



FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORPORATION

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The Board of Directors of Flue-Cured Tobacco Cooperative Stabilization Corporation is announcing an additional 20 cents per pound average price increase for 2008 contract growers.

The initial average price for 2008 was \$1.60 cents per pound. This additional price increase will add another 20 cents per pound to the average for a total of \$1.80 per pound for 2008 deliveries to Stabilization's Marketing Center.

Recent rapidly escalating prices for fuel, fertilizer and products used in tobacco production caused the Board to reconsider 2008 prices. Growers are now in the critical stage of deciding which crops they will plant this season. With commodities future prices at unprecedented high levels, the growers can decide to grow another crop on land intended for tobacco production.

The Board recognized that Cooperative Stabilization growers need assurance that these unexpected high production cost will be offset by an increase in market prices for contract growers.

However, this mid-term price increase is a business decision based on the volatile economic circumstance this year and future crops will be based on the economic situation in future years.

The Board and staff at Stabilization will be discussing with customers the necessity of increasing the price in order to assure 2008 flue-cured deliveries to Stabilization Marketing Centers.

More information is available at our website <http://www.ustobaccofarmer.com>, email mparker@ipass.net, or give us a call at 1-919-821-4560