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Tobacco Situation

Economics, Statistics,
and Cooperatives Service

TS-165

U.S. Department of
Agriculture

SEPTEMBER
1978

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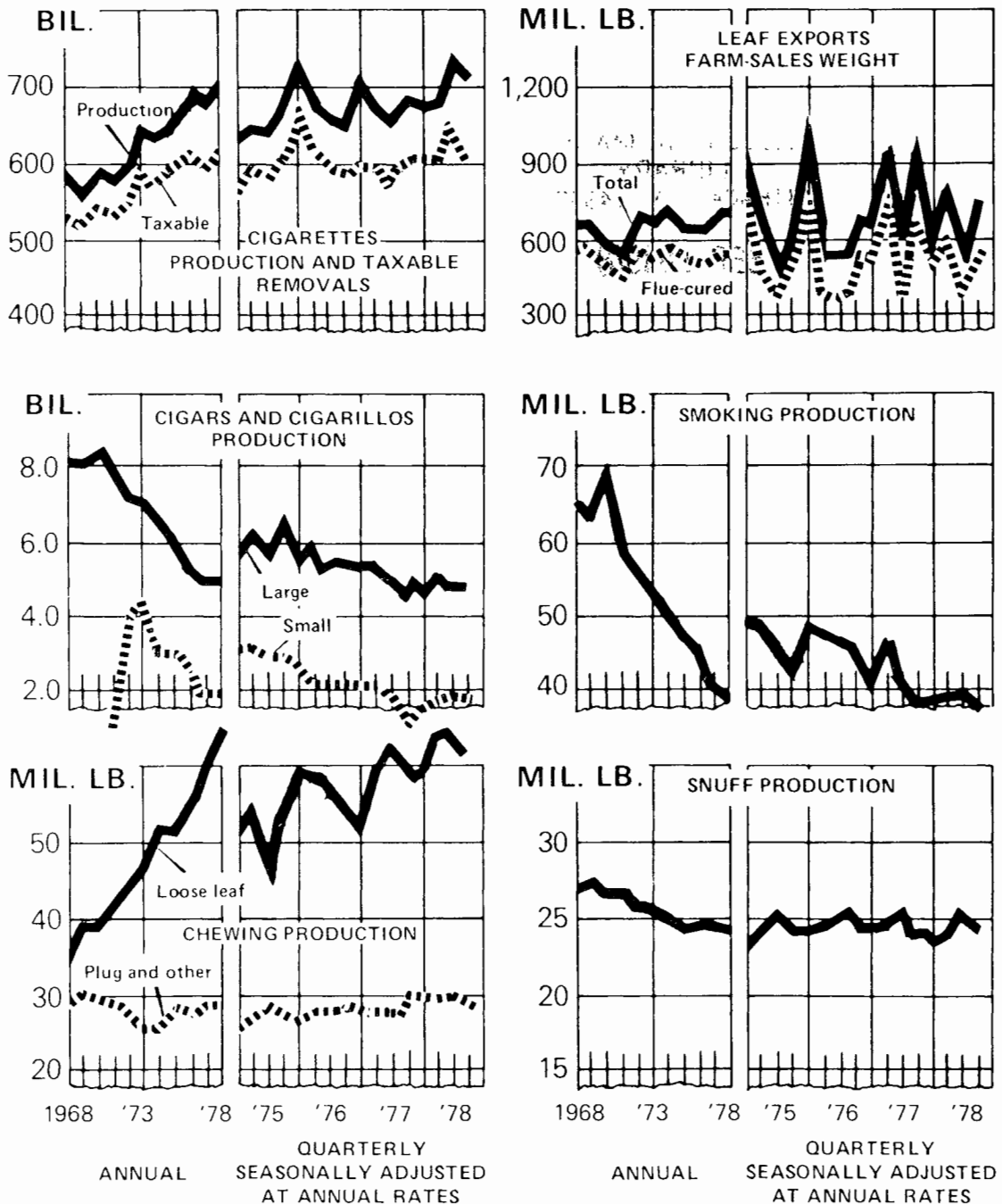
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World Food and
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and Situation Board

SEP 28 1978



TOBACCO OUTLETS

Trends in Manufactured Products and Exports



USDA

LAST QUARTER SHOWN ESTIMATED

NEG. ESCS 229-78 (9)

THE TOBACCO SITUATION

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SUMMARY

Tobacco production this year is up from 1977 due to higher yields. A more favorable growing season has brought better leaf quality. Flue-cured tobacco auctions opened at sharply higher prices than last season and maintained record prices. Cash receipts and net returns for tobacco will rise from the 1977 level because of the higher prices.

Despite the same size carryover, the larger crop is bringing the supply for the 1978/79 marketing year 2 percent above year-ago levels. Supply, at 5.5 billion pounds, contains adequate quantities of most grades.

The September 1 estimate of U.S. tobacco output was 2.0 billion pounds, up 5 percent from 1977 due to 6-percent higher yields. Future weather and other factors can affect final production. Estimated carryover of tobacco into the 1978/79 marketing year (beginning July 1 for flue-cured and cigar wrapper types, October 1 for all others) remains at 3.5 billion pounds.

Worldwide, the tobacco manufacturing industry prospects point to another gain in cigarette sales volume; but total disappearance of U.S. tobacco in 1978/79 may change little from the 1.9 billion pounds for the marketing year now ending. U.S. cigarette production is expected to gain, and U.S. tobacco leaf export prospects have firmed due to a slowdown in the growth of competing supplies of quality tobacco. Also, the strengthening of major foreign currencies could support demand for U.S. tobacco. With larger U.S. tobacco supplies, including a better quality crop, leaf exports for the year ending June 30, 1979, may match the previous year's level of 617 million pounds (706 million, farm-sales weight).

For the marketing year ending next June, U.S. cigarette output is expected to slightly exceed the 685 billion produced in 1977/78. Exports are gaining at a brisk pace; domestic cigarette consumption may go up more modestly, perhaps by 0.5 to 1 percent. However, the smoking and health controversy, coupled with further price increases, may bring the smoking rate per person (18 and older) in calendar 1978 down about 1 percent from last year's 203 packs per capita.

U.S. manufacturers' imports for consumption gained in 1977/78 as Oriental tobacco supplies became adequate. Stocks of imported tobaccos are up slightly. Imports accounted for about 20 percent of tobacco used in cigarettes (year ending June 30, 1978). For cigars, U.S. manufacturers used about 70 percent foreign-grown tobacco.

The national marketing quota for the 1979 flue-cured tobacco crop must be announced by December 1. Individual farm quotas and allotments will reflect under and overmarketings in the current crop. Marketing quotas for burley and other kinds of tobacco will be announced by February 1, 1979. Based on the formula required by law, 1979 price-support levels for eligible tobaccos would increase an estimated 7 percent over 1978.

With a larger crop, due to better yields, the supply of U.S. flue-cured tobacco, at 3.26 billion pounds, is about 2 percent above last year. The 1978 crop, estimated at 1.22 billion pounds, is up 8 percent; but the carryover into the current season was down. During the past marketing year exports gained, almost offsetting a decline in domestic use. The moderate level of use may continue this season. Carryover next July 1 is expected to increase slightly.

Sales of the 1978 flue-cured tobacco crop began on July 19. By mid-September, growers had marketed one-half of the crop with only 5 percent of all flue-cured marketings going under loan. Weekly price averages fluctuated due to varying composition of grower offerings, but stayed well above year-earlier levels due to higher grade prices and improved quality. Through the second week of September weekly sales averaged \$1.34 per pound, 16 cents above that period a year earlier.

The supply of U.S. burley tobacco is 1 percent more than the year-earlier total. Currently, supply represents 3 years' use, and is ample enough to maintain use. Both the current crop and carryover from 1977/78 are pegged a little above the year-ago levels. Disappearance during the 1977/78 crop year (October-September) may fall below the year-earlier figure. USDA has agreed to extend grading and price support for a limited amount of untied burley in bales, solely for experimental purposes.

Larger carryovers are more than offsetting smaller crops of Southern Maryland, fire-cured, and cigar-type tobaccos to push up 1978/79 supplies. Supplies of dark air-cured types are about the same.

OUTLOOK CONFERENCE, NOVEMBER 13-16, 1978

We would like to see you at the 55th annual U.S. Department of Agriculture FOOD AND AGRICULTURAL OUTLOOK CONFERENCE, November 13 to 16 in Washington, D.C.

Please be with us to attend OUTLOOK sessions with the experts on:

- farm and food policy
- farm inputs
- food marketing and distribution
- weather,
- U.S. agricultural and general economics
- world trade
- farm commodities
- retail food supplies and prices

and participate, if you like, in the discussions on the 1979 agricultural forecasts. Current and emerging issues will focus on international trade, farm, food, and consumer affairs.

The outlook session for tobacco is scheduled for Tuesday, November 14, beginning at 2:45 p.m.

For a preliminary program which also includes information on accommodations, transportation, special events, and preregistration procedures for the Conference, call (202) 447-8750, or write:

U.S. Department of Agriculture
Food and Agriculture Outlook Conference
Attn: Linda Stallard
Rm. 412, GHI Building
Washington, D.C. 20250

There is no fee for the conference and we look forward to seeing you.

AMA TOBACCO AND HEALTH REPORT

The American Medical Association Education and Research Foundation (AMA-ERF) in August released the report, *Tobacco and Health*, a 369-page compilation on the relationships between tobacco and health. Begun in 1964, and financed by the 6 largest tobacco companies, the program of research involved 795 separate reports produced by 844 researchers in 85 American and 13 foreign institutions.

In summarizing the report an AMA committee

said, "...the bulk of research sponsored by this project supports the contention that cigarette smoking plays an important role in the development of chronic obstructive pulmonary diseases and constitutes a grave danger to individuals with pre-existing diseases of the coronary arteries."

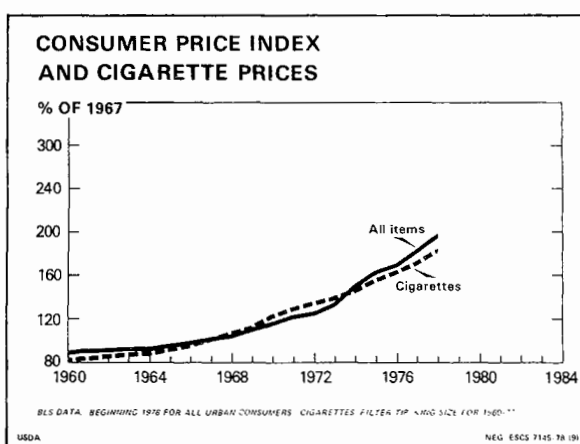
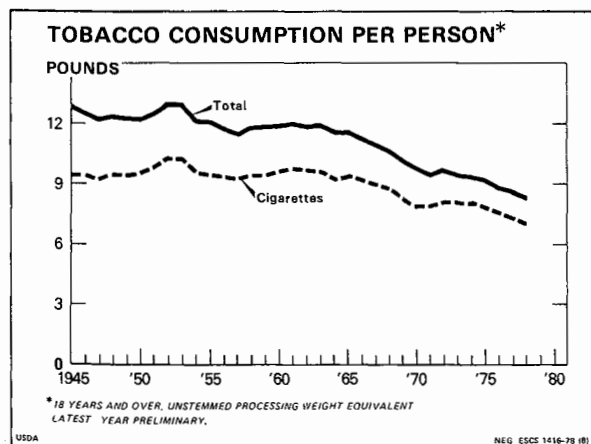
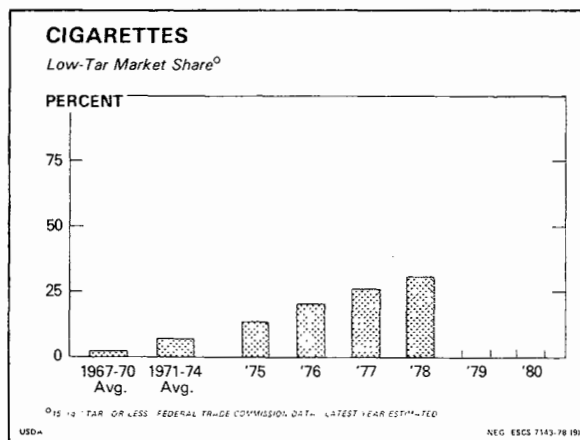
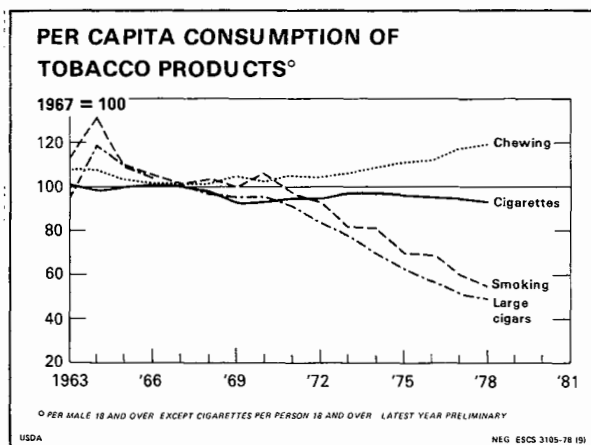
The report may have a limited impact on tobacco use since the studies cited had been previously published or reported at scientific meetings.

TOBACCO PRODUCTS

Cigarette Trend Flattens

U.S. cigarette smoking in calendar 1978 may rise less than 1 percent from 1977. While more people are of smoking age and heavy promotion of low-tar, low-nicotine brands continues; anti-

smoking restrictions abound. This year's cigarette prices are up overall and smoking per adult may be down slightly. Economic activity is expected to remain at a high level in 1979, and similar cigarette demand characteristics are likely to prevail so smoking may show little change (table 1).



