

Virginia Cooperative Extension



Farm Business Management Update February 2004 – March 2004

To: Extension Unit Directors, Extension District Directors, Extension Program Directors, and Farm Management Agents, and ANR Specialists

Dear Co-Workers:

Farm Business Management Update is a joint effort of the Agricultural and Applied Economics faculty and the area farm management agents. Subject matter areas include timely information on farm management, marketing, tax management, finance, credit, labor, agricultural law, agri-business, estate planning, 4-H and economic education, natural resources, and CRD. Please use this information in your on-going Extension programs and circulate to all Extension staff. **Farm Business Management Update** is electronically accessible via the Virginia Cooperative Extension World Wide Web site (at <http://www.ext.vt.edu/>). To see the articles listed in the reverse chronological order, select "News," then select "Farm Business Management Update" listed under the heading "Periodicals."

Gordon E. Groover
Extension Economist, Farm Management
and Farm Management Coordinator

Karen Mundy
Rural Economic Analysis Program
Communications Specialist

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VIRGINIA STATE UNIVERSITY

Conservation Security Program Moves Towards Implementation

By [Jim Pease](#)

What is the Conservation Security Program?

The Conservation Security Program (CSP) is a new conservation program offered by USDA/NRCS through the 2002 Farm Bill. CSP is a *voluntary conservation* program providing *payments and cost-share* to producers who implement *conservation systems* on *working lands* of their farms. The program will reward producers who meet the highest standards of environmental management. The motto proposed by NRCS is “Reward the best, and motivate the best.”

Roanoke was the site of the January 13 NRCS listing session on the proposed rules determining how the CSP will function. NRCS is currently conducting a series of 10 such listening sessions throughout the country. Comments on the new rules will be accepted until March 2, after which the program will begin to function under the final rules. This article refers to the program provisions as described in the proposed rules. Readers should note that final rules are likely to have some changes from the proposed rules, and substantial changes are always possible.

CSP was born of strange political origins. Originally proposed as a “green payments” program by environmental groups, a Senate agriculture committee chaired by Senator Tom Harkin, Democrat of Iowa, wrote it into law. After the Republican Party regained Senate control with the 2000 elections, it was widely considered that the program would never be implemented by a Republican Congress and Administration. There were proposals at one time to restrict CSP to operate as a pilot program in Iowa, but now the program has some funding and the possibility of much more.

How Will the Program Work?

A producer does not bid for CSP participation – if the producer’s land qualifies and the producer submits an acceptable plan, participation is an entitlement, and a contract is developed between USDA and the producer. CSP contracts are for 5 to 10 years. The producer must demonstrate control over the contract acreage for the duration of the contract, which has caused concerns from producers who rent most or all of their farmland.

The CSP program will have periodic sign-ups for producers in selected priority watersheds, depending on annual program funding and the ability of NRCS to manage the work load. NRCS will prioritize watersheds throughout the country based on a composite index of existing natural resource, environmental quality, and agricultural activity data. A watershed is the drainage area of a stream and may be defined at various scales. The scale used by NRCS will be the 8-digit U.S. Geological Survey (USGS), of which 48 are partially or totally in Virginia.

To participate in the program, the majority of a producer’s farm must lie within the priority watershed. In addition, NRCS will identify enrollment categories and (possibly) sub-categories within each priority watershed, and such categories will prioritize producers within the watershed for funding until appropriations are exhausted. The definition of these enrollment

categories will likely be state- or watershed-specific, based on sustaining past environmental programs addressing national resource concerns; on natural resource, demographic, and other data; and on potential for technology innovation. Higher priority categories will require additional conservation activities but will receive the highest payments. A CSP application from a farmer will be placed in the highest priority enrollment category for which it qualifies. Eligible land for a CSP proposal is defined as private agricultural land, including incidental forested land (such as a woodlot). Land that is under a CRP, Wetlands Reserve Program, or Grasslands Reserve Program contract is excluded, as is land that has not been planted or considered planted in four of the six years preceding the 2002 Act. Eligible lands include crop land, pasture land, vineyards, and orchards.

