

William Martin Kuegel, Jr.

Keagle

President
Burley Tobacco Growers Cooperative, Inc.

Rod Kuegel is the president of the Burley Tobacco Growers Cooperative, Inc. A member of the Farm Bureau, he is the chairman of the Secretary of Agriculture's 39-member Burley Advisory Committee, and was a participant in the Philip Morris Leadership Development Program. He is a director of the United Way of Kentucky.

Kuegel began farming in 1975 with his father and brothers. He put out the first crop of his own in 1983, and currently farms 70 acres of tobacco, 2,000 acres of row crop, beef cattle, straw and hay, and some vegetables.

He received a degree in accounting from the University of Kentucky in 1975.

He and his wife Lois Whitaker Kuegel have two sons.

**Statement of
Rod Kuegel
President, Burley Tobacco Growers Cooperative, Inc.
Regarding the Release of the Core Principles
Between the Tobacco Producers and the Public Health Community**

I am Rod Kuegel, a tobacco farmer from Kentucky and president of the Burley Tobacco Growers Co-Op.

Back home in our community, we put families first and farms second. That's why our tobacco growers chose to participate in this broad-based organization gathered here today. Our farmers are serious about limiting youth access to tobacco products. That common thread links us to these health organizations.

None of us want America's youth to use tobacco products. All of us support strong educational efforts to help young people stop using tobacco products. And all of us believe that -- whether in the past, present, or future -- it is wrong to direct tobacco advertising at young people. We want that practice stopped.

We all agree upon these core principles to protect America's children from tobacco. But this broad-based group also agrees that tobacco farmers cannot raise their children without a tobacco program.

For our farmers, public health is more than vaccinations and blood pressure checks. It is also the well being and quality of life within our small, rural communities. And the economic life blood in those communities is the tobacco program. Without it, our farmers will not have the money to buy health insurance. They cannot pay medical bills, and they cannot make mortgage payments.

My friends in these health organizations know that this program actually limits U.S. production of tobacco, and that it holds leaf tobacco prices at a higher level than what manufacturers would normally pay.

Our Kentucky tobacco growers also understand the program's importance. That's why they recently gave 97 percent approval rating by referendum votes to continue the program.

These, then, are the reasons that we tobacco farmers have joined the efforts of these distinguished health groups, and why they support our rural communities.

In the near future, we tobacco growers also encourage this same group to endorse a comprehensive tobacco settlement that not only keeps tobacco products away from children but that also keeps our family farms sustainable.

###

NEWS RELEASE

For more information, contact:

Amy Barkley 606/873-4779

Julie Brackett 502/587-8641

HEALTH AND AGRICULTURE GROUPS DISCUSS COMMON GROUND

Amidst settlement talks and lawsuits, FDA regulations and discussions of the tobacco price support program at the national level, historic tobacco talks in their own right have been taking place here in Kentucky. In a state where tobacco is part of the very culture of the Commonwealth, cooperation between health groups and tobacco interests was unheard of until a year ago when the Kentucky Health and Agriculture Forum was born.

This effort was initiated when the Burley Tobacco Growers Cooperative Association requested a meeting with representatives of the American Heart Association, American Lung Association, and American Cancer Society. At that meeting in May of 1996, there was discussion of possible areas of cooperation between health and tobacco interests. Subsequently, another meeting was convened in August of 1996, and additional health and agriculture interests were invited. At that time, the Coalition for Health and Agricultural Development (CHAD) was asked to convene ongoing meetings to bring together leaders in health and agriculture to discuss potential "common ground." Those discussions have taken place at nine additional meetings where there has been agreement from the group that the meetings are worthwhile and should continue.

The following mission statement was developed recently to help give the meetings more focus:

The Health and Agriculture Forum, convened by the Coalition for Health and Agricultural Development, Inc. (CHAD), is a community of pro-farmer/pro-health stakeholders. Our mission is to provide a safe place for people with diverse positions on tobacco issues to work together to sustain healthy individuals, families, farms,

HEALTH AND AGRICULTURE

Page 2

The Forum's goals are to:

- Appreciate the values and concerns of all participants
- Build trust and strengthen relationships
- Provide an open forum for diverse opinions
- Broaden our network of health and agriculture leaders
- Be clear on areas of disagreement and focus on common goals
- Educate each other, the public and elected officials
- Seek funding for development of projects which are consistent with these goals

After much discussion, it was agreed that the Forum would focus on two issues:

1. Development of a "blueprint" for diversification which would evaluate current efforts, reveal targeted opportunities and recommend a focus or plan for Kentucky.

Support for current projects/proposals aimed at strengthening Kentucky agriculture and preparing it for the future.

- ~~2. Strengthening the state's youth access law to reduce illegal sales of tobacco~~
products to minors.

While health and agriculture interests cannot agree on many issues, those two fit into the philosophies and goals of each: protecting Kentucky's children while also protecting the family farm.

"Kentucky has set the pace for other tobacco states," said Amy Barkley, Executive Director of CHAD. "Similar groups have now formed in Virginia, Tennessee, Georgia, and the Carolinas, and they are looking to Kentucky as an example of health and agriculture working together."

HEALTH AND AGRICULTURE

Page 3

Most recently, several Forum member organizations have signed a "Resolution of Mutual Understanding Between Organizations and Individuals Interested in Working Cooperatively to Reduce Underage Tobacco Use While Ensuring Economic Stability and Opportunities in Tobacco Growing States." Similar to a resolution being circulated and signed by various groups in tobacco states and at the national level, the document spells out the concerns of both health and agriculture groups and the need to work together on areas of common ground.

Participating organizations in the Health and Agriculture Forum are: Ag 2000 Project, American Cancer Society, American Heart Association, American Lung Association, Burley Tobacco Growers Cooperative Association, Champions for a Drug-Free Kentucky, Coalition for Health and Agricultural Development, Commodity Growers Cooperative Association, Kentucky ACTION, Kentucky Cabinet for Health Services, Kentucky Cooperative Extension Service, Kentucky Department of Agriculture, Kentucky Department for Public Health, Kentucky Medical Association, Kentucky SmokeLess States Project, University of Kentucky College of Agriculture, USDA Farm Service Agency, and the Woodford County Farm Bureau.