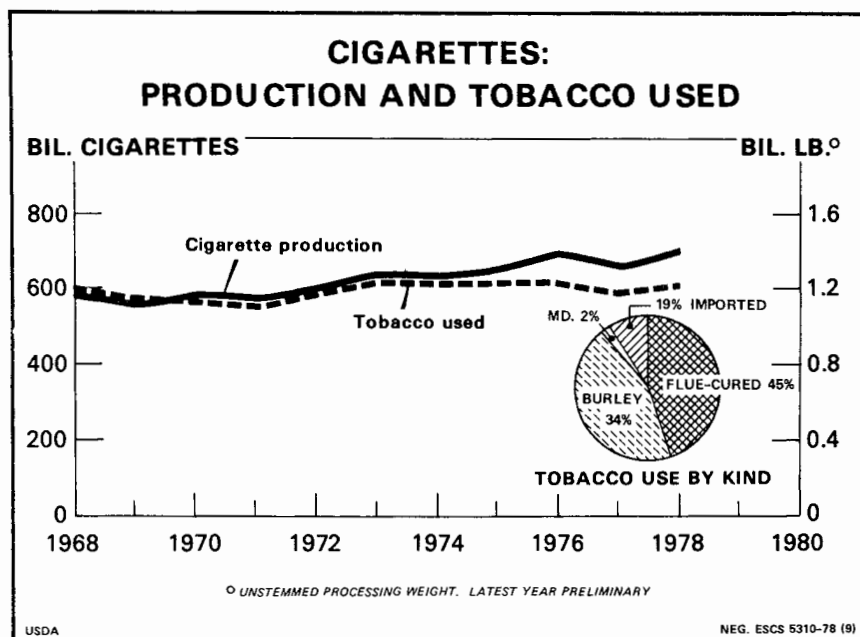


Table 1.-- Cigarettes: U.S. output, removals, and consumption, 1970-78

Year	Output	Removals					Estimated: inventory: increase	Total U.S. consump- tion
		Taxable	Tax-exempt			Overseas forces		
			Total	Exports	Shipments 1/ 2/			
<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	72.0	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 4/	700.0	613.0	85.0	72.5	1.0	11.5	5.0	620.0
<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 5/	685.4	609.6	80.5	69.4	1.0	10.1	2.0	618.0

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.

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**Table 2—Consumption per capita of tobacco products in the United States
(including overseas forces), 1969-78**

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
1969	3,993	8.11	.20	10.04	125.0	2.11	1.08	1.09
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	4,000	7.00	.16	8.28	64.0	1.15	.59	1.24

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

Americans smoked 314 billion cigarettes in the first half of 1978, about 1 billion above the year-earlier estimate. Second half figures are expected to exceed the 304 billion of a year ago.

Consumption per person (18 and older) this year is falling about 1 percent short of last year's 4,051 cigarettes, to about 200 packs (table 2). The low-tar, low-nicotine portion (containing 15 milligrams of tar or less) receives the biggest share of advertising and this category now approaches 30 percent of sales volume. Recent research results and advertising publicity about low-tar brands smoking is expected to further boost their sales share.

In the first 7 months of calendar 1978, cigarette exports increased 6 percent (table 3). Considering both domestic and foreign sales trends, calendar 1978's output may gain about 5 percent from last year.

The uptrend in retail prices is continuing (table 4). In July, retail prices of cigarettes were 4 percent above a year earlier. Manufacturers raised wholesale prices 8 percent in mid-June (table 5).

State cigarette tax rates have increased in only 1 State so far this year. The weighted average State cigarette tax was 12.8 cents per pack in mid-1978, 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.

California to Vote on Smoking Restrictions

California voters will decide November 7 whether to approve restrictions on smoking in work places as well as public places (Proposition-5). Extensive advertising campaigns are being waged by proponents and opponents of this measure. California residents buy more cigarettes than any other State, about 10 percent of the Nation's total.

Table 3—U.S. cigarette exports to leading destinations, 1977-78

	July 1977- June 1978	January-July	
		1977	1978 ¹
- - - Billions - - -			
Belgium-Luxembourg . .	11.0	6.6	5.4
Hong Kong	5.9	3.1	3.5
Netherlands Antilles . . .	4.5	2.1	2.5
Japan	3.3	1.7	1.9
Iran	8.0	6.7	6.0
Saudi Arabia	3.5	2.0	1.9
Spain	4.2	2.1	1.9
Kuwait	1.5	1.0	1.0
United Arab Emirates . .	1.2	.7	.8
Canary Islands	1.9	.9	1.0
Syrian Arab Republic . .	8	.3	.3
Lebanon	2.9	4	1.4
Panama	1.5	.7	1.0
Other countries	19.2	9.5	11.4
Total	69.4	37.8	40.0

¹ Subject to revision.

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

Since 1973, 33 States and more than 225 cities and counties have enacted restrictions on smoking in public places like government buildings and meeting places. Two States, Minnesota and Utah, have extended the restrictions to work places. A few private companies have also banned smoking on the job. These restrictions may have contributed to the slowdown in the growth of cigarette sales.

Downtrend Continues for Cigars and Smoking Tobacco

Consumption of *large cigars* (including cigarillos) this year may drop 4 percent below the 1977 level of 4.9 billion cigars. This consumption downtrend is expected to continue next year (table 7).

Table 4—Tobacco demand factors, 1969-78

Year	Population July 1 ¹	Disposable personal income, per capita ²		Consumer price indexes				
		Current prices	1972 prices	All items	Tobacco products	Cigarettes		Cigars, regular size
						Nonfilter tip, regular	Filtertip, king size	
	<i>Million</i>	<i>Dollars</i>				<i>1967=100</i>		
1969	132.5	3,111	3,515	109.8	111.9	112.7	112.3	104.3
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	149.9	5,504	4,136	170.5	160.5	162.7	163.2	129.9
1977	152.6	6,009	4,271	181.5	168.0	170.6	171.0	135.0
1978 ³	155.1	6,655	4,425	195.0	⁴ 174.7	⁴ 177.0	⁴ 177.7	⁴ 141.6

¹ 18 years and older including forces overseas. ² Based on total population. ³ Estimated. ⁴ June data. Series discontinued after June 1978.

Table 5—Wholesale cigarette price revisions, 1966-78^{1 2}

Approximate date of change	Net price per 1,000				Net price per 1,000, excluding Federal excise tax			
		King size	Filter tips	100 millimeter		King size	Filter tips	100 millimeter
	Standard				Standard			
	Dollars							
March 1966	9.00	9.20	9.20	---	5.00	5.20	5.20	5.20
June 1967	9.25	9.45	9.45	9.95	5.25	5.45	5.45	5.95
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

¹ Includes leading brands. A 3¼ percent discount is made for payment within 10 days or 2 percent within 14 days. ² For 1943-63 see TS-151, March 1975.

About 8 percent fewer cigars are being smoked this year, per male 18 and older, than 1977's average of 68 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 (table 6).

Small cigars (weighing not over 3 pounds per

thousand) are holding this year's output close to the 1977 level of 1.85 billion cigars. Since their peak distribution in 1973, and the subsequent radio and TV ad ban, sales have dropped.

Smoking tobacco for pipes and roll-your-own cigarettes this year is expected to fall below last year's level of 52 million pounds (table 7), and in line with the downward trend since 1970. In the first half of this year domestic use of smoking tobacco, including imports, totaled 23 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 1978 may rise from the 90 million pounds of 1977 (table 8). 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 industries where smoking is either prohibited or inconvenient. *Snuff* production is estimated about the same as last year, but about a sixth below a decade ago.

Table 6—Large cigars: Taxable removals by revenue class, 1977/78

Revenue class and whole-sale price ¹	January-June		Change from 1977 ²
	1977	1978	
	Billions	Percent	
A-C (up to \$66)	1.24	1.15	-7.6
D-E (over \$66 to \$120) ..	.68	.44	-34.8
F-H (over \$120) .....	.60	.76	+28.6
Total removals	2.51	2.36	-6.2

¹ Wholesale price classes roughly equivalent to retail price classes used prior to February 1, 1977. ² Computed from unrounded data. Compiled from reports of the Bureau of Alcohol, Tobacco and Firearms, and Cigar Association of America, Inc.

Table 7—Cigars and smoking tobacco: Output, removals, and consumption, 1975-78

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

Large cigars and cigarillos	Millions							
	1975	4,524	4,476	125	1,216	79	92	5,804
	1976	4,178	4,040	144	1,225	88	124	5,373
	1977	3,927	3,776	130	1,064	92	117	4,945
	1978 ²	3,900	3,670	140	970	100	130	4,750
	Year ending June 30—							
	1976	4,188	4,215	135	1,253	82	141	5,544
	1977	4,047	3,864	141	1,229	92	143	5,188
	1978 ³	3,913	3,747	145	959	100	130	4,821
	Smoking tobacco	Million pounds						
1975		46.2	45.6	1.0	---	8.7	1.6	53.7
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 ²		37.4	36.5	.7	---	7.6	.8	44.0
	Year ending June 30—							
	1976	45.9	44.8	.9	---	9.3	.9	54.1
	1977	42.8	42.2	.8	---	9.5	.8	51.7
	1978 ³	37.6	37.5	.7	---	8.3	³ .8	45.7

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 8—Tobacco products: Output by category, 1970-78

Period	Chewing tobacco					Snuff	Small cigars ²	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 ³	15.5	2.0	11.5	64.0	93.0	24.5	1,800	5.0
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 ⁴	16.1	2.1	10.9	62.8	92.0	24.7	1,841	3.4

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

New Consumer Price Index

Beginning in January 1978, the Bureau of Labor Statistics (BLS) began publishing a new Consumer Price Index for all urban consumers (CPI-U). The revised indexes reflect changing expenditure patterns and a broadened coverage of the sample. The new CPI-U covers about 80 percent of the U.S. population, while the CPI-W represented only about one-half of the coverage of CPI-U.

Under the new procedure, tobacco products dropped in importance from 1.6 percent of the old CPI to 1.2 percent for CPI-W and 0.8 percent for

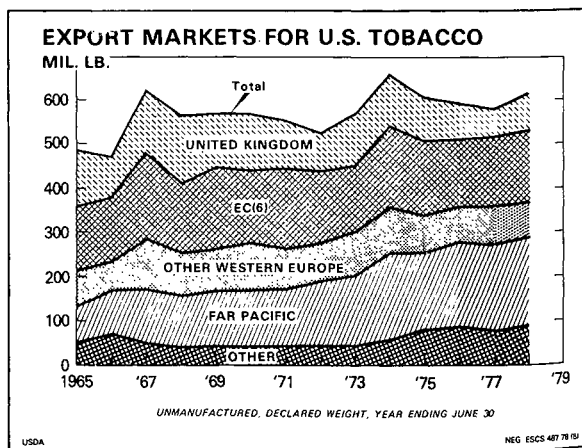
CPI-U. In the new CPI series, the tobacco products group will include two items: cigarettes, and other tobacco products and smoking accessories. Cigars and separate indexes for filtertip and nonfiltertip cigarettes are dropped.

The unrevised series was discontinued with the publication of June data but the 6-month overlapping data between the unrevised and new series indicate the revised CPI's average only 0.1 percent below the unrevised. Because of its broader coverage, USDA plans to use only the CPI-U for analytical and forecasting purposes.

U.S. EXPORTS AND IMPORTS

U.S. Leaf Exports To Get Boost from Better Quality

The better quality and larger size of this year's flue-cured crop could boost our export prospects over the next year or two. Also, the current world demand and price situation indicates that the United States can maintain or possibly increase tobacco exports from the 620-million-pound level of July 1977-June 1978. U.S. prices are rising and they remain above those of most competing suppliers but exporters have actively bid on the 1978 crop, partly due to limited supplies of better grades of foreign tobaccos. Rhodesia, our chief competitor before 1966, is having political difficulties and several countries that had stepped up production a



few years ago are experiencing production slow-downs, probably of only a year or two duration.

The growth in foreign cigarette production reached 3 percent last year. Price increases held down sales in the EC, but Japan's sales recovered and a number of less developed countries recorded above-average gains. Filter cigarettes remained at 85 percent of the total in Western Europe and Japan by 1977.

U.S. exports of unmanufactured tobacco during January-July were 3 percent below last year as

May-July shipments fell 18 percent below those for the same months of 1977. Burley was higher, but declines occurred in the two major categories, flue-cured and stems (table 9). A year ago, shipments in anticipation of a fall dock strike probably contributed to the higher level. But a more normal shipping pattern for this fall and winter could still bring U.S. exports for calendar 1978 to about the same level as last year's 630 million pounds.

In the past 12 months, several EC countries, including the United Kingdom, rebuilt their stocks

Table 9—United States exports unmanufactured tobacco by type and to principal importing countries, 1975-78

(Declared weight)

Type and country	Year ending June 30				January-July		1978 as a percentage of 1977
	1975	1976	1977 ¹	1978 ²	1977 ¹	1978 ²	
	--- Million pounds ---						Percent
Type:							
Flue-cured	414.7	390.6	381.7	397.4	217.0	198.1	91
Burley	56.8	72.2	70.2	83.4	56.2	63.6	113
Maryland	9.7	4.9	8.5	8.3	3.4	4.0	118
Fire-cured, Ky. and Tenn.	16.9	16.3	15.0	17.2	9.3	8.2	88
Virginia fire and sun-cured	4.4	3.4	4.2	3.4	3.4	1.2	35
Green River and One Sucker ....	.8	.3	.1	.1	.1	.4	400
Black Fat	3.2	3.2	2.9	2.7	1.4	1.3	93
Cigar wrapper	3.9	3.8	3.4	4.2	2.1	2.1	100
Cigar binder .....	.2	.2	.2	.2	³ *	³ *	---
Cigar filler .....	.3	.4	.3	.2	.2	.1	200
Perique .....	.1	.2	.1	.1	.1	³ *	---
Stems, trimmings and scrap	93.1	92.8	95.2	98.8	51.8	57.1	110
Total	604.0	588.2	581.7	617.0	345.0	336.2	97
Country of destination:							
United Kingdom	87.9	79.4	64.4	84.4	18.7	61.9	331
France	9.7	8.1	7.4	7.6	3.0	4.2	140
Belgium-Luxembourg	11.8	8.0	7.0	13.8	4.3	7.6	177
Netherlands	28.3	28.6	24.6	29.9	13.6	13.5	99
West Germany	94.8	71.7	81.7	65.4	49.6	27.9	56
Denmark	12.5	15.9	19.2	15.6	10.9	9.4	86
Ireland	11.2	6.9	8.0	3.4	4.5	2.9	64
Italy	32.9	30.7	35.8	43.6	35.3	38.0	108
Total EC	289.1	249.3	240.7	263.7	139.9	165.4	118
Switzerland	23.4	22.5	26.0	26.1	13.5	13.3	99
Finland	4.6	6.8	7.1	5.1	3.2	3.6	112
Norway	5.2	6.0	6.4	4.2	4.0	2.0	50
Sweden	14.0	16.4	14.0	16.1	4.7	8.5	181
Spain	8.4	5.2	5.2	10.0	3.8	11.1	292
Thailand	18.7	15.8	22.4	18.2	16.0	18.2	114
Korea, Rep. of .....	.3	.9	7.4	2.6	9.8	2.4	24
Malaysia	7.8	7.1	10.9	9.8	7.1	5.2	73
Philippines	6.8	14.9	12.8	14.6	7.0	8.8	126
Taiwan	18.9	11.2	13.6	14.7	11.7	11.6	99
Japan	103.0	123.0	102.4	113.4	46.5	24.4	52
Australia	12.0	16.3	12.8	12.7	8.2	5.5	67
New Zealand	4.4	4.7	5.0	4.3	3.3	2.3	70
Egypt	12.2	21.1	17.2	22.0	25.4	12.4	49
Other countries	65.4	67.9	77.8	79.5	40.9	41.5	101
Total	604.0	588.2	581.7	617.0	345.0	336.2	97

¹ Subject to revision. ² Preliminary. ³ 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.

of U.S. tobacco. After last year's cigarette price boost and reduced cigarette sales, West Germany reduced its takings of U.S. tobacco. Japan's takings are on a plateau due to the need to reduce excess stocks.

