

**FROM: TOBACCO BOARD OF ZAMBIA- BOARD SECRETARY/CEO –JAMES
C KASONGO**

**TO: ALL GROWERS OF FLUE CURED AND BURLEY TOBACCO
ALL LICENCED BUYERS
ALL LICENCED SALES FLOOR OPERATORS
ALL FARMERS ASSOCIATIONS
TOBACCO PROCESSORS**

DATE: 26th MARCH, 2018

The following Tobacco Sales Floors have been approved:

1. Lusaka Main Sales Floor – LUSAKA PROVINCE
2. Chipata Main Sales Floor- EASTERN PROVINCE
3. Kavulamungu Sales Floor- EASTERN PROVINCE
4. Rosewood Sales Floor- WESTERN PROVINCE

**PROCEDURES FOR SELLING TOBACCO ON APPROVED SALES FLOORS
2017/2018 MARKETING SEASON**

In order to ensure orderly marketing of tobacco during the 2017/18 Marketing Season, Tobacco Board of Zambia (TBZ) will enforce the Marketing and Licensing rules as stipulated in the Tobacco Act Cap 237 of the Laws of Zambia.

The 2017/2018 Tobacco Marketing Season will commence on **10th April, 2018** with the exception of **Kavulamungu Sales Floor** and the **Chipata Main Sales Floor** in Chipata, which will open on **3rd April, 2018**.

The following **RULES** will apply:

1. All tobacco growers intending to sale tobacco on the approved Sales Floor should have a valid Grower's Registration Number issued by TBZ (**VZ** or **BUZ** number).

2. No Farmer (Seller) or Agent will be allowed to offer tobacco for sale on behalf of another person without express permission from the TBZ.
3. No tobacco from another growing region will be allowed on any approved sales floor without any official Tobacco Movement Permit clearly bearing a TBZ Growers number (either individual or a list of growers with their growers numbers/buying company details etc.) will be allowed to be offered for sale on any approved sales floor.
4. All tobacco to be offered for sale shall be through bookings to the holders of floor Licence and confirmation should be copied to TBZ for a Tobacco Movement Permit to be issued.
5. It is the responsibility of the Licensed Sales Floor Manager to collaborate with Sponsors and Growers to ensure that a proper Quota System is managed on the Sales Floor so as to avoid unnecessary congestion on the Sales Floor. Failure to manage the Quota System will result in revocation of the sales floor license with TBZ taking over operations until the end of the season.
6. All bales of tobacco should be delivered in hessians of good quality and inner bailing paper.
7. All bales of tobacco should weigh not less than twenty-three Kilograms (**Minimum 23 Kg**) net and not more than one hundred and twenty (**Maximum 120 Kg**) for both Virginia Flue cured and Burley tobacco having dimensions of eighty-six centimeters long, sixty-one centimeters high and not more than sixty-six centimeters wide (**86cm x 61cm x 66cm**).
8. All bales should clearly be marked on the outside of the wrapping material with the Growers Number in Arabic numerals not less than eight centimeters in height and not less than two sides on one end of each bale (**VZ** or **BUZ**).
9. Split bales can be offered for sale provided the Grower puts a demarcation (by putting a sheet of bailing paper in between the two grades) of the two bordering grades in the bale and this should be declared by the Grower at the receiving point. ***It is important to note that a split bale should not weigh less than 45Kgs in case of Flue Cured Virginia and not less than 14 Kgs in case Burley tobacco.***
10. Tobacco may be offered in the form of;
 - a) Tied hands leaf ,

- b) Straight laid loose ,
 - c) Clean graded strips,
 - d) Clean stemmed scrap,
 - e) Clean unstemmed scrap.
11. In case of a tied leaf, the Seller shall ensure that the size of hands graded tobacco is not less than 3 cm and not more than 3 cm across the butt ends and that the depth of the tie is not less than 4 cm and not more than 5 cm.
12. No bale offered for sale shall contain ungraded tobacco.
13. No Seller may offer for sale a bale containing more than one class of tobacco.
14. No over-conditioned, loose leaf, greased or with diesel tobacco shall be offered for sale on any approved sales floor.
15. All holders of Floor Licence should ensure that the scales are properly certified by the *Zambia Weights and Measurements Agency (ZWMA)* before commencement of the marketing season.
16. All holders of floor Licence should ensure that they obtain a valid Phytosanitary Certificate from Plant Protection and Quarantine (PPQ) Unit ZARI before commencement of the marketing season.
17. All holders of floor Licence should ensure that they maintain high standards of hygiene and cleanness during marketing on the floors and should also ensure that there is adequate hand sanitizer and washing points at points of entry in the floor with reference to the Public Health Act.
18. No sale of tobacco will be allowed to take place on the approved sales floor without the presence of TBZ officials.
19. The Tobacco buying line for Zambia from 2017/2018 marketing season going forward will be in the following order:
- a) **TBZ Tobacco Classifier;**
 - b) **Buyer's Company Classifier;**
 - c) **Tobacco Grower's Representative; and,**
 - d) **TBZ Tobacco Arbitrator.**

- The Grower Associations, Sponsors and Floor Managers should agree to identify a person to represent the Growers on the Floor. The Growers' Representative's role will be to explain to the farmers why they have been given a particular grade of tobacco.

Benefits of Classification

- Classification assists Analysts in comparing tobacco prices of similar grades in different countries in the world thus providing useful market research information, and will help TBZ amongst other activities in improving and promoting the Zambian Tobacco as well as contribute to BRAND ZAMBIA strategy.
- Production researchers find classification data useful; in research programmes on tobacco cultivar and agronomic trials.
- Production Analysts also make good use of classification information, which enables them to make accurate forecasts and evaluation of markets in different parts of the world.
- Growers amongst other users, find classification as a basis for comparison of their crops in different years and market conditions.
- Tobacco merchants use classification as a tool for marketing their tobacco, as they are able to readily compare tobacco prices worldwide.

20. All appeals by a Grower who is unhappy with any grade/price, he/she may appeal to the Grower's Representative who in turn may consult the Buyer's Classifiers and TBZ Classifier whether it can be in arbitration or not.

21. The decision on arbitration by the TBZ Arbitrator is final and cannot be overruled.

22. Any bales with foreign matter-Non Tobacco Related Material (NTRM) or Nested tobacco bale will be confiscated and forfeited to TBZ and will attract a penalty as stipulated in the Tobacco ACT Cap 237 (The tobacco with foreign matter or Nested will be re-handled and all proceeds will be deposited in the TBZ's account).

23. All Tobacco Licensed Buyers should submit to TBZ every week electronically the total sales value and the total amount of tobacco (in Kgs) purchased in that week for each tobacco type.

24. All Tobacco Licensed Sales Floor Managers should every end of the week submit to TBZ **Sales Reports** clearly indicating Number of bales received, Number of bales sold,

Number of bales rejected, Volume of bales received, sold and rejected. Also indicate the value of bales sold and the Average Price per kg.

Please note that in July, 2018 we shall have a consultative meeting with all buyers and sponsors to agree on the International standards after which all buyers and sponsors will be expected to upgrade their system to the international grading code in preparation for the 2018/2019 marketing season.