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RJR to buy tobacco stockpiles

● R.J. Reynolds Tobacco says it will buy surplus tobacco from farmers.

The Associated Press

WINSTON-SALEM — R.J. Reynolds Tobacco said Wednesday it had reached an agreement to buy fine-cured tobacco stockpiles and help farmers avoid a quota cut in 1995.

But the announcement from the Winston-Salem cigarette maker was the only definite word that progress had been made in talks to reduce the stockpile. Tobacco companies have until today to declare their intentions to buy stockpiled tobacco.

If stockpiles aren't reduced to the level required by law before Dec. 15, quotas for 1995 tobacco production will be cut by the U.S. Department of Agriculture. Quotas

are the number of acres of tobacco allowed per state and determine how many farmers can raise tobacco and how much each can grow.

"We are pleased to have reached an agreement in principle with fine-cured tobacco stabilization representatives that we believe will help fine-cured growers avoid large quota cuts in 1995," R.J. Reynolds said in a statement.

"We are now working out the

details of that agreement."

The Reynolds' statement said Sen. Jesse Helms, R-N.C., was helpful in achieving the agreement. No one in Helms' office could be reached immediately to discuss it.

One major congressional negotiator is Rep. Charles Rose, D-N.C., but his office said there was no immediate word on agreements.

The negotiations were started to persuade tobacco companies to buy

the stockpiled American tobacco. Tobacco is bought and stored during auctions by the Fine-Cured Tobacco Stabilization Cooperative Corp. in Raleigh and several other tobacco co-ops to stabilize prices for farmers.

By federal law, the fine-cured co-op is allowed store 15 percent of the previous year's quota of tobacco, or 120.5 million pounds. The co-op currently is storing 402 million pounds.