



Tobacco

Summary of Key Trafficking in Persons Risk Factors in Tobacco Production

- ✓ Structural Supply Chain Features Contributing to Trafficking in Persons Vulnerability
 - Seasonal Surges in Labor Demand
- ✓ Undesirable and Hazardous Work
- ✓ Vulnerable Workforce
 - Child Labor
 - Tenant Farmers
- ✓ Presence of Labor Intermediaries
- ✓ Seasonal Production

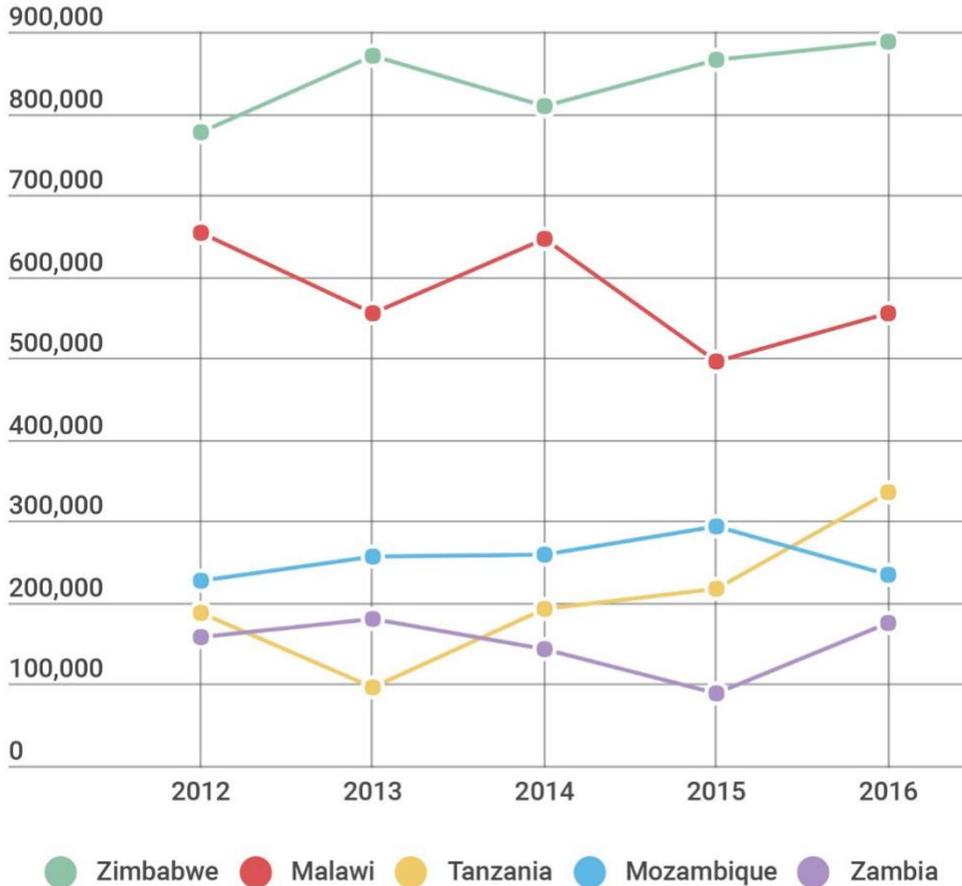
Overview of Tobacco Production in sub-Saharan Africa

Trade

The top sub-Saharan exporters of tobacco are Zimbabwe, Malawi, Mozambique, Tanzania and Zambia.¹



Top Exporters of Tobacco (Value USD/Thousands)



The top sub-Saharan producers of tobacco are Malawi, Zambia, Mozambique, Zimbabwe and Tanzania.² Other significant tobacco producing countries are Uganda, Senegal, Kenya and South Africa.³

The top importing countries of tobacco from sub-Saharan African countries are South Africa, Belgium, Germany, Russia and China.⁴