Export credit sales for fiscal 1978 are slightly above last year's volume. U.S. tobacco exports under Government-financed programs (Public Law 480) in July 1977 through June 1978 totaled 17 million pounds, about 3 million above the year-earlier period. Exports of smoking tobacco in bulk remain at a relatively low level (table 10).

Tobacco Exports in 1977/78 Reach \$1.8 Billion

With booming cigarette sales overseas, U.S. firms exported \$683 million in tobacco products in the 12 months ending June 30. Along with unmanufactured tobacco exports for 1977/78 worth \$1,137 million, the total value of tobacco and tobacco product exports reached a record \$1.8 billion, a brisk 20 percent above the 1976/77 period. With prices on the upswing, the 1978/79 total is expected to set another record.

A combination of foreign supplies below trend and stronger demand brought U.S.

Table 10—U.S. bulk smoking tobacco exports to leading destinations, 1977-78

County	Calendar year 1977	January-July	
		1977	1978 ¹
	<i>Million pounds</i>		
Iran	4.9	4.3	1.3
Dominican Republic . . .	.0	.0	.3
Switzerland . . . . .	.4	.2	1.2
Canary Islands	1.1	1.1	2.0
Spain . . . . .	.2	.2	2.0
Peru . . . . .	.1	.1	(²)
Ecuador . . . . .	.7	.7	.2
West Germany	1.0	.7	.2
Poland . . . . .	.3	.3	.3
Other countries	1.1	.7	2.3
Total	9.8	8.3	9.8

¹ Classification change in January 1978. Data in 1978 not precisely comparable. ² Less than 50,000 pounds.

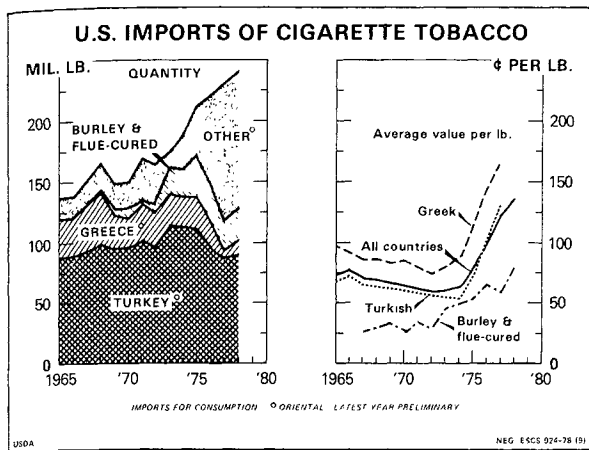
Compiled from publications and records of the Bureau of the Census.

unmanufactured tobacco exports for the year ending June 30, 1978 up 6 percent to 617 million pounds (706 million, farm-sales weight). But higher prices helped raise total value 19 percent over the previous 12 months (table 11).

Table 11—Exports of unmanufactured tobacco under Government-financed programs and commercial sales, 1970-78

Year ending June 30	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								
1970	10.6	11.1	---	21.7	132.0	48.1	369.2	549.3	571.0
1971	19.6	2.9	---	22.5	149.0	70.9	312.3	532.2	554.7
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
1977	---	14.2	---	14.2	---	39.4	528.1	567.5	581.7
1978 ²	---	16.7	---	16.7	---	27.6	572.7	600.3	617.0
	Value								
	Million dollars								
1970	11.2	9.9	---	21.1	140.0	47.7	330.8	518.5	539.6
1971	19.1	2.7	---	21.8	162.0	76.6	276.6	515.2	537.0
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
1977	---	24.5	---	24.5	---	73.9	831.8	905.7	930.2
1978 ²	---	33.4	---	33.4	---	50.9	1,033.5	1,084.4	1,117.8

¹ Government-financed for strategic materials, 1958-62. ² Subject to revision. For 1960-69 data see TS-157, September 1976, p. 14.



Tobacco Imports Rising

U.S. unmanufactured tobacco imports for consumption during January-July 1978 were 206 million pounds, 15 percent above a year earlier (table 12). The gain was primarily cigarette categories (both oriental leaf and scrap tobacco). For calendar 1978, imports of unmanufactured tobacco probably will rise well above last year's level of 316 million pounds. In part, this gain is due to larger output of cigarettes, and the rising domestic prices.

Both U.S. cigar and cigarette manufacturers use imported tobacco in their blends. For the year end-

ing June 30, 1978, U.S. cigarettes contained about 20 percent imported tobacco and cigars about 70 percent.

U.S. cigarette leaf tobacco imports (duty-paid) January-July 1978 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 domestic 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 1978 arrivals of tobacco (general imports) were 50 million pounds more than the year-earlier low level. Stocks of foreign-grown cigarette and smoking tobacco in the United States gained slightly in the second quarter of 1978. On July 1, 1978, these stocks totaled 626 million pounds (farm-sales weight), 4 percent above the previous July 1. The recovery in imports reflects the growth in import share in domestic manufactured products and a more normal rate of purchase by U.S. manufacturers (table 14).

U.S. unmanufactured tobacco imports for consumption gained 14 percent in the year ending June 30, 1978. Average value per pound increased sharply (table 13). The gain in imports was in virtually all categories. Turkey continued as the largest supplier and Korea became the largest source of scrap tobacco during 1977/78.

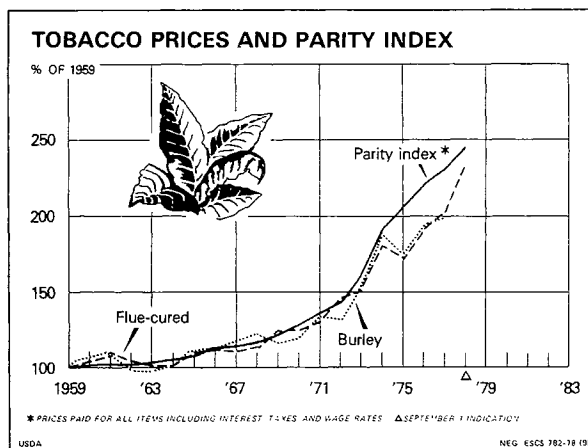
TOBACCO LEAF SITUATION AND OUTLOOK¹

This past marketing year about 64 percent of the U.S. tobacco crop was bought for domestic manufacturing and about 36 percent for export. Disappearance of U.S. leaf remained at 1.9 billion pounds. With about the same quotas and allotments but higher yields, this year's U.S. production of tobacco is forecast at 2.0 billion pounds. This is 5 percent higher than last year, and about equal to the average for 1965-74 (table 16). Future weather and other factors can affect final production. Disappearance is expected to match 1977/78 so stocks may gain a little in 1978/79.

1979 Supports and Marketing Quotas

For eligible 1979 tobacco crops, the overall price support seems likely to rise about 7 percent above the 1978 levels. This estimate is based on indicated changes in the parity index. As required by law,

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



the price support adjustment for 1978 will be based on the average of the parity index in 1976, 1977, and 1978 compared with 1959. For 1978, price supports increased 6.3 percent.

Table 12—U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1977-78, and January-July 1977-78¹

(Declared weight)

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	Year July 1977- June 1978	January-July		1978 as a percentage of 1977	Year July 1977- June 1978	January-July		1978 as a percentage of 1977
		1977	1978 ¹			1977	1978 ¹	
	- - - Million pounds - - -		Percent		- - - Million pounds - - -		Percent	
Cigarette tobacco:								
Leaf:								
Oriental								
Turkey	89.1	47.6	50.9	107	76.3	28.9	48.8	169
Greece	21.8	8.6	15.2	179	21.2	22.4	19.2	86
Yugoslavia	14.9	8.4	10.6	126	13.7	12.3	12.1	98
Lebanon	4.6	4.4	2.5	57	9.0	5.4	7.1	130
Other countries	51.8	21.2	26.3	124	31.2	22.3	17.2	77
Flue-cured	4.1	2.7	3.7	139	16.9	14.0	12.1	86
Burley	20.2	13.1	13.3	101	41.8	20.1	31.2	155
Subtotal	206.5	106.0	122.5	116	210.1	125.4	147.7	118
Scrap								
Turkey	7.6	5.4	3.7	69	9.4	4.8	1.6	33
Mexico	7.4	2.0	5.9	289	5.1	1.1	2.3	215
Other countries ²	23.3	12.1	15.5	128	40.8	8.4	26.7	318
Subtotal	38.3	19.6	25.1	128	56.3	14.3	30.6	214
TOTAL	244.8	125.5	147.6	118	266.2	139.7	178.3	128
Cigar tobacco:								
Wrapper	1.8	.9	.9	108	2.3	1.2	1.4	114
Filler-stemmed and unstemmed								
Dominican Republic	1.1	.7	.8	116	6.0	4.7	5.2	111
Other countries	6.1	2.7	4.0	148	21.3	10.4	8.9	86
Subtotal	7.2	3.4	4.8	141	27.3	15.1	14.1	93
Scrap								
Philippine Republic	13.0	8.8	8.8	99	6.1	5.4	4.1	76
Colombia	3.5	2.1	1.8	85	3.5	.8	1.5	188
Dominican Republic	5.7	5.1	3.4	66	1.3	.4	1.2	276
Brazil	26.0	14.1	15.6	111	13.2	8.5	8.4	99
Other countries	26.3	14.2	16.1	113	26.7	11.1	20.5	185
Subtotal	74.5	44.4	45.7	103	50.8	26.2	35.6	136
TOTAL	83.5	48.7	51.4	106	80.4	42.5	51.1	120
Stems	7.4	4.7	7.1	152	7.4	4.8	7.5	156
Grand total	335.7	178.8	206.1	115	354.0	187.0	236.9	127

¹ Preliminary. ² Canada, Yugoslavia, Greece, Cyprus, Syria, Lebanon, India, Thailand, Korea, Angola, Mozambique, Zambia, and Malawi.

Detail may not add to total due to rounding.

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

Table 13—U.S. imports of unmanufactured tobacco: Quantity and average value, by kinds, 1977/78

Kind	Quantity		Value per pound	
	Year ending June 30, 1978	Change from 1976/77	Year ending June 30, 1978	Change from 1976/77
	<i>Million pounds</i>		<i>Cents</i>	
	Imports for consumption			
Cigarette				
Oriental leaf	182.2	+19.7	130.2	+12.2
Flue-cured and burley leaf	24.3	+4.0	64.8	+24.8
Scrap ¹	38.3	+13.1	190.1	+108.2
Cigar				
Leaf	9.0	+4	197.9	+4
Scrap	74.5	+8.5	61.9	-11.0
Stems	7.4	-3.6	11.5	+5
Total	335.7	+42.0	110.5	+14.4
	General imports			
Cigarette				
Oriental leaf	151.4	+27.2	120.4	-20.5
Flue-cured and burley leaf	58.7	+10.1	69.9	+2.9
Scrap ¹	56.3	+27.0	94.4	-4.7
Cigar				
Wrapper	2.3	-.1	563.7	+63.1
Filler	27.3	-.3	69.4	+10.7
Scrap	50.8	+9.2	72.1	+6.8
Stems	7.4	-3.8	11.4	+1.3
Total ²	354.0	+69.1	103.7	-.2

¹ Turkey, Canada, Greece, Cyprus, Lebanon, India, and Korea, Mexico, Yugoslavia, Syria, Thailand, Angola, Mozambique, Zambia, Malawi. ² Includes stems.

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

Table 14—Imported foreign-grown cigarette leaf stocks, by quarters, 1971-78¹

Year	Jan. 1	April 1	July 1	Oct. 1	Jan. 1	April 1	July 1	Oct. 1
	--- Million pounds ---							
	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		344	364	345	
	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		601	619	625	

¹ Farm sales weight.

Table 15—All tobacco: Acreage, yield and production, United States, 1960-78

Year	Acreage harvested	Yield per acre	Production
	<i>Thousand acres</i>	<i>Pounds</i>	<i>Million pounds</i>
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 ¹	945		

¹ Indicated September 1, 1978.

By December 1, USDA will proclaim the 1979 flue-cured marketing quota on an acreage-poundage basis, the national average yield goal, and the matching national acreage allotment. 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 crop exceeds the effective quota, so next year's effective quota will fall below the basic quota (table 20). 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 1979 poundage quota for burley and acreage allotments for other kinds of tobacco under quota. Shortly after the announcement, growers of fire-cured and dark air-cured types will vote in referendums for or against marketing quotas on their next 3 crops. Producers of flue-cured, burley, sun-cured

Ohio filler, and Wisconsin and Connecticut binder types approved marketing quotas applicable to the 1979 crop in previous referendums.

Maryland and Pennsylvania tobacco growers 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.

FLUE-CURED

Quality Crop Brings Record Price

Above average rainfall and usual summer temperatures over most of the flue-cured belt brought a recovery of yield and quality this season and prices averaging one-sixth over a year ago. The 1978 marketing season began a week later than last year. On July 19 sales began in the Georgia-Florida (type 14) markets; South Carolina and North Carolina sales opened in the following 2 weeks; the Virginia markets were the last to open—August 15. Despite the later opening this season, weekly sales opportunities (USDA-sanctioned schedules) remained underutilized until August.

Early sales, reflecting smaller share of primings and nondescript tobacco and higher quality, returned growers sharply higher prices than last year. Noticeable, too, was the sizable participation in USDA's "4 leaf" program in Georgia and South Carolina. The program allowed growers to plant up to 20 percent additional acreage provided they leave the four bottom leaves in the field. About 18 percent participation was recorded beltwide,

Table 16—U.S. tobacco allotments, by kinds of tobacco, 1978

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	193,094	637,271	1,181.5	³ 6,100
Burley (31) ⁴	300,284	---	667.8	³ 2,224
Va. fire-cured	5,025	11,039	---	2.20
Ky.-Tenn. fire-cured (22-23)	14,672	32,641	---	2.22
Dark air-cured (35-36)	19,393	13,244	---	.68
Va. sun-cured (37)	795	1,488	---	1.87
Cigar binder (51-52)	---	(²)	---	---
Cigar filler and binder (42-44, 53-55)	5,721	19,371	---	3.39
Total	538,784	715,054	1,849.3	---

¹ Acreage poundage with national average yield goal of 1,854 pounds per acre. ² Acreage allotments terminated. ³ Pounds.

