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FLUE-CURED TOBACCO GRADE STANDARDS

JUN 20 '77

U.S. grade standards for flue-cured tobacco provide both growers and buyers with a universal language to interpret variations in tobacco quality. The grades, established by the Agricultural Marketing Service of the U.S. Department of Agriculture under authority of the Tobacco Inspection Act of 1935, describe tobacco according to group, quality, and color.

Under terms of the Inspection Act, the Secretary of Agriculture designates certain auction markets for mandatory inspection service performed without charge. Price supports are available to tobacco assigned to these markets.

Shortly before the sale, a Federal inspector examines each lot of tobacco on the warehouse floor and determines its grade according to the official U.S. standards. In addition to the inspection service, daily price reports showing the current average price for each grade are available to the grower on the auction floor. With this information, the grower can determine whether his tobacco is selling in line with current prices and decide whether he wants to reject a bid, sell, or accept a price-support loan. Without inspection of tobacco there would be much uncertainty about the price any lot of tobacco would bring, and a wide range in the prices paid for lots of tobacco of the same quality.

REVISING GRADE STANDARDS

From the earliest days of standardized grades of tobacco, USDA recognized that the program would succeed only if the standards were kept in tune with changes in harvesting and marketing practices and with buyer preference. So, from the beginning, the Department developed a pattern for establishing and revising standards.

Since the standards are designed to be used by the industry, USDA is not necessarily the one to initiate changes in the standards. Often a request expressing a need for change in the standards comes from a segment of the industry.

When a change is requested, AMS Tobacco Division specialists usually conduct investigations to collect data, consult with industry representatives, and determine the desirability and need for the requested change. If warranted, USDA proposes the change and invites public comment. Tobacco specialists carefully study all comments received before publishing a final decision in the Federal Register.

RECENT GRADE CHANGES

The most recent revisions of flue-cured grade standards, published in the April 25, 1977 Federal Register, were adopted to encourage farmers to do a better job of preparing tobacco for market and help return American tobacco to its former high position in world market demand.

In the flue-cured area, manual labor is giving way to modern harvesting and curing methods. With the current trend toward mechanization, the quantity of sand and other foreign matter in tobacco on the warehouse floor is rapidly increasing. Until further improvements are made in current cultural and marketing practices to eliminate these problems, steps must be taken to maintain the overall quality of flue-cured tobacco dictated by buyer preference.

Although the United States leads the world in producing and exporting flue-cured tobacco, exporters have become greatly concerned about the condition of flue-cured crops offered for sale. When tobacco contains large amounts of sand and foreign matter, the yield of usable tobacco in the exporter's purchase is reduced. As a result, the demand for low stalk tobacco is steadily decreasing and more of it is going into Government loan stocks.

Over the past 2 years, this rapid buildup in loan stocks of low stalk tobacco and the related problems of sand and foreign matter have become the biggest threats to the future of the tobacco program. Through revisions in the grade standards, USDA hopes to attack the problems in two ways.

First, more stringent uniformity requirements and waste tolerances have been implemented in the nondescript grades. This action should prove highly beneficial to the program and particularly to growers who market clean tobacco. With this change, the amount of tobacco going under loan will decrease and, most importantly, will be a more salable product. The amount of tobacco under loan is one factor which is considered when determinations regarding decreases or increases in total quota are made.

Second, "sand" and "dirt" have been designated as new special factors to give a precise definition of this foreign matter. Tobacco to which a special factor is applied meets general specifications of a grade but has a peculiar characteristic, such as dirt or wetness, which modifies the grade.

Under the revised standards, these new special factors will be applied to all grades of the Priming group and the nondescript grades N1L, N1GL, and N1PO when the tobacco contains more than normal but not an excessive amount of dirt or sand. When this special factor is applied, the tobacco will receive a reduced support price.

Tobacco not covered by any standard grade because it contains foreign matter is designated as "No-G-F." Where excessive amounts of dirt or sand are involved, the grader will mark that specific special factor on the lot ticket after the No-G-F. For instance, "No-G-F- sand" would indicate that the lot did not receive a grade because of an excessive amount of sand.

BENEFITS OF CLEAN TOBACCO

Preparing clean tobacco for market will not only help protect the tobacco program but will bring economic benefits to the grower as well. Last season, for instance, a farmer in eastern North Carolina offered 11 sheets of tobacco for sale, 9 of which received no grade because of sand. Under the inspection service, a producer can clean up the lot and receive a grade with price support. The North Carolina farmer cleaned 234 pounds of sand from his tobacco, offered it for sale carrying a P3L grade, and realized a profit of \$468.53.

EDUCATIONAL PROGRAM ON GRADE CHANGES

USDA, in cooperation with State Departments of Agriculture, farm organizations, and Cooperative Extension Services in the major flue-cured producing states of Florida, Georgia, South Carolina, North Carolina, and Virginia, has launched an educational program to explain the advantages of marketing a cleaner product. Farmers are also urged to contact their local extension agent for more information on cleaning up tobacco. An inexpensive method of eliminating some of the sand and dirt is simply shaking the cured tobacco before it is placed on burlap sheets.

The revised grade standards will be in effect for a trial period of 1 year. If farmers do not take steps to market their tobacco in a cleaner, more acceptable condition, the problems will be reassessed at the end of the 1977 flue-cured season and stronger action will be taken to assure the overall quality of tobacco for sale.

