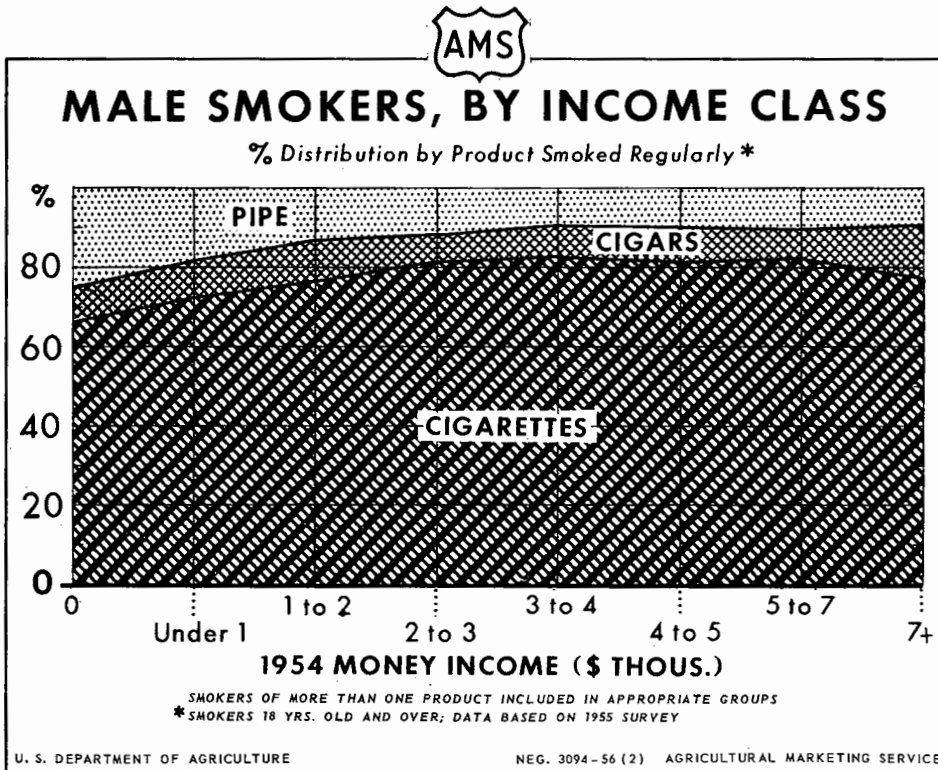


The TOBACCO SITUATION

TS-75

FOR RELEASE
MAR. 28, P. M.
1956

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Of the men who smoke regularly-- that is, daily--the big majority at each income level smoke cigarettes. At each income level up to \$4,000, the proportion smoking cigarettes increases and the proportion smoking pipes declines. The proportions smoking cigarettes, cigars, or pipes change little in the income groups from \$3,000 to \$6,999. Among smokers with in-

comes of \$7,000 or more, the proportion smoking cigars is considerably larger than at lower income levels while the proportion smoking cigarettes is somewhat smaller.

(See the special article in this issue for further information and data based on a Census survey of a national sample.)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1954-55				1955-56				Last data available as percentage of a year earlier	
		Oct.	Nov.	Dec.	Jan.	Oct.	Nov.	Dec.	Jan.		
Average prices at auctions											
Flue-cured	Cents per lb.	53.7	51.0	43.9	29.3	52.1	53.0	48.6	*	111	
Burley	Cents per lb.	Closed	52.8	50.8	47.2	Closed	57.3	58.8	58.3	124	
Maryland	Cents per lb.	C - 1 - o - s - e - d				C - 1 - o - s - e - d					
Fire-cured	Cents per lb.	Closed	34.6	34.1	37.1	Closed	32.1	32.1	37.5	101	
Dark air-cured (35-36)	Cents per lb.	C-1-o-s-e-d				34.5	C-1-o-s-e-d				31.7
Virginia sun-cured (37)	Cents per lb.	Closed	31.9	32.5	32.3	Closed	25.5	26.8	25.4	79	
Parity prices											
Flue-cured	Cents per lb.	52.5	52.5	52.5	53.5	52.9	52.7	52.7	53.4	100	
Burley	Cents per lb.	50.8	50.8	50.8	51.3	50.8	50.8	51.1	52.0	101	
Maryland	Cents per lb.	53.3	53.3	53.3	54.1	53.5	53.3	53.3	51.1	94	
Fire-cured	Cents per lb.	34.3	34.3	34.3	---	35.3	35.2	35.2	---	---	
Dark air-cured (35-36)	Cents per lb.	29.0	29.0	29.0	30.3	30.0	29.9	29.9	30.3	100	
Virginia sun-cured (37)	Cents per lb.	34.0	34.0	34.0	34.0	33.6	33.5	33.5	32.3	95	
Parity index 1/											
	1910-14=100	279	279	279	283	280	279	278	281	99	
Tax-paid removals											
Cigarettes, small	Billion	31.6	29.7	26.7	30.4	32.9	32.6	27.4		103	
Cigars, large	Million	501	573	426	408	551	613	432		101	
Chewing and smoking	Mill. lb.	14.2	13.6	11.7	12.7	13.6	13.6	10.1		86	
Snuff	Mill. lb.	3.1	3.2	3.1	3.2	3.2	3.3	3.1		100	
Accumulated from Jan. 1											
Cigarettes, small	Billion	312	342	369	30	322	355	382		104	
Cigars, large	Million	4,691	5,265	5,691	408	4,782	5,396	5,828		102	
Chewing and smoking	Mill. lb.	135	149	161	13	132	145	155		96	
Snuff	Mill. lb.	32	35	39	3	33	36	39		100	
Tax-free removals											
Cigarettes, small	Billion	2	3	3	3	2	2	3		100	
Cigars, large	Million	8	8	7	6	7	6	6		86	
Chewing and smoking	Mill. lb.	.5	.4	.4	.3	.3	.3	.2		50	
Accumulated from Jan. 1											
Cigarettes, small	Billion	27	30	33	3	25	27	30		91	
Cigars, large	Million	74	83	90	6	70	76	82		91	
Chewing and smoking	Mill. lb.	4.0	4.4	4.8	.3	3.5	3.7	4.0		83	
Disposable personal income 2/											
	Bil. dol.			257.8				276.6		107	
Index of industrial production 3/											
	1947-49=100	126	128	130	132	143	143	144	144	109	
Employment											
Labor force employed	Million	62.1	61.7	60.7	60.2	65.2	64.8	64.2	62.9	104	
	Percent	95.8	95.5	95.5	94.7	96.8	96.4	96.4	95.6	101	
Exports (farm-sales wt.)											
Flue-cured	Mill. lb.	102.7	58.5	37.9	28.1	88.2	59.5	43.5	43.6	155	
Burley	Mill. lb.	2.4	2.5	1.8	3.2	1.8	5.1	2.8	1.7	53	
Maryland	Mill. lb.	.7	1.0	1.1	.5	1.4	1.3	.7	2.4	480	
Fire-cured	Mill. lb.	3.1	3.1	1.8	1.5	2.7	3.7	1.9	3.1	207	
Dark air-cured	Mill. lb.	1.1	.6	.8	.6	.3	.5	.4	n.a.	---	
Cigar	Mill. lb.	.4	.8	.6	.4	1.3	.6	.6	n.a.	---	
Accumulated from beginning of marketing yr. 4/											
Flue-cured	Mill. lb.	195.8	254.3	292.2	320.3	272.8	332.3	375.8	419.4	131	
Burley	Mill. lb.	2.4	4.9	6.7	9.9	1.8	6.9	9.7	11.4	115	
Maryland	Mill. lb.	.7	1.8	2.9	3.4	1.4	2.7	3.4	5.8	171	
Fire-cured	Mill. lb.	3.1	6.2	8.0	9.5	2.7	6.4	8.3	11.4	120	
Dark air-cured	Mill. lb.	1.1	1.7	2.4	3.3	.3	.8	1.2	n.a.	---	
Cigar filler and binder	Mill. lb.	.2	.4	.7	.8	.6	.8	1.1	n.a.	---	
Cigar wrapper	Mill. lb.	1.3	1.9	2.2	2.4	1.9	2.3	2.7	3.0	125	
General imports, all commodities											
Accumulated from Jan. 1	Mill. dol.	767	840	943	870	1,010	1,064	1,012	1,045	120	
Sterling area gold and dollar reserves 5/											
	Mill. dol.	2,936	2,925	2,762	2,763	2,297	2,283	2,120	2,119	78	
Stocks of domestic types (farm-sales weight) 6/											
Flue-cured	Mill. lb.	2,267			2,553	2,541			2,816	110	
Burley	Mill. lb.	1,198			1,437	1,347			1,566	109	
Maryland	Mill. lb.	77			69	84			77	112	
Fire-cured	Mill. lb.	134			124	137			125	101	
Dark air-cured	Mill. lb.	76			84	81			85	101	
Cigar, filler	Mill. lb.	179			158	195			171	108	
Cigar, binder	Mill. lb.	120			117	117			112	96	
Cigar, wrapper	Mill. lb.	22			26	22			25	96	

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. *Marketings negligible. n.a.--not available.

 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 March 22, 1956

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SUMMARY

The 1956 output of cigarettes--the leading outlet for flue-cured, burley, and Maryland tobacco--is expected to be higher than the 412 1/2 billion turned out in 1955. Last year's total was almost 3 percent above 1954 following the nearly 8 percent decline from the peak 435 1/2 billion in 1952. The number of cigarettes consumed in the United States in 1955 at 382 billion rose almost 4 percent from 1954 but overseas shipments to troops and commercial exports fell off about 8 percent. A small part of the increased consumption in this country is probably due to the return of troops to the continental United States. Trade reports indicate that sales of filter tip cigarettes were continuing to increase at the close of 1955.

In the current marketing year, preliminary indications are that the domestic use of flue-cured, burley, and Maryland tobacco will not be substantially different than in 1954-55 when measured on the customary farm-sales weight basis. This is in spite of the increase in cigarette manufacture. It appears that a greater number of cigarettes than formerly are being made from a given quantity of leaf tobacco.

The total supplies of flue-cured and burley for 1955-56 are about 3,537 and 1,820 million pounds. The flue-cured supply is nearly 10 percent above 1954-55 and a record high while the burley supply is 2 1/2 percent

below 1954-55 and the second largest on record. The 1956 prospective acreage as of March 1 for flue-cured is 11 percent smaller than in 1955 and reflects the cut in acreage allotments. The 1956 prospective acreage for burley is nearly the same as for 1955. The volume of burley marketed indicated that the 1955 crop was smaller than expected earlier, and legislation approved on March 2, 1956, cancelled the reductions in the 1956 burley acreage allotments announced last November 30. The carryover of flue-cured at the end of the current marketing year will reach a new high and for burley will be second only to last year's record. If 1956 yields are near the averages of recent years, it seems likely that this year's crops plus the carryovers will result in a little smaller total supplies of flue-cured and burley for 1956-57 than those for the current marketing year.

Despite the reduction in last year's crop of Maryland tobacco due to storm damage, the supply is only slightly less than the record level of a year ago because of the increase in carryover. Marketing quotas are in effect on Maryland tobacco in 1956 for the first time since 1953.

The 1956 consumption of cigars is expected to continue above the 6 billion level. The gain in cigar consumption for 1954 to 1955 was about 1 percent. The prospective 1956 acreages for cigar filler and cigar binder are lower than last year's harvested acreage but those for cigar wrapper are up some. Except for Pennsylvania filler type 41, continental filler and binder types are under acreage allotments, which for most farms are about 12 1/2 percent lower than in 1955. Considerable uncertainty exists as to the impact of manufactured binder sheet on the future use of and requirements for binder types of tobacco.

Consumption of smoking and chewing tobacco seems likely to decline further during 1956. In 1955, the outputs of smoking and chewing tobaccos at 79 3/4 and 79 million pounds, respectively, were nearly 5 and 3 percent smaller than in 1954 and the lowest for more than half a century. Snuff output at 39 1/4 million pounds was 2 percent above 1954 and is expected to continue at about the same level in 1956.

Snuff and chewing are the major domestic outlets for fire-cured and dark air-cured tobaccos although chewing products also utilize some burley and cigar binder tobacco.

Legislation approved on March 2 cancelled the cuts of 15 and 20 percent in 1956 acreage allotments for fire-cured and dark air-cured tobaccos announced last November 30. The prospective 1956 acreages for fire-cured and dark air-cured are probably close to the 1955 harvested acreages. If 1956 yields per acre are near the average for recent years, the 1956-57 total supply of fire-cured seems likely to be about the same as for 1955-56, but the 1956-57 supply of dark air-cured probably will be up some and the largest since the war.

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The 1956 crops of flue-cured, burley, Maryland, and the cigar filler and binder types 42-44 and 51-55 will receive Government price support at 90 percent of the applicable parity. The 1956 crops of fire-cured and dark air- and sun-cured will be supported at 75 and 66 2/3 percent, respectively, of the burley support level. These are mandatory support levels for the several kinds of tobacco when they are under marketing quotas. The price supports placed in effect when marketings begin are the higher of (1) the minimums announced in the spring or (2) the levels based on the calculations as of the beginning of the marketing year (July 1 for flue-cured and October 1 for the other kinds).

Exports of unmanufactured tobacco during fiscal 1955-56 are expected to total about 535 million pounds (declared weight)--one-sixth larger than 1954-55 and the most since 1946-47. Contributing to the higher level in the current year are the shipments under Public Law 480 programs under which foreign currencies are accepted in lieu of dollars. Such programs will also be a factor in 1956-57. Demand on the part of countries other than those with P. L. 480 agreements also has been fairly strong. The continuing high levels of economic activity abroad and large general imports by this country are favorable factors affecting tobacco exports.

