



# TOBACCO BOARD OF ZAMBIA

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**CIRCLAR 3/2018**

**14<sup>th</sup> September, 2018**

- TO :**
- ☐ **ALL TOBACCO GROWERS IN ZAMBIA**
  - ☐ **ALL TOBACCO BUYING COMPANIES IN ZAMBIA**
  - ☐ **ALL TOBACCO SPONSORS**
  - ☐ **ALL AUCTION AND SALES FLOOR MANAGERS**
  - ☐ **ALL TOBACCO GRADERS**
  - ☐ **ALL TOBACCO PROCESSORS AND MANUFACTURERS**
  - ☐ **ALL TBZ BOARD MEMBERS & STAF**

## **PROCEDURE FOR REGISTRATION OF TOBACCO GROWERS UNDER THE NEW REGISTRATION SYSTEM.**

### **1.0 PREAMBLE**

In discharging its mandate, the Tobacco Board of Zambia (TBZ) has a responsibility to register Tobacco Growers in Zambia by allotment of unique identification number for each Tobacco Grower.

Arising from the need to accurately register all Tobacco Growers, TBZ embarked on a project to develop an Integrated Database System. This is an on-line Information Management System that is aimed at efficiently and effectively registering all growers in the Republic for enhanced regulation of tobacco production and marketing.

Normal registration commences on 1<sup>st</sup> April and expires on 31<sup>st</sup> October, each year. Validation of the register is done by TBZ from 1<sup>st</sup> November to 31<sup>st</sup> December every year. Tobacco Sponsors cleared by Tobacco Board of Zambia shall be required to register their sponsored growers from various locations in the format outlined under section 4 of this circular. Registration information should be up-loaded into the TBZ Integrated Database System for allotment of the Growers' number by TBZ.

## 2.0 SYSTEM OBJECTIVES

The primary objective of the Integrated Database System is to aid the efficient and effective processes for tobacco production and ensure orderly Marketing of tobacco. Therefore, this system is intended to ensure that the tobacco offered for sale on all licenced tobacco sales and auction floors in Zambia is traceable and in permissible quantities. The system will allow the generation of accurate sales and marketing reports, which reports will provide the basis for loan recovery and crop payments.

## 3.0 USER LOG-IN

To enable users' login to the system platform, each user/organisation will be provided with log-in credentials that will allow them view information limited to their rights. No user/organisation will view other organisation's data.

## 4.0 PHASING-OUT OF OLD GROWER REGISTRATION NUMBERS AND ALLOTMENT OF NEW GROWER REGISTRATION NUMBERS

With the introduction of the Integrated Database System, the old grower registration numbers will be phased out and replaced with the new Grower registration numbers. To ensure orderly transition from old Grower registration numbers to new numbers, all Sponsors of tobacco Growers will be required to upload data of their registered Growers into the TBZ Integrated Database System using the following fields:

SERIAL No.	VZ No.	FIRST NAME	MIDDLE NAME	LAST NAME	GENDER	NRC	SPONSOR	CATEGORY	TOBACCO TYPE	AREA	District	Ha	Expected Yield (Kg)	GPS Coordinates	Phone No.	e-mail

TBZ will then conduct a **validation** of each Grower and upon confirmation by the Tobacco Board of Zambia, the Grower will be issued with a new Grower registration number. The new Grower registration numbers will be communicated to the Grower via SMS through the phone numbers provided during registration. Where the Growers do not have phones, the new Grower registration numbers will be provided through the Tobacco Inspectors in their respective regions. With effect from 2019 marketing season, all old Grower registration numbers will not be used at any Tobacco Auction and Sales Floors.

No sponsoring Company, agent or its scheme coordinator and /or Manager should charge a tobacco grower to register for sponsorship by a particular sponsoring company. Has this contributes to unnecessary cost on the part of the grower.



## **5.0 VALIDATION EXERCISE**

The validation exercise will be carried out by the Tobacco Board of Zambia on all Tobacco Growers who have been uploaded in the Integrated Database System. This will entail shooting the Grower portrait pictures and getting the GPS coordinates of the farm/field of each Grower during farmer visits. For Sponsored growers, the GPS coordinates' taken by the sponsoring companies shall be used in the system and there will be no need to take additional GPS coordinates.

## **6.0 VALIDATION PERIOD**

The validation period will be from 1<sup>st</sup> November to 31<sup>st</sup> December every year. Validation dates will be published both in print and electronic media in the month of October every year.

## **7.0 GROWER VERIFICATION**

Grower registration details shall be verifiable on the TBZ website, through Sponsors and by Growers visiting the TBZ offices before commencement of every Marketing Season.

## **8.0 MARKETING OF TOBACCO – MAXIMUM QUOTAS**

Only registered Growers or their appointed Agents with valid **new Grower registration numbers** will be allowed to sale their tobacco on the TBZ licenced Tobacco Auction and Sales Floors. To this effect, the correct/registered hectares will determine the upper-limit of the **maximum Quota** allowed for each Grower. Any surplus over and above the allowed quota will not be allowed to trade at any of the Tobacco Auction and Sales Floors and will be confiscated to the State, through Tobacco Board of Zambia. Growers should therefore be sensitised to only bring to the floor quantities that match hectares declared at registration stage.

