SindiTabaco**News**



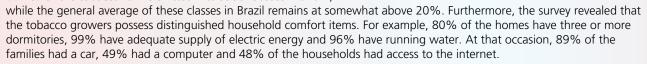
September to December 2021

Why grow tobacco?

For more than 100 years, tobacco has been providing income and a life of dignity for farmers who do not possess a big stretch of land.

It is not only by tradition that tobacco is still cultivated. The well-organized supply chain provides for such facilities as technical assistance and dealers under obligation to purchase the entire crop. There are other benefits offered by the Integrated System, like the supply of inputs, transportation of the crop and financing plans that can even include crop diversification purposes.

Higher income earners and the good socioeconomic standard of the tobacco farmers were confirmed by a survey conducted by the Federal University of Rio Grande do Sul, in 2016. The numbers attested that 80.4% of the tobacco farmers fitted into social classes A and B,



Upon being asked about the reason of their decision to grow tobacco, 90% of the interviewees said it was because of guaranteed sales, 89% argued that the crop was more profitable, 88% mentioned technical assistance and 82% cited the benefits from crop insurance. In addition, 90% of the total number of farmers mentioned their satisfaction in their agricultural activities.

Farmer diversified, but tobacco is the pillar of income

The profile of the rural properties shows that 23% of the area is devoted to tobacco, but the crop is responsible for 43.4% of the income. Of an average of 12.3 hectares, 22.5% of the land is dedicated to pasture and livestock, 17% corn crops, 7.4% to soybean, 0.8% to bean and 4.3% is devoted to other crops like sugarcane, rice, potato, onion, cassava, fruit trees and vegetables.



Besides being advantageous to the 138 thousand tobacco farmers, the supply chain is engaged in such initiatives as the fight against child labor and environment preservation. The sector pioneered several aspects relative to environment preservation and, nowadays, 25% of the areas of the tobacco growing farms are covered with forests, of which, 15% are native forests. Another example is the collection of empty pesticide containers, a reverse logistics initiative that was introduced by the tobacco sector. Furthermore, the sector encourages crop diversification, with programs like "grain crops and pasturelands right after tobacco harvest", whereby the farmers earned R\$ 933 million from their winter crops in 2021.



PRESIDENT'S WORD

Iro Schünke

Recently we had elections at SindiTabaco and we continue carrying on with our commitment to strengthen this important supply chain. The challenges ahead of us include the new edition of the Conference of the Parties (COP9) of the Framework Convention on Tobacco Control (FCTC) and the 2nd meeting of the Parties of the Protocol to Eliminate Illicit trade in Tobacco Products (MOP2).

Ratified in 2005, by Brazil, with the aim to fight tobacco smoking and exposure to secondhand smoke, the Framework Convention began to regulate the productive sector, with suggestions that would make things very difficult for thousands of farmers, thus impacting upon an important agribusiness supply chain. The initiatives by representative entities and the efforts of the politicians who represent the tobacco growing regions made it possible for Brazil to continue occupying the position of second largest producer and top global tobacco exporter.

In light of this, we continue focused on these and other aspects relative to the sector's sustainability principles and the maintenance of foreign trade. The total volume of the 2021 exports depends on the logistic conditions, as there are difficulties regarding the availability of cargo ships and containers. We hope that all hurdles will soon be surmounted, seeing that tobacco businesses represent a positive impact on the Brazilian balance of trade and on the money circulating in the economy of upwards of 500 municipalities in South Brazil.

SPEAK UP, PRODUCER!

This space is destined for the farmers who belong to the ITPS (Integrated Tobacco Production System) in all regions in South Brazil.

ERNANI MUELLER Vera Cruz – RS



The production of woodfuel for curing the leaves is a common practice among the tobacco farmers, and the sector is self-sufficient in energy needed for leaf curing. However, to further qualify the cultivation of forests, the Reforestation Action Program is now being implemented, and it counts on reference units for disseminating knowledge through the Forest Engineering Course at the Federal University of Santa Maria.

One of the reference units is located on the farm of Ernani Mueller, in Linha Cipriano de Oliveira, municipality of Vera Cruz (RS), where one thousand eucalyptus plants were established in September 2019 as a part of the experiment. According to the farmer, with guided management, the plants have developed in a very fast way. "In two years, the eucalyptus trees have already reached a height of 15 meters, and they are ready to be cut within six years", he says. In the past I did not manage the plants correctly and it used to take 12 years for them to be ready. Now they are growing much faster", he explains.

THE FARM

- 12 hectares
- 5 hectares devoted to crops
- 35 thousand tobacco plants (on 2 hectares and a half)
- **2** curing barns (conventional)
- 1 hectare of corn
- 4 hectares of reforestation (with 5 thousand eucalyptus stands)
- 2 hectares covered with native forests and facilities
- Diversification: tobacco and corn and subsistence crops like, bean, cassava, potatoes, vegetables, fruit, pigs, livestock and chicken.

