

THE

## Tobacco

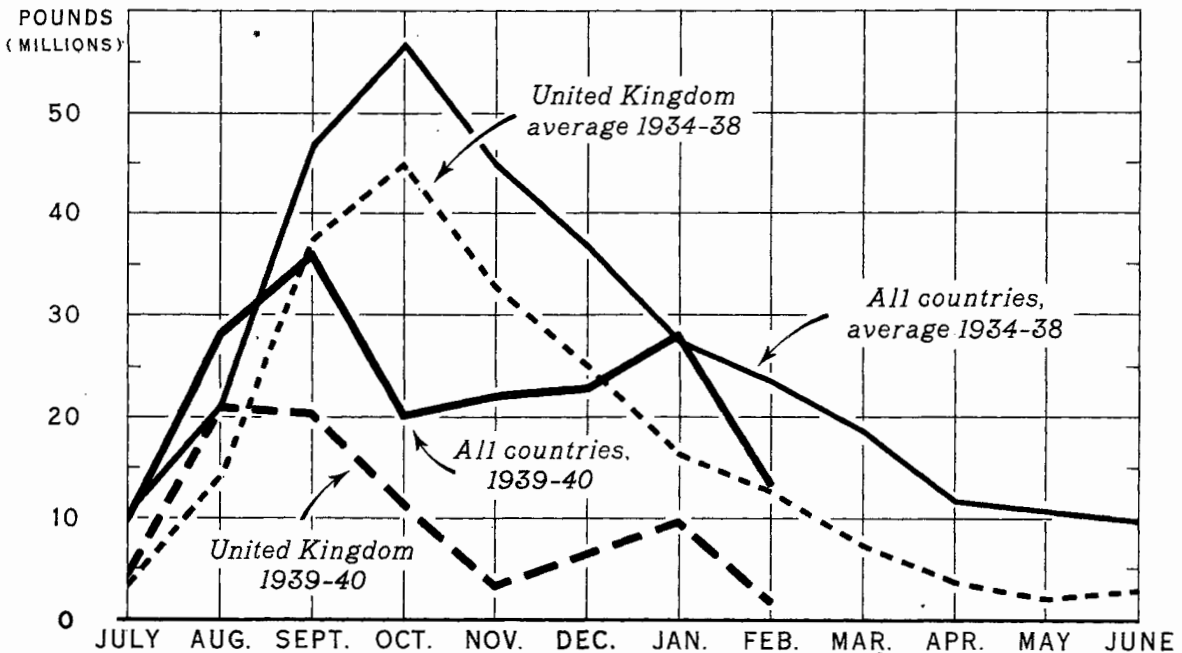
## SITUATION

BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

TS-14



MARCH 30, 1940

FLUE-CURED TOBACCO: TOTAL EXPORTS FROM THE  
UNITED STATES, AVERAGE 1934-38, AND 1939-40

U. S. DEPARTMENT OF AGRICULTURE

NEG. 38093

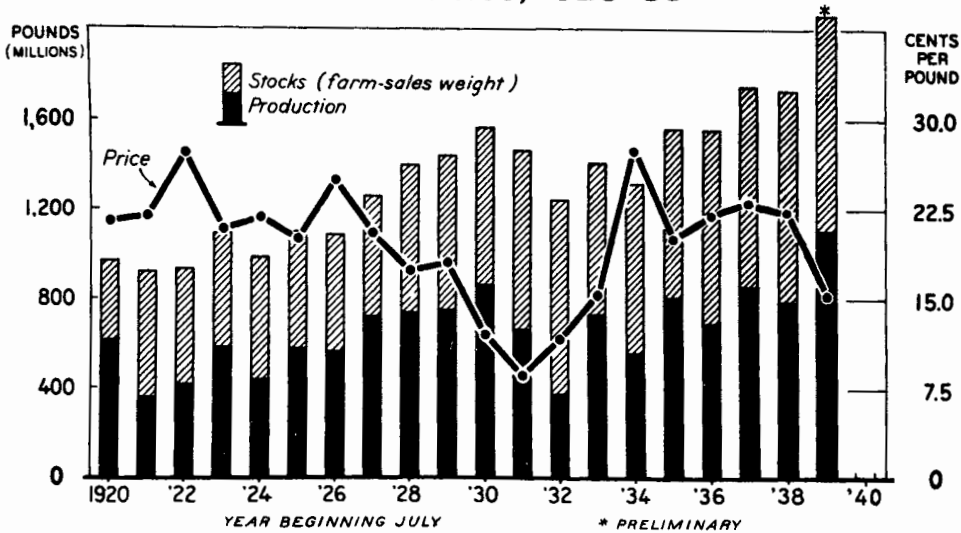
BUREAU OF AGRICULTURAL ECONOMICS

NORMALLY EXPORTS OF FLUE-CURED TOBACCO TO THE UNITED KINGDOM, WHICH IS THE LARGEST FOREIGN BUYER, ARE HEAVIEST FROM AUGUST THROUGH JANUARY. DURING AUGUST 1939, TOTAL FLUE-CURED EXPORTS, AS WELL AS EXPORTS TO THE UNITED KINGDOM ALONE WERE ABOVE THE 5-YEAR (1934-38) AVERAGE AUGUST EXPORTS. THIS WAS PROBABLY DUE IN PART TO RUMORS OF WAR. BEGINNING WITH THE DECLARATION OF WAR IN SEPTEMBER, PURCHASES FOR BRITISH ACCOUNT CEASED BECAUSE OF THE BRITISH POLICY OF CONSERVING DOLLAR EXCHANGE FOR WAR NECESSITIES, AND AS A RESULT ALL UNITED STATES TOBACCO MARKETS WERE CLOSED BY SEPTEMBER 14. HIGH COSTS OF WAR RISK INSURANCE AND CURTAILMENT OF SHIPPING FACILITIES ADVERSELY AFFECTED EXPORTS TO OTHER EUROPEAN COUNTRIES.

ON JANUARY 1, 1940, IMPORTS INTO THE UNITED KINGDOM WERE RESTRICTED TO LEAF BROUGHT IN UNDER LICENSE AND SHIPMENTS ALREADY ON THE HIGH SEAS. DURING JANUARY 1940, LICENSES FOR APPROXIMATELY 10 MILLION POUNDS OF TOBACCO WERE ISSUED FOR PURCHASES MADE PRIOR TO SEPTEMBER 9, 1939, AND IT IS REPORTED THAT LICENSES WILL BE ISSUED FOR ADDITIONAL QUANTITIES OF LEAF PURCHASED PRIOR TO THIS DATE.

INCREASED SHIPMENTS TO CHINA AND AUSTRALIA BRING THE TOTAL JANUARY 1940 EXPORTS UP TO THE LEVEL OF THE 5-YEAR PERIOD 1934-38, ALTHOUGH IN OTHER MONTHS SINCE AUGUST EXPORTS WERE MUCH BELOW THE 5-YEAR AVERAGE.

## Flue-cured Tobacco: Supply and Price in the United States, 1920-39



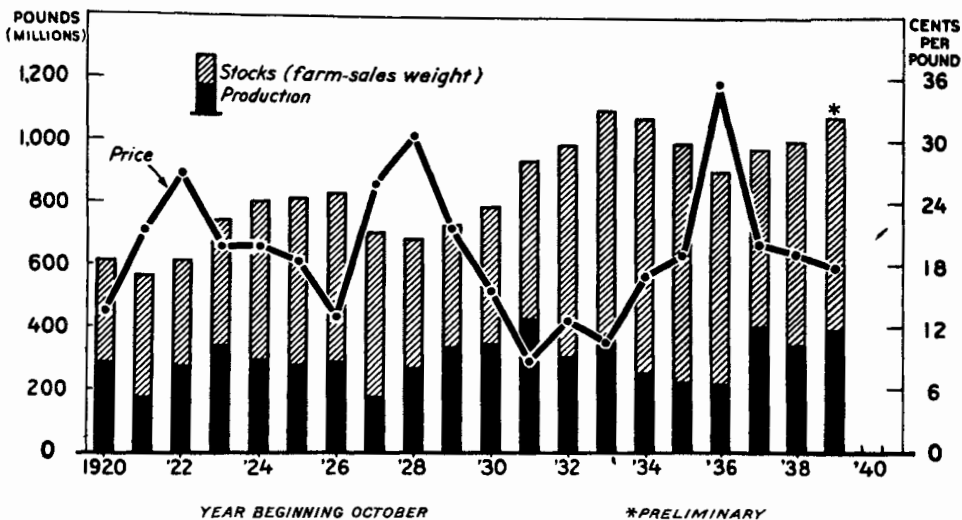
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FIGURE 1.— NORMALLY A CHANGE IN THE SUPPLY OF FLUE-CURED TOBACCO RESULTS IN A PRICE CHANGE IN THE OPPOSITE DIRECTION. THIS WAS THE CASE IN NEARLY ALL OF THE YEARS INCLUDED IN THIS CHART, BUT IN SOME YEARS THE EFFECTS OF SUPPLY CHANGES WERE OFFSET BY CHANGES IN GENERAL ECONOMIC CONDITIONS OR BY OTHER FACTORS. IN 1933, FOR EXAMPLE, NOTWITHSTANDING A MATERIALLY LARGER SUPPLY, THE PRICE INCREASED SUBSTANTIALLY, AND IN 1934 THE INCREASE IN PRICE WAS OUT OF PROPORTION TO THE MODERATE DECREASE IN SUPPLY. THE RECORD 1939 SUPPLY, TOGETHER WITH REDUCED EXPORT OUTLETS, RESULTED IN A PRICE OF ABOUT 15.2 CENTS PER POUND. IN 1933 THE PRICE WAS 15.3 CENTS.

