

The Shrinking Role of Tobacco Farming and Tobacco Product Manufacturing in the United States' Economy



National Tobacco Farming Trends

Tobacco farming in the United States has been shrinking for years, with fewer tobacco farms producing less tobacco and playing an increasingly smaller role in the country's economy. In 2005, the \$10 billion buyout of tobacco farmers and quota holders as part of the termination of the federal tobacco price support program sharply accelerated these trends. Smaller family tobacco farms are no longer the rule but the exception, as larger agribusinesses have taken their place.

Tobacco Farm Trends, United States

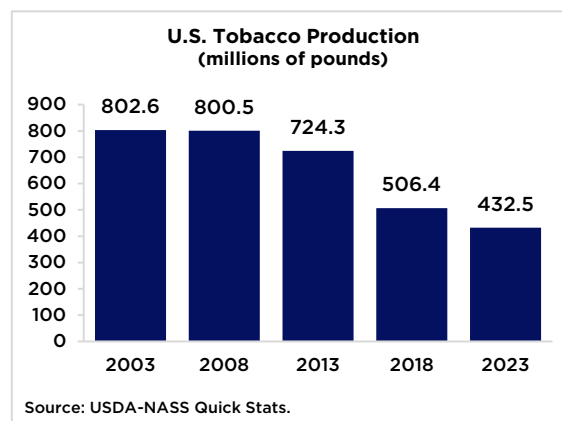
	2002	2012	2022	2002-2022 Change	2002-2022 Change %
All Farms in the U.S.	2,128,982	2,109,303	1,900,487	-228,495	-10.7%
All tobacco farms	56,977	10,014	2,987	-53,990	-94.8%
Tobacco farms of less than 50 acres	55,156	1,561	459	-1,102	-70.6%
Total farm acreage in the U.S.	938,279,056	914,527,657	880,100,848	-58,178,208	-6.2%
Tobacco farm acreage	428,631	342,932	207,494	-221,137	-51.6%
Tobacco farm acreage - percent of total	0.05%	0.04%	0.02%	NA	NA

Source: U.S. Department of Agriculture, *2022 Census of Agriculture*, February 2024, and earlier editions (Census is done every five years), <https://www.nass.usda.gov/AgCensus/>. NA = Not Available.

The trends in the amount of tobacco harvested in the U.S. reflects the declines in tobacco farms. In the past 20 years, tobacco production in the U.S. has declined 46.1 percent, to 432.4 million pounds harvested in 2023.

National Tobacco Product Manufacturing Employment

In 2021 (the most recent year available), tobacco product manufacturing employment made up one-tenth of one percent of all manufacturing jobs in the U.S. Even in the two states with the most tobacco manufacturing (North Carolina & Virginia), related employment makes up less than 2% of all state manufacturing jobs, and even smaller fractions of total employment.



Tobacco Manufacturing Employment Trends, United States

	1997	2003	2015	2021
Total U.S. manufacturing employment	16,885,806	13,865,811	11,168,264	11,205,977
Tobacco product manufacturing employment	33,635	24,516	12,972	11,248

Source: U.S. Census Bureau, Annual Survey of Manufactures, data for 2021 are the most recent available.

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National Sales of Cigarettes

Taxed cigarette pack sales have also declined considerably in the United States over the past decade, making them a less significant factor in total retailer sales.

Total Annual Cigarette Pack Sales				
1997	2013	2023	1997-2023 Change %	2013-2023 Change %
23,046 million	13,505 million	9,109 million	-60.5%	-32.6%

Source: Orzechowski & Walker, *The Tax Burden on Tobacco*, 2023, annual industry-funded historical compilation.

The Toll of Smoking and Other Tobacco Use in the U.S.

While the number of farms and jobs from tobacco farming and manufacturing have been declining sharply in the United States, the harms and costs from smoking in the state remain high. For example:

- Smoking-caused deaths in the U.S. each year: 490,000+
- Annual smoking-caused excess healthcare costs in the U.S.: \$241.4 billion

Source: U.S. Department of Health and Human Services, *The Health Consequences of Smoking: 50 Years of Progress: A Report of the Surgeon General*, 2014. Healthcare costs in 2018 dollars. Shrestha, SS, et al., "Cost of Cigarette Smoking–Attributable Productivity Losses, U.S., 2018," *American Journal of Preventive Medicine* 63(4):478-485, July 27, 2022.

More active federal efforts to prevent and reduce smoking and other tobacco use would improve public health; save lives; increase worker productivity; reduce government, business and household costs; and strengthen the state’s budget and economy.