

STATE OF TOBACCO PRODUCTION IN THE REPUBLIC OF MACEDONIA

Kiril Filiposki¹, Mile Peshevski², Dragić Živković³, Blaze Filiposki¹

Abstract

Tobacco in the Balkan Peninsula, and thus in Macedonia has been grown for about 2 centuries. Tobacco production in Macedonia ranged from 35.650 tons in 1986 to 14.985 tons in 1996. In recent years, tobacco production has been increased again as a result of the subsidy given by the Government of R. Macedonia. In Macedonia, only oriental varieties of tobacco have been grown recently: Prilep, Yaka, Basmak, Dzebel and the semi-oriental Otlja. The most dominant type is Prilep with 62.11%, and then Yaka – 28.06%, Basmak – 9, 43%, while less dominant types are Dzebel with 0, 34%, and Otlja with 0, 06%. According to recent research, it can be concluded that Macedonia possesses the best soil and climate conditions for production of oriental tobacco in the Balkan Peninsula. This conclusion is of great significance for Macedonia since its production of oriental tobacco can be increased and sold to well-known customers. According to our analyses and those by international experts, in Macedonia, there is no other adequate alternative solution for replacing tobacco with other cultures.

Key words: oriental tobacco, prilep , Yaka, basmak , dzebel varieties.

Introduction

The global changes that take place over the World have effect even on tobacco production. Due to these changes, the production of oriental tobacco and the consumption of tobacco products has been decreasing, while there has been recorded an increase in the developing countries. The consequences of these changes stem from the growing anti-tobacco campaign in the developing countries and those in the European Union. The reduction in worldwide production of oriental tobacco is due to decreased production of oriental tobacco in Greece and Turkey. However, the production in R. Macedonia has been increasing as a result of the subsidy given by the state for each kilogram of produced tobacco. The restructure of worldwide tobacco production is in the focus of multicultural companies. It is also in the interest of our country which has excellent conditions for producing high quality oriental tobacco and therefore, the will to change the structure of production in R. Macedonia through tobacco purchasers. In Macedonia, it is grown mainly oriental types of tobacco such as prilep and yaka, but in the last few years, it is grown the new type of tobacco – Basmak with its six varieties.

Based on the analysis of tobacco production, our purpose is to make recommendation for adjusting and overcoming problems in tobacco industry which are mainly of social and economic nature.

¹ Kiril Filiposki, Ph.D., Blaze Filiposki, MA, University "Ss. Kliment Ohridski" in Bitola, Scientific Tobacco Institute-Prilep, Kicevski pat bb. 7500 Prilep, Republic of Macedonia, e-mail: kirilfiliposki@yahoo.com

² Mile Peshevski, Ph.D., University "Ss. Cyril and Methodius" in Skopje, Faculty for Agricultural Sciences and Food, Institute for Agroecology, Blvd Edvards Kardelj bb, 1000 Skopje, Republic of Macedonia.

³ Dragic Zivkovic, Ph.D., University in Belgrade, Faculty of Agriculture, Nemanjina 6, 11006 Zemun-Belgrade, Republic of Serbia.

Source of data and method of work

For the realization of this goal, there were mainly used published statistical data by the State Statistical Office of the Republic of Macedonia; Analyses of the Ministry of Agriculture, Forestry and Water management; Analyses of Jugotutun JSC. – Skopje; Scientific Tobacco Institute – Prilep and Institute for tobacco and tobacco products –Plovdiv, Bulgaria. There were also used data published by Socotab, Universal Leaf Tobacco Company, Faostat.

During data processing, and drawing conclusions, there were used many methods which are common for such research and it was mainly used the comparative-analytical method.

Results and discussion

In recent years, there have been global economic changes which affect even the tobacco production in Macedonia. These changes have influenced not only the quantity, but also the structure of tobacco production. The restructure of worldwide tobacco production is in the focus of multicultural companies. It is also in the interest of our country which has excellent conditions for production of high quality oriental tobacco and therefore, the will to change the structure of production in R. Macedonia through tobacco purchasers.

In recent years, the total worldwide production of tobacco has been around 7 million tons with smaller oscillations, while the production of oriental tobacco has been decreasing as a consequence of decreased tobacco production in the major countries for producing tobacco, i.e. Greece, Turkey, and Bulgaria. In Greece, the decreased production is due to the European Union politics for eliminating tobacco subsidies, while in Turkey, due to the restructure of tobacco production and its replacement with olives production, increased countryside tourism as well as the labor force in Western countries. The worldwide production of oriental tobacco has been gradually decreasing from 7.92% in 2000 to 3.46% in 2010.

