



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

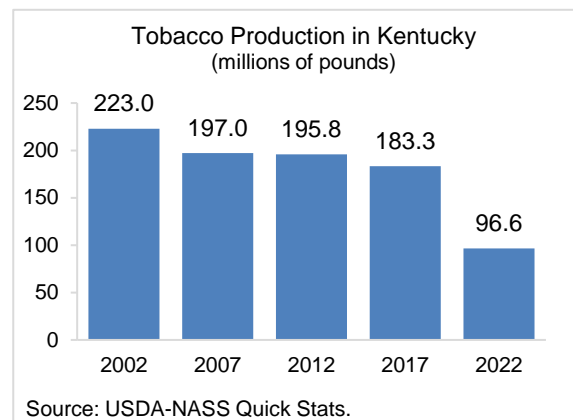
Kentucky Tobacco Farming Trends

Tobacco farming in Kentucky 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.

	1997	2007	2017	1997-2017 Change	1997-2017 Change %
All Farms in Kentucky	91,198	85,260	75,966	-15,232	-16.7%
All Tobacco Farms	46,850	8,113	2,618	-44,232	-94.4%
Tobacco farms of less than 50 acres	13,835	1,737	NA	NA	NA
Total Farm Acreage in Kentucky	13,940,180	13,993,121	12,961,784	-978,396	-7.0%
Tobacco Farm Acreage	250,885	87,641	80,544	-170,341	-67.9%
Tobacco Farm Acreage - Percent of Total	1.9%	0.6%	0.6%	NA	NA

Source: U.S. Department of Agriculture, *2017 Census of Agriculture*, April 2019, and earlier editions (Census is done every five years), <http://www.agcensus.usda.gov/index.asp>. NA = Not Available.

The trends in the amount of tobacco harvested in Kentucky reflects the declines in tobacco farms. In the past 20 years, tobacco production in the state has declined 56.7 percent, to 96.6 million pounds harvested in 2022.



Kentucky Tobacco Product Manufacturing Employment

In 2021 (the most recent year available), tobacco product manufacturing employment made up half of one percent of all manufacturing jobs in the state. 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.

	1997	2003	2015	2021
All state manufacturing employment	288,692	251,650	228,869	231,746
Tobacco product manufacturing employment	3,185	1,102	911	1,172

Source: U.S. Census Bureau, Annual Survey of Manufactures, data for 2021 are the most recent available.

Sales of Cigarettes in Kentucky

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

	1997	2010	2021	1997-2021 Change	1997-2021 Change %
Total Annual Cigarette Pack Sales	725.6 million	477.4 million	324.1 million	-401.5 million	-55.3%

Source: Orzechowski & Walker, *The Tax Burden on Tobacco*, 2021, annual industry-funded historical compilation.

The Toll of Smoking and Other Tobacco Use on Kentucky

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

- Smoking-caused deaths in the state each year: 8,900
- Annual smoking-caused excess healthcare costs in the state: \$2.23 billion

Source: U.S. Centers for Disease Control & Prevention, *Best Practices for Comprehensive Tobacco Control Programs*, 2014. Health care costs adjusted to 2018 dollars.

More active state efforts to prevent and reduce smoking and other tobacco use in Kentucky 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 6, 2023