

TOBACCO CROP REVIEW 2024



24-Oct-24

CHINA TOBACCO



ATC WORLDWIDE LIMITED - CHINA



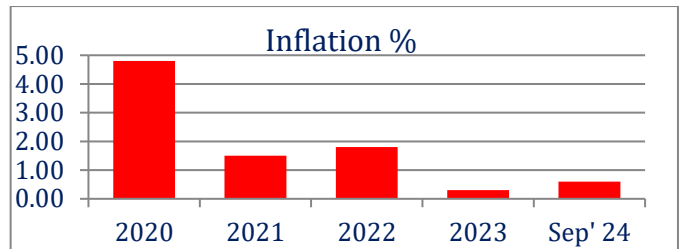
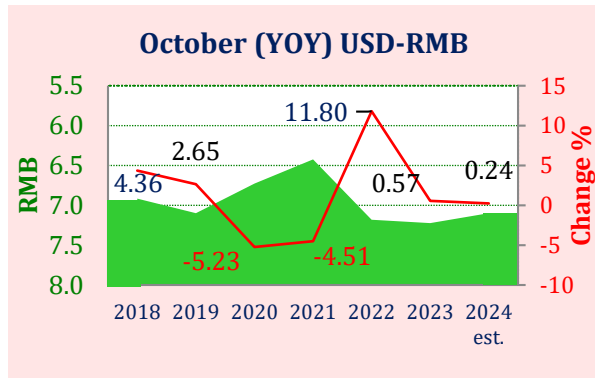
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China Statistical Information

- Total Area: 9,596,960 sq. km
- Land Area: 9,328,245 sq. km
- Water Area: 268,714 sq. km
- Coast Line: 14,500 km
- Land use: Agricultural land: 54.7%
Forest: 22.3%
Other: 23% (2011 est.)
- Population: 1.409 billion (est. Apr '24)
- GDP Growth Rate: 0.7% YOY (est. Sep '24)
- Inflation: 0.6% (est. Sep '24)
- Rate of Exchange: 1 USD= 7.08 RMB (Sep '24)
- YoY Exchange Rate: 1 USD= 7.28 RMB (Sep '23)
- FOREX Reserve: 3.582 trillion USD (Apr '24)



Main Imports % share of total	2020	2021	2022	2023	2024 forecast
Electrical machinery and equipment	26.66	24.99	23.74	21.51	21.85
Mineral fuels, oils, distillation products	12.70	14.72	19.71	20.10	20.75
Ores, slag and ash	9.10	10.19	8.27	9.30	9.10
Machinery, mechanical appliances, nuclear reactors	9.34	8.64	7.44	7.73	7.85
Natural or cultured pearls, precious stones	1.54	2.89	3.82	4.46	4.30
Optical, photographic, medical, etc. apparatus	4.82	4.08	3.02	3.04	3.06

Main Exports % share of total	2020	2021	2022	2023	2024 forecast
Electrical machinery and equipment	27.43	26.74	26.57	26.53	27.10
Nuclear reactors, boilers, machinery and appliances	17.00	16.29	15.36	15.11	15.20
Vehicles other than railway or tramway	2.94	3.57	4.18	4.21	4.60
Plastics and articles thereof	3.72	3.90	3.99	4.08	4.20
Furniture; bedding, mattresses, lamps & lighting fitting	4.23	4.15	3.64	3.70	3.90
Tobacco & manufactured tobacco substitutes	0.03	0.02	0.21	0.18	0.27

Source: International Trade Centre

STMA- State Tobacco Monopoly Administration

The tobacco Industry in China is controlled by the State Tobacco Monopoly Administration (STMA) with the head office based in Hong Kong S.A.R.