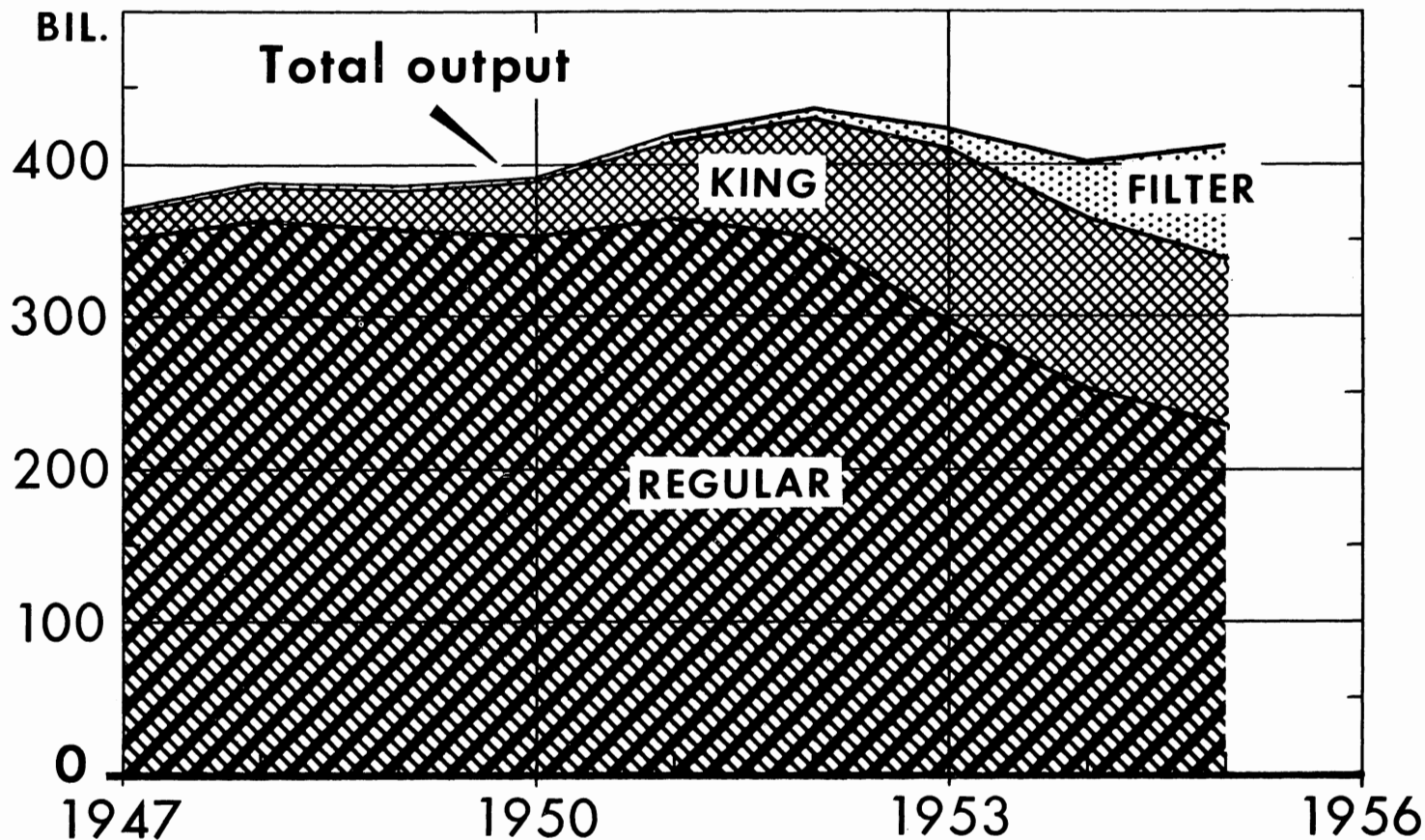
TOBACCO PRODUCTS

Cigarettes

After declining from the 1952 peak in 1953 and 1954, the number of cigarettes manufactured rose in 1955 and is expected to make a further gradual gain in 1956. Last year's output at 412 1/2 billion was 2 2/3 percent above 1954. Consumption in this country as indicated by tax-paid removals increased over 3 1/2 percent but tax-free removals (mostly for overseas use) fell off 8 1/2 percent from 1954 to 1955. The return from abroad of a sizable number of troops resulted in smaller overseas shipments of tax-free cigarettes and contributed to the increase of those sold in the tax-paid category. Trade reports indicated the sales of filter tips in this country were continuing to gain at the close of 1955.

Cigarette consumption per person 15 years and over in 1955 totaled an estimated 9.83 pounds per person--1 percent above 1954 and 6 percent below the 1953 peak. (See table 3.) Measured by number, the peak consumption year was 1952. Measured by pounds, the peak was 1953 when proportion of king size cigarettes was larger than in 1952.

CIGARETTE OUTPUT



ESTIMATED DISTRIBUTION BY KIND OF CIGARETTE BASED ON SELECTED DATA FROM TRADE PUBLICATIONS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 4016-56 (3) AGRICULTURAL MARKETING SERVICE

Total cigarette output in 1955 at 412 1/2 billion was 2 2/3 percent higher than 1954 and the fourth highest on record. The number of regular size, nonfilter cigarettes has declined considerably since 1952. The output of king size, nonfilter cigarettes more than quadrupled from 1949 to 1953 but changed relatively little since then. However, the output of filter tip cigarettes rose sharply in recent years. Based on trade sources, it is estimated that the

proportion of regular cigarettes dropped from about 81 to 55 percent of the total from 1952 to 1955. On the other hand, the proportion of king size, nonfilter cigarettes increased from nearly 18 percent in 1952 to around 27 percent in 1953 and accounted for roughly the same share in 1954 and 1955. The proportion of filter tips jumped from 1 1/3 percent in 1952 to about 18 percent in 1955.

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

Period	Total output	Domestic consumption 1/	Tax-free removals 2/	
			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	401.8	368.7	33.1	15.4
1955 3/	412.5	382.1	30.3	15.1
Fiscal year				
Year beginning July				
1951	422.1	384.0	38.2	16.5
1952	436.5	396.9	39.5	17.0
1953	413.6	377.7	35.5	15.6
1954	407.7	375.2	32.5	15.1
1955 4/	415.0	385.0	30.0	15.0

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's stores. 3/ Subject to revision. 4/ Preliminary estimate.

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

The increases in cigarette consumption appear to be rather widespread. Tax data for about three-fourths of the States levying cigarette taxes indicate larger consumption in the last half of 1955 than in the corresponding period of a year earlier. The high level of disposable income last year was a favorable factor and is expected to continue so in 1956. It is estimated that on the average consumers paid about 3 percent more per pack of cigarettes in 1955 than in 1954. Prices in 11 States increased due to higher taxes

levied by those States during 1955. Further, smokers who bought king size cigarettes generally paid more per pack following the advance in manufacturers' prices for this category last April. Also the sizable shift to filter tip cigarettes, which are higher priced than regular or king size, nonfilter tip cigarettes, was a factor in raising the per unit price paid for cigarettes in 1955.

The President recommended, and the House of Representatives has acted to extend for another year, the 8 cents per pack Federal tax on cigarettes instead of permitting it to revert to 7 cents on April 1, as provided by last year's legislation.

From 45 to 50 million pounds (farm-sales weight) of tobacco is exported annually in the form of cigarettes. The number shipped in 1955 totaled about 15.1 billion--2 percent less than in 1954 and the least since 1950. The declared value of cigarette exports in 1955 was 55 1/2 million dollars--3 percent below 1954. The average value per thousand of \$3.67 was slightly less than in 1954. About 10 leading foreign outlets accounted for 55 percent of the total exported in 1955 and the other 45 percent went to about 90 other countries. Among the top 10 destinations, there were notable increases in cigarette exports to Venezuela, France, Hong Kong, Spanish Africa, and Spain.

Table 2.--Cigarette exports from the United States, average 1948-52, annual 1953-55, with percentages

Country	Average 1948-52	1953	1954	1955	1955 as percentage of 1954
	Millions	Millions	Millions	Millions	Percent
Venezuela	1,181	1,411	1,541	1,746	113
Tangier & Fr. Morocco	1,551	2,036	1,504	1,144	76
France	384	692	630	981	156
Hong Kong	952	948	721	842	117
O. Sp. Africa	10	10	438	696	159
Sweden	509	838	690	679	98
Panama & Canal Zone	686	833	684	617	90
Spain	7	311	312	538	172
Br. Malaya	476	501	438	511	117
Belgium	985	958	848	507	60
Other countries ^{2/}	11,695	7,711	7,620	6,873	90
Total all countries:	18,436	16,249	15,426	15,134	98

^{1/} Preliminary. ^{2/} Includes approximately 90 to 95 foreign destinations in recent years.

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

Table 3.--Tobacco products: Consumption per capita 15 years and over in the United States and by overseas forces, 1920-55

Year	Cigarettes	Cigars 1/	Cigarettes 2/	Cigars 2/	Smoking, chewing, and snuff 2/	Total tobacco products 2/
	Number	Number	Pounds	Pounds	Pounds	Pounds
1920	611	117.2	1.89	2.45	4.33	8.67
1921	681	94.0	2.07	2.00	4.14	8.21
1922	707	96.1	2.14	2.16	4.28	8.58
1923	836	96.4	2.51	2.21	4.26	8.98
1924	901	89.0	2.69	2.06	4.06	8.81
1925	996	86.7	2.96	1.99	4.03	8.98
1926	1,093	85.2	3.17	1.99	3.87	9.03
1927	1,174	82.9	3.42	1.93	3.61	8.96
1928	1,255	80.6	3.58	1.91	3.44	8.93
1929	1,381	79.9	3.91	1.86	3.44	9.21
1930	1,365	71.6	3.84	1.67	3.34	8.85
1931	1,287	64.3	3.63	1.53	3.29	8.45
1932	1,147	52.4	3.21	1.24	3.19	7.64
1933	1,230	50.8	3.49	1.23	3.07	7.79
1934	1,368	53.0	3.94	1.29	3.11	8.34
1935	1,442	53.8	4.11	1.30	2.80	8.21
1936	1,618	57.3	4.61	1.40	2.81	8.82
1937	1,704	57.8	4.81	1.40	2.74	8.95
1938	1,687	55.5	4.76	1.31	2.68	8.75
1939	1,754	55.9	4.95	1.32	2.56	8.83
1940	1,824	56.3	5.16	1.36	2.60	9.12
1941	2,065	58.8	5.95	1.42	2.41	9.78
1942	2,393	58.6	7.01	1.41	2.27	10.69
1943	2,745	52.4	7.99	1.28	2.19	11.46
1944	2,831	49.2	8.04	1.22	1.96	11.22
1945	3,222	52.2	9.15	1.26	2.05	12.46
1946	3,230	56.1	9.24	1.37	1.59	12.20
1947	3,202	52.3	9.16	1.29	1.50	11.95
1948	3,292	53.0	9.35	1.31	1.46	12.12
1949	3,274	50.8	9.33	1.16	1.44	11.93
1950	3,320	50.1	9.36	1.18	1.42	11.96
1951	3,527	51.4	9.98	1.19	1.31	12.48
1952	3,661	53.3	10.41	1.26	1.25	12.92
1953	3,558	53.6	10.46	1.26	1.18	12.90
1954	3,339	52.2	9.73	1.22	1.16	12.11
1955 3/	3,386	52.2	9.83	1.22	1.12	12.17

1/ Weighing more than 3 pounds per 1,000 including cigarillos.

2/ Unstemmed-processing weight 3/ Preliminary.

Note: Data are not available to adjust for quantities lost, destroyed, bartered, etc., under war and postwar conditions but such adjustments probably would be small in relation to totals.

Table 4.--Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories		Bonded : manufac- turing : ware- houses :		Imports for : consumption :		From : Puerto Rico : Tax- paid with- drawals :		Total : tax-paid : consump- tion
	Total : output :	Tax- paid :	Tax- free :	Tax- paid :	Total : 2/ :	From : Cuba :	in United : States :		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	
Average :									
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 :	5,820	5,690	89	206	16.3	12.3	49.5	5,962	
1955 <u>3/</u> :	5,760	5,828	82	215	20.3	14.7	84.3	<u>4/6,030</u>	
Fiscal year									
Year									
begin-									
ning									
July									
1951 :	5,685	5,619	87	193	14.4	13.0	.7	5,827	
1952 :	5,911	5,789	94	203	15.6	12.6	3.3	6,011	
1953 :	5,849	5,736	101	199	16.2	12.6	30.0	5,981	
1954 :	5,783	5,714	82	222	16.5	12.7	66.4	6,019	
1955 <u>5/</u> :	5,900	5,880	77	225	21.0	15.0	95.0	<u>4/6,100</u>	

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Pre-dominant share of cigar imports prior to World War II came from the Philippine Islands. 3/ Subject to revision. 4/ Adjusted for presumed duplication of reprocessed cigars which may have been counted twice in the factory removals. 5/ Preliminary estimate.

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

Cigars

Cigar consumption in the United States at a little over 6 billion in 1955 was about 1 percent above 1954. Domestic factories, though providing the dominant share of the total, had a smaller output in 1955 than in 1954. However, the number shipped to the continent from Puerto Rico increased sharply and there were also smaller increases in the output of bonded manufacturing warehouses and imports from Cuba and Puerto Rico.

Presumably cigar removals from factories overstates net shipments in 1955 by around 2 percent since re-processed cigars may have been counted twice when removals figures were reported.

Tax-free removals of cigars (mostly for overseas use) declined from 1954 to 1955--probably mainly reflecting the smaller number of troops stationed overseas. On a per capita basis (15 years and older), 1955 cigar consumption was unchanged from 1954 since the percentage increase in number of persons about equaled the percentage increase in cigars.

The total consumption of cigars is expected to continue above 6 billion in 1956. Consumer incomes are continuing at a high level and in general, cigar prices have remained stable. According to the Bureau of Labor Statistics indexes of manufacturers' prices, there has been little change in the last 3 years. However, the indexes for "popular"- and "medium"-priced cigars advanced slightly during the last half of 1955.

During 1955, indications are that cigars selling for 4.1 to 6.0 cents accounted for 38 1/2 percent and cigars selling for 6.1 to 15.0 cents accounted for 51 percent of the total. This represents some shift in the past 3 years. In 1952, 37 percent were in the 4.1 to 6.0 cent group and nearly 53 percent were in the 6.1 to 15.0 cent group. In the 4.1-6.0 cent class are cigarillos, which, according to trade reports, have become increasingly popular. About 6 percent of all cigars are priced at more than 15 cents apiece and around 4 percent are priced at 4 cents or less. A substantial share of the higher-priced cigars are made entirely of imported tobacco in bonded manufacturing warehouses.

Commercial exports of cigars are small relative to production. In 1955 the number exported was 5,849,000 valued at \$261,000. The 1954 cigar exports of 8,228,000 are believed to have included an unusually large proportion of small cigars (less than 3 pounds per thousand).