CORE PRINCIPLES STATEMENT BETWEEN THE PUBLIC HEALTH COMMUNITY AND THE TOBACCO PRODUCERS COMMUNITY

NOTE: These are suggested revisions from the Jan. 5, 1998 document which is being circulated for signatures. The changes are structural only - that is, no language has been deleted or removed or rearranged to change meaning. These organizational changes have been made to better define the intentions of those individuals and organizations who have played the major role in shaping the document.

In the spirit of cooperation and with a commitment towards reducing disease caused by tobacco products, as well as ensuring the future prosperity and stability of the American tobacco farmer, the tobacco farm family, and tobacco farming communities, the undersigned organizations and individuals call on the President of the United States, the Congress of the United States, and all States Attorneys General to commit to supporting and enacting effective tobacco legislation and policies that include the following points of agreement.

That on issues related to the agricultural production of tobacco there is agreement:

1. That a tobacco production control program which limits supply and which sets a minimum purchase price is in the best interest of the public health community and the tobacco producer community. A tobacco program provides stability to tobacco farmers and their communities, and elimination of the program should not take place during the period in which the terms of any national legislative proposals are implemented. Should no national legislation occur, no changes should take place until after a thorough review of the program, with full participation in decision-making by tobacco producers, which ensures that adequate economic safeguards have been put in place to provide economic stability to producers and their communities. *From a harm reduction standpoint, it is in the best interest of the public health community to support enhanced assurance of quota stability for domestic production of tobacco. [Moved from #5 of public health issues to add emphasis on the program]*
2. That any costs associated with the administration or operation of a tobacco program be guaranteed to be paid for under any legislative proposal, and that the federal government no longer bear the costs for the administration or operation of such a program.
3. That there be greater cooperation between the tobacco growing community and the public health community to ensure that quality control and health and safety standards are maintained in the production of tobacco *and that industry information and research should be made available for public review [language from #1 of public health issues added here for consistency]*, both domestically and abroad. Agencies with public health responsibility, including the Food and Drug Administration (whose authority over manufactured tobacco products should not extend to on-farm tobacco production), should work cooperatively through structures already in place in the Department of Agriculture and Environmental

Protection Agency so as not to extend any additional control and bureaucracy over the on-farm production of tobacco.

4. That tobacco quota holders and tobacco lease holders should be given the opportunity to have their quotas compensated for at a fair and equitable level, and that the protection of tenant farmers be given special consideration as part of this process to ensure that they are not adversely affected.
5. That a significant amount of money be allocated so that tobacco growing states and communities have options and opportunities to ensure their economic viability into the 21st century. There must be significant involvement of tobacco growing communities in determining the allocation of these funds, and decision making for plans to enhance the economic infrastructures of these communities should be governed primarily through community-based input. Agricultural-based development in particular ought to be given a high priority.

That on issues related to public health there is agreement:

1. That it is in the best interests of the public health community and the tobacco producer community that the FDA should have authority to establish fair and equitable regulatory controls over the manufacture, sale, distribution, labeling (including country of origin) and marketing of tobacco products, both domestic and imported, comparable to regulations established for other products regulated by the FDA. Such regulations should have as their goal the protection of public health and the assurance that users of tobacco products are provided with full and complete information about the products they are using. In order to accomplish this goal, industry information and research should be made available for public review.
2. That there should be strong complementary federal, state and local laws which guarantee that tobacco products are not marketed, advertised, sold or otherwise made available to anyone under the age of 18. *(numbers 2 and 3 were separated for increased emphasis)*
3. That prohibition of the use of tobacco products by informed adults of legal age is not a goal of public health advocates or tobacco producers.
4. That there should be mechanisms in place to prevent the importation of foreign tobacco, whether in raw agricultural leaf, reconstituted or homogenized leaf, tobacco by-products, or any other form or alteration of tobacco, that does not meet pesticide residue requirements and other quality controls required for domestically grown and produced tobacco.
5. That if there is an increase in the federal excise tax in any legislative proposal, that in addition to the tax being used for carrying out public health initiatives, a portion of the tax be used to assist farmers and their communities in addressing their economic dependence on tobacco.

NEWS RELEASE

For more information, contact:

Amy Barkley 606/873-4779

Julie Brackett 502/587-8641

HEALTH AND AGRICULTURE GROUPS DISCUSS COMMON GROUND

Amidst settlement talks and lawsuits, FDA regulations and discussions of the tobacco price support program at the national level, historic tobacco talks in their own right have been taking place here in Kentucky. In a state where tobacco is part of the very culture of the Commonwealth, cooperation between health groups and tobacco interests was unheard of until a year ago when the Kentucky Health and Agriculture Forum was born.

This effort was initiated when the Burley Tobacco Growers Cooperative Association requested a meeting with representatives of the American Heart Association, American Lung Association, and American Cancer Society. At that meeting in May of 1996, there was discussion of possible areas of cooperation between health and tobacco interests. Subsequently, another meeting was convened in August of 1996, and additional health and agriculture interests were invited. At that time, the Coalition for Health and Agricultural Development (CHAD) was asked to convene ongoing meetings to bring together leaders in health and agriculture to discuss potential "common ground." Those discussions have taken place at nine additional meetings where there has been agreement from the group that the meetings are worthwhile and should continue.