STMA is responsible for the assimilation and compilation of Government policies, directives and further outlines and defines the production quotas for:

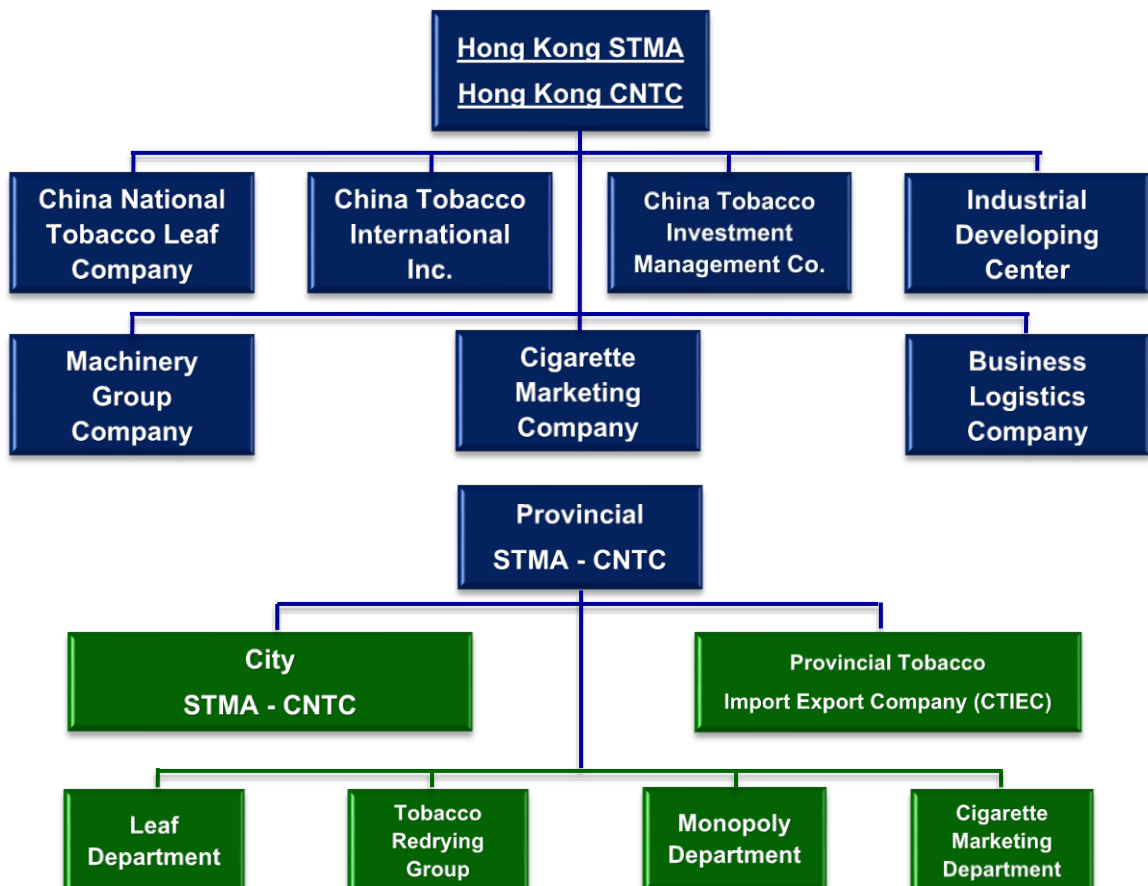
- Farmers' production per province.
- Domestic factories / province (domestic / export)
- Cigarette production, both domestic and export.
- Import and export both to and from international markets.
- Regulatory body on machinery and packaging divisions.
- Investment and Management.

Below STMA is CTI in Hong Kong who is responsible for all import and export of tobacco and the implementation of STMA mandates. The provincial arms of CTI and their responsibilities are as follows:

- CNTC - Responsible for tobacco production for domestic and export use.
- CTIEC - Responsible for sourcing, processing and marketing of tobacco for export markets.

The above information is represented by an organizational chart below.

