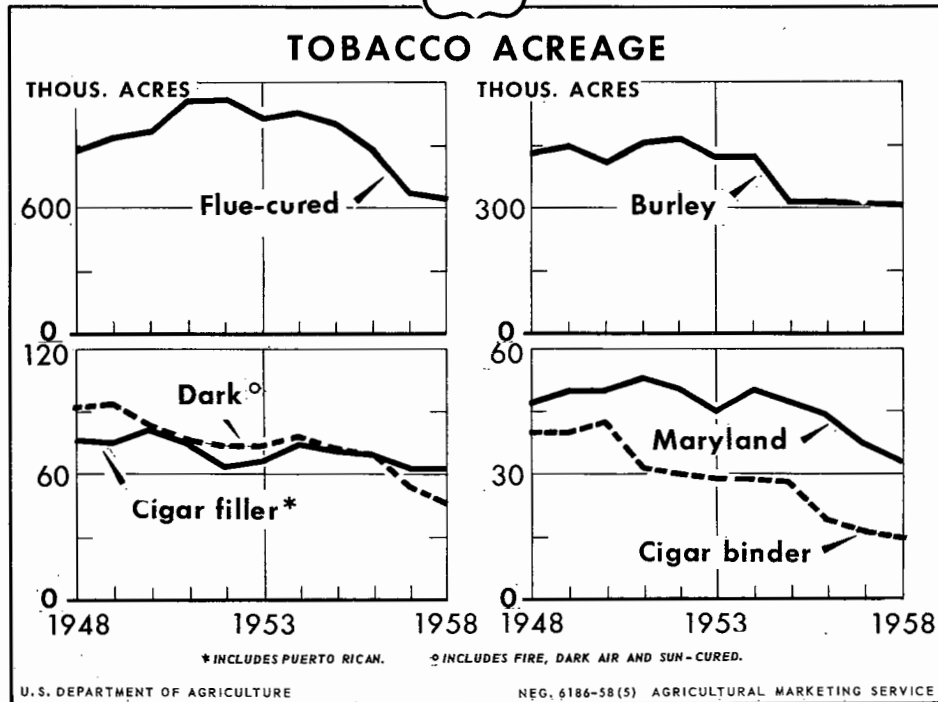


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The TOBACCO SITUATION

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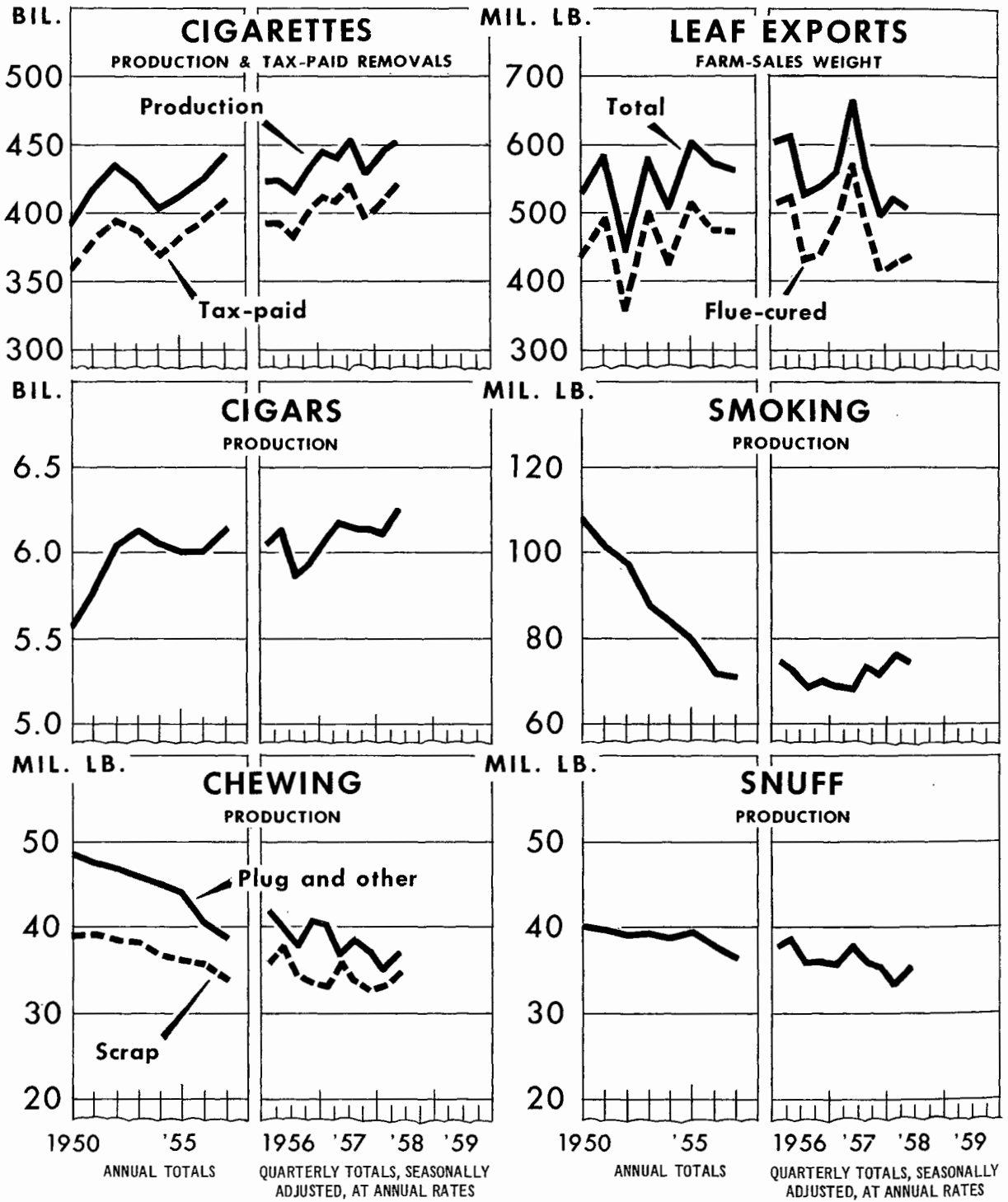
Total tobacco acreage is about a third less than 10 years ago. Acreages of all types are down, though by varying percentages. Substantial cuts have been made in recent years to comply with reductions in acreage allotments. Also, this year and last growers placed considerable acreage in the Soil Bank. Although acreages have declined, the average number of pounds produced by an acre of flue-

