Background on the International Tobacco Growers’ Association (ITGA):

The International Tobacco Growers’ Association is a non-profit and non-governmental organisation founded in 1984 by tobacco growers’ organisations from Argentina, Brazil, Canada, Malawi, the U.S.A. and Zimbabwe. The ITGA was created with the objective of providing a collective voice for growers from all over the world. In 1999 the ITGA’s head-office moved to Castelo Branco, Portugal, where the ITGA is registered under Portuguese law.

Since 1984 membership has come to encompass Argentina, Brazil, Bulgaria, China, Croatia, the Dominican Republic, India, Italy, Kenya, Malawi, Malaysia, Mexico, Pakistan, Portugal, South Africa, Tanzania, Uganda, the U.S.A., Zambia and Zimbabwe. These countries from four continents account for ca. 90% of all commercially traded tobacco in the world.

The ITGA is an organisation created by tobacco farmers for tobacco farmers and all decision-making processes are exclusively defined by our national tobacco-growing member organisations. The ITGA is funded by dues paid by members and advertising in its quarterly publication, The Tobacco Courier.

Foreword:

We believe that it is legitimate for governments to reduce consumption of tobacco products. But precisely because there is a trend to reduce consumption, it is foreseeable that, over time, demand will drop, potentially translating into the unemployment of tobacco growers, especially those in developing countries. To minimise the impact, it will be necessary to assess cost-effective alternative crops.

In developing countries, poverty is generalised and often tobacco-growing can help create pockets of relative wealth in the regions where it is practiced. It can also contribute to help rural workers to create self-help initiatives to break away from a poverty circle and contribute to the sustainable development of the region. Accordingly, we applaud all efforts to achieve a reduction of global poverty and defend that the empowerment of poor communities needs to be achieved through sustainable rural and social development.

We believe diversification is an activity all farmers should engage in, as the dependence on one crop alone is never advisable. But as diversification does not necessarily mean that one stops growing tobacco, one fundamental question that needs to be asked is whether what is being promoted is the diversification away from tobacco or the diversification based on tobacco.

Many of our member organisations have vast experience in diversifying, produce other crops alongside of tobacco, using tobacco as a way of making the growing of other, non-cash, crops viable. There are stories of success and failure that can be told and given the extensive hands-on experience the ITGA has of factors either facilitating or hindering diversification, we believe that our collaboration in the ad hoc study group on alternative crops would be not only politically correct but also an asset.

Our member organisations come from 20 different countries of which twelve have ratified the FCTC. Five of these countries have signed it. Three have neither signed nor ratified the Convention.

Only three of our twenty member organisations come from developed countries.
Why do Farmers Grow Tobacco?

- Tobacco yields high returns per hectare.
- Tobacco can grow on soils with low fertility, subject to leaching of nutrients and erosion.
- Tobacco is climate-resistant (e.g. drought) and some tobaccos, such as the Oriental type, are best grown in arid environments.
- In most areas tobacco does not require irrigation.
- In many areas where tobacco is grown, crops grown after the cultivation of tobacco, benefit from the residual fertilisers in the soil, making tobacco an excellent crop in the rotation scheme.
- It is less harsh on the environment than many other crops.
- Tobacco is the most labour-intensive crop, usually re-distributing close to half of the revenue it generates in salaries paid directly to those working in tobacco-farming related fields. These workers can be counted by the hundred thousands or even millions.
- The highly demanding nature of the crop and its strong emphasis on technology and commercial relations, inevitably leads to the creation of a dense network of businesses and related industries that have a high multiplying effect in the local economies of the tobacco producing regions.
- Tobacco is a demanding school of agronomics: tobacco-growing involves specific farming techniques and new production technology that can also be applied to other crops, helping farmers acquire basic agronomy and management skills and make their rural property more profitable.
- Being less perishable than most other potential alternative crops, tobacco can easily be stored.
- In most environments suited to tobacco there is no better alternative cash crop.
- Tobacco enjoys relatively high price stability when compared to other crops, allowing farmers to plan ahead and predict with fair accuracy how much they will earn by the end of the season.
- When just and transparent, contract growing gives farmers the guarantee of being able to sell the totality of their crop, notwithstanding the quality. Farmers frequently receive advancements of input (seeds, fertilisers, etc.) and technical assistance.
- Today, contract farming is generalised. As tobacco products are highly regulated by national authorities, the increasingly small number of raw tobacco buyers imposes very strict guidelines. Consequently, tobacco growers acquire vast knowledge on world markets and their demands.
- In tobacco areas, land holdings are generally small or even rented, requiring high value cash crops to ensure family income.
- Successful production of other crops and animal rearing is often more feasible when a high value crop, such as tobacco, is part of the farming system.
- Where tobacco is grown, a catalogue of new businesses tends to emerge, densifying the local industrial and business fabric, generating employment, creating wealth and thus avoiding rural exodus and the consequent increase of poverty belts around cities. Tobacco-growing attracts sound infrastructure, providing financial aid, technical assistance, transport and storage. Notwithstanding the low profit margins and the small areas of land cultivated, tobacco leaf production is able to generate wealth and improve quality of life, fixing educational, health and social facilities in otherwise relatively impoverished, rural or mountainous areas.
Alternative Crops – Challenges to Be Met:

