

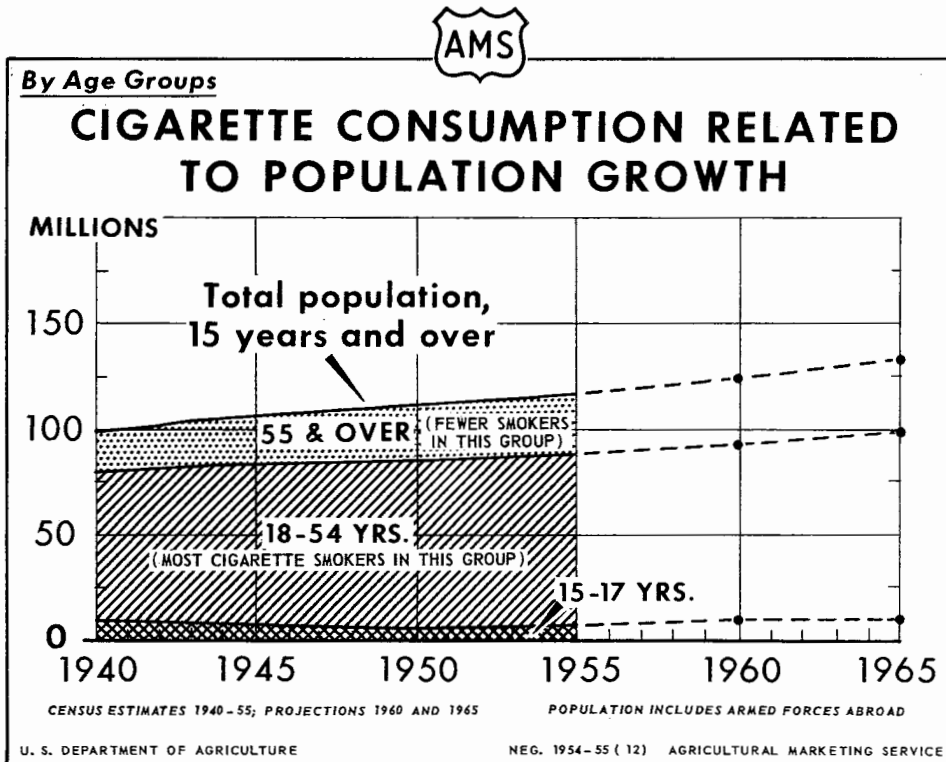
The TOBACCO SITUATION

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Population increase has contributed little to the recent rise in cigarette consumption and cannot be expected to contribute much over the next year or two. Since 1950 the number in the major smoking age group--18-54 years--increased at an average yearly rate of only 0.5 percent compared with an increase of 1.7 percent for the total population. The projected yearly rate from 1955 to 1960 averages only about

0.7 percent. By 1960 the net addition to the 18-54-year group will be only 2-3/4 million. The number aged 55 and older will also increase by about 2-3/4 million--approximately 1-3/4 million women and 1 million men while the number 15 to 17 will increase about 1.6 million. However, from 1960 to 1965, the yearly rate of increase for the 18-to-54 group rises to over 1.1 percent.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1954				1955				Last data available as percentage of a year earlier		
		Aug.	Sept.	Oct.	Nov.	Aug.	Sept.	Oct.	Nov.			
Average prices at auctions												
Flue-cured	Cents per lb.	49.1	53.4	53.7	51.0	50.2	52.0	52.1	53.0	104		
Burley	Cents per lb.	C - 1 - o - s - e - d				52.8	C - 1 - o - s - e - d				109	
Maryland	Cents per lb.	46.7	C - 1 - o - s - e - d				29.9	C - 1 - o - s - e - d				64
Fire-cured	Cents per lb.	C - 1 - o - s - e - d				34.6	C - 1 - o - s - e - d				93	
Dark air-cured (35-36)	Cents per lb.	C - 1 - o - s - e - d					C - 1 - o - s - e - d				---	
Virginia sun-cured (37)	Cents per lb.	C - 1 - o - s - e - d				31.9	C - 1 - o - s - e - d				80	
Parity prices												
Flue-cured	Cents per lb.	53.0	52.7	52.5	52.5	52.9	52.5	52.9	52.7	100		
Burley	Cents per lb.	51.3	51.1	50.8	50.8	51.3	50.8	50.8	50.8	100		
Maryland	Cents per lb.	53.9	53.5	53.3	53.3	53.3	53.1	53.5	53.3	100		
Fire-cured	Cents per lb.	34.7	34.4	34.3	34.3	35.2	35.0	35.3	35.2	103		
Dark air-cured (35-36)	Cents per lb.	29.3	29.1	29.0	29.0	29.9	29.7	30.0	29.9	103		
Virginia sun-cured (37)	Cents per lb.	34.4	34.2	34.0	34.0	33.5	33.4	33.6	33.5	99		
Parity index 1/												
	1910-44=100	281	280	279	279	279	279	280	279	100		
Tax-paid removals												
Cigarettes, small	Billion	34.6	32.0	31.6	29.7	36.8	32.1			100		
Cigars, large	Million	527	503	501	573	536	534			106		
Chewing and smoking	Mil. lb.	14.4	15.1	14.2	13.6	14.0	13.3			88		
Snuff	Mil. lb.	3.5	3.4	3.1	3.2	3.5	3.3			97		
Accumulated from Jan. 1												
Cigarettes, small	Billion	249	281	312	342	257	289			103		
Cigars, large	Million	3,686	4,190	4,691	5,265	3,698	4,232			101		
Chewing and smoking	Mil. lb.	106	121	135	149	106	119			98		
Snuff	Mil. lb.	26	29	32	35	26	30			103		
Tax-free removals												
Cigarettes, small	Billion	2.5	3.4	2.5	3.3	2.2	2.9			85		
Cigars, large	Million	6.6	5.8	7.7	8.4	8.6	7.6			131		
Chewing and smoking	Mil. lb.	.5	.3	.5	.4	.4	.5			167		
Accumulated from Jan. 1												
Cigarettes, small	Billion	21	25	27	30	20	23			92		
Cigars, large	Million	61	66	74	82	55	63			95		
Chewing and smoking	Mil. lb.	3.1	3.5	4.0	4.4	2.7	3.2			91		
Disposable personal income 2/												
	Bil. dol.		253.2				271.7			107		
Index of industrial production 3/												
	1947-49=100	123	124	126	128	140	142	143	144	112		
Employment												
Labor force employed	Million	62.3	62.1	62.1	61.7	65.5	64.7	65.2	64.8	105		
	Percent	95.0	95.2	95.8	95.5	96.7	96.8	96.8	96.4	101		
Exports (farm-sales wt.)												
Flue-cured	Mil. lb.	23.7	46.4	102.7	58.5	46.0	88.9	88.2		86		
Burley	Mil. lb.	3.2	1.3	2.4	2.5	2.8	2.3	1.8		75		
Maryland	Mil. lb.	.3	1.4	.7	1.0	.6	.8	1.4		200		
Fire-cured	Mil. lb.	1.8	1.0	3.1	3.1	2.4	2.4	2.7		87		
Dark air-cured	Mil. lb.	1.3	.3	1.1	.6	.3	.6	.3		27		
Cigar	Mil. lb.	.6	.7	.4	.8	.6	.7	1.3		325		
Accumulated from beginning of marketing yr. 4/												
Flue-cured	Mil. lb.	46.6	93.0	195.8	254.3	94.0	182.8	271.1		138		
Burley	Mil. lb.	33.3	34.6	2.4	4.9	30.5	32.8	1.8		75		
Maryland	Mil. lb.	6.6	8.0	.7	1.8	7.4	8.2	1.4		200		
Fire-cured	Mil. lb.	27.3	28.3	3.1	6.2	26.8	29.2	2.7		87		
Dark air-cured	Mil. lb.	6.8	7.1	1.1	1.7	9.5	10.1	.3		27		
Cigar filler and binder	Mil. lb.	2.1	2.3	.2	.4	1.5	1.7	.6		300		
Cigar wrapper	Mil. lb.	.6	1.1	1.3	1.9	.7	1.3	1.9		146		
General imports, all commodities												
Accumulated from Jan. 1	Mil. dol.	825	780	763	840	959	945	1,024		136		
	Mil. dol.	6,886	7,666	8,430	9,269	7,349	8,294	9,328		111		
Sterling area gold and dollar reserves 5/												
	Mil. dol.	2,918	2,901	2,936	2,925	2,457	2,345	2,297	2,283	78		
Stocks of domestic types (farm-sales weight) 6/												
Flue-cured	Mil. lb.			2,267				2,548		112		
Burley	Mil. lb.			1,198				1,348		113		
Maryland	Mil. lb.			77				84		109		
Fire-cured	Mil. lb.			134				137		102		
Dark air-cured	Mil. lb.			76				81		107		
Cigar, filler	Mil. lb.			179				195		109		
Cigar, binder	Mil. lb.			120				117		98		
Cigar, wrapper	Mil. lb.			22				22		100		

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Quarterly, annual rate, seasonally adjusted. 3/ Seasonally adjusted. 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

T H E T O B A C C O S I T U A T I O N

Approved by the Outlook and Situation Board, December 20, 1955

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SUMMARY

Supplies of most kinds of tobacco are large in relation to prospective disappearances. For flue-cured and burley--the major cigarette tobaccos--disappearance in 1955-56 is likely to be larger than in 1954-55, but total supplies are very large.

Cigarette consumption in this country increased from 1954 to 1955 and is likely to continue to make gradual gains in 1956. The prospective high levels of employment and incomes are favorable factors but retail prices in some areas have increased, or soon will, because of advances in State tax rates on cigarettes. Cigarette output in 1955 probably totaled 414 billion compared with nearly 402 billion in 1954 and 423 billion in 1953. The peak was 435 1/2 billion in 1952. Measured in pounds of tobacco, 1953 was by a small margin the peak year because of the larger proportion of king size cigarettes than in 1952. Since 1953, the share occupied by the king size, all-tobacco cigarettes is believed to have changed relatively little, but king size, filter tip cigarettes have made substantial gains. King size, filter tips do not require as much tobacco per cigarette as the king size, all-tobacco cigarettes. Unofficial trade reports indicate that filter tip cigarettes amounted to at least one-fifth of total output by late 1955.

The output of smoking tobacco for pipes and roll-your-own cigarettes in 1955 is estimated at 82 million pounds--roughly 1 3/4 million less than in 1954. During the first half of 1955, output of smoking tobacco ran ahead of that in the first half of 1954 but then turned downward in the third quarter.

The total supply of flue-cured for 1955-56 is a record 10 percent above 1954-55. The 1956 acreage allotment has been reduced 12 percent, but an increase in the carryover at the beginning of 1956-57 probably will largely offset the reduction in outturn resulting from the acreage cut--leaving total supply for 1956-57 only a little lower than for 1955-56. Despite the much smaller crop in 1955 than in 1954, the total supply of burley for 1955-56 is only slightly less than the record 1954-55 level because of a 12 percent jump in carryover. The announced 1956 burley allotment results in about a 15 percent reduction in farm allotments. Burley growers will vote on December 29, 1955, as to whether they favor a continuation of marketing quotas on their 1956, 1957, and 1958 crops. A two-thirds majority of those voting is necessary to continue marketing quotas and acreage allotments in effect on next year's crop. In a referendum last July, flue-cured tobacco growers voted overwhelmingly in favor of quotas on the next three crops.

Marketings of this year's record flue-cured crop have been about completed. The average price for gross sales at 52 cents was very little different from the averages of the previous 2 seasons, although there was some variation by belts. Deliveries for Government loans were heavy--roughly one-fifth of the crop. An estimated two-thirds of the 1955 burley crop had been marketed by December 19 at an average price of 58 1/2 cents--nearly 14 percent higher than in the comparable period of last season and a record high.

The 1955-56 supply of Maryland tobacco--also mainly a cigarette type--is only a little below a year earlier. The rise in carryover largely offsets the drop in the 1955 crop, which was principally due to storms. Marketing quotas and acreage allotments were not in effect on the 1954 and 1955 Maryland crops. Maryland growers will vote on December 29 on whether or not they favor quotas on the next three crops.

