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Economics, Statistics,
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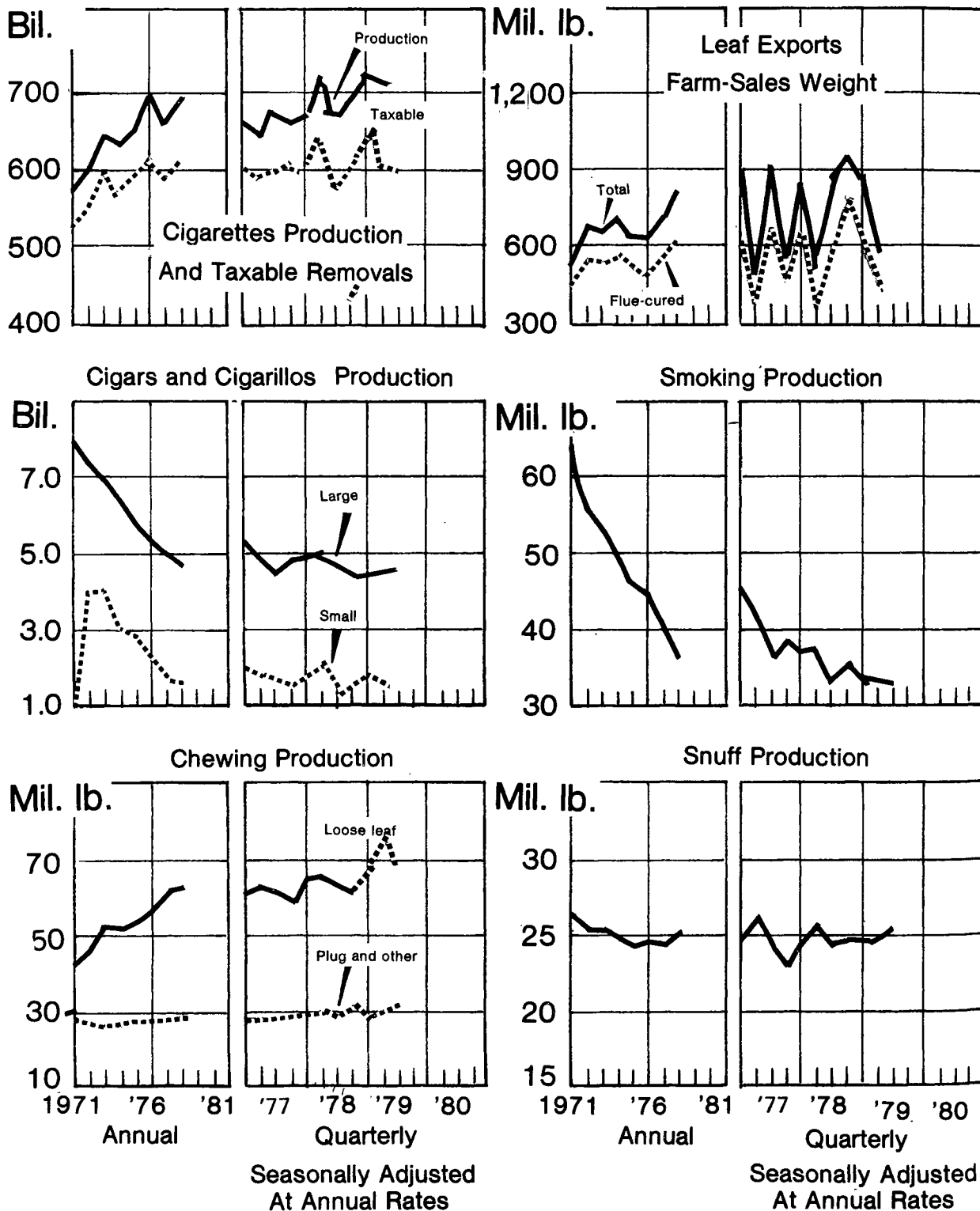
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Tobacco Outlets

Trends in Manufactured Products and Exports



THE TOBACCO SITUATION

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SUMMARY

Cash receipts for tobacco will fall short of the 1978 record because of the smaller crop. Tobacco production this year is down 15 percent from 1978 due to lower acreage and yield. A less favorable growing season has reduced leaf quality. Flue-cured tobacco auctions opened at lower prices than last season but mid-season prices were higher.

The September 1 estimate of U.S. tobacco output was 1.73 billion pounds (785 thousand metric tons), down from 1978 due to 9-percent smaller acreage and 6-percent lower yields. Output was lower for both burley and flue-cured. Estimated carryover of tobacco into the 1979/80 marketing year (beginning July 1 for flue-cured and cigar wrapper types, October 1 for all others) remains at 3.6 billion pounds (1,628 thousand metric tons).

Despite a larger carryover, the smaller crop is bringing the supply for the 1979/80 marketing year 3 percent below year ago levels. The supply, at 5.4 billion pounds, contains adequate quantities of most grades.

Worldwide, the tobacco manufacturing industry prospects point to another gain in cigarette sales volume; however, U.S. cigarette sales have flattened. Total disappearance of U.S. tobacco in 1979/80 may drop 5 percent from the 1.95 billion pounds (884 thousand metric tons) for the marketing year now ending. Despite the strengthening of major foreign currencies, U.S. tobacco leaf export prospects have slumped since foreign buyers replenished their stocks of U.S. tobacco last season. Also, U.S. tobacco supplies are smaller, and U.S. leaf exports for the year ending June 30, 1980, may fall a tenth or so from the past year's record level of 671 million pounds (790 million, farm-sales weight).

For the marketing year ending next June, U.S. cigarette output is expected to slightly exceed the 707 billion produced in 1978/79. Cigarette exports are gaining at a brisk pace; domestic consumption may change little. However, the smoking and health controversy, coupled with further price increases, may bring the smoking rate per person (18 or older) in calendar 1979 down about 2 percent from last year's 198 packs per capita. The

indicated 1979 per capita level is the lowest since 1957.

U.S. manufacturers' imports (for consumption) gained in 1978/79 as oriental tobacco supplies continued adequate and foreign flue-cured and burley leaf was available at competitive prices. Imports accounted for about 22 percent of tobacco used in cigarettes (year ending June 30, 1979). For cigars, U.S. manufacturers used about 70 percent foreign-grown tobacco.

The national marketing quota for the 1980 flue-cured tobacco crop must be announced by December 1. Individual farm quotas and allotments will reflect under and overmarketings in the current crop. USDA will hold the triennial quota referendum shortly after the quota announcement. Marketing quotas for burley and other kinds of tobacco will be announced by February 1, 1980. Based on the formula required by law, 1980 price-support levels for eligible tobaccos will increase an estimated 9 percent over 1979.

With a smaller crop, due to reduced acreage and yield, the supply of U.S. flue-cured tobacco, at 3.14 billion pounds, is 3.5 percent below last year. The 1979 crop, estimated at 1.04 billion pounds (471 thousand metric tons), is down 16 percent; but the carryover into the current season was up. During the past marketing year exports gained, more than

offsetting a decline in domestic use. A lower level of use is expected this season. Carryover next July 1 is expected to decrease slightly.

Sales of the 1979 flue-cured tobacco crop began on July 18. By mid-September, growers had marketed six-tenths of the crop with 5 percent of all flue-cured marketings going under loan. Price averages fluctuated due to varying composition of grower offerings, but except for Georgia-Florida, stayed well above year-earlier levels due to higher grade prices. Season sales through the second week of September averaged \$1.40 per pound, 6 cents above that period a year earlier.

The supply of U.S. burley tobacco is 2 percent less than the year-earlier total. Currently, supply represents 3 years use, and is ample to maintain use. The crop is expected to fall a seventh short of 1978's output, but the carryover from 1978/79 is estimated near the year-ago level. Disappearance probably increased during the 1978/79 crop year (October-September) as exports increased and domestic use was stable. For the 1979 crop, USDA will provide grading and price support for limited quantities sold in bales.

With a smaller crop, supplies are reduced for Southern Maryland and fire-cured. For dark air-cured and cigar tobacco types, supplies are larger than last year.

TOBACCO PRODUCTS

Cigarette Trend Flattens

U.S. cigarette smoking in calendar 1979 may change little from 1978. While more people are of smoking age and heavy promotion of low-tar, low-nicotine brands continues, antismoking restrictions abound. This year's cigarette prices are up and smoking per adult is down slightly. Another year of modest economic growth is expected in 1980.

With similar cigarette demand characteristics likely to prevail, smoking may show little change next year (table 1).

Americans smoked 313 billion cigarettes in the first half of 1979, about 1 billion below the year-earlier estimate. Second-half figures are expected to stay close to the 302 billion of a year ago.

Consumption per person (18 and older) this year is falling about 2 percent short of last year's 3,970

Table 2—Consumption per capita of tobacco products in the United States
(including overseas forces), 1970-79

Year	Per capita 18 years and over				Per male 18 years and over			
	Cigarettes ¹		Snuff	All tobacco products ¹	Large cigars and cigarillos		Smoking tobacco ²	Chewing tobacco ²
	Number	Pounds	Pounds	Pounds	Number	Pounds	Pounds	Pounds
1970 . . .	3,985	7.77	.19	9.68	125.3	2.08	1.15	1.06
1971 . . .	4,037	7.75	.19	9.52	119.2	1.94	1.06	1.09
1972 . . .	4,043	7.95	.18	9.65	108.9	1.74	1.00	1.08
1973 . . .	4,148	7.92	.18	9.53	102.4	1.61	.88	1.10
1974 . . .	4,141	7.90	.18	9.40	91.9	1.47	.87	1.13
1975 . . .	4,123	7.73	.17	9.14	82.4	1.32	.76	1.15
1976 . . .	4,092	7.35	.17	8.69	75.0	1.20	.75	1.17
1977 . . .	4,051	7.21	.16	8.49	67.9	1.15	.65	1.22
1978 . . .	3,970	7.00	.16	8.28	63.4	1.15	.60	1.25
1979 ³ . .	3,900	6.74	.15	7.91	59.0	1.07	.54	1.33

¹ Unstemmed processing weight. ² Finished product weight. ³ Estimated.

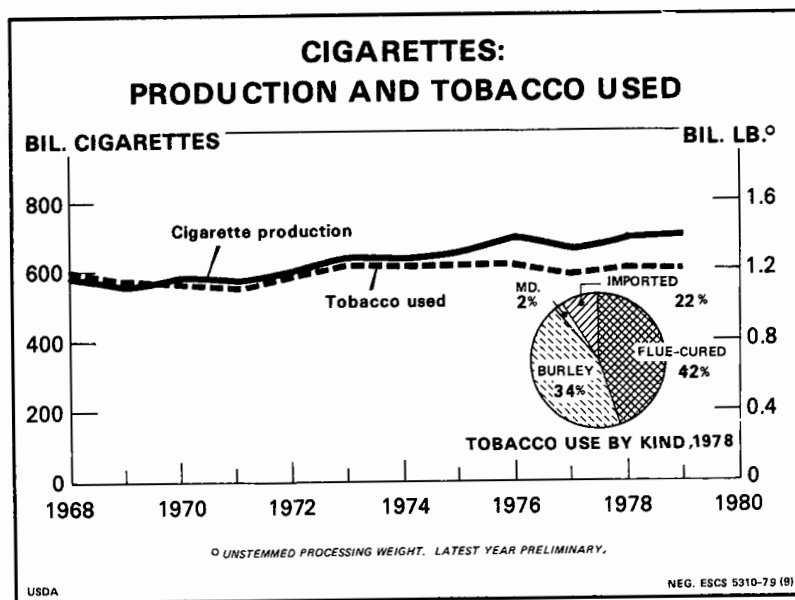


Table 1.-- Cigarettes: U.S. output, removals, and consumption, 1970-79

Year	Output	Removals						Estimated: inventory: increase	Total U.S. consump- tion
		Taxable	Tax-exempt				Overseas forces		
			Total	Exports	Shipments 1/				
<u>Billions</u>									
1970	583.2	532.8	51.2	29.2	3.7	18.4	14.7	536.5	
1971	576.4	528.9	49.2	31.8	2.7	14.7	-11.4	555.1	
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8	
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7	
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0	
1975	651.2	588.3	62.3	50.2	1.5	10.6	-7.7	607.2	
1976	693.4	617.9	72.1	61.4	1.9	8.8	13.5	613.5	
1977	665.9	592.0	78.1	66.8	1.1	10.2	-14.4	617.0	
1978	695.9	614.2	85.1	74.4	1.2	9.6	8.2	616.0	
1979 4/	705.0	610.0	95.0	84.0	1.0	10.0	5.0	615.0	
<u>Year ending June 30 --</u>									
1971	585.1	539.6	47.5	29.0	3.2	15.2	10.9	544.0	
1972	592.6	542.6	50.2	32.8	2.2	15.2	-8.5	566.4	
1973	615.6	562.7	52.2	38.3	2.3	11.6	-2.2	576.8	
1974	652.0	594.9	59.1	44.9	2.0	12.2	12.2	595.0	
1975	626.8	570.3	57.4	46.6	1.7	9.1	-21.7	601.0	
1976	688.2	619.1	69.8	58.2	1.9	9.6	14.0	615.0	
1977	671.7	596.3	74.1	62.8	1.3	10.0	-9.7	616.5	
1978	685.4	609.6	81.5	69.4	1.0	11.1	3.0	618.0	
1979 5/	707.0	615.2	92.2	78.8	1.2	12.2	12.0	616.0	

1/ To Puerto Rico and other U.S. possessions. 2/ Includes ship stores and small tax-exempt categories. 3/ Taxable removals, overseas forces, inventory change and imports (negligible). 4/ Estimated. 5/ Subject to revision.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.

cigarettes, to about 195 packs (table 2). The indicated 1979 level is the lowest since 1957's per capita of 3,755 cigarettes. The low-tar, low-nicotine portion (containing 15 milligrams of tar or less) receives the biggest share of advertising and this category now approaches 40 percent of sales volume.

In the first 6 months of calendar 1979, cigarette exports increased 13 percent (table 3). Considering both domestic and foreign sales trends, calendar 1979's output may gain about 1 percent from last year.

The uptrend in retail prices is continuing (table 4). In July, retail prices of cigarettes were 3½ percent above a year earlier. Manufacturers raised wholesale prices 4.5 percent in mid-July (table 5).

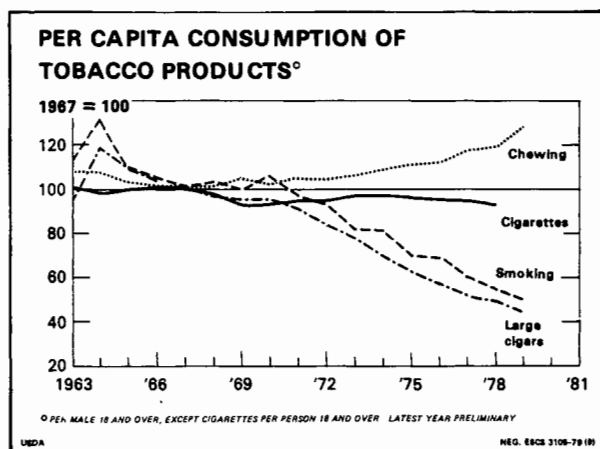


Table 3—U.S. cigarette exports to leading destinations, 1978-79

	July 1978- June 1979	January-July	
		1978	1979 ¹
		Billions	
Belgium-Luxembourg . .	1.6	5.4	8.3
Hong Kong	6.0	3.5	3.3
Netherlands Antilles . .	4.9	2.5	2.8
Japan	4.7	1.9	2.2
Iran	3.2	6.0	.4
Saudi Arabia	4.2	1.9	2.0
Spain	3.0	1.9	1.9
Kuwait	2.6	1.0	2.0
United Arab Emirates .	4.8	.8	4.0
Canary Islands	2.0	1.0	1.4
Syria . . . . .	.7	.3	.7
Lebanon . . . . .	.7	1.4	.5
Panama	1.8	1.0	1.2
Other countries	39.0	11.4	14.9
Total	78.8	40.0	45.6

¹ Subject to revision.

Compiled from publications and records of the Bureau of the Census.

State cigarette tax rates have increased in 4 States so far this year. The weighted average State cigarette tax was 12.9 cents per pack in mid-1979, a little above a year earlier. State taxes range from 2 cents per pack in North Carolina to 21 cents in Connecticut, Massachusetts, and Florida. Many city and local governments also tax cigarettes.

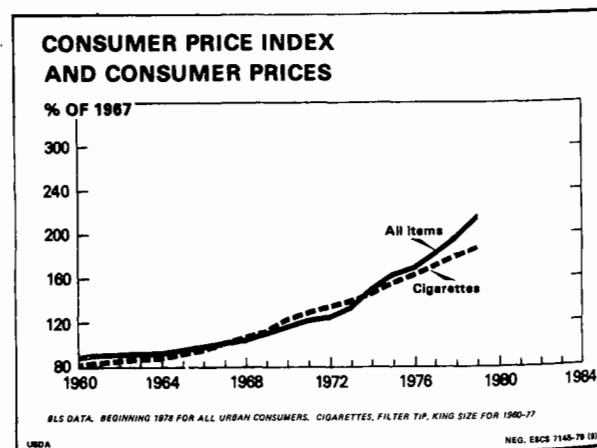
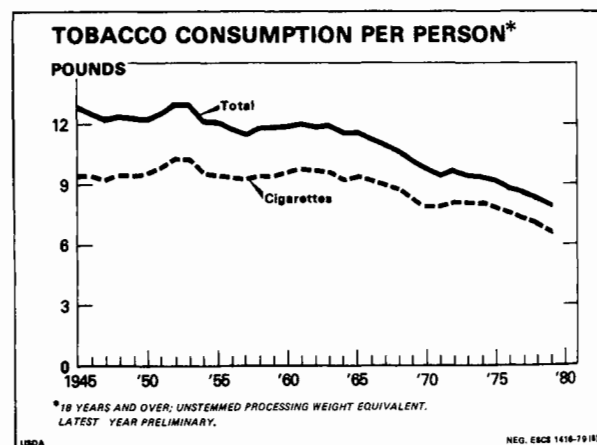
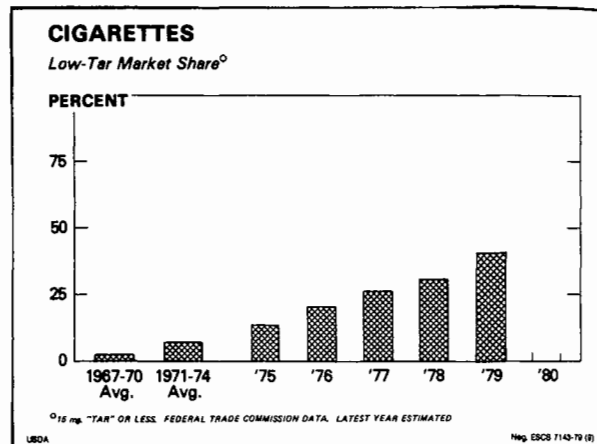


Table 4—Tobacco demand factors, 1970-79

Year	Population July 1 ¹	Disposable personal income, per capita ²		Consumer price indexes ³				Cigars, regular size
		Current prices	1972 prices	All items	Tobacco products	Nonfilter tip, regular	Filtertip, king size	
	<i>Million</i>	<i>Dollars</i>			<i>1967=100</i>			
1970 . . .	135.2	3,348	3,619	116.3	122.2	122.4	122.5	105.4
1971 . . .	137.5	3,588	3,714	121.3	126.4	127.9	128.1	107.1
1972 . . .	139.8	3,837	3,837	125.3	133.4	134.8	135.4	110.8
1973 . . .	142.2	4,285	4,062	133.1	137.0	138.7	139.1	112.9
1974 . . .	144.7	4,369	3,968	147.7	143.8	145.5	145.9	119.5
1975 . . .	147.3	5,077	4,014	161.2	153.9	156.0	156.5	124.2
1976 . . .	150.0	5,504	4,136	170.5	160.5	162.7	163.2	129.9
1977 . . .	152.6	6,017	4,285	181.5	168.0	170.6	171.0	135.0
1978 . . .	155.2	6,672	4,449	195.4	177.3		179.8	103.9
1979 . . .	157.7	7,372	4,509	2,162	186.5		189.0	110.5

¹ 18 years and older including forces overseas. ² Based on total population. ³ All urban consumers, 1978-79; urban wage earners and clerical workers, 1970-77. ⁴ Other tobacco products and smoking accessories, December 1977=100.

Table 5—Wholesale cigarette price revisions, 1968-79^{1 2}

Approximate date of change	Net price per 1,000				Net price per 1,000, excluding Federal excise tax			
	Standard	King size	Filter tips	100 millimeter	Standard	King size	Filter tips	100 millimeter
	<i>Dollars</i>							
November 1968 . . .	9.45	9.45	9.45	9.95	5.45	5.45	5.45	5.95
May 1969	9.80	9.80	9.80	10.30	5.80	5.80	5.80	6.30
May 1970	10.25	10.25	10.25	10.75	6.25	6.25	6.25	6.75
February- March 1973	(10.45- 10.60)	(10.45- 10.60)	(10.45- 10.60)	(10.95- 11.10)	(6.45- 6.60)	(6.45- 6.60)	(6.45- 6.60)	(6.95- 7.10)
January 1974	10.60	10.60	10.60	11.10	6.60	6.60	6.60	7.10
May 1974	11.30	11.30	11.30	11.80	7.30	7.30	7.30	7.80
November 1974	(11.80- 12.00)	(11.80- 12.00)	(11.80- 12.00)	(12.30- 12.50)	(7.80- 8.00)	(7.80- 8.00)	(7.80- 8.00)	(8.30- 8.50)
November 1975	(12.55- 12.75)	(12.55- 13.25)	(12.55- 12.75)	(13.05- 13.25)	(8.55- 8.75)	(8.55- 8.75)	(8.55- 8.75)	(9.05- 9.25)
October 1976	13.50	13.50	13.50	14.00	9.50	9.50	9.50	10.00
August 1977	14.35	14.35	14.35	14.85	10.35	10.35	10.35	10.85
June 1978	15.20	15.20	15.20	15.70	11.20	11.20	11.20	11.70
Dec. 1978	15.75	15.75	15.75	16.25	11.75	11.75	11.75	12.25
June-July 1979	16.30	16.30	16.30	16.80	12.30	12.30	12.30	12.80

¹ Includes leading brands. A 3 percent discount is made for payment within 10 days or 2 percent within 14 days. ² For 1940-67 see TS-151, March 1975.

Downtrend Continues for Cigars And Smoking Tobacco

Consumption of *large cigars* (including cigarillos) this year may drop 6 percent below the 1978 level of 4.7 billion cigars. This consumption downtrend is expected to continue next year (table 6).

About 10 percent fewer large cigars may be smoked this year, per male 18 and older, than 1978's average of 63 cigars. Midyear retail prices averaged 4 percent above year-ago levels. Taxable removals (domestic consumption of cigars, by revenue class) through June of this year showed gains in the high-price categories and continued declines in the medium and lower price groups.

Output of *little cigars* (weighing not over 3 pounds per thousand) may drop one-fifth this year from the 1978 level of 1.64 billion cigars. Since their peak distribution in 1973, and the subsequent radio and TV ad ban, sales have slumped.

