

Malawi's tobacco farmers backing off from gold leaf

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As the pressure continue mounting on the future of tobacco following the growing ant-smoking campaign at global level that has led to declining revenues to farmers, most of Malawi's tobacco growers, as a survival mechanism, are now slowly abandoning growing of the crop in favor of other crops such as soya beans, sorghum, and groundnuts.



Working in Malawi tobacco estates

Malawi has for decades been relying on annual tobacco sales to run its economy and despite the pressure on the future of the crop, at policy level government is still glued to it with officials indicating a number of times that Malawi will still continue to grow the crop.

This is despite the fact that figures from Tobacco Control Commission (TCC) show that tobacco revenue has since 2010 declined by a third in dollar terms from \$410 million to \$275 million this year.

With most prominent tobacco growers including members of the Tobacco Association of Malawi (TAMA) now backing off from the crop, this will be a bad signal that calls for Malawi Government to revisit its policies mainly on tobacco.

Tama is a member driven association of more than 200,000 tobacco farmers and regarded as a powerful voice in the tobacco industry. Output from the crop, touted as the country's main export earner, which contributes about 13 percent to the gross domestic product (GDP) and supports about three million Malawians directly or indirectly, has been fluctuating, with last season's output reaching a record low of 124 million kilogrammes (kg).

In an interview Tama Chief Executive Officer Mathews Zulu confirmed that a number of Tama members are now backing off from the crop after observing that it is fast losing its charm with continued declining of revenue from the leaf over the past five year.

Zulu said even Tama itself has a diversification plan to look at avenues for its own survival and in response to the demands from its members to grow other crops to survive the turbulent times.

He said so far out of the 49 cooperatives under Tama, three have already signed contracts with Chibuku Products Limited to start growing sorghum beginning this year.

“Apart from sorghum, we are also looking into crops such as soy beans, sunflower, groundnuts and other commercial crops that tobacco farmers who are our members are now growing. In this new strategy, we want to go towards contract marketing so that farmers should be producing for the market and not producing before they identify the market,” he said.

Zulu said Tama has also opened seven agro-dealer shops where it plans to sell seeds, herbicides and fertilizer to its members to facilitate the transformation and also plans to register a commercial company called Tama Enterprises.

Zulu said Tama will then be a subsidiary of Tama Enterprise and will still be involved in tobacco.

One of the major tobacco buyers in the country, Alliance One Tobacco Company recently also announced that it is diversifying its operation and is growing legumes in Dowa, one of the districts that is traditionally known for growing tobacco.

Alliance One Managing Director Hugh Saunders also admitted that the diversification initiative is a response to the pressure that is threatening the future of tobacco, especially burley, and to also sustainably grow flue-cured tobacco.

An economics professor at University of Malawi’s constituent Chancellor College Ben Kaluwa said the move by Tama is a wake-up call to government and other tobacco stakeholders.

“Over the past years, tobacco has not been performing well in terms of revenue, and coupled with the global anti-smoking lobby, the future does not look good,” he said.

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