

International Tobacco Growers' Association

TOBACCO

courier

ITGA 

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EYES ON

BRAZIL

**The Roots of
Brazil's Tobacco
Success**

ITGA Spotlight Analysis
Ivan Genov

**Industry
Insights: Tobacco
Companies in Brazil**

Expert Interviews
Leading Tobacco
Manufacturers

**70 Years
Afubra**

*History and
Achievements*
Association in Focus

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COMPANIES



ITGA MEMBERS' REPORTS



ITGA FOUNDATION 1984

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MESSAGE FROM ITGA PRESIDENT



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

During the last COP10 in Panama, I had the opportunity to witness first-hand the intense pressure our fellow growers and the sector in general in Brazil are facing. The disconnect between their pivoting contribution to the global supply chain and the increasingly restrictive narratives surrounding the sector is deeply concerning.

As the world's largest exporter of leaf tobacco, Brazil plays a decisive role in shaping global market dynamics, pricing, and policy influence. When Brazilian growers speak, the world listens. Their position and participation can significantly amplify the voice of all growers worldwide.

Brazilian farmers face the same pressures as growers in other countries: increasing regulation, rising production costs, and shrinking political space. By advocating together, we can build a united front to defend the socio-economic value of the crop and protect rural livelihoods globally.

Despite Brazil's economic importance in tobacco there is a growing disconnect between the socio-economic reality of growers and the direction taken by international frameworks such as the WHO FCTC. This disconnect was clearly visible

As the world's largest exporter of leaf tobacco, Brazil plays a decisive role in shaping global market dynamics, pricing, and policy influence.

“ Despite Brazil's economic importance in tobacco there is a growing disconnect between the socio-economic reality of growers and the direction taken by international frameworks such as the WHO FCTC.

in Brazil's positioning at COP10, where the government's statements leaned heavily toward a restrictive agenda, failing to acknowledge the contribution of over 150,000 smallholder farming families whose income depends on this crop.

The Brazilian delegation often sets a precedent for other Latin American countries and plays a prominent role in FCTC discussions. Ensuring that Brazilian growers are part of the advocacy conversation is essential to counterbalance anti-farming narratives and influence balanced, evidence-based policymaking.

The Article 17 toolkit launched right before COP10; The Article 17 toolkit presents a distorted picture. It promotes projects in Brazil that have failed to deliver results—initiatives with no real past and certainly no viable future. This selective evidence risks misleading decision-makers and undermines the realities faced by growers on the ground.

A coordinated message that includes

José Javier Aranda
ITGA President

Brazil alongside Africa, Asia, and other Latin American countries sends a powerful signal: that growers are aligned, informed, and essential stakeholders in the global conversation about tobacco, agriculture, and development.

As COP11 approaches, the global tobacco-growing community must stay coordinated, informed, and vocal. We must insist that any policy or toolkit claiming to represent 'alternatives' be grounded in reality, guided by data, and developed in collaboration with growers themselves.

Brazilian farmers have built a model that works. It deserves recognition, protection, and, above all, a seat at the table in every conversation that affects their future. 🇧🇷

“ As COP11 approaches, the global tobacco-growing community must stay coordinated, informed, and vocal. We must insist that any policy or toolkit claiming to represent 'alternatives' be grounded in reality, guided by data, and developed in collaboration with growers themselves.



Mr. José Javier Aranda, ITGA President at
ITGA Americas Regional Meeting 2025 in
Jujuy, Argentina

THE SOCIO-ECONOMIC FOOTPRINT OF TOBACCO PRODUCTION IN **BRAZIL**



TOBACCO GENERATES
**US\$2.9
BILLION**
IN FOREIGN CURRENCY



More than
114,000
FAMILIES
ARE INVOLVED
in **TOBACCO**
PRODUCTION

Tobacco creates
90,000 seasonal
jobs
per
year



OVER
668,000
PEOPLE DEPEND
ON
TOBACCO
FOR THEIR
LIVELIHOODS



BRAZIL IS THE
world's
LEADING TOBACCO
EXPORTER &
2nd largest
TOBACCO PRODUCER

Source: Afubra, Sinditabaco, UN Comtrade

Brazil in the Spotlight



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

Afubra – Backbone of a Thriving Sector

In the heart of Brazil's southern agricultural belt, one organization has continually shaped the landscape of tobacco farming: Afubra, the Brazilian Tobacco Growers Association. Founded in 1955 and a founding member of the International Tobacco Growers' Association (ITGA), Afubra has become synonymous with farmer advocacy, risk mitigation, and long-term sustainability.

From the pioneering Mutuality System — a farmer-built crop insurance model — to Brazil's largest family farming fair, Expoagro, Afubra has led the sector through decades of transformation.

From the pioneering Mutuality System — a farmer-built crop insurance model — to Brazil's largest family farming fair, Expoagro, Afubra has led the sector through decades of transformation.

Afubra has led the sector through decades of transformation. Under the visionary leadership of figures like Benício Werner and current president Marcilio Drescher, Afubra promotes an agricultural model that blends productivity with protection, technology with tradition.

Decades long programs like Verde é Vida (Green is Life), have impacted over 150,000 people, focusing on environmental education, family succession, and rural dignity. In a country where tobacco supports over 114,000 families, Afubra remains a steady bridge between local farming realities and global industry shifts.

The People Behind the Leaves – Socio-Economic Profile of Brazil's Tobacco Growers

Tobacco farming in Brazil is defined by family agriculture and tobacco typically occupying just a fraction of the land. It is a rotational, high-value crop that provides predictable revenue and enables broader diversification.

Surveys reveal a sector anchored in economic mobility and generational continuity:

- 60% of growers' household heads have finished primary school or higher
- Nearly 50% of farm revenue comes from crops other than tobacco

ITGA Secretariat
Editorial

Tobacco growing supports more than 668,000 people and is a stabilizing force in rural communities, where it funds education, healthcare, infrastructure, and improved quality of life.

- Over 85% have access to digital services
- 84% feel good about growing tobacco

Tobacco growing supports more than 668,000 people and is a stabilizing force in rural communities, where it funds education, healthcare, infrastructure, and improved quality of life. Programs supported by Afubra and industry partners continue to invest in youth retention, digital literacy, and agronomic training, ensuring a future for tobacco farming that's as inclusive as it is productive.

Brazil's success in tobacco is also a product of coalition-building — a model of public-private synergy that gives rural voices national and international weight.

Coalitions That Sustain a Sector – The Role of Institutional Cooperation

Brazil's success in tobacco is also a product of coalition-building — a model of public-private synergy that gives rural voices national and international weight.

At the municipal level, organizations like Amprotabaco, representing over 500 cities, act as the executive and political voice for communities economically tied to tobacco. "Tobacco is income, opportunity, and development," says president Gilson Becker. "And the cooperation between all institutions creates the environment for its continued success."

Trade unions like SindiTabaco play an equally vital role, advocating for fair regulations and Brazil's place in the evolving global market. President Valmor Thesing argues for a pragmatic approach: defending the country's industrial base while exploring new markets and products.

Meanwhile, cities like Santa Cruz do Sul — known as Brazil's "Tobacco Capital" — illustrate how tobacco revenue drives infrastructure, public services, and cultural pride. Mayor Sergio Moraes points to the city's high living standards, strong rural services, and vibrant civic identity as proof that tobacco, when responsibly managed, enriches more than just economic indicators.

Industry Stewards – The Role of Tobacco Companies in Brazil's Agricultural Model

Brazil's major tobacco companies, operating under an Integrated Production System, are another vital piece of the puzzle. They are partners in production, helping farmers grow high-quality crops while meeting rigorous social and environmental standards.

Across the industry, common practices include:

- Technical assistance from seed to harvest
- Distribution of PPE and agronomic tools
- Programs promoting labor safety, school attendance, and youth empowerment
- Investments in solar energy, digital farm management, and mechanization

Corporate programs and crop diversification packages have benefited tens of thousands of growers. Companies are also pioneering living income benchmarks, rural women's leadership programs, and support for environmental restoration.

Whether financing reforested plots, partnering with schools and NGOs, or developing seed innovation hubs, tobacco companies in Brazil have embraced their role as rural development agents — ensuring that quality, equity, and sustainability grow together.

A Sector Rooted in People, Progress, and Purpose

Brazil's leadership in tobacco leaf production is not the result of chance — it is a testament to collaboration, foresight, and shared accountability. From Afubra's advocacy to municipal partnerships and corporate innovation, the country has built an ecosystem where agriculture and dignity thrive side by side.

This is not just a story about tobacco. It's about how rural sectors can modernize without abandoning their roots, how multi-stakeholder cooperation can drive inclusion, and how a single crop can generate not only income — but identity, opportunity, and resilience.

Corporate programs and crop diversification packages have benefited tens of thousands of growers.

As global pressures mount and markets evolve, Brazil stands ready. With a model built on integration, innovation, and integrity, it offers the world a blueprint for how agriculture can lead — economically, environmentally, and socially — into the future. 🌱



ITGA Secretariat visits Brazilian growers, 2023

Brazil as the New Benchmark in Tobacco



Ivan Genov
ITGA Manager
Tobacco Industry
Analysis

Production Evolution: Peaks, Dips, and Resilience

Over the last 15 years, Brazil's tobacco production has seen notable fluctuations, yet the sector has demonstrated a remarkable capacity for resilience. From a high of 827,119 tons in 2011, production dipped to 525,220 tons in 2016 before climbing again to 705,930 tons in 2017. A more recent peak was observed in the current season with a projected 696,000 tons.

These variations have been driven by several interrelated factors:

- **Weather Extremes:** Adverse weather, particularly droughts and hail, impacted yields in certain years, notably in 2016.

- **Planted Area Fluctuations:** From 372,952 hectares in 2011, the planted area contracted to 284,184 hectares in 2024, reflecting tighter market conditions and strategic shifts by growers.

- **Economic and Contractual Adjustments:** In years where grower-company negotiations reached friction points, temporary disincentives to plant emerged.

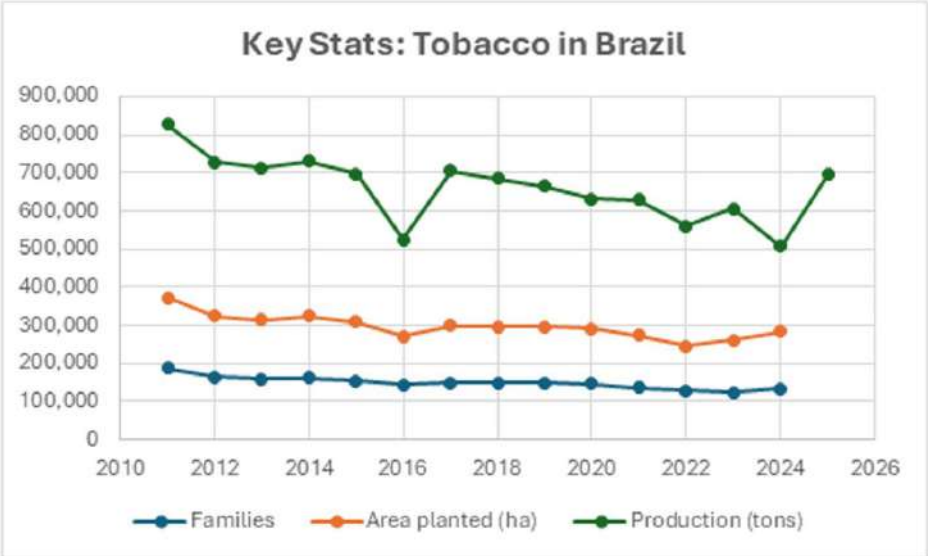
Despite these challenges, Brazil's tobacco sector has remained far more stable than those in other major producing countries. Strong institutions such as Afubra, coordinated grower-company models, and diversified income strategies have created a robust buffer against volatility.

“Strong institutions such as Afubra, coordinated grower-company models, and diversified income strategies have created a robust buffer against volatility.”

Price Evolution: Climbing the Global Ladder

The last five years have seen an unprecedented rise in tobacco leaf prices in Brazil. Average prices of Flue-Cured Virginia (FCV) tobacco surged from USD 1.79/kg in 2020 to USD 4.71/kg in 2024. Burley and Comum varieties experienced similar increases.

A key reason behind these jumps has been the recalibration of contract pricing mechanisms between growers and major leaf-buying companies. Grower representation through Afubra played a central role in pushing for prices that reflect true production costs, labour inputs, and sustainability compliance. The global supply squeeze of recent seasons and the industry scramble to secure the needed



Mr. Ivan Genov, ITGA Manager Industry Analysis at ITGA Annual General Meeting 2024 in Raleigh, USA

“ *It has moved from being seen as a cheap source of leaf to a premium, well-managed supplier.* ”

quantities have also impacted the trend.

Interestingly, while Brazil is still sometimes viewed—particularly in European industry circles—as a developing market, the reality tells a different story. Brazil is now setting global standards in traceability, grower support, and sustainable practices. It has moved from being seen as a cheap source of leaf to a premium, well-managed supplier.

Productivity: More Than Just Numbers

As previous editions of ITGA Tobacco Courier have established, Brazil consistently records among the highest tobacco yields in the world. For example, in the 2022/23 marketing season, national productivity reached 2,234 kg/ha, with the southern region topping 2,314 kg/ha.

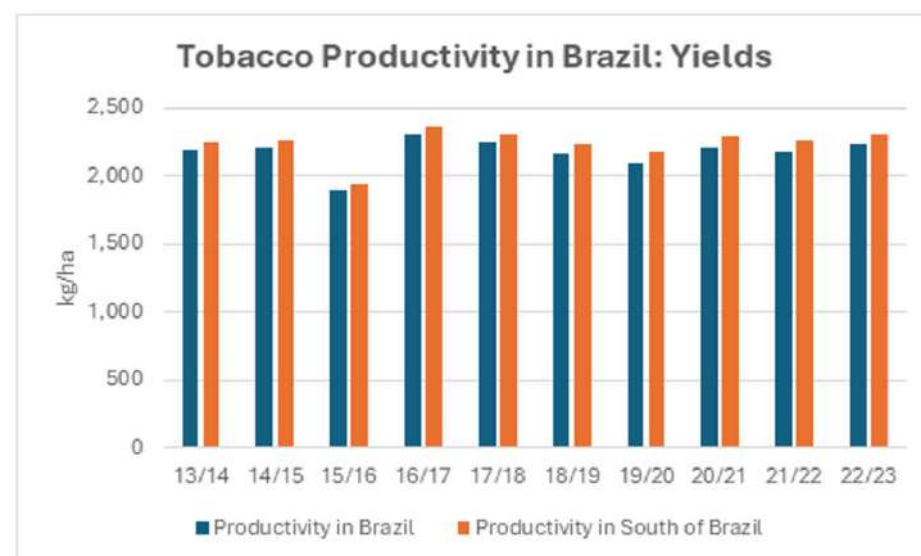
This performance is underpinned by:

- **Long-Term Strategic Investment:** Both private companies and Afubra have heavily invested in research, development, and extension services.
- **Grower Education:** Afubra’s network of agronomists and field technicians, alongside training programs and rural expos, empowers farmers to adopt best practices.
- **Natural Resource Self-Sufficiency:** Brazil’s pioneering agroforestry program allows growers to produce their own fuelwood, reducing input costs and environmental impact. Over 1.5 million tree seedlings are distributed annually.

These factors create a virtuous cycle where smallholder farmers—who make up the backbone of the sector—can achieve world-class productivity.

Brazil vs. the World: A Unique Path to Leadership

A few decades ago, Brazil’s tobacco sector lagged behind countries like the U.S. and Zimbabwe in terms of technology, mechanization, and market perception. However, through persistent investment, farmer organization, and a focus on sustainability, Brazil has outpaced many of its peers.



“ *For countries looking to modernize and future-proof their own leaf industries, Brazil offers not just lessons—but a roadmap.* ”

While Zimbabwe produces excellent FCV tobacco, it lacks the institutional support and energy self-sufficiency that Brazil has built. The U.S. has experienced a declining grower base and increasing production costs, while Brazil’s decentralized model supported by strong cooperation has thrived. Many European markets still view Brazil through an outdated lens. However, Brazil’s system of integrated production, transparent traceability, and environmental compliance now exceeds many global standards.

The fact that Brazil started from a more disadvantaged position—economically and structurally—makes its rise all the more impressive. Its path has not relied on replicating others, but on building a tailored model of success rooted in community, innovation, and sustainability. The combination of decentralized production and institutional strength makes the market very competitive in terms of price, reliability, quality and traceability – making it an increasingly hard benchmark for others to reach.

Brazil’s tobacco sector today is a global reference point. It has moved beyond being a major producer to becoming a trendsetter in sustainability, productivity, and grower empowerment. For countries looking to modernize and future-proof their own leaf industries, Brazil offers not just lessons—but a roadmap.

ITGA International Tobacco Growers' Association

THE FUTURE OF TOBACCO STARTS HERE

IF YOUR IDEA IS TOBACCO YOU ARE THINKING ABOUT US

afubra

70 anos

A história de muita gente.

Celebrating Afubra



Mercedes Vázquez
ITGA CEO



Founded in 1955, the Associação dos Fumicultores do Brasil (Afubra) has built a remarkable legacy, marked by visionary leadership and pioneering initiatives that have made a lasting impact both nationally

“Its forward-thinking approach has established it as a global pioneer in environmental protection practices, long before sustainability became a universal imperative.”

and globally. As a Founder Member of the International Tobacco Growers' Association (ITGA), Afubra has long played a key role in defending the voices of farmers on the world stage. Its forward-thinking approach has established it as a global pioneer in environmental protection practices, long before sustainability became a universal imperative. As it celebrates 70 years of achievements, Afubra stands as a symbol of integrity, resilience, and the enduring power of community-driven action — a true leader in the journey toward a more sustainable and inclusive future for agriculture.

As I reflect on the past 14 years of working closely with Afubra, I am filled with deep appreciation. From the very beginning, Afubra has extended not only professional collaboration but also extraordinarily kind and unwavering support. This journey has been far more than a professional engagement — it has been a true learning experience. Afubra's

“Afubra's vision, dedication, and innovative spirit have been a continuous stream of inspiration for other Associations around the world.”

vision, dedication, and innovative spirit have been a continuous stream of inspiration for other Associations around the world.

To the countless warm, generous, and inspiring individuals that make Afubra possible: A Big Thank you.