cured, burley, and some other types has increased by more than a fifth in the past 10 years. The 1958 production for most kinds of tobacco is likely to be well below the big crops of the 1951-1956 period. Carryovers of most kinds, though declining, are still substantial so that 1958-59 supplies of most grades are expected to be ample to meet requirements.

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UNITED STATES DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



LAST QUARTER SHOWN, PARTLY ESTIMATED

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 T H E T O B A C C O S I T U A T I O N
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Approved by the Outlook and Situation Board, June 20, 1958

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SUMMARY

Cigarette output during July 1957-June 1958 totaled about 446 billion-- $2\frac{3}{4}$ percent above 1956-57 and a new high. Preliminary indications are that domestic use of the major cigarette tobaccos (flue-cured and burley, farm-sales weight) may have increased for the first time in several years, though by a smaller percentage than cigarette output.

The greater percentage increase in cigarette output than in tobacco use was probably due to a further increase in filter tip cigarettes, many of which take less tobacco per cigarette than those without filters. Also, use of processed tobacco sheet and stems, which makes it possible to get more cigarettes than formerly from a given quantity of leaf tobacco, may have increased.

Domestic use of flue-cured, the leading cigarette tobacco, is estimated at about 715 million pounds--a little above 1956-57 but still second lowest in 10 years. Exports of flue-cured, which usually account for at least four-fifths of total tobacco exports, are estimated at 440 million pounds (farm-sales weight)--5 percent less than in 1956-57, but higher than in 7 of the previous 10 years. Exports held up well in the past year, even though the 1957 crop was relatively small and prices higher than in the previous season.

During the October 1957-September 1958 marketing year, domestic consumption of burley, the second ranking cigarette tobacco, seems likely to be near 485 million pounds, up a little from 1956-57. However, indications are that 1957-58 exports may be around 3 million pounds lower than the 28 million pounds (farm-sales weight) shipped in 1956-57.

Maryland tobacco is mainly used in cigarettes but in much smaller quantities than flue-cured and burley. Domestic use of Maryland tobacco in October 1957-September 1958 may be about even with the unusually low 1956-57 figure but exports of Maryland tobacco seem likely to continue at relatively favorable levels.

The fiscal 1957-58 output of smoking tobacco--another outlet for burley and flue-cured--is estimated at 74 million pounds--7 percent higher than in 1956-57. This is a significant turnabout since consumption of the smoking tobacco products had been trending steadily downward for several years. Manufactured smoking tobacco is used in pipes and "roll-your-own" cigarettes, ordinarily the most economical forms of tobacco consumption. Exports of smoking tobacco in bulk moved at a record rate during the first third of 1958.

The 1957-58 fiscal year cigar and cigarillo consumption is estimated at over $6\frac{1}{4}$ billion--about 3 percent higher than in 1956-57. Cigarillos probably accounted for approximately an eighth of the total. The use of manufactured sheet binder in place of natural leaf binder continues to expand. Domestic use of the cigar filler and binder types this year is indicated to be down from 1956-57. Use of imported scrap as filler for cigars appears to have increased over that of a year ago. The total disappearance of shade-grown wrapper in 1957-58 probably exceeds that of 1956-57, mainly due to an increase in the exports of these types.

The fiscal 1957-58 output of chewing tobacco is estimated at $70\frac{1}{2}$ million pounds, about 3 million pounds less than in 1956-57 and a new long-time low. The 1957-58 output of snuff probably totals close to 35 million pounds-- $1\frac{1}{2}$ million pounds lower than a year ago. During most of the postwar period, snuff consumption stayed fairly steady but in the last $2\frac{1}{2}$ years, the trend has been downward.

Snuff and chewing tobacco products are the main domestic outlets for fire-cured and dark air-cured tobacco types. Domestic use of fire-cured in 1957-58 seems likely to be down slightly from 1956-57. Indications are that domestic use of dark air-cured will be down sharply from the unusually high figure for 1956-57. On the average, about a half of the fire-cured tobacco and a considerably smaller share of dark air-cured tobacco is exported. The 1957-58 exports of fire-cured are likely to be a little larger than in 1956-57 but exports of dark air-cured are down sharply.

The 1957-58 fiscal year exports of all types of unmanufactured tobacco total approximately 520 million pounds, farm-sales weight--7 percent less than in 1956-57. In foreign trade, U. S. tobacco, particularly flue-cured, competes mainly with tobacco produced in Rhodesia-Nyasaland, Canada and India. Production

in Rhodesia and Canada has expanded sharply in the past decade. Also, efforts have been made by some countries to meet more of their needs by producing their own flue-cured tobacco.

