

News Release

Farm Service Agency
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FSA Issues Rules on Selling Burley Tobacco

(LEXINGTON, April 23, 2004) --- Jeffery S. Hall, State Executive Director of the Farm Service Agency in Kentucky, today announced that the Farm Service Agency (FSA) has determined based on current legislation that Burley tobacco harvested during the 2004 calendar year must count against the 2004 marketing quota established for the farm.

Burley tobacco farms faced a reduction in pounds carried forward from 2003 marketing year to 2004 because of legislation that limits the total poundage carried forward (undermarketings) by all farms to 10 percent of the national basic quota for the proceeding crop year. The undermarketings belt-wide for 2003 were 53,628,000 pounds. The amount that could be carried forward was 28,739,000 pounds. As a result, farms were allowed to carry forward 53.59 percent of the farm's prior year undermarketings. This is the first time carry forward undermarketings have been reduced since the legislation was enacted.

Example: If a farm had 500 pounds of undermarketings from 2003, the actual carry forward pounds would be adjusted to 53.59 percent or 268 pounds, resulting in a loss of 232 pounds.

As a way to save some of the pounds lost due to the undermarketing limitation, some farmers may have taken action to grow a crop to market prior to October 1, intending to sell the crop on the 2003 marketing card. FSA has determined that any tobacco harvested during the 2004 calendar year must be recorded on the farm's 2004 marketing card, even if marketed before the beginning of the 2004 marketing year (October 1).

Farmers that have taken action to grown a crop to market prior to October 1, intending to sell the crop on the 2003 marketing card should contact their local FSA County Office before July 15, 2004.

Information on FSA programs is available at the local FSA Office or at <http://www.fsa.usda.gov/KY>.

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