The following mission statement was developed recently to help give the meetings more focus:

The Health and Agriculture Forum, convened by the Coalition for Health and Agricultural Development, Inc. (CHAD), is a community of pro-farmer/pro-health stakeholders. Our mission is to provide a safe place for people with diverse positions on tobacco issues to work together to sustain healthy individuals, families, farms,

HEALTH AND AGRICULTURE

Page 2

The Forum's goals are to:

- Appreciate the values and concerns of all participants
- Build trust and strengthen relationships
- Provide an open forum for diverse opinions
- Broaden our network of health and agriculture leaders
- Be clear on areas of disagreement and focus on common goals
- Educate each other, the public and elected officials
- Seek funding for development of projects which are consistent with these goals

After much discussion, it was agreed that the Forum would focus on two issues:

1. Development of a "blueprint" for diversification which would evaluate current efforts, reveal targeted opportunities and recommend a focus or plan for Kentucky.

Support for current projects/proposals aimed at strengthening Kentucky agriculture and preparing it for the future.

- ~~2. Strengthening the state's youth access law to reduce illegal sales of tobacco~~
products to minors.

While health and agriculture interests cannot agree on many issues, those two fit into the philosophies and goals of each: protecting Kentucky's children while also protecting the family farm.

"Kentucky has set the pace for other tobacco states," said Amy Barkley, Executive Director of CHAD. "Similar groups have now formed in Virginia, Tennessee, Georgia, and the Carolinas, and they are looking to Kentucky as an example of health and agriculture working together."

HEALTH AND AGRICULTURE

Page 3

Most recently, several Forum member organizations have signed a "Resolution of Mutual Understanding Between Organizations and Individuals Interested in Working Cooperatively to Reduce Underage Tobacco Use While Ensuring Economic Stability and Opportunities in Tobacco Growing States." Similar to a resolution being circulated and signed by various groups in tobacco states and at the national level, the document spells out the concerns of both health and agriculture groups and the need to work together on areas of common ground.

Participating organizations in the Health and Agriculture Forum are: Ag 2000 Project, American Cancer Society, American Heart Association, American Lung Association, Burley Tobacco Growers Cooperative Association, Champions for a Drug-Free Kentucky, Coalition for Health and Agricultural Development, Commodity Growers Cooperative Association, Kentucky ACTION, Kentucky Cabinet for Health Services, Kentucky Cooperative Extension Service, Kentucky Department of Agriculture, Kentucky Department for Public Health, Kentucky Medical Association, Kentucky SmokeLess States Project, University of Kentucky College of Agriculture, USDA Farm Service Agency, and the Woodford County Farm Bureau.

CORE PRINCIPLES STATEMENT BETWEEN THE PUBLIC HEALTH COMMUNITY AND THE TOBACCO PRODUCERS COMMUNITY

NOTE: These are suggested revisions from the Jan. 5, 1998 document which is being circulated for signatures. The changes are structural only - that is, no language has been deleted or removed or rearranged to change meaning. These organizational changes have been made to better define the locations of those individuals and organizations who have played the major role in shaping the document.

In the spirit of cooperation and with a commitment towards reducing disease caused by tobacco products, as well as ensuring the future prosperity and stability of the American tobacco farmer, the tobacco farm family, and tobacco farming communities, the undersigned organizations and individuals call on the President of the United States, the Congress of the United States, and all States Attorneys General to commit to supporting and enacting effective tobacco legislation and policies that include the following points of agreement.

That on issues related to the agricultural production of tobacco there is agreement:

1. That a tobacco production control program which limits supply and which sets a minimum purchase price is in the best interest of the public health community and the tobacco producer community. A tobacco program provides stability to tobacco farmers and their communities, and elimination of the program should not take place during the period in which the terms of any national legislative proposals are implemented. Should no national legislation occur, no changes should take place until after a thorough review of the program, with full participation in decision-making by tobacco producers, which ensures that adequate economic safeguards have been put in place to provide economic stability to producers and their communities. *From a harm reduction standpoint, it is in the best interest of the public health community to support enhanced assurance of quota stability for domestic production of tobacco. [Moved from #5 of public health issues to add emphasis on the program]*
2. That any costs associated with the administration or operation of a tobacco program be guaranteed to be paid for under any legislative proposal, and that the federal government no longer bear the costs for the administration or operation of such a program.
3. That there be greater cooperation between the tobacco growing community and the public health community to ensure that quality control and health and safety standards are maintained in the production of tobacco *and that industry information and research should be made available for public review [language from #1 of public health issues added here for consistency]*, both domestically and abroad. Agencies with public health responsibility, including the Food and Drug Administration (whose authority over manufactured tobacco products should not extend to on-farm tobacco production), should work cooperatively through structures already in place in the Department of Agriculture and Environmental

Protection Agency so as not to extend any additional control and bureaucracy over the on-farm production of tobacco.

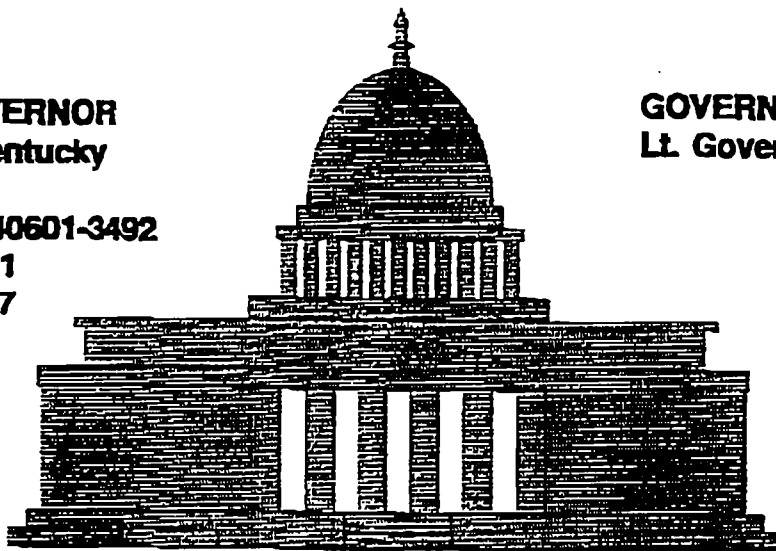
4. That tobacco quota holders and tobacco lease holders should be given the opportunity to have their quotas compensated for at a fair and equitable level, and that the protection of tenant farmers be given special consideration as part of this process to ensure that they are not adversely affected.
5. That a significant amount of money be allocated so that tobacco growing states and communities have options and opportunities to ensure their economic viability into the 21st century. There must be significant involvement of tobacco growing communities in determining the allocation of these funds, and decision making for plans to enhance the economic infrastructures of these communities should be governed primarily through community-based input. Agricultural-based development in particular ought to be given a high priority.