Smoking Tobacco

The 1955 output of smoking tobacco for pipes and "roll-your-own" cigarettes was 79 3/4 million pounds--4 2/3 percent below 1954 and the smallest this century. During the first two-thirds of 1955, the manufacture of smoking tobacco was about the same as a year earlier, but during the last

third of the year, output fell nearly 13 percent below the corresponding period of 1954. Domestic tax-paid consumption, which absorbs the great bulk of the output, showed a similar decline during the last third of 1955.

Pipe smoking and "roll-your-own" cigarettes are generally the most economical forms of smoking. With consumer incomes remaining at a high level, there is not much likelihood of a significant increase in the use of smoking tobacco and there may be some additional decline this year. There were slight increases in manufacturers' prices of smoking tobacco during the last 3 years but practically no change in prices reported paid in rural areas.

The 1955 exports of smoking tobacco in packages totaled 548,000 pounds valued at nearly \$609,000. The volume was 4 percent lower than 1954 and 13 percent below the 1949-53 average.

Exports of manufactured tobacco in bulk form have increased substantially in the last few years. Much of this is not tabulated in the output total for smoking tobacco as reported in Internal Revenue statistics. The Census classification for exported bulk smoking tobacco includes especially prepared cigarette tobacco, cut or granulated tobacco, partially blended tobacco, and shredded tobacco. The 1955 exports of bulk smoking tobacco totaled nearly 6 1/4 million pounds--about 1 1/2 million more than in 1954 and 1953 and over 4 1/2 million above the 1948-52 average. The declared value of these exports in 1955 was \$4,922,000 and value per pound averaged .79 cents--9 percent higher than in 1954. The principal destinations are Spain, Australia, Philippine Republic, Mexico, Panama, Haiti, Dominican Republic, and Bolivia.

Chewing Tobacco

The 1955 output of chewing tobacco was 79 million pounds--3 percent below 1954 and the smallest in over 50 years. The downtrend evident for so many years is likely to continue in 1956 and the years ahead. Plug and scrap accounted for about 45 and 46 percent, respectively, of total chewing output and twist and fine-cut for the remaining 9 percent. The 1955 output of plug fell 4 percent but output of scrap declined only about 1 percent. Output of twist dropped 10 percent but fine-cut chewing held about even.

All except about 2 percent of the chewing output is consumed domestically. Chewing tobacco exports (mainly plug and twist) totaled 1,562,000 pounds--more than one-fourth lower than in 1954 and the smallest in 4 years. The declared value of chewing tobacco exported in 1955 was \$1,320,000 and average value per pound was 84 1/2 cents--5 percent higher than in 1954. Australia and the Philippine Republic are the first and second ranking destinations and account for the predominant share of the total chewing tobacco exported. The quantity going to the Philippine Republic fell sharply in 1955.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

For fiscal year 1955-56, exports of unmanufactured tobacco are expected to total about 535 million pounds--one-sixth above 1954-55, the most since 1946-47 and the third largest since 1930-31. Contributing to the higher level in the current year than last year are the shipments under Public Law 480, which provides for sales for foreign currencies of surplus agricultural commodities over and above normal takings under certain conditions. The authorized amount for such programs was increased by the 1955 session of Congress from 700 to 1,500 million dollars. Tobacco exports will be favorably affected not only in 1955-56 but also to some extent in 1956-57. The continuing large United States imports and high levels of economic activity abroad are factors favoring United States tobacco exports. General imports into the United States in 1955 totaled 11.4 billion dollars--11 percent above 1954 and a new record. The value of imports in the fourth quarter of 1955 was 21 percent above the same quarter of 1954. By the end of the third quarter of 1955, estimated gold and dollar holdings of continental Western Europe increased nearly 16 percent above a year earlier. Gains were also made in Indonesia, Japan, Thailand, and Egypt--other important importers of United States tobacco. Gold and dollar holdings for the sterling area held in London continued to decline until the end of 1955, but in early 1956, turned upward. At the end of February 1956, they were 17 1/2 percent below a year earlier.

The heaviest shipping period for tobacco is in the last 4 or 5 months of the year, and for calendar 1956, exports seem likely to be lower (perhaps 5 to 10 percent) than the comparatively high 1955 figure. It is probable that there will be less building up of stocks. For some types, the desired grades are in short supply. Some of the foreign sources of supply will have more tobacco available for export this year than last. Trade restrictions by some importing countries continue to be a hampering influence. The Philippine Republic raised her basic import duty on tobacco 30 percent effective January 1, 1956.

During calendar year 1955, exports of unmanufactured tobacco totaled nearly 539 million pounds valued at 356 million dollars compared with the 1954 volume of 454 million pounds valued at 304 million dollars. This was the largest calendar year volume since the 663 million pounds shipped in 1946. The total value of 1955 tobacco exports exceeded that of 1946--the average value per pound in 1955 being 66 cents while in 1946, it was 53 cents. Although total volume of exports of tobacco has been higher in several previous years in history, the total value of tobacco exports in 1955 was above that of any previous year. The annual average value per pound of tobacco exports (all types combined) has been practically the same in each of the last 3 years.

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

Of the 539 million pounds of tobacco exported in 1955, approximately 42 million pounds valued at nearly 30 million dollars represented shipments under the P. L. 480 programs. The total quantities of tobacco exported in 1954 and 1955 and that shipped under Section 550 of the Mutual Security Act in 1954 and P. L. 480 programs in 1955 to specific countries were as follows:

	1954			1955		
	Regular exports	Sec. 550 exports*	Total	Regular exports	P.L. 480 exports	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United Kingdom	132.0	18.0	150.0	161.3	21.4	182.7
Japan	6.7		6.7	10.8	6.7	17.5
Finland	1.0	5.0	6.0	1.5	3.8	5.3
Italy	1.9	2.0	3.9	.9	3.6	4.5
Thailand	4.6		4.6	6.0	2.6	8.6
Pakistan	2.2		2.2	1.0	1.6	2.6
France	4.9	7.7	12.6	7.0	.9	7.9
Austria	1.9		1.9	4.7	.7	5.4
Israel	.2		.2	.2	.3	.5

*Approximate; other countries receiving tobacco under Section 550 during 1954 were Germany (roughly 16 million pounds) and a relatively small quantity to Formosa.

The tobacco shipped through December under P. L. 480 programs was 83.3 percent flue-cured, 9.4 percent burley, 7.0 percent fire-cured, and 0.3 percent cigar tobacco.

Agreements announced thus far (through March 22) provide for sales totaling about 92 million pounds (including the nearly 42 million already shipped as specified above) worth about 63 million dollars. Other countries that have signed agreements are Spain, Korea, Brazil, Ecuador, Burma, Indonesia, and Chile. Additional agreements may be worked out during the year.

The United Kingdom, as usual, was the leading export outlet for tobacco in 1955--accounting for 34 percent of the total. Tobacco exports to Britain increased 22 percent from 1954 to 1955 and were the largest in 4 years. Germany was the second ranking outlet--accounting for 11 percent of the total. The quantity going to Germany in 1955 was 36 percent greater than the low 1954 quantity but still was considerably less than in nearly all other years since 1948. The shipments to Australia--the third ranking outlet in 1955--were 12 percent above 1954 and the second largest on record. The fourth ranking outlet was Netherlands, which took 19 percent less in

Table 6.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	July-January						
	Average: 1948-52	1953	1954	1955	1954-55	1955-56	1955-56 as percentage of 1954-55
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent
Flue-cured	371.9	444.3	374.8	454.7	284.1	372.6	131
Burley	29.7	25.0	29.6	31.3	15.7	17.2	110
Maryland	7.2	8.2	8.7	8.4	5.4	7.5	139
Va. fire-cured and sun-cured	5.5	4.3	4.0	4.4	2.5	3.8	152
Ky. & Tenn. fire-cured	24.7	19.5	20.9	21.4	12.4	12.5	101
Green River	1.9	1.8	2.1	1.8	1.6	.2	12
Black Fat, etc.	4.3	3.9	4.5	5.3	3.0	2.9	97
Cigar wrapper	)	3.9	3.4	4.2	2.2	2.7	123
Cigar binder	)	9.9	3.1	1.7	1.7	1.2)
Cigar filler	)	.6	.2	.2	0))
One Sucker	3.0	1.0	.9	1.7	.5))
Perique	.1	.1	.1	.1	.1))
Stems, trimmings, and scrap	6.0	3.0	2.7	3.3	1.7))
Total	464.2	518.7	453.6	538.6	330.4	422.8	128
Country of destination:							
United Kingdom	149.1	179.7	150.0	182.7	139.8	183.0	131
France	8.3	4.7	12.6	7.9	9.9	2.5	25
Belgium	21.9	12.6	12.2	24.8	8.9	16.3	183
Netherlands	30.0	38.1	38.1	30.9	22.5	24.1	107
Germany, W. & E.	64.5	71.9	43.3	59.1	21.4	34.2	160
Portugal	8.3	6.9	7.4	6.9	3.0	1.8	60
Denmark	11.0	11.8	9.5	12.3	6.9	8.6	125
Ireland	17.8	17.5	14.1	12.8	11.6	10.0	86
Switzerland	12.7	11.9	11.7	10.8	7.6	9.7	128
Norway	8.1	7.4	7.6	7.8	4.7	5.1	109
Sweden	11.7	10.2	9.6	11.3	10.7	10.4	97
Italy	2.9	5.6	3.9	4.5	.2	3.8	---
Hong Kong	6.4	4.1	3.5	4.3	2.5	2.1	84
Australia	20.2	26.7	28.2	31.6	25.8	28.3	110
India-Pakistan	6.9	2.9	3.5	5.6	2.5	1.7	68
New Zealand	5.8	5.8	6.6	7.6	4.1	3.8	93
Philippine Rep.	13.5	20.9	19.5	21.0	9.2	12.0	130
Indonesia	8.6	13.0	10.3	9.9	3.5	7.7	220
Japan	1.9	9.5	6.7	17.5	6.7	12.7	190
Other countries	54.6	57.5	55.3	69.3	28.9	45.0	156
Total	464.2	518.7	453.6	538.6	330.4	422.8	128

1/ Preliminary. 2/ Not separately available beginning January 1956 due to Census consolidation of these classifications.

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

1955 than in 1954 and the least in 4 years. On the other hand, Belgium, ranking fifth, got over twice as much in 1955 as in 1954--the largest quantity in 4 years.

Among the other countries, more went to the Philippine Republic, Japan, Denmark, Sweden, Egypt, Thailand, Norway, New Zealand, Austria, Spain, Italy, Hong Kong, India, and Pakistan. Less in 1955 than in 1954 went to Ireland, Switzerland, Indonesia, France, Portugal, and Finland.

In 1955 flue-cured composed 84 percent of total unmanufactured tobacco exports and burley and fire-cured composed 6 and 5 percent, respectively. The remaining 5 percent was mostly dark air-cured and cigar tobacco. The 1955 exports of flue-cured at 455 million pounds were more than one-fifth larger than in 1954 and the most ever shipped in a calendar year except for the 546 million pounds in 1946. The 1955 exports of burley at 31 million pounds were up by nearly 6 percent and the most in 5 years. Exports of the fire-cured types increased some from 1954 to 1955 but still remained below most of the postwar years and far below prewar years. For other types, the 1955 exports were some lower for Maryland and Green River but higher for One Sucker, Black Fat, and cigar wrapper. Exports of Havana Seed binder were up a little from 1954 to 1955 but were smaller for Broadleaf and Wisconsin binder types. The relatively small 1955 exports of cigar filler and Perique each exceeded the 1954 figure.

Among foreign countries that export a substantial volume of tobacco are the Central African Federation (Rhodesia and Nyasaland), Canada, and India, all of which ship substantial quantities of flue-cured. The auctions for the Southern Rhodesian crop just harvested began on March 13. The 1955-56 crop of flue-cured in the Central African Federation is estimated at 158 million pounds--20 percent larger than a year earlier and from about a 13 percent greater acreage. In the same countries, the 1955-56 production of fire-cured and dark air-cured at nearly 16 million pounds was down about 9 percent.

The 1956 crop of flue-cured in India is preliminarily estimated at 125 million pounds--5 percent above the year previous.

Canada is expected to produce considerably more flue-cured in 1956 than the 122 million pounds in 1955. The Flue-cured Marketing Association of Ontario (where around 97 percent of Canadian flue-cured is grown) is permitting its members to grow 91 percent of their basic acreage this year while last year, it was held to 70 percent. This implies about a 20 to 30 percent increase over the 97,300 acres grown in 1955 and probably close to the record 123,000 acres of 1954. The 1955 Canadian crop was considerably reduced by adverse weather and demand was strong. Prices for the Ontario crop are unofficially reported to have averaged about $46\frac{1}{2}$ cents per pound--8 percent higher than the 1954 crop.