AFUBRA's 70th Anniversary Celebration



Voices of Legacy: Leadership Reflections on 70 Years of Afubra

Original text provided in Portuguese



The Brazilian Tobacco Growers Association (Afubra) commemorated its 70th anniversary on March 21, 2025, marking seven decades of dedicated service to tobacco farmers and the broader agricultural community in southern Brazil. Established in 1955 in Formosa, Vale do Sol, Afubra was founded to support tobacco growers, particularly in mitigating the impacts of hailstorms and advocating for better market conditions.

To celebrate this milestone, Afubra organized a commemorative panel on March 7, 2025, during the launch of the Expoagro Afubra 2025. Held at the Agro Innovation Space near the entrance of the exhibition park, the event gathered authorities, leaders,

“

The Brazilian Tobacco Growers Association (Afubra) commemorated its 70th anniversary on March 21, 2025, marking seven decades of dedicated service to tobacco farmers and the broader agricultural community in southern Brazil.

sponsors, and media representatives from approximately 180 municipalities in Rio Grande do Sul. The panel, themed “Afubra 70 Years,” highlighted the organization’s journey from its inception to becoming a significant entity in Brazilian agribusiness. Afubra’s current president, Marcilio Drescher, emphasized the organization’s pivotal role in the tobacco production chain, noting that the Mutuality System has been instrumental in supporting small producers during challenging times. Being ITGA’s founder members, we have reached out to Afubra’s leading figures to shed light about the sector in Brazil.



Afubra: The Beginning



Marcilio Drescher, a native of Cunha Porã, Santa Catarina, has been deeply involved with Afubra since 1995, initially serving as a fiscal council member. He joined the executive board as vice-president in 2003 and briefly assumed the presidency in 2006 following the passing of then-president Hainsi Gralow. In July 2023, Drescher was elected president for the 2023–2027 term. He emphasizes collaborative leadership and maintaining close relationships with Afubra’s members. Under his guidance, Afubra continues to support tobacco farmers, promote agricultural diversification, and advocate for the sector’s recognition and sustainability.



Marcilio Drescher

President
Afubra

How does Afubra envision the future of the tobacco sector in Brazil?

We understand that the integrated system is a good example and, in a way, we are discussing reorganizing and adapting some practices that

“

The mutual system, tobacco insurance against hailstorms, has always been a foundation of security for our member tobacco growers.

are lacking today, so that they can be resumed in a process of true mutual trust between the grower and the company, and vice versa. And in this way, we can have a good future for the tobacco sector in Brazil, because if we maintain the international market, this will be our great solution for continuing to grow tobacco here in Brazil.

What is the role of the Mutualist System in supporting tobacco growers today?

The mutual system, tobacco insurance against hailstorms, has always been a foundation of security for our member tobacco growers. If it weren’t for this, many growers would have given

up on this crop too, because if they make the investment with a high cost of production, and don’t harvest anything without any security, they would certainly succumb in their journey, and would certainly no longer be growing tobacco, so the mutual system is indispensable for the whole sector of the tobacco production chain.

How are Brazilian growers contributing to innovation and the promotion of sustainable practices in tobacco?

The integrated tobacco system has taught us that everything we do must be focused on labor safety, despite the issue of protecting children and teenagers in this work, the issue of the environment on the property, in short, all practices must be focused and this has been the case with the use of energy wood, in a way, everything that is done in the tobacco sector is an example for other production sectors. The issue of environmental sustainability, as well as protecting the family and the grower’s health.

“

Mutual system is indispensable for the whole sector of the tobacco production chain.



Benício Werner has been a central figure in the history and leadership of the Afubra, continuing the legacy of his father, Harry Werner, the association's founder. Starting in 1975 as an advisor, he went on to serve as accountant, treasurer, and eventually president from 2007 to 2023, leading the association through key challenges in the tobacco sector. A strong advocate for growers, he represented Brazilian producers in national and international forums, including the ITGA. In recognition of his contributions, Werner received the Medal of the 53rd Legislature from the Legislative Assembly of Rio Grande do Sul in 2014. He also expressed deep gratitude for the posthumous honour bestowed upon his father, with the naming of a state law recognizing tobacco farming as an activity of significant economic and social interest in 2025. Werner's leadership helped solidify Afubra's position as a vital institution for tobacco farming in Brazil.



Benício Werner
Second Treasurer
Afubra

What were the key milestones that established Afubra as a global benchmark among tobacco grower associations?

The main milestone is the implementation of a way to minimize the impacts of the weather, especially hailstorms and typhoons on growers' crops. This is known as the Afubra Mutual System, where all members contribute financially to create a reserve fund to compensate members whose crops have been affected by the weather. As well as covering crops, the system also helps to rebuild damaged tobacco curing greenhouses. A more social plan of the Afubra Mutual System is funeral aid, which provides financial support when a family member is lost. Another milestone is that, since Afubra was founded, crop diversification has been encouraged on members' properties. In the beginning, this was done by the Agricultural Promotion Department and today it is worked on by technicians from Agro-Comercial Afubra and also at Expoagro Afubra. Since its foundation, Afubra has always encouraged care for the environment (soil and water), but also for the preservation of native forests, encouraging the planting of energy wood that is used to cure tobacco. This goal of the founders resulted in the creation of

“ Since Afubra was founded, crop diversification has been encouraged on members' properties. ”

Afubra's forest nursery, which today not only produces seedlings of native and exotic trees, but also seedlings of agricultural food crops. In addition to raising awareness of the importance of preserving the environment, Verde é Vida also provides communities and schools with incentives and educational support.

What distinguishes Brazil's tobacco sector from other producing regions worldwide?

The Integrated System, introduced in 1918 by the then Souza Cruz, is important because it provides agricultural inputs recommended for tobacco growing, and was later followed by all the companies operating in Brazil, which develop the activity through agricultural advisors together with the integrated growers, resulting in the production of high quality tobacco without residues, making it a tobacco accepted by all importing countries. The union of the seven entities representing growers, where everyone works together to defend the interests of the tobacco growers. AmproTabaco (Association of Municipalities of Tobacco Growers) is a public body that has a greater political relationship with the executive and legislative branches, both at the municipal, state and federal levels.

What have been the most significant transformations in the sector in Brazil over the past two decades in general?

Technological growth with the care of the soil, seeds and other inputs, which has increased the productivity and quality of Brazilian tobacco. The implementation of new greenhouses for curing tobacco and the introduction of other machines and implements that reduce labor in tobacco cultivation.

Romeu Schneider has been a central figure in Afubra for over four decades, holding various leadership roles including secretary, vice-president, and director-president of Agro-Comercial Afubra. He also serves as president of the Câmara Setorial da Cadeia Produtiva do Tabaco, where he advocates for the economic and social importance of tobacco farming in Brazil.

Afubra's agro-commercial operations represent a strategic pillar for diversification and long-term growth. Our visits to the Grain Unit gave us a firsthand impression of its scale and quality.

How has the Grain Unit helped tobacco growers diversify their income and strengthen crop resilience? Does Afubra offer additional advisory support to optimize outcomes?

The agro-commercial operations of Afubra represent a strategic pillar to encourage the diversification of production and income for farmers. This has always been a vision since the foundation of Afubra, preventing tobacco farmers from being solely dependent on tobacco. UG1 has been a facilitating pillar for farmers in the commercialization and storage of their crops.

Afubra has the technical structure and resources to guide the best use and provide farmers with all necessary instructions. We offer the most technically reputable inputs for key crops alongside tobacco, such as corn, rice, soybeans, beans, potatoes, and others. Given that approximately 48% of the total revenue from the properties does not come from tobacco, this demonstrates significant progress in the technical knowledge of tobacco farmers regarding other crops, allowing them not only to sustain themselves but also generate additional income.

“ The Project has been active for over 30 years, impacting 428 schools and more than 153,000 people—an outstanding achievement. ”



Romeo Schneider
President of Agro-Comercial
Afubra Ltda. and Vice-President
Afubra

What is the current adoption rate of solar energy systems among tobacco growers in Southern Brazil?

Regarding solar energy, currently, more than 20% of tobacco farmers are generating solar energy on their properties. This is closely related to the intensive use of electricity for tobacco drying in greenhouses, reducing the use of firewood from reforested areas and being more cost-effective.



Marco Dornelles is a seasoned agronomist and a key figure within Afubra. With over 35 years of service, he has held various leadership roles, including vice-president and secretary. Currently, he serves as the general coordinator of Expoagro Afubra, Brazil's largest family farming fair, where he has been instrumental in its development and success. Dornelles has also played a significant role in Afubra's environmental education initiatives, particularly the "Verde é Vida" (Green is Life) program. The Project has been active for over 30 years, impacting 428 schools and more than 153,000 people—an outstanding achievement.

What is the program's current focus, and what are the key objectives for the future?

Verde é Vida (Green is Life), Afubra's education program, carries out actions to promote environmental awareness, awakening critical thinking and research into solutions to the challenges identified by young people, the children of tobacco growers, through partner schools.

Created on August 8, 1991, Verde é Vida carries out its activities in the states of Paraná, Santa Catarina and Rio Grande do Sul. Its aim is to develop socio-environmental education, promoting education in rural areas, their diversification, sustainability, the protection of children and teenagers, as well as valuing family farming and its succession.

Among Verde é Vida's actions is socio-environmental education, sustainable and economic development, scientific research through technological innovation, as well as keeping young people in the countryside.

Afubra's Expoagro continues to set new records in attendance and participation. What were the standout moments of the 2025 edition?

We highlight this edition as a special one, for Afubra's 70th anniversary, where the fair had an even greater commitment to presenting technologies in terms of "OVERCOMING",

“ Afubra's Expoagro continues to set new records in attendance and participation. ”



Marco Dornelles
Secretary
Afubra

as we had a very strong flood in 2024 in Rio Grande do Sul, where the agricultural sector, through growers, have a fundamental role to play in re-establishing themselves productively through all kinds of technology, government programs, it is necessary to get our state's economy going again.

Are there any innovative initiatives planned for next year?

For the next one, we are looking to develop the program in such a way as to keep visiting growers up to date, through the exhibitors and government institutions. Each edition of the fair, since the first one in 2001, has sought to bring the grower, our target audience, the latest in technology for the rural environment, be it in equipment, cultivars, public policies or others.



EXPOAGRO 2025 IN NUMBERS

(ORGANIZED BY AFUBRA SINCE 2001)



afubra 70 anos
A história de muita gente.

188 THOUSAND PEOPLE VISITS

18% MORE THAN IN 2024

Generated more than
R\$ 385 MILLION
in BUSINESS INCREASE FROM 2024 20%

R\$ 2.355.901,95
IN BUSINESS at the FAMILY FARMING PAVILION

64 STANDS
in its 1st EDITION (2001)

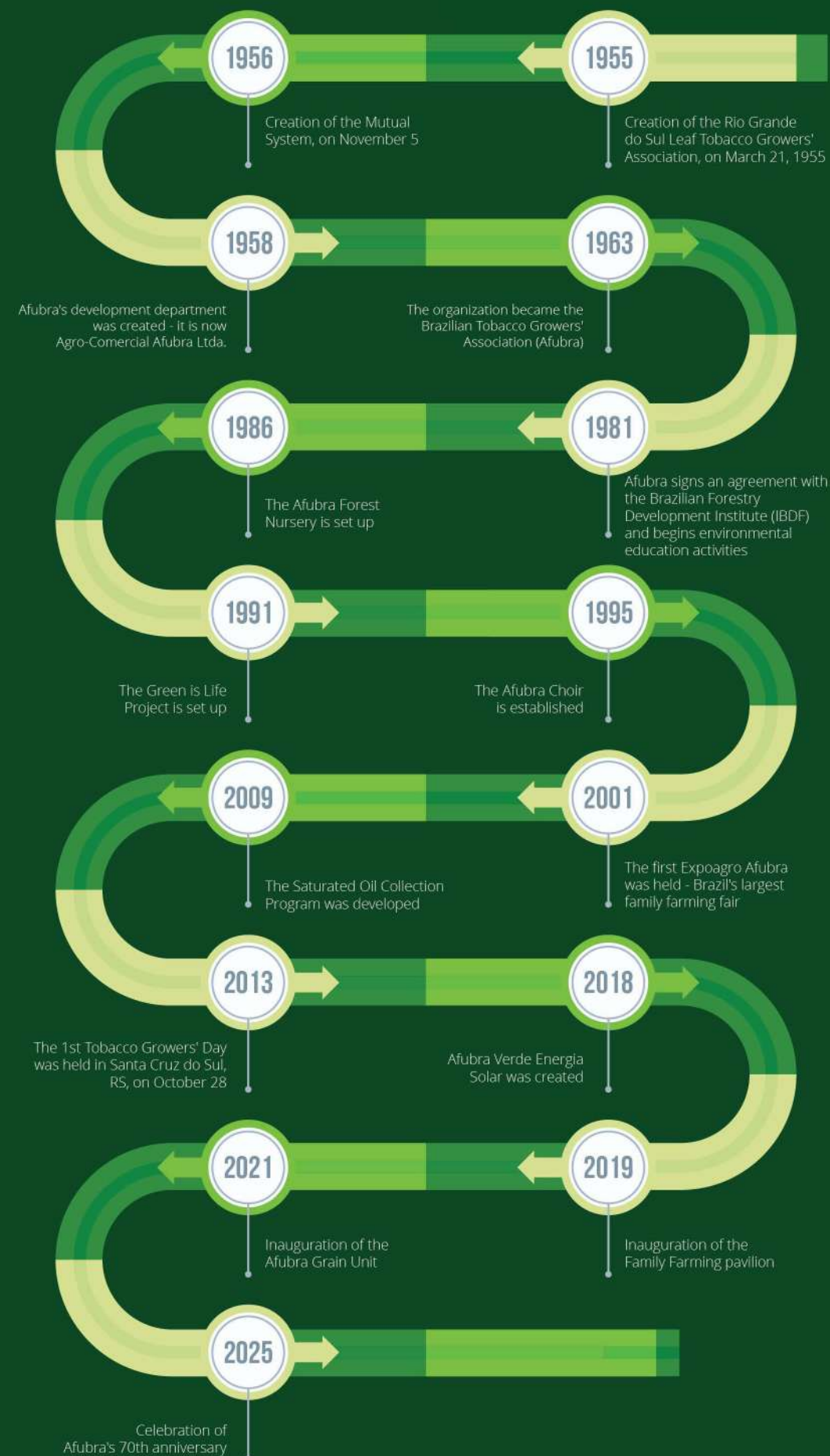
OVER **528 STANDS**
in 2025 EDITION

1R\$ = US\$ 0.17 (April 2025 exchange rate)

ITGA
International Tobacco Growers' Association
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MILESTONES afubra 70 anos

A história de muita gente.



Brazil Country Report

Original text provided in Portuguese



Afubra



ORD	TOBACCO CULTIVATED IN 2022/23							NOTES
	TYPES	NUMBER OF GROWERS	PLANTED AREA	T O N S		EUR / kg		
			HECTARES	PRODUCED	EXPORTED	PRODUCER	EXPORT.	
1	Virginia	98 961	235 187	551 586		3,59		Exchange Rate: R\$/US\$ 5,0744
2	Burley	22 174	22 770	46 469		3,50		
3	Commum	3 858	3 783	7 649		2,99		
4	Others	13 032	22 337	28 982		2,31		
TOTAL		138 025	284 077	634 685	584 861	3,51	4,193	

	TOBACCO CULTIVATED IN 2023/24							NOTES
1	Virginia	103 259	253 737	461 866	4,71			Exchange Rate: R\$/US\$ 4,9986
2	Burley	25 253	25 747	37 915	4,09			
3	Commum	4 753	4 700	8 260	3,51			
4	Others	13 293	23 802	32 916	3,01			
TOTAL		146 558	307 986	540 957	512 064	4,54	5,330	

	TOBACCO CULTIVATED IN 2024/25			NOTES
1	Virginia	106 613	276 995	-
2	Burley	26 178	27 430	
3	Commum	5 229	5 557	
4	Others	13 227	22 983	
TOTAL		151 247	332 965	

Country: BRASIL INFORMATION ON VARIETY: VIRGÍNIA CROP: 2024/2025						
ORD	COST ITEMS	UN.	QUANTITY PER HECTARE	TOTAL VALUE R\$/ha	TOTAL VALUE US\$/ha	NOTES
1	Labor	hs	635,2	15 996,32	2 917,44	In US dollars, the cost decreased by 1.08% compared to the previous harvest.
2	Base fertilizer	kg	797,8	1 990,73	363,07	
3	Top-dressing fertilizer	kg	558,9	1 913,30	348,95	
4	Defensives	kg	8,5	1 464,96	267,18	
5	Firewood	m.st.	19,7	2 348,09	428,25	In local currency, the cost increased by 8.50%
6	Other costs			14 311,88	2 610,23	
TOTAL COST PRODUCTION				38 025,28	6 935,12	

INFORMATION ON VARIETY: BURLEY						
CROP: 2024/2025						
ORD	COST ITEMS	UN.	QUANTITY PER HECTARE	TOTAL VALUE R\$/ha	TOTAL VALUE US\$/ha	NOTES
1	Labor	hs	677,7	12 998,68	2 370,72	In US dollars, the cost fell by 5.95% compared to the previous harvest.
2	Base fertilizer	kg	796,7	1 994,86	363,83	
3	Top-dressing fertilizer	kg	649,9	1 799,95	328,28	
4	Defensives	kg	6,7	1 204,39	219,66	
5	Other costs			11 863,75	2 163,73	In local currency, the cost increased by 3.16%
				29 861,63	5 446,22	
Source: Afubra				Exchange rate: R\$/US\$:	5,483	

INFORMATION ON VARIETY: VIRGÍNIA						
CROP: 2023/2024						
ORD	COST ITEMS	UN.	QUANTITY PER TARE	HEC-	TOTAL VALUE R\$/ha	TOTAL VALUE US\$/ha
1	Labor	hs	635,2		12 825,54	2 565,83
2	Base fertilizer	kg	797,8		2 690,83	538,32
3	Top-dressing fertilizer	kg	558,9		2 475,71	495,28
4	Defensives	kg	8,5		1 484,59	297,00
5	Firewood	m.st.	19,7		2 090,28	418,17
6	Other costs				13 477,86	2 696,33
TOTAL COST PRODUCTION					35 044,81	7 010,93

INFORMATION ON VARIETY: BURLEY						
CROP: 2023/2024						
ORD	COST ITEMS	UN.	QUANTITY PER TARE	HEC-	TOTAL VALUE R\$/ha	TOTAL VALUE US\$/ha
1	Labor	hs	678		11 085,62	2 217,74
2	Base fertilizer	kg	796,7		2 736,89	547,53
3	Top-dressing fertilizer	kg	649,9		2 409,11	481,96
4	Defensives	kg	6,7		1 204,75	241,02
5	Other costs				11 510,06	2 302,66
					28 946,42	5 790,91
Source: Afubra		Exchange rate: R\$/US\$:		4,9986		

Productivity in the last 10 harvests		
Crop	Productivity Brazil	Productivity South of Brazil
13/14	2 190	2 259
14/15	2 216	2 263
15/16	1 899	1 938
16/17	2 312	2 365
17/18	2 250	2 306
18/19	2 163	2 235
19/20	2 103	2 180
20/21	2 215	2 299
21/22	2 185	2 272
22/23	2 234	2 314
23/24	1 756	1 788

Industry Insights: Alliance One Brasil

Simon Yeo has served as Director of Operations at Alliance One Brasil since August 2024, overseeing all company operations in Brazil, including production, processing, and sales. A native of Great Britain, Simon brings over 28 years of experience in the tobacco industry, with expertise in commercial operations and supply chain management in both Brazilian and international markets.