- As is widely known, tobacco yields a high income per hectare. Typically, areas under cultivation are less than 1 ha, sometimes even less than 0.5 ha, as is widespread in countries with large tobacco exporting communities like India, China and Malawi. Even in Brazil, the largest exporter of tobacco in the world, 39,000 families, or 20.4% of all tobacco-growing families, grow tobacco on plots smaller than 1ha. 36.3% occupy areas between 1 – 10ha. And over 30,000 families own no land at all, working on rented areas.

Hence, any replacement of tobacco with another crop inevitably means that for diversification to be viable, the replacement crop either has to be highly specialised (e.g. flowers) in order to have a similar income per hectare, or the area under cultivation has to be expanded.

Both possibilities require a lot of investment – for specialised equipment or additional land – and thus a lot of capital. For that very reason, they are not viable for peasant or small-scale farmers with limited or non-existent capital. Also, land is not always readily available and often farmers do not even own the land they cultivate (land tenure), which also means that they cannot take out loans as they have no collateral.

- Another issue that is commonly neglected is that of the saturation and oversupply of alternative markets. A paper released by the E.U. in 2001 acknowledged that “[e]ncouraging tobacco producers to convert to other types of production (fruit and vegetables, maize, etc.) would not provide them with the same return on their land - it would merely increase production in areas showing surpluses or already subject to quotas.” (p.6, ‘The tobacco industry and employment in less favoured regions’, Eurostat, Statistics in Focus, 07/2001)

A 2003 study estimated that if only 25% of all E.U. tobacco growers converted to asparagus, an additional 25.000ha would enter that market and E.U. asparagus production would increase by 34%. In the case of 25% of tobacco farmers converting to tomato production, E.U. tomato production would increase by a huge 64% and the area with tomato would increase by 16,000ha. The outcome would be devastating with prices for these crops plummeting.

- Being a very labour-intensive activity, any sudden shift to other crops could result in unemployment for millions of workers, both seasonal and permanent. According to the ILO, the tobacco sector employs close to 100 million people worldwide.

- Areas that are distant from air and shipping ports are unsuitable for crops grown in bulk, unless the crop yields high returns that allow for the travel costs to be covered.

- Used to a crop that offers relative price stability, growers shifting to alternative crops will need to be capable of adapting to the price fluctuations that characterise so many other crops.

- Another challenge for converting farmers is the marketing of the new crop. Whereas tobacco is often grown under contract, switching to another crop could mean that the farmer has to contact buyers out of his own initiative and that he may no longer benefit from advanced inputs and guaranteed sales at the end of the season.

So, at closer analysis it becomes apparent that in order to replace tobacco, one would need alternative crops with high profitability on a small surface, that offer a stable market perspective (many productions show surpluses), a high level of employment for farmers and seasonal workers and that are able to adapt to the poorest regions and to the most underprivileged people, as ageing rural population with low levels of education.
Diversification inclusive of tobacco, however, can offer a number of advantages. In Misiones, Argentina, it was tobacco that offered the initial starting capital to create the necessary infrastructure to diversify into citrus fruits. The Cooperativa Tabacalera de Misiones started its Citrus Diversification Plan in 1992, aiming to complete a planted area of 5,400 ha, directly involving about 1,000 farmers. It currently has a nursery at the R&D Unit with 5,000 m² of greenhouses, equipped with the latest technology, while the packaging plant has capacity to classify and to pack up to 100,000 tons of fruit per annum.