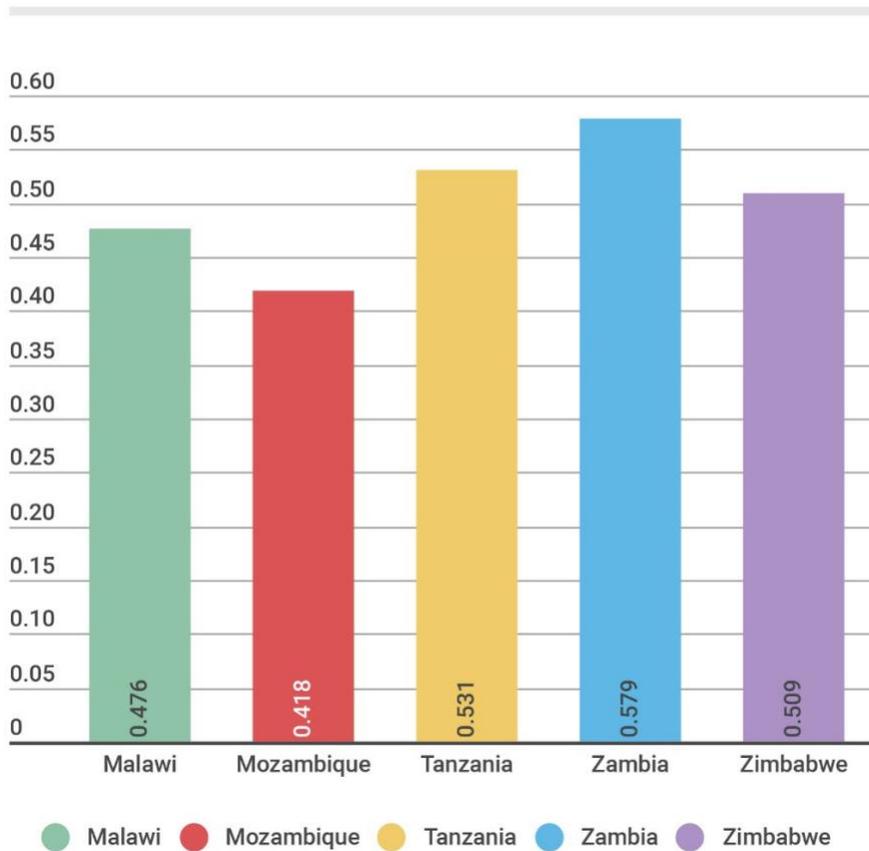
African countries produced about 8.7 percent of global tobacco supply in 2012, up 1.4 percent over 9 years. During this period, the area harvested increased by 66 percent and output increased 48 percent – while output in the U.S. and Europe decreased. The top five African producing countries are all among



the top 20 global producers of tobacco, and tobacco production in these relatively poor countries is often viewed as a key source of income.⁵

The tobacco industry has promoted tobacco production to the governments of African producing countries, highlighting the economic importance of the tax revenue and cash income for farmers, contributing to economic development.⁶ Tobacco has often offered a higher net income than other cash crops, making it attractive to farmers.⁷ That said, heavy tobacco production can contribute to food insecurity in some countries.⁸

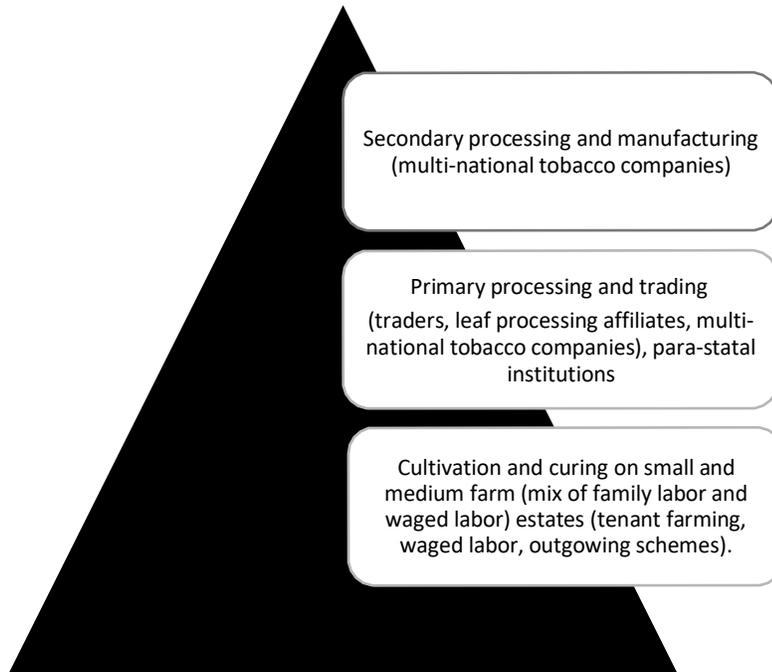
United Nations Human Development Index Score in Tobacco Exporting Countries



Features of Production and Supply Chain

The tobacco sector has different structural features across sub-Saharan Africa. Many tobacco producers in Africa are small-holder farmers,⁹ although larger-scale commercial farms are predominant in Zimbabwe.¹⁰ Tobacco companies (or their supplier affiliates) either purchase tobacco directly from growers, or procure it via an auction system. Generally, in a direct buying, or “contract” system, companies purchase growers’ entire crops. Under contract systems, leaf buyers may provide loans to farmers for inputs such as seeds and fertilizers.¹¹ Only a few major buyers purchase tobacco from the large number of growers in the African region, which concentrates market power with the buyers and decreases negotiating power for the growers.¹²