That on issues related to public health there is agreement:

1. That it is in the best interests of the public health community and the tobacco producer community that the FDA should have authority to establish fair and equitable regulatory controls over the manufacture, sale, distribution, labeling (including country of origin) and marketing of tobacco products, both domestic and imported, comparable to regulations established for other products regulated by the FDA. Such regulations should have as their goal the protection of public health and the assurance that users of tobacco products are provided with full and complete information about the products they are using. In order to accomplish this goal, industry information and research should be made available for public review.
2. That there should be strong complementary federal, state and local laws which guarantee that tobacco products are not marketed, advertised, sold or otherwise made available to anyone under the age of 18. *[numbers 2 and 3 were separated for increased emphasis]*
3. That prohibition of the use of tobacco products by informed adults of legal age is not a goal of public health advocates or tobacco producers.
4. That there should be mechanisms in place to prevent the importation of foreign tobacco, whether in raw agricultural leaf, reconstituted or homogenized leaf, tobacco by-products, or any other form or alteration of tobacco, that does not meet pesticide residue requirements and other quality controls required for domestically grown and produced tobacco.
5. That if there is an increase in the federal excise tax in any legislative proposal, that in addition to the tax being used for carrying out public health initiatives, a portion of the tax be used to assist farmers and their communities in addressing their economic dependence on tobacco.

OFFICE OF THE GOVERNOR
Commonwealth of Kentucky
100 Capitol Building
Frankfort, Kentucky 40601-3492
Phone: 502-564-2611
Fax: 502-564-2517

GOVERNOR PAUL E. PATTON
Lt. Governor Stephen L. Henry



FAX TRANSMITTAL

TO: Christa Robinson

FROM: John-Mark Hack

DATE: 4/7/98

FAX #: 202 456 7431

OF PAGES: 6
(including cover sheet)

MESSAGE:

More on Tobacco - Health Coalition

William Martin Kuegel, Jr.

Keagle

President
Burley Tobacco Growers Cooperative, Inc.

Rod Kuegel is the president of the Burley Tobacco Growers Cooperative, Inc. A member of the Farm Bureau, he is the chairman of the Secretary of Agriculture's 39-member Burley Advisory Committee, and was a participant in the Philip Morris Leadership Development Program. He is a director of the United Way of Kentucky.

Kuegel began farming in 1975 with his father and brothers. He put out the first crop of his own in 1983, and currently farms 70 acres of tobacco, 2,000 acres of raw crop, beef cattle, straw and hay, and some vegetables.

He received a degree in accounting from the University of Kentucky in 1975.

He and his wife Lois Whitaker Kuegel have two sons.

**Statement of
Rod Kuegel
President, Burley Tobacco Growers Cooperative, Inc.
Regarding the Release of the Core Principles
Between the Tobacco Producers and the Public Health Community**

I am Rod Kuegel, a tobacco farmer from Kentucky and president of the Burley Tobacco Growers Co-Op.

Back home in our community, we put families first and farms second. That's why our tobacco growers chose to participate in this broad-based organization gathered here today. Our farmers are serious about limiting youth access to tobacco products. That common thread links us to these health organizations.

None of us want America's youth to use tobacco products. All of us support strong educational efforts to help young people stop using tobacco products. And all of us believe that -- whether in the past, present, or future -- it is wrong to direct tobacco advertising at young people. We want that practice stopped.

We all agree upon these core principles to protect America's children from tobacco. But this broad-based group also agrees that tobacco farmers cannot raise their children without a tobacco program.

For our farmers, public health is more than vaccinations and blood pressure checks. It is also the well being and quality of life within our small, rural communities. And the economic life blood in those communities is the tobacco program. Without it, our farmers will not have the money to buy health insurance. They cannot pay medical bills, and they cannot make mortgage payments.

My friends in these health organizations know that this program actually limits U.S. production of tobacco, and that it holds leaf tobacco prices at a higher level than what manufacturers would normally pay.

Our Kentucky tobacco growers also understand the program's importance. That's why they recently gave 97 percent approval rating by referendum votes to continue the program.

These, then, are the reasons that we tobacco farmers have joined the efforts of these distinguished health groups, and why they support our rural communities.

In the near future, we tobacco growers also encourage this same group to endorse a comprehensive tobacco settlement that not only keeps tobacco products away from children but that also keeps our family farms sustainable.

#

urgent

f a c s i m i l e

To: **'Christa Robinson, Barbara Wolley'**
Company:
Fax Number: +1 (202) 456-7431
Business Phone:

From: **John Mark Hack**
Fax Number: +1 (502) 564-2849
Business Phone:
Home Phone:

Pages: 3
Date/Time: 4/7/98 9:50:12 AM
Subject: President's Roundtable for Kentucky Visit

Other names as promised. Please call me at 502-682-9672 if necessary.