CSP participation will have three tiers, with higher tiers reflecting both greater environmental management and higher payments for implementing and maintaining conservation systems to address resource concerns. Resource concerns may vary by county and state, but the national Field Office Technical Guide (FOTG) lists Soil, Water, Air, Plant, and Animal resource category. Soil quality practices to address these concerns include crop rotations, cover crops, prescribed grazing, and others. Water quality practices include conservation tillage, filter strips, prescribed grazing, nutrient management, and others. For Tier I, the producer must have previously (prior to the application) implemented measures addressing water quality and soil quality resource concerns to the minimum treatment level as described in the state-level FOTG on part of the operation and must address the water quality resource on all the contract acreage to FOTG standards by the end of the contract. For Tier II, the producer must have previously implemented FOTG-acceptable practices to address water quality and soil quality concerns on the entire operation and must agree to address one additional resource concern on the entire operation by contract end. For Tier III, the producer must have implemented a resource management system addressing all identified resource concerns to the FOTG standard on the entire operation and must commit to additional environmental enhancement activities as defined in the contract.

CSP payments will include one or more of the following elements: 1) an annual base component, calculated as a proportion of NRCS estimates for locally rented land in 2001 of the type proposed in the contract; 2) an annual existing practice component; 3) a one-time new practice component; and 4) an enhancement component to provide incentives for exceptional conservation efforts beyond the minimum required. The five enhancement components are 1) installing additional conservation measures; 2) addressing local conservation needs; 3) participating in watershed conservation efforts; 4) on-farm research and demonstration; and 4) CSP program assessment and evaluation activities. To date, no examples give laying out possible total payments, and the proportion of payments from each of the four payment elements has not been firmly established.

Payments under CSP are subject to payment limitations by tier of participation. Tier I contracts are for five years, and payments are limited to \$20,000 annually. Tier II contracts are for 5 to 10 years, and payments are limited to \$35,000 annually. Tier III contracts are for 5 to 10 years, and are limited to \$45,000 annually. These limits are not likely to be reached at the current level of program funding. The appropriations bill just passed by the Senate capped CSP expenditures at \$41 million for FY2004 (ending September 30 this year). How the program develops will

depend upon congressional actions, NRCS administration of this new program, and producer enthusiasm for participation. Further information can be found at www.nrcs.usda.gov/programs/csp/, or contact Virginia NRCS.

2004 Farm Custom-Work Rate Guide for the Shenandoah Valley

By [Bill Whittle](#) and [Tom Stanley](#)

In late 2003, the Farm Business Management Agents in the Northwest Extension District, cooperating with other Extension Agents, surveyed farmers and custom operators familiar with machinery custom-work rates in their localities. The survey instrument was prepared by the Farm Business Management Agents, mailed to farmers by participating Extension Agents in ten counties. The 236 usable responses were tabulated and distributed to the local Extension offices by the Farm Business Management Agents. Reported below are identified jobs, the unit for which the charge is quoted (acre, hour, bale, etc.), the number of usable responses for each job, and the low, high, and average for the Shenandoah Valley counties. Extremely high and low quotes were not included in the guide. The reported rates should be used only as guidelines indicating what some farmers are charging and/or paying for custom work.