In some countries, such as Zimbabwe, tobacco is sold at both auction and under a contract system.¹³ Until the 2012 season, tobacco in Malawi was sold through an auction system; this caused high levels of price instability and led to livelihood concerns for farmers, potentially encouraging child labor. The auction system also prevented buyers from using leverage to discourage child labor.¹⁴



15



Tobacco production and harvesting is labor intensive and has proven difficult to mechanize.¹⁶ It also requires a significant level of inputs, such as seeds, fertilizers and pesticides.¹⁷

Seedlings are hand sown into beds and then removed for transplanting. Seedlings are clipped for weeks before transplanting. Fertilizers are applied to fields and in many developing markets, they are applied by hand. Once a year, plants are “topped” and the flower is removed. Harvesting is typically done by hand with sharp knives. Some types (Flue-cured, Oriental, and cigar wrapper) are harvested as individual leaves ripen. Other types are cut near ground level when most leaves are ripe.

Curing requires leaves to be hung in barns.¹⁸ Flue-cured tobacco is heated and requires an energy source such as wood or coal, the harvesting of which can contribute to deforestation.¹⁹

After curing, tobacco is sorted, packaged and delivered to the leaf suppliers (typically subsidiaries of global companies) who perform primary processing and can act as intermediaries between the growers and multi-national companies. In some cases, however, multi-national companies do not use leaf suppliers, and source directly from growers.²⁰ Two large leaf companies dominate the global supply chain: Universal Leaf and Alliance One International. Both are active in Africa. Alliance One has a presence in Malawi and Tanzania; Universal Leaf has a presence in Malawi, Mozambique, Tanzania, Zimbabwe, and South Africa.²¹

Multi-national brands have reportedly been moving increasingly towards a vertically integrated model, in which they source directly from growers via outgrower contracts. This can provide greater control over their supply base, including potentially, around labor issues. Ideally, the more direct relationship can increase grower access to inputs, including credit.²²

Secondary processing – or manufacturing of consumer tobacco goods – is controlled by multi-national tobacco brands. At factories, leaves are cleaned, de-stemmed and aged, after which flavor may be added. Tobacco is then rolled into cigarettes, which may have filters added.

While African countries have increased production and value of tobacco leaf over the past decade, they do not participate substantially in the manufacturing segment of the value chain, which is concentrated primarily in European countries such as the Netherlands and Germany.²³ Malawi and Tanzania are both in the top 5 countries that export unprocessed tobacco to Germany, while Mozambique is a top exporter to the Netherlands. Zimbabwe is a significant exporter to both countries.²⁴



Key Documented Trafficking in Persons Risk Factors in Tobacco Production

The U.S. Department of State 2016 Trafficking in Persons Report notes trafficking or trafficking vulnerability in tobacco production in Kenya and Malawi.²⁵

Undesirable and Hazardous Work

Work in tobacco production is hazardous for both adults and children. Workers use dangerous tools and machinery, lift heavy loads, are exposed to intense heat, and work at height hanging tobacco in barns. Workers may also be exposed to pesticides, including known neurotoxins. Workers harvesting tobacco leaves without adequate protective equipment are vulnerable to Green Tobacco Sickness, or GTS. GTS, caused by absorption of nicotine through the skin, can cause nausea, vomiting, weakness, headaches, and respiratory symptoms.²⁶ Children are most vulnerable to these risks, including GTS, as their bodies are still developing. Vomiting can lead to exacerbation of dehydration and heat illness.²⁷