Smoking tobacco used for pipes and roll-your-own cigarettes this year is expected to fall below last year's level of 44 million pounds (table 6), in line with the downtrend since 1970. In the first half of this year domestic use of smoking tobacco, including imports, totaled 21 million pounds, 8 percent below a year earlier. Declines were recorded in both domestic and roll-your-own categories. By midyear, wholesale prices averaged 10 percent above year-ago levels.

Smokeless Tobacco Output Increasing

Chewing tobacco production in 1979 may rise from the 95 million pounds of 1978 (table 7). For several years, loose leaf and fine-cut tobacco have been on the upswing, while plug output has declined. This overall gain may be associated with employment gains in certain industries and an increase in outdoor leisure activities. *Snuff* production is estimated about the same as last year, but about a sixth below a decade ago.

Table 6—Cigars and smoking tobacco: Output, removals, and consumption, 1976-79

Year and item	United States factories			From Puerto Rico taxable	Imports	Exports	Total U.S. consumption ¹
	Output	Removals					
		Taxable	Tax-exempt				

	Millions						
Large cigars and cigarillos							
1976	4,178	4,040	144	1,225	88	124	5,373
1977	3,927	3,776	134	1,098	97	117	4,988
1978	3,795	3,621	164	986	99	168	4,702
1979 ²	3,650	3,400	170	955	100	185	4,440
	Year ending June 30—						
1977	4,047	3,864	141	1,229	92	143	5,183
1978	3,913	3,747	145	959	100	130	4,821
1979 ³	3,703	3,478	167	961	99	178	4,527
	Million pounds						
Smoking tobacco							
1976	44.6	43.7	.9	---	³ 9.9	.8	53.7
1977	40.7	40.2	.7	---	³ 7.2	³ .9	47.3
1978	36.4	35.2	.8	---	9.0	.9	44.2
1979 ²	33.0	32.0	1.0	---	8.0	1.0	40.0
	Year ending June 30—						
1977	42.8	42.2	.8	---	9.5	.8	51.7
1978	37.6	37.5	.7	---	8.3	³ .8	45.7
1979 ³	34.3	33.7	.8	---	8.5	1.0	42.0

¹ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. ² Estimated. ³ Subject to revision.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and AMS, USDA.

Table 7—Tobacco products: Output by category, 1970-79

Period	Chewing tobacco					Snuff	Small cigars ³	Smoking tobacco in bulk (exports)
	Plug	Twist	Fine-cut	Loose leaf	Total ¹			
	<i>Million pounds</i>						<i>Millions</i>	<i>Million pounds</i>
1970	22.0	2.4	4.8	39.5	68.7	26.5	933	24.1
1971	20.6	2.4	5.1	43.3	71.4	26.4	1,135	30.9
1972	19.6	2.2	5.2	45.6	72.6	25.5	4,022	29.4
1973	18.6	2.1	5.7	47.6	74.0	25.3	4,415	26.0
1974	18.0	2.2	6.2	52.9	79.2	25.0	3,101	38.9
1975	18.1	2.2	7.3	53.7	81.5	24.4	2,942	17.6
1976	16.7	2.3	8.3	56.3	83.6	24.8	2,246	13.9
1977	16.4	2.2	10.1	61.3	90.0	24.6	1,864	9.8
1978	15.9	2.1	12.0	64.6	94.6	25.1	1,645	4.2
1979 ³ . . .	16.0	2.0	13.5	69.0	100.5	24.0	1,300	27.0
Year ending June 30—								
1970	23.0	2.4	4.9	40.1	70.4	26.3	87.1	20.1
1971	21.6	2.4	4.9	41.5	70.4	27.1	912	29.1
1972	19.9	2.3	5.2	45.5	73.0	26.0	1,655	34.0
1973	18.4	2.2	5.4	46.0	72.0	25.3	5,580	26.0
1974	18.7	2.1	5.9	48.1	74.8	24.8	3,428	33.4
1975	17.9	2.2	6.7	54.6	81.6	24.7	3,158	34.4
1976	17.6	2.3	7.8	56.7	84.4	24.6	2,513	11.8
1977	16.5	2.3	9.1	58.5	86.4	25.3	2,055	13.4
1978	16.1	2.1	10.9	62.8	92.0	24.4	1,846	3.4
1979 ⁴ . . .	15.8	2.1	12.7	66.7	97.2	24.0	1,548	17.1

¹Detail may not add to total due to rounding. ²Weigh not more than 3 pounds per thousand. ³Estimated. ⁴Subject to revision. Basic data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.

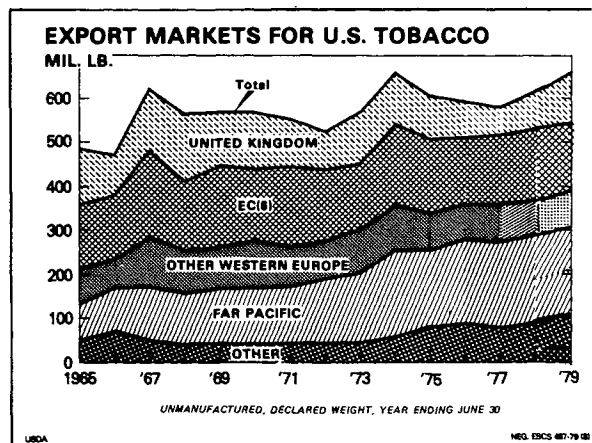
U.S. EXPORTS AND IMPORTS

U.S. Leaf Exports Fall Back to Trend

U.S. exports of unmanufactured tobacco during January-July were 10 percent below last year. While the second quarter shipments rose above those for the same months of 1978, the seasonally large first quarter slipped below. Burley was higher, but declines occurred in the two major categories, flue-cured and stems (table 8). A normal shipping pattern for this fall and winter is expected, but U.S. leaf exports for calendar 1979 may fall a tenth below last year's record of 700 million pounds (317 thousand metric tons) in export (dried) weight.

The growth in foreign cigarette production slowed to 2 percent last year. Price and tax increases, along with increasing antismoking activities, held down cigarette sales in developed countries; a number of less developed countries recorded above-average gains. Filter cigarettes remained at 85 percent of the total in Western Europe and Japan.

Overseas manufacturers rebuilt inventories last season so their requirements of U.S. tobacco are off this year. The reduced quality of this year's flue-cured crop also limits our export prospects over the



next year or two. While the U.S. crop size is off, reduced domestic requirements and a sizable over-quota carryover means auction supplies are adequate. Rhodesia, our chief competitor before 1966, is still having political difficulties, but many countries have stepped up production to offset. For the current marketing year, U.S. tobacco exports may

Table 8—United States exports unmanufactured tobacco by type and to principal importing countries, 1976-79

(Declared weight)							
Type and country	Year ending June 30				January-July		1979 as a percentage of 1978
	1976	1977	1978 ¹	1979 ²	1978 ¹	1979 ²	
	Million pounds				Percent		
Type:							
Flue-cured	390.6	381.7	397.4	439.5	198.1	177.0	89
Burley	72.2	70.2	83.8	66.3	63.6	66.3	104
Maryland	4.9	8.5	8.3	7.2	4.0	3.7	93
Fire-cured, Ky. and Tenn.	16.3	15.0	17.2	16.1	8.2	6.3	77
Virginia fire and sun-cured.	3.4	4.2	3.4	2.1	1.2	1.8	150
Green River and One Sucker . . . . .	.3	.1	.1	.4	.4	.2	50
Black Fat	3.2	2.9	2.7	1.9	1.3	1.6	123
Cigar wrapper	3.8	3.4	4.2	4.7	2.1	3.3	153
Cigar binder . . . . .	.2	.2	.2	*	*	*	---
Cigar filler . . . . .	.4	.3	.2	.1	.1	*	---
Perique . . . . .	.2	.1	.1	.1	*	.1	---
Stems, trimmings and scrap	92.8	95.2	98.8	92.3	57.1	42.7	75
Total	588.2	581.8	617.0	671.9	336.2	303.0	90
Country of destination							
United Kingdom	79.4	64.4	84.4	125.2	61.9	33.8	55
France	8.1	7.4	7.6	14.6	4.2	9.1	217
Belgium-Luxembourg	8.0	7.0	13.8	11.0	7.6	2.1	28
Netherlands	28.6	24.6	29.9	33.9	13.5	11.9	88
West Germany	71.7	81.7	65.4	58.4	27.9	39.2	140
Denmark	15.9	19.2	15.6	24.5	9.4	6.8	73
Ireland	6.9	8.0	3.4	7.0	2.9	3.9	131
Italy	30.7	35.8	43.6	36.6	38.0	32.3	85
Total EC	249.3	240.7	263.7	311.2	165.4	139.1	84
Switzerland	22.5	26.0	26.1	22.6	13.3	9.8	74
Finland	6.8	7.1	5.1	8.2	3.6	4.0	109
Norway	6.0	6.4	4.2	4.9	2.0	3.1	155
Sweden	16.4	14.0	16.1	11.8	8.5	3.7	44
Spain	5.2	5.2	10.0	10.4	11.1	*	---
Thailand	15.8	22.4	18.2	18.8	18.2	18.8	103
Korea, Rep. of . . . . .	.9	7.4	2.6	21.1	2.4	13.1	537
Malaysia	7.1	10.9	9.8	10.3	5.2	5.1	98
Philippines	14.9	12.8	14.6	13.3	8.8	7.9	90
Taiwan	11.2	13.6	14.7	34.1	11.6	18.4	159
Japan	123.0	102.4	113.4	102.2	24.4	27.9	114
Australia	16.3	12.8	12.7	11.0	5.5	4.4	80
New Zealand	4.7	5.0	4.3	3.7	2.3	2.6	113
Egypt	21.1	17.2	22.0	15.5	12.4	3.4	27
Other countries	67.9	77.9	79.5	72.8	41.5	41.7	100
Total	588.2	581.8	617.0	671.9	336.2	303.0	90

¹ Subject to revision. ² Preliminary. * Less than 50,000 pounds.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

drop around a tenth from the 672-million-pound record level of July 1978-June 1979.

In the past 12 months several European countries, including the United Kingdom, rebuilt their stocks of U.S. tobacco. The U.K. market shift to king size cigarettes has pushed up use. In 1978, West Germany's cigarette output recovered from a sales slump the year before; the recovery is continuing in 1979. Japan's cigarette sales have fallen from the 1977 peak; tobacco import requirements are further reduced due to the growth of low-tar cigarettes which take a large share of domestic tobacco.

Export credit sales for fiscal 1979 (October 1978-September 1979) are below last year's volume. U.S. tobacco exports under Government-financed programs (Public Law 480) have been negligible.

Tobacco Exports in 1978/79 Reach \$2.2 Billion

With an expanding cigarette market overseas, U.S. firms exported \$873 million in tobacco products in the 12 months ending June 30. Along with unmanufactured tobacco exports for 1978/79 worth \$1,349 million, the total value of tobacco and tobacco product exports reached a record \$2.2 billion, 25 percent above the 1977/78 period. Despite lower volume, higher prices are expected to bring the 1979/80 total to another record high.

A brisk demand for last season's vintage flue-cured crop brought U.S. unmanufactured tobacco exports for the year ending June 30, 1979, up 9 percent to 671 million pounds (790 million, farm-sales weight). But higher prices helped lift total value 21 percent over the previous 12 months (table 9).

Table 9—Exports of unmanufactured tobacco under Government-financed programs and commercial sales, 1972-79

Fiscal years	Government financed exports					Commercial exports			Total unmanu- factured tobacco exports
	Title I, P.L. 480		Mutual Security and A.I.D.	Total	Barter ¹	Dollar sales		Total	
	Foreign currency sales	Long-term dollar credit sales				CCC short term credit	Other		
	Quantity (export weight)								
	Million pounds								
Year ending June 30									
1972	21.0	2.0	---	23.0	176.8	40.6	283.8	501.2	524.2
1973	24.8	1.2	---	26.0	170.0	31.5	341.6	543.1	569.1
1974	24.2	.4	---	24.6	51.2	3.6	578.4	633.2	657.5
1975	5.1	7.5	---	12.6	.2	42.3	548.9	591.4	604.0
1976	---	9.8	---	9.8	---	51.3	527.1	578.4	588.2
Year ending Sept. 30									
1977	---	29.9	15.2	45.1	---	35.4	573.5	608.9	638.8
1978	---	.6	20.5	20.1	---	24.2	575.9	600.1	600.7
1979	² 2.9	² .9	³ 4.1	n.a.	---	² 27.8	n.a.	n.a.	² 572.0
	Value								
	Million dollars								
Year ending June 30									
1972	21.0	2.3	---	23.3	200.7	41.9	265.5	508.1	531.4
1973	27.3	1.3	---	28.6	205.0	34.3	346.0	585.3	613.9
1974	29.8	.4	---	30.2	62.0	3.3	674.8	740.1	769.9
1975	9.5	7.0	---	16.5	.2	61.6	782.8	844.6	861.1
1976	---	15.8	---	15.8	---	81.0	803.7	884.7	900.5
Year ending Sept. 30									
1977	---	35.4	18.8	55.7	---	66.9	942.8	1,009.7	1,065.4
1978	---	1.1	28.9	30.0	---	46.1	1,055.7	1,101.8	1,131.8
1979	² 5.8	² 1.7	³ 6.5	n.a.	---	² 61.5	n.a.	n.a.	² 1,164.9

¹ Government-financed for strategic materials, 1958-62. ² Data through July. ³ Data through May. For 1960-71 data see TS-157, September 1976, p.14.

Tobacco Imports Continue Rising

U.S. unmanufactured tobacco imports for consumption during January-July 1979 were 223 million pounds, 8 percent above a year earlier (table 10). The gain was primarily cigarette scrap category.

For calendar 1979, imports of unmanufactured tobacco probably will rise well above last year's level of 336 million pounds. This gain is due to the lower prices for imports (86 cents per pound) compared to domestic tobacco.

Both U.S. cigar and cigarette manufacturers use imported tobacco in their blends. For the year ending June 30, 1979, U.S. cigarettes contained about 22 percent imported tobacco and cigars about 70 percent.

U.S. cigarette leaf tobacco imports (duty-paid) for January-June 1979 were valued at \$1.30 per pound, exclusive of ocean freight and duties. On most cigarette leaf imports, a duty of 11½ cents per

pound must be paid, yet most imports still offer U.S. manufacturers a price advantage over domes-

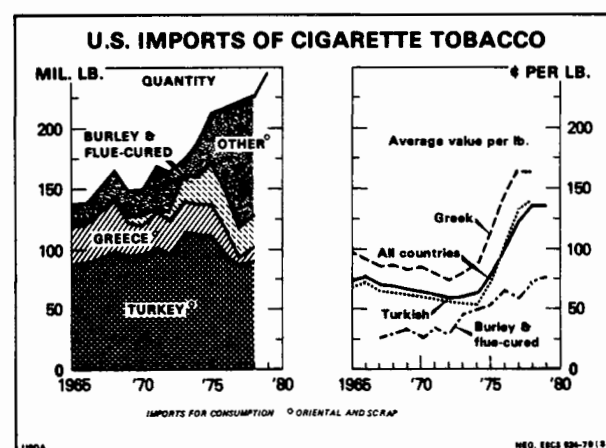


Table 10—U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1978-79, and January-July 1978-79¹

(Declared weight)								
Classification and country of origin	Imports for consumption				General imports (arrivals)			
	Year July 1978 June 1979	January-July		1979 as a percentage of 1978	Year July 1978- June 1979	January-July		1979 as a percentage of 1978
		1978	1979 ¹			1978	1979 ¹	
	Million pounds		Percent		Million pounds		Percent	
Cigarette tobacco: ²								
Leaf:								
Oriental								
Turkey	90.0	50.9	50.1	98	111.2	48.8	71.9	1.47
Greece	28.8	15.2	16.8	109	24.1	19.3	13.6	70
Yugoslavia	15.9	10.6	8.6	81	14.4	12.1	13.4	111
Lebanon	3.7	2.5	2.4	96	1.7	7.1	.9	.3
Other countries	36.8	26.3	21.1	80	31.9	17.1	19.6	116
Flue-cured	11.0	3.7	8.5	230	18.7	12.1	10.2	84
Burley	10.2	13.3	10.8	81	25.0	31.2	22.4	72
Subtotal	196.4	122.5	118.3	97	227.0	147.7	152.2	103
Scrap:								
Brazil.	21.8	14.1	15.0	107	16.1	7.4	16.7	226
Rep. of Korea	15.2	11.6	10.1	87	21.0	18.9	9.7	51
Turkey	10.3	3.6	7.4	206	10.7	1.6	9.0	573
Mexico	8.0	3.0	3.4	90	3.9	3.2	4.5	141
Other countries	48.5	203	31.4	155	53.3	29.4	31.9	109
Subtotal	103.9	53.4	673	123	105.0	60.5	71.8	119
Total	300.3	175.9	185.6	10.6	332.0	208.2	224.0	108
Cigar tobacco:								
Wrapper	3.6	1.0	2.9	295	4.2	1.4	4.1	298
Filler-stemmed and unstemmed								
Dominican Rep.. . .	1.2	.8	8	100	7.9	5.2	6.6	127
Other countries . . .	5.6	4.0	2.9	73	16.0	8.9	11.2	126
Subtotal	6.8	4.8	3.7	76	23.9	14.1	17.8	126
Scrap:								
Philippine Rep. . . .	9.1	4.5	4.7	104	7.8	.4	4.1	945
Colombia	2.2	.9	1.2	124	1.2	.7	.9	126
Dominican Rep.. . .	5.6	2.9	3.5	121	2.8	.9	2.1	227
Brazil.	2.7	1.5	1.7	113	3.0	1.0	1.8	180
Other countries . . .	14.8	7.6	9.2	120	10.8	2.7	7.0	259
Subtotal	34.4	17.4	20.3	117	25.6	5.7	15.9	279
Total	44.8	23.2	26.9	116	53.7	21.2	37.8	178
Stems.	14.7	7.1	10.8	151	15.2	7.5	11.0	147
Grand total	359.7	206.1	223.1	108	400.9	236.9	272.9	115

¹ Preliminary. ² Includes minor quantities for smoking tobacco, chewing tobacco and snuff.

Detail may not add to total due to rounding. Compiled from publications and records of the Bureau of the Census.

tic filler tobacco. For Oriental tobacco, the entire leaf is readily usable without further threshing. Scrap tobacco is dutiable at 16.1 cents per pound.

January-July 1979 arrivals of tobacco (general imports) were 273 million pounds, 15 percent more than the year-earlier level. Stocks of foreign-grown cigarette and smoking tobacco in the United States gained in the second quarter of 1979. On July 1,

1979, these stocks totaled 684 million pounds (farm-sales weight), 9 percent above the previous July 1 (table 11). The rise in stocks reflects the gain in import share in domestic manufactured products and the prospects for imports share growing further.

U.S. unmanufactured tobacco imports for consumption gained 8 percent in the year ending

June 30, 1979. Average value per pound increased sharply (table 12). The gain in imports was in virtually all categories. Turkey continued as the larg-

est supplier and Brazil and Korea remained the two largest sources of scrap tobacco during 1978/79.

Table 11—Imported foreign-grown cigarette leaf stocks, by quarters, 1971-79¹

Year	Jan. 1	April 1	July 1	Oct. 1	Jan. 1	April 1	July 1	Oct. 1
<i>Million pounds</i>								
Foreign-grown flue-cured				Foreign-grown oriental and aromatic				
1971	13	11	14	15	367	371	382	347
1972	12	12	24	19	320	357	389	360
1973	31	31	40	38	369	376	387	360
1974	38	44	47	54	355	374	383	350
1975	53	49	70	70	377	412	415	380
1976	74	73	72	101	361	431	416	405
1977	100	102	109	117	397	365	362	347
1978	117	120	130	132	344	364	345	295
1979	132	133	147		326	359	366	
Foreign-grown burley				Total imported cigarette leaf				
1971	5	5	4	6	386	386	400	367
1972	7	9	9	11	339	377	423	390
1973	17	24	27	36	418	431	455	434
1974	49	59	67	88	442	477	497	493
1975	118	107	145	136	548	567	623	587
1976	134	124	132	141	568	628	619	646
1977	139	132	127	138	637	599	598	602
1978	140	136	150	174	601	619	625	601
1979	172	163	171		630	655	684	

¹ Farm sales weight.

Table 12—U.S. imports of unmanufactured tobacco: Quantity and average value, by kinds, 1978/79

Kind	Quantity		Value per pound	
	Year ending June 30, 1979	Change from 1977/78 ¹	Year ending June 30, 1979	Change from 1977/78 ¹
<i>Million pounds</i>				
<i>Cents</i>				
Imports for consumption				
Cigarette ²				
Oriental leaf	175.2	-7.0	132.7	+2.5
Flue-cured and burley leaf	21.2	-3.1	79.3	+14.5
Scrap	103.9	+65.6	86.1	-104.0
Cigar				
Leaf	10.3	+1.3	168.0	-29.9
Scrap	34.4	-40.1	65.2	+3.3
Stems	14.7	+7.3	14.8	+3.3
Total	359.7	+24.0	109.9	-.6
General Imports				
Cigarette ²				
Oriental leaf	183.3	+31.9	132.0	+11.6
Flue-cured and burley leaf	43.7	-15.0	84.5	+14.6
Scrap	105.0	+48.7	93.8	-.6
Cigar				
Wrapper	4.2	+1.9	334.2	-229.5
Filler	23.9	-3.4	79.6	+10.2
Scrap	25.6	-25.2	59.6	-12.5
Stems	15.2	+7.8	14.4	+3.0
Total	400.9	+46.9	108.5	+4.8

¹ Not entirely comparable due to change in scrap classification. ² Includes minor quantities for smoking tobacco, chewing tobacco and snuff.

Compiled from publications and records of the Bureau of the Census.

TOBACCO LEAF SITUATION AND OUTLOOK¹

This past marketing year about 50 percent of the U.S. tobacco crop was bought for domestic manufacturing and about 50 percent for export. Disappearance of U.S. leaf remained at 1.9 billion pounds. With reduced quotas and allotments and lower yields, this year's U.S. production of tobacco is forecast at 1.73 billion pounds. This is 15 percent lower than last year, and 10 percent below the average for 1968-77 (table 13). Future weather and other factors can affect final production. Disappearance is expected to substantially exceed 1979's output so stocks may decline in 1979/80.

Table 13—All tobacco: Acreage, yield and production, United States, 1960-79

Year	Acreage harvested	Yield per acre	Production
	Thousand acres	Pounds	Million pounds
Average:			
1960-64 . . .	1,159	1,880	2,178
1965-69 . . .	942	1,958	1,845
1970	899	2,121	1,908
1971	838	2,035	1,705
1972	842	2,076	1,749
1973	887	1,965	1,743
1974	963	2,067	1,990
1975	1,086	2,009	2,182
1976	1,045	2,045	2,136
1977	958	1,997	1,912
1978	948	2,135	2,025
1979 ¹	865	2,001	1,730

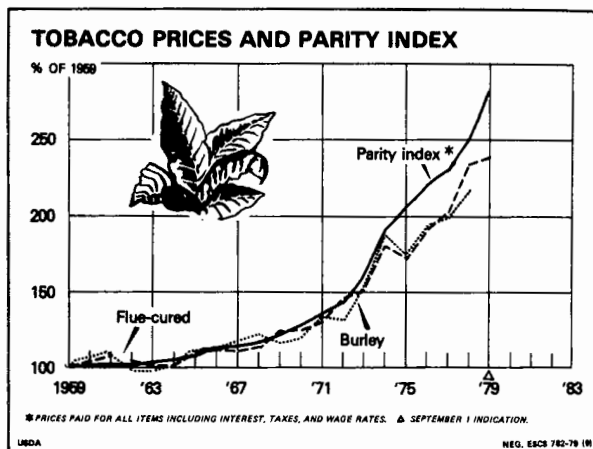
¹ Indicated September 1, 1979.

