

A. Executive Order Establishing the Commission

Executive Order 13168 September 22, 2000

President's Commission on Improving Economic Opportunity in Communities Dependent on Tobacco Production While Protecting Public Health

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), it is hereby ordered as follows:

Section 1. *Establishment.*

(a) There is established the “**President's Commission on Improving Economic Opportunity in Communities Dependent on Tobacco Production While Protecting Public Health**” (the “*Commission*”). The Commission shall be composed of not more than 10 members to be selected by the Secretary of Agriculture, in consultation with the President. The members may include tobacco producers and quota holders; public health experts; Federal, State, and local government representatives; and experts in agricultural economics and economic development.

(b) Two co-chairs shall be selected by the Secretary of Agriculture from the membership of the Commission. The co-chairs shall report to the President through the Secretary of Agriculture and the Secretary of Health and Human Services.

Section 2. *Purpose.* The Commission shall advise the President on changes occurring in the tobacco farming economy and recommend such measures as may be necessary to improve economic opportunity and development in communities that are dependent on tobacco production, while protecting consumers, particularly children, from hazards associated with smoking.

Section 3. *Functions.* (a) The Commission shall collect and review information about changes in the tobacco farming economy and Federal, State, and local initiatives intended to help tobacco growers, tobacco quota holders, and communities dependent on tobacco production pursue new economic opportunities. The Commission may make recommendations concerning these, and any other, changes and initiatives that may be necessary to improve economic opportunity in communities dependent on tobacco production. It shall also consider the public health implications of such changes and initiatives, including the efforts to reduce youth smoking and tobacco-related health consequences in the United States and abroad.

(b) For the purpose of carrying out its functions, the Commission may hold hearings, establish subcommittees, and convene and act at such times and places as the Commission may find advisable.

Section 4. *Reports.* The Commission shall make a preliminary report to the President by December 31, 2000. A final report shall be submitted to the President 6 months after the Commission's first meeting.

Section 5. *Administration.* (a) To the extent permitted by law, the heads of executive departments and agencies shall provide the Commission, upon request, with such information as it may require for the purposes of carrying out its functions.

(b) While engaged in the work of the Commission, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701-5707) to the extent funds are available for such purposes.

(c) To the extent permitted by law and subject to the availability of appropriations, the Department of Agriculture shall provide the Commission with administrative services, funds, facilities, staff, and other support services necessary for the performance of the Commission's functions. Notwithstanding any other Executive Order, the functions of the President under the Federal Advisory Committee Act, as amended, except that of reporting to the Congress, that are applicable to the Committee, shall be performed by the Secretary of Agriculture in accordance with guidelines that have been issued by the Administration of General Services.

Section 6. General. The Commission shall terminate 30 days after submitting its final report, but not later than 2 years from the date of this order, unless extended by the President.

B. Core Principles Statement

Between the Public Health Community and The Tobacco Producers Community

In the spirit of cooperation and with a commitment towards:

- *Reducing disease caused by tobacco products*
- *Ensuring the future prosperity and stability of the American tobacco farmer, the tobacco farm family, and tobacco farming communities*

the signatory organizations and individuals call on the President of the United States, the Congress of the United States, and all States Attorneys General to commit to supporting and enacting effective tobacco legislation and policies that include the following points of agreement.

That on issues related to agricultural production of tobacco there is agreement:

1. That a tobacco production control program which limits the supply and which sets a minimum purchase price is in the best interest of the public health community and the tobacco producer community. From a harm reduction standpoint, it is in the best interest of the public health community to support enhanced assurance of quota stability for domestic production of tobacco.
2. That any cost associated with the administration or operation of a tobacco program be guaranteed to be paid for under any legislative proposal, and that the Federal Government no longer bear the cost for the administration or operation of such a program.
3. That there be greater cooperation between the tobacco growing community and the public health community to ensure that quality control and health and safety standards are maintained in the production of tobacco, both domestically and abroad, and that industry information and research should be made available for public review. Agencies with public health responsibility, including the Food and Drug Administration (*whose authority over manufactured tobacco products should not extend to on-farm tobacco production*), should work cooperatively through structures already in place in the Department of Agriculture and Environmental Protection Agency so as not to extend any additional control and bureaucracy over the on-farm production of tobacco.
4. That tobacco quota holders and tobacco lease holders should be given the opportunity to have their quotas compensated for at a fair and equitable level, and that the protection of tenant farmers be given special consideration as part of this process to ensure that they are not adversely affected.
5. That a significant amount of money be allocated so that tobacco growing states and communities have options and opportunities to ensure their economic viability into the 21st century. There must be significant involvement of tobacco growing communities in determining the allocation of these funds, and decision making for plans to enhance the economic infrastructures of these communities should be governed primarily through community-bases input. Agricultural-bases development in particular ought to be given a high priority.

That on issues related to public health there is agreement:

1. That it is in the best interests of the public health community and the tobacco producer community that the FDA should have authority to establish fair and equitable regulatory controls over the manufacture, sale, distribution, labeling (*including country of origin*) and marketing of tobacco products, both domestic and imported, comparable to regulations established for other products regulated by the FDA. Such regulations should have as their goal the protection of public health and the assurance that users of tobacco products are provided with full and complete information about the products they are using. In order to accomplish this goal, industry information and research should be made available for public review.
2. That there should be strong complementary federal, state and local laws which guarantee that tobacco products are not marketed, advertised or otherwise made available to anyone under the age of 18.
3. That prohibition of the use of tobacco products by informed adults of legal age is not a goal of the public health advocates or tobacco producers.
4. That there should be mechanisms in place to prevent the importation of foreign tobacco, whether in raw agricultural leaf, reconstituted or homogenized leaf, tobacco by-products, or any other form or alteration of tobacco, that does not meet pesticide residue requirements and other quality controls required for domestically grown and produced tobacco.
5. That if there is an increase in the federal excise tax in any legislative proposal, a portion of the tax would be used for carrying out public health initiatives, and a portion of the tax would be used to assist farmers and their communities in addressing their economic dependence on tobacco.

Leadership Signatories

President Jimmy Carter
 Daniel E. Kenady, MD, UKMC
 Attorney General Bill Pryor
 Attorney General Ben Chandler
 Dr. Pat Robertson

National Organizations

American Academy of Addiction Psychiatry
 American Association for Respiratory Care
 American Cancer Society
 American College of Cardiology
 American College of Chest Physicians
 American College of Preventive Medicine
 American Heart Association
 American Public Health Association
 American School Health Association
 Americans for Non-smokers Rights
 Association of Schools of Public Health
 Association of Teachers of Preventive Medicine
 Campaign for Tobacco-Free Kids
 The Carter Center
 Christian Broadcast Network
 College on Problems of Drug Dependence
 Family Voices
 Federation of Behavioral, Psychological and
 Cognitive Sciences
 Interreligious Coalition on Smoking or Health
 National Association of Local Boards of Public Health
 National Black Farmers Association
 National Farmers Union
 National Hispanic Medical Association
 Oncology Nursing Society
 Partnership for Prevention
 Rural Advancement Foundation International