Vulnerable Workforce

Child Labor

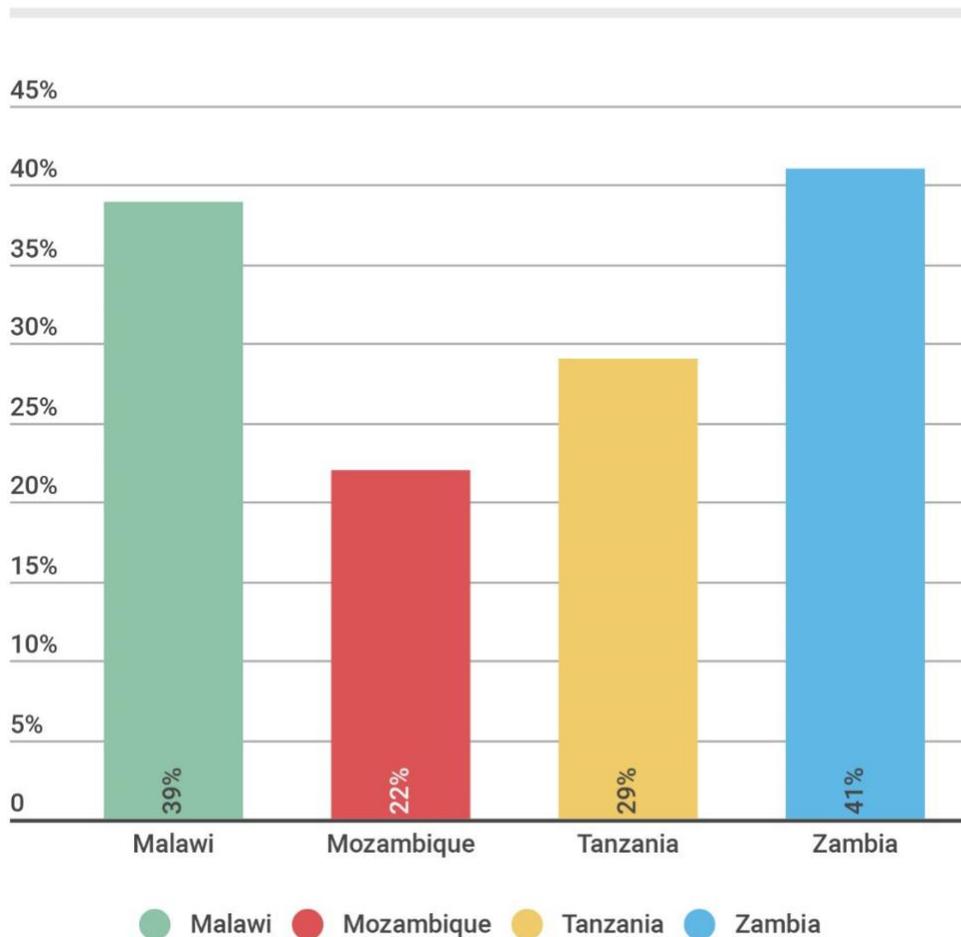
Child labor in tobacco production has been noted in several sub-Saharan African countries, including Malawi, Kenya, Mozambique, Tanzania, Uganda and Zambia.²⁸ In Malawi, child labor is tied to the tenant system of farming. Tenant farmers bring their families to the estate, and although children are not employed directly, their labor is an important factor in the family's overall productivity.²⁹ The International Labor Rights Forum (ILRF) reports that, in Malawi, 78 percent of children between the ages of ten to fourteen, and 55 percent of children between seven and nine years old, work in tobacco production.³⁰ A study by the ILO found that children as young as five were engaged in child labor in the tobacco sector in Tanzania.³¹ One estimate put the rate of child labor among tobacco plantation workers in Kenya as high as 60 percent in some regions.³² While the Kenyan government has reportedly focused on decreasing child labor and increasing educational opportunities for Kenyan children, in 2013 reports noted a rise in migrant child labor, particularly among children from other Eastern African countries, some of whom sent money home to support their families. There was reportedly trafficking of Somali children into the tobacco sector from refugee camps.³³ A 2015 study found that tobacco growing households in Kenya are more likely to use child labor than other agricultural households.³⁴ In Mozambique, tobacco – along with cotton – represents the most significant crop in terms of hazardous



child labor.³⁵ Updated information on child labor in tobacco production is hard to come by, but a 2002 ILO IPEC study found that children began working in tobacco farming as young as 4-9 years old. The study noted that children were more likely than adults to be compensated in forms other than cash and that of children who worked in tobacco, 90 percent reported that it caused them to miss school.³⁶ A recent study in Zambia found that approximately a quarter of growers interviewed reported the use of child labor on their farms.³⁷