Compared to the worldwide tobacco production, Macedonian production was relatively on increase ranging from 0.20% in 1996 to 0.37% in 2010. However, the production of oriental tobacco was increasing with greater intensity ranging from 2.85% in 1996 to 10.64% in 2010 compared to the worldwide production (Table 1).

All of these data confirm that our production is very small at global level, indicating that we cannot influence the world trends of tobacco production. If Macedonia wants to keep up this production, it will have to adjust to the world trends by keeping the well-known quality of Macedonian oriental tobacco.

Table 1 Average tobacco production in tons

Tobacco production	Year							
	1996	2000	2005	2006	2007	2008	2009	2010
World Total production tobacco	7.430.578	6.692.775	6.761.328	6.627.802	6.242.941	6.691.338	7.193.007	7.160.000 ¹⁾
World Total production Oriental tobacco	524.000	530.000	352.000	268.000	232.000	264.000	273.000	248.000
Production tobacco Macedonia	14.958	20.338	23.206	19.681	16.288	16.126	23.221	26.393
% World Total production Oriental tobacco/ World Total production Tobacco	7,05	7,92	5,21	4,04	3,72	3,94	3,79	3,46
% Macedonia/ World Total	0,20	0,30	0,34	0,30	0,26	0,24	0,32	0,37
% Macedonia/ World Total Oriental tobacco	2,85	3,84	6,59	7,34	7,02	6,11	8,51	10,64

¹⁾ Semi -official dana

Table 2 Average tobacco production in Macedonia by varieties in tons

Crop and %	Tobacco varieties							Total
	Prilep	Yaka	Dzebel	Otlja	Virginia	Basmak	Burley	
1986	20.000	8.500	2.000	2.500	2.500	0	150	35.650
1987	12.835	7.517	2.352	2.790	1.824	0	1.338	28.656
1988	11.410	6.857	2.338	1.206	1.565	0	936	24.312
1989	13.327	9.262	2.617	1.192	1.556	0	816	28.770
1990	8.965	4.659	1.127	699	1.366	0	605	17.421
1991	12.951	7.619	1.419	1.415	1.866	0	1.645	26.915
1992	13.610	8.378	1.504	1.412	1.520	0	82	26.506
1993	13.135	6.627	1.006	1.231	1.847	0	156	24.002
1994	8.256	6.931	1.051	1.082	1.444	0	98	18.862
1995	6.952	5.527	904	1.163	1.054	0	83	15.683
1996	6.965	5.075	621	987	1.270	0	40	14.958
1997	13.236	8.665	667	1.160	2.055	0	70	25.843
1998	17.103	9.993	665	1.531	758	0	20	30.070
1999	17.111	9.428	748	1.242	1.446	0	40	30.015
2000	12.394	6.169	410	546	803	0	16	20.338
2001	12.698	7.476	336	41	426	0	14	20.991
2002	14.029	9.202	165	35	296	0	12	23.704
2003	10.031	5.225	109	0	0	0	0	15.366
2004	13.104	6.447	215	0	34	0	2	19.802
2005	14.764	7.275	0	0	0	1.166	0	23.206
2006	11.884	6.145	0	0	0	1.651	0	19.681
2007	10.115	4.166	86	0	0	1.920	0	16.288
2008	9.065	4.465	46	0	0	2.549	0	16.126
2009	13.393	6.294	212	0	0	3.321	0	23.221
2010	18.364	6.705	85	78	0	1.161	0	26.393
Average 2005-2010	12.931	5.842	71,5	13	0	1.961	0	20.819
%	62,11	28,06	0,34	0,06	0	9,43	0	100,00

Source: 1986 - 1996 - Analyses JSC. "Jugoton" - Skopje
 1997 - 2010 - Analysis – Ministry of Agriculture, Forestry and Water management

As it can be seen from the data shown in Table 2, In Macedonia, it has been only grown oriental varieties of tobacco such as Prilep, yaka, and the new variety of tobacco Basmak for the last 6-7 years. Prilep variety has been the most dominant form of production, which is 12.931 tons or 62, 11% for the last 6 years. Then, it is followed by the production of yaka variety with 5.842 tons or 28, 06 %. The production of Basmak is averagely 1.961 tons or 9, 43%, while the production of Dzebel is slightly low at 0,34 % and Otlja at only 0, 06%.

The importance of tobacco production in Macedonia can be seen in the number of registered producers or rather families producing tobacco. There are averagely 34.189 registered households, which mean that approximately 150.000 persons engage in tobacco production. The deployment of a large number of people is very important for R. Macedonia if we consider the fact that tobacco is grown on soils which cannot be replaced as a platform for growing other cultures that are more profitable than tobacco.

