

UNLOCKING THE BILLIONS IN THE TOBACCO VALUE CHAIN AS ENUNCIATED IN NDS 1

In 2020, the Zimbabwe Government launched the Agriculture and Food System Transformation Plan aimed at accelerating agriculture production, productivity, and profitability. This is aligned to the National Development Strategy 1 (NDS1) (2021 – 2025) and also in line with Vision 2030. In support of Government policy, the tobacco sector seeks to increase tobacco production to 300 million kgs annually and transform the value chain into a US\$5 billion industry through exports of tobacco value-added products by 2025.

The Tobacco Industry and Marketing Board (TIMB) is working towards increasing farmer profitability and production offer; farmer training on productivity and tobacco quality, ensure that inputs disbursed to farmers are fairly priced, and also there is fair tobacco pricing and prompt payment to farmers. Tobacco is strategic to the NDS 1 goal of moving up the value chain with the production of tobacco making a key contribution to the national Gross Domestic Product (GDP) by contributing significantly to export revenue and national economic growth. The crop normally supports up to 165 000 households, accounts for more than 50 percent of agricultural exports, provides 25% to agriculture GDP and 21% of annual export earnings.

The Board has also promoted partnerships with China on tobacco production and access to markets in China through Tian Zi Tobacco Company. The Government also introduced ease of doing business reforms focusing on trading across borders by shortening turnaround time or document processing time and reducing the cost of licensing.

The industry has a clear growth opportunity roadmap towards a US\$5 billion tobacco industry value chain with some opportunities identified such as:

1. Cannabis products - As global cannabis regulation eases, cannabis production becomes a viable option.
2. Industrial hemp - Along with cannabis plant cultivation, hemp production and commercialization create an opportunity for tobacco farmers. Hemp is a low-maintenance, durable crop with multiple uses and applications.
3. Niche tobacco products - Opportunities exist in investing in the production of reduced-risk products within smokeless tobacco and heated tobacco (nicotine liquids).
4. Smoking tobacco - Tobacco farmers could invest in end tobacco use product processing e.g. pipe tobacco (shisha) or packaged fine tobacco for roll your cigarettes.
5. Tobacco diversification - With the declining cigarette stick volume continuing globally, tobacco farmers could look to invest in growing other traditional and non-traditional crops.