1980 Supports and Marketing Quotas

For eligible 1980 tobacco crops, the overall price support seems likely to rise about 9 percent above the 1979 levels. This estimate is based on indicated changes in the parity index. As required by law, the price support adjustment for 1980 will be based on the average of the parity index in 1977, 1978, and 1979 compared with 1959. For 1979, price supports increased 6.9 percent.

USDA will receive written comments postmarked by November 15 relative to the size of the 1980 flue-cured marketing quotas and the national average yield goal. By December 1, USDA is required to proclaim the 1980 flue-cured marketing quota on an acreage-poundage basis, the national average yield goal, and the matching

national acreage allotment. Then within 30 days of the announcement flue-cured growers will vote whether to continue acreage-poundage quotas for another 3 years. Individual farm quotas and matching acreage allotments for next year's flue-cured crop will reflect this year's overmarketings and undermarketings. This year's flue-cured



marketings about equal the effective quota, so next year's effective quota may vary little from the basic quota (table 14). Acreage-poundage controls have been in effect since 1965. The program was overwhelmingly approved by allotment holders in the last vote in December 1976.

By next February 1, USDA will announce the 1980 poundage quota for burley and acreage allotments for other kinds of tobacco under quota. Shortly after the announcement, growers of burley and Virginia sun-cured types will vote in referendums for or against marketing quotas on their next 3 crops. Producers of fire-cured, dark air-cured, Ohio filler, and Wisconsin and Connecticut binder types approved marketing quotas applicable to the 1980 crop in previous referendums.

Maryland and Pennsylvania tobacco growers, who will also vote, turned down marketing quotas in the last referendum (1977) so government price support is not available for their 1979 crops. Pennsylvania filler has never had marketing quotas. For Maryland, quotas last applied to the 1965 crop. In Puerto Rico, the Commonwealth Government for many years has set filler tobacco quotas. Shade-produced wrapper (types 61-62) is not covered by marketing quota legislation.

¹All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

Table 14—U.S. tobacco allotments, by kinds of tobacco, 1979

Kinds	Allotments	Acreage allotted	Poundage allotted	Average size of allotment
	<i>Number</i>	<i>Acres</i>	<i>Million pounds</i>	<i>Acres</i>
Flue-cured (11-14) ¹	193,492	563,313	1,068.5	³ 5,522
Burley (31) ⁴	302,186	---	647.8	³ 2,144
Va. fire-cured	4,970	9,785	---	1.97
Ky.-Tenn. fire-cured (22-23).	14,476	27,754	---	1.92
Dark air-cured (35-36)	19,222	13,298	---	.69
Va. sun-cured (37)	753	1,426	---	1.89
Cigar binder (51-52)	---	(²)	---	---
Cigar filler and binder (42-44, 53-55).	5,678	19,293	---	3.40
Total	540,777	634,870	1,716.3	---

¹ Acreage poundage with national average yield goal of 1,854 pounds per acre. ² Termination pending. ³ Pounds. ⁴ Poundage quota.

Compiled from records of the Price Support and Loan Division, ASCS, USDA.

FLUE-CURED

Crop Brings Record Prices

Above-average rainfall and unusually cool summer temperatures over most of the flue-cured belt brought a lower yield, and more varied, immature crop quality this season. Due to higher grade prices, averages to growers are slightly above a year ago. The 1979 marketing season began the same time as last year in the Georgia-Florida (type 14) markets; South Carolina and border North Carolina sales opened the same time as type 14 and a week earlier than last year. The rest of North Carolina and Virginia markets opened in the following 2 weeks. Despite the early opening this season, some grower dissatisfaction of prices, meant weekly sales opportunities (USDA-sanctioned scheduled) remained underutilized until August.

The sign-up for USDA's "4-leaf" program was less this year. This program allowed growers to plant up to 10 percent additional acreage provided they leave the four bottom leaves in the field. About 14 percent participation was recorded belt-wide. However, many growers participated who did not sign up. Late spring outbreaks of blue-mold disease meant many lower leaves were a complete loss. A 10-percent discount continued on support price for tobacco with excess sand or dirt. So far this season, price support loan receipts have risen above 1978's low volume.

At auctions this season through September 13 flue-cured tobacco (types 11-14) averaged \$1.40 per pound—6 cents above the same period last season (table 15). Most grade averages were higher, although the best leaf grades sold 5 to 10 cents per pound lower. A larger share of the crop had been auctioned by mid-September than the 50 percent a year earlier.

Loan Receipts May Fall Below 1978

The price support level for the 1979 flue-cured crop averages \$1.29 per pound. With the crop a little below probable disappearance, but consisting of less desirable tobacco for export outlets, loan receipts through September 13 were 37 million pounds—about 5 percent of marketings. In the comparable period of the 1978 season, a similar share went under loan.

Also contributing to the sluggish export demand was the 30 million pounds of stored carryover tobacco from the 1978 crop that was purchased after July 1 and counted against the 1979 quota. This program is not available for their 1979 crop.

To receive price support, flue-cured growers must certify they did not use DDT, endrin, toxaphene, or TDE pesticides and designate one or more warehouses for selling their crop within 100 miles of their county seat. Under quota legislation, growers receive price support on marketings up to 110 percent of their farm poundage quota. Marketings above a farm's poundage quota are deducted from the following year's quota. For marketings above 110 percent of the farm quotas, growers must pay a penalty of \$1.01 per pound (75 percent of the average market price for the preceding year).

Flue-cured growers who overmarket their quota in 1979 will have their 1980 quotas decreased accordingly. Based on the September crop report, this year there will be a close balance of marketings and effective quota. Such was the case in only 1 of the last 10 years (table 16).

Disappearance Gains

During the year ending last June 30, disappearance of flue-cured tobacco was 1,183 million pounds, about 3 percent above the previous year's level (table 17). Exports gained to a record level, but barely surpassed the previous record 5

Table 15—Flue-cured tobacco auction markets: Gross sales, average price, loan receipts, sales dates, through Sept. 14, 1978 and Sept. 13, 1979

Type and State	Gross sales		Average price per pound		Loan receipts				Sales period	
					Volume		Percent of sales		Opening date	Closing date
	1978	1979	1978	1979	1978	1979	1978	1979	1979 (1978)	1979 (1978)
	<i>Million pounds</i>		<i>Cents</i>		<i>Million pounds</i>		<i>Percent</i>			
14, Ga.-Fla.	133.9	125.8	144.5	140.1	3.1	6.2	2.3	4.9	July 18 (July 19)	(Oct. 5)
13, S.C.-Border N.C.	163.8	176.7	137.0	142.0	6.4	10.3	3.9	5.8	July 18 (July 26)	(Oct. 31)
12, Eastern N.C.	213.4	230.6	131.8	139.4	12.6	15.8	5.9	6.8	Aug. 1 (Aug. 1)	(Nov. 4)
11, Old and Middle Belts N.C., Va.	133.8	158.7	124.1	137.3	7.0	4.8	5.3	3.0	Aug. 15 (Aug. 15)	(Nov. 21)
All Belts ¹	644.8	691.8	134.1	139.7	29.2	37.0	4.5	5.3	July 18 (July 19)	(Nov. 21)

¹ Computed from unrounded data.

Compiled from reports of Tobacco Division, AMS.

Table 16—Flue-cured and burley tobacco: Marketing quota and marketings, 1970-79

Year	Quota ⁻⁻⁻		Marketings				Net Carryover ²
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under quota ¹	
	Million pounds						
	Flue-cured, types 11-14						
1970	1,071.5	1,190.8	1,178.2	65.1	71.2	63.4	-1.7
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8
1977	1,116.5	1,197.3	1,124.2	42.6	115.2	106.9	64.3
1978	1,117.2	1,181.5	1,205.9	65.6	43.9	41.8	26.4
1979 ³	1,094.9	1,068.5					
	Burley, type 31						
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	726.4	663.6	33.1	96.2	82.3	49.2
1977	636.2	683.4	612.6	27.2	99.0	80.8	53.6
1978	614.2	667.8	614.2	31.5	88.2	67.6	36.1
1979 ³	613.6	649.7					

¹ Under quota marketing less ineligible carryover. ² Effective under quota marketings less over quota marketings. ³ Subject to revision.

Compiled from records and reports of Price Support and Loan Division, ASCS.

Table 17.--Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1969-79

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Marketings	Beginning stocks 1/			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		---Million pounds---			
Flue-cured, types 11-14							
1969.....	576.8	1,825	2/ 1,052.8	1,299.6	800.5	2,100.1	3,152.9
1970.....	584.1	2,042	2/ 1,178.1	1,227.5	744.9	1,972.4	3,150.5
1971.....	525.8	2,050	2/ 1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972.....	513.6	1,971	2/ 1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973.....	575.1	2,011	2/ 1,159.0	1,347.0	402.3	1,749.3	2,908.3
1974.....	616.3	2,014	2/ 1,245.1	1,330.6	276.7	1,607.3	2,852.4
1975.....	717.2	1,973	2/ 1,414.7	1,471.9	179.9	1,651.8	3,066.5
1976.....	666.6	1,974	2/ 1,316.0	3/ 1,539.1	359.2	3/ 1,898.3	3,214.3
1977.....	589.3	1,917	2/ 1,124.2	1,517.6	556.9	4/ 2,075.0	3,199.2
1978.....	589.0	2,090	2/ 1,205.9	1,517.9	534.0	4/ 2,051.9	3,257.8
1979 5/.....	525.0	1,978	2/ 1,068.4	1,511.0	564.0	2,075.0	3,143.4
Burley, type 31							
1969.....	237.7	2,488	2/ 591.4	975.7	340.8	1,316.5	1,907.9
1970.....	216.4	2,590	2/ 560.5	887.9	454.8	1,342.7	1,903.2
1971.....	213.5	2,213	2/ 472.6	882.4	468.4	1,345.8	1,818.4
1972.....	235.6	2,552	2/ 590.3	920.9	327.6	1,248.5	1,838.8
1973.....	222.1	2,028	2/ 461.4	952.5	276.7	1,229.2	1,690.6
1974.....	260.7	2,350	2/ 610.4	931.5	139.2	1,070.7	1,681.1
1975.....	282.2	2,265	2/ 638.3	1,082.4	12.0	1,094.4	1,732.7
1976.....	285.8	2,376	2/ 663.8	3/ 1,115.3	44.8	3/ 1,160.1	1,823.7
1977.....	268.5	2,298	2/ 612.5	1,162.3	54.9	4/ 1,206.3	1,829.7
1978 4/.....	261.0	2,399	2/ 617.6	1,087.0	113.5	4/ 1,218.4	1,836.0
1979 3/.....	247.3	2,185	2/ 570.0	1,081.0	140.0	1,221.0	1,791.0
Disappearance				Average	Price	Placed under loan	
Total				price per pound	support level	Quantity	Percentage of crop
---Million pounds---				---Cents---		Million pounds	Percent
Flue-cured, types 11-14							
1969.....	1,180.5	645.9	534.6	72.4	63.8	97.6	9.3
1970.....	1,174.1	640.1	534.0	72.0	66.6	144.2	12.2
1971.....	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972.....	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973.....	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7
1974.....	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9
1975.....	1,193.1	670.6	522.5	99.8	93.2	259.0	18.4
1976.....	1,148.2	634.0	514.2	110.4	106.0	277.3	21.0
1977.....	1,147.3	608.2	539.1	117.6	113.8	195.6	17.3
1978.....	1,182.8	584.1	598.7	135.2	121.0	64.1	5.3
1979.....				7/ 140.3	129.3	7/ 40.1	7/ 5.5
Burley, type 31							
1969.....	565.2	507.1	58.1	69.6	65.8	158.2	26.8
1970.....	557.4	503.0	54.4	72.2	68.6	47.7	8.5
1971.....	569.9	515.2	54.7	80.9	71.5	.2	---
1972.....	609.6	534.5	75.1	79.2	74.9	22.9	3.9
1973.....	619.0	533.1	86.8	92.9	78.9	.7	.1
1974.....	586.7	518.8	67.9	113.7	85.8	2.8	.4
1975.....	602.5	510.1	92.4	105.6	96.1	50.7	7.9
1976.....	617.4	500.6	116.8	114.2	109.3	46.6	7.0
1977.....	609.5	493.0	116.5	120.0	117.3	57.0	9.2
1978.....	6/ 615.0	6/ 496.0	6/ 125.0	131.0	124.7	67.7	10.8
1979.....					133.3		

^{1/} July 1 for flue-cured; October 1 for burley. ^{2/} Production. ^{3/} Adjusted for change in conversion factor January 1, 1977. ^{4/} Stocks revision January 1, 1979 report. ^{5/} Based on September 1 crop prospects. ^{6/} Estimated. ^{7/} Through September 21, 1979.

Table 18.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1976/77-1978/79 1/

(Declared weight)

Importing countries	1976/77	1977/78	1978/79 <u>2/</u>	Importing countries	1976/77	1977/78	1978/79 <u>2/</u>
	Million pounds				Thousand pounds		
	Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37		
United Kingdom	47.2	62.3	92.4	Switzerland	909	0	538
West Germany	57.1	43.5	39.9	Norway	1,188	908	1,339
Japan	67.9	74.8	71.5	Sweden	524	302	337
Netherlands	13.1	16.4	11.8	West Germany	774	502	11
Thailand	18.1	11.6	14.1	Other countries	2,355	349	381
Australia	9.0	9.8	8.6				
Italy	19.4	25.3	16.0	Total	5,750	2,061	2,606
Sweden	8.2	5.8	5.7				
Norway	4.8	2.7	2.8				
Finland	4.7	3.0	5.0				
Denmark	11.6	10.5	14.4	Belgium-Luxembourg	0	0	0
Ireland	5.0	2.2	5.9	Zaire	0	0	154
Belgium-Luxembourg	4.6	8.8	7.4	Other countries	7	97	68
Switzerland	7.2	9.4	6.7				
Rep. of Korea	7.8	0	17.5	Total	7	97	222
Philippines	8.9	8.5	5.8				
Spain	5.2	8.2	10.4				
Malaysia	9.1	7.6	9.6				
Taiwan	13.6	18.9	33.9	United Kingdom	50	59	42
Egypt	11.3	14.9	10.4	Dahomey	0	294	64
Other countries	59.3	54.8	49.9	Zaire	0	0	117
Total	381.8	399.0	439.5	Other countries	4	19	86
				Total	54	372	309
	Burley, type 31						
Italy	16.4	18.5	17.3				
Sweden	2.9	2.2	1.2				
Denmark	2.5	2.0	2.4	New Zealand	0	0	0
Netherlands	1.7	2.2	5.1	France	139	112	44
Japan	10.2	10.4	14.8	Other countries	196	131	49
West Germany	18.6	7.0	6.0				
Switzerland	6.5	6.6	4.8	Total	335	243	93
Syria	2.6	3.4	0				
Thailand	4.4	6.6	4.6				
Philippines	5.0	4.8	5.9				
Other countries	16.3	19.6	14.8				
Total	87.1	83.3	76.6				
	Maryland, type 32						
Belgium-Luxembourg	1.0	.8	.6				
West Germany	1.5	.9	1.6				
Switzerland	5.5	3.8	2.6	Dominican Republic	76	79	2
Other countries	1.4	1.6	2.6	Other countries	13	18	0
Total	9.4	7.1	7.4	Total	89	97	2
	Ky.-Tenn. fire-cured, types 22-23						
Sweden	.9	.3	.5				
Netherlands	12.1	9.3	9.0	United Kingdom	299	385	478
Belgium-Luxembourg	1.2	.5	.2	West Germany	168	322	87
France	1.4	2.4	3.1	Canada	104	71	22
Switzerland	.9	.2	.6	Dominican Republic	1,691	2,284	3,287
Other countries	4.1	3.0	3.3	Netherlands	553	537	542
Total	20.6	15.7	16.7	Other countries	549	647	313
				Total	3,364	4,246	4,729
	Stems, trimmings, and scrap						
Sweden	2.9	3.9	2.9				
Denmark	5.6	3.6	6.6	Dahomey	1,468	785	1,310
United Kingdom	16.2	19.5	20.9	Cameroon	286	297	267
West Germany	7.2	5.5	10.0	Niger	399	410	0
Japan	24.2	28.3	15.9	Nigeria	355	505	251
Other countries	39.1	38.0	34.2	Togo	274	447	337
Total	95.2	98.8	90.3	Other countries	153	255	118
				Total	2,935	2,699	2,283

1/ July-June crop year for flue-cured, cigar wrapper, stems, trimmings, and scrap; October-September crop for all other types except October-July for 1978/79. 2/ Subject to revision.

Compiled from publications and records of the Bureau of the Census.

years earlier, while domestic use fell further to the lowest level since 1941/42.

The 4-percent decline in domestic disappearance relates to the sharp decline in tobacco per cigarette and further gains in use of imported tobacco during the same period. Due to stability in cigarette output, domestic disappearance during 1979/80 is likely to continue the downtrend.

Flue-cured exports last season were on an upswing as foreign cigarette output recovered and stock rebuilding occurred. Exports from Rhodesia (formerly the largest exporter of flue-cured tobacco after the United States) remain dampened due to U.N. sanctions and internal political difficulties.

Among leading importers, the United Kingdom made a big gain because the UK conversion to EC units of account was more favorable. The gain represented EC transshipments. Taiwan, Korea and Thailand also took more last season. West Germany and Japan took less (tables 18 and 19). For the 1979 season, purchases for Japan are not expected to match last year's level, as stocks of U.S. leaf in those countries have reached sufficient levels. United Kingdom's unit of account advantage disappears on January 1, 1980, when the member currencies/European currency unit (ECU) are fully applied. West Germany's take could gain as manufacturers import their requirements directly.

Table 19—U.S. flue-cured tobacco exports: Percentage stemmed form of total, 1964-78

(unstemmed equivalent basis)

Year ending June 30	Destination		
	United Kingdom	Other countries	All countries
	Percent	Percent	Percent
1964	46.8	10.6	22.6
1966	89.3	12.6	33.0
1968	94.9	21.0	45.0
1970	95.2	42.5	58.2
1972	95.3	55.3	63.4
1974	99.1	61.7	69.9
1975	98.9	60.1	67.1
1976	99.4	66.1	71.3
1977	99.0	65.3	69.8
1978	94.7	68.7	73.0
1979	87.6	70.7	74.4

Supplies Decrease

The decreased crop more than offsets the slightly increased carryover, so 1979/80 flue-cured tobacco supply is below last season. Flue-cured tobacco acreage for harvest this year is indicated 11 percent below 1978 and the national yield estimate is 6 percent below last season. Lower yields and production are indicated for each of the 4

belts. The September 1 forecast for flue-cured production was 1,038 million pounds—16 percent below 1978.

Flue-cured carryover last July 1 totaled 2,075 million pounds. This was 1 percent above a year earlier. The supply—forecast marketings plus carryover—is about 3½ percent below the 3,258 million pounds in 1978/79. This year's supply is 2.9 times prospective use, or about one-fourth above the desired ratio based on legislative formula. Despite the probable low level of disappearance, carryover next July 1 may decrease due to the reduced marketings.

The relatively high stocks-use ratio of U.S. manufacturers is a further reason for limited domestic sales prospects (tables 20 and 21). By September 1, uncommitted loan stocks of 1975-78 flue-cured tobacco—a component of the carryover and supply estimates above—totaled 534 million pounds. This was 12 million pounds below a year earlier. With the reduced demand, loan sales during the past summer months have been negligible. The old crop stocks—plus the loan volume from this year's crop—means unsold loan stocks may total about the same as the 600 million pounds of this past January 1 (table 22).

Table 21—Lease and transfer of allotments and quotas, 1963-79

Year	Flue-cured		Burley
	Thousand acres	Million pounds	Million pounds
1963	33.1	---	---
1964	41.8	---	---
1965	54.7	---	---
1966	80.1	138.0	---
1967	97.2	167.6	---
1968	122.9	214.6	---
1969	131.8	230.3	---
1970	146.3	255.1	---
1971	166.3	289.4	15.6
1972	182.9	322.1	50.4
1973	192.9	363.1	57.7
1974	234.1	416.1	81.6
1975	251.4	474.8	99.6
1976	246.7	464.3	113.6
1977	241.6	448.8	124.2
1978	245.8	464.4	142.8
1979 ¹	245.8	464.4	74.2

¹ Preliminary.

Compiled from records of Price Support and Loan Division, ASCS.