Total cigar consumption, at about 6.1 billion in 1955, was nearly 2 percent above 1954 and some further gain is expected in 1956. The supplies of cigar filler types are a little above a year ago but those of cigar binder are lower. Domestic use of cigar filler tobacco dropped in 1954-55. Available information does not explain the decline. Growers of cigar binder types are concerned as to the potential impact of the development of "manufactured binder sheet" which utilizes whole leaves including stems and contains nontobacco materials as well. It also has implications with respect to the future market for higher quality leaf. The 1956 acreage allotments for most farms growing types 42-44 and 51-55 will be about 12 1/2 percent smaller than in 1955. Growers of Pennsylvania filler (type 41) will vote on December 29 on whether or not they favor marketing quotas on the next three crops. In previous years, growers of type 41 have consistently voted against marketing quotas. The 1955-56 total supply of the shade-grown cigar wrapper types is about 4 percent lower than for 1954-55. The 1955 crops of Connecticut Valley wrapper and also binder were reduced or damaged by storms and floods.

The 1955 output of chewing tobacco, at about 79 1/2 million pounds, was approximately 2 1/2 percent less than in 1954 and will probably continue to decline. The 1955 output of snuff, estimated at 39 million pounds, is about one-half million pounds larger than in 1954 and is expected to continue at approximately the same level in 1956.

Mostly fire-cured tobacco is used in snuff while chewing tobacco utilizes mainly dark air-cured, burley, and lower grades of cigar binder types.

The total supplies of fire-cured, and dark air- and sun-cured for 1955-56 are 3 and 4 percent larger than 1954-55. Record and near-record yields per acre for some types largely offset the effect of reduced 1955 acreage allotments. The 1956 acreage allotments for fire-cured and dark air-cured are 15 and 20 percent below the 1955 allotments. Growers of these types voted last December to continue quotas in effect on their 1955, 1956, and 1957 crops. Growers of Virginia sun-cured (type 37) will vote on December 29 on whether to continue quotas on their next three crops. Their 1956 allotment is approximately the same as in 1955. When quotas are in effect, Government price support for the fire-cured types is mandatory at 75 percent of the burley support level and for dark air- and sun-cured, at 66 2/3 percent of the burley support level. For burley, flue-cured, and other types, price support at 90 percent of parity is mandatory when marketing quotas are in effect.

Total leaf exports during calendar 1955 are estimated at about 600 million pounds--farm-sales weight--approximately 15 percent larger than in 1954. Foreign currency sales contributed significantly to the increase. Export prospects for 1956 are again enhanced by the likelihood of additional sales for foreign currencies. Flue-cured tobacco accounts for around four-fifths of total tobacco exports from this country. United States growers are being confronted with increasing competition for overseas markets as the result of a substantial expansion of flue-cured production in foreign countries in the past few years. The 1955 flue-cured production of Southern Rhodesia, India, and Canada combined was 40 percent above the 1947-51 average. There also has been expansion elsewhere.

TOBACCO PRODUCTS

Cigarettes

Output of cigarettes in calendar 1955 probably totals near 414 billion--3 percent more than in 1954, but 5 percent below the 1952 record. A significant share of the decline from 1952 to 1955 is due to the decrease in output for shipment to troops overseas. The number of troops stationed outside the continental United States has been substantially reduced since 1952 and shipments for that outlet have dropped about 8 billion.

The 1955 domestic consumption (tax-paid removals) is about 383 billion, 3.9 percent greater than in 1954, but 2.8 percent below the peak of 1952. The number of tax-paid cigarettes dropped 2 percent between 1952 and 1953 but measured in pounds of tobacco, consumption increased a little due to the increased number and proportion of king size cigarettes in 1953. There was relatively little change in the proportionate share of king size from 1953 to 1954 and probably no great change from 1954 to 1955.

On the other hand, filter tip cigarettes increased substantially from 1953 to 1955 and a large majority are king size in length. King size, filter tip cigarettes require about the same quantity of tobacco per unit of output as the regular size but, of course, less tobacco than the king size, all-tobacco cigarettes. It is estimated that all filter tip cigarettes increased from 3 percent of the total output in 1953 to about 10 percent in 1954 and probably to about 17 percent for calendar 1955. Unofficial trade reports indicate that by late 1955, filter tip cigarettes amounted to at least one-fifth of total output.

Table 1.- Cigarettes: Total output, domestic consumption, and exports, for specified periods

Period	Total	Domestic	Tax-free removals 2/	
	output	consumption	Total	Exports
	Billions	Billions	Billions	Billions
Average:				
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.3
1951	418.8	379.7	38.9	16.8
1952	435.5	394.1	40.0	16.4
1953	423.1	386.8	37.0	16.2
1954	401.9	368.6	33.2	15.4
1955 3/	414.0	383.0	31.0	15.5

1/ As indicated by tax-paid removals. 2/ In addition to exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores. 3/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and of the United States Department of Commerce.

During 1956, domestic consumption of cigarettes is expected to continue to gain. Prospects for continued high levels of economic activity and consumer incomes are favorable factors. However, many consumers are having to pay higher prices for cigarettes. Twelve of the 41 States taxing cigarettes increased the rate of tax in the last year and beginning in 1956, Missouri will levy a cigarette tax. Also, smokers switching to filter tip cigarettes pay more per pack. Present Federal law provides for a reduction in the Federal tax rate on cigarettes as of April 1, 1956. The present rate of 8 cents per pack was placed in effect during the Korean

emergency, November 1, 1951. Original legislation provided that this rate revert to 7 cents per pack as of April 1, 1954, but amendments twice postponed this. Assuming the reduction goes into effect on April 1, 1956, and is reflected in retail prices, cigarette purchasers would pay 1 cent less per pack following that date. Based on past experience, changes in aggregate cigarette consumption in response to changes in prices and also income have tended to be fairly small.

Commercial exports of cigarettes during 1955 are estimated to total about 15½ billion, not much different from 1954. Based on January-October, most of the leading foreign outlets took fewer cigarettes. The major off-setting increases were to France, Venezuela, and numerous other outlets not among the top ranking dozen countries specified in table 2.

Table 2.- Cigarette exports from the United States to leading destinations for specified periods

Country	January-October					
	Average 1948-52	1953	1954	1954	1955	1955 as percent- age of 1954
	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Venezuela	1,181	1,411	1,541	1,258	1,423	113
Tangier-Fr. Morocco	1,551	2,036	1,504	1,180	1,063	90
Belgium	985	958	848	709	441	62
Hong Kong	952	948	721	593	692	117
Sweden	509	838	690	652	600	92
Panama-Canal Zone	686	833	682	559	500	89
France	384	692	630	532	781	147
N. Antilles	1,019	743	544	461	378	82
Columbia	243	316	530	409	122	30
Phil. Rep.	4,486	435	503	380	277	73
W. Germany	274	435	458	361	410	114
British Malaya	476	501	438	395	415	105
Other countries 2/	5,690	6,103	6,337	5,106	5,588	109
Total all countries	18,436	16,249	15,426	12,595	12,690	101

1/ Preliminary. 2/ Includes about 90 to 95 foreign destinations in recent years.

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

Cigars

The total tax-paid consumption of cigars in 1955 in the United States is estimated at about 6.1 billion--2 percent greater than in 1954 and the highest since 1930. The great bulk were made in this country including those made in the bonded manufacturing warehouses that use only imported tobacco. There has been a substantial rise in the number shipped from Puerto Rico in the past 2 years. Imports of readymade cigars, mainly from Cuba, increased from 1954 to 1955 but accounted for a very small share of total consumption.

Table 3.- Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic	Bonded			Imports for	From		Total
	factories	manufac-	turing	warehouses:	consumption	Puerto Rico:	Tax-	tax-
Total	Tax-	Tax-	Tax-	Total	From	drawals	con-	sumption
output	paid	free	paid	<u>2/</u>	Cuba	in United	sumption	
	removals:	removals:	removals:			States		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1925-29	6,474	6,454	21	28	218.0	28.0	166.0	6,866
1935-39	5,075	5,060	13	66	192.4	3.0	27.4	5,346
1940-44	5,450	5,282	199	105	93.7	15.3	11.6	5,492
1945	5,275	4,774	469	82	60.0	59.8	85.3	5,001
1946	5,618	5,621	26	125	22.2	20.1	77.8	5,846
1947	5,488	5,460	41	124	12.5	9.1	6.2	5,603
1948	5,645	5,588	38	140	11.8	10.3	5.0	5,745
1949	5,453	5,399	46	142	10.9	10.2	4.6	5,556
1950	5,399	5,365	47	160	11.9	11.1	.7	5,538
1951	5,594	5,518	85	177	14.3	13.0	.7	5,710
1952	5,825	5,755	102	196	14.6	12.5	1.9	5,968
1953	5,915	5,820	90	205	16.8	13.4	9.9	6,052
1954	5,818	5,691	90	<u>3/202</u>	16.3	12.3	49.5	5,959
1955 <u>3/</u>	5,860	5,767	87	207	18.0	14.0	83.0	6,075

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Predominant share of cigar imports prior to World War II came from the Philippine Islands. 3/ Preliminary estimate.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

The number of tax-free cigars in 1955, at about 87 million, dropped a little below a year earlier. Most of the tax-free group are shipped for overseas use of United States personnel. Commercial exports of cigars are comparatively small, totaling 8 1/4 million in 1954 and probably around 6 million in 1955.

In view of the prospective continuation of favorable consumer incomes, the consumption of cigars in this country during 1956 seems likely to show some further gain. According to the Bureau of Labor Statistics, indexes of manufacturers' prices for four categories of cigars have risen very moderately in the past several years. In October 1955, the prices of popular-priced, medium-priced, and high-priced cigars were only 4 to 7 3/4 percent above the 1947-49 average while the price for the low-priced group increased less than 1 percent.

During the first three-fourths of 1955, the indicated sales of cigars priced from 4.1 to 8.0 cents apiece at retail constituted about 48 percent of the total and those priced from 8.1 to 15.0 cents, nearly 42 percent of the total. The number in the 4.1-to-8.0 cent group was about 2.6 percent greater than in the corresponding period of 1954 and the number in the 8.1-to-15-cent group increased 1.7 percent. The number of cigars selling for more than 15 cents apiece during January-September 1955 was 1.2 percent larger than for those months in 1954.

Smoking Tobacco

The 1955 output of smoking tobacco for pipes and roll-your-own cigarettes probably totaled near 82 million pounds--roughly 1 3/4 million pounds less than in 1954. The 1955 output is over 25 million pounds less than in 1950 when the postwar decline for smoking tobacco began. Beginning with the fourth quarter of 1954 through mid-1955, the output of smoking tobacco was running ahead of that in the corresponding period of a year earlier, but again turned downward in the third quarter of 1955.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Chewing						Snuff
	Smoking	Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	37.0	4.9	3.0	36.6	81.5	38.5
1955 1/	82.0	35.5	4.6	3.0	36.4	79.5	39.0

1/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

The decrease in roll-your-own cigarette tobaccos probably accounted for most of the drop in the smoking tobacco total. Pipe tobacco volume probably has not fallen much in the last year or two.

According to the Bureau of Labor Statistics index, manufacturers' prices of smoking tobacco increased only about 3 percent in the past 4 years.

Nearly all of the above-mentioned output of smoking tobacco is consumed domestically. During January-October 1955, exports of packaged smoking tobacco totaled practically the same as in 1954 and for the year as a whole, probably will be near the 572,000 pounds exported in 1954. Smoking tobacco used by overseas troops, probably ranging between 1 and 2 million pounds annually in the last 5 years, has undoubtedly declined as troops were returned.