The new techniques implemented by Mueller include spacing between the rows, fertilization, the area is kept clean to avoid competition with other plants. "This year, we are already implementing the silvopastoral system, with livestock grazing among the trees, thus keeping the area clean", he explains. "I've been growing tobacco for 30 years and I have always used eucalyptus wood in my curing barns, and now I am learning how to get better results", he concludes.

What is the efficacy of harvest clothing to avoid the green tobacco sickness?

Based on results from analyses, the protective clothing recommended for the activity of picking tobacco leaves provided a protection rate of about 98%. In other words, it reduces by 98% the contact of the worker's skin with the substance that causes the Green Tobacco Sickness.

How did you and your team conduct the studies on the clothing now worn by the tobacco workers?

The potential dermal exposure of each worker to the test substances was measured through the so-called Total Body method, at which every product deposited on the body of the worker during the activity is collected and the residues are quantified. For this study, we carried out the determination of the nicotine and cotinine residues, through the so-called internal and external dosimeters (tissue 100% cotton) from the handwashing samples (water and detergent solution) and of samples of the water the workers used for rinsing their face and neck (cotton wool humidified with water and detergent). The samples of the dosimeters, hand, face and neck washing were sent to the analytic laboratory and analyzed relative to the amount of nicotine and cotinine contained in them. The methodology is based on the protocols of the 875 series of the Environment Protection Agency of the United States (U.S. EPA Pesticide Assessment Guidelines: Occupational and Residential Exposure Test Guidelines) and from the OECD - Organization for Economic Co-operation and Development, which guides on-field studies to assess dermal exposure. During the green tobacco leaf picking process the workers were followed closely, and the condition for the study consisted in picking wet tobacco leaves, representing the most critical dermal exposure scenario. At the end of the activity, the dosimeters were removed in accordance with previously defined procedures, which include the removal order, the section of the dosimeters, and proper conditioning. At field level, the samples were kept in thermal boxes containing recyclable ice and then transferred to a freezer, and later sent to the analysis sector. The samples were kept frozen until the analysis by the analytic laboratory. The analytic method for the degree of nicotine and cotinine was previously validated for all the matrices (cotton fabric, cotton wool and handwashing water) used in the study. The Project was submitted to, and approved by the Ethical Research Committee involving human beings, prior to its beginning.

Which guidelines should be followed in order to get maximum protection when wearing the specific clothing?

It is advised that, upon putting on the clothing, it should be in the following order: first, the long sleeve shirt and long trousers, then the gloves, with the long sleeves covering the fist of the gloves and the trouser-legs covering the boots. The clothing has to be taken off in the following order: boots, long sleeve shirt and long trousers, gloves. The clothing should not be worn in case it is damaged, wet, validity expired or non-specified shelf life. All wearing recommendations and conservation practices recommended by the manufacturer should be followed, such as washing in water and with neutral detergent, rinsed with clean water and dried in the shade.

CLASSROOM

No to child labor

It was the tobacco sector that reduced child labor the most during the past decades. The credit goes to a long period characterized by the eradication of deeply-rooted cultural concepts, because people used to believe that children should learn how to work with their parents. Amid several awareness campaigns implemented, the tobacco industries also adopted measures, like the requirement of certificates of school enrollment and school attendance of all children and adolescents who live on the farm. Without these certificates, the contracts of the Integrated Tobacco Production System (ITPS) will not be renewed.



Moreover, with the creation of the Growing Up Right Institute, in 2015, the sector climbed a step further into the consolidation of the idea that young boys and girls should go to school and get prepared to join the labor market later on. Hired as young apprentices, the adolescents attend courses on entrepreneurship and rural administration. They receive a proportional salary and are entitled to all guarantees set forth by the Learning Law, but they do not carry out any labor activity. Furthermore, the families are included in the reflections on questions that involve child labor and the future perspectives of these young people.

Energy self-sufficiency at **tobacco farming**

Prof. Dr. Jorge Antonio de Farias, coordinator of the Postgraduate Program in Forest Engineering at the Federal University in Santa Maria (UFSM).

The cultivation of tobacco, present in South Brazil since the beginning of the 20th century, has always been characterized by its dependency on forest biomass as a source of energy for curing the leaves. Initially, this biomass came from the native forests in the tobacco growing regions. At the end of the 1980s and beginning of the 1990s, government and NGO environmental organs began to exert significant pressure intended to ban the use of forest biomass coming from native trees.

