



Flue-Cured Tobacco...

SCOOP

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

FCTCSC BOARD OF DIRECTORS ANNOUNCE PRICE INCREASE TO MEMBER-GROWERS

On Thursday, March 20, 2008, the Board of Directors of Flue-Cured Tobacco Stabilization Corporation announced an additional twenty cents average price increase for 2008 contract growers.

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

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 could decide to grow another crop on land intended for tobacco production.

The Board recognized Cooperative Stabilization growers needed assurance that these unexpected high production costs would 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.

The new 2008 price schedule will be mailed to each Cooperative member-grower upon staff completion and board approval of the updated price schedule.



PRODUCING HEALTHY TRANSPLANTS IN A FLOAT SYSTEM

Robert G. Parker
Crop Science Extension Associate-Tobacco
W. David Smith and Loren R. Fisher
Crop Science Extension Specialist-Tobacco
Janet F. Spears
Crop Science Extension Specialist-Seeds

To produce high quality tobacco, growers must begin with healthy transplants. An ideal transplant is disease free, hardy enough to survive transplanting shock, and available for transplanting on time. In general, early transplanted tobacco yields more than late-transplanted tobacco. The historical late-frost date for a region is a good guideline for selecting a date for setting out transplants, but the five-day forecast is better. In general, tobacco that has been transplanted for several days can tolerate frost better than recently transplanted tobacco.

The greenhouse float-system method produces excellent quality transplants with uniform stem lengths in a very predictable time period. However, the weather does affect production in the greenhouse. For example, cool, cloudy conditions can delay germination. Unseasonably warm temperatures in February and March can increase the rate of plant growth, causing problems with stem and root diseases, particularly if the seeds are planted in the greenhouse too early. Successful transplant production in a greenhouse requires intensive management with great attention to details. Little problems can become big problems very quickly.

Transplant production costs per acre increases when the percentage of usable transplants decreases. Therefore, management practices that improve stands and promote uniform growth decrease production costs. Nearly all management practices affect usability, but these are some of the most important:

1. Consider the materials.

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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.

President

Albert Johnson

Vice Presidents

Kenneth Dasher
Andrew Q. Shepherd
Jimmy Pate
Brian Howell

General Manager

Tommy Bunn

DIRECTORS

District 1	Kenneth Dasher Live Oak, Florida
District 2	Brian Howell Register, Georgia
District 3	Albert M. Johnson Galivants Ferry, South Carolina
District 4	James C. Pate Rowland, North Carolina
District 5	Keith Beavers Mt. Olive, North Carolina
District 6	Blythe H. Casey Kinston, North Carolina
District 7	Keith Parrish Benson, North Carolina
District 8	Jimmy Crews Oxford, North Carolina
District 9	Richard Renegar Harmony, North Carolina
District 10	Andrew Q. Shepherd Blackstone, Virginia
Public Director	James T. Hill, Jr. Kinston, North Carolina

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- Analyze the water source and manage alkalinity.
- Select a uniform, high-quality growing medium with a low and well-mixed nutrient charge.
- Consider tray design.
- Use seeds with high germination rates and acceptable pelleting materials.

2. Promote uniform emergence.

- Sow seeds during sunny periods.
- Fill trays uniformly.
- Place seeds uniformly (in the center of the dibble).
- Provide a warm temperature (68 to 70 degrees F at night).
- Reduce spiraling rooting.
- Control ants and mice.

3. Promote uniform growth.

- Monitor fertilizer salts in the medium and leach with water from overhead when necessary.
- Continue to analyze water and manage alkalinity when necessary.
- Clip properly.
- Manage insects and diseases.

4. Prevent stand loss.

- Provide proper ventilation and airflow to prevent heat injury.
- Avoid early seeding, high nitrogen rates, and hot daytime temperatures that promote stem rot diseases.
- Fumigate trays with methyl bromide or purchase new trays.

(Source: **Flue Cured Tobacco Guide**, 2008 North Carolina Cooperative Extension Service)

**DISTRICT 5
ELECTION RESULTS**

On Thursday, February 21, 2008, a meeting was held at Mount Olive College, in Mount Olive, N.C., by District 5 member-growers to elect their Board representative to serve for a three year term. Incumbent Board member, Mr. Keith Beavers and Mr. Victor Swinson, both from Mount Olive, were nominated from the floor. After the vote by secret ballot was

tabulated, Mr. Keith Beavers retained his seat on the Board of Directors.