Alliance One Brasil (AOB) – The company's headquarters is located in Venâncio Aires (Rio Grande do Sul), with additional facilities in Passo do Sobrado (Rio Grande do Sul); Pinhalzinho, Araranguá, Pouso Redondo, and Canoinhas (Santa Catarina); and Rio Azul (Paraná).



Simon Yeo
Director of Operations
Alliance One Brasil (AOB)



Company History and Operations

Could you provide an overview of your company's history in Brazil, highlighting key milestones, achievements, and any significant developments?

Since its founding on May 13, 2005, Alliance One Brasil (AOB) has maintained a leading position in the Brazilian tobacco AOB contracts the production of tobacco in the three southern states of Brazil—Paraná, Santa Catarina, and Rio Grande do Sul—with a network of approximately 17,500 contracted farmers across more than 350 municipalities in the region.

In this milestone year, AOB and its parent company Alliance One International, celebrates two decades of operations on May 13, establishing itself as a global reference with a legacy of 150 years of agribusiness experience through its predecessor companies.

Investing in What Matters Most: Our People
In recent years, AOB has significantly expand-

ed initiatives focused on people, aiming to further enhance working conditions, occupational health and safety, and, above all, employee well-being.

Globally, Alliance One recently introduced its STAR Values—**Supportive, Transparent, Adaptable, and Responsible**—which serve as a guiding framework for how we operate and engage with our workforce. Initiatives such as flexible working hours, remote work policies, and new programs to attract seasonal labor are just a few examples of how AOB continues to evolve. These actions demonstrate a clear investment in our greatest asset: our people.

Key milestones in the company's history include:

- **Seed Processing Center:** In November 2023, Alliance One International inaugurated a tobacco seed processing unit in the GRD&D (Global Research, Development & Deployment) Center, in Passo do Sobrado, state of Rio Grande do Sul. The 750 m² facility enables in-house seed processing, promoting greater quality control and alignment with the company's Integrated Quality Management System. Alliance One is the leading supplier in Brazil's tobacco seed market, with tobacco grown from the Company's varieties comprising approximately 40 percent of the tobacco produced in the country.
- **Adoption of the Global Sustainability Strategy in 2021:** The launch of our Company's global sustainability strategy marked an important milestone, aligning our efforts with material topics and measurable targets to address environmental and social challenges that

In recent years, AOB has significantly expanded initiatives focused on people, aiming to further enhance working conditions.

are prevalent in the communities where we operate.

- **Creation of the China Brasil Tabacos Joint Venture:** In 2014, Alliance One Brasil formed a joint venture with China Tobacco International do Brasil, creating China Brasil Tabacos Exportadora S.A. (CBT). CBT is responsible for exporting high-quality tobacco to the Chinese market, with 51% of the capital held by China Tobacco and 49% by Alliance One Brasil. This is the only joint venture of its kind established with Chinese partners outside of China.
- **Implementation of the Grower Management System (GMS):** Launched in Brazil in 2014, GMS is Alliance One International's global, proprietary, award-winning data management tool that promotes greater traceability and reliability of farmer and farm-related data.

In this milestone year, AOB and its parent company Alliance One International, celebrates two decades of operations on May 13.



AOB Farmer Services

Brazil's Role in the Global Supply Chain

From your company's perspective, what is the strategic importance of Brazil within the global tobacco leaf supply chain?

For over 30 years, Brazil has maintained its leadership in the global tobacco market, driven by consistent volumes, high-quality products, integrity, and traceability — all reinforced by best sustainability practices. There are very few countries in the world capable of producing flavor and full flavor style tobaccos. Among them, Brazil stands out as the largest producer, operating in a sustainable and responsible manner. As a result, the global supply chain relies heavily on Brazilian tobacco.

Initiatives such as flexible working hours, remote work policies, and new programs to attract seasonal labor are just a few examples of how AOB continues to evolve.

Evolution and Key Changes

Over the past decade, what significant changes has your company undergone, and what were the primary drivers behind these transformations?

threatens the balance of the market but also undermines the trust and security built over time within the integrated model.

One of the most impactful changes in the tobacco industry has been the result of investments in grower education.

Support for Tobacco Growers

What initiatives or programs does your company have in place to support tobacco growers in Brazil? Are there any specific projects or success stories you'd like to highlight?

Among the various programs developed by Alliance One, with support from AOB and in partnership with tobacco growers, the following stand out:

- **DiversificACTION Program:** Since 2021, the program has benefited over 11,100 farmers in Brazil, covering more than 26,000 hectares. In partnership with Bayer Crop Science, we provide growers a best-in-class maize technological package—combining high-quality seeds, fertilizers, crop protection products, and technical support—which has successfully boosted farmer profitability. As a result, farmers have experienced a productivity increase of approximately 15% compared to the crop season prior to the implementation of the project.



AOB Facilities

“ In recent years, another significant challenge faced by the Brazilian tobacco production sector has been the emergence of companies operating outside of the integrated production system.

- **Beyond Agronomy Basics Project (BAB):** The program's objective is to train our contracted farmers in implementing optimal agronomic practices within their tobacco fields. The program provides farmers with excellent agronomic knowledge to improve tobacco yield and quality, enabling them to increase their income and achieve better living standards.
- **AOBe Water:** The project aims to promote an increase in the quality of life of the farmer, their families, and the community, improving water sources for domestic use, protecting springs, and installing water tanks, cisterns, toilets, and septic tanks. There is an aggregation of environmental value by increasing biodiversity and water infiltration into the soil due to the transplantation of native seedlings in water buffer zones. Since 2022, AOB has implemented more than 1,070 initiatives, directly benefiting more than 8,200 people.
- **Sustainable Tobacco Program:** The Sus-

tainable Tobacco Program (STP), implemented by AOB in 2016 for all integrated growers, promotes sustainable farming, responsible labor, and environmental care. It focuses on eight core sustainability themes—Governance, Crop, Soil Health, Natural Habitats, Water, Climate Change, Human & Labor Rights, and Livelihoods—to assess and improve supplier and grower practices across the tobacco supply chain.

- **Agricultural Labor Practices:** The ALP program promotes safe, fair, and respectful working conditions in tobacco farming, with a focus on protecting human rights, especially for children, workers, and vulnerable groups. AOB has applied ALP to all contracted growers since 2012.

Future Outlook

How does your company perceive the future of tobacco cultivation in Brazil? What challenges and opportunities do you foresee?

Alliance One Brasil continues to invest in innovation and sustainability, aiming to strengthen its position in the global tobacco market. The company seeks to expand its operations and strategic partnerships while maintaining a strong commitment to quality, traceability, and sustainability.

The main challenges for the future of tobacco production include climate change, farmer succession planning, and the growing difficulty in attracting and retaining labor—both in the field and in industry.

We believe enhancing productivity and efficiency is key to maximizing grower returns and reducing reliance on manual labor. To support these outcomes, the company is investing in the advancement of best-in-

class agronomic practices, the provision of high-quality hybrid seeds, the adoption of innovative curing technologies, and the implementation of crop diversification programs. In response to industry-wide labor shortages, Alliance One Brazil is driving internal process transformation through operational automation. Additionally, the company is forging strategic partnerships with manufacturers to promote process simplification, achieve scale efficiencies, and streamline supply chain operations.

We are facing a time of profound change: the global market demands innovation, the planet demands commitment, and people—our greatest asset—demand purpose.

“ In response to industry-wide labor shortages, Alliance One Brazil is driving internal process transformation through operational automation.

Brazil's Strategic Role in the Global Tobacco Supply Chain

Brazil holds a critical position in the global tobacco production landscape for two key reasons.

First, the country produces high-quality tobacco—particularly in the flavor and full flavor segments—in volumes sufficient to meet the demands of international markets. This consistency in both quality and quantity makes Brazil a reliable source for manufacturers around the world.

Second, Brazil's tobacco production is rooted in sustainable and responsible practices. From cultivation to processing, the industry has made significant strides in embracing environmental stewardship, promoting ethical labor practices, and creating opportunities for long-term economic viability for communities involved in the supply chain.

These two factors—quality at scale and a strong commitment to sustainability—form the foundation for producing high-standard tobacco products. As a result, Brazil is well-positioned to remain a key player in the global tobacco supply chain, delivering competitive, high-quality products with responsibility and care.

Photos attached/Credits: Photographers Gelson Pereira and Junio Nunes



AOB Farmer Services



We believe everything we do is to transform people's lives so that together we can grow a better world.

We are committed to
Minimal Environmental Impact
Support for People & Communities
Ethical & Responsible Business

Learn more
www.aointl.com

Santa Cruz do Sul Mayor

Original text provided in Portuguese



Sérgio Ivan Moraes
Mayor Santa Cruz do Sul

Santa Cruz do Sul has long been a national benchmark in tobacco production. How has this shaped the city's economic and cultural identity?

Santa Cruz do Sul, more than just a production hub, embodies the symbiosis between tradition and modernity in the Brazilian tobacco sector. The city, which proudly bears the title of "National Tobacco Capital," has forged its economic identity driven by tobacco production, which is reflected in a solid GDP per capita of R\$ 73,136.19 (IBGE 2021).

“ Santa Cruz do Sul, more than just a production hub, embodies the symbiosis between tradition and modernity in the Brazilian tobacco sector.

The influence, however, transcends the numbers: tobacco has shaped local traditions, and the vibrant Oktoberfest, even if not directly focused on tobacco, celebrates this cultural heritage of a people who built their prosperity from the land. The dedication and knowledge passed down through generations of family growers have created a culture of hard work and resilience, traits that resonate directly with the values upheld

by the current municipal administration. It is necessary to recognize the importance of preserving this unique cultural identity, which is a legacy of the municipality's colonizers, while at the same time promoting adaptation to the city's new demands.

Tobacco remains an essential source of employment and income for families in the region. How has this influenced infrastructure development and public service provision in urban and rural areas?

For families in Santa Cruz do Sul, and for the 52,883 workers employed in the sector (according to IBGE 2022), tobacco represents more than just a crop: it is a pillar of subsistence that has driven the municipality's overall development. Integrated tobacco farming—which encompasses everything from family farming to industrialization—generates substantial tax revenue that directly finances infrastructure and public services. The more than R\$ 38 billion in federal revenue from the sector in 2023 (Brazilian Tobacco Yearbook 2024, p. 161) is reinvested in local benefits.

This economic base has allowed Santa Cruz do Sul to develop remarkable infrastructure: the city has a fleet of 102,341 vehicles (IBGE 2024) and maintains high sanitation rates, with 98.8% of households having access to treated water in 2021 (IBGE). Improvements in the urbanization of streets and public spaces highlight the municipality at the

national level as one of the best cities to live in and directly benefit residents of urban areas. In rural areas, the commitment to growers is reflected in the improvement of local roads and access to essential services. The city, driven by tobacco resources, has invested in the quality of life of its population.

What are the main challenges facing the city today as a major tobacco production center, especially in light of international debates on agriculture, health, and trade?

Santa Cruz do Sul, as one of the main centers of tobacco production, faces the challenges of a changing global market, which the ITGA itself describes as the transition “from an impactful legacy to an exciting future.” International debates on agriculture, health, and trade require strategic reflection, among which the following deserve special mention:

“ Tobacco represents more than just a crop: it is a pillar of subsistence that has driven the municipality's overall development.

“

The more than R\$ 38 billion in federal revenue from the sector in 2023 (Brazilian Tobacco Yearbook 2024, p. 161) is reinvested in local benefits.

a. Economic Diversification: The city has responded proactively to this pressure. The magazine Santa Cruz do Sul 2023: a city ready for the future exemplifies this movement with investments in technology and innovation, such as the company IMPLY, which exports to more than 125 countries. The strengthening of sectors such as metalworking, consumer goods production, and services, in addition to regional specialties such as commerce, health, and education, are crucial to reducing the city's exclusive dependence on tobacco and ensuring its economic resilience.

b. Public Health Debates: Global discussions on the health impacts of tobacco require constant attention. Santa Cruz do Sul, as a major production center, is aware of the need to support research and investment in the development of safer forms of tobacco consumption, which should have a positive impact on public health, demonstrating social responsibility in parallel with its main economic activity. However, regulatory agencies such as ANVISA have been hindering

the release of new (electronic) devices that reduce the risk caused by tobacco consumption in the Brazilian market.

c. Environmental Sustainability: In line with the principles of modern and responsible agriculture, environmental sustainability is another priority. The city, through its growers and industry, seeks to improve its practices. Initiatives to preserve springs and riparian forests, as well as the adoption of 100% certified integrated production systems (Brazilian Tobacco Yearbook 2024, p. 2), are examples of the commitment to minimize the environmental impact of tobacco cultivation and ensure the longevity of natural resources.

d. Commercial and Regulatory Pressures: As Brazil is the world's largest exporter of processed tobacco (Brazilian Tobacco Yearbook 2024, p. 162), Santa Cruz do Sul is impacted by international commercial and regulatory policies, including those of the WHO and FCTC, and the emergence of new tobacco products that use less leaf and are safer, but are not yet authorized in Brazil. Maintaining competitiveness and relevance in an ever-changing landscape requires adaptability and a strong voice from industry representatives who defend the interests and future of growers around the world.


Family farming plays a key role in the tobacco supply chain in southern Brazil. What measures is the municipality implementing to support rural communities and encourage the next generation of farmers to remain in agriculture? The Santa Cruz do Sul Department of Agriculture develops various public policies aimed at farmers, including the Agricultural Patrol, which offers machinery

services; the Municipal Soil Correction Program, with subsidies for the purchase of limestone; and the Seed Exchange Program. In addition, machinery and equipment are transferred to Farmers' Associations, and funds are transferred to the Santa Cruz Agricultural Family School for the training of young people from rural areas.

Sustainability has become a central theme in agriculture. What is Santa Cruz do Sul doing to promote environmentally responsible agricultural practices, especially among small tobacco growers?

In the environmental area, we have the Municipal Program for the Installation of Cisterns and the Municipal Soil Correction Program.

Afubra has been a strong partner in rural education, diversification, and sustainability. How does the city collaborate with Afubra to strengthen rural development and improve the livelihoods of farming communities?

The municipality partners with Afubra in numerous programs focused on rural areas. This entity is part of the Municipal Council for Agricultural Development and the Commission for the Regulation of Rural Markets in the municipality. 

“ Santa Cruz do Sul, as one of the main centers of tobacco production, faces the challenges of a changing global market.



Sérgio Ivan Moraes with ITGA Secretariat at COP4 in Uruguay, 2010



Industry Insights: Universal Leaf Tabacos

Original text provided in Portuguese

Cesar Augusto Bünecker was born in Santa Cruz do Sul - RS - Brazil and is an agronomist by training. His career with the company began over 35 years ago. With a deep knowledge of the tobacco sector in Brazil, he stood out for his work in tobacco production, following the evolution of the integrated system, which is a benchmark in the agricultural sector for its economic, social and environmental sustainability. Since 2012, Cesar has held the position of President and Chief Executive Officer for South America, responsible for all the activities of the Universal Corporation group in South America.



Cesar Augusto Bunecker
President and Chief Executive
Officer for South America
Universal Leaf



Company History and Operations

Established in Brazil since 1970, Universal Leaf Tabacos Ltda has consolidated itself as a leader in the leaf tobacco segment. With its headquarters and processing plant in Santa Cruz do Sul (RS) and a modern Agronomic Center in Rio Pardo (RS), the company is strategically positioned in the main growing regions in the south of the country. Its structure also includes four purchasing branches: two in Santa Catarina (Ituporanga and Pampanduva) and two in Paraná (Rio Negro and Imbituva), which guarantees its efficiency in terms of operation.

A subsidiary of the North American Universal Corporation, based in Richmond, Virginia, the company is one of Brazil's largest leaf tobacco exporters. Its commitment to excellence is internationally recognized, reflected in the ISO 9001 (quality management) and ISO 14001 (environmental management) certifications, which attest to the rigor and responsibility at every stage of the production process.



Universal Leaf Facilities

“ Over more than five decades of operations in the country, the company has built a solid track record, based on innovation, responsibility and respect for people and the environment. ”

With around 3,000 employees, including permanent and temporary staff, and approximately 21,000 integrated growers, Universal Leaf Tabacos promotes sustainable agricultural practices, encouraging the responsible use of natural resources while continually investing in social and environmental programs that strengthen the communities

where it operates, and is a supporter of various social and environmental initiatives in the sector.

Over more than five decades of operations in the country, the company has built a solid track record, based on innovation, responsibility and respect for people and the environment, values that have kept it as a leading player on the global tobacco scene.

Transformations in the global tobacco supply chain: Brazil's

role on the international stage

The tobacco production supply chain has undergone significant changes in recent years, driven by a growing demand for more responsible and sustainable practices. In this context, Universal Leaf Tabacos has stood out for adopting initiatives in line with ESG (Environmental, Social and Governance) principles, reaffirming its commitment to the ethical and sustainable development of the sector.

Brazil is currently the world's second largest tobacco producer and, since 1993, has been the world's largest exporter. The crop is grown in more than 500 municipalities in the three southern states, involving around 138,000 small grower families and directly impacting the lives of more than 533,000 people in rural areas. In addition, the sector generates more than 40,000 direct jobs in the processing industries, highlighting its economic and social importance for thousands of families.

