



## THE SHRINKING ROLE OF TOBACCO FARMING & TOBACCO PRODUCT MANUFACTURING IN OHIO'S ECONOMY

### Ohio Tobacco Farming Trends

Tobacco farming in Ohio, and throughout the United States, has been shrinking for years, with fewer tobacco farms producing less tobacco and playing an increasingly smaller role in the state's economy. In 2005, the \$10 billion buyout of tobacco farmers and quota holders as part of the termination of the federal tobacco price support program sharply accelerated these trends. Smaller family tobacco farms are no longer the rule but the exception as larger agribusinesses have taken their place.

|   | 1992       | 1997       | 2007       | 1997-2007 Change | 1997-2007 Change % |
|---|------------|------------|------------|------------------|--------------------|
| All Farms in Ohio                       | 70,711     | 78,737     | 75,861     | -2,876           | -3.7%              |
| All Tobacco Farms                       | 3,475      | 2,821      | 475        | -2,346           | -83.16%            |
| Total Farm Acreage in Ohio              | 14,997,381 | 14,738,028 | 13,956,563 | -781,465         | -5.3%              |
| Tobacco Farm Acreage                    | 39,159     | 11,284     | 3,499      | -7,785           | -69.0%             |
| Tobacco Farm Acreage - Percent of Total | 0.26%      | 0.08%      | 0.03%      | NA               | NA                 |

Source: U.S. Department of Agriculture, *2007 Census of Agriculture*, February 2009, and earlier editions (Census is done every five years), <http://www.agcensus.usda.gov/index.asp>.

### Ohio Tobacco Product Manufacturing Employment

There is no significant tobacco product manufacturing or processing employment in Ohio. Even in the two states with the most tobacco manufacturing (North Carolina & Virginia), related employment makes up less than 2% of all state manufacturing jobs, and even smaller fractions of total employment. [Source: U.S. Census Bureau, Annual Survey of Manufactures, <http://www.census.gov/mcd/asmhome.html>, data for 2006 is the most recent.]

### Sales of Cigarettes in Ohio

Taxed cigarette pack sales have also declined considerably in Ohio over the past decade, making them a less significant factor in total retailer sales.

|                                   | 1998            | 2008          | Change         | Change % |
|-----------------------------------|-----------------|---------------|----------------|----------|
| Total Annual Cigarette Pack Sales | 1,188.7 million | 742.3 million | -446.4 million | -37.6%   |

Source: Orzechowski & Walker, *The Tax Burden on Tobacco*, annual industry-funded historical compilation.

### The Toll of Smoking and Other Tobacco Use on Ohio

While the number of farms and jobs from tobacco farming and manufacturing has been declining sharply in Ohio, the harms and costs from smoking in the state remains high. For example:

|   |                          |
|---|--------------------------|
| Smoking-caused deaths in the state each year:               | 18,500                   |
| Annual smoking-caused excess healthcare costs in the state: | \$4.37 billion           |
| Smoking-caused productivity losses in the state each year:  | More than \$4.65 billion |

Source: U.S. Centers for Disease Control & Prevention. Amounts in 2004 dollars. Productivity loss amount does not include losses from smokers taking cigarette breaks and having more sick days than nonsmoking employees.

More active state efforts to prevent and reduce smoking and other tobacco use in Ohio would improve public health; save lives; increase worker productivity; reduce government, business and household costs; and strengthen the state's budget and economy.

*Campaign for Tobacco-Free Kids, February 19, 2009*