Carrollton
502-732-6460

FARMER (FEMALE, AFRICAN-AMERICAN):

Mattie Mack
502-422-2838

This is the one with the hundreds of
foster children and grandchildren

Commodity Growers Cooperative Association
in affiliation with the Burley Tobacco Growers Cooperative Association

Board of Directors

Rod Kuegel
President
Owensboro, KY

Danny McKinney
Vice-President
Brodhead, KY

Harold E. Prather
Chair
Lexington, KY

Billy E. Courts
Dry Ridge, KY

Tommy Robertson
el, KY

Ralph Singleton
Castle, KY

Mike Slaughter
Horse Cave, KY

F dent
Emeritus

John Berry, Jr.
New Castle, KY

Special Advisor

Wendell Berry
Port Royal, KY

Memorandum:

To: Tom Freedman
Office of Domestic Policy
The White House

From: Karen Armstrong-Cummings  Commodity Growers Coop

Date: April 2, 1998

Subject: Tobacco Farmers and Farming Communities

We had discussed the tobacco farming provisions of any prospective national tobacco policy and you asked that I fax any further suggestions. We are extremely pleased, of course, to see major components of the LEAF act included in the "National Tobacco Policy and Youth Smoking Reduction Act," particularly Title X, Long-Term Economic Assistance for Farmers. Given the future potential disastrous impact on small and mid-sized farms and farming communities for changes in tobacco production, the administration and management of the "Tobacco Community Economic Development Grants," (Section 1023) require considerable attention, monitoring and accountability. Simply put, this program could either terminate forever the nation's strongest family farm system or could demonstrate to the world that rural economic development can be farm-based, facilitating locally-owned value added farm businesses which complement local farm production. We suggest certain changes are needed to ensure the latter option.

From recent surveys of tobacco farmers, they are most profoundly concerned about the ability simply to continue farming, given changes in tobacco's future. Since it is the tobacco farmers, their families, and local institutions that are most impacted by this legislation, **we feel that the farmers and farm families' needs should be the primary focus for local economic development efforts.** Simply put, farmers do not want to see tobacco dollars, through the "Tobacco Community Economic Development Grants," used for new factories, shopping malls and non-farm development that will take children away from farms and convert rural farmland to suburban sprawl. These grant funds, in fact, could provide the opportunity for farm-based entrepreneurial development and other agricultural revitalization, envisioned in our National Commission on Small Farm's report, rather than directing development away from farmers and farming communities. But to achieve these goals they must be properly administered, with significant farmer input in design, administration, management and monitoring of a program.

While we in Kentucky feel quite certain that State administration of this program would include extensive input and advice from farmers and the farming community, we do not

have that certainty about other tobacco-producing states. This is particularly true where Governors do not have the same type of understanding and appreciation of family farms and rural communities as does Governor Patton. We recommend that this section (Sec. 1023, (b)) be amended, at a minimum, to include a requirement that State applications be prepared in consultation with an Advisory Board of farmers, or more appropriately, that farm groups and organizations have the authority to submit proposals directly to the Secretary. Alternatively, the USDA could establish a farmer-managed application and review process, similar to the Sustainable Agriculture Research and Education program which has been highly successful in involving farmers directly in research, training and demonstration projects.

We urge you, President Clinton, Vice-President Gore and Secretary Glickman to seriously consider the important goal of **continuing a prosperous and sustainable family farm system**, through the effective management of tobacco community economic development program with some amendments to this section.

In addition, while we are quite pleased that Secretary Glickman selected Kentucky as the location of his first Farm Forum in this series, we request you to remind President Clinton of our invitation of December 17, 1997 (attached letter). Now more than ever, we urge the President to meet directly with tobacco farmers, farm families, and Kentucky's community of rural citizens whose future will be forever changed by current events in Congress. And of course since he's interested in meeting the national championship University of Kentucky Wildcats basketball team (Go Cats!), he could combine those visits with a trip to our beautiful bluegrass state sometime soon. We appreciate your interest and concern with these issues and I personally look forward to meeting with you tomorrow.

cc: USDA Secretary Dan Glickman
 Governor Paul Patton
 John-Mark Hack

Commodity Growers Cooperative Association _____
in affiliation with the Burley Tobacco Growers Cooperative Association

Board of Directors

Rod Kuegel
President
Owensboro, KY

The Honorable William J. Clinton
President, United States of America

Danny McKinney
Vice-President
Brodhead, KY

The White House
Washington, DC

Delivered 12/7/97

Harold E. Prather
Chair
Lexington, KY

Dear President Clinton,

E. Courts
Dry Ridge, KY

Tommy Robertson
Bethel, KY

Singleton
New Castle, KY

Mike Slaughter
Horse Cave, KY

President
Emeritus

John Berry, Jr.
New Castle, KY

Special Advisor

Wendell Berry
Port Royal, KY

As a member of the National Commission on Small Farms, I sincerely appreciate your interest in the future of small farms and rural communities. On behalf of the 150,000 tobacco farmers in Kentucky, Ohio, Indiana, West Virginia and Missouri, we encourage you to highlight this concern for small farms by conducting a Presidential Summit on Farming Communities in Kentucky. Kentucky's 89,000 farms, the large majority of which are tobacco farms, face the most uncertain future of any small farms in this nation.

In addition to our region's farms, tobacco accounts for half or more of total farm sales on nearly one-third of African American-operated farms in the east coast states from North Carolina to Maine. For decades these farms and communities have relied on a partnership between the federal government and our farm organizations, a partnership originated over fifty years ago. In the upcoming Congress, this partnership, the tobacco price support program, will be reexamined in light of the proposed global tobacco settlement.

We request your personal attention to any restructuring of this historic program and to the future of farming communities whose economies, culture and environmental quality are intrinsically linked to tobacco farming. We urge you, your Cabinet and Congressional leaders to meet our local community leaders -- farmers, physicians, business people, church leaders and ordinary citizens -- in a Presidential Summit on Farming Communities.

Words cannot express my appreciation for this opportunity to meet with you, your staff, Secretary Glickman, Congresswoman Clayton and farmers from around the nation. We truly believe that the concerns of small tobacco farmers, particularly African American farmers, and our communities deserve your continued attention. We encourage you to maintain the focus that a Summit might bring to small farmers, African-American farmers, and all farm families and offer our assistance in any way possible.

