

The Golden Leaf

A Look at Tobacco's Economic Impact on North Carolina

Tobacco creates 281,000 N.C. jobs

Each year, tobacco provides \$7.3 billion in fuel for North Carolina's economic engine. The Golden Leaf generates \$5.7 billion in income for North Carolinians, 281,000 jobs and more than \$700 million in state and local taxes.

That's the equivalent of \$15 million in daily wages, one out of every 11 jobs in the state and \$79,800 in taxes paid each hour.

Trends indicate continued growth for North Carolina's tobacco family well into the 21st century.

- The United Nations has predicted that world-wide tobacco consumption will increase two percent annually for the rest of the century.
- Exports of cigarettes nearly tripled during 1985-90.
- Tobacco exports in 1990 brought \$5.6 billion in net "new" money into the United States. Approximately half of that came to North Carolina.
- Sales of North Carolina tobacco leaf grew to more than \$1 billion in 1990.

• Tobacco is a resilient commodity. It has recovered from attacks during the 1600s when King James I of England beheaded smokers and the early 1900s in the U.S. when 15 states banned the sales of cigarettes.

• R.J. Reynolds Tobacco Co. has invested over \$2 billion in facilities and technology during the last 10 years. Philip Morris has announced plans for a three-year \$400 million expansion of its Cabarrus County facility.

• Tobacco is North Carolina's largest farm commodity and cash crop.

"I see North Carolina growing tobacco and making cigarettes in the year 2020 and beyond," said Dr. William Touissant, professor emeritus of economics at North Carolina State University. "Any reports of the industry's demise are far too premature."

"There's no question that the tobacco industry has been through some hard times over the last couple of decades. But, there are still nearly 50 million smokers in the United States," he added, "and a huge overseas market is switching to American-made products at an accelerating rate."



Janet Wheeler ▲
R.J. Reynolds Tobacco Co.
Winston-Salem



Harry Gray ▲
Gray's Warehouse
Robersonville



Gloria Kingsberry ▲
Philip Morris USA
Concord



Jerry Hoggard ▲
P. Lorillard Tobacco Co.
Greensboro



Zane Hedgecock ▲
Tobacco Grower
High Point

David (Smiley) Parker
P&E Farm Supply
Mars Hill ▼



George Brown ▲
N.C. State Ports
Wilmington

Melanie Cox
United Carolina Bank
Tabor City ▼



Julian Sloan ▲
Handy Pantry
Asheville

Allison Clemmer
C&B Distributing
Lowell ▼



Faces of Tobacco

The tobacco family in North Carolina has many faces. It's the grower who spends more time in the field per acre than any other farmer. And, the family whose tobacco earnings send a child to college.

It's a child in a day-care program funded in part by tobacco taxes. It's the truck driver and the longshoreman who help get tobacco and cigarettes to distant markets. And, it's many more people in a wide range of occupations.

"When I think of tobacco," says Jim Graham, N.C. Commissioner of Agriculture, "I think of jobs, industries and lifestyles that would not exist without the hard work of tobacco farmers. It's the bedrock of the Tar Heel economy."

Mary Woodside
Liggett Group
Durham ▼



Robert Taylor ▲
Mynatt Chevrolet
Concord

Judy Gordon
American Tobacco
Reidsville ▼



Ray Allen Bartley ▲
Tobacco Grower
Fairmont



J.P. Pernell
Epes Transport
Greensboro ▼



Charles Foster ▲
Ecusta Paper Co.
Pisgah Forest

Inside:

- 2 Rising Tide Of Exports
- 3 Manufacturing Technology
- 4 Economic Cycle Of Golden Leaf
- 6 Philanthropy Of Tobacco
- 7 Living On The Farm
- 8 Members Of The Family

EXPORTS

International sales triple since 1985



In Colonial times, the tobacco industry grew primarily by exporting to Europe. Today, tobacco's future is increasingly focused on worldwide sales.

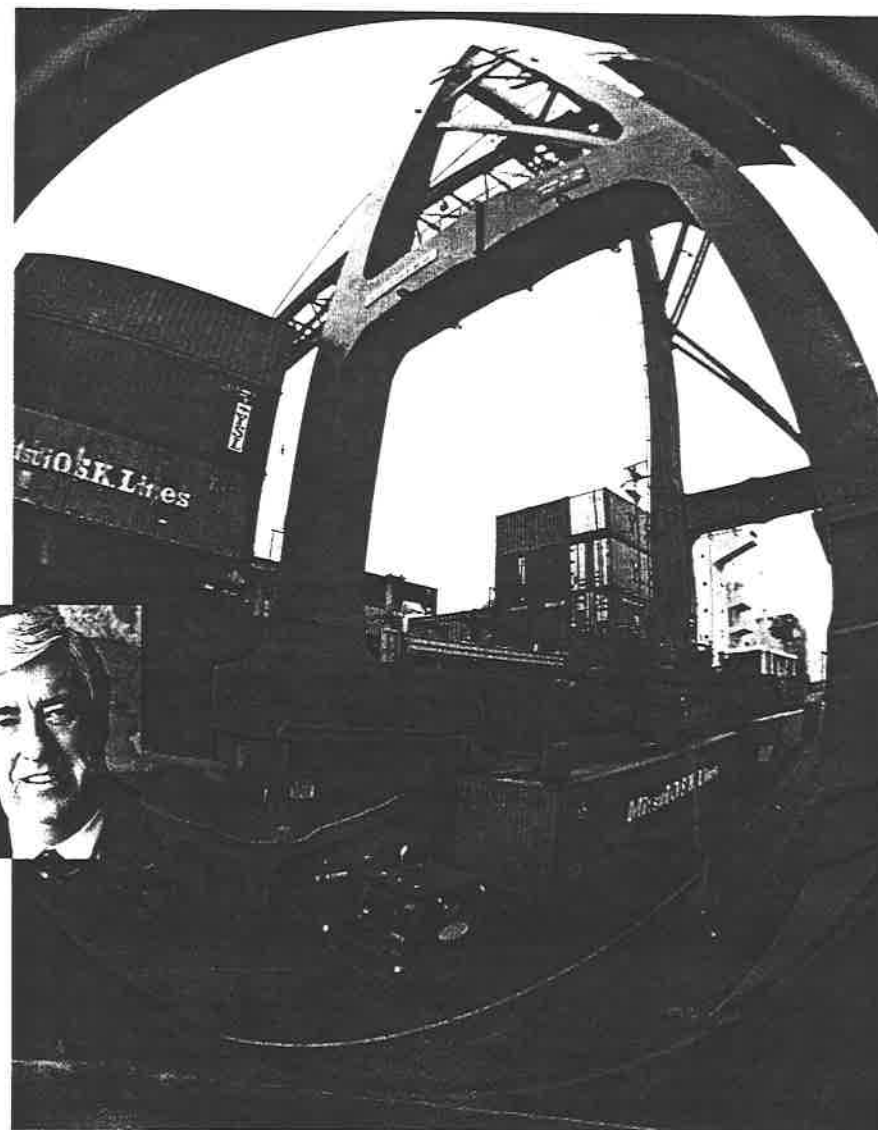
With the erosion of trade barriers in the Far East and the decline of communism in Eastern Europe, increased cigarette exports are helping hold down the growth of America's trade deficit. Without tobacco exports, the trade deficit would have been \$5.6 billion higher last year.