If yields per acre are near the averages of recent years, 1958 production in the U. S. of most kinds of tobacco will be a little lower than last year. More tobacco acreage than last year was placed in the acreage reserve of the Soil Bank program; and fire-cured, dark air-cured and Connecticut Valley binder tobacco allotments were reduced. However, the carryovers from previous crops of most kinds of tobacco are substantial.

The carryover of flue-cured on July 1, 1958 (beginning of its 1958-59 marketing year) is estimated at 7 percent below the record level of a year ago but above any previous year. The carryover of burley on October 1 (beginning of its 1958-59 marketing year) seems likely to be down about 2 percent from last October 1 and 5 percent below the record level of 3 years earlier. The carryovers of the fire-cured and dark air-cured tobaccos next October 1 will be moderately below those of the last few years, but still large in relation to annual disappearance. The carryover of the combined cigar binder types will drop sharply, reflecting mainly the drastic cuts in production in the Connecticut Valley in recent years as manufactured-sheet binder became more important.

The 1958 crops of flue-cured, burley, Maryland tobacco and continental filler and binder types (except Pennsylvania, type 41) will receive Government price support at 90 percent of parity. Minimum supports for these tobaccos were announced on April 7. If at the beginning of the marketing year (July 1 for flue-cured and October 1 for other types) the applicable tobacco parities are higher than when the minimums were calculated, the support levels will be raised to reflect the increases. If the parities should decline, the minimums will become the actual price supports for this year's crops. The minimum supports for nearly all the kinds of tobacco specified above are higher than last year's actual supports--the increases amount to about $6\frac{1}{2}$ percent for flue-cured and burley but less for most other types. Tobacco parity prices applicable to June exceed those on which minimum supports were based.

Price support levels for the 1958 crops of Virginia fire-cured (type 21), Kentucky-Tennessee fire-cured (types 22-23), dark air-cured (types 35-36) and sun-cured (type 37) will be the same as last year unless 90 percent of the October 1 parities for these types should exceed their 1957 support levels.

TOBACCO PRODUCTS

Cigarettes

For the year ending June 30, 1958, the number of cigarettes manufactured is estimated at 446 billion--about 12 billion or $2\frac{3}{4}$ percent above 1956-57. This surpasses any previous fiscal or calendar year total. Domestic consumption took about 93 percent of total output and was a record high. Commercial exports were probably the largest in 9 years. Other shipments, mainly to overseas forces and U. S. possessions, held about even with a year ago.

During the first third of 1958, cigarette consumption was about 2 percent above the same period of 1957. For calendar 1958 as a whole, it seems likely that a new high will be reached. This will be mainly due to additional smokers, reflecting the increase in the number of persons of smoking age, and the continuing trend towards filter tip cigarettes. Trade sources indicate that filter tip cigarettes may account for nearly one-half of total domestic consumption this year compared with a little less than two-fifths in 1957 and nearly three-tenths in 1956.

Although disposable personal income per capita is a little lower than last year, cigarette consumption thus far has been only mildly affected. This is in line with previous experience which has shown that cigarette demand is relatively inelastic with respect to income. Average expenditure per pack in the 1957-58 fiscal year has been increased over a year earlier due to (1) the higher proportion of filter tips (which are higher priced than regular-size nonfilter tips), (2) the price advance on nonfilter tips that became effective about a year ago, and (3) increases in tax rates on cigarettes in several States. For rural areas of the country as a whole, the average price paid for a package of cigarettes in March 1958 was $24\frac{1}{2}$ cents, nearly 5 percent above a year earlier. A similar percentage increase is indicated in the BLS data for large urban centers.

The Senate and House of Representatives extended until July 1, 1959 the current Federal cigarette tax of 8 cents per pack. This would be the fifth postponement of the scheduled reduction to 7 cents per pack.

Increases in cigarette consumption have been fairly widespread over the country during the past year. In recent months, however, some areas have had small declines or practically no increase. Based on State cigarette tax data for the first third of 1958, these areas were in Michigan (where a significant percentage of unemployment has been a factor), Wisconsin, Missouri, Delaware, Wyoming, Montana (which doubled its cigarette tax rate during 1957), West Virginia, Arkansas and Tennessee.

Preliminary indications are that the decline in the total quantity of tobacco used in cigarettes may have halted in 1957-58. In years just prior to 1957-58, the quantity of farm-sales weight tobacco used in cigarettes declined in the face of significant increases in the output of cigarettes. It now appears that 1957-58 usings may exceed 1956-57 but by a smaller percentage than the rise in cigarette output. Major factors tending to reduce leaf tobacco requirements are the continuing trend to filter tips, a substantial proportion of which have less cubic space to fill with tobacco, and the increased use of sheet tobacco and stems. ^{1/} Unless offset by increases in

^{1/} An informative article summarizing some research on these factors appears in the Spring 1958 issue of Kentucky Farm and Home Science, Vol. 4, No. 2, pp. 3-8, 16, published by the Kentucky Agricultural Experiment Station, University of Kentucky, Lexington. The article is entitled "Cigarette Size and Composition," by R. B. Griffith and G. T. Webster.

