

## **Testimony for Senate Finance Committee Hearing**

**February 11, 2009**

**Presented by**

**George Mann**

Good morning Chairman Browne and the members of the Senate Finance Committee. I'd like to thank you for the opportunity to appear before you today at this hearing to address taxes on smokeless tobacco and cigars. My name is George Mann and I am a tobacco grower from Lancaster County. I am the 6th generation of my family to be involved in the production of tobacco. I am here today to express my opposition to any additional taxes on tobacco products.

Since purchasing my home farm I have raised between 20 and 35 acres of tobacco a year. The reason I raise this crop is simple -- it is the number one cash crop available to me and the other farmers in my area. On a typical year I can expect to clear \$1500 to \$2000 an acre on tobacco. By contrast I would consider it a very fortunate year if I cleared \$300 to \$400 an acre on commodity crops such as corn and soy beans. Although I have other crop income and I have a poultry production unit, I rely heavily on tobacco to maintain my overall business. Tobacco helps me employ two people full time and a number of others on a seasonal basis. The money from this crop also helps to pay my mortgage and taxes.

Even though tobacco is the number one cash crop and has recently been raised on a growing number of acres in the Commonwealth, the cost of production has in some ways outpaced growth in gross revenue. Therefore, any additional tax which could affect consumption would have a real and immediate negative financial impact on the growers. Most tobacco farmers are family farmers who in a lot of cases are highly leveraged and don't have large incomes. Transitioning from tobacco to another high value crop would involve capital costs which in a number of cases would be prohibitive.

In recent years much has been done to help preserve farmland and the family farmer. The tax payers are paying hundreds of millions of dollars to preserve agricultural land in Lancaster and other counties in the Commonwealth. If this tax is passed, it will be a blow against all of these efforts. I respectfully ask the committee to continue its opposition to additional taxes on this Pennsylvania grown product.

Again Mr. Chairman, thank you for the opportunity to speak today. If you or your committee members have any questions, I'd be happy to answer them.