## Burley Tobacco: Supply and Price, in the United States, 1920-39



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FIGURE 2.— BURLEY TOBACCO, WHICH IS CONSUMED ALMOST ENTIRELY IN THE UNITED STATES, ALSO DEMONSTRATES THE CLOSE RELATIONSHIP BETWEEN TOTAL SUPPLY AND PRICE. THE VARIATIONS WHICH OCCUR IN STOCKS RESULT MAINLY FROM CHANGES IN THE PRODUCTION OF THE PRECEDING YEARS, SINCE DISAPPEARANCE IS FAIRLY STABLE. THE UPWARD TREND OF CONSUMPTION OF BURLEY TOBACCO IN CIGARETTES HAS BEEN LARGELY OFFSET BY DECREASES IN PRODUCTION OF CHEWING TOBACCO. THE LARGE 1939 SUPPLY, ALTHOUGH NOT A RECORD SUPPLY, RESULTED IN A SEASON AVERAGE PRICE OF ABOUT 17.5 CENTS PER POUND, OR 1.5 CENTS BELOW THE PRICE RECEIVED FOR THE 1938 CROP.

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THE TOBACCO SITUATION  
Spring Outlook Issue  
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Summary

An abnormally large prospective supply and reduced export outlets make the outlook for flue-cured tobacco appear generally unfavorable for the 1940-41 season. A large prospective supply of Burley, although not of record proportions, indicates that the market situation in 1940-41 may not be greatly different from that of 1939. The outlook for fire-cured, dark air-cured, and cigar types is relatively favorable on the basis of March 1 acreage intentions.

Reduced exports and the large 1939 production (1,132,436,000 pounds) of flue-cured tobacco are expected to result in flue-cured stocks as of July 1, 1940 totaling 1,450,000,000 pounds, an amount more than 53 percent larger than flue-cured stocks a year earlier. (Even if the United Kingdom had taken normal amounts of the 1939 production, stocks as of July 1, 1940 would still be about 35 percent above those of July 1, 1939). Burley stocks, estimated at 756,000,000 pounds as of October 1, 1940, are about 10 percent larger than those of October 1, 1939.

The effects of large stocks of flue-cured and Burley will be partly offset during the 1940-41 season by a prospective reduction in acreage as a result of the adjustment program of the Agricultural Adjustment Administration. Even with the adjustment program and the approximate marketing quotas of 660 million pounds and 315 million pounds for flue-cured and Burley respectively, supplies of these types, especially flue-cured, will be excessive in 1940-41 because of accumulated stocks.

Assuming a 1933-37 average yield, acreage intentions as of March 1 indicate a 1940 production of 27 million pounds of Maryland tobacco, which

appears to be well in line with recent disappearance if consideration is given to the adverse effects of the war upon exports.

Domestic demand conditions are not expected to be greatly different in 1940-41 than in 1939-40. Cigarette consumption probably will increase somewhat, and other recent trends in tobacco consumption are expected to continue. Exports of tobacco will continue to depend largely on the import policies of foreign Governments and other highly uncertain factors, but the possibilities of material improvement in the present unfavorable export situation during the coming season are not very great.

March 1 intentions reports for the fire-cured and dark air-cured types indicate acreages about equal to those of 1939. If these acreage intentions are adhered to by the growers, supplies well in line with recent decreasing exports of leaf and decreasing consumption of dark tobacco products should result.

Acreage intentions for cigar types are not significantly different from those of 1939. Increases of 4.3 percent and 7.1 percent respectively are indicated for filler and binder types. A decrease of 10.1 percent is shown for wrapper types. Increases in the expected acreages of filler and binder and a decrease in the expected acreage of wrapper will about offset expected decreases as of October 1, 1940 in stocks of filler and binder and an increase in wrapper. There may be a moderate increase in cigar consumption again in the 1940-41 season.

#### FLUE-CURED, TYPES 11-14

##### Allotments reduce prospective acreage in 1940

The 1940 allotted flue-cured acreage of about 755,000 acres is only 61 percent of the acreage grown in 1939 and 87 percent of the 5-year (1934-38) average. The marketing quota is approximately 660 million pounds. However, if a yield equal to the high 1935 yield of 928 pounds is obtained, production will

be about 700 million pounds. On the other hand if a yield as low as that of 1932 (605 pounds) is obtained, production will be about 457 million pounds. In any event large stocks, which are expected to be about 1,450,000,000 pounds at the beginning of the 1940-41 season, will cause the supply to be abnormally high. If production equals the marketing quota, the supply will be 39 percent above the 5-year (1933-37) average; if a high yield is obtained the supply will be 42 percent above the 5-year average; and even if abnormal conditions should cause the low yield of 605 pounds per acre, the supply still will be 26 percent above the 5-year average for the years 1933-37.

#### Abnormally high stocks complicate supply situation

The stocks of 1,450,000,000 pounds which appear probable on July 1, 1940 are more than 500 million pounds larger than stocks held by dealers and manufacturers on July 1, 1939. These stocks include about 175 million pounds owned by the Commodity Credit Corporation and under option to British manufacturers until July 1, 1941. Even if the United Kingdom had taken normal amounts, stocks on July 1, 1940 would still be about 330 million pounds above stocks on July 1, 1939; and supplies in 1940, on the basis of varying yields, would still be from 200 million to 400 million pounds above the 1933-37 level and 200 million pounds above the 1938 supply level.

#### Additional provisions made for establishing acreage allotments in 1940

Though the marketing quota of approximately 660 million pounds will do much to reduce supplies of flue-cured tobacco in 1940, a further voluntary reduction in acreage may be desirable. To help in adjusting flue-cured supplies to disappearance, a change in the provisions for establishing flue-cured acreage allotments, (whereby farmers who desire to grow less tobacco than their 1940 allotments may do so without affecting the size of their future allotments), will be effective in 1941 and later years. If a producer grows as much as half of his 1940 allotment, his 1941 allotment and allotments for later years will be determined as if an acreage as large as the allotment of 1940 had been grown; if less than half of his allotment is grown in 1940 his future allotments will be determined as if one-half of his 1940 allotment had been grown, unless it is found that no effort was made to grow tobacco in 1940. These new measures in determining future acreage allotments may cause a voluntary reduction in the 1940 flue-cured acreage below allotments, and thereby help to reduce production below the 660 million-pound quota, which in turn will reduce the abnormally high supplies now in prospect.

#### Small increase in domestic consumption in prospect

Although general business conditions and consumers' income may not be greatly different in 1940-41 than in 1939-40, some additional increase in cigarette consumption seems probable. The year beginning July 1, 1938 witnessed an increase of 2.2 percent in tax-paid withdrawals of cigarettes over the year beginning July 1, 1937, or an increase in withdrawals from 164 billion to 168 billion. The 8 months, July 1939 to February 1940, showed a further increase of 6.0 percent over the same 8 months beginning July 1938, or an increase from 109 billion to 116 billion.

Export situation continues uncertain

Stocks of flue-cured tobacco from all sources in the United Kingdom at the beginning of the 1939 European War were said to be sufficient for about 2 years. Because of the preference for American tobacco, the British restrictions on imports of American tobacco may be lifted upon the approach of the exhaustion of existing stocks in the United Kingdom. The revenue derived by the United Kingdom from the high tariff on American tobacco might also be an element conducive to an early removal of present restrictions.

On the other hand, Empire flue-cured production of about 164 million pounds for the crop year 1938-39 is 2-1/2 times as great as in the year 1934-35. Further increases in Empire production may reasonably be expected because of the preferential tariff which is 2 shillings less per pound than on American tobacco, and because of a wartime measure tending toward self-sufficiency.

Increased imports from Turkey into the United Kingdom are made possible through trade agreements between the two countries and it is probable that similar arrangements will be made with Greece. It is possible that between 20 and 30 million pounds of Oriental tobacco will be imported by the United Kingdom under these special arrangements, whereas the average 1933-37 imports were less than 1,000,000 pounds annually.