State and Regional Organizations

Albemarle Co. (VA) Medical Society
 Allies for Tobacco, Inc.
 American Cancer Society, Mid-South Division
 (AL, AR, LA, KY, MS, TN)
 American Cancer Society, Virginia Council
 American Heart Association Ohio Valley Affiliate
 (KY, OH, WV)
 American Lung Association, KY
 Burley Stabilization Corporation
 Burley Tobacco Growers Cooperative, Inc.
 Center for Sustainable Systems
 Coalition for Health & Agricultural Development, KY
 Commodity Growers Cooperative Association
 Concerned Friends for Tobacco
 Flue Cured Tobacco Stabilization Corporation
 Georgia Public Health Association
 Greater New York Society for Public Health Education
 Halifax County Board of Supervisors
 Kentucky Academy of Family Physicians
 Kentucky Action (ACS, AHA, ALA, KMA...)
 Kentucky Health and Agriculture Forum
 Medical Society of Virginia
 Michigan Farmers Union
 National Capital Area Society for Public Health
 Education
 New England Society for Public Health Education
 New Jersey Society for Public Health Education
 North Carolina Society for Public Health Education
 Ohio Society for Public Health Education
 Sierra Club, Cumberland Chapter
 South Carolina Project ASSIST
 South Carolina Public Health Association
 Texas Society for Public Health Education
 Virginia Agricultural Growers Association
 Virginia Dark-Fired Growers Association
 Virginia Farm Bureau
 Virginia General Assembly
 Virginia Public Health Association
 Virginia Sun-cured Growers Association
 Virginia Tobacco Growers Association

C. Tobacco Farmers and the Public Health Community Working Together

This Commission was created because tobacco farmers and tobacco farming communities in the U.S. are facing an unprecedented crisis. Global and domestic markets for tobacco leaf and products are undergoing fundamental changes that have created long-term reductions in the demand for American grown tobacco. At the same time, the scientific evidence of the disease, and economic costs caused by smoking and other tobacco use has created broad agreement, of which some tobacco product manufacturers agree, that more needs to be done to reduce tobacco use, especially among children.

Reducing tobacco use in the U.S. while simultaneously helping tobacco farmers may seem like a paradoxical challenge. But discussions between tobacco growers, tobacco-growing community leaders, and the public health community have established that these groups share many common goals and support numerous policies that are consistent with both goals. The challenge for this Commission is to identify the nature and extent of the problems facing tobacco farmers and their communities and to identify solutions that both assist farmers and their communities and promote the public health.

Efforts to establish a dialogue between tobacco growers and the public health community were started in the mid-1980's. In 1985, former President Carter brought growers and health groups together for the first time to create better understanding between the two groups.

In 1989, the report from the major national conference held by public health advocates emphasized that efforts to reform the tobacco price support program must balance the concerns of the health community and the interests of the family tobacco farmer. Similarly, in 1993, a national public health conference on tobacco recommended increased assistance to U.S. tobacco growers.

By the mid-1990's, discussions between public health advocates and growers began in earnest. In 1998, the Southern Tobacco Communities Project, Concerned Friends for Tobacco, several grower organizations including Burley Tobacco Growers Cooperative Association, Flue-Cured Tobacco Cooperative Stabilization Corporation, and Burley Stabilization Corporation, the American Heart Association, the American Cancer Society, the Campaign for Tobacco-Free Kids, and others developed a set of shared national Core Principles. These Principles expressed a mutual commitment to both reduce disease caused by tobacco products and ensure the future prosperity and stability of the American tobacco farmer and tobacco farming communities.

More than 80 grower, public health, and other organizations endorsed the ten Core Principles.

Since the release of the Core Principles, tobacco farmers and representatives of the public health community have continued to work together at both the federal and state levels toward their mutual goals. Following the states' Master Settlement Agreement (MSA), tobacco growers and public health groups have worked together, especially in KY, VA, and NC, to direct use of significant amounts of MSA funds to both promote public health and to help tobacco growers and their communities through this difficult period.

D. Various Tobacco Quota Statistics

2000 Tobacco Quota Summary

State	Number of Quotas and Allotments	Flue-Cured Quotas	Burley Quotas	Other Allotments ^{1/}
Alabama	25	23	2	0
Arkansas	1	0	1	0
Florida	233	233	0	0
Georgia	2,329	2,305	24	0
Indiana	7,972	0	7,955	17
Kansas	25	0	25	0
Kentucky	136,721	0	120,601	16,120
Minnesota	34	0	0	34
Missouri	1,341	0	1,341	0
North Carolina	38,943	27,815	11,128	0
Ohio	8,520	0	8,013	507
Oklahoma	1	0	1	0
South Carolina	4,499	4,499	0	0
Tennessee	78,731	0	70,144	8,587
Virginia	17,852	3,665	12,790	1,397
West Virginia	2,893	0	2,893	0
Wisconsin	3,087	0	0	3,087
TOTAL	303,207	38,540	234,918	29,749

^{1/} Dark air-cured in Indiana, fire-cured and dark air-cured in KY and TN, cigar filler and binder in MN, OH and WI and VA fire-cured and sun-cured in VA.