Manufactured smoking tobacco in bulk form is now exported in sizable quantities from this country. Much of this is not included in the above-specified total output. The census classification of bulk smoking tobacco includes especially prepared cigarette tobacco, cut or granulated tobacco, partially blended tobacco, and shredded tobacco. Exports of bulk smoking tobacco jumped from 1 1/2 million pounds annually in 1947-50 to about 4 2/3 million in 1953 and again in 1954. In the first 10 months of 1955, exports of bulk smoking tobacco reached nearly 5 1/3 million pounds. The total for the year as a whole appears certain to exceed 6 million pounds. Leading destinations are Spain, Philippine Republic, Australia, Mexico, Dominican Republic, Haiti, Panama, and Bolivia.

Chewing Tobacco

The 1955 output of chewing tobacco is estimated at 79 1/2 million pounds--2 1/2 percent less than in 1954. Use of chewing tobacco is likely to continue to decline in 1956 and the years ahead. Total output has fallen at an average annual rate of about 3 percent since 1946.

Manufacturers' prices (including excise tax) of plug chewing tobacco after remaining virtually constant since 1946 declined slightly in the third quarter of 1955.

Plug and scrap chewing tobacco in almost equal proportions account for about nine-tenths of total chewing tobacco and twist and fine-cut, for the other one-tenth.

The great bulk of the output is consumed in this country. During January-October 1955, exports of chewing tobacco were nearly one-fourth lower than in the same months of 1954 and for the year as a whole, will probably total around 1 1/2 million pounds, the smallest in 4 years. Exported chewing tobacco is principally plug and twist. Australia and the Philippine Republic are the two principal foreign outlets.

Snuff

The 1955 output of snuff is estimated at near 39 million pounds--about one-half million more than in 1954. Approximately the same volume is likely in 1956. Output of snuff in the past 10 years has been comparatively stable although it eased some from the postwar high reached in 1949 to the low in 1954.

Practically all the snuff output is consumed in this country. Exports amount to something less than 35,000 pounds.

According to the Bureau of Labor Statistics data, manufacturers advanced snuff prices 2.2 percent between July and August of this year-- the only change reflected in the BLS index of snuff prices since 1951.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES ^{1/}

The 1955 calendar year exports of tobacco are estimated at approximately 525 million pounds--declared weight--compared with 454 million in 1954. The shipment of quantities purchased by countries under the foreign currency sales program contributed significantly to the increase. Also, prospects for 1956 are enhanced by likelihood of additional sales for foreign currencies. Legislation in the 1955 session of Congress enlarged the authority under Public Law 480, Title I, program through June 30, 1957. During the first 10 months of 1955, there were substantial increases in the exports of unmanufactured tobacco to the United Kingdom, Germany, Belgium, and Australia--four of the leading outlets. Netherlands took less but more went to the Philippine Republic and several other important outlets. (See table 5.)

On a marketing year basis, the 1955-56 exports of tobacco are expected to be near 530 million pounds (around 600 million pounds--farm-sales weight)--15 percent or more above each of the previous 2 years and the largest since the immediate postwar period. Factors other than the Public Law 480 program that are favoring tobacco exports are the considerably better gold and dollar reserve position for some countries than 2 or 3 years ago, the continuing high levels of economic activity in many countries, and the increasing consumption of cigarettes abroad, many of which use high percentages of United States leaf.

The supplies of United States tobacco are large and especially so for the flue-cured types which usually constitute about four-fifths of total tobacco exports. The 1955 flue-cured crop of Southern Rhodesia, at about 121 million pounds, equaled the record 1954 crop but that for India at 119 million pounds was down 8 percent. The 1955 flue-cured acreage in Canada was cut 21 percent from last year's record and the crop estimated at 122 million pounds is down about 30 percent. A succession of drought, heavy rain, and excessive heat and then severe frost seriously affected the Canadian crop. However, the 1955 production of flue-cured in the 3 countries--totaling about 361 million pounds--was 40 percent above the 1947-51 average. Southern Rhodesian growers are being urged to raise 140 million pounds in the 1955-56 season. Flue-cured production has also been increasing elsewhere in the world.

The substantial expansion abroad in the past few years means United States growers are facing increasing competition for overseas markets. The Southern Rhodesian flue-cured brought an equivalent of 47.3 cents per pound at 1955 auctions--5 1/2 percent above the 1954 level. No price data are yet available on the 1955 Canadian crop.

The production of oriental types increased substantially from 1954 to 1955. Production of tobacco in Turkey at 259 million pounds and in Greece at 170 million pounds were 20 and 14 percent larger, respectively, than a year earlier.

^{1/} Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 5.--United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods

Country and type	(Declared weight)						
	Average 1934-38	Average 1948-52	1953 1/	1954 1/	January-October 1954 1/ 1955 1/		1955 as percent- age of 1954.
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	324.9	371.9	444.3	374.8	289.3	361.5	125
Burley	11.6	29.7	25.0	29.6	25.8	24.3	94
Maryland Va. fire-cured and sun-cured	5.5	7.2	8.2	8.7	6.6	6.4	97
Ky. & Tenn. fire-cured	9.7	5.5	4.3	4.0	2.9	3.1	107
One Sucker	53.7	24.7	19.5	20.9	17.8	17.8	100
Green River	.7	3.0	1.0	.9	.8	1.7	212
Black Fat, etc.	3.0	1.9	1.8	2.1	1.9	1.8	95
Cigar wrapper	9.0	4.3	3.9	4.5	3.5	4.4	126
Cigar binder	)	)	3.9	3.4	2.6	3.5	135
Cigar filler	)1.3	)9.9	3.1	1.7	1.3	1.3	100
Perique	)	)	.6	.2	.1	.2	200
Stems, trimmings, and scrap	.1	.1	.1	.1	2/	.1	----
	17.8	6.0	3.0	2.7	2.4	2.7	112
Total	437.3	464.2	518.7	453.6	355.0	428.8	121
Country of destination:							
United Kingdom	213.9	149.1	179.7	150.0	120.4	154.3	128
France	21.0	8.3	4.7	12.6	10.1	6.2	61
Belgium	15.5	21.9	12.6	12.5	7.6	20.0	263
Netherlands	15.6	30.0	38.1	38.1	28.1	20.7	74
Germany, W. & E.	12.8	64.5	71.9	43.4	36.0	52.3	145
Portugal	4.8	8.3	6.9	7.4	6.8	6.5	96
Denmark	4.6	11.0	11.8	9.6	8.0	8.2	102
Ireland	7.4	17.8	17.5	14.1	12.4	9.9	80
Switzerland	3.8	12.7	11.9	11.7	8.8	7.3	83
Norway	4.7	8.1	7.4	7.6	5.5	6.1	111
Sweden	7.2	11.7	10.2	9.6	6.8	8.7	128
Italy	1.1	2.9	5.6	3.9	3.9	4.3	110
Hong Kong	48.2	6.4	4.1	3.5	3.0	3.3	110
Australia	18.4	20.2	26.7	28.2	13.8	19.8	143
India-Pakistan	2.6	6.9	2.9	3.5	3.3	5.3	161
New Zealand	2.5	5.8	5.8	6.6	6.6	7.1	108
Philippine Rep.	1.2	13.5	20.9	19.5	13.1	15.7	120
Indonesia	2.0	8.6	13.0	10.3	9.3	6.9	74
Other countries	50.0	56.5	67.0	61.5	51.5	66.2	129
Total	437.3	464.2	518.7	453.6	355.0	428.8	121

1/ Preliminary. 2/ Less than 50,000 pounds.

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

British Tobacco Situation

British home consumption of tobacco will probably be about as much in 1955 as the 233 million pounds in 1954 when it was second only to the record 250 million pounds in 1946. During the first three-fourths of 1955, domestic consumption totaled practically the same as in 1954. However, exports of manufactured tobacco products in 1955 are expected to exceed those in 1954. In the first 10 months of 1955, exports of manufactured tobacco at over 37 million pounds were almost 9 percent above those in the same period of 1954. Approximately 94 percent of these exports was cigarettes. During the first three-fourths of 1955, exports of cigarettes increased to Singapore, Malaya, West Germany, Gold Coast,

Table 6.- United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks : Dec. 31	Gross clearances : from bond 3/			Exports : of manu- factured tobacco	Re-exports : of unmanu- factured tobacco
	From : United : States : 2/	From : Common- : wealth : coun- : tries 2/	Total		Non- : prefer- : ential : 2/	Prefer- : ential : 2/	Total		
	Mil. : lb.	Mil. : lb.	Mil. : lb.	Mil. : lb.	Mil. : lb.	Mil. : lb.	Mil. : lb.	Mil. : lb.	Mil. : lb.
Average:									
1934-38 :	213	57	275	497	185	47	232	39	12
1939-45 :	182	63	255	310	215	62	277	27	5
1946 :	366	62	433]	383	261	61	322	55	7
1947 :	201	82	296	384	235	57	292	52	1
1948 :	172	97	281	390	204	67	271	45	1
1949 :	154	119	302	419	190	81	271	47	2
1950 :	144	146	306	445	180	91	271	43	4
1951 :	212	131	355	498	183	104	287	51	7
1952 :	67	143	224	430	172	108	280	47	12
1953 :	174	127	316	452	167	116	283	45	9
1954 4/ :	160	139	312	468	168	122	290	41	4
Jan.-Oct. :									
1953 :	129	104	244	5/419	6/125	6/86	6/211	38	8
1954 4/ :	106	113	229	5/409	6/123	6/91	6/214	34	3
1955 4/ :	128	132	272	5/454	6/127	6/91	6/218	37	4

1/ Unmanufactured tobacco. 2/ Since 1946 the full duty rate on tobacco from the United States and other nonpreferential areas has been about 3 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate. 3/ Largely withdrawals for manufactures for home use and export. 4/ Subject to revision. 5/ Sept. 30. 6/ January-Sept.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

Belgian Congo, Hong Kong, New Zealand, Aden, and Saudi Arabia--9 of the top 10 outlets. Exports of cigarettes to Australia, the fifth ranking outlet, continue to fall off. These 10 outlets took about 72 percent of the total. The other 28 percent went to numerous other destinations.

Gross clearances of tobacco from bond, which are indicative of the quantity going for home use and exports on a combined basis, were 2 percent larger in January-September 1955 than in the same months of 1954. In the first 8 months of 1955, gross clearances of United States flue-cured increased $3\frac{1}{3}$ percent over the same period of a year earlier. Comparing the same two periods, gross clearances of Southern Rhodesian and Canadian flue-cured each increased a little less than six-tenths of 1 percent but Indian flue-cured increased $9\frac{2}{3}$ percent. Also, there were slight increases in gross clearances of Turkish and Greek oriental tobacco but declines in Indian and Nyasaland air- and sun-cured. Gross clearances of Nyasaland fire-cured held even with those in the comparable period of 1954.

British imports of unmanufactured tobacco during January-October 1955 at 272 million pounds were 19 percent larger than in the corresponding months of 1954. Over nine-tenths of total imports was flue-cured tobacco. Tobacco imports from the United States were about 21 percent higher; from Canada, 73 percent higher; from Rhodesia and Nyasaland, 9 percent higher; but from India, nearly 5 percent lower.

Stocks of tobacco in the United Kingdom at the end of September 1955 totaled 454 million pounds--11 percent above a year earlier. At the end of August 1955, total stocks were 436 million pounds, of which 178 million pounds were United States flue-cured. Stocks of United States flue-cured were 19 percent above a year earlier and nearly 14 percent above 2 years earlier. The August 31 stocks of Southern Rhodesian flue-cured at nearly 95 million pounds were 11 percent above a year earlier and about 14 percent above 2 years earlier. Stocks of Indian flue-cured at 59 million pounds were only 1 to 2 million above those on the same date in 1954 and 1953. However, stocks of Canadian flue-cured at nearly 47 million pounds on August 31 rose 14 million pounds above what they were on that date in each of the preceding 2 years. British stocks of Nyasaland fire-cured at 12.4 million pounds were one-fifth lower than a year earlier.