Percentage of Child Labor in Top Tobacco Producing Countries

Countries



Tenant Farmers

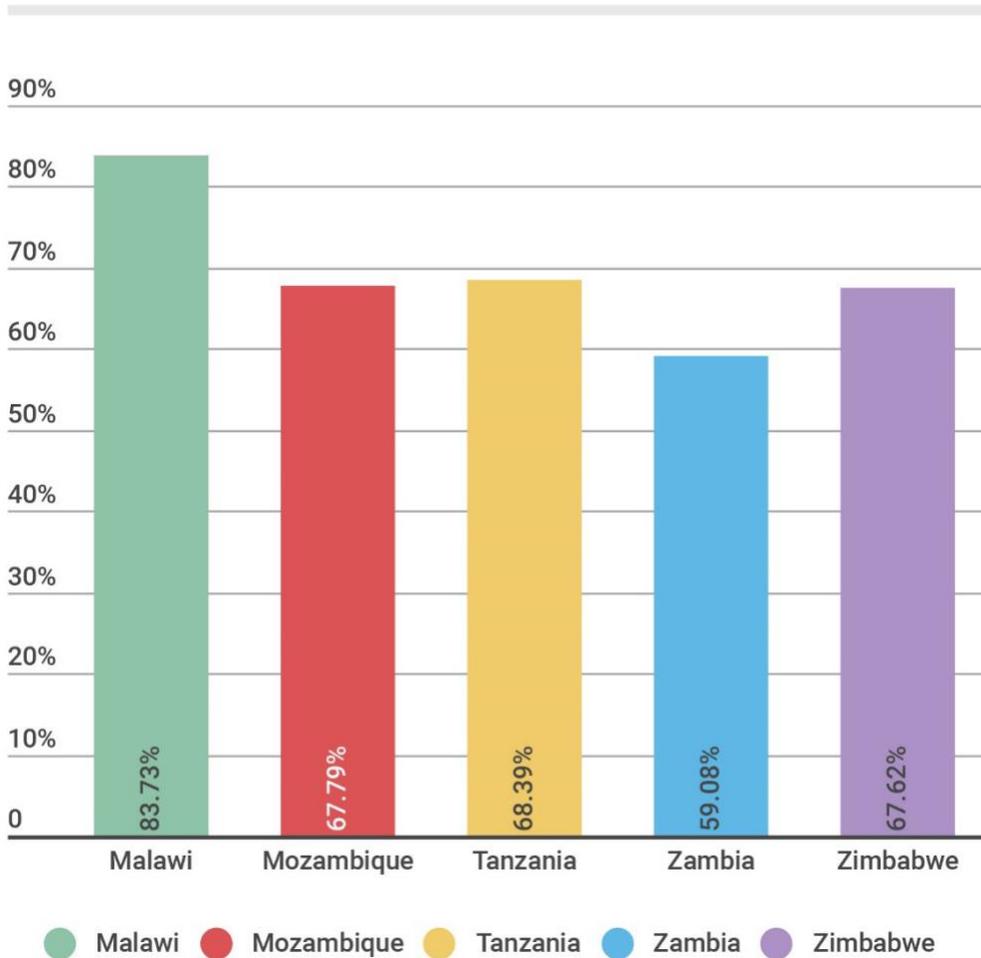
In Malawi, human trafficking risk may occur in the context of tenant farming. Families make agreements with landowners whereby they receive a portion of the profit from the tobacco harvest in exchange for labor in growing and harvesting the crop.³⁸ Tenants are generally expected to pay for seeds and other expenses. Because this system rarely results in profit for the tenants, they can become indebted to the landowner.³⁹

Several analyses have noted the imbalance of power between tobacco farmers and the tobacco leaf buyers to whom they sell their product. For example, loans provided to small-holder farmers can increase the productivity of small farmers who would otherwise lack access to capital. In some cases, farmers may be required to purchase inputs from the buyer, and some farmers in Zimbabwe have reported that buyers may inflate prices of these inputs.⁴⁰ If prices (which are set by the buyer based on leaf quality and grading) are too low, farmers can enter debt cycles in which the profits from their crops are unable to meet the level of their debt to the buyer.⁴¹ This is particularly problematic in regions in which the tobacco market is structured as a monopsony: one buyer for many sellers. In the Zambian context, for example, there is only one large buyer, leaving farmers without viable marketing alternatives.⁴² In Mozambique, the government provides tobacco companies exclusive buying rights in certain areas via a concessionary system.⁴³ This debt and resulting lack of cash may increase their reliance on low-cost labor, such as family members. Once a loan has been taken, crop failures can be financially disastrous, as all risk under these contracts is typically the burden of the producer alone.⁴⁴ Some analysis has noted that “As a result of this exploitive contracting system, many farmers may be growing tobacco involuntarily, unable to break free of the cycle of debt.”⁴⁵ Analysis has noted that for some producers, high levels of debt may make it difficult to shift out of tobacco production.⁴⁶

A 2015 study in Zambia found that over a third of contract farmers interviewed did not understand their contracts. Farmers in this study also reported high levels of dissatisfaction with pricing and grading systems.