⁴ Poundage quota.

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

Table 17—United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1975/76-1976/78

(Declared weight)

Importing countries	1975/76	1976/77	1977/78 ²	Importing countries	1975/76	1976/77	1977/78 ²
<i>Million pounds</i>				<i>Thousand pounds</i>			
Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37			
United Kingdom	57.0	47.2	62.3	Switzerland	42	909	0
West Germany	55.9	57.1	43.5	Norway	995	1,188	546
Japan	84.4	67.9	74.8	Sweden	397	524	214
Netherlands	15.5	13.1	16.4	West Germany	454	774	462
Thailand	12.5	18.1	11.6	Other countries	1,005	2,355	210
Australia	12.1	9.0	9.8	Total	2,893	5,750	1,432
Italy	15.7	19.4	23.6	One Sucker, type 35			
Sweden	9.1	8.2	5.8	Belgium-Luxembourg	66	0	0
Norway	3.9	4.8	2.7	Zaire	142	0	0
Finland	4.6	4.7	3.0	Other countries	0	7	97
Denmark	10.7	11.6	7.7	Total	209	7	97
Ireland	4.6	5.0	1.7	Green River, type 36			
Belgium-Luxembourg	4.8	4.6	8.8	United Kingdom	34	50	44
Switzerland	9.8	7.2	9.4	Dahomey	0	0	294
Rep. of Korea	0	7.8	0	Zaire	81	0	0
Philippines	6.6	8.9	8.5	Other countries	0	4	9
Spain	4.9	5.2	8.2	Total	115	54	357
Malaysia	5.9	9.1	7.6	Cigar Filler, types 41-44			
Taiwan	11.2	13.6	18.9	New Zealand	0	0	0
Egypt	17.0	11.3	14.3	France	270	139	57
Other countries	44.4	59.3	58.8	Other countries	60	196	131
Total	390.6	381.8	397.4	Total	330	335	188
Burley, type 31				Connecticut Binder, types 51-52			
Italy	14.2	16.4	17.3	West Germany	0	0	0
Sweden	2.7	2.9	1.2	United Kingdom	0	0	0
Denmark	2.0	2.5	1.2	Canada	21	66	6
Netherlands	2.0	1.7	.9	Other countries	138	66	24
Japan	8.3	10.2	10.4	Total	157	132	30
West Germany	11.3	18.6	5.3	Wisconsin Binder, types 54-55			
Switzerland	3.1	6.5	3.7	Dominican Republic	79	76	79
Syria	2.9	2.6	0	Other countries	7	13	18
Thailand	2.7	4.4	6.6	Total	86	89	97
Philippines	8.9	5.0	4.1	Cigar Wrapper, types 61-62			
Other countries	13.6	16.3	15.6	United Kingdom	830	299	385
Total	71.7	87.1	66.3	West Germany	212	168	322
Maryland, type 32				Canada	227	104	71
Belgium-Luxembourg	1.3	1.0	.7	Dominican Republic	1,520	1,691	2,284
West Germany	1.8	1.5	.6	Netherlands	327	553	537
Switzerland	3.3	5.5	2.1	Other countries	668	549	648
Other countries . . . . .	.9	1.4	.8	Total	3,784	3,364	4,247
Total	7.3	9.4	4.2	Black Fat			
Ky.-Tenn. fire-cured, types 22-23				Dahomey	1,210	1,468	606
Sweden . . . . .	.3	.9	.3	Cameroon	581	286	218
Netherlands	8.9	12.1	5.9	Niger	328	399	393
Belgium-Luxembourg . . . . .	.4	1.2	.3	Nigeria	476	355	485
France	2.7	1.4	2.4	Togo	576	274	357
Switzerland . . . . .	.7	.9	.2	Other countries	0	153	61
Other countries	3.1	4.1	2.6	Total	3,171	2,935	2,120
Total	16.1	20.6	11.7				
Stems, Trimmings, and Scrap							
Sweden	3.7	2.9	3.9				
Denmark	2.8	5.6	3.6				
United Kingdom	20.7	16.2	19.5				
West Germany	4.3	7.2	5.5				
Japan	30.2	24.2	28.3				
Other countries	31.1	39.1	38.0				
Total	92.8	95.2	98.8				

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 1977/78. ² Subject to revision. ³ 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.

Table 18—Flue-cured tobacco auction markets: Gross sales, average price, loan receipts, sales dates, through Sept. 15, 1977 and Sept. 14, 1978

Type and State	Gross sales		Average price per pound		Loan receipts				Sales period	
					Volume		Percent of sales		Opening date	Closing date
	1977	1978	1977	1978	1977	1978	1977	1978	1978 (1977)	1978 (1977)
	<i>Million pounds</i>		<i>Cents</i>		<i>Million pounds</i>		<i>Percent</i>			
14, Ga.-Fla. . .	139.8	133.9	117.7	144.5	6.8	3.1	4.9	2.3	July 19 (July 13)	(Oct. 5)
13, S.C.-Border N.C. . .	167.1	163.8	120.4	137.0	12.0	6.4	7.2	3.9	July 26 (July 19)	(Oct. 25)
12, Eastern N.C.	224.2	213.4	119.3	131.8	13.1	12.6	5.8	5.9	Aug. 1 (July 25)	(Nov. 9)
11, Old and Middle Belts N.C., Va. . .	143.2	133.8	112.0	124.1	16.2	7.0	11.3	5.3	Aug. 15 (August 9)	(Dec. 9)
All Belts ¹ . .	674.3	644.8	117.7	134.1	48.1	29.2	7.1	4.5	July 19 (July 13)	(Dec. 9)

¹ Computed from unrounded data.

Compiled from reports of Tobacco Division, AMS.

although many growers supported the program voluntarily. A 10-percent discount continued on support price for tobacco with excess sand or dirt. So far this season price support loan receipts have remained well below 1977's volume.

At auction markets this season through September 14 flue-cured tobacco (types 11-14) averaged \$1.34 per pound—16 cents above the same period last season (table 18). Most grade averages were higher with better leaf grades up 30 cents or more per pound. About the same share of the crop had been sold by mid-September as the 50 percent a year earlier.

Loan Receipts Below 1977

The price support level for the 1978 flue-cured crop averages \$1.21 per pound. With the crop a little above probable disappearance, but largely consisting of high quality, usable tobacco, loan receipts through mid-September were 29 million pounds—about 5 percent of marketings. In the comparable period of the 1977 season, 7 percent went under loan.

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

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

Year ending June 30	(unstemmed equivalent basis)		
	Destination		
	United Kingdom	Other countries	All countries
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
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

the following year's quota. For marketings above 110 percent of the farm quotas, growers must pay a penalty of 85 cents per pound (75 percent of the average market price for the preceding year).

Growers who overmarket their quotas in 1978 will have their 1979 quotas decreased accordingly. For flue-cured this year, there will be more overmarketings than undermarketings, as was the case in only 1 of the last 10 years (table 20).

Disappearance Steadies

During the year ending last June 30, disappearance of flue-cured tobacco was 1,144 million

Table 20—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-78

Year	Quota		Marketings				Net Carryover ²
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under quota ¹	
1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 ³ 1971 1972 1973 1974 1975 1976 1977 1978 ³	--- Million pounds ---						
	Flue-cured, types 11-14						
	1,126.0	1,124.4	1,055.5	27.1	96.0	91.2	64.0
	1,135.0	1,199.0	1,107.9	35.0	126.1	111.1	76.1
	1,126.3	1,202.4	1,247.5	77.9	30.8	18.4	-59.5
	1,127.5	1,067.9	996.4	26.5	96.6	86.1	59.6
	1,127.4	1,187.0	1,052.1	26.6	157.9	145.9	119.3
	1,071.5	1,190.8	1,178.2	65.1	71.2	63.4	-1.7
	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8
	1,116.5	1,197.3	1,124.2	42.6	115.2	106.9	64.3
	1,117.2	1,181.5					
	Burley, type 31						
	555.1	553.0	471.5	9.7	91.1	89.7	80.1
	531.5	611.5	588.6	30.7	45.7	44.6	13.9
	559.7	573.6	460.7	11.3	113.1	111.7	100.3
	606.5	706.8	610.4	23.0	118.9	104.0	81.0
	669.5	750.4	639.9	21.8	127.5	113.4	91.6
	634.8	726.4	663.6	33.1	96.2	82.3	49.2
	636.2	683.4	612.6	27.2	99.0	80.8	53.6
	614.2	667.8					

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.

pounds, about the same as the previous year's level (table 21). Exports gained to a level above the average for the previous 10 years, while domestic use remained below average.

The 5-percent decline in domestic disappearance relates to the sharp decline in tobacco per cigarette and in output of smoking tobacco during the same period. Domestic disappearance during 1978/79 is likely to stay around the same level due to stability in cigarette output.

Flue-cured exports last season rebounded from their low level the previous year 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 depressed due to U.N. sanctions and internal political difficulties.

Among leading importers, Japan, the United Kingdom, the Netherlands, Taiwan, and Italy took more last season. West Germany and Thailand took less. For the 1978 season, purchases for Japan and the United Kingdom may not match last year's level, as stocks of U.S. leaf in those countries have reached sufficient levels. West German-

y's take gained as manufacturers rebuild their stocks.

Supplies Increase

The increased crop more than offsets the decreased beginning carryover, so 1978/79 flue-cured tobacco supply is above last season. Flue-cured tobacco acreage for harvest this year is forecast the same as 1977 but the national yield estimate is 8 percent above last season. Higher yields are indicated for each of the 4 belts. The September 1 forecast for flue-cured production was 1,217 million pounds—8 percent above 1977. Output is up for Eastern North Carolina (type 12) and the North Carolina Border and South Carolina Belt (type 13) and about the same in the Old and Middle Belts (type 11) and Georgia-Florida Belt (type 14).

Flue-cured carryover last July 1 totaled 2,047 million pounds. This was 1 percent below a year earlier. The supply—production plus carryover—is about 2 percent above the 3,190 million pounds in 1977/78. This year's supply is 2.8 times last year's

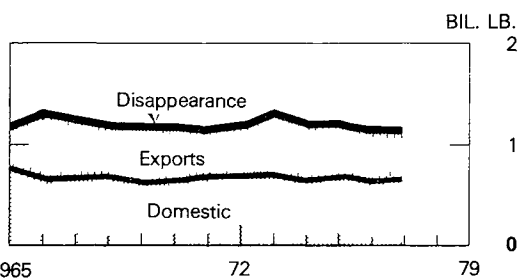
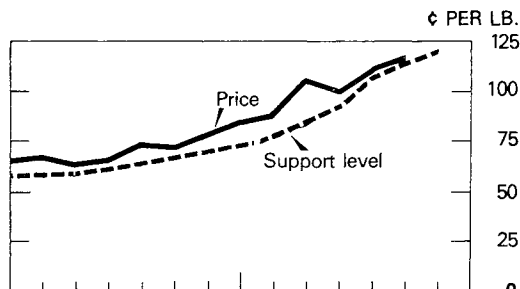
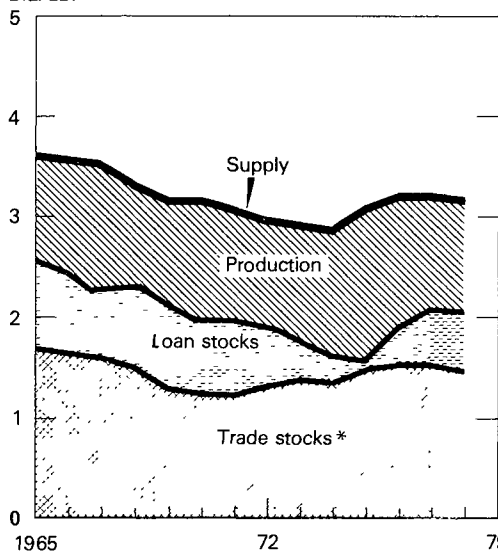
Table 21—Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1968-78

(Farm-sales weight)							
Marketing year	Acreage harvested	Yield per acre	Production	Beginning stocks ¹			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		--- Million pounds ---			
	Flue-cured, types 11-14						
1968	533.0	1,841	² 995.6	1,528.1	773.4	2,301.5	3,297.1
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	1,509.2	556.9	2,066.1	3,190.3
1978 ⁴	588.5	2,068	1,217.2	1,512.3	534.0	2,046.3	3,263.5
	Burley, type 31						
1968	237.6	2,372	563.4	1,002.4	321.7	1,324.1	1,887.5
1969	237.7	2,488	591.4	975.7	340.8	1,316.5	1,907.9
1970	216.4	2,590	560.5	887.9	454.8	1,342.7	1,903.2
1971	213.5	2,213	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	1,159.1	54.9	1,206.3	1,818.8
1978 ⁴	259.3	2,400	622.3	1,128.8	85.0	1,213.8	1,836.1
	Disappearance			Average price per pound	Price support level	Placed under loan	
	Total	Domestic	Exports			Quantity	Percentage of crop
	--- Million pounds ---			--- Cents ---		Million	Percent pounds
	Flue-cured, types 11-14						
1968	1,197.0	671.7	525.3	66.6	61.6	128.8	12.9
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	1,144.0	604.9	539.1	117.6	113.8	195.6	17.3
1978					121.0		
	Burley, type 31						
1968	571.0	516.1	54.9	73.7	63.5	56.2	10.0
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	⁵ 605.0	⁵ 505.0	⁵ 100.0	120.0	117.3	57.0	9.2
1978					124.7		

¹ July 1 for flue-cured; October 1 for burley. ² Sales. ³ Adjusted for change in conversion factor January 1, 1977. ⁴ Based on September 1 crop prospects. ⁵ Estimated.

FLUE-CURED TOBACCO: SUPPLY, PRICE, USE

BIL. LB.



