2020 Tobacco Agent Training March 13, 2020 UKREC, Princeton KY



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2020 Burley Tobacco Economics

2019-2020 Burley Growing/Marketing Season

Disaster

- Quality Issues
- Buyer Contract Volumes Overestimated ???
- Import/Export Trends Accelerate





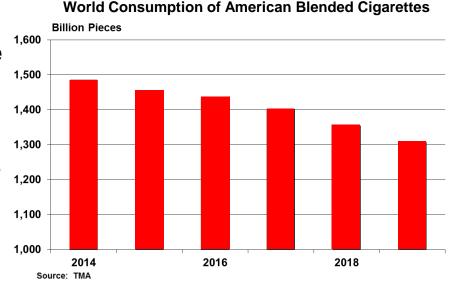




Global Burley Demand – The Cold Hard Facts

Globally – American Blended Cigarette Sales Have Peaked and are Trending Down (-2 to -3% Annually)....

Health Reasons/Smuggling/Alternative Products

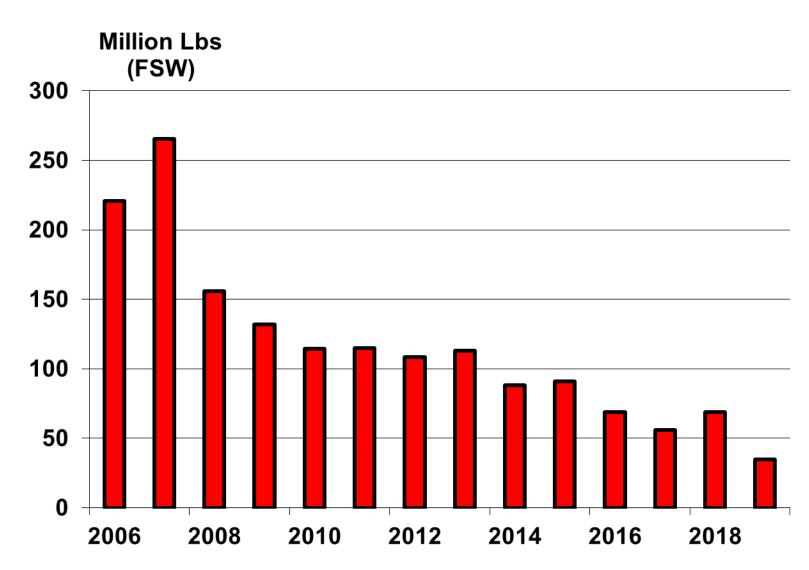


- ▶ U.S annual decline in cigarette sales are accelerating (-5 to -6%)
- ▶ Alternative products don't use (much, if any) U.S. burley
- ▶ Price differential between U.S & foreign burleys is increasing
- Premium for U.S. burley quality is deteriorating



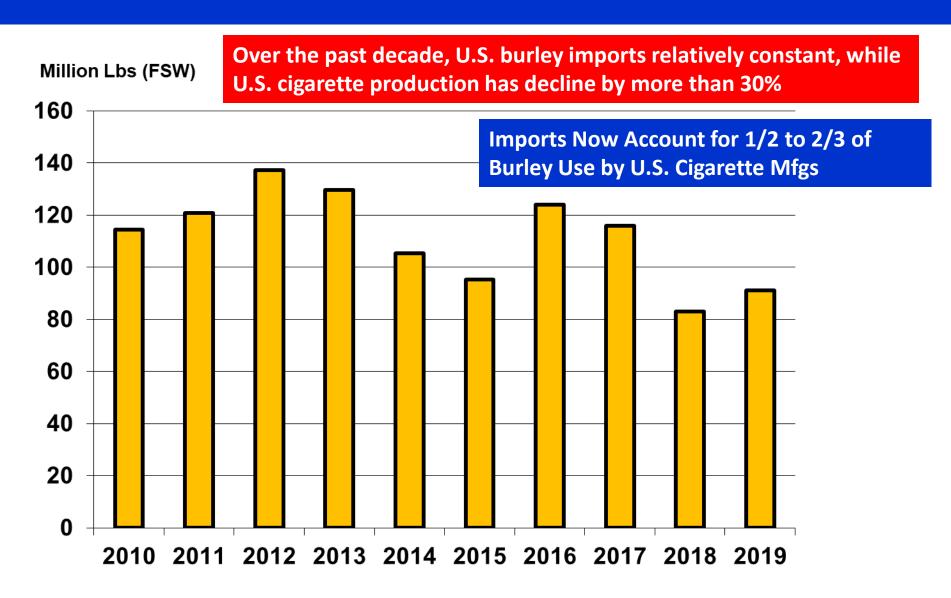
World needs less U.S. burley tobacco

U.S. Burley Exports



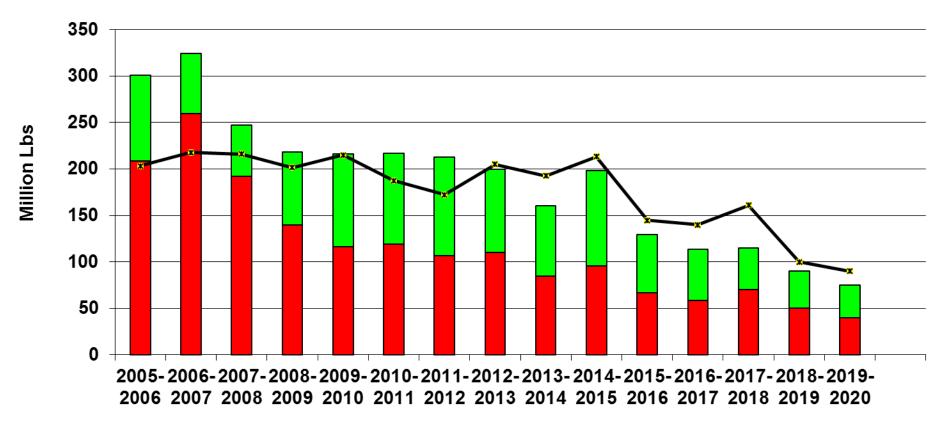
Source: TMA/US Customs Data

U.S. Burley Imports



Source: TMA/US Customs Data

U.S. Burley Production vs Disappearance





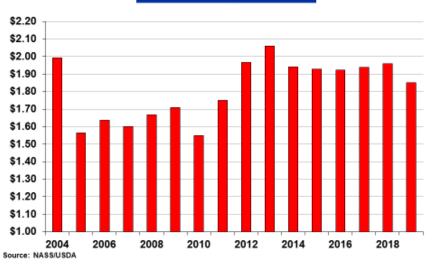




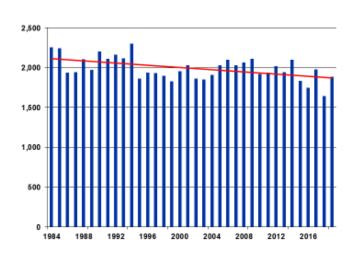


"Simple" Burley Grower Economics

U.S. Burley Prices



U.S. Burley Yields



KY H-2A Wage Rates (\$/hr)



To Offset each 4-5% Increase in Wage Rates it takes Approx. 50 to 60 lb/Acre Gain in Yields

Source: NASS/USDA

2020 Outlook

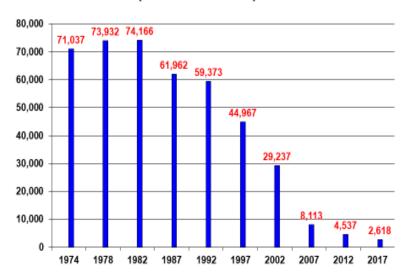
Lower U.S. Burley Leaf Needs

Could Individual Contract Volume Stabilize ??? due to:

- 2019 Contract Adjustment
- 2019 Crop Size
- 2020 Grower Exit due to Tight Margins, Labor, GAP

.... Not likely in aggregate, but will vary from company to company

Number of KY Farms Growing Tobacco (Census Years)



Source: USDA Ag Census

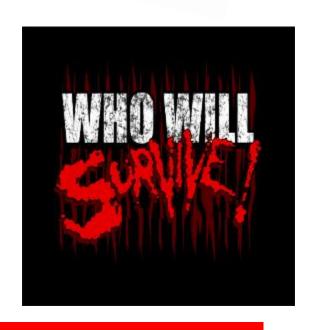
Source: USDA Ag Census

Appropriate Strategy Moving Forward for Survival ???