STMA Structure

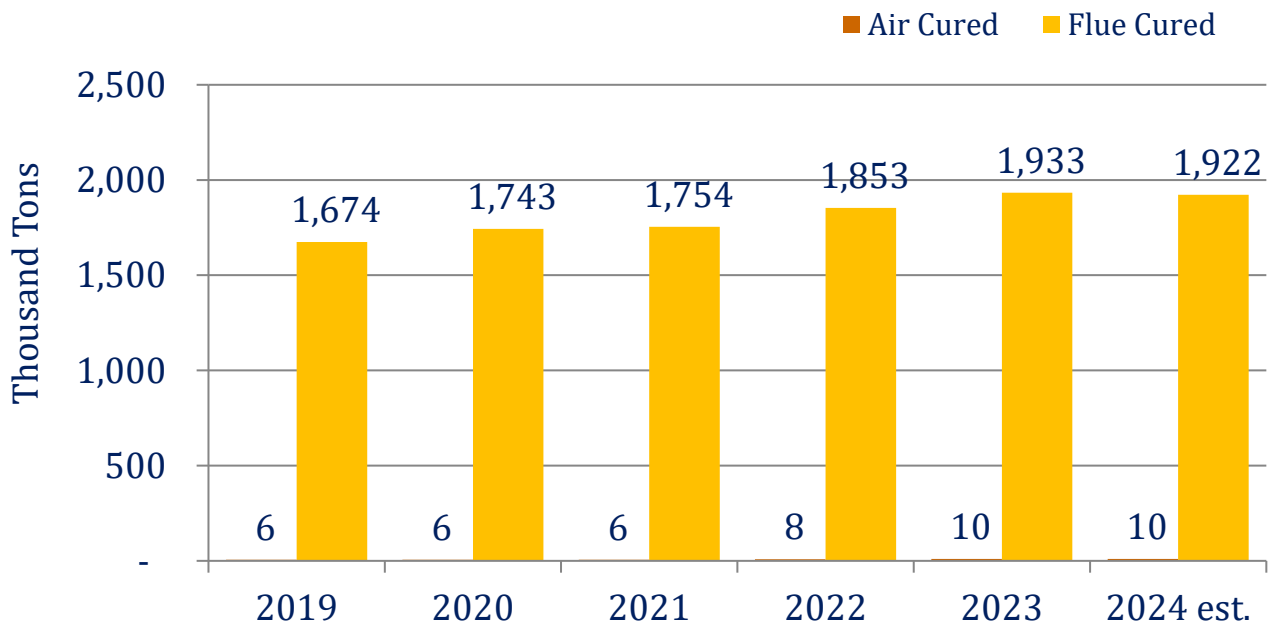


Tobacco Crop Production 2024

Total FCV production for 2024 is approximately 1.922 billion kilos together with approximately 10 million kilos of Air Cured tobaccos (Burley and Oriental combined) resulting in a total production of approximately 1.932 billion kilos, as represented in the graph below.

- 2023 Crop 1.943 billion kilos.
- FCV 1.933 billion kilos.
- Air Cured 10 million kilos.

