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“Tobacco Slave”: How Farmers Grow Debt While Tobacco Companies Grow Profit

October 2023

Some of the world’s largest tobacco companies benefit from exploitative farming practices that the farmers themselves call slavery.

In a [film released by the University of Bath](#), farmers in Malawi share first-hand accounts of an often predatory contract system that keeps farmers trapped in poverty and creates an unsafe environment for children who frequently must work on the farms to help support their families. This brief highlights farmers’ stories and explains how the tobacco industry creates and benefits from market conditions that perpetuate this exploitative system.

Tobacco harms farmers before it ever reaches consumers

Tobacco is responsible for more than 8 million deaths around the world every year. More than 7 million of those deaths are the result of direct tobacco use, while around 1.3 million are the result of non-smokers being exposed to secondhand smoke.¹ Heart disease, stroke, chronic lung diseases and over 20 types of cancer are just some of the well-documented harms associated with tobacco use and exposure to secondhand smoke.²

What is less known is that tobacco harms people before it ever reaches a consumer. Tobacco farmers and farm workers face many health risks from handling the product. Growing tobacco also causes the loss of precious resources such as water sources, forests and plant and animal species. Further, growing tobacco is a labor-intensive practice which earns contract farmers very little and leaves many in a cycle of debt and poverty.

Growing tobacco under the contract system exploits farmers

The cost of growing tobacco is significant. It requires access to supplies and services, such as seed and fertilizer, at the start of the season. The tobacco leaf companies advance these costs, which are then deducted from farmers' payment at the end of the season. The companies also determine the cost of the inputs, which are often inflated, disadvantaging the farmers even more.³ Tobacco leaf companies often further reduce their costs by under-grading and under-pricing the farmers' tobacco leaf. Some finish the season in debt to the leaf companies, forcing them to continue growing for another season in order to try to pay back their debts.^{4,5} Throughout the process, farmers are left with little room for negotiation and end up in dependency and debt to transnational tobacco companies or intermediary traders.

Tobacco growing is a labor-intensive practice, requiring farmers and their families to spend most of their day tending to the plants. The well-documented labor intensiveness of tobacco farming largely explains why smallholder tobacco farmers generally earn very little relative to their efforts. When all the days worked by every contributing household member are included, studies show that tobacco farming is less profitable than other crops. Research across several countries suggests that this labor would be more valuable growing other crops.⁶

The tobacco industry makes growing tobacco seem lucrative

While the health, environmental and economic drawbacks of growing tobacco are well documented, the tobacco industry creates market dynamics that make growing tobacco seem like an attractive option. Tobacco is erroneously perceived to be a highly profitable cash crop, as the tobacco industry exaggerates its economic importance. In most tobacco-growing countries, the contribution of tobacco leaf imports and exports is small (< 1% of gross domestic product [GDP]).⁷ Despite typically yielding low net returns overall, tobacco is considered a stable crop because

of an assured market, which makes moving away from tobacco challenging from a farmer's perspective. The lack of government support and viable markets for alternative crops further hampers tobacco farmers' ability to switch to alternative livelihoods.

Major transnational tobacco companies such as British American Tobacco, Imperial Brands, Japan Tobacco International and Philip Morris International play an important role in perpetuating these exploitative systems. Since tobacco farmed under these conditions ultimately winds up in products made by large tobacco companies, these tobacco companies arguably have the greatest influence over the market conditions that perpetuate farmer exploitation.

Profits from this exploitative contract system, where resources are extracted from lower-income countries using inexpensive or unpaid labor, flow to high-income countries where large tobacco companies are headquartered, bearing great resemblance to the colonial practices that the modern-day tobacco industry was built on. Yet, the biggest tobacco companies are able to distance themselves from this exploitation and shift liability for the many harms caused by growing tobacco to third parties, such as leaf-buyers.

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Growing tobacco perpetuates inequity

Tobacco companies promote overstated "economic benefits" of tobacco-growing to governments. In addition to continuing to position the crop as an important source of export revenue, the industry emphasizes tobacco-growing as a means of economically empowering farmers with low incomes.⁸ In reality, growing tobacco under the contract system perpetuates inequity and fuels a cycle of poverty.

