



# Agricultural Retailers Association

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June 7, 2004

The Honorable J. Dennis Hastert  
Speaker, House of Representatives  
235 Cannon House Office Building  
Washington, D.C. 20515

Dear Mr. Speaker:

On behalf of the Agricultural Retailers Association, which represents the retail sector of the U.S. agricultural industry, we urge the House to pass tobacco buyout legislation as soon as possible. We appreciate the commitment you have made to help struggling tobacco farmers and rural businesses in affected communities by moving buyout legislation in the House. ARA supports the tobacco buyout provision included in the *American Jobs Creation Act of 2004 (H.R. 4520)*.

All businesses, including agricultural retailers, in tobacco growing areas will be hurt economically if Congress fails to enact tobacco buyout legislation this year. There are many communities in states such as North Carolina, South Carolina, Kentucky, Georgia, Virginia and Tennessee that has been dramatically impacted by substantial quota cuts in the past several years. Tobacco farmers have lost over 58% of their quota, which has resulted in lost income that would have been used in part to purchase crop input supplies from agricultural retailers for their farming operations. Lower sales for agricultural retailers and other impacted rural businesses means less tax revenue for state and local governments and more difficulty funding basic public services such as education, transportation, police and hospitals.

It is essential that we end the current federal tobacco program, first established in 1936, and update it to reflect an ever-changing global economy. Today our nation's tobacco farmers face increased competition from lower-cost, lower-quality foreign imports. Tobacco buyout legislation will move our nation's tobacco farmers into the 21<sup>st</sup> century by implementing a free market system where they are able to compete on more equal footing with foreign producers or transition to growing other crops. In addition, a tobacco buyout will help create much needed off-farm and on-farm jobs in these rural communities.

Thank you for your support for moving tobacco buyout legislation this year. We look forward to working with you to address this important issue.

Sincerely,

Jack Eberspacher, President & CEO

cc: House and Senate Leadership  
House and Senate Agriculture Committee Chairmen and Ranking Members