Stocks of Nyasaland and Indian air- and sun-cured and also of Greek tobacco declined from August 31, 1954, to August 31, 1955, but there was an increase in stocks of Turkish tobacco.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO ^{2/}

Imports of foreign grown tobacco into the United States during 1955 may top the record volume imported in 1954. During the first three-fourths of 1955, total imports were 3 percent above those in the same

^{2/} Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 7.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						
	Average		1953	1954	January-September		1955
	1934-38	1948-52	1/	1/	1954	1955	as per-
							centage
	Million	Million	Million	Million	Million	Million	Percent
	pounds	pounds	pounds	pounds	pounds	pounds	
Cigarette leaf							
Unstemmed							
Turkey	18.2	44.0	56.9	56.0	42.5	43.3	102
Greece	18.8	9.5	14.3	15.6	11.8	13.4	114
Syria	.5	4.0	3.3	2.9	2.3	1.9	83
Italy	4.7	.6	1.2	1.9	1.4	1.2	86
Malta	.1	.1	.3	.2	.2	.2	100
Yugoslavia	0	.2	1.4	2.3	1.7	2.7	159
Total 2/	<u>44.4</u>	<u>70.6</u>	<u>78.0</u>	<u>79.3</u>	<u>60.2</u>	<u>63.0</u>	<u>105</u>
Cigar leaf (filler)							
Cuba							
Stemmed	7.1	10.9	9.7	9.1	7.1	6.8	96
Unstemmed	4.1	4.0	4.4	4.7	3.6	4.4	122
Philippines, Rep.							
Stemmed	} 3/	.5	.6	4/	4/	0	---
Unstemmed		.2	4/	4/	0	0	---
Total 2/	<u>11.3</u>	<u>15.6</u>	<u>14.8</u>	<u>14.0</u>	<u>10.8</u>	<u>11.3</u>	<u>105</u>
Scrap							
Cuba	2.9	5.6	8.9	9.7	7.3	6.9	95
Philippines, Rep.	3/3.2	.4	2.3	1.4	1.1	.8	73
Total 2/	<u>6.1</u>	<u>6.0</u>	<u>11.2</u>	<u>11.1</u>	<u>8.4</u>	<u>7.7</u>	<u>92</u>
Cigar wrapper (unst.)							
Indonesia	5/1.9	.7	.4	.4	.3	.3	100
Cuba	.2	.3	.4	.5	.4	.4	100
Total 2/	<u>2.1</u>	<u>1.1</u>	<u>.9</u>	<u>.9</u>	<u>.7</u>	<u>.7</u>	<u>100</u>
Total imports 6/	<u>66.3</u>	<u>94.0</u>	<u>105.4</u>	<u>106.4</u>	<u>81.0</u>	<u>83.4</u>	<u>103</u>

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Reported as leaf in 1934-35 and as scrap in 1936-38. 4/ Less than 50,000 pounds. 5/ From Netherlands Indies or Netherlands. 6/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

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

period of 1954. Cigarette leaf imports were up $4 \frac{2}{3}$ percent, with increases in that coming from Turkey, Greece, and Yugoslavia more than offsetting the decreases in that received from Syria and Italy. Stocks of foreign grown cigarette and smoking tobacco (mainly oriental types) in the United States on October 1 totaled 153 $\frac{1}{2}$ million pounds--nearly 3 percent above a year earlier, but 6 percent below 2 years earlier.

Imports of cigar filler and scrap constitute the major proportion of the noncigarette tobacco imports and the predominant share comes from Cuba. The January-September 1955 imports of unstemmed filler increased, but imports of stemmed filler and scrap declined some. Stocks of Cuban tobacco in the United States on October 1 were 16.8 million pounds--11 percent above a year earlier when they were at their lowest October level for several years. Imports of Philippine scrap continued to decline from 1954 to 1955 and on October 1, stocks of Philippine tobacco at 859,000 pounds were the smallest for that date since 1951.

Imports of cigar wrapper from Indonesia and Cuba during January-September 1955 were about even with those in the same months of 1954. Stocks of Sumatra and Java tobacco in the United States on October 1 at about one quarter of a million pounds were the lowest on record for October.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

Prices

The 1955 auction market season average price for gross sales (including resales) was 52 cents per pound--practically the same as in each of the last two seasons--although there was some variation by belts. Marketings were nearly completed by the end of December in the Old Belt--the last markets to close. The overall average prices in the Georgia-Florida Belt and Middle Belt were near those of the preceding season while averages in the Border Belt and Old Belt were above a year earlier. The Old Belt average price was the highest on record. In the Eastern Belt, the average price was some lower than in 1954 and the second lowest in 6 years. In both Georgia-Florida (type 14) and South Carolina-Border North Carolina (type 13), generally quality was better than in the 1954 season and quantities marketed set new records. The volume in the Eastern North Carolina markets (type 12) was only slightly above the record 1951 total and the quantities marketed in the Middle and Old Belts (types 11 (b) and 11 (a)) were the largest in 3 years. In type 12, 13, and 14 markets, many individual grade prices, especially the higher-priced ones, were lower than a year earlier while some of the medium-priced grades brought increased prices. In the type 11 (a) and 11 (b) markets, a similar pattern was indicated except that a larger number of the medium-to-lower-priced grades brought prices above those of a year earlier.

Table 8.- Flue-cured tobacco: Average price per pound and percentage comparisons by Belt, 1947-55

Marketing season	Old Belt type 11(a)	Middle Belt type 11(b)	Eastern N. C. type 12	Border Belt type 13	Ga.-Fla. type 14	All Belts
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
1947	38.1	42.2	43.0	41.9	37.8	41.1
1948	49.2	50.1	49.3	50.5	47.2	49.4
1949	45.5	47.7	48.8	48.9	40.1	46.9
1950	53.4	56.2	56.5	55.4	48.1	54.6
1951	50.4	53.8	55.1	51.9	46.3	52.2
1952	48.4	49.4	50.5	51.9	49.2	50.1
1953	42.0	47.0	57.1	56.7	51.1	52.5
1954	52.0	52.3	54.7	51.3	46.5	52.1
1955 ^{1/}	<u>2/53.8</u>	52.6	52.3	53.6	46.5	52.2
	Price for each type as percentage of price for all types combined					
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1947	92.7	102.7	104.6	101.9	92.0	100.0
1948	99.6	101.4	99.8	102.2	95.5	100.0
1949	97.0	101.7	104.1	104.3	85.5	100.0
1950	97.8	102.9	103.5	101.5	88.1	100.0
1951	96.6	103.1	105.6	99.4	88.7	100.0
1952	96.6	98.6	100.8	103.6	98.2	100.0
1953	80.0	89.5	108.8	108.0	97.3	100.0
1954	99.8	100.4	105.0	98.3	89.3	100.0
1955	103.1	100.8	100.2	102.7	89.1	100.0

^{1/} Preliminary.

^{2/} For sales through December. Marketings are practically completed but sales on one market will be held on January 10 and 11.

The quantity of flue-cured placed under loan in the 1955 season totaled about 298 million pounds--about one-fifth of the crop--and was greater than in any previous season. In the 1954 season, the proportion was one-tenth of the crop. In the type 12, 13, and 14 markets, substantially greater quantities were placed under loan than in any previous season but in the 11(a) markets, less went under loan than in any previous year except 1949. In the 11(b) markets, the loan volume was the second largest for any postwar year but did not exceed other years nearly as much as for types 12, 13, and 14.

The price support level for the 1956 crop will be 90 percent of parity. The base price for calculating the 1956 flue-cured parity will be almost unchanged and if the parity index (prices paid by farmers for commodities, interest, taxes, and wages) continues near the current level, the 1956 support level would be slightly below the 48.3 cents per pound in effect for the 1955 crop season. USDA has announced that it plans to discount any "pale and slick" tobaccos that may be offered for loan in the 1956 season.

Table 9.- Flue-cured tobacco: Volume of gross sales (includes resales) and percentage distribution by belt, 1947-55

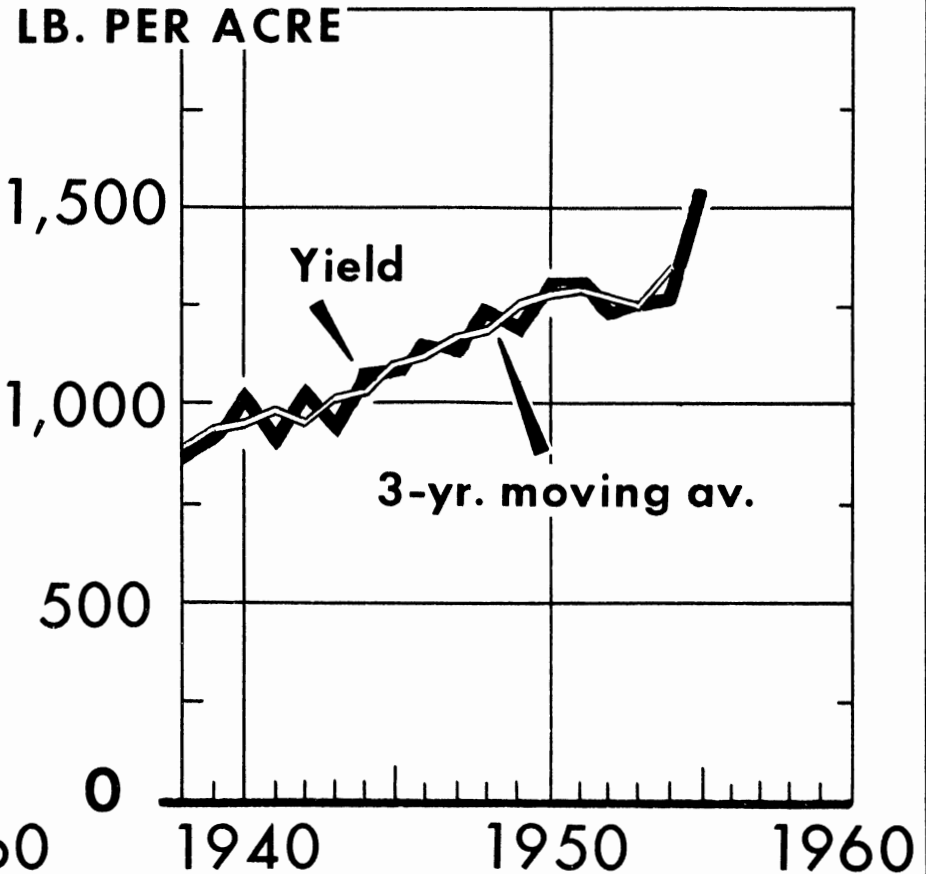
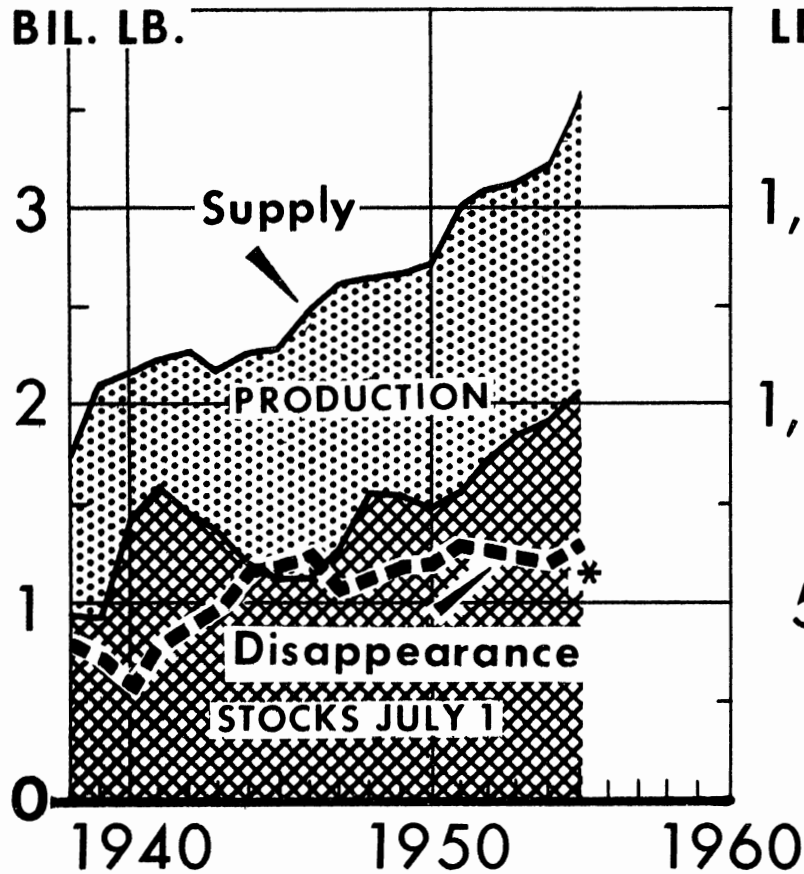
Marketing season	Old Belt : type 11(a)	Middle Belt : type 11(b)	Eastern : N. C. : type 12	Border : Belt : type 13	Ga.-Fla. : type 14	All belts
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
1947	278	176	483	299	171	1,407
1948	256	157	392	258	134	1,197
1949	243	137	406	283	155	1,224
1950	315	171	448	302	142	1,378
1951	312	187	527	357	192	1,575
1952	328	177	488	333	180	1,506
1953	254	138	480	348	192	1,412
1954	288	161	522	309	188	1,468
1955 ^{1/}	<u>2/310</u>	170	528	371	212	1,591
Percentage of total						
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1947	19.8	12.5	34.3	21.2	12.2	100.0
1948	21.4	13.1	32.7	21.6	11.2	100.0
1949	19.8	11.2	33.2	23.1	12.7	100.0
1950	22.9	12.4	32.5	21.9	10.3	100.0
1951	19.8	11.9	33.4	22.7	12.2	100.0
1952	21.8	11.8	32.4	22.1	11.9	100.0
1953	18.0	9.8	34.0	24.6	13.6	100.0
1954	19.6	11.0	35.6	21.0	12.8	100.0
1955	19.5	10.7	33.2	23.3	13.3	100.0