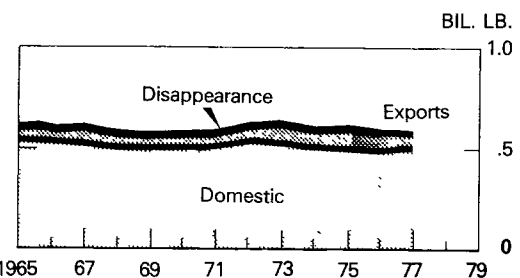
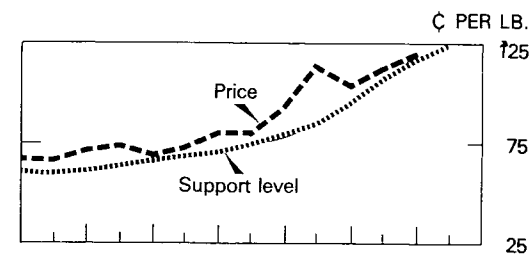
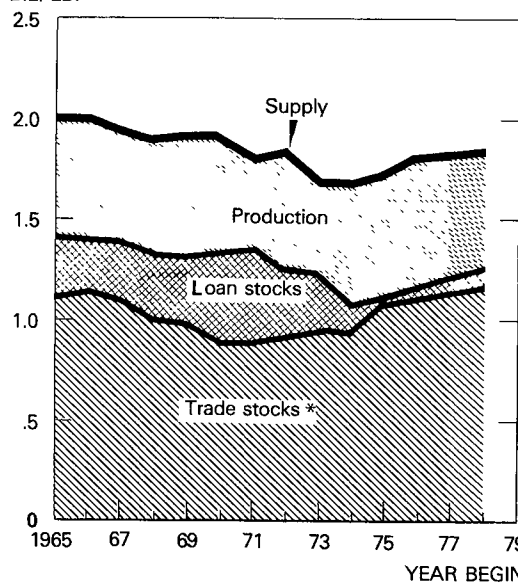
* MANUFACTURERS' AND DEALERS' LATEST YEAR FORECAST

USDA

NEG ESCS 223 C 78 (2)

BURLEY TOBACCO: SUPPLY, PRICE, USE

BIL. LB.



* MANUFACTURERS' AND DEALERS' LATEST YEAR FORECAST

USDA

NEG ESCS 381 C 78 (2)

Table 22.-- Flue-cured and burley tobacco: Stocks and stocks utilization ratios, manufacturers and dealers, 1952-78

(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/	ratio	1/	ratio	2/	ratio	2/	ratio
	Million	Number	Million	Number	Million	Number	Million	Number
	pounds		pounds		pounds		pounds	
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	.52
1978	1,343		171		<u>3/</u> 1,084		<u>3/</u> 50	

1/ July 1.

2/ October 1.

3/ Estimated.

use, or about a sixth above the desired ratio based on legislative formula. Carryover next July 1 will increase due to the over quota marketings.

By September 1, uncommitted loan stocks of 1974-77 flue-cured tobacco—a component of the carryover and supply estimates above—totaled 545 million pounds. This was 109 million pounds above a year earlier. The old crop stocks—plus the smaller loan volume from this year's crop—means unsold loan stocks may total about the same as the 585 million pounds of this past January 1. This season with the better quality crop of adequate size, loan sales during the summer months have been negligible, in contrast with a year ago when crop prospects were uncertain (tables 22 and 23).

Table 23—Lease and transfer of allotments and quotas, 1963-78

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 ¹	230.5	435.4	65.7

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 about 16 percent, and other domestic products the rest. However, domestic burley use continues below its 1964/65 peak due to rising prices and a decline in its use for products other than cigarettes. Despite the brisk demand for American type cigarette blends abroad, U.S. burley exports may fall below those of the previous marketing year when exports were sharp¹ increased ahead of the October-November dock strike.

Disappearance Down Slightly

Domestic use of burley tobacco for the year ending September 30, probably will total slightly

above the 500 million pounds used in 1976/77 (table 21). However, with lower exports, total disappearance is expected to fall below last season and may fall 2 percent below 1974/75's record 619 million pounds. October 1 carryover seems likely to increase slightly.

Disappearance for the first 9 months of the marketing year was 456 million pounds, about the same as a year earlier. Domestic use totaled 381 million pounds, down 1 million from last year. Due to inventory shifts, cigarette output rose 5 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 92 million pounds, 1 million above a year earlier. Italy, Philippines, United Kingdom, and Thailand took more; and the Netherlands, Korea, and West Germany took less. Foreign burley production increased 12 percent last year and United States production declined 9 percent. Total foreign production, about 685 million pounds last year, was 68 million pounds larger than U. S. production, the opposite of the long-term relationship between U.S. and world production.

Supplies Increased

The September 1 estimate of the 1978 U.S. burley crop is 622 million pounds—1 percent above 1977, due primarily to higher yields that offset the cut in the effective quota. Burley tobacco remained in good condition as harvesting began in late August.

Burley supply for 1978/79 (indicated carryover plus new crop) is about 1 percent above last year

Table 24—Tobacco loan stocks, 1976-78
(Farm-sales weight)

Type	End of August		
	1976	1977	1978 ¹
Million pounds			
Flue-cured, 11-14	350.8	586.1	¹ 564.9
Uncommitted	334.5	453.7	545.1
Burley, 31	45.5	69.5	¹ 116.8
Uncommitted	30.9	52.8	109.7
Virginia, 21	.1	0	.8
Kentucky-Tennessee, 22-23	0	0	1.1
Kentucky-Tennessee, 35-36	0	0	(²)
Ohio, 42-44	0	0.4	.4
Puerto Rican, 46	0	0	1.8
Connecticut Valley, 51-52	.8	.9	1.1
Wisconsin, 54-55	(²)	(²)	(²)
Total	397.2	656.9	686.9

¹ July 31. ² Negligible.

Compiled from records of Producer Associations Division, ASCS.

and 10 percent above 1974's low level. Prospective supply is 3 times probable disappearance and is slightly above the desired supply based on legislative formula (table 24).

Higher prices and larger supplies have led to higher loan stocks this past season.

Auction sales usually begin in late November. The 1977 crop sold for a record average of \$1.20 per pound. Price supports for 1978 burley average \$1.247 per pound, over 6 percent above 1977. Loan rates for individual grades will be announced before the markets open.

Price Support and Grades Approved for Untied Burley

Exclusively for the 1978/79 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 auction on specified days throughout the entire burley production area. Previously, untied burley was classified "No-G" (no grade) and was ineligible for price support (USDA Press Release 2243-78, August 10, 1978).

Under the change, producers interested in marketing untied burley this year may apply in September at their county ASCS office. Bales delivered for price support and grading must meet the following specifications: (1) all bales of a single lot will be of similar quality; (2) the tobacco will be stalk-cured; (3) the bale will not contain foreign matter; and (4) inferior tobacco or foreign matter will not be concealed in the bale.

SOUTHERN MARYLAND

Southern Maryland tobacco (type 32) goes almost entirely into cigarette production with

Burley marketing quota, Kentucky, Tennessee, other States, 1976-78

State	Carryover (net)	Basic quota	Effective quota
<i>Million pounds</i>			
1976			
Kentucky	32.2	422.9	455.1
Tennessee	38.8	117.6	156.4
Other States	20.6	94.3	114.9
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

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

about one-third of the crop for export. Annual disappearance fluctuates widely.

Use Down Sharply

Disappearance of Maryland tobacco during the first 9 months of the marketing year that began October 1, 1977 totaled 15 million pounds—well below a year earlier. Both domestic use and exports declined. Record prices received for the 1977 crop may have reduced use below levels of the early 1970's (table 25).

Exports of Maryland tobacco were down sharply in the first 10 months of the current marketing year to 5.6 million pounds. Most markets took less tobacco, including Switzerland, the major destination in 1977, although Swiss cigarette output was up.

Table 25—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1969-78

Marketing year	Acreage harvested	Yield per acre	Supply			Disappearance ¹			Average price per pound to growers
			Production	Stocks, Jan. 1	Total	Total	Domestic	Exports	
	<i>Thousand acres</i>	<i>Pounds</i>				<i>--- Million pounds ---</i>			<i>Cents</i>
1969	26.5	1,060	28.1	66.7	94.8	41.3	29.1	12.2	75.1
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 ³	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 ⁴	23.0	1,310	30.1	45.3	75.4	⁴ 25.0	⁴ 15.0	⁴ 10.0	115.1
1978 ⁵	23.0	1,350	31.1	50.4	80.5				

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 September 1 crop prospects and estimated stocks.

Stocks Increase

By next January 1, carryover probably will increase from this year's 45 million pounds. The Maryland crop is estimated at 31 million pounds, up slightly from 1977. 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 1978/79 supply slightly above the year now ending.

Last spring's auction sales for the 1977 Maryland tobacco crop averaged \$1.15 per pound, 5 cents above the previous record set a year earlier. Prices increased for most grades, but declined for some tips and green grades. The overall quality of offerings increased. Marketings also were slightly higher than the 1972-77 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 the use of fire-cured tobacco also fell. However, a firming up of domestic use coupled with short supplies pushed prices up in 1976.

Disappearance Down Considerably

Disappearance of fire-cured tobacco (type 21-23) during the first 9 months of the marketing year ending September 30, 1978 was 26 million pounds, down 12 percent from a year earlier. Declining cigar and smoking tobacco production continues to limit domestic disappearance. In October 1977-June 1978, snuff output (the major domestic use of fire-cured) was about the same as a year earlier.

For the year ending this September, estimated disappearance of 36.5 million pounds is slightly below last season's disappearance and well below output. Carryover stocks this October 1 will probably rise about 14 million pounds from last year (table 26).

Lower exports of fire-cured tobacco than last year are expected in the season now ending. Exports of 12.8 million pounds of Kentucky-Tennessee types during October 1977-July 1978 were about 3 million below a year earlier. In the same period, Virginia fire-cured exports of 1.8 million pounds were also 3 million below a year earlier.

Production Declines and Stocks Rise

The September estimate of fire-cured production was 50 million pounds, 4 percent below last year's.

crop. Acreage for harvest is 10 percent below last year. However, average yield is up. The crop remains 36 percent above the 1972-76 average reflecting producer response to the sharp jump in 1976 crop prices and the relatively high prices of last season. Total supplies will likely rise to over 110 million pounds for the 1978/79 marketing year, over 3 times 1977/78 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 account for one-sixth of annual disappearance.

Disappearance Declined

Disappearance of dark air-cured tobacco during the first 9 months of the current marketing year was 10.5 million pounds, about 2 million below a year earlier. Both exports and domestic use declined. Supplies were near the record low. Last year's record prices to growers of types 35-36 averaged 3 cents per pound higher than in 1976.

For the year ending September 30, 1978, total disappearance may decline about 3 million pounds from the 18 million of last year. This would mean a carryover of slightly below the 28 million of last October 1 (table 27).

Supplies To Increase

The September estimate of this year's dark air-cured crop is 22 million pounds—about 4 percent above last year's level. Acreage for harvest and yields is estimated to be higher than last year. Larger crops, despite smaller carryovers, will give total 1978/79 supplies about 1 million above last year's 49 million pounds. Supplies represent 2.9 times the past season's use.

CIGAR TOBACCO

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

Due to favorable yields, U.S. cigar leaf output increased last year, while production was down in

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, 1969-78

(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							
1969	19.0	1,797	34.1	61.1	11.6	72.7	106.8
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 ²	23.3	1,800	42.5	53.3	1.1	54.4	96.7
Virginia fire-cured, type 21							
1969	5.0	1,340	6.7	8.0	1.9	9.9	16.6
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 ²	6.2	1,225	7.6	8.6	.8	9.4	17.0
Disappearance				Average price per pound	Price support level	Placed under loan	
Total	Domestic	Exports	Quantity			Percentage of crop	
--- Million pounds ---				--- Cents ---		Million pounds	Percent
Kentucky-Tennessee fire-cured, types 22-23							
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
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	³ 32.0	³ 17.0	³ 15.0	125.6	79.5	1.1	2.4
1978					84.6		
Virginia fire-cured, type 21							
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
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	0.7	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	³ 4.5	³ 2.5	³ 2.0	96.3	79.5	1.1	15.2
1978					84.6		

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

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, 1969-78

(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						
1969	10.1	1,793	18.1	44.1	15.0	59.1	77.2
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	(²)	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 ¹	11.6	1,700	21.0	26.5	(²)	26.5	47.5
	Sun-cured, type 37						
1969	1.1	1,225	1.3	3.8	0	3.8	5.1
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	1,175	.9	1.6	0	1.6	2.5
	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>
	Dark air-cured, types 35-36						
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
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	113.3	65.9	(²)	---
1977	³ 14.0	³ 11.6	³ 2.4	116.6	70.7	(²)	---
1978					75.2		
	Sun-cured, type 37						
1969	1.8	1.5	.3	52.8	39.7	⁴ 1	.1
1970	1.3	1.1	.2	53.8	41.4	⁴ 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	⁴ 13	1.4
1975 .....	.9	.7	.2	85.5	58.9	0	---
1976	1.1	.9	.2	105.0	65.9	0	---
1977	³ .9	³ .7	³ .2	100.0	70.7	⁴ 13	1.6
1978					75.2		

¹ Based on September 1 crop prospects and estimated stocks. ² Less than 50,000 pounds. ³ Estimated. ⁴ Quantity placed under loan in thousands of pounds. --- Less than .05 percent.

Puerto Rico. Output will remain about the same as last year despite lower acreage. Imports of scrap remain large and wrapper imports have increased, with the Philippines and countries in Central and South America being the chief foreign suppliers. About 125 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 1977/78 marketing year, disappearance of U.S. cigar filler tobacco (types 41-46) was 24 million pounds, slightly above the year-earlier level. In the same period, production of loose leaf chewing tobacco continued to increase but cigar production declined. So, for the 1977/78 year, filler disappearance may equal the 28 million pounds of a year earlier (table 28).

Imports Are Down

During October 1977-June 1978, U.S. manufacturers used 45 million pounds of foreign cigar tobacco (imports for consumption) or 29 percent below a year earlier. Foreign-grown cigar leaf stocks in the United States on July 1 totaled 97 million pounds, down 9 million from a year earlier (table 29).

Cigar Binder Disappearance Stabilizes

Cigar binder disappearance for October 1977-June 1978 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 9 years.

Disappearance of Connecticut Valley binder tobacco for 1977/78 declined from the previous season's level. Carryover on October 1, 1978 is expected to total about 5 million pounds. With relatively tight supplies in prospect, production will continue to exceed disappearance.

Disappearance of Wisconsin tobacco for 1977/78 may rise 1 million pounds from 1976/77. If so, disappearance will remain below production, bringing stocks to around 45 million pounds on October 1, 1978, or about 2.2 times disappearance.

Cigar Wrapper Disappearance Down

As both exports and domestic use fell, disappearance of shade-grown wrapper (types 61-62) in the year ending June 30 was 6 million pounds, about 2 million below a year earlier. Production dropped in the Connecticut Valley 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 1977/78. Prospective production is down slightly. October 1, 1978 carryover is up slightly. Cigar filler and binder supplies are up and wrapper supplies are lower. By August 31, unsold loan stocks were 3.5 million pounds, up sharply from last year (table 30).

Filler: As of September 1, the Pennsylvania filler crop was indicated at 25 million pounds, 5 percent below 1977's. The new crop, plus the carryover, will provide a supply slightly above last season's.

Ohio filler acreage declined to a record low. As of September 1, the crop was placed at 3 million pounds, 8 percent below last year. The crop, plus the carryover, will provide a total supply for 1978/79 slightly higher than last year.

