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THE STATE OF TOBACCO PRODUCTION IN THE WORLD WITH PARTICULAR REFERENCE TO TOBACCO PRODUCTION IN EUROPE

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ABSTRACT

World tobacco production has stagnated periodically, ranging from 6 to 6.5 million tonnes in the last five years. The Balkan countries, including Macedonia, along with Greece, Bulgaria and Turkey, are the largest producers and exporters of quality oriental tobacco in the region. Tobacco production in the EU is based on certain EU regulations conceptualized as the Common Agricultural Policy (CAP). From 2007 to today, there have been major changes in EU policy on tobacco production, leading to a sharp decline in production in all member states, and especially in neighboring Greece. In parallel, in the last decade, the World Health Organization has made efforts to reduce tobacco areas through the FCTC Framework Convention on Tobacco Control. But it only works in developed EU member states, while in other parts of the world it does not. There tobacco production is maintained at a stable level. The United States, Argentina, Indonesia and some other major tobacco producers have not ratified the Framework Convention on Tobacco Control, while the PRC has partially ratified them because these countries believe that their application would harm their economies. The Republic of Northern Macedonia has been among the first countries to have ratified this Convention since 2006. However, Macedonia is currently producing more tobacco than Greece, which was once unattainable for us. That tendency continues.

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INTRODUCTION

Dynamics of tobacco production in the world: In the world tobacco production from the beginning of the second half of the 20th century to the present, ie the second decade of the 21st century, occurred a major quantitative change in tobacco production. Since World War II 1948-1988, crude tobacco production in the world has more than doubled, from 2,816,000 metric tons to 6,710,000 metric tons in 1988. The increase in tobacco production can be seen from the following table. According to data from two different sources, the production of tobacco raw material in the world for almost seventy years has increased by over 230%. In this time period, substantial changes have occurred in relation to the global location of tobacco production in the world. Production in the Asian countries doubled, ie from 30% participation in 1948 to 62.5% in 2017. In North and Central America of 1,129 metric tons of tobacco production, production in 2017 dropped to 498 metric tons, accounting for 7.6% of world production, which

means that crude tobacco production has decreased by 6 times. As for Europe, crude tobacco production is down three times since 1988, while data for 2018 show a further decline. In addition to the increase in tobacco production in Asian countries, there has been a significant increase in the countries of Africa and South America. These countries together with Asian countries provide 90% of the world's tobacco raw material. World tobacco production is growing roughly in line with world population growth. It is traditionally known that world tobacco production is quite stable and balanced with the consumption of tobacco products. The occasional oscillations in tobacco production that can be said to be not very large are due primarily to the weather - heavy rains and severe droughts that commonly occur in Asia and South America, where these conditions contribute to the occurrence diseases and pests that directly affect the reduction of tobacco quantities. These phenomena can have little effect on the growing presence of agrotechnics, although it has been proven to be highly effective.

Table 1. Crude tobacco production in the world in "000" metric tons

Continents	Tobacco production in 1948	%	Tobacco production in 1988	%	Tobacco production in 2017	%
Asia with China	845	30,0	3.983	59,4	4.078	62,5
North and Central America	1.129	40,1	861	12,8	498	7,6
Africa	128	4,5	315	4,6	702	10,8
South America	191	6,8	565	8,5	1.030	15,8
Europe	365	13,1	729	10,8	214	3,3
Australia with Oceania	4	0,0	15	0,2	3	0,0
USSR (especially)	154	5,5	242	3,7		
Total:	2.816	100%	6.710	100%	6.525	100%

Source: Dr. Petar Markovic "Strategy of Agrarian Development of Yugoslavia", Belgrade 1985.; Food and agriculture data (FAO)

Table 2. World tobacco production of ten distinctive producer countries in "000" metric tons

Country	2008	2013	2015	2016	2017	2018
China	2897	3148	3.400	2.575	2.392	3.150
Brazil	859	851	810	677	880	851
India	490	830	875	783	800	830
United States	361	346	345	288	341	346
Indonesia	170	260	276	127	152	260
Zimbabwe	82	152	115	178	181	204
Malawi	160	133	151	109	83	175
Argentina	157	115	148	94	118	207
Pakistan	108	108	102	116	117	102
Turkey	93	90		70	80	194
Total:	5.377	6.033	6.222	5.017	5144	6.319

Source: Food and agriculture data (FAO)