Distribution of Flue-Cured Quotas by Size, 2000

Acreage Allotment	FL	GA	NC	SC	VA	All States 1/
Acres	Percent					
0.01 to .50	8.9	2.6	4.2	7.9	5.8	4.8
.51 to 1.00	6.7	7.1	10.6	10.0	12.1	10.4
1.01 to 2.00	7.1	15.1	24.1	19.7	23.2	22.9
2.01 to 3.00	4.9	10.7	14.8	13.3	13.5	14.2
3.01 to 4.00	3.6	9.3	9.9	9.3	7.7	9.6
4.01 to 5.00	4.4	7.4	6.6	6.3	6.0	6.5
5.01 to 6.00	2.2	4.7	4.8	4.8	4.6	4.7
6.01 to 7.00	1.3	3.7	3.5	3.6	3.0	3.4
7.01 to 8.00	2.2	3.6	2.8	2.8	2.5	2.8
8.01 to 9.00	2.2	2.5	2.2	2.3	1.7	2.2
9.01 to 10.00	3.1	2.6	1.9	2.0	1.8	1.9
10.01 to 20.00	15.6	14.2	8.7	10.4	10.1	9.4
20.0 to 50.00	24.9	12.9	4.7	5.7	6.1	5.6
50.01 to 100.00	11.1	2.9	1.0	1.6	1.5	1.3
100.01 to 200.00	1.8	0.7	0.2	0.3	0.4	0.3
200.00 and over	0.0	0.0	0.0	0.0	0.0	0.0 2/
Number						
Number of quotas	225	2,295	27,811	4,485	3,662	38,500

1/ Includes Alabama's 22 quotas.

2/ 12 farms.

Distribution of Burley Quotas by Size, 2000

Poundage Quota 1/	IN	KY	MO	NC	OH	TN	VA	WV	All States
Pounds	Percent								
1 to 1000	79.1	63.7	50.1	85.1	73.2	86.6	82.3	91.1	73.7
1,001 to 1,300	7.0	8.1	9.7	6.5	7.4	5.2	7.2	3.9	7.0
1,301 to 2500	9.2	15.0	20.1	6.7	12.1	6.1	8.5	4.1	11.2
2,501 to 5,000	3.5	8.6	13.1	1.3	5.5	1.6	1.8	0.6	5.5
5,001 to 10,000	0.9	3.4	5.2	0.4	1.5	0.4	0.2	0.3	2.0
10,001 to 25,000	0.3	1.0	1.8	0.0	0.3	0.1	0.0	0.0	0.6
25,001 to 75,000	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0 ^{3/}
75,001 and over	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 ^{4/}
Number									
Number of Quotas	7,987	121,543	1,345	11,205	8,122	70,686	12,856	2,898	2/ 236,695

1/ About 2,100 pounds is equivalent to an acre.

2/ Includes AL, AR, GA, KS and OK.

3/ 208 farms.

4/ 6 farms.