Tobacco growing in Brazil follows the guidelines of the Integrated Production System, which prioritizes sustainability, the safety of those involved, social responsibility and traceability at all stages of production. This model establishes a solid link between growers and the industry, making the country a

“

By prohibiting the work of children under 18 and monitoring the school performance of children and adolescents, we guarantee an ethical and responsible working environment.

world reference in terms of product quality and integrity.

The technical assistance provided by Universal Leaf Tabacos is carried out by a highly qualified team that accompanies growers throughout the production cycle, providing certified seeds and agricultural inputs recommended for tobacco growing. This proximity favors the adoption of good agricultural practices by growers and the continuous improvement of production, assuring a product of international quality, with reduced environmental impact and higher productivity.

We are committed to working with growers in crop diversification and rotation by supplying high-tech seeds and fertilizers suitable for cultivation.

In addition, our initiatives reflect a solid commitment to the growers' family well-being. 'The Good Practices in Agricultural' Work Program demonstrates this commitment by promoting fair and safe working relationships. By prohibiting the work of children under 18 and monitoring the school performance of children and youngsters, we guarantee an ethical and responsible working environment. This program not only protects young people, but also values education and holistic development, ensuring a promising future for generations to come.

The program also promotes the protection of people's health, with the supply of Personal Protective Equipment (PPE) specially developed to ensure the safety of those who work in the tobacco harvest and in the application of pesticides, as well as providing guidance on the correct use of this equipment. The pesticides used in tobacco production are of low danger to people, animals and the environment and are registered for use of the tobacco crop. These actions reflect our care for people and our commitment to social responsibility.

Innovation and technology in the field

One of the biggest challenges facing the sector is the shortage of labor in the countryside, the result of the rural exodus, especially among the younger generations, and the search for better living conditions in the cities. To cope with this reality, agriculture has undergone remarkable technological revolution and tobacco growing is keeping pace with this movement.

Technological Information has transformed the way we produce. Automated data collection and analysis tools are already part of the routine in the field, enabling faster and more accurate decisions. Machines and devices connected in real time optimize resources, increase efficiency and reduce waste.

The modernization of agricultural equipment, which is every time more accessible to small growers, has increased the mechanization of crops. What was once seen as a future trend is now a reality on many farms, contributing to an improved quality of life in the countryside and sustainable production.

In addition, technologies that rationalize the use of fertilizers and natural resources have contributed to reducing costs and increasing profitability. Solar energy generation, for example, is already common on many farms, promoting energy autonomy and reducing dependence on external sources.

Sustainability and environmental preservation

Environmental sustainability is one of the pillars of our organization's operations. An example of this is the cultivation of forests planted with exotic species to meet the

demand for firewood in tobacco curing. All the wood used to cure Virginia tobacco comes from these forests, many of which are financed by the company itself, which represents not only energy self-sufficiency, but also an additional source of income for the grower's families.

Tobacco growers also stand out for their preservation of native forest areas, which are fundamental for promoting biodiversity, protecting fauna and flora, and conserving water sources. These areas are carefully maintained, reinforcing the commitment to environmental preservation.

“

Tobacco growers also stand out for their preservation of native forest areas.

The future is already being cultivated

Investing in research, innovation and new technologies is essential to guarantee the social, environmental and economic sustainability of agricultural production. In the case of tobacco, a crop that requires specific care, these investments are even more important. The future of agriculture is being built on technology, responsibility and long-term vision. And Universal Leaf Tabacos is firmly on this path, contributing to a more sustainable, productive sector that is committed to people, the environment and community development. 🌱



Universal Leaf Field Activities



The VITAL LINK

Connecting Farmers
to Global Markets

Universal Corporation is a global business-to-business agriproducts company with over 100 years of experience supplying products and innovative solutions to meet our customers' evolving needs. With operations in over 30 countries on five continents, we are uniquely positioned to leverage our worldwide network to access a diverse, reliable supply of plant-based materials. This presence, combined with our supply chain expertise, integrated processing capabilities, and commitment to sustainability, enables us to deliver high-quality, customizable, and traceable value-added agriproducts essential to our customers' success.

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International Tobacco Growers' Association

PARTNERS IN EXCELLENCE TOBACCO IS OUR BUSINESS

ITGA ANNUAL GENERAL MEETING

18th to 20th September 2025
Dortmund, Germany

THE FUTURE
OF TOBACCO
STARTS HERE



ITGA
International Tobacco Growers' Association

SindiTabaco

Original text provided in Portuguese



Valmor Thesing
President
SindiTabaco (Sindicato Interestadual da Indústria do Tabaco)



“We expect a good year ahead in Brazil, with exports expected to exceed US\$ 3 billion.

We expect a good year ahead in Brazil, with exports expected to exceed US\$ 3 billion. But looking to the future is urgent and necessary for all the links in the production chain and for hundreds

of tobacco-producing municipalities that rely on tobacco as an important source of income, jobs, taxes and foreign currency. It is our challenge to balance the equation of a country that is the second largest grower and the largest exporter of tobacco in the world and, at the same time, a protagonist in the adoption of restrictive measures for the sector, such as the ban on Electronic Smoking Devices (ESDs). Defending the participation of the production chain established here in Brazil in this new global business is also about looking to the future of our already recognized Integrated Tobacco Production System.

“Regulation means taking advantage of the industrial plant already installed in our country.

Regulation means taking advantage of the industrial plant already installed in our country and making it viable for tobacco growers to participate in this new business model. 田

AVERAGE PER CAPITA INCOME

R\$ 3.540,75

Tobacco grower
South region

R\$ 1.625,00

General in Brazil
(IBGE, 2022)

FAMILY INCOME

Average household size= 3,32

R\$ 11.755,30

it is the average monthly income
of a tobacco growing family

THE GROWER'S HOUSE

- 100%** Bathroom
- 100%** Heated water for bathing
- 98,6%** Electricity
- 97,1%** Plumbing Water
- 95%** Septic tank for sewage
- 73%** Masonry
- 72%** Three or more bedrooms
- 36,4%** More than one bathroom
- 29%** Artesian Well
- 13,5%** Solar energy and other sources

MACHINES

- 80,9%** Tractor
- 13,4%** Micro Tractor

COMMUNICATION AND ENTERTAINMENT

- 100%** Color TV
- 100%** Cell Phone
- 94%** Internet access
- 92%** Internet access at home
- 85,1%** Smartphone

CONNECTED

- 98,9%** WhatsApp **84,6%** Facebook
- 37,8%** Instagram **24,1%** YouTube

QUALITY OF LIFE (ASSETS)

- 100%** Automobile
- 97%** Washing machine
- 90,5%** Flat screen TV
- 88,6%** Electric oven
- 80,7%** Fan
- 67,2%** Microwave
- 65%** Clothes dryer
- 62,7%** Motorcycle
- 57,2%** Vacuum cleaner
- 36%** Computer
- 33,4%** Air conditioning
- 13,7%** Second property (City, beach or sierra)

SELF-ASSESSMENT OF LIVING CONDITIONS

Affirmations	General Average South Region
I am happy to work in agricultural activity.	91,6%
My children are proud to have growing parents.	90,7%
I feel good about growing tobacco.	84,0%
My family's total income allows me to live an easy life.	71,2%
General Self-Assessment	84,34%

WHY GROW TOBACCO?

Motivations	General Average South Region
Because it is the most profitable/ lucrative crop	87,4%
For it's has a sales guarantee	83,1%
It's pricing table is negotiated	73,6%
Because of crop insurance	72,1%
For it's technical assistance	82,3%

FARM PROFILE

Land Occupation	General Average South Region (%)
Farm crops (*)	41,3(*)
Native forest	19,8%
Pastures (includes pastures)	17,5%
Reforested forest	11,3%
Rest area	7,3%
Ponds/water reserves	2,8%
Total property area	100%

*Includes area planted with tobacco

SOCIOECONOMIC LEVEL

Social Strata*	General Brazil (IBGE 2022)	Tobacco grower South region
A	2,9%	6,7% more than twice the Brazilian average
B1	5,1%	6,1%
B2	16,7%	67,6% more than 4 times of Brazilian people
C1, C2, C3, D	75,3%	19,6%

(*) New Brazil criteria

75,3% of the Brazilians are in classes C and D

Source: UFRGS 2023 research
Complete research available at www.sinditabaco.com.br

Industry Insights: Japan Tobacco International



Roberto Macedo
Leaf Origin Lead Brazil
Japan Tobacco International

Paulo Saath
Global Supply Chain Leaf VP
Japan Tobacco International

Company History and Operations

Could you provide an overview of your company's history in Brazil, highlighting key milestones, achievements, and any significant developments?

JTI's history in Brazil showcases significant milestones and a strong commitment to innovation, sustainability, and community engagement. Key developments include the acquisition of companies KBH&C and Kanenberg in Rio Grande do Sul (2009), the establishment of a Research and Development Center (ADET) in 2011, the commerce of its cigarettes brands at national scale based in São Paulo (since 2014) and our the first JTI cigarette factory in South America (2018), both in Rio Grande Sul. Likewise, Brazil has been a strategic player for JTI, being one of the few operations worldwide with a fully integrated chain - from seed to point of sales.

Brazil has been a strategic player for JTI, being one of the few operations worldwide with a fully integrated chain - from seed to point of sales.

Sustainability is an integral part of JTI's commitment, embedded in our strategic approach to Environmental, Social, and Governance (ESG) principles. Through initiatives like bike deliveries in São Paulo, fleet conversion to ethanol, and Ereciclo packaging certification, we consistently strive to align our operations with responsible and sustainable practices.

The company also contributes to strengthening the Integrated Tobacco Production System, fostering transparency with over 12,000 integrated growers. For four consecutive years, JTI has played a key role in fostering collaboration with farmer representatives and transparency in the tobacco pricing process, contributing to the successful signing of the pricing protocol in partnership with growers' representatives. This approach highlights our responsible and proactive engagement with the sector. "This trajectory reflects JTI's dedication to Brazil, the community, and the tobacco sector, underscoring its sustainable and collaborative approach to growth."

Brazil's Role in the Global Supply Chain

From your company's perspective, what is the strategic importance of Brazil within the global tobacco leaf supply chain? Brazil holds an essential role within the global tobacco leaf supply chain, both as the world's largest exporter and second-largest tobacco producer. The quality of Brazilian tobacco growers is renowned worldwide, reinforcing the country's reputation for excellence in this sector. Additionally, the Integrated Production

System adopted in Brazil serves as a benchmark for other agricultural industries, ensuring sustainability and fostering responsible practices within the tobacco sector.

From JTI's perspective, GSC Leaf Brazil holds a pivotal role in our global operations. The leaf tobacco division contributes significantly by supplying around one quarter of the total tobacco volume required by the group. This achievement is built on several fundamental pillars: unwavering commitment to product

For four consecutive years, JTI has played a key role in fostering collaboration with farmer representatives and transparency in the tobacco pricing process, contributing to the successful signing of the pricing.

quality, operational excellence in supply chain efficiency, and our "grower-centric" approach, which places the needs and collaboration with growers at the heart of our strategy. Additionally, we take pride in championing the Integrated Tobacco Production System, which fosters sustainability, consistency, and long-term value across our operations.

Evolution and Key Changes

Over the past decade, what significant changes has your company undergone, and what were the primary drivers behind these transformations?

"Over the past decade, JTI Brazil has experienced exponential growth, driven by strategic investments and a transformative business model. Key milestones include the establishment of the Agronomic Research and Development Center (ADET) in 2011, the inauguration of South America's first JTI Cigarette Factory in 2018, and our new tobacco purchasing branch in Mafra, in the State of Santa Catarina (2025).

On the side of these advancements, the company significantly expanded its base of tobacco growers, as well as the volume of tobacco purchased and processed at its plant in Santa Cruz do Sul.

As mentioned, JTI Brazil, in its leaf tobacco operation, has adopted a business model that places tobacco growers at the center of its strategy, fostering stronger relationships and enhancing the Integrated Tobacco Production System. This approach ensures sustainability within the sector while supporting long-term growth. Notably, this model, developed in Brazil, has since been adopted globally for JTI's tobacco leaf operations, underscoring Brazil's influence on the company's success."

The leaf tobacco division contributes significantly by supplying around one quarter of the total tobacco volume required by the group.

Support for Tobacco Growers

What initiatives or programs does your company have in place to support tobacco growers in Brazil? Are there any specific projects or success stories you'd like to highlight?

Our company has implemented numerous initiatives to support tobacco growers in Brazil, emphasizing empowerment, sustainability, and well-being. The Grower Support Program (GSP) which has ARISE (Achieving Reduction of Child Labor through Education) as its highlight, but there is also the Rural Professional Apprenticeship Program, developed with the Santa Cruz do Sul Agricultural Family School,

ARISE is a pioneering program in the tobacco industry and a benchmark for JTI

the "Voluntários do Bem" or Volunteers for Good Program (PVB) and the "Jovem Empreendedor Rural" or Rural Young Entrepreneur Program, developed in partnership with the "Crescer Legal" or Growing Right Institute (ICL) from SINDITABACO, the Interstate Tobacco Industry Union, which also has its own apprenticeship program and is technically and financially supported by JTI.

The ARISE (Achieving Reduction of Child Labor through Education) has existed since 2011 and aims to fight child labor in the tobacco-growing communities in which JTI operates and enable children's rights, including education, to be fulfilled. ARISE is built on three pillars: Education, Socioeconomic Empowerment, and Legislation and Regulation. Over 5,000 children have benefited from after-school programs that promote education and personal growth. ARISE is a pioneering program in the tobacco industry and a benchmark for JTI in the management of its supply chain. We create opportunities for current and future generations through education, community engagement, strengthening the safety net, and socio-economic empowerment.

Another standout program is "Força Feminina" or Women's Strength in the Field launched in 2017, which provides a space for dialogue and education on the challenges and opportunities of rural life. It highlights the vital role women play in agriculture and

family life, fostering knowledge, self-esteem, and empowerment. To date, it has impacted over 3,600 women tobacco growers across the southern states.

Additionally, the "Saúde e Bem-Estar em Campo" or Health and well-being on the field program offers integrated growers 24/7 access to financial, legal, and psychological support at no cost. This pioneering initiative ensures comprehensive well-being for growers and their families. "These programs exemplify our commitment to supporting growers while promoting sustainable practices and community development."

The Global Grower Support Program is also related to Due Diligence actions. Based on improvement opportunities mapped through this preventive process, we partnered with the National Rural Apprenticeship Service (SENAR) to carry out a complete training course on Regulatory Standard 31 (NR31), which deals with the agricultural best practices for growers. More than 80% of our integrated growers from the states of Paraná, Santa Catarina and Rio Grande do Sul received the training. Our goal is to have 100% of the properties NR31 certified.

Regarding grower livelihoods, we've implemented a bespoke Living Income Calculator

JTI Brazil, in its leaf tobacco operation, has adopted a business model that places tobacco growers at the center of its strategy.



Credit: Junio Nunes

“ *Women’s Strength in the Field launched in 2017, which provides a space for dialogue and education on the challenges and opportunities of rural life.*

to better capture our directly contracted growers’ total net farm income (including other non-tobacco commodity crops) to help determine whether their household is able to afford a decent standard of living. We’re then able to implement appropriate response measures to close any gaps identified and help enable our contracted growers and their households to achieve and sustain a Living Income. Another tangible example of how we’re committed to improving the livelihoods of our tobacco growers is through the agreement we have with the growers’ representative at AFUBRA to readjust the tobacco price list for Crop Year 25. This is the fourth consecutive year with a Memorandum of Understanding in place, which hopefully demonstrates our commitment to the transparency and sustainability of our Integrated Production System in Brazil.”

Another initiative by JTI is a partnership between the company and the University of Santa Cruz do Sul (UNISC) for the MUDA Project (Environmental Recovery Project), which aims to restore degraded areas and preserve riparian forests in Brazilian watersheds. Through sponsorship granted to

MUDA via the Global JTI WASH program, JTI contributes to ecosystem regeneration, biodiversity protection, and water quality improvement, promoting a holistic and integrated approach to environmental conservation. In terms of innovation, JTI also provides its growers with the “Central do Produtor”, a digital platform that centralizes information and facilitates communication between the company and its integrated growers. Through this channel, they can access financial data, consult statements, download documents, and receive alerts and tips to improve their production.

These programs exemplify our commitment to supporting growers while promoting sustainable practices and community development.”

Future Outlook

How does your company perceive the future of tobacco cultivation in Brazil? What challenges and opportunities do you foresee?

The adoption of new technologies in tobacco cultivation is inevitable, focusing on innovations that reduce workforce dependency, lower production costs, prevent losses, and enhance quality. Key advancements include farming digitalization and the implementation of stationary satellite internet coverage.


So, JTI Brazil envisions a dynamic and evolving future for tobacco cultivation, shaped by advancements in production methods, cultivation techniques, and technological innovation. A key focus is on providing highly customized technical assistance to ensure efficiency and sustainability in the sector. The arrival of a new generation of tobacco producers brings fresh perspectives and

reinforces the need for continuous adaptation to global trends and the increasing flow of information.

To remain competitive, the industry must be well-prepared to face challenges while capitalizing on emerging opportunities. Globalization demands that the sector remains updated, capable, and resilient in the face of evolving regulations, consumer expectations, and market shifts.

In the Brazilian context, we emphasize the importance of the integrated system, which delivers significant benefits to growers, companies, and clients alike. This model not only ensures high-quality production but also

“ *Another tangible example of how we’re committed to improving the livelihoods of our tobacco growers is through the agreement we have with the growers’ representative at AFUBRA to readjust the tobacco price list for Crop Year 25.*

reinforces sustainability as a cornerstone of tobacco cultivation. By leveraging expertise, innovation, and responsible practices, JTI Brazil is committed to navigating the future of tobacco cultivation with confidence and adaptability. 



Credit: Junio Nunes

We believe in the century-old Integrated Tobacco Production System

For more than a century in Brazil, growers and tobacco companies have been united under a model that guarantees safety and efficiency for both parties. This is why JTI works to help strengthen the Integrated System and ensure the sustainability of the tobacco chain as a whole. With innovation and partnership, we drive the sector forward, ensuring a solid future for all.



João and Luana Ketzer
Vera Cruz - RS



Navigating Regulatory Changes: The Evolving Tobacco Landscape in Brazil



Lucas Pinto is a Senior Research Consultant at Euromonitor International. Currently based in São Paulo, Lucas advises clients across the cannabis, nicotine, and beverages industries in various markets, offering insights that span product innovation, legislative changes and new consumer behaviour. His comprehensive understanding enables well-founded evaluations of trends and their future direction.