Table 7.--United States exports of unmanufactured tobacco to principal importing countries, average 1934-38, annual 1939-55

Country	(Declared weight)																	
	Average 1934-38	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954 1/	1955 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
United K.	213.9	113.0	59.1	133.5	171.3	303.7	190.1	292.5	364.3	198.0	167.0	167.3	133.1	223.4	54.7	179.7	150.0	182.7
Germany	12.8	7.0	0	0	0	0	0	0	0	3.0	26.4	86.8	81.8	47.7	79.6	71.9	43.3	59.1
Netherlands	15.6	27.7	5.2	0	0	0	0	4.6	29.4	55.9	23.4	33.8	32.2	24.3	36.2	38.1	38.1	30.9
Ireland	7.4	3.0	1.1	3.1	12.3	8.1	9.9	11.8	15.4	15.5	12.2	25.4	17.6	17.6	16.4	17.5	14.1	12.8
Belgium	15.5	10.1	4.5	0	0	0	0	6.1	29.2	19.9	18.0	18.4	27.7	29.6	15.6	12.6	12.2	24.8
France	21.0	20.1	16.9	0	0	0	0	48.2	27.7	10.2	.7	15.8	8.5	10.0	6.7	4.7	12.6	7.9
Switzerland	3.8	7.0	7.9	6.1	3.4	4.2	3.8	7.8	15.8	10.8	15.3	10.7	14.4	12.4	10.7	11.9	11.7	10.8
Sweden	7.2	10.5	2.6	2.6	2.8	7.3	9.4	11.8	12.1	16.6	11.1	5.8	13.7	15.0	13.0	10.2	9.6	11.3
Denmark	4.6	6.2	1.4	0	0	0	0	2.1	5.2	10.1	10.1	11.6	14.8	9.1	9.5	11.8	9.5	12.3
Norway	4.7	8.0	.9	0	0	0	0	6.2	10.9	6.9	11.1	7.4	7.7	6.6	7.8	7.4	7.6	7.8
Portugal	4.8	5.2	4.9	7.2	7.1	4.1	6.0	5.7	10.0	6.9	11.8	11.1	7.5	6.0	5.0	6.9	7.4	6.9
Italy	1.1	.6	.7	0	0	0	0	0	.3	23.3	4.5	2.5	2.6	2.2	2.9	5.6	3.9	4.5
Spain	5.3	1.0	0	0	0	1.3	.6	.7	.8	0	.5	.3	.5	6.1	.9	3.7	2.9	4.8
Austria	.3	0	0	0	0	0	0	0	0	0	4.5	5.9	6.5	4.1	5.2	3.3	1.9	5.4
Finland	1.1	1.2	.9	2.0	0	0	0	0	1.8	.6	1.6	2.2	2.2	3.7	3.5	3.3	6.0	5.3
Australia	18.4	22.3	11.4	11.3	10.1	32.5	25.0	22.8	17.3	24.3	19.1	19.6	18.1	20.3	24.0	26.7	28.2	31.6
Philippine R.	1.2	1.8	2.3	1.6	0	0	0	.2	.1	2/	.2	1.1	27.1	9.5	29.7	20.9	19.5	21.0
Indonesia 3/	2.0	3.7	3.7	7.9	.1	0	0	0	.4	3.3	4.4	5.4	7.4	12.2	13.6	13.0	10.3	9.9
New Zealand	2.5	4.7	6.2	6.4	2.1	6.4	4.6	5.9	6.4	5.3	4.0	6.2	6.5	7.1	5.4	5.8	6.6	7.6
Hong Kong	1.6	2.7	4.9	14.0	0	0	0	0	5.4	3.2	5.8	6.1	5.2	4.6	3.6	4.1	3.5	4.3
India-Pak.	2.6	3.8	5.4	13.8	11.4	8.8	11.1	16.1	10.6	11.4	10.1	6.9	5.5	6.1	5.8	2.9	3.5	5.6
Japan	7.3	2/	0	0	0	0	0	0	0	0	0	0	0	1.9	7.4	9.5	6.7	17.5
Thailand 4/	2.9	2.3	3.3	3.5	0	0	0	0	4.0	1.4	1.8	2.6	4.4	6.3	6.1	6.6	4.6	8.6
China	48.2	69.5	68.5	32.4	0	0	0	.6	61.8	39.8	28.4	3.2	.3	0	0	0	0	0
Egypt	1.1	1.7	3.5	4.9	4.1	2.5	5.5	6.7	3.8	3.0	1.9	6.0	4.0	3.8	3.2	5.6	5.7	9.5
Other countries	30.4	25.4	20.4	19.5	12.8	14.5	14.2	22.5	30.5	37.9	32.7	36.1	28.3	32.5	30.0	35.0	34.2	35.7
Total	437.3	358.5	235.7	269.8	237.5	393.4	280.2	472.3	663.2	507.3	426.6	498.2	477.6	522.1	396.5	518.7	453.6	538.6

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Formerly Netherlands Indies. 4/ Formerly Siam.
Compiled from publications and records of the Bureau of the Census.

Turkey and Greece, both large exporters of oriental types of tobacco, had large crops in 1955. The outturn for Turkey was about 256 million pounds--about one-fifth more than in 1954 and probably a record high. Greece had a large expansion in tobacco acreage in 1955 but bad weather reduced the quantity of saleable tobacco to about 195 million pounds--roughly 20 million less than earlier expected. Even so, the reduced amount is 30 percent above 1954 and well above other years since the war.

British Tobacco Situation

With the exception of 1952 when unusual purchase and shipping arrangements were made, the United Kingdom has been the top ranking outlet for United States tobacco. Also, the United States has been the leading source for tobacco imported by the United Kingdom although other sources have furnished a much greater share in the last several years than in the immediate postwar period and earlier.

Britain imported 344 million pounds of tobacco (over nine-tenths flue-cured) in 1955--10 percent more than in 1954 and the most since 1951. Nearly 179 million pounds--12 percent more than a year earlier--came from the United States. Imports from Rhodesia and Nyasaland combined were 6 percent smaller than in 1954 and practically the same as a year earlier came from India. On the other hand, imports from Canada increased 61 percent above the level of each of the previous 2 years and were relatively much higher than in any previous year. Imports from Canada during 1956 will be down because of the small 1955 crop there. The quantities of imported flue-cured by source in 1955 were United States, 175 million pounds; Rhodesia and Nyasaland, 63 million; Canada, 39 million; India, 33 million; and other (mostly Italy), 2 3/4 million. The great bulk of that coming from the United States and Canada was unstemmed, but 30 percent of the flue-cured from Rhodesia and Nyasaland and 93 percent of that from India came in stripped and thus contained more usable tobacco per pound.

Stocks of leaf tobacco in the United Kingdom totaled nearly 506 million pounds on December 31, 1955, and were 8 percent above a year earlier and the largest since 1939. The 1955 year end stocks represented about 20.4 months' use as measured by the 1955 gross clearances while at the end of 1954, stocks amounted to 18.9 months's use. More detailed data available for stocks as of the end of November 1955 indicated stocks of United States flue-cured at that time totaled 252 million pounds--20 percent larger than a year earlier. The November 30, 1955 stocks of flue-cured from Southern Rhodesia, India, and Canada were 101, 55, and 41 million pounds, respectively--totaling 197 million pounds. They were 7 and 49 percent higher, respectively, for Southern Rhodesian and Canadian flue-cured but 7 percent lower than a year earlier for Indian flue-cured. The November 30 stocks of dark fire-, air-, and sun-cured from Nyasaland and India at nearly 31 million pounds were 14 percent

Table 8.--Unmanufactured tobacco imports into the United Kingdom from major sources, average 1935-39, annual 1947-55

Period	United States	Rhodesia and Nyasaland	India	Canada	Turkey	Greece	Other	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average 1935-39	200.8	28.1	19.6	14.3	0.6	0.6	5.2	269.2
1947	201.2	34.9	22.9	22.2	.4	10.5	3.5	295.6
1948	172.4	58.0	22.8	12.7	10.2	.1	4.6	280.8
1949	154.1	64.2	38.4	13.0	20.0	5.8	5.7	301.2
1950	143.7	78.5	48.1	15.8	10.8	1.0	7.9	305.8
1951	212.0	66.5	40.1	21.6	3.2	1.3	10.2	354.9
1952	66.8	70.2	38.3	32.7	.6	1.2	13.9	223.7
1953	174.2	68.2	31.4	24.1	2.4	.8	14.7	315.8
1954	159.7	76.8	36.2	24.9	2.8	1.4	10.7	312.5
1955 ^{1/}	178.7	72.1	36.4	40.0	3.1	1.5	12.6	344.4
Percentage change								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average 1935-39 to 1955	-11.0	156.6	85.7	179.7	416.7	150.0	142.3	27.9
1954 to 1955	11.9	-6.1	.6	60.6	10.7	7.1	17.8	10.2
Percentage distribution								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average 1935-39	74.7	10.4	7.3	5.3	.2	.2	1.9	100.0
1947	68.1	11.8	7.7	7.5	.1	3.6	1.2	100.0
1948	61.5	20.7	8.1	4.5	3.6	---	1.6	100.0
1949	51.3	21.3	12.7	4.3	6.6	1.9	1.9	100.0
1950	47.0	25.7	15.7	5.2	3.5	.3	2.6	100.0
1951	59.7	18.7	11.3	6.1	.9	.4	2.9	100.0
1952	29.9	31.4	17.1	14.6	.3	.5	6.2	100.0
1953	55.2	21.6	9.9	7.6	.8	.3	4.6	100.0
1954	51.1	24.6	11.6	8.0	.9	.4	3.4	100.0
1955	51.9	20.9	10.6	11.6	.9	.4	3.7	100.0

^{1/} Preliminary.

lower than a year ago. The November 30, 1955, stocks of oriental tobacco at about 7 3/4 million pounds were about the same as a year earlier with the increase in Turkish tobacco offsetting the decrease in Greek tobacco.

In 1955 tobacco gross clearances (an approximate measure of home use and exports combined) totaled about 298 million pounds--3 percent more than in 1954 and the most since 1946. Indications are that gross clearances of United States flue-cured increased about 4 percent, of Southern Rhodesian and Canadian flue-cured, each about 3 percent and Indian flue-cured, 10 percent. Gross clearances of fire-cured, air- and sun-cured are indicated at about 4 percent less in 1955 than in 1954.

Consumption of tobacco in Britain in 1955 was about 1.4 percent more than in 1954 and 5.4 percent above 1953 and at the highest level since the high of 1946.

British exports of manufactured tobacco in 1955 totaled nearly 44 million pounds--7 percent more than in 1954 when they were the smallest since 1945. Cigarettes composed about 94 percent of the 1955 manufactured tobacco exports. The 10 ranking destinations for exported cigarettes were Singapore, Malaya, Western Germany, Gold Coast, Belgian Congo, Australia, Hong Kong, New Zealand, Sudan, and Saudi Arabia (also includes Yemen, Muscat, and Oman). This group of countries accounted for 73 percent of the cigarettes exported from Britain and each took more than in 1954 except Australia and Belgian Congo.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

Imports of foreign grown tobacco into the United States in 1955 were at a record level. Total receipts of 111 million pounds were nearly 5 percent higher than in 1954, with most of the increase attributable to larger imports of cigarette leaf. Imports of cigar filler and wrapper were slightly less than in 1954, while there was a small increase in imports of scrap. The total value of 1955 imported leaf was 84.8 million dollars--more than 2 million higher than for 1954.

As in recent years, cigarette leaf accounted for three-fourths of the imported tobacco and the remainder was nearly all cigar tobacco, predominantly from Cuba. Cigarette leaf imports were 5 1/2 percent larger than in 1954, with increases in quantities from the two principal sources--Turkey and Greece--more than offsetting small declines in imports from Syria, Yugoslavia, and Italy. The average value per pound of imports from Turkey (64 cents) was about a cent higher than in 1954, and that of Greece

2/ Imports of tobacco for consumption are on a declared-weight basis and Stocks are on an unstemmed-equivalent basis.

Table 9.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						
	Average		1954		July-December		1955 as per- centage of 1954
	1948-52	1953	1/	1/	1954	1955	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf							
Unstemmed:							
Turkey	44.0	56.9	56.0	57.7	28.5	28.8	101
Greece	9.5	14.3	15.6	17.9	8.0	9.2	115
Syria	4.0	3.3	2.9	2.4	1.3	1.1	85
Italy	.6	1.2	1.9	1.5	1.1	.6	55
Malta	.1	.3	.2	.3	.1	.1	100
Yugoslavia	.2	1.4	2.3	1.5	1.1	1.5	136
Total 2/	70.6	78.0	79.3	83.7	40.3	41.7	103
Cigar leaf (filler)							
Cuba:							
Stemmed	10.9	9.7	9.1	8.8	4.7	4.2	89
Unstemmed	4.0	4.4	4.7	5.0	2.5	2.0	80
Philippines, Rep.:							
Stemmed	.5	.6	3/	0	3/	0	---
Unstemmed	.2	3/	0	0	0	0	---
Total 2/	15.6	14.8	14.0	13.9	7.2	6.2	86
Scrap:							
Cuba	5.6	8.9	9.7	9.4	4.7	4.8	102
Philippines, Rep.	.4	2.3	1.4	2.5	.6	1.8	300
Total 2/	6.0	11.2	11.1	11.8	5.3	6.6	125
Cigar wrapper (unst.):							
Indonesia	.7	.4	.4	.3	.2	.1	50
Cuba	.3	.4	.5	.5	.2	.2	100
Total 2/	1.1	.9	.9	.8	.4	.4	100
Total imports 4/	94.0	105.4	106.4	111.3	53.9	55.4	103

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Less than 50,000 pounds. 4/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

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

(82 1/2 cents), about a cent lower. The average unit value of imports from Syria at 37 cents also was within 1 cent of the comparable 1954 figure, but the average values of imports from Yugoslavia and Italy (87 cents and 80 cents, respectively) were considerably lower.

Imports of cigar filler, practically all from Cuba, were down by less than 1 percent and consisted of somewhat less stemmed but more unstemmed than in 1954. Cigar wrapper imports from Cuba were the same as in 1954, but imports from Indonesia were smaller. The 6 percent increase in 1955 receipts of scrap was occasioned by larger imports from the Republic of the Philippines in the last half of the year. Scrap tobacco imports from Cuba were down by 3 percent.

The average unit values of 1955 cigar tobacco imports were lower than a year earlier. The average value per pound of Cuban imports of stemmed filler (\$1.42), unstemmed filler (99 cents), and scrap tobacco (57 cents) were 4-5 cents lower than in 1954. The average import value of Philippine scrap tobacco of 28 cents was a half-cent less. The average unit value of wrapper leaves from Cuba (\$4.27 per pound) and Indonesia (\$4.85 per pound) were both down by 5 percent.

On January 1, 1956, stocks of foreign grown cigarette and smoking tobacco in the United States totaled 175 million pounds, 6 percent less than a year earlier and 3 percent less than 2 years earlier. Stocks of Cuban tobacco at 16.5 million pounds were 6 1/2 percent larger than on January 1, 1955, with all groups--wrapper, filler, and scrap--sharing in the increase. Holdings of Sumatra and Java tobacco on January 1, excluding these in the Free Trade Zone, were 817,000 pounds, the highest for that date since 1951. Stocks of Philippine tobacco, which had declined steadily in 1955, increased to 1.2 million pounds on January 1, 1956, but were still the smallest for that date in several years.

OUTLOOK AND SITUATION FOR TOBACCO LEAF Flue-Cured, Types 11-14

Prices

The season average price received by growers for their 1955 flue-cured crop was 52.8 cents per pound--practically the same as in each of the previous two seasons. The average price in the Georgia-Florida Belt was about the same as in 1954 but in the Border South Carolina-North Carolina Belt, the average was about 4 1/2 percent above 1954. On the other hand, the average price in the Eastern North Carolina Belt declined about 4 percent from the 1954 average. There was a slight increase in the average price received in the Middle Belt and the Old Belt average was 3 1/2 percent above the 1954 average--a new record.

