



THE SHRINKING ROLE OF TOBACCO FARMING AND TOBACCO PRODUCT MANUFACTURING IN VIRGINIA'S ECONOMY

Virginia Tobacco Farming Trends

Tobacco farming in Virginia has been shrinking for years, with fewer tobacco farms producing less tobacco and playing an increasingly smaller role in the state'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.

	1992	1997	2007	1997-2007 Change	1997-2007 Change %
All Farms in Virginia	42,222	41,095	47,383	6,288	15.3%
All Tobacco Farms	8,444	6,067	895	-5,172	-85.25%
Tobacco farms of less than 50 acres	3,135	1,920	181	-1,739	-90.6%
Total Farm Acreage in Virginia	8,297,011	8,228,226	8,103,925	-124,301	-1.5%
Tobacco Farm Acreage	55,419	53,770	20,881	-32,889	-61.2%
Tobacco Farm Acreage - Percent of Total	0.7%	0.7%	0.3%	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>.

Virginia Tobacco Product Manufacturing Employment

Although Virginia has the second largest number of tobacco manufacturing jobs (after North Carolina), those tobacco jobs makes up less than 2% of all state manufacturing jobs, and an even smaller fraction of total employment.

	1997	2003	2006
All state manufacturing employment	370,731	295,858	272,230
- Tobacco product manufacturing employment	9,865	6,401	4,392

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 Virginia

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

	1998	2008	Change	Change %
Total Annual Cigarette Pack Sales	704.6 million	567.5 million	-137.1 million	-19.5%

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

The Toll of Smoking and Other Tobacco Use on Virginia

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

Smoking-caused deaths in the state each year:	9,200
Annual smoking-caused excess healthcare costs in the state:	\$2.1 billion
Smoking-caused productivity losses in the state each year:	More than \$2.4 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 state efforts to prevent and reduce smoking and other tobacco use in Virginia would improve public health; save lives; increase worker productivity; reduce government, business and household costs; and strengthen the state's budget and economy.

Campaign for Tobacco-Free Kids, February 19, 2009