- **EDUCATE** ??? through research and extension
 - Labor efficiency
 - Yield gains
 - Leaf requirements of companies and regulators



- COMMUNICATE ??? with company mgt, shareholders, policymakers
 - Improved margins
 - Reward grower for US GAP compliance
 - o Grower price reflect the "value" of the U.S. grower
- LEGISLATE ???
 - Trade imbalances
 - Labor availability and cost
- REGULATE ???
 - Impact the share of U.S. leaf in tobacco products
 - Reduce health risks associated with our leaf



Farm Leadership: Tough choices, tough issues, difficult choices

Industry/Market Will Provide Opportunities for Some (but not all) to Survive

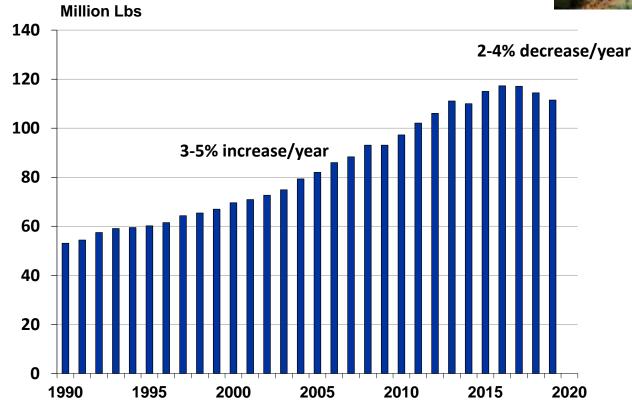
2020 Dark Tobacco Economics

How has Dark Tobacco "Survived"

- Grower Monopoly Power
- Growth in Product Demand

U.S. Snuff Consumption Growth Has Reversed – Down Past Two Years



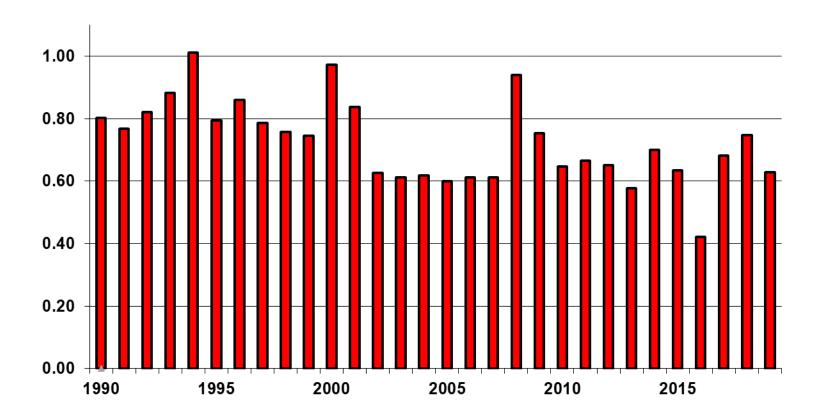


2004 - 2018 U.S. Dark Tobacco Production +74%

2019
U.S. Dark Tobacco
Supply Adjustment
-15 to - 20%

2020 45 to 48% cut from USST No cut from ASC

Ratio of U.S. Dark Tobacco Production (lbs) vs Smokeless Tobacco Production

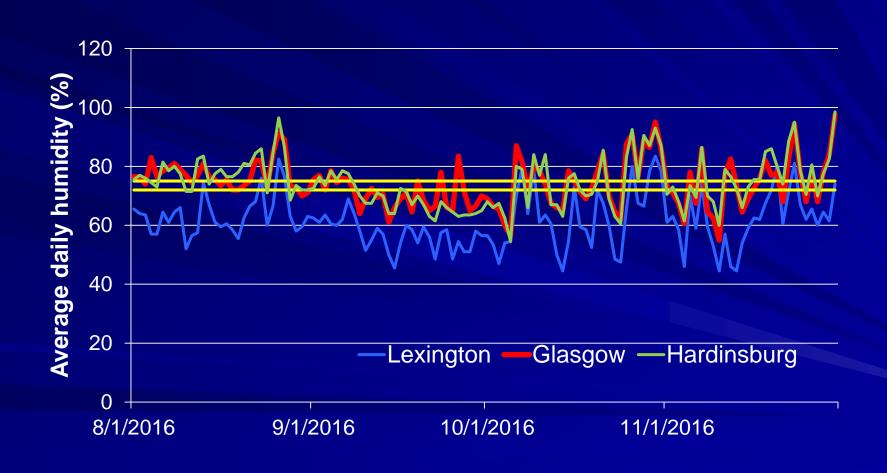




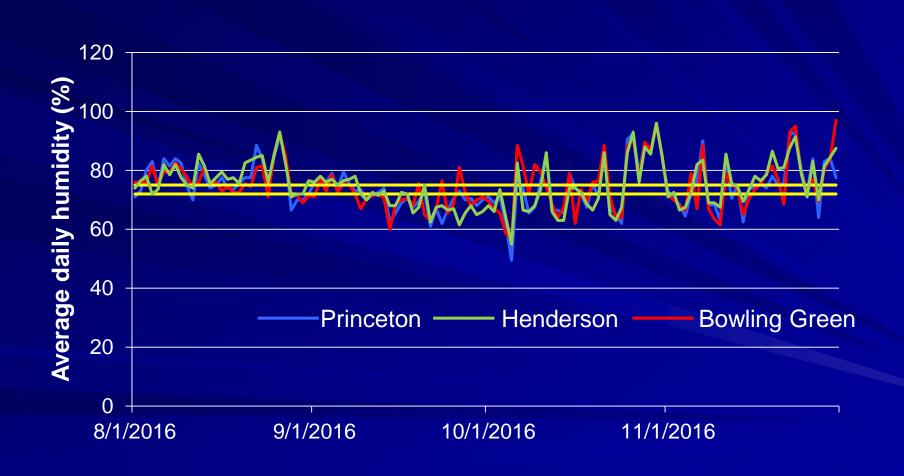


Air-Curing Principles Connecticut Broadleaf Cigar Wrapper

Relative Humidity During Curing – Central KY 2019 Curing Season, Aug. 1 – Nov. 30



Relative Humidity During Curing – Western KY 2019 Curing Season, Aug. 1 – Nov. 30



Barn Management Considerations for Air-Curing

- Ideal curing conditions:
 - Mean daily temperature 60 to 90 F
 - Mean daily relative humidity 65 to 75%

- Best chance of getting these conditions is to harvest by September 15
- House burley 6- to 8-inches in barns and 4- to 5-inches in outdoor structures

Barn Management Considerations for Air-Curing: Dry Curing Seasons

- Managing barns in dry curing seasons (2019):
 - Conserve moisture in the barn by:
 - Opening barn at night when humidity is high
 - Closing barn during the day when humidity is low
 - May also help to wet floor and walls of barn in evening
 - Dry seasons generally better for outdoor curing structures

Barn Management Considerations for Air-Curing: Wet Curing Seasons

- Managing barns in wet curing seasons (2016):
 - Promote drying in the barn by:
 - Opening barn during the day
 - Closing the barn at night
 - Can add heat to lower humidity in other tobacco types (not burley)
 - Wet seasons generally better for barns

Connecticut Broadleaf Cigar Wrapper

- Air-cured cigar wrapper type
- High demand by leaf dealers
- >1500 acres grown in KY/TN in 2019.
- Much more expected in 2020
 - USST cuts dark volume 45-48%



Connecticut Broadleaf

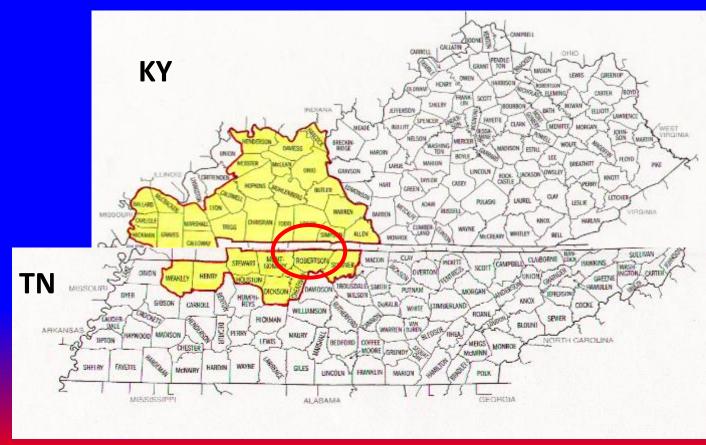
 CT Broadleaf could be good opportunity for KY/TN growers that have seen declining contract volume.

 Dark tobacco growers accustomed to management for high leaf quality standards.