Carryover of Puerto Rican filler on October 1 may fall slightly below a year earlier. For 1978/79 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 1978/79 may fall below the 10 million pounds of the past season.

Binder: Cigar binder acreage in the Connecticut Valley is up. While quotas were suspended again this year, indicated yields are higher. As of September 1, production was estimated at 2.7 million pounds, slightly above last year. With a slightly smaller carryover, supplies may remain about the same.

Acreage of Wisconsin binder tobacco is about the same as last year. Again some growers released their acreage allotments for use by growers wishing to increase their production. With yields lower than last year, Wisconsin production is indicated to be 22 million pounds, down nearly 10 percent. Carryover will rise from a year ago; production exceeded use. Supply will gain in 1978/79.

Wrapper: The indicated acreage of Connecticut Valley wrapper is below 1977, so production may decline to 4.3 million pounds. Despite an increase in carryover on July 1, 1978, the supply of Connecticut Valley wrapper remains at the lowest level since 1945. Domestic disappearance was down sharply but exports of 4 million pounds kept total disappearance above the expected 1978 crop.

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

Table 28—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1969-78

(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	
	<i>Thousand acres</i>	<i>Pounds</i>	<i>--- Million pounds ---</i>						<i>Cents</i>
	Pennsylvania Seedleaf Filler (type 41)								
1969	20.0	1,825	36.5	105.1	140.6	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	127.9	40.9	40.7	.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	² 20.7	² 20.3	² .4	60.0
1977 ³	13.5	1,940	26.2	49.7	75.9	² 22.6	² 22.4	² .2	60.0
1978 ³	13.5	1,880	25.4	53.3	78.7				
	Ohio, Miami, Valley Filler (types 42-44)								
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	---	32.5
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 2.5	² 2.5	---	59.0
1977 ³	1.7	1,900	3.2	6.0	9.2	² 1.7	² 1.7	---	62.0
1978 ³	1.6	1,850	3.0	7.5	10.5				
	Puerto Rico Filler (type 46) ⁴								
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	33.6
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	² 4.9	² 4.9	---	⁵ 57.6
1977	2.6	1,480	3.4	6.4	9.8	² 4.8	² 4.8	---	60.2
1978 ⁴	2.6	1,480	3.9	5.0	8.9				
	Total Cigar Filler (types 41-46)								
1969	26.4	1,721	45.4	141.8	187.2	61.6	61.0	.6	30.6
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	² 28.1	² 27.7	² .4	59.4
1977	17.3	1,725	32.3	62.1	94.9	² 29.1	² 28.8	² .2	60.1
1978 ³	17.7	1,785	32.3	65.8	98.1				
	Connecticut Valley Binder (types 51-52)								
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
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 4.3	² 4.1	² .1	89.6
1977 ²	1.4	1,784	2.5	4.3	6.8	² 2.1	² 2.0	² .1	121.3
1978 ³	1.5	1,761	2.7	4.7	7.4				
	Southern Wisconsin Binder (type 54)								
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	---	40.2
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	² 10.0	² 10.0	---	74.7
1977 ²	6.2	2,020	12.5	23.8	36.3	² 10.6	² 10.6	---	85.5
1978 ³	6.2	1,900	11.8	25.7	37.5				
	Northern Wisconsin Binder (type 55)								
1969	3.7	1,815	6.7	20.7	27.4	8.8	8.5	.3	43.4
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	² 9.4	² 9.4	² *	75.2
1977 ²	5.8	2,100	12.3	16.2	28.5	² 9.4	² 9.4	² *	85.5
1978 ³	5.9	1,700	10.0	19.1	29.1				

See footnotes at end of table.

Table 28—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1969-78—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)								
1969	7.4	1,778	13.1	40.3	53.4	18.1	17.8	.3	41.8
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	12.1	2,059	24.8	40.0	64.8	² 20.0	² 19.9	² .1	85.5
1978 ³	12.1	1,802	21.8	44.8	66.6				
	Total Cigar Binder (types 51-55)								
1969	9.0	1,716	15.4	49.2	64.6	22.3	21.7	.6	44.3
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	2,031	27.3	44.3	71.6	² 22.1	² 21.9	² .2	88.7
1978 ³	13.6	1,788	24.5	49.5	74.0				
	Connecticut Valley Shade-grown (type 61)								
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
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	2.5	4.2	(⁶)
1978 ³	3.0	1,450	4.3	9.3	13.6				
	Georgia-Florida Shade-grown (type 62)								
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
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	386.0
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 ³	0	---	0	3.4	3.4				
	Total Shade-grown (types 61-62)								
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
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	1.1	4.7	(⁶)
1978 ³	3.0	1,450	4.3	12.6	17.0				
	Grand Total Cigar Tobacco (types 41-62)								
1969	46.7	1,645	76.7	210.6	287.3	98.0	94.9	3.1	97.7
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	34.6	1,853	65.4	119.5	184.9	² 57.0	² 51.9	² 5.1	(⁶)
1978 ³	34.3	1,801	61.1	127.9	189.0				

¹ October 1 for types 41-55; July 1 for types 61-62. ² Estimated. ³ Based on September 1 crop prospects and estimated stocks.⁴ Puerto Rican planting occurs late in calendar year; projected for 1978. ⁵ Excludes payment by Puerto Rican Government; 23 cents per pound in 1976. ⁶ No price disclosed.

Table 29—Foreign grown cigar leaf tobacco: U.S. imports and stocks, 1974-78

(Farm sales weight)

Country	Oct.-Sept.	Imports for consumption, October-June ¹					Dealers and manufacturers stocks, July 1				
	1976-77	1974-75	1975-76	1976-77	1977-78	1974	1975	1976	1977	1978	
	--- Million pounds ---										
Philippines	14.6	12.8	21.9	10.5	10.3	40.9	39.7	44.0	32.3	23.3	
Dominican Republic . .	13.0	11.7	12.2	10.1	7.4	22.0	24.0	17.0	15.3	15.0	
Brazil	10.1	12.4	14.2	8.6	3.7	8.9	8.3	6.9	6.4	7.4	
Columbia	3.4	5.9	5.2	2.3	2.3	9.7	12.5	11.4	9.0	7.6	
Paraguay	4.6	5.4	4.0	3.5	2.6	8.3	10.8	6.3	8.4	6.0	
Mexico	4.8	11.7	5.5	3.0	3.4	3.0	4.8	3.2	4.0	5.4	
Indonesia	5.3	8.2	6.5	4.4	4.7	10.6	10.9	11.2	11.0	12.8	
All others	37.8	27.8	41.2	21.0	10.5	20.6	23.2	21.6	19.6	19.7	
Total	93.6	95.9	110.7	63.4	44.9	124.1	134.2	121.6	106.0	97.2	

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

Table 30—Cigar leaf tobacco price support operations, 1974-78

(Farm-sales weight)

Type	Placed under Government loan, crop years—				Remaining under loan, end of August				
	1974	1975	1976	1977	1974	1975	1976	1977	1978 ²
--- Million pounds ---									
Ohio, 42-44	(¹)	0	0.4	0.4	0	(¹)	0	0.4	0.5
Puerto Rican, 46	0	3.3	3.2	(³)	5.3	1.4	0	0	1.9
Conn. Valley, 51-52	0.3	0.4	0.3	0.2	2.2	.9	0.8	.9	1.0
Southern Wis., 54	(¹)	0	0	(¹)	0	0	(¹)	(¹)	(¹)
Northern Wis., 55	0	0	0	0	0	0	0	0	0
Total .....	.3	3.7	3.9	.6	7.5	2.3	.8	1.3	3.5

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

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 percent last year, (table 31). Increases in the People's Republic of China (PRC), Brazil, Japan, and the Soviet Union more than offset declines in the United States, the Federal Republic of Germany, and France.

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

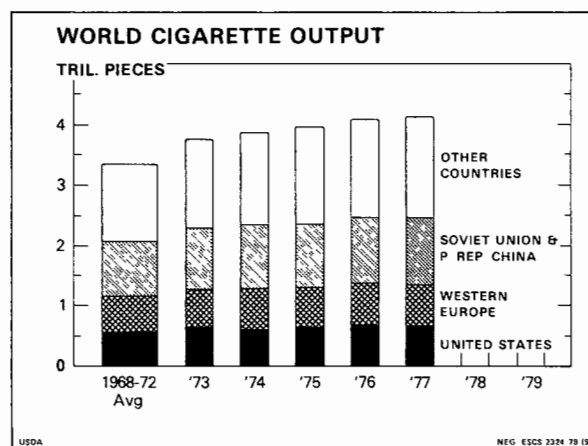
² Further details in Foreign Agriculture Circular, FT 3-78, July 1978.

Table 31—Cigarettes: Estimated world output and exports, specified countries, average 1968-72, annual 1974-77¹

Country	Average 1968-72	1974	1975	1976	1977	% change
						1976-77
	Billions					Percent
	Production					
China, People's Rep. of	606.2	671.0	687.0	703.0	725.0	+3
United States	579.2	635.0	651.2	693.4	665.9	-4
United Kingdom	142.2	158.5	157.8	156.5	154.6	-1
West Germany	123.2	139.8	141.0	145.9	137.0	-6
France	68.8	81.4	87.4	86.5	80.1	-7
Italy	65.8	66.4	67.1	73.6	75.2	+2
Other EC-9 ²	77.6	77.1	75.6	74.1	78.7	+6
Total, EC-9	456.0	523.6	528.9	536.6	525.6	-2
USSR	322.4	371.0	367.3	375.2	380.0	+1
Japan	222.2	292.2	293.6	275.6	297.0	+8
Brazil	74.6	100.3	115.6	117.0	129.0	+10
Other	1,088.9	1,275.1	1,317.1	1,350.2	1,404.0	+4
Total	3,349.5	3,868.2	3,960.7	4,051.0	4,126.5	+2
	Exports					
United States	29.4	46.9	49.9	61.4	66.8	+9
Bulgaria	43.6	54.5	58.1	62.0	63.0	+2
United Kingdom	16.7	21.8	25.2	25.9	28.7	+11
Switzerland	13.3	13.9	15.9	19.4	21.5	+11
West Germany	6.3	13.1	16.1	18.2	24.2	+33
Netherlands	5.3	15.9	13.0	10.1	14.7	+46
Other	33.6	37.8	44.5	45.5	46.3	+2
Total	148.1	203.9	222.7	242.5	265.3	+9

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

Compiled from USDA, FAS, Foreign Agriculture Circular, FT-3-78, July 1978.

market shares. The largest cigarette import market, except for the Soviet Union imports from Bulgaria, is the European Community (EC). Italy imports quantities of cigarettes mainly from the Netherlands and West Germany.

World Tobacco Trade Down in 1977³

West Germany, the United Kingdom, and France usually import large quantities of tobacco. United States tobacco exports to the EC face special competition since other countries either retain or have acquired additional preferential duties through actions of the EC in its special third-country partnerships (table 32).

The *United Kingdom*, the leading purchaser of U.S. tobacco until joining the EC, took about 20 percent of the U.S. exports between 1967 and 1973, and now is taking less than 9 percent. U.K. tobacco use had been about static for several years, until it declined in 1977 due to both extremely high taxes on tobacco products and strong anti-smoking activities. However, this year the U.K. industry

replenished stocks reversing the downward trend in U.S. tobacco purchases. A more optimistic outlook for U.K. cigarette sales also may mean larger purchases from the United States in 1978 (tables 33 and 34).

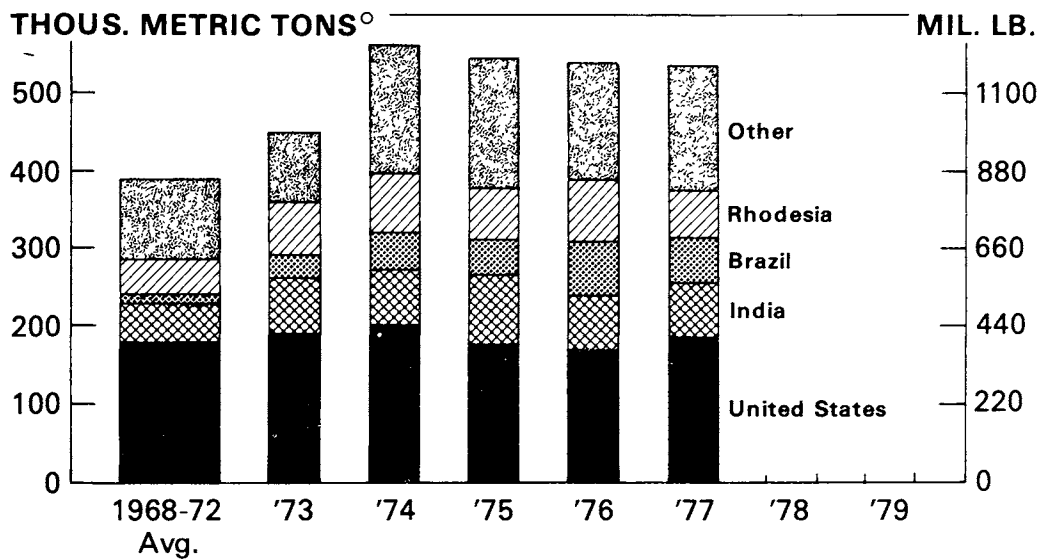
India has gained from the EC's Generalized System of Preferences (GSP) quota for tobacco from partners of the EC. In 1977 both the EC and the USSR increased their purchases from India taking nearly three-fourths of India's exports. India's production of flue-cured tobacco is expected to rise in 1978.

Greece and *Turkey* are the major sources of oriental tobacco needed in U.S. cigarettes. Greece may become a member of the EC and receive the benefits of EC tobacco support. U.S. imports of Greek tobacco fell by more than 20 percent in 1977 as buyers resisted high prices. The U.S. takes about 46 percent of oriental exports from Turkey.

Japan has tried to reduce stocks to a 24-month supply, and cut imports in fiscal 1977 (April 1977 to March 1978) by 10 percent from the previous year. Despite anti-smoking activity increasing in Japan, cigarette manufacture was up almost 8 percent for calendar 1977.

³ Further details in Foreign Agriculture Circular, FT 5-78, August 1978.