Only tobacco grown by a registered Grower in a particular season shall be allowed to be sold in their Grower's number, thus the Grower registration numbers shall not be interchangeable and /or transferable. Interchange or use of other persons Grower registration number is fraudulent and criminal and shall be reported to the State Police for further prosecution.

## **9.0 TOBACCO BOOKINGS**

- (a) All tobacco to be sold on a licensed Tobacco Auction and Sales floors shall be booked by the Sponsor on behalf of the Growers, and/or directly by the Grower into the TBZ Booking system prior to selling.

Tobacco Sales shall only take place at Licenced Tobacco Auction and Sales Floors/Venues designated by TBZ.

- (b) Both Sponsors and Growers shall have access to the Integrated Database System through internet connection or by phone. The onus to book all the tobacco to be sold on any given day shall be on the Sponsor and individual Growers on first-come-first serve basis.
- (c) Growers' booking schedule shall have details such as Grower's number, number of bales to be offered for sale and the date of sale.
- (d) Sales Floor Managers will be obliged to receive, weigh, and on the day of sale open and sample bales before sales in line with the Tobacco Act, Cap 237.
- (e) Tobacco laid for sale without a valid TBZ registration or booking will not be allowed for sale by the Sales Floor Supervisor. Any purchase or sale of tobacco out-side the agreed framework will not be allowed.

#### **10.0 TRANSACTIONS AND PAYMENTS**

All transactions and payments on Sales Floors will be denominated in United States Dollars or Kwacha equivalent at the exchange rate on the date of sale less statutory payments, selling commissions, and stop-order deductions. Grower payments will be made directly into their individual Bank accounts.

#### **11.0 POSTING OF SALES ACTIVITIES**

All the bales entering the Tobacco Auction and/or Sales floor shall have a valid sales bale ticket with a barcode which shall be scanned one bale at a time and posted into the TBZ Integrated Database System by the Sales Floor Manager. All other related purchase information will be entered in the system upon completion of each sale by the Sales Floor Manager.

#### **12.0 NAMES OF TOBACCO BUYERS, TOBACCO GRADERS AND FLOOR MANAGERS**

Names of Licensed Floor Managers, Buyers', Sales Floors and Tobacco Graders will be posted on the TBZ website ([www.tbz.co.zm](http://www.tbz.co.zm)) just before the opening of the Marketing season. Official communication will also be made available to successful applicants.

#### **13.0 ROLE OF TBZ AT THE SALES FLOOR**

All the Tobacco Auction and Sales floors in Zambia are supervised by TBZ for the purpose of regulating the Industry. If a grower or buyer has any queries regarding Tobacco procedures, the TBZ Sales Supervisors who will be present at all Tobacco Auction and Sales floors will attend to them.



#### **14.0 THE ROLE OF THE TBZ ABITRATOR**

The role of the Tobacco Board of Zambia Arbitrator will be to settle disputes during marketing.

The Arbitrator will use his/her Tablet to connect to the system to post any settlements based on his/her assessment and the decision shall be final.

#### **15.0 THE ROLE OF THE TBZ CLASSIFIER**

The TBZ Classifier shall classify all tobaccos offered for sale at the Tobacco Auction and Sales Floor according to the International grading system.

The TBZ Classifier will indicate/write on the bale-ticket use and use the Tablet to connect to the Integrated Database System and post his/her tobacco classification.

#### **16.0 CARE IN HANDLING TOBACCO**

(a) Non Related Tobacco Material (NTRM) (Foreign Matter): -

It is important that tobacco growers sale "clean" tobacco, thus it should not include NTRM. "Clean" means completely free of hessian fluff, floor sweepings, grading tickets, pieces of string, plastic, grass, newspaper and any other foreign matter. The use of polythene and plastic products is definitely not recommended in tobacco handling. Any bales found with NTRM will be rejected.

(b) Nested Tobacco: -

Sellers should ensure that no attempt is made to hide inferior tobacco in bales. Nesting means the deliberate packing of inferior tobacco which would deceive the buyer. Nesting is an offence that attracts a penalty per bale or imprisonment for one year or both. Please note that all nested tobacco will be forfeited to the Board and shall be re-handled and sold. The proceeds will be deposited in the Board's account.

If 10% of the consignment is found to be nested, the whole consignment will be forfeited to the Board.

**The Integrated Data Base system will track the nesting history of each grower. The system will also flag this Grower for strict scrutiny in future transactions. The first offender shall be given an initial warning, and the repeat of which will entail the blacklisting of the grower and eventually deregistration.**

**By order of the Board,**

James C. Kasongo  
Chief Executive Officer  
**Tobacco Board of Zambia**

Cc: The Permanent Secretary –Ministry of Agriculture  
Cc: The Deputy Director (Crops)- Ministry of Agriculture  
Cc: File