The Government support level for the 1955 crop was 48.3 cents per pound. The 1956 support level will be 90 percent of the applicable parity price. Using the February parity as an illustration, the parity price is calculated as follows:

1. The season price for flue-cured averaged for the most recent 10 years (1946-55) is divided by the average of the index (1910-14=100) of all prices received by farmers in the same 10 calendar years to arrive at an "adjusted base price."

$$\frac{50.3}{265} = 19.0 \text{ cents}$$

2. The "adjusted base price" is multiplied by the February 1956 parity index (the index of prices paid by farmers including interest, taxes, and wage rates) (1910-14=100).

$$19.0 \times 280 = 53.2 \text{ cents per pound--}$$

The February 1956 parity
for flue-cured

The "adjusted base price" remains constant during a particular year (in this case, 1956) but the parity price will change each month if the parity index changes. The February 1956 flue-cured parity at 53.2 cents is a little lower than it was in March 1955, the basis on which the minimum support was computed for the 1955 crop. Ninety percent of parity as of February 1956 is 47.9 cents per pound compared with 48.3 in March 1955.

The actual support level for 1956 flue-cured will be either the minimum level announced prior to planting or 90 percent of the July 1 parity, whichever is higher. In 1955 the announced minimum exceeded the July 1 calculation and thus became the actual support level for the 1955 crop.

A record quantity was placed under loan from the record 1955 crop. Government loan stocks of flue-cured, though high, show a sizable reduction in the last 3 months.

With the substantial increase in production last year of tobacco characterized as being "pale and slick," the Department announced early last December plans would be made to discount such tobaccos offered for loan in 1956.

Supplies

The 1955-56 total supply of flue-cured tobacco at 3,537 million pounds is nearly 10 percent greater than for 1954-55--the previous high.

According to farmers' intentions on March 1, about 880,000 acres of flue-cured will be grown in 1956--11 percent less than in 1955. This is in line with the reduction in acreage allotments and 1956 acreage will be the smallest since 1943. If 1956 yields per acre should equal the recent 3-year average, this year's production would total around 1,175 million pounds. If 1956 yields should again approach the high 1955 average, production would reach about 1,310 million pounds. This range represents a drop of from 12 to 21 percent below last year.

Carryover of flue-cured on July 1, 1956, seems likely to be around 2,280 million pounds--11 percent above a year earlier. Depending on the size of the 1956 crop, total supply for 1956-57 will probably range from 3,455 to 3,590 million pounds compared with about 3,537 for the current year.

Domestic Use and Exports

During the current marketing year (July 1955-June 1956), the domestic use of flue-cured may approach only about 750 million pounds according to indications thus far. This is somewhat smaller than expected earlier and not much different than in 1954-55. Indications through the first half of 1955-56 were that less tobacco was used than anticipated in view of the increase in output of cigarettes, the principal domestic outlet for flue-cured tobacco. No definite reasons accounting for this have been offered thus far. Mention has been made in some quarters of processes that enable fuller utilization of tobacco--thus permitting a larger number of cigarettes than formerly to be made from any given quantity of unstemmed weight tobacco. The growing proportion of filter tips, some of which use a little less tobacco per 1,000 of output may be a factor. However, it has generally been held that king size filter tips require practically the same quantity of tobacco per 1,000 cigarettes as regular size cigarettes.

Exports of flue-cured during the year ending next June 30 seem likely to be around 510 million pounds (farm-sales weight)--nearly one-fifth above 1954-55 and the largest on record except for 1946-47. During the first 7 months of the current marketing year, exports of flue-cured to the United Kingdom (accounting for nearly one-half of the total) were 32 percent larger than in the same period of a year earlier and exceeded that for the entire 12 months' period in each of the 3 previous marketing years. The next 6 ranking outlets during July 1955-January 1956 were Australia, Germany, Netherlands, Belgium, Japan and the Philippines, which combined accounted for nearly 30 percent of the total. Each of these countries got more, most of them considerably more, than in the corresponding months of a year earlier.

Other countries taking increased quantities were Netherlands, Denmark, Indonesia, Finland, Thailand, Egypt, Norway, Switzerland, Spain, Austria, Pakistan, British East Africa, and Mexico. Among those which took less flue-cured were Ireland, Sweden, France, New Zealand, Indochina, India, and Hong Kong.

Burley, Type 31

Prices

The Burley markets opened on November 29 and all except for a relatively small quantity was marketed by the end of January. Sales prior to the shutdown for the Christmas holidays accounted for around four-fifths of the crop which was the smallest for many years. The 1955 season average price is estimated at 58.6 cents per pound--nearly 18 percent above a year earlier and the highest on record. The 1955 crop, though small, was one of the best ever produced. Average prices for about four-fifths of the grades exceeded those of a year earlier. Average increases over last season amounted to from 10 to 20 cents per pound for many middle and lower grades in the leaf and tips groups while prices of top grades of lugs and flyings averaged 1 or 2 cents lower than in the previous season.

The Government support level for the 1955 crop was 46.2 cents per pound. The 1956 support level will be 90 percent of the applicable parity price. The February 1956 parity for burley is calculated in the same manner as flue-cured (as illustrated on page 24) and amounts to 51.8 cents per pound. This is a little higher than it was in March 1955, when the minimum support was computed for the 1955 crop. Ninety percent of the February 1956 burley parity is 46.6 cents per pound compared with 46.2 cents in March 1955.

The actual support level for 1956 burley will be either the minimum level announced prior to planting, or 90 percent of the October 1 parity, whichever is higher. In 1955 the announced minimum exceeded the October 1 calculation and thus became the actual support level for the 1955 crop.

About 73 million pounds from the 1955 crop (15½ percent of producers' sales) were placed under Government loan. Most of this was composed of better grades of lugs and flyings. The receipts for loans was only about one-third as much as that from the huge 1954 crop and also the least for any crop since 1950. While sizable quantities of burley have moved out of Government loan stocks in the past few months, the level at the end of February was still high. Most of this tobacco consists of the better grades of cutters, lugs and flyings. These tobaccos are traditionally considered "domestic cigarette grades."

Supplies

The total 1955-56 supply of burley is near 1,820 million pounds--about 2½ percent less than for 1954-55. Auction sales data indicate that the 1955 crop was smaller than estimated last December. Estimated producers' sales at auctions at approximately 470 million pounds were about 30 percent

less than the huge 1954 crop, 17 percent lower than 1953 and the smallest since 1943. On the other hand, carryover as of October 1 at about 1,348 million was at a new high and the increase over a year earlier offset to a considerable extent the decrease in production so that the decline in total supply was relatively small.

Legislation was approved on March 2, 1956, cancelling the 15 percent cut in the burley acreage allotment announced in accordance with the law last November 30. This means that burley allotments for 1956 are virtually the same as for 1955. The revised 1956 allotments total about 309,200 acres. Assuming the harvested acreage is fairly close to the allotted acreage and 1956 yields approximate the recent 2-year average, the 1956 crop would be around 480 million pounds--about 2 percent more than the volume marketed last season. (The 1955 average yield probably was not substantially different than 1,500 and the 1954 yield averaged a record 1,585 pounds per acre).

The carryover of burley next October 1 probably will be near 1,300 million pounds--roughly 50 million less than last October 1. Assuming a crop of about 480 million pounds plus a carryover of 1,300 million pounds, the 1956-57 total supply would be 1,780 million pounds--2 percent lower than that for 1955-56.

Domestic Use and Exports

During the current marketing year (October 1955-September 1956), domestic use of burley may be about 490 million pounds--not markedly different from 1955-56. While it would seem that more should be used in cigarettes if their output increases, it appears that more cigarettes are being obtained from a given quantity of farm-sales weight tobacco than 2 or 3 years ago. Also other secondary domestic outlets for burley such as smoking and chewing tobacco will probably require less than last year.

Exports of burley in 1955-56 seems likely to be down some from the 33 million pounds (farm-sales weight) in 1954-55 because middle and lower grades generally moving into export channels are reportedly unavailable or high priced. During the first third of the current marketing year, burley exports were 15 percent more than in the corresponding period of 1954-55. The five leading outlets were Sweden, Germany, Belgium, Finland, and Mexico, which combined accounted for almost two-thirds of the total. Each of these countries took significantly more than in the same period of a year earlier except Belgium, whose takings fell off 14 percent. Also, during October 1955-January 1956, Egypt, Norway, Switzerland, and Philippine Republic took more than in the same months of a year earlier. However, less went to Netherlands, Portugal, Denmark, and Hong Kong while none was yet reported as going to France, Austria, Australia, Italy, and the United Kingdom--other sizable outlets in 1954-55.

Maryland, Type 32 3/

Prices

Maryland tobacco auctions for the 1955 crop are expected to open around early May as usual. Also, sales will be taking place at the Baltimore hogs-head market where in recent years, roughly one-tenth of the crop has been marketed. The average price for the 1954 crop (marketed mostly in 1955) was 39.6 cents per pound--the lowest since the 1941 crop average, 27 percent lower than the year previous (1953 crop) and 19 percent below 2 years earlier (1952 crop). The larger proportion of lower quality in the 1954 crop than in the 1953 crop contributed to the decline in price. Government price supports were not in effect on the 1954 crop since growers disapproved a marketing quota. Also, a marketing quota was disapproved on the 1955 crop (only 51 percent, less than the legally required 66 2/3 percent of those voting, favored it). Under existing law, no price support can be made available when this crop is marketed this spring and summer.

The 1956 crop will receive Government price support at 90 percent of parity inasmuch as last December growers voted in favor of marketing quotas for the next three crops by an 81 percent majority. The February 1956 parity price for Maryland tobacco was 51.0 cents and 90 percent of this is 45.9 cents per pound.

The actual price support for the 1956 crop will be either the minimum level announced prior to the planting season or 90 percent of parity as of October 1 of this year, whichever is higher.

Supplies

The 1955 crop is estimated at 35½ million pounds--about one-fifth smaller than the 1954 crop, which was the largest since 1946. Storms last August substantially reduced the size of last year's crop. The carryover of Maryland tobacco on January 1, 1956, was a little over 77 million pounds--one-eighth larger than a year earlier and a record high. Carryover plus the 1955 crop adds to a total supply of almost 113 million pounds--only slightly less than for the last year.

Legislation was approved on March 2 which had the effect of changing the 1956 allotment for Maryland tobacco from 45,800 acres as announced last November 30 to 53,600 acres. Assuming that acreage for harvest may be about 85 percent of the allotment (as was the case in 1953 when allotments were last in effect) and 1956 yields per acre average about the same as the 1952-54 average, the 1956 crop will be about 40 million pounds--one-eighth larger than that estimated for 1955.

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.

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

(Farm-sales weight)

Year	: Stocks :		: Supply :	: Disappearance 2/ :			: Average price per pound
	: Production :	: following :		: Total :	: Domestic :	: Exports :	
	: Mil. lb. :	: Jan. 1 1/ :					
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	77.2	112.7				
: : : : : : : :							
: Parity :		: Price :	: Placed under Government loan:		: Remaining in		
: price 4/ :		: support :	: Quantity :	: Percentage :	: Government loan		
: Ct. :		: level :	: Mil. lb. :	: of crop :	: stocks on		
					: February 29, 1956 5/		
					: 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	2.2		
1951	60.6	6/	6/	6/	6/		
1952	58.5	6/	6/	6/	6/		
1953	56.0	50.4	6.7	18.1	6.2		
1954	53.5	6/	6/	6/	6/		
1955	53.3	6/	6/	6/	6/		
: : : : : : : :							
Total	---	---	17.8	---	10.2		

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.

The carryover next January 1 is likely to be down some but when added to this year's prospective crop, the total supply seems likely to be above the current level.

Domestic Use and Exports

Domestic use of Maryland tobacco in the year ending next September 30 is estimated at around 29 million pounds--about the same as a year earlier. Most Maryland tobacco is used in the domestic manufacture of cigarettes but lower grades are used in some cigars.

Exports of Maryland tobacco in the year ending September 30 seem likely to be about 10 million pounds--up compared with the level of the preceding 3 years. During the first third of the current marketing year (October 1955-January 1956), Switzerland, the leading foreign outlet, took 44 percent more than in the same period of a year earlier and Germany, Spain, Morocco, and Tunisia took considerably more. Also, a substantial quantity went to Trieste in contrast to none a year earlier. However, shipments to Netherlands and Belgium fell short of those in the comparable period of a year earlier.

Fire-Cured, Types 21-23

Prices

Auctions for Virginia fire-cured, type 21, began in late November and closed in the latter part of February. The auction average was 31.4 cents per pound--9 percent less than last season and the lowest since 1947. Auctions for Kentucky-Tennessee fire-cured, types 22 and 23, began early in January and closed before the middle of March. The auction market averages for types 22 and 23 were 38.8 and 31.9 cents per pound, respectively--each only slightly lower than a year earlier. The Government support level for the 1955 crop was 34.6 cents per pound.

The 1956 crop of fire-cured tobacco will receive Government price support, as provided by law, at 75 percent of the burley support level, which is calculated at 90 percent of the burley parity. The February 1956 burley parity was a little higher than it was in March 1955, when the minimum support levels for the 1955 crops were determined. Last year, in accordance with the law, the minimum announced in the spring became the actual support since it was higher than the October 1 calculation.

During the season just ended, growers of Virginia fire-cured placed 1.7 million pounds--about 15 percent of the crop--under Government loan. This quantity was about one-fifth lower than in 1954. Kentucky-Tennessee growers delivered about 5 and $2\frac{3}{4}$ million pounds of types 22 and 23, respectively, for Government loans. The type 22 loan quantity represented over one-seventh of the crop and was substantially above that of last season. The type 23 loans represented about one-fifth of the crop and totalled the highest in 6 seasons.

Supplies

The 1955-56 total supply of fire-cured tobacco is about 201 million pounds--nearly 3 percent larger than 1954-55.

Legislation approved on March 2, 1956, cancelled the 15 percent reduction in acreage allotments announced last November 30. This means that the 1956 allotments for fire-cured tobacco total about 50,200 acres, almost the same as in 1955. Assuming that harvested acreage amounts to about 95 percent of the allotment acreage as was the case last year and that 1956 yields per acre are near the 1952-55 average (omitting the unusually low 1953 figure), this year's crop may total 59 or 60 million pounds--some less than 1955 when yields in the Kentucky-Tennessee area averaged a record high.

Carryover of fire-cured tobacco next October 1 is expected to be near 140 million pounds--not much different than last October 1. This plus a 1956 crop of around 60 million pounds would provide a total supply for 1956-57 of approximately 200 million pounds--relatively close to the 1955-56 level.