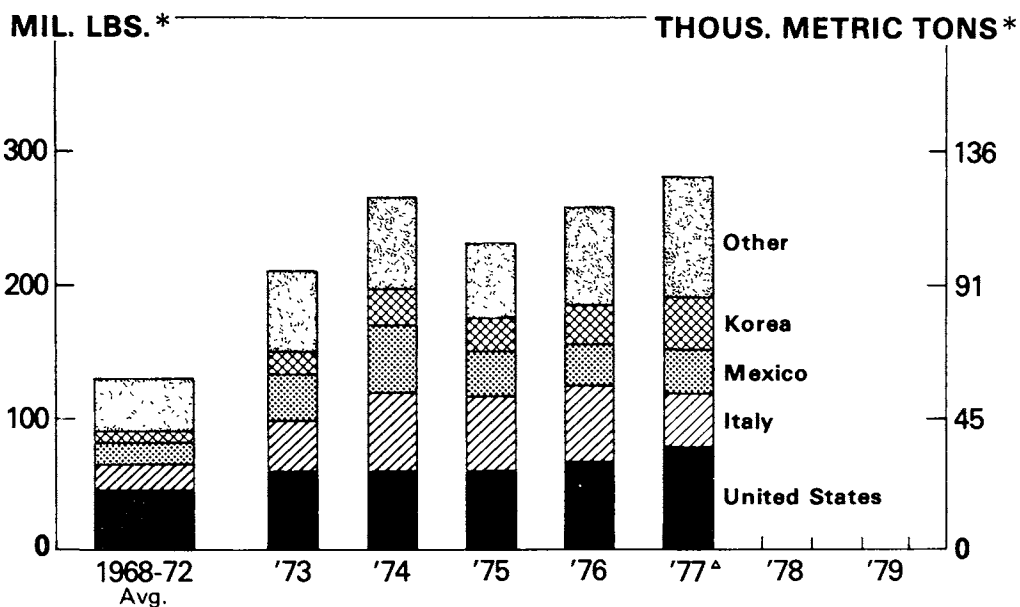
WORLD EXPORTS OF FLUE-CURED TOBACCO



USDA

NEG ESCS 2400-78 (9)

WORLD EXPORTS OF BURLEY TOBACCO



USDA

NEG ESCS 2960-78 (9)

Table 32—United States and world production and exports of flue-cured, burley and all unmanufactured tobacco, 1955-77

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
	<i>Million pounds</i>		<i>Percent</i>	<i>Million pounds</i>		<i>Percent</i>	<i>Million pounds</i>		<i>Percent</i>
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 ²	1,130	4,883	23	617	1,299	50	1,916	11,962	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 ²	410	1,185	35	79	282	28	640	2,778	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 33—United Kingdom, tobacco: Imports, by major suppliers, 1968-77

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	62	35	34	38	93	314	17	60

¹ U.S. and Canada

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

Table 34—Tobacco: EC imports by major suppliers, 1970-77

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	248	43	137	145	58	540	1,171	21.2

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

Table 35—Estimated leaf used for cigarettes by kinds of tobacco, 1950-77

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	723	485	17	1,225	643	433	17	132	1,225
1966	686	487	19	1,192	613	435	19	135	1,202
1967	658	483	19	1,160	587	432	19	154	1,192
1968	652	482	18	1,152	582	430	18	171	1,201
1969	612	447	31	1,090	546	399	31	157	1,133
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	633	472	13	1,118	565	422	13	211	1,211
1975	614	466	26	1,106	548	416	25	231	1,220
1976	636	468	22	1,126	568	420	22	237	1,245
1977 ¹	584	455	16	1,055	522	406	16	242	1,186
<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	1.298	.871	.031	2.200	1.155	.778	.030	.237	2.200
1966	1.209	.858	.033	2.101	1.081	.767	.033	.238	2.119
1967	1.142	.838	.033	2.013	1.019	.750	.033	.267	2.069
1968	1.125	.832	.031	1.988	1.004	.742	.031	.295	2.072
1969	1.097	.802	.056	1.955	.979	.716	.055	.282	2.032
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 . . . . .	.998	.743	.020	1.761	.890	.665	.020	.332	1.907
1975 . . . . .	.943	.715	.040	1.698	.842	.639	.038	.355	1.874
1976 . . . . .	.917	.675	.031	1.623	.819	.603	.031	.343	1.796
1977 ¹ . . . . .	.878	.683	.024	1.585	.784	.610	.024	.363	1.781
<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	59.0	39.6	1.4	100.0	52.5	35.3	1.4	10.8	100.0
1966	57.6	40.8	1.6	100.0	51.0	36.2	1.6	11.2	100.0
1967	56.8	41.6	1.6	100.0	49.3	36.0	1.6	12.9	100.0
1968	56.6	41.8	1.6	100.0	48.5	35.8	1.5	14.2	100.0
1969	56.2	41.0	2.8	100.0	48.2	35.2	2.7	13.9	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	56.7	42.2	1.1	100.0	46.7	34.9	1.0	17.4	100.0
1975	55.5	42.1	2.4	100.0	44.9	34.1	2.0	18.9	100.0
1976	56.5	41.5	2.0	100.0	45.6	33.6	1.8	19.0	100.0
1977 ¹	55.4	43.1	1.5	100.0	44.1	34.2	1.3	20.4	100.0

¹ Subject to revision.

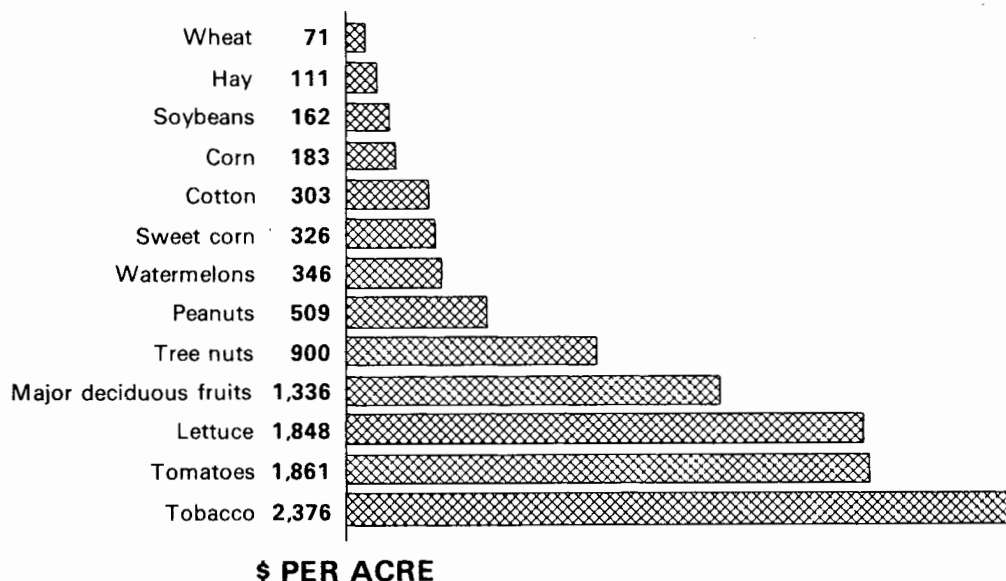
Table 36—Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1976 and 1977

State	1976			1977 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	999	57.1	35.4	866	55.7	33.0
Kentucky	521	56.8	31.7	619	58.2	34.3
South Carolina	154	27.8	18.4	171	33.7	21.8
Virginia	170	35.2	16.4	163	36.7	16.2
Tennessee	152	23.9	11.6	164	23.6	12.0
Georgia	138	12.5	6.1	150	15.6	6.8
Florida	36	2.0	1.4	31	1.6	1.2
Maryland	22	8.6	3.2	30	13.1	4.6
Connecticut	30	31.9	12.9	34	32.7	14.6
Pennsylvania	11	2.2	.6	14	2.3	.7
Ohio	22	1.3	.8	29	1.8	1.0
Indiana	17	.9	.5	24	1.9	1.2
Massachusetts	11	10.9	5.1	11	10.1	5.1
Wisconsin	16	2.9	.5	14	2.4	.4
Missouri	4	.4	.1	5	.4	.2
West Virginia	3	8.1	2.1	3	7.1	2.0
United States ²	2,310	4.8	2.4	2,331	4.8	2.4

¹Subject to revision. ²U.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.

FARM VALUE PER ACRE FOR SELECTED CROPS, 1977



USDA

NEG. ESCS 2205-78 (9)

Table 37—Expenditures for tobacco products, and disposable personal income, 1969-78

Year	Total	Cigarettes	Cigars	Other ¹	Disposable personal income ²	Percent of disposable personal income spent on tobacco products			
						All products	Cigarettes	Cigars	Other ¹
	--- Million dollars ---				Billion dollars	--- Percent ---			
1969	10,444	9,404	701	339	630	1.66	1.49	.11	.05
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	1,084	1.43	1.32	.06	.05
1976	16,390	15,110	655	625	1,186	1.38	1.28	.05	.05
1977 ³	17,080	15,780	610	690	1,309	1.30	1.20	.05	.05
1978 ⁴	17,600				1,460	1.21			

¹ Smoking tobacco, chewing tobacco, and snuff. ² 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 ⁴	2,279	39	4	2,322	3,500	120	5,942
1977-78 ⁵	2,421	35	4	2,460	3,680	120	6,260

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, 1977

Custom district	Unmanufactured tobacco	Tobacco products		Total tobacco
		Cigarettes	Other	
	- - - Million dollars - - -			
Norfolk, Virginia	545.0	351.6	10.5	907.1
Wilmington, North Carolina	435.8	1.8	0	437.6
New York, New York	22.2	40.8	5.6	68.6
Baltimore, Maryland	17.9	99.4	1.2	118.5
Miami, Florida	12.1	52.0	1.7	65.8
San Francisco, California	3.6	24.0	.1	27.7
Charleston, South Carolina	13.0	6.9	.3	20.2
New Orleans, Louisiana	22.9	.3	0	23.2
Philadephia, Pennsylvania . . . . .	.2	6.2	0	6.4
San Juan, Puerto Rico	5.2	2.0	.3	7.5
Other	16.4	29.9	2.8	49.1
Total	1,094.3	614.9	22.5	1,731.7

Totals may not add due to rounding.

Compiled from reports of Bureau of the Census.

Table 40.-- Agricultural and tobacco export value, percentage distribution and percent of total, by State, fiscal years 1973 and 1977 1/

Tobacco type and State	Export value				Tobacco as percentage:		State as percentage	
	Tobacco 2/		Agricultural		of agricultural 3/		of total tobacco 3/	
	1973	1977	1973	1977	1973	1977	1973	1977
	----- Million dollars -----				----- Percent -----			
<u>Flue-cured</u>								
North Carolina	338	550	526	964	64	57	53	51
South Carolina	66	95	174	312	38	30	10	9
Georgia	59	77	207	476	28	16	9	7
Virginia	49	89	120	225	41	40	8	8
Florida	16	20	184	390	9	5	3	2
Subtotal	528	831	1,210	2,367	44	35	83	77
<u>Burley and fire-cured</u>								
Kentucky	64	148	186	473	34	31	10	14
Tennessee	23	52	175	390	13	13	4	5
Subtotal	87	200	361	863	24	23	14	19
<u>Other</u>								
Connecticut	6	17	8	22	75	77	1	2
Maryland	10	17	59	136	18	13	1	2
Massachusetts	2	6	6	12	42	47	4/	1
Ohio	2	6	432	957	1	1	4/	1
All other 5/	5	9	1,701	3,370	4/	4/	1	1
Total 18 States	640	1,085	3,774	7,726	17	14	100	100

1/ Year ending June 30 (1973). Year ending September 30 (1977).

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, February 1978, pp. 6-12.

Detail may not add to total due to rounding.

Table 41.--Flue-cured and burley prices: Actual and support level compared with parity prices, 1960-78

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
	1/				average		1/				average
	Cents per pound			Percent			Cents per pound			Percent	
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	3/ 134.1	68.8	76.2	4/	182.0	124.7		68.5	

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.

4/ August 31.

NEW CIGARETTE CONSUMPTION MEASURES

Recent Federal Trade Commission (FTC) data on cigarette tar and nicotine content has been multiplied by the number of cigarettes consumed per adult to provide per capita tar and nicotine consumption series. The new per capita series begins in 1967 and is believed to provide a more meaningful health-related indicator than number of cigarettes. Tar and Nicotine content has declined at a faster rate than the number of cigarettes and appears closely related to the decline in tobacco weight per cigarette. Per capita tar and nicotine consumption have had parallel declines since 1967, about one-fourth.

The FTC began publishing tar and nicotine con-

tent by brand in 1967 and considerable interest is attached to the data. Since 1971, cigarette companies voluntarily agreed to publish tar and nicotine content in print advertising. In its recent report, the FTC has reported annual average tar and nicotine content for cigarettes sold in the United States, based on the FTC measurement of tar and nicotine content of each cigarette brand and relative importance.⁴

⁴Federal Trade Commission, "Statistical Supplement to Annual Report to Congress on the Public Health Cigarette Smoking Act," May 1978.

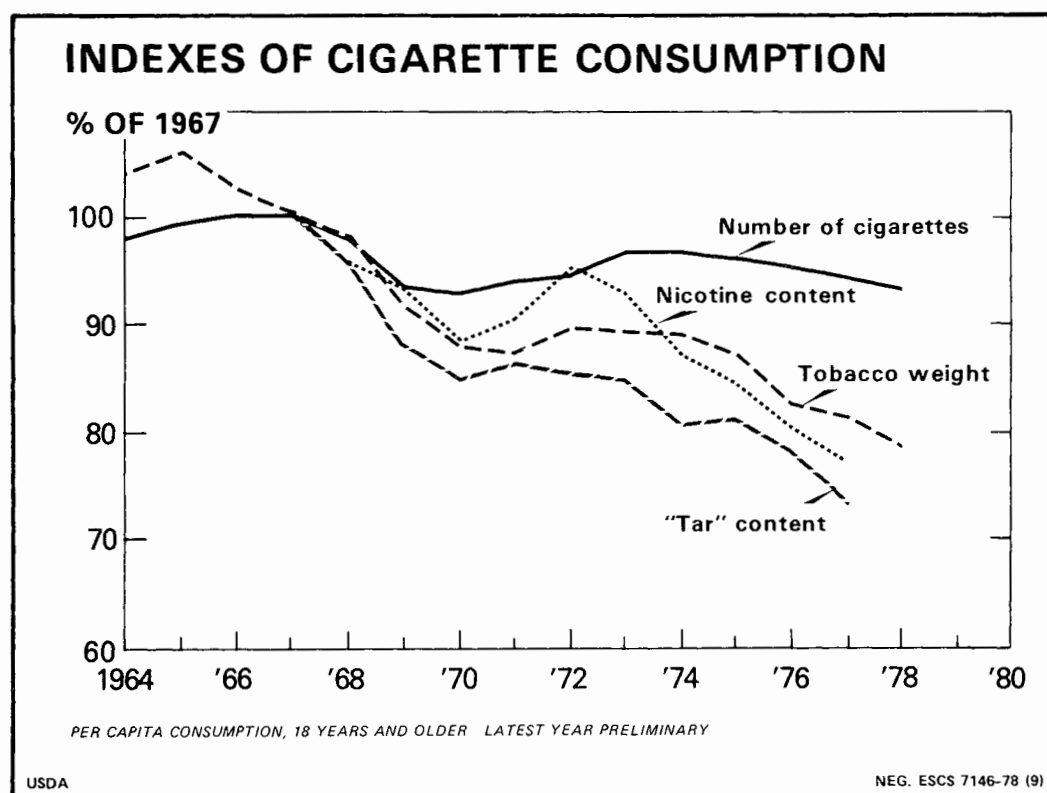


Table 42.--Per capita cigarette consumption, various measures, 1967-78

Year	Number	Tobacco	"Tar"	Nicotine	Number	Tobacco	"Tar"	Nicotine
		weight	content 1/	content 1/		weight	content 1/	content 1/
	No.	Lb.	-----Milligrams-----		-----Index, 1967=100-----			
1964	4,194	9.21	(2)	(2)	98.0	104.0	(2)	(2)
1965	4,258	9.37	(2)	(2)	99.3	105.8	(2)	(2)
1966	4,287	9.08	(2)	(2)	100.2	102.5	(2)	(2)
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	4,123	7.73	76,647	5,001	96.3	87.2	81.4	84.7
1976	4,092	7.35	73,942	4,751	95.6	83.0	78.5	80.5
1977	4,051	7.21	69,272	4,574	94.6	81.4	73.6	77.5
1978 <u>3/</u>	4,000	7.00	(2)	(2)	93.5	79.0	(2)	(2)

1/ Preliminary. 2/ Not available. 3/ Estimated.

