



# Flue-cured Tobacco

## 2002 Support Program and Related Information

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### Overview

Marketing quotas limit the amount of tobacco that a producer can sell in a given year. Farm marketing quotas on an acreage-poundage basis are in effect for 2002-crop flue-cured tobacco (types 11-14). The marketing year for flue-cured tobacco begins July 1.

### Statutory Authority

Since 1965, the Agricultural Adjustment Act of 1938, as amended, provides for acreage-poundage quotas for this kind of tobacco. The statutory authority was further amended in 1986 to revise the formulas for the marketing quota and price support level. By 97.6 percent, producers voting in a January 2001 referendum approved the program for the 2001-2003 crops.

### Acreage-Poundage Marketing Quotas

The national acreage allotment for 2002 is 278,736 acres, and the national marketing quota for the 2002 crop is 582.0 million pounds, 6 percent above 2001. The effective marketing quota is about 545 million pounds, slightly more than the 2001 quota; this includes adjustment to reflect undermarketings and overmarketings of farm quotas from the previous year. Under acreage-poundage marketing quotas: if the marketings from a farm are less

than the poundage quota for the farm, the difference is added to the farm's quota (both acres and pounds) for the next year. Marketings above a farm's poundage quota are deducted from the next year's quota.

### Loan Level

The national support level for the 2002 crop flue-cured tobacco is 165.6 cents per pound, 0.4 cents below that for 2001. The U.S. Department of Agriculture (USDA) sets individual grade rates before the marketing season begins.

### Assessments

As a condition of price support eligibility, both flue-cured tobacco producers and buyers must pay a no-net-cost assessment. An assessment of 2.5 cents per pound applies both to producers and buyers for the 2002 crop.

### Support Method

The price support program is available to growers for eligible grades through the Flue-Cured Tobacco Cooperative Stabilization Corporation (Stabilization) under contractual terms with USDA's Commodity Credit Corporation (CCC). Stabilization automatically buys the tobacco not sold at the support rate, using funds loaned by CCC. Up to 103 percent of a farm's

poundage quota is eligible for support.

### Warehouses and Certifications

Flue-cured growers are required to designate the auction warehouse(s) at which they will market their 2002 crop to be eligible for price support. Producers are required to certify that pesticides used to produce their tobacco crop have been approved by the Environmental Protection Agency and that these products have been used in accordance with label directions. And they must certify whether a discount variety tobacco is planted.

### Loan Inventory

On June 1, 2002, Stabilization held 51 million pounds of tobacco (packed weight) with an outstanding debt of \$144 million.