It appears, therefore, that even an increased Empire production and increased imports of Oriental leaf will not entirely replace imports of flue-cured tobacco from the United States, which averaged about 200 million pounds during the 5 years, 1934-38; reached a high of 237 million pounds in 1937-38; and were 228 million pounds in 1938-39.

Trade sources indicate that tobacco interests in the United Kingdom have approached the Government concerning the resumption of purchases of American leaf, at least to a percentage of pre-war totals. Increased consumption in the United Kingdom because of increased industrial production, and the taste for American tobaccos which trade sources believe can not readily be changed, are indications which appear favorable to a resumption of imports of United States tobacco when present stocks are nearer depletion.

Licenses have been issued by the United Kingdom for the shipment of about 10 million pounds of United States tobacco since January 1, 1940 and it is expected that licenses will be issued for additional quantities of leaf which were purchased prior to the withdrawal from the markets of British buyers on September 9, 1939.

Returns to growers larger in 1939-40 than can be expected in 1940-41 season

All flue-cured markets were closed by the middle of February. The record 1939 crop of 1,132,436,000 pounds indicated by sales data was sold at an average price of about 15.2 cents and resulted in returns to growers of more than 171 million dollars. The returns to growers for the 1939 flue-cured crop were about 2 percent below the returns for the 1938 crop, and 14 percent below

Flue-cured tobacco: Production in specified countries, 1934-39

11-511

Country	Year beginning July 1/					
	1934	1935	1936	1937	1938	1939 2/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
British Empire sources:						
Australia .....	3,113	5,557	5,198	5,980	3,922	
Canada .....	22,101	35,199	24,596	55,374	78,174	81,706
Cyprus .....	894	506	257	33	10	
India 3/ .....	13,500	16,400	19,500	43,300	45,000	
Mauritius .....	---	---	562	672	222	431
Northern Rhodesia .....	---	1,210	1,187	1,996	3/ 2,000	
Nyasaland .....	1,493	2,109	2,293	2,370	3,500	
Southern Rhodesia .....	19,506	20,709	20,344	25,342	26,168	
Union of South Africa .....	1,800	2,100	3,200	3,800	4,750	
Total reporting countries ..	62,407	83,790	77,137	138,867	163,746	
Other foreign sources:						
Argentina .....	---	---	335	583	1,524	
China 3/ .....	140,000	163,000	180,000	210,000	81,500	106,000
Chosen .....	7,055	7,063	7,640	9,126	10,997	24,365
Japan .....	44,626	51,288	48,893	62,172	64,773	84,374
Manchuria 3/ .....	3,135	5,000	4,950	7,700	12,500	4/ 35,000
Netherlands Indies 3/5/ .....	1,000	2,000	4,000	3,300	4,000	
Taiwan .....	1,076	1,262	1,936	2,885	4,096	5,620
Total reporting countries ..	196,892	229,613	247,754	295,766	179,390	
United States .....	556,780	811,195	682,850	866,302	785,731	1,117,594
Total all reporting countries:	816,079	1,124,598	1,007,741	1,300,935	1,128,867	

1/ The year beginning July includes the harvesting season in both Northern and Southern Hemispheres. In Northern Hemisphere, data for 1934, for example, are for crops harvested in summer and fall of 1934; in Southern Hemisphere they are for crops harvested in spring of 1935. For many countries bordering on the Equator, harvest started late in 1934 and was completed in early months of 1935.

2/ Preliminary. Data for earlier years may be revised on basis of later information.

3/ Estimated.

4/ Of this amount, 10 to 15 million pounds produced from flue-cured seed, is sun-cured.

5/ Grown in Java.

Compiled from official sources, reports of United States consuls, commercial attaches, agricultural attaches, and commodity specialists in foreign countries.

the returns for the 1937 crop. With these two exceptions, the returns to growers of flue-cured tobacco were higher in 1939 than in any year since 1919. However, the supply situation brought about by the record crop of 1939, and the uncertain export situation, make price prospects for the 1940 crop appear unfavorable.

Flue-cured tobacco: Domestic supplies, disappearance, and season average price, average 1933-37, annual 1938-39, and indications for 1940 <sup>1/</sup>

Type	Farm-sales-weight equivalent						
	Average: 1933-37:	1938	1939 2/	Based on allotted acreage, specified yields, marketing quota, and probable stocks 1940 3/:1940 4/:1940 5/:1940 6/			
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Flue-cured, types 11-14:							
Production .....	730.1	785.7	1,132.4	635.0	700.6	456.8	660.0
Stocks (July 1) .....	789.2	954.5	946.3	1,450.0	1,450.0	1,450.0	1,450.0
Supply .....	1,519.3	1,740.2	2,078.7	2,085.0	2,150.6	1,906.8	2,110.0
Disappearance .....	674.4	793.9	628.7				
Price (cents) .....	21.6	22.2	15.2				

<sup>1/</sup> It is now expected that acreage increases to small growers will result in a total flue-cured acreage allotment in 1940 of approximately 755,000 acres.

<sup>2/</sup> Preliminary. Production and price indicated by sales data.

<sup>3/</sup> Production based on 5-year average yield, 1933-37, of 841 pounds; <sup>4/</sup> high 1935 yield of 923 pounds; and <sup>5/</sup> 1932 yield of 605 pounds, which is the lowest yield obtained during the past decade.

<sup>6/</sup> Approximate marketing quota.

BURLEY, TYPE 31

Crop in 1939 larger than first anticipated

Sales data indicate that the 1939 crop of Burley was about 390,734,000 pounds instead of the production of 361,434,000 pounds previously estimated. The 1939 production, therefore, is an increase of 15.3 percent over the 1938 production instead of the 6.6 percent increase reported earlier.

Supply in 1939 largest since 1933

The 1939 production, estimated at 390,734,000 pounds, is the largest since 1931 with the exception of the 402-million-pound production of 1937. This production, together with the 1939 stocks of 684,100,000 pounds, brought the 1939 supply to 1,074,800,000 pounds, which is the highest since the record supply of 1,097,800,000 pounds in 1933, and 3.4 times as large as 1938 disappearance.



Flue-cured tobacco: Exports from the United States to principal importing countries, by months, July-December, 1938-39, and January-February 1939-40

Year and month	United Kingdom		Netherlands		Germany		Belgium		Scandinavia		Finland		Ireland		Other		China		Australia		Canada		Other countries		Total	
	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.	lb.	1,000 lb.
July 1938	2,759	1,000	513	1,000	67	1,000	358	1,000	189	1,000	5	1,000	16	1,000	271	1,000	139	1,000	1,754	1,000	296	1,000	1,799	1,000	8,166	1,000
July 1939	4,629	1,000	461	1,000	85	1,000	72	1,000	924	1,000	33	1,000	16	1,000	91	1,000	265	1,000	2,006	1,000	426	1,000	1,153	1,000	10,161	1,000
Aug. 1938	23,275	1,000	267	1,000	364	1,000	54	1,000	350	1,000	1	1,000	741	1,000	157	1,000	3,183	1,000	1,510	1,000	491	1,000	1,603	1,000	31,996	1,000
Aug. 1939	21,135	1,000	728	1,000	5	1,000	735	1,000	1,542	1,000	49	1,000	202	1,000	178	1,000	1,138	1,000	913	1,000	380	1,000	1,477	1,000	28,412	1,000
Sept. 1938	45,825	1,000	687	1,000	130	1,000	231	1,000	321	1,000	53	1,000	899	1,000	180	1,000	2,830	1,000	1,440	1,000	27	1,000	1,028	1,000	53,651	1,000
Sept. 1939	20,433	1,000	3,410	1,000	4	1,000	---	1,000	1,732	1,000	57	1,000	1,477	1,000	216	1,000	2,008	1,000	3,048	1,000	318	1,000	3,335	1,000	36,038	1,000
Oct. 1938	53,366	1,000	739	1,000	1,526	1,000	259	1,000	1,005	1,000	321	1,000	2,173	1,000	164	1,000	5,928	1,000	2,120	1,000	340	1,000	1,929	1,000	69,870	1,000
Oct. 1939	11,368	1,000	598	1,000	---	1,000	---	1,000	2,804	1,000	145	1,000	382	1,000	148	1,000	1,000	1,000	229	1,000	659	1,000	2,626	1,000	20,431	1,000
Nov. 1938	30,000	1,000	692	1,000	662	1,000	221	1,000	1,253	1,000	348	1,000	2,191	1,000	666	1,000	5,767	1,000	1,719	1,000	21	1,000	2,256	1,000	45,806	1,000
Nov. 1939	3,421	1,000	6,893	1,000	---	1,000	---	1,000	1,045	1,000	139	1,000	---	1,000	234	1,000	3,143	1,000	2,227	1,000	1,047	1,000	2,304	1,000	22,137	1,000
Dec. 1938	32,434	1,000	727	1,000	32	1,000	221	1,000	299	1,000	---	1,000	1,001	1,000	1,288	1,000	7,373	1,000	1,584	1,000	207	1,000	1,905	1,000	47,074	1,000
Dec. 1939	6,290	1,000	3,943	1,000	---	1,000	---	1,000	709	1,000	---	1,000	---	1,000	333	1,000	6,243	1,000	2,792	1,000	502	1,000	1,948	1,000	22,862	1,000
6-mo., July-Dec. 1938	187,659	1,000	3,625	1,000	1,347	1,000	2,731	1,000	3,417	1,000	728	1,000	7,021	1,000	2,726	1,000	25,220	1,000	10,127	1,000	1,382	1,000	10,530	1,000	256,563	1,000
6-mo., July-Dec. 1939	67,276	1,000	16,033	1,000	807	1,000	2,292	1,000	8,756	1,000	423	1,000	2,077	1,000	1,200	1,000	13,797	1,000	11,215	1,000	3,332	1,000	12,833	1,000	140,041	1,000
Jan. 1939	13,989	1,000	573	1,000	102	1,000	1,440	1,000	727	1,000	---	1,000	---	1,000	642	1,000	1,907	1,000	1,343	1,000	243	1,000	1,320	1,000	22,286	1,000
Jan. 1940	9,554	1,000	898	1,000	---	1,000	---	1,000	1,128	1,000	---	1,000	180	1,000	243	1,000	6,618	1,000	6,176	1,000	398	1,000	2,606	1,000	28,246	1,000
Feb. 1939	14,183	1,000	276	1,000	424	1,000	---	1,000	1,820	1,000	---	1,000	342	1,000	240	1,000	9,717	1,000	889	1,000	147	1,000	1,231	1,000	29,465	1,000
Feb. 1940	1,741	1,000	547	1,000	---	1,000	---	1,000	755	1,000	---	1,000	51	1,000	92	1,000	7,542	1,000	6	1,000	781	1,000	1,683	1,000	13,540	1,000

