North Carolina

- Allocation in 1999: For both flue-cured and burley, half of the payments go to growers and half to quota owners.
- Payment Basis in 1999: **Flue-Cured:** Payment is based on lost quota in 1999 ($1.37 per pound). Growers receive $0.68 per pound and quota owners receive $0.68 per pound. **Burley:** Burley growers are paid $0.32 per pound actually marketed in 1998. Burley quota owners are paid $0.68 per pound of lost quota in 1999.
- Status of 1999 Payments: Checks totaling $81 million were mailed to 58,000 growers and quota owners in January. A second round of checks near $24 million is scheduled to be mailed to 8,000 growers and quota owners in early March. Another round of payments will be made April 15, once estate and quota ownership disputes are settled.
- Other Issues/Information: Some growers are pressing officials to consider issuing bonds based on expected future payments to give growers/owners the option to receive money up front rather than spread out over 12 years. The governing board has not expressed significant interest in this alternative. North Carolina Phase II Settlement Administration Services: 1-888-566-9599 (http://www.phase2.wcsr.com).

Kentucky

- Allocation in 1999: One-third of the payments go to the quota owner, and one-third to the grower/tenant of the quota, one-third to the growing farm.
- Payment Basis in 1999: Payments to quota owners are based on 1998 basic quota ($0.0865 per pound). Payments to growing farms and growers/tenants are based on the average of 1998 marketings and 1998 effective quota ($0.0784 per payment pound).
- Status of 1999 Payments: Applications were due in October. Payments totaling $109 million were distributed by December 31, 1999. Average check, statewide, was $429.35. Kentucky had a very high response rate in application process, and very low administrative and processing expenses.
- Other Issues/Information: Legislation has passed to exempt Phase II settlement payouts for tobacco farmers from state income taxes. Any funding farmers may receive from Phase I would also be exempt by the same legislation. Kentucky Tobacco Settlement Trust: 1-800-732-9955 (http://kytobaccotrust.state.ky.us/).

Tennessee

- Allocation in 1999: Burley growers receive 80% of payments, quota owners receive 20%.
- Payment Basis in 1999: Payments to growers are based on actual marketings in 1998, which amounts to a payment of $0.23 per pound marketed. Payments to quota owners are based on 1998 basic quota. Payments to quota owners are $0.05 per pound of basic quota.
- Status of 1999 Payments: 78,000 certification forms were mailed in early December. The original application deadline (12/31/99) was extended to 1/28/2000. About 75% of all forms have been returned, with very few appeals or disputes. Checks are expected to be mailed in April (pending state approval of the MSA).
- Other Issues/Information: Growers and owners of quotas for dark tobaccos are not eligible for Phase II payments. Actual disbursement of funds is being held up until Tennessee achieves state specific finality for the MSA (settles all suits and exhausts appeals). Tennessee Tobacco Growers Trust: 1-877-332-0711 (http://www.picktnproducts.org/trust/).
Virginia

- Allocation in 1999: Flue-cured payments split evenly between growers and quota owners. Burley producers receive 75% and quota owners receive 25%.
- Payment Basis in 1999: Flue-cured: Payments to producers and quota owners are based on 1998 basic quota ($0.1278 per pound of basic quota). Burley: Payments to producers are based on the average of effective quota and marketings in 1998 ($0.1353 per pound); payments to quota owners are based on basic quota ($0.574 per pound).
- Status of 1999 Payments: With more than 90 percent of payments certified, checks totaling $21.6 million were mailed to roughly 40,000 quota owners and growers in early January. The average payment was about $540. Further payment rounds will follow.
- Other Issues/Information: Board decided in January that payments for the first 6 years would all be based on production and quota arrangements in place in 1998. Even if a grower ceases to grow tobacco or if a quota owner sells his quota, he will still receive Phase II payments over the next 6 years based on quota ownership and/or tobacco grown in 1998.

South Carolina

- Allocation in 1999: Flue-cured growers and quota owners each receive one half of the payments. In cases with tenants, the growers’ half is further split (50/50) with tenants.
- Payment Basis in 1999: Flue-cured: Payments to quota owners are based on basic quota owned in 1998 ($0.125 per pound of basic quota). Burley: Payments to producers and/or tenants are based on actual marketings in 1998 ($0.125 per pound marketed). Quota owners growing their quota receive $0.25 per pound.
- Status of 1999 Payments: Initial checks were mailed to growers and quota owners at the first of the year, and another 1,500 checks will be mailed in early March. About two-thirds of all payments have been certified, with another round of payments expected in April. 95 percent of all funds will be paid by April.

Georgia

- Allocation in 1999: Payments are split 50/50 between flue-cured growers and quota owners.
- Payment Basis in 1999: The payment rate is $0.25 per pound of 1998 basic quota, where a grower receives $0.125 per pound and quota owner receives $0.125 per pound of basic quota.
- Status of 1999 Payments: About two-thirds of the state’s 3,600 quota owners have been verified. Some (but not all) of the checks have been mailed. Other rounds of checks are expected to be mailed out by early March and again in April.
- Other Issues/Information: Georgia Tobacco Hotline: 1-800-659-7288 (http://www.cropsoil.uga.edu/).