^{1/} Preliminary. ^{2/} Sales through December. One market will be open on January 10 or 11.

Supplies

The 1955-56 total supply of flue-cured tobacco is a record 3,560 million pounds--10 percent larger than for 1954-55. The 1955 crop at 1,504 million pounds exceeded the 1954 crop by 14 percent despite a 5 percent cut in acreage allotments and harvested acreage. Average yields per acre for the entire flue-cured area were 20 percent above 1954 and nearly one-sixth above the previous record high of 1950. Yields averaged a record high in each of the major producing areas, exceeding the 1944-53 averages by 20 percent for type 11 and 30-33 percent for the other types. The carryover at the outset of 1955-56 was 2,056 million pounds--up 7 percent from a year earlier.

SUPPLY, DISAPPEARANCE, AND YIELD OF FLUE-CURED TOBACCO



YEAR BEGINNING JULY 1

* ESTIMATED

The 1956 marketing quota announced in early July results in an acreage allotment totaling about 889,000 acres compared with 1,007,100 acres allotted in 1955. This amounts to a reduction of about 12 percent for most farms. If yields per acre approximate the 1953-55 average of 1,341 pounds per acre, this acreage would produce a crop of about 1,190 million pounds; but if yields should average as much as 1,500 pounds per acre (approximately as much as in 1955), this acreage would produce about 1,335 million pounds. Carryover on July 1, 1956, is expected to be about 2,280 million pounds--over one-tenth larger than in mid-1955. Thus total supply for 1956-57 might range from 3,470 to 3,615 million pounds, with 1956 acreage allotments as they now stand. In view of this prospect for very large supplies again next year, several leaders in the flue-cured area have indicated they believe a further cut is needed in the 1956 flue-cured allotment. This would require legislative action by Congress and another referendum of growers early in 1956 in order to be ahead of growers' preparations for planting the 1956 crop.

Domestic Use and Exports

In the current marketing year (July 1955-June 1956), the domestic use of flue-cured may approach 780 million pounds compared with 744 million in 1954-55, when it was the smallest in 5 years.

Exports of flue-cured during 1955-56 may be over 500 million pounds (farm-sales-weight)--roughly one-sixth greater than in each of the previous 2 years and the largest since the immediate postwar year, 1946-47. Foreign currency sales are a major factor increasing the 1955-56 exports of flue-cured. During July-October 1955, flue-cured exports were 38 percent larger than in the same period of 1954. The top ranking importer, the United Kingdom, took 31 percent more and Germany, ranking second, took over twice as much as the lower than usual shipments in the same 4 months of last year. Australia, ranking third, got 62 percent more and Belgium, ranking fourth, got over 3 3/4 times as much as the relatively small amount in the corresponding period of a year earlier. However, Ireland and Netherlands, ranking fifth and sixth, took 30 and 24 percent less, respectively. Other important foreign outlets that got more in the first third of the 1955-56 marketing year than in the same period of 1954-55 were Sweden, Philippine Republic, Japan, Thailand, Egypt, Norway, Indonesia, Finland, Spain, Austria, and Indochina. There were slight to moderate declines in flue-cured going to Denmark, New Zealand, Portugal, and Hong Kong and sharply less to France and India. Pakistan and Switzerland got about the same as in July-October a year earlier.

Burley, Type 31

Prices

Burley auction markets began on November 28 and by December 19, gross sales (including resales) totaled about 358 million pounds at an average price of 58 1/2 cents per pound. Prices averaged almost 14 percent more than in the comparable period of 1954. Markets are closed for the holiday period from December 22 through January 2.

The Government support level is 46.2 cents per pound--one-fifth of a cent lower than for the 1954 crop. The burley placed under Government loan in the 1955 season through December 16 totaled 60 million pounds--about 18 percent of deliveries to market. This compares with 30 percent of the much larger volume marketed in about the same period of last year. Of the entire 1954 crop, close to one-third went under loan.

When marketing quotas are in effect on burley, price support at 90 percent of parity is mandatory. Burley growers will vote on December 29 as to whether or not they favor marketing quotas on the next three crops. If marketing quotas are rejected, no Government price support will be available for the 1956 burley crop. Based on the recent level of the parity index and the probable adjusted base price for computing the 1956 burley parity, 90 percent of the parity price for burley in 1956 would closely approximate the support level in effect for the 1955 crop season.

Supplies

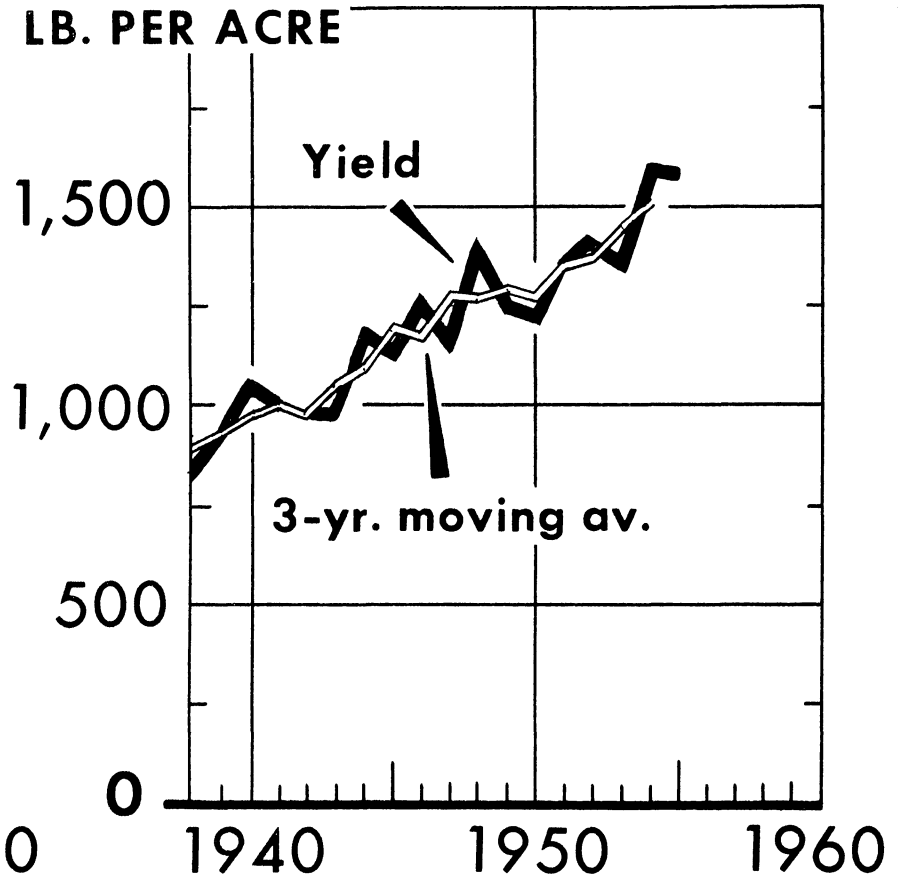
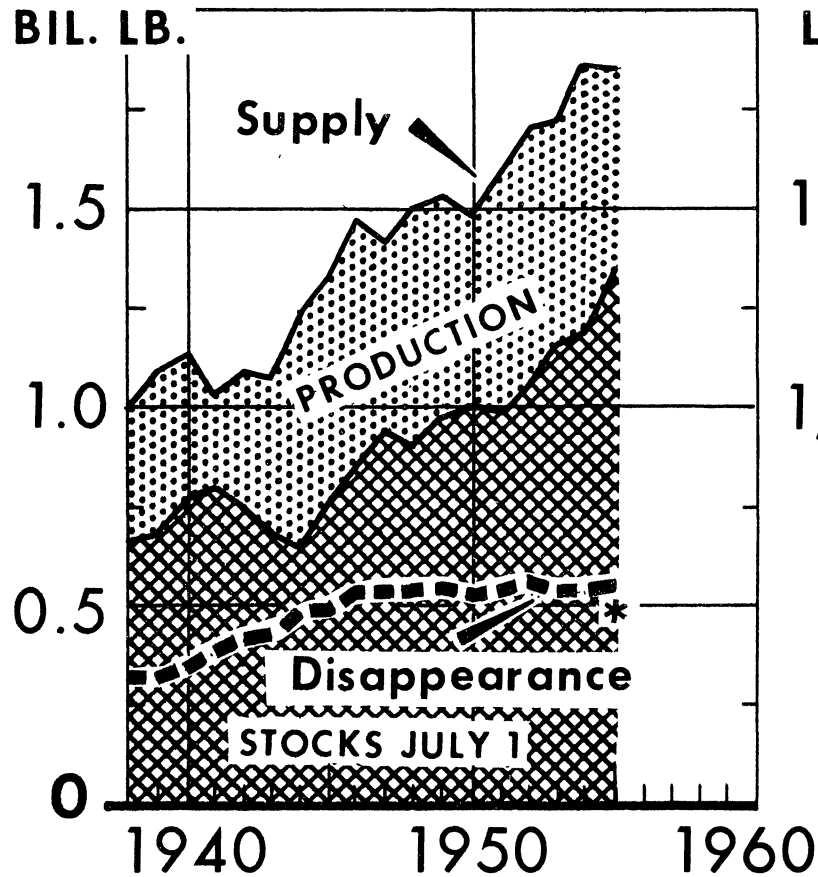
The 1955-56 total supply of burley tobacco is nearly 1,858 million pounds--only slightly less than the record 1954-55 level. The 1955 crop at 510 million pounds is 23½ percent smaller than the record 1954 crop. The 1955 acreage dropped sharply, reflecting the sharp cut in allotments; but yields for the burley producing area as a whole averaged close to the record high of 1954. The carryover at the outset of 1955-56 was 1,348 million pounds--one-eighth larger than a year earlier and reflected the excess of last year's crop over disappearance during the past marketing year.

