



THE SHRINKING ROLE OF TOBACCO FARMING & TOBACCO PRODUCT MANUFACTURING IN THE UNITED STATE'S ECONOMY

USA Tobacco Farming Trends

Tobacco farming in the United States has been shrinking for years, with fewer tobacco farms producing less tobacco and playing an increasingly smaller role in the nation's economy. In 2005, the \$10 billion buyout of tobacco farmers and quota holders as part of the termination of the federal tobacco price support program sharply accelerated these trends. Smaller family tobacco farms are no longer the rule but the exception as larger agribusinesses have taken their place.

	<u>1992</u>	<u>1997</u>	<u>2007</u>	<u>1997-2007 Change</u>	<u>1997-2007 Change %</u>
All Farms in USA	1,925,300	2,215,876	2,204,792	-11,084	-0.5%
All Tobacco Farms	124,270	93,530	16,234	-77,296	-82.64%
Tobacco farms of less than 50 acres	121,679	86,137	3,273	-82,864	-96.2%
Total Farm Acreage in USA	945,531,506	954,752,502	922,095,840	-32,656,662	-3.4%
Tobacco Farm Acreage	831,231	837,363	359,846	-477,517	-57.0%
Tobacco Farm Acreage - Percent of Total	0.09%	0.09%	0.04%	NA	NA

Source: U.S. Department of Agriculture, *2007 Census of Agriculture*, February 2009, and earlier editions (Census is done every five years), <http://www.agcensus.usda.gov/index.asp>.

USA Tobacco Product Manufacturing Employment

Even in the two states with the most tobacco manufacturing employment (North Carolina & Virginia), those jobs makes up less than 2% of all state manufacturing jobs, and even smaller fractions of total employment. Nationwide, tobacco jobs account for only two-tenths of one percent of all manufacturing jobs.

	<u>1997</u>	<u>2003</u>	<u>2006</u>
Total USA manufacturing employment	16,885,806	13,865,811	12,984,696
- Tobacco product manufacturing employment	33,635	24,516	19,649

Source: U.S. Census Bureau, Annual Survey of Manufactures, <http://www.census.gov/mcd/asmhome.html>, data for 2006 is the most recent available. NS = None or Not Significant (not listed in census). NA = Not Available.

Sales of Cigarettes in the United States

Taxed cigarette pack sales have also declined considerably in the United States over the past decade, making them a less significant factor in total retailer sales.

	<u>1998</u>	<u>2008</u>	<u>Change</u>	<u>Change %</u>
Total Annual Cigarette Pack Sales	23.25 billion	17.5 billion	-5.75 billion	-24.7%

Source: Orzechowski & Walker, *The Tax Burden on Tobacco*, annual industry-funded historical compilation.

The Toll of Smoking and Other Tobacco Use in the USA

While the number of farms and jobs from tobacco farming and manufacturing has been declining sharply in USA, the harms and costs from smoking in the country remains high. For example:

<i>Smoking-caused deaths in the USA each year:</i>	400,000+
<i>Annual smoking-caused excess healthcare costs in the USA:</i>	\$96.7 billion
<i>Smoking-caused productivity losses in the USA each year:</i>	More than \$97.6 billion

Source: U.S. Centers for Disease Control & Prevention. Amounts in 2004 dollars. Productivity loss amount does not include losses from smokers taking cigarette breaks and having more sick days than nonsmoking employees.

More active efforts to prevent and reduce smoking and other tobacco use would improve public health; save lives; increase worker productivity; reduce government, business and household costs; and strengthen the nation's (and every state's) economy.

Campaign for Tobacco-Free Kids, February 19, 2009