



April 3, 2026

Farm Support for Tobacco and the 2026 Farm Bill

Historically, Congress has provided five categories of farm support: the Federal Crop Insurance Program (FCIP), farm bill-authorized commodity support programs, farm bill-authorized disaster assistance programs, ad hoc commodity support programs, and ad hoc disaster assistance programs. Congress has authorized the FCIP and farm bill-authorized programs since the 1930s. Congress has authorized ad hoc support intermittently.

Farm support programs provide risk protection and income support to U.S. farmers who experience natural disasters, adverse growing conditions, and/or low market prices. Almost all agricultural commodities can receive support from at least one farm support program, and some commodities are eligible for multiple programs. The U.S. Department of Agriculture (USDA) administers the FCIP using the Federal Crop Insurance Corporation. USDA administers the farm bill-authorized commodity support and disaster assistance programs using the Commodity Credit Corporation (CCC), among other uses of the CCC. USDA administers ad hoc support programs depending on the source of funds, which may sometimes involve the CCC.

From the 1930s through 2004, Congress authorized farm bill commodity support for tobacco production using the CCC. Amid public health concerns about tobacco consumption, Congress discontinued farm bill-authorized tobacco commodity support after 2004, disallowed further CCC support for tobacco (e.g., commodity support, disaster assistance), and provided non-CCC-funded payments through 2015. Congress maintained tobacco's FCIP eligibility.

Between 2018 and 2025, Congress authorized ad hoc commodity support and disaster assistance. Some of this support included tobacco. USDA used the CCC to provide ad hoc commodity support for certain events; this support never included tobacco. The ad hoc support since 2018 raises a question about resuming CCC support for tobacco. If enacted, the Farm, Food, and National Security Act of 2026 (2026 farm bill; H.R. 7567, as ordered reported) would amend the CCC Charter Act (15 U.S.C. §714) to restore tobacco as an eligible commodity.

2004 Changes to Tobacco Farm Support

In 2004, Congress passed the Fair and Equitable Tobacco Reform Act (FETRA) as part of the American Jobs Creation Act of 2004 (P.L. 108-357). Among other provisions, FETRA discontinued commodity support for tobacco (i.e., tobacco quota and price support), amended the CCC charter act to remove tobacco as a CCC-eligible commodity, and established the Tobacco Transition Payment Program (TTPP). TTPP was a 10-year federal buy-out program for producers authorized to participate in the tobacco quota program (i.e., tobacco quota holders).

TTPP payments provided compensation in place of the ability to receive future tobacco quota payments. TTPP payments were available for tobacco quota holders and/or producers who had grown tobacco in any of the 2002-2004 marketing years. TTPP payment recipients were allowed to plant tobacco after 2004. FETRA required that TTPP payments would be funded from fees paid by tobacco product manufacturers and importers, and limited the total spending from fees collected to \$10.14 billion.

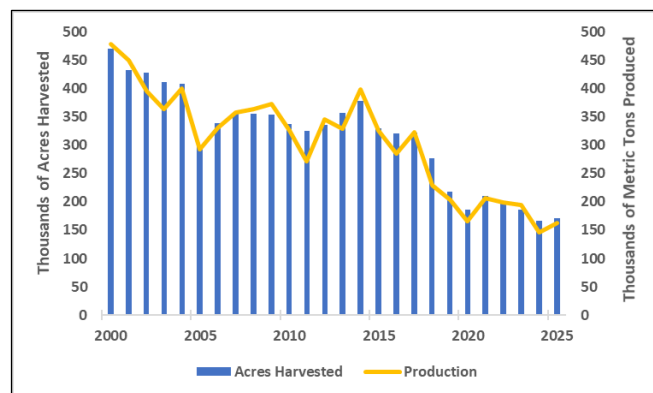
In 2004, a limited number of commodities (e.g., corn, dairy) received CCC-funded farm bill-authorized commodity support. Most agricultural commodities (e.g., fruits, vegetables) did not receive any commodity support at that time. After Congress discontinued the tobacco quota, tobacco producers had fewer mechanisms to address low market prices, similar to producers of most agricultural commodities.

In 2004, CCC-funded disaster assistance was available for all but a few agricultural commodities. After Congress removed tobacco as a CCC-eligible commodity, tobacco was unable to receive any CCC-funded disaster or other assistance, unlike most agricultural commodities.

Changes in Tobacco Production and Trade, 2000-2025

Prior to 2005, the United States experienced long-term declines in tobacco production and exports. Tobacco acres harvested and production further declined between 2005 and 2020, and have remained relatively stable through 2025 (Figure 1).

Figure 1. Tobacco Acres Harvested and Production 2000-2025



Source: CRS calculations using U.S. Department of Agriculture National Agricultural Statistics Service Quick Stats database, downloaded March 4, 2026.

According to data from the Census of Agriculture, which is published every five years and most recently in 2022, approximately 3,000 farms harvested tobacco acres in 2022,

down from approximately 57,000 farms that harvested tobacco acres in 2002. The median tobacco farm harvested between 2 and 3 acres of tobacco in 2002 and between 25 and 50 acres of tobacco in 2022. The top 4 tobacco-producing states accounted for 80% of harvested acres in 2002 and 90% of harvested acres in 2022.

