

International Tobacco Growers Association (ITGA): The Tobacco Growing Sector



Tobacco growing is often presented in the media and by anti-tobacco activists in a way which is misleading or false. This briefing document is an attempt to counter incorrect information with facts about tobacco growing in respect of:

- The environment
- The health and safety of its workers
- Profitability, exploitative practices and child labour
- Food security

This document is purely about the cultivation of tobacco growing and attempts to put the debate on the subject into its proper context.

What is the ITGA?

A not-for-profit organisation representing the interests of more than 30 million tobacco growers world-wide through grower associations in 25 countries.

ITGA's policies and activities are developed and supported by tobacco growers through national grower-run organisations.

As in any supply chain, suppliers have an interaction with customers. Tobacco farmers have to sell their crop, leaf tobacco, to tobacco companies.

In order to represent the interests of its members effectively, ITGA has an on-going dialogue with tobacco companies and many of the issues dealt with in this briefing document could not be effectively tackled without collaboration between ITGA, tobacco companies and other stakeholders. For this reason ITGA has a supporter membership category, the details of which are publicly available on the ITGA web site. As supporter members, tobacco companies contribute funding to



support ITGA in its activities, but the relationship is structured and clearly defined to ensure that ITGA retains its independence in the interests of its members. Working in this way is common to every type of trade association in every sector.

ITGA is an open and transparent organisation. Full information about the ITGA, its structure, operations and policy positions on issues that affect growers is available at <http://www.tobaccolife.org/>.

✘ **Myth: Tobacco growing is bad for the environment**

✔ **ITGA Response:**

There is no evidence that tobacco, above and beyond other agricultural crops, is responsible for long-term environmental damage in terms of either soil degradation or deforestation.

Soil degradation destroys the livelihood of growers. The fear of soil degradation is more than adequate incentive to

employ the right techniques, like crop rotation, to avoid damage to the land, which is the main asset of small-scale farmers. In terms of pesticides and fertiliser, cotton, paprika and fruit and vegetable crops all require many of the same chemicals during cultivation as tobacco¹. In fact as tobacco is a particularly tough crop that can be grown in harsh conditions the need for significant amounts of pesticide and fertiliser is actually reduced compared to other crops. Tobacco growers also have to abide by strict limits on the use of pesticides which are imposed by tobacco manufacturers.

Deforestation is an agricultural problem and not a tobacco crop problem. Deforestation does occur in areas associated with Flue Cured Virginia Tobacco because wood is required for the drying of tobacco leaves. Other tobacco types like Burley are sun dried and so the link between the cultivation of the crop and deforestation is much weaker. Factors like population density and the use of charcoal fire for cooking are more likely to play a role in

deforestation than tobacco. Many other agricultural products are associated with deforestation— notably soybean and cattle. In areas where cattle is raised or soybean is cultivated the problem of deforestation can be far worse due to large-scale land clearing. In addition, inadequate income is linked to a high demand for wood for domestic fuel² and the incomes that farmers of soybean or cattle can derive are far lower than the income from tobacco.

In regions where Virginia tobacco is cultivated, growers are working with industry stakeholders on reforestation projects to ensure that wood remains an available local resource for communities and agriculture. To give you an example, in Zimbabwe tobacco merchants and tobacco growers established the Sustainable Afforestation Association (SAA). The SAA started its activities in January 2014 and has already planted 1.3 million trees over 600 hectares in 4 tobacco growing districts. The SAA establishes woodlots, but also educates local farmers to harvest them sustainably and to use fuel efficiently. In a country where both agricultural land and the population are growing at a considerable rate, the incentives for tobacco growers to safeguard a precious resource are obvious and are helping to stimulate real action on the ground to address it. This is a model that other agricultural sectors could learn from.

✘ Myth: Tobacco growing is bad for growers' health

✔ ITGA Response:

The only health risk that is unique to tobacco crops is green tobacco sickness which is caused by handling wet tobacco leaves. It can be avoided through basic avoidance measures like ensuring that skin is covered with long clothing or gloves before handling leaves or changing wet clothing after harvesting. The risk posed by green tobacco sickness can be minimised through education. Growing associations at a national level

are working with public bodies and the tobacco industry to ensure that awareness is as high as possible. Fertilisers and pesticides are highly regulated substances that are authorised, on the basis of a governmental assessment that includes an analysis of health and environmental risks. Fertilisers and pesticides used in tobacco are also used in the cultivation of other crops and at a rate which is no higher, and in some cases lower, because of the unique resilience of the tobacco plant.