Notwithstanding the fact that the planting of rapidly growing forests had always been encouraged, at the beginning of the 1990s, development programs were strongly recommended. As an example, back then, the tobacco farmers used to set aside approximately 2% of their farms for the cultivation of rapidly growing tree species destined for the production of fuelwood, and the percentage of fuelwood coming from native forests reached approximately 70%. By analyzing the use of soil in the tobacco growing farms, it is observed that, nowadays, 10% of the area is land set aside for forest cover for energy purposes, and the consumption of wood from native forests is negligible.

The challenge of the sector consists in keeping the good results from the fast growing tree species and, on a permanent basis, come up with tools and actions that make it possible to keep and improve these results. The establishment of a partnership with the Federal University of Santa Maria has the following purpose: the conservation and improvement of the present stage of energy sustainability in the production of tobacco, the search for excellence relative to the conservation of the remaining native forests and perfectly sustainable production, supply and use of forest biomass from trees planted for commercial purposes.



IRO SCHÜNKE REELECTED

Reelected for his sixth consecutive term, Iro Schünke continues presiding over the SindiTabaco until 2024. The new executive board is also made up of the following people: Edenir Gassen, Secretariat vice-president; Flavio Marques Goulart, Finance vice-president; Valmor Thesing, Industrial Affairs vice-president; Roberto Naue, Tax Affairs vice-president; Paulo Cezar Favero, Tobacco Production and Quality vice-president; and Guatimozin de Oliveira Santos Filho, Environmental Management and Social Responsibility vice-president. The election was held in early September, and the new board of directors will be inaugurated on 22 October.

THE VOICE OF RURAL WOMEN

Adolescents from the countryside produce radio programs that trigger reflections on the role of women and young girls in the rural setting. It is the *Us for Them – Giving Voice to Rural Women*, program produced by the Growing Up Right Institute in partnership with the University of Santa Cruz do Sul. The girls are skilled in the area of communication and they record radio bulletins, aired by partners of the Institute and disclosed on digital platforms. The 2021 edition extends to the end of October and ends with the publication of bulletins on women at decision making, psychological violence against women, and women and ageing.

AWARENESS ON-LINE

In the current year, the program of the Awareness Cycle on farmers' health and safety and on the protection of children and adolescents will be held in on-line format. By virtue of the Covid-19 pandemic, which still persists, the awareness journey will be through a live on November 11. The farmers will attend the program remotely, without having to leave their farms. All participants will have the chance to attend lectures given by specialists.

HARVEST INAUGURATION

This year, the Tobacco Harvesting Opening Ceremony, in Rio Grande do Sul, is held on October 28, at the farm of Oladi Schröeder, in Vale do Sol. Promoted by the Secretariat of Agriculture, Livestock and Rural Development, the festivity is an official event organized by the government of the State of Rio Grande do Sul, with support from SindiTabaco and Afubra. On the occasion, the Tobacco Growers' Day is also celebrated. The day was defined at the general assembly of the International Tobacco Growers' Association, in 2012, and officially confirmed in 2013, by the legislative assemblies of Rio Grande do Sul (Law 14.208), and Santa Catarina (Law 16.114) and Paraná (Law 17.729).

Pioneer program in reverse logistics for the collection of empty pesticide packaging turns 21

The Empty Pesticide Container Collection Program completes 21 years with the mark of 17.7 million pieces disposed of correctly. Even being one of the commercial crops that uses the smallest amounts of pesticides (only 1.01 kilograms of active ingredient per hectare), tobacco is a pioneer in reverse logistics in empty pesticide packaging.

Created in 2000, the program was established prior to legislation on the theme. Only in 2002, Decree 4.074 (Article 53) set forth that users of pesticides and similar products should return the empty containers and their lids to the commercial facility where they were purchased.

Currently, 113 thousand tobacco farmers in 395 municipalities in Rio Grande do Sul and Santa Catarina benefit from the itinerant collection service that visits approximately 1.8 thousand empty container collection sites spread across rural areas. In the State of Paraná, this service receives financial support from the tobacco industries. As the tobacco growing farms have adhered to crop diversification, the program also collects empty pesticide containers used in the production of crops other than tobacco. By preventing inappropriate disposal, the initiative also contributes toward the preservation of the environment, whilst protecting the health and safety of the farmers and their families.

GLOBAL SUPERIORITY – Data disclosed by the National Institute for Processing Empty Containers (inpEV) attest that 93% of the containers collected in Brazil are recycled, transformed into new containers, or incinerated in appropriate disposal locations. In Canada and Germany, it is 70%; in Japan, 50%; and in the United States, only 30%.

TOBACCO ROADS



Located in the central region of Rio Grande do Sul, Paraíso do Sul is a municipality with two thirds of its population living in the rural area, and its population density is 21 inhabitants per square kilometer.

Mayor: Artur Ludwig

The main tobacco growing regions are the highlight in every edition of SindiTabaco News. What follows will show you a little more about Paraíso do Sul, a municipality 230 kilometers from Porto Alegre.