1/ Norway, Sweden, and Denmark.  
2/ Including Hong Kong and Kwantung.

Adjustment program in 1940 expected to reduce supply

As a result of the large 1939 Burley crop, stocks on October 1, 1940 are expected to be about 10 percent larger than on October 1, 1939. The approximate marketing quota of 315 million pounds will result in a supply less than 1 percent below the large supply of 1939. If yields as high as those of 1937 are obtained, the supply in 1940 will be 1.6 percent above the large supply of 1939. A further reduction in production in 1940 would be necessary to bring supply in line with disappearance. The provisions for voluntary acreage reduction in 1940, as stated under the discussion of flue-cured, also apply in the case of Burley.

Domestic demand may be slightly larger in 1940

Domestic demand for Burley tobacco may be slightly larger in 1940 than in 1939 because of the possible moderate increase in cigarette consumption. However, it appears that any such increase is amply provided for in the adjustment program even if a yield as low as that obtained in 1936 (727 pounds) is obtained.

The exports of Burley during October-February 1939-40 show an increase of about 1 million pounds, or an increase of 23.5 percent over the same months a year earlier, the result of much larger takings by Portugal during October and November 1939 and in January 1940. Even though the early months of the present crop year do show this increase in Burley exports, the exports for the season are not likely to be much above the recent annual average of about 11 million pounds. Exports in recent years have gone principally to Belgium, Portugal, and the Netherlands. Normally, about 3 percent of the crop is exported.

Burley markets closed for season

The majority of the Burley markets closed between February 5 and February 16, and the last market closed February 23. For the first time in several years average prices were higher after the markets reopened on January 8, following the holiday closing, than they were prior to the holiday closing. The 1939 crop was considered better in quality than the 1938 crop in many respects. Sales data indicate a season average price of about 17.5 cents compared with 19 cents received for the 1938 crop. In comparison with the depressed prices of flue-cured, Burley prices remained relatively stable.

Returns to growers for the 1939 crop were about 68 million dollars compared with 64 million dollars for the 1938 crop and 81 million dollars for the 1937 crop. The 1939 Burley growers were in a more favorable position than the 1939 flue-cured growers since Burley tobacco is almost all consumed in the United States whereas flue-cured is a predominant export crop. The lower prices of Burley in 1939 compared with 1938 can be attributed largely to the large supply. Prices in the 1940-41 season, in comparison with prices in 1939-40, will turn largely on quality and yield per acre.

Season average prices per 100 pounds of Burley tobacco by grades on representative markets, 1938 and 1939

Type 31							
United States :		Crop of-		United States :		Crop of-	
standard :		1938 :	1939 :	standard :		1938 :	1939 :
grades 1/ :		Dollars	Dollars	grades 1/ :		Dollars	Dollars
Leaf :				Lugs or Cutters :			
B1F :	28.00	24.50		C1L :	29.50	27.50	
B1R :	24.50	20.00		C1F :	29.50	26.50	
B2F :	26.00	23.50		C2L :	28.50	26.50	
B2R :	22.00	18.50		C2F :	28.00	26.00	
B3F :	23.50	20.50		C3L :	27.00	25.50	
B3R :	19.50	16.00		C3F :	26.00	24.50	
B3D :	17.00	14.00		C3R :	24.00	22.50	
B3G :	12.25	---		C3G :	14.75	---	
B3GF :	---	12.00		C3GF :	---	14.50	
B3GR :	---	12.00		C4L :	24.50	23.00	
B4F :	20.00	17.50		C4F :	23.00	21.50	
B4R :	15.75	13.50		C4R :	20.00	19.50	
B4D :	12.25	11.25		C4G :	12.75	---	
B4G :	9.75	---		C4GF :	---	11.25	
B4GF :	---	9.25		C5L :	18.50	18.50	
B4GR :	---	9.50		C5F :	16.50	16.50	
B5F :	14.50	13.75		C5R :	13.75	13.75	
B5R :	12.00	11.25		C5G :	9.25	---	
B5D :	9.25	9.25		C5GF :	---	8.75	
B5G :	7.00	---		Flyings :			
B5GF :	---	7.25		X1L :	28.50	26.50	
B5GR :	---	7.25		X1F :	28.00	26.00	
Tips :				X2L :	27.00	24.50	
T3F :	19.00	17.00		X2F :	26.50	25.00	
T3R :	15.25	12.75		X3L :	24.00	22.00	
T3D :	12.75	11.75		X3F :	23.00	21.50	
T4F :	14.25	13.50		X3R :	21.00	20.00	
T4R :	11.50	10.75		X4L :	19.50	18.00	
T4D :	9.25	9.25		X4F :	18.00	17.50	
T4G :	7.75	---		X4R :	15.50	15.50	
T4GF :	---	7.25		Y4G :	11.50	---	
T4GR :	---	8.50		X4GF :	---	11.25	
T5F :	10.50	10.25		X5L :	14.00	13.75	
T5R :	8.75	8.75		X5F :	12.50	12.50	
T5D :	7.25	7.50		X5R :	10.75	11.25	
T5G :	6.00	---		X5G :	9.00	---	
T5GF :	---	5.75					
T5GR :	---	6.25					

1/ Key to standard grade marks for Burley tobacco:

Group	Quality	Color	Color
A - Wrappers	1 - Choice	L - Buff or Straw	G - Green
B - Leaf	2 - Fine	F - Tan	(L) Light-Shade
T - Tips	3 - Good	R - Red	(F) Medium Shade
C - Lugs or Cutters	4 - Fair	D - Dark Red	(R) Dark Shade
X - Flyings	5 - Low		

Burley tobacco: Domestic supplies, disappearance, and season average price, average 1933-37, annual 1938-39, and indications for 1940 1/

Type	Farm-sales-weight equivalent						
	Based on allotted acreage specified yields, marketing quota, and probable stocks						
Average: 1938	1939	2/	1940	1940	1940	1940	
: 1933-37:	:	:	3/	4/	5/	6/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Burley, type 31-							
Production .....	294.5	339.0	390.7	296.7	335.6	269.0	
Stocks (Oct. 1) ...	712.8	660.7	684.1	756.0	756.0	756.0	
Supply .....	1,007.3	999.7	1,074.8	1,052.7	1,091.6	1,025.0	
Disappearance .....	306.4	315.6	318.8				
Price (cents) .....	20.5	19.0	17.5				

1/ It is now expected that acreage increases to small growers will result in a total Burley acreage allotment in 1940 of approximately 370,000 acres.

2/ Preliminary. Production and price indicated by sales data.

3/ Production based on 5-year average yield of 1933-37 of 802 pounds;

4/ high 1937 yield of 907 pounds; and 5/ low 1936 yield of 727 pounds.

6/ Approximate marketing quota.

#### MARYLAND, TYPE 32

The indicated 1940 acreage of Maryland tobacco as of March 1 is 37,800 acres, or 1 percent under the 1939 acreage of 38,200 acres. With the average 1933-37 yield of 713 pounds, the prospective 1940 production is 27,000,000, or 9.4 percent below the 1939 production of 29,800,000. With a high yield, such as was obtained in 1936, the 1940 production would be 31,000,000 pounds or 4 percent above the 1939 crop. Stocks as of January 1, 1941 are expected to be somewhat smaller than on January 1, 1940, and the supply available in 1940 might be slightly below supplies in recent years.

