

Introduction to our bsc "Best Burley" Newsletter

This is our inaugural 2016 bsc newsletter. Our aim is to use the newsletter as one tool to maintain communications with you our grower base. We plan on about three newsletters during this season. We certainly hope the information will be helpful.

We are calling our newsletter "best burley." We believe strongly that U.S. burley is the best anywhere—as long as we communicate our needs and you work diligently to implement best management practices throughout the season. Together we can continue to grow and market the best quality burley in the world. That's our niche or calling card in the world burley market.

We sincerely extend best wishes to you and your family for a successful 2016 season. We appreciate your business and your cooperation. Thank you.

Don Fowlkes, Editor
Agronomist, bsc



A MATTER OF STYLE



By Don Fowlkes

Style matters. That is, the style of tobacco you produce and deliver. Tobacco style refers to the overall quality, appearance, and characteristics (physical and chemical) of your cured tobacco. This style strongly impacts the marketability of your tobacco, and therefore its value in the trade.

What affects tobacco style? Tobacco style is broadly a function of soil properties, weather patterns, and management practices. You, as a tobacco farmer, have more control of these factors than you may first think.

In terms of the soil, a given farm or field "has what it has" in terms of soil type. However, you usually have options in selecting the fields you crop. And the management practices you implement can improve (or sometimes diminish) a soil's properties (such as tillage, organic matter, erodibility risk, water holding capacity, fertility, etc.).

None of us can control the weather, but we can strive to maximize the effects of positive weather and minimize the effects of negative weather. We are not totally helpless victims of the weather. Minimizing weather's harm can include 1) selecting fields that are less prone to crop damage from drought and/or excess water 2) developing irrigation capabilities 3) timely cultivation practices 4) timely topping 5) timely harvesting and 6) management of the curing environment.

The third major factor affecting style is your management. Management practices have already been linked to the soil and weather factors above. Management really is critical. What you do or don't do, when you do it, how you do it. With persistent

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CHANGES AFOOT IN TOBACCO FUNGICIDES FOR BLACK SHANK AND BLUE MOLD MANAGEMENT

By Emily Pfeuffer and Bob Pearce
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The start of the 2016 season brings a few updates to the top of our minds in the world of tobacco fungicides. These changes are for the management of black shank and blue mold, arguably the two most infamous diseases of tobacco. One new active ingredient, oxathiapiprolin, is a component in two new fungicides, and a change in the label of another fungicide are the major updates for this growing season.

Black Shank Management

Fungicides are only one piece of the puzzle when it comes to developing a management plan for black shank. Rotation away from tobacco for at least two years is of utmost importance. Selection

of a variety with an appropriate level of disease resistance is the next step in a comprehensive black shank management plan. When selecting a variety is important to recognize that two different races of the black shank pathogen may occur at high levels in tobacco fields, and varieties differ considerably in the relative resistance to

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attention to basics and to details. Striving to continue to learn, change as needed, and improve your product. Sharpening your skills regularly (just as you would your axe, knife, or chisel). Skills which include and draw upon your knowledge, experience, hard work ethic, and current information. And we shouldn't forget that attitude may be the most important of all our management skills (whether applied to tobacco farming or to life in general).

So then, what style of tobacco should you strive to produce? First, you need to understand something about the general "lay of the land" in the tobacco business today. In this post-buyout/post-program period, the old structures and rules have been replaced. Burley Stabilization Corporation (BSC), formerly a tobacco program pool or co-op safety net based on USDA quota and support prices, is now a small leaf dealer. BSC does not manufacture cigarettes, so all the tobacco we purchase from you (our contracted growers) must be sold to manufacturers or other leaf dealers (who in turn must also sell to manufacturers).

These customers/buyers have requirements for certain grades, stalk positions, qualities, styles of tobacco. Which means the tobacco we buy from you needs to meet these requirements. We're not buying tobacco just to be buying tobacco. We have to be able to sell what we buy. We have to buy what our customers want. They don't buy what they don't want.

So, what style of tobacco do our customers (and therefore BSC) want? In broad terms, the burley tobacco our customers want is best described as being medium to heavy bodied with a tannish-red to red color line. Not tobacco that is thin and bright (buff, light tan, K color lines). But not tobacco that

is excessively dark or black. For sure, body and color are partially a function of stalk position. The downstalk grades (flyings/trashes, cutters) are generally thinner bodied and lighter colored than the upstalk grades (leaf, red leaf, tips). But what is important in this discussion about style is the overall body and color line of the entire crop. Generally speaking, a tan (lower stalk) with tannish-red to red (upstalk) color line is preferred over bright or light; and medium to heavy bodied (especially upstalk) is preferred over thin. Understand that this is not to imply that the "thins" or downstalk grades are not important or not in demand. They are, and we will be talking about on-farm grade separation later in the season.