**DISTRICT 7
ELECTION RESULTS**

On Monday, March 10, 2008, a meeting was held at Wilson County Agriculture Center Auditorium in Wilson, N.C. by District 7 member-growers to elect their Board representative to serve for a three year term. Incumbent Board member Mr. Keith Parrish (Benson, N.C.) and Mr. Charlie Batten, Jr. (Four Oaks, N.C.) were nominated from the floor. After the secret ballot vote was tabulated, Mr. Charlie Batten, Jr. of Four Oaks, N.C. won the election and will represent District 7 beginning in May, 2008.

**DISTRICT 10
ELECTION RESULTS**

On Wednesday, March 26, 2008, a District 10 meeting was held at the VFW in Chase City, Va. by member-growers to nominate and elect their Board representative to serve for a three year term. Incumbent Board member Mr. Andy Shepherd won the election by acclamation.

**FDA TOBACCO
REGULATION
UPDATE**

On March 6, 2008, the U.S. House Committee on Energy and Commerce held a day-long session dedicated to the mark up of House Bill 1108, legislation sponsored by Rep. Waxman (D-CA) that would authorize the Food and Drug Administration to regulate tobacco products. Except for one, all the amendments were introduced by Republicans including amendments to: (1) protect tobacco growers from the bill's regulatory

concerns; (2) protect smaller companies against the possibility that any larger company might develop patents for specific supplies needed for the development of “reduced risk” tobacco products; (3) create a specific [provision] that the bill’s retail prohibition to minors would include shops located on Native American reservations; (4) repeal the current clause that prevents tobacco retailers from selling nicotine replacement therapy products; (5) eliminate the provision that the bill’s “user free” is in actuality a tax and should be stricken from the bill. All the proposed amendments were rejected by Rep. Waxman, but he noted some may be reconsidered for inclusion at a later time either on the Floor of the House or in another committee. (TMA Abstract 03/06/08 from <http://energycommerce.house.gov/membios/schedule.shtml>)

The Democrat-controlled US House Energy and Commerce Subcommittee on Health voted 18-9 on **March 11th** for proposed legislation to give the Food and Drug Administration regulatory control over tobacco products. The new FDA powers would be funded by a fee starting at about one cent per pack this year and reaching at least 5 cents per pack by 2018, generating \$85-712 million annually, committee staff said. During the subcommittee’s discussions on the bill, Republicans largely sided with Reynolds American Inc., which argued against FDA regulation, saying it would unduly favor its main competitor and market leader, Philip Morris USA. “It should not be left to Congress to pick winners and losers,” US Rep. John Shadegg (R-Arizona) said. RAI also objects to the bill because it would not allow tobacco companies to market smokeless tobacco products as less harmful than cigarettes. “This effectively kills our ability to communicate the reflective health risks and treats all products as equally harmful,” RAI’s executive vice president of public affairs Tommy Payne said.

US Rep. Steve Buyer (R-Indiana)

sponsored a number of amendments to delay enactment of the legislation anywhere from one to 10 years, saying the core mission of the FDA should be protected before giving the agency a new responsibility. However, all of Buyer’s amendments failed on party line votes, with subcommittee chairman Frank Pallone (D-New Jersey) and Democrats arguing that the FDA’s new assignment would be paid for by the industry and tobacco users, and therefore would not impose a financial burden on the agency. Steve Parrish, a senior vice president at Altria Group Inc., which supports FDA regulation, called the committee vote an “important step forward.” Philip Morris USA has said the bill does not work in its favor, because the company, along with its customers, would pay the major share of the fees charged to fund the new FDA powers. Matthew Myers, president of the Campaign for Tobacco Free Kids, said the committee’s two-to-one margin vote demonstrates the broad support for the legislation, but acknowledged that the bill will have “a hard fight going forward.” Companion Senate legislation, which the US Senate Health, Education, Labor and Pensions Committee passed on August 1, 2007, awaits a vote in the Senate. There is no timeline for the Senate or the full House Energy and Commerce Committee to hear the bill, although Democratic leaders in both chambers have called it a high priority issue (Media General News Service 3/11).