- KY-TN dark tobacco production area has history of cigar wrapper production
 - Niche market (1-2% of total production)
 - Mostly fire-cured, some air-cured

Traditional Cigar Wrapper Production Area in KY/TN

- Mostly in TN: Robertson, Montgomery, Cheatham Co.
- Logan, Simpson, Todd Co. KY



CT Broadleaf Production Timeline

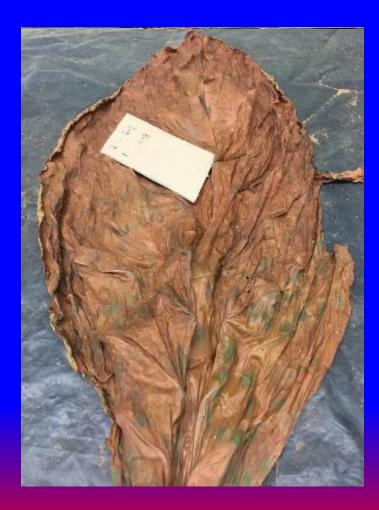
- Short-season crop
 - Fast growing in greenhouse and field
 - Early harvest before leaf deterioration begins
- Transplants ready in 7 weeks (8 weeks for burley/dark)
- 7 weeks from transplanting to topping (9 wks for burley/dark)
- Harvest at 2 to 3 weeks after topping (4-6 wks for burley/dark)
- 9 to 10 week field season (14-16 weeks for dark-fired)
- Harvest complete before burley or dark harvest begins
- Average yield for CT Broadleaf: 2,000 lbs/A
 - 2,500 lbs/A for burley; 3,000 lbs/A for dark air; 3,500 lbs/A for dark fired

CT Broadleaf Pricing High Risk but High Reward

Grade	Price Range (\$/lb)	
Wrapper (#1)	\$5.80 - \$6.25/lb	
Binder (#2 wrapper)	\$3.80 - \$4.65/lb	
Filler	\$1.50 - \$1.75/lb	
Trash	\$0.50 - \$0.60/lb	

CT Broadleaf Grading/Sorting

- Wrapper grade depends on how many 'cuts' can be made in a leaf
- 'Cut' is 3" to 5" area
 - Uniform brown color
 - No flaws (white or green spots, holes)
 - Leaf at least 9" wide
- #1 Wrapper: 6 to 8 cuts
- #2 Wrapper (binder): 2 to 5 cuts
- Filler: Solid leaf but 0-1 cut
- Trash: Excessive ground injury
- Profitability depends on %wrapper
 - 50%+ wrapper



2019 CT Broadleaf Research Projects

Nitrogen rate trial

Variety Trial

Fungicide Trial

2019 CT Broadleaf Nitrogen Rate Trial

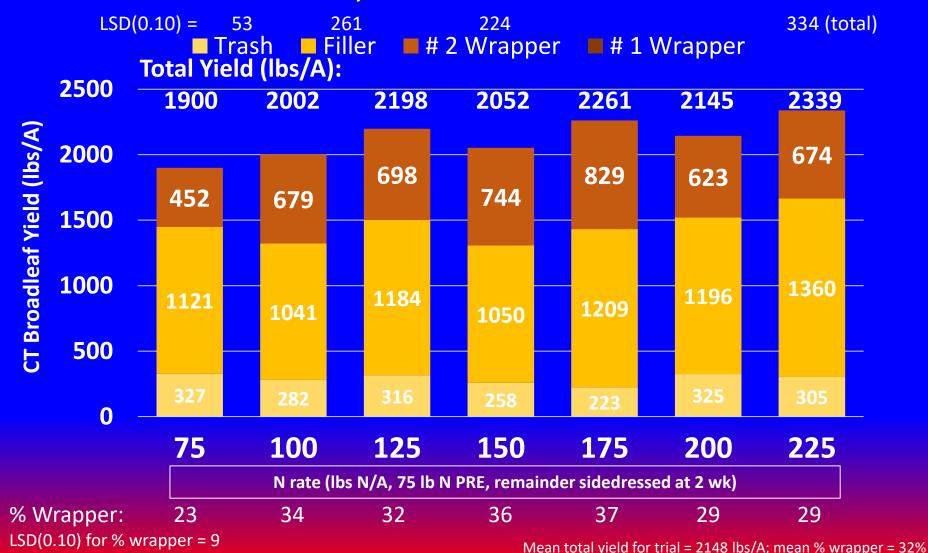
- Crider silt loam, pH 5.9
- 1 ton/A lime, 70 lbs P₂O₅/A, 150 lbs K₂O/A
- RCBD with 4 replications of nitrogen rate treatments
- 'C33' variety used
- 7 nitrogen rates: ammonium nitrate
 - 75 lbs N/A (broadcast PREtransplant)
 - 100 lbs N/A (75 PRE + 25 sidedress at 2 wks)
 - 125 lbs N/A (75 PRE + 50 SD)
 - 150 lbs N/A (75 PRE + 75 SD)
 - 175 lbs N/A (75 PRE + 100 SD)
 - 200 lbs N/A (75 PRE + 125 SD)
 - 225 lbs N/A (75 PRE + 150 SD)

2019 Connecticut Broadleaf Nitrogen Rate Trial

UKREC, Princeton KY

Variety: C33 Transplanted May 28

Harvested 3 wk after topping



CT Broadleaf Variety Trial

CT Broadleaf Variety	Disease resistance		
A1	Fusarium wilt, TMV		
B1	Fusarium wilt, TMV		
В2	Fusarium wilt, TMV, black root rot, blue mold male sterile hybrid		
D1	Fusarium wilt, TMV, black root rot		
D2	Fusarium wilt, TMV, black root rot, cyst nematode		
C33	No disease resistance open-pollinated industry standard		

- No black shank resistance in any CT Broadleaf variety
 - Must put in clean field and use fungicides in KY/TN
- Variety trial was RCBD with 4 replications of treatments
 - 2-row plots, 35 ft. long

2019 CT Broadleaf Variety Trial - Pre-Harvest



No disease resistance



Fusarium wilt, TMV



Fusarium wilt, TMV





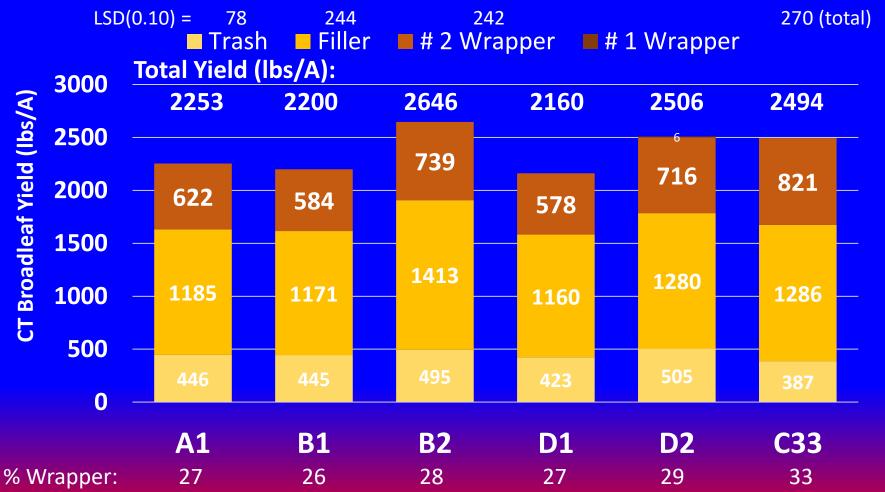
Fusarium wilt, TMV, black root rot



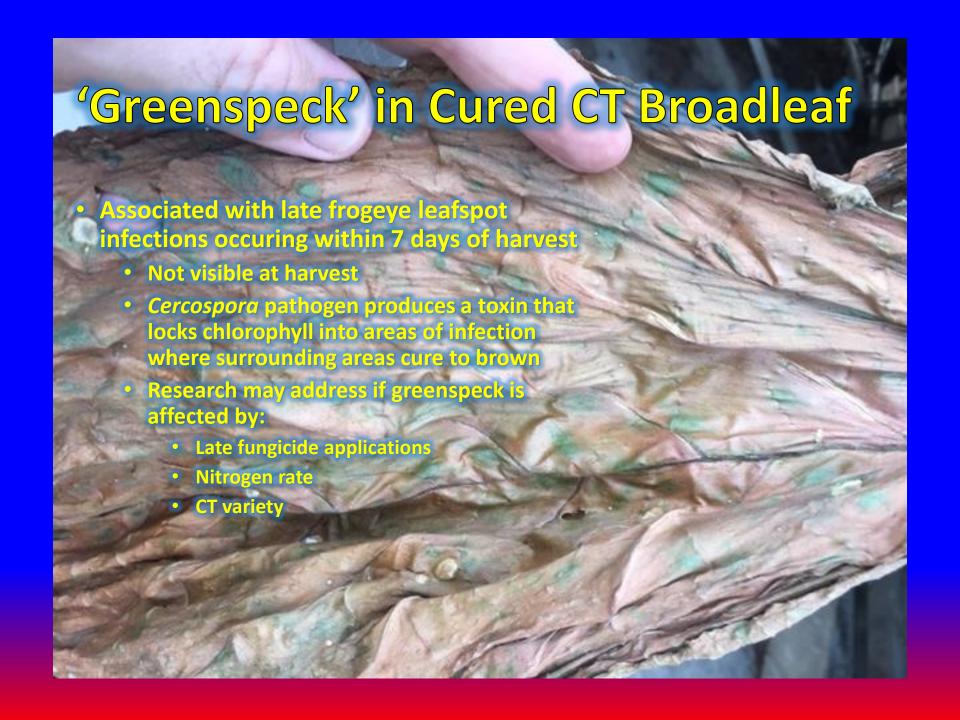
2019 Connecticut Broadleaf Variety Evaluation N: 175

UKREC, Princeton KY

N: 175 lbs N/A (75 PRE; 100 Sidedress) Transplanted May 28 Harvested 3 wk after topping