In recent years, the tobacco segment in Brazil has been relatively stable, with little to no changes in the product, brand, channel and regulatory landscapes. Cigarette volume and value sales in 2024 grew once again, maintaining the performance that had been observed in the previous years. When it comes to the performance of tobacco companies, British American Tobacco continued to dominate the Brazilian market, followed by Philip Morris International and Japan Tobacco International. Nevertheless, the dynamics of cigarettes in Brazil contradict the structural decline the category has been facing across most markets around the world. The fact that Brazil is historically one of the main tobacco production hubs globally, the absence of legal reduced-risk products, the widespread availability of cigarettes across different retailers and the relatively low retail unit prices are some of the factors that enable cigarettes to continue to prevail. Despite a certain stability in the Brazilian market, from the second half of 2024 onwards, new and old regulations came to the fore, interrupting the regulatory lull the tobacco industry was experiencing in the country.

After almost a decade of hiatus on price adjustments, cigarette taxes and prices increased in 2024. The minimum price for a pack of cigarettes increased from BRL5 to BRL6.50, whilst the specific tax on cigarettes grew from BRL1.50 to BRL2.25 per pack, resulting in a double-digit spike in

prices for the whole category. While the measure initially startled cigarette players, overall prices in Brazil are still considered low, especially if compared to the prices of some essential goods and services. For reference, in São Paulo, Brazil's largest metropolitan area, it is possible to purchase a pack of 20 cigarettes for BRL7, whilst the price for a one-way bus ticket is BRL5. Tobacco stakeholders have been wondering if the latest price adjustment was a one-off move or if successive measures will unfold. The latter scenario is more likely to be the case, as other price measures are already being considered and debated.

The absence of legal reduced-risk products, the widespread availability of cigarettes across different retailers and the relatively low retail unit prices are some of the factors that enable cigarettes to continue to prevail.

Authorities have been reflecting on the potential implementation of a 'sin tax', which would impose additional costs on tobacco products. As of now, there are no specifics regarding the rates or the timing at which the new 'sin tax' would come into effect. In addition, by the end of last year, a new law was proposed to allow retailers to sell cigarettes at prices above the minimum established.

Currently, the prices for cigarettes are set and fixed by brand and state. If retailers are granted the flexibility to define the final retail price for a pack of cigarettes, this could potentially impact the current dynamics and competition in the category. Different price strategies could be applied in different areas and be more in line with the economic reality of consumers. For instance, cigarettes in wealthier neighbourhoods could have a higher price than cigarettes in poorer neighbourhoods, or cigarettes sold through more expensive retailers could cost more than cigarettes in small local establishments. This could potentially increase the overall prices of cigarettes, as well as raise the minimum price bar.

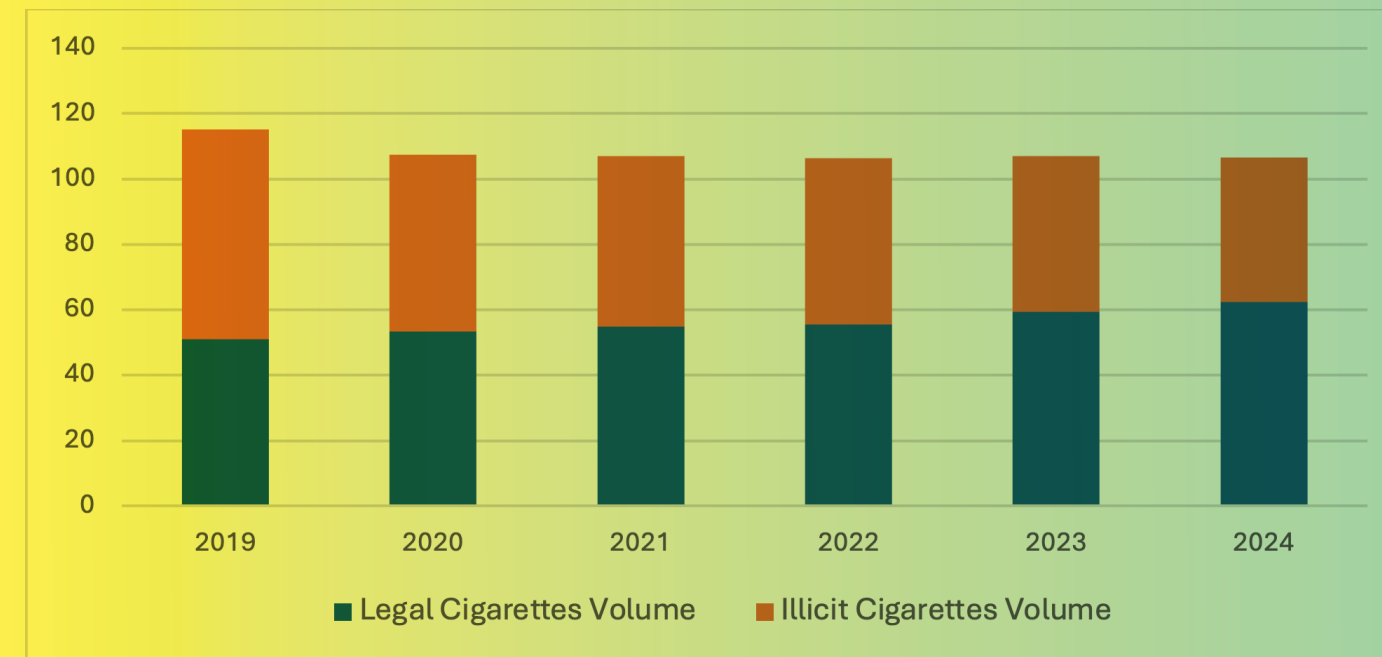
According to the proposed law, additional taxes could be charged on the difference between the retail sale price and the minimum established price, thus additional tax revenue could also be generated. Moreover, significantly higher prices could play in favour of the illicit cigarette market or could motivate more consumers to stop

Tobacco stakeholders have been wondering if the latest price adjustment was a one-off move or if successive measures will unfold.

smoking. However, this measure is still being debated in the Chamber of Deputies, and no concrete action has been taken yet. Though most regulatory measures on cigarettes have been focusing on price, they have not been limited to it. By the end of 2023, a new law was proposed with the aim of banning cigarette sales in supermarkets, newspaper kiosks, convenience stores, and establishments in which food is either sold or consumed. This measure could cause a major disruption on the channel landscape, as around 90% of the

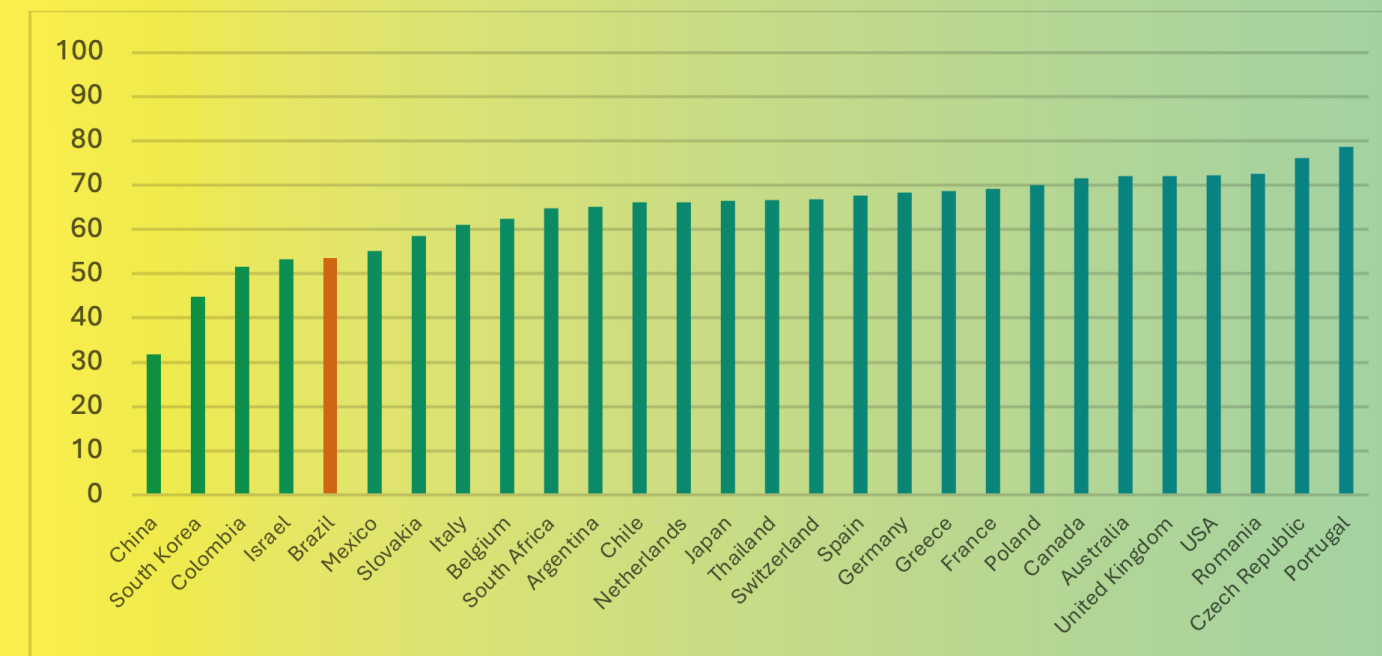
Significantly higher prices could play in favour of the illicit cigarette market or could motivate more consumers to stop smoking.

Volume Sales for Cigarettes in Brazil (Legal & Illicit, 2019-24) in billion cigarettes sticks



Source: Euromonitor International Tobacco 2025 Passport Edition

Percentage of consumers who plan to decrease/stop using nicotine/tobacco products to save money (2024) in % of respondents



Source: Euromonitor International Voice of the Consumer: Nicotine Survey 2025, fielded January to February 2024. Q: What are some reasons why you plan to decrease or stop using nicotine or tobacco products in the next 12 months? (n=9,610)

“ *Around 19 million units of illicit e-vapour consumables were sold in the country.*

volume sales of cigarette happen through establishments that also sell food. On the other hand, tobacco specialists would probably benefit from this law, as they would probably be the only retailer allowed to sell cigarettes. Furthermore, on one hand the less widespread presence of cigarettes across mass retailers could speed up the decline of smoking prevalence in Brazil, whilst on the other hand it could benefit the illicit cigarettes segment, which is already easily accessible in Brazil. Like the new taxes, this proposal still under analysis in the Brazilian Congress. In addition, the debate around banning flavoured cigarettes has resurfaced. Over a decade ago, Brazil's Health Agency (Anvisa) initially banned added ingredients, but the decision was quickly overturned by the Supreme Federal Court. In 2018, however, the Court affirmed Anvisa's authority to regulate such products. Since then, tobacco companies began challenging the ban at the state level, often managing to keep flavoured cigarettes on the market. At the start of 2025, the Supreme Federal Court was expected to revisit Anvisa's proposed flavour ban. Nevertheless, the discussion was ultimately cancelled, allowing flavoured cigarettes to remain on the market. While the segment continues to operate, it remains entangled in a complex legal deadlock, which is likely to come to the radar of regulators in the near future. In spite of that, the latest regulatory efforts in Brazil have extended beyond traditional cigarettes. While reduced-risk products

(such as e-cigarettes and heated tobacco) have already been legalized across several developed and emerging markets around the globe, this is not yet the case in Brazil, where such products remain illegal. Brazilian regulators, lawmakers, and health organisations have increasingly shifted their focus to the illicit e-vapour segment, which has been gradually expanding. In 2024 alone, around 19 million units of illicit e-vapour consumables were sold in the country. The majority of these were closed system single use devices, followed by closed-system cartridges and e-liquids. In light of such developments, a variety of regulatory measures have been proposed and debated in Brazil.

In 2024, a new legislative proposal was introduced, aimed at establishing a comprehensive framework for e-vapour sales in Brazil. The proposed law sought to regulate and control the consumption, production, sale, export, import, surveillance and advertising of e-vapour products. Under this framework, multiple government bodies would be responsible for ensuring compliance and public safety. However, the proposal was vehemently rejected by several health agencies, such as the Brazilian Medical Association (AMB), the Brazilian Society of Cardiology (SBC), the Brazilian Society of Pulmonology and Phthisiology (SBPT), and ACT Promoção da Saúde (a non-governmental organisation that promotes anti-smoking measures). Conversely, by the end of 2024, a parliamentary committee within Brazil's Chamber of Deputies approved a competing bill that criminalizes nearly all aspects of the e-vapour supply chain. This includes the production, import, sale, storage, transport and advertising, as well as proposing a ban on e-vapour use in both public and private space. To date, neither proposal has been enacted into national law, as both must still pass through Brazil's full legislative process, including approv-

al by the Chamber of Deputies and the Federal Senate. In the meantime, local governments have begun taking matters into their own hands. For example, Limeira, a small city in the state of São Paulo, recently passed a law banning the public consumption of e-vapour products in all areas and establishments across the city. These developments reflect a broader

“ *Overall, tobacco consumption dynamics in Brazil remained largely consistent in 2024, mirroring what was occurring in previous years.*

national debate between public health advocates, who support strict bans, and harm reduction efforts, aiming for regulated legalization to combat Brazil's growing illicit market.

Overall, tobacco consumption dynamics in Brazil remained largely consistent in 2024, mirroring what was occurring in previous years. However, the latest regulatory measures that were implemented (and those still under consideration) could set a different pace and direction for the industry. On one hand, stricter price policies, channel limitations and flavour restrictions could help reduce the appeal of cigarettes and accelerate the decline in smoking rates. On the other hand, these policies could risk driving consumers toward the illicit market, not only for cigarettes but e-vapour as well, particularly among younger users, who tend to be more drawn to vaping.

ABOUT EUROMONITOR INTERNATIONAL
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- Smoking, e-vapour and heated tobacco prevalence and population
- Illicit trade volume sales



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Shane MacGuill, ITGA Annual General Meeting 2022, Castelo Branco, Portugal



Association of Tobacco Producing Municipalities of Brazil (Amprotabaco)

Original text provided in Portuguese

AMPROTABACO
Associação dos Municípios Produtores de Tabaco

Gilson Becker
President
AMPROTABACO



**WITH PRIDE,
WE HELP MAKE
BRAZIL #1 IN
SUSTAINABLE
FARMING.**

For those unfamiliar with Amprotabaco, could you briefly explain the organization's mission and how it supports and represents municipalities involved in tobacco production?

The Association of Municipalities of Tobacco Producers (Amprotabaco) was born on the strength of representing more than 500 tobacco-producing municipalities in the states of Rio Grande do Sul, Santa Catarina, and Paraná. In addition to being a representative body, our mission as players in the tobacco production chain is to promote unity among the municipalities, giving voice to the importance of this organized and centuries-old crop, which creates opportunity and development in the municipalities where it is implemented. Our aim is to amplify the voice of these municipalities, representing them alongside the other links that make up this virtuous tobacco cycle in Brazil.

Tobacco plays a central role in the economies of many municipalities in southern Brazil. How would you describe its broader socio-economic impact on local communities and family farming?

In local communities, tobacco promotes development, as it provides opportunities both in rural activities, where it involves more than 626,000 workers - especially in family farming and small rural properties - and in the industry, where it employs more than 40,000 workers. Tobacco growing makes smallholdings viable, as it brings profitability and positive results for rural workers. In the industry, it is a generator of democratic jobs. It promotes the inclusion of workers with all levels of education, with opportunities for all job profiles, setting a wage standard above the industry average in the communities where it operates. In addition to the economic factor, tobacco plays a social role, with environmental preservation programs, ESG, continuing education and benefits for producers. In the urban environment, tobacco is one of the products exported with the highest added value, which means taxes, investments and improvements for society as a whole.

“ Our mission as players in the tobacco production chain is to promote unity among the municipalities, giving voice to the importance of this organized and centuries-old crop.

“ In local communities, tobacco promotes development, as it provides opportunities both in rural activities, where it involves more than 626,000 worker.

Amprotabaco's permanent agenda, as well as that of the other representative links in the Brazilian production chain, focuses on the restrictions and economic and fiscal persecution that the crop suffers around the world. We are talking about a centuries-old, regulated activity that plays a social and economic role in the communities in which it operates. In this sense, Amprotabaco represents, in the social and political sphere, the more than 500 municipalities that have in this activity one - if not the main - source of opportunities and resources for their populations. We are the institutional voice, in the Executive sphere, with the political representation of the tobacco production chain.

Amprotabaco brings together municipalities that share similar challenges and goals. What are some of the main concerns that unite these local governments, and how does the organization help them speak with a stronger, collective voice?

Since its founding in 2013, what would you highlight as some of Amprotabaco's most important achievements or contributions to the development of the tobacco sector and rural regions? For 13 years, Amprotabaco has been di-

The Integrated Tobacco Production System (ITPS) is another success story from the field. With traceability, quality control, and technical support, farmers working with Philip Morris Brazil boost the economy and make Brazil a global reference in sustainable agriculture. **May the country continue leading by example.**



**PHILIP MORRIS
BRASIL**

“ We are talking about a centuries-old, regulated activity that plays a social and economic role in the communities.

rectly involved in political representation, being the arm of the executive branch of the tobacco-producing municipalities. Our strength lies in the alliance and unity between the mayors, deputies and other political entities who, like us, walk alongside the producer communities, as inducers of public policies for the preservation of production. We act in the role of representing our mayors in this pool of entities that, united, defend this virtuous cycle of tobacco in Brazil.

The power of cooperation is central to Amprotabaco's work. How has collaboration among municipalities—and with other stakeholders like associations and policymakers—strengthened your ability to influence decisions and promote shared goals?

This is a great forum which, through the participation of each entity, reinforces the importance of tobacco, both socially and economically, as a promoter of development and progress, which is not just in the hands of those involved. It is shared by all the communities, whether they are producers or not. Tobacco is income, it is an opportunity for development and the cooperation between all the institutions that represent it understands these predicaments, as it joins forces to create the ideal environment for the maintenance and growth of this activity.

“ Our strength lies in the alliance and unity between the mayors, deputies and other political entities.


Sustainability, diversification, and the future of family agriculture are increasingly in the spotlight. How does

“ Our mission is to keep alive the essence of this activity that contributes to the development and growth of our municipalities.

Amprotabaco encourage municipalities to pursue development models that combine economic strength with environmental and social responsibility?