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

Period	Total output	Domestic consumption <u>1/</u>	Shipments and other <u>2/</u>	Exports
	<u>Billions</u>	<u>Billions</u>	<u>Billions</u>	<u>Billions</u>
Average:				
1935-39	164.2	157.0	1.7	5.5
1940-44	256.9	223.5	27.5	5.8
1945	332.2	267.2	58.1	6.9
1946	350.0	321.7	6.6	24.1
1947	369.7	335.4	11.5	22.8
1948	386.8	348.5	13.5	25.2
1949	385.0	351.8	13.7	19.5
1950	392.0	360.2	17.5	14.3
1951	418.8	379.7	22.1	16.8
1952	435.5	394.1	23.6	16.4
1953	423.1	386.8	20.8	16.2
1954	401.8	368.7	17.7	15.4
1955	412.3	382.1	15.2	15.1
1956	424.2	393.2	15.3	15.7
1957 <u>3/</u>	442.4	409.4	15.8	17.0
Fiscal year				
Year ending June:				
1954	413.6	377.7	19.9	15.6
1955	407.8	375.2	17.4	15.1
1956	416.8	387.1	14.5	15.3
1957	433.9	401.7	16.0	16.1
1958 <u>4/</u>	446.0	413.0	16.0	17.0

1/ As indicated by tax-paid removals. 2/ Mainly to forces overseas, to United States possessions, and ships' stores. 3/ Subject to revision.

4/ Estimated.

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

the total number of cigarettes produced, these factors might mean further reductions in quantities of farm-sales weight tobacco required in future years.

During the first third of 1958, exports of cigarettes were 5 percent ahead of those in the corresponding period of 1957. Cigarettes exported in 1957 calendar year totaled 17 billion, with a declared value of 67½ million dollars. The 1957 average export value per 1,000 cigarettes was \$3.97--nearly 6 percent above 1956. About three-fifths of the cigarettes exported go to 10 countries, and the other two-fifths go to about 100 other of the approximately 140 foreign countries, territories, islands and areas around the world.

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

Country	January-April						
	Average 1950-54	1955	1956	1957 1/	1957 1/	1958 1/	1958 as percent- age of 1957
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Venezuela	1,455	1,744	1,953	2,327	650	920	142
Morocco	1,813	1,144	1,751	1,938	594	587	99
France	642	979	777	1,299	402	280	70
Hong Kong	944	842	863	1,219	352	387	110
British Malaya 2/	633	511	687	929	299	297	99
Belgium	890	507	487	639	147	248	169
Sweden	623	679	769	624	180	192	107
Panama-Canal Zone	721	617	557	567	219	99	45
Ecuador	164	538	504	490	110	140	127
West Germany	385	500	515	476	167	105	63
Other countries 3/	7,558	7,065	6,851	6,485	2,021	2,144	106
Total, all countries	15,828	15,126	15,714	16,993	5,141	5,399	105

1/ Preliminary.

2/ Beginning January 1958, Singapore.

3/ Includes approximately 95 to 110 foreign destinations in recent years.

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

Cigars

The number of cigars and cigarillos manufactured in domestic factories in the year ending June 30, 1958 is estimated at over 5.9 billion--about $2\frac{1}{2}$ percent more than in 1956-57. Domestic factories supply nearly 94 percent of the cigars smoked in this country. Approximately 4 percent come from bonded manufacturing warehouses located in this country which use only imported tobacco. This source now provides around 240 million cigars annually--100 million more than 10 years ago. Cigar shipments from Puerto Rico continue to increase, and in fiscal 1957-58, probably reached 135 million--over a third more than in 1956-57. Imports of cigars, mainly from Cuba and the Philippine Republic, totaled about 27 million in the past year--a postwar high but far below prewar.

Total cigar and cigarillo consumption including that of overseas forces was over $6\frac{1}{4}$ billion in the year just ending. The 1958 calendar year total is expected to be close to this figure.

The principal source of statistics bearing on output and consumption of cigars is the Internal Revenue Service, which collects such data in connection with the applicable excise taxes. However, Internal Revenue figures do not distinguish between the traditional size cigar and the smaller cigarillo-size cigar. ^{2/} The Cigar Manufacturers Association of America conducted a survey to collect such data with respect to calendar 1957 sales. Based on the results of this survey, it is estimated that 715 million, or 11.6 percent of the total tax-paid consumption of cigars, were cigarillo-size cigars. (Cigarillo-size cigars were defined as cigars weighing over 3 pounds but under 10 pounds per 1,000, finished weight. The traditional larger size cigars mostly range from 15 to 18 pounds per 1,000, finished weight.) Although comparable estimates are unavailable for other years, the number of cigarillos sold in the past year or two is significantly greater than a few years ago.

The use of sheet binder in place of natural leaf binder continues to expand, and additional firms are placing it on various brands. The binders for a large majority of the cigarillos are made from the manufactured sheet binder. In certain manufacturing operations, the sheet binder takes a crew of three instead of four for traditional size cigars and one operator instead of two for the cigarillo machines.

The development of sheet binder and the greater proportion of cigarillos than a few years ago have lowered the average quantity of farm-sales weight tobacco required per 1,000 cigars.

^{2/} The Internal Revenue Service does provide separate data on cigars weighing 3 pounds or less per 1,000. The 1957 output of these small cigars (approximately cigarette-size) totaled 49 million in 1957, about a fifth below the 1952-56 average and down three-fourths from the prewar average.

