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 FOR IMMEDIATE RELEASE  
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## **Tobacco Continues to Decline**

When I started working for OSU Extension nearly 20 years ago several of the questions or answers in my interview were about tobacco. Brown County was number one in Ohio and Adams County number 2 when it came to tobacco production in Ohio.

I looked through some data from 1999 that showed the Burley Quota for 1999 was 453 million pounds. That was actually a cut from previous years. The 1997 estimated totals for Ohio alone, were listed at 29,994,040 pounds.

This will show you how far it has declined in just over 20 years. I will plan to follow up with more numbers, showing the decline in Burley in the US and specifically in Ohio in next week's column.

The following was in the Tobacco Farmer Newsletter last week. It indicates the latest hit to burley in the US and some thoughts of how it will impact the industry.

**The world's number two leaf dealer**, Alliance One International (AOI), has withdrawn from the American burley market, at least for 2018. In a statement provided to *Tobacco Farmer Newsletter*, the company said, *"With U.S. cigarette sales declining at a rate of 3% per year over the past three years and global cigarette sales following a similar trend, demand for the U.S. burley tobacco crop has declined as well. As a result, we made a difficult decision to not contract any burley tobacco this year. We understand the economic impact of that tobacco has on farmers and their local communities, and this decision was not a reflection of the farmers or their crop quality, but rather the change in global demand."*

**There will definitely be a reduction** in burley acreage this year. Will Snell, Kentucky Extension tobacco economist, estimated earlier in the year that the demand for 2018's crop would be around 110 million pounds. "We could produce that much on 55,000 acres," says Green. "Last year, we planted 89,000 acres."

**The hardest hit areas** will probably be those near Hartsville, Tn., where AOI has operated its burley buying station. That would include Trousdale, Smith and Macon counties, all in Tennessee, and nearby Allen County, Ky. *Note:* Macon has been America's leading burley-producing county in recent years.

**The immediate impact** of AOI's exit from burley will be much greater in Tennessee than Kentucky because AOI had already cut back on contracting in the Bluegrass state. "But this is a lessening of demand, so there will be increased competition among growers for the pounds that are out there," says Bob Pearce, Kentucky Extension tobacco specialist.

**Farmers should emphasize quality** to retain the contracts they have, says Pearce. "Some of the big [quality] concerns this year would be reducing foreign material in cured leaf and keeping pesticide residues in line with industry expectations."

**A demonstrated willingness** to participate in GAP as much as possible would probably be a good idea.



"Getting involved with the GAP Certification program that is being rolled out could help show a commitment to the tobacco industry. But certification may not be feasible for every burley farmer," Pearce says.

## **Federal Spending Bill and Changes of Ag Interest**

I am sure most everyone has heard something about the Federal Spending Bill. There are a few things that are included that may be of interest to you if you are involved in Agriculture. The truth of the matter is EVERYONE has some interest in agriculture unfortunately most just do not know it. If you eat you have an interest in agriculture. Trust me it doesn't grow in a can or on a shelf in the grocery store.

In addition to funding provisions, the federal spending bill included important changes to three legal issues we have been following:

- A "fix" to the co-op grain sales favoritism enacted in the tax reform law. The new law removes and replaces the 199A 20% gross sales deduction with a new formula, and the removal is retroactive to January 1, 2018. Patrons who sold grain to a cooperative this year cannot use the 20% gross sales deduction.
- Statutory language that completely exempts animal waste at farms and pesticide application, storage and handling from the air emissions reporting requirements under CERCLA. Livestock producers need not worry about CERCLA reporting, and we can quit worrying about how many dairy cows would emit enough ammonia to trigger reporting requirements...
- A further delay of the Electronic Logging Device rule for haulers of livestock, fish and insects. The bill prohibits the Federal Motor Carrier Safety Administration from using any of its funds to enforce the ELD rule against livestock haulers through the end of the current fiscal year, September 30.

## **Dates to Remember**

Apr. 4 Highland Co. Cattlemen Banquet at Ponderosa in Hillsboro.

Apr. 14 Ohio Tobacco Museum Raffle, Ripley Elem. School, meal at 6:30, draw 7:30