- **The tobacco industry creates conditions that demand unpaid labor, including from children.**

Tobacco is a highly labor-intensive crop, taking six to nine months to produce. With little time left to pursue other financial endeavors and with minimal profits, tobacco farmers are often forced to recruit family members, including children, to help. Children often skip school to work in the fields, harming their prospects of a full education and good health, and perpetuating a cycle of poverty.

- **Tobacco farming degrades farmers' land, making it challenging to grow other crops.**

Tobacco has been shown to decrease soil fertility, as it absorbs more nitrogen, phosphorus and potassium than other major food and cash crops.⁹ This soil degradation can lead to food insecurity.

- **Growing tobacco harms the health of people with low incomes.**

As tobacco growing shifts from middle- and high-income countries to more low-income countries, the health harms of growing tobacco, including green tobacco sickness, exposure to heavy chemicals and chronic lung conditions, are being disproportionately spread to people living on low incomes who are less likely to have access to health care.¹⁰

- **The biggest profits go to major tobacco companies that are headquartered in high-income countries, while contract growers in low-income countries continue to struggle with industry-induced debt and lack of profit.**

The world's largest international

tobacco companies report profits in the billions of dollars. The CEOs of British American Tobacco and Imperial Brands have earned annual salaries of well over US \$1 million. Meanwhile, data from 2013 shows that tobacco-growing households in Malawi made average profits of less than US \$225 per year—significantly below the World Bank's international poverty line of US \$1.90/day.¹¹

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Farmers in Malawi tell their stories

A film produced by award-winning filmmakers Roy Maconachie and Simon Wharf in collaboration with the Tobacco Control Research Group at the University of Bath illuminates the first-hand experiences of farmers working within this exploitative system. In it, four Malawian farmers describe how the system has been unfairly set up to work against them.

Upon finding herself "economically drained" after previous seasons of low profit yields, tobacco farmer Ellen Mkandawire signed a contract to receive the fertilizer she was told she needed to improve her crops. She signed with Limbe Leaf, one of Malawi's two main leaf-buying companies. "I got the fertilizers and fully paid back the loan. It was then that I realized I had made no profit," she said.

Another tobacco farmer, Prince Makamu, shared a similar story. He began growing tobacco in 1984 and after not drawing a profit, also signed a contract with Limbe Leaf. A few years later, he signed a new contract with Alliance One, the country's other top leaf-buying company, which offered more supplies than Limbe Leaf. "But later on, we realized that it was the same. There were no profits," he said. He also described how these companies prevent farmers from making a profit: "...Once you sell enough bales to pay back the loan, they don't allow you to sell them more. They say, 'Wait, we are only buying from farmers with a (loan) balance, and then we will come back to you.'"

These conditions create the need for unpaid labor, often that of family members, including children. "I cannot manage the whole of my land alone," Mkandawire said. Without profits, she cannot afford paid help. Her children often help before and after school, putting their education and health at risk. Mkandawire added that they were only recently informed that they could contract green tobacco sickness, which is especially harmful to children, from harvesting tobacco. She was told they should wear long gloves to prevent getting sick, but, she says, "we don't make enough money after sales to enable us to buy the recommended attires that we should be



Prince Makamu shares his experience of tobacco farming in the film "Tobacco Slave."

wearing during harvesting." She said that she tells her children to "work very hard in school, so that when they grow up, they will not be like me, a tobacco slave."

Davies Botha, once a large-scale tobacco farmer, also decried the use of children in tobacco farming. He put it bluntly when he stated, "What are we doing? We're killing the future of our children."

"What are we doing?
We're killing the future
of our children."

Davies Botha,
Former large-scale
tobacco farmer

Recommendations

In most cases, simply stopping growing tobacco is not a viable option for farmers. Instead, a multi-pronged approach can help farmers shift to growing more productive crops.

1. Researchers and advocates should promote information from independent sources about the true economic impact of tobacco farming.

In countries where tobacco growing is perceived to contribute to their GDP—often the result of the industry's exaggeration of tobacco farming's benefits—policymakers will be less likely to implement tobacco control measures.

