria Country Report



NAT-2010 Bulgaria



CROP EVOLUTION:

WHAT IS THE CURRENT STATUS OF TOBACCO PRODUCTION IN YOUR COUNTRY- PLANT, HARVEST, OR DELIVERY (CONTRACT AND/OR AUCTIONS):

Contract for new crop 2023

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:

Season 2023: ≈ 6 500
Season 2022: 3 433

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:

Season 2023: ≈ 6 500 t
Season 2022: 5 710 t

RECENT WEATHER PROBLEMS/CHANGES:

No

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:

Season 2023: ≈ 5 150
Season 2022: 3 221



NAT2010 Chairman Tsvetan Filev, ITGA 2022 Annual General Meeting in Castelo Branco, Portugal



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May 31st World Understanding Tobacco Farming Day

On 31 May, the World Health Organization (WHO) will be promoting the 'World No Tobacco Day'. As a result, our sector will once again become subject to unfounded and damaging claims. This is a call to get the tobacco sector united in efforts to raise awareness about the reality of tobacco growing and to counterbalance the WHO Framework Convention on Tobacco Control (FCTC) accusations.

Tobacco Farmers demand protection from their Governments. WHO FCTC operates in an exclusionary manner in which tobacco growers do not have a voice. By ignoring tobacco growers' legitimate concerns, the livelihoods of millions of people are put at stake.

To learn more about ITGA 'May 31st Understanding Tobacco Farming Day' campaign, [click here](#):



May 31st World Understanding Tobacco Farming Day





**Food security: Income against hunger
WHO FCTC action on Article 17 now!**



ITGA supports adequate regulations on tobacco consumption. By downplaying Article 17, the WHO FCTC diminishes the role of farmers in this discussion

May 31st World Understanding Tobacco Farming Day



**Promote responsible farming.
Let's embrace the best tobacco growing practices**



The WHO FCTC Conference of the Parties:

- Uses Article 5.3 to effectively exclude growers from the global regulatory discussions
- Operates against their own Rules of procedure and international good governance principles

IF YOUR IDEA IS TOBACCO YOU ARE THINKING ABOUT US



**TOGETHER
WE GROW**

Check on 2022 Opportunities

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Phone: + 351 272 092 583
E-mail: itga@tobaccoleaf.org

ITGA
International Tobacco Growers' Association
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Av. 1º de Maio, 99, 1D
6000-086 Castelo Branco,
Portugal



International Tobacco Growers' Association
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itga@tobaccolleaf.org
www.tobaccolleaf.org

