



Rick Smith, in front of his Independent Leaf Tobacco Company in Wilson North Carolina.

An Independent Approach to the New World of Leaf Dealing

Moving from big business to small, Independent Leaf's Rick Smith wheels and deals for the little guys.

As the leaf business has become concentrated, smaller manufacturers have found themselves needing leaf-related services that they can't realistically ask from one of the giants of the industry.

So there have been opportunities for the creation of some small leaf houses to come into existence, and that is how Independent Leaf Tobacco Company came on the scene. When Export Leaf Tobacco Company faded into history as part of the merger between R.J. Reynolds and Brown and Williamson, a number of its key personnel were left looking for something to do.

One of them was Rick Smith, who was Director of Leaf Sales for Export Leaf at the end of the merger process. He "retired" from Export/RJR, but he wasn't ready to really retire. So he cast about for

a way to get some meaningful work done, and Independent Leaf was the result.

"I formed it when I retired from Export Leaf," Smith told *Tobacco International*. "We started up on April 1, 2006. The company is essentially me and one employee who helps on the financial side."

Independent Leaf serves several functions, primarily that of leaf dealer and/or broker. To buy and sell leaf in the most efficient manner possible, Smith turned to the contacts he made in a lifetime of leaf work.

"I buy from different places around the world," he said. "To do this without a lot of travel on my part, I have developed a network of other companies that I deal with. I sell for them here in the States when they need it, and they sell for me in their countries [such as Indonesia, Spain, and the Philippines].

A lot of my contacts are men like me who once worked as leaf dealers."

Besides dealing/brokering, another significant segment of Independent's business is serving as agent for Hail & Cotton Tobaccos of Springfield, Tennessee. "We line up and contract farmers to meet Hail & Cotton's needs for US flue-cured leaf, and arrange for a place to deliver and store the leaf," said Smith. "[Hail & Cotton] is trying to grow its flue-cured business, and in turn, it's been an area of growth for us."

Part of the flue-cured Hail & Cotton buys is organic leaf that eventually goes to Santa Fe Natural Tobacco.

To date, most of what Smith buys and sells has been cigar tobacco. "Leaf for cut rag and cigars is the biggest part of my business on the dealer side."

In Independent's second year, business quadrupled, and Smith said that he thinks that this year, his third, will double the second.

But this doesn't mean he's going to change his business approach of being a small company to help other small companies. "This is strictly a small operation," he said. "It is not part of my plan to compete with multinationals for export business. If someone wants some US tobacco, I can arrange it for them."

Most of the year, Independent is a mainly a broker, arranging to supply tobacco to an end user. "But sometimes I buy tobacco in one place and sell it elsewhere, as a dealer," Smith said. "And then for four months of the year, I act as an agent for another company, so it is a hybrid concept.

"This industry is totally different than it was 10 years ago, or even five years ago. Now there are only two major suppliers. I'm trying to fill the blanks that they do not cover.

"Opportunistic would be a good word to describe what we do. We looked for a need and filled it." 