A rare case of success, Misiones illustrates how tobacco itself can serve as a tool to assist diversification, being used as a capital base to allow farmers to grow other crops.

An Alternative to Alternatives?

An alternative approach to diversification that has so far not been considered by the WHO is to promote diversifying the uses of tobacco. Recent research has shown how tobacco may be used in ways that do not involve consumption in the traditional way:

- In the Philippines tobacco pulp is going to be used for making paper.
- In Canada researchers are studying tobacco as a possible source of biofuel that could potentially replace petroleum-based fuels.
- In Australia scientists are engaging in "molecular farming" to extract vitronectin from tobacco plants. This protein is known to promote cell growth, and has the potential to be used in cancer therapy and wound healing. Indeed, in the extraction of proteins, tobacco has proven to be safer than animals, which can harbour viruses that can infect humans. Further, tobacco is said to be the easiest plant to genetically modify and ideal for this type of research as it yields a million seeds per plant and grows quickly.
- In the U.S. a group of scientists have genetically engineered tobacco plants to produce a vaccine against the virus that causes severe acute respiratory syndrome (SARS), while another team of researchers has developed a vaccine that protects monkeys against the Ebola and Marburg viruses. Yet another team of scientists has managed to produce immunising proteins from tobacco for a plague vaccine. Although all three vaccines are not yet available for human use, the research raises the possibility of producing economical vaccines for diseases for which there is no known cure. Still in the U.S., researchers at a biotechnology firm are working to genetically alter the tobacco leaf to clone a protein found in two strains of HIV.

If all this research produces marketable results, pharmaceutical companies' demand for tobacco will make them important clients for tobacco growers.

For farmers this would mean not needing to invest in a new business, continue using most of their equipment and existing infrastructures, while being able to keep using their know-how to do what they do best: Grow tobacco.
In Conclusion:

Tobacco-growing areas in developing countries are often embedded in very poor, isolated areas with little infrastructures where the planting of alternative crops offers no cost-effective alternative. We all have a moral obligation to ensure that the assessment of viable alternatives to tobacco or diversification is conscientious, scientific and based on the practical experience of those who have dedicated their lives to growing this controversial plant.

Notwithstanding our interest in helping identify and evaluate alternative crops, it is absolutely vital to never forget that there is no “one-fits-all” solution: what may hold true for one country, one region or one market, may not hold true for another: Climate, geological, socio-political, agronomical, cultural and environmental factors vary from one region to the other. Thus, every country/region’s specificities needs to be looked in isolation as it would be unscientific and endanger the livelihoods of tens of thousands of people if one was to make gross generalisations across the board in order to simplify and speed up the implementation of policies.

Another prime concern of all involved parties should be, we believe, to ensure that one and the same methodology is adopted in the presentation and collection of data. This would require Ministries of Agriculture and Employment to be called to cooperate with the works of the study group, as would their international counterparts, i.e. ILO, World Bank, FAO, etc.

Unless this is done, it will not be possible to ensure objective and reliable results on which to build a sustainable project.

Knowing that this task will be demanding and that, as the only international organisation representing tobacco growers responsible for the production of ca. 90% of all internationally traded tobacco leaf, we can share invaluable experience and expertise, we want to express our availability to collaborate in loco and to the best of our ability, through our Associates and our Secretariat, in the identification and assessment of alternative crops.

Indeed, the exclusion of tobacco growers or their representatives from that forum will signal that objectivity, impartiality and a serious and committed dialogue are not priorities and that the creation of a study group merely serves purposes of propaganda.

Recapitulating …

We defend that it is of utmost importance to …

- … determine whether the WHO’s ultimate objective is to diversify or to switch to other crops, making tobacco redundant;
- … establish universal criteria to establish one methodology, to be used by all organisations, Ministries and agencies that will participate in the data-collection process and presentation;
- … resort to the collaboration and draw on the additional expertise of the Food and Agriculture Organisation (FAO), the World Bank, the International Labour Office (ILO), the International Fund for Agricultural Development (IFAD) and the United Nations Conference on Trade and Development (UNCTAD);
- … consider the possibility of assessing alternative uses of tobacco;
- … accept that the ITGA wants to be part of the solution, not the problem, and that the ITGA’s participation in the study group as an external consultant would be an asset.