Crop rotation, an agricultural technique which is at the heart of organic farming because it prevents the build-up of pests and diseases³, is widely practiced in tobacco farming. In a study on tobacco farming prepared for the World Health Organisation (WHO), the economist John Keyser verifies that 'tobacco is almost always grown in a carefully planned rotation even by small-scale farmers'⁴.

This helps to ensure that the need for the intensive use of pesticides is reduced.

✘ Myth: Tobacco growing exacerbates poverty and contractual arrangements trap farmers in a vicious cycle of debt

✔ ITGA Response:

Tobacco is a cash crop and the chief incentive for tobacco growing is that it is more profitable than most other crops. This is acknowledged in all relevant literature on the topic, including in studies commissioned by the WHO⁵. Indeed, if that was not the case, farmers themselves would have already switched to better alternatives.

Given that tobacco growing profitability is undisputable, anti-tobacco groups have focused criticism on alleged exploitative practices of the contractual arrangements in tobacco growing.

The fact that anti-tobacco groups have chosen Malawi and Indonesia as



the main examples of such exploitative contractual practices says much about this argument: in both countries, up until two years ago, the overwhelming majority of the tobacco sold was not produced under contract⁶.

Instead of focusing on improving the existing contract growing arrangements in tobacco, including as a model for other crops, anti-tobacco groups want to destroy it altogether using misleading arguments and proposing no clear alternative.

This is contrary to the general trend of many other crops, where contract growing is seen as a way to address poverty and improve rural development⁷, and contrary to advice and studies by organizations such as the Food and Agriculture Organisation (FAO)⁸ or the World Bank⁹. Smallholder farmers often cannot afford fertilizers, seed and other inputs they need (both for tobacco and other crops), lack access to credit and know-how and cannot find a market for their products. Fair contract growing systems are a way to:

- Give growers predictability regarding the agreed price/volume¹⁰.
- Lower input costs for growers and promote efficiencies that reduce costs throughout the supply chain (e.g. transportation and storage fees).
- Eliminate middlemen that don't add value.
- Provide the basis for access to bank credit.

Also, the technical support provided by buyers' field agronomists throughout the season helps contract growers with the implementation of:

- Good agronomy practices that improve yields, improve quality and reduce labour requirements, resulting in higher income.
- Environmentally sustainable practices and alternative crops.
- Good labour practices, including health and safety, and prevention of problems such as child labour or forced labour.

In fact, Malawi is the case in point for contract growing in tobacco and not the contrary.

Over the last two years with the introduction of contract growing arrangements in this country growers experienced improved food security, a doubling of tobacco yields per hectare, and improvements in pricing above 20%¹¹.

✘ Myth: Child labour is a particular problem in tobacco growing

✔ ITGA Response:

Child labour is a problem in agricultural sectors across the developing world, a fact which is recognised by the International Labour Organisation¹², national governments¹³ and even anti-tobacco groups¹⁴. However, tobacco growers believe that they should play their part along with other relevant stakeholders in tackling a complex issue.

For this reason ITGA is one of the three founders and a Board member of the Eliminating Child Labour in Tobacco-Growing Foundation (ECLT) – a partnership between tobacco growers, leaf suppliers, the tobacco industry and the unions to tackle child labour. Save the Children and the International Labour Organisation are advisers to the ECLT.

Since its creation in 2001, the ECLT has funded and co-managed projects for the reduction and elimination of child labour in the Philippines, Tanzania, Uganda, Kirgizstan, Malawi, Mozambique, Zambia and Guatemala.

As an example of its activity, ECLT commissioned projects in Malawi in various provinces have helped to reduce child labour from 57 percent to 19 percent between 2002-2011.





The current 54-month project is the largest social project ever run in Malawi by any organization, with an investment of 9 million USD. It is implemented by Save the Children Federation Malawi, Inc, Creative Centre for Community Mobilization (CRECCOM), Total Land Care (TLC), Youth Net and Counselling (YONECO) on the Child Labour Elimination Actions for Real change project CLEAR. By 2015 this project aims to ensure that:

- 10,000 children will have access to quality basic education and will not be in child labour.
- 3,000 households will be using energy-saving stoves to reduce wood consumption and the time spent collecting wood.
- Village savings and loans associations will provide access to finance and credits to more than 9,000 vulnerable households.
- 58 mothers' groups will be providing social support to vulnerable children.

