



TOBACCO BOARD OF ZAMBIA

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

DATE: 15th February, 2021

**RE: MARKETING RULES AND PROCEDURES FOR SELLING TOBACCO DURING
2020/2021 MARKETING SEASON**

PREAMBLE

In order to ensure orderly marketing of tobacco during the 2020/21 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 and in line with Stakeholder's Agreement agreed upon in April, 2019.

The 2020/2021 Tobacco Marketing Season will commence on 26th February, 2021.

It is the mandate of Tobacco Board of Zambia to promote, regulate and facilitate tobacco production and ensure organized marketing of tobacco. These rules are made for this purpose as well as to ensure that the tobacco offered for sale is in an acceptable marketing conditions and that payment are effected (a) by the buyers for purchase made and to the grower for his/her tobacco, in a smooth manner. (b) the tobacco levy and floor commission charges are deducted from the purchased value of the tobacco presented for sale.

1.0 Registration Status of Growers

- 1.1** All tobacco growers intending to sale tobacco on the approved Sales Floors shall be registered by TBZ in line with the provisions of the Tobacco Act Cap 237 of the laws of Zambia. The farmer details will be uploaded in to the TBZ Bright Leaf integrated grower registration System for the 2020/21 season.
- 1.2** No Grower shall be allowed to present tobacco for sale on the Sales Floor Designation without a valid Gower's Registration Card/ Grower registration certificate.
- 1.3** The valid grower registration number shall be clearly stenciled on the tobacco hessian.

2.0 Delivery of tobacco

All Growers who produced their tobacco under out grower contracts and self-sponsoring arrangement will sale their entire production to their Tobacco Sponsors on approved Sales Floor Designations.

The tobacco to be presented for sale shall be accompanied with a **Tobacco Movement Permit** issued by the Inspector nearest to the area were tobacco was produced.

All Contracted tobacco and self-sponsored tobacco ready for marketing should be booked before delivery through the Sales Floor Manager and after confirmation of the identified buying company to purchase the tobacco respectively.

Note:

The tobacco which has not been booked for sale and has no confirmation of purchase from the buyer shall not be allowed on all approved Sales Floors.

3.0 Buyers Price Matrix

All buyers to submit their price matrices in United States Dollars or Kwacha equivalent (USD) denomination to TBZ 5 days before commencement of the marketing season.

The price matrices shall be displayed on all approved sales floors and be provided to the growers on entry to the sales floor premises.

4.0 Contract Features

- 0.1** All sponsored growers are advised to sign an out-grower contract agreement for the production and marketing of tobacco with the sponsoring Company and all inputs provided and interest should be agreed and signed before delivery of their crop to the Sales floor designation.
- 0.2** The sponsoring company will provide inputs and/or finance to a grower for the production of agreed hectares and volume of tobacco.
- 0.3** The Sponsoring Company should not buy tobacco that was financed by another sponsoring company, except for the self-sponsored tobacco which growers would have agreed prior to delivery of the tobacco to the sales floor designation.
- 0.4** The sponsored Grower and the sponsor will deliver contracted tobacco to specified Sales Floor Designations approved by TBZ.

Note: Sponsoring Companies, Licensed Tobacco Buyers, Licensed Sales Floor Managers and growers should adhere to all the conditions in the 2019 Tobacco Industry Agreement signed by all Industry Stakeholders.

5.0 Tobacco Sales

5.1 Eligibility of offering Tobacco for Sale

- 5.1.1** The cumulative volume of tobacco to be sold on the Sales Floor shall not exceed the registered allowable volume per Grower registration as reflected in the grower registration details captured in the system at registration. This is in the interest of promoting orderliness in the market and prevention of tobacco vending and side marketing.
- 5.1.2** No Farmer (Seller) or Agent other than the holder of the Grower Registration Card showing a valid registration number will be allowed to offer tobacco for sale on behalf of registered grower without legal justification of the grower incapability to present him/herself on the Sales Floor Designation presided on by TBZ.

5.2 Tobacco Movement Permit and Sale Bookings/Deliveries

- 5.2.1 All the tobacco to be sold shall be booked through the Sales Floor Designation Manager.
- 5.2.2 After verification and confirmation by the Buyer for the booked the Regional Tobacco Inspector shall issue a Tobacco Movement Permit to the Grower from the Bright Leaf Registration and marketing System.
- 5.2.3 Growers will deliver their tobacco to designated Sales Floor as agreed with their Sponsor/buyers who may make transport arrangement to deliver tobacco to the Designated Sales Floor at which TBZ would be present to supervise the sale.

Note:

No tobacco sales will be conducted in the absence of a Tobacco Board of Zambia official appointed by the Board to provide oversight and supervision on all tobacco sales.

5.3 Tobacco Buying line

The Tobacco buying line at each sales floor designation will be in the following order:

- I. Buyer's Company Classifier;
- II. Tobacco Grower's Representative;
- III. TBZ Tobacco Classifier; and,
- IV. TBZ Tobacco Arbitrator (Comes only upon when the disagreements between the Buyer Classifier and Grower Representative cannot be resolved).