BURLEY

Burley tobacco (type 31) goes chiefly for cigarettes. In the marketing year just ending, nearly three-fourths of burley is going for U.S. cigarettes, exports will take 20 percent and other domestic products the rest. Domestic burley use continues

Table 20.-- Flue-cured and burley tobacco: Stocks and stocks utilization ratios, manufacturers and dealers, 1952-79

(Farm-sales weight)

Marketing year	Flue-cured				Burley			
	Domestic manufacturers:		Dealers		Domestic manufacturers:		Dealers	
	Beginning	Stocks-	Beginning	Stocks-	Beginning	Stocks-	Beginning	Stocks-
	stocks	usings	stocks	exports	stocks	usings	stocks	exports
	1/ pounds	ratio	1/ pounds	ratio	2/ pounds	ratio	2/ pounds	ratio
	Million	Number	Million	Number	Million	Number	Million	Number
1952	1,364	1.65	185	0.44	899	1.73	39	1.34
1953	1,400	1.80	214	.50	918	1.86	48	1.37
1954	1,447	1.94	189	.44	920	1.90	51	1.55
1955	1,485	2.04	242	.44	867	1.79	48	1.41
1956	1,577	2.24	225	.48	884	1.83	38	1.36
1957	1,594	2.16	274	.62	980	2.05	36	1.29
1958	1,406	1.91	286	.65	958	1.98	40	1.14
1959	1,328	1.73	242	.58	952	1.91	29	.81
1960	1,286	1.62	263	.55	1,048	2.06	53	1.29
1961	1,337	1.71	247	.51	989	1.88	50	1.11
1962	1,467	1.89	237	.55	1,049	1.98	55	1.04
1963	1,478	1.92	307	.62	1,044	2.03	90	1.58
1964	1,406	1.81	283	.64	1,060	1.89	87	1.55
1965	1,363	1.81	274	.65	1,023	1.86	76	1.33
1966	1,349	1.96	253	.43	1,065	1.96	68	1.21
1967	1,306	1.90	281	.53	1,038	1.90	67	1.26
1968	1,258	1.87	271	.52	966	1.87	36	.65
1969	1,081	1.67	219	.41	942	1.86	34	.59
1970	1,014	1.58	214	.40	858	1.71	30	.56
1971	1,010	1.52	204	.43	854	1.66	28	.51
1972	1,087	1.64	206	.40	888	1.66	33	.44
1973	1,154	1.64	193	.32	920	1.73	32	.37
1974	1,154	1.77	176	.32	900	1.53	31	.46
1975	1,259	1.88	213	.41	1,032	1.71	51	.55
1976	1,356	2.13	183	.35	1,074	2.15	42	.36
1977	1,348	2.24	162	.34	1,102	2.18	49	.42
1978	1,343	2.30	171	.28	1,057	2.16	40	.32
1979	1,347		164		3/980		3/50	

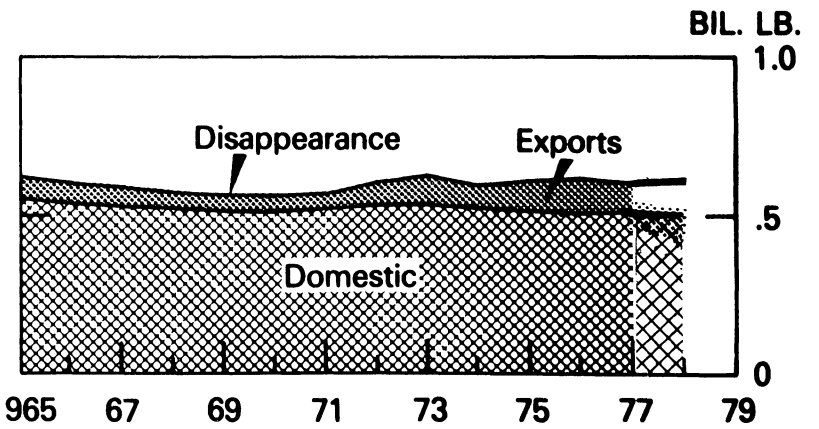
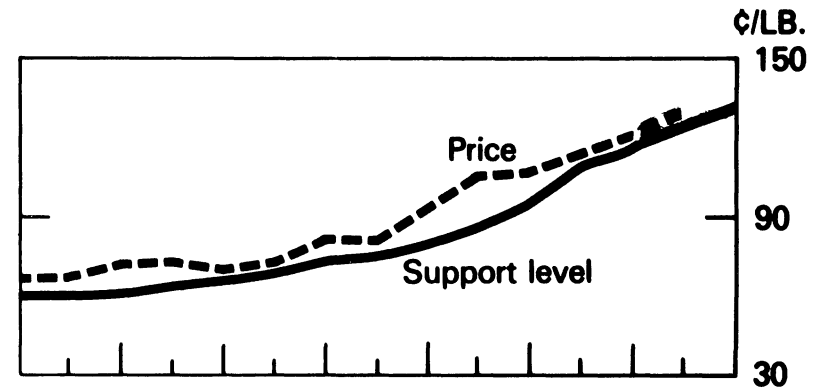
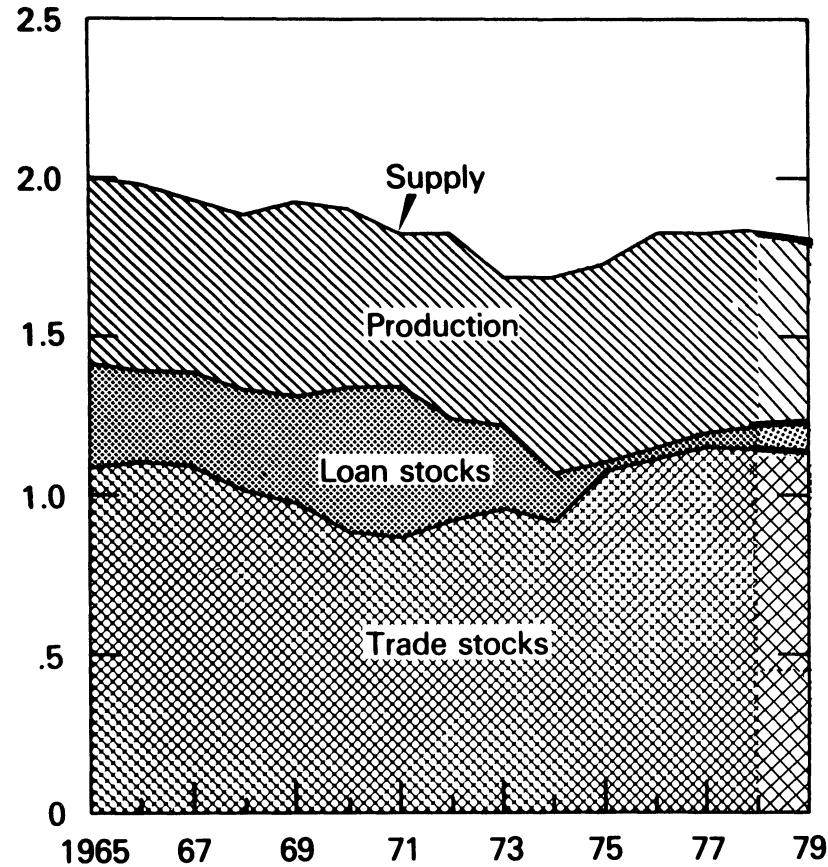
1/ July 1.

2/ October 1.

3/ Estimated.

BURLEY TOBACCO: SUPPLY, PRICE, USE

BIL. LB.



YEAR BEGINNING OCTOBER 1.

Trade stocks include manufacturers' and dealers'. Latest year forecast.

below its 1964/65 peak due to rising prices, a decrease in tobacco used per cigarette, and a decline in its use for products other than cigarettes. The brisk demand for American type cigarette blends abroad will raise U.S. burley exports a tenth above the previous marketing year and may set a new record.

Disappearance Recovers

Domestic use of burley tobacco for the year ending September 30, probably will total slightly below 495 million pounds used in 1977/78 (table 21). However, with higher exports, total disappearance is expected to exceed last season but remain below 1973/74's record 619 million pounds. October 1 carryover seems likely to remain near the year earlier level.

Disappearance for the first 9 months of the marketing year was 504 million pounds, up moderately from a year earlier. Domestic use totaled 419 million pounds, up 9 million from last year. Due to sharply rising exports, cigarette output rose 1 percent in that period. However, among the secondary outlets for burley, smoking tobacco output is off.

For the first 10 months of this marketing year burley exports totaled 107 million pounds, 15 million above a year earlier. Italy, Philippines, United Kingdom, Japan and the Netherlands, took more; Thailand and West Germany took less.

Foreign burley production increased 5 percent last year and United States production 1 percent. Total foreign production, 702 million pounds, was 76 million pounds larger than 1978 U.S. production, the second consecutive year that foreign production has exceeded the United States.

Table 22—Burley marketing quota, Kentucky, Tennessee, other States, 1977-79

State	Carryover (net)	Basic quota	Effective quota
<i>Million pounds</i>			
1977			
Kentucky	-2.7	424.0	421.3
Tennessee	29.5	117.8	147.3
Other States	20.4	94.4	114.8
1978			
Kentucky	6.9	409.6	416.5
Tennessee	30.6	113.4	144.0
Other States	16.1	91.2	107.3
1979			
Kentucky	-6.1	409.9	403.8
Tennessee	25.6	113.2	138.8
Other States	14.1	91.1	105.2

Compiled from records and reports of Price Support and Loan Division, ASCS.

Supplies Down for 1979/80

The September 1 estimate of the 1979 U.S. burley crop is 540 million pounds—14 percent below 1978, due both to the reduction in the effective quota and lower yields. The burley crop remained in poor to fair condition as harvesting began late in August. Excessive moisture and high humidity have hampered harvest. Blue mold in fields and some house burn have cut yields.

Burley supply for 1979/80 (indicated carryover plus new crop) is about 2 percent below last year, but 7 percent above 1974's low level. Prospective supply remains 2.9 times probable disappearance, slightly above the desired supply based on legislative formula.

Higher prices and larger supplies led to higher loan stocks during the early 1978 marketing season. Since July, sales of loan stocks increased as a smaller 1979 crop became apparent.

Auction sales usually begin in late November. The 1978 crop sold for a record average of \$1.31 per pound. Price supports for 1979 burley average \$1.333 per pound, 6.9 percent above 1978. Loan rates for individual grades will be announced before the markets open.

Price Support and Grades Again Approved for Untied Burley

For the 1979/80 season, and solely for experimental purposes, the Department will extend official grading and price support to limited quantities of untied burley tobacco packed straight in bales and offered for sale at burley auctions.

Four changes in the program for 1979/80 are: (1) growers are guaranteed price support on the larger of 1,500 pounds or 20 percent of the farm marketing quota; (2) sales opportunities are available on each sales day, (3) unwanted quota will be given growers desiring to sell more than 20 percent of their farm quota from a state pool, and (4) individual bales in a lot must be identified.

Table 23—Burley tobacco: Percentage of selected groups, quality, and color categories of total, 1970-78

Crop year	Mixed group	1, 2, 3 quality	Tan color
<i>Percent</i>			
1970	7.8	37.3	57.5
1971	14.2	43.9	63.1
1972	16.7	50.6	67.0
1973	22.6	47.6	65.7
1974	31.4	40.0	54.7
1975	20.6	34.6	55.9
1976	14.7	45.8	55.8
1977	13.2	31.8	42.1
1978	9.1	37.7	49.5

Compiled from reports of Tobacco Division, AMS.

September 28 is the deadline for producers to apply for untied sales at county ASCS offices.

Table 24—Tobacco loan stocks, 1977-79
(Farm-sales weight)

Type	End of August		
	1977	1978	1979 ¹
	<i>Million pounds</i>		
Flue-cured, 11-14	586.1	569.1	¹ 593.5
Uncommitted	453.7	545.1	533.6
Burley, 31	69.5	116.5	¹ 167.7
Uncommitted	52.8	109.7	136.9
Virginia, 21	0	.8	2.6
Kentucky-Tennessee, 22-23	0	1.1	12.2
Kentucky-Tennessee, 35-36	0	(²)	4.3
Ohio, 42-44	0.4	.4	1.0
Puerto Rican, 46	0	1.8	3.6
Connecticut Valley, 51-52 . . . . .	.9	1.1	1.0
Wisconsin, 54-55	(²)	(²)	(²)
Total	656.9	695.7	785.9

¹ July 31. ² Negligible.

Compiled from records of Producer Associations Division, ASCS.

SOUTHERN MARYLAND

Southern Maryland tobacco (type 32) goes almost entirely into cigarette production with about one-third of the crop for export. Annual disappearance fluctuates widely.

Use Up Sharply

Disappearance of Maryland tobacco during the first 9 months of the marketing year that began

October 1, 1978, totaled 25 million pounds—well above a year earlier. Domestic use remained stable but exports increased. Record prices received for the 1978 crop in April and May 1979 reflected the strong export demand (table 25).

Exports of Maryland tobacco were up sharply in the first 10 months of the current marketing year to 10 million pounds. Switzerland, the major destination in 1978, took more, along with Ecuador, West Germany, and the Netherlands.

Stocks Stable

By next January 1, carryover will remain about the same as the 42 million pounds this year. The Southern Maryland crop is estimated at 29 million pounds, 6½ percent below 1978. Acreage allotments are not in effect. Growers have disapproved marketing quotas for the Maryland crop since 1965. This year's crop, plus the estimated carryover, will provide a 1979/80 supply slightly below the year now ending.

Last spring's auction sales for the 1978 Maryland tobacco crop averaged \$1.23 per pound, 8 cents above the previous record set a year earlier. Prices increased for all grades. The overall quality of offerings increased and the percentage of choice tobacco was the largest in many years. Marketings were slightly higher than the 1973-77 average.

FIRE-CURED

Fire-cured tobacco is used for making snuff, plug and twist chewing, cigar and smoking tobacco. U.S. production of most of these products declined over the past decade and resulted in lower use of fire-cured tobacco. However, a firming up of domes-

Table 25—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1970-79

Marketing year ¹	Acreage harvested	Yield per acre	Supply			Disappearance ¹			Average price per pound to growers
			Production	Stocks, following Jan. 1	Total	Total	Domestic	Exports	
	<i>Thousand acres</i>	<i>Pounds</i>	<i>Million pounds</i>			<i>Cents</i>			
1970	27.0	1,090	29.4	50.1	79.5	39.5	27.6	11.9	78.6
1971	27.0	1,040	28.1	46.0	74.1	25.5	17.5	8.0	81.9
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973 ²	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974 ²	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975 ²	23.5	950	21.1	53.6	74.7	34.8	25.1	9.7	107.5
1976 ³	23.0	1,300	29.9	41.9	71.8	29.7	17.2	12.5	110.0
1977	23.0	1,310	30.1	45.3	75.4	28.3	18.9	9.4	115.1
1978 ⁴	23.0	1,400	⁵ 30.4	41.9	72.3	⁴ 30.0	⁴ 19.0	⁴ 11.0	122.0
1979 ⁶	22.0	1,300	28.6	42.3	70.9				

¹ Year beginning October 1. ² Includes sales and certification. ³ Based on Maryland crop and 75 thousand pounds estimated for other states. ⁴ Subject to revision. ⁵ Based on Maryland marketings and 613 thousand pounds estimated for other states. ⁶ September 1 crop prospects and estimated stocks.

Table 26—Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1970-79

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1—			Total supply
				Manufac- turers and other	Under loan	Total	
	<i>Thousand acres</i>	<i>Pounds</i>		<i>Million pounds</i>			
	Kentucky-Tennessee fire-cured, types 22-23						
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971	19.5	1,928	37.6	48.6	4.7	53.3	90.9
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3
1976	21.2	1,567	33.2	42.6	(¹)	42.6	75.8
1977	25.6	1,766	45.2	41.2	(¹)	41.2	86.4
1978	27.1	1,898	51.4	50.0	1.0	51.0	102.4
1979 ²	22.6	1,816	41.1	47.0	10.5	57.5	98.6
	Virginia fire-cured, type 21						
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971	5.0	1,180	5.9	8.0	1.0	9.0	14.9
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	(¹)	7.6	13.3
1974	5.0	1,185	5.9	7.1	---	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976	5.3	1,000	5.3	7.4	(¹)	7.4	12.7
1977	7.2	1,000	7.2	7.0	(¹)	6.7	13.9
1978 ¹	6.2	1,100	6.8	7.9	.8	8.7	15.5
1979 ²	5.0	1,150	5.8	7.0	2.5	9.5	15.3
	Disappearance			Average price per pound	Price support level	Placed under loan	
	Total	Domestic	Exports			Quantity	Percentage of crop
	<i>Million pounds</i>			<i>Cents</i>		<i>Million pounds</i>	<i>Percent</i>
	Kentucky-Tennessee fire-cured, types 22-23						
1970	41.4	13.1	28.3	54.4	46.6	(¹)	.1
1971	34.7	16.0	18.7	60.8	48.5	(¹)	.1
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976	34.6	11.2	23.4	142.4	74.1	(¹)	---
1977	35.4	17.4	18.0	125.6	79.5	1.1	2.4
1978	³ 43.0	³ 16.0	³ 27.0	113.6	34.5	11.3	22.2
1979					90.3		
	Virginia fire-cured, type 21						
1970	7.0	2.4	4.6	52.0	46.6	.1	2.0
1971	6.6	3.1	3.5	54.8	48.5	.1	1.0
1972	5.4	1.3	4.1	64.2	50.8	(¹)	.1
1973	6.2	1.7	4.5	75.5	53.5	(¹)	---
1974	5.7	.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	(¹)	.9
1976	6.1	⁴ 2.0	4.1	118.0	74.1	.1	1.5
1977	5.2	2.8	2.4	96.2	79.5	1.0	14.4
1978	³ 6.0	³ 3.2	³ 2.8	94.6	84.6	1.8	26.2
1979					90.3		

¹ Less than 50,000. ² September 1 crop prospects and estimated stocks. ³ Estimated. ⁴ Includes 400,000 pounds fire loss.

tic use coupled with short supplies pushed prices up in 1976. Nevertheless, the disappearance of fire-cured has increased in the past two marketing years.

Disappearance Up Considerably

Disappearance of fire-cured tobacco (type 21-23) during the first 9 months of the marketing year ending September 30, 1979 was 34 million, pounds, up 8 million from the relatively low use a year earlier due to a rebound in exports. Declining cigar and smoking tobacco production continues to limit domestic disappearance. In October 1978-June 1979, snuff output (the major domestic use of fire-cured) was down 4 percent from a year earlier.

For the year ending this September, estimated disappearance of 49 million pounds is well above last season's disappearance but well below 1978's output. Carryover stocks this October 1 will probably rise about 9 million pounds from last year. All the gain occurs in loan stocks (table 26).

Substantially higher exports of fire-cured tobacco than last year are expected in the season now ending. Exports of 22 million pounds during October 1978-July 1979 were 7 million above a year earlier. Most of the increase in exports was Kentucky-Tennessee (types 22-23). Virginia fire-cured exports of 2.6 million pounds were also above a year earlier.

Production Declines and Stocks Rise

The September estimate of fire-cured production was 47 million pounds, 20 percent below last year's crop resulting from both allotment cuts and lower yields. The crop still is 9 percent above the 1972-76 average reflecting producer response to the sharp jump in 1976 crop prices, despite the decline in prices in 1977 and 1978. Total supplies for 1979/80 will likely remain near the 118 million pounds of the past marketing year (about 2½ times disappearance).

DARK AIR-CURED

Dark air-cured tobacco (types 35-37) is used in the manufacture of plug, twist, fine-cut chewing tobacco, and snuff, and also to some extent for smoking tobacco and cigars. Production and use have declined about half in the past two decades. Exports normally account for one-sixth of annual disappearance.

Disappearance Up

Disappearance of dark air-cured tobacco during the first 9 months of the current marketing year was 15 million pounds, over 4 million above a year

earlier. Domestic disappearance increased sharply. Because of increasing supplies, and despite rising use, prices declined from the 1977/78 record.

For the year ending September 30, 1979, total disappearance will likely increase by 2 million pounds from the 17 million of last year. This would mean a carryover of 37 million up 5 million from last October 1 (table 27).

Supplies to Increase

The September estimate of this year's dark air-cured crop is 20 million pounds—12 percent below last year's. Acreage for harvest and yields are lower than last year. The smaller crop, if offset by a larger carryover, will raise 1979/80 supplies slightly above last year's 54 million. Supplies represent 3 times the past season's use.

CIGAR TOBACCO

Cigar leaf tobaccos (types 41-62) are classified according to primary usage in cigar manufacture—filler, binder, and wrapper. However, loose leaf chewing tobacco now takes most of the cigar binder. Exports have become important for cigar wrapper. Binder and filler have negligible exports.

U.S. cigar leaf output declined last year. This year cigar leaf output will remain about the same as last year.

Imports of cigar scrap remain large and wrapper imports have increased. The Philippines and countries in Central and South America are the chief foreign suppliers of cigar tobacco. About 120 million pounds of leaf are used annually for cigars and loose leaf chewing tobacco with imports predominating for cigars.

Filler Disappearance Stabilizes

For the first 9 months of the 1978/79 marketing year, disappearance of U.S. cigar filler tobacco (types 41-46) was 23 million pounds, slightly below the year-earlier level. In the same period, production of loose leaf chewing tobacco continued to increase but cigar production declined. So, for the 1978/79 year, filler disappearance may rise above the 28 million pounds of a year earlier, but remain near production (table 20).

Imports Up

During October 1978-June 1979, U.S. manufacturers used 53 million pounds of foreign cigar tobacco (imports for consumption) or 18 percent above a year earlier. Foreign-grown cigar leaf stocks in the United States on July 1 totaled 97 million pounds, the same as a year earlier.

Table 27—Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield production, carryover, supply, disappearance, season average price, and price support operations, 1970-79

(Farm-sales weight)

Marketing year beginning Oct. 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and others	Under loan	Total	
	<i>Thousand acres</i>	<i>Pounds</i>				<i>... Million pounds ...</i>	
Dark air-cured, types 35-36							
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971	8.6	1,834	15.7	35.5	14.3	49.8	65.5
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	¹	32.9	46.9
1976	9.3	1,660	15.1	28.2	---	28.2	43.3
1977	11.2	1,770	20.4	26.1	---	26.1	46.5
1978	11.3	1,969	22.2	30.4	¹	30.4	52.6
1979 ²	11.0	1,895	20.8	31.0	3.6	34.6	54.4
Sun-cured, type 37							
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971	.9	1,200	1.1	3.1	0	3.1	4.2
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973	.7	1,320	.9	3.2	0	3.2	4.1
1974	.7	1,315	.9	3.0	0	3.0	3.9
1975	.7	930	.7	2.3	0	2.3	3.0
1976	.7	1,115	.8	2.1	0	2.1	2.9
1977	.8	1,030	.8	1.8	0	1.8	2.6
1978 ¹	.8	1,205	.9	1.8	0	1.8	2.7
1979 ²	.7	1,200	.8	2.1	0	2.1	2.9
Disappearance				Average price per pound	Price support level	Placed under loan	
Total	Domestic	Exports				Quantity	Percentage of crop
						<i>... Million pounds ...</i>	<i>... Cents ...</i>
Dark air-cured, types 35-36							
1970	19.3	16.7	2.6	46.0	41.4	1.0	6.8
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972	17.0	14.7	2.3	50.3	45.2	1.2	.8
1973	20.2	17.4	2.8	61.9	47.6	(²)	.2
1974	15.6	12.8	2.8	76.9	51.8	.4	3.7
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976	17.2	15.1	2.1	116.6	65.9	(¹)	---
1977	16.1	13.6	2.4	117.7	70.7	(¹)	---
1978	² 18.0	² 15.6	² 2.4	100.8	75.2	4.3	19.7
1979					80.4		
Sun-cured, type 37							
1970	1.3	1.1	.2	53.8	41.4	³ 3	.3
1971	1.2	1.0	.2	54.1	43.1	0	---
1972	.6	.4	.2	57.9	45.2	0	---
1973	1.1	.9	.2	69.2	47.6	0	---
1974	1.6	1.3	.3	82.1	51.8	³ 13	1.4
1975	.9	.7	.2	85.5	58.9	0	---
1976	1.1	.9	.2	105.0	65.9	0	---
1977	.8	.6	.1	100.0	70.7	³ 13	1.6
1978	² .6	² .5	² .1	88.8	75.2	³ 109	12.4
1979					80.4		

¹ Less than 50,000 pounds. ² September 1 crop prospects and estimated stocks. ³ Quantity placed under loan in thousands of pounds. --- Less than 0.5 percent.