Tobacco produced in the United States is used for domestic manufacturing of tobacco-containing products (e.g., cigarettes) and exports. According to USDA data, the United States exported approximately 154,000 metric tons of unmanufactured tobacco in 2005 and approximately 95,000 metric tons in 2025. Although the volume of exports decreased between 2005 and 2025, exports increased as a share of total production. CRS calculates that 154,000 metric tons was equivalent to approximately 53% of 2005 production, and that 95,000 metric tons was equivalent to approximately 58% of 2025 production.

Tobacco manufacturing in the United States uses tobacco grown in the United States as well as imported tobacco. According to USDA data, the United States imported approximately 233,000 metric tons of unmanufactured tobacco in 2005 and approximately 116,000 metric tons in 2025. Declines in both domestic production and imports of unmanufactured tobacco between 2005 and 2025 suggest domestic tobacco manufacturing declined over this period.

Tobacco Disaster Assistance Since 2005

Since 2005, the FCIP has been the primary source of disaster assistance for tobacco and other principal crops grown in the United States. The FCIP offers federally subsidized crop insurance for crops, including tobacco, from losses caused by natural disasters, adverse weather, and certain other causes of loss. Total subsidies vary each year for all commodities, including tobacco, based on the coverage purchased by producers, commodity prices, administrative and legislative changes to the program, and other factors. CRS calculations using USDA data show that tobacco producers—like producers of other principal crops—have insured nearly all harvested acres every year since 2018. Tobacco producers received approximately \$81 million in premium subsidies in 2025, which accounted for approximately 59% of the total cost of 2025 premiums.

Farm bill-authorized disaster assistance programs are not available for tobacco and a limited set of other agricultural commodities. Since 2018, the Secretary of Agriculture has created multiple ad hoc disaster assistance programs using funds provided by Congress in various appropriations acts. These programs compensated producers for losses not indemnified through the FCIP or farm bill-authorized disaster assistance programs. Eligibility for these programs was generally associated with specific natural disaster events. Tobacco producers who experienced at least one qualifying event may have been eligible for program payments. For example, the Secretary of Agriculture created the Supplemental Disaster Relief Program (SDRP) Stage 1 in July 2025 using funds from the American Relief Act, 2025 (P.L. 118-158). CRS calculations show that as of March 4, 2026, tobacco producers received approximately \$36 million in SDRP Stage 1 payments.

Tobacco Commodity Support Since 2005

Tobacco producers received commodity support after 2005 depending, in part, on what crops they grew. Producers who only grew tobacco were ineligible for farm bill-authorized commodity support. Producers who grew tobacco and crops eligible for farm bill-authorized commodity support may have received payments for their eligible commodities. Tobacco producers may have also received TTPP payments from 2005 to 2015.

Between 2018 and 2025, the Secretary of Agriculture used CCC and non-CCC funds from various appropriations acts to provide ad hoc commodity support for a wide variety of agricultural commodities. This support addressed losses related to 2018 and 2019 trade disruptions, the COVID-19 pandemic, 2024 increased input costs and falling commodity prices, 2025 temporary trade market disruptions and increased production costs, and other support. Tobacco was included in one of these programs. Other programs were funded solely from the CCC—which cannot support tobacco—or with funds that did not include tobacco support (e.g., P.L. 118-158, Division V, Title I, Section 2102).

The 2020 Coronavirus Food Assistance Program (CFAP) Round 2 was the only ad hoc commodity support program since 2005 that included tobacco. This program was funded from the CCC and the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, P.L. 116-136). Congress did not place commodity restrictions on CARES Act funds. CFAP Round 2 allocated no more than \$100 million in CARES act funding for tobacco payments. All other CFAP Round 1 and Round 2 eligible commodities could receive both CCC and CARES act funding.

Congressional Considerations

Congress disallowed CCC support for tobacco in 2004 amid public health concerns about tobacco consumption that persist. According to the Centers for Disease Control and Prevention, as of 2024, cigarette use remained the leading cause of preventable death in the United States. Annual U.S. tobacco production has trended downward, with 2018-2025 production averaging 47% of 2004 production. Some policymakers support restoring CCC eligibility to provide tobacco parity with other CCC-eligible commodities. Other policymakers oppose restoring CCC eligibility as contrary to health policy goals.

Some policymakers have indicated that they favor restoring CCC eligibility for tobacco in order to allow tobacco producers to receive CCC-funded disaster or emergency assistance. Restoring CCC eligibility for tobacco may allow the Secretary of Agriculture to use the CCC to provide future ad hoc support to tobacco producers.

Restoring CCC eligibility for tobacco may allow tobacco producers to participate in CCC-funded farm bill-authorized programs unless the programs have statutory restrictions (e.g., the Marketing Assistance Loan Program). The 2026 farm bill does not propose to amend any of these statutory restrictions.

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