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REGISTER TODAY

**CBT Annual
Meeting
January 20, 2017
in
Lexington, KY**
see page 3

Burley News

Volume 4, Issue 1

Another Challenging Year

As we ring in the New Year I believe we can all agree that 2016 was another challenging year for the burley farmer.

The devastating weather conditions across the burley belt last season led to losses for many growers. According to the 2016 – 2017 Kentucky Agricultural Economic Situation and Outlook (The Outlook) released in early December 2016, tobacco receipts slumped to their lowest post-buyout level. The Outlook noted that the combination of much lower yields and a very poor quality crop due to weather will likely cause the Kentucky value of tobacco production to fall below \$300 million for 2016.

While lower yields might be out of your control, how the crop is managed and delivered to market is all up to you - the farmer. Companies recognize that farmers have been faced with poor weather conditions, but proper management of a poor quality crop can make the difference for future contracts. I encourage you to keep management and quality control in focus, as you continue to work to wrap-up this season and plan for next year.

There is hope that the short crop in the Americas this year will lead to an increase in the demand for burley in 2017. The Outlook points that improved yields may enable burley production to rebound modestly in



FDA on a visit to Harris Family Farm in Madison County.

2017, but declining cigarette sales and slumping export demand will limit contract volume adjustments.

As we continue to face changes in the industry the Council is working hard to engage the tobacco companies and the USDA Risk Management Agency in meaningful dialogue related to issues on behalf of the farmer. We believe it is our role, as leadership, to be the voice for the grower who cannot always speak for him/herself on important issues. We also are working to provide you with the research, materials, and information to make best management decisions in your operation.

In September, I along with another Council board member welcomed a group of FDA scientists to our farms in central Kentucky. This one day was a part of a series of tours the FDA took to tobacco farms across the country to gain an understanding of how tobacco is grown and cured on the farm. We were excited to have the FDA come out to the Bluegrass, and we believe this opportunity was

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A Focus on Sustainability

by: ITGA President Daniel Green

The International Tobacco Growers Association (ITGA) was founded more than thirty years ago by representatives of tobacco-producing countries with very different cultures, political structures and tobacco regulatory environments. While these representatives recognized their many differences, they set about an effort to form an effective organization with the goal to give tobacco farmers worldwide a common voice, realizing that their common interests were greater than those things that set them apart. This successful effort resulted in the only world organization of tobacco farmers, representing approximately 30 million farmers worldwide.

When the ITGA was founded, the biggest concern facing farmers included taxation and smoking restrictions. Today, the issues have become much more complex with a multitude of regulatory authorities having oversight over tobacco at local, regional, national and international levels and with many more forces attacking the livelihoods of tobacco farmers.

However, if you ask a tobacco farmer anywhere in the world their primary concern, the answer is always the same; profitability. A tobacco farmer that cannot afford to adequately provide for his/her family has little concern about what new marketing restrictions are being imposed on cigarette manufacturers.

Lasting trends of declining demand for leaf tobacco has made the most recent supply and demand imbalance the most painful one for tobacco farmers. In the face of lower prices and rising costs of production, farmers are growing more frustrated to hear about the focus of many leaf purchasers on sustainability programs that seem to primarily involve recordkeeping requirements, environ-

Daniel Green is the current President of the ITGA and CEO of the Springfield, TN based Burley Stabilization Corporation.



mental protection and issues related to hired labor. To the farmer, sustainability must include a meaningful discussion about profitability. Unfortunately, this frustration and uncertainty regarding future profitability is leading to a rapid decline in the number of tobacco farmers in many regions of the world, including the United States.

At its recent annual meeting, the ITGA member countries approved a strategy proposal to focus on issues that truly affect grower sustainability. Quite simply, this means supporting measures that ensure responsible farmers can provide a good life for their families from producing tobacco.

In the new year, ITGA will maintain its focus on initiatives that encourage stability of production and increased grower profitability, while continuing to publicize the economic importance of tobacco production and ensuring that the legitimate interests of tobacco farmers are understood by the industry and being considered by international and national policy-makers.

The tobacco industry should take great care to not become complacent with regards to the plight of tobacco farmers in periods of oversupply, but to maintain a strong emphasis on supporting successful family farms. Without tobacco farmers, there would be no tobacco industry.



Board Members

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Greg Harris

Grower-at-large

Vice-President

David Chappell

Grower-at-large

Secretary

Hampton Henton

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Treasurer

Donald Mitchell

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Burley Tobacco

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Al Pedigo

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Scott Travis

Kentucky Farm Bureau

Eddie Warren

Burley Tobacco

Growers Cooperative

Shane Wiseman

Kentucky Farm Bureau



International Tobacco Growers' Association

www.tobaccoleaf.org

Burley Tobacco Annual Meetings

January 19-20, 2017

The Council for Burley Tobacco invites growers to attend the Council's annual meeting and luncheon on Friday, January 20 during the Tobacco Expo/Agriculture Industry Trade Show at the Lexington Convention Center.