In Macedonia, oriental tobacco covered 10.891ha in 1995 up to 25.016 ha in 1998 or averagely 14.983 ha between 2005-2010 year.

The high quality of oriental tobacco can be provided if grown on poor soils with nutrients and without irrigation making the average yield per hectare low. The average yield per hectare for the period 2005-2010 ranged from 1.16 tons/ha to 1.55 tons/ha or averagely 1.39 tons/ha.

Table 3 Number of tobacco growers, planted areas and realized production of tobacco

Year	Number of growers	Planted area (ha)	Realized production (tons)	Average production (tons/ha)
1990	38.809	20.825	17.421	0,84
1991	40.750	18.324	26.915	1,47
1992	49.348	22.497	26.506	1,18
1993	53.805	21.373	24.002	1,12
1994	35.416	14.864	18.862	1,27
1995	24.752	10.891	15.683	1,44
1996	27.110	11.738	14.958	1,27
1997	33.050	19.290	25.843	1,34
1998	54.661	25.016	30.070	1,20
1999	44.822	24.965	30.015	1,20
2000	37.617	22.785	20.338	0,89
2001	35.444	22.310	20.991	0,94
2002	34.247	20.338	23.704	1,16
2003	33.873	18.101	15.366	0,85
2004	31.871	17.717	19.802	1,12
2005	38.493	15.808	23.206	1,47
2006	29.230	14.503	19.681	1,35
2007	29.646	14.100	16.288	1,16
2008	29.827	11.927	16.126	1,35
2009	37.198	16.224	23.221	1,43
2010	40.743	17.064	26.393	1,55
Average 2005-2010	34.189	14.938	20.819	1,39

Source: Statistical yearbook of R. Macedonia
 Analysis – Ministry of Agriculture, Forestry and Water management

Since 2005, the production of tobacco in Macedonia has been subsidizing by the state beginning with 0, 24 euro for kilo up to 0, 98 euro/kg in 2009 and 2010.

The subsidization of tobacco production has also provided the opportunity for maintaining the average level and even to be increased. This state policy should continue in order to be maintained the production of tobacco, and thus, it will also provide income existence for the poorest proportion of its population.

Table 4 Dynamics of average tobacco income of families

Raw tobacco in leaf by year	Average purchasing price	Amount of subsidy	Total
	€kg	€kg	€kg
2004	2,23	0	2,23
2005	2,04	0,24	2,28
2006	1,92	0,24	2,16
2007	2,29	0,49	2,78
2008	2,72	0,73	3,45
2009	3,12	0,98	4,10
2010	2,22	0,98	3,20

In Macedonia, there 8 companies that purchase tobacco and those are as follows: Socotab JSC Bitola; Aliance One Macedonia –Kavadarci; Strumica Tabak- Strumica; Tutunski Kombinat-Prilep; Centrotabak – Veles; Dalija Tabak- Delcevo; Orbita Tabak-Skopje; and Pashoski Dooel- Skopje. The first three companies are with mixed foreign capital. They purchase about 80% of the total tobacco production. In Tutunski Kombinat –Prilep, the state capital is the most dominant while the rest of the smaller enterprises have been set up with private

Macedonian capital. It is also necessary to be emphasized that in 2010, Sokotab opened a new factory for tobacco processing and in 2011, Aliance One Macedonia – Kavadarci did the same. At the same time, Strumica Tabak –Strumica did renovation and installed the latest sophisticated equipment for processing oriental tobacco according to the soft draining system. These 3 modern processing of oriental tobacco contributed to even better conditions for development of tobacco production in Macedonia.

The governments of certain countries and Macedonia are facing with the dilemma of the existence of tobacco production. On the one hand, tobacco production provides social and economic interests (employment, income taxes, salaries and foreign exchange from tobacco exports). On the other hand, the governments are required to preserve health of the population. On 30.06.2006, Macedonia signed the FCTC –Framework Convention for Tobacco Control. The tragedy for not favoring the policy for tobacco production is due to the medical experts who mistakenly thought that tobacco production was as harmful to human health as smoking. This conclusion was drawn during the preparation of TSC (Tobacco control strategy) for the health care of population. However, smoking does harm human health, but the production of tobacco cannot be harmful at all.

Moreover, these experts did not sufficiently analyze the negative effects upon the state economy and social interests of the population in certain countries where tobacco production is one of the major industrial branches for the country itself. However, R. Macedonia with its policy to subsidize tobacco production has made the right decision for protecting its citizens and the economy of the country. This policy need to continue for the own good of its citizens and for the good of the country.