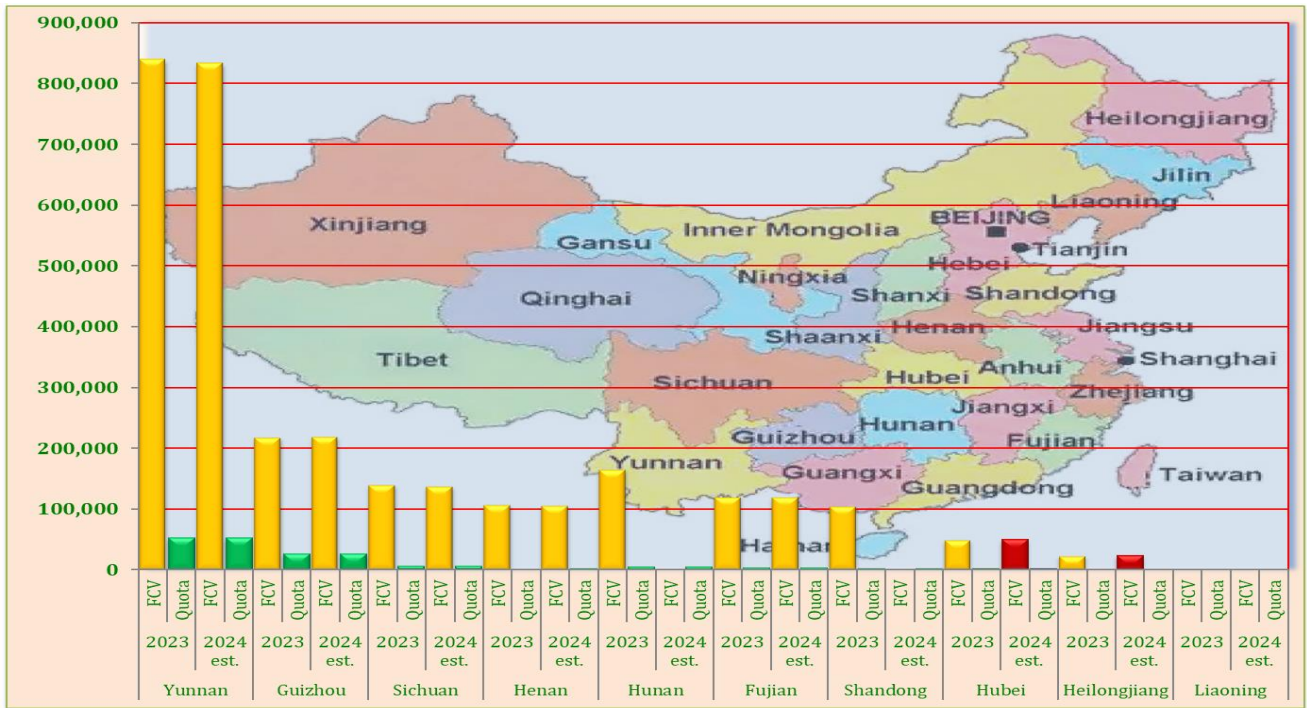
China Tobacco Crop Size



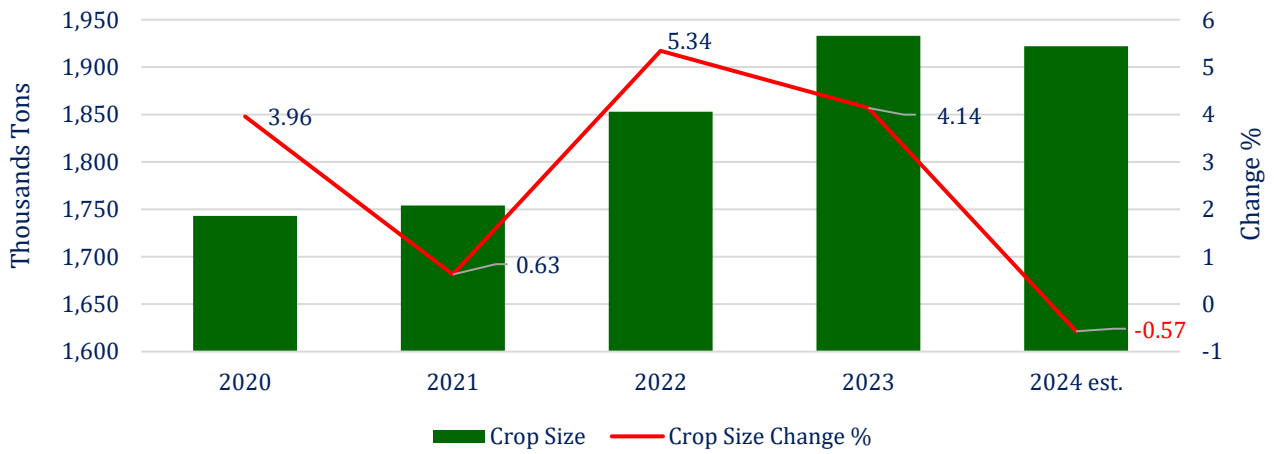
China Tobacco Crop Calendar

Details / Month	January	February	March	April	May	June	July	August	September	October	November	December
Seed Sowing												
Seedling Production												
Field Preparation												
Transplanting												
Field Management												
Topping												
Reaping & Curing												
Farmers Grading												
Leaf Purchasing												
Leaf Processing												

