



## An Industry in Change

**T**he consumption of traditional cigarettes is on the decline. At the same time the use of U.S. burley in cigarette blends around the world is decreasing. Experts estimate that in ten years the ENDS (electronic nicotine delivery systems) will gain more than 50% of the combustible market. All of these changes, along with the social issues surrounding tobacco production, are a call to action for burley growers.

While the companies have reduced the U.S. burley in cigarette blends, they do not even need tobacco cured in a barn or suckered to produce liquid nicotine for the ENDS. They just need leaf, they can literally use the trash swept from the floors in warehouses in other countries to make their products. So why would companies want to pay for the high quality tobacco produced by our growers to make liquid nicotine? The only way they will pay is if the consumer demands that our burley, U.S. burley, is used in their tobacco product.

As growers we need to take a page out of the organic handbook and make the consumers and health advocates demand our high quality, GAP certified burley in cigarettes and ENDS products. We have to educate the public on what it means to be GAP (good

agricultural practices) certified. Be vocal on our child labor stance, that we believe farmers should NOT hire children under 16 to work in the tobacco fields. Show the public how burley production has a rich history in our country and on the family farm. Above all we must clearly explain how our production practices are focused on producing a high quality, minimal chemical input product that makes it the safest burley tobacco on the world market.

I recently attended a national discussion on the tobacco industry where the Council for Burley Tobacco representatives were the only farmers at the table. Our involvement in the discussion led to this group of health advocates and tobacco company representatives adding the following statement, "nicotine should be derived from growers participating in GAP, living within the child labor laws, and environmental responsibilities" to a list of FDA recommendations on the regulation of ENDS products.

We cannot stop the industry from changing, but it is imperative that we growers be proactive to help level the playing field before we are left behind.

Rod Kuegel, President

### IN THIS ISSUE

A Year in Review....2

Burley Tobacco Annual Meetings...3

Kentucky Ag Outlook: Tobacco Highlights.....3

Check-off Funds at work.....4

Burley Partner Updates.....5

Become a Council Member.....6

**REGISTER TODAY**

**CBT Annual Meeting  
January 17, 2015  
in  
Owensboro, KY**

*see page 3*

## A Year in Review: The Council Update

December 2014

2

CBT

This year the CBT has continued to work on behalf of the grower members to address key issues and concerns in the burley tobacco industry.

### Child Labor in Tobacco

The CBT supports the family farm, but they do not support the practice of having children work in dangerous jobs on the farm. The summer report from Human Rights Watch brought the issue of child labor in tobacco around the world to the forefront.

The CBT believes burley farmers in the United States understand the dangers burley production jobs pose to children, and the incidence of children working in tobacco production is low in this country. As a grower member organization, it is critical for the CBT to speak out on this issue.

In July, the CBT passed a resolution stating, "We do not condone the hiring of anyone under the age of 16 for work in tobacco anywhere in the world."

The Council's resolution on child labor has been the talking point at various national and international meetings since it was passed in July. The Council's position has received praise from social rights organizations, corporate leadership of tobacco companies, and health organizations.

### Liquid Nicotine & ENDS

The rise in liquid nicotine and electronic nicotine delivery systems (ENDS) is moving the burley tobacco

industry is moving in a new direction.

At this time the FDA regulations on the liquid nicotine is relatively mild. Winning the argument that liquid nicotine products should be regulated the same as traditional tobacco products is the first step in leveling the playing field with this new industry.

The Council advocates that nicotine should be derived from growers participating in GAP and living within the child labor laws and environmental responsibilities. We encourage research to be conducted to look at the different quality of liquid nicotine being sold, along with the health risks of liquid nicotine made with tobacco almost completely produced overseas.

Another obstacle in leveling the playing field between traditional tobacco products and liquid nicotine is in the tax code. Currently the liquid nicotine products are not considered tobacco products and are not taxed accordingly. In Kentucky alone \$196,820,004 was brought in the state in 2013 and in 2014 the amount dropped to \$187,416.270, a 4.8 percent drop in revenue.

The Council is working closely with representatives at the state and national level to encourage that liquid nicotine products are taxed similar to tobacco products. We have also been vocal advocates for regulations that would limit the availability of these products to children.