Percentage of Rural Population in Tobacco Producing Countries



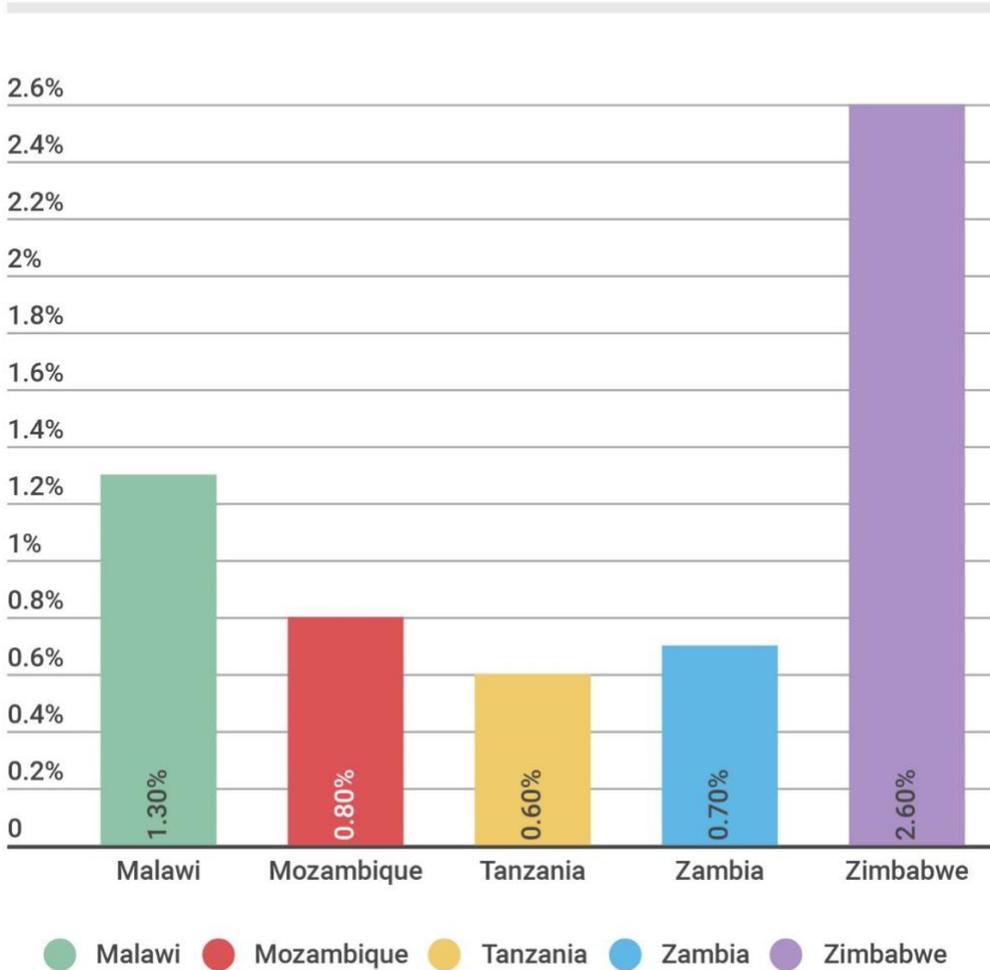
Presence of Labor Intermediaries

A recent study found that estate owners in Malawi are less likely to recruit through district labor offices, instead relying on increasingly aggressive recruitment strategies, including the use of third-party labor brokers/middlemen. Returning tenants may also act as labor brokers to recruit new tenants.⁴⁷

Studies of tobacco farmers in Zambia and Kenya have found that a majority of farmers were recruited into the sector by extension agents working for tobacco purchasing companies.⁴⁸



Percentage of Migrant Population in Tobacco Exporting Countries



Associated Contextual Factors Contributing to Trafficking in Persons Vulnerability

Association with Environmental Degradation

Tobacco production contributes to environmental degradation through deforestation, soil erosion and pollution. Tobacco often requires significant pesticide application, which can leech into local water systems. While some aspects of tobacco cultivation create environmental stress regardless of cultivation region, the burdens are heavier on low and middle income countries, such as the tobacco producing countries in Africa, as compared to high income countries. According to the World Health Organization, over 140,000 hectares of forest – or 12 percent of the annual deforestation in the region – are cleared every year for use in the tobacco curing process in Southern Africa.⁴⁹



Gift of the United States Government

This report was funded by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.

Endnotes

¹ International Trade Centre. Trade Map. www.trademap.org.

² United Nations Food and Agriculture Organization. FAOSTAT. Statistics. Production. <http://www.fao.org/faostat/en/>.

³ United Nations Food and Agriculture Organization. FAOSTAT. Statistics. Production. <http://www.fao.org/faostat/en/>.

⁴ International Trade Centre. Trade Map. www.trademap.org.

⁵ Hu, Teh-wei; Lee, Anita H. *Tobacco Control and Tobacco Farming in African Countries*. November 2014. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4412848/>.