The 1956 marketing quota proclaimed for burley results in an acreage allotment of 263,350 acres compared with about 310,000 acres allotted in 1955. This means most farm acreage allotments are about 15 percent smaller than in 1955. As provided by law, most producers of burley with one-half acre or less will not have their allotments reduced. The December 29 referendum of burley growers will determine whether the proclaimed marketing quota and acreage allotment will apply to the 1956 crop. Marketing quotas for burley have been continuously in effect since 1939 with heavy majorities of the growers having approved them in the periodical referendums. A favorable vote of at least two-thirds of the growers voting is necessary to keep quotas in effect. If yields per acre were near the 1952-55 average, the production from the 1956 allotment would total about 390 million pounds. If yields were again as high as in each of the last 2 years, production would range towards 420 million pounds. The carryover on next October 1 seems likely to be about 1,330 million pounds, so that total supply for 1956-57 might range around 1,735 million--7 percent lower than the high levels of 1955-56 and 1954-55.

Domestic Use and Exports

During the current marketing year (October 1955--September 1956), domestic use of burley is expected to be near 500 million pounds compared with over 484 million in 1954-55. The 1954-55 figure was lower than expect'

SUPPLY, DISAPPEARANCE, AND YIELD OF BURLEY TOBACCO



* ESTIMATED

in view of the fact that cigarette manufacture was practically the same in each of the past 2 marketing years. However, there were declines in smoking and chewing tobacco output.

Exports of burley tobacco during 1955-56 probably will range around the 33 million pounds (farm-sales weight) of last year. Substantially higher prices, for some of the middle to lower grades this season may prevent any significant increase. In 1954-55 exports of burley, although below 1953-54, were the second highest in the last 5 years. Germany, the leading outlet, took more than in each of the 2 preceding years. Portugal, ranking second, got less than in the preceding year but substantially more than in each of the 3 years prior to 1953-54. Belgium, ranking third, took more than in each of the preceding 2 years. Netherlands, ranking fourth, got less than in 1953-54 but substantially more than in each of the 3 years prior to that. However, Sweden, ranking fifth, though taking more in 1954-55 than a year earlier, took considerably less than in each of the 3 years prior to 1953-54. Mexico, usually among the top ranking foreign outlets for burley, took less than one-third as much in 1954-55 as the substantial quantity exported there the year before. Also France got less than in 1953-54, although still significantly more than in the years just prior to that. There were sizable increases in burley exports in the past year to Austria, Egypt, Philippine Republic, Australia, and Denmark but notable decreases to Italy, Finland, Norway, and Switzerland. None went to Yugoslavia in contrast to sizable quantities in each of the preceding 2 years.

Maryland, Type 32 3/

Prices

The 1955 Maryland crop will go to auctions next spring and summer. Auction markets usually open in May and run until sometime in August. Around one-tenth of the Maryland crop is sold in the Baltimore hogshead market. Government price support will not be available since a marketing quota was not in effect on the 1955 crop.

Maryland growers received 39.6 cents for their 1954 crop--27 percent less than for the preceding crop. Government price support, though in effect for the 1953 crop, could not be made available on the 1954 crop since a marketing quota was not in effect.

Maryland growers will vote on December 29 with respect to marketing quotas on the next three crops. If approved by at least two-thirds of the growers voting, the 1956 crop will receive price support at 90 percent of parity. The November 1955 parity for Maryland tobacco was 53.3 cents per pound. The minimum support level for most eligible types of tobacco is usually determined by early April and based on 90 percent of the parities at that time.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12-month period, October 1 through September 30. Disappearances are calculated on the October-September basis.

Supplies

The 1955 crop of Maryland tobacco is estimated at 35½ million pounds--21 percent smaller than the 1954 crop, which was the largest in the past 9 years. The storm damage in August reduced the size of this year's crop considerably below what had been expected earlier. Adding this year's crop to the estimated carryover on January 1 of at least 75 million pounds provides a total supply of about 111 million pounds--only 2 to 3 million below last year's record. The 9 percent jump in carryover largely offsets the drop in this year's production from last year.

On December 29, Maryland tobacco growers will vote on marketing quotas for the next three crops--1956, 1957, and 1958. A two-thirds majority of the growers voting is necessary if a quota is to be in effect. In the October 1953 referendum, 64.1 percent favored a marketing quota on the 1954 crop and in the December 1954 referendum, 51.1 percent favored a marketing quota on the 1955 crop. If quotas are not approved, Maryland growers will not vote again for 3 years unless in the interim, the Secretary is petitioned by at least one-fourth of the growers to again proclaim quotas.

The announced 1956 quota is 37.9 million pounds, resulting in an acreage allotment of about 45,800 acres. The acreage harvested in 1955 is estimated at 49,000 acres and in 1954, at 50,000 acres.

Domestic Use and Exports

Domestic use of Maryland tobacco in 1955-56 may increase a little above the 29 million pounds in 1954-55. Apparently, in contrast with the other mainly cigarette types, there was about a 3 percent increase in domestic use of Maryland tobacco between 1953-54 and 1954-55. Some Maryland tobacco is used in some cigars.

Exports of Maryland tobacco during 1954-55 were about 8½ million pounds (farm-sales weight)--a little larger than a year earlier. Switzerland, accounting for two-thirds of the total, got 9 percent more than in 1953-54 and about the same as in 1952-53. West Germany, Spain, and Netherlands also took more in 1954-55 than a year earlier but none went to Yugoslavia in contrast to a relatively sizable quantity in each of the preceding 2 years. Belgium took slightly more than a year earlier but much less went to Tunisia and none to Morocco.

Fire-Cured, Types 21-23Prices

Auctions for Virginia fire-cured (type 21) began on November 28. For sales through December 19, prices averaged 32.1 cents per pound--6 percent less than in the comparable period of last year. In general, quality was poorer than last year. This year's Virginia crop suffered from heavy rains and winds from hurricanes. The auctions for Kentucky-Tennessee fire-cured begin in early January.

Table 12--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Stocks following		Supply	Disappearance 2/			Average price per pound
	Production	Jan. 1 1/		Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	27.5	38.4	65.9	26.5	21.1	5.4	19.7
1941-45	29.4	44.1	71.5	29.7	27.1	2.6	48.9
1946	46.2	32.4	78.6	34.0	28.3	5.7	44.5
1947	37.8	44.9	82.7	34.3	27.0	7.3	42.8
1948	35.0	46.9	81.9	37.0	27.7	9.3	54.4
1949	41.2	45.5	86.7	35.4	28.0	7.4	48.3
1950	40.0	53.4	93.4	35.5	27.1	8.4	48.2
1951	41.6	59.3	100.9	33.3	26.7	6.6	44.8
1952	40.2	64.9	105.1	40.2	32.4	7.8	48.8
1953	40.5	65.4	105.9	36.4	28.4	8.0	54.5
1954	45.0	68.6	113.6	37.5	29.3	8.2	39.6
1955 3/	35.5	*75.0	*110.5				
: : : : : : : :							
	Parity price 4/	Price support level	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on November 30, 1955 5/		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1946	30.0	27.0	0	---	0		
1947	36.2	32.6	0	---	0		
1948	48.8	43.9	3.0	8.6	1.1		
1949	46.5	41.8	2.6	6.3	.7		
1950	56.5	48.6	5.5	13.8	2.5		
1951	60.6	6/	6/	6/	6/		
1952	58.5	6/	6/	6/	6/		
1953	56.0	50.4	6.7	18.1	6.3		
1954	53.5	6/	6/	6/	6/		
1955	53.3	6/	6/	6/	6/		
: : : : : : : :							
Total	---	---	17.8	---	10.6		

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed or October 1. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ No support since marketing quota was not approved by two-thirds of growers voting. *Estimated.

The Government support level for 1955 fire-cured tobacco is 34.6 cents per pound. As provided by law, price supports for fire-cured are calculated at 75 percent of the burley support level. Growers will receive price support for their 1956 crop since in last year's referendum, they approved quotas on their 1955, 1956, and 1957 crops. The 1956 support level is likely to be close to that for 1955.

Thus far in the Virginia markets, about one-eighth of deliveries have been placed under Government loan. In the comparable period of last season, about 16 percent went under loan.

Supplies

The 1955-56 total supply of fire-cured tobacco at over 201 million pounds is nearly 3 percent more than for 1954-55. The 1955 production at 64 million pounds was 3 percent above 1954 despite the cut in acreage allotments and the 8 percent smaller harvested acreage. Yields per acre of the Kentucky-Tennessee types were at record highs, thus more than offsetting the acreage reductions. The carryover of fire-cured tobacco at the outset of 1955-56 was 137 million pounds--over 2 percent above a year earlier. There was little change from a year earlier in the carryover of Virginia fire-cured; but in the Kentucky-Tennessee types, the sizable relative increase in type 23 carryover more than offset the small decrease for type 22.

The 1956 acreage allotment for fire-cured tobacco is 42,755 acres. Allotments for most farms will be about 15 percent smaller than in 1955. About 95 percent of the 1955 allotted acreage was planted. If a little larger proportion of the smaller 1956 allotments is grown and yields per acre are near the recent 5-year average (adjusted by omitting the severe drought year, 1953), the 1956 production of fire-cured will be about 51 million pounds--one-fifth less than in 1955. A crop of this size, together with a carryover next October 1 of probably around 141 million pounds, would provide a total 1956-57 supply of roughly 192 million pounds--a decrease of 5 percent from the 1955-56 level.

Domestic Use and Exports

During the current marketing year (October 1955-September 1956), total disappearance of fire-cured is expected to range around 60 million pounds--not greatly different than in the last few years. Domestic use fell off in 1954-55, despite the stable output of snuff--the main domestic outlet.

Exports during 1954-55 at over 29 million pounds (farm-sales weight) were almost 1 million greater than a year earlier. The 5-percent gain in exports of Kentucky-Tennessee fire-cured tobacco more than offset the 12 percent decline of the relatively smaller exports of Virginia fire-cured.

The 1954-55 exports of Virginia fire-cured tobacco were the third smallest on record. Norway, the leading foreign outlet, took less than three-fourths as much Virginia fire-cured as in each of the preceding 2 years. Also substantially less went to Sweden but Netherlands and the United Kingdom raised their takings compared with each of the previous 2 years. West Germany took more than a year earlier but Switzerland and Australia took less. New Zealand got the same in both recent years.

The three leading foreign outlets for Kentucky-Tennessee fire-cured in 1954-55 were France, Netherlands, and Italy--and combined they received over three-fifths of the total exports of these types. Although France took 10 percent less than in 1953-54, Netherlands took 13 percent more and Italy got over 7 times as much in 1954-55 as the relatively small quantity going there a year earlier. The United Kingdom took considerably more Kentucky-Tennessee fire-cured in 1954-55 than in each of the 2 preceding years. Sweden and Indonesia each took about as much as a year earlier but much less went to Switzerland, French Africa, West Germany, Denmark, Gold Coast, Ireland, and Portugal. Also Belgium took moderately less than a year earlier.

Dark Air-Cured and Sun-Cured, Types 35-37

Prices

Auction markets for One Sucker and Green River (Kentucky-Tennessee dark air-cured types 35 and 36) began on December 1 and 6. For sales through December 17, type 35 prices averaged 31.9 cents per pound and type 36, 30.6 cents. They were 3 and 15 percent lower than the comparable early season prices of last season. Auctions for Virginia sun-cured (type 37) opened on November 29 and for sales through December 16 prices averaged 26.6 cents per pound--21 percent lower than in the comparable period of last season.

The Government support level for 1955 dark air-cured and sun-cured tobacco is 30.8 cents per pound--one-tenth of a cent less than last season. As provided by law, price supports for dark air-cured and sun-cured are calculated at $66\frac{2}{3}$ percent of the burley support level. Growers will receive price support for their 1956 crop since in last year's referendum, they approved quotas on their 1955, 1956, and 1957 crops. The 1956 support level is likely to be close to that for 1955.

Thus far this season in the dark air-cured auction markets, about 26 percent of the One Sucker and 10 percent of the Green River has been placed under Government loan. The corresponding percentages last season were 23 percent for One Sucker and 12 percent for Green River. Only negligible amounts of Virginia sun-cured went into loan thus far this season and also last season.