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

Period	Domestic factories			Bonded manuf- acturing ware- house	Imports for consump- tion	From Puerto Rico: Tax- paid with- drawals in United States	Total tax-paid consump- tion	
	Total output	Tax-paid remov- als	Tax-free remov- als	Tax-paid remov- als	Total <u>2/</u>	From Cuba		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	
Average:								
1935-39	5,075	5,060	13	66	192.4	3.0	5,346	
1940-44	5,450	5,282	199	105	93.7	15.3	5,492	
1945	5,275	4,774	469	82	60.0	59.8	4,976	
1946	5,618	5,621	26	125	22.2	20.1	5,846	
1947	5,488	5,460	41	124	12.5	9.1	5,603	
1948	5,645	5,588	38	140	11.8	10.3	5,745	
1949	5,453	5,399	46	142	10.9	10.2	5,556	
1950	5,399	5,365	47	160	11.9	11.1	5,538	
1951	5,594	5,518	85	177	14.3	13.0	5,710	
1952	5,825	5,755	102	196	14.6	12.5	5,968	
1953	5,915	5,820	90	205	16.8	13.4	6,052	
1954	5,820	5,690	89	206	16.3	12.3	5,962	
1955	5,776	5,688	82	227	20.3	14.7	6,019	
1956	5,767	5,633	72	230	22.8	18.4	5,979	
1957 <u>3/</u>	5,897	5,761	76	238	26.0	20.0	6,149	
	Fiscal year							
Year ending June								
1954	5,849	5,736	101	199	16.2	12.6	5,981	
1955	5,787	5,704	82	222	18.2	14.3	6,010	
1956	5,806	5,672	74	231	20.9	14.9	6,017	
1957	5,779	5,652	74	234	23.7	18.5	6,011	
1958 <u>4/</u>	5,930	5,820	78	238	27.0	21.0	6,220	

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Predomi-
nant share of cigar imports prior to World War II came from the Philippine
Islands. 3/ Subject to revision. 4/ Estimated.

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

For several years before 1958, the proportions of cigars in the several retail price brackets had shifted comparatively little. In late 1957 and early 1958, two leading cigar firms made changes affecting well-known brands that sharply increased the proportion falling in the 6.1-8.0 cent retail price bracket and lowered the proportions in the adjacent price brackets. In one case, a brand selling for 10 cents each was reduced to 8 cents and in the other case, a 6 cent line was supplemented with a new 7½ cent line. The percentage distribution of tax-paid removals from domestic factories in 6 retail price groups during the first third of 1958 compared with the same period of a year earlier is as follows:

<u>Retail price per cigar</u> <u>Cents</u>	<u>January-April 1957</u> <u>Percent</u>	<u>January-April 1958</u> <u>Percent</u>
4.0 or less	4.6	4.7
4.1- 6.0	40.3	35.4
6.1- 8.0	10.3	19.6
8.1-15.0	41.1	36.8
15.1-20.0	2.4	2.4
20.1 or more	1.3	1.1
<u>Total</u>	<u>100.0</u>	<u>100.0</u>

The first quarter, 1958, BLS index of cigar prices paid by consumers in large cities was up slightly compared with a year earlier. This index has been very steady in the past 3 or 4 years and is about 10 percent higher than 10 years ago.

Exports account for only a small percentage of total output. In recent years, exports of cigars have ranged from about 6 to 9 million. During the first third of 1958, cigar exports were nearly 40 percent ahead of those in the comparable period of 1957.

Smoking Tobacco

Output of smoking tobacco in the year ending June 30 is estimated at about 74 million pounds--7 percent more than in 1956-57 when it was the lowest in over 50 years. Manufacture of smoking tobacco during the first third of 1958 ran almost 14 percent above the comparable period of 1957. The calendar year 1958 total output is likely to exceed each of the previous 2 years but probably will not reach the 80 million pound level of 3 years ago.

Manufactured smoking tobacco is used in pipes or for "roll-your-own" cigarettes. Ordinarily these forms of smoking are more economical than cigars and ready made cigarettes. Some areas particularly affected by the recession are reported as consuming more smoking tobacco. Smokers in Michigan and Montana probably are using more smoking tobacco than a year ago. In 1957 Michigan raised its cigarette tax from 3 to 5 cents per pack and Montana jumped its cigarette tax from 4 to 8 cents per pack. Smoking tobacco is not

taxed in most States (including Michigan and Montana) and the Federal tax at 10 cents per pound is far less than on the equivalent amount of tobacco in the form of manufactured cigarettes.

Smokers may purchase large packets of cigarette papers or use the small packets usually given away with the packaged tobacco. It is estimated that about a half of the papers are bought and on these a Federal tax is paid. Tax collection data indicate an upturn in roll-your-own cigarettes. During the first 10 months of fiscal 1957-58, tax-paid papers ran over one-fifth higher than in the comparable period of 1956-57.

The BLS index of wholesale prices of smoking tobacco in April 1958 was about 19 percent higher than April 1957. The index had stayed almost level for several years.