Table 28—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1970-79

(Farm-sales weight)									
Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks ¹	Total supply	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds					Cents	
Pennsylvania Seedleaf Filler (type 41)									
1970	17.0	1,800	30.6	97.3	127.9	40.9	40.7	0.2	31.0
1971	15.2	1,610	24.5	87.0	111.5	41.3	40.6	.4	36.0
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976	13.5	1,750	23.6	46.8	70.4	20.7	20.3	.4	60.0
1977	13.5	1,940	26.2	49.7	75.9	21.8	21.6	.3	60.0
1978 ³	13.0	1,940	25.2	54.1	79.3	22.5	22.4	.1	62.0
1979 ³	13.0	1,750	22.8	56.8	79.6				
Ohio, Miami, Valley Filler (types 42-44)									
1970	1.6	1,750	2.9	9.0	11.9	4.1	4.1	---	38.0
1971	2.0	1,850	3.8	7.8	11.6	4.6	4.6	---	41.0
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	---	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	---	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	---	59.0
1975	1.8	1,660	3.0	5.9	9.1	3.4	3.4	---	60.0
1976	1.8	1,550	2.8	5.7	8.5	2.5	2.5	---	59.0
1977	1.5	2,000	3.0	6.0	9.0	2.0	2.0	---	62.0
1978 ³	1.4	2,000	2.8	7.0	9.7	3.0	3.0	---	64.0
1979 ³ . . . .	.7	1,800	1.3	6.7	8.0				
Puerto Rico Filler (type 46) ⁴									
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	---	36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	39.8
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	---	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	---	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	---	45.5
1975	2.7	1,500	4.3	6.1	10.4	3.2	3.2	---	50.7
1976	2.8	1,429	4.1	7.2	11.3	4.9	4.9	---	57.6
1977	2.6	1,480	3.9	6.4	10.3	3.9	3.9	---	60.2
1978 ³	2.3	1,520	3.4	6.4	9.8	3.5	3.5	---	60.2
1979 ³	2.3	1,525	3.5	6.3	9.8				
Total Cigar Filler (types 41-46)									
1970	21.8	1,737	38.0	125.6	163.6	53.8	53.6	.2	32.1
1971	22.0	1,587	35.0	109.8	144.8	54.9	54.5	.4	37.3
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	18.0	1,850	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	17.3	1,630	27.3	61.2	88.5	28.8	28.4	.4	56.2
1976	18.2	1,676	30.5	59.7	90.2	28.1	27.7	.4	59.4
1977	17.6	1,884	33.1	62.1	95.2	27.7	27.4	.3	60.2
1978 ³	16.7	1,880	31.4	67.5	98.9	29.0	28.9	.1	62.0
1979 ³	16.0	1,725	27.6	69.9	97.5				
Connecticut Valley Binder (types 51-52)									
1970	1.7	1,756	2.9	7.0	9.9	2.7	2.4	.3	65.5
1971	1.6	1,743	2.8	7.2	10.0	2.6	2.5	.1	65.1
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975	1.5	1,568	2.4	6.2	8.6	4.3	4.1	.2	92.7
1976	1.5	1,605	2.4	4.3	6.7	2.4	2.3	.1	89.6
1977	1.4	1,784	2.5	4.3	6.8	1.9	1.9	(⁵)	121.3
1978 ³	1.5	1,716	2.6	4.9	7.5	2.1	2.1	(²)	144.9
1979 ³	1.4	1,666	2.4	5.4	7.8				
Southern Wisconsin Binder (type 54)									
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	50.3
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	55.6
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	---	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	---	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	---	74.9
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	---	75.1
1976	5.6	1,890	10.6	23.2	33.8	10.0	10.0	---	74.7
1977	6.2	2,020	12.5	23.8	36.3	10.2	10.2	---	84.6
1978 ³	6.2	1,900	11.2	26.0	37.2	11.2	11.2	---	100.5
1979 ³	6.5	1,950	12.7	26.0	38.7				
Northern Wisconsin Binder (type 55)									
1970	4.4	2,055	9.0	18.6	27.6	9.2	9.1	.1	52.0
1971	5.3	1,980	10.5	18.4	28.9	9.9	9.9	*	54.0
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	*	75.4
1975	5.4	1,835	9.9	15.8	25.7	9.7	9.6	.1	75.1
1976	5.5	1,750	9.6	16.0	25.6	9.4	9.4	*	75.2
1977	5.8	2,045	11.9	16.2	28.1	9.1	9.1	.1	85.5
1978 ³	5.9	1,770	9.4	19.1	28.5	8.5	8.5	(²)*	100.5
1979 ³	6.6	1,875	12.4	20.0	32.4				

See footnote at end of table.

Table 28—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1970-79—Cont.

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks ¹	Total supply	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds					Cents	
Total Wisconsin Binder (types 54-55)									
1970	8.8	2,095	18.4	35.3	53.7	16.5	16.4	.1	51.1
1971	10.6	2,125	22.5	37.2	59.7	20.4	20.4	*	54.9
1972	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.1	.1	75.1
1976	11.1	1,821	20.2	39.2	59.4	19.4	19.4	*	75.2
1977	12.0	2,032	24.4	40.0	64.4	19.3	19.3	.1	85.0
1978	12.1	1,702	20.6	45.1	65.7	² 19.7	² 19.7	² *	100.5
1979 ³ . . .	13.1	1,912	25.0	46.0	71.0				
Total Cigar Binder (types 51-55)									
1970	10.5	2,041	21.3	42.3	63.6	19.2	18.8	.4	53.1
1971	12.2	2,075	25.3	44.4	69.7	23.0	22.9	.1	56.1
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.1	21.5	21.2	.3	76.9
1976	12.6	1,795	22.6	43.5	66.1	21.8	21.6	.2	76.5
1977	13.4	2,007	26.8	44.3	71.1	21.1	21.1	.1	88.4
1978	13.6	1,706	23.2	50.0	73.2	² 21.8	² 21.8	² *	105.5
1979 ³ . . .	14.5	1,888	27.4	51.4	78.8				
Connecticut Valley Shade-grown (type 61)									
1970	6.0	1,535	9.3	12.2	21.5	7.6	6.6	1.0	400.0
1971	4.7	1,635	7.7	13.9	21.6	8.4	5.7	2.7	400.0
1972	4.1	1,250	5.1	13.2	18.5	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8	640.0
1976	4.2	1,555	6.6	7.5	14.1	5.2	1.8	3.4	540.0
1977	3.3	1,544	5.1	8.9	14.0	4.7	.5	4.2	600.0
1978	2.7	1,392	3.8	9.3	13.1	² 5.0	² 2.2	² 4.8	750.0
1979 ³ . . .	2.8	1,450	3.9	8.1	12.1				
Georgia-Florida Shade-grown (type 62)									
1970	3.6	1,590	5.6	9.2	14.8	6.7	5.8	.9	270.0
1971	3.0	1,582	4.7	8.1	12.8	6.2	5.4	.8	262.0
1972	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4	280.0
1973	2.6	1,413	3.7	7.0	10.7	4.2	3.7	.5	350.0
1974	1.9	1,724	3.2	6.5	9.7	3.6	3.1	.5	380.0
1975	1.1	1,556	1.7	6.2	7.9	1.9	1.5	.4	400.0
1976 . . . .	.4	1,680	.6	6.0	6.6	2.4	2.0	.4	395.1
1977 . . . .	.1	1,630	.2	4.2	4.5	1.1	.6	.5	400.0
1978	0	---	0	3.4	3.4	² 1.3	² .8	² .5	---
1979 ³ . . .	0	---	0	2.1	2.1				
Total Shade-grown (types 61-62)									
1970	9.6	1,555	14.9	21.4	36.3	14.3	12.4	1.9	351.0
1971	7.7	1,614	12.4	22.0	34.4	14.6	11.1	3.5	347.5
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	9.8	5.6	4.2	585.7
1976	4.6	1,565	7.2	13.6	20.8	7.6	3.8	3.8	528.2
1977	3.4	1,547	5.3	13.1	18.4	5.8	1.0	4.8	591.4
1978	2.7	1,390	3.8	12.7	16.5	² 6.3	² 1.0	² 5.3	750.0
1979 ³ . . .	2.8	1,450	3.9	10.2	14.1				
Grand Total Cigar Tobacco (types 41-62)									
1970	41.9	1,771	74.2	189.3	263.4	87.3	84.8	2.5	102.3
1971	41.9	1,734	72.7	176.2	248.9	92.5	88.5	4.0	96.7
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.5	1,834	65.3	121.2	186.3	67.7	62.8	4.9	142.5
1975	35.4	1,635	57.9	118.6	176.5	60.1	55.2	4.9	135.1
1976	35.4	1,700	60.3	116.8	177.1	57.5	53.1	4.4	121.4
1977	34.2	1,906	65.2	119.5	184.3	54.6	49.4	5.2	114.9
1978	33.0	1,864	58.4	130.1	188.6	² 57.1	² 51.7	² 5.4	123.7
1979 ³ . . .	34.7	1,835	61.6	136.5	193.1				

¹ October 1 for types 41-55; July 1 for types 61-62. ² Estimated. ³ Estimated, projected crop. ⁴ Puerto Rican planting occurs late in calendar year; projected for 1979. ⁵ Excludes payment by Puerto Rican Government; 23 cents per pound in 1976.

Cigar Binder Disappearance Stabilizes

Cigar binder disappearance for October 1978-June 1979 was 16 million pounds, about the same as a year earlier. For Wisconsin tobacco, loose leaf chewing tobacco remains the major outlet. Loose leaf chewing tobacco production has gained in the past 10 years.

Disappearance of Connecticut Valley binder tobacco for 1978/79 remained at the previous season's level. Carryover on October 1, 1979 is expected to total about 5 million pounds. With relatively stable demand in prospect, production will continue to slightly exceed disappearance.

Disappearance of Wisconsin tobacco for 1978/79 may rise slightly from 1977/78. If so, disappearance will remain below 1979 production. Stocks will total near 46 million pounds on October 1, 1979 or about 2.3 times disappearance.

Cigar Wrapper Disappearance Up

As exports rose, disappearance of shade-grown wrapper (types 61-62) in the year ending June 30 increased to over 6 million pounds, slightly above a year earlier. Production in the Connecticut Valley is the same as last year and none was produced in Georgia-Florida. Large labor requirements and rising costs hamper U.S. wrapper growers. Connecticut Valley growers continue to use local labor in place of migrant help.

U.S. and Puerto Rican Supplies Rise

Supplies of U.S. and Puerto Rican cigar tobacco will rise slightly from 1978/79. Prospective production and carryover are up slightly. Cigar filler and binder supplies are up and wrapper supplies are lower. By August 31, unsold loan stocks were 5.5 million pounds, up 2 million from last year.

Filler: As of September 1, the Pennsylvania filler crop was indicated at 23 million pounds, 10 percent below 1978's. The new crop, plus the carryover, will provide a supply the same as last season's.

Ohio filler acreage declined to a record low. As of September 1, despite normal yield the crop was 1.3 million pounds, one-half of last season's small crop. The crop, plus the carryover, will provide a total supply for 1979/80 substantially below last year.

Carryover of Puerto Rican filler on October 1 will likely be the same as a year earlier. For 1979/80 the Puerto Rican government is expected to announce a quota of 22½ million pounds—about 7 times the harvest of early this year. Production has been considerably below the announced quota for the past several seasons even though the Commonwealth pays a subsidy as high as 23 cents per pound. Supply for 1979/80 may equal the 10 million pounds of the past season.

Binder: Cigar binder acreage and yields in the Connecticut Valley are down slightly. Even though quotas were suspended again this year, production will continue to slip. As of September 1, production was estimated at 2.3 million pounds, slightly below last year. With a slightly higher carryover, supplies may remain about the same.

Acreage and yields of Wisconsin binder tobacco are up from last year. Again some growers released their acreage allotments for use by growers wishing to increase their production. Wisconsin production is indicated at 25 million pounds, up a fifth due to a recovery in yields. Carryover will rise from a year ago as production exceeded use. Supply will rise in 1979/80.

Wrapper: The indicated acreage of Connecticut Valley wrapper is about the same as 1978, so is production at 3.9 million pounds. With the decline in carryover on July 1, 1979, the supply of

Table 29—Foreign grown cigar leaf tobacco: U.S. imports and stocks, 1975-79

(Farm sales weight)

Country	Oct.-Sept.	Imports for consumption, October-June ¹					Dealers and manufacturers stocks, July 1				
	1977-78	1975-76	1976-77	1977-78	1978-79	1975	1976	1977	1978	1979	
	Million pounds										
Philippines	13.8	21.9	10.5	10.3	11.8	39.7	44.0	32.3	23.3	21.8	
Dominican Republic	9.8	12.2	10.1	7.4	8.4	24.0	17.0	15.3	15.0	16.9	
Brazil	4.9	14.2	8.6	3.7	2.9	8.3	6.9	6.4	7.4	8.4	
Columbia	3.8	5.2	2.3	2.3	2.3	12.5	11.4	9.0	7.6	9.3	
Paraguay	3.6	4.0	3.5	2.6	3.2	10.8	6.3	8.4	6.0	3.5	
Mexico	5.1	5.5	3.0	3.4	4.6	4.8	3.2	4.0	5.4	6.1	
Indonesia	6.9	6.5	4.4	4.7	6.9	10.9	11.2	11.0	12.8	10.2	
All others	17.7	41.2	21.0	10.5	12.9	23.2	21.6	19.6	19.7	20.6	
Total	65.6	110.7	63.4	44.9	53.0	134.2	121.6	106.0	97.2	96.8	

¹ Includes scrap tobacco from some countries that may be used in cigarette manufacture.

Connecticut Valley wrapper drops to the lowest level since 1945. Domestic disappearance was small but exports of almost 5 million pounds, alone, exceeded production in 1979.

With no new production, Georgia-Florida wrapper supplies consist of carryover. By July the carryover was over 1 million pounds below a year earlier.

Table 30—Cigar leaf tobacco price support operations, 1975-79

(Farm-sales weight)

Type	Placed under Government loan, crop years—				Remaining under loan, end of August				
	1975	1976	1977	1978	1975	1976	1977	1978	1979 ¹
	Million pounds								
Ohio, 42-44	0	0.4	0.4	0.6	(³)	0	0.4	0.5	1.0
Puerto Rican, 46	3.3	3.2	2.7	(²)	1.4	0	0	1.9	3.6
Conn. Valley, 51-52 . . . . .	.4	.3	.2	(³)	.9	.8	.9	1.0	1.0
Southern Wis., 54	0	0	(³)	(³)	0	(³)	(³)	(³)	(³)
Northern Wis., 55	0	0	0	0	0	0	0	0	0
Total	3.7	3.9	3.3	.6	2.3	.8	1.3	3.5	5.6

¹ July 31. ² Loan receipts anticipated. ³ Negligible.

Compiled from records of the Producer Associations Division, ASCS.

FOREIGN PRODUCTION AND SALES

World Cigarette Production Up, United States Leads in Exports²

World production of cigarettes gained 2.6 percent last year, (table 31). Increases in China, Brazil, Japan, and in the United States, more than offset declines in the Soviet Union, and Italy.

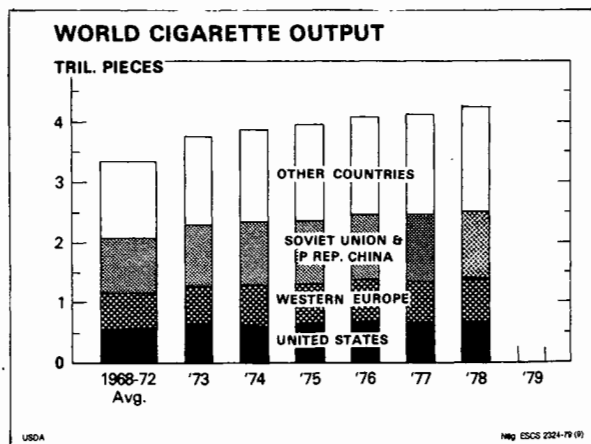
World trade increased at a rapid pace as many foreign suppliers increased cigarette tobacco production and actively competed with the United States, the leader in cigarette exports, for larger market shares. The largest cigarette import-export market, except for the Soviet Union imports from Bulgaria, is the European Community (EC). Italy imports large quantities of cigarettes mainly from the Netherlands and West Germany. France imports cigarettes largely from the Netherlands. The Netherlands imports from Belgium-Luxembourg. Belgium-Luxembourg imports large quantities from the United States.

World Tobacco Trade Up in 1978²

Led by an 11-percent increase in U.S. exports, world exports were 1.4 million metric tons, about the same as the 1974 record. 1979 export prospects are not as favorable. Exports may not reach the

¹ Further details in Foreign Agriculture Circular, FT 3-79, July 1979.

² Further details in Foreign Agriculture Circular, FT 5-79, July 1979.



1978 level as importers have higher stocks of U.S. leaf.

World imports were up as declared arrivals in the United Kingdom, the United States, and West Germany rose.

Tokyo Round Concessions on Tobacco³

The U.S. tobacco industry received a duty reduction by the EC for high-quality U.S. tobaccos and changes in Oceania's mixing regulations that

³ "Agriculture and the MTN," *Foreign Agriculture*, July 1979, pp. 7, 8, 30.

flue-cured tobacco is available for export at prices much below the U.S. export price. Two major U.S. customers also are large buyers of Indian flue-cured tobacco, Japan and the United Kingdom.

Malawi's flue-cured production and supply have increased substantially in 1979. Farmers are being encouraged to switch to alternate crops from flue-cured and burley because of large supplies and slack demand.

Rhodesia's attempt to increase production in 1979 is being thwarted by a drought holding production to near the 80,000 tons produced in 1978.

The government of Spain, through the offer of payments for quality tobacco, including flue-cured, has spurred the planting of double the small area devoted to flue-cured tobacco in 1978. Spain has applied to become a member of the EC.

Table 32—United States and world production and exports of flue-cured, burley and all unmanufactured tobacco, 1955-78

Period	Flue-cured			Burley			All tobacco		
	United States	World total	United States as % of total	United States	World total	United States as % of total	United ¹ States	World total	United States as % of total
	Million pounds		Percent	Million pounds		Percent	Million pounds		Percent
Production (farm-sales weight)									
Average:									
1955-59 . . .	1,208	2,914	41	486	595	82	1,941	8,519	23
1960-64 . . .	1,336	3,302	40	624	778	80	2,211	8,898	25
1966	1,108	3,531	31	587	802	73	1,899	9,636	20
1967	1,263	3,859	33	541	811	67	1,979	10,368	19
1968	982	3,649	27	563	837	67	1,721	9,833	18
1969	1,053	3,823	28	591	866	68	1,810	9,821	18
1970	1,193	3,937	30	561	906	62	1,911	10,021	19
1971	1,078	3,918	28	473	868	55	1,712	9,865	17
1972	1,012	4,076	25	601	1,094	55	1,754	10,155	17
1973	1,157	4,404	27	450	944	48	1,744	10,670	17
1974	1,241	4,788	26	613	1,113	55	1,994	11,385	18
1975	1,415	5,100	28	639	1,240	52	2,186	11,837	18
1976	1,316	5,021	26	679	1,294	52	2,140	12,284	17
1977	1,130	4,977	23	617	1,284	50	1,916	12,015	16
1978 ²	1,219	5,087	24	623	1,324	47	2,008	12,329	16
Exports (unmanufactured, export weight)									
Average:									
1955-59 . . .	413	683	60	28	47	60	500	³ 1,434	35
1960-64 . . .	397	772	52	42	74	57	497	³ 1,691	30
1966	423	710	60	46	107	43	551	³ 1,689	33
1967	427	750	57	46	97	40	572	³ 1,821	31
1968	444	800	56	43	108	40	599	³ 1,801	33
1969	430	845	51	52	127	41	577	³ 1,810	32
1970	368	797	46	41	125	33	510	³ 1,838	28
1971	342	831	41	36	128	28	473	³ 1,890	25
1972	425	1,046	41	54	175	31	606	³ 2,341	26
1973	418	1,088	38	59	210	28	613	³ 2,288	27
1974	441	1,232	36	61	265	23	662	3,116	21
1975	391	1,199	33	62	231	27	571	2,854	20
1976	379	1,198	32	68	258	26	587	2,934	20
1977	412	1,229	34	79	291	27	640	2,841	22
1978 ²	455	1,299	35	91	318	29	707	3,113	23

¹ Includes Puerto Rico. ² Subject to revision. ³ Total excludes Sino-Soviet countries. Foreign data supplied by the Tobacco and Cotton Division, Foreign Agricultural Service.

Table 31—Cigarettes: Estimated world output and exports, specified countries, average 1968-72, annual 1975-78

Country	Average 1968-72	1975	1976	1977	1978 ¹	% change
						1977-78
		<i>Billions</i>				<i>Percent</i>
		Production				
China, People's Rep. of.	606.2	687.0	703.0	725.0	740.0	+2
United States	579.2	651.2	693.4	665.9	696.0	+4
United Kingdom	142.2	157.8	156.5	154.6	157.6	+2
West Germany.	123.2	141.0	145.9	137.0	149.7	+9
France	68.8	87.4	86.5	80.1	80.9	+1
Italy	65.8	67.1	73.6	75.2	71.6	-5
Other EC-9 ²	77.6	75.6	74.1	78.7	78.8	0
Total, EC-9	456.0	528.9	536.6	525.6	538.6	+2
USSR	322.4	367.3	375.2	378.5	377.4	0
Japan	222.2	293.6	275.6	303.8	301.4	-1
Brazil	74.6	115.6	117.0	129.0	137.0	+6
Other	1,088.9	1,317.1	1,350.2	1,406.8	1,451.2	+3
Total	3,349.5	3,960.7	4,051.0	4,134.6	4,241.6	+2.6
		Exports				
United States	29.4	49.9	61.4	66.8	74.4	+11
Bulgaria	43.6	58.1	62.0	61.7	64.0	+4
United Kingdom	16.7	25.2	25.9	28.7	28.7	0
Switzerland	13.3	15.9	19.4	21.5	21.0	-2
West Germany	6.3	16.1	18.2	24.2	27.8	+15
Netherlands	5.3	13.0	10.1	14.7	20.4	+39
Other	33.6	44.5	45.5	46.3	60.9	+32
Total	148.1	222.7	242.5	263.9	297.2	+13

¹ Estimates included in absence of reasonable data. ² Belgium-Luxembourg, Denmark, Ireland, Netherlands.

Compiled from USDA, FAS, Foreign Agriculture Circular, FT-3-79, August 1979.

limit the percentage of foreign tobacco used relative to domestic. Congress approved the concession package without amendment.

The combination of duty and nontariff barrier reduction could raise the value of U.S. tobacco export sales around 4 percent.

West Germany has increased purchases of tobacco from the U.S. in response to the high qual-

ity 1978 crop, a strengthening in the purchasing power of the market, and an apparent shift by smokers from roll-your-own to factory made cigarettes, particularly imported U.S. cigarettes.

India increased its production of flue-cured tobacco 40 percent in 1977/78 to 134,000 tons. Since domestic production of cigarettes in India rose an estimated 5 percent in the period, more

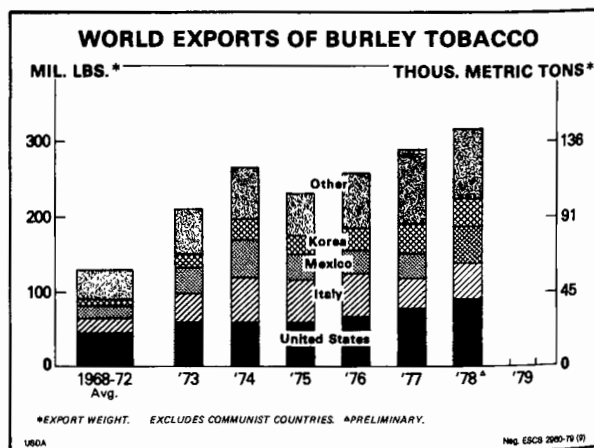
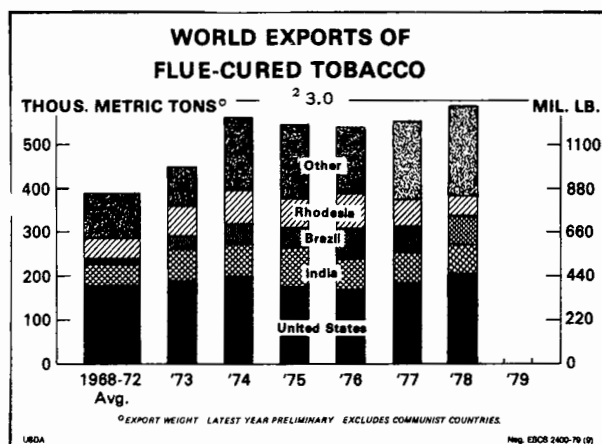


Table 33—United Kingdom, tobacco: Imports, by major suppliers, 1968-78

Year	United States	India	Canada	South Korea	Brazil	Other	Total	United States as a percentage of	
								Total	North American imports ¹
	Million pounds							Percent	Percent
1968	165	52	44	1	0	66	328	50	76
1969	135	48	56	6	0	60	305	44	71
1970	117	41	47	13	1	61	280	42	71
1971	98	38	52	8	6	67	269	36	65
1972	120	37	59	9	8	65	298	40	67
1973	127	54	42	11	14	80	328	39	75
1974	104	65	65	22	16	90	362	29	62
1975	88	54	44	21	18	89	314	28	67
1976	78	55	35	26	32	93	319	25	69
1977	52	61	35	34	38	94	314	17	60
1978 ² . . .	216	59	49	31	46	113	514	42	82

¹ U.S. and Canada. ² Preliminary.