Stocks as of January 1, 1940 were about 3,000,000 pounds smaller than had been expected earlier in the season, largely because of an increase of 1,823,000 pounds in exports in the calendar year 1939 over the calendar year 1938. Almost 3 times the normal exports were taken by Switzerland and the Netherlands during the last half of the calendar year 1939, probably in anticipation of increased transportation difficulties later as a result of war conditions. In earlier years France was the principal importer of Maryland leaf, but Switzerland and the Netherlands have been the principal importers in recent years.

Primarily as a result of increased exports, disappearance in 1939 was 5 percent greater than in 1938. In recent years the tendency has been to substitute other types, such as light Java, for Maryland tobacco, especially in the Netherlands.

Maryland tobacco: Exports from the United States to principal importing countries,  
by months, July-December, 1938-39, and January-February, 1939-40

15-14

Year and month	France	Switzerland	Belgium	Netherlands	Germany	Scandinavia <sup>1/</sup>	United Kingdom	Other Europe	Morocco, Algeria, and Tunisia	Other countries	Total
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
July											
1938	---	62	---	9	5	7	9	---	---	---	92
1939	---	80	---	99	4	3	---	---	3	2	191
Aug.											
1938	---	79	26	11	2	5	---	---	---	---	123
1939	---	135	22	18	---	25	2	3	12	1	218
Sept.											
1938	4	99	10	66	---	41	---	---	18	---	238
1939	---	123	132	453	---	9	8	---	---	1	731
Oct.											
1938	249	104	64	323	13	2	23	4	265	---	1,047
1939	---	142	12	6	---	7	2	---	15	3	187
Nov.											
1938	25	58	26	52	11	1	---	---	66	1	240
1939	---	527	35	700	---	---	---	---	---	1	1,263
Dec.											
1938	---	245	22	52	31	46	---	7	46	---	449
1939	74	648	---	233	---	27	1	---	---	---	988
6 mo.- July-Dec.											
1938	278	647	148	513	62	102	32	11	395	1	2,189
1939	74	1,660	201	1,514	4	71	13	3	30	8	3,578
Jan.											
1939	---	125	81	5	17	22	1	---	---	---	251
1940	16	312	44	14	---	21	9	---	56	22	494
Feb.											
1939	4	203	---	213	---	15	1	---	---	---	436
1940											2/ 127

<sup>1/</sup> Norway, Sweden, and Denmark.

<sup>2/</sup> Exports by countries not available at time of release of this TOBACCO SITUATION.

Compiled from official records of the Bureau of Foreign and Domestic Commerce, Department of Commerce.

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Domestic consumption may be increased somewhat in 1940 because of the anticipated increase in the consumption of cigarettes and the increasing use of low grades in filler blends. In view of prospective production and probable stocks, the 1940 supply, while slightly below that of the past 2 years, is well in line with disappearance in recent years.

The auction floor markets will probably open early in May for sales of the 1939 crop. Trade sources indicate that floors other than those at Hughesville and Marlboro will be opened during the coming selling season. A portion of the crop will be sold in Baltimore as in the previous season.

Maryland tobacco: Domestic supplies, disappearance, and season average price, average 1933-37, annual 1938-39, and indications for 1940

Type	Farm-sales-weight equivalent					
	Average 1933-37	1938	1939	1940 2/	1940 3/	1940 4/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Maryland, type 32-						
Production .....	26.1	29.2	29.8	27.0	31.0	21.2
Stocks 5/ .....	33.6	37.7	36.3	34.0	34.0	34.0
Supply .....	64.7	66.9	66.1	61.0	65.0	55.2
Disappearance 5/ ...	26.4	30.6	32.1			
Price (cents) .....	19.6	18.8	---			

1/ Preliminary. Production indicated December 1, 1939.

2/ Production based on 5-year average, 1933-37 of 713 pounds; 3/ high 1936 yield of 820 pounds; and 4/ the low yield of 560 pounds obtained in 1930.

5/ January 1 of year following production, and disappearance beginning January 1 of year following production.

FIRE-CURED TOBACCO, TYPES 21-24

No significant change in 1940 acreage intentions

Acreage indications as of March 1, 1940 show a 1.9 percent increase in type 22 and a 0.7 percent decrease for type 23. For types 21 and 24 no change from the 1939 acreage is indicated. A slight increase in stocks is expected as of October 1, 1940 but the 1940 production is expected to be about the same as disappearance in 1939 and supplies are not expected to be excessive in relation to disappearance. The 1939 position of fire-cured tobacco was better than in any of the recent years. With average yields and acreage indications as of March 1, 1940, the 1940 production will be only slightly smaller than the present estimate of disappearance in 1939. With high yields, production will be 6 percent greater than the 1939 disappearance. If present acreage intentions are carried out, fire-cured supplies should be fairly well in line with the decreased disappearance of recent years, but if growers plant an acreage above March 1 indications,

recent

prospects are for a crop above/disappearance which might result in unfavorable prices in 1940. It should be noted, however, that a factor of strength in the 1939-40 marketing situation will be largely absent in 1940-41. This factor is the shortage of good tobacco, especially of snuff grades, resulting from the extensive damage from wild fire in the 1938 season. This shortage, which probably has stimulated prices paid during the present season, will be largely made up by the 1939 crop.

#### Decreases indicated in domestic consumption

Tax-paid withdrawals of snuff, the principal dark-fired product, have averaged about 37 million pounds annually during the past 8 years. A decline of 1.2 percent in tax-paid withdrawals of snuff occurred during the current 8 months, July-February, compared with the same 8 months in 1938-39. Consumption of Italian-type cigars, made principally of fire-cured tobacco, has also declined in recent years.

#### Exports adversely affected

Foreign demand for fire-cured types of tobacco has been declining for a number of years. In the more recent years about 50 percent of the crop has been exported. Virginia fire-cured, type 21, has gone principally to the United Kingdom, Germany, the Netherlands, and Norway. Belgium, the Netherlands, Germany, the United Kingdom, and Switzerland are large importers of Kentucky and Tennessee fire-cured, types 22-24, but France has always taken more than all of these countries combined. Average imports by France, 1928-37, were 21,838,000 pounds; in 1938, France imported 17,733,000 pounds. Since the beginning of the present exporting year, October 1939, exports to France ceased entirely until February, when the French buyers returned to the markets following the allocation of 160 million francs, or approximately \$3,600,000, for the purchase of American tobacco. It now appears that French purchases will be made in the usual amounts at least for the next few months. Total exports of fire-cured tobacco for the 5 months beginning October 1939 are 37 percent less than for the same 5 months beginning October 1938. Exports for the remaining 7 months of the crop year are expected to show some improvement because of the resumption of French purchases.

#### Fire-cured sales practically completed

All Virginia markets for type 21 have been closed, with sales for the season averaging 11.2 cents compared with a season average price of 10.7 cents for the past two seasons.

About 75 percent of the 55,600,000-pound crop of Kentucky and Tennessee fire-cured, type 22, has been sold since the opening of the markets on January 30. The average price received for all sales through March 13 averaged about 10.5 cents, which is considerably above the season average price of 7.7 cents received for the 1938 crop.

It has been estimated by members of the trade that between 75 and 80 percent of the 1939 crop of Kentucky and Tennessee fire-cured tobacco,

Fire-cured tobacco: Exports from the United States to principal importing countries,  
by months, July-December 1938-39, and January-February 1939-40

Year and month	France	Fin- land	Bel- gium	United Kingdom	Nether- lands	Ger- many	Switzer- land	Scandi- navia 1/	Other Europe	Other coun- tries	Total
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
July											
1938	23	---	408	614	529	319	50	334	686	516	3,529
1939	---	---	443	129	205	677	13	336	95	376	2,274
Aug.											
1938	---	---	375	167	250	41	22	56	240	334	1,485
1939	1	38	120	48	253	227	2	508	95	179	1,471
Sept.											
1938	---	---	382	41	2,087	212	391	218	214	553	4,099
1939	---	---	678	14	1,921	36	893	1,076	75	597	5,290
Oct.											
1938	70	12	372	59	1,960	245	1,016	1,774	230	358	6,105
1939	---	68	330	---	818	---	794	797	95	255	3,157
Nov.											
1938	---	---	653	68	1,182	458	215	924	162	576	4,238
1939	---	30	283	---	500	---	840	102	194	247	2,196
Dec.											
1938	---	---	360	332	146	227	319	1,217	218	436	3,255
1939	---	---	1	204	13	---	277	998	74	144	1,711
6-mo. July-Dec.											
1938	93	12	2,550	1,281	6,163	1,503	2,013	4,573	1,750	2,773	22,711
1939	1	136	1,855	395	3,710	940	2,819	3,817	628	1,798	16,099
Jan.											
1939	229	---	253	336	164	268	268	676	97	443	2,734
1940	---	---	344	27	424	---	379	1,066	53	764	3,057
Feb.											
1939	4	7	42	502	52	75	144	37	1,261	331	2,455
1940											2/1,794

1/ Norway, Sweden and Denmark.

