



FOR IMMEDIATE RELEASE

Local Farmers Call for \$30 Million Distribution from Tobacco Co-op

LEXINGTON, KY. Jan. 24, 2020- Burley tobacco farmers are calling for dissolution of the Burley Tobacco Growers Cooperative Association, and distribution of its approximately \$30 million back to the farmers.

“The Burley Co-op performed a vital function for burley tobacco growers, and was the leader in addressing issues facing those growers, for nearly 100 years,” said Nathan Billings, attorney for the farmers. “However, the Co-op no longer fulfills the purpose for which it was formed, and no longer provides viable services to tobacco farmers.”

In 2018, the Co-Op conducted a thorough review of its corporate governance documents, operations and finances. The report concluded the Co-op has not filled this vital function or provided leadership since the buy-out. Further, the operational review found that the Co-op’s financial performance and health have declined in recent years as evidenced by the Co-op’s losses of nearly \$1.5 million in 2019 and \$3 million in 2017. From 2013 to 2018, the Co-op’s debt increased from \$0 to \$13.5 million. With this financial decline, it is only a matter of time before the Co-op disappears and the farmers get nothing.

As a result of these issues, a large group of tobacco farmers are calling for the Co-op to dissolve and to distribute its remaining assets to the Members, before those monies are wasted. Like-minded Co-op Members are asked to return a petition that calls on the Co-op to hold a special meeting of the Members to vote on the dissolution and distribution.

The Co-op changed its Bylaws several years ago, to require farmers to annually ‘certify’ that they are actively engaged in the production of tobacco to be a Member. But, the Co-op has not effectively communicated that change to eligible farmers, resulting in many tobacco farmers being left out of the Co-op’s membership. As a result, while the Co-op’s mailing list has about 2,200 names, it only recognizes about 440 Members.

“I’ve met with more than a hundred and twenty farmers over the past few months, and the vast majority thought they were Members,” said Billings. “We found, however, that the Co-op had not included many of them as Members. These farmers were not told by the Co-op that they had to ‘certify’ that they are a Member.”

Farmers can call the Co-Op at (859) 252-3561 to certify their membership, which is as simple as producing a contract, FSA 578 or similar record showing that they are tobacco growers.

For more information on the petition to call for special meeting, how to verify membership in the Co-op, or how to certify their membership, farmers can visit www.blfky.com/burley, or call Billings Law Firm at (859) 225-5240.

FOR FURTHER INFORMATION

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