Table 3. Crude tobacco production in 2017 in "000" metric tons

Country	Tobacco production
Bangladesh	91.000
Philippines	51.024
Laos	36.615
Vietnam	32.065
South Korea	28.396
Cambodia	16.391
Thailand	67.035
Tanzania	104.000
Total:	426.526

Source: Food and agriculture data (FAO)

The increase in the production of tobacco is a result of the increase in the productivity of the areas planted by producers. Agrotechnics has been increasing production intensity lately, so that in certain production phases it makes some substitution and reduction of labor force, which today this labor resource is very current for agricultural production in general. Recently, according to indicators and analyzes of expert publications in expert journals, an already significant presence of marijuana has been indicated as a means of enjoyment and is estimated to be present today among approximately 200,000,000 smokers worldwide. This data, according to data available for the tobacco industry, does not yet indicate that marijuana will become an alternative to tobacco products as a means of enjoyment. Nowadays, it is well known by the public that in the illegal market, a small part or component of tobacco raw material is put into the production of tobacco products. In addition, the production of tobacco raw materials in ten leading countries in the world between 2008-2018 is shown. When these ten leading tobacco producers are added to these ten leading countries in the world, producers of tobacco products change the structure of the world's leading countries due to their quantities. These are the following countries:

When the production of the above countries is added to the production of the ten leading countries in Table 2, then for 2017 production will increase by 426,526 thousand metric tons.

Then the leading countries' production is increased to 5,571 thousand metric tons of tobacco. To this world tobacco production has not been added the tobacco production of eleven European countries producing tobacco, with total production of 225 thousand metric tons for 2017. Then the upper amount of raw tobacco will increase to 5.796 thousand metric tons of tobacco. According to Food and Agriculture Data (FAO) tobacco production, a total of 6,501,646 metric tons of tobacco was produced, which means that 692,000 metric tons of raw tobacco or 10.48% of the world's total production were produced in other countries. production. Which means that 39 countries account for 90% of tobacco production and only 38% for the remaining 38 countries (77 countries in the world are analyzed). According to the statistics presented in Table 2. for the ten leading countries of raw tobacco producers, there is an increase in the tobacco raw material in those countries of 1,175 metric tons of raw tobacco. It shows that the leading countries of raw tobacco have a positive production tendency in the period 2008-2018. An analysis of the changes in tobacco production in the world's leading countries points to the fact that major changes have taken place, such as: North and Central America ranks fourth in the world, China ranks second, Europe from a peak of 1948-1988 production growth of 729,000 metric tons, in 2017 it falls from third to fifth in the world with production of 214,000 metric tons of tobacco. The three leading countries in the world of raw tobacco without major oscillations in their

production are China, India and Brazil. First place in 1948, fourth place. All the other six countries are producing less than 300,000 metric tons of tobacco.

European tendency in the production of raw tobacco

Today it is certain that the production of raw tobacco is in a downward trend. Basically, 90% of crude tobacco production is produced by EU member states. Only the Republic of Northern Macedonia, which is not an EU member, is characterized by a permanent stable production of about 25,000 tonnes of tobacco. Before EU enlargement in 2005, crude tobacco production was 343,953 tonnes. Production is mainly concentrated in 6 countries out of a total of 158 EU member states:

Table 4. Crude tobacco production in EU 2005 in "000" tones

Country	Crude tobacco production
France	22.343
Germany	8.000
Greece	125.000
Italy	140.100
Spain	41.800
Portugal	6.710
Total:	343.953

Source: Bulgarian Tobacco 4/2018

With the joining of 10 new members to the EU in 2005, 3 countries joined Poland with 38,700 tonnes, Poland with 4,950 tonnes and the Czech Republic with 12,400 tonnes, or 56,050 tonnes in total.

In total, in 2005 the 25 EU Member States produced 400.003 tonnes of raw tobacco. In 2007 two more countries joined the 25 EU member states - Bulgaria and Romania and they are producers of raw tobacco. However, despite the new producer countries, crude tobacco production has failed to stop the decline, but it is showing a downward trend. Data in Bulgarian Tobacco Magazine No.4 from 2017 show that EU production is 225,000 tonnes. Production data from the 2018 harvest show that production is down to 214,000 tonnes of raw tobacco.

