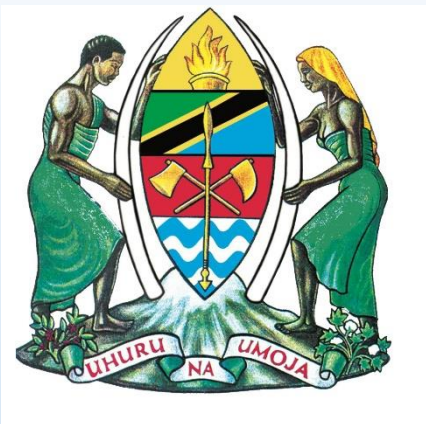




THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
TANZANIA TOBACCO BOARD



**Overview of Tobacco Industry in
Tanzania
(Production and Export)**

June, 2024

PRESENTATION OUTLINE

- Background;
- Tobacco Buying Companies;
- Types of tobacco grown;
- Tobacco production trend;
- Grower's income & price trend for the last 5 seasons;
- Tobacco export trend;
- Environmental Conservation;
- Potentials of Tobacco Industry in Tanzania;
- Government guarantee.

1.0. BACKGROUND

- Tanzania is among the tobacco producers in the world ranking the the 2rd / 3rd in Africa after Zimbabwe and Malawi. The average production is 70,000 tons per year and the highest production level attained is 126,000 tons per season and has the potential of producing above 300,000 tons per annum.
- Tanzania Tobacco Industry is comprised of small scale farmers engaging in tobacco production. Apparently, the country has 92,811 registered farmers for the crop season 2023/2024. They are organized in cooperatives from primary, regional and national cooperative called TCJE

BACKGROUND

- Tobacco is among the 5 strategic crops in the country contributing to the economy and livelihood. It among the top 6 crops in terms of foreign exchange earnings. The industry also employs more than 2.5 million people directly and indirectly.
- Government intervention in supporting the tobacco industry, production has brought in improvement for the last five years. Tobacco production has increased from 37,546 tons in 2019/20 to 122,859 tons in 2022/23 season
- Crop Season 2023/24 is expected to produce 178 ,000 MT of green tobacco for export compared to 123,000MT produced last crop season.

2.0 TOBACCO BUYING COMPANIES

Currently the main companies buying tobacco from farmers through contract farming arrangements under their Primary Societies are as follows: -

- Mkwawa Leaf Tobacco Leaf Company Ltd;
- Alliance One Tobacco Tanzania Ltd;
- Premium Active Tanzania Ltd;
- JTI Leaf Services Limited;
- Voedsel Tobacco Company Ltd;
- Magefa Growers Company Ltd;
- G4 AGRO/ ENV Company Ltd ;
- Global Leaf Company Ltd.

3.0 TYPES OF TOBACCO GROWN

- There are four tobacco varieties which are grown in Tanzania namely:-
 - i. Flue Cured Tobacco – FCV
 - ii. Dark Fired Tobacco – DFC
 - iii. Air Cured Tobacco (Burley)
 - iv. Sun Cured Tobacco (SUC)
- FCV is highly preferred by growers where its production is 93%;
- DFC is produced in small volume which accounts for 5% of the total production;
- Air Cured tobacco (Burley) and SUC just started currently and accounts for 2% of the total production. They are less produced due to shortage in market though the country has great potentials to produce these types of tobacco

4.0. PRODUCTION TREND

Production trend for the last five crop seasons is as indicated in the table below.

SEASON	2018/19	2019/20	2020/2021	2021/22	2022/2023
AREA PLANTED	54,654	39,862	47,410	50,135	93,969
PRODUCTION (tons)	72,522	37,546	58,296	60,874	122,859
PRODUCTIVITY (kg)	1,327	941	1,230	1,214	1,307

Tobacco field preparations

Tobacco seedbeds



Tobacco field



5.0. GROWER'S INCOME & PRICE TREND FOR THE LAST 5 SEASONS

Crop season	Production(kg)	Value (USD)	Average price(USD/Kg)
2018/2019	72,522,155	101,664,705.35	1.40
2019/2020	37,546,348	53,154,032.48	1.42
2020/2021	58,295,899	90,260,628.00	1.55
2021/2022	60,874,830	108,794,290.13	1.79
2022/2023	122,858,564	286,826,107.00	2.33

6.0 TOBACCO EXPORT

- 95% of the tobacco produced is for export. The remaining 5% is locally processed for cigarette production, part of which is exported as commodities.
- The quantity and value of tobacco exported is as shown in the table below.

No.	CROP SEASON	WEIGHT (KGS)	VALUE (USD)	AV
1.	2019/2020	53,688,985.55	187,338,170.48	3.49
2.	2020/2021	30,431,652.80	106,278,461.47	3.49
3.	2021/2022	46,614,213.68	157,301,922.33	3.37
4.	2022/2023	48,964,492.27	185,639,238.57	3.79
5.	2023/2024 ***	100,152,614.82	447,394,761.99	4.47

Tobacco Curing



Tobacco Marketing



7.0 ENVIRONMENTAL CONSERVATION

- Tobacco Industry in Tanzania implements Tobacco Afforestation Program (TAP) as a special initiative to make sure every farmer plants trees equivalent to his/her production.
- This strategy is key to protect and conserve the environment. Nonetheless, we do expect to initiate another programs to protect the environment called CBFM, but also convention of traditional tobacco curing barns into modern barns which use less firewood,

8.0 POTENTIALS OF TOBACCO INDUSTRY IN TANZANIA

- Favorable environment for growing different tobacco types (VFC, DFC, Burley etc.);
- Processing factories with the capacity of processing over 140,000 tones, which are apparently under-utilized;
- Good regulatory framework that create a level playing field for growers - buyers relations;
- Presence of Tobacco Research Institute which conduct research on tobacco varieties, fertilizer, breeding, training and technology transfer with all other aspects of Good Agriculture Practices.

Potentials cont ...

- Availability of skilled labour force;
- Compliant crop with competitive price;
- Strong farmers organization/cooperatives;
- Existence of government institutions to regulate the industry;

9.0. GOVERNMENT GUARANTEE

- The Government of United Republic of Tanzania through the Board guarantee full support for any interested trader/company to invest in our tobacco industry.

WELCOME ALL

THANK YOU FOR LISTENING,

TATENDA,

ASANTENI SANA

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