

It's time for Malawi to quit tobacco

Imagine this: You are a farmer in one of the poorest countries in the world. Each year, the price of your harvest falls, but you keep growing the same crop because it is what your mother and, before her, your grandmother farmed.

By [Julia Smith](#) 4 Jun 2018



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Due to low prices at the auction house, you sign a contract, even though you can't read, with a company that loans you money for fertiliser and seeds. You use some of this to pay your children's school fees.

You fall sick with headaches and dizziness. Your children stay home from school to help farm. They fall sick too. At the end of the season, the amount paid for your crop is less than the loan plus interest. The purchasing company says prices are low because people on the other side of the world are trying to shut down your business. Apparently, tobacco is deadly.



On World No Tobacco Day, the focus is often on quitting smoking. But it's time to focus on the way tobacco companies are exploiting farmers in impoverished countries like Malawi.

(AP Photo/Alan Diaz)

World No Tobacco Day is 31 May, and while it generally focuses on the health risks of smoking, the harms the tobacco industry inflicts are even broader. It has benefited from exploiting [farmers in low-income countries like Malawi](#).

Malawi is the most tobacco-dependent country in the world. In 2015, tobacco leaf comprised [30 to 40% of its total exports making up 11% of the country's gross domestic product and 60% of its foreign exchange earnings](#). While tobacco leaf is clearly an important source of [foreign exchange earnings](#) at the national level, most tobacco farmers in Malawi live in poverty.

A [2016 study](#) found that Malawian tobacco farmers make an average profit of \$79 per acre, substantially less than the average in the agricultural sector (\$351). It concludes “tobacco farmers are not earning enough to support a sustainable livelihood.”

[Since the 1990s, there have been accusations](#) that the prices at the tobacco auction are fixed by companies acting like a cartel.

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[*Big Tobacco woos African farmers with bogus promises of prosperity*](#)

Despite denials, documents from company records suggest cartel-like behaviour. A British American Tobacco (BAT) [repeals](#) [admits that](#) “prices are dictated by the manufacturers.” [A Philip Morris document](#) reads: “We understand from our suppliers that all major manufacturers present... agreed with our viewpoint that these prices were totally unrealistic and after several discussions... prices started to ease back.”

And a representative of the Malawi Tobacco Control Commission is [quoted as saying](#): “The price that is paid to the producer starts from the cigarette manufacturer.” While prices at this year’s auction (currently ongoing) are [\\$1.58 a kilogram](#), [previous years’ prices have been as low as \\$0.80/kg](#), leaving many farmers in debt.

Companies provide seed, fertiliser

As an alternative to the auction, tobacco companies encourage farmers to sell tobacco through contracts: Companies provide seed, fertilisers and chemicals in return for a guarantee to sell to that merchant. In 2015, [80% of tobacco in Malawi was sold on contract](#). [Farmers are reportedly](#) not always informed of the details of their loans, such as interest rates, and not assured a set price.

There are [also reports](#) of buyers extending more credit to farmers than they pay for the crop at the end of the season, and failing to buy the agreed-upon quota. Farmers themselves have accused contract leaf buyers of operating a cartel on the auction floors to keep prices low.

In February 2015, [tobacco farmers petitioned the government to recall or change contract farming legislation to better protect their rights](#). In response, the head of Malawi’s Tobacco Control Commission [stated](#): “Malawi is now part of the global village. So it is not so easy to say ‘we recommend this or that’ ... it is also important that we take into account the global demands in the production of leaf, knowing full well that we do not buy the leaf on our own. We rely on exports.”

In other words, Malawi is dependent on global tobacco companies to buy its leaf, and therefore corporations - not citizens dictate government policy.

Lack of government power over corporate practices results in weak enforcement of existing regulations.

Uninformed about nicotine poisoning

In neighbouring Zimbabwe, [Human Rights Watch recently reported](#) that companies were failing to inform farmers about the risk of nicotine poisoning. Handling tobacco leaves can cause nicotine to be absorbed into the skin resulting in nausea, dizziness and headaches. Nicotine poisoning particularly affects brain development in children, and the industry has a long history of [relying on child labour](#).

The government of Malawi continues to describe tobacco as the [backbone of the country](#), frequently blaming tobacco companies advocates for the struggles faced by farmers.



Britain's Prince Harry meets with Malawi President Peter Mutharika at Buckingham Palace in London on April 17, 2018 ahead of the Commonwealth Heads of Government Meeting.
(AP Photo/Frank Augstein)

At the opening of the 2015 tobacco market, [President Peter Mutharika](#) stated that he is “aware that the tobacco industry is facing a lot of challenges and key among them is the issue of the anti-smoking lobby,” and that “this has had and will continue to have negative effects on demand for tobacco worldwide and may therefore seriously affect Malawi’s foreign exchange earnings and the livelihoods of our tobacco farmers.”

It’s not surprising that many Malawian politicians support the industry. [Since colonization](#) by the British, political leaders have benefited from tobacco by owning large farms, collecting rents from the auctions and maintaining close relationships with big tobacco companies.

The government is now promising a new [Tobacco Bill](#), to be tabled in Parliament this June, to revitalise the industry and better protect farmers. Considering the long history of exploitation and influence of Big Tobacco within the government, as well as declining demand for a product that is harmful on many levels, reforming the industry seems to be a case of too little too late.

The government would do better to honour its [earlier promises](#) to diversify the agricultural sector.

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