Next, what management practices tend to promote the style of tobacco referred to above? Let's mention a few. 1) Selection of varieties that cure well for you, not overlooking the other variety characteristics you may need such as black shank resistance, maturity, yield potential, etc.; 2) Selection of well drained, fertile, deep soils which are not excessively clayey or sandy and are not steeply sloped; 3) Fertilization and liming according to soil test results; 4) Topping on time; 5) Proper use of and minimizing use of MH (while still controlling suckers, of course); 6) Timely harvesting (neither too soon nor too late after topping); 7) Proper management of the curing environment (including stick spacing and ventilation practices); 8) Proper grade separation at market preparation then maximizes the value of the style management production practices you have implemented.

By working wisely and together, you can produce the style of tobacco that you want to deliver, that we want to buy, and that we can sell. We have to sell what we buy from you. That's the basis for your success and ours. Thank you.

World and US Burley Supply & Demand Overview

By Daniel Green

World burley production is expected to total approximately 1.3 billion pounds in 2016. According to current USDA estimates, US growers will plant 79,150 acres in 2016, enough to produce approximately 160 million pounds, or twelve percent of total world production. The USDA estimate is based on a survey of growers during the first quarter of the year and is often adjusted as the season progresses. While this estimate is close to the same acreage that was harvested in 2015, the projected acreage is approximately fifteen percent less than was projected the same time last year for the 2015 crop. This indicates that we should see fewer total acres of burley harvested in 2016.

The world market has experienced large swings in total burley production over the past ten years with more than 1.8 billion pounds produced in 2009 and as little as 1.2 billion pounds produced in 2012 with 1.4 billion pounds being the average crop size. However, when compared to the substantial declines in smoking over the past twenty years, world burley production has remained relatively stable, mostly fluctuating up or down 10 to 15 percent one year to the next, but hovering around

1.8 billion pounds. Over the same period, US producers' share of the world market has significantly declined. Twenty years ago, US growers were producing around one-third of the world's burley, compared to twelve percent today.

Much of the decline in the US producers' share occurred prior to the tobacco buyout and was driven by the inability to compete with lower cost producers around the world. But in more recent years, declines in the use of US burley tobacco have mostly been driven by consumers' shift to cheaper cigarettes that do not include US burley and the growth in illicit cigarettes worldwide. Additionally, in an effort to control cost in light of drastic increases in taxes and regulations, manufacturers have shifted away from the higher quality "flavor" style burley produced in the US and increased their utilization of lower cost "filler" style burley. Today, only one-third of the burley produced is considered flavor burley while two-thirds is the cheaper filler style. This has created a much smaller market available to US growers.

The primary countries competing for flavor burley business include the USA,

Brazil, and Argentina, while the largest filler producer is Malawi.

Marketing of the burley crops in Brazil, Argentina and Malawi begins around the time growers are tending to greenhouse plants in the USA. Recent estimates indicate that challenging weather and lower than expected plantings have affected the crops in Brazil and Argentina to bring their production below demand. In Malawi, earlier in the growing season, the burley crop was anticipated to exceed demand by as much as 100 million pounds (Malawi was expected to produce nearly 450 million pounds during the current growing season). However, it now appears due to spotty rainfall and dry conditions in parts of the country, that actual production may be more in line with demand.

While the reduced production may help to get burley supply more in line with market demand, it will likely be several months before the market returns to balance. It is especially important during this market adjustment period that growers limit their production to contracted pounds.

TOBACCO TIDBITS

- The top four tobacco producing states in 2015 were
1 North Carolina
2 Kentucky
3 Virginia
4 Tennessee.

- The American or full flavor cigarette is a blend of flue-cured and burley tobaccos with a small amount of oriental tobacco included.

- In the 1700's and 1800's, U.S. tobacco farmers created "tobacco roads" when they rolled hogsheads of tobacco to local warehouses, thus packing down dirt roads.



- Tobacco warehouses: The Virginia General Assembly established Kentucky's first tobacco warehouses (in Louisville and vicinity) in 1783. The North Carolina legislature established the first tobacco warehouse in Tennessee (in Clarksville) in 1788.

- The USDA prospective plantings report issued March 31, 2016 contained the following 2016 burley planting intentions (acres) based on farmer surveys. The 2015 numbers represent harvested acres.

State	2015	2016
Kentucky	58,000	61,000
Tennessee	12,000	12,000
US Total	78,900	79,150

FERTILIZATION PRACTICES ARE IMPORTANT

By Don Fowlkes

As we enter the 2016 transplanting season, a few reminders about fertilization practices are in order.

Since we can't know in advance exactly how the growing season rainfall will unfold, we have to begin with a plan that gives us future flexibility to adjust to whatever rainfall scenarios that actually occur. Excessive preplant fertilization causes problems with maturity and quality if the season turns out to be droughty. Insufficient preplant fertilizer causes problems with yield and quality if the season turns out to be wet and sidedressing cannot be applied.

So what about preplant and sidedressing? Most soils on which we grow burley tobacco contain enough silt and clay that nitrogen leaching from excessive rainfall is not a problem. On the other hand, these soils may sometimes lose nitrogen from volatilization under conditions of persistent excessive rainfall.

