



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

Georgia Tobacco Farming Trends

Tobacco farming in Georgia 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.

	<u>1992</u>	<u>1997</u>	<u>2007</u>	<u>1997-2007 Change</u>	<u>1997-2007 Change %</u>
All Farms in Georgia	40,759	40,334	47,846	7,512	18.6%
All Tobacco Farms	1,658	1,256	224	-1,032	-82.17%
Tobacco farms of less than 50 acres	129	69	6	-63	-91.3%
Total Farm Acreage in Georgia	10,025,581	10,671,246	10,150,539	-520,707	-4.9%
Tobacco Farm Acreage	40,403	42,795	17,989	-24,806	-58.0%
Tobacco Farm Acreage - Percent of Total	0.4%	0.4%	0.2%	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>.

Georgia Tobacco Product Manufacturing Employment

Even in the two states with the most tobacco manufacturing (North Carolina & Virginia), related employment makes up less than 2% of all state manufacturing jobs, and even smaller fractions of total employment.

	<u>1997</u>	<u>2003</u>	<u>2006</u>
All state manufacturing employment	534,288	430,768	408,424
- Tobacco product manufacturing employment	NA	1000 to 2499	NA

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 Georgia

Taxed cigarette pack sales have also declined considerably in Georgia 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	738.6 million	589.7 million	-148.9 million	-20.2%

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

The Toll of Smoking and Other Tobacco Use on Georgia

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

<i>Smoking-caused deaths in the state each year:</i>	10,500
<i>Annual smoking-caused excess healthcare costs in the state:</i>	\$2.2 billion
<i>Smoking-caused productivity losses in the state each year:</i>	More than \$3.1 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 Georgia 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