The Tobacco Expo and Ag Industry Trade Show will open on Thursday, January 19 at 11:00 a.m. The Burley Tobacco Growers Cooperative Association Annual Membership Meeting will begin at 4:00 p.m. and all members are invited to attend.

On Friday, January 20 the morning activities will kick off with the Ag Industry Breakfast. Following the breakfast tobacco growers can attend the U.S. Tobacco GAP trainings, see page 5 for information on the GAP training.

The Council for Burley Tobacco annual meeting will begin at noon in the Bluegrass Pre-function area. All burley growers are welcome to attend the meeting and enjoy light snacks.

Registration for the Tobacco Expo/Ag Industry Trade Show is free, but it is required to attend all burley meetings and enjoy the Council's annual meeting.

The deadline to pre-register for the Tobacco Expo and all meetings is Monday, January 16. To pre-register visit www.councilforburleytobacco.com and follow the link. You can also preregister by contacting Kathy Sanford at Kathy@burleytobacco.com or call (859) 252-3561.

Another Challenging Year (cont.)

a great way to educate FDA employees on the important role tobacco plays in our agriculture community.

I encourage you to join us on Friday, January 20 in Lexington, Kentucky during the 2017 Tobacco Expo for our annual meeting. The Council for Burley Tobacco may be the voice of the tobacco farmer, but we need you to share your voice on important burley issues. This year we will be electing two Grower-at-large board members and we are excited to welcome Bonnie Herzog, the Managing Director of Beverage, Tobacco & Convenience Store Research with Wells Fargo Securities LLC, as our main speaker for the meeting. See details above for registration information.



2017 Tobacco Expo



Thursday, Jan. 19

Ag Industry Trade Show

& Tobacco Expo Opens

11:00 a.m.

Burley Tobacco Growers Cooperative Association Annual Meeting

4:00 p.m.

Lexington Convention Center

Friday, Jan. 20

Ag Industry Breakfast

7:00 - 9:00 a.m.

U.S. Tobacco GAP Trainings 2015

9:00 a.m. - Noon

Elkhorn A & B

Council for Burley Tobacco Annual Meeting and Luncheon

Noon - 1:30 p.m.

Bluegrass Pre-function Area

*All times are Eastern Standard Time



Dr. Bob Pearce and Donald Mitchell answer questions about the burley production during the FDA tour stop at the Mitchell Family Farm in Woodford County.

If you know a burley farmer that does not receive our newsletter encourage them to visit the website, www.councilforburleytobacco.com, to learn more about The Council for Burley Tobacco and to sign up to be a member. I hope to see you on January, 20!

Greg Harris, President

January 2017

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Burley Partner Update

Burley Tobacco Growers Cooperative

The 2016 burley crop has endured many challenges. Only time will tell what the total production will be but everyone expects it to be much less than estimated earlier during the season. This makes it more important to manage the curing and stripping of the crop to prepare it for sale. For those that carried crop insurance and have encountered quality loss, you may consider looking at the Tobacco Administrative Grading Service website to see if that applies to you; <http://tobaccograding.com/>. The crop insurance program for quality loss is separate from the production loss program. The production loss program is handled through your Approved Insurance Provider (AIP) and crop adjuster.

The Burley Tobacco Growers Cooperative Association (BTGCA) established the Tobacco Administrative Grading Service (TAGS) beginning in the 2012 crop year. An agreement was made between the BTGCA and the Agriculture Marketing Service (AMS) to coordinate with producers to schedule times and locations for tobacco to be graded for quality loss. The Risk-Management Agency (RMA) adopted special provisions of insurance to require all tobacco seeking a quality claim be graded by the Agriculture Marketing Service (AMS).

New for the 2016 and succeeding crop years the adjuster must, in all cases, physically witness the destruction of "N" grade tobacco as assigned by an AMS Grader in order for this not to be included as production to count. If the grower chooses not to destroy such production, the full amount of the "N" Grade production will count as production to count and no quality adjustment will be allowed for the tobacco.

Growers that wish to have their tobacco graded for quality adjustment should call the Tobacco Administrative Grading Service (TAGS) to schedule an appointment with an AMS Grader prior to sale of their crop. You can call the Scheduler toll-free at 855-776-8570. You will need to provide the type of your tobacco (flue-cured or burley), your preferred grading location, your address and telephone number, the county your tobacco was grown in, your farm serial number, and your policy information. Your policy information would include your policy number and Approved Insurance Provider name as well as your agent's name, agency, telephone number, and if available, email address. If you do not have a preferred grading location, our Scheduler can provide you with a list of available options. Currently the fee for this service is 4



cents a pound for grading, and an additional 6 cents (determined by warehouse) a pound if the grading location reloads your tobacco. Payment is to be made by check only. An invoice will be mailed to you shortly after grading is complete. There will be a \$35 service charge for any bounced check. If an appointment is cancelled there will be a \$25 cancellation charge.