-
- ⁶ Hu, Teh-wei; Lee, Anita H. *Tobacco Control and Tobacco Farming in African Countries*. November 2014. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4412848/>.
- ⁷ Eldring, Line; Nakanyane Sabata; Tshoaedi, Melehoko. Fafo Foundation. *Child Labour in the Tobacco Growing Sector in Africa*. October 2000. http://www.eclt.org/wp-content/uploads/2010/01/FAFO_Report.pdf.
- ⁸ Hu, The-wei; Lee, Anita H. *Tobacco Control and Tobacco Farming in African Countries*. November 2014. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4412848/>.
- Goma, Fastone. "The Economics of Tobacco Farming in Zambia." December 2015. <https://www.cancer.org/content/dam/cancer-org/research/economic-and-healthy-policy/economics-tobacco-farming-zambia-presentation-version-december-2015.pdf>.
- ⁹ British American Tobacco. *Supply Chain*. <http://www.bat.com/supplychain>.
- ¹⁰ United Nations FAO. *Tobacco in Zimbabwe*. <http://www.fao.org/docrep/006/y4997e/y4997e0k.htm>.
- ¹¹ Smart, Tessa and Hanlon, Joseph. *Agricultural land is a Mozambican resource*. The case for small commercial farmers. August 2014. https://www.open.ac.uk/technology/mozambique/sites/www.open.ac.uk.technology.mozambique/files/files/Small_commercial_farmers_in_Moz_Smart-Hanlon.pdf.
- ¹² Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cggc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ¹³ Alliance One. *Corporate Profile*. <http://www.aointl.com/au/>. <http://www.herald.co.zw/price-disparity-pushing-tobacco-farmers-to-contract/>.
- ¹⁴ Philip Morris International (PMI). *Agricultural Labor Practices (ALP) Program Progress Report 2013*. March 30, 2014. http://www.pmi.com/eng/media_center/documents/pmi_progress_report_final_not_watermarked_low_res_0328.pdf.
- ¹⁵ Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cggc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ¹⁶ Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cggc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ¹⁷ Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cggc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ¹⁸ International Labor Organization (ILO). Tobacco Cultivation. <http://www.ilo.org/oshenc/part-x/agriculture-and-natural-resources-based-industries/specialty-crops/item/551-tobacco-cultivation>.
- ¹⁹ Geist, Helmut, J. Global assessment of deforestation related to tobacco farming. 1999. <http://tobaccocontrol.bmj.com/content/tobaccocontrol/8/1/18.full.pdf>.
- Chifamba, Obert; Chikwati, Elita. "Tobacco Curing and Deforestation." *The Herald*. March 15, 2012. <http://www.herald.co.zw/tobacco-curing-and-deforestation/>.
- World Health Organization. Tobacco and its environmental impact: an overview. 2017. <http://apps.who.int/iris/bitstream/10665/255574/1/9789241512497-eng.pdf>.
- ²⁰ Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cggc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ²¹ Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cggc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ²² Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cggc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ²³ International Trade Centre. Trade Map. www.trademap.org.
- ²⁴ International Trade Centre. Trade Map. www.trademap.org.
- ²⁵ U.S. Department of State. *Trafficking in Persons Report 2016*. 2016. <https://www.state.gov/j/tip/rls/tiprpt/2016/>
- ²⁶ Human Rights Watch (HRW). *Hellish Work*. July 14, 2010. [http://www.hrw.org/en/node/91458/section/2Occupational Safety and Health Administration. *Recommended Practices Bulletin*. <https://www.osha.gov/Publications/OSHA3765.pdf>](http://www.hrw.org/en/node/91458/section/2Occupational%20Safety%20and%20Health%20Administration.%20Recommended%20Practices%20Bulletin)
- ²⁷ Occupational Safety and Health Administration. *Recommended Practices Bulletin*. <https://www.osha.gov/Publications/OSHA3765.pdf>.