Job	Unit	Over-All Results			Average Shenandoah Valley
		NO.	Low	High	
Hay and Pasture					
Bush Hog (Rotary Cutter)	Acre	19	\$5.00	\$35.00	\$17.71
	Hour	30	\$15.00	\$60.00	\$29.13
Mow	Acre	16	\$5.00	\$29.50	\$11.22
	Hour	6	\$15.00	\$40.00	\$23.67
Mow/Condition	Acre	37	\$5.50	\$27.50	\$11.78
	Hour	14	\$15.00	\$60.00	\$33.18
Tedder	Acre	16	\$2.50	\$15.00	\$6.09
	Hour	10	\$15.00	\$55.00	\$24.00
Rake	Acre	18	\$3.00	\$15.00	\$6.79
	Hour	10	\$10.00	\$55.00	\$26.00
Bale Small Square Bales	Bale	29	\$0.25	\$1.35	\$0.70
Bale 400-800 Lb. Large Square Bales	Bale	27	\$2.08	\$12.00	\$5.79
Bale 800 Lb. Large Round Bales	Bale	64	\$3.00	\$10.00	\$6.07
Bale 1500 Lb. Large Round Bales	Bale	41	\$5.00	\$11.00	\$7.09
Cut, Rake, Bale (Small Square Bales)	Bale	17	\$0.85	\$3.00	\$1.36
Cut, Rake, Bale (800 Lb. Large Round Bales)	Bale	18	\$10.00	\$18.00	\$12.72
Cut, Rake, Bale (1500 Lb. Large Round Bales)	Bale	10	\$8.00	\$25.00	\$13.90
Bale Wrapping (Equipment & Operator)	Bale	21	\$2.00	\$7.00	\$4.42
Tillage Operations					
Chisel Plow	Acre	10	\$8.75	\$24.00	\$13.78

	Hour	3	\$15.00	\$40.00	\$26.67	
Subsoiling	Acre	4	\$8.50	\$24.00	\$15.63	
Offset Disk	Acre	3	\$8.50	\$35.00	\$18.83	
Tandem Disk	Acre	4	\$7.50	\$12.00	\$10.38	
	Hour	3	\$10.00	\$40.00	\$25.00	
Planting						
Corn - Conventional	Acre	18	\$7.00	\$25.00	\$13.89	
Corn – No-Till	Acre	41	\$6.00	\$25.00	\$13.56	
Soybeans – Conventional	Acre	7	\$7.00	\$18.00	\$13.57	
Soybeans – No-Till	Acre	19	\$6.00	\$20.00	\$13.63	
Soybeans – Drill	Acre	8	\$7.00	\$15.00	\$11.19	
Small Grain – Drill	Acre	12	\$7.50	\$15.00	\$10.69	
Small Grain – No-Till	Acre	19	\$6.50	\$18.00	\$12.16	
Clover and Grass Seeding – Drill	Acre	11	\$6.50	\$15.00	\$9.41	
Clover and Grass Seeding – No-Till	Acre	13	\$7.00	\$20.00	\$13.62	
Grain Crop Harvesting						
Picking Corn	Acre	7	\$12.00	\$35.00	\$27.43	
Combining Corn	Acre	37	\$24.00	\$50.00	\$29.41	
	Hour	4	\$23.33	\$100.00	\$64.58	
Combining Soybeans	Acre	24	\$22.00	\$50.00	\$29.92	
Combining Small Grains	Acre	32	\$22.00	\$40.00	\$28.66	
	Hour	4	\$22.50	\$115.00	\$71.88	
Hauling Grain	Bushel	21	\$0.10	\$0.25	\$0.14	
Silage Harvest						
Tractor and Harvester	Hour	6	\$45.00	\$75.00	\$58.33	
Self Propelled Harvester	Acre	3	\$15.00	\$75.00	\$45.00	
	Hour	22	\$70.00	\$275.00	\$193.41	
Hauling Silage	\$/Ton /Mile	3	\$0.20	\$1.00	\$0.71	
	Hour	18	\$18.00	\$90.00	\$47.28	
Complete Job in Silo	Upright	Ton	3	\$4.75	\$18.00	\$9.75
		Hour	4	\$100.00	\$750.00	\$316.25
	Bag	Ton	3	\$4.00	\$8.50	\$6.50
Manure Spreading						
Liquid Manure Spreading (3,000 Gal. Tank)	Load	5	\$52.00	\$125.00	\$79.30	
	Hour	19	\$45.00	\$90.00	\$53.79	
Poultry Litter Spreading	Acre	5	\$7.00	\$36.00	\$20.60	
	Hour	11	\$30.00	\$65.00	\$45.23	
	Ton	31	\$2.00	\$20.00	\$9.11	
Livestock Trucking						
Per Head	Loaded Mile	7	\$0.07	\$1.50	\$0.51	
2 Ton Truck	Loaded Mile	13	\$1.00	\$4.00	\$2.08	
Semi-Trailer	Loaded Mile	10	\$1.90	\$3.89	\$2.24	
Gooseneck Trailer	Loaded Mile	40	\$1.00	\$5.00	\$2.02	

