

TOBACCO ASSOCIATES, INC.

73rd
ANNUAL MEMBERSHIP MEETING
WILSON – NORTH CAROLINA



YİĞİT ÖZKURTER

6th of March 2020



STAR
AGRITECH
INTERNATIONAL

STAR AGRITECH



2010-2017



2020



RECON



*Star do Brazil, Santa Cruz,
2019*



PRESENTATION OVERVIEW

- *Market Outlook*
- *Decline in Leaf*
- *Current Competition Status in General*
- *An Overview of Star Agritech International*



PRODUCTION BY MAJOR PLAYERS



2015



2019



Market Outlook



2015



6 trillion cigarette sticks



10% decrease

2019



5,4 trillion cigarette sticks



Major Reasons for Decline in Combustible Cigarette



1

Increasing Taxes/Affordability

2

Advertising Limitations



5

Increasing Health Awareness



3

Smokers Freedom

4

Substitute Products



DECLINE IN LEAF

Total leaf production;

2010

7 million tons

Worldwide

2019

5 million tons

Worldwide



DECLINE IN LEAF

Other reasons:

- Global economic slowdown
- US-China trade war
- Climate change



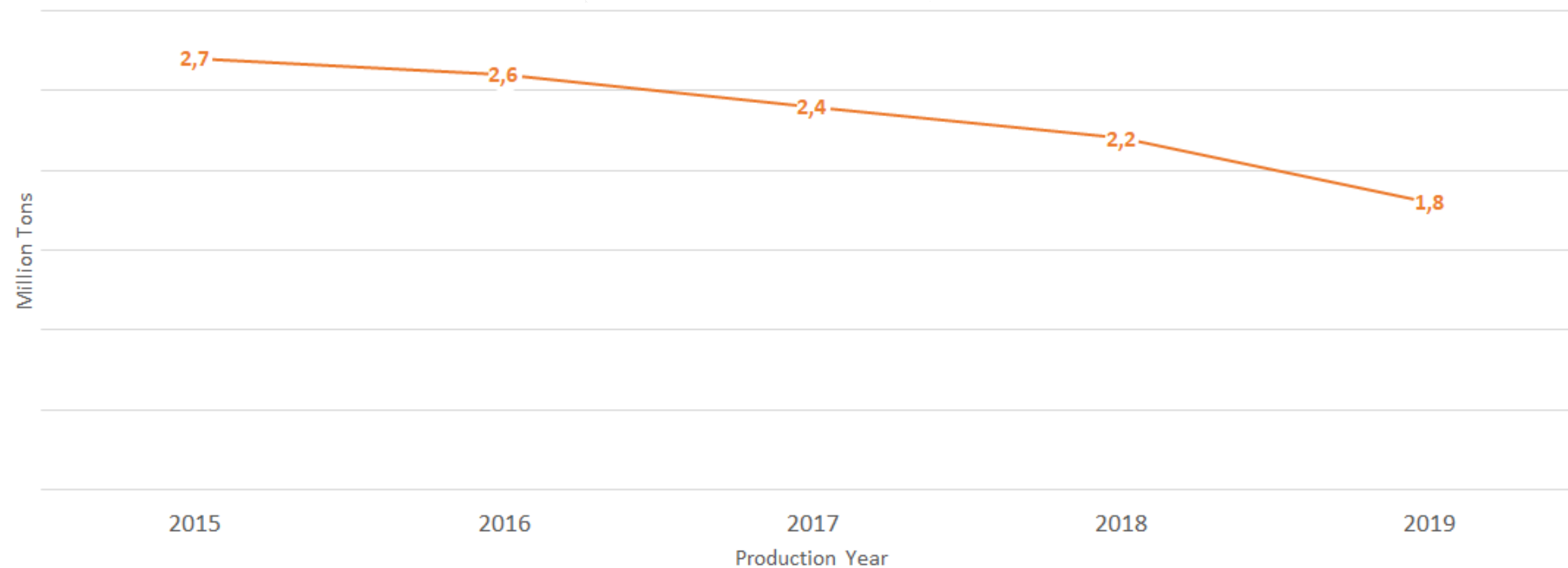
Eastern board hurricanes



CHINA



TOBACCO PRODUCTION IN CHINA



China is the biggest market for US flue cured.



ZIMBABWE



- ***In average, crop size is 250 million kilos.***
- ***This year, it is expected to decline 12%, which will make it 220 million kilos.***



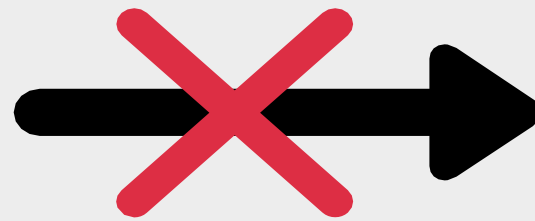
ZIMBABWE



- ***Current economic crisis will have a large impact on exporting tobacco overseas.***
- ***Zimbabwe is currently bankrupt as a country with very limited resources especially in terms of electricity and fuel.***



ZIMBABWE



TANZANIA



- ***In terms of quality, Tanzanian FCV could be an alternative for Zimbabwe.***
- ***FCV crop was 70 million kilos in 2019. Because of the small size, it is difficult for it to be a substitute for Zimbabwe or US.***
- ***In 2020, it is expected that the crop may decline to 50 million kilos.***



BRAZIL



- ***Biggest FCV producer in the world with 605 million kilos in 2019.***
- ***For 2020, the projected volume is 565 million kilos.***
- ***Due to excessive rainfalls, high winds and hail storms; the crop is highly affected.***
- ***Brazil is the strongest competitor for US FCV in 2020.***



ARGENTINA



- ***Argentina crop is 65 million kilos.***
- ***Due to small crop size, Argentina is not enough to fulfill the demands as Brazil or US.***



In conclusion,

- ***Zimbabwe - 30 million kilos***
- ***Tanzania - 20 million kilos***
- ***Brazil - 40 million kilos***

= a void of 90 million kilos for US FCV export opportunity in 2020



TOBACCO ASSOCIATES, INC.



*To
summarize...*



STAR AGRITECH INTERNATIONAL

Who we are?

- *A Tobacco company with global sourcing.*
- *Derivatives manufacturer, specialized with nano fiber reconstituted tobacco.*
- *Established in 2009.*
- *Management Headquarters in Istanbul, Turkey.*
- *Now operates in more than 40 countries with 200 accounts.*
- *6 international offices, 2 production plants, 8 warehouses and 120 people.*



STAR AGRITECH INTERNATIONAL

STAR GLOBAL FOOTPRINT

STAR INDUSTRY

Bondowoso, Indonesia Reconstituted tobacco factory
Santa Cruz, Brazil Reconstituted tobacco factory
Canary Islands CRES line
Dominican Republic Cigarette manufacturing plant

MAJOR OFFICES

Bali, Indonesia
Singapore
Johannesburg, South Africa
Istanbul, Turkey

WAREHOUSES

Antwerp, Belgium
Johannesburg, South Africa
Ho Chi Minh City, Vietnam
Busan, South Korea
Jember, Indonesia
Novorossiysk, Russia



STAR AGRITECH INTERNATIONAL



Far East Leaf Indonesia



Istanbul HQ



Johannesburg, South Africa



Thank you



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