Smokers in this country consume all except a relatively small portion of the output of manufactured smoking tobacco. In recent years, exports of packaged smoking tobacco have ranged from about 550,000 to 650,000 pounds. Canada is the largest single outlet. During the first third of 1958, exports of packaged smoking tobacco were 28 percent ahead of those in the comparable period of 1957--due in large part to increased shipments to Canada. Manufactured tobacco exported in bulk form is largely not reflected in the Internal Revenue Service total output figures. This category includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed-blended tobacco and shredded tobacco. In recent years, exports of bulk smoking tobacco have ranged from about $4\frac{1}{2}$ to $6\frac{1}{4}$ million pounds. During the first third of 1958, exports of bulk smoking tobacco moved at a record rate for that time of year. They were nearly triple those in January-April 1957, when they dropped to the lowest for those months in 5 years. Major destinations in the first months of 1958 were Spain, Australia, Panama, Haiti, Bolivia, Dominican Republic and Mexico.

Chewing Tobacco

Output of chewing tobacco in the year ending June 30 is estimated at $70\frac{1}{2}$ million pounds--about 3 million less than in fiscal 1956-57. This is a new long-time low. Most of the decline occurred in the output of plug chewing tobacco, but scrap chewing also was down some. Plug and scrap chewing tobaccos make up 43 percent and $47\frac{1}{2}$ percent, respectively, of all chewing tobacco manufactured. The smaller categories, twist and fine-cut, make up the remaining $9\frac{1}{2}$ percent. In the past 5 years, output of plug chewing has dropped more than 7 million pounds and output of scrap chewing has dropped 4 million pounds. The downtrend is expected to continue in coming years. Plug chewing utilizes mainly burley and dark air-cured types, and scrap chewing takes mainly cigar binder types of tobacco.

The Bureau of Labor Statistics index of wholesale prices of plug chewing tobacco in April 1958 was 7 percent higher than a year earlier and 20 percent higher than 2 years earlier. Before that it had remained almost constant for several years.

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

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957 ^{1/}	70.5	31.6	4.0	2.8	33.9	72.3	36.2
Fiscal year							
Year ending:							
June							
1954	83.1	37.6	4.7	2.9	37.5	82.7	39.0
1955	85.0	36.5	4.8	3.0	36.5	80.8	39.0
1956	74.0	34.0	4.3	2.9	36.1	77.3	38.4
1957	68.9	32.3	4.1	2.8	34.3	73.5	36.5
1958 ^{2/}	74.0	30.3	3.9	2.8	33.5	70.5	35.0

^{1/} Subject to revision. ^{2/} Estimated.

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

In recent years, exports of chewing tobacco have ranged from about $1\frac{1}{2}$ to over 2 million pounds--around 2 percent of total output. Exports of chewing tobacco are mainly the twist and plug categories. During the first third of 1958, exports of chewing tobacco were 4 percent less than in the same period of a year earlier. As usual, the principal destinations were Australia, the Philippine Republic and French Pacific Islands.

Snuff

Output of snuff in the year ending June 30 is estimated at 35 million pounds--about $1\frac{1}{2}$ million less than in 1956-57 and almost $3\frac{1}{2}$ million below 1955-56. Consumption in this country absorbs practically the entire snuff output. In the year just ending, it is indicated to be the lowest since the early 1930's. During most of the postwar period, snuff consumption stayed fairly steady at about 39 or 40 million pounds, but in the last $2\frac{1}{2}$ years the trend has been downward. The fire-cured tobacco types find their main domestic outlet in snuff manufacture.

Most snuff is consumed in the southern, north central and northwestern parts of the country. The major part of it is consumed by "dipping"--that is, placing it in the mouth. It may be that snuff consumption is beginning to follow the course of steady long-term decline so evident in use of chewing tobacco.

The Bureau of Labor Statistics index of wholesale prices of snuff for April 1958 was 10 percent higher than a year earlier. Prior to the advance in prices about a year ago, they had changed relatively little in several years.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 3/

U. S. exports of unmanufactured tobacco in the year ending June 30, 1958 are estimated at about 465 million pounds--7 percent less than in 1956-57 and 20 percent less than the larger-than-usual shipments in 1955-56. The smaller 1957-58 exports reflect decreased shipments of flue-cured, which usually make up about four-fifths of the total. In the 10 years prior to 1957-58, total exports averaged 478 million pounds.

Several factors are favorable to U. S. tobacco exports. Cigarette consumption in foreign countries has been increasing rapidly. Economic activity abroad, though slackening somewhat, remains relatively high. Gold and dollar holdings of several foreign markets, notably the United Kingdom, improved substantially in the last quarter of 1957 and continued to increase early in 1958. By the end of May, the United Kingdom's centrally held gold and dollar reserves were 3.0 billion dollars, 30 percent above those a year earlier and the highest since mid-1954. U. S. total imports--the most important source of dollar exchange to foreigners--were at a record level in 1957, and remained