Job		Unit	Over-All Results			Average Shenandoah Valley
			NO	LOW	HIGH	
Other						
Large Bulldozer		Hour	27	\$50.00	\$115.00	\$73.67
Small Bulldozer		Hour	19	\$25.00	\$75.00	\$50.63
Backhoe		Hour	30	\$25.00	\$90.00	\$50.90
Driving Posts		Post	18	\$0.50	\$6.00	\$2.17
Digging Post Holes		Hole	8	\$1.00	\$6.00	\$2.31
Labor for Fence Building		Hour	18	\$5.00	\$35.00	\$10.75
		Per Foot	17	\$1.00	\$2.90	\$1.59
Lime Application		Acre	19	\$3.00	\$34.00	\$10.16
		Ton	4	\$5.00	\$16.00	\$12.75
Fertilizer Application		Acre	41	\$4.00	\$17.00	\$6.32
Chemical Application (Spray)		Acre	35	\$4.00	\$17.00	\$6.61
Sheep Shearing		Head	25	\$1.00	\$5.50	\$2.56
Equipment Rental						
Bale Wrapping Machine		Bale	14	\$1.00	\$7.00	\$2.76
Silage Bagging Machine(includes 9*150 foot bag)		Bag	11	\$425.00	\$1,350	\$732.73
No-Till Drill		Acre	58	\$5.00	\$11.00	\$8.04
Litter Manure Spreader		Day	9	\$70.00	\$200.00	\$113.33
		Ton	9	\$0.75	\$4.00	\$1.76
Rent Tractor	75 HP	Hour	9	\$10.00	\$40.00	\$18.56
	75-100 HP	Hour	14	\$15.00	\$60.00	\$27.57
	100+ HP	Hour	16	\$20.00	\$80.00	\$33.31

The Management Calendar

By [Gordon Groover](#)

I thought we lived in the sunny South? So far Blacksburg has seen lots of snow, ice, wind, and more than a few days of bitter cold temperatures. If you need an excuse to stay inside and work on the books or stare at the computer screen, you've got it! For those who have not started on the paperwork, remember the first day of spring is less than two months away and federal taxes for most farmers are due in to the IRS by March 1. Listed below are the items that need to be included on the farm business managers' calendar for the first quarter of 2004.

- Get the farm's 2003 financial records closed out: Post all income and expenses paid during 2003 in your record book or accounting software. There's still time to conduct an end-of-the-year inventory of all the farm assets and liabilities to provide data for the farm's net worth statement.
- Using your 2003 records, develop an itemized list of income and expenses. The categories found on the IRS Schedule F can serve as a starting point for estimating net

income for the farm business. Compare your results to previous years, looking for both weakness and strengths.