We believe that this partnership approach is a positive model that is

helping to achieve measurable results to tackle a complicated problem. This fact is acknowledged by the International Labour Organisation which noted in its 2010 Global Report on Child Labour that tobacco was among the group of globally traded goods and commodities that has seen 'significant efforts to address child labour'¹⁵.

✘ Myth: Tobacco growing aggravates food security

✔ ITGA response:

There is no evidence to support this assertion. Tobacco is often cultivated in poor and underdeveloped regions of the world but to conclude that this amounts to a causal link is simply incorrect and in fact the opposite is the case. In most tobacco growing countries, tobacco is grown by small-scale farmers who use only a fraction of their farm for tobacco, planting other crops, including food crops, along or in rotation with tobacco. The typical case is Brazil, the biggest tobacco exporter in the world, where, on average, less than one third of the total plot is used for tobacco.

Rather than threatening food security in impoverished regions of the world, where tobacco is grown it is safeguarding food security. This fact is supported by a 2012 study on tobacco production in Malawi, prepared by the UN's Food and Agriculture Organisation (FAO).

This study notes that tobacco is 'the most important cash crop in the country' accounting for 'over 13 percent of Malawi's Gross Domestic Product' and '62 percent of total domestic export earnings'. The study states that tobacco crops are 'of key importance for rural households' incomes and food security'¹⁶.

It is also not the case that tobacco is replacing food production in countries like Malawi. In fact, the same study underlines that there is not necessarily a link between increased production and land expansion with

References

- 1 Crop Substitution and alternative crops for tobacco, John Keyser, WHO, 2007, p.7.
- 2 Crop Substitution and alternative crops for tobacco, John Keyser, WHO, 2007, p.7.
- 3 <http://www.soilassociation.org/whatisorganic/organicfarming/croprotations>
- 4 Crop Substitution and alternative crops for tobacco, John Keyser, WHO, 2007, p.6
- 5 Keyser, 2007. Study conducted for the 1st meeting of the ad-hoc study group on alternative crops established by the Conference of the Parties (2007) Keyser, 2007. Study conducted for the 1st meeting of the ad-hoc study group on alternative crops established by the Conference of the Parties (2007)
- 6 In Malawi tobacco had to be sold through a government mandated auction system which is now being phased out, and in Indonesia the market is still almost entirely dominated by middlemen. In both cases, farmers are more exposed to the vagaries of the world market and many times find themselves in a vulnerable position vis-à-vis unscrupulous middlemen and loan sharks. However, this is rather an example of the importance of having the legitimate industry more involved in the value chain (e.g. through contractual arrangements) and definitely not the contrary.
- 7 M. Brüntrup and R. Peltzer, "Outgrowers — a key to the development of rural areas in Sub-Saharan Africa and to poverty reduction", report of the DEG/DIE Workshop on 18 August 2006 (Bonn, 2007).
- 8 C. da Silva, "The growing role of contract farming in agri-food systems development: drivers, theory and practice", Agricultural Management, Marketing and Finance Service Working Documents, No. 9 (FAO, Rome, 2005)
- 9 <http://siteresources.worldbank.org/INTAFRICA/>
- 10 Typically, in these direct contracts, the price per kg of tobacco is agreed upon in the beginning of the season and is determined based on the cost of production (the total cost the farmer incurs to produce tobacco) and the margin for the farmer. For example, in Brazil, the costs of production are mainly labor and crop inputs - representing around 80% of the total cost – and are established by farmers' and workers' representative associations, in negotiation with leaf buyers.
- 11 Understanding the Integrated Production System (IPS) of Malawi's Tobacco Industry, NKC Independent Economists, November 2013.
- 12 Global Report on Child Labour, International Labour Organisation, 2010, paragraph 354, p.7474.
- 13 A 2012 report from the US Department of Labour identified 123 goods in the "child labour" category: 58 agricultural goods, 38 manufactured goods and 26 mined/quarried goods.
- 14 In its policy briefing for the COP-5 on the 17&18 Working Group, the Framework Convention Alliance notes that 'in countries where child labour on tobacco farms is a significant problem, it is frequently also a problem in other sectors'.
- 15 Global Report on Child Labour, International Labour Organisation, 2010, paragraph 354, p.74
- 16 Incentives and Disincentives for Tobacco in Malawi, Food and Agriculture Organisation of the UN, October 2012, p.4

