



Tobacco Associates, Inc. Board Agrees to Oppose Carve-Out of Tobacco from Duty Drawback Program

Flue-cured tobacco growers concerned that the House Reconciliation Bill threatens the majority of U.S. flue-cured demand.

RALEIGH, NC, UNITED STATES, May 22, 2025 /EINPresswire.com/ -- The Board of Directors of Tobacco Associates, Inc. (TA) a nonprofit organization dedicated to promoting the export of U.S. flue-cured tobacco, has agreed to formally oppose language in the [Reconciliation Bill](#) passed by the U.S. House of Representatives that would remove tobacco from eligibility under the duty drawback program.

The organization is led by a 15-member board made up of active flue-cured tobacco growers from Virginia, North Carolina, South Carolina, Georgia, and Florida who represent the heart of U.S. tobacco production and are deeply invested in maintaining the global competitiveness of American-grown flue-cured tobacco.

"The duty drawback program is one of the longest-standing trade mechanisms in the United States, having been established in 1789," said Kimberly Foley, Executive Director of TA. "Its core function is to support U.S. manufacturers and exporters by refunding duties on materials used to produce exported goods. This allows some manufacturers to position themselves more competitively in the global marketplace. U.S. tobacco growers are part of that system as much of our flue-cured leaf is destined for the global marketplace. What is especially concerning is that tobacco, a agricultural product Southeast agriculture depends on, was singled out as the only one of many products participating in duty drawback."

Growers and stakeholders note that the program has helped offset some of the cost disparities between U.S. tobacco and lower-cost competitors abroad, while also encouraging consistent investment in the U.S. market by international buyers and manufacturers.

"We know the majority of the tobacco purchased in the United States is exported, and much of that is connected to the duty drawback program," said Derek Day, Chairman of the Board and a tobacco grower in Person County, North Carolina. "Removing this program would introduce new uncertainty into an already challenging environment. It puts a significant share of our market at risk without a clear path forward."

As the U.S. domestic market continues to decline year over year, growers and export-focused organizations like TA emphasize the importance of looking outward.

"We must keep our eyes on the opportunities that lie beyond our borders," Foley said. "Export growth is not just our future, it's our present. Duty drawback plays a quiet but essential role in keeping U.S. leaf attractive on the international stage."

TA also stressed the importance of acknowledging the investments that have been made in the United States as a result of access to duty drawback. "We know that there have been factories and jobs created in addition to increased investments into the tobacco farms we promote," Foley added. "That's why we support exploring new, innovative approaches - such as market incentives or other forms of collaboration - for companies that don't participate in the duty drawback program. We just hope that we can help strengthen the entire supply chain without weakening any one part of it, especially our growers."

"Our farmers don't just grow tobacco," Day said. "We also raise sweetpotatoes, peanuts, cotton, poultry, and cattle. In many cases, tobacco is what holds the rest of the operation together. It's the crop that brings resilience to our farms. We need smart policy that ensures we can keep producing it. We ask the Senate to support family farms and strengthen the competitiveness of U.S. grown flue-cured."

About Tobacco Associates, Inc.

Tobacco Associates, Inc. is a nonprofit export market development organization working on behalf of U.S. flue-cured tobacco growers. Based in Raleigh, North Carolina, the organization is governed by a 15-member board of active growers representing Virginia, North Carolina, South Carolina, Georgia, and Florida.

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