The Council For  
Burley Tobacco



## Board Members

### President

**Rod Kuegel**  
Grower-at-large

### Vice-President

**Scott Travis**  
Kentucky Farm Bureau

### Secretary

**Hampton Henton**  
Grower-at-large

### Treasurer

**Eddie Warren**  
Burley Tobacco Growers  
Cooperative

**David Chappell**  
Grower-at-large

**Greg Harris**  
Grower-at-large

**Bob James**  
Burley Tobacco Growers  
Cooperative

**Donald Mitchell**  
Grower-at-large

**Al Pedigo**  
Grower-at-large

**Kenneth Reynolds**  
Burley Stabilization  
Corporation

**Shane Wiseman**  
Kentucky Farm Bureau

[www.facebook.com/CouncilForBurleyTobacco](http://www.facebook.com/CouncilForBurleyTobacco)

## Burley Tobacco Annual Meetings



### Council for Burley Tobacco

The Council for Burley Tobacco invites members to attend the annual meeting and buffet lunch on Saturday, January 17 during the Agriculture Industry Trade Show at the Owensboro Convention Center. The meeting will take place at Noon in West Ballroom E.

To register for the Council for Burley Tobacco 2015 annual meeting visit the Council's website at, [www.councilforburleytobacco.com](http://www.councilforburleytobacco.com) or email [councilforburleytobacco@gmail.com](mailto:councilforburleytobacco@gmail.com).

The meeting registration is free but registration is required to enjoy the Ag Industry Trade show and the buffet lunch that will be served during the annual meeting.

Be sure to visit the Council's booth at the Ag Industry Trade Show!



### Burley Tobacco Growers Co-op

The Burley Tobacco Growers Cooperative Association invites growers to attend the Annual Membership Meeting and Ag Industry Trade Show on Saturday, January 17, 2015 at the Owensboro Convention Center.

The annual meeting will begin at 1:00 pm CST in the West Ballroom D. The schedule of events for the day is outlined in the column on the right.

Registration is REQUIRED to enter the Trade Show and includes the Ag Industry Breakfast. Pre-Register by calling (859) 252.3561 or 1-800-880-3561 or send an email to [kathy@burleytobacco.com](mailto:kathy@burleytobacco.com). Please RSVP by January 9, 2015.

The Council for Burley Tobacco will be sponsoring the \$10 Registration Fee for BTGCA Members ONLY.

### 2015 Burley Meetings and Ag Industry Trade Show

**Ag Industry Breakfast**  
7:00 - 9:00 a.m.  
Exhibition Hall

**UK Production Seminars & U.S. Tobacco GAP Trainings 2015**  
9:15 a.m. - Noon  
West Ballroom D

**Council for Burley Tobacco Annual Meeting and Luncheon**  
Noon - 1:00 p.m.  
West Ballroom E

**BTGCA Annual Meeting**  
1:00 p.m.  
West Ballroom D

## Kentucky Agriculture Outlook: The Tobacco Highlights

Overall, Kentucky is faring better than much of the rest of the nation when it comes to its farm economy. While U.S. farm cash receipts are expected to fall by 1 percent this year, University of Kentucky agricultural economist Will Snell predicts Kentucky's receipts will increase by about 5 percent.

The tobacco situation changed this year, driven by increasing world production, lower burley demand and a mixed quality crop. Snell expects 2014 U.S. burley production will be greater than anticipated use, which would lead to more critical grading and prices retreating from their high of \$2.06 per pound in 2013.

"Excess world burley supplies and slumping demand will likely induce tobacco companies to reduce contract volumes in the U.S. in 2015," Snell said. "Coupled with labor and infrastructure challenges, acres will likely fall, with the value of Kentucky tobacco production likely retreating below \$400 million next year."

View the complete report at [www2.ca.uky.edu/cmspubsclass/files/Outlook2015.pdf](http://www2.ca.uky.edu/cmspubsclass/files/Outlook2015.pdf)

## Check-off Funds at Work

### Investing in the future of the Burley Industry

The Council for Burley Tobacco is responsible for the collection and investment of the Kentucky Burley Tobacco Check-off funds in research, education, and promotion projects to benefit the burley tobacco industry. Since the grant program began in 2013, the Council has invested over \$241,000 in burley tobacco research and education projects. Completed project reports are posted on the Council's website.

#### 2013 Funded Grant Projects

A Topping-induced Tobacco Sucker Control System Delivered by Intragenic Transformation  
Researcher: Ling Yuan, KTRDC

The effect of temperature and relative humidity on TSNA accumulation during curing of burley tobacco  
Researcher: Colin Fisher, UK

Utilization of the Arabidopsis FT Gene to Facilitate Rapid Tobacco Variety Development  
Researcher: Bob Miller & Dave Zaitlin, UK

Prospects for Using Nanoparticles to Replace/ Augment Quadris to Control Frogeye Leaf Spot and Blue Mold in Burley Tobacco  
Researcher: George Wagner, UK

Precision and accuracy of individual alkaloid measurements  
Researcher: Huihua Ji, UK

Use of cis-abienol or T-phylloplanin to prevent black shank disease in tobacco  
Researcher: Antoaneta M-Kroumova, UK

Production and Purification of Nicotine from Green Tobacco for Emerging Tobacco Products  
Researcher: Ling Yuan, KTRDC

