



Flue-Cured Tobacco...

SCOOP

...A newsletter from
Flue-Cured Tobacco Cooperative
Stabilization Corporation
www.ustobaccofarmer.com

Coop Conducts Research on Cut Strip Tobacco

Drs. Bill Johnson and Mike Boyette of NC State University originally researched cut strip tobacco to look for possible production efficiencies. Flue-Cured Tobacco Cooperative is doing ongoing research on cut strip tobacco.

Flue-Cured Stabilization's intentions in mechanically cutting green tobacco are to investigate possible curing efficiencies and to assess feasibility of using cut tobacco in consumer products. The Flue-Cured Tobacco Cooperative Stabilization Corporation Board of Director's who are farmers themselves and know first hand the expense involved with producing a profitable tobacco crop, asked staff to investigate ways to help farmers reduce production costs.

The Board of Directors requested staff to further explore cut strip potentials. Granville Equipment is the cooperator in this project.

Granville Equipment originally put 2400 lbs of upper stalk tobacco per box in a 9 box Powell barn.

We filled the first cut strip barn using the same 2400 lb rate per box.

The second cut strip barn we increased to 2900 lbs per box and stayed at that rate for the rest of the cut strip tobacco.

We noticed some degradation in the first cut strip 2900 lb. barn. This

barn was harvested immediately following tropical storm Ernesto. We are not sure if the winds and rain created conditions for the degradation or the reduced air flow with heat exchangers was to blame. The data collected from this barn will provide more facts.

We plan to have sufficient volume to evaluate the cut strip tobacco while being processed.

Important Assessments

Does the heat exchanger decrease airflow enough to lessen the benefits of filling the boxes heavier with cut strip tobacco?

How does cut strip tobacco respond to processing? Is there more waste and less yield due to smaller pieces of leaf?

What are the smoking characteristics of the cut strip tobacco?

Once the data is evaluated from the cut-strip tobacco, Flue-Cured Tobacco Cooperative board of directors will have to decide if this project is feasible to continue.



Cut Strip Prototype Machine



Tobacco Being Cut With New Prototype Machine



Tobacco Traveling Up Box Loader Elevator After Being Cut

Flue-Cured Tobacco Cooperative Stabilization Corporation is the grower owned and supported cooperative that serves flue-cured tobacco growers in Virginia, North Carolina, South Carolina, Georgia, Alabama and Florida.

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1304 Annapolis Drive
Raleigh, NC 27608

Telephone: (919) 821-4560
Fax: (919) 821-4564



Tobacco Being Processed in Early August.

Coop begins processing 2006 crop

Flue-Cured Tobacco Cooperative began processing the 2006 crop in early August. The 2006 crop is very ripe and mature. Processing is progressing very well. The factory is currently working 24 hours per day 7 days a week.

Excessive rains received from Tropical Storm Ernesto on Thursday, August 31 and Friday, September 1, 2006, in eastern North Carolina caused damage to tobacco crops. Some producers in eastern North Carolina disked up their entire tobacco crop. Due to the excessive rains, the Cooperatives tobacco receipts are going to be less than anticipated. The same situation seems to be true for the entire flue-cured crop this year.

The processing should be completed by late November or early December.

Flue-Cured Tobacco Coop Sells Tobacco to China

Flue-Cured Tobacco Cooperative Stabilization Corporation has entered into an agreement to sell 5,000 tons of 2006 crop year tobacco to the People's Republic of China. The final contract volume could be adjusted higher since the Cooperative Marketing Centers are still receiving tobacco at this time and specific quantity is unknown.

Chinese tobacco officials from the CNTIEGC met recently with the Cooperatives' Board of Directors for a discussion. There is great probability for continued growth of US flue-cured tobacco exports to China. The Chinese tobacco officials stated that China is very interested in US flue-cured tobacco as a replacement for Zimbabwean purchases.

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First Leadership Class

Flue-Cured Tobacco Cooperative Stabilization Corporation is announcing its first leadership class. We look forward to sharing with these selected growers about how the Cooperative operates. The dates of the leadership class are October 30 through November 3, 2006, and February 5 through 8, 2007.

The candidates are:

Brian R. Howell
6284 East Pulaski Hwy.
Register, GA 30452

Charles DeLoach
Route 3, Box 54
Metter, GA 30439

John C. Shelley
7276 Black Creed Rd.
Nichols, SC 29581

Neal Baxley
2192 Milton's Pl,
Marion, SC 29571

Stephen R. Squires
6443 Old Pee Dee Rd.
Hemingway, SC 29554

Mack A. Beard Jr.
3069 Barrineau Rd.
Lake City, SC 29560

Tony M. Jones
1889 Coker Store Rd.
Mt. Olive, NC 28365

Major Foy Ivey, III
149 Ivey Road,
Mt. Olive, NC 28365

S. Jordan Brandon III
PO Box 64
Dundas, VA 23938

David H. Chandler
4568 Barrineau Rd.
Cades, SC 29518

If you see these individuals, please congratulate them on their initiative to get involved and learn more about their Cooperative. We will give updates about the leadership class in future newsletters.

Flue-Cured Tobacco Coop Sells Tobacco to China

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China normally purchases as much as 50,000 Metric tons of flue-cured tobacco from Brazil and Zimbabwe annually. The officials stated that they needed the confidence to know that they could purchase their desired amount from the US annually.

The Chinese officials also expressed their concern over the amount of Non Tobacco Residue Material (NTRM) in the tobacco. Stabilization's Marketing Committee will meet this fall to discuss (NTRM) and other changes to the Exclusive Marketing Agreement in order to address these concerns.

The officials stated that China has the largest number of smokers in the world. In addition, some top brands in China sell for as much as \$4 to \$8 US dollars a pack. The most popular brands are trying to include US flue-cured tobacco as a part of their blend before China allows foreign competition. However, the Chinese tobacco officials stated that before the cigarette manufacturers actually switch their blends to include US flue-cured tobacco they must be assured of steady consistent supplies.



Front row L to R
Tony Jones, Mack Beard, Charles DeLoach, Major Foy Ivey, Steven Squires, David Chandler.

Back row L to R
Brian Howell, Neal Baxley, Jordan Brandon, John Shelley.

Tobacco: Area Harvested, Yield, and Production by Class, Type, State, and United States, 2005 and Forecasted October 1, 2006						
Class and Type	Area Harvested		Yield		Production	
	2005	2006	2005	2006	2005	2006
	Acres		Pounds		1,000 Pounds	
Class 1, Flue-cured						
FL	2,500	1,100	2,200	2,400	5,500	2,640
GA	16,000	18,000	1,735	1,900	27,760	34,200
NC	123,000	150,000	2,227	2,200	273,950	330,000
SC	20,000	22,000	2,100	2,100	42,000	46,200
VA	14,000	17,000	2,410	2,400	33,740	40,800
US	175,500	208,100	2,182	2,181	382,950	453,840

USDA, NASS Releases 2006 Crop Information

The United States Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), released the October crop report for tobacco on Thursday, October 12, 2006. The forecast

on October 1, 2006 shows an increase in production of 18.5 % from the 2005 crop.

Coop works toward cigarette product launch

Flue-Cured Tobacco Cooperative is working on the product design that will

lead to our own cigarette product. Flue-Cured Cooperative has hired a marketing firm to help with product positioning, sales and distribution.

We are testing various blends on consumer focus groups to determine which blends offer the most consumer acceptance.

We will keep the membership up to date on the specific details as this project moves forward.