Sincerely,

Karen Armstrong-Cummings
Commodity Growers Cooperative

Rod Kuegel, President
Burley Tobacco Growers Coop

**The President's Summit on Farming Communities -
A Proposal to the Honorable William J. Clinton, President of the United States
from the Burley Tobacco Growers Cooperative and the
Commodity Growers Cooperative**

We, the tobacco farmers of Kentucky, Ohio, Indiana, West Virginia and Missouri, invite President Bill Clinton to conduct a Presidential Summit on Farming Communities in this nation's most tobacco income dependent state - Kentucky. We request that you and this Congress carefully examine the success of the tobacco program, clearly evaluate and build on its economic, social and environmental successes and challenges in considering and crafting plans for this region's future.

We invite you to conduct a Summit Roundtable similar to the successful 1993 Northwest Forest Summit in Oregon, crafting a plan with those who care about the future of our rural communities, those of us who live in the tobacco farming states. This dialogue would enable local people to describe the highly complex, but highly successful, tobacco program, particularly the farmers and the communities, towns and cities directly affected by tobacco income. Together with your leadership, we can build a plan to restructure, equitably, the existing partnership which sustains our land, our communities and our economy. This dialogue should include our health community-- our local doctors and health officials who live in communities supported by tobacco farmers' income.

Throughout this nation our small farmers, particularly those who are African-American and limited-resource farmers, are calling upon this Administration to act, today, for our farming communities' future. Nowhere are farm families and communities experiencing a future so uncertain as those in tobacco producing states. The upcoming National Commission on Small Farms' report, coupled with pending Congressional debates on the global tobacco settlement, provide this Administration an unprecedented and historic opportunity to lead America's small farms and rural communities into a more prosperous and sustainable future.

America's tobacco farming regions need this nation's understanding and involvement today unlike any other time in our country's history:

- o Over 100,000 small farms, owned by more African-Americans than in any other region of the country, annually renew our connections to the land through spring plantings and fall harvesting, knowing it is not just the crop but the tobacco program that sustains farms and communities;

- o Our farming communities' partnership between the federal government and tobacco farmer organizations originated when national economic wizard Bernard Baruch worked with tobacco farmers, developing a system, equitable for farmers--a highly successful partnership enduring over five decades;

- o The global tobacco settlement's potential economic impact on tobacco production and current Congressional trends to uncouple government from farming, ensures that small farms, particularly in the Appalachian areas of Kentucky, West Virginia, North Carolina, Tennessee and Virginia, will fail and our communities will deteriorate. America's tobacco producing Appalachian mountain counties are this nation's most tobacco-income dependent counties, since off-farm income is sometimes nonexistent and tobacco constitutes most agricultural production.

A Presidential Summit, involving you, our Congressional leaders, and the many federal agencies involved in the complex issue of tobacco production and control, would enable an open examination and dialogue about the future of this region. Farmers, community, church and civic leaders, whose future will be forever changed by actions of your Administration and the 1998 Congress could discuss openly, and devise together, a Presidential Plan for Sustaining Farming Communities, targeted on the tobacco region whose farms are most at risk. We offer our support and look forward to assisting under your leadership.

Background Information presented to the National Commission on Small Farms

Even before members of Congress began submitting bills to phase out the tobacco program, farmers and farm organizations spoke to the National Small Farm Commission of uncertainty and hopelessness pervading the tobacco farming communities, pleading with the Commission to consider the special needs of this farming population. For over five decades, small farmers, African-American farmers and new and beginning farmers in these states have been cushioned from many economic pitfalls facing other farmers, by a tobacco price support and production control program. This partnership between the federal government and tobacco farmer organizations originated with an historic federal government and farmer partnership when national economic wizard Bernard Baruch work with tobacco farmers and develop a system that was fair and equitable for farmers.

The resulting tobacco program, not simply the crop itself, has enabled small farmers to experience a comfort unlike any other farm group -- assurance and certainty based on a system that works. Not a subsidized system, the tobacco program's success has often further clouded dialogue as uninformed groups urge farmers to take up "alternatives to tobacco." Such misguided advice fails to recognize that even green bean farmers, given such a program and market structure, would fight to their death any attempt to change.

As tobacco farmers participate in other agricultural markets, they count the dwindling profits from other products, and watch neighboring dairy and livestock farmers failing. Tobacco farmers are perplexed by well-intentioned, though profoundly faulty offerings that others say are "alternatives." It's not just the tobacco crop for which there is no alternative, but the tobacco program.

Support structures, the lack of which have haunted other farmers without such opportunity, include access to credit, market stability, a farmer-based decision-making structure, and decades of production experience. This structure provides the autonomy to experiment with other crops and products. Most importantly, the tobacco program has enabled small and African-American farmers throughout the south and Appalachian regions to continue farming, even as pressures mounted from all sectors of society to replace the crop with another.

Throughout these decades, farmers, frustrated by community and often their own families' urging, have worked to supplement or replace the crop, experimenting with a vast range of alternatives. Throughout these decades, farmers continue to rely on tobacco. Baffled that few understand the program's importance, a refrain from the stymied tobacco community reverberates that, "It's not just the crop, it's the tobacco program."

It is no accident that the tobacco states and communities, including North Carolina, Kentucky, Tennessee, South Carolina, West Virginia, Virginia and Maryland, also represent among the highest concentrations of small and African-American farms. Tobacco income is particularly important to limited-resource farmers, African American farmers and the Appalachian regions of the upper South. In these same areas, again in the mountain regions, off-farm income is limited or nonexistent, poverty rates are high, and tobacco farm income constitutes a greater portion, not only of agricultural income, but overall economic income.

In the Appalachian counties of Kentucky, the tobacco-income dependent counties include those farmers most at risk in our nation. In Eastern Kentucky's Owsley County, for example, the poverty rate in 1990 was 50%. Because of the limited availability of off-farm jobs, agriculture is the area's dominant income and the dominant agriculture is tobacco. Welfare reform has only further increased tobacco's importance to the communities.