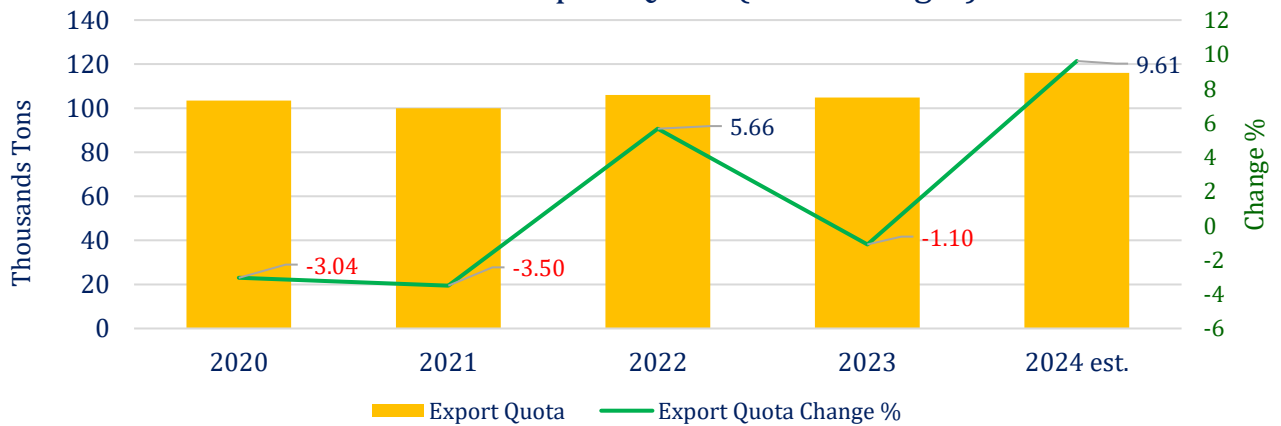
2023 and 2024 Chinese Tobacco Production and Export Quota



China Tobacco Crop Production (Green Weight)



China Tobacco Export Quota (Green Weight)





Yunnan Province – FCV 2024

- Total crop production for 2024 is approximately 833,000mt (green)
- Export quota for 2024 - 52,500mt (green)
- Total production in 2023 - 840,000mt (green)
- Export quota for 2023 - 52,500mt (green)
- The main seed varieties used in this province are K326, YN85, YN87 and Hongda.
- The main growing areas are Yuxi, Honghe, Qujing and Chongxiong respectively.



Guizhou Province – FCV 2024

- Total crop production for 2024 is approximately 219,000mt (green)
- Export quota 2024 - 26,500mt (green)
- Total crop production in 2023 - 218,000mt (green)
- Export quota 2023 - 26,500mt (green)
- The main seed varieties used in this province are K326, YN85 (Over 70%) and YN87.
- Main tobacco growing areas: Zunyi, Bijie, Qianxinan, Tongren and Qiannan.



Sichuan Province – FCV 2024

- Total crop production for 2024 is approximately 138,000mt (green)
- Export quota 2024 - 6,000mt (green)
- Total crop production in 2023 - 140,000mt (green)
- Export quota 2023 - 6,000mt (green)
- The main seed varieties used in this province are YN85, YN87 and GD (Gold Dollar)
- Main tobacco growing areas: Liangshan, Guangyuan, Panzihua, Luzhou and Chongqing.

**These figures for Sichuan province include the Chongqing municipality area



Henan Province – FCV 2024

- Total crop production for 2024 is approximately 106,000mt (green)
- Export quota 2024 - 2,500mt (green)
- Total crop production for 2023 - 107,000mt (green)
- Export quota 2023 - 2,500mt (green)
- The main seed varieties: YN87 (30%), Zhongyan100 (36%), NC89 (7%), and Y-6 (13%)
- Main tobacco growing areas: Sanmenxia, Luoyang, Nanyang and Xuchang respectively.



Hunan Province – FCV 2024

- Total crop production for 2024 - 0mt (green)
- Export quota 2024 - 5,000mt (green)
- Total crop production for 2023 - 165,000mt (green)
- Export quota 2023 - 5,000mt (green)
- The main seed varieties used in this province are YN87, Zhongyan100, NC89 and Zhongyan 201.
- The main growing areas: Changde, Xiangxi and Changsha.



Fujian Province - FCV 2024

- Total crop production for 2024 is approximately 119,300mt (green)
- Export quota 2024 - 3,500mt (green)
- Total crop production in 2023 – 119,800mt (green)
- Export quota 2023 - 3,500mt (green)
- The main seed varieties used in this province are K326, YN85 and YN87.
- Main tobacco growing areas: Longyan, Nanming and Sanming.



Shandong Province - FCV 2024

- Total crop production for 2024 - 0mt (green)
- Export quota 2024 - 2,500mt (green)
- Total crop production for 2023 – 105,000mt (green).
- Export quota 2023 – 2,500mt (green)
- The main seed varieties used in this province are K326, NC89, Zhongyan 100, YN85 and YN87.
- Main tobacco growing areas: Weifang, Linyi and Rizhao.



Hubei Province - FCV 2024

- Total crop production for 2024 is approximately 50,000mt (green)
- Export quota for 2024 - 2,250mt (green)
- Total crop production for 2023 – 50,000mt (green)
- Export quota for 2023 – 2,250mt (green)
- The main seed varieties used in this province are Y87 (60%), K326 (33%), Y85, Zhongyan100 and K326LF.
- The main growing areas: Enshi and Yichang.



Heilongjiang Province - FCV 2024

- Total crop production for 2024 is approximately 23,320mt (green)
- Export quota for 2024 - 1,000mt (green)
- Total crop production for 2023 – 23,320mt (green)
- Export quota for 2023 – 1,000mt (green)
- The main seed varieties used in this province are 91 – 21 and NC89.
- Main tobacco growing areas are Mudanjiang and Harbin.



Liaoning Province - FCV 2024

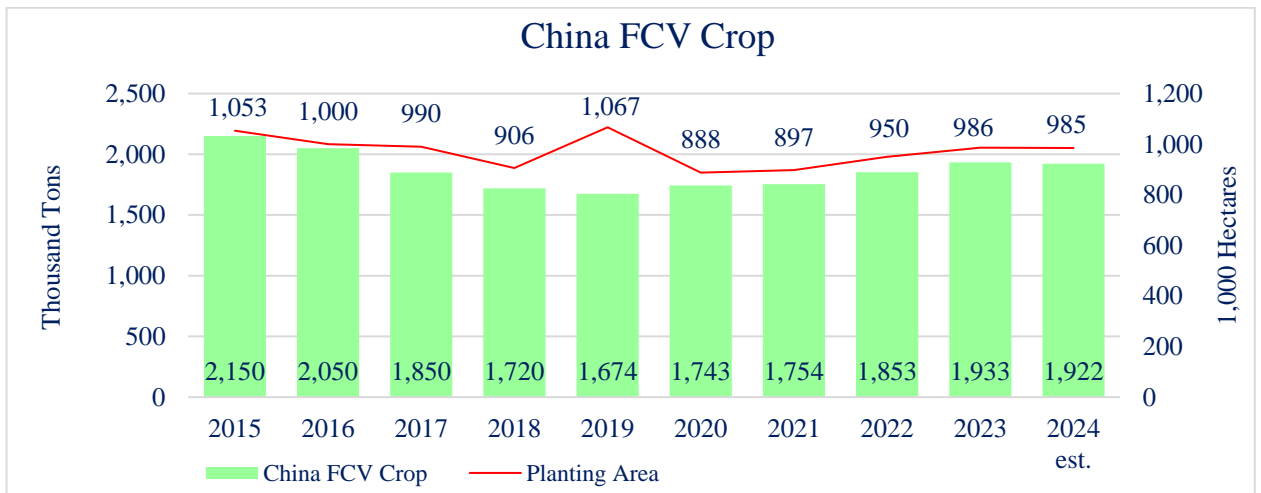
- Total crop production for 2024 - 0mt (green)
- Export quota 2024 - 500mt (green)
- Total crop production for 2023 - 0mt (green)
- Export quota 2023 – 500mt (green)
- The main seed varieties used in this province are Liao15 and YN85.
- Main tobacco growing areas: Dandong, Tieling, Fuxin and Chaoyang.

China, Guizhou 2024 Crop Overview

- Guizhou province is experiencing a mix of early rainy weather in most regions, with isolated incidences of droughty conditions during the harvesting and curing periods. In general, however, the weather conditions have been favorable for planting and harvesting crops in 2024.
- CNTC Guizhou plans to purchase 219,000 tons (gwt) of tobacco, of which approximately 25,000 tons (gwt) have been allocated for the export sector.
- Tobacco harvesting and curing is complete
- Based on the current green tobacco at the resorting warehouse during the past month, the overall quality of both the lower stalk and upper stalk grades is lower than last year. This year's crop is more orange and carrying more 'J' and 'K' styles
- CNTC started purchasing tobacco leaves on August 8th, 2024
- The tobacco leaves for the export sector began to be transported to the GLT factory in Guiyang at the end of August.
- CTI GZ began tobacco resorting in the factory on the 12th of September.
- Guiyang GLT plans to start processing from the middle of November 2024 until the end of May 2025.

China Tobacco Overview for Crop Year 2024

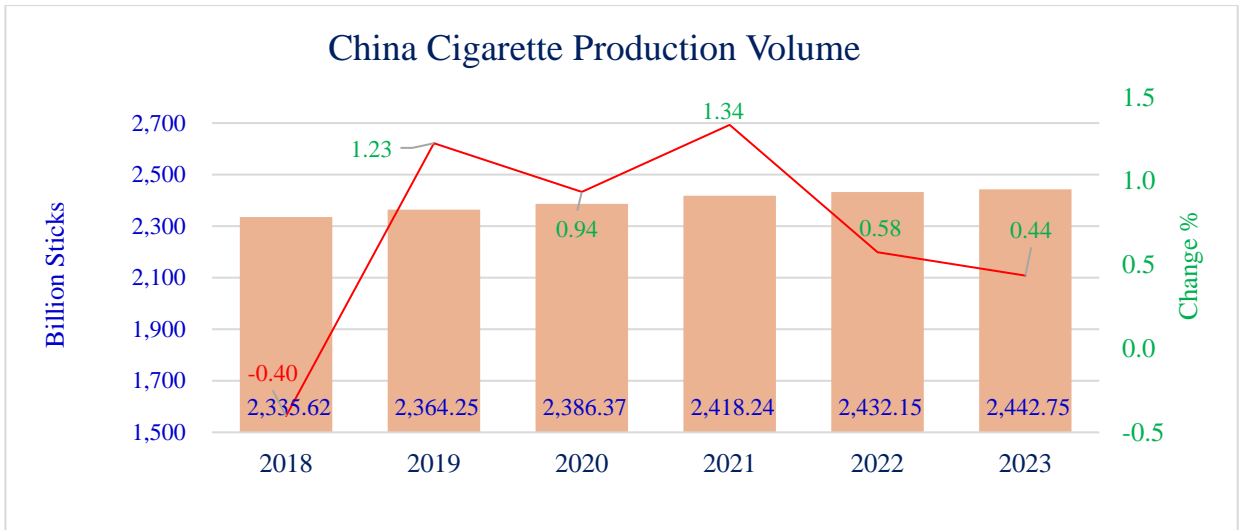
- CNTC plans to purchase 1,922,010 tons of China's flue-cured tobacco, with purchase volume decreasing from last year. From the total quantity only 116,000 tons of green tobacco has been allocated for the export market, representing an increase of 14,150 tons from 2023.
- The leaf purchase prices have increased for four consecutive years and prices in 2024 are expected to increase 4-5% across the board compared to last year.
- The chart below shows the history and growth trend of China's FCV crops from 2015 to 2024.



- According to China Customs data, China's flue-cured tobacco exports were 100,058 tons in 2023, representing a decrease of 28.17 percent.



- According to the China National Bureau of Statistics, the total national annual output of cigarettes in 2023 reached 2.43 trillion sticks, which represents an increase of 0.44% over the previous year.



- The total profits and taxes of China's tobacco industry have been increasing continuously for several consecutive years. In 2023, the total profits and taxes reached an all-time high as represented in the graph below.