The Effects of Plant Population on Agronomic Characteristics of Burley Tobacco  
Researcher: Robert Miller, UK

#### 2014 Funded Grant Projects

Evaluation of Chemical Topping in Burley Tobacco  
Researcher: Tony Brannon, MSU

Development of pale yellow dark burley: An additional approach to reducing TSNA in Kentucky Burley  
Researcher: Colin Fisher, UK

Sample Preparation for TSNA Analysis  
Researcher: Anne Jack, KTRDC

The Effects of Cytokinin Application on the Accumulation of Tobacco-Specific Nitrosamines  
Researcher: Anne Jack, KTRDC

The Effects of Pre-Harvest Quercetin Application on the Accumulation of Tobacco-Specific Nitrosamines  
Researcher: Anne Jack, KTRDC

Evaluation of the Efficacy of HP400 in Reducing TSNA  
Researcher: Anne Jack, KTRDC

Development of User-friendly Markers for Disease Resistance to Potato Virus Y (PVY) and Black Root Rot (BRR) in Burley Tobacco  
Researcher: Shengming Yang, UK

The DNA Sequence of the Burley Tobacco Genome  
Researcher: David Zaitlin, KTRDC

**2015 Winter Grant Application Deadline is Friday, January 2 at 5:00 p.m. EST**  
Learn more and to download an application at  
[www.councilforbuleytobacco.com](http://www.councilforbuleytobacco.com) and click on Grants.

# Burley Partner Updates

## 2013-2014 Season Check-off Payments

**American Tobacco  
Exchange**  
\$2,966.18

**BTGCA**  
\$3,911.58

**CC Burley Growers, LLC**  
\$2,281.77

**Clays Tobacco**  
\$581.55

**Double M**  
\$5,278.16

**Fair Deal Tobacco**  
\$5,572.34

**Farmers Warehouse**  
\$8,225.60

**Golden Leaf Tobacco**  
\$4,310.24

**Hail & Cotton**  
\$10,155.59

**JTI Leaf Services**  
\$16,380.25

**Philip Morris  
International**  
\$46,755.82

**Philip Morris USA**  
\$30,760.33

**RJ Reynolds**  
\$16,173.83

**US Smokeless**  
\$1,164.50

**TOTAL \$154,517.74**



This past year has been a successful year for GAP Connections thanks to the many growers, companies, and stakeholders who support us. There are more than 11,300 grower members from 19 states who have registered for a Grower ID. Close to 10,000 of these grower members attended a GAP training in 2014 to get information on good agricultural practices in crop, environmental, and labor management. These impressive numbers are a reflection of the dedication of the industry to agricultural practices which produce a quality crop while protecting, sustaining or enhancing the environment with regard to soil, water, air, animal and plant life as well as protecting and ensuring the rights of farm laborers.

GAP meetings for 2015 are starting to be planned. We will have them posted on our online GAPC calendar. Growers need to make sure they have their grower ID card at meetings so it can be scanned. If you don't want to carry around another plastic card, then check out the GAP Connections App for Androids & iPhones. To learn more about GAP meetings and resources visit [www.gapconnections.com](http://www.gapconnections.com).



Kentucky Farm Bureau delegates heard presentations on the labor supply outlook, e-cigarette/vapor industry and domestic and international market potential for tobacco leaf at the 2014 Annual Meeting. Speakers at the meeting included Senator Paul Hornback, Dr. Will Snell, UK Extension, Dr. John Anderson, AFBF, and Mr. Rod Kuegel, Council for Burley Tobacco.

Delegates approved policy during the Friday business session recommending e-cigarettes and vapor products fall under the same regulatory oversight and taxing as regular tobacco-containing products.



Agriculture Workforce Management Association wants to remind growers it is time to start labor planning for the 2015 season. Don't get caught without any labor. They need H-2A applications 75 days before their date of need. 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.

There are new Adverse Effect Wage Rates for 2015. Kentucky and Tennessee rates will be \$10.28 per hour up from \$10.10. To learn more about H-2A issues or to download an H-2A application visit [www.awmalabor.com](http://www.awmalabor.com).



The Council For  
Burley Tobacco



**Council for Burley Tobacco**  
**PO Box 910546**  
**Lexington, Kentucky 40591**

## *Become a Member*

**T**he 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](http://www.councilforburleytobacco.com)

December 2014

CBT

The Council For  
Burley Tobacco



**Annual  
Meeting**

**Saturday  
January 17, 2015**

**12:00 p.m. CST**

**Owensboro  
Convention Center**

*Council Members  
MUST register  
for the meeting to enter the  
Ag Industry Tradeshow  
and enjoy the  
Council Luncheon.  
To register visit the  
Council website.*