

# MODERN TOBACCO GROWER

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**W**elcome to *MODERN TOBACCO GROWER*, a newsletter covering the tobacco industry from the perspective of the leaf producers' side. Please subscribe (if you haven't already) by sending an email to [Chrisbickers@gmail.com](mailto:Chrisbickers@gmail.com). Write "Subscribe" and include what type of tobacco you grow (if any) and your mailing address. Or call 919 / 789-4631.

A new era of sucker control in organic tobacco began April 23. That is when O-TAC, a fatty alcohol contact made entirely from naturally grown plants, was formally introduced in Wilmington NC. Fair Products will make O-TAC for Santa Fe Natural Tobacco Co. "Labor will be cut tremendously because so many trips across the field will be eliminated," said Fielding Daniel, director of leaf for Santa Fe, at the introduction. "Until now, we had to pull suckers every two weeks or so and reapply vegetable oil by hand. It disrupted harvest, stained the lamina and wasn't effective: The suckers would be smothered, but they would come right back. Now, you can top once, sucker once, and apply O-TAC every seven to 10 days." Growers in Santa Fe's PRC and MH-free programs as well as those in organic can use O-TAC also, Daniel said. "I expect O-TAC will be adopted by most of our flue-cured growers this year." Loren Fisher, NC Extension tobacco specialist, said, "From what I have learned, it appears O-TAC offers organic growers the opportunity for better chemical sucker control than they have had in the past. We will have better data after this summer, when O-TAC will be tested in regional sucker control trials."

**H**ow much organic tobacco will be grown in 2009? Daniel estimated that his company will contract for a total of three million pounds worldwide. Of that, the US will account for 2.5 million, Canada .25 million and Brazil another .25 million. Another American company, Organic Smoke of Raleigh NC, plans to grow about 200,000 pounds in the US and Canada. A German company called Yuma also advertises an organic cigarette but has not revealed where its tobacco comes from. Both Santa Fe and Organic Smoke hope to contract for tobacco in Canada this season, but that may not be possible (see below).

A transplanting report from around the tobacco belt: At the southern end of the belt, Florida growers have finished transplanting, There was an initial problem of cool nights through much of the spring. "The temperatures have just warmed up in the last couple of days," said Allen Tyree of the Hamilton County (FL) Extension Service on April 27. "Our plants haven't grown, and the colors have not been good. But if we have warm nights, our plants will probably start looking better, and the crop should start off

well." He said all the tobacco in his county-which borders Georgia-was planted by the first week of April.

-In North Carolina, a large Eastern Belt grower said Monday that planting on his farm is about half done. "We have been planting since April 13, and the crop looks reasonably good at this point," said Jerome Vick of Wilson NC on April 27. "The root systems of what we have out look pretty good so far. There may be a little sponging, but in general it seems a pretty good crop." The only problem came on April 22 when 40 mph winds interfered with transplanting. That windy period caused sandblasting in several areas in the east, with considerable stand loss in places. Some growers chose to replant. As of April 28, about 40% to 50% of the NC flue-cured crop had been transplanted, said NC specialist Fisher. Much more was in the ground in the east than in the Old Belt.

-In Virginia, transplanting had just begun as April ended. Rains earlier in the month had slowed land preparation. "We probably haven't fumigated half the acreage that our farmers planned to," said David Reed, Virginia Extension tobacco specialist, in late April. "Some of them will have to decide soon if they want to wait longer or try some alternative treatment instead." The crop was about two weeks behind, he said. "But if we could get two dry weeks to get land preparation done, we would be back on schedule in no time."

-In Kentucky, most greenhouses and outdoor seedbeds have been seeded and a few of the greenhouses have been seeded a second time. Quite a bit will be grown off contract, a strategy that is less of a risk for burley growers than flue-cured, said Bob Pearce, Kentucky Extension specialist. "We have three warehouses that auction burley in this state, and also the cooperative buys tobacco directly from farms."

**O**utlook brightens for Virginia dark: The small dark fire-cured tobacco (Type 21) crop in Virginia appears to have increased 40% to 50% over last season's 500 acres, Reed said. By contrast, the dark fire-cured and air-cured of Kentucky and Tennessee will apparently be down substantially this year. USDA projected plantings of all dark fire-cured at 16,000 acres, down 13%, and all dark air-cured at 5,600 acres, down 34%. Why is Type 21 doing better? It is believed to be used entirely in discount moist snuff brands that are performing well now in the domestic market.

**P**lant burley early in non-traditional areas. "We advise growers in the east who have both burley and flue-cured to plant the burley as early as they can so it can take advantage of the cooler days," said Fisher in NC.

**B**eating Brazil in burley- Universal Leaf projects that the US will move back ahead of Brazil this season as the leading world producer of burley. It estimates burley production in America at 262 million pounds and in Brazil at 220 million pounds, about the same as last year.

**W**ill any tobacco be grown in Canada this season? A buyout of quota is taking place now. Once it is complete, any grower can grow tobacco on contract with a buyer...as long as he did not accept any buyout funds. By early April, all but 18 of the roughly 1,000 quota owners had applied for buyout payments. Other than the holdouts, tobacco can now be grown by new growers or existing growers who didn't actually own quota at the time of the buyout. A license must be obtained. At least one leaf dealer was reportedly seeking growers, as were Santa Fe and Organic Smoke.

**T**he quota payment for Canadian growers was a mere pittance- \$1.05 in Canadian currency per pound, approximately \$.86 in U.S. dollars. It had been speculated that some growers might disdain the payment and choose instead to continue producing tobacco. But that obviously was not the case. "It just shows you how desperately the farmers need[ed] an [exit] program," said the farmer leader of the Ontario tobacco cooperative.

Price stalemate in Argentina: All of the flue-cured crop in Argentina has been harvested, most of it has been delivered and two thirds of it has been processed...and growers and buyers still haven't agreed on a price! Farmers are demanding a 40% increase because of the sharp rise in input prices since 2008: Fertilizer and labor were up 100% and 37% respectively. None of the buyers accepted the 40% demand. They have made interim advance payments on delivery. The Philip Morris affiliate advanced 125% of last year's price, while the British American Tobacco affiliate offered 120%, a leaf dealer who does business there said in April.

Flue-cured production in Argentina is way down this year. The target for the 2009 crop (just harvested) was 200 million pounds, but only 174 million pounds were actually produced, slightly less than in 2008. Excessive rains along with disease problems were the main reasons for the shortfall. But the dealer said yields may be trending downward because of shorter rotations. "We need to let the land rest three years between tobacco plantation here," he said. Meanwhile, Argentine burley production is estimated at 119 million pounds, up from 90 million pounds in 2008, said the dealer. Argentine production is projected to rank fifth for both flue-cured and burley in 2009, according to Universal Leaf.

Still no movement on the N.C. smoking ban: Legislative debate on a smoking ban in public places and private work areas was stalled in April as restaurant owners objected to an amendment that would allow businesses to opt out of the ban if they have no under-18 workers. Restaurant owners thought this amendment would give bars an advantage.

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