- Decide how much you'll contribute to an IRA for 2003 and set goals for 2004. If you do not have a certified financial planner (CFP), consider their usefulness in helping plan for retirement, college, insurance coverage, and other items. Visit the web site for the CFP organization to get information on services and standards required for planners. You can also search for a CFP in your area at <http://www.cfp.net/>
- Seek assistance from Virginia Cooperative Extension's farm business management agents, lenders, or your accountant to develop a detailed financial analysis of your farm business, including the major 16 financial ratios. Send me an e-mail message if you want me to send you the recommended 16 financial ratios (xgrover@vt.edu). These ratios and a detailed financial analysis can be generated by using the Center for Farm Financial Management program FINAN. FINAN and other computer programs can be purchased annually for approximately \$100 or the whole analysis and planning package of three computer programs for \$395. Details at <http://www.cffm.umn.edu/Software/FINPACK/>
- Dairy farmers with good financial records please take note: You can enter your farm's production and financial records and compare your farm to the U.S. Top Dairies Financial Benchmarks. Currently, there are 1,398 dairy farms in the national database for comparison. Details at [http://www.cpdmp.cornell.edu/Data.4D\\$TDWelcome](http://www.cpdmp.cornell.edu/Data.4D$TDWelcome). Once reaching the "Benchmarks" page, click on "I wish to become a registered user and submit my information." This link will take you to the data entry area.
- Using last year's financial and production records, finalize your projected budgets, cash flow, and income statements for 2004.
- Take your 2003 financial records and 2004 projected whole-farm budgets and cash flow statements to your lender to discuss line-of-credit needs and plans for 2004. Using the FINPACK programs discussed above can help with this process.
- Grain and livestock producers should have their marketing strategies/plan in place for 2004 marketing year. Be sure to check with your local Farm Service Agency for changes in government programs and signup deadlines. Be sure to visit Purcell's Weekly Agricultural Commodity Market Report for market updates the report is posted at <http://www.ext.vt.edu/news/periodicals/purcell/>.
- The end of February and March 15 are the cutoff dates for signing up for most crop insurance policies in Virginia (dates depend on insurance product and where you live). Detailed listings of all policy closing dates are listed at the following site: <http://www.rma.usda.gov/data/sales-closing-dates/>. Details on crop insurance are best discussed with a local agent. You can locate a local agent by visiting the following web site <http://www3.rma.usda.gov/apps/agents/>.
- Make sure your federal taxes are mailed by March 1, unless you pay estimated taxes, then the deadline is April 15. Virginia income tax returns must be postmarked by May 1.
- Prepare your crop and livestock record keeping system for a new year. If you are interested in a listing of agricultural related software packages go to the following site: <http://www.agric.gov.ab.ca/agdex/agsoft/>.
- Beef cattle producers interested in an evaluation of beef cattle software should take a look at the following publication from the Oklahoma State Animal Science Department: <http://www.ansi.okstate.edu/exten/beef/WCR-3279/WCR-3279.html>.

- As the Bovine Spongiform Encephalopathy (BSE) situation continues beef producers will want to explore electronically identification systems for cattle. Kevin C. Dhuyvetter and Dale Blasi of Kansas State University have developed a spreadsheet to estimate costs of implementation. Their spreadsheet, which requires Microsoft Excel, can be downloaded at: <http://www.agmanager.info/livestock/budgets/production/default.asp>.
- Early results of the 2002 US Agricultural Census are available on the National Agricultural Statistics Service (NASS) web site <http://www.nass.usda.gov/census>.

Winter is the time to get the book work done, and the weather is signaling that this is a wise use of your time. Besides it's a lot more comfortable inside next to the woodstove.

2004 Mid-Atlantic Direct Marketing Conference & Trade Show **Beating the Odds Marketing with Fresh Ideas**

Drought, flooding, hurricanes and tornadoes—the Mid-Atlantic has seen it all over the past year. Add these to the everyday problems farmers face, and it's tough to make ends meet. But the good news is--direct marketers are beating the odds, marketing with fresh ideas! Using innovative approaches to production and marketing, many family farm businesses have been saved from the bulldozers.

Improve *your* odds by attending the 2004 Mid-Atlantic Direct Marketing Conference & Trade Show (MADMC). MADMC provides opportunities to network with other farmers, visit successful farm markets, and get tips from professors and peers in a variety of educational sessions.

Scheduled for February 22-25, 2004 at the Clarion Hotel and Conference Center in Cherry Hill, New Jersey, MADMC will run from Sunday through Wednesday, a change from years past. To avoid traffic snarls, a Sunday tour will include visits to the New Jersey EcoComplex, the C S Heal family farm and market, Johnson's Corner Farm, and Springdale Farms (featured in the October issue of *The Vegetable Growers News*). Farmers' market managers are invited to a professional development workshop Sunday afternoon.