Approximately one of every four cigarettes made in America is sold overseas. The number of cigarettes sold outside the United States nearly tripled from 1985 to 1990, reaching 164 billion.

As *The Washington Post* noted: "Cigarettes are among the few U.S. consumer products that people the world over still consider a gauge of style and panache, something worthy of bending the budget."

More than 40 percent of the flue-cured tobacco grown in the U.S. is exported as leaf or in tobacco products, a figure that is expected to reach 50 percent within a few years. It is used to satisfy the growing demand for American-blend cigarettes around the world.

Changes in trade policies are spurring increased sales of



Donald D. Black Jr. says North Carolina's ports provide tobacco with a channel to world markets.

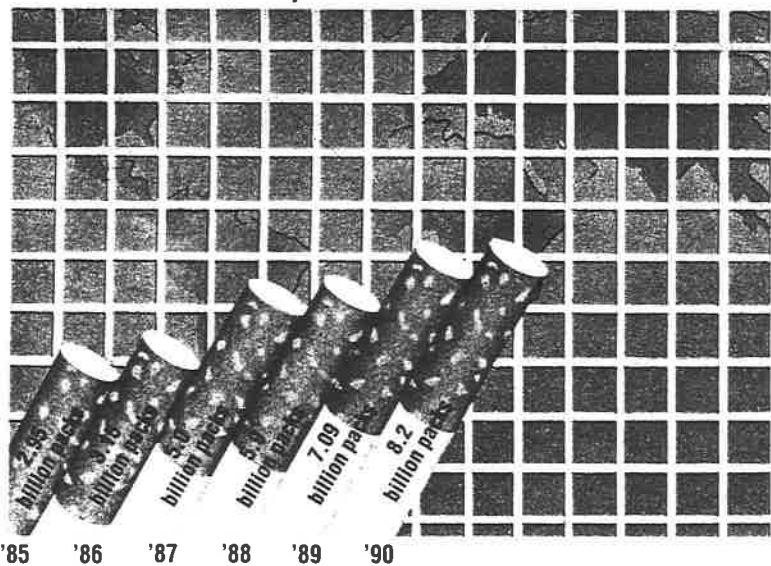
American-made cigarettes in the Far East. Previously, cigarette markets had been controlled by government monopolies. For example, the Long Life brand of Taiwan's monopoly had more than 90 percent of the market. In South Korea, the mere possession of foreign cigarettes was illegal.

Japan liberalized its laws in 1986, South Korea in 1987, Taiwan in 1988 and Thailand in

1990. Foreign brands now have about 15 percent of the Japanese market, compared to less than three percent in 1985.

The outlook for future foreign sales is excellent. Despite the rapid growth in recent years, at this point, American cigarettes account for only three percent of the 4.65 trillion cigarettes consumed outside the U.S. each year.

1990 Exports: 8.2 Billion Packs



Exports of cigarettes made in the United States have increased by 172 percent since 1985, jumping from 2.95 billion packs in 1985 to 8.2 billion packs in 1990. As trade barriers have fallen, other countries have dramatically increased their purchases of cigarettes made in the United States.

Source: Tobacco Merchants Association.

Growth in tobacco exports boosts business at N.C. ports

Tobacco has been an important trade commodity at North Carolina ports since Colonial times.

According to Donald D. Black Jr., manager of marketing for the N.C. State Ports Authority, export figures for cigarettes during fiscal year 1990 nearly doubled over the previous year, from 610 tons to 1,111 tons.

In addition to cigarettes, the worldwide demand for North Carolina tobacco was reflected in the growth of leaf exports. The number of export containers grew 66 percent in fiscal year 1990 to

81,106 tons of leaf tobacco.

For every six rows of tobacco used in the United States, there are at least four other rows shipped abroad as leaf or cigarettes.

Ships calling at North Carolina ports carry leaf tobacco all over the world. The largest customer for export tobacco continues to be Japan. Other customers are Belgium, Germany, the Netherlands, the United Kingdom, Finland, Hong Kong, Korea and Taiwan. In 1990, tobacco ship traffic to Japan virtually doubled.

High-tech factories

When a cigarette shortage caused rioting in the streets of Moscow last year, the leaders of Russia turned to two cigarette manufacturers in North Carolina to help solve the crisis.