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**Fact Sheet**

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Crop Year	National Marketing Quota (million lbs.)	Production (million lbs.)	National Average Support Price (cents per lb.)	No-Net-Cost Assessment Producers/Buyers (cents per lb.)		Average Price to Farmers (cents per lb.)	Farm Value (million \$)
1960		1,251	55.5			60.4	755.9
1961		1,258	55.5			64.3	808.2
1962		1,408	56.1			60.1	846.1
1963		1,371	56.6			58.0	795.3
1964		1,388	57.2			58.5	811.8
1965	1,126	1,059	57.7			64.6	684.4
1966	1,135	1,108	58.8			66.9	741.6
1967	1,126	1 1,250	59.9			64.2	810.8
1968	1,128	996	61.6			66.6	653.5
1969	1,127	1,053	63.8			72.4	761.9
1970	1,072	1,178	66.6			72.0	859.1
1971	1,072	1,076	69.4			77.2	832.4
1972	1,071	1,022	72.7			85.3	863.5
1973	1,179	1,159	76.6			88.1	1,021.1
1974	1,297	1,245	83.3			105.0	1,307.3
1975	1,491	1,415	93.2			99.8	1,412.2
1976	1,268	1,316	106.0			110.4	1,452.9
1977	1,116	1,124	113.8			117.6	1,321.8
1978	1,117	1,206	121.0			135.0	1,628.1
1979	1,095	946	129.3			140.0	1,324.4
1980	1,094	1,086	141.5			144.5	1,569.3
1981	1,013	1,144	158.7			166.4	1,903.6
1982	1,013	994	169.9	3.0		178.5	1,775.3
1983	910	855	169.9	7.0		177.9	1,521.0
1984	804	850	169.9	7.0		181.1	1,539.0
1985	775	792	2 169.9	25.0		171.9	1,361.1
1986	728	667	143.8	2.5	1.5	152.7	1,018.5
1987	707	683	143.5	2.0	2.0	158.7	1,084.9
1988	755	796	144.2	3 1.13	3 1.13	161.4	1,283.9
1989	891	838	146.8	3 1.12	3 1.12	167.4	1,402.8
1990	878	920	148.8	1.0	1.0	167.3	1,539.3
1991	878	883	152.8	4 1.0	4 1.0	172.3	1,521.4
1992	892	901	156.0	4 1.0	4 1.0	172.6	1,555.1
1993	892	892	157.7	4 1.0	4 3.0	168.1	1,499.5
1994	803	807	158.3	4 3.0	4 5.0	169.8	1,370.3
1995	935	854	159.7	4 0.8	4 1.8	179.4	1,533.9
1996	874	897	160.1	4 1.0	4 1.8	183.7	1,647.8
1997	974	1,014	162.1	4 1.0	4 1.0	172.0	1,744.1
1998	814	815	162.8	4 1.0	4 1.0	175.5	1,430.3
1999	668	645	163.2	4 2.5	4 2.5	173.6	1,119.7
2000	543	563	164.0	4 2.5	4 2.5	179.3	1,009.5
2001	549	545	166.0	4 2.5	4 2.5	185.8	1012.6
2002	582		165.6	4 2.5	4 2.5		

1 Marketing data beginning 1967.

2 Effective support at 165.0 cents by reduction of certain grades.

3 Includes budget deficit assessment (1988 and 1989).

4 Includes marketing assessment equal to 0.5 percent of price support level beginning in

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Crop Year	Acreage Harvested (thousand acres)	Yield Per Acre (pounds)	Domestic Use (million lbs.)	Exports 1 (million lbs.)	Ending Carryover (million lbs.)
1960	691.8	1,808	792	475 <sup>1</sup>	2,090
1961	698.5	1,801	782	485	2,081
1962	729.8	1,930	777	431	2,281
1963	694.5	1,975	768	498	2,386
1964	627.6	2,211	775	444	2,555
1965	562.3	1,883	752	423	2,439
1966	607.3	1,825	687	587	2,273
1967	610.3	2,070	688	533	2,302
1968	533.0	1,841	672	525	2,100
1969	576.8	1,825	646	535	1,972
1970	584.1	2,042	640	534	1,976
1971	525.8	2,050	663	480	1,910
1972	513.6	1,971	664	519	1,749
1973	575.1	2,011	703	598	1,607
1974	616.3	2,014	652	548	1,652
1975	717.2	1,973	671	522	1,898
1976	666.6	1,974	634	514	2,075
1977	589.3	1,917	608	539	2,052
1978	602.1	2,046	584	599	2,075
1979	502.8	1,881	563	520	1,965
1980	555.1	1,957	530	509	2,013
1981	540.6	2,164	489	523	2,145
1982	473.3	2,126	479	456	2,205
1983	409.8	2,004	2 612	2 282	2,165
1984	392.0	2,206	2 530	2 405	2,080
1985	357.1	2,241	2 535	2 376	1,958
1986	308.3	2,091	480	393	1,752
1987	324.6	2,129	537	385	1,513
1988	366.4	2,219	522	363	1,424
1989	391.0	2,069	567	387	1,308
1990	416.9	2,253	609	403	1,216
1991	402.6	2,265	471	403	1,224
1992	401.5	2,257	509	420	1,196
1993	400.1	2,217	433	359	1,295
1994	359.5	2,420	569	346	1,187
1995	386.2	1,933	531	345	1,166
1996	422.2	2,151	556	391	1,116
1997	458.3	2,285	543	334	1,253
1998	368.8	2,204	492	342	1,234
1999	304.0	2,162	437	262	1,190
2000	250.0	2,396	479	238	948
2001	238.5	2,427			