In the 18th Annual Family Farm Report to Congress (1993), the USDA reported that although the Corn Belt had the largest number of farms in 1993, the Appalachian Region (Kentucky, North

Carolina, Tennessee, Virginia and West Virginia) was second with 299,000. "Farms, however, were considerably smaller in the Appalachian Region than the Corn Belt in terms of average acres, average gross cash income, and average gross sales," adding that 85% of America's tobacco farms are in this region.

The USDA reported 91,787 tobacco farms, with 147 acres (mean acres operated), producing \$32,000 (mean gross cash income), and as shown in the following table, the tobacco states correspond to those states with large numbers of small farms.

Share of small farms within tobacco states*

State	Percentage of Small Farms in the State
Indiana	55
^Kentucky	73
^North Carolina	63
Maryland	61
Missouri	67
Ohio	61
South Carolina	76
^Tennessee	82
^Virginia	74
^West Virginia	88

^{92 Ag Census} : ^Indicates Appalachian Region state where 85% of tobacco is produced.

*This listing does not include states such as Connecticut and Pennsylvania where tobacco accounts for only a very small portion of overall agricultural production.

Tobacco, grown primarily in the upper South where many African American farms are concentrated, has provided stability and profits as their "supplemental" farm products have failed. According to the 1992 Census of Agriculture, tobacco accounts for half or more of total farm sales on nearly one-third of African American-operated farms in the east coast states from North Carolina to Maine.

Although tobacco production has been a source of controversy for years, the tobacco program more recently became the focus of more concerted and serious examination with the landmark "global settlement" between the states attorneys general and the tobacco companies in June of 1997. This 368 billion dollar settlement, if approved by Congress, will drastically change federal regulatory and health policy regarding tobacco sales, distribution and by all predictions, tobacco production. The tobacco farmers and the tobacco price support program were not addressed in the proposed tobacco settlement.

Since June, several major Congressional proposals have been introduced affecting both the tobacco product sales, tobacco production and the tobacco program. Even since the Commission's single meeting in tobacco country, held in Memphis shortly after the settlement was announced, Congressional hearings have begun on the tobacco settlement and bills have been introduced to end the tobacco program.

The Commodity Growers Cooperative requests President Clinton, the Administration's Cabinet, USDA in particular, and Congress to carefully study, within the next sixty days, the success of the tobacco program, and to clearly evaluate the economic, social and environmental impact of program changes. This study would assess the complex social, economic and environmental impact of the federal price support's 50 year program in the tobacco-producing states, particularly with input from the farmers and the communities, towns and cities directly affected by tobacco economy.

This study must examine the range of social and economic factors associated with the tobacco

price support and production control program, the interaction of this program with regional social and economic systems, and the program's impact on small farmers, African-American farmers, rural communities and urban centers in and Southern region of the United States, developing recommendations for systems and processes to stimulate and sustain local economies in the event that the tobacco program is phased out.

The USDA should conduct this review jointly with other partners and agencies concerned with the full range of a healthy community, including other federal agencies, such as the:

- o Federal agencies: Appalachian Regional Commission, Department of Commerce, Environmental Protection Agency, Health and Human Services, Housing and Urban Development, Department of Labor, Tennessee Valley Authority;

- o State and local governments, including associations such as the Southern Governors Association, the National Association of Counties, National League of Cities, which provide liaison with state and local governments;

- o Private sector representatives including farm service and supply businesses, banks and other lending institutions, manufacturers and small businesses, and organizations which work with local private sector groups; regional and locally based community development corporations;

- o Farm organizations and cooperatives; and,

- o Nongovernmental organizations working with farmers, rural development, public health and community economic development.

The USDA should request and assist the Office of the President, jointly with states' Governors and Congressional delegations, in convening town meetings and community gatherings throughout the tobacco producing states to solicit input and recommendations for sustaining healthy tobacco communities, particularly where small and limited-resource farmers, African-American farmers, and new and beginning farmers operate. The USDA, together with the President's Commission on Sustainable Development, should examine and assess, in addition to the tobacco program, the systems and programs for ensuring farmer-based, locally driven community development consistent with good stewardship of the region's natural resources.

The USDA, Congress, and the Office of the President should consider targeting the National Commission on Small Farms' suggestions and recommendations which concerning access to credit, market development and opportunities and new farmer initiatives to the tobacco producing states and communities for priority testing and implementation in 1998, based on the lessons learned from the assessment described above and the process for its development.

As outlined in the discussion presented above, all tobacco farmers in these states currently have a safety net which Congress is considering cutting out from under them, thus all tobacco farmers, their communities and urban centers will be at great risk, the extent of which is currently only speculative. Agricultural economists in Kentucky estimate that as many as 50% of the tobacco farms could be eliminated, if the tobacco program is terminated, primarily the small farms. The small, limited-resource and African American farmers, who are also tobacco farmers, are concentrated in these states and should be provided the immediate opportunity for testing and developing the new systems in particular.

urgent

f a c s i m i l e

To: **'Christa Robinson'**
Company:
Fax Number: +1 (202) 456-7431
Business Phone:

From: **John Mark Hack**
Fax Number: +1 (502) 564-2849
Business Phone:
Home Phone:

Pages: 4
Date/Time: 4/6/98 6:31:29 PM
Subject: Kentucky Roundtable Suggestions

More coming. Here's what I have for now.

April 6, 1998

TO: Christa Robinson, White House Domestic Policy Office

FR: John-Mark Hack, Governor Paul Patton's Office

RE: Names for Roundtable in Carrollton

NAMES FOR PRESIDENTIAL ROUNDTABLE - KENTUCKY

Jay Montgomery
Youth Minister
First Baptist Church, Carrollton
(502)732-0612

*Kevin Gibbs
Youth Minister Tobacco Heaven
Maysville, KY
A.P.*

*Recommended by the Superintendant of Schools. Very popular with young people. I'm unsure of his political affiliation. We're not committed here. Just a suggestion. I'll forward another one tomorrow morning.