LSD(0.10) for % wrapper = 9.7



2019 CT Broadleaf Fungicide Trial

Trt	Treatment	Rate/Acre	Timing	Spray Volume
1	No Fungicide	-	-	-
2	Quadris	8 oz/A	Layby (4 wks)	15 gal/A
3	Quadris Manzate Quadris	8 oz/A 2 lb/A 8 oz/A	Layby (4 wks) 5.5 wks 7 wks (topping – 21 d PHI)	15 gal/A 40 gal/A 44 gal/A

- Variety: C33
- RCBD with 5 replications of treatments
- Hollow cone nozzles

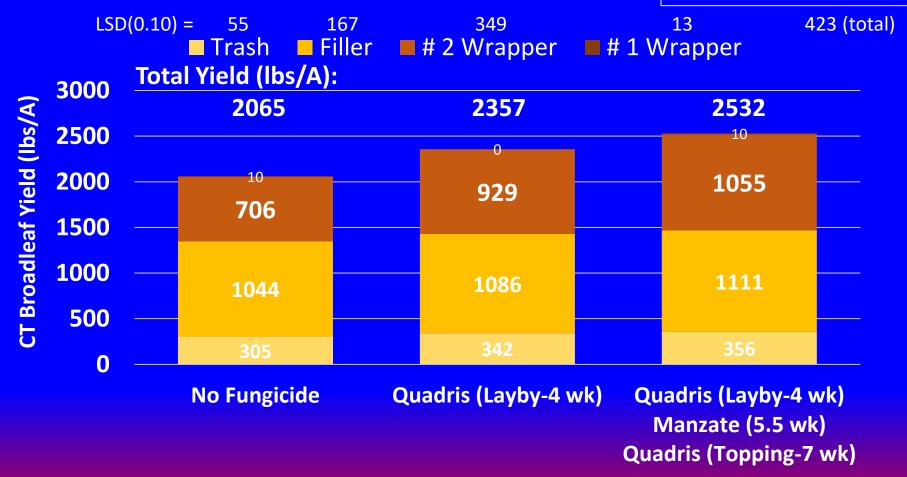
2019 Connecticut Broadleaf Fungicide Trial Variety: C33

UKREC, Princeton KY

N: 175 lbs N/A (75 PRE; 100 Sidedress)

Transplanted May 28

Harvested 3 wk after topping



% Wrapper:

33

39

42



Optimum Curing Conditions for CT Broadleaf?

- Ideal curing conditions for burley and dark air-cured:
 - 60 to 90 F average daily air temperature
 - 65 to 75% average daily relative humidity
- Curing conditions at Princeton barn in 2019
 - 45 days: early August to late September
 - Mean temperature = 74.7 F
 - Mean relative humidity = 67.2%
 - Very dry conditions in late August and September
 - Watered floor and walls of barn down during critical periods
- Could curing conditions also be involved in greenspeck?
- Should average RH be <65% for CT Broadleaf?

Tobacco Disease Control

Potassium Sources and TSNA



Potassium Source Restriction for KY

- Any potassium source can be used in Fall
 - 0-0-50 or 0-0-60

- After January 1, no more than 100 lbs 0-0-60/acre can be used, with remainder as 0-0-50
 - Concerns over leaf quality, combustibility, and high moisture from Cl in 0-0-60.

Potassium Source Research Andrea Keeney M.S. Research – 2016-2018

- Potassium sulfate (0-0-50) vs. Potassium chloride (0-0-60)
- 0, 100, 200, or 300 lbs K₂O/A from each source
- Applications made within 7 days of transplanting
- Dark fire-cured, dark air-cured, and burley
- Princeton, Murray, Lexington on low K sites (<
- Yield, quality grade index, % Cl, % moisture, TSNA

Potassium Source Research Andrea Keeney M.S. Research – 2016-2018

- Response to potash (either K source vs. check) in 5 of 12 trials.
- Only saw higher leaf moisture from KCl in 1 of 12 trials
 - Samples were pre air-dried (5-8% moisture)
 - Still looking at commercial big bale moisture further
- Cl levels were >1% where KCl was applied, but noa adverse effects on quality grade index.
 - Lower rates of KCl actually increases grade index in 3 of 12 trials
- 28% REDUCTION IN TSNA WHERE KCL WAS USED

2020 Potassium Recommendation

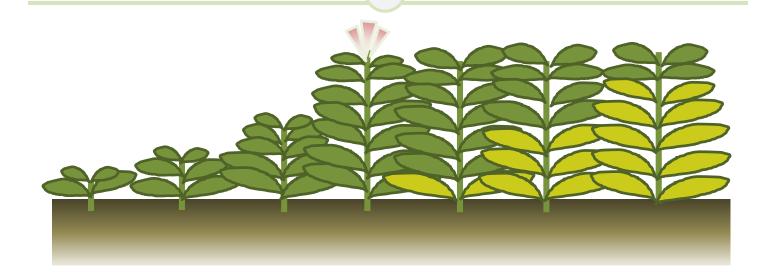
- Use maximum allowable amount of 0-0-60 in potassium fertilizer blend
 - 100 lbs 0-0-60/acre (60 lbs K₂O, 50 lbs Cl)
 - Remainder of K requirement as 0-0-50

- Saves about \$30/acre on 200 lb K₂O/acre potash.
- Shouldn't be any concern over quality or moisture
- Still expect a 27% reduction in TSNA

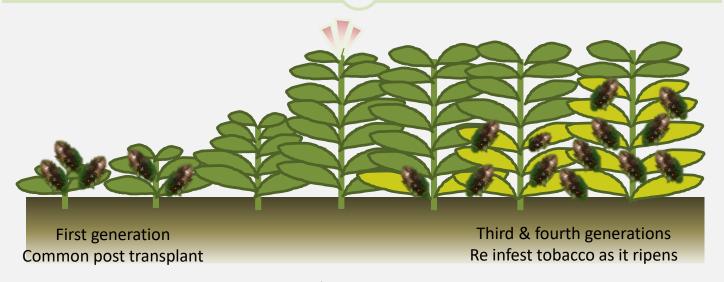
Flea Beetles



Flea beetle activity in tobacco



Flea beetle activity in tobacco



Second generation Non crop hosts, tobacco unattractive

Flea beetle activity in tobacco

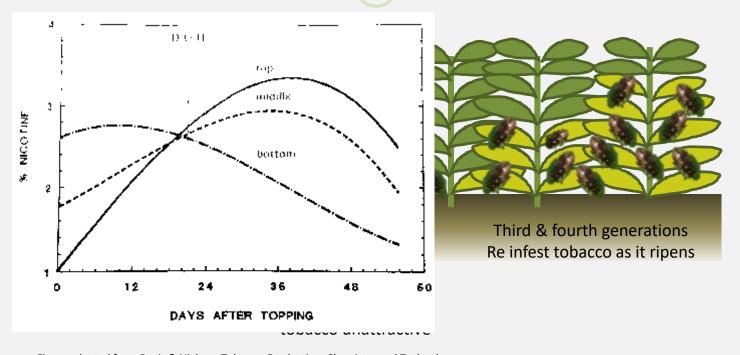
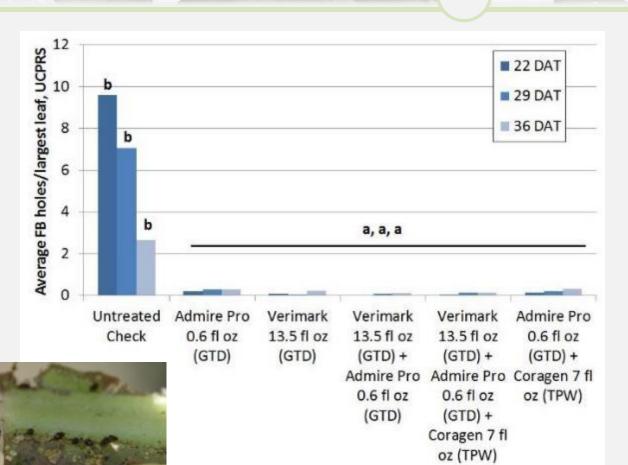


Figure adapted from Davis & Nielsen. Tobacco: Production, Chemistry and Technology

Early season flea beetle control Rocky Mount, 2014

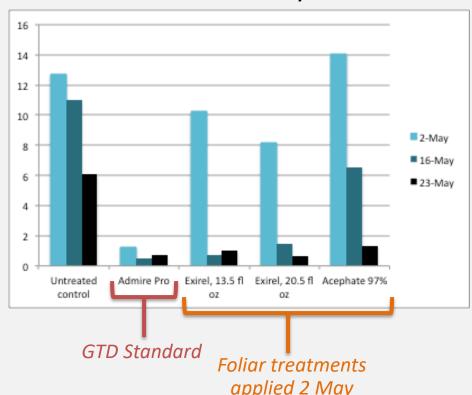


Imidacloprid & other 4A materials provide effective control

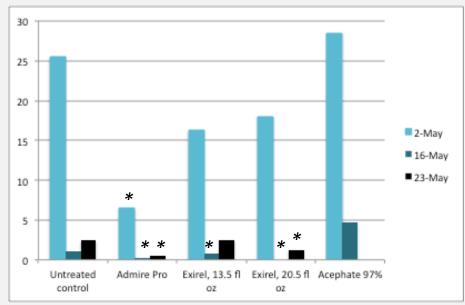
Verimark provides similar, but not additive flea beetle control