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

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

(Declared weight)							
Country and type	Average 1950-54	1955	1956	1957 ^{1/}	January-April		
					1957 ^{1/}	1958 ^{1/}	1958 as percentage of 1957
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	391.2	456.1	420.4	417.7	92.4	76.8	83
Burley	28.9	31.7	29.2	20.5	7.6	10.2	134
Maryland	7.5	8.4	12.1	13.5	5.0	3.6	72
Va. fire-cured and sun-cured	4.8	4.4	4.4	5.3	1.7	1.8	106
Ky. and Tenn. fire-cured	23.1	21.4	24.2	22.0	7.9	7.5	95
Green River	1.9	1.8	1.3	1.6	.6	.7	117
One Sucker	1.8	1.7	2.4	2.6	1.2	.4	33
Black Fat, etc.	4.0	5.3	4.6	4.5	1.1	1.4	127
Cigar wrapper	3.4	4.2	3.9	4.5	1.0	1.4	140
Cigar binder	2.7	1.7	3.1	3.9	.4	.7	175
Cigar filler	.6	.2	.8	.1	^{2/}	^{2/}	---
Perique	.1	.1	.1	.1	.1	.1	100
Stems, trimmings, and scrap	3.7	3.3	3.9	4.7	1.4	.8	57
Total	473.7	540.3	510.4	501.0	120.4	105.4	88
Country of destination:							
United Kingdom	148.2	183.9	156.4	166.5	24.2	21.4	88
France	8.5	7.9	6.4	7.5	4.6	3.2	70
Belgium	19.6	25.0	21.8	16.3	5.5	4.1	75
Netherlands	33.8	31.0	33.0	31.7	5.0	7.5	150
Germany, W. and E.	64.9	59.2	70.0	68.9	23.0	22.6	98
Portugal	6.6	6.9	7.9	5.8	3.4	4.0	118
Denmark	11.0	12.3	12.5	14.0	3.9	3.6	92
Ireland	16.6	12.8	8.8	9.8	2.6	1.5	58
Switzerland	12.2	10.8	13.8	14.2	5.1	2.7	53
Norway	7.4	7.8	8.5	7.4	1.9	2.3	121
Sweden	12.3	11.3	14.4	14.8	2.7	4.4	163
Italy	3.4	4.5	6.6	4.8	^{2/}	0	---
Hong Kong	4.2	4.3	3.7	3.2	1.5	.8	53
Australia	23.5	31.6	23.2	38.2	5.9	1.8	31
India	3.5	3.0	1.6	4.3	.8	1.7	212
Pakistan	15.9	2.6	2.7	2.9	1.1	.1	9
New Zealand	6.3	7.6	7.1	6.3	1.6	2.4	150
Philippine Rep.	21.3	21.5	2.3	.1	^{2/}	.6	---
Indonesia	11.3	9.9	17.8	11.5	3.7	.3	8
Japan	5.1	17.5	5.8	3.6	1.3	.9	69
Other countries	38.1	68.9	86.1	69.2	22.6	19.5	86
Total	473.7	540.3	510.4	501.0	120.4	105.4	88

^{1/} Preliminary.^{2/} Less than 50,000 pounds.

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

Table 6.--Flue-cured tobacco, types 11-14: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning July 1	United Kingdom	Germany 1/	Belgium	Netherlands	Ireland	Denmark	Australia	Indonesia 2/	Japan	Other countries	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:											
1924-28	47.8	17.9	21.7	18.3	---	18.4	37.7	---	39.2	25.5	35.6
1934-38	46.4	17.8	14.6	13.5	37.2	16.0	36.3	20.2	27.5	22.3	38.4
1945	55.6	---	36.1	40.5	56.1	50.0	54.6	---	---	58.7	55.4
1946	63.3	---	31.8	39.5	56.6	33.3	64.4	41.1	---	58.3	58.2
1947	57.2	20.7	28.0	33.9	55.3	35.7	58.4	39.9	---	52.4	51.4
1948	53.8	29.3	32.3	33.8	59.9	53.7	69.2	50.9	---	56.6	50.6
1949	55.3	32.2	30.0	27.2	56.3	42.9	68.2	54.9	---	52.7	48.7
1950	64.0	43.5	36.9	42.9	62.0	54.2	69.3	60.7	78.4	72.2	59.7
1951	66.3	54.5	44.9	44.8	68.0	57.9	74.9	64.2	84.3	69.7	64.6
1952	69.6	57.4	40.9	43.6	70.1	58.7	76.6	66.0	86.7	66.8	64.6
1953	71.1	61.3	40.7	43.1	69.6	66.3	79.5	67.9	90.5	68.8	66.9
1954	73.2	61.9	37.4	43.2	72.3	63.2	79.8	67.7	84.3	67.5	67.9
1955	71.6	63.1	36.5	43.0	71.6	66.0	76.7	54.1	80.5	66.8	66.5
1956 3/	72.0	63.3	45.1	46.7	72.1	67.6	78.7	56.1	88.1	73.2	68.9
1957 4/	78.6	67.4	47.4	50.2	78.6	70.1	79.9	67.3	94.6	73.1	73.7

1/ West Germany after World War II. 2/ Netherlands Indies prior to World War II. 3/ Preliminary.
4/ July 1957-April 1958.

Computed from the declared values and export weights as reported in publications of the United States Department of Commerce.

Table 7.--Burley and Maryland tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Burley, type 31							Maryland, type 32 2/			
	Germany 1/	Belgium	Portugal	Sweden	Denmark	Netherlands	All countries	Switzerland	Netherlands	France	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:											
1934-38	24.4	11.7	18.6	36.8	17.4	16.0	20.5	39.6	9.5	35.6	23.5
1945	---	32.0	37.4	73.9	35.7	36.9	40.2	63.2	55.8	38.6	62.3
1946	---	30.4	32.4	61.3	35.9	32.8	47.4	73.0	26.3	16.2	56.9
1947	26.2	30.7	34.7	59.7	34.4	24.7	46.7	66.2	27.0	18.9	49.5
1948	34.9	32.5	33.7	54.2	45.6	36.1	43.0	71.4	26.2	---	59.8
1949	36.4	30.0	33.3	60.9	38.5	31.3	38.8	74.8	30.7	70.0	63.8
1950	41.6	32.2	35.6	58.6	39.0	35.0	46.1	79.3	33.7	76.7	64.9
1951	50.3	32.6	31.8	71.5	51.0	43.9	52.0	83.7	29.2	3/	72.3
1952	56.1	33.0	33.3	74.9	48.4	42.8	53.2	82.7	34.0	---	66.5
1953	53.9	33.1	32.9	77.4	45.2	42.5	51.9	80.0	30.7	---	61.4
1954	59.5	34.3	29.6	76.5	48.1	38.8	54.3	84.0	37.2	79.2	70.1
1955	60.6	42.7	34.6	73.1	52.5	43.2	57.0	80.0	37.9	79.1	62.8
1956 4/	66.7	50.3	63.8	79.5	66.3	52.5	73.7	81.2	36.1	80.1	62.2
1957 5/	74.0	52.9	60.4	86.8	82.1	64.4	77.7	80.1	40.4	93.3	66.1