2/ Exports by countries not available at time of release of this TOBACCO SITUATION.

Compiled from official records of the Bureau of Foreign and Domestic Commerce,  
Department of Commerce.



type 23, or approximately 17 million pounds, had been sold by March 18, at a price near to 7.3 cents. If prices are maintained at this average for the remainder of the sales, the season average price may be slightly above the 6.9 cents which was received for the 1938 crop.

About one-third of the 1,328,000-pound Kentucky fire-cured crop of type 24, as estimated December 1, had been sold by February 23, at prices slightly below the season average price of 7.1 cents obtained for the 1938 crop. Sales so far this season have been much slower than those during the same period last season and almost one-half of the offerings have been lugs.

Fire-cured tobacco: Domestic supplies, disappearance, and season average price, average 1933-37, annual 1938, 1939, and indications for 1940

Type.	Farm-sales-weight equivalent					
	:Based on prospective acre- age, specified yields and probable stocks					
	Average :1933-37	: 1938	: 1939 : 1/	: 1940 2/	:1940 3/	:1940 4/
	:Million :pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Total fire-cured, types 21-24-						
Production .....	119.4	82.0	98.5	94.9	101.7	83.8
Stocks (Oct. 1) .....	202.3	168.3	136.2	139.0	139.0	139.0
Supply .....	321.7	250.3	234.7	233.9	240.7	222.8
Disappearance .....	127.5	114.1	95.7			
Price (cents) .....	10.4	8.0	5/ 9.9			

1/ Preliminary. Production indicated December 1, 1939.

2/ Production based on 5-year average yield, 1933-37 of 815 pounds; 3/ high 1934 yield of 874 pounds; and 4/ low 1930 yield of 720 pounds.

5/ Average price of warehouse sales in Kentucky to March 1, 1940 and in Virginia for the season ending March 1940.

Season average prices per 100 pounds of fire-cured tobaccos by grades  
on representative markets, 1938 and 1939 season to date

Type 22							
United States		Crop of -		United States		Crop of -	
standard		1938	1939 <sup>2/</sup>	standard		1938	1939 <sup>2/</sup>
grades 1/				grades 1/			
		Dollars	Dollars			Dollars	Dollars
Wrappers:				Thin Leaf (Contd):			
A1F45		---	27.00	C4L45		12.25	11.75
A1D45		---	28.50	C4F45		12.00	11.75
A2F45		---	24.50	C4D45		10.75	11.75
A2D45		---	25.50	C4M45		10.00	10.00
A3F45		---	20.50	C4G45		8.75	9.50
A3D45		23.50	21.00	C5L45		10.75	10.25
Heavy Leaf:				C5F45		10.00	10.25
B1F45		---	25.00	C5D45		8.75	9.75
B1D45		---	26.00	C5M45		---	8.75
B2F45		22.00	20.50	C5G45		6.75	7.50
B2D45		23.50	23.00	Lugs:			
B3F45		16.25	16.50	X1F		11.00	11.75
B3D45		18.75	19.00	X1D		11.00	12.50
B3M45		14.00	13.25	X2L		---	10.50
B3G45		14.50	15.25	X2F		9.75	10.25
B4F45		12.50	13.00	X2D		9.50	11.00
B4D45		13.25	14.75	X3L		9.00	9.00
B4M45		10.50	11.00	X3F		8.50	9.00
B4G45		10.25	11.25	X3D		7.75	9.00
B5F45		10.00	11.00	X3M		7.50	8.00
B5D45		9.75	11.75	X3G		6.50	7.25
B5M45		---	9.00	X4L		8.25	8.00
B5G45		7.75	9.00	X4F		7.00	7.50
Thin Leaf:				X4D		6.00	7.25
C1F45		---	21.50	X4M		5.75	6.50
C2F45		18.25	17.25	X4G		4.50	5.75
C2D45		18.25	17.50	X5L		---	6.50
C3L45		---	14.25	X5F		5.25	6.25
C3F45		14.25	14.25	X5D		4.00	5.50
C3D45		13.50	14.50	X5M		---	5.25
C3M45		12.50	12.25	X5G		3.25	4.25
C3G45		11.25	12.25				

1/ Key to standard grade marks for fire-cured tobacco:

Group	Quality	Color	Length
A - Wrappers	1 - Choice	L - Light	46 - 24" to 28"
B - Heavy Leaf	2 - Fine	F - Brown	45 - 20" to 24"
C - Thin Leaf	3 - Good	D - Dark	44 - 16" to 20"
X - Lugs	4 - Fair	M - Mixed	
	5 - Low	G - Green	

2/ Season through March 14, 1940.

## DARK AIR-CURED TOBACCO, TYPES 35-37

Acreege intentions about same as in 1939

No material change is expected in the 1940 acreage of dark air-cured tobacco. The March 1 indication for One Sucker, type 35, is 20,500 acres, or a reduction of 2.4 percent below the acreage of 1939. There is no indication of change from the 1939 acreage for Green River, type 36, and Virginia sun-cured, type 37. With average yields the production of dark air-cured tobacco in 1940 will be well in line with declining disappearance in recent years.

Declines indicated in domestic consumption; recent export increases of One Sucker believed temporary

The principal dark air-cured product is chewing tobacco, the manufacture of which showed a decline of 6.7 percent during the 6 months July-December 1939 from the same 6 months in 1938. Twist, however, showed an increase of 8.6 percent in the same period.

Exports of One Sucker, October-September 1938-39 were more than 8 times as large as during the previous year, on account of much larger takings by Belgium during April and June. Imports by Belgium have continued comparatively large during the first months of the export year beginning October 1939. However, this increase appears to have been a temporary measure which cannot be construed to mean any real improvement in export demand for dark types, because of the continued decrease in consumption of dark tobacco products in many parts of the world.

Exports of Green River have shown a sharp decline of 76 percent since the beginning of the present marketing season in October 1939, through February 1940. The United Kingdom is the principal importer of Green River.

Black fat, of which One Sucker is a component part, has shown declines in exports since 1936 and a further decline during the first 5 months of the present export year.

Dark air-cured sales practically completed

Incomplete sales data indicate an underestimate of production as of December 1, for all types of dark air-cured tobacco. Production of One Sucker may be slightly more than 21 million pounds, Green River 18 million pounds, and Virginia sun-cured 3 million pounds. Warehouse sales to March 1 in Kentucky and for the season in Virginia report prices of 6.8 cents, 7.4 cents, and 12.2 cents, respectively, for One Sucker, Green River, and Virginia sun-cured. Season average prices for the 1938 crop were, respectively, 5.9 cents, 9.6 cents, and 12.7 cents. The Green River crop was found to contain a large percentage of so-called gray-faced tobacco unsuited to the needs of some manufacturers.

Dark air-cured tobacco: Domestic supplies, disappearance, and season average price, average 1933-37, annual 1938-39, and indications for 1940

Type	Farm-sales-weight equivalent					
	Average 1933-37	1938	1939 <sup>1/</sup>	Based on prospective acreage, specified yields, and probable stocks 1940 <sup>2/</sup> : 1940 <sup>3/</sup> : 1940 <sup>4/</sup>		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
One Sucker, type 35-						
Production . . . . .	17.1	15.8	18.5	17.0	18.6	15.0
Stocks (Oct. 1) . . . . .	30.7	33.6	28.9	30.0	30.0	30.0
Supply . . . . .	47.8	49.4	47.4	47.0	48.6	45.0
Disappearance . . . . .	17.0	20.5	17.4			
Price (cents) . . . . .	9.1	5.9	<sup>5/</sup> 6.8			
Green River, type 36						
Production . . . . .	15.2	14.8	15.3	14.7	16.2	12.6
Stocks (Oct. 1) . . . . .	32.9	23.6	24.2	28.0	28.0	28.0
Supply . . . . .	48.1	38.4	39.5	42.7	44.2	40.6
Disappearance . . . . .	18.3	14.2	11.5			
Price (cents) . . . . .	9.3	9.6	<sup>5/</sup> 7.4			
Virginia sun-cured, type 37-						
Production . . . . .	2.6	2.2	2.5	2.2	2.5	1.5
Stocks (Oct. 1) . . . . .	2.9	3.2	3.0	3.0	3.0	3.0
Supply . . . . .	5.5	5.4	5.5	5.2	5.5	4.5
Disappearance . . . . .	2.8	2.4	2.5			
Price (cents) . . . . .	10.6	12.7	<sup>5/</sup> 12.2			
Total dark air-cured, types 35-37-						
Production . . . . .	34.9	32.8	36.3	33.9	37.3	29.1
Stocks (Oct. 1) . . . . .	66.5	60.4	56.1	61.0	61.0	61.0
Supply . . . . .	101.4	93.2	92.4	94.9	98.3	90.1
Disappearance . . . . .	38.6	37.1	31.4			
Price (cents) . . . . .	9.3	8.0	<sup>5/</sup> 7.5			

<sup>1/</sup> Preliminary. Production indicated December 1, 1939.