Using a combination of robotics, computers and highly trained employees, R.J. Reynolds Tobacco Co. in Winston-Salem and Philip Morris USA at Concord are teaching the Russians and the rest of the world about the productivity of American tobacco-manufacturing technology.

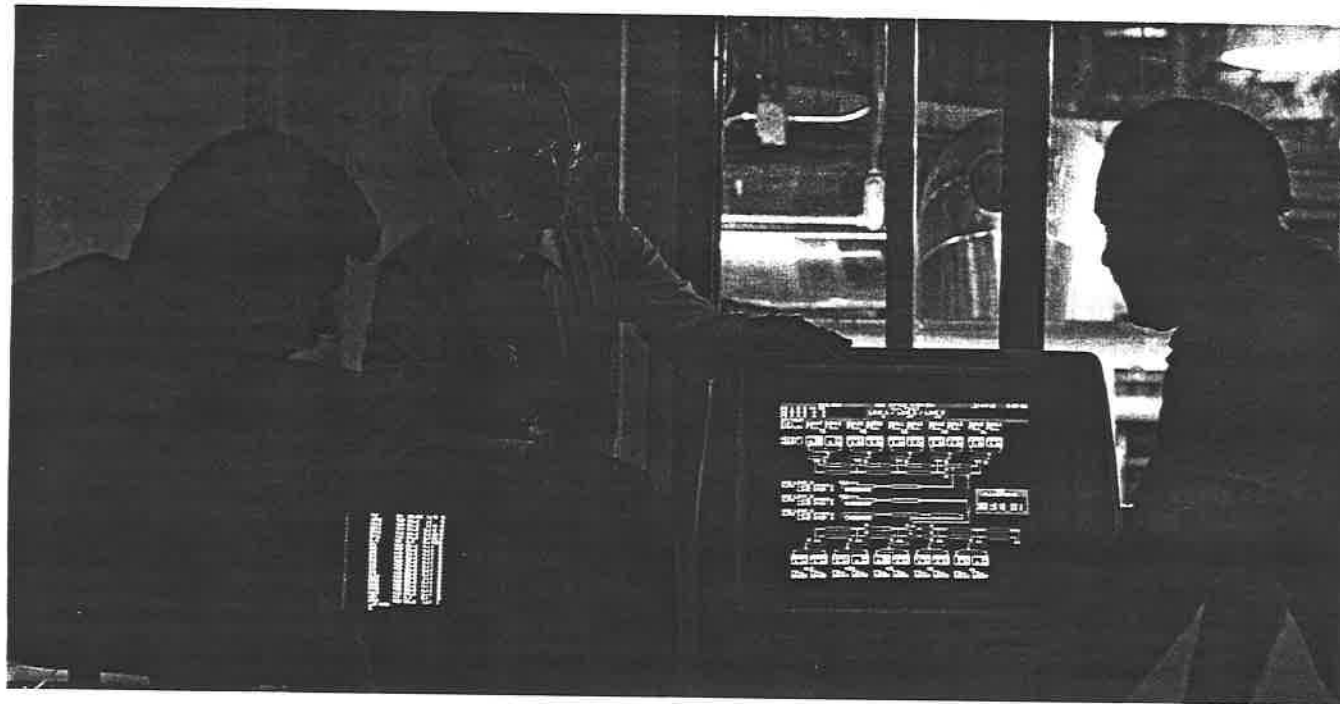
Together they are making 37 billion cigarettes for the Soviet Union to fill this one order alone.

North Carolina is also home for the operations of three other cigarette companies: American Tobacco Company in Reidsville, Liggett Group in Durham and P. Lorillard in Greensboro. Their total production makes North Carolina the cigarette manufacturing capital of the world. Fifty-six percent of the cigarettes made in the United States are made in North Carolina.

The two newest and largest facilities are in Tobaccoville, 15 miles north of Winston-Salem, and Concord, near Charlotte. The 27-acre roof on Reynolds Tobacco's

Tobaccoville Manufacturing Center covers two million square feet of floor space on two levels. The plant was completed in 1986 at a cost of \$1.3 billion.

Manufacturing and processing equipment are state-of-the-art at



the two locations. Virtually every step in the manufacturing process is computerized for maximum precision in process control and product quality assurance. Automated features include sophisticated robotics and automatically guided vehicles to move materials and finished goods.

The 2,000 employees at Tobaccoville have more than a half-million hours of specialized training to keep the automated production facilities running smoothly.

This year, Philip Morris begins

a three-year \$400 million expansion that will increase the size of its Concord plant from 1.8 million to 2.4 million square feet. An additional 660 jobs will bring total employment at the facility to 2,460.

American Tobacco

- Manufacturing Facilities — Reidsville
- Opened in N.C. in 1889
- N.C. Employment — 1,450
- Major Brands — Carlton, Lucky Strike, Pall Mall, Tareyton and Malibu

Liggett

- Manufacturing Facilities — Durham
- Opened in N.C. in 1873
- N.C. Employment — 1,000
- Major Brands — L&M, Lark, Chesterfield, Eve, Class "A" and Pyramid

P. Lorillard Tobacco Co.

- Manufacturing and Operations Center — Greensboro
- Opened in N.C. in 1956
- N.C. Employment — 2,300
- Major Brands — Newport, Kent, True, Old Gold, Max and Satin

Philip Morris USA

- Manufacturing Facilities — Concord
- Opened in N.C. in 1983
- N.C. Employment — 1,800, recently announced expansion will add 660 jobs
- Major Brands — Marlboro, Merit, Cambridge, Parliament, Philip Morris Lights, Virginia Slims and Lark

R.J. Reynolds Tobacco Co.

- Manufacturing Facilities and Company Headquarters — Winston-Salem and Forsyth County
- Opened in N.C. in 1875
- N.C. Employment — 10,000
- Major Brands — Camel, Winston, Salem, Vantage, Doral, Now and More

Highly trained workers at Reynolds Tobacco's Tobaccoville Manufacturing Center operate sophisticated automated equipment.