In itself, the tobacco production chain and its integrated production model have sustainability and diversification at their core. We are talking about rural properties that have the assistance and support to produce and innovate. Innovation goes hand in hand with tobacco cultivation and this innovation, transported to the countryside, creates a new agribusiness model, focused on production efficiency and technification. It is the role of public managers - the entities represented by Amprotabaco - to promote and validate these actions, as a model even for other segments of agribusiness. Sustainability is the second hallmark of this production chain and Amprotabaco is following it not closely, but side by side, to promote the maintenance of this successful model of social and economic organization, especially among rural communities.

Looking ahead, what are the organization's key priorities and strategic objectives to ensure the continued vitality and resilience of tobacco-producing municipalities in Brazil?

Among the main priorities is the fight against irregularities, across the entire spectrum of production. Whether in ownership, in the illegal industry or in smuggling itself, which finances organized crime and drains the national tax authorities of their revenue potential. Despite this, Amprotabaco defends innovation, the use of new technologies such as heated tobacco products, a worldwide reality and in Brazil yet another unregulated item, the result of crime and informality. Our mission is to keep alive the essence of this activity that contributes to the development and growth of our municipalities, generating income, opportunity and wealth. 

Industry Insights: British American Tobacco Brasil

Original text provided in Portuguese

Integrated Tobacco Production System: The Driving Force Behind Tobacco in BAT Brazil

With a legacy spanning over 120 years, BAT Brasil has established itself as a key player in setting industry best practices and advancing operational standards in the tobacco sector. At the heart of this success is the Integrated Tobacco Production System (SIPT)—a partnership between BAT Brasil and its contracted farmers that goes far beyond production: it connects the field to the industry, promotes sustainable agricultural practices, generates income, and drives cutting-edge agricultural research.

Operating in more than **360 Brazilian municipalities**, BAT Brasil continues to show ongoing support to more than

“ Operating in more than 360 Brazilian municipalities, BAT Brasil continues to show ongoing support to more than 17,000 contracted farmers.



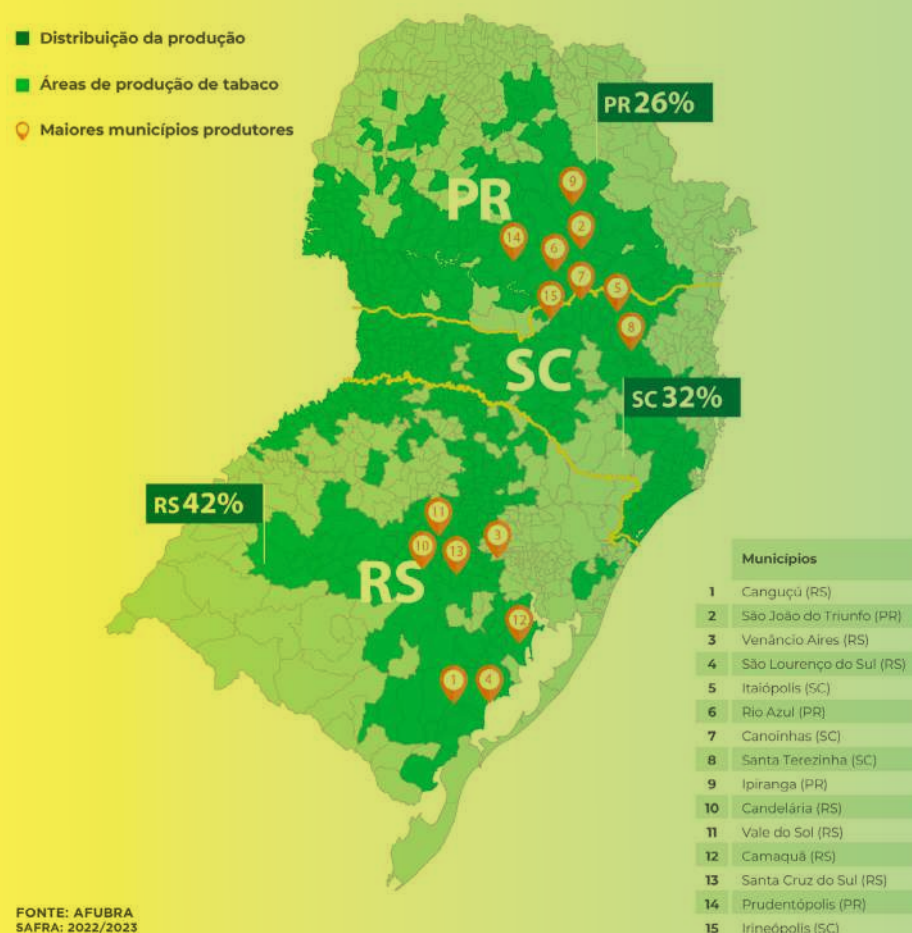
17,000 contracted farmers. In 2024, this commitment was strengthened through the **recertification of 100% of its integrated production under Brazil's Integrated Tobacco Production Program (PI-Tabaco)**, and the inauguration of a milestone in agricultural science: the **BAT Agritech Centre** in Mafra, Santa Catarina— an innovation center dedicated to the development of innovative agricultural practices in tobacco farming.

The SIPT is the backbone of BAT Brasil's Leaf operations. Through this model, we establish a **direct partnership with our contracted farmers**, providing tech-

“ The BAT Agritech Centre, located on a 189-hectare farm in Santa Catarina, represents a new level of investment in the future of BAT Leaf Operation, globally.



BAT Field Technician and Integrated Farmers in Brazil



FONTE: AFUBRA
SAFRA: 2022/2023



Focused on integration and partnership, BAT Brasil reaffirms its continuous efforts to improve management practices, quality, and tobacco productivity.



BAT Field Technician and Integrated Farmers in Brazil

nical guidance, high-quality inputs, exclusive access to cutting edge technology and hybrid seeds developed in its research centers tailored to local needs, and continuous assistance throughout the production cycle. In 2021, BAT Brasil became the first company in the sector to certify 100% of its integrated production under Brazil's Integrated Tobacco

Production Program (PI-Tabaco). This is a program from the Ministry of Agriculture in Brasil that guarantees the product full traceability and safety in relation to sustainability principles – environmental, economic and social.


Since 1918, the integrated system enabled a more efficient, sustainable and

competitive production model, and in the last 15 years crop productivity increased significantly, resulting in higher profitability and improved livelihoods of farmers and their families.

The **BAT Agritech Centre**, located on a 189-hectare farm in Santa Catarina, represents a new level of investment in the future of BAT Leaf Operation, globally. With **over R\$ 60 million invested**, the center houses laboratories for **Molecular Genetics, Chemical Analysis**, and Tissue Culture, in addition to a state-of-the-art **Seed Processing Unit (UBS)**.

This is where **our tobacco varieties** are developed, with a focus on productivity, disease resistance, and adaptability to diverse environments. These genetic materials serve not only the Brazilian market but also BAT farmers in **more than 11 countries**, including Bangladesh, Sri Lanka, Kenya, and Mexico.

BAT Brasil's contracted farmers have exclusive access to these high-performance seeds, which provides a competitive advantage. These technologies help enhance plant productivity, disease resistance, and adaptation to different environmental conditions— enabling sustainable outcomes for partner growers and the company.

Focused on integration and partnership, BAT Brasil reaffirms its continuous efforts to **improve management practices, quality, and tobacco productivity**. This extends to the **sustainability of the farms and the development of the communities** in which BAT Brasil operates, combining innovation, partnership, and responsibility. 



BAT Agritech Centre, Santa Catarina, Brazil



Our producers are partners that drive us forward. This relationship of responsibility and commitment is built both in and beyond the fields.

They are part of our DNA, our origin and our future.

Together, we will build A Better Tomorrow for generations of farmers to come.

BAT

is Agriculture

it's prosperity

it's technology

it's sustainability

it's family farming

it's innovation



BAT
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Key Takeaways from ITGA Americas Regional Meeting in Jujuy, Argentina



Taco Tuinstra
Global Editor in Chief
2Firsts



Tobacco Growers Discuss Shared Challenges and Opportunities at ITGA Regional Meeting

Stakeholders in the global tobacco farming community gathered in San Salvador de Jujuy, Argentina, April 23-26, for the International Tobacco Growers Association's (ITGA) Americas regional meeting. Hosted by the Cooperativa de Tabacaleros de Jujuy (CTJ), the event attracted about 50 delegates from key tobacco sourcing areas, including Argentina, Brazil, the United States and the Dominican Republic. Participants included not only farmer representatives, but also leaf buyers, market analysts and politicians, along with at least one cigar manufacturer. As a global media outlet focused on the tobacco and nicotine industry, 2Firsts was invited to attend the event. Taco Tuinstra, 2Firsts' Editor-in-Chief, was present on site to conduct interviews and report on the proceedings.

In his welcome word, Juan Carlos Abud Robles, economic development and production minister of Jujuy Province, highlighted the significance of tobacco to his district. "Tobacco has long played a vital role in our region, creating jobs and accelerating the wheels of our economy," he said. "For this reason, the provincial government remains committed to supporting tobacco production." Argentina is home to more than 16,000 tobacco farmers, who produce approximately 80 million kg annually, according to the ITGA. Leaf tobacco exports generate more than \$224 million annually. In addition to Jujuy, which specializes in flue-cured Virginia (FCV), tobacco is cultivated in Salta Province (FCV) and Misiones Province, which focuses on burley.

Along with Brazil, Canada, Malawi, Zimbabwe and the United States, Argentina also was a founding member of the ITGA, which was established in 1984 to promote the shared interests of tobacco growers worldwide. Reiterating the group's founding principles, ITGA President José Aranda, who hails from Argentina, stressed the need for stakeholders to work together to confront the many challenges facing the tobacco sector.

"I am proud to know that from my country we have worked to keep this organization strong and united," he said. "I want to emphasize the importance of collaboration across the value chain because without it, the sector has no future."

Market Updates

Like their colleagues throughout the nicotine value chain, tobacco farmers face considerable competitive and regulatory pressures. In addition to mounting compliance requirements, they must contend with rising production costs, thin profit margins and tight labor markets, along with shifting climate patterns. Last year was a case in point, according to ITGA Research Manager Ivan Genov, who updated the Jujuy audience on the latest developments in key sourcing areas. Excluding China, global production FCV—the world's most widely cultivated tobacco style—dropped from 1.95 billion kg in 2023 to 1.86 billion kg in 2024. The decline was driven by climate-related disruptions, including drought in Africa, excessive rainfall in Brazil and ill-timed hurricanes in the United States. For 2025, Genov anticipates most tobacco-producing countries to increase production. Buyers have been encouraging farmers to plant more tobacco to help alleviate the lingering global leaf shortage. This development, he said, is already starting to depress prices, which had risen sharply in previous years.

Meanwhile, tobacco production in China, which cultivates tobacco primarily for its giant domestic market, grew from 1.75 billion kg in 2020 to 1.92 billion kg in 2024—almost all of it FCV. Accounting for half of global cigarette consumption, the nation has also been importing more tobacco following the lifting of lockdowns and resumption of international travel after the Covid-19 pandemic. Between 2020 and 2023, its imports jumped from about 90 million kg to more than 180 million kg.

China has been particularly active in Africa, where it accounts for at least half of the purchased quantities. According to Genov, Chinese tobacco companies have very specific leaf type requirements, and they pay among the highest prices. "This makes them a preferred buyer in many of the markets that ITGA covers," said Genov, who also noted China's growing interest in cigar tobacco—a development of particular interest for the Latin American ITGA members gathered in Jujuy. Excessive rainfall in Brazil—the world's largest exporter of leaf tobacco—resulted in a 2024 crop that, at 540.96 million kg of all types, was significantly smaller than in the previous seasons, pushing up prices and leaving buy-

“ ITGA President
José Aranda,
who hails from Argentina, stressed the need for stakeholders to work together to confront the many challenges facing the tobacco sector.



ITGA Americas Regional Meeting 2025 in Jujuy Argentina, Closed Session

ers scrambling to secure their requirements. Thanks to better weather and a well-organized tobacco-growing sector (see interview with Afubra President Marcilio Drescher), Brazil is likely to produce significantly more tobacco this year. At nearly 700 million kg, Genov expects the country's 2025 crop to be the largest since the late 2010s.

Tobacco farmers in the United States also lost volumes to adverse weather conditions in 2024, with hurricanes impacting production particularly in North Carolina, which produces most of the country's FCV. Flue-cured volumes dropped from 142.26 million kg in 2023 to 104.6 million kg in 2024, according to preliminary data from the U.S. Department of Agriculture. American farmers must also cope with high cost of production, especially for labor, according to Genov. Some growers, he said, are experiencing difficulty finding workers at any price point. The pressures are likely to mount even further. With up to a third of its FCV tobacco destined for China, the U.S. leaf tobacco sector is heavily exposed to the trade wars unleashed by the Trump administration.

Zimbabwe's 2024 growing season was a mirror image of that in Brazil. While their South American counterparts scurried to save their leaf from saturated fields, growers in the southern African nation struggled to coax tobacco from parched earth. Last year's drought, which caused the Zimbabwean government to declare a state of disaster, slashed the nation's tobacco crop from 296.14 million kg in 2023 to 231.76 million kg in 2024. The outlook for this growing season is brighter: With more favorable weather conditions so far this year, observers expect Zimbabwe to harvest close to 300 million kg in 2025, nearly all of it FCV.

Dominated by smallholder production, Zimbabwe's tobacco growing sector faces a unique set of challenges, including power shortages and exchange rate restrictions. Unreliable provision of electricity forces farmers to rely on expensive generators, while gov-

ernment rules allow growers to retain only a share of their earnings in hard currency, making it difficult to pay for agricultural inputs, most of which are imported.

Production in Malawi—a leading supplier of burley—has been steadily rising since hitting a weather-induced low of 70 million kg in 2022. Genov anticipates burley production to exceed 154 million kg in 2025, which is still short of requirements. The strong demand for burley, combined with the entry of new buyers into the Malawi market, has boosted competitiveness and will likely result in higher prices this marketing season.

Another market to watch, according to Genov, is Tanzania, which has been encouraging rapid growth of its tobacco sector. In 2020, the country produced 37.55 million kg of all leaf types. This year, it anticipates a whopping 223.64 million kg. The government considers tobacco a strategic crop and aims to surpass Zimbabwe as Africa's largest tobacco exporter. It has backed its vision with massive investments in the tobacco sector. In August 2024, Tanzanian President Samia Suluhu Hassan laid the foundation stone for a \$300 million cigarette factory in Morogoro.



ITGA Americas Regional Meeting 2025, Visit to Processing Facility

A Tale of Resilience

While global demand continues to exceed supply, 2025 could be a turning point as multiple countries have been boosting production, according to Genov. The increased volumes, he noted, have already started impacting growers' earnings, with average per-kg prices down in Zimbabwe, for example. At the same time, buying companies still have low levels of uncommitted stocks—around the 10 percent mark—suggesting continued appetite for tobacco.

The enduring demand for leaf is driven by a remarkably resilient global market for nicotine products. Despite mounting restrictions, rising taxation and declining smoking prevalence in nearly every country, sales of nicotine products have been stable in recent years, with population growth offsetting declines in the share of people smoking. In 2023, consumers worldwide bought 6.48 trillion stick equivalents, valued at \$927 million, through official retail channels—a volume virtually unchanged since 2018, according to Erwin Henriquez, global insights manager at Euromonitor International, who updated the ITGA audience on global nicotine trends. Between 2023 and 2028, Henriquez expects the legal volume to contract at a compound annual growth rate of -0.1 percent. The global trend conceals significant regional differences. The Asia Pacific market, which

The enduring demand for leaf is driven by a remarkably resilient global market for nicotine products.

“

Worldwide, next-generation products (NGP) continue to gain popularity.

accounts for the lion's share of worldwide nicotine product sales, contracted slightly in 2023—a decline that would have been more pronounced without China, which dominates the region. Vapor and heated tobacco products (HTP) grew significantly in Europe, the Middle East, Africa and Latin America. In North America, by contrast, sales of e-cigarettes grew slowly, and there was only limited development in the HTP segment. Sales of nicotine pouches however skyrocketed in that market.

The global nicotine market continues to be dominated a handful of large players, including Philip Morris International, British American Tobacco, Japan Tobacco International, Altria Group, KT&G Corp., Imperial Brands, Eastern Co. and ITC. Between 2019 and 2023, the respective market shares of these players barely budged. International brands such as Marlboro and Winson continued to dominate global sales outside of China, but in some regions faced formidable competition from local trademarks, such as Cleopatra (in the Middle East and Africa), and Gudang Garam (in Asia Pacific). HTPs featured in the Top-5 nicotine brands in Asia Pacific (Terea) and Eastern Europe (HEETS) in 2023, while North America's five bestsellers include two smokeless brands—Copenhagen and Grizzly. Worldwide, next-generation products (NGP) continue to gain popularity, but not enough to offset the loss in cigarette sales. The movement of users between the various nicotine products remains a complex network of interactions, according to Henriquez, with users not only switching from one product to another, but often also using multiple products side by side.

Like their colleagues on the farm, tobacco manufacturers face heavy pressures, including flavor restrictions, sustainability rules and generational bans, along with competition from illicit reduced-risk products. The decrease in prevalence and industry visibility contributes to the 'denormalization' of smoking, observed Henriquez, reinforcing the idea that smoking is undesirable and clearing the way for further restrictions.

Coping with COP

Picking up on the topic of regulation, Michiel Reerink, Alliance One international affairs di-

rector and managing director, and ITGA CEO Mercedes Vasquez, shared their insights into the 11th Conference of the Parties (COP11) to the World Health Organization's Framework Convention on Tobacco Control (FCTC), which will take place in Geneva Nov. 17-22 this year. It's an event that warrants close scrutiny because the decisions taken at the COP tend to have profound implications on the nicotine business, impacting not only manufacturers but every part of the supply chain, including farmers. Major policies, such as plain packaging and flavor restrictions, were floated at the COP before they were adopted by leading markets. At the time of the ITGA gathering, the FCTC had 183 parties, but several prominent members of the international community, including the United States (the world's most lucrative nicotine market), Indonesia (the world's second-largest tobacco market by volume), Switzerland (home to major tobacco multinationals) and Argentina, had failed to ratify the treaty. Malawi, the world's most tobacco-dependent economy, joined in 2023.