In a related article, Professor Michael Siegel of Boston University’s School of Public Health and the Campaign for Tobacco-Free Kids and the American Cancer Society are acting unethical by asking their constituents to support the proposed FDA legislation while hiding the fact that the proposed bill has the support of Philip Morris USA. (tobaccoanalysis.blogspot.com 03/07/08)

Commenting on a recent Zogby International poll finding that 82% of likely voters in the U.S. fear that legislation mandating Food and Drug Administration regulation of tobacco

products would put the agency’s main core mission at risk, contrary to Campaign for Tobacco-Free Kids’ poll that 70% of voters supported FDA legislation, Prof. Michael Siegel said the Zogby report “confirms my earlier assessments that polls commissioned by [CTFK] which purported to show widespread support of the FDA tobacco legislation are pure politics, devoid of science.” (tobaccoanalysis.blogspot.com)

Although President George W. Bush is opposed to the FDA legislation, his successor is likely to support it since US Sens. John McCain (R-Arizona), Hillary Clinton (D-New York) and Barack Obama (D-Illinois) are among those co-sponsoring the FDA bill in the Senate. (Louisville Courier-Journal 03/09)

2007-2008 LEADERSHIP MEMBERS TRAVEL TO WASHINGTON, D.C.

The final week of the Flue Cured Tobacco Cooperative Stabilization Corporation leadership training program was focused on political farm issues and the political process. A planned two day trip to Washington, D.C. was scheduled to meet with personnel at the USDA, congressmen and senators representing tobacco farming districts. Our leadership members convened on Monday, February 11, 2008 and discussed political farm related issues. North Carolina Farm Bureau’s legal representative and former congressional staff member Mr. Jake Parker gave an overview of the national political farm issues to the group. The topics he discussed were the Family Smoking Prevention and Tobacco Control Act (FDA Tobacco Regulation Bill), Farm Bill, Immigration Issues, State Children’s Health Insurance (continued on page 4)

Program (SCHIP), and USDA trade issues. Jake assured our members that if they met with congressional or senatorial staff instead of the representatives that their comments would be passed directly to the representatives.

The two day trip to Washington D.C. began early Tuesday morning. The Tuesday's itinerary was a 1:00pm USDA meeting with Mr. Robert Riemenschneider (Deputy Administrator, Office of Negotiations and Agreements Foreign Agriculture Services) and Mr. John Johnson (Farm Bill), a 3:30pm meeting with Congressman John Spratt (South Carolina representative and Chairman of the Congressional Budget Committee), concluding with a 4:30pm meeting with Senator Lindsey Graham (SC). Wednesday's itinerary

was as follows: an 8:30am meeting with Congresswoman Virginia Foxx (NC), a 10:00am meeting with Congressman G. K. Butterfield (NC), an 11:00am meeting with Congressman Jack Kingston (Ga.), and a 12:30 meeting with Senator Elizabeth Dole (NC). The leadership members returned to Raleigh, North Carolina at 5:00pm.

The dialogue between our members and the elected representatives and staff was excellent. The representatives and staff told our members to remain informed and involved on local, state, and national issues, to form groups with a common interest and to communicate with their representatives because the representative hears the lobbyist, but do not hear from the farmers.

On Thursday morning, February 14, 2008, at 8:30am Dr. Bill Collins

(NC State University) addressed our members on the subject, "The Uniqueness of U. S. Flue Cured Tobacco." Following Dr. Collins' power point presentation, Tommy Bunn presented the members' leadership training program certificate.

There have been many people involved in the FCTCSC leadership training program that made the program a success. Flue Cured Tobacco Cooperative Stabilization Corporation would like to thank the following participants: North Carolina State University professors: Dr. David Smith, Dr. Loren Fisher, Dr. Lanny Hass, Dr. Sandy Wiggins, and Dr. Bill Collins; FCTCSC Staff in Raleigh, Timberlake, and Fuquay-Varina; Albert Johnson and the Board of Directors; USDA members John Johnson, Robert Riemenschneider, and Moot Truluck; congressional and senate schedulers; congressional and senate staff members and to Congressman John Spratt(SC) and Congresswoman Virginia Foxx(NC). A special thank you to our General Manager Tommy Bunn for his invaluable assistance in Washington, D.C..

It has been Flue Cured Tobacco Cooperative Stabilization Corporation's honor and privilege to have been involved for two separate weeks with eight young gentlemen representing their three states, North Carolina, South Carolina, and Georgia. Our Cooperative membership can be proud of each of these young men.

FYI

Tobacco: Area Harvested by Class, Type, State,
and United States, 2006-2008

Class and Type	Area Harvested			
	2006	2007	2008 1/	2008/2007
	Acres		Percent	
Class 1, Flue-cured				
FL 2/	1,100			
GA	17,000	18,500	16,000	86
NC	155,000	166,000	168,000	101
SC	23,000	20,500	20,000	98
VA	17,000	18,000	17,000	94
US	213,100	223,000	221,000	99

(Source: National Agricultural Statistics Service, USDA)