Paraíso do Sul, municipality in Rio Grande do Sul, whose economy is based on agriculture and cattle farming, with tobacco as one of its major crops. With an annual production of four thousand tons, tobacco is cultivated on 765 small-scale farms, all of them diversified, but tobacco, though occupying the smallest area, is the best cash crop.

According to the Municipal Secretary of Agriculture, the economic pillar of Paraíso do Sul is based on agriculture, including the cultivation of rice, soybean and tobacco as major crops. There is also the cultivation of corn, cassava, potato, nuts and the production of milk on a smaller scale, besides fish, molasses and cheese agroindustries.

As a rule, the arable lands in Paraíso do Sul, according to Lovato, are devoted to the cultivation of rice and soybean in the meadowlands and lowlands. In the high areas, there are predominantly small-scale farms that produce tobacco, equally subsistence crops, and are quite diversified. "On the other hand, in the majority of soybean or rice growing farms, monoculture prevails", he explains.

PARAÍSO DO SUL IN NUMBERS

Sources: Municipal Administration, Emater and IBGE

Population (estimated in 2020): **7,623** people

Territorial area: 337.534 km²

GDP per capita (2018): **R\$ 20,382.24** Municipal GDP: **R\$ 155,373,815.52**

Rural properties: **1.000**

Tobacco growing farms: 765

Average size of farms: 26 hectares

Main agricultural products: rice, soybean, tobacco, milk, cassava, potatoes, nuts, and fish and molasses

agroindustries.



GLOSSARY



SAFE HARVEST

Small attitudes like wearing specific clothing, appropriate gloves and tightly closed trousers, as well as keeping away from harvesting tobacco when the leaves are wet with rain or morning dew, are an assurance of safe harvesting operations.

COP

The Conferences of the Parties (COP) are biennial events, which represent the deliberating body of the Framework Convention on Tobacco Control (FCTC), of which the countries that ratified the protocol take part, including Brazil. During the COP sessions, the delegations of the country Parties discuss and approve guidelines instructing the countries to introduce national measures.

DECREE 4074/2002

It sets forth, in article 53, that "users of pesticides and other chemical products shall return the empty containers and respective lids to the commercial establishments where they were acquired, in accordance with applicable label instructions, within a year of purchase".

DID YOU KNOW?

For a safe Harvest, some care must be taken relative to the Green Tobacco Sickness.

As nicotine is hydrosoluble, malaise could occur if it gets in direct contact with a wet or humid skin.

Harvest clothing is of fundamental importance for protecting the workers.

- This clothing consists of trousers, blouse and gloves. All of them made from impermeable lightweight fabrics to avoid nicotine absorption.
- For total protection, there is need to wear boots and a wide brim hat or an Arab cap. Lightweight cotton underneath clothing is also recommended. Other suggestions include fastening the sleeves of the blouse on the fingers through the handle that comes with the PPE, and the trousers should be worn over the boots.
- The efficiency was corroborated by scientific research conducted by company Planitox, which attested to a 98% decrease in dermal exposure, thus considering the clothing highly efficient.
- The blouse and the trousers, which are an integral part of the clothing, earned a Certification of Approval (CA) from the Ministry of Labor and Employment (numbers 34.899 and 34.900), certifications that validate the quality of the PPE.

CALENDAR

23th OCTOBER

21st anniversary of the Empty Pesticide Collection Program.

28th OCTOBER

World Tobacco Growers' Day

ASSOCIATED COMPANIES

SindiTabaco comprises 14 associated companies and sees to the demands from all over Brazil, with the exception of the States of Bahia, Rio de Janeiro and São Paulo. Transparency and visibility are SindiTabaco's strategies, whist emphasizing the social and economic importance of the sector, whether in the generation of jobs and taxes, or through the relevance of tobacco for the economy of the municipalities and States in the South Region. Furthermore, the Entity encourages sustainability, through social and environmental responsibility, a fact that attests to the reason for the existence of the SindiTabaco and its vast operational field.

- Alliance One Brasil Exportadora de Tabacos Ltda.
- ATC Associated Tobacco Company Brasil Exportação e Importação de Tabaco Ltda.
- Brasfumo Indústria Brasileira de Fumos S.A.
- China Brasil Tabacos Exportadora S.A.
- CTA Continental Tobaccos Alliance S.A.
 JTI Processadora de Tabaco do Brasil Ltda.
- OTC Comércio e Fabricação de Fumos Ltda.
- Philip Morris Brasil Indústria e Comércio Ltda.
- Premium Tabacos do Brasil S.A.
- ProfiGen do Brasil Ltda.
- Souza Cruz Ltda.
- Tabacos Marasca Ltda.
- Universal Leaf Tabacos Ltda.
- UTC Brasil Indústria e Comércio de Tabaco Ltda.

PUBLISHERS AND EDITORS



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