<sup>2/</sup> Production based on 5-year average yields 1933-37 for One Sucker, Green River, and Virginia sun-cured, which were, respectively, 830 pounds, 815 pounds, and 797 pounds; <sup>3/</sup> high yields, respectively, of 908 pounds (1937), 900 pounds (1937), 900 pounds (1939); and <sup>4/</sup> low yields, respectively, of 730 pounds (1936), 700 pounds (1936), and 545 pounds (1932).

<sup>5/</sup> Average prices for warehouse sales in Kentucky to March 1, 1940 and in Virginia for the season ending March 1940.

Loans, if any, on 1940 dark crop will be restricted

It has just been announced by the Agricultural Adjustment Administration that if a loan is offered on the 1940 crop of dark tobacco, it will be available only to farmers who have planted within their Agricultural Conservation Program allotments. Furthermore, if a loan is offered, the rate will be lower than the previous loan rate if the 1940 crop is increased substantially over the 1939 crop.

All dark tobaccos: Domestic supplies, disappearance, and season average price, average 1933-37, annual 1938, 1939, and indications for 1940

Type	Farm-sales weight equivalent					
	Average 1933-37	1938	1939	1940 2/	1940 3/	1940 4/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Fire-cured, types 21-24: and dark air-cured, types 35-37						
Production .....	154.3	114.8	134.8	128.8	139.0	112.9
Stocks (Oct. 1) ....	268.8	228.7	192.3	200.0	200.0	200.0
Supply .....	423.1	343.5	327.1	328.8	339.0	312.9
Disappearance .....	166.1	151.2	127.1			
Price (cents) .....	10.1	8.0	5/ 8.6			

1/ Preliminary. Production indicated December 1, 1939. December 1939 estimates of production now appear somewhat lower than actual production as indicated by sales data of the dark types, but it is not yet known just how much larger the production is.

2/ Production based on 5-year average yield, 1933-37; 3/ high yield; and 4/ low yield as shown in preceding tables for fire-cured and dark air-cured.

5/ Average price for warehouse sales in Kentucky to March 1, 1940 and Virginia for the season ending March 1940.

CIGAR TOBACCOS, TYPES 41-62

March 1 indications are for an acreage increase in 1940 over 1939 plantings of 4.3 percent in filler, an increase of 7.1 percent in binder, and a decrease of 10.1 percent in wrapper. In the case of filler the total indicated increase is in Pennsylvania Seedleaf, type 41. Increases are shown for all types of binder, while a decrease is indicated in the 1940 acreage of Connecticut Valley shade-grown wrapper, type 61.

Assuming 1933-37 average yields, the production of filler in the 1940 season would be about the same as in 1939 while an increase would take place in binder types and a decrease in wrapper types. In each case the production, if average yields are obtained, would be slightly below the estimated 1939 disappearance. With high yields, the production of each cigar class will be

larger than the 1939 disappearance. Large stocks of binder types are known to be held on farms in the Southern Wisconsin areas and the 1939 disappearance shown may be larger than actual disappearance.

Tax-paid withdrawals show a consistent and steady increase practically every month in 1939 over each month in 1938. The increase continues in January and February of 1940 over January and February, 1939. In view of the generally higher level of consumers' income compared with most months of 1939, a further increase in cigar consumption may occur during 1940. Tax-paid withdrawals totaled 5,510,000,000 cigars in the calendar year 1939, an increase of 3.5 percent over 1938. Manufactures of scrap chewing tobacco, on the other hand, declined 9.6 percent during the last half of 1939 from the last half of 1938.

Cigar tobacco: Domestic supplies, disappearance, and season average price, average 1933-37, annual 1938, 1939, and indications for 1940

Type	Farm-sales-weight equivalent					
	Average: 1933-37	1938	1939	1940 3/	1940 4/	1940 5/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Filler, types 41-45-						
Production .....	42.3	45.6	53.0	53.5	58.2	43.9
Stocks (Oct. 1) 2/ ..	137.3	154.9	147.5	144.0	144.0	144.0
Supply .....	210.1	200.5	200.5	197.5	202.2	187.9
Disappearance .....	46.8	53.0	56.5			
Price (cents) .....	9.0	12.3	---			
Binder, types 51-55 -						
Production .....	38.4	6/ 53.0	61.4	64.6	67.8	54.7
Stocks (Oct. 1) 2/ ..	131.3	138.0	116.6	105.0	105.0	105.0
Supply .....	219.7	191.0	178.0	169.6	172.8	159.7
Disappearance .....	54.6	74.4	73.0			
Price (cents) .....	12.3	9.6	---			
Wrapper, types 61-62 -						
Production .....	7.8	6/ 9.0	11.6	9.6	11.4	8.3
Stocks (Oct. 1) 2/ ..	12.2	9.2	10.8	12.6	12.6	12.6
Supply .....	20.0	13.2	22.4	22.2	24.0	20.9
Disappearance .....	9.3	7.4	9.8			
Price (cents) .....	70.9	73.5	---			

1/ Preliminary. Production indicated December 1, 1939. 2/ Stocks held on farms not included; stocks for types 45 and 62 are as of July 1. 3/ Production based on 5-year average yield 1933-37 of 1,151 pounds for filler, 1,485 pounds for binder, and 984 pounds for wrapper; 4/ high filler yield of 1,251 pounds (1936), binder of 1,559 (1936), and wrapper of 1,168 pounds (1929); and 5/ low filler yield of 945 (1933), binder of 1,257 pounds (1938), and wrapper of 851 pounds (1937).

6/ Including loss after harvest as a result of hurricane and flood as follows: Broadleaf (type 51), 3,820,000 pounds; Havana Seed (type 52), 1,547,000 pounds; and Shade (type 61), 588,000 pounds.

GENERAL STATISTICAL DATA

Tobacco acreages in the United States, by types, average 1933-37, annual 1938 and 1939, and 1940 prospective acreage as of March 1

Type	Acreage					Change from 1939
	Average 1933-37	1938	1939	1940 2/ Prospective	Percent	
	1,000 acres	1,000 acres	1,000 acres	1,000 acres		
Total flue-cured, types 11-14 .....	856.6	912.1	1,234.4	3/ 838.4	-	32.1
Old and Middle Belt, type 11 .....	323.3	347.0	439.0	317.0	-	27.8
Eastern North Carolina, type 12 .....	308.4	293.0	405.0	263.0	-	35.1
South Carolina, type 13 .....	156.0	168.5	235.0	164.0	-	30.2
Georgia-Florida, type 14 .....	78.9	103.6	155.4	94.4	-	39.3
Total fire-cured, types 21-24 .....	146.6	112.5	115.4	116.4	+	.9
Virginia, type 21 .....	25.5	20.4	22.4	22.4		0.0
Ky. and Tenn., type 22 .....	84.1	62.7	64.6	65.8	+	1.9
Ky. and Tenn., type 23 .....	33.5	27.8	26.8	26.6	-	.7
Henderson, type 24 .....	3.5	1.6	1.6	1.6		0.0
Burley, type 31 .....	366.0	406.9	416.3	3/ 390.4	-	6.2
Maryland, type 32 .....	36.6	37.5	38.2	37.8	-	1.0
Total dark air-cured, types 35-37 ...	42.0	40.0	41.8	41.3	-	1.2
One Sucker, type 35 .....	20.3	20.2	21.0	20.5	-	2.4
Green River, type 36 .....	18.4	17.0	18.0	18.0		0.0
Va. sun-cured, type 37 .....	3.3	2.8	2.8	2.8		0.0
Total cigar filler, types 41-45 .....	36.7	38.8	44.6	46.5	+	4.3
Pa. Seedleaf, type 41 .....	21.3	24.0	26.9	28.8	+	7.1
Miami Valley, types 42-44 .....	14.7	13.6	16.3	16.3		0.0
Ga. and Fla. sun-grown, type 45 .....	.7	1.2	1.4	1.4		0.0
Total cigar binder, types 51-55 .....	26.1	42.2	40.6	43.5	+	7.1
Conn. Valley Broadleaf, type 51 .....	7.1	8.1	8.3	8.6	+	3.6
Conn. Valley Havana Seed, type 52 ..	5.3	7.3	7.5	8.2	+	9.3
N. Y. and Pa. Havana Seed, type 53 ..	.7	1.4	1.8	2.1	+	16.7
Southern Wisconsin, type 54 .....	7.6	15.0	13.0	13.6	+	4.6
Northern Wisconsin, type 55 .....	5.4	10.4	10.0	11.0	+	10.0
Total cigar wrapper, types 61-62 .....	8.0	10.5	10.9	9.8	-	10.1
Conn. Valley Shadegrown, type 61 ...	5.8	7.3	7.7	6.6	-	14.3
Ga. and Fla. Shadegrown, type 62 ...	2.2	3.2	3.2	3.2		0.0
<b>Total, all types .....</b>	<b>1,528.6</b>	<b>1,600.5</b>	<b>1,942.2</b>	<b>1,524.1</b>	<b>-</b>	<b>21.5</b>

1/ Indicated December 1.