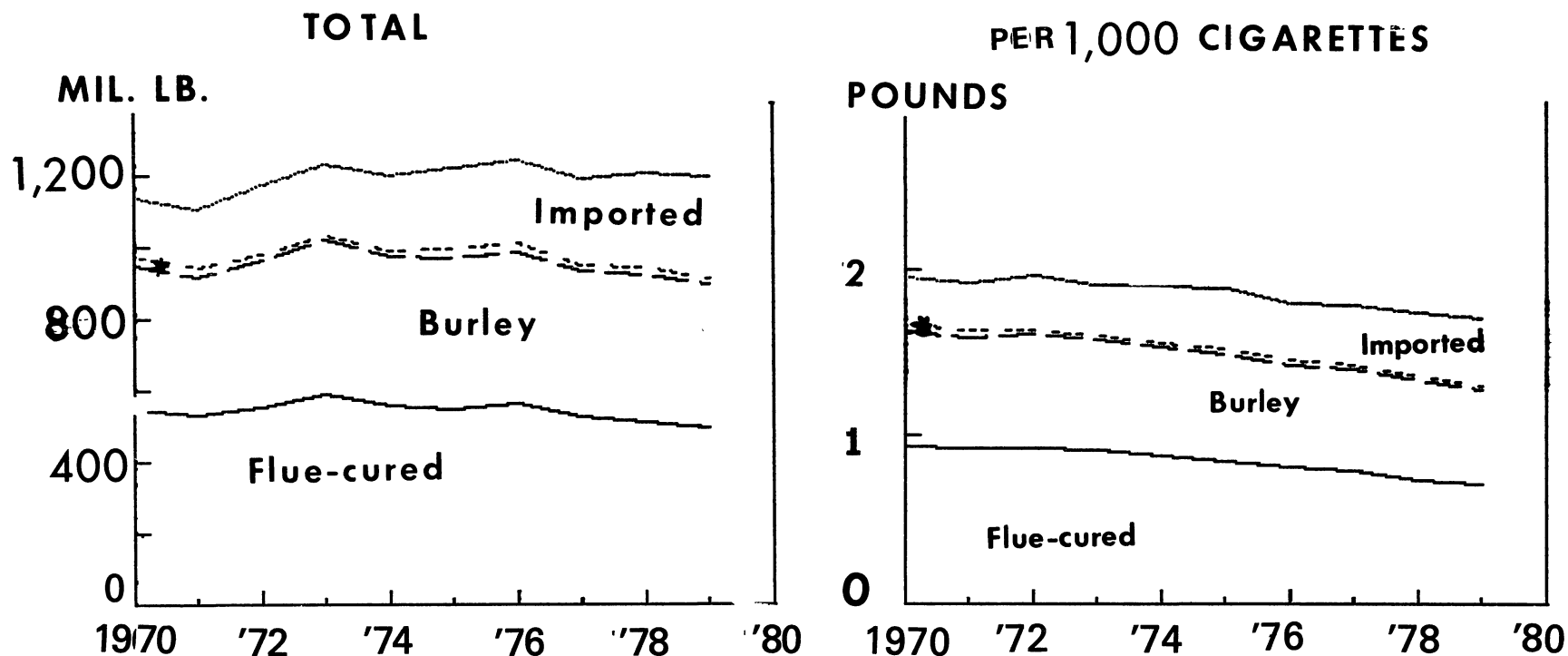
Compiled from reports of Commodity Programs, Foreign Agricultural Service, U.S.D.A.

Table 34—Tobacco: EC imports by major suppliers, 1970-78

Year	United States	Canada	Brazil	Intra-EC ¹	Greece, Turkey	Other	Total	U.S. share of total
	<i>Million pounds</i>						<i>Percent</i>	
1970	142	1	46	58	104	289	640	22.2
1971	178	3	53	69	126	314	743	24.0
1972	179	6	53	90	114	320	762	23.5
1973	342	51	77	152	120	454	1,196	28.6
1974	300	70	87	167	114	583	1,321	22.7
1975	284	50	100	148	76	524	1,182	24.0
1976	276	39	107	168	64	540	1,194	23.1
1977	243	35	137	132	48	534	1,129	21.5
1978 ² . . .	410	49	123	113	62	619	1,376	29.8

¹ Beginning 1973 EC (6) plus Denmark, Ireland, and United Kingdom. ² Preliminary.

TOBACCO USED FOR CIGARETTES



UNSTEMMED PROCESSING WEIGHT. DATA FORECAST FOR LATEST YEAR. * Maryland

USDA

NEG.ESCS 2340-79(9)

Table 35—Estimated leaf used for cigarettes by kinds of tobacco, 1950-78

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
<i>Million pounds</i>									
Average:									
1950-54 . .	736	421	23	1,180	651	373	22	73	1,119
1955-59 . .	701	417	20	1,138	622	371	19	92	1,104
1960-64 . .	742	455	16	1,213	661	404	16	123	1,204
1965-69 . .	666	477	21	1,164	594	426	21	150	1,191
1970	613	448	27	1,088	548	400	27	163	1,138
1971	596	432	24	1,052	532	386	24	165	1,107
1972	621	460	16	1,097	555	411	16	193	1,175
1973	659	485	14	1,158	588	433	14	196	1,231
1974	625	468	13	1,106	558	418	13	213	1,202
1975	614	471	26	1,111	548	420	25	231	1,224
1976	634	472	22	1,128	566	421	22	237	1,246
1977	587	455	16	1,058	524	406	16	242	1,188
1978 ¹	574	460	20	1,054	513	411	19	265	1,208
<i>Per 1,000 cigarettes</i>									
<i>Pounds</i>									
Average:									
1950-54 . .	1.776	1.016	.057	2.849	1.571	.899	.053	.177	2.700
1955-59 . .	1.570	.936	.045	2.551	1.394	.832	.042	.205	2.473
1960-64 . .	1.396	.854	.030	2.280	1.242	.761	.030	.231	2.264
1965-69 . .	1.174	.840	.037	2.051	1.048	.751	.036	.264	2.098
1970	1.051	.768	.046	1.865	.940	.686	.046	.279	1.951
1971	1.034	.749	.042	1.825	.923	.669	.042	.286	1.920
1972	1.037	.768	.027	1.832	.926	.686	.027	.322	1.961
1973	1.023	.752	.022	1.797	.913	.672	.022	.304	1.911
1974 . . . . .	.984	.737	.020	1.741	.880	.658	.020	.335	1.893
1975 . . . . .	.943	.723	.040	1.706	.842	.645	.038	.355	1.880
1976 . . . . .	.914	.681	.032	1.627	.816	.607	.031	.342	1.797
1977 . . . . .	.882	.683	.024	1.589	.787	.610	.024	.363	1.784
1978 ¹ . . . .	.825	.661	.029	1.515	.737	.591	.027	.381	1.736
<i>Percentage distribution</i>									
<i>Percent</i>									
Average:									
1950-54 . .	62.4	35.6	2.0	100.0	58.2	33.3	2.0	6.5	100.0
1955-59 . .	61.6	36.7	1.7	100.0	56.3	33.6	1.7	8.3	100.0
1960-64 . .	61.2	37.5	1.3	100.0	54.9	33.6	1.3	10.2	100.0
1965-69 . .	57.2	41.0	1.8	100.0	49.9	35.8	1.8	12.6	100.0
1970	56.3	41.2	2.5	100.0	48.2	35.1	2.4	14.3	100.0
1971	56.7	41.0	2.3	100.0	48.1	34.8	2.2	14.9	100.0
1972	56.6	41.9	1.5	100.0	47.2	35.0	1.4	16.4	100.0
1973	56.9	41.8	1.2	100.0	47.8	35.2	1.1	15.9	100.0
1974	56.5	42.3	1.2	100.0	46.5	34.8	1.0	17.7	100.0
1975	55.3	42.4	2.3	100.0	44.8	34.3	2.0	18.9	100.0
1976	56.2	41.8	2.0	100.0	45.4	33.8	1.8	19.0	100.0
1977	55.5	43.0	1.5	100.0	44.1	34.2	1.3	20.4	100.0
1978 ¹	54.5	43.6	1.9	100.0	42.5	34.0	1.6	21.9	100.0

¹Subject to revision.

Table 36—Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1977 and 1978

State	1977			1978 ¹		
	Tobacco	Tobacco as:		Tobacco	Tobacco as:	
		Percentage of crops	Percentage of all farm commodities		Percentage of crops	Percentage of all farm commodities
	<i>Million dollars</i>	<i>Percent</i>		<i>Million dollars</i>	<i>Percent</i>	
North Carolina . . .	866	55.7	33.0	1,106	56.4	36.0
Kentucky	619	58.2	34.3	542	52.1	27.5
South Carolina . . .	171	33.7	21.8	203	25.5	22.0
Virginia	163	36.7	16.2	174	33.2	14.8
Tennessee	164	23.6	12.0	165	16.2	10.1
Georgia	150	15.6	6.8	174	16.2	6.8
Florida	31	1.6	1.2	31	1.3	.9
Maryland	30	13.1	4.6	34	13.0	4.4
Connecticut	34	32.7	14.6	23	25.6	9.9
Pennsylvania	14	2.3	.7	14	2.2	.6
Ohio	29	1.8	1.0	23	1.3	.7
Indiana	24	1.9	1.2	20	1.0	.5
Massachusetts	11	10.1	5.1	9	6.9	4.0
Wisconsin	14	2.4	.4	20	3.0	.5
Missouri	5	.4	.2	6	.4	.2
West Virginia	3	7.1	2.0	3	6.4	1.9
United States ² . . .	2,331	4.8	2.4	2,549	4.8	2.3

¹ Subject to revision. ² U.S. total receipts from tobacco include relatively small receipts from a few States not shown separately.

Detail may not add to total due to rounding.

Table 37—Expenditures for tobacco products, and disposable personal income, 1970-79

Year	Total	Cigarettes	Cigars ¹	Other ²	Disposable personal income ²	Percent of disposable personal income spent on tobacco products			
						All products	Cigarettes	Cigars ¹	Other ²
	<i>Million dollars</i>				<i>Billion dollars</i>			<i>Percent</i>	
1970 . . .	11,544	10,448	707	389	686	1.68	1.52	.10	.06
1971 . . .	12,155	11,040	700	415	743	1.64	1.49	.09	.06
1972 . . .	12,910	11,765	720	425	801	1.61	1.47	.09	.05
1973 . . .	13,485	12,325	730	430	902	1.50	1.37	.08	.05
1974 . . .	14,475	13,270	705	500	985	1.47	1.35	.07	.05
1975 . . .	15,505	14,250	680	575	1,087	1.43	1.32	.06	.05
1976 . . .	16,410	15,100	675	625	1,184	1.39	1.28	.06	.05
1977 ³ . . .	17,190	15,850	665	675	1,304	1.32	1.22	.05	.05
1978 ³ . . .	18,030	16,600	680	750	1,457	1.24	1.14	.05	.05
1979 ⁴ . . .	18,750	17,200	700	850	1,622	1.15	1.06	.04	.05

¹ Includes small cigars (cigarette-size). ² Smoking tobacco, chewing tobacco, and snuff. Compiled from reports of Department of Commerce, Bureau of Economic Analysis. ³ Subject to revision. ⁴ Estimated.

Table 38—Governmental revenues from tobacco products, 1969-78

Year ending June 30	Federal Government				State and local Governments		All Governments
	Cigarettes ¹	Cigar ²	Other ³	Total ⁴	State	Local	
	Million dollars						
1969-70	2,036	57	1	2,094	2,308	129	4,531
1970-71	2,150	55	2	2,207	2,536	140	4,883
1971-72	2,151	54	2	2,207	2,831	168	5,206
1972-73	2,221	54	2	2,277	3,112	174	5,564
1973-74	2,383	52	2	2,437	3,250	117	5,804
1974-75	2,261	51	3	2,315	3,286	109	5,710
1975-76	2,435	50	3	2,488	3,462	119	6,069
1976-77	2,279	39	4	2,322	3,500	131	5,953
1977-78 ⁴	2,374	38	4	2,416	3,650	134	6,200
1978-79 ⁵	2,380	36	4	2,420	3,650	130	6,200

¹ Includes large cigarettes. ² Includes small cigars and revenue on cigars from Puerto Rico covered into the Treasury of Puerto Rico. ³ Includes cigarette paper and tubes, and imported cigarettes and cigars. ⁴ Subject to revision. ⁵ Estimated.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 39—Tobacco and tobacco products exports by custom district ports, 1978

Custom district	Unmanufactured, tobacco	Tobacco products		Total tobacco
		Cigarettes	Other	
	Million dollars			
Norfolk, Virginia	758.3	436.1	3.8	1,198.2
Wilmington, North Carolina	437.3	(¹)	0	437.3
New York, New York	18.6	53.8	5.0	77.4
Baltimore, Maryland	58.8	133.2	.3	192.3
Miami, Florida.	12.8	60.1	.6	73.5
San Francisco, California.	11.0	30.2	(¹)	41.2
Charleston, South Carolina	9.5	8.6	.1	18.2
New Orleans, Louisiana	33.0	.2	(¹)	33.2
Philadephia, Pennsylvania . . . . .	.1	2.4	.1	2.6
San Juan, Puerto Rico	9.7	3.1	.9	13.7
Other.	9.1	21.8	3.1	34.0
Total	1,358.2	749.5	13.9	2,121.6

¹ Less than 50 thousand.

Totals may not add due to rounding. Compiled from reports of Bureau of the Census.

RECENT ARTICLES, PUBLICATIONS AND SPEECHES

Bruce, Melvin T., "Federal Tobacco Tax Administration: Recent Developments," remarks at 53rd National Tobacco Tax Association Annual Meeting, Columbus, Ohio, September 11, 1979.¹

"Enforcement of Ban on Smoking in Minnesota is No Easy Matter," *New York Times*, Sept. 9, 1979, p. 64. Refers to Clean Indoor Air Act, passed in 1975 and to similar laws banning smoking in public places in Arizona and Maryland.

Miller, Robert H., "The Evolving Flue-cured Tobacco Auction System," statement prepared for the 35th Annual Convention, Bright Belt Warehouse Association Inc., Myrtle Beach, S.C., June 11-14, 1979, 11 pp.¹

"Tobacco Consumption Trends and the Antismoking Campaign," remarks prepared for the

53rd Annual Meeting, National Tobacco Tax Association, Columbus, Ohio, Sept. 11, 1979, 13 pp.¹

Tobacco Industry Profile-1979, Tobacco Institute. Contains latest industry statistics.²

"Tobacco's Contribution to the U.S. Economy." Summary of study by Wharton Applied Research Center and Wharton Econometric Forecasting Associates, Inc. Includes both direct and indirect contributions to national and state economies in 1977. Summary available from Tobacco Institute.²

FAO Commodity Projections 1985, "Tobacco: Supply, Demand and Trade Projections 1985," ESC: PROJ/78/21, May 1979. Shows production, consumption, imports, exports, for major countries (developed and developing).

¹ Available from 212 GHI Bldg., ESCS, USDA, Washington, D.C. 20250.

² Available from the Tobacco Institute, 1875 I Street, N.W., #800, Washington, D.C. 20006.

Table 40.-- Agricultural and tobacco export value, percentage distribution and percent of total, by State, fiscal years 1973 and 1978 ^{1/}

Tobacco type and State	Export value				Tobacco as percentage:		State as percentage	
	Tobacco 2/		Agricultural		of agricultural 3/		of total tobacco 3/	
	1973	1978	1973	1978	1973	1978	1973	1978
	----- Million dollars -----				----- Percent -----			
<u>Flue-cured</u>								
North Carolina	338	564	526	916	64	62	53	50
South Carolina	66	107	174	288	38	37	10	10
Georgia	59	104	207	433	28	24	9	9
Virginia	49	97	120	229	41	42	8	9
Florida	16	20	184	388	9	5	3	2
Subtotal	528	892	1,210	2,254	44	40	83	79
<u>Burley and fire-cured</u>								
Kentucky	64	140	186	486	34	29	10	12
Tennessee	23	48	175	386	13	12	4	4
Subtotal	87	188	361	872	24	22	14	16
<u>Other</u>								
Connecticut	6	15	8	20	75	75	1	1
Maryland	10	14	59	122	18	12	1	1
Massachusetts	2	7	6	13	42	54	4/	1
Ohio	2	6	432	1,056	1	1	4/	1
All other ^{5/}	5	10	1,701	3,846	4/	4/	1	1
Total 18 States	640	1,132	3,774	8,183	17	14	100	100

^{1/} Year ending June 30 (1973). Year ending September 30 (1978).^{2/} Unmanufactured and bulk smoking tobacco.^{3/} Computed from unrounded totals.^{4/} Less than .5 percent.^{5/} Pennsylvania, West Virginia, Alabama, Indiana, Wisconsin, Louisiana and Missouri.

Compiled from: Tontz, Robert and McCall, Thomasine, "U.S. Agricultural Export Shares by States, Fiscal year 1976," and FOREIGN AGRICULTURAL TRADE OF THE UNITED STATES, March/April 1979, pp. 13-21.

Detail may not add to total due to rounding.

Table 41.--Flue-cured and burley prices: Actual and support level compared with parity prices, 1960-79

Year	Flue-cured tobacco, types 11-14					Burley tobacco, type 31				
	: Parity :	: Support :	: Season :	: Percent of Parity 2/ :		: Parity :	: Support :	: Season :	: Percent of Parity 2/ :	
	: price :	: level :	: average :	: Support :	: Season :	: price :	: level :	: average :	: Support :	: Season :
	: <u>1/</u> :	: level :	: average :	: Support :	: average :	: <u>1/</u> :	: level :	: average :	: Support :	: average :
	<u>Cents per pound</u>		<u>Percent</u>			<u>Cents per pound</u>		<u>Percent</u>		
1960	63.4	55.5	60.4	87.5	95.3	65.6	57.2	64.3	87.2	98.0
1961	64.5	55.5	64.2	86.0	99.5	68.6	57.2	66.5	83.4	96.9
1962	68.9	56.1	60.1	81.4	87.2	73.7	57.8	58.6	78.4	79.5
1963	72.8	56.6	58.0	77.7	79.7	77.1	58.3	59.2	75.6	76.8
1964	74.2	57.2	58.5	77.1	78.8	78.9	58.9	60.3	74.7	76.4
1965	77.8	57.7	64.6	74.2	83.0	82.8	59.5	67.0	71.9	80.9
1966	80.9	58.8	66.9	72.7	82.7	87.3	60.6	66.9	69.4	76.6
1967	84.6	59.9	64.2	70.8	75.9	88.1	61.8	71.8	70.1	81.5
1968	86.7	61.6	66.6	71.0	76.8	91.1	63.5	73.7	69.7	80.9
1969	92.6	63.8	72.4	69.0	78.2	96.5	65.8	69.6	68.2	72.1
1970	96.3	66.6	72.0	69.2	74.8	101.0	68.6	72.2	67.9	71.5
1971	101.0	69.4	77.2	68.7	76.4	104.5	71.5	80.9	68.4	77.4
1972	106.0	72.7	85.3	68.6	80.5	111.0	74.9	79.2	67.5	71.4
1973	123.0	76.6	88.1	62.3	71.6	129.0	78.9	92.9	61.2	72.0
1974	136.0	83.3	105.0	61.2	77.2	147.0	85.8	113.7	58.4	77.3
1975	150.0	93.2	99.8	62.1	66.5	158.0	96.1	105.5	60.8	66.8
1976	155.0	106.0	110.4	68.4	71.2	160.0	109.3	114.2	68.3	71.4
1977	162.0	113.8	117.6	70.2	72.6	166.0	117.3	120.0	70.7	72.3
1978	176.0	121.0	135.0	68.8	76.7	184.0	124.7	131.0	67.8	71.2
1979	203.0	129.3	3/139.7	63.7	68.8	208.0	133.3		64.1	

1/ Beginning of marketing year; July 1 for flue-cured and October 1 for burley.

2/ Calculated by Commodity Economics Division, ESCS.

3/ Through September 14.

Compiled from Agricultural Prices, monthly issues.

Table 42.--Per capita cigarette consumption, various measures, 1964-79

Year	Number	Tobacco	"Tar"	Nicotine	Number	Tobacco	"Tar"	Nicotine
		weight	content	content		weight	content	content
	No.	Lb.	-----Milligrams-----		-----Index, 1967=100-----			
1964	4,194	9.21	1/	1/	98.0	104.0	1/	1/
1965	4,258	9.37	1/	1/	99.3	105.8	1/	1/
1966	4,287	9.08	1/	1/	100.2	102.5	1/	1/
1967	4,280	8.86	94,160	5,900	100.0	100.0	100.0	100.0
1968	4,186	8.69	90,208	5,647	97.8	98.1	95.8	95.7
1969	3,993	8.11	82,735	5,506	93.3	91.5	87.9	93.3
1970	3,985	7.77	79,859	5,224	93.1	87.7	84.8	88.5
1971	4,037	7.75	81,386	5,345	94.3	87.5	86.4	90.6
1972	4,043	7.95	80,577	5,616	94.5	89.7	85.6	95.2
1973	4,148	7.92	79,932	5,488	96.9	89.4	84.9	93.0
1974	4,141	7.90	76,277	5,147	96.8	89.2	81.0	87.2
1975	4,122	7.73	76,628	5,000	96.3	87.2	81.4	84.7
1976	4,091	7.35	73,924	4,750	95.6	83.0	78.5	80.5
1977	4,043	7.20	69,135	4,565	94.5	81.3	73.4	77.3
1978	3,970	7.00	67,500	4,367	92.8	79.0	71.7	74.0
1979 2/	3,900	6.74	1/	1/	91.1	76.1	1/	1/

1/ Not available. 2/ Estimated.

"Tar" and nicotine content compiled from Federal Trade Commission data.

CHANGES IN FIRE-CURED AND DARK AIR-CURED ACREAGE

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ABSTRACT: Following a long-time decline in fire-cured and dark air-cured acreage, rising demand for smokeless tobacco products and higher grower prices have led to a rebound in acreage. The recovery which has been underway since 1975 is expected to continue irregularly for several years.

Regression analysis of acreage changes during 1959-78 show that the farm tobacco price-wage ratio and trend explained most of the year-to-year changes. The regression equations accounted for the following percentages of annual acreage variation: 84 percent for Virginia fire-cured, 92 percent for Kentucky-Tennessee fire-cured, 97 percent for dark air-cured, and 93 percent for Virginia sun-cured.