Research has indicated that there is no hard and fast across the board rule about the decision whether to apply all the fertilizer preplant or some combination of preplant and sidedress. This decision is a matter of informed choice based on your experience and preferences. Implementing a split application (preplant plus sidedress) gives you more flexibility to adjust to future rainfall patterns, but it requires extra application(s). The lighter or sandier a soil, the more benefit we can expect from sidedressing.

For growers who do sidedress, the typical approach is to apply two-thirds to three-fourths of the total nitrogen (generally no more than 200-250 units total per acre) along with all the phosphorous and potash; then apply the balance of the nitrogen (and sometimes additional potash) as a sidedress 2-3 weeks after transplanting. Sidedress nitrogen should never be in the urea form (it takes too long to become available), but rather should be half to all in the nitrate nitrogen form.

Changes Afoot... Continued from Page 1

each race. Several burley and dark varieties with resistance to both races are available; more information on resistant varieties can be found in the Burley and Dark Tobacco Production Guide.

Oxathiapiprolin, in the new FRAC group U15, is a novel mode of action marketed for the first time this year as Orondis. This fungicide is available in the Orondis Gold product, and may be applied in setter water, at layby, or first cultivation. This product is being marketed in a four-container box that also includes Ridomil Gold, and a tank mix of the two active ingredients applied in setter water is encouraged. This use requires the grower to have several supplemental labels in addition to the labels that come with the packaging. Be sure to ask your retailer or county extension office for assistance in obtaining the proper label materials for your intended use pattern. Always read and follow all label directions.

The setter water application of Presidio has now been taken off the label for black shank management, but it is still labeled for application at layby and/or first cultivation. The removal of the setter water application occurred due to reports of phytotoxicity early last season in certain fields. No phytotoxicity was noted at the later application dates. The makers of Presidio are working to determine why phytotoxic effects may have occurred and how to prevent this in the future.

Blue Mold Fungicide

In addition to Orondis Gold, the new A.I. oxathiapiprolin may also be found in Orondis Opti, a foliar formulation for

blue mold management. Only one Orondis product may be applied per field per year, so if a field develops blue mold but has already been treated with Orondis Gold, Orondis Opti may not be used. Orondis Opti will also be marketed in a four-container box, with the other fungicide component being Revus.

For additional information on tobacco production and fungicides, please see the 2015-2016 Burley and Dark Tobacco Production Guide (multi-state), <http://www2.ca.uky.edu/agc/pubs/id/id160/id160.pdf>, and the 2016 Fungicide Guide for Burley and Dark Tobacco from the University of Kentucky. http://www2.ca.uky.edu/agcollege/plantpathology/ext_files/PPFShtml/ppfsagt8.pdf

FRAC codes

The Fungicide Resistance Action Committee, or FRAC, is a group of industry leaders who place fungicides in groups based on their mode of action, or the challenge they cause to fungal pathogens. Even if fungicides have different names, if they fall into the same FRAC group, these essentially work in the same way to reduce disease. FRAC groupings are very important for managing resistance to fungicides in the process of disease management. The best practice is to alternate applications of fungicides from different FRAC groups to minimize the chance of developing resistant pathogen populations. For more information on fungicide resistance and how it develops, see the UK publications 'Maintaining the efficacy of foliar fungicides for tobacco disease management'

Tobacco Calendar

by Bill Maksymowicz

With greenhouse seeding well under way it's time to make plans for what we all hope will be a successful tobacco season. Remember there is no one practice or product that is going to make you money. A profitable season is the accumulation of all the "little things" that add up at the end of the year. Having a solid plan in place before heading to the field will make the bumps Mother Nature throws us a little easier to deal with later in the season

A few things to have in order before things get too busy—

Keeping good records isn't just to keep an auditor happy. By reviewing your records from previous years you can do a better job of "fine tuning" practices. Things like weed and disease maps, spraying records (what worked, what didn't,) and fertilization records and practices can help guide you towards the best practices that yield the best returns for you. And as we are beginning a new year make sure you keep up with your records and notes for this year. Keeping up is always easier than trying to catch up.

If you haven't done it make sure your pesticide spray equipment has been checked and calibrated. There are different nozzles that optimize performance of the pesticide you're applying. And nozzles do wear out; over application wastes money and under application may mean poor performance.

Your Extension Office is a great resource—they should be your "go to" place when you have questions or problems. And the diagnostic services they offer will ensure that when you have a problem you will be guided in the right direction that will give you the best and most cost effective way of dealing with your problems.

And don't be lured by "false economy." Think about your costs in terms of pounds of tobacco gained or improved quality rather than the dollar cost. Look at the cost per acre as an investment—a \$60/acre treatment can sound expensive but can it make a 30-40 lb/acre difference in yield while improving quality as well?

The foundation of a good growing season is having a knowledge of our production history and a good plan. If you target your plan to ensure a uniform start with a goal of maximizing yield per stalk dealing with those real life surprises should be a lot easier for you. Good luck this year.