2/ Indicated March 1, 1940.

3/ The 1940 acreage allotments of the Agricultural Adjustment Administration are approximately 755,000 acres for flue-cured and approximately 370,000 acres for Burley.

Tax-paid withdrawals of tobacco products, July-February, and production of manufactured tobacco, July-December, in the United States 1938-39 and 1939-40 1/

Products	Tax-paid withdrawals			Manu- factured tobacco	Production		
	July-Feb.				July-Dec.		
	1938-39	1939-40	Change		1938	1939	Change
	Millions	Millions	Percent	1,000 pounds	1,000 pounds	Percent	
Large cigars ..	3,593	3,708	+ 3.2	: Plug ....	27,765	25,902	- 6.7
Small cigars ..	103	95	- 7.8	: Twist ...:	2,696	2,929	+ 8.6
Small ciga- rettes ....	109,462	116,003	+ 6.0	: Fine-cut :	2,293	2,219	- 3.2
Large ciga- rettes ....	2	2	0.0	: Scrap :			
Manufactured tobacco 2/ ..	201,751	201,426	- 0.2	: chewing :	23,655	21,395	- 9.6
Snuff 2/ .....	25,115	24,802	- 1.2	: Smoking ..	101,534	103,668	+ 2.1

1/ Tax-paid withdrawals include products from the Philippine Islands and Puerto Rico. 2/ Thousand pounds.

Tobacco: Exports by types from the United States, marketing year through February, average 1935-37, 1938-39 and 1939-40

Type	Exports (export weight) Oct.-Feb.			
	Average 1935-37	1938-39	1939-40	
			Quantity	Change from 1938-39
	1,000 pounds	1,000 pounds	1,000 pounds	Percent
Flue-cured 1/ .....	252,329	308,314	181,825	- 41.0
Burley .....	4,655	4,520	5,583	+ 23.5
Ky. and Tenn. fire-cured .....	19,320	14,402	9,410	- 34.7
Va. fire-cured .....	4,715	4,383	2,504	- 42.9
Md. 2/ .....	1,062	687	621	- 9.6
One Sucker .....	269	370	1,290	+ 248.6
Green River .....	951	1,269	303	- 76.1
Cigar leaf .....	548	1,696	279	- 83.5
Black fat and dark African ..	3,681	3,024	2,748	- 9.1
Perique .....	20	86	37	- 57.0
Stems, trimmings, and scrap ..	9,857	10,259	12,594	+ 22.8

1/ July-February.

2/ January-February, average 1934-38, 1939 and 1940.



Tobacco: Supply and price, by classes and types,  
1920-39 1/

Year	Flue-cured, types 11-14		Fire-cured, types 21-24		Burley, type 31		Maryland, type 32	
	Supply	Price	Supply	Price	Supply	Price	Supply	Price
	Mil.lb.	Cents	Mil.lb.	Cents	Mil.lb.	Cents	Mil.lb.	Cents
Av. 1920-24:	977	22.6	428	14.2	665	20.4	35	21.8
1920 :	969	21.5	482	10.4	611	13.5	44	17.8
1921 :	917	21.9	334	17.2	562	21.5	33	16.9
1922 :	929	27.2	420	16.0	610	26.8	31	23.8
1923 :	1,088	20.8	444	12.7	740	20.0	29	27.7
1924 :	983	21.6	409	14.9	801	20.1	37	22.7
Av. 1925-29:	1,256	20.1	374	12.1	752	21.9	42	24.4
1925 :	1,102	20.0	426	10.2	813	18.0	40	23.7
1926 :	1,084	24.9	433	7.8	830	13.1	45	20.2
1927 :	1,258	20.5	358	15.1	702	25.9	42	23.4
1928 :	1,397	17.3	319	14.2	632	30.5	41	27.2
1929 :	1,439	18.0	333	13.3	732	21.8	41	27.7
Av. 1930-34:	1,400	14.9	335	7.9	976	12.8	54	18.7
1930 :	1,569	12.0	314	8.5	788	15.5	37	26.6
1931 :	1,464	8.4	360	5.1	935	8.7	50	15.0
1932 :	1,241	11.6	332	6.2	986	12.5	61	16.8
1933 :	1,409	15.3	337	9.1	1,098	10.5	61	17.8
1934 4/ :	1,320	27.3	333	10.8	1,073	16.9	62	17.5
Av. 1935-39:	1,737	20.6	285		988		67	
1935 :	1,564	20.0	341	9.2	991	19.1	67	20.0
1936 :	1,554	22.2	308	12.3	901	35.7	69	25.4
1937 :	1,750	23.0	290	10.7	974	20.1	64	17.2
1938 :	1,740	22.2	250	8.0	1,000	19.0	67	18.8
1939 5/ :	2,079	15.2	235		1,075	17.5	66	

Continued -

Tobacco: Supply and price, by classes and types,  
1920-39 <sup>1/</sup>  
- Continued

Year	Dark		Cigar leaf, types 41-65					
	air-cured, types 35-37		Filler, types 41-45		Binder, types 51-55		Wrapper, types 61-65 <sup>2/</sup>	
	Supply	Price	Supply	Price	Supply	Price	Supply	Price
	Mil. lb.	Cents	Mil. lb.	Cents	Mil. lb.	Cents	Mil. lb.	Cents
Av. 1920-24:	212	11.8	<sup>3/</sup> 252	14.7	290	19.5	<sup>3/</sup> 29	74.5
1920	228	8.2	<sup>3/</sup> 294	13.5	267	24.6	<sup>3/</sup> 24	75.0
1921	184	14.0	<sup>3/</sup> 273	13.2	279	14.2	<sup>3/</sup> 30	70.6
1922	213	14.4	<sup>3/</sup> 270	15.2	290	20.5	<sup>3/</sup> 29	70.7
1923	228	10.6	<sup>3/</sup> 281	16.5	310	21.9	<sup>3/</sup> 32	83.3
1924	209	11.6	<sup>3/</sup> 294	14.9	304	16.2	<sup>3/</sup> 30	73.1
Av. 1925-29:	160	9.6	<sup>3/</sup> 243	12.4	267	18.5	<sup>3/</sup> 23	77.1
1925	204	8.1	<sup>3/</sup> 284	10.7	311	15.3	<sup>3/</sup> 25	83.8
1926	198	7.2	<sup>3/</sup> 268	9.9	278	20.2	<sup>3/</sup> 20	83.3
1927	146	10.2	<sup>3/</sup> 223	13.7	252	19.0	<sup>3/</sup> 20	86.9
1928	126	11.7	<sup>3/</sup> 220	14.9	243	17.8	<sup>3/</sup> 23	76.3
1929	126	10.8	218	12.7	249	20.4	26	55.3
Av. 1930-34:	120	6.1	226	6.8	264	10.4	24	62.9
1930	124	8.0	211	8.3	256	15.4	23	68.7
1931	134	3.4	210	6.8	280	8.8	25	62.4
1932	119	4.1	262	4.5	291	6.9	24	50.7
1933	110	7.3	212	5.4	257	8.6	23	57.6
1934 <sup>4/</sup>	114	7.6	207	9.0	238	12.1	21	75.1
Av. 1935-39:	94		207		195		19	
1935	101	8.0	214	9.7	217	12.8	19	79.7
1936	87	15.3	212	11.0	198	14.7	19	82.6
1937	96	8.1	206	9.9	189	13.4	18	89.4
1938	93	8.0	201	12.3	191	9.6	18	73.5
1939 <sup>5/</sup>	92		201		178		22	

<sup>1/</sup> This table is prepared on a crop-year basis as follows: Flue-cured, July-June; Maryland, beginning January 1 of year following production; types 45 and 62, July-June; all other types, October-September.

<sup>2/</sup> Type 65 is primed Havana Seed, which has not been reported separately since 1929.

<sup>3/</sup> Stocks of type 45 are reported with wrapper, type 62, 1920-26; therefore, the supply of filler is smaller and the supply of wrapper is larger than the data indicate for these years.

<sup>4/</sup> Includes amounts not marketed under agreements with Agricultural Adjustment Administration contracts as follows: Flue-cured, 6,500,000 lb.; Burley, 18,000,000 lb.; dark air-cured, 2,000,000 lb.

<sup>5/</sup> Preliminary.