Supplies

The 1955-56 total supply of dark air- and sun-cured is nearly 115 million pounds--4 percent larger than for 1954-55. The 1955 crops of the three types totaled almost 34 million pounds--only slightly less than a year earlier despite a cut in acreage allotments for the Kentucky-Tennessee types. The yields per acre for Kentucky-Tennessee dark air-cured were at a record high. Acreage of Virginia sun-cured increased a little and yields were larger than last year. The carryover of these types on October 1, 1955, totaled nearly 81 million pounds--7 percent above a year earlier and slightly higher than the previous postwar peak of October 1, 1950. Stocks of One Sucker have increased substantially in the last few years while stocks of Green River have fluctuated in a fairly narrow range.

The 1956 allotment for dark air-cured tobacco is 16,674 acres. Allotments for most farms will be about 20 percent smaller than in 1955. The 1956 acreage allotment for Virginia sun-cured is 5,539 and for most farms, there is no change from the 1955 allotments. Taking into account the probable percentage of the total allotment that may be planted and recent average yields, it seems likely that the 1956 production of types 35-37 will be around 26 million pounds. This plus a probable carryover next October 1 of about 85 million pounds would provide a total 1956-57 supply of about 111 million pounds--3 percent lower than for the current year.

Domestic Use and Exports

During the current marketing year (October 1955-September 1956), total disappearance of types 35-37 is expected to continue fairly close to 30 million pounds.

The 1954-55 domestic use of types 35-37 at 19.4 million was 15 percent below 1953-54--a greater drop than is explainable by the 4 percent drop in chewing tobacco output. The 1954-55 domestic consumption of these types was the smallest on record.

Exports of dark air-cured and sun-cured in 1954-55 at 10 million pounds (farm-sales weight) were the largest in 4 years. The increase over a year earlier largely offsets the decline in domestic use. About 44 percent of the exports was in the form of Black Fat, which showed a 36 percent increase and were the largest since 1945-46. Nigeria, Gold Coast, and French West Africa, the leading outlets, each got notably larger quantities than in 1953-54. Exports of One Sucker in 1954-55 nearly doubled because of the substantial shipment to Madagascar under the foreign currency program under Section 550 of the Mutual Security Act. Prior to this, none had gone to Madagascar. Also, exports of One Sucker to France and Belgium increased but much less than in each of the previous 2 years went to Nigeria. Exports of Green River leaf increased one-third from 1953-54 to 1954-55 and were the largest since 1948-49. The foreign currency sales to France and Madagascar accounted for most of the increase. The United Kingdom, the leading outlet, took nearly one-fourth more but there was a sharp decrease to the Netherlands, the second ranking outlet in the 2 years just prior to 1954-55. Ireland took more but Belgium got much less than in most previous years.

Prices

Cigar, Types 41-62

Most cigar tobacco is sold at the "barn door" during the fall and winter. This year in the Connecticut Valley, buying began in the latter part of November at about the time the growers' association began receiving tobacco for Government loans. According to reports from the University of Connecticut, the possibility of manufactured tobacco sheet replacing natural leaf binders appears to be a major cause for the dull opening of this year's market for Havana Seed and Broadleaf. Although leaf quality is good, droughty growing conditions followed by excessive rainfall reduced to below average the percentage in the top binder grades.

The buying of Broadleaf has been particularly slow. Most sorted grade prices, however, were little changed from 1954 except for the number 1 dark wrapper grade. This grade, which represents about 20 percent of a normal crop, was generally priced at 50 cents per pound or 10 to 20 cents below a year earlier.

Table 15.- Cigar tobacco price support operations, 1946-55

Type	Quantity placed under loan by crop year									Remaining as of Nov. 30 1955
	1946	1947	1948	1949	1950	1951	1952	1953	1954	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Pa. Seedleaf (type 41)	0	0	0	0	2.8	<u>1</u> / ₁	<u>1</u> / ₁	<u>1</u> / ₁	<u>1</u> / ₁	<u>1</u> / ₁
Ohio (types 42-44)	0	0	0	0	2.6	.6	<u>1</u> / ₁	2.7	1.2	1.4
Puerto Rican (type 46)	10.6	10.3	12.3	9.3	.3	1.1	1.4	1.4	5.1	<u>2</u> / ₃ 0
Conn. Valley (type 51)	0	0	0	.1	.1	1.7	<u>1</u> / ₁	<u>3</u> / ₁	.8	.9
Conn. Valley (type 52)	0	0	0	3.2	3.7	2.7	<u>1</u> / ₁	1.8	3.4	<u>4</u> / ₃ 3
Ny. and Pa. (type 53)	0	0	0	0	<u>3</u> / ₁	<u>3</u> / ₁	<u>1</u> / ₁	<u>3</u> / ₁	<u>3</u> / ₁	.0
So. Wis. (type 54)	2.2	.8	2.0	.2	1.4	4.8	<u>1</u> / ₁	2.4	1.3	4.2
No. Wis. (type 55)	0	0	3.0	.5	.6	.1	<u>1</u> / ₁	1.9	.9	1.3
Total	12.8	11.1	17.3	13.3	11.5	11.0	1.4	10.2	12.7	14.1

1/ Price support not in effect because marketing quotas were disapproved by growers. 2/ As of October 31, 1955. 3/ Less than 50,000 pounds. 4/ Not including 195,000 pounds of 1955 crop received by Nov. 30.

Connecticut Valley Havana Seed sold on a crop run bundle basis was priced from about 40 to 50 cents per pound. Opening prices averaged less than 45 cents or 5 to 15 cents per pound below 1954 prices for individual crops.

An extremely large volume of the Connecticut Valley binder types seems likely to go under Government loan this marketing season.

Purchases of the Wisconsin binder types usually begin in early January.

The Government support levels for the 1955 crops of the eligible cigar types and other comparative data are shown in table 16.

Table 16.- Cigar tobacco types 41-62: Government loan levels and season average prices--1953-55

Type	1953 loan level	1953 season average	1954 loan level	1954 season average	1955 loan level
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	1/	27.5	1/	27.4	1/
Ohio cigar filler, types 42-44	25.4	18.5	25.1	22.5	24.7
Puerto Rican filler type 46 1/	32.4	30.0	32.6	30.5	31.9
Conn. Valley Broadleaf binder, type 51	53.4	58.4	53.8	55.5	53.9
Conn. Valley Havana Seed binder, type 52	51.2	54.9	51.5	43.0	50.8
N. Y. and Pa. Havana Seed binder, type 53	26.1	23.4	25.7	24.0	25.0
Southern Wis. binder, type 54	25.4	24.3	25.1	24.3	24.5
Northern Wis. binder, type 55	32.0	31.9	31.9	32.7	32.0
Conn. Valley shade-grown wrapper, type 61	2/	205.0	2/	215.0	2/
Ga.-Fla. shade-grown wrapper, type 62	2/	195.0	2/	195.0	2/

1/ Government price support not in effect on type 41. 2/ Mandatory loans not applicable.

The 1956 crops of cigar filler and binder (types 42-44 and 51-55) will be supported at 90 percent of parity. Two years ago, growers of these types approved marketing quotas on their 1954, 1955, and 1956 crops.

The Pennsylvania filler (type 41) growers have rejected marketing quotas in each referendum beginning with the first one held in late 1950 with reference to the 1951 crop. Hence, no Government price support was available during the past 5 years for this type.

The price support for Puerto Rican filler (type 46) crop that will be mainly harvested and marketed during the first half of 1956 is 31.9 cents per pound--seven-tenths of a cent lower than in the previous season. A Federal marketing quota is not in effect for Puerto Rican tobacco and its price support by law is based on its supply relationship. The supply of Puerto Rican tobacco as of October 1, 1955, was 5 percent above normal, a level requiring support at not less than 88 percent of parity.

Supplies

Filler: The 1955-56 total supply of continental cigar filler types 41-44 is nearly 187 million pounds, a little above a year earlier. The 1955 crops of Pennsylvania and Ohio filler totaled almost 51 million pounds--8 percent less than in 1954. Carryover at approximately 136 million pounds was nearly 5 percent above a year earlier and this increase more than offset the decrease in the size of this year's crop compared with last year.

The October 1, 1955, stocks of Puerto Rican tobacco at nearly 59 million pounds were one-fifth above those of a year earlier and the highest for that date since 1948. The Puerto Rico Department of Agriculture and Commerce reports that estimated plantings of the 1955-56 crop may be 13 percent less than harvested acreage in 1954-55.

Table 17.- Shipments of tobacco from Puerto Rico to the United States for specified periods

Classifi- cation	(Declared weight)					
	Average	Average	1953	1954	January-September	
	1934-38	1948-52	1953	1954	1954	1955
	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds
Stemmed	17.4	10.6	11.1	14.6	8.3	5.9
Unstemmed	.1	.2	.9	.8	.7	.5
Scrap	5.0	7.5	4.2	5.4	3.3	3.7
Total	22.5	18.3	16.2	20.8	12.3	10.1

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

Binder: The 1955-56 total supply of binder types 51-55 is about 159 million pounds--about 9 million lower than for 1954-55. The 1955 production of all binder types combined is about 42 million pounds compared with 47 to 50 million in each of the previous 4 years. The 1955 crops of Connecticut Valley Broadleaf (type 51), Havana Seed (type 52), Southern Wisconsin (type 54), and Northern Wisconsin (type 55) are 7 to 17 percent smaller than last year. Floods and storms reduced the Connecticut Valley binder production below what was expected earlier and dry weather reduced yields of the Northern Wisconsin crop. There were declines in the carryovers of each of the binder types from a year earlier except for Connecticut Valley Broadleaf, which increased to its highest point for October 1 since the late 1930's.

1956 Cigar Filler and Binder Allotments

The 1956 allotment for cigar filler and binder types 42-44 and 51-55 is 39,353 acres. Most farm allotments will be 12 1/2 percent smaller than in 1955. The estimated 1955 harvested acreage is 32,600 and amounted to only about 70 percent of the total acreage allotted. If a little larger proportion of the smaller 1956 allotment for the binder types is planted than in 1955 and yields are near the 1951-54 average (1955 being the lowest in 8 years was omitted), the 1956 production of the binder types would be about 41 million pounds--3 percent less than in 1955.

The 1956 allotment for Pennsylvania cigar filler is 24,577 acres. The estimated 1955 harvested acreage is 28,900 Pennsylvania growers will vote on December 29 with respect to marketing quotas on the next three crops. If approved by two-thirds of the growers voting, the acreage allotment specified above will become effective and price support at 90 percent of parity will be mandatory.

Cigar Wrapper Supplies

The 1955-56 total supply of cigar wrapper (shade-grown types 61-62) is about 33 million pounds--4 percent lower than for 1954-55. The 1955 production at 15.2 million pounds is 7 percent smaller than in 1954 when it was the second largest on record. The Connecticut Valley 1955 crop is 14 percent lower than 1954 and was reduced sharply by storm and floods from what had been expected. The Georgia-Florida crop is estimated at about 3 percent above the 1954 crop. The carryover on July 1, 1955, was only slightly below a year earlier, with that of the Connecticut Valley declining a little but that of Georgia-Florida rising by a small amount. However, the October 1, 1955, stocks of the Connecticut Valley type 61 were up a little compared with a year earlier and those of the Georgia-Florida type 62, practically even with a year earlier.