Average Hourly Wages For N.C. Production Workers

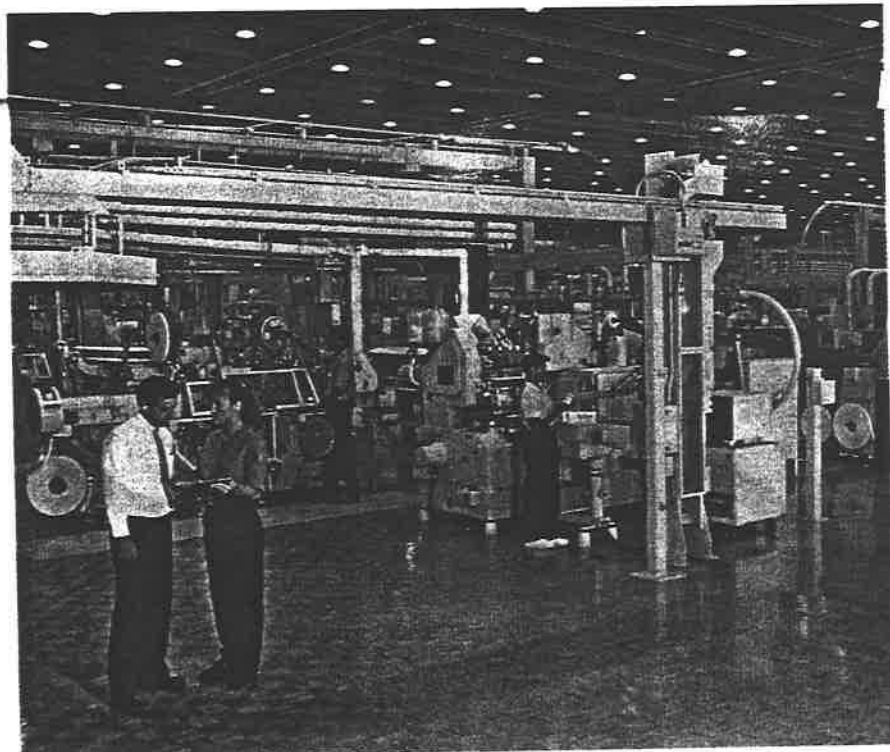
Tobacco	\$14.86
Paper & Allied	\$12.41
Chemicals & Allied	\$12.18
Rubber/Misc. Plastics	\$10.92
Transportation Equipment	\$10.78
Primary Metals	\$10.74

Industrial/Commercial Machines	\$10.18
Fabricated metals	\$10.01
Stone/Glass	\$8.74
Electrical/Electronic	\$9.88
Furniture	\$8.28
Food Products	\$8.13
Lumber/Wood	\$8.04
Textiles	\$7.81
Apparel	\$6.26

Workers at North Carolina's cigarette manufacturing plants are paid the highest average hourly wages of any manufacturing workers in the state, nearly \$15 per hour. Paper and allied products workers rank second, about two dollars an hour lower.

While North Carolina's economic developers are working to bring better jobs to the state, the tobacco industry already provides high-paying, high-tech positions.

Source: Employment Security Commission, 12/90



Visitors to the Philip Morris plant in Concord are struck by the cleanliness and efficiency of the operation.



Tobacco's not just a crop. It's our mortgage lifter.'

In 1990, tobacco companies paid more than \$1 billion for the leaf produced by 18,000 farm families in 89 of 100 North Carolina counties.

In 1990, companies directly related to tobacco paid their employees nearly \$1.9 billion in wages.

In 1990, consumers in North Carolina paid retailers more than \$1 billion for cigarettes.

And, each year, tobacco interests pay state and local governments more than a half-billion dollars in taxes.

Those growers, workers, retailers and governments spend those billions on goods and services like new farm equipment, automobiles, trucking and schools. That's how tobacco in North Carolina sets off a

chain reaction of benefits to people and businesses that is unparalleled in the state.

"Tobacco's not just a crop. It's our mortgage lifter. It pays the taxes and doctor bills and sends children to school. It builds homes. It's just not something that can be replaced," said Norman Denning, chairman of the Johnston County commissioners.

The most immediate impacts are in those communities in the heart of tobacco growing areas or where the cigarettes are made.



Norman Denning
Commissioner
Johnston County

Mayor Ralph El Ramey of Wilson said, "We look forward to green tobacco time because then it won't be long before they sell the crop and business gets real good."

His thoughts are echoed by owners of thousands of small businesses in tobacco regions across the state.

"When the farmers do good, we all do good. We see it in a rise in deposits of folks from throughout the entire community," said Burnett Coleman, city executive for the UCB banking company in Tabor City. "And, no other crop has that impact."

"A lot of jobs are created on that tobacco floor," said Harry Gray,



Burnett Coleman
United Carolina Bank
Tabor City



owner of Gray's Red-Front and Central Warehouse in Robersonville. His warehouses are among approximately 130 warehouses in North Carolina, from West Jefferson to Whiteville, that employ more than 4,000 workers who are paid \$54 million.



Jim Oliver
Governor's Office
Raleigh

Similar economic impacts are found in the five areas that are home to the cigarette manufacturing plants in North Carolina. They provide jobs for more than 23,000 employees in Durham, Greensboro, Reidsville, Winston-Salem and Concord.

"When the plant expansion (Philip Morris in Concord) was announced in January, the car dealers throughout this area were tickled to

death. Tobacco company workers are some of our best customers," said Ben Mynatt, president of Mynatt Chevrolet in Concord.

The benefits of tobacco growing and cigarette manufacturing spread quickly to suppliers of services and goods and to communities throughout the state. For example, some 40 companies in North Carolina haul tobacco, and many more carry cigarettes.