Foliar flea beetle treatments Rocky Mount, 2019

Flea beetles on plants



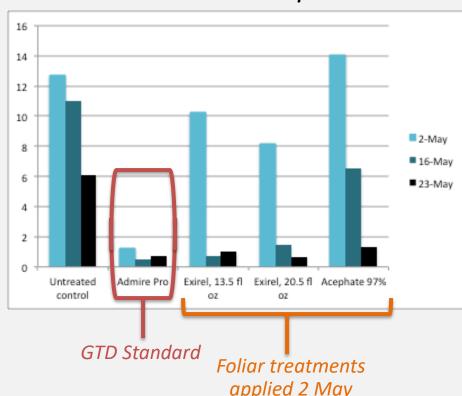
Flea beetle holes



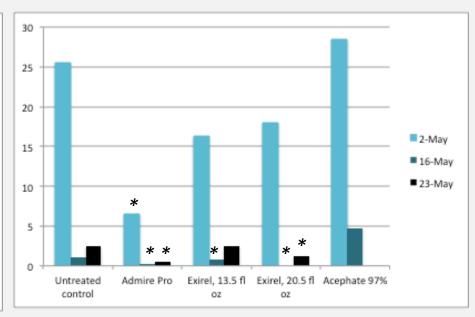
- Exirel contains the same AI as Verimark (cyantraniliprole)
- Foliar treatments of Exirel reduced FB damage for up to 2 weeks at 20.5 fl oz/acre

No evidence of resistance to neonicotinoids Rocky Mount, 2019

Flea beetles on plants



Flea beetle holes



- Exirel contains the same AI as Verimark (cyantraniliprole)
- Foliar treatments of Exirel reduced FB damage for up to 2 weeks at 20.5 fl oz/acre

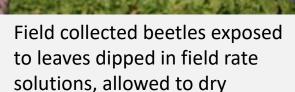
No evidence of resistance to neonicotinoids *Laboratory bioassays, 2011*

Treatment	Live beetles, 24 hrs	Live beetles, 72 hrs
Actara (thiamethoxam), 3 oz	0.00 a	0.00 a
Assail (acetamiprid), 4 oz	0.83 a	0.17 a
Provado (imidacloprid), 4 fl oz	0.17 a	0.17 a
Orthene (acephate), 16 oz	6.00 b	1.33 b
UTC	9.33 c	7.83 c

Neonicotinoids effective as foliar treatments.

Orthene (acephate) less effective & associated with some residue concerns.

Coverage is key when managing flea beetles post topping.





2019 Flea Beetle Insecticide Trial

- UKREC, Princeton KY
- Dark tobacco KT D17LC transplanted June 3
 - 40" rows, 32" plant spacing = 4900 plants/A
- No Admire Pro used to increase fleabeetle populations
- Plots 4-rows, 40 ft. long, RCBD with 4 replications
- Fleabeetle levels monitored weekly in plots

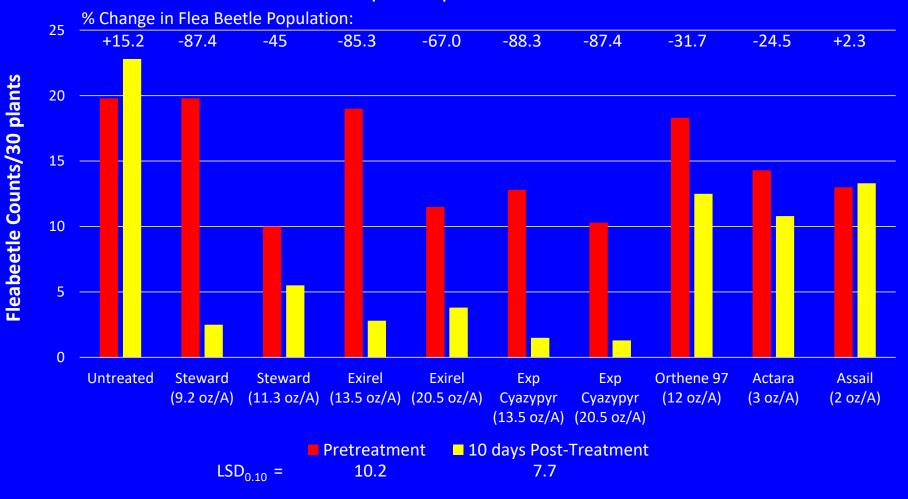
2019 Fleabeetle Treatments

Trt	Treatment	Rate/A	Timing	
1	Untreated	-	-	
2	Steward (indoxacarb)	9.2 oz/A	At threshold	
3	Steward (indoxacarb)	11.3 oz/A	At threshold	
4	Exirel (cyantraniliprole)	13.5 oz/A	At threshold	
5	Exirel (cyantraniliprole)	20.5 oz/A	At threshold	
6	HGW86-R050-957 (exp. cyan)	13.5 oz/A	5 oz/A At threshold	
7	HGW86-R050-957 (exp. cyan)	20.5 oz/A	At threshold	
8	Orthene 97 (acephate)	12 oz/A	At threshold	
9	Actara (thiamethoxam)	3 oz/A	At threshold	
10	Assail (acetamiprid)	2 oz/A	At threshold	

^{*}All applications made at threshold as broadcast spray at 15 gal/A and 22 psi using 12X hollow cone nozzles.

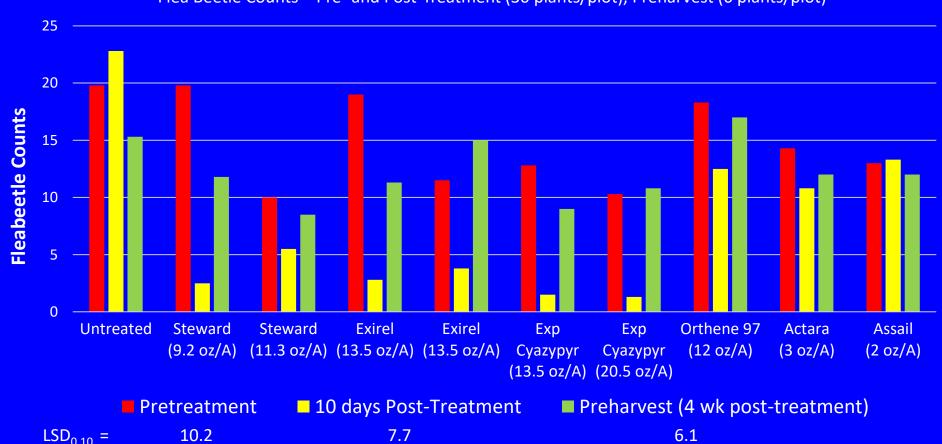
2019 Flea Beetle Insecticide Trial UKREC, Princeton KY

Flea Beetle Counts per 30 plants – Pre- and Post-Treatment



2019 Flea Beetle Insecticide Trial UKREC, Princeton KY

Flea Beetle Counts – Pre- and Post-Treatment (30 plants/plot), Preharvest (6 plants/plot)



Tobacco flea beetle Epitrix hirtipennis (Coleoptera: Chrysomelidae)



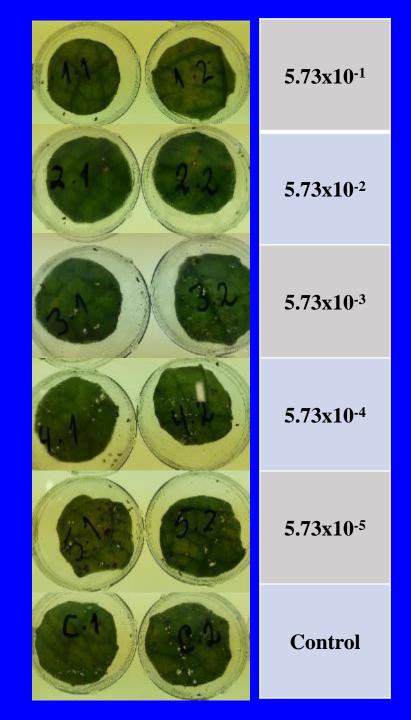
Imidacloprid solution

- The rate of Admire Pro represents a field rate of 1.0 fl oz/A.
- Solutions were prepared on aliquots that represent 5 different concentrations of imidacloprid as shown below:

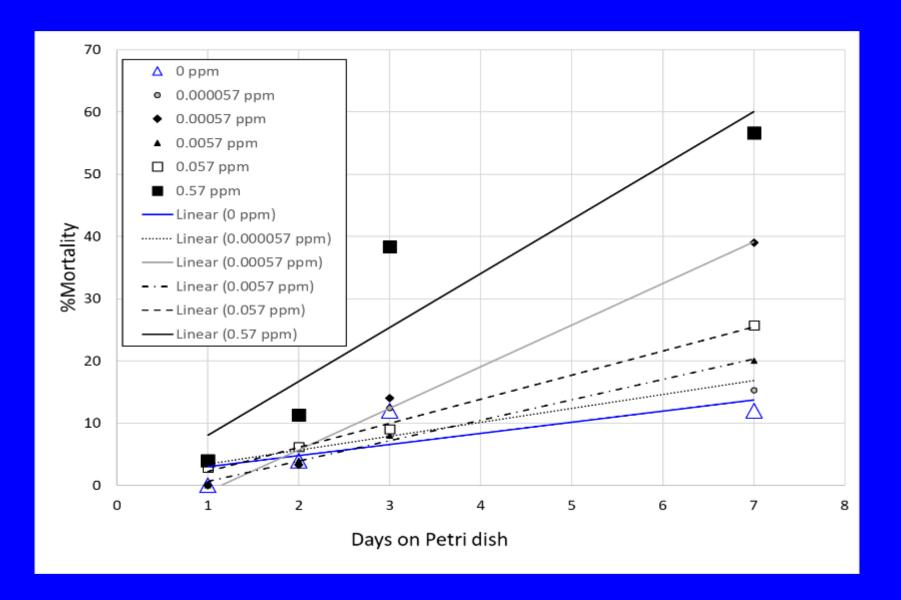
ppm a.i. of imidacloprid
5.73x10 ⁻¹
5.73x10 ⁻²
5.73x10 ⁻³
5.73x10 ⁻⁴
5.73x10 ⁻⁵
Control

Tobacco Flea Beetle Set up of Lab Bioassay

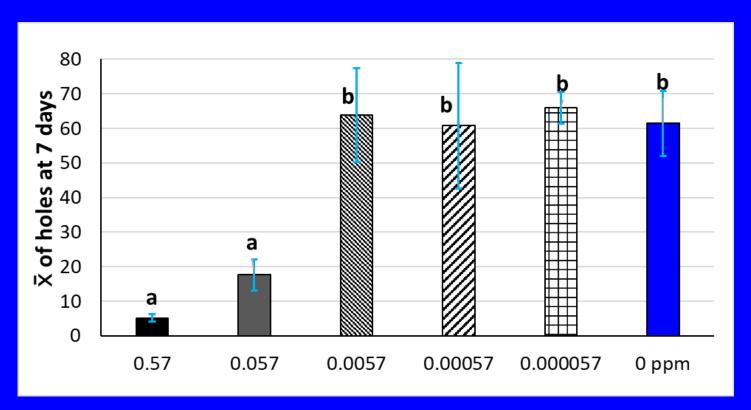
- 3-cm diameter leaf disks were prepared
- Leaf disks were dipped for 5 seconds in a solution
- Five leaf disks per solution were prepared (5 replications)
- Then, leaf disks were air dried and placed in a 5-cm petri dish
- Once air dried, 5 to 7 flea beetles were placed in each disk
- Mortalities of tobacco flea beetles were tallied at 1, 3 and 7 days
- Number of holes cause by tobacco flea beetles were evaluated a 7 days



Flea Beetle Mortality from Imidacloprid



Feeding Damage caused by Tobacco Flea Beetle



Imidacloprid Concentration

Significant differences found after ANOVA and Fisher's LSD comparisons of means $F_{5,24}$ = 6.77 and p <0.001



Dark Tobacco Sucker Control

 Biggest factor in sucker control: STRAIGHT TOBACCO

 Straight tobacco opens opportunities for spraying over-the-top, even without MH

- Set tobacco as deep as possible
- Top lower?? 16 leaves instead of 20?

Sucker Control Considerations

- Value in making contact applications prior to topping
 - Application while tobacco is smaller, straighter
 - Some control if tobacco blows over before topping
- Carryover problems (grasses) with flumetralin where pooling occurs at bottom on stalk?
 - Only takes ¾ oz of solution per stalk.

Dosimeter

- Application device to apply precise amount of liquid with each squeeze:
 - Can set to apply 10 mL to 27 mL (0.9 oz)
 - Potential to save 30 to 50% from overapplication with standard dropline
 - One squeeze per plant on straight tobacco
 - More than once squeeze on crooked tobacco

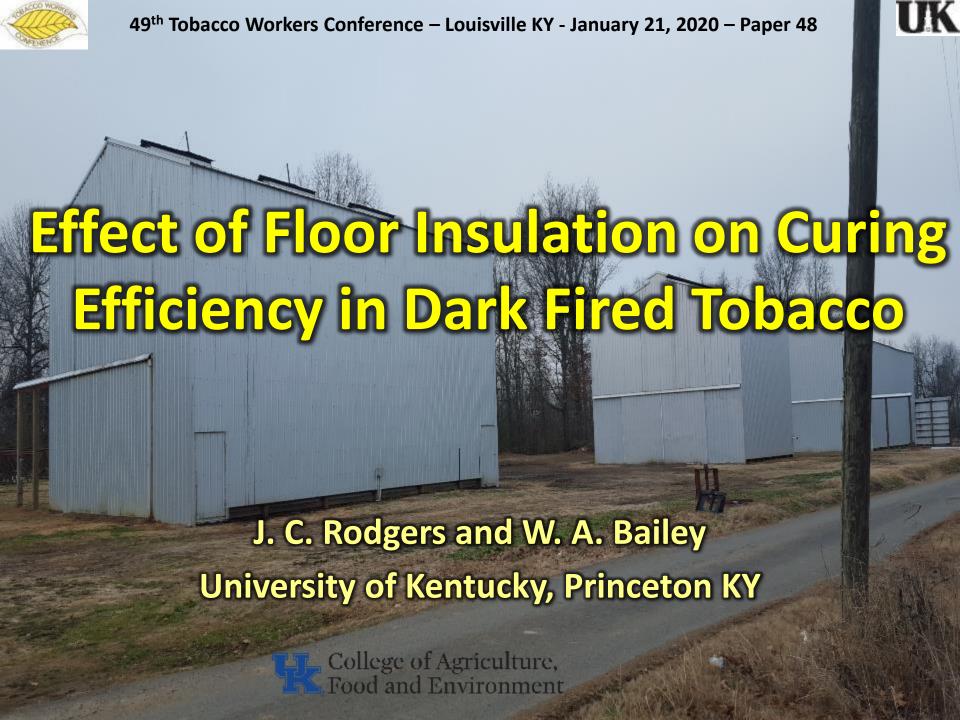
2019 Drexel Dosimeter Research MSU – Murray KY

- Dosimeter (0.9 oz/plant) vs backpack
- Treatments:
 - Sucker Plucker X 2, Plucker Plus Dosimeter
 - Sucker Plucker X 2, Sucker Plucker + Drexalin Plus Dosimeter
 - Sucker Plucker X 2, Sucker Plucker + Drexalin Plus Backpack
 - Sucker Plucker X 2, Plucker Plus Backpack
 - Sucker Plucker X 2, Sucker Plucker + Butralin Backpack
 - TNS Topped not suckered (no chemical)

2019 Drexel Dosimeter Research

MSU – Murray KY

Treatment	Application	% Sucker Control	Sucker Fr. Wt./plot (lbs/plot)	Lug Yld (lbs/A)	Leaf Yld (lbs/A)	Total YId (Ibs/A)
Sucker Plucker Sucker Plucker Plucker Plus	Dosimeter	98	0	428	2220	2648
Sucker Plucker Sucker Plucker SP + Drexalin Plus	Dosimeter	97	0	454	2108	2562
Sucker Plucker Sucker Plucker SP + Drexalin Plus	Backpack	92	0.8	433	2141	2574
Sucker Plucker Sucker Plucker Plucker Plus	Backpack	92	0.9	382	1803	2184
Sucker Plucker Sucker Plucker SP + Butralin	Backpack	97	0	407	1804	2211
Topped Not Suckered (check)	-	0	15.7	337	917	1254











Leaf Chemistry Concerns in Dark-Fired Tobacco

- Tobacco-specific nitrosamines (TSNA):
 - NNN, NNK, NAT, NAB
 - Tend to be higher in fire-cured tobacco than in aircured tobacco
 - Tend to be higher with increased heat (>>>130 F) during firing
- Benzo-α-pyrene (BaP):
 - Poly-aromatic hydrocarbon (PAH) that is associated with levels of smoke residue on fire-cured leaf.

Objective

- To evaluate using insulation in barn floor
 - Monitor barn floor and air temperatures
 - Save materials?
 - Save in curing time?
 - Leaf chemistry ?
 - TSNA
 - BaP

Firing Procedure and Costs

Insulated barn - 3 acre (2400 sticks) – 6 rows of slabs/sawdust per firing Control barn (no floor insulation) - 2 acre (1600 sticks) – 4 rows of slabs/sawdust per firing

Each row contains ½ bundle of slabs.

Each row got 5 buckets of sawdust except for last firing, only used 4 to get more heat. Fired the tobacco 4 times.