The Monday program kicks off with the ever-popular *Brags and Blunders* session, which gives participants a light-hearted opportunity to introduce themselves by presenting their best, or worst, ideas of the season. Prizes will be awarded for the projects that inspire the greatest audience reaction. A keynote speaker, concurrent sessions, and trade show will be topped off by a tasting of Jersey Fresh wines and a silent auction. State associations will meet Tuesday morning and lunch will be held in the trade show.

Concurrent sessions on Monday and Tuesday will be broken into five tracks—Promotion, Farm Entertainment, Labor & Customer Service, Business Management, and Expand Your Business. Monday's Promotion track will feature Robert Farr, The Chile Man, discussing "Direct Marketing for Business Success." Robert and his family have a small farm in Loudoun County, Virginia where they grow a large variety of peppers and make hot sauces. They market their sauces through mail order, festivals and special events, and at the farm. Robert's e-mail letters

let his customers know what is happening at the farm, while sharing his philosophies and wonderful sense of humor. The promotion track continues the next morning with more fresh marketing ideas—"Holiday Activities" by New Jersey's Pam Mount from Terhune Orchards, "Merchandising to Stimulate Consumer Purchases" by David Long, editor of *Taste Magazine*. James Binsberger from Homestead Orchards in Pennsylvania will present "Managing Special Events and Festivals."

Labor and Customer Service sessions on Monday afternoon will cover hiring and training programs for your employees, as well as communicating with Spanish-speaking employees and customers. The Tuesday morning track continues with presentations on theft prevention, electronic marketing, and the PAFarm Lending Library program, an innovative resource, which should be the envy of other state associations.

More fresh marketing ideas will be found in the Farm Entertainment and Expand Your Business tracks. Sessions about gift shops, greenhouses, herbs, and cut flowers will help if you are considering expanding, while "Targeting Your Customers" will help you assess those new projects. Ever wonder about hosting school tours, birthday/wedding parties, fee fishing, or a festival? You will find those here, too.

Business Management topics will include crisis management, estate planning and family business relationships, as well as a review of USDA's WIC and seniors farmers' market nutrition programs. MADMC '04 is also pleased to have the fresh marketing ideas of three of the Northeast SARE program's Sustainable Educators. Jack Gurley of Calvert's Gift Farm in Sparks, Maryland will discuss his experiences marketing through Community Supported Agriculture. "The Little Things That Mean a Lot" will be covered by Perkasio, Pennsylvania farm marketer James Binsberger. Courtney Haase of Nunsuch Dairy and Cheese, Bradford, New Hampshire, will discuss the challenges and opportunities in direct marketing dairy products.

The educational sessions end Tuesday afternoon with a presentation by Jim Lanard of FLG Strategies on how to effectively deal with the media, be it in a time of crisis or bumper crop. Wednesday's workshops will close the program. Bring pictures of your market layout and displays if you would like an evaluation, or spend the day at Linvilla Orchards for an in-depth look at several facets of this remarkable and highly successful Mid-Atlantic farm market.

Even the trade show will take a fresh approach this year. Sign up with the vendors of your choice on Monday and meet with them one-on-one Tuesday morning for a closer look at their product line.

For a complete conference program and registration materials, call 609-625-0056 or visit the conference web site at www.madmc.com.

Tobacco Producers Face another Difficult Year

By [Dixie Watts Reaves](#)

Virginia's burley and flue-cured tobacco producers faced another difficult season in 2003, both starting the year with another quota cut and seeing an increasing amount of leaf going to the Cooperatives. The amount that producers are allowed to grow has been cut by more than half over the past few years. Weather challenges and uncertainties surrounding a buy-out clouded most of 2003.