RECENT ARTICLES AND PUBLICATIONS

Grove, Ernest W. "United States Government Policies for Tobacco," Abstract of Symposium for the Joint Meetings of the American Agricultural Economics Association and the Canadian Agricultural Economics Society, Blacksburg, Va., August 7, 1978, 2 pp. Summarizes 4 speakers and 4 discussants.¹

Schuyte, Peter J. "Lorillard Scores Big in the Low-Tar Derby," *Fortune*, August 14, 1978, pp. 124-6, 128, and 130.

Thoryn, Michael. "Nonfood Agriculture: Times of Change for Tobacco, Cotton, and Leather," *Nation's Business*, August 1978, pp. 49-57.

Warner, Kenneth E. "Possible Increases in the Underreporting of Cigarette Consumption," *Journ. of the A. Stat. Assn.*, Vol. 73, No. 262, June 1978,

pp. 314-8. Compares cigarette sales with extrapolations from DHEW survey figures. Discrepancy from sales data grew from one-fourth in 1964 to one-third in 1975. Possible explanations for underreporting include nonresponse bias, and increased awareness of health relationship, and social disapproval.

United States, General Services Administration, Public Buildings Service, "Proposed Rule," *Federal Register*, Sept. 11, 1978, p. 40250. Regulation to prohibit smoking in certain areas of GSA-controlled buildings. Comments must be received by October 11, 1978.

¹Available from 200 GHI Bldg., ESCS, USDA, Washington, D.C., 20250.

STATISTICAL SUMMARY

Item	Unit or base period	1977		1978		Last data as percentage of a year earlier
		July	August	June	July	August
Average price at auctions						
Flue-cured	Ct. per lb.	89.0	115.6	Closed	127.9	131.8
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
Support price 1/						
Flue-cured	Ct. per lb.	113.8			121.0	
Burley	Ct. per lb.	117.3			124.7	
Maryland	Ct. per lb.	No Support			No Support	
Virginia fire-cured	Ct. per lb.	79.5			84.6	
Ky.-Tenn. fire-cured	Ct. per lb.	79.5			84.6	
Ky.-Tenn. dark air-cured	Ct. per lb.	70.7			75.2	
Virginia sun-cured	Ct. per lb.	70.7			75.2	
Connecticut Valley cigar binder	Ct. per lb.	81.2			86.3	
Wis. binder and Ohio filler	Ct. per lb.	58.6			62.3	
Puerto Rican filler	Ct. per lb.	60.9			64.7	
Parity index 2/	1910-14=100	690	685	747	748	749
Industrial production index 3/	1967=100	138.7	138.1	144.9	145.9	146.6
Employment	Mil.	92.4	92.3	95.9	96.2	96.2
Personal income (Annual rate) 3/	Bil. dol.	1,533.5	1,540.7	1,695.7	1,719.9	1,728.4
		1977		1978		
		June	July	May	June	July
Taxable removals						
Cigarettes	Bil.	55.1	43.3	54.4	58.3	
Cigars and cigarillos	Mil.	470.6	365.7	413.6	436.7	
Accumulated from Jan. 1						
Cigarettes	Bil.	298.5	341.7	257.7	316.0	
Cigars and cigarillos	Mil.	2,491.3	2,857.0	1,995.2	2,431.9	
Invoiced to domestic customers						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	20.5			17.8	
Chewing tobacco	Mil. lb.	43.3			44.7	
Snuff	Mil. lb.	12.3			12.3	
Tax-exempt removals						
Cigarettes	Bil.	8.0	5.9	7.0	8.0	
Exports	Bil.	5.8	5.9	6.1	6.6	5.5
Cigars and cigarillos	Mil.	12.2	7.1	14.2	14.7	
Accumulated from Jan. 1						
Cigarettes	Bil.	38.1	44.0	33.4	41.4	
Exports	Bil.	31.9	37.8	27.9	34.5	40.0
Cigars and cigarillos	Mil.	67.9	75.0	63.9	78.6	
Invoiced for export						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	.43			.41	
Chewing tobacco	Mil. lb.	.1			.1	
Wholesale price indexes 4/						
Cigarettes (reg. nonfilter)	1967=100	182.8	182.8	199.4	204.9	216.0
Cigars	1967=100	130.0	131.3	138.6	139.1	139.1
Smoking tobacco	1967=100	193.9	197.8	213.5	213.5	213.5
Plug chewing tobacco	1967=100	194.4	197.8	230.1	230.1	230.1
Snuff	1967=100	212.5	217.9	240.7	240.7	240.7
Consumer price indexes (urban) 5/						
Cigarettes (reg. nonfilter)	1967=100	168.5	169.4	176.9	177.0	6/182.5
Cigarettes (filter tip king)	1967=100	169.5	170.2	177.4	177.7	
Cigars (domestic reg. size)	1967=100	134.6	135.2	140.4	141.6	7/
Imports of tobacco						
Cigarette leaf	Mil. lb.	13.6	14.9	20.5	14.7	14.9
Cigar tobacco (farm sales wt.)	Mil. lb.	4.1	5.5	5.7	4.6	5.3
Accumulated from Jan. 1						
Cigarette leaf	Mil. lb.	84.8	99.7	88.8	103.5	106.0
Cigar tobacco (farm sales wt.)	Mil. lb.	37.4	48.9	25.1	29.7	35.0

See footnotes at end of table.

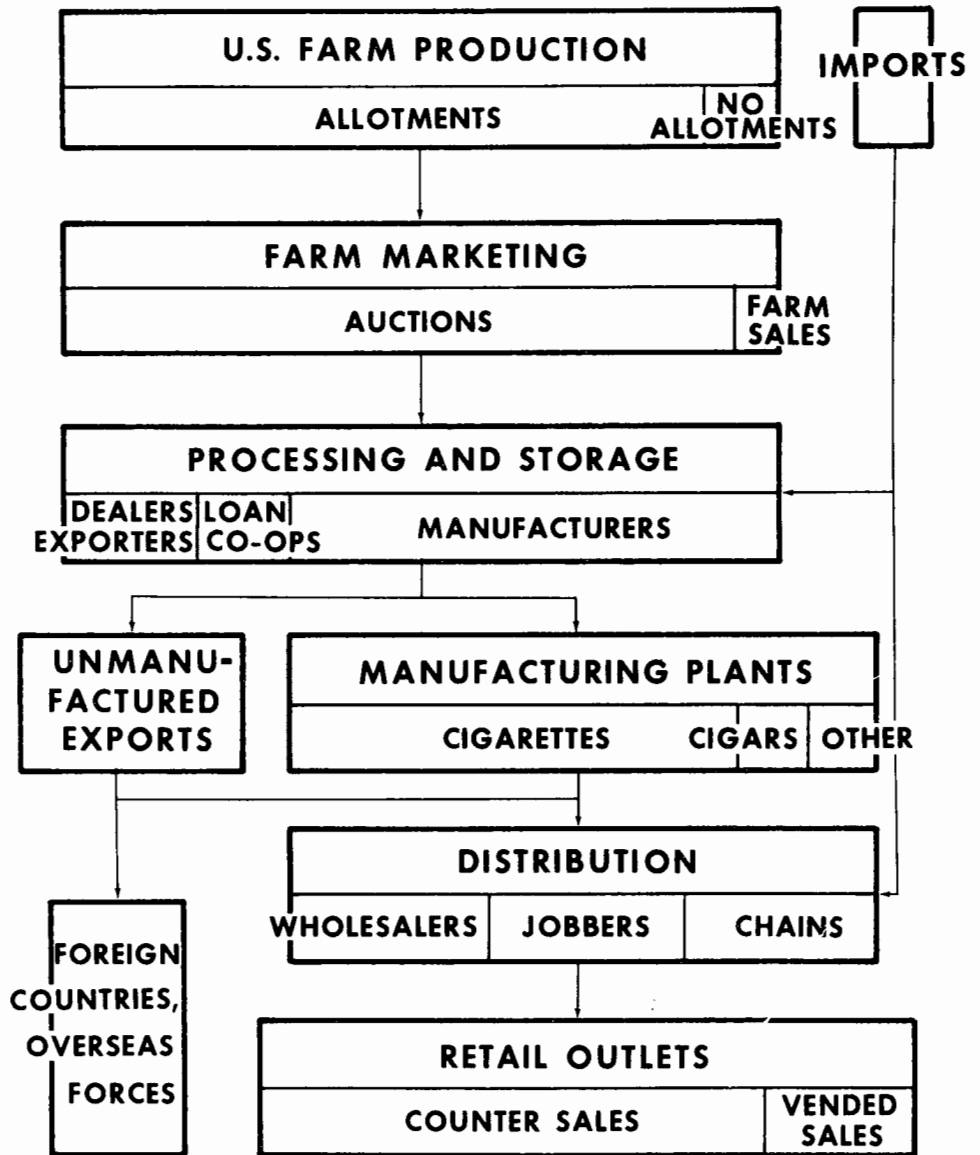
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STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1977		1978			Last data as percentage of a year earlier
		June	July	May	June	July	
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	34.7	39.5	17.4	24.4	31.6	80
Burley	Mil. lb.	8.1	13.4	9.2	7.1	17.1	128
Maryland	Mil. lb.	1.2	.7	.8	.8	.7	100
Virginia fire- & sun-cured	Mil. lb.	.1	.6	.3	.2	.1	17
Ky.-Tenn. fire-cured	Mil. lb.	.8	2.5	1.8	.8	3.4	136
Ky.-Tenn. dark air-cured	Mil. lb.	0	*	*	*	*	----
Black Fat	Mil. lb.	.2	.4	.2	.2	.3	75
Cigar wrapper	Mil. lb.	.2	.5	.4	.3	.3	60
Connecticut binder	Mil. lb.	0	*	0	0	0	----
Wisconsin binder	Mil. lb.	0	0	0	*	0	----
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	512.4		514.7	539.1		105
Burley	Mil. lb.	77.4	90.8	68.0	75.1	92.2	102
Maryland	Mil. lb.	6.4	7.1	3.1	4.9	5.6	79
Virginia fire- & sun-cured	Mil. lb.	4.6	5.2	1.5	1.8	1.9	37
Ky.-Tenn. fire-cured	Mil. lb.	13.2	15.7	8.6	9.4	12.8	82
Ky.-Tenn. dark air-cured	Mil. lb.	.1	.1	.5	.5	.5	500
Black fat	Mil. lb.	2.0	2.4	1.6	1.8	2.1	88
Cigar wrapper	Mil. lb.	3.2		1.7	2.1		66
Connecticut binder	Mil. lb.	.1	.1	*	*	*	----
Wisconsin binder	Mil. lb.	*	*	.1	.1	.1	----
Cigar filler	Mil. lb.	.3	.3	.1	.2	.2	67
Exports of manufactured tobacco not elsewhere classified 9/	Mil. lb.	1.6	1.5	.1	.2	.1	----
Accumulated from Jan. 1	Mil. lb.	6.8	8.8	1.2	1.4	1.5	----
Quarterly data							
		1977		1978			
		Apr.-June	July-Sept.	Apr.-June	July-Sept.		
Stocks of tobacco--1st of quarter 10/							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,305	2,066	2,273	2,047		99
Burley	Mil. lb.	1,502	1,372	1,503	1,363		99
Maryland	Mil. lb.	38	54	41	63		117
Fire-cured	Mil. lb.	62	59	77	75		127
Dark air- and sun-cured	Mil. lb.	35	34	35	39		115
Cigar filler	Mil. lb.	72	67	78	70		104
Cigar binder	Mil. lb.	53	50	59	56		112
Cigar wrapper	Mil. lb.	15	13	14	13		100
Under Government loan	Mil. lb.	657	627	709	661		105
Tobacco sheet (leaf weight)							
Cigarette types	Mil. lb.	28.4	25.4	29.8	27.4		108
Cigar types	Mil. lb.	.9	1.6	1.3	1.2		75
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	599	598	619	625		105
Cigar	Mil. lb.	111	106	101	97		92
Tobacco outlets 11/ Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	650.8	681.2	719.6	704.0		103
Taxable removals	Bil.	578.3	598.0	641.7	602.4		101
Large cigar production	Bil.	4.90	4.60	5.02	4.95		108
Smoking production	Mil. lb.	42.2	36.4	38.2	36.4		100
Chewing production							
Loose leaf	Mil. lb.	63.4	60.7	66.0	62.4		103
Plug and other	Mil. lb.	28.7	28.0	30.0	28.2		101
Snuff production	Mil. lb.	26.1	24.2	25.4	24.2		100
Exports of leaf							
Total	Mil. lb.	498.7	936.8	503.3	750.0		80
Flue-cured	Mil. lb.	385.8	667.7	359.1	535.0		80

1/ 1977 and 1977 crops, respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Excise tax excluded. 5/ Federal and applicable state and local taxes included. 6/ All urban index for cigarettes beginning July 1978. 7/ Not reported after June 1978. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Smoking tobacco in bulk through December 1977. Beginning January 1978 blended strips no longer included. 10/ Holdings of manufacturers and dealers including grower cooperatives. 11/ Latest quarter is estimated. *Less than 50,000 pounds. Detail may not add due to rounding.

TOBACCO INDUSTRY FLOW CHART



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