6.0 Tobacco presentation for sale

- 6.1. All bales of tobacco should be delivered in hessians of good quality with an inner bailing paper.
- 6.2. 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**).
- 6.3. All bales should clearly be marked on the outside of the wrapping material with the valid growers number registered and uploaded by TBZ in the Bright Leaf System, in Arabic numerals not less than eight centimeters in height and not less than two sides on one end of each bale.
- 6.4. 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.
- 6.5. A split bale should not weigh less than 45Kgs in case of Flue Cured Virginia and not less than 14Kgs in case Burley tobacco.
- 6.6. Tobacco may be offered in the form of;
- I. Tied hands leaf,
 - II. Straight laid loose leaf
 - III. Clean graded strips,
 - IV. Clean stemmed scrap,
- 6.5 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.
- 6.6 No bale offered for sale shall contain ungraded tobacco.
- 6.7 Seller may offer for sale a bale containing more than one class of tobacco.
- 6.8 No over-conditioned, loose leaf, greased or with diesel tobacco shall be offered for sale on any approved sales floor designation.

6.9 No grower shall present Nested tobacco bale for sale. Nested tobacco bales shall be confiscated and forfeited to TBZ and will attract a penalty as stipulated in the Tobacco ACT Cap 237.

6.10 No grower shall present for sale tobacco from the previous selling season. unless the tobacco being presented for sale meets the following conditions

- I. The tobacco has been fumigated in line with the Plant Pests and Diseases Act Cap 233.
- II. The tobacco has been inspected by a TBZ Inspector and certified that it is fit for sale.

Note:

Tobacco presented for sale that does not conform to these conditions and not in line with the Tobacco Act Cap 237 of the laws of Zambia shall be withdrawn from the sale.

7 Sales Floor Designation Manager Obligations

7.1. 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.

7.2. 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.

7.3. All Tobacco Sales Floor premises shall be inspected by TBZ Inspectors prior to the commencement of the Marketing season to ensure that the following are in place;

- I. Beetle traps
- II. Valid fumigation certificate for the premises
- III. Workable fire extinguishers

7.4. No sale of tobacco will be allowed to take place on the approved sales floors without the presence of TBZ officials.

7.5. 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.

7.6. All Tobacco Licensed Sales Floor Managers should at the end of every week submit to TBZ **Sales Reports** clearly indicating the following:

- a. Number of bales received,
- b. Number of bales sold,
- c. Number of bales rejected,
- d. Cumulative Kilogrammes of bales received, sold and rejected.

7.6 All holders of the Sales Floor Manager's License shall observe strictly the COVID-19 protocols on management of the sales floors and all sales processes.

Note:

The admission to the sales floor will be strictly monitored by the Sales Floor Manager and the Tobacco Board of Zambia Inspectors, to ensure the hygiene standards and health protocols are observed during this period of the pandemic. Failure to observe these protocols and hygiene standards during this period may lead to revocation of the Sales Floor license by TBZ.

8 Licensed Tobacco Buyers and Sales Floor Managers

The following are licensed buyers authorized to buy Non-Actionable tobacco and approved sales floor managers subject to satisfying TBZ requirements for the 2021 marketing season;

2021 Flue-Cured Virginia tobacco buyers

1. JTI Leaf Zambia Limited
ZCCM-IH Office Park
Plot 16806 Alick Nkhata Road
Mass Media Area
LUSAKA

2. Alliance One Zambia

P.O. Box 30994

LUSAKA

3. Tombwe Processing Limited

Mungwi Road

LUSAKA

4. Golden Eagle Tobacco International Corporation (Z) Ltd

Plot No, 20844

Alick Nkhata Road

LUSAKA

5. Gold N' Grain Company Ltd

CHIPATA

2021 Licensed Air Cured Burley tobacco buyers

1. Pemba Leaf Tobacco Company

P.O. Box 511017

CHIPATA

2. JTI Leaf Zambia Limited

ZCCM-IH Office Park

Plot 16806 Alick Nkhata Road

Mass Media Area

LUSAKA

2021 Licensed Sales Floors and Floor Managers

S/N	Name of Sales Floor	Sales Floor Manager	Designation
1	Lusaka Main Sales Floor	Tobacco Association of Zambia	Lusaka
2	TPL Projects Sales Floor	Tombwe Processing Limited	Lusaka
4	Katanga Sales Floor	Alliance One Zambia	Lusaka
5	Chipata Main Sales Floor	Tobacco Board of Zambia	Chipata
6	Baobab Sales Floor	Japan Tobacco Leaf Zambia	Chipata
7	Rosewood Sales Floor	Japan Tobacco Leaf Zambia	Nkeyema/Kaoma


 James C. Kasongo
 Board Secretary/CEO
TOBACCO BOARD OF ZAMBIA