Domestic Use and Exports

During the current marketing year (October 1955-September 1956), domestic use of fire-cured is expected to be about 30 million pounds--about the same as in 1954-55. The main domestic outlet is snuff, which tends to remain relatively stable.

Exports during 1955-56 seem likely to be above 30 million pounds--a little higher than in 1954-55. During the first third of the current marketing year, exports of Virginia fire-cured were almost double those in the same period of 1954-55 with substantial increases to Sweden, Netherlands, the United Kingdom, Switzerland, Germany, and Austria. Norway, usually the leading outlet, took about 11 percent more than a year earlier. Exports of Kentucky-Tennessee fire-cured during October 1955-January 1956 were 8 percent larger than in the same months of a year earlier. Thus far, none had yet been shipped to France--the leading outlet last year. A substantial shipment of Kentucky-Tennessee fire-cured will go to France by an agreement under Section 402, P.L. 665. This is a sale for foreign currency through the International Cooperation Administration and involves a triangular arrangement whereby French manufactured products will go to Vietnam. Netherlands, usually the first or second ranking export outlet for Kentucky-Tennessee fire-cured, took 8 percent less in the first third of 1955-56 than in the same period of a year earlier. However, shipments to Switzerland and Indonesia doubled and there were sizable increases to Sweden, Belgium, Denmark, and Portugal but less went to French West Africa. Other importing countries usually taking significant quantities of these types are Italy (where a substantial volume was shipped under P.L. 480 last year) the United Kingdom, Ireland, Belgian Congo, and Gold Coast. Little or none was reported going to these countries in the first third of the 1955-56 marketing year.

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

Prices

Auctions for One Sucker (type 35) and Green River (type 36) began in early December and for Virginia sun-cured, in late November. Sales were practically completed by early February. The quality of all three types was poorer than a year earlier--particularly Virginia sun-cured, which was storm damaged. For the Kentucky-Tennessee types 35 and 36, the auction market average prices were 33.0 and 29.1 cents per pound--3 and 15 percent lower, respectively, than a year earlier. The hurricane damaged Virginia sun-cured averaged 25.3 cents per pound--21 percent below a year earlier and the lowest in 9 years. The Government support level for the 1955 crop was 30.8 cents per pound.

The 1956 crops of dark air-cured and Virginia sun-cured will receive Government price support, as provided by law, at $66 \frac{2}{3}$ percent of the burley support level, which is calculated at 90 percent of the burley parity. The February 1956 burley parity was a little higher than it was in March 1955, when the minimum support levels for the 1955 crops were determined. Last year, in accordance with the law, the minimum announced in the spring became the actual support since it was higher than the October 1 calculation.

During the season just ended, growers of One Sucker placed 4.2 million pounds under Government loan--about 23 percent of the crop. Though a substantial quantity, it was less than for any crop since 1950. Government loans were made on 2.1 million pounds of Green River--about one-fifth of the crop--practically the same volume and proportion as a year earlier. Government loans on Virginia sun-cured were as usual comparatively small.

Supplies

Based on the volume marketed and carryover, the 1955-56 total supply of types 35-37 is approximately 1.12 million pounds--around 2 million larger than 1954-55 and about equal to the postwar peak of 1948-49.

Legislation approved on March 2, 1956, cancelled the 20 percent reduction in acreage allotments for types 35-36 announced last November 30. This means that the 1956 allotments for Kentucky-Tennessee dark air-cured tobacco total about 20,800 acres, almost the same as in 1955. The 1956 type 37 acreage allotment is about 5,500 acres, also practically the same as for 1955. No reduction had been announced previously for this type. Assuming 1956 harvested acreage for types 35-37 is about the same as in 1955 and 1956 yields per acre near the recent approximate 3-year average (omitting the unusually low 1953 figure), this year's production of types 35-37 would be about 31 or 32 million pounds--not much different from 1955.

Carryover next October 1 of the combined dark air- and sun- cured types seems likely to be roughly 84 million pounds--about 3 million above last October 1. This plus a 1956 crop of around 31 million pounds would provide a total supply for 1956-57 of approximately 115 million pounds-- a postwar high.

Domestic Use and Exports

During the current marketing year (October 1955-September 1956), domestic use of dark air- and sun-cured tobacco is expected to be 18 or 19 million pounds--a little below 1954-55. Plug, twist, and fine-cut chewing absorb most of the dark air-cured tobacco used in domestic manufacture, and the gradual decline in these products is likely to continue. Some dark air-cured tobacco may be used in cigars.

The 1955-56 exports may not reach the level of over 10 million pounds attained in 1954-55 when they were at a 4-year high and the third largest since the war. During the first third of the current marketing year, exports of Green River leaf totaled only 82,000 pounds--far less than the more than 1 million pounds in the comparable period of a year earlier. Also, exports of Black Fat during October 1955-January 1956 at 1.4 million pounds were 29 percent below those in the same months of the previous year. The major drops were in shipments to French West Africa and Nigeria but Gold Coast took moderately less. The above three destinations accounted for 94 percent of the Black Fat exported in the last complete marketing year.

Cigar, Types 41-62

Prices

The 1955 crop of Pennsylvania filler brought an average price of about 24.0 cents per pound--12 percent less than in each of the 2 previous years.

Marketings of Wisconsin binder types began in early January. Through March 19, Northern Wisconsin (type 55) prices averaged about 24½ cents per pound compared with the 1954 crop average of 32.7 cents. Prices for binders were near last season's level but the much heavier proportion of stemming grades lowered the general average. Even so, the stemming grades were up some from last year. The 1955 crop prices of Southern Wisconsin (type 54) through March 19 averaged about 23 cents per pound compared with the 1954 crop average of 24.2 cents.

The season average prices of both the Connecticut Valley types-- Broadleaf (type 51) and Havana Seed (type 52)--will turn out to be below last season when they were 56 1/2 and 44 cents per pound, respectively. Demand has apparently weakened considerably due to the prospective wider use of

Table 15.--Cigar tobacco price support operations,
quantities placed under loan, 1946-55

Crop year	Pa.	Ohio,	Puerto	Conn.	Conn.	N. Y.	So.	No.	Total
	Seed- leaf, type 41:	types 42-44	Rican, type 46	Valley, type 51	Valley, type 52	and Pa., type 53	Wis., type 54	Wis., type 55	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1946	0	0	10.6	0	0	0	2.2	0	12.8
1947	0	0	10.3	0	0	0	.8	0	11.1
1948	0	0	12.3	0	0	0	2.0	3.0	17.3
1949	0	0	9.3	.1	3.2	0	.2	.5	13.3
1950	2.8	2.6	.3	.1	3.7	<u>1</u> / ₁	1.4	.6	11.5
1951	<u>2</u> / ₁	.6	1.1	1.7	2.7	<u>1</u> / ₁	4.8	.1	11.0
1952	<u>2</u> / ₁	<u>2</u> / ₁	1.4	<u>2</u> / ₁	<u>2</u> / ₁	<u>2</u> / ₁	<u>2</u> / ₁	<u>2</u> / ₁	1.4
1953	<u>2</u> / ₁	2.7	1.4	<u>1</u> / ₁	1.8	<u>1</u> / ₁	2.4	1.9	10.3
1954	<u>2</u> / ₁	1.2	5.1	.8	3.4	0	1.3	.9	12.7
1955 <u>3</u> / ₁	<u>2</u> / ₁	.6	<u>1</u> / ₁	4.9	5.0	0	.3	1.2	12.0
Total <u>3</u> / ₁	2.8	7.7	51.8	7.6	19.8	.1	15.4	8.2	113.4
Remaining: as of Feb. 29, 1956	0	2.0	3.0	5.8	8.2	0	4.4	2.5	25.9

1/ Less than 50,000 pounds. 2/ Price support not in effect because marketing quotas were disapproved by growers. 3/ Through Feb. 29, 1956, and therefore incomplete since 1955 crop marketings were not finished.

manufactured binder sheet. Also, some of the 1955 crops were of lower quality because of storm and floods. About 42 percent of the Broadleaf and 51 percent of the Havana Seed had been placed under Government loan by early March.

The 1956 crops of the continental cigar filler and binder tobacco except type 41 Pennsylvania Seedleaf will be supported at 90 percent of the applicable parity. Ninety percent of parity is the mandatory level for the cigar types under marketing quotas. The February 1956 parity for the combined filler and binder types 42-44 and 51-55 is 6 percent lower than it was last March when the 1955 minimum support levels were determined. As provided by law, the actual 1956 support levels for these types will be either the minimums announced prior to the planting season or based on the October 1 calculations, whichever are higher. No price support can be made available on type 41 since growers rejected marketing quotas.

The price support for the Puerto Rican (type 46) crop now being marketed is 31.9 cents per pound--88 percent of the October 1, 1955, parity. A Federal marketing quota is not in effect on this type and its support level is based on its supply relationship.

Supplies

Filler: The prospective acreage of continental filler types, as indicated by farmers' intentions as of March 1, is 32,400--3 percent lower than that harvested in 1955. The Pennsylvania type 41 (89 percent of continental filler acreage) is indicated as being the same as last year's harvested acreage but the Ohio filler types 42-44 acreage may be down 20 percent. Based on intended acreage and yields per acre equal to the 1951-55 average, filler production this year will be about 50 million pounds compared with nearly 51 million in 1955. The carryover next October 1 seems likely to be around 134 million pounds--slightly less than last October 1. The 1956-57 total supply--this year's crop plus carryover--may thus approximate 184 million pounds--a little less than the 1955-56 level.

Puerto Rican cigar filler (type 46) is planted in the fall and harvested mostly in the early months of the next calendar year. The 1955-56 crop is estimated by the Commonwealth of Puerto Rico Division of Agricultural Economics at nearly 33 million pounds--3 percent less than for 1954-55. Indicated acreage declined about 5 percent but yields per acre are reportedly up 11 percent. However, these estimates were based on information obtained before the rains extending from January 28 to February 6. The stocks of Puerto Rican tobacco on January 1, 1956, totaled nearly 50 million pounds (about 61 percent in the United States and 39 percent on the Island)--one-fifth greater than a year earlier and the largest for January since 1949.

Table 16.--Shipments of tobacco from Puerto Rico to the United States for specified periods
(Declared weight)

Classification	Average 1948-52	1953	1954	1955
	Million pounds	Million pounds	Million pounds	Million pounds
Stemmed	10.6	11.1	14.6	12.1
Unstemmed	.2	.9	.8	.7
Scrap	7.5	4.2	5.4	5.8
Total	18.3	16.2	20.8	18.6

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

Table 17.--Cigar Tobacco, types 41-55: Domestic supplies, disappearance, and season average prices for specified periods

(Farm-sales weight)							
Year	Produc- tion	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	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	185.0	49.2	49.1	.1	26.7
1955 3/ :	50.8	135.8	186.6				
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	51.4	49.8	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.

Binder: Acreage allotments are in effect on the cigar binder types and the Ohio filler types. Most farm allotments are about 12½ percent smaller than in 1955. The 1955 harvested acreage fell considerably short of the allotted acreage. Based on farmers' intentions as of March 1, the 1956 acreage of the combined binder types is indicated at 24,600--13 percent less than that harvested in 1955. For the Connecticut Valley types 51 and 52, the declines indicated were 19 and 14 percent, respectively, while for Wisconsin types 54 and 55, the indicated acreage drops were 7 and 9 percent. If yields per acre should equal the 1950-54 average, the 1956 production of the combined binder types would be about 39 million pounds--down 8 percent from 1955. Last year's yields per acre for the combined binder types averaged the lowest in 8 years due to storm damage in Connecticut and exceedingly dry weather in Wisconsin.

The carryover of binder leaf next October 1 will reflect the smaller 1955 crop but also it will depend largely on the level of output for cigars and scrap chewing and the extent to which manufactured binder sheet replaces the natural leaf binder on cigars. The manufactured binder sheet requires considerably less farm-sales weight tobacco to cover a given quantity of cigars than when the cigars are made with natural leaf binders. It would appear that binder carryover next October 1 may be around 113 million pounds --3 or 4 million less than last October 1. However, estimates of use of binder tobacco are necessarily rough in view of the lack of data on the extent to which manufactured binder will replace natural leaf binder. The 1956-57 total supply of binder may be 4 or 5 percent smaller than in 1955-56.

Wrapper: The 1955-56 total supply of domestic shade-grown cigar wrapper types 61-62 totals 33¼ million pounds--4 percent less than 1954-55 and the smallest in 7 years. The 1955 production of Connecticut Valley wrapper was reduced considerably by storm and flood last year. The prospective 1956 acreage of types 61-62 is 13,600 acres--5 percent above the 1955 harvested acres. Increases were indicated in both the Connecticut Valley and Georgia-Florida areas. If the 1956 yields per acre should equal the 1952-54 average (disregarding the low 1955 figure), the 1956 outturn would be over 16 million pounds--5 or 6 percent more than in 1955.

The carryover of types 61-62 on July 1 probably will not exceed 17 million pounds--more than 1 million less than last July 1 and the smallest since 1949. The total 1956-57 supply--the above carryover plus the probably larger 1956 crop--may approximate 33 million pounds--only slightly below the current year's level.

Table 18.- Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
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	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.

Disappearance

The disappearance of Pennsylvania and Ohio filler in the year ended last September 30 at 49 million pounds was 10 million less than the average for the 3 preceding years, even though the number of cigars manufactured was stable, or a little larger. Available data do not indicate any explanation for this. It may reflect substitution of other filler and some reduction in the average size of cigars. Since the 1954-55 figure is abnormally low, it may be that the 1955-56 disappearance may increase some--possibly to around 53 million pounds. Exports of cigar filler are relatively very small.

The disappearance of the combined binder types from October 1955 through September 1956 can only be conjecture in view of the spreading use of manufactured binder sheet. The figure seems likely to be somewhat less than the 51½ million pounds in 1954-55--possibly in the neighborhood of 10 percent less. The great bulk of the binder is used domestically. Exports in 1954-55 accounted for only about 1 3/5 million pounds and were the smallest for several years. During the first third of 1955-56, exports of binder exceeded those of the same period of a year earlier--the increase in the Connecticut Valley types offsetting the decrease in the Wisconsin types. West Germany, Canada, and Netherlands took more than a year ago and Austria and Sweden got some in contrast to none in the corresponding months of a year earlier.