Epes Transport System, Inc. of Greensboro has been trucking cigarettes and tobacco for 59 years.

"Tobacco is the backbone of our business," said Al Bodford, president of Epes. "The 150



Jim Graham
Commissioner of
Agriculture
Raleigh

employees here know firsthand the positive impacts tobacco has on our lives."

James Oliver, agricultural advisor to the governor and agribusiness specialist in the N.C. Department of Economic and Community Development, said, "It may be hard to realize a logger out in the woods benefits from tobacco, but he does. Eventually, some of those trees will be turned into paper and the paper will be sold to manufacturers and used in cigarette packaging."

Jim Graham, N.C. Commissioner of Agriculture, summed it up. "When I think of tobacco, I think of jobs, industries and lifestyles that would not exist without the hard work of tobacco farmers. It is the bedrock of the Tar Heel economy."

Tobacco philanthropy makes a better N.C.

To promote "the well-being and betterment of mankind" is the simple and powerful mandate of the Mary Reynolds Babcock Foundation.

For many decades, the tobacco companies and foundations built on tobacco fortunes have contributed to social and economic progress for North Carolinians. During the 1980s, they gave more than \$1.3 billion to charitable organizations.

This philanthropy has benefited hundreds of thousands of people in the areas of human services, the environment, the arts, education, economic development and medical care.

Kate B. Reynolds Charitable Trust

The trust was established in 1947, one year after the death of Kate B. Reynolds, wife of William N. Reynolds. He was the brother of Richard Joshua Reynolds and a partner in R.J. Reynolds Tobacco Co.

Three fourths of the trust income is used to improve the delivery of health care and to promote the general health of people throughout North Carolina through the Kate B. Reynolds Health Care Trust. The remaining portion is designated as the Kate B. Reynolds Poor and Needy Trust, reserved for the people of Winston-Salem and Forsyth County.

At the end of fiscal year 1990, assets of the trust exceeded \$249 million. Generally, grants totalling \$11 million and \$4 million are distributed each year through the Health Care and Poor and Needy trusts, respectively.

Smith Reynolds, younger son of Richard Joshua Reynolds. During the early years, funds were provided in a few large grants. Since the mid-'70s, the foundation has awarded a much larger number of smaller grants. At least two grants have been made to organizations in each of North Carolina's 100 counties.

The Z. Smith Reynolds Foundation receives income from the Z. Smith Reynolds Trust and the W.N. Reynolds Trust. Combined assets of the two were \$213 million at year-end 1990. Total grants awarded last year by the foundation amounted to \$12.8 million.

Mary Reynolds Babcock Foundation

The foundation was created in 1953 through a bequest from Mary Reynolds Babcock, daughter of Richard Joshua Reynolds. The primary focus of the foundation is human service projects largely within North Carolina.

The foundation prefers to fund programs in two categories: those that are particularly sensitive to the changing and emerging needs of society or those that address society's needs in new and imaginative ways.

The current value of the trust is more than \$55 million. Typical annual distributions total about \$3 million.

The Duke Endowment

The Duke Endowment was formed in 1924, but the philanthropy of the founder's family began in the late 1800s. Trinity College, which later became Duke University, was

among the early recipients of grants.

Later, James B. Duke and other family members turned their attentions and tobacco financial resources toward investments in electric power. Profits from the electric companies were the basis for the Duke Endowment.

The Duke Endowment, which has assets of \$1 billion, has distributed more than \$939 million to educational institutions, hospitals, orphanages and the United Methodist Church in the two Carolinas. In 1990, it made grants of more than \$45 million.

Giving by Corporations

Tobacco companies with manufacturing operations in North Carolina provide support to the state and communities in which they reside. For example:

- American Tobacco supports the United Way of Reidsville, Rockingham Community College, Annie Penn Hospital and Rockingham County Arts Council.

- Liggett Group supports a variety of organizations within its community, such as the United Way of Durham, the Arts Council of Durham, the Duke University Children's Classic, the North Carolina Museum of Life and Science, the Ronald McDonald House and Goodwill Industries. Substantial support also is given to educational programs.

- P. Lorillard is a major contributor to higher education including each of the five universities or colleges in the Greensboro area. Secondary education support includes contributions to the Greensboro Public Schools and the

For the arts include the Eastern Music Festival, N.C. Shakespeare



Foundations help organizations that care for children.

Festival and Greensboro Symphony.

