Increased exports positive sign for burley future

By Chip Miller
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Many of today's burley farmers have an eye on the world market.

It's an easy thing to do since foreign countries want U.S. burley.

Increased world demand for this burley leads many Kentuckians to see a light at the end of the tunnel.

Nicholas County farmer Jimmy Caswell believes this to be the answer to many burley producer's questions, yet also an incentive to produce better tobacco leaf.

"We've got to produce a better quality burley tobacco in order to compete against this world market," he said.

"They (foreign tobacco growers) go to much more pains to get better quality like that of U.S. quality."

The quality of the burley farmers produce in both Nicholas County and Kentucky will make or break this opening, expanding world market, according to Caswell.

Will Snell, agricultural economist at the University of Kentucky agrees in a release to the Kentucky Cooperative Extension Service.

"Exports of U.S. cigarettes increased 9 percent in 1986 and have increased a whopping 50 percent so far this year. And leaf exports have increased from 150.6 million pounds in 1985 to 170 million pounds last year. Those figures; plus the trend for decreased imports of burley, make the scenario for burley production more positive than it has been in several years," Snell said.

Snell predicts a turnaround in burley markets from these figures.

Snell said exports have increased because manufacturers have found that smokers prefer more U.S. burley in cigarettes.

According to Snell's report, the domestic demand for cigarettes is estimated to decline, thus making it seem necessary for a stronger world market for burley producers.

United States' imports increased from 3.2 million pounds in 1970 to more than 163 million pounds by 1984. Since then though, imports have dropped to 120 million pounds last year.

Snell added though the world market is improving for U.S. burley, growers still need to be concerned about quality.

"Other countries producing burley are beginning to improve the quality of the product and there is some feeling that U.S. growers are letting quality slip somewhat," Snell said.

Caswell emphazised he felt burley farmers should "take a bigger part with what's happening to them.

"The farmer of today has to stay on top of technology," he said.

Caswell added he thought the quality of the burley tobacco farmers produce will make or break them in the future because of the competition of the world market.

Burley's future: the world market

Increased world demand for U. S. burley, coupled with declining use of imports, leads a University of Kentucky agricultural economist to predict a turnaround in burley markets.

"Exports of U. S. cigarettes increased nine percent in 1986 and have increased a whopping 50 percent so far this year. And leaf exports have increased from 150.6 million pounds in 1985 to 170 million pounds last year. Those figures plus the trend for decreased imports of burley together make the scenario for burley production more positive than it has been in several years," said Will Snell, agriculture economist.

Exports, Snell explained, have increased because the value of the dollar has declined against other currencies during the last 18 months and because manufacturers have found that smokers prefer more U. S. burley in cigarettes.

In addition, because the U. S. was not producing as much burley as needed by the markets in the 1970s, manufacturers turned to other countries, such as Malawi, Italy, Greece and South Korea, for their supply of burley.

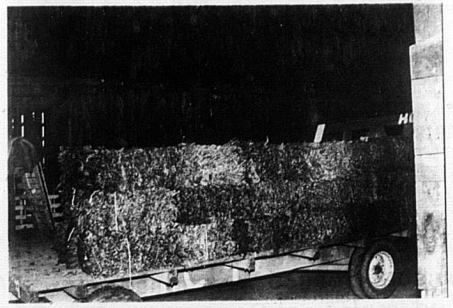
"Manufacturers were able to buy other countries' burley cheaper than U. S. burley, but they found that the quality was not up to U. S. standards. However, quality of foreign produced burley is improving and may provide more competition in the future," Snell said.

U. S. imports of burley increased from 3.2 million pounds in 1970 to more than 163 million pounds by 1984, but since then imports have dropped to an estimated 120 million pounds last year and are likely to continue to drop, Snell said.

Although the market for U. S. burley is improving, Snell said U. S. producers still need to be concerned about quality of their product.

"Other countries producing burley are beginning to improve the quality of the product, and there is some feeling that U. S. growers are letting quality slip somewhat," he said.

And because domestic demand for cigarettes is projected to decline by 15 to 35 percent by 2000, Snell believes that improving U. S. exports will be necessary for a strong burley market.



Bales of burley ready to take to market. - Chip Miller Photo

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