KEYWORDS: Tobacco, fire-cured tobacco, dark air-cured tobacco, production response, price-acreage relationships.

Production Trends

The principal types of tobacco originally produced in Virginia corresponded to the present dark air-cured types. Colonists early learned that smoking the tobacco in the curing process limited houseburn damage and added to keeping quality. Fire-curing on a large scale developed in the eighteenth century and settlers moving to Tennessee and Kentucky brought the Virginia methods with them (3).¹

Fire-cured tobacco (types 21-23) and dark air-cured tobacco (types 35-37) are used in making snuff, plug, twist and fine-cut chewing tobacco, cigars, and smoking tobacco. While manufacturers have used limited quantities of imported tobacco for these products they prefer U.S.-grown kinds. Until World War I, pipe smoking and chewing were the chief forms of tobacco use, but in the 1920's when cigarettes became the dominant tobacco habit, demand for fire-cured and dark air-cured tobacco fell and production dropped off rapidly.

Many farmers were able to switch to the more profitable cigarette tobacco (burley and flue-cured) (5).

In the past few years, smokeless tobacco sales have rebounded and manufacturers and exporters have bid vigorously for dark tobaccos and production has responded (6). Today, fire-cured and dark air-cured production occurs in well-defined areas in western Kentucky and Tennessee, and central Virginia.²

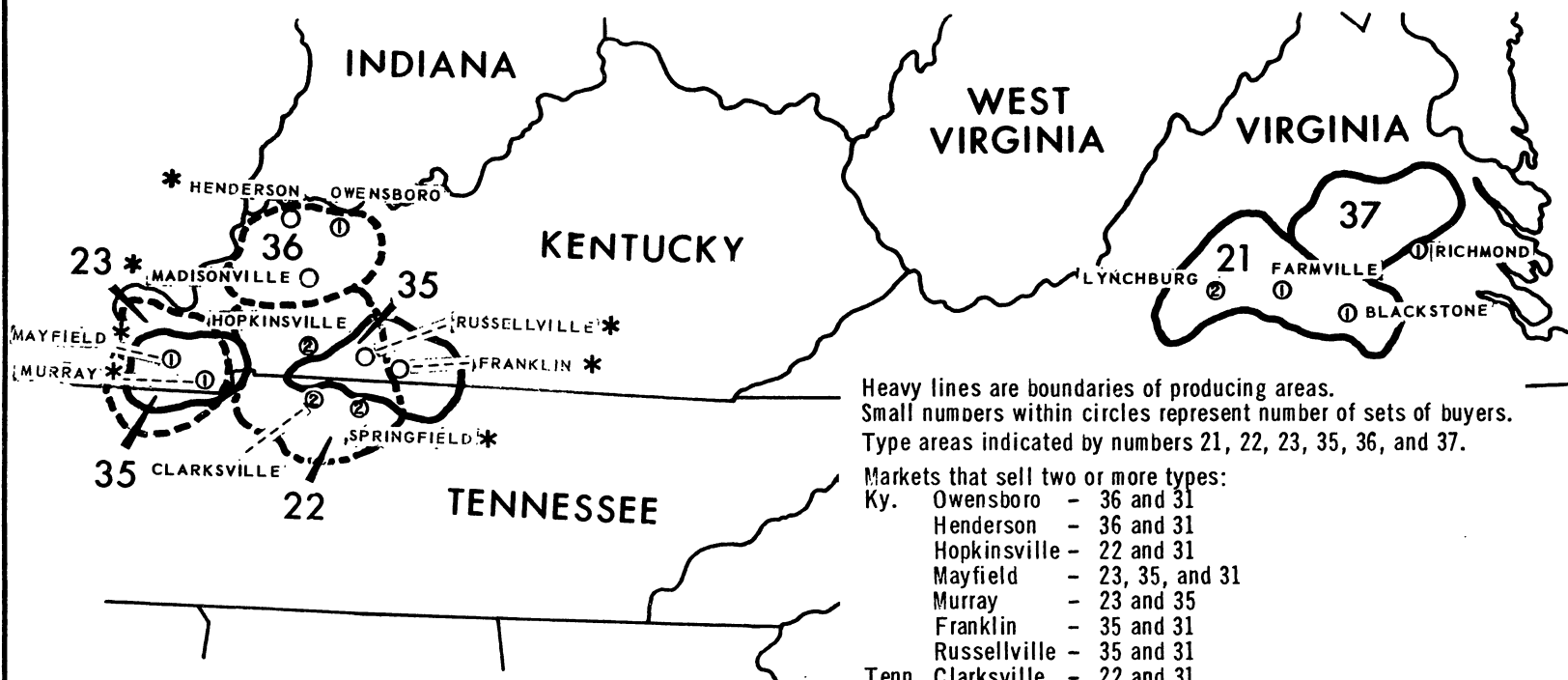
Production Trends

In 1978, U.S. growers produced about 45 thousand acres of fire-cured and dark air-cured tobacco, or 5 percent of the total U.S. tobacco acreage. Farm value amounted to \$88 million and provided income to about 40 thousand farm families (4). While a minor part of farm income for the 3 States, fire-cured and dark air-cured tobacco represent a

¹Numbers in parentheses refer to items in Literature Cited at end of article.

²At one time production of dark air-cured tobacco was reported in Indiana, but this output is too minor to report by the U.S. Department of Agriculture in the crop estimates.

FIRE-CURED AND DARK AIR-CURED TOBACCO AUCTION MARKETS AND PRODUCING AREAS

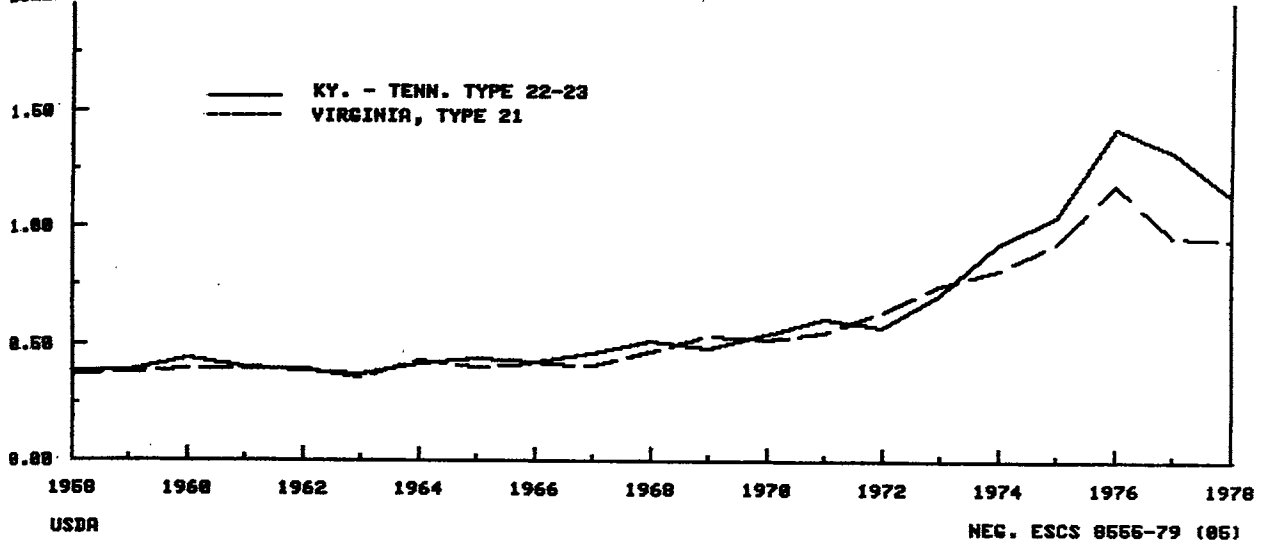


* 2 SETS OF BUYERS IN TYPE 35 FOR THE MARKETS OF FRANKLIN, RUSSELLVILLE, MAYFIELD, AND MURRAY, KY., AND SPRINGFIELD, TENN.

1 SET OF BUYERS IN TYPE 36 FOR THE MARKETS OF HENDERSON AND MADISONVILLE, KY.

FIRE-CURED TOBACCO PRICES

DOLLARS PER LB.



DARK AIR-CURED TOBACCO PRICES

DOLLARS PER LB.

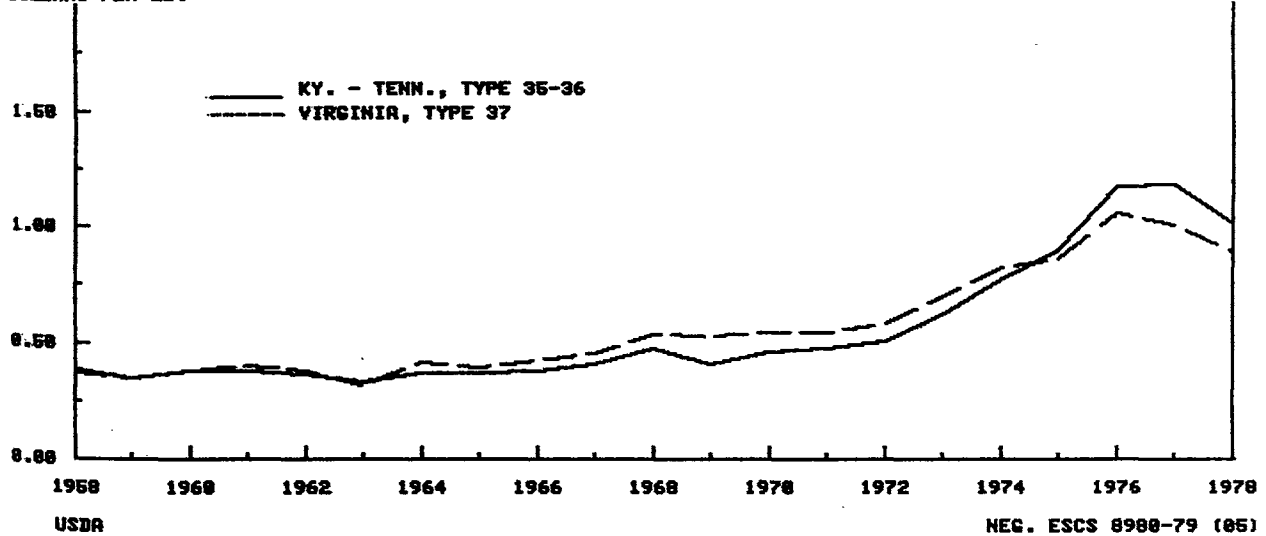


Table 1.--Harvested acreage of fire-cured and dark air-cured tobacco (types 21-23 and 35-37) and percentage of allotted acreage, by State, 1959-78

State	Harvested acreage					Percent of allotted acreage				
	1959	1964	1969	1974	1978	1959	1964	1969	1974	1978
	- - - <u>Thousand acres</u> - - -					- - - <u>Percent</u> - - -				
	Fire-cured (types 21-23)									
Kentucky	12.2	11.5	8.9	6.2	12.0	79	83	70	45	79
Tennessee	15.4	13.3	10.1	8.9	15.0	90	85	71	57	85
Virginia	7.6	7.3	5.0	5.0	6.1	84	80	49	48	55
	Dark air-cured (types 35-37)									
Kentucky	10.1	10.6	8.5	5.8	9.4	75	88	79	62	84
Tennessee	2.1	1.8	1.6	1.2	1.8	93	88	87	75	93
Virginia	2.1	1.7	1.1	.7	.8	50	49	43	43	54
Total	49.5	46.2	35.2	27.8	45.1	80	82	67	53	77

Table 2.--Cash receipts from fire-cured and dark air-cured tobacco and share of cash receipts from marketings, by State, 1959-78

State	Specified tobacco cash receipts					Specified tobacco as percentage of all farm marketings				
	1959	1964	1969	1974	1978	1959	1964	1969	1974	1978
	- - - <u>Million dollars</u> - - -					- - - <u>Percent</u> - - -				
Kentucky	10.6	15.9	14.0	15.9	39.3	1.9	2.1	1.6	1.1	1.9
Tennessee	9.7	12.1	10.6	12.7	42.1	1.9	2.1	1.6	1.2	2.5
Virginia	4.4	3.6	3.5	5.4	6.4	1.0	.7	.6	1.0	.5
Total	24.7	31.6	28.1	34.0	87.8	1.6	1.7	1.3	1.0	1.8

major part of farm income in the localities where it is grown (table 1).

At the peak of dark tobacco sales (1919), about 570 thousand acres of fire-cured and dark air-cured tobacco were produced, accounting for 30 percent of U.S. tobacco acreage. Growers experienced low prices in the 1920's and 1930's and reduced acreage. By the mid-1960's when acreage had fallen to 46,000 acres, dark tobacco acreage decline was slowing down. However, during 1965-76 acreage fell by over one-third. But a sharp price runup since then has pulled acreage back in production (table 2).

Federal marketing quotas have applied (acreage allotments) for fire-cured and dark air-cured tobaccos since 1946. (Virginia sun-cured since 1950.) Periodic allotment reductions were required until the late 1960's to deal with over-production. By then, growers were consistently underproducing their allotments. USDA proposed to terminate quotas on these types (21-23 and 35-37) in 1975, but due to grower objection allotments were continued (8).

Tobacco Price-Wage Rate Ratio Important

Conditions are unique in each tobacco-production area, but some general trends prevail. For many years farmers and farm workers have been attracted to nonfarm jobs by higher wages and more desirable working conditions. With the high labor requirements and the lack of mechanization, tobacco production became a less attractive alternative. Farm employment declined in the three fire-cured States during 1959-78. Declines range from 44 percent in Kentucky to 65 percent in Virginia (table 3).

Tobacco is a labor intensive crop that requires 350 or more hours of labor per acre for fire-cured and about 300 hours for dark air-cured. Many producers hire labor, especially at harvest, and for market preparation. In the 3 dark tobacco States farm wages have more than quadrupled from 1959 to 1978.

With labor a major production input, the relationship of tobacco prices and wage rates is a key measure of the incentive of growers and is a useful measure to analyze acreage changes (table 4) (2).

In 1958, an hour of labor cost the value of 0.6 a pound of Kentucky-Tennessee fire-cured or dark air-cured tobacco and 0.5 times that of Virginia fire-cured and sun air-cured. By the early 1970's these ratios had decreased to about 0.4. Then by 1976, the ratios has risen to 0.6 for types 22-23 (Ky-Tenn) fire-cured and 0.5 for other kinds of dark tobaccos. With the favorable price relationships

growers responded with more output. But, the over-production in the past 2 years plunged the ratios downward.

Analysis of Acreage Changes

Ordinary least squares regression techniques were used to relate harvested acreage of the four dark tobacco types in 1959-78 to various explanatory factors. The tobacco price-wage ratio for the previous year or two previous years explained most of the year-to-year changes in acreage. Unlike some earlier periods, trend was not measured since most of these acreage series experienced a turnaround after the mid-70's.

Additional factors such as nonfarm employment, number of farm workers, livestock prices, other crop prices may have some impact on tobacco acreage, but time did not permit them to be examined. In a similar analysis on cigar acreage changes, these variables did not help significantly to further explain the acreage changes (2).

A long time period of 20 years (1959-78) and a limited period of 10 years (1969-78) was examined since the analysis centered on the period before and after the acreage turnaround in the mid-1970's. Furthermore, the long period of declining acreage was largely attributed to retirement of growers with no replacements to carry on production.

Observation of the annual data suggests that growers' response is somewhat further lagged than a single year. An average of the previous and two-year lagged observations was used as well.

In table 5, equation 1.1, based on type 22-23 price-wage ratios, previous year harvested acreage, and allotted acres gives satisfactory fit—that is coefficient signs are as expected, and values are significant at or beyond the 5 percent level. The equation explains 92 percent of the year-to-year variation.

According to equation 1.1, a 1-percent increase in the price-wage ratio increased harvested acreage by 104 acres. A similar fit but a larger production response is indicated when price-wage relationships of the two previous years and used (Eq 1.2)

Equation 2.1 (based on type 21 price-wage ratio) previous year harvested acreage and allotted acres gives satisfactory signs and explains 84 percent of year-to-year variation. However, the equation for Virginia fire-cured shows growers less responsive to price changes than for Kentucky-Tennessee types. This is in part due to having a larger share of farms organized with tenants and less price incentive for persons actually growing the crop. A 1-percent increase in the price wage ratio resulted in a 59-acre increase in harvested acres. The response was 94 acres when the two previous years are used (Eq 2.2)

Equation 3.1 (based on types 35-36 price-wage ratio) and previous year harvested acreage and allotted acres explains 97 percent of year-to-year variation. An increase of 1 percent in the price-wage ratio is associated with a production gain of 43 acres the following year.

Equation 4.1 (based on type 37 price-wage ratio) and previous year harvested acreage and allotted acreage explains 91 percent of year-to-year variation. An increase of 1 percent in the price-wage ratio is associated with a gain of 46 acres the following year.

Acreage Prospects

Over the next few years, as restrictions apply to tobacco smoking, the market for tobacco products using dark-fired tobacco is likely to continue on the

upswing. Imports are not a significant supply source. The tobacco allotment programs may change acreage in the short run, but general economic conditions will be the primary consideration. Since tobacco production requires large amounts of labor, farm and nonfarm wage trends significantly affect acreage. Mechanized harvest of stalk-out tobaccos, such as fire-cured and dark air-cured types, appears remote. Most changes in dark-fired production technology depend on mechanization developments in burley tobacco—the chief stalk cut type—and may be many years away. For dark tobacco production to continue, returns will have to remain competitive with farm and nonfarm work in the production areas. Some fluctuation in acreage is likely as growers respond imperfectly to market signals.

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Table 3.--Farm and nonfarm employment in selected States, 1959-78

State	Farm workers (family and hired)					Nonagricultural employees				
	1959	1964	1969	1974	1978	1959	1964	1969	1974	1978
	<u>Thousands</u>									
Kentucky	244	229	158	150	131	632	726	895	1,071	1,224
Tennessee	256	224	149	134	116	869	1,045	1,312	1,558	1,708
Virginia	210	162	116	97	83	991	1,158	1,434	1,805	2,036
Total	710	615	423	381	330	2,492	2,929	3,641	4,434	4,968

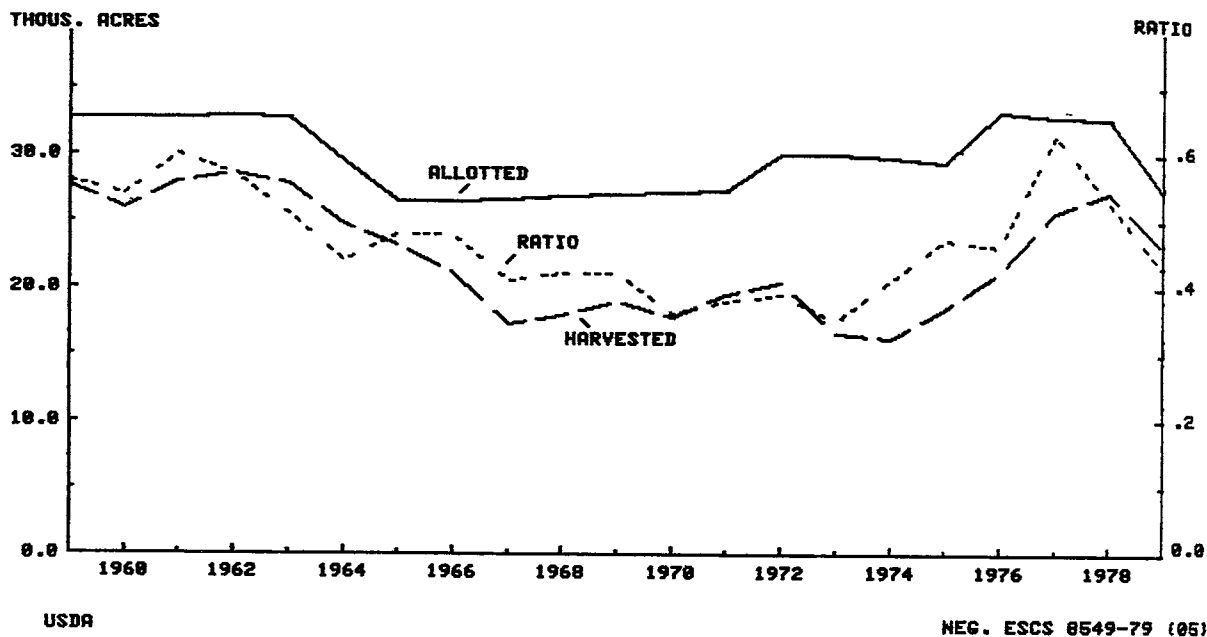
Table 4.--Nonfarm-to-farm wage ratio and index of farm and nonfarm wages in selected States, 1959-78

State	Wage ratio <u>1/</u>					Tobacco price-farm wage rate ratio <u>2/</u>				
	1958	1963	1968	1973	1977	1958	1963	1968	1973	1977
	<u>Number</u>									
Kentucky <u>3/</u>	0.38	0.40	0.47	0.48	0.47	0.56	0.44	0.42	0.41	0.53
Tennessee <u>4/</u>	.35	.37	.44	.50	.50	.57	.39	.39	.35	.47
Virginia <u>5/</u>	.47	.53	.60	.51	.56	.48	.40	.40	.44	.39
Virginia <u>6/</u>						.48	.40	.40	.44	.38
	Farm wage index					Nonagricultural wage index				
Kentucky	100	124	180	249	324	100	118	146	199	287
Tennessee	100	122	182	275	421	100	115	144	193	300
Virginia	100	114	152	222	323	100	119	149	202	310

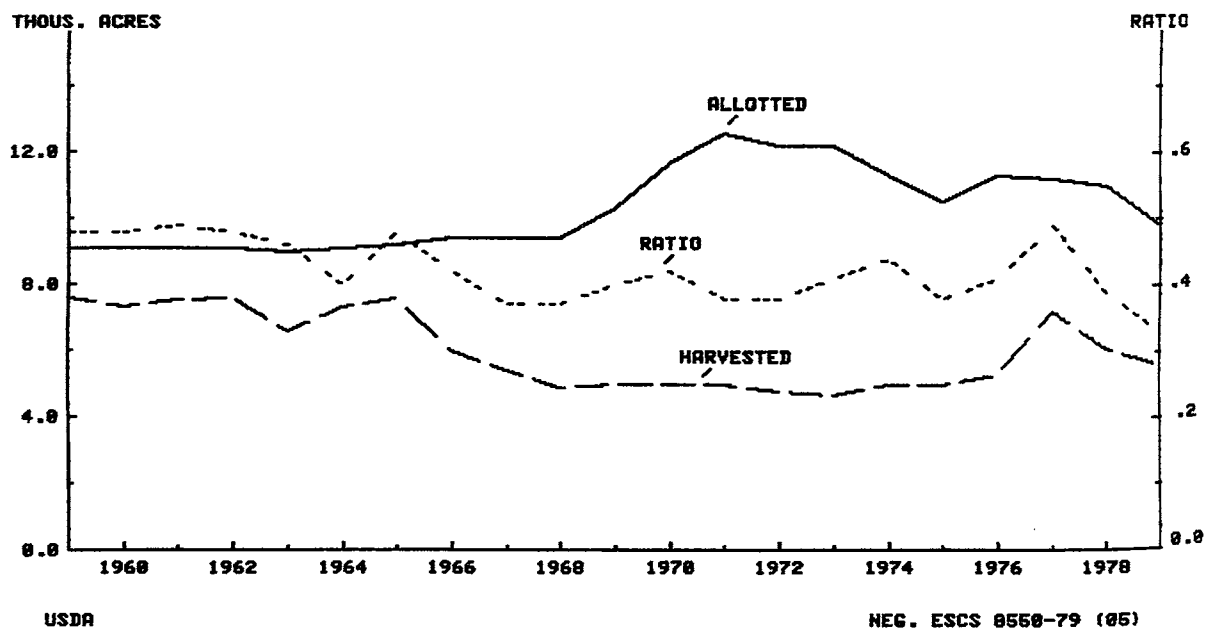
1/ Nonfarm manufacturing hourly wage rate divided by farm cash wage rate. 2/ Average price of tobacco received by farmers (cents per pound) divided by farm wage rate (cents per hour). 3/ Fire-cured (types 22-23). 4/ Dark air-cured (types 35-36). 5/ Fire-cured (type 21). 6/ Sun-cured (type 37).