At the end of 2016, EU Member States - a total of 27 countries have produced 170,000 tonnes of raw tobacco, a decrease of 75% from 2005 (225,000 tonnes). The downward trend in EU tobacco production begins in 1992 with the adoption of the EU's Common Agricultural Policy (CAP). The reason is generally perceived that the support of tobacco production through subsidies has led to an enormous burden on the general fund to support agriculture which also included tobacco production. In particular, the production of raw tobacco subsidized 34 varieties of tobacco, some of which were absolutely unusable for the cigarette industry. This situation has led to a huge amount of tobacco raw material of over 100,000 tons unusable for the tobacco industry, which is estimated to either be sold at the lowest prices or destroyed. To illustrate, raw tobacco subsidies for 1991/92 totaled \$ 1.64 billion for producers alone, \$ 198.7 million for intervention prices in tobacco production, and \$ 100 million for stimulating exports of raw tobacco. (Tobacco journal 10/1994).

This resulted in the European Community being forced by 34 varieties of tobacco to refuse 29 varieties for which no subsidy was paid, and only 5 varieties of tobacco remained to be subsidized, namely the Virginia and Burleigh varieties and 3 varieties of oriental tobacco for which the subsidies were ranged from \$ 4.45 per kilogram to \$ 2.64 per kilogram. Since

this period, the European Community - EU has pursued a policy of reducing tobacco subsidies, prompting tobacco farmers to seek an alternative to tobacco. An illustration of the amount of tobacco subsidies can be seen from the fact that the EU paid € 269 million in 2000 directly to tobacco farmers through the purchase price, with the same tobacco subsidies paid in 2000 for a further € 950 million in subsidies, which is three times higher. from the amount of producer prices of producers (Bulgarian Tobacco 4/2018). This was a major burden on the total financial resources allocated to agriculture. In the coming period, the subsidies for tobacco are reduced and they are left to pay from the budgets of the tobacco producing countries, which is implemented today. The main reason for the decline in tobacco production in the EU lies precisely in subsidies as a general EU policy. In addition to this major factor, the reluctance and disengagement of the Associations of Tobacco Producers, Tobacco Processors and Cigarette Factors are also thought to have contributed to the decline. This situation leads to the stabilization of the prices of raw tobacco in 2016:

- For the Virginia variety the average price is 2.50 euros per kg, and the difference between the lowest and highest classes is 1.80-4 euros.
- For the Burlei variety the average price is 2.25 euros per kg, the lowest being 1.40 euros per kg, while the highest is 4.00 euros per kg
- For the Basma variety the price ranged from 3.40 to 4.80 euros per kg
- For the Katerini variety the price ranged from 3.50 to 4.20 euros per kg and
- For the Kabakulak variety the price is 2.00 euros per kg.
- No EU subsidies are foreseen after 2014. In some countries the tobacco incentives were as follows:
- in France 0.75 euros per kg for Virginia
- in Italy 0.40-0.44 euros per kg for Virginia and Burleigh
- in Spain 0.18 euros for Virginia
- in Poland 1.60 Euros per kg for Virginia and 1.50 Euros for Burleigh.

What will come to an agreement between the associations UNITAB - Organization of European Producers, ELTI - European Inter-Ministerial Organization for Tobacco and FETRATAB - Association of Tobacco Processors, depends on the substance of their decisions as most interested in tobacco production.

Conclusion

Based on the previously stated findings about the dynamics and tendency of tobacco production in the world we can draw some concluding observations:

- As an industrial culture, tobacco is important to many countries in the world in economic and social terms. In some countries it is a mass culture, and is marginally represented in some countries, but globally it is equally interesting to both developed and underdeveloped countries;
- World tobacco production accounts for 90% of large-scale tobacco types and the remaining 10% for oriental and other types of tobacco, with total world

production ranging from 6,500,000 to 7,000,000 tonnes per year. Of this amount, over 95% is spent on cigarette production and only 5% on other tobacco products;

- World tobacco production is growing roughly in line with the world's population growth. It is traditionally known that world tobacco production is quite stable and balanced with the consumption of tobacco products. However, the availability of human resources (population aging and the emigration of young people in cities and abroad) is quite uncertain in the coming period, which will certainly affect all spheres of life, including agriculture, which is highly dependent on labor. ;
- A suitable alternative agricultural crop that would generate income roughly like tobacco does not yet exist in our country or at the world level, although such projects have been heavily worked in the EU. Farmers would be most damaged, foreign tobacco companies present with investments in our country will seek other countries with more favorable economic conditions. Indirectly, this would lead to higher unemployment and lower standards.

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