The disappearance of the wrapper types during July 1955--June 1956 seems likely to approach 17 million pounds and if so, it would be a little above 1954-55 and a record high. During 1954-55, three-fourths of the total disappearance was domestic use and one-fourth was exports. The current year's domestic use is expected to be at least as much as in 1954-55. During the first 7 months of the current marketing year, exports of wrapper were 25 percent ahead of those in the same period of 1954-55. There was a sizeable increase to West Germany, and also, Netherlands and Belgium took more but less went to Canada and Switzerland. France took a little more than a year earlier.

Table 19.--Cash receipts from farm marketings, averages 1936-45
annual 1946-55 with percentages

Period	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
Average:						
1936-40	4,715	3,491	8,206	274	7.8	3.3
1941-45	10,057	7,479	17,536	585	7.8	3.3
1946	13,730	10,834	24,564	969	8.9	3.9
1947	16,476	13,230	29,706	1,032	7.8	3.5
1948	17,071	13,136	30,207	945	7.2	3.1
1949	15,359	12,585	27,944	903	7.2	3.2
1950	15,976	12,352	28,328	1,061	8.6	3.7
1951	19,612	13,187	32,799	1,191	9.0	3.6
1952	18,445	14,248	32,693	1,090	7.7	3.3
1953	17,209	14,035	31,244	1,094	7.8	3.5
1954 1/	16,688	13,515	30,203	1,161	8.6	3.8
1955 I/	15,970	13,431	29,401	1,225	9.1	4.2

1/ Preliminary.

Table 20.--Internal Revenue collections from tobacco products,
averages 1930-44, annual 1945-55

Period	Cigars	Cigarettes	Chewing and	Snuff	Total
	1/	2/	smoking		
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Average:					
1930-34	14.3	344.6	56.9	6.9	423.9
1935-39	12.8	472.0	54.9	6.7	547.6
1940-44	21.0	750.5	50.4	7.3	833.3
1945	38.2	937.2	48.6	7.9	1,034.2
1946	47.5	1,125.2	38.0	7.1	1,218.4
1947	47.1	1,175.9	35.9	7.1	1,266.7
1948	46.7	1,220.6	35.9	7.5	1,311.5
1949	43.6	1,233.1	34.9	7.4	1,320.0
1950	42.8	1,262.7	34.3	7.2	1,348.1
1951	44.0	1,359.9	30.7	6.4	1,445.8
1952	45.8	1,579.6	17.6	3.9	1,661.7
1953	46.4	1,546.0	16.7	3.9	1,613.8
1954	44.9	1,477.1	16.1	3.9	1,542.8
1955	45.7	1,529.8	15.6	3.9	1,596.1

1/ Includes small cigars. 2/ Includes large cigarettes. 3/ Total includes cigarette papers and tubes, cigarette and cigar floor taxes, and leaf dealer penalties not shown separately in this table.
Compiled from reports of the Internal Revenue Service.

Table 21.--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	
				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
3	994	110	53	11.1	5.3	27.3	13.1

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.

Compiled and adapted from Quarterly Financial Report, United States Manufacturing Corporations, Federal Trade Commission and Securities and Exchange Commission.

SMOKING AND INCOME SURVEY*

The Agricultural Economics Division is currently preparing statistical tables and analyzing data on a cross-classification of smoking habits and income obtained from surveys conducted by the Bureau of the Census. This article presents some preliminary figures on the percentage of persons smoking regularly, according to income and age groups.

Source of Data

Each month the Bureau of the Census conducts its Current Population Survey, which provides current information on employment and related data. In February and April 1955, when the field work for this study was completed, the survey was conducted with a representative sample of about 40,000 persons in 230 sample areas, covering about 450 counties and independent cities scattered throughout all regions of the country. In connection with this survey, data on smoking habits were obtained in February 1955 for the United States Public Health Service. In April 1955, income data were collected from about three-fourths of the households in the sample. Approximately one-half of the February and April samples represented identical households. This made possible the cross-classification of smoking information with the income status of individuals. The cross-classification matched smoking and income information for individuals 18 years and over. Thus, it differs somewhat in age groups from those covered in the Census publication, Current Population Reports, Consumer Income (Series P-60, No. 19, October 1955), which includes all individuals 14 years and over.

In the February 1955 survey, a number of questions were asked about the smoking habits of each person in the sample. Tabulated responses have provided data on regular cigarette smokers, regular cigar smokers, and regular pipe smokers. Regular smokers of a product are defined as those who smoke that product every day. Such smokers form the basis for the percentages appearing in this article. Occasional smokers--those who smoke once in a while--are

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excluded. Female smokers were tabulated as cigarette smokers only. While most of the males who smoke cigarettes regularly smoke that product only each day, a substantial proportion of cigar smokers and pipe smokers also regularly engage in one or both of the other forms of smoking. Thus, the three male groups for which tables are shown are not mutually exclusive. These groups are (1) regular cigarette smokers--a small proportion of whom also regularly smoke cigars and/or pipes, (2) regular cigar smokers--a substantial proportion of whom also regularly smoke cigarettes and/or pipes, and (3) regular pipe smokers--a substantial proportion of whom also regularly smoke cigarettes and/or cigars.

The April 1955 survey obtained information on the amount of money income received in 1954 by each person in the sample. This included wages or salaries, net income from self-employment and other income such as interest, dividends, veterans' allowances, pensions, or rents. The amounts received represent income before deductions for personal taxes, social security, bonds, and so forth. A preponderant proportion of males 18 and over received some money income during 1954. The small proportion of males that did not receive any money income was probably composed largely of students in the younger age group and nonworking dependents in the more advanced age groups. More than half of the females did not receive any money income in 1954. In this group, housewives were predominant; others included students and older dependents.

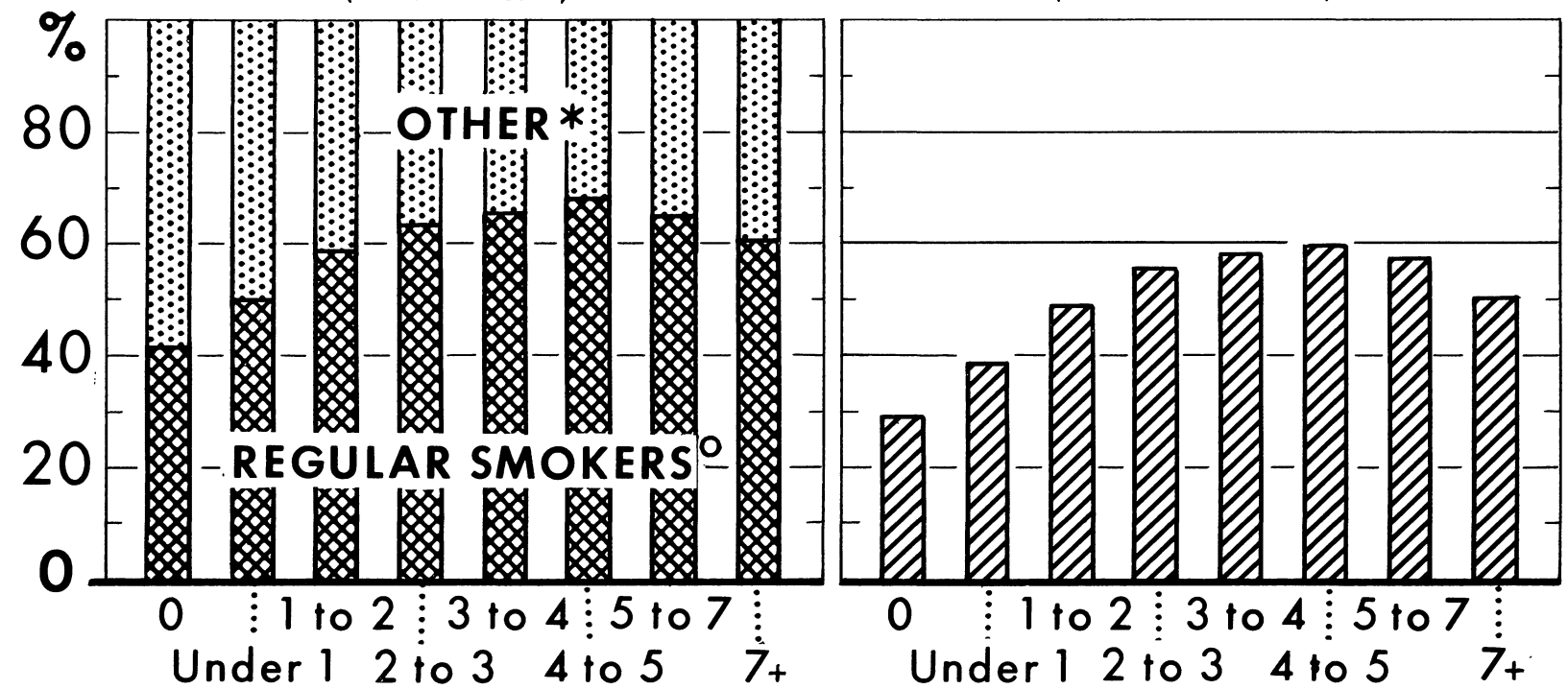
The subsample providing both smoking and income data is representative on a national basis. The estimating procedure used with these surveys involves the inflation of weighted sample results to independent estimates of the civilian noninstitutional population of the United States. The percentage distribution of smokers by income and age groups in the accompanying tables and charts portrays the pattern on this national basis. Since the smoking and income estimates are based on sample data, they are subject to sampling variability. This necessitates caution in considering small percentages and small differences between percentages. In addition to sampling variability, the data are subject to errors of response and nonreporting.

Another consideration that should be borne in mind is the fact that Census income data may not completely reflect an individual's purchasing power. Persons receiving benefits from income obtained by other family members may enjoy a purchasing power considerably higher than apparent from individual income data. Another instance where individual income data may understate purchasing power may occur among older persons in the lower-income brackets. Some of these may have their income supplemented by withdrawal of savings, gifts, lump-sum insurance payments, or net proceeds from sale of property, which are not included as income under Census definitions.

TOBACCO SMOKING PATTERN OF MALES, BY INCOME CLASS

Smokers and Nonsmokers
(% DISTRIBUTION)

Regular Smokers of Cigarettes
(% OF INCOME CLASS)



1954 MONEY INCOME (\$ THOUS.)

SMOKERS 18 YRS OLD AND OVER; DATA BASED ON 1955 SURVEY
 * NONSMOKERS AND OCCASIONAL SMOKERS ○ DAILY SMOKERS IN ONE FORM OR OTHER.

Cigarette Smoking, Males 1/

All except around 4 percent of the males 18 years and over reported receiving some money income during 1954. Of those receiving income, 53 percent smoke cigarettes regularly while of those not having any money income (chiefly students and aged dependents) 30 percent smoke cigarettes regularly. The proportion of cigarette smokers increases from 39 percent in the lowest income group --under \$1,000--to between 55 and 60 percent in the four separate groups with incomes ranging from \$2,000 to \$7,000. The proportion declines to a little over 50 percent for those receiving \$7,000 and over. Of total males receiving \$7,000 and over, around two-thirds are managerial and professional persons whose smoking habits tend to differ from those of the general population.

Table 1.--Male regular smokers of cigarettes as a percentage of age and income group

Age group	Income class								No money income	Total
	With money income									
	Under \$1,000	\$1,000-1,999	\$2,000-2,999	\$3,000-3,999	\$4,000-4,999	\$5,000-6,999	\$7,000 and over	Total		
Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
18-24	45.9	55.9	61.4	61.3	<u>1/</u>	<u>1/</u>	<u>2/</u>	54.7	28.0	51.2
25-34	59.9	65.3	69.6	66.4	60.5	65.2	<u>1/</u>	64.0	42.0	(64.0
35-44	67.2	60.0	60.8	62.5	65.2	61.4	59.2	62.3		(61.9
45-54	57.5	60.5	57.3	57.5	60.7	53.7	56.1	57.5		(57.4
55-64	39.4	47.3	42.4	45.8	53.7	43.5	35.7	44.3		(43.8
65 and over	18.0	21.8	31.4	33.2	3/28.0	4/	4/	23.1	15.8	22.4
All ages	39.3	49.0	55.8	58.4	59.9	57.9	50.9	53.4	29.9	52.4

1/ Too few cases in sample to compute reliable percentage. 2/ No persons in sample. 3/ Income class includes those receiving \$4,000 and over. 4/ Combined with \$4,000-\$4,999 class because of insufficient cases to compute reliable individual percentages.

Stratified by age groups, this overall pattern is evident among those 18 to 24 years of age and those 55 years and over. In these age groups, the lowest proportions of regular cigarette smokers are generally among those with no money income or receiving less than \$1,000, and the highest proportions generally among those with income ranging from \$2,000 to \$7,000. For those between 25 and 54 years, the preliminary data do not indicate a relationship between proportions of regular cigarette smokers and income.

1/ Civilian noninstitutional, excluding those in the armed forces.

The highest proportions of regular cigarette smokers in each income class are generally among those in the 25-54 age groups, the percentages ranging from 54 to 70 percent. In the older groups--55 and over--the proportions of regular cigarette smokers are substantially below those for younger men in the same income bracket. The proportion in the 55-64 age group ranges between 39 and 54 percent for those receiving up to \$7,000 and declines to 36 percent for those receiving \$7,000 and over. In the oldest age group--65 and over--roughly one-fifth of those receiving up to \$2,000 are cigarette smokers. This proportion increases to nearly one-third for those receiving from \$2,000 to \$4,000.

Cigarette Smoking, Females

About 47 percent of females over 18 received some money income in 1954. The survey indicated that approximately one-fourth of these regularly smoked cigarettes and that around the same proportion of those receiving no income also were regular cigarette smokers. The similarity in proportions illustrates the difficulty in using personal income as a factor affecting smoking habits. Housewives, who predominate among females reporting no money income, have purchasing power through their spouses' income.

Among those females with incomes less than \$1,000, 18 percent were regular smokers, while for those with higher incomes the proportions range from 28-29 percent in the \$1,000 to \$3,000 groups to 32 percent for those receiving \$3,000 and over. The survey cases of women smokers in the middle and upper income brackets are too few to compute individual reliable percentages for those income levels.