1999 Flue-Cured Tobacco Quota Ownership

State	Number of Owners	Race (Percentages)				Sex (Percentages)		
		White	Black	Native Americans	Other	Male	Female	Corp.
Alabama	65	92.3	7.7	0.0	0.0	72.3	24.6	3.1
Florida	498	74.3	25.5	0.0	0.2	64.9	24.9	10.2
Georgia	6,151	93.7	6.3	0.0	0.0	60.1	34.8	5.1
NC	78,407	85.2	13.6	1.1	0.1	51.8	44.7	3.5
SC	16,826	77.2	22.4	0.0	0.4	54.2	42.0	3.8
Virginia	10,678	72.0	27.3	0.0	0.7	55.2	42.9	1.9
Total	112,625	83.1	15.9	0.8	0.2	53.0	43.5	3.5

1999 Burley Tobacco Quota Ownership

State	Number of Owners	Race (Percentages)			Sex (Percentages)		
		White	Black	Other	Male	Female	Corporation
Alabama	2	100.0	0.0	0.0	100.0	0.0	0.0
Arkansas	1	100.0	0.0	0.0	100.0	0.0	0.0
Georgia	31	100.0	0.0	0.0	71.0	29.0	0.0
Indiana	9,809	99.3	0.1	0.6	68.0	29.5	2.5
Kansas	36	100.0	0.0	0.0	61.1	38.9	0.0
Kentucky	163,206	98.6	1.2	0.2	63.4	34.9	1.7
Missouri	1,551	99.2	0.6	0.2	70.9	22.5	6.6
NC	14,244	99.5	0.2	0.3	60.8	37.8	1.4
Ohio	11,313	99.3	0.3	0.4	61.8	36.8	1.4
Oklahoma	1	100.0	0.0	0.0	100.0	0.0	0.0
Tennessee	80,964	98.7	1.1	0.2	66.5	32.3	1.2
Virginia	18,583	99.8	0.2	0.0	55.5	43.1	1.4
W. Virginia	3,385	99.9	0.1	0.0	70.6	28.5	0.9
Total	303,124	98.8	1.0	0.2	63.8	34.6	1.6

1999 Tobacco Quota Ownership (Other Than Burley and Flue-Cured)**Fire-Cured (Type 21) Tobacco Quota Ownership**

State	Number of Owners	Race			Sex		
		White	Black	Other	Male	Female	Corporation
Virginia	2,371	85.1	14.9	0.0	61.8	36.3	1.9
Total	2,371	85.1	14.9	0.0	61.8	36.3	1.9

Fire-Cured (Types 22 & 23) Tobacco Quota Ownership

State	Number of Owners	Race			Sex		
		White	Black	Other	Male	Female	Corporation
Kentucky	6,039	97.5	2.5	0.0	67.1	29.9	3.0
Tennessee	6,091	96.6	2.8	0.6	72.1	25.8	2.1
Total	12,130	97.1	2.6	0.3	69.6	27.8	2.6

Dark Air-Cured (Types 35 & 36) Tobacco Quota Ownership

State	Number of Owners	Race			Sex		
		White	Black	Other	Male	Female	Corporation
Indiana	21	100.0	0.0	0.0	52.4	42.8	4.8
Kentucky	11,518	98.7	1.1	0.2	62.8	33.9	3.3
Tennessee	1,947	98.3	1.7	0.0	62.8	36.5	0.7
Total	13,486	98.6	1.2	0.2	62.8	34.3	2.9

Virginia Sun-Cured (Type 37) Tobacco Quota Ownership

State	Number of Owners	Race			Sex		
		White	Black	Other	Male	Female	Corporation
Virginia	104	88.5	11.5	0.0	71.2	25.0	3.8
Total	104	88.5	11.5	0.0	71.2	25.0	3.8

Cigar-Filler & Binder (Types 42-44 & 54-55) Tobacco Quota Ownership

State	Number of Owners	Race			Sex		
		White	Black	Other	Male	Female	Corporation
Minnesota	39	100.0	0.0	0.0	79.5	15.4	5.1
Ohio	522	99.6	0.0	0.4	71.5	22.8	5.7
Wisconsin	5,544	99.6	0.0	0.4	61.4	35.6	3.0
Total	6,105	99.6	0.0	0.4	62.4	34.3	3.3

E. Primary Sources of Information

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