

## **Buyout or Bankruptcy, Farmers' Group Warns**

**Cigarette companies and governments see billions while farmers face losing their homes**

Simcoe/Dec. 19/ – The majority of Canada's remaining tobacco farmers are facing a bleak holiday season and an even bleaker 2007, with many verging on bankruptcy as they wait for a promised exit program. Meanwhile, the government collects in excess of \$9 billion per year in tobacco taxes and the bottom lines of multinational cigarette manufacturers have been plumped by an additional \$300 million a year due to recent retail price increases. As the farmers' desperation mounts, they have taken their frustration to the doorsteps of government, dumping bales of tobacco during a series of rallies to protest the string of broken promises and to demand action now on an exit program.

“These protests are just the first public sign of the increasing frustration and desperation. I've been getting phone calls from farmers who are facing marriage breakups, who have been forced to seek professional counselling, and who are dealing with banks that want power of attorney to pay the bills,” says Brian Edwards, president of Tobacco Farmers in Crisis (TFIC), a grassroots not-for-profit organization representing the growers. The average tobacco grower is \$400,000 in debt. “There's no way that many of our members are going to be able to plant crops in 2007. It's either buyout or bankruptcy.”

Surprisingly, it's not a decline in tobacco consumption that has ravaged the farmers and their communities. Rather, it is the result of conflicting government policies on tobacco and a gap in tobacco control policy that has led them into debt and economic devastation. Promised stable, gradually declining markets as recently as 2005, farmers have seen crop sizes slashed by 50% over the past five years. During the same period, the tobacco companies forced growers to make sizeable investments in equipment upgrades.

“We're not looking for a hand-out,” emphasizes Edwards. “We're looking for a fair shake. Farmers have played by the rules for generations. The government promised an exit strategy and we've been waiting over two years for them to live up to that promise.

“Many of our members literally can't wait any longer,” he adds.

It's this desperation of farmers that has led to the bale-dropping demonstrations at the constituency offices of politicians across the tobacco belt in the past weeks. The latest demonstration, in which TFIC members participated, took place on Monday, December 18 with MP Dave MacKenzie in Woodstock, Ontario, one of the ridings home to a number of Canada's remaining 700 tobacco farmers. This demonstration followed others in the past month, including one which saw more than 100 farmers arrive by pick-up truck in the rain at the Simcoe constituency office of Diane Finley, MP for Haldimand-Norfolk and federal Minister of Human Resources and Social Development. Other demonstrations occurred at the constituency office of Toby Barrett, Conservative MPP for Haldimand-Norfolk-Brant, at the St. Thomas offices of Elgin-Middlesex MP Joe Preston and MPP Steve Peters, at Brant MP Lloyd St. Amand's office

in Brantford and at Brant MPP Dave Levac's office, also in Brantford. The next will be held on January 17, 2007 at 2:00 p.m. at MPP Ernie Hardeman's office, 12 Perry Street, Woodstock, ON.

Some of the profits from the latest cigarette price hikes of from \$1 to \$3.80 per carton could have been used to fund the same kind of controlled exit that farmers in the United States and Australia have been able to achieve, suggests TFIC Chair Hank Chromczak. In 2004, all U.S. tobacco quota was phased out through a levy collected from manufacturers and sellers of tobacco products and paid to quota owners to reimburse them for the loss of investment, over a 10-year period. More recently, farmers in Australia have received their first compensation payment in a three-year plan to entirely eliminate tobacco-growing in that country.

"Canadian farmers are looking for an exit program based on the already established precedents their counterparts in the U.S. and Australia have received to effect an orderly wind-down of tobacco growing in Canada," Chromczak adds. TFIC's *Blueprint for Action*, presented to government representatives late last year, asks for \$4.18 per quota pound compared to the Australian buyout price of about C\$9.88 per pound of quota – or about \$100 million over 10 years.

"That's less than 1% of what our governments currently take in tobacco taxes a year," Chromczak points out.

For more information on Tobacco Farmers in Crisis, the devastating situation facing Canada's tobacco farming community and TFIC's *Blueprint for Action*, contact:

Mark Bannister  
Tobacco Farmers in Crisis  
(519) 428-5978