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*For Immediate Release*

## **U.S. Tobacco Cooperative Declares Member Grower Dividends of \$8.3 million**

Raleigh, NC – The Board of Directors of U.S. Tobacco Cooperative Inc. (USTC), an industry leader in growing, processing and manufacturing of high-quality, U.S. flue-cured tobacco, has declared a patronage dividend of \$.185 per pound of tobacco sold to USTC during the 2015 crop season.

In total, the dividend for fiscal year 2016 was \$8.3 million. The Board authorized a cash payment of \$.10 cents per pound to be paid immediately at a total of \$4.4 million and to allocate \$.085 cents per pound to each grower's account for \$3.8 million in certificates of interests. In addition, the Board of Directors also authorized USTC to pass its \$7.6 million Section 199 Domestic Production Activities Deduction to its growers. USTC decided to pass this tax deduction on federal income taxes as a benefit to its growers. The deduction is intended to offset the taxes owed on the cash dividend for growers who are able to take advantage of it.

Since 2010, USTC has declared \$46.2 million in dividends and paid out \$24.3 million in cash to members. "These dividend payments demonstrate our commitment to our growers to maximize patronage and reward them for being the best and bringing us the best of the U.S. flue-cured crop." said Stuart Thompson, CEO. "We can think of no better way to demonstrate our commitment to sustainability then sending profit back to our growers. Other leaf suppliers talk about sustainability. We mean it."

For more information on U.S. Tobacco Cooperative Inc., visit [www.usleaf.com](http://www.usleaf.com).

### **About U.S. Tobacco Cooperative Inc.**

U.S. Tobacco Cooperative Inc. (USTC) is a grower owned marketing cooperative located in Raleigh, North Carolina. The cooperative produces U.S. flue-cured tobacco grown by 850 member growers in Florida, Georgia, South Carolina, North Carolina, and Virginia. Member grower tobacco is processed and sold as raw materials to cigarette manufacturers worldwide. USTC also produces consumer products for the U.S. market under brand names of Wildhorse, 1839, Shield, 1<sup>st</sup> Class, Ultra Buy and Traffic.