1/ West Germany after World War II. 2/ Prior to 1949, export class called "Maryland and Ohio Export."
3/ Quantity negligible. 4/ Preliminary. 5/ October 1957-April 1958.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 8.- Fire-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Kentucky and Tennessee fire-cured, types 22-23 ^{1/}						Virginia fire-cured, type 21					
	France	Netherlands	Switzerland	Belgium	United Kingdom	Sweden	All countries	Norway	Sweden	United Kingdom	Germany ^{2/}	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:												
1924-28	9.3	25.3	17.2	10.6	23.5	17.6	16.6	31.3	26.9	38.4	32.2	26.7
1934-38	10.7	15.3	15.7	10.4	19.3	17.9	12.9	23.4	23.2	28.2	24.8	23.0
1945	32.8	46.0	28.0	32.2	46.2	33.3	34.4	50.3	41.2	48.0	---	45.4
1946	---	39.9	35.3	32.0	46.8	42.9	42.0	55.3	53.3	48.0	---	49.1
1947	24.0	32.7	41.2	31.1	---	39.8	40.6	51.4	46.0	59.0	62.2	47.4
1948	31.4	38.2	42.3	34.8	50.0	40.2	37.6	54.1	47.1	58.8	41.3	50.3
1949	34.9	43.1	47.1	31.5	40.0	42.6	40.4	50.4	50.1	53.1	49.0	52.2
1950	36.7	40.5	44.8	32.6	44.9	43.7	39.6	54.7	49.5	48.6	65.9	56.3
1951	---	43.1	42.1	39.2	44.2	49.5	45.1	59.2	55.9	68.8	66.1	66.3
1952	58.5	48.3	55.1	33.7	58.1	51.5	49.3	58.5	61.0	75.3	68.7	63.5
1953	49.7	48.5	57.6	34.2	68.4	55.0	51.6	62.6	59.1	65.9	73.2	63.2
1954	46.6	44.5	60.1	36.3	40.1	50.6	51.5	62.1	61.7	74.6	67.8	62.1
1955	46.6	47.5	59.4	36.2	58.8	52.2	52.5	59.6	54.5	64.8	64.4	61.4
1956 ^{3/}	46.6	49.3	53.2	37.5	60.4	57.8	48.3	58.2	61.1	72.1	75.5	66.1
1957 ^{4/}	50.3	49.7	54.7	35.7	62.0	54.4	46.5	58.9	40.7	68.8	70.7	61.2

^{1/} Prior to World War II, includes some type 24 which became negligible thereafter. ^{2/} West Germany after World War II. ^{3/} Preliminary. ^{4/} October 1957-April 1958.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

Table 9.- Black Fat and dark air-cured tobacco: Value per pound of the exports to selected major countries and to all countries, marketing years, for specified periods

Year beginning October 1	Black Fat ^{1/}				Green River, type 36		One Sucker, type 35
	Gold Coast	Nigeria	French Africa	All countries	United Kingdom	All countries	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average:							
1934-38	21.3	22.9	15.5	18.3	25.6	20.8	9.3
1945	55.4	56.8	42.2	49.1	39.3	33.1	29.2
1946	53.9	56.6	43.9	50.8	37.7	38.6	32.0
1947	57.3	59.3	42.5	54.7	41.0	36.8	31.2
1948	62.4	62.1	40.4	54.9	36.8	32.1	37.6
1949	63.6	66.2	47.4	60.9	41.6	40.0	54.0
1950	67.0	67.6	42.2	58.9	40.9	30.4	46.3
1951	77.2	74.9	44.3	66.2	46.0	49.2	68.6
1952	84.8	81.4	51.8	76.9	37.5	37.7	69.6
1953	84.6	80.3	53.2	77.0	51.1	44.1	46.4
1954	85.7	81.7	54.4	74.8	45.5	36.0	24.4
1955	86.2	84.1	56.6	79.6	46.8	39.9	42.4
1956 ^{2/}	87.1	86.8	56.9	79.9	59.2	35.3	30.4
1957 ^{3/}	86.5	88.6	57.9	80.2	57.2	43.0	39.1

^{1/} Also Dark African and Water Baler. ^{2/} Preliminary. ^{3/} October 1957-April 1958.

Computed from the declared values and export weights as reported in the publications of the United States Department of Commerce.

relatively high in the first quarter of 1958, though 3 percent smaller than a year earlier. On the other hand, U. S. growers are faced with increased production in many foreign producing areas and also by trade restrictions imposed by some importing countries. Availability of desired grades and their prices also will influence the level of exports from this country.

The U. S. is the world's largest exