

Philip Morris International – Malawi

Toward sustainable tobacco sourcing: PMI partnerships in Malawi

Agricultural lands occupy almost half of the world's land surface and a further expansion is projected to feed a global population expected to reach 9 billion by 2050. The social and economic contribution that agriculture makes at both the macro and micro levels is also well documented: agriculture contributes 30% of the GDP in many low-income countries and employs more than 2 billion people globally. Over 75% of people living in poverty depend on agriculture for their livelihoods. Agri-business firms—local, national and international—play major roles in agricultural production and services.

As a significant land user, agri-business also has a critical role to play in holistic sustainable land management that protects and maintains essential ecosystem services and builds rural community resilience. GAA and EcoAgriculture Partners are working together to identify and learn from a selection of innovative regenerative and restorative landscape partnerships in which agri-business companies are actively involved. These case studies will support us in our shared ambition to better understand the agri-business perspective—their business rationale for landscape partnerships, institutional models, business and landscape benefits, and how to bring success to scale. We welcome your input and feedback.

Case studies are available at globalagribusinessalliance.com



Sugar beans, maize, groundnuts and vegetables grown under drip irrigation in Madisi, Dowa district in center Malawi to provide food and nutrition security as well as an additional source of income for growers

Rationale for business engagement in landscape partnership

Philip Morris International (PMI), in partnership with its third party leaf suppliers, is working in six contiguous Districts in Central and Northern Malawi to minimize the risk of deforestation where the Flue-Cured Virginia (FCV) tobacco that the company sources is cured entirely with firewood. Both as a fuel for curing and a building material for barns used to cure Burley tobacco, wood from trees and forests has been an essential ingredient in the smallholder and commercial farming systems that supply PMI with tobacco.

PMI has built partnerships between its third party suppliers and NGOs to develop and implement initiatives on deforestation risk mitigation. The company has also developed its sustainability portfolio and partnerships to address child labour and other labour abuses, enhance farmers' livelihood, provide access to water, and support farmers in expanding their current agricultural production beyond tobacco to mitigate the potential decline in tobacco requirements.

Independent authors

Business roles in landscape partnership

PMI assumes the lead in forging landscape partnerships. The company has commissioned and funded baseline studies and risk assessments and invested in training programs and monitoring of the impact of the mitigation measures. PMI experts and consultants developed detailed risk assessments for deforestation and water for growing regions in Malawi to produce local deforestation risk maps and a list of major water related risks to share with tobacco suppliers. Lack of water sanitation and hygiene (WASH) services was, for instance, identified as a major risk and a pilot study is being conducted to address the issue. Mitigation plans for deforestation risks have been developed in collaboration with regional and local teams of technical experts from PMI's third party suppliers, consultants, and a local NGO.

Landscape sustainability commitments

In addition to supporting programs for firewood and building materials to be sourced from deforestation free supply chains, PMI has helped define a road map in Malawi for elimination of child labour and other labour abuses by addressing root causes and promoting school attendance. The company has also developed multi-stakeholder partnerships to analyze the agricultural value chain, conduct pilot studies on alternative crops, provide access to water, inputs and markets that enable farm families to diversify their production strategies. The aim is to improve their food and nutrition security, and sustain their livelihoods in light of dwindling demand for tobacco worldwide. Further, PMI is engaged in water risk mitigation strategies with a variety of water stakeholders including local communities, and local universities.



Live barns for tobacco curing. Wood poles used for barn's construction are replaced by living trees to avoid deforestation

Anticipated benefits and successes

The primary benefit already achieved for many farmers has been the reduction of fuel consumption through furnace efficiency, and for PMI and its suppliers to make measurable progress toward realizing the 2020 goal of implementing a sustainable fuelwood sourcing strategy in Malawi and reducing significantly the environmental footprint. In the longer term PMI is supporting the sustainability of its suppliers and farmers and consequently its tobacco supply chain in the face of declining tobacco demand. As it is stepping up its efforts to promote social and environmental sustainability, PMI anticipates adding biodiversity to its sustainability portfolio in due course. An upshot is that stakeholders and partnerships will continue to expand and become more integrated.

Lessons learned

The experience that PMI has gained in developing partnerships around deforestation free tobacco curing, child labour and other labour abuses elimination, farmer livelihood enhancement and water supply risk mitigation is leading it to see possibilities for interconnecting them. Entry into the water field has brought recognition that water links all other activities in which the company engages across Districts in central and northern Malawi. This interconnectivity, combined with the momentum and accomplishments of its formative partnerships warrants investment in multi-stakeholder platforms to add value to what has been achieved already, and help to sustain the gains.

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The Global Agri-business Alliance

The only multi-commodity, multi-geography, CEO-led platform for supply-side sector engagement and collective action: growers, processor, traders, providers of finance and inputs. Member companies have come together to strengthen their contribution to building sustainable landscapes and livelihoods. A time-bound initiative, GAA has its sights set firmly on 2030 and on making an additional contribution to the SDGs. The GAA does this by providing a platform for engagement and collaborative action that

- 1) scales best practice through peer learning
- 2) contributes to thought-leadership and
- 3) informs and influences emerging policies.

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