

Tobacco farmers in dismay after buyer departure

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British America Tobacco (BAT) East and Central Africa Director Chris Burrell speaks before the Senate Committee on Delegate Legislation in Parliament, Nairobi, on May 21, 2015. More than 10,000 tobacco growers have not begun harvesting their crop following the departure of a leaf buyer. PHOTO | SALATON NJAU | NATION MEDIA GROUP

In Summary

- Alliance One Tobacco Company has moved to Uganda and Zimbabwe “where the leaf is cheaper and of high quality”.
- Migori accounts for 70 per cent of tobacco production in Kenya. The industry collectively pays out over Sh1.7 billion every year to farmers in the county.

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More than 10,000 tobacco growers have not begun harvesting their crop following the departure of a leaf buyer.

Alliance One Tobacco Company has moved to Uganda and Zimbabwe “where the leaf is cheaper and of high quality”.

The growers are still pondering what to do with the thousands acres of tobacco, before they switch to other crops.

“We ask investors interested in tobacco to come to Migori. Our future is bleak if we don’t find a company that is ready to purchase our leaf,” Mr Martin Mwita, a farmer from Kehancha, Kuria West said.

Migori accounts for 70 per cent of tobacco production in Kenya. The industry collectively pays out over Sh1.7 billion every year to farmers in the county.

Alliance Tobacco Kenya, which is the biggest leaf merchant, was spending Sh1.2 billion on Migori farmers annually.

BAT Kenya and Mastermind Tobacco also operate in the region, though marginally.

BAT leased its leaf centres in Kuria West, Kuria East and in Migori to Alliance One. It only retained Oyani.

BLESSING IN DISGUISE

Some farmers feel it could be a blessing in disguise as it would enable them switch to other cash crops easily while others are desperate for they do not know where to sell their leaf.

Tobacco has been grown in Migori since the 1960s. The other cash crop is sugarcane but it is also struggling for survival.

Alliance One Tobacco (Kenya) is a subsidiary of Alliance One International, which has its head office in Morrisville, North Carolina, USA.

Alliance One International’s first purchases of Kenyan tobacco was 1983. Before its exit, it sponsored tobacco production, processing and export.

The company has in the recent past said it would reduce its operations in Kenya because of the shift in the global supply and demand of Flue-Cured Virginia (FCV) tobacco.

In line with this, the firm announced that it would not renew its contract with tobacco farmers.

It also ceased operations from July 1, leading to a mass layoff.

GROW SOYA BEANS

More than 200 employees, including top managers, were dismissed.

Governor Okoth Obado recently told tobacco growers to switch to other cash crops, especially soya beans.

“Let them try something else. After all, tobacco has been a liability to poor farmers. They were being exploited by the multinational,” he said.

He asked the top management of Alliance to “share the billions they have been making from farmers’ sweat”.

Mr Obado said tobacco farming was a health hazard to growers and their families.

The Governor assured the farmers that his administration would stand with them during transition period but asked the company to pay money owed to farmers from last year.

“My administration is in the process of getting a new investor in our tobacco industry. We expect

the company to offer better prices for the crop," the governor said.



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