The FCTC aims to “protect present and future generations from the devastating health, social, environmental and economic consequences of tobacco consumption and exposure to tobacco smoke.” Rather than mandating laws directly, the treaty sets a minimum legislative framework, which member states then translate into national legislation. From the tobacco growers' perspective, three FCTC articles are of particular significance: Article 5.3, which aims to protect tobacco control policies from the tobacco industry's commercial and other vested interests; Article 17, which promotes “economically viable alternatives”; and Article 18, which calls for protection of the environment.

According to Reerink, Article 5.3 is often incorrectly applied to prevent interactions with the industry, to ban corporate social responsibility or ESG activities and to screen or exclude non-health delegates from COP, as ITGA representatives experienced during the most recent gathering of the FCTC parties in Panama last November.

Meanwhile, finding the economically viable alternatives to tobacco production described in Article 17 is more challenging than proponents suggest, according to Reerink. The supply chains for other crops are often less developed than the tobacco supply chain, which includes well-organized extension services and a ready market to absorb the product. For example, while soybeans or corn may be suitable for tobacco-growing regions, these crops receive heavy subsidies in the international markets, which affects the ability of smaller countries to compete on quality and price. As Reerink noted, if a viable alternative to tobacco existed, farmers would need no regulatory prodding; they would have switched to it on their own accord.

As far as environmental protections are concerned, the tobacco growing industry is doing better than it is given credit for. For example, Brazilian farmers are self-sufficient in curing energy, sourcing wood from dedicated plantations rather than indigenous trees, according to Afubra. Buyers, meanwhile, tend to have strict rules on the type of agrochemicals that may be used.

ITGA vowed to remain vigilant and united in defense of its members. Despite the COP's resistance to tobacco grower participation in its debates, the group is determined to raise its voice again when the parties meet in Geneva. Multiple participants in Jujuy meeting stressed the importance of speaking up for tobacco at a time when few others are willing to do so. In this context, Aranda expressed bafflement of the position of Brazil, which despite earning some \$3 billion from leaf exports in 2024, has been one of the most vocal anti-tobacco voices at COP.

“Let us not underestimate the power of the anti-tobacco narrative,” said Reerink. “It is increasingly shaping public opinion—often without solid evidence to back it. If we fail to actively engage and respond to what is being said about our sector, that narrative risks becoming accepted as truth by the broader public.”



ITGA Americas Regional Meeting 2025 in Jujuy Argentina.



BSC, USA Report



Burley
Stabilization
Corporation (BSC)



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CROP EVOLUTION: CURRENT STATUS OF TOBACCO PRO- DUCTION: BURLEY

As of the end of April 2025, marketing and processing of the 2024 burley crop has been completed and farmers will begin transplanting the first of May. The number of burley tobacco hectares in the United States for 2025 is expected to decline by approximately 10 percent compared to 2024. 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 15 percent in 2025 compared to 2024. Dark air cured production is expected to increase by 30 percent.

LATEST WEATHER PROBLEMS/CHANGES:

For burley the past growing season was average, with dry weather toward the end of the season. A major hurricane affected the eastern portion of Tennessee and the western part of North Carolina. Significant crop losses occurred in flue-cured due to adverse weather conditions.

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

The number of burley growers in 2025 is expected to decline by 5 to 10 percent.

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

Burley: 10,400 in 2025 vs 11,500 in 2024
Flue: 51,100 in 2025, unchanged from 2024

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SE- ASON:

Burley: 24,500 MTs in 2025, unchanged from 2024
Flue: 127,000 MTs in 2025, up from 110,000 MTs in 2024

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON VS LAST SEA- SON:

Average production cost in 2025 is estimated at \$12,100/ha for burley.

AVERAGE PRICE FOR THE CURRENT SEASON VS LAST SEASON:

Burley: \$5.29/KG in 2024 vs \$5.17 in 2023
Flue: \$5.17/KG in 2024 vs 5.15/KG in 2023

CURRENT MARKETING SEASON EVO- LUTION:

The main challenges with the US market relate to the ongoing trade negotiations with China. China purchases roughly 30 percent of the US flue cured. As of April 2025, tariff levels imposed on US tobacco by China leave much uncertainty about this market. 🇺🇸



BSC Visiting Tobacco Processing Facility during ITGA Americas Regional Meeting 2025 in Jujuy, Argentina



BSC During ITGA Americas Regional Meeting 2025 in Jujuy, Argentina



ITGA Americas Regional Meeting 2025 in Jujuy, Argentina



Salta, Argentina 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):
The current state of production, we are finalizing, we are in the delivery phase.

RECENT WEATHER PROBLEMS/ CHANGES:
Weather problem; hail affected 1200 hectares 100%.

WHAT IS THE NUMBER OF GROWERS INVOLVED IN THE CURRENT SEASON VS LAST SEASON:
Campaign 2024-2025 number of growers 1873
Campaign 2023-2024 number of growers 1830
43 more growers compared to the previous campaign

HOW MUCH IS THE AREA PLANTED IN HECTARES- CURRENT SEASON VS LAST SEASON:
Campaign 2024-2025 confirmed area 18,265
Campaign 2023-2024 confirmed area 19,330

VOLUME OF TOBACCO PRODUCED IN THE CURRENT SEASON VS LAST SEASON:
Campaign 2024-2025 estimated kilos 33,439,000
Campaign 2023-2024 kilos 30,804,553

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

PRODUCTION COSTS 2024-2025 MARKETING YEAR

Production costs 2024-2025 marketing year				
Production Costs (\$/Ha)				
Components	Import \$	Import US\$	Labor	Nº Shifts
Labor	\$ 3.877.493,2	U\$ 3.546,8	Tractor Driver	9
Machinery	\$ 790.629,7	U\$ 723,2	General Labor	107
Inputs	\$ 3.383.104,7	U\$ 3.094,5	Total	116
Total Costs	\$ 8.051.227,0	U\$ 7.364,5		

PRODUCTION COSTS 2023-2024 MARKETING YEAR

Production costs 2023-2024 marketing year				
Production Costs (\$/Ha)				
Components	Import \$	Import US\$	Labor	Nº Jornals
Labor	\$ 2.275.327,5	U\$ 2.653,4	Tractor Driver	9
Machinery	\$ 669.222,6	U\$ 780,4	Peon Gral	107
Inputs	\$ 3.847.004,9	U\$ 4.486,3	Total	116
Total Costs	\$ 6.791.555,0	U\$ 7.920,2		

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

Current price season 2024-2025 B1F 3807
Price season 2023-2024 B1F 2820



COPROTAB Salta at ITGA Americas Regional Meeting 2025 in Jujuy, Argentina

Misiones, Argentina Report

Original text provided in Spanish



CTM
Misiones



CROP EVOLUTION: CURRENT STATUS OF TOBACCO PRODUCTION:

We are currently in the final stages of the buying season. It started at the end of January and will culminate in mid-May.

RECENT WEATHER PROBLEMS/CHANGES:

This season there have been no major climatic events that have adversely affected crop development or curing conditions.

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

2025 Campaign: 13,242
2024 Campaign: 9,169

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

2025 Campaign: 20200 Has
2024 Campaign: 13,783 Has

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

2025 Campaign: 33,000 tons (estimated)
2024 Campaign: 13,218 tons (estimate)

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

2025 Campaign: 2.57 USD/Kg
2024 Campaign: 2.93 USD/Kg



CTM in ITGA Annual General Meeting 2024 in North Carolina, USA, Closed Session



CTM in ITGA Annual General Meeting 2024 in North Carolina, USA

Colombia Country Report

Original text provided in Spanish



Fedetabaco



CROP EVOLUTION: CURRENT STATUS OF TOBACCO PRODUCTION:

Tobacco production in Colombia as of 2023 increased with the entry into the country of the company Caribbean Tobacco International CTI, although this year the planting expectations only reached a little less than 30% of the projected. It is important to highlight that in the year 2024 there was an excellent weather, with appropriate rainfall regime for tobacco cultivation, which increased the average yield per hectare, especially of dark tobacco; likewise, the loss ratio of insured tobacco presented a relatively low loss ratio with 50 hectares representing 16%.

For the cultivation of dark tobacco in Colombia, there is an opportunity that began a few years ago with the presence of tobacco leaf traders in the Montes de Maria region of the varieties that are traditionally grown

there and exported to Central America, especially to the Dominican Republic, Honduras and Nicaragua for the manufacture of premium cigars; And more recently, this opportunity was given to the dark tobacco of the Garcia varieties grown in the interior of the country, when it was evaluated by Dominican experts who found that this tobacco had a great potential for the manufacture of premium cigars just like the Montes de Maria and that in the year 2024 it was commercialized to be exported to the Dominican Republic.

Delving deeper into the issue of Colombian tobacco varieties for the manufacture of premium cigars, there is one issue that further enhances this opportunity, and that is the growing demand in the world for high quality cigars, which increases the demand for raw materials by cigar manufacturing countries.

We must consider these two situations and make a reflection on whether it is convenient to project a bet on the cultivation of dark tobacco that allows us

to move forward with this traditional crop in many regions of Colombia; of course, without losing sight and interest in the project that is being implemented by Caribbean Tobacco International, on the cultivation of Burley and Virginia tobacco, which although it is true, has not been able to advance with the projected areas, after two years of implementation of the program, it is still maintained and with the hope that the projected areas in its initial proposal will be achieved.

RECENT WEATHER PROBLEMS/CHANGES:

In the year 2024, the weather was excellent, with an appropriate rainfall regime for tobacco cultivation, which increased the average yield per hectare, especially of dark tobacco; likewise, the loss ratio of insured tobacco presented a relatively low loss ratio with 50 hectares, representing 16%.

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

Producer List 2015 - 2024										
DEPARTMENT	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SANTANDER	4.128	3.711	2.911	2.841	2.008	1.300	571	571	704	716
HUILA	862	686	859	641	602	421			50	49
SUCRE	1.093	1.344	1.147	963	843	843	538	462	511	726
BOYAVA	766	670	774	644	580	242	143	143	163	204
BOLIVAR	296	619	562	397	294	294	396	470	357	609
NORTH OF SANTANDER	604	336	656	531	467				45	25
CESAR	17									
TOTAL	7.766	7.366	6.907	6.018	4.795	3.099	1.648	1.646	1.831	2.328

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

Tobacco Area 2015 - 2024 (Hectares)										
DEPARTMENT	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SANTANDER	2.890	2.598	1.738	1.989	1.406	939	400	400	493	501
HUILA	1.724	1.372	859	641	602	491			35	34
SUCRE	765	941	803	674	590	394	326	326	358	508
BOYAVA	536	469	541	451	406	167	100	100	114	143
BOLIVAR	207	433	393	278	206	252	180	180	250	426
NORTH OF SANTANDER	423	235	459	372	327	20			30	16
CESAR	12									
TOTAL	6.557	6.048	4.793	4.405	3.537	2.263	1.006	1.006	1.280	1.628

VOLUME OF TOBACCO PRODUCED:

DEPARTMENT	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SANTANDER	4.882.651	4.918.940	4.635.002	4.352.607	2.932.705	1.852.532	720.000	720.000	878.513	1.270.626
HUILA	2.970.614	2.606.102	1.802.149	1.473.441	1.324.024	1.033.540			105.963	98.588
SUCRE	1.300.096	322.096	1.445.037	1.288.429	1.238.043	625.787	523.157	415.877	470.281	998.061
BOYAVA	985.353	954.119	1.062.875	967.651	852.679	321.244	180.000	180.000	195.848	327.566
BOLIVAR	383.436	735.66	688.463	591.583	441.999	399.213	324.886	422.823	383.443	910.143
NORTH OF SANTANDER	784.102	1.600.280	803.108	737.136	718.320	41.113			63.448	32.706
CESAR	21.636									
TOTAL	11.327.888	11.137.200	10.436.635	9.410.847	7.507.769	4.273.429	1.748.043	1.738.700	2.097.496	3.637.690

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

VARIETY OF TABACO	COSTS 2023	COSTS 2024
BURLEY	US\$ 5.128	US\$ 5.743
VIRGINIA	US\$ 5.650	US\$ 6.330
DARK	US\$ 4.350	US\$ 4.872


AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

VARIETY OF TABACO	PRICE KL. 2023	PRICE KL. 2024
BURLEY	US\$.2.4	US\$.2.5
VIRGINIA	US\$ 2.7	US\$ 2.8
DARK	US\$ 2.1	US\$ 2.2

Tobacco production in Colombia as of 2023 increased with the entry of the company Caribbean Tobacco International CTI into the country, despite the fact that this year planting expectations only reached a little less than 30% of what was projected.

It is important to highlight that in the year 2024 there was excellent weather, with appropriate rainfall for tobacco cultivation, which increased the average yield per hectare, especially of dark tobacco; likewise, the loss ratio of insured tobacco presented a relatively low loss ratio with 50 hectares, which represents 16%.

CURRENT MARKETING SEASON EVOLUTION:

For the cultivation of dark tobacco in Colombia, there is an opportunity that began a few years ago with the presence of tobacco leaf traders in the Montes de Maria region of the varieties that are traditionally grown there and exported to Central America, especially to the Dominican Republic, Honduras and Nicaragua for the manufacture of premium cigars; And more recently, this opportunity was given to the dark tobacco of the Garcia varieties grown in the interior of the country, when it was evaluated by Dominican experts who found that this tobacco had a great potential for the manufacture of premium cigars just like the Montes de Maria and that in the year 2024 it was commercialized to be exported to the Dominican Republic. 



Colombia at InterTabac InterSupply 2024

Dominican Republic Country Report

Original text provided in Spanish



Instituto del Tabaco
de la República
Dominicana



CROP EVOLUTION:
CURRENT STATUS OF TOBACCO PRODUCTION:

95% Harvested, in the curing process and in warehouses

RECENT WEATHER PROBLEMS/CHANGES:

Average year in terms of rainfall aspects (timely precipitation)

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

2024/2025 season: 3,450 growers
2023/2024 season: 3,373 growers

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

2024/2025 season: 9,437 hectares
2023/2024 season: 9,193 hectares

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

2024/2025 season: 15,005,000 kilos (estimated)
2023/2024 season: 14,616,500 kilos (estimated)

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

2024/2025 season: 5.120 US/hectare (estimated)
2023/2024 season: 4.523 US/hectare (estimated)
2021/2022 season: 3.838 US/hectare (estimated)

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

2024/2025 season: In progress (start of marketing phase)
2023/2024 season: 2.88 US/ KG. (selling price at farm level).
2022/2023 season: 2.66 US/ KG. (selling price at farm level).

DOMINICAN REPUBLIC

REPORT ON THE STATE OF TOBACCO CROPS 2024-2025:

The current tobacco harvest formally began on September 1, 2024, with the seed irrigation stage. This date complies with the recommendations of the tobacco zoning studies, as well as the resolution of the Phytosanitary Ban for the management of pests and diseases that attack the crop.

The Dominican Republic Tobacco Institute, in coordination with the industrial sector, planned to plant 8,511 hectares of tobacco of the different varieties demanded by the market. However, by the end of the harvest we had planted 9,437.5 hectares, achieving an execution rate of 111%. This increase in planting is related to attractive prices and demand for the crop from the industrial sector.

SUMMARY OF PLANTINGS BY VARIETY / TOBACCO CROP 2024-2025:

Group or variety of tobacco	Hectares seeded
Havanensis	6,093.64
Smell	1,551.63
Criollo	957.16
Andullo	490.62
Coating tobacco	335.53
Burley	8.49
Total	9,437.07

HARVESTING AND MARKETING:

In this 2024-2025 harvest, more than 85% of tobacco farms have a financing and marketing contract with traditional companies.

MISSION:

To meet the needs of participants in the tobacco sector by promoting and implementing public policies aimed at the economic, social, and environmentally sustainable development of tobacco production in the Dominican Republic.

EXPECTATIONS:

To continue developing Dominican tobacco cultivation using best practices to promote a product of the highest possible quality, enabling us to meet industry demand in terms of both quality and quantity.

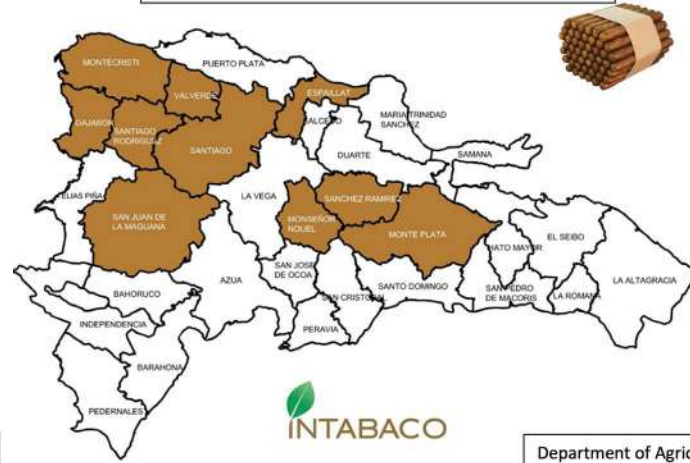
In addition, we will continue to work on regulations to protect Dominican tobacco growers and the industry, such as Law 341-22, which declares tobacco a cultural heritage of the Dominican Republic, making it the only country to date with a law of this kind.

Zoning Map for Tobacco in the Dominican Republic



Department of Agriculture

Provinces of the Country Where Tobacco is Grown for the Manufacture of Premium Cigars



Department of Agriculture



Training Tobacco Growers.



The Executive Director of Intabaco (Ing. Iván Hernández Guzmán) Supervises the House of Healing.



Mr. Iván Guzman, INTABACO President at ITGA Americas Regional Meeting 2025 in Jujuy, Argentina



The Executive Director visits the Institution's Experimental Field.

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Zimbabwe Country Report



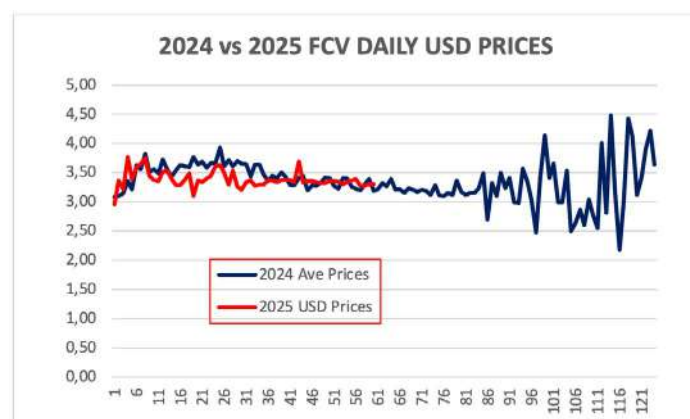
Zimbabwe Tobacco Association



CROP EVOLUTION:

After the drought experienced in the 2023/24 season, the current growing season, September 2024 to March 2025, has been much more favorable. The rainfall, though varied across the production areas, was much higher than in the previous season. Favorable prices in 2024 and better weather conditions resulted in slightly more hectares been planted. The total number of growers remained almost static at 135,000 vs. 137 500 in 2024. There have been new growers venturing into tobacco in some outlying traditional growing areas. Climatic conditions, seed varieties, curing practices, marketing channels are still being studied in these areas, but to date the tobacco produced has a market. Crop Forecast - with the favorable growing season a crop of 320 million kilograms is expected. A new national record.