Table 2.- Female regular smokers of cigarettes
as a percentage of age and income group

Age group	Income class						No money income	Total
	With money income							
	Under \$1,000	\$1,000-1,999	\$2,000-2,999	\$3,000 and over	\$4,000 and over	Total		
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
18-24	25.8	28.5	28.3	<u>1</u> / 39.0	<u>1</u> / 40.4	28.2	29.3	28.7
25-34	37.9	41.6	40.0	39.0	40.4	39.4	33.7	35.8
35-44	30.6	39.4	30.9	38.0	(34.3	(34.3	30.8	32.3
45-54	19.3	29.6	26.1	29.2	(25.2	(25.2	21.1	23.0
55-64	7.4	15.1	11.1	16.5	28.8	(11.2	8.5	9.7
65 and over	2.6	3.1	11.1	<u>1</u> / 11.1	<u>1</u> / 11.1	3.9	2.5	3.4
All ages	18.1	29.0	27.9	32.5	32.3	24.7	23.6	24.2

1/ Too few cases in sample to compute reliable percentage.

There are some marked differences in the proportions of women who smoke when considered from the standpoint of age. Of those 18-24 years old, 29 percent of women smoke with comparatively little difference in individual income classes or even among those with no income. The 25-34 age group contains the largest proportion of regular cigarette smokers--36 percent--with generally little variation according to income. Of women in this age group with money income 39 percent regularly smoke cigarettes, but the proportion declines significantly among those with no money income. In the next three age brackets--35 through 64--the proportions of women smokers in the \$1,000-\$1,999 group is appreciably higher than the proportions among those receiving less than \$1,000, but a decrease is indicated in the next higher income class. The percentage of female smokers in most income classes declines rather sharply in age brackets above 44 years.

Cigar Smoking

Among all males with money income, 6 percent regularly smoke cigars. The proportion among males in the no income class, weighted heavily by men 55 years and older, is 4 percent.

Table 3.--Males regular smokers of cigars as a percentage of age and income group

Age group	Income class									Total	
	With money income										No money income
	Under \$1,000	\$1,000-1,999	\$2,000-2,999	\$3,000-3,999	\$4,000-4,999	\$5,000-6,999	\$7,000 and over	Total			
Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.		
18-24	0.0	1.4	0.7	1.8	<u>1/</u>	<u>1/</u>	<u>2/</u>	1.0	0.0	1.0	
25-34	2.7	.5	2.7	3.9	4.5	3.9	<u>1/</u>	3.2		(3.1	
35-44	5.0	5.7	3.6	4.8	6.4	4.0	5.1	4.8	5.4	(4.8	
45-54	3.1	6.0	5.2	6.0	7.1	9.7	12.1	7.4		(7.4	
55-64	7.7	8.6	7.5	10.3	12.0	6.1	14.1	9.2		(9.4	
65 and over	7.2	12.3	10.2	10.6	<u>3/</u> 8.4	<u>4/</u>	<u>4/</u>	9.3	7.2	9.2	
All ages	4.9	6.3	4.8	5.8	6.7	5.7	8.5	6.0	4.1	5.8	

1/ Too few cases in sample to compute reliable percentage.

2/ No persons in sample.

3/ Income class includes those receiving \$4,000 and over.

4/ Combined with \$4,000-\$4,999 class because of insufficient cases to compute reliable individual percentages.

The proportion varies from 5 percent among those receiving less than \$1,000 to 8 1/2 percent in the \$7,000 and over class. The association of proportion smoking with income appears most pronounced in the two age groups including men 45-64. In the 45-54 age group, the percentage regularly smoking cigars increases from 3 percent for those receiving less than \$1,000 to 12 percent for those receiving \$7,000 and over. In the 55-64 age group, the comparable increase is from less than 8 percent to 14 percent.

Preliminary survey data show clearer evidence of a relationship of cigar smoking with age than with income. The proportion smoking cigars rises as age advances, and the highest percentages are generally found among those 45 years and older. Among men in this age group, 8 1/2 percent regularly smoke cigars compared with a little more than 3 percent for those under 45.

Pipe Smoking

Survey data suggest an inverse relationship between regular pipe smoking and income, when considering males of all ages combined. Of all males with income, about 8 percent smoke pipes regularly compared with 11 percent among those with no income. Among those receiving less than \$1,000, about 10 percent regularly smoke pipes; in the \$7,000 and over bracket, the proportion is 6 percent.

When considering individual age groups, however, this tendency does not show up as clearly although lowest percentages tend to be at the upper income levels. The highest proportion of regular pipe smokers--26 percent--appears to be among men 65 and over reporting no money income.

Like cigar smoking, pipe smoking is more prevalent among older men. Within income classes, the proportion regularly smoking pipes generally increases with age, and the higher proportions are usually found among those 55 and over.

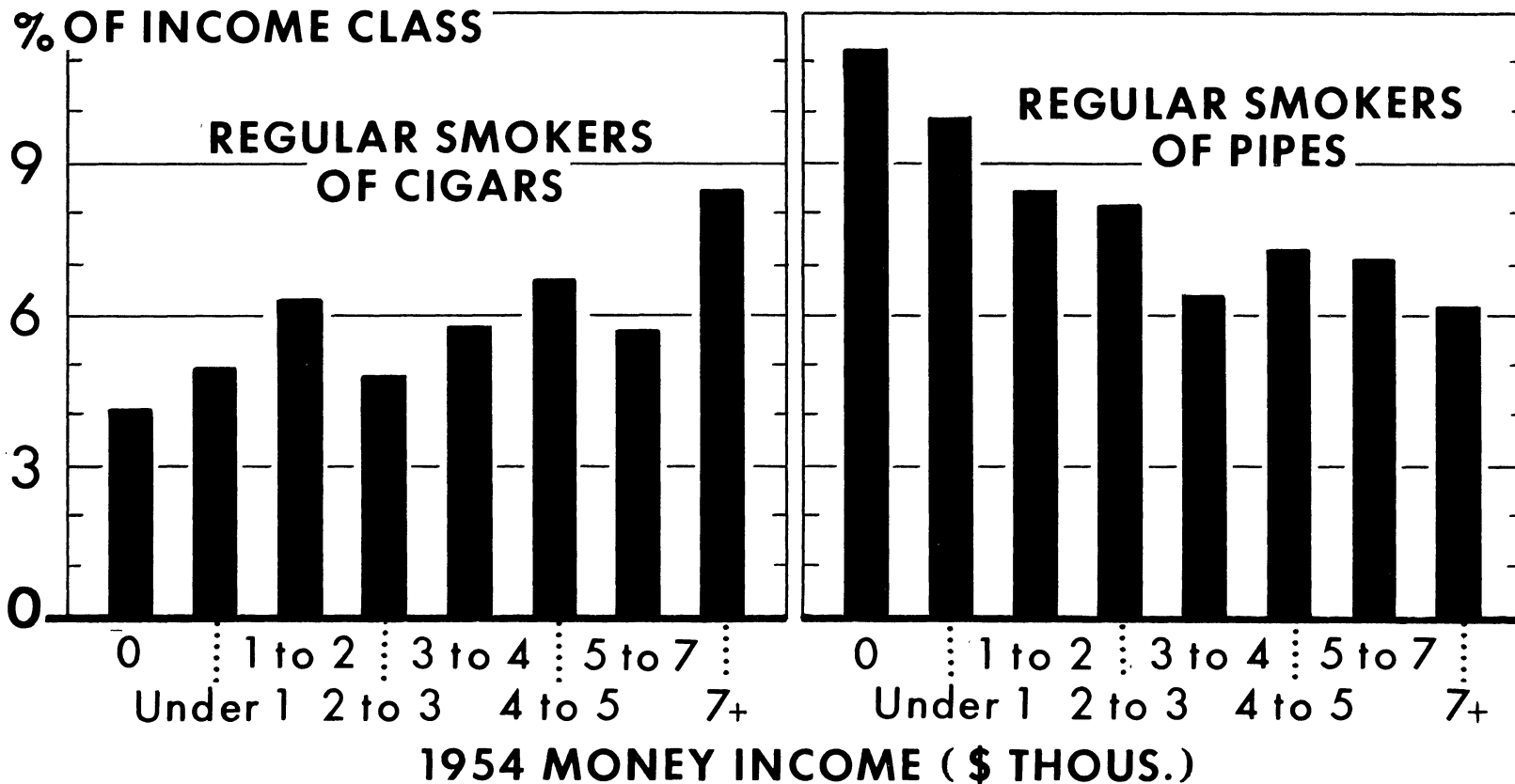
Future Publication of Other Smoking Data

The smoking-income data provide considerable information in addition to that summarized for this article. Tabulations on smoking and rates of consumption, according to income status, are available by (1) age groups, (2) four broad geographic regions, (3) residence (urban, rural farm, and rural nonfarm), (4) occupation, and (5) industry. Compilation and analysis of these data are now in progress. A separate publication, planned for release later this year, will include the results of the analyses and detailed statistical tables.

The United States Public Health Service is preparing a monograph con-

CIGAR AND PIPE SMOKERS, BY INCOME CLASS

Males 18 Years Old and Over



* DATA BASED ON 1955 SURVEY

Table 4.--Male regular smokers of pipes as a percentage of age and income group

Age group	Income class									Total	
	With money income										No money income
	Under \$1,000	\$1,000-1,999	\$2,000-2,999	\$3,000-3,999	\$4,000-4,999	\$5,000-6,999	\$7,000 and over	Total			
Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.		
18-24	2.1	1.3	1.7	6.8	<u>1/</u>	<u>1/</u>	<u>2/</u>	3.2	3.9	3.4	
25-34	1.8	3.8	4.7	4.1	4.8	2.9	<u>1/</u>	3.7	7.2	(3.8	
35-44	6.0	4.1	9.2	4.8	7.0	7.4	4.9	6.6		(6.4	
45-54	13.8	3.8	6.3	8.0	8.4	8.0	6.0	7.7	10.6	(7.8	
55-64	10.8	14.0	9.1	10.7	9.5	10.2	8.9	10.6		(10.6	
65 and over	15.6	18.5	21.0	6.3	<u>3/</u> 14.7	<u>4/</u>	<u>4/</u>	16.1	26.4	16.8	
All ages	9.9	8.5	8.2	6.4	7.3	7.1	6.2	7.6	11.3	7.8	

1/ Too few cases in sample to compute reliable percentage.

2/ No persons in sample.

3/ Income class includes those receiving \$4,000 and over.

4/ Combined with \$4,000-\$4,999 class because of insufficient cases to compute reliable individual percentages.

taining detailed findings and statistics relating to smoking habits and characteristics of smokers. This is scheduled for release in the next few months. Work being performed in the Agricultural Economics Division on smoking as related to income will provide data and information supplementing that contained in the Public Health Service monograph.

Table 5.- Distribution of male smokers 18 years and over, by product smoked regularly ^{1/}

Age group and product smoked	Income class										
	With money income									No	Total
	Under \$1,000	\$1,000-1,999	2,000-2,999	3,000-3,999	4,000-4,999	5,000-5,999	6,000-6,999	7,000 and over	Total money income	Total	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
18-24 years:											
Cigarettes	95.6	95.4	96.2	87.7	2/	3/	3/	92.9	87.8	92.1	
Cigars	0	2.4	1.1	2.6	2/	3/	3/	1.7	0	1.8	
Pipes	4.4	2.2	2.7	9.7	2/	3/	3/	5.4	12.2	6.1	
All regular smokers, 18-24	100.0	100.0	100.0	100.0	2/	3/	3/	100.0	100.0	100.0	
25-34 years:											
Cigarettes	93.0	93.8	90.4	89.3	86.7	90.9	2/	90.3	2/	90.2	
Cigars	4.2	.7	3.5	5.2	6.4	5.1	2/	4.5	2/	4.4	
Pipes	2.8	5.5	6.1	5.5	6.9	4.0	2/	5.2	2/	5.4	
All regular smokers, 25-34	100.0	100.0	100.0	100.0	100.0	100.0	2/	100.0	2/	100.0	
35-44 years:											
Cigarettes	85.9	85.9	82.6	86.6	83.0	84.3	85.5	84.5	2/	84.6	
Cigars	6.4	8.2	4.9	6.7	8.1	5.5	7.4	6.5	2/	6.6	
Pipes	7.7	5.9	12.5	6.7	8.9	10.2	7.1	9.0	2/	8.8	
All regular smokers, 35-44	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	2/	100.0	
45-54 years:											
Cigarettes	77.3	86.1	83.2	80.4	79.7	75.2	75.7	79.2	2/	79.1	
Cigars	4.2	8.5	7.6	8.4	9.3	13.6	16.2	10.2	2/	10.2	
Pipes	18.5	5.4	9.2	11.2	11.0	11.2	8.1	10.6	2/	10.7	
All regular smokers, 45-54	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	2/	100.0	
55-64 years:											
Cigarettes	68.0	67.7	71.9	68.6	71.4	72.7	60.8	69.1	2/	68.7	
Cigars	13.3	12.3	12.7	15.4	16.0	10.3	24.1	14.4	2/	14.7	
Pipes	18.7	20.0	15.4	16.0	12.6	17.0	15.1	16.5	2/	16.6	
All regular smokers, 55-64	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	2/	100.0	
65 and over:											
Cigarettes	44.2	41.4	50.2	66.2	4/54.8	5/	5/	47.6	32.0	46.3	
Cigars	17.6	23.4	16.3	21.2	4/16.4	5/	5/	19.2	14.6	19.0	
Pipes	38.2	35.2	33.5	12.6	4/28.8	5/	5/	33.2	53.4	34.7	
All regular smokers, 65 and over:	100.0	100.0	100.0	100.0	4/100.0	5/	5/	100.0	100.0	100.0	
All ages:											
Cigarettes	72.6	76.8	81.1	82.7	81.0	82.0	77.5	79.7	66.1	79.4	
Cigars	9.1	9.9	7.0	8.2	9.1	7.9	13.0	9.0	9.0	8.8	
Pipes	18.3	13.3	11.9	9.1	9.9	10.1	9.5	11.3	24.9	11.8	
All regular smokers, all ages	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

^{1/} Regular smokers of more than one product are included in appropriate product groups. For example, smokers who regularly smoke both cigarettes and cigars comprise part of the cigarette group and also part of the cigar group. ^{2/} Too few cases in sample to compute reliable percentage. Combining the cases in the 25-64 age groups in the "No money income" class results in the following distribution: cigarettes, 76.9 percent; cigars, 9.9 percent; and pipes, 13.2 percent. ^{3/} No persons in sample. ^{4/} Income class includes those receiving \$4,000 and over ^{5/} Combined with \$4,000-\$4,999 class because of insufficient cases to compute reliable individual percentages.

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