THE
TOBACCO COMMISSION

REPORT ON TOBACCO ESTIMATES PRODUCTION FOR 2020 SEASON

EXECUTIVE SUMMARY

The Tobacco Industry carried out two (2) Crop Estimate Surveys one in January and the other one in March, 2020, to project tobacco volumes likely to be produced and offered on the Selling Floors. In both surveys ten (10) teams were deployed across tobacco growing areas and managed to interview **10%** of licensed growers in three weeks.

The first round projected **158.0 million kilograms** which was **4.4%** lower than actual volume sold 2019 season. The second round estimates recorded **2%** drop from the first round (**155.0 million kilograms**). Based on the second round estimate figures, 2020 season production is expected to reduce by **10.0 million kilograms** compared to volume sold last marketing season.

FIRST ROUND ESTIMATE FIGURES

The First Round Crop Estimate Survey was conducted from **20th January,** to **7th February, 2020**.

Table 1 below are projection for all tobacco types according to region.

Table 1: National Production Projections

Tobacco Type	Regional Production Projections (Kg)			Total/National (Kg)
	North	**Centre**	**South**	
Burley	29,700,000	92,000,000	8,850,000	130,550,000
FCV	6,800,000	11,060,000	5,020,000	22,880,000
DFC	1,490,000	2,399,000	808,000	4,697,000
Total	**37,990,000**	**105,459,000**	**14,678,000**	**158,127,000**

From *Table 1*, above, **67%** of projected production is in Central region and **9%** is expected to be produced in the South. Higher production in the Centre is attributed to large number of contracted growers sponsored by tobacco buying companies.

SECOND ROUND ESTIMATE FIGURES

The Second Round Crop Estimate Survey ran from **2nd** to **20th March, 2020**. Table 2 below are projected figures for all tobacco types according to region.

Table 2: National Production Projections

Tobacco Type	Regional Production Projections (Kg)			Total/National (Kg)
	North	**Centre**	**South**	
Burley	30,800,000	88,630,000	8,850,000	128,280,000
FCV	6,900,000	10,780,000	4,750,000	22,430,000
DFC	1,460,000	1,740,000	835,000	4,035,000
Total	**39,160,000**	**101,150,000**	**14,435,000**	**154,745,000**

The Second Round **154,745,000 Kilograms** is **2%** lower than **158,127,000 Kilograms** which was recorded first round leaf weight loss caused by excessive rainfall in some parts of central and northern regions – reduced yield per hectare which has subsequently, reduced production in second round.

Table 3, are Second Round Estimates compared to actual volume sold 2019 season.

Table 3: 2020 Production Projections against 2019 Actual Sales

Tobacco Type	2020 Projection (Kg)	2019 Actual Sales (Kg)	Variation (Kgs)
Burley	128,280,000	138,957,754	(10,757,754)
FCV	22,430,000	22,632,997	(202,997)
DFC	4,035,000	4,050,947	(15,947)
Total	**154,745,000**	**165,641,698**	**(10,896,698)**

From *Table 3*, above, national production is expected to drop by **7%** compared to actual volume sold last season. Burley is expected to drop by **8%.** The drop in burley is due to market challenges growers experienced, mainly in the Southern Region where rejection rate was higher than other markets. 2019 season average price of **US$1.43 per kg (16%** lower than **US$1.68/kg** in 2018) could be one of the factors contributed to lower production this season.

CONTRACT AND NON CONTRACT VOLUMES

The teams were able to interview both contracted and non-contracted growers. *Table 4* below are projected production volumes for the two categories of growers.

Table 4: Estimates for Contract and None Contract Volumes

Tobacco Type	Contract (Kg)	Non-Contract (Kg)	Total (Kgs)
Burley	88,600,000	39,680,000	128,280,000
FCV	21,360,000	1,070,000	22,430,000
DFC	3,160,000	875,000	4,035,000
Total	**113,120,000**	**41,625,000**	**154,745,000**

Table 4 shows **73%** of total projected production is under contract farming. Burley projections indicate **31%** none contracted volumes.

CONCLUSION

There are no significant variations between the First and Second Round Estimate Figures. The sample size of **10%** of licensed growers captured within three weeks of each round brings a lot of credibility to the data and its results. Based on results for the two surveys, production is expected to drop by **7%** from total volume sold last market season.

The Commission appreciates stakeholders' support through provision of resources towards Crop Estimate Surveys.