Compiled from: U.S. Department of Agriculture, Agricultural Prices, Farm Labor, various issues, U.S. Department of Labor, Employment and Earnings, May issues.

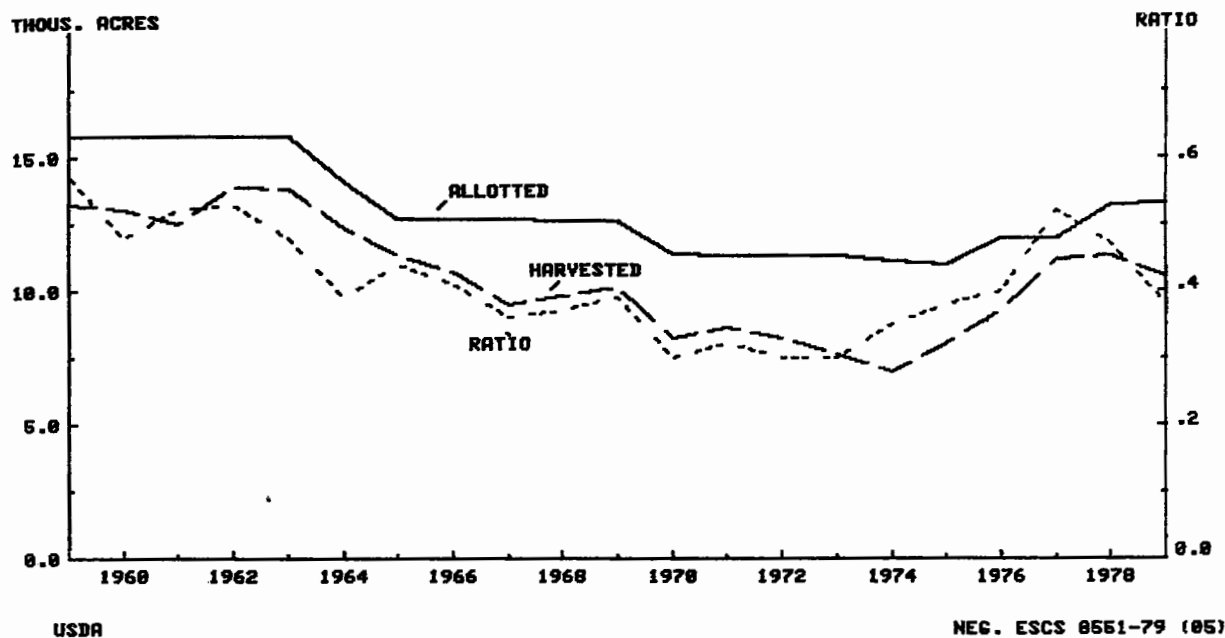
KY - TENN: FIRE-CURED TOBACCO ACREAGE



VIRGINIA: FIRE - CURED TOBACCO ACREAGE



KY - TENN: DARK AIR-CURED TOBACCO ACREAGE



VIRGINIA: SUN - CURED TOBACCO ACREAGE

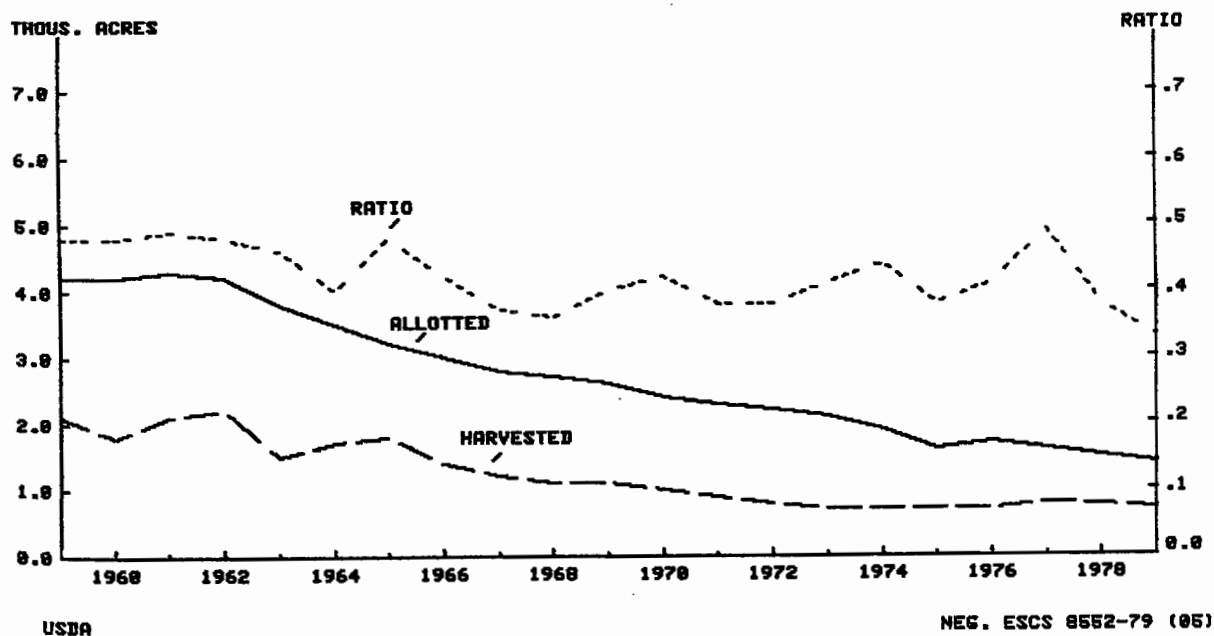


Table 5.--Comparison of linear equation results for fire-cured and dark air-cured tobacco acreage, 1959-78 1/

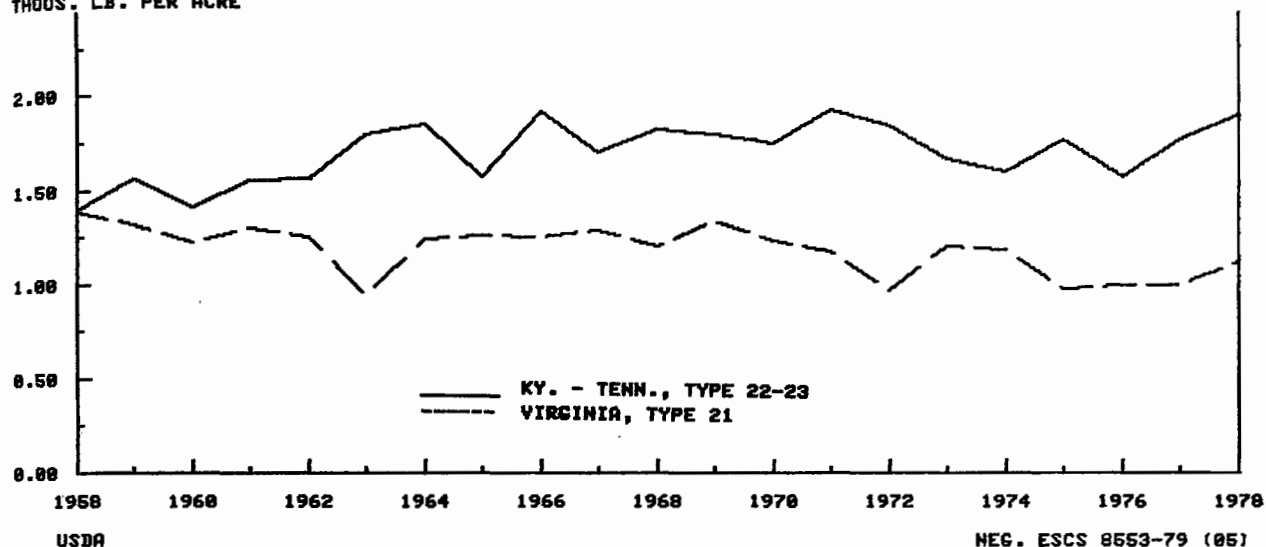
Equation	Intercept	Acreage : harvested, : t-1	Price-wage ratio <u>2/</u> : t-1	avg. t-1, : t-2	Allotted : acres	Std. : error	R ² <u>3/</u>	Durbin- : Watson : statistic	Price : elas- : ticity <u>4/</u>
<u>Kentucky-Tennessee fire-cured (types 22-23)</u>									
1.1	- 8.8	0.524 (5.8)	22.7 (4.1)		0.294 (1.9)	1.31	0.92	1.51	0.48
1.2	- 8.8	.360 (2.9)		30.0 (3.5)	.297 (1.8)	1.40	.91	1.75	.64
<u>Virginia fire-cured (type 21)</u>									
2.1	- .5	.37 (2.2)	13.8 (4.4)		- .16 (1.1)	.50	.84	2.19	.98
2.2	- 1.0	0 (.1)		21.9 (3.7)	- .24 (1.5)	.55	.81	2.00	1.56
<u>Kentucky-Tennessee dark air-cured (types 35-36)</u>									
3.1	- 2.2	.44 (4.3)	10.3 (5.0)		.29 (1.8)	.44	.97	1.78	.41
3.2	- 2.4	.26 (2.1)		10.7 (3.4)	.43 (2.3)	.54	.95	1.82	.44
<u>Virginia sun-cured (type 37)</u>									
4.1	- .8	- .01 (.06)	1.5 (1.6)		.49 (4.8)	.16	.93	1.93	.47
4.2	- 1.1	- .10 (.6)		2.48 (1.9)	.51 (5.3)	.15	.93	1.98	.54

1/ In thousand acres. Values in parentheses below regression coefficients are their t values. 2/ Prices received, dollars per pound, divided by farm wage rate, dollars per hour. 3/ Coefficients of determination.

4/ Computed at mean of observations.

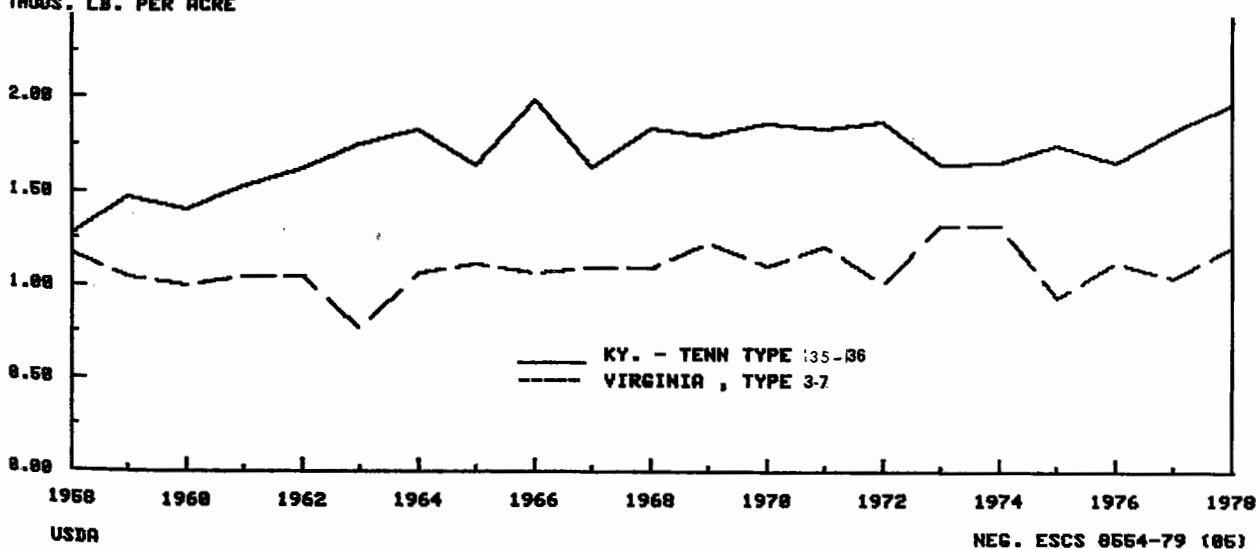
FIRE-CURED TOBACCO YIELDS

THOUS. LB. PER ACRE



DARK AIR-CURED TOBACCO YIELDS

THOUS. LB. PER ACRE



STATISTICAL SUMMARY

Item	Unit or base period	1978		1979			Last data as percentage of a year earlier
		July	August	June	July	August	
Average price at auctions							
Flue-cured	Ct. per lb.	133.0	131.7	closed	127.9	139.4	106
Burley	Ct. per lb.	closed	closed	closed	closed	closed	---
Maryland	Ct. per lb.	closed	closed	closed	closed	closed	---
Virginia fire-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Ky.-Tenn. fire-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Ky.-Tenn. dark air-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Virginia sun-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Price support level 1/							
Flue-cured	Ct. per lb.	121.0			129.3		107
Burley	Ct. per lb.	124.7			133.3		107
Virginia fire-cured	Ct. per lb.	84.6			90.3		107
Ky.-Tenn. fire-cured	Ct. per lb.	84.6			90.3		107
Ky.-Tenn. dark air-cured	Ct. per lb.	75.2			80.4		107
Virginia sun-cured	Ct. per lb.	75.2			80.4		107
Connecticut Valley cigar binder	Ct. per lb.	86.3			92.3		107
Wis. binder and Ohio filler	Ct. per lb.	62.3			66.6		107
Puerto Rican filler	Ct. per lb.	64.7			69.2		107
Parity index 2/	1910-14=100	749	750	845	853	852	114
Industrial production index 3/	1967=100	147.1	147.1	152.3	152.1		103
Employment	Mil.	94.4	94.7	96.8	97.2		103
Personal income 4/	Bil. dol.	1,730.0	1,741.3	1,905.5	1,932.7		112
							</

See footnotes at end of table.

STATISTICAL SUMMARY--CONTINUED

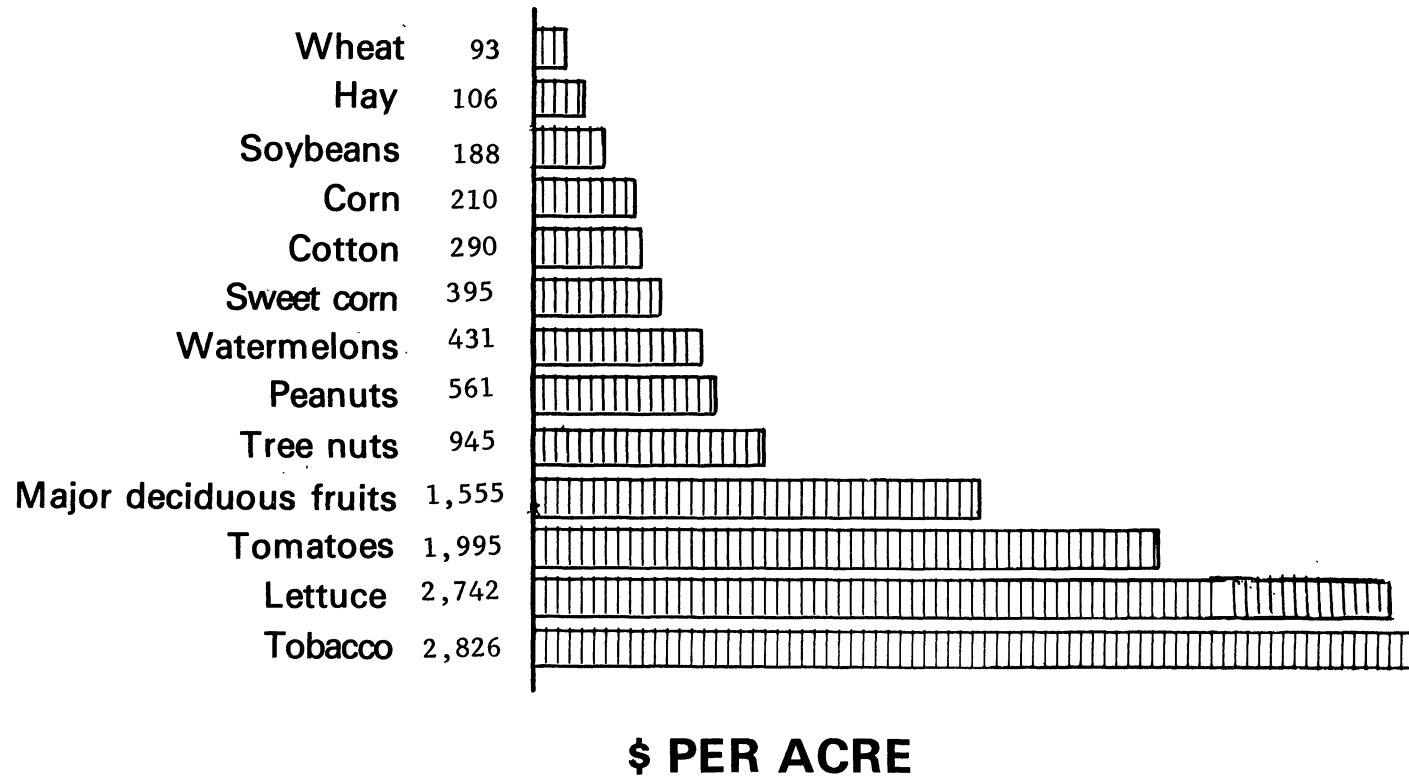
Item	Unit or base period	1978		1979		Last data as percentage of a year earlier	
		June	July	May	June		July
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	24.4	31.6	29.0	14.2	23.9	76
Burley	Mil. lb.	7.1	17.1	12.7	13.0	14.8	87
Maryland	Mil. lb.	.8	.7	.6	.6	.4	57
Virginia fire- & sun-cured	Mil. lb.	.2	.1	.1	0	.6	6
Ky.-Tenn. fire-cured	Mil. lb.	.8	3.4	1.5	.4	.7	21
Ky.-Tenn. dark air-cured	Mil. lb.	*	*	0	*	.2	---
Cigar wrapper	Mil. lb.	.3	.3	.3	.6	.5	166
Cigar binder	Mil. lb.	*	0	0	0	0	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	539.1		584.5	598.7		111
Burley	Mil. lb.	75.1	92.2	79.7	92.6	107.5	117
Maryland	Mil. lb.	4.9	5.6	8.8	9.4	9.8	175
Virginia fire- & sun-cured	Mil. lb.	1.7	1.8	2.0	2.0	2.6	144
Ky.-Tenn. fire-cured <u>9/</u>	Mil. lb.	10.0	13.4	18.2	18.7	19.7	147
Ky.-Tenn. dark air-cured <u>9/</u>	Mil. lb.	1.9	2.1	1.7	1.8	2.1	100
Cigar wrapper	Mil. lb.	4.7		4.6	5.3		113
Cigar binder	Mil. lb.	.1	.1	*	*	*	---
Cigar filler	Mil. lb.	.2	.2	.1	.1	.1	50
Exports of manufactured tobacco in bulk and not elsewhere classified <u>10/</u>	Mil. lb.	.2	.1	2.2	5.8	2.8	---
Accumulated from Jan. 1	Mil. lb.	1.4	1.5	5.7	11.6	14.3	953
		Quarterly data					
		1978		1979			
		April-June	July-Sept.	April-June	July-Sept.		
Stocks of tobacco--1st of quarter (farm-sales weight) <u>11/</u>							
Domestic types							
Flue-cured	Mil. lb.	2,276	2,052	2,306	2,076	101	
Burley	Mil. lb.	1,491	1,354	1,519	1,332	98	
Maryland	Mil. lb.	41	63	38	56	89	
Fire-cured	Mil. lb.	77	75	85	84	112	
Dark air- and sun-cured	Mil. lb.	35	39	43	40	103	
Cigar filler	Mil. lb.	78	70	83	76	109	
Cigar binder	Mil. lb.	59	56	61	57	102	
Cigar wrapper	Mil. lb.	14	13	11	13	100	
Under Government loan <u>12/</u>	Mil. lb.	709	661	798	786	119	
Foreign types							
Cigarette and smoking	Mil. lb.	604	625	655	684	109	
Oriental	Mil. lb.	344	345	359	366	106	
Flue-cured	Mil. lb.	120	130	133	147	113	
Burley	Mil. lb.	140	150	163	171	114	
Cigar	Mil. lb.	101	97	100	97	100	
Tobacco outlets <u>13/</u>							
Seasonally adjusted data, annual rates, for charts, p. 2							
Cigarettes							
Production	Bil.	719.6	664.1	705.0	715.4	108	
Tax-paid removals	Bil.	641.7	557.5	606.3	603.6	108	
Cigar production							
Large	Bil.	5.02	4.71	4.78	4.48	95	
Small	Bil.	2.03	1.34	1.45	1.30	97	
Smoking production	Mil. lb.	38.2	33.5	32.7	30.8	92	
Chewing production							
Loose leaf	Mil. lb.	66.0	64.3	73.9	67.5	105	
Plug and other	Mil. lb.	30.0	29.0	31.1	30.3	104	
Snuff production	Mil. lb.	25.4	24.3	24.1	25.4	105	
Exports of leaf							
Total	Mil. lb.	503.3	831.3	597.3	697.0	84	
Flue-cured	Mil. lb.	359.1	566.9	368.0	455.0	62	

1/ 1978 and 1979 crops, respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Federal and applicable state and local taxes included. 6/ Includes tobacco accessories. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Includes Black Fat. 10/ Smoking tobacco in bulk through December 1977. Beginning January 1978 blended strips no longer included. 11/ Holdings of manufacturers and dealers, including grower cooperatives. 12/ Reported by grower cooperatives. 13/ Latest quarter is estimated. *Less than 50,000 pounds. **Estimated. Detail may not add due to rounding.

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FARM VALUE PER ACRE FOR SELECTED CROPS, 1978



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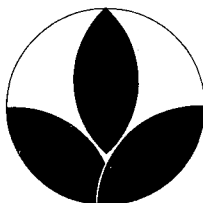
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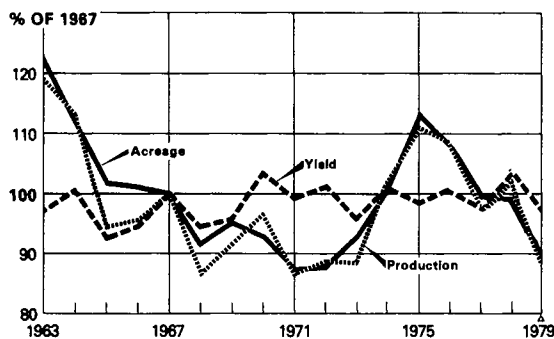
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OCTOBER 1979

OUTLOOK '80
Agriculture in a World Setting



TOBACCO ACREAGE, YIELD AND PRODUCTION



Agriculture in a World Setting is the theme of USDA's 56th annual Food and Agricultural Outlook Conference to be held in Washington, D.C., November 5-8, 1979.

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