As we finish up this year's crop we have to make plans for the future. The Burley Tobacco Growers Cooperative Association Annual Membership Meeting will be at 4:00 pm on the 19th in conjunction with the Ag Industry Trade Show at Heritage Hall in the Lexington Convention Center. GAP Training for 2017 will be held the next day on January 20th beginning at 9:00 am. Registration is required for these events.

The Council for Burley Tobacco is again sponsoring the registration fee. To register you can go to: <https://www.eventbrite.com/e/2017-burley-tobacco-meetings-tickets-30092976904> to complete your signup. Feel free to contact us at 859-252-3561 if you have questions.

Council for Burley Tobacco is accepting grant applications

The Council for Burley Tobacco is accepting grant applications for the 2017 winter funding cycle. Deadline for the winter application period is 5:00 pm EST on Friday, January 13, 2017. Application information is on The Council for Burley Tobacco website under the Grants tab.

For more information visit www.councilforburleytobacco.com.

The Council For
Burley Tobacco



2015-2016 Season Check-off Payments

BTGCA

\$1,701.12

CC Burley Growers, LLC

\$1,723.94

Farmers Warehouse

\$2,918.24

Hail & Cotton

\$977.07

JTI Leaf Services

\$20,272.03

KT Services

\$2,462.00

Philip Morris USA

\$36,042.48

RJ Reynolds

\$11,971.70

RV & V

\$768.49

**Universal Leaf
North America**

\$33,234.70

US Smokeless

\$1,229.14

TOTAL \$114,300.91

Burley Partner Updates



The 2017 GAP grower training will be offered at the Tobacco Expo in Lexington and at other meeting dates and locations that are currently being scheduled. Last year training was offered at over 120 meetings, with over three fourths of them being held

in burley growing areas. Growers are expected to attend one training meeting in 2017 to be in compliance with the GAP program guidelines.

The following information will be helpful to growers as they plan their attendance to the upcoming GAP meetings:

- 1) Growers planning to attend GAP training need to be sure they have their GAP grower ID card in order to have their attendance scanned and recorded. If growers do not know their grower ID number they can contact GAP Connections at 865-622-4606.
- 2) Replacement of a lost grower ID card has a \$13 fee for printing and shipping.
- 3) If growers want to avoid this fee, there are two other options. Both of these options require the grower to know their grower ID and password. If they don't have either they can contact GAP Connections.
 - a. Print a paper copy of the card by accessing their grower profile through the GAP Connections web site (www.gapconnections.com).
 - b. Download the GAP Connections Grower App onto their iPhone or Android smart phones, which includes an electronic version of their grower ID card. More information on this option is available at the GAP Connections webpage at www.gapconnections.com under Resources.

For growers looking for a GAP training meeting, a list of public meetings will be updated on the Calendar at the GAP Connections web site as meetings are scheduled. For more information visit www.gapconnections.com.



Agriculture Workforce Management Association wants to remind growers it is time to start labor planning for the 2017 season. All growers need to submit H-2A applications 75 days before the date

they need labor. For example if you need your workers by March 15, we need your application no later than January 1. If you need your workers by April 1, they need your application no later than January 15. The Adverse Effect Wage Rate for 2017 in Kentucky and Tennessee will be \$10.92 per hour.

AWMA will be offering a H-2A Training Program on Thursday, January 12, 2017. It will be held at the Marion County Extension Office in Lebanon, KY. The program will start at 9 am CST – 10 am EST and end at 2 pm CST – 3 pm EST.

To learn more about H-2A issues or to download an H-2A application visit www.awmalabor.com.

Visit the News page on www.councilforburleytobacco.com to learn more about the annual meeting guest speaker Bonnie Herzog!

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The Council For
Burley Tobacco



Council for Burley Tobacco
PO Box 910546
Lexington, Kentucky 40591

Become a Member

The Council for Burley Tobacco is a grower organization that was established to represent the interests of the burley tobacco grower in all segments of the burley industry, encourage and develop a better understanding between burley producers and the general public, and provide a forum in which all matters of the tobacco industry may be discussed.

All burley tobacco producers are eligible for membership in the Council for Burley Tobacco. In addition, established organizations and associations constituted with a membership with a direct interest and concern in burley tobacco production are eligible for membership, but the representatives for these organizations and associations must be active burley tobacco producers or the President of the organization or association.

To sign up as a member of the Council for Burley Tobacco visit the website below and click on the button to become a member. Also be sure to join the burley conversation by liking the Council on Facebook.

www.councilforburleytobacco.com

January 2017

CBT

The Council For
Burley Tobacco



Annual Meeting

Friday
January 20, 2017

12:00 p.m. EST

Lexington
Convention Center

*Council Members
MUST register
for the meeting to enter the
Ag Industry Tradeshow
and enjoy the
Council Luncheon.
For registration information go
to page 3 of the newsletter.*