

Conclusion

This report has presented information about the economic importance of tobacco and the likely economic impact of decline in the tobacco industry. Its aim is to inform policymakers, community and business leaders, farmers, and others who are concerned about the economic effects of antismoking policies.

Loss of tobacco income and jobs will have little noticeable long-term effect on the U.S. economy as a whole, but there will be difficult transitions for many farmers, workers, businesses, and communities. In the long run, workers, land, and capital released from tobacco-related activity will be shifted to other sectors, but there will be difficult transitions in the short run for workers with specialized skills and those with few alternative opportunities. Tobacco growers, manufacturers, and leaf dealers will be adversely affected, as will many small retail establishments that rely on

tobacco sales for a large share of their income. The Southern United States, where tobacco is grown and manufactured, will experience negative impacts, especially in the Piedmont area of Virginia/North Carolina and Appalachian burley-growing regions. In these regions, farms tend to be small, production costs are high, and relatively few alternatives are available. Elimination of the tobacco farm program would lead to dramatic changes in the structure of tobacco farming. Declining cigarette production will lead to the loss of high-paying jobs, but cities where tobacco manufacturing is important are experiencing healthy growth in other sectors.

A variety of different types of transitional assistance could aid workers, farmers, and communities in adjusting to a smaller tobacco industry. Much assistance is already available, but a coordinated effort to address the special problems of tobacco growers and their communities may be helpful.