① Rod Kuegel
President, Burley Tobacco Grower's Cooperative
(502)771-4764 (home)
(502)~~231-9804~~ (mobile) *929-0280*

***Rod is a must for us.** He's bright, articulate and astute. A good Dem, he's President of an organization that represents 150,000 tobacco farm families in five states. 45 years old, Farmer, elected to Board of Directors of Co-op 1986, President in 1992. Farms tobacco, beef cattle, corn, soy beans, wheat, straw, hay, "potatoes", tomatoes. Undergrad in Accounting from UK. Baptist, Lions Club, Daviess Co. Democratic Exec. Committee, Kentucky Farm Bureau. Represents 27 Kentucky counties on Burley Board, and **five states as President of Burley Co-op**

Karen Armstrong-Cummings
Director, Commodity Grower's Cooperative
National Small Farm Commission Member
(606)233-7845

*Karen would make an excellent addition to any discussion about the future of small farms in Kentucky.

4

Bill Sprague
President, Kentucky Farm Bureau
(502)495-5101 (number for David Beck, Farm Bureau Exec. Dir.)

*Not necessarily a friend of our's, but represents the largest farm organization in Kentucky. Shouldn't be left out.

Billy E. Courts
Vocational Agriculture Teacher, Grant County High School
(606)428-1138 (home)
(606)824-6445 (work - school)

*works with young people going into Agriculture.
Definitely not a must for us, but a good option for you.

NOTES:

I'm faxing under separate cover a statement issued by Rod Kuegel relating to the Core Principles released by the Tobacco and Health group a few weeks ago, and the press release they issued. I'll fax the actual Core Principles tomorrow morning.

I'm still working on the names for the parent, the student, the warehouseman, and the famous grandmother of 37. Will forward those tomorrow as well.

If you need to reach me tomorrow after 10:30AM, call 502-682-9672.

What about an African-American tobacco farmer?

tion. Many times on bikes.

who are attending the academy. I truly

Covington

President makes statement about courage with visit

Welcome to the Bluegrass State, Mr. President!

Kentuckians who don't have their heads hidden somewhere near their shirttails are happy you're here. We wish you well.

You might say we wish upon a falling Starr.

Yeeessssss-hah!

Plenty of us are just flat out tickled to hear you'll be visiting. I also say hats off to you for coming into territory where you — and Mrs. Clinton — have taken more than a few vitriolic shots in the public discourse. For that reason, your visit Thursday may be one of the more politically courageous presidential visits since your hero JFK went to talk to the Houston ministers in 1960 to show them how easy it would be to vote for a Catholic.

And he had to go there to get elected. You don't have to come here because you're not running — unless, as someone I heard the other night suggest, we change the Constitution so you can have a third term.

WILLIAM



WEATHERS

Wisconsin where he came from.

I had the good fortune to ask Mrs. Clinton a few questions when she opened your Covington campaign office in '92. I asked her if she didn't — sometimes, when she was being completely honest with herself — wish she were the candidate. She looked a tad startled, grinned broadly and said, "You've got to be kidding me!"

Another thing she did that day was turn a self-effacing comment by Judge Raymond Lape — an estimable, respected jurist who has the affection of many of us — into a public pat on the back. When Mrs. Clinton and Judge Lape

Just to give you the flavor of the worst of it, an individual over near Owensboro a few years ago burned Mrs. Clinton in effigy because of tobacco issues. But he wasn't a true Kentuckian, and many of us hoped he'd go back to

were introduced, he was in shirt sleeves and said "Oh, my gosh, you're seeing all the tattoos of my misspent youth."

A few minutes later, out on the stump, Mrs. Clinton warmly and deftly turned that comment into her own patriotic compliment to the judge's Navy service: "His 'misspent' youth was spent trying to ensure that America was a leader," she told the crowd.

Also on that visit, she wowed another group with her ability to recall the name of each child in a class she had met briefly.

Yet while many of us react appreciatively, make no mistake. These Kentucky woods shelter some misguided Kentuckians who listen to all the radio demagogues, the ones who never tire of baiting you. Then they talk amongst themselves, sort of circling and sniffing.

It must be hard for these guys who can't stand you. After all, unemployment — aside from its terribly high rates among young African American men — is almost nil. We are at peace. Welfare is undergoing long-needed re-

form. The federal budget's almost balanced. They won't give you any credit for this, although you're in the middle of your second term.



President Bill Clinton

would let them do to you what they couldn't do at the polls.

So until the end of your final term, I say it's nice to have a guy in the White House who can play the sax, a guy who really likes Elvis — especially after guys in the White House like Nixon, Reagan and Bush. (Remember when JFK, in 1960, asked Ted Sorensen, I think it was, something like: "Hoover?

Landon? Dewey? Nixon? Where do they get these guys?")

Stan Chesley introduced you to his guests the other night as the greatest president, and lots of people who heard about it in the news ridiculed the remark. But take heart in the fact that the people doing the ridiculing often are those who can't see the truth when it walks right up to them.

They are the same people who criticize Chesley for being a fat cat, when in reality, as The Post's Washington bureau reporter, Bill Straub, pointed out in a recent column, Chesley became what he is by standing squarely on the side of the little guy.

Maybe Chesley's "greatest president" remark was hyperbole, but, hey, we're living in days when some fellow is actually running around raising money to put Ronald Reagan's mug on Mt. Rushmore.

For my money, Chesley has a better grip on reality.

William Weathers is assistant city editor for The Post.

Post-It® Fax Note	7871	Date	# of pages
To: Melinda Alter	From: D. Schumacher		
Co./Dept: White House	Co: Ky. Post		
Phone: Library	Phone: 202-292-2676		
Fax: 202-456-6569	Fax:		



Post staff report
It was a brief day, but a hard day for Justin Rahschulte Monday.
Rahschulte, a senior left-hander, pitched a five-inning no-hitter as the Boone County High School baseball team

Boone's Rahschulte res five nn ng no-hitter