



## COMMONWEALTH of VIRGINIA

*VIRGINIA BRIGHT FLUE-CURED TOBACCO BOARD*

P. O. Box 129  
Halifax, Virginia 24558

### ANNUAL REPORT

JULY 1, 2012- JUNE 30, 2013

**MISSION:** To plan and conduct campaigns of sales promotion, advertising, publicity, research and education for the purpose of increasing the demand for and consumption of Virginia flue-cured tobacco.

**COMPOSITION OF BOARD:** The Virginia Tobacco Board is composed of nine tobacco producers appointed by the Governor, who is guided in his appointments by the recommendations of organizations representing flue-cured and dark fired tobacco producers. Six Board members represent legislatively-defined flue-cured tobacco producing areas in Virginia, and are responsible for administering the Virginia Bright Flue-cured Tobacco fund.

**FUNDING:** Board program funding originates from an excise tax paid by all flue-cured tobacco producers. The excise tax levy is 20 cents per hundred pounds of tobacco sold. The excise tax levied is collected by company receiving stations at the time the tobacco is sold by producers and is subsequently remitted to the Board. The Board is responsible for ensuring that the tax has been properly collected and remitted.

#### **BOARD PROGRAMS:**

##### **I. Market Development and Promotion:**

The Board, by contractual agreement, provided \$38,000 to Tobacco Associates, Inc. to be used in market development and promotion projects. Tobacco Associates, Inc. is the U. S. tobacco producers promotional organization whose main objective is to promote U. S. flue-cured tobacco throughout the world. Tobacco Associates is funded through producer assessments in all flue-cured tobacco producing states (in Virginia's case by virtue of the appropriation by the Board). Tobacco Associates is governed by a producer-controlled board of directors of which two members are from Virginia.

On behalf of U. S. growers, Tobacco Associates conducted U. S. leaf utilization programs and leaf grading seminars in selected countries,

hosted foreign customers and prospective clients, participated in trade fairs and exhibits worldwide and informed producers and farm organizations concerning pertinent international tobacco market developments.

II. Research:

The Board funded six research projects on flue-cured tobacco, which were conducted at the Virginia Tech Southern Piedmont Agricultural Research and Extension Center. Funds available from the Board enabled researchers and extension specialists to conduct timely tobacco production research in agronomy (sucker control), plant pathology, and entomology.

III. Education:

The Board provided funding for the printing of the annual Flue-cured Tobacco Production Guide, which was prepared and distributed to producers by the Virginia Cooperative Extension Service. This publication provides current information to producers on all aspects of flue-cured tobacco production.

**BRIGHT FLUE-CURED TOBACCO PROMOTION FUND**  
**FINANCIAL STATEMENT**  
 July 1, 2012 - June 30, 2013

Revenue:		
Cash Balance - July 1, 2012	\$ 50,508.08	
Excise Tax Receipts	84,913.49	
Interest Earned	<u>925.43</u>	
Total		\$ 136,347.00
Expenditures:		
Administration	\$ 726.91	
Market Development and Promotion	38,000.00	
Research	42,375.99	
Education	<u>2,294.00</u>	
Total		\$ <u>83,396.90</u>
Cash Balance - June 30, 2013		\$ 52,950.01

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*This information is being provided in accordance with legislation passed in the 1990 Virginia General Assembly requiring that each commodity board provide an annual report to its excise-tax paying producers.*