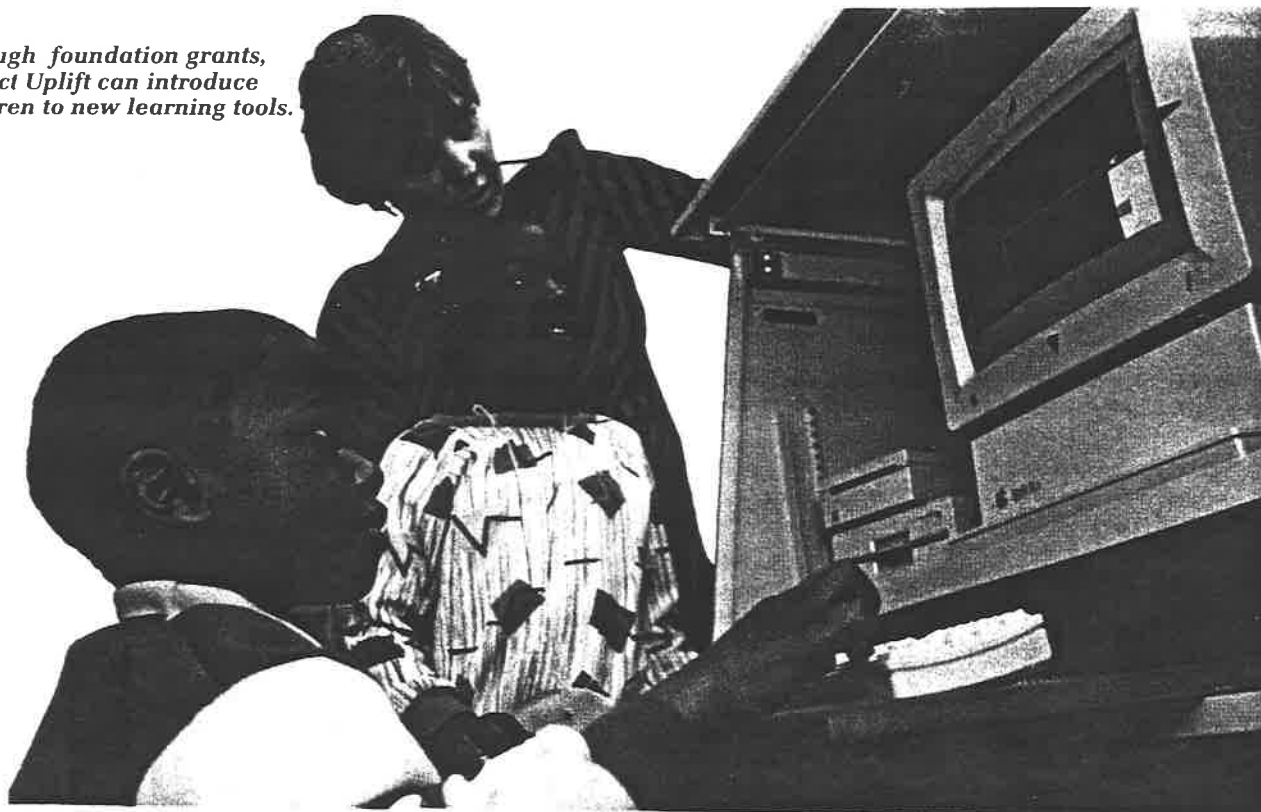
- Philip Morris USA supports a variety of cultural and educational organizations throughout North Carolina. It made a multi-year contribution to the North Carolina Performing Arts Center in Charlotte and recently made major contributions to the University of North Carolina at Charlotte. In 1990, Philip Morris and its employees accounted for 25 percent of all contributions to United Way in Cabarrus County.

- At R.J. Reynolds Tobacco, a \$500 gift in 1891 helped start what is now Winston-Salem State University. The company has given more than \$6.2 million for programs at N.C. State since 1962. Recent grants have supported a tutorial program for middle school students in Winston-Salem, a job skills program in Goldsboro and Tech Prep programs in Caldwell, Catawba and Wilkes counties. In addition, employees gave more than \$1.5 million to the United Way last year.

Z. Smith Reynolds Foundation

The foundation was established in 1936 in the name of Zachary

Through foundation grants, Project Uplift can introduce children to new learning tools.



decide

Young people and smoking don't go together. That's been the position of the tobacco industry for many years.

To support that position, the industry recently launched aggressive programs that are designed to put cigarettes further out of reach of young people.

The accompanying sign is one element of the campaign. Another is the brochure, "Tobacco: Helping Youth Say No," which is available at no cost by writing to R.J. Reynolds Tobacco Co., P.O. Box 1207, Winston-Salem, NC 27102.

IT'S THE LAW
WE DO NOT SELL TOBACCO PRODUCTS TO PERSONS UNDER 18

No better crop than tobacco

When Mark Nicholas Smith started a tobacco farm near Deep Run at the turn of the century, it amounted to little more than four acres of cleared land and one gray mule.

Ninety-one years later, Mark's grandson, Randy, is carrying on the tobacco-farming tradition for a fourth generation of Smiths. But 10 years ago, it looked like the chain would be broken.

"I had no intention of farming when I was in college, but I started to realize what a good life tobacco had made for my parents," says Randy. "Then I started pushing a pencil to see how much money I could make, and it hit me that I had a great opportunity to do the same thing for my family.

"Now I'd rather be a tobacco farmer than anything else," insists Randy, the youngest of four children and the only one to take up farming. "I make a good living, and it's a good feeling to see the crop through from start to finish."

After graduating from Guilford College in Greensboro in 1981, Randy and his wife, Ginny, moved to the Smith family farm where he spent the next two years as a hired hand to his father, Oliver Smith. When Oliver became semi-retired in 1983, Randy took over.

"I'll be the first to tell you I had an ideal situation," Randy admits. "But it takes a lot of capital to get started even if you come from a tobacco farming family, and you've got to work hard and make

constant improvements just to keep what you've got."

Randy also tends about 750 acres of corn and soybeans — including 50 acres from his mother's family farm — but he's quick to add, "There's just no better crop than tobacco."

Some things remain largely unchanged from his father's day. Take tobacco curing, for example. "There's an art to it," Randy explains. "Each person has his own way of curing — and every barn cures differently. It's one of my favorite parts of the job."

Unlike the farmers of 20 years ago, Randy spends much time implementing new technology

that will make his crop even more productive. "It's a lot different now," he says. "To be a farmer, I also have to be a chemist, a foreman, a bookkeeper and concerned about the environment."

Ginny Smith puts her accounting degree from Guilford College to good use by managing the farm's finances. Last year, she prepared 40 W-2 tax forms for part-time and full-time hired hands. She grew up as a banker's daughter in Mount Airy and never expected to be a farmer's wife.

