

**Fact Sheet****Other Tobaccos: Dark Air-cured,
Fire-cured, Sun-cured, Cigar Filler & Binder
2002 Support Program and Related Information****Overview**

Quotas for dark air-cured, fire-cured, sun-cured, cigar filler & binder tobaccos are treated differently than burley and flue-cured tobaccos. The U.S. Department of Agriculture (USDA) calculates a quota that is converted to an allotment. The marketing year for all tobaccos covered in this fact sheet begins October 1.

Legislative Authority

The Agricultural Adjustment Act of 1938, as amended, authorizes marketing quotas on an acreage allotment basis for various kinds of tobacco, except cigar wrapper and perique. The Agricultural Act of 1949, as amended, sets the price support at the previous year's level, with an annual adjustment based on the change in a parity index average.

Marketing Quotas

Marketing quotas, having been approved by more than two-thirds of the producers, are in effect for the following tobaccos and crop years: (See chart 1).

Producers in March 2001 disapproved marketing quotas for 2001, 2002, and 2003 crops of Maryland (type 32), Pennsylvania cigar-filler (type 41), and Connecticut Valley cigar-binder (types 51-52) tobaccos. The next

referenda for those three kinds are scheduled to be held in March 2004. In addition, a referendum was held in March 1996 for Cigar Filler (Type 46) tobacco in which no one voted. Because this kind of tobacco is no longer grown, a special ruling was made accepting the referendum as a "No" vote and absolving producers from future referenda unless they actively petition the Secretary of Agriculture to reinstate the quota process.

Acreage Allotments

Following are 2002 national acreage allotments compared to 2001: (See chart 2).

Producers who exceed acreage allotments for tobaccos under marketing quotas are subject to marketing quota penalties. The penalty rate is 75 percent of the previous year's average market price.

Support Level

National support levels for the 2002 crops are up around 2 percent from 2001 levels. USDA sets individual grade rates before the marketing season begins: (See chart 3).

Support Method

Nonrecourse loans are available on 2002 production for the five quota tobaccos listed. Price support is provided to growers through

producer associations under contractual terms with USDA's Commodity Credit Corporation (CCC). The associations receive the tobacco not sold at the support rate, using funds loaned by CCC. Producers are required to certify that they have not nested their tobacco and also that pesticides used in producing tobacco have been approved by the Environmental Protection Agency and that these products have been used in accordance with label directions.

Assessments

As a condition of price support eligibility, producers of these various kinds of tobacco must pay an assessment on each pound of tobacco marketed to ensure the price support program operates at no net cost to taxpayers, as required by the No Net Cost Tobacco Program Act of 1982.

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Fact Sheet**Other Tobaccos***2002 Support Program and Related Information***CHART 1**

| Kind (type) | Crop Years | | | Referendum Date |
|---|------------|------|------|-----------------|
| | 2001 | 2002 | 2003 | |
| Sun-Cured (37) | 2001 | 2002 | 2003 | March 2001 |
| Cigar Filler and Binder (42-44 & 53-55) | 2002 | 2003 | 2004 | March 2002 |
| Fire-Cured (21-22-23) | 2000 | 2001 | 2002 | March 2000 |
| Dark Air-Cured (35-36) | 2000 | 2001 | 2002 | March 2000 |

CHART 2

| Kind (type) | 2000 Allotment (acres) | 1999 Allotment (acres) |
|---------------------------------------|---------------------------|---------------------------|
| Fire-Cured (21) | 780 | 1,340 |
| Fire-Cured (22-23) | 10,706 | 13,802 |
| Dark Air-Cured (35-36) | 4,100 | 5,246 |
| Sun-Cured (37) | 78 | 113 |
| Cigar Filler & Binder (42-44 & 53-55) | 3,448 | 3,450 |

CHART 3

| Kind (type) | Average Support Level (cents per pound) | |
|---------------------------------------|---|-------|
| | 2002 | 2001 |
| Dark Air-Cured (35-36) | 152.6 | 149.9 |
| Fire-Cured (21) | 160.3 | 157.2 |
| Fire-Cured (22-23) | 176.7 | 173.6 |
| Sun-Cured (37) | 142.9 | 139.2 |
| Cigar Filler & Binder (42-44 & 53-55) | 128.6 | 125.2 |