- ²⁸ U.S. Department of Labor. Bureau of International Labor Affairs. *List of Goods Produced by Child Labor or Forced Labor*. 2016. <https://www.dol.gov/ilab/reports/child-labor/list-of-goods/>.
- ²⁹ Eldring, Line, Sabata Nakanyane and Melehoko Tshoaei. Fafo Foundation. *Child Labour in the Tobacco Growing Sector in Africa*. October 2000. http://www.eclt.org/wp-content/uploads/2010/01/FAFO_Report.pdf.
- ³⁰ International Labor Rights Forum. "Child labor, unfair prices and poverty earnings characterize the tobacco growing sector." <http://www.laborrights.org/industries/tobacco>.
- ³¹ International Labor Organization. *Rapid Assessment on Child Labour in Tobacco Growing Communities in Tabora Region, Tanzania*. 2016. http://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/---ilo-dar_es_salaam/documents/publication/wcms_517519.pdf.
- ³² Eldring, Line; Nakanyane Sabata; Tshoaei, Melehoko. Fafo Foundation. *Child Labour in the Tobacco Growing Sector in Africa*. October 2000. http://www.eclt.org/wp-content/uploads/2010/01/FAFO_Report.pdf.
- ³³ Njeru, Gitonga. "Kenya: Tobacco's Immigrant Child Labour." January 2013. <https://web.archive.org/web/20130325082541/http://thinkafricapress.com/kenya/child-tobacco-farmers-kenya>.
- ³⁴ International Institute for Legislative Affairs. *Economics of Tobacco Farming in Kenya*. 2016. <http://canceratlas.cancer.org/assets/uploads/2016/06/Report-The-Economics-of-Tobacco-Farming-in-Kenya-Presentation-version.pdf>.
- ³⁵ Nino, Helena. *Class dynamics in contract farming: the case of tobacco production in Mozambique*. 2016. <https://www.cancer.org/content/dam/cancer-org/research/economic-and-healthy-policy/economics-tobacco-farming-zambia-presentation-version-december-2015.pdf>.
- ³⁶ IPEC (2002): Report of Baseline Survey on Child Labour in Commercial Agriculture in Uganda. COMAGRI Project (Geneva, ILO). <http://www.ilo.org/ipecinfor/product/download.do?type=document&id=18575>.
- ³⁷ Nino, Helena. *Class dynamics in contract farming: the case of tobacco production in Mozambique*. 2016. <https://www.cancer.org/content/dam/cancer-org/research/economic-and-healthy-policy/economics-tobacco-farming-zambia-presentation-version-december-2015.pdf>.
- ³⁸ Eldring, Line; Nakanyane Sabata; Tshoaei, Melehoko. *Child Labour in the Tobacco Growing Sector in Africa*. Fafo. October 2000. <http://www.fafo.no/pub/rapp/654/654.pdf>.
- ³⁹ International Trade Union Confederation (ITUC). *Internationally Recognised Core Labour Standards in Malawi: Report for the WTO General Council Review of the Trade Policies of Malawi*. June 2010. http://www.ituc-csi.org/IMG/pdf/Microsoft_Word_-_28_May_-_Malawi_CLS_FINAL_2_-20100531120125.pdf.
- ⁴⁰ Kadani, Tafadzwa; Marafu, Livingstone. "When contract farming becomes a debt trap." Sunday Reader. July 2016. <http://www.pressreader.com/zimbabwe/the-sunday-mail-zimbabwe/20160724/282226600082169>.
- ⁴¹ Kuperstein, Anna. Journal of Health Care Law and Policy. *Tobacco's Weakest Link: Why Tobacco Farmers are Essential Players in the Fight Against Big Tobacco*. 2008. <http://digitalcommons.law.umaryland.edu/jhclp/vol11/iss1/7/>.
- ⁴² University of Zambia and American Cancer Society. *The Economics of Tobacco Farming in Zambia*. December 2015. <https://www.cancer.org/content/dam/cancer-org/research/economic-and-healthy-policy/economics-tobacco-farming-zambia-presentation-version-december-2015.pdf>.
- ⁴³ UN FAO. MAFAP. *Analysis of Incentives and Disincentives for Tobacco in Mozambique*. February 2013. <https://agriknowledge.org/downloads/gm80hv41j>.
- ⁴⁴ Hu, Teh-wei; Lee, Anita. J Public Health Policy. *Tobacco Control and Tobacco Farming in African Countries*. February 2015. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4412848/>.
- ⁴⁵ Kuperstein, Anna. Journal of Health Care Law and Policy. *Tobacco's Weakest Link: Why Tobacco Farmers are Essential Players in the Fight Against Big Tobacco*. 2008. <http://digitalcommons.law.umaryland.edu/jhclp/vol11/iss1/7/>.
- ⁴⁶ Goger, Annelies; Bamber, Penny; Gereffi, Gary. The Tobacco Global Value Chain in Low-Income Countries. August 2014. http://www.cgcc.duke.edu/pdfs/2014-02-05_Duke%20CGGC_WHO-UNCTAD%20Tobacco%20GVC%20Report.pdf.
- ⁴⁷ Centre for Social Concern Malawi. *Tobacco Production and Tenancy Labour in Malawi*. January 2015. <http://www.laborrights.org/publications/tobacco-production-and-tenancy-labour-malawi>.
- ⁴⁸ International Institute for Legislative Affairs. *Economics of Tobacco Farming in Kenya*. 2016. <http://canceratlas.cancer.org/assets/uploads/2016/06/Report-The-Economics-of-Tobacco-Farming-in-Kenya-Presentation-version.pdf>.



⁴⁹ World Health Organization. Tobacco Free Initiative. *Environmental Issues*.
<http://www.who.int/tobacco/research/economics/rationale/environment/en/>.