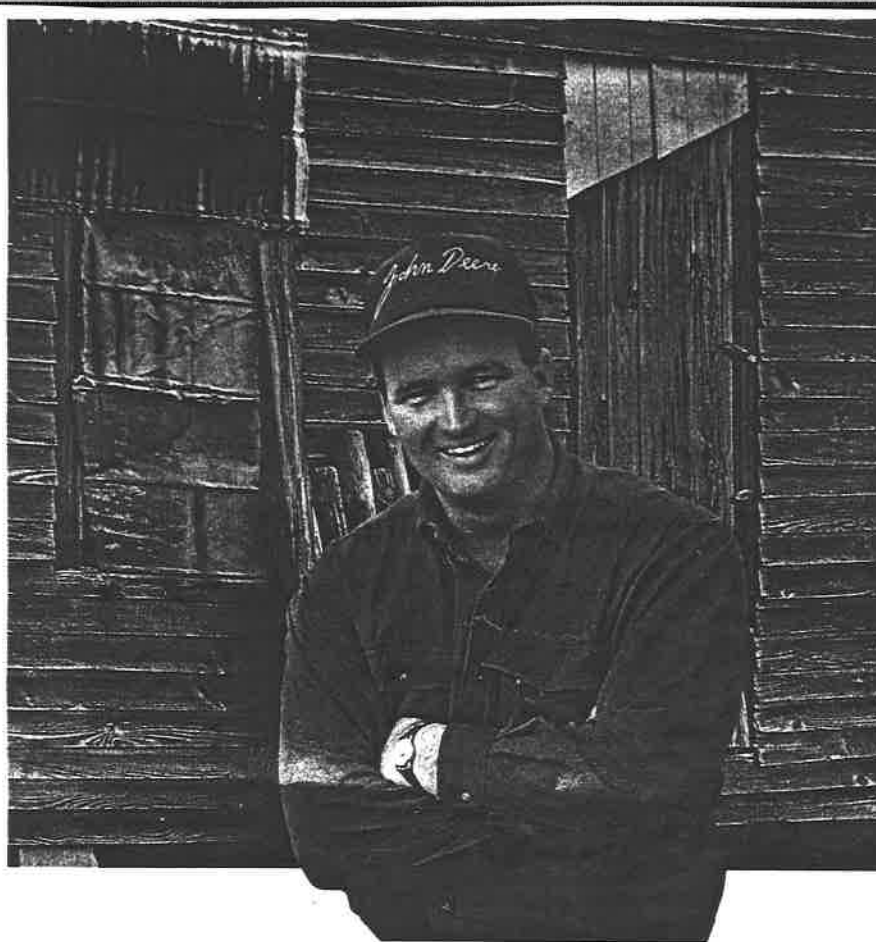
Ginny teaches the same down-to-earth values to their daughters, seven-year-old Lane and four-

Randy Smith enjoys the hard work of tobacco farming and the satisfaction it brings.

year-old Lindsay, that she follows. When Ginny asks Lindsay if she'd like to meet her older sister at the school bus stop, Lindsay eagerly answers her mother with a "Yes, Ma'am."

The Smiths also are active in their church, where Ginny has taught Sunday School, Randy is church treasurer, and they both sing in the choir. Randy's parents, who still live in the house where Randy grew up, are active in the same church, and Oliver Smith is a member of the county school board and the N.C. School Board Association.

Whether the girls will continue the tobacco-farming tradition for a fifth generation is hard to say. But for now, at least, it's a safe bet they're happy to stay on their daddy's farm for several years to come, a farm that their great grandfather would really be proud of if he could see it today.



The Smith family of Deep Run

It's a long season for burley growers

For farmers who grow flue-cured tobacco, working in tobacco means suffering through the sometimes blistering hot summer days.

In contrast, their burley "cousins" in the west face the cold fall mornings and winter days that come with growing tobacco in the mountains and foothills.

The two types of tobacco farmers in North Carolina are about as different as the geography where their crops grow. Of the 18,000 tobacco farm families, burley growers represent a small but hearty group. Burley tobacco accounts for about three percent of North Carolina's billion dollar tobacco crop.

Terry Banks and his brother, Chris, of Barnardville, have been working on a burley tobacco farm since they were kids. Many of their counterparts are part-time farmers, sometimes growing burley on as little as a half acre of precious mountain land. The Bankses work full-time on their 50 acres.

It's a long season in the mountains.

Like their eastern counterparts, burley growers start in the spring by seeding the beds. Their work finally ends in December or January when the last tobacco stalks have been stripped.

Unlike flue-cured farmers who pick tobacco by the leaf, burley farmers cut off the whole plant in

September and hang it to be air cured. Then, in November, they take it down and start stripping off the leaves.

One thing burley farmers have in common with flue-cured farmers is they keep a close eye on international markets.

"You need to keep up with what's going on around the world. We're part of a highly competitive market now," said Terry Banks, a North Carolina State University graduate. "The condition of economies in countries thousands of miles away has an effect on the price of burley in Buncombe County."



Terry Banks

Recognizing tobacco's importance

Many organizations in North Carolina benefit from the presence of the tobacco industry in the state. The industry's economic impact touches virtually every aspect of life in North Carolina.

The listing that follows is a cross section of organizations that recognize and appreciate the economic importance that tobacco has to North Carolina. They reflect the diversity of the state's institutions to whom the tobacco industry is important.

ADA Computer Supplies

Greensboro

BB&T Bank

Wilson

Camel City Poster

Winston-Salem

Carolina Mudcats Baseball

Zebulon

Charlotte Motor Speedway

Concord

D C Power Systems, Inc.

Kernersville

Decision Point Marketing

Winston-Salem

Duke Power Company

Greensboro

Ecusta Division, P. H. Glatfelter

Pisgah Forest

Electric Supply & Equipment Co.

Greensboro

Federal Paper Board, Inc.

Henderson

Fletcher, Barnhardt & White, Inc.

Raleigh

Industrial Truck Sales

Greensboro

L. Harvey & Son Company

Kinston

Lentz Distribution Services

Greensboro

Leo Venters Motors, Inc.

Ayden

Long, Haymes & Carr

Winston-Salem

Mebane Packaging

Mebane

Meredith-Webb Printing Co., Inc.

Burlington

Naegele Outdoor Advertising

Fayetteville

PBM Graphics

Durham

Quantum Performance Films

Salisbury

Southern Overseas Corporation

Wilmington

United Marine Lines

Charlotte

Yale Materials Handling

Greensboro

Did you know?