Slabs \$30 per bundle Saw dust \$550 per semi load = \$2.80 per bucket

3-acre barn firing costs:

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1<sup>st</sup> fire $174
2<sup>nd</sup> fire $174
3<sup>rd</sup> fire $174
4<sup>th</sup> fire $157.20
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Total \$679.20 (3-acre Barn) \$226.40 (Per Acre)

Project Materials

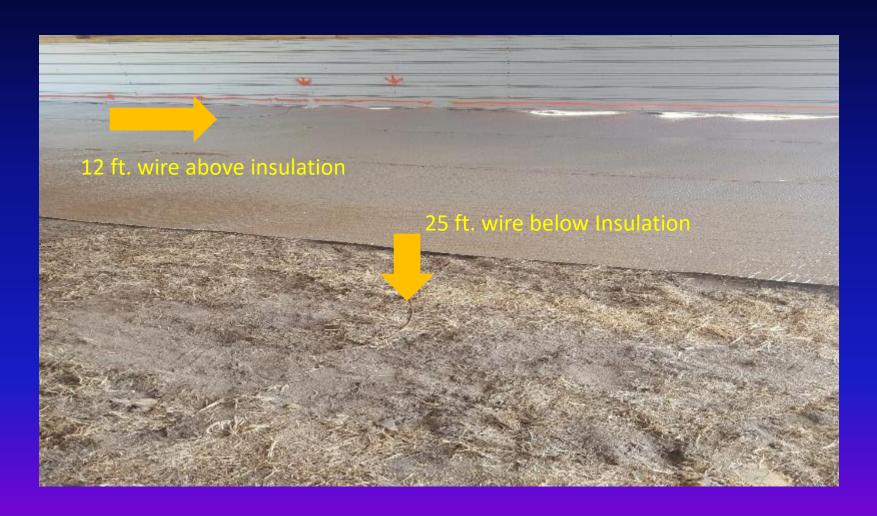
Project Budget:

5 rolls outdoor double bubble foam insulation (\$.84 /sq ft)	\$1445
Tape for insulation seams (4 rolls x \$18 per roll)	\$ 72
4 thermocouples (\$48 each)	\$ 192
1 data logger to log temperature data	\$ 275
1 protective case for data logger	\$ 60
4 loads topsoil to cover insulation by 6 inches (\$200 per load)	\$ 800
Incidental expenses (staples for insulation, conduit, shipping, etc.)	\$ 250
TOTAL: Approximately \$3000	

^{*}Approx. \$2300 to install floor insulation (insulation, tape, topsoil)



Thermocouple Wires



Taping Seams





Placing the Dirt





Finished Floor Insulated Floor

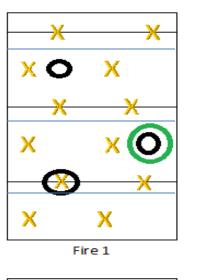


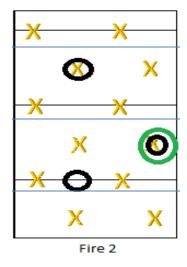
Thermocouple logger Box



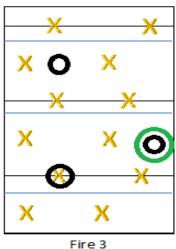


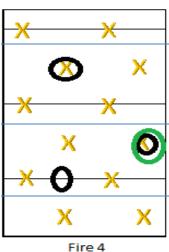
Fire & Thermocouple Placement in Insulated Barn Floor*







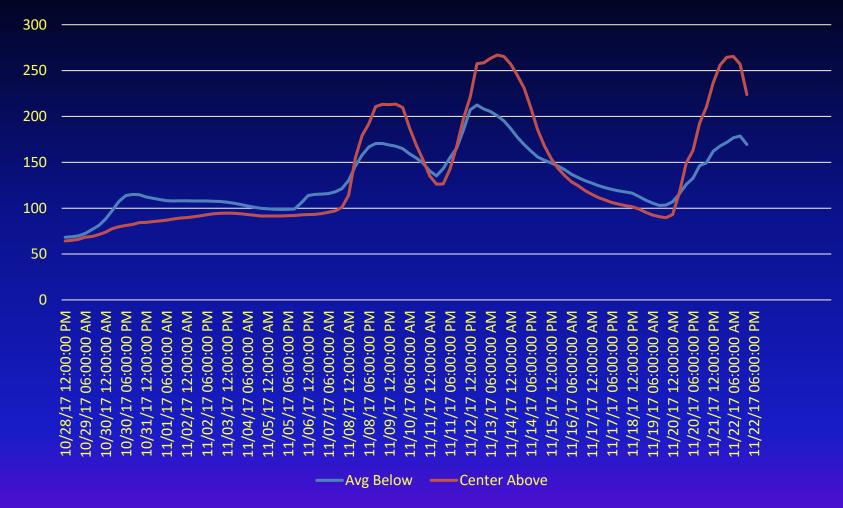




*Thermocouple and fire placement same in control barn floor.



2017 Floor Insulation Barn



Blue line is mean of 3 thermocouples under insulation in insulated barn Red line is 1 thermocouple of top of insulation

2017 Air Temperature vs. Control Barn



2017 Relative Humidity



Post-Cure Sampling Procedure

- 6 samples from each barn
- 4th leaf from top
- Inside 4 plants/ 3 sticks
- 12 leaf samples
- Samples frozen immediately
- Sent to Altria for BaP and TSNA Analysis

2018-2019 Experiment

- Added thermocouples to floor of control barn
 - Same floor placement as in insulated barn
 - 6-in. depth

 Marked exact thermocouple placement in both barns so slab/sawdust row was always directly over thermocouple.

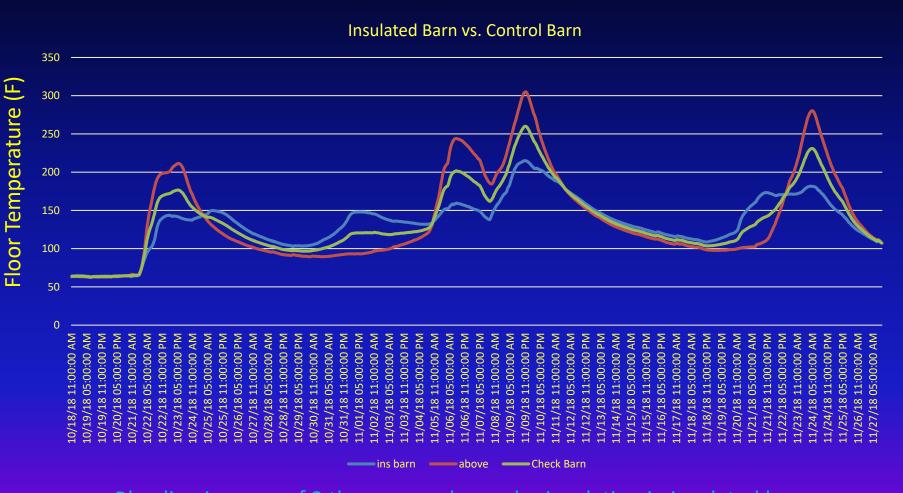
2018 Air Temperature



2018 % Relative Humidity



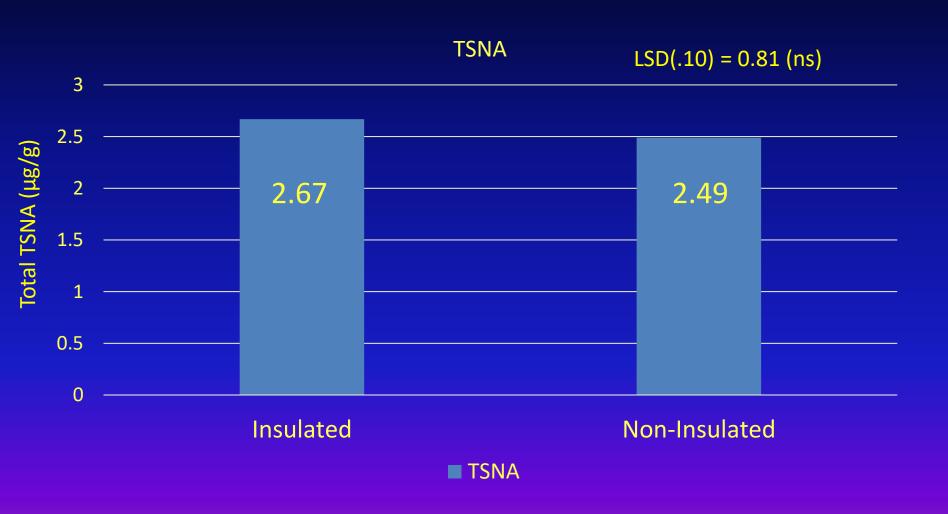
2018 Floor Temperature Comparison



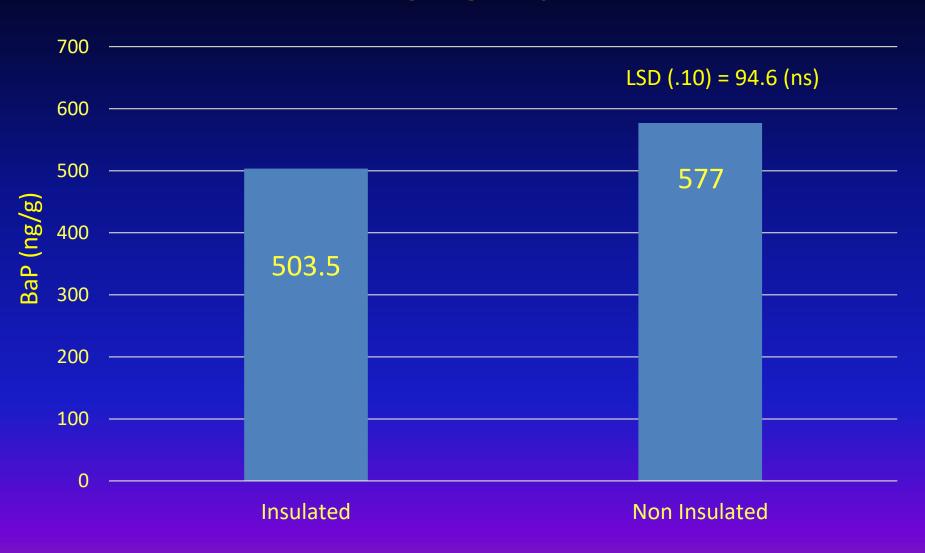
Blue line is mean of 3 thermocouples under insulation in insulated barn Red line is 1 thermocouple of top of insulation