Despite the weather difficulties and the continuing uncertainty surrounding the future of the industry, many producers were pleased with the prices they received in 2003. The average flue-cured price was about 2.5¢ more per pound than the previous year, with contract prices averaging about \$7 per hundredweight higher than auction prices. Approximately 81% of the 2003 flue-cured crop was sold through contract. Of the tobacco sold at auction, just over 71% was purchased by the Flue-cured Stabilization Corporation (an increase from the 50% mark set in 2002). This represents just over 13% of all flue tobacco sold in 2003, through both auction and contract sales. Burley tobacco markets are still open, with an estimated 86% of the crop sold to date. Auction prices have averaged \$196.12, with contract prices averaging \$198.68. As of January 28, 77% of burley tobacco has been sold through contract. More tobacco has gone to the Burley Cooperative, 60.8% of auction sales (14.1% of all burley sales), compared to 24.8% of auction sales at the same time last year.

The quota announcement for 2004 brought continued bad news for flue-cured producers, but good news for burley growers. The quota level is determined from manufacturers' buying intentions, three-year average exports, and tobacco stocks held in reserve. For flue-cured, buying intentions were 254.3 million pounds, down from 283.3 million in 2003; average exports were 228.7 million pounds, down from 254.7 million; and the tobacco stocks held in reserve led to a downward adjustment in quota of 25.4 million pounds. The Secretary of Agriculture exercised her discretionary authority to add 3% (13.7 million pounds) to the formula calculation to arrive at the 2004 flue-cured marketing quota of 471.3 million pounds, down from 526.3 million in 2003: a 10.45% decline in basic quota. However, when 2003 "undermarketings" are added back to the national quota, effective quota is approximately 500 million pounds, or a 7% reduction from 2003.

For burley, both buying intentions and three-year average exports increased, leading to a quota increase of approximately 5%. The 302.1 million pound quota is based on domestic cigarette manufacturer purchase intentions of 194.6 million pounds (up from 184.9 million in 2003); three-year average exports of 144.5 million pounds (up from 137.9 million in 2003); and a reserve stock adjustment of negative 37 million pounds.

Entering the 2004 season, growers continue to be hopeful for a tobacco buy-out. A number of bills have been carried over from the previous legislative session, but many issues are still to be discussed. Any buy-out proposal must have something to offer to the non-tobacco states. Funding mechanisms continue to be an issue, as are FDA oversight, the base year for the buy-out, and post-buy-out program issues. The ultimate buy-out, if it does occur, may not be all that growers had initially hoped for. However, given the increasingly competitive global

marketplace, declining domestic cigarette consumption, increasing lease rates, and rising average age of farmers, many growers will see any type of buy-out as an improvement to the current situation.

Calendar of Events

February

- 22-25 Mid-Atlantic Direct Marketing Conference & Trade Show, Clarion Hotel and Conference Center in Cherry Hill, New Jersey. Contact: Richard VanVranken at (609) 625-0056 or visit the conference web site at <http://www.madmc.com>.
- 24-25 Virginia Agriculture Summit, Charlottesville, VA. Charlottesville Omni Hotel. Contact: Chris Cook at (804) 290-1110 or visit the web site at <http://www.agsummit.com>.

March

- 4 Farm Leasing Workshop, Brunswick County Extension Office, Lawrenceville, VA. Beginning at 1:30 PM. Contact: Eric Eberly at (434) 352-8244 or eeberly@vt.edu.
- 9 Farm Leasing Workshop, Appomattox County Extension Office, Appomattox, VA. Beginning at 1:00 PM. Contact: Eric Eberly at (434) 352-8244 or eeberly@vt.edu.
- 9 Farm Leasing Workshop, Campbell County Extension Office, Rustburg, VA. Beginning at 7:00 PM. Contact: Eric Eberly at (434) 352-8244 or eeberly@vt.edu.
- 11 Farm Leasing Workshop, Franklin County (location to be announced later), Rocky Mount, VA. Beginning at 7:00 PM. Contact: Eric Eberly at (434) 352-8244 or eeberly@vt.edu.
- 23 Farm Leasing Workshop, Bedford County Extension Office, Bedford, VA. Beginning at 7:00 PM. Contact: Eric Eberly at (434) 352-8244 or eeberly@vt.edu.