Table 18.--Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average prices for specified periods

Year	(Farm-sales weight)						Average price per pound
	Production	Stocks, Oct. 1	Supply	Disappearance 1/		Exports	
				Total	Domestic		
Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	
Filler types:							
41-44							
Average:							
1934-38 2/	48.9	159.9	208.8	54.4			10.4
1941-45	54.4	153.1	207.5	60.1			19.6
1946	57.3	128.8	186.1	63.9			32.9
1947	60.6	122.2	182.8	59.1			30.6
1948	68.3	123.7	192.0	60.1	59.4	0.7	25.8
1949	65.4	131.9	197.3	53.5	52.8	.7	26.2
1950	65.7	143.8	209.5	52.1	51.5	.6	25.2
1951	63.0	157.4	220.4	59.4	58.7	.7	19.6
1952	44.5	161.0	205.5	59.0	58.6	.4	25.2
1953	44.3	146.5	190.8	61.0	60.8	.2	26.2
1954	55.2	129.8	185.1	49.2	49.1	.1	26.7
1955 3/	50.8	135.9	186.7				
Binder types:							
51-55 4/							
Average:							
1934-38	41.8	165.1	206.9	60.5			12.5
1941-45	57.8	122.4	180.2	64.4			29.3
1946	74.1	103.5	177.6	53.9			52.6
1947	69.4	123.7	193.1	67.3			43.8
1948	60.5	125.8	186.3	63.1	52.0	11.1	41.1
1949	61.7	123.2	184.9	49.8	46.4	3.4	36.0
1950	65.0	135.1	200.1	57.6	54.8	2.8	35.8
1951	49.8	142.5	192.3	57.5	54.6	2.9	38.1
1952	47.0	134.8	181.8	56.6	52.7	3.9	38.6
1953	47.4	125.2	172.6	52.8	50.7	2.1	44.7
1954	48.5	119.8	168.3	51.5	49.9	1.6	40.6
1955 3/	42.4	116.9	159.3				

1/ Year beginning October 1. 2/ Includes small quantity of type 45.
 3/ Subject to revision. 4/ Includes small quantity of type 56 through 1948.

Table 19.- Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices for specified periods

Year	Production	Stocks, July 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domes- tic	Exports	
				Million pounds	Million pounds	Million pounds	
Average:							
1934-38	8.4	11.8	20.2	9.3			78.3
1941-45	10.4	13.6	24.0	10.2			160.7
1946	12.5	13.6	26.1	12.7			234.0
1947	13.5	13.4	26.9	12.4			296.0
1948	15.1	14.5	29.6	13.0	10.5	2.5	274.0
1949	17.3	16.6	33.9	14.5	10.8	3.7	201.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954 ^{2/}	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955 ^{2/}	15.2	18.0	33.2				

^{1/} Year beginning July 1.

^{2/} Subject to revision.

Domestic Use and Exports

The total disappearance of Pennsylvania and Ohio filler in the October 1954-September 1955 marketing year at 4.9 million pounds was sharply lower than in each of the previous 3 years. The major drop was in the Pennsylvania type 41. In view of the level of cigar output and no apparent offsetting increases in use of Puerto Rican filler or imported cigar tobacco, this decrease cannot be explained. If substitute tobacco was used, the available statistics do not indicate where it came from. Exports of these filler types have been insignificant during the last 2 years and in 1954-55, were only about 100,000 pounds (farm-sales weight)--most of which went to Indochina.

The total disappearance of the combined binder types 51-55 in the October 1954-September 1955 marketing year was near 51½ million pounds--2½ percent less than a year earlier. Domestic use at 49.9 million pounds was 1.6 percent lower than in 1953-54. This reflected the 1½ percent decline in the output of cigars by domestic factories and the 1 percent decline in production of scrap chewing from 1953-54 to 1954-55. Exports

at 1.6 million pounds (farm-sales weight) were about one-half million less than a year earlier and the smallest of the postwar period. Exports of Wisconsin cigar tobacco to Germany and Switzerland raised the total for those types to more than twice the 1953-54 figure but exports of Connecticut Valley Broadleaf and Havana Seed fell sharply. West Germany, Belgium, and Austria took considerably less Havana Seed but Netherlands and Denmark took more. West Germany, Belgium, Canada, Netherlands, and Denmark all took much less Broadleaf than a year earlier. In October 1955, relatively substantial shipments of Havana Seed went to West Germany and Austria and of Wisconsin tobacco to Sweden. By individual types, the 1954-55 disappearances of Connecticut Broadleaf type 51 and Southern Wisconsin type 54 dropped 1.3 and .9 million pounds below 1953-54 while the disappearance of the Connecticut Valley Havana Seed rose almost 1 million pounds and of Northern Wisconsin type 55, held nearly even.

The total disappearance of shade-grown wrapper types 61-62 in the July 1954-June 1955 marketing year was 16.6 million pounds--sevenths of a million pounds above a year earlier and about equal to the 1952-53 record. Most of the increase above a year earlier was due to increased exports, but domestic use at 12.4 million pounds was also a little above 1953-54. The 1954-55 disappearance of the Connecticut Valley type 61 at 10.2 million pounds was 3 percent above the preceding year and the second largest on record, while the disappearance of Georgia-Florida type 62 at 6.4 million pounds was nearly 7 percent above 1953-54 and a record high. Exports of the wrapper types in 1954-55 totaled 4.2 million pounds (farm-sales weight)--about one-half million more than a year earlier and the second highest on record. West Germany took about one-half of the total, but this represented practically the same as in 1953-54. Belgium, Canada, Switzerland, and France all took more but Netherlands got a little less. In the first third of the 1955-56 marketing year, exports of shade-grown wrapper at about 1.9 million pounds (farm-sales weight) were 44 percent greater than in the same period of a year earlier. The increase was mainly due to nearly twice as much going to West Germany and also a sharply increased quantity to Netherlands.

Table 20.--Acreage of tobacco in the United States, by class and type, annual 1952-55, and percentages

Class and type	1952	1953	1954	1955	Percentage change 1954 to 1955
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	397.0	359.0	369.0	354.0	-4.1
Eastern North Carolina, type 12	356.0	331.0	334.0	317.0	-5.1
South Carolina, type 13	224.0	207.0	212.0	198.0	-6.6
Georgia and Florida, type 14	134.3	124.8	127.2	122.7	-3.5
Total flue-cured, types 11-14	1,111.3	1,021.8	1,042.2	991.7	-4.8
Virginia, type 21	9.8	9.9	10.0	9.1	-9.0
Kentucky and Tennessee, type 22	28.2	28.3	29.7	27.4	-7.7
Kentucky and Tennessee, type 23	9.4	10.1	12.3	11.4	-7.3
Total fire-cured, types 21-23	47.4	48.3	52.0	47.9	-7.9
Burley, type 31	463.5	419.7	420.9	322.3	-23.4
Maryland, type 32	50.0	45.0	50.0	49.0	-2.0
One Sucker, type 35	14.9	14.8	14.4	13.1	-9.0
Green River, type 36	8.0	7.5	7.6	7.2	-5.3
Virginia sun-cured, type 37	3.4	3.7	4.1	4.3	4.9
Total dark air-cured, types 35-37	26.3	26.0	26.1	24.6	-5.7
Pennsylvania, Seedleaf, type 41	23.0	25.5	28.6	28.9	1.0
Miami Valley, types 42-44	5.7	4.7	4.6	4.4	-4.3
Total cigar filler, types 41-44	28.7	30.2	33.2	33.3	.3
Connecticut Valley Broadleaf, type 51	9.3	8.4	8.0	7.9	-1.2
Conn. Valley Havana Seed, type 52	5.8	6.2	6.4	5.7	-10.9
N. Y. and Pa. Havana Seed, type 53	.5	.4	.2	.2	0
Southern Wisconsin, type 54	5.7	4.8	5.1	4.7	-7.8
Northern Wisconsin, type 55	9.4	9.5	9.9	9.7	-2.0
Total cigar binder, types 51-55	30.7	29.3	29.6	28.2	-4.7
Conn. Valley Shade-grown, type 61	8.0	7.9	8.2	8.0	-2.4
Ga. and Fla. Shade-grown, type 62	5.1	4.4	4.8	4.9	2.1
Total cigar wrapper, types 61-62	13.1	12.3	13.0	12.9	-.8
Louisiana Perique, type 72	.4	.3	.3	.2	-33.3
Total all types	1,771.4	1,632.9	1,667.3	1,510.1	-9.4

1/ Preliminary.

Table 21. Tobacco. Acreage in the United States, by types, for specified periods with percentages

Period	Flue-cured 11-14 1/	Fire-cured 21-24 1/	Burley 31	Maryland 32	Dark air-cured 35-37	Cigar			United States	
						Filler 41-45 1/	Binder 51-56 1/	Wrapper 61-62		
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	
Averages:										
1924-28	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3	
1929-33	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3	
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3	
1939-43	872.8	90.1	375.4	38.4	38.6	45.2	39.2	10.2	1,510.3	
1944	1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9	
1945	1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7	
1946	1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8	
1947	1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6	
1948	883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6	
1949	935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2	
1950	958.4	52.9	408.3	50.0	28.7	44.6	42.0	13.7	1,599.0	
1951	1,110.1	49.0	456.1	53.0	26.5	39.5	31.7	13.6	1,779.9	
1952	1,111.3	47.4	463.5	50.0	26.3	28.7	30.7	13.1	1,771.4	
1953	1,021.8	48.3	419.7	45.0	26.0	30.2	29.3	12.3	1,632.9	
1954 2/	1,042.2	52.0	420.9	50.0	26.1	33.2	29.6	13.0	1,667.3	
1955 2/	991.7	47.9	322.3	49.0	24.6	33.3	28.2	12.9	1,510.1	
				Percentage change						
	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	Per- cent	
Av. 1947-49 to 1955 1/	-.2	-30.6	-25.6	2.1	-24.1	-22.4	-32.7	-12.8	-9.9	
1954 to 1955	-4.8	-7.9	-23.4	-2.0	-5.7	.3	-4.7	-.8	-9.4	

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.

2/ Subject to revision.

Table 22.- Tobacco: Yield per acre in the United States, by types, for specified periods with percentages

Period	Cigar								United States
	Flue-cured: 11-14: 1/	Fire-cured: 21-24: 1/	Burley: 31	Mary-land: 32	Dark air cured: 35-37	Filler: 41-45: 1/	Binder: 51-56: 1/	Wrapper: 61-62	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:									
1924-28	676	767	807	781	784	1,340	1,256	1,041	765
1929-33	707	777	777	683	803	1,035	1,350	1,039	770
1934-38	856	811	819	749	837	1,266	1,465	954	865
1939-43	963	923	985	755	958	1,323	1,526	982	986
1944	1,069	1,022	1,189	850	1,116	1,440	1,548	1,075	1,115
1945	1,088	951	1,127	525	988	1,261	1,518	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,469	1,519	1,000	1,181
1947	1,135	1,031	1,153	795	1,054	1,419	1,495	992	1,138
1948	1,233	1,170	1,396	750	1,165	1,566	1,524	998	1,274
1949	1,191	1,189	1,253	825	1,133	1,542	1,561	1,108	1,213
1950	1,312	1,102	1,222	800	998	1,474	1,547	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,572	1,098	1,310
1952	1,229	1,228	1,403	805	1,286	1,550	1,532	1,124	1,273
1953	1,245	1,013	1,345	900	1,022	1,468	1,617	1,203	1,261
1954 2/	1,261	1,197	1,585	900	1,325	1,664	1,641	1,264	1,346
1955 2/	1,517	1,341	1,582	725	1,373	1,526	1,506	1,180	1,494
	Percentage change								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49: to 1955	27.9	18.7	24.9	-8.2	22.9	1.1	-1.4	14.2	23.7
1954 to 1955	20.3	12.0	-.2	-19.4	3.6	-8.3	-8.2	-6.6	11.0

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.
2/ Subject to revision.

Table 23.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-54, by quarters 1953-55

Year and quarter	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders' equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent	
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
Current series 1/							
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1953							
1	875	65	28	7.4	3.2	17.9	7.7
2	940	90	35	9.6	3.7	24.5	9.5
3	992	97	39	9.8	3.9	26.1	10.5
4	961	86	36	8.9	3.7	23.0	9.6
1954							
1	846	72	34	8.5	4.0	19.1	9.0
2	932	81	38	8.7	4.1	21.3	10.0
3	970	93	44	9.6	4.5	24.1	11.4
4	924	83	40	9.0	4.3	21.3	10.2
1955							
1	860	74	35	8.6	4.1	18.8	8.9
2	975	98	47	10.1	4.8	24.6	11.8

1/ Not strictly comparable to the series previously published for 1947-51, but differences in the current and previous series for 1951 are relatively minor.

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