Green line is mean of 3 thermocouples in control barn

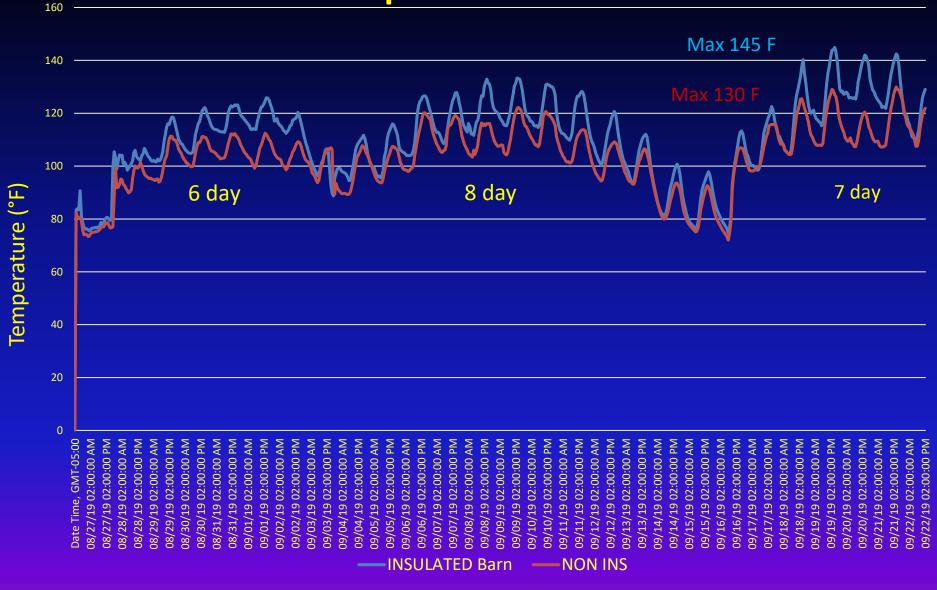
2018 TSNA



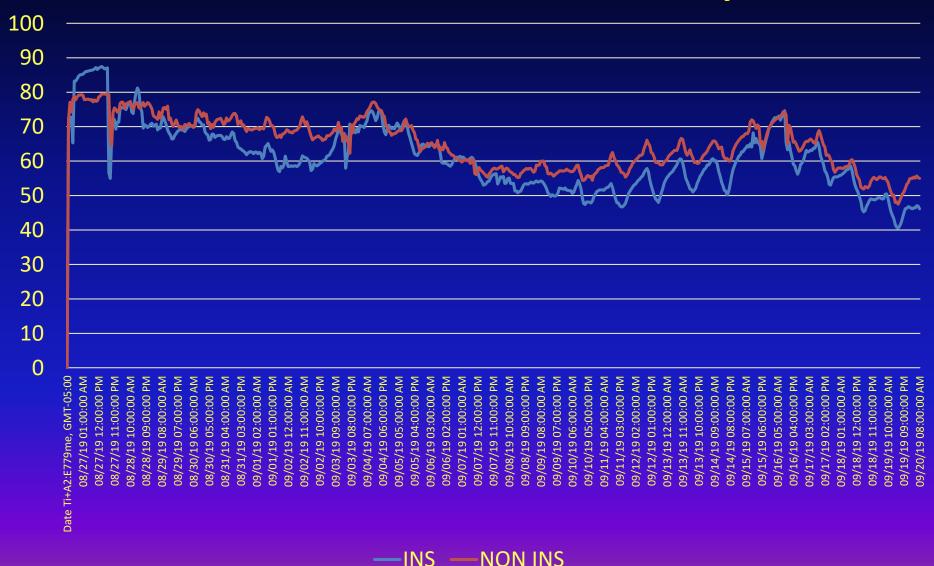
2018 BaP



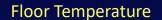
Air Temperature 2019

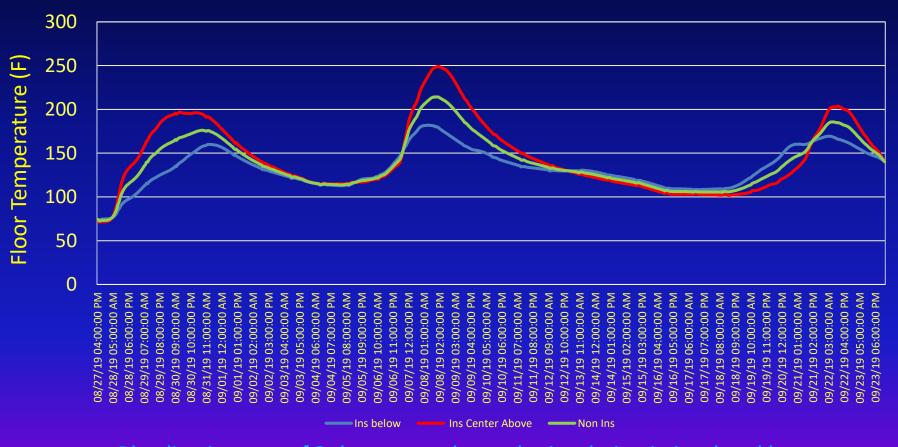


2019 Relative Humidity



Floor Temperature 2019





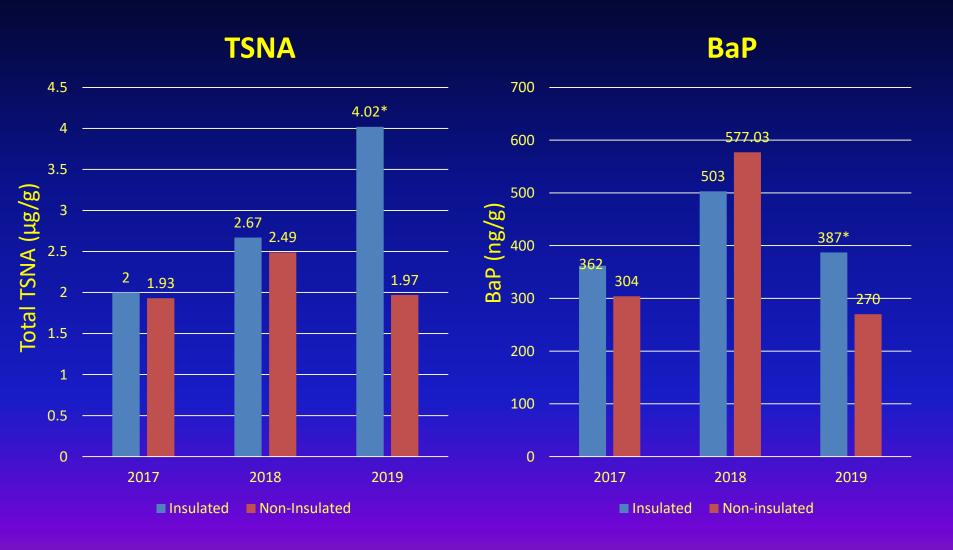
Blue line is mean of 3 thermocouples under insulation in insulated barn Red line is 1 thermocouple of top of insulation

Green line is mean of 3 thermocouples in control barn

3-Year Summary

- Barns followed same heat and %RH trends
 - Higher air temperature and lower humidity in floor insulated barn
- Barns were fired very similarly each year
- Barns were fired earlier in 2019
 - October-November firing in 2017 and 2018
 - August-September firing in 2019

3-Year Chemistry Data Summary



Floor Insulation Experiment

- Why 2019 different?
 - 2019 high rain fall and disease pressure
 - Higher stem to lamina ratio
 - Insulated barn may have had more damage
 - 2019 earlier firing, only 1 fire per row
 - To help lower heat
 - Earlier fired crops may have higher TSNA
 - Green slabs and dust in 2018 may have contributed to higher BaP
 - 2017 and 2019 seasoned slabs and dust.

Floor Insulation Experiment

- If increased heat and drying from floor insulation allows one less fire to be required, or reduced material from same firings:
 - Reduced firing cost (save at least \$55/acre)
 - Should reduce BaP, possibly reduce TSNA

Questions?