2. Governments should implement tobacco demand reduction measures.

Policies that reduce tobacco use and thus the demand for tobacco include tobacco advertising, promotion and sponsorship bans; smoke-free places; flavor bans; higher tobacco taxes and more. Reducing the demand for tobacco will reduce the need to grow it, as well as reduce the health harms, financial burdens, environmental damage and inequity that tobacco use perpetuates.

3. Governments should help farmers transition to crops that are more profitable, pose fewer health risks and that enrich the environment.

Governments should stop providing direct subsidies for tobacco farming and reallocate subsidies to tobacco control programs including, where applicable, support for alternative livelihoods to tobacco growing and agriculture extension services. These programs must be free of tobacco industry influence. To benefit farmers and communities, programs that provide the supplies and knowledge to grow healthier crops and that provide a market for such crops will incentivize farmers to switch.

Imperial by Name, Imperial by Nature

British American Tobacco, Imperial Brands and Philip Morris International all purchase tobacco from the leaf companies the farmers in the film have contracts with: Limbe Leaf and Alliance One.¹² Imperial Brands in particular has a history of being associated with profiting from exploitation.

Imperial Brands, the fourth largest international tobacco company in the world, grew out of the Wills company. The Wills company operated in Bristol, England—a hub of the transatlantic slave trade—in the 1800s and has been accused of acquiring and profiting from tobacco produced by enslaved people.¹³

Today, Imperial appears to be engaging in business practices that are reminiscent of colonial times. The company, along with British American Tobacco, was named in a 2020 lawsuit by a U.K. law firm that alleges the company perpetuates and profits from exploitation of Malawian farmers and child labor.¹⁴ The suit alleges that working conditions on the farms breach Malawian laws against unlawful compulsory labor, as well as the U.K. Modern Slavery Act and the International Labour Organization's definition of forced labor.¹⁵ Both companies deny the claims. Learn more about Imperial Brands at TobaccoTactics: <https://tobaccotactics.org/article/imperial-brands>.

Case Study: Transitioning Kenyan Tobacco Farmers to High-Iron Beans

Evidence shows that alternative value chains could provide at least the same, if not more, return for farmers as compared with tobacco growing, provided that the same supportive farming and marketing system is in place.

Tobacco-Free Farms is a joint United Nations initiative which supports countries to create enabling and supportive crop production and marketing ecosystems that help farmers switch from tobacco growing to alternative livelihoods. The initiative is led by the World Health Organization (WHO), along with the World Food Programme (WFP), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Capital Development Fund (UNCDF) and the United Nations Convention to Combat Desertification (UNCCD), in collaboration with participating countries' Ministries of Health and Agriculture.

This support helps farmers avoid contractual agreements for tobacco growing and switch to alternative food crops that will help feed their communities instead of harming their health, in the confidence that a long-term market exists.

In Kenya, where over 2,000 farmers have already shifted to growing high-iron beans, moving away from tobacco growing has also meant that children can go to school instead of growing tobacco. The switch from tobacco to beans has also increased access to healthy and protein-rich foods which, in turn, is fostering healthier communities.

In stark contrast to the tobacco industry's narrative that tobacco farming is a lucrative business, evidence shows that tobacco farmers consistently experience higher rates of poverty than non-tobacco farmers. Tobacco actually contributes only 0.03% of the GDP of Kenya.

These and similar initiatives are raising awareness among farmers, the general public and policymakers of the successful transition of tobacco farmers into alternative livelihoods.

Learn more:

<https://www.who.int/initiatives/tobacco-free-farms>



A high-iron bean farmer, from the Tobacco-Free Farms initiative, winnows her harvest in Migori County, Kenya. © World Food Programme



World No Tobacco Day 2023 award winner Madam Sprina Chacha takes her trainees through crop protection and management at her high-iron bean farm. © World Health Organization

Endnotes

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About STOP (Stopping Tobacco Organizations and Products)

STOP is a global tobacco industry watchdog whose mission is to expose the tobacco industry tactics that undermine public health. Comprised of a network of academic and public health organizations, STOP researches and monitors the tobacco industry, shares intelligence to counter its tactics, and exposes its misdeeds to a global audience. STOP is funded by Bloomberg Philanthropies as part of the [Bloomberg Initiative to Reduce Tobacco Use](#). For more information, visit exposetobacco.org.



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