Conclusions

According to the above-mentioned data and analyses, it can be drawn the following conclusions: Macedonia has the best soil and climate conditions in the Balkan for production of oriental tobacco. The multinational companies have known about this and thus, took the opportunity and built modern factories for processing oriental tobacco in Macedonia. State subsidies policy for tobacco production is an agricultural measure of social and economic aspect, since there is no other alternative culture which can be more profitable than tobacco. In the future, it is necessary that subsidy be given differently by class for improving the quality of tobacco and thus, being an incentive for tobacco producers in order to produce better quality of tobacco. Furthermore, the total tobacco production is agreed in advance for known customers and price. Tobacco is still the only culture which is sold to the last kilo, and the payment is made no later than 1 month. This fact is of great importance for R. Macedonia because tobacco is the only crop which can be produced and sold on the world market without imported raw materials.

References

- Анализи А.Д. “Југотугун“- Скопје.
- Анализи – Министерство за земјоделство, шумарство и водостопанство на Р Македонија. Скопје.
- Анализи – Институт за тутун -Прилеп.
- Анализи – Институт за тутун и тутунски преработки - Пловдив. Бугарија.

- COMMISSION OF THE EUROPEAN COMMUNITIES - Commission staff working document, Tobacco regime, Brussels. 2003
- Data. www. Universal Leaf Tobacco Company
- Data. www. Socotab Group
- FAO, 2011. FAOSTAT Statistical databases. Rome
- FAO 2003. Projections of tobacco production, consumption and trade to the year 2010. Food and Agricultural Organization of the United Nations, Rim, 2003.
- ФИЛИПОСКИ К., 2000. Распространетост и динамика на производството на тутун во светот и во република Македонија. Тутун/Тобасо, Прилеп, Год.50,бр.4-6, p.94-108.
- ФИЛИПОСКИ К., Митрески М., Христоски Ж., 2000. Производство на тутун во прилепскиот тутунопроизводен реон. Тутун/Тобасо, Прилеп, Год.50,бр.9-10, p.221-234.
- ФИЛИПОСКИ К., Пешевски М., Митрески М., 2003. Можности за надминување на состојбата и проблемите во тутунското стопанство. Тутун/Тобасо, Прилеп, Год.53,бр.3-4, p.117-123.
- ФИЛИПОСКИ К., Пешевски М., Трајкоски Ј., Митрески М., 2003. Состојба и проблеми во тутунското стопанство во Република Македонија. Советување на агроекономисти на Р. Македонија. “Состојба, проблеми и развојни концепции на агрокомплексот во Р. Македонија“. Јуни. Скопје.
- ФИЛИПОСКИ К., Пешевски М., Стојаноска С. 2004. Рееблирање и прилагодување на производството на тутун во Р. Македонија кон Европската Унија. Советување на агроекономисти “Одржлив развој на агрокомплексот – придонес кон Европската интеграција“ Јуни. Скопје.
- PEŠEVSKI, M., Filiposki K., 2002., Sexual and age structure of the participants in the production of oriental type of tobacco on family farms in the Republic of Macedonia. Macedonian association of agricultural economists and Ministry of Agriculture, forestry and water economy. Paperworks from First scientific meeting of Balkan's Agricultural Economists: Cooperation between developing Balkans countries of Agriculture and food production, 306-314, Skopje.

СТАЊЕ ПРОИЗВОДЊЕ ДУВАНА У РЕПУБЛИЦИ МАКЕДОНИЈИ

Кирил Филипоски, Миле Пешевски, Драгић Живковић, Блазе Филипоски

Резиме

Дуван на Балкану, а тиме и у Републици Македонији датира још од пре два века. Производња дувана у Македонији креће се од 35.650 тона у 1986. године до 14.958 тона у 1996. године. У протеклих неколико година производња дувана поново се повећала, као одраз субвенционисања производње од стране Владе Републике Македоније. У Македонији у последњих неколико година гаје се само оријентални типови дувана: прилеп, јака, басмак, цебел и полуоријенталски тип отља. Најзаступљенији је тип прилеп са 62.11%, затим долази тип јака са 28.06%, типа басмак са 9,43%, а незнатну производњу имају типа цебел са 0,34% и тип отља са 0.06%. Досадашња истраживања показала су да Македонија има најбоља земљишта и климатске услове за производњу оријенталног дувана на Балканском полуострву. Овај закључак је веома важан за Македонију, јер може да се повећава производња оријенталног дувана, који би унапред био продат за познате купце. Према нашој анализи и анализи међународних експерата у Македонији не постоје адекватне алтернативе да замене дуван са другим усевима.

Кључне речи: оријентални дуван, тип прилеп, тип јака, тип басмак, тип цебел