CURRENT MARKETING SEASON EVOLUTION:



As of 02 June 2025, 250 million kilograms of tobacco has been sold. This exceeds the total of 234 million kilograms sold in the 2024 season. With about 2 months left to sell another 70 million kilograms is expected to be delivered. The quality of the crop has varied in line with the climatic conditions experienced, but overall, satisfactory that will find a market across many world markets. As with any supply and demand market, with increased global supply, the seasonal average price at USD3.37/kg is 3.3% lower than the 2024 price of USD3.49/kg, same time. Contract sales still dominate the market, accounting for 95% of all tobacco marketed to date. 75% of production is from the small scale farmer. Exports of tobacco up to 30 May 2025 were 62.3 million kilograms at an average price of USD6.11/kg compared to 80.4 million kilograms at an average price of USD5.67/kg. Shipments will start to increase as more tobacco is processed through the factories for export. Value addition, in the form of cigarettes and other products remain much lower than national plans.

SUSTAINABILITY:

With targeted production to be at least 300 million kilograms each season, there are increased pressures to increase sustainability of the production of tobacco. Every stakeholder from farmers, research institutes, buyers, contractors, regulatory bodies, responsible ministries are accelerating their individual and joint efforts and programmes. Increased afforestation remains the focus of all involved. Child labour reduction and its total elimination in all parts of the tobacco value chain are also being accelerated.

FOCUS ON BRAZIL

Tobacco grown in Brazil and Zimbabwe have competed for dominance for many years and it is this competition that has increased the Zimbabwe's industry desire to speed up its compliancy and sustainability programs. Visits to the tobacco growing areas of Brazil and meeting our counterparts at Afubra has given immense insight on how to tackle many of the issues our industry faces. The visits have also highlighted the importance of crop diversification to improve land utilization and viability. Both Brazil and Zimbabwe are the leading FCV tobacco producers growing in very similar climatic conditions and are affected by the world supply and demand dynamics. Our combined production levels could potentially reach 1 billion million kilograms accounting for 60% of global FCV production excluding China. With such high levels of output, farmer involvement, generation of foreign currency both at primary and export levels, it is very important that unreasonable, non-inclusive anti-tobacco laws be fought against strongly and collectively through such grower bodies as the ITGA.



Mr. Graham Ross, ZTA President at ITGA AGM 2024 in Raleigh, North Carolina

THE FUTURE OF TOBACCO STARTS HERE



ITGA
International Tobacco Growers' Association

ITGA AFRICA REGIONAL MEETING

2nd to 5th July 2025
Lilongwe, Malawi



Supported by:



Malawi Country Report



TAMA
Farmers Trust

ARET



CROP EVOLUTION: CURRENT STATUS OF TOBACCO PRODUCTION:

Lower leaf is at marketing stage with markets having opened on 9th April, upper leaf is still undergoing curing and grading and expected on the market in the coming weeks. Activities vary dependent on weather with most areas having planted in late December and other areas in early January.

RECENT WEATHER PROBLEMS/CHANGES:

Experienced El Nino in 2024 and that led to lower water table thus making it difficult to raise nurseries, leading to losses. Planting rains came late, end December to early January 2025.

Consistent rains of February 2025 ensured crop establishment for those who managed to pass past the nursery stages.

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

A total of 59,752 growers licenses were issued for current crop against 50,258 for the 2024 season

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

2025 Season: 102 724 hectares
2024 Season: 82 942 hectares

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

2024 sold 133m kgs and 2025 expected is 174m kgs

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

FCV: 7 711,24 US\$ per hectare
Burley: 5 720,21 US\$ per hectare
NDF: 2 523,64 US\$ per hectare

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

2024 closed with \$2.98/kg and 2025 so far it is \$2.28/kg (10 day sales)

CURRENT MARKETING SEASON EVOLUTION :

Malawi market opened on 9th April with expectations of about 174m kgs for the season. The first fortnight has been good with a few complaints about prices that came mainly not on the performance of the market itself but rather of other factors outside and comparing to 2024 market which was an outlier in terms of pricing.

The first weeks concentrated on Burley with Virginia and Dark Fired expected in the third week. The crop averaged \$2.28/kg having sold 11m kgs as at sale date number 10 from opening.

Focus on Brazil

Like Malawi, Brasil (Afubra) is a founding member of ITGA, meaning that we have been sailing in the same waters for a long time. Much as they are dominant in Virginia but they also produce Burley in huge tonnages so we have a lot to share.

As the global leader in terms of exports, Afubra is like a role model for smaller producers like Malawi such that over the years interactions through ITGA have become learning points where notes are exchanged so as to promote the trade. In addition to interactions through meetings learning visits have been arranged before with the recent one being in 2019 when a TAMA delegation visited Afubra and toured the ExpoAgro and other places of interest like the ProfiGen.

Memories are still fresh of the Santa Cruz dinners to an extent we are thinking of visiting again, as Afubra is still celebrating 70 years of existence. Feliz Jubileu de Platina! 🇧🇷

Zambia Country Report



Tobacco Association
of Zambia



CROP EVOLUTION CURRENT STATUS OF TOBACCO PRODUCTION:

As of May 2025, Zambia's tobacco sector is in the harvest and early delivery stage for all contracted and non contracted sales. Most growers have completed harvesting flue-cured and burley tobacco, and initial deliveries to buying stations have commenced in major growing regions.

RECENT WEATHER CHANGES:

The 2024/2025 season experienced above-average rainfall during early planting, which delayed initial transplanting in some areas. However, the mid- to late-season was dry, particularly during curing, leading to improved leaf quality but slightly lower yields in certain zones.

NUMBER OF GROWERS:

Season 2025: Approx FCV 38,003 growers and 5,430 Burley growers

Note: Increase attributed to expanded contract farming schemes and price recovery expectations.

AREA PLANTED:

Season 2025: Approx 36,748.51 FCV ha and 6,934.10 ha Burley

VOLUME OF TOBACCO PRODUCED: CURRENT STATUS OF TOBACCO PRODUCTION:

Season 2025 (projected): Approx FCV 64,895,046 kgs and Burley (projected) 10,404,215 kgs

AVERAGE PRODUCTION COSTS (USD/KG – SEASON 2025 VS SEASON 2024):

Season 2025: Estimated at \$3.10/kg
Season 2024: Approx. \$2.10/kg

Note: Increase mainly due to fertilizer prices and logistics costs.

CURRENT MARKETING SEASON EVOLUTION:

The 2025 marketing season began on 22nd April with stable demand from major buyers. Early market activity has seen moderate to strong prices, especially for well-cured leaf. Growers are cautiously optimistic, though concerns remain about:

- Rising input and transport costs, which are squeezing margins
- Limited access to affordable credit or seasonal financing

Despite these challenges, market sentiment is largely positive, supported by improved leaf quality and strong international demand.

FOCUS ON BRAZIL

Zambian stakeholders recognize Brazil as a global leader in tobacco production, both in volume and quality standards. The Brazilian sector's focus on sustainability, traceability, and grower support especially through organisations like Afubra offers a valuable model.

KEY REFLECTIONS FROM THE ZAMBIAN PERSPECTIVE:

- Brazil's experience with contract farming and farmer organisation is relevant as Zambia seeks to improve grower engagement and transparency.
- Technical cooperation or exchange programs with Brazilian counterparts could benefit local growers in areas like leaf grading, curing techniques, and environmental compliance.
- Brazil's strong role in global supply affects pricing dynamics and sets quality benchmarks that influence buyer expectations in Zambia. 🇧🇷



ITGA Africa Regional Meeting 2024 in Lusaka, Zambia

Tanzania Country Report



Stanley Nelson Mnozya
Managing Director
Tanzania Tobacco Board



CROP EVOLUTION: CURRENT STATUS OF TOBACCO PRODUCTION:

Currently the country produces three types of tobacco namely Flue Cured Tobacco (VFC). Dark Fired Cured Tobacco (DFC) and Burley. The other type of tobacco of under experimental basis is sun cured variety (SVC).

As of end of April 2025, Tanzania is currently in the delivery phase of its tobacco season. Most farmers in the central, Southern and western growing regions (Tabora, Iringa, Ruvuma, Mbeya, Urambo, Singida, Shinyanga and Kigoma) have completed harvesting, and deliveries are ongoing under contract farming systems.

The tobacco marketing 2024/2025 expected to be completed in the mid of July 2025. The expected crop volume is 163,900,435 which is below the initial expectations as compared to the contracted volume of 203,000,000 kgs of tobacco for the season.

RECENT WEATHER PROBLEMS/CHANGES:

The 2024/2025 season experienced above-average rainfall (hail storm rains) during early maturity period, where the crop was adversely impacted. However, the latter part of the season was faced by damage due to drought, while non-affected areas have good crop.

NUMBER OF GROWERS INVOLVED:

Season 2024/2025: Approximately 94,056 growers

Season 2023/2024: Approximately 92,811 growers

The increase is attributed to market demand and sustainability initiatives and good prices.

AREA PLANTED (IN HECTARES):

Season 2024/2025: 137,525 Ha

Season 2023/2024: was 134,888 Ha

VOLUME OF TOBACCO PRODUCED:

Season 2024/2025: 163,900,435 kgs (estimates as per the crop survey report)

Season 2023/2024: 117,464,240.90 kgs

AVERAGE PRODUCTION COSTS:

Season 2024/2025: US\$ 1.77 approx. TZS. 4,728.47 per kg

Season 2023/2024: US\$ 1.76 approx. TZS 4,701.75 per kg

AVERAGE PRICE RECEIVED BY GROWERS:

Season 2024/2025: US\$ 2.57 per kg markets on progress

Season 2023/2024: US\$2.29

Prices are slightly improved, mainly due to favourable market demand and improved leaf quality.

CURRENT MARKETING SEASON EVOLUTION:

The 2025 marketing season in Tanzania is characterized by a very high optimism among growers. Delivery to contracted buyers is proceeding in key regions. There is growing confidence in better returns, high volumes more favourable competition within the sector.

GROWERS' EXPECTATIONS:

- Timely payments
- Stable or increased prices
- Improved access to affordable inputs in future seasons

CHALLENGES INCLUDE:

- Rising input costs
- Transportation bottlenecks in remote growing areas
- Weather unpredictability
- Limited access to financial services for smallholder growers

Efforts are underway by the Regional Local Governments in collaboration with Tanzania Tobacco Board to strengthen contract enforcement, improve infrastructure, and support extension services.

FOCUS ON BRAZIL

Tanzanian stakeholders recognize Brazil as a global leader in both the quality and volume of leaf tobacco. Its role is particularly significant in setting benchmark prices, production practices, and influencing global supply dynamics.

Through engagements with farmers organizations such as Afubra, Tanzanian associations and growers have gained insights on sustainable tobacco farming practices, efficient contract farming models, and community development strategies. Brazil's investment in grower support systems is viewed as a model worth replicating.

Brazil's position in global leaf production remains fundamental, especially in supplying premium grades to Europe and Asia, and in driving innovation in traceability and sustainability. Tanzanian growers and processors see Brazil as both a market partner and a benchmark in the sector. 

India Country Report



The Tobacco Institute of India



COUNTRY REPORT:

FCV Tobacco is grown in the two southern States of India namely Andhra Pradesh and Karnataka. The two States together produce around 300 million kgs of FCV tobacco annually. Around 50% of the FCV Tobacco produced in the country is exported generating more than US\$1.5 billion in foreign exchange earnings per annum.

CURRENT MARKETING SEASON:

In Karnataka, around 80 million kgs of FCV tobacco has been sold in the ongoing auctions at an average price of Rs. 264 per kg. The present crop size (2024-25) is estimated to be around 90 million kgs.

The previous year crop (2023-24) of 88.86 million kgs was marketed at an average price of Rs. 257.46 per kg.

KARNATAKA: FCV TOBACCO PRODUCTION & AVERAGE PRICES

Year	FCV Production (Million Kgs)	Avg. Price (Rs./Kg.)	Avg. Price (US\$/Kg.)
2023-24	88.86	257.46	3.03
2024-25*	80.52	263.84	3.10

Exchange rate: 1 US\$ = 85 Indian Rupees

*Auctions are in progress – status as on March 26, 2025

Source: Tobacco Board, Ministry of Commerce and Industry, Govt. of India

In Andhra Pradesh, auctioning of FCV tobacco commenced in the second week of March 2025 and around 3 million kgs of leaf has been sold so far at an average price of Rs. 275 per kg.

For the current crop (2024-25), the Tobacco Board has set a crop size of 167 million kgs for Andhra Pradesh.

The previous crop (2023-24) was around 215 million kgs and farmers realised an average price of Rs. 288.65 per kg.

ANDHRA PRADESH: FCV TOBACCO PRODUCTION & AVERAGE PRICES

Year	FCV Production (Million Kgs)	Avg. Price (Rs./Kg.)	Avg. Price (US\$/Kg.)
2023-24	215.4	288.65	3.34
2024-25*	3.11	275.05	3.24

Exchange rate: 1 US\$ = 85 Indian Rupees

*Auctions are in progress - status as on March 26, 2025

Source: Tobacco Board, Ministry of Commerce and Industry, Govt. of India

Unfavourable weather conditions during the cultivation season have been impacting tobacco crop in India in recent years. However, Indian FCV tobacco farmers have demonstrated impeccable resilience in the face of recurrent adverse weather events and rising input costs (fertilizer, fuel, labour, etc.); cultivating superior quality produce which has enabled them to realize higher prices at auctions.

INDIA'S TOBACCO EXPORTS TO REACH US\$2 BILLION MARK:

India's tobacco exports are making a significant growth this year with total exports expected to reach US\$2 billion mark for the financial year 2024-25.

The total tobacco export value reached US\$1,531 million during April-December 2024-25 which is higher than the export earnings of the previous financial year (2023-24). The upward trend seen in tobacco exports during the current financial year is driven by a strong global demand for superior quality tobaccos.

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


Item	Previous Year (2023-24)		Current Year (April-December 2024)	
	Quantity	Value	Quantity	Value
Unmanufactured Tobacco	278	1052	251	1164
Tobacco Products	37	398	31	367
Total	315	1,450	282	1,531

Source: Tobacco Board, Ministry of Commerce and Industry, Govt. of India

FOCUS ON BRAZIL

Brazil is the second largest producer of FCV tobacco and the top leaf tobacco exporter in the world. The South American country has made remarkable progress in boosting tobacco production and exports over the years.

Brazil exports a dominant share of its tobacco production, earning the country foreign exchange worth around US\$ 3 billion in 2024.

The success of Brazilian tobacco in the global market, where it remains a top seller, is an inspiration for other leaf tobacco exporting countries to boost their exports and enhance forex earnings. 

Republic of Korea Country Report



KTGO



CROP EVOLUTION:
CURRENT STATUS OF TOBACCO PRODUCTION:
 prepare the field and transplant

RECENT WEATHER PROBLEMS/CHANGES:
 Drought intensifies and forest fires

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

	2024	2025
Flue-cured tobacco	1,755	1,733
Burley	407	297
Sum	2,162	2,030

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

(ha)

	2024	2025
Flue-cured tobacco	2,801	2,747
Burley	201	135
Sum	3,002	2,882

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

(ton)

	2024	2025(E)
Flue-cured tobacco	5,505	6,592.8
Burley	371	364.5
Sum	5,876	6,957.3

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

Average production cost in 2024 : 1,927USD(1,450KRW/1USD)
 Average production cost in 2023 : 2,034USD(1,450KRE/1USD)
 * The production cost decreased due to a reduction in fertilizer costs and own labor costs compared to the previous year

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

(1,450KRW/1USD)

	2023	2024
Flue-cured tobacco	7.26USD (10,520KRW/kg)	7.57USD (10,970KRW/kg)
Burley	7.06USD (10,231KRW/kg)	7.54USD (10,927KRW/kg)

CURRENT MARKETING SEASON EVOLUTION:

They are expecting better production volume and prices compared to last year.

FOCUS ON BRAZIL

Since 2014, various cultivars have been introduced from the Brazilian company 'ProfiGen' and efforts have been made to adapt and distribute them domestically. 🇧🇷

Bulgaria Country Report

NAT-2010
Bulgaria

CROP EVOLUTION:
CURRENT STATUS OF TOBACCO PRODUCTION:

In Bulgaria now is Transplant period (March to June). Future delivery will be with contracts.

RECENT WEATHER PROBLEMS/CHANGES:
 High atmospheric temperatures and droughts in the soil.

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

2024 year – 7 989 growers
 2025 year – 8 489 growers (approximately)

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

2024 year – 4 010,00 ha
 2025 year – 4 220,00 ha (approximately)

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

2024 year – 4 478,00 tons
 2025 year – 4 865,00 tons (approximately)



Mr. Tsvetan Filev, NAT-2010 Chairman, Field Project in Bulgaria

AVERAGE PRODUCTION COSTS FOR THE CURRENT SEASON AND LAST SEASONS:

2024 year – 21 618 084,00 EUR
 2025 year – 25 440 500,00 EUR (approximately)

AVERAGE PRICE FOR THE CURRENT SEASON AND LAST SEASONS:

2024 YEAR:

- FLUE CURED – 3,98 EUR/kg
- LIGHT AIR CURED – 2,87 EUR/kg
- SUN CURED – 5,38 EUR/kg

2025 YEAR (APPROXIMATELY):

- FLUE CURED – 4,06 EUR/kg
- LIGHT AIR CURED – 2,99 EUR/kg
- SUN CURED – 5,87 EUR/kg 🇧🇷



Ms. Anna Mircheva, Mr. Reuben Maigwa, Mr. Tsvetan Filev and Mr. José Aranda, ITGA 2022 Annual General Meeting, C. Branco, Portugal



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