- Tobacco is grown in 89 of North Carolina's 100 counties by 18,000 farm families.

- Tobacco accounts for 281,000 jobs in North Carolina in growing, manufacturing and supplier businesses. If you lined all of the workers up single file along Interstate 40, they would form an unbroken line 160 miles long from Raleigh to Hickory.

- More than 40 percent of North Carolina's tobacco crop is exported directly as leaf or as cigarettes. If all of that tobacco were grown on a single farm, it would cover about 300,000 acres — an area almost the size of Mecklenburg County.

- Over the last four years, the federal tobacco program has generated an average of more than \$368 million a year in net receipts for the federal government. The program is funded in total by tobacco growers and leaf buyers and has more than paid for itself every year since 1983. It doesn't cost taxpayers anything.

- Fifty-six percent of all cigarettes made in the U.S. are made in North Carolina.

- Tobacco leaf generates more revenue per acre than any other crop. In 1989, per acre gross income from tobacco was \$3,400 compared to \$586 for sweet corn, \$351 for cotton and \$126 for wheat.

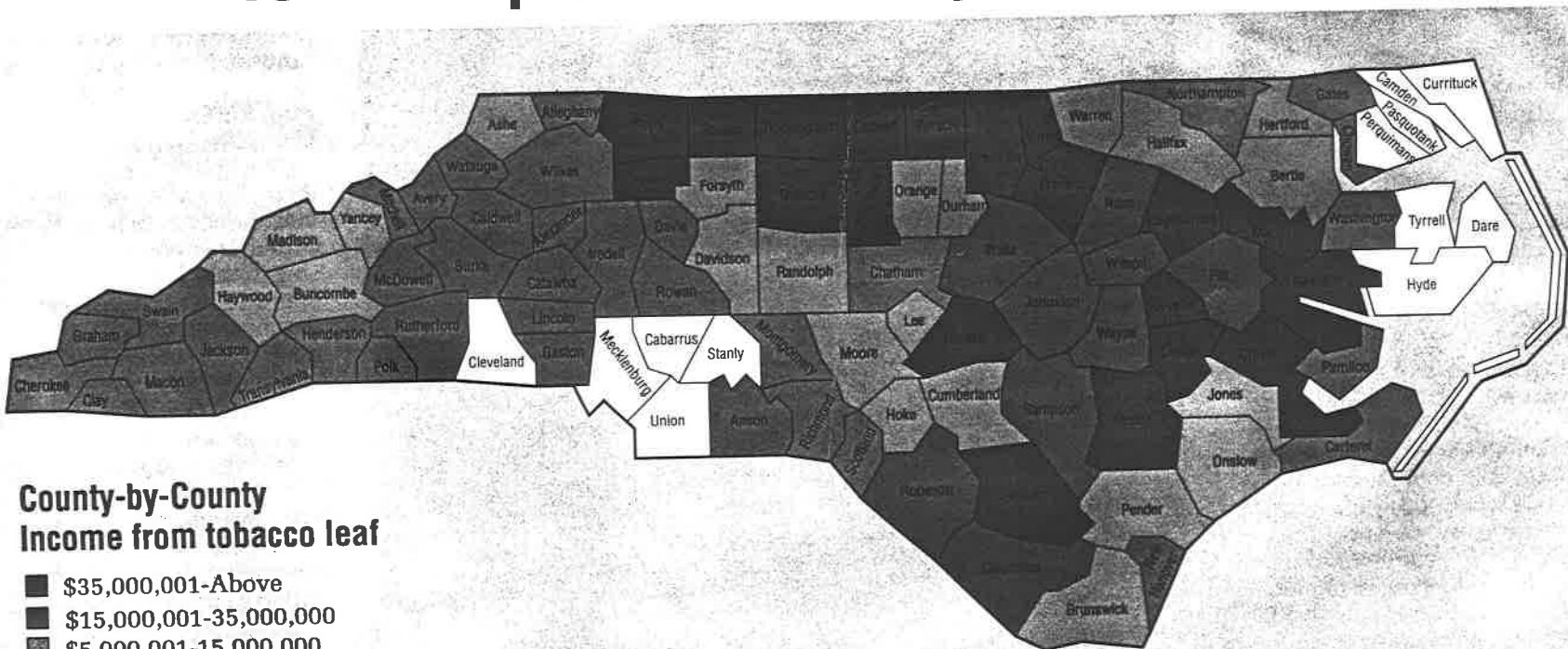
This publication is sponsored by R.J. Reynolds Tobacco Co. of Winston-Salem to help people of North Carolina better understand the impact that tobacco has on the state's economic well-being.

Most of the statistics cited are from materials prepared by Price Waterhouse for the Tobacco Institute. Price Waterhouse collected data for 1990 from state and federal

agencies. In areas for which 1990 data are not yet available, Price estimated the economic impact by using standard formulas and projecting trends in various sectors.

Additional copies are available from Public Relations, R.J. Reynolds Tobacco Company, 401 North Main Street, Winston-Salem, NC 27102.

Tobacco spreads its bounty across N.C.



County-by-County Income from tobacco leaf

- \$35,000,001-Above
- \$15,000,001-35,000,000
- \$5,000,001-15,000,000
- \$1,001-5,000,000
- \$0-1,000

Source: U.S. Department of Agriculture

In 1990, flue-cured and burley tobacco was grown in 89 of North Carolina's 100 counties. Sales of tobacco brought more than \$1 billion income to the state's farm families. Although much of the crop is grown in rural counties, Wake, Guilford,

Forsyth and Buncombe counties also have extensive production. Revenues shown on the map reflect the average price of leaf in 1990 — approximately \$1.67 per pound for flue-cured and \$1.76 for burley — and the allotments granted in each county.