

**GTNF 2015**

**Bologna, Italy**

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**Session 7: Leaf Sustainability**

The Leaf Sustainability session focused on the security of tobacco supply in a rapidly changing world. Sustainability became a key topic only in the late 1990s. As one industry veteran pointed out, during the first half of his career, hardly anybody spoke about sustainability. It was all about buying value for money, but now it is at the forefront of our decisionmaking. Expected demographic, social and climatological changes will impact tobacco farming and other agricultural activities. With a global population expected to reach 8 billion by 2025, there will be increased demand for food, energy, water and other natural resources. Urbanization will likely accelerate, and nonfood crops can expect additional scrutiny.

As the session moderator pointed out, the industry needs to act now to secure its future, and more collaboration among stakeholders is required. The environment, good labor practices and other sustainability issues are shared concerns and not areas relevant for competitive advantages. Currently, the sustainability programs of the industry are not yet fully aligned, but efforts are underway to improve this situation.

While all industries face the same product-people-planet balancing act, tobacco is unique in that it involves large numbers of smallholder growers, spread across a large variety of origins—each with its own, unique way of doing things. As a result, programs need to be adjusted to realities on the ground. Some origins suffer from widespread illiteracy, for example, which means textbooks are useless for farmer education. Tobacco companies in such areas have to find other ways of disseminating information, through theater performances or songs, for example.

The unpopularity of tobacco, together with the crop's labor-intensive cultivation, also makes it hard to generate interest among young people, and thus securing the next generation of growers—although one panelist was quick to point out that the exodus of youngsters wasn't limited to tobacco. Rather, it was a challenge faced by all agricultural businesses.

Despite the many challenges, tobacco is ahead of other industries in terms of sustainability. The industry scores well, for example, on being aware of where its products come from and where they are going. Contract farming enables the industry to keep close tabs on inputs, agricultural practices, etc. One sustainability expert said he used tobacco as an example when speaking with representatives of other industries—although, mindful of the tobacco sector's controversial reputation, he was careful to explain the model before revealing its tobacco connection.

The panelists agreed on the importance of clear measurements and benchmarks because “you cannot manage what you cannot measure.” Farmer viability, too, featured prominently in the discussions. A grower who cannot make money, after all, may be tempted to break the rules. In addition to ensuring

proper inputs, contract farming can contribute to farmer viability. Contracted growers generally receive better agronomic support than do non-contracted growers, which in turn allows them to produce better leaf and, ultimately, secure higher prices. Also, the contracted grower's food supply improves, as one panelist pointed out, citing his employer's commitment to food security. He said that in their leaf sourcing origins in Africa, farmers are contractually obliged to also produce 1 kg of a food crop for every 2 kg of tobacco grown.

At the end of the day, however, sustainability depends on the market. A member of the audience related how his business was forced to pull out of an African sourcing area despite considerable investments in sustainability initiatives. There was plenty of wood, a briquetting plant and ample training available—the origin was even promoted as a highlight of sustainability on the continent. Without customer support, however, the project had to be discontinued.

The panelists agreed that some predictability would be welcome in this respect. Asked for a final thought, one speaker drew laughter by pretending to read an open letter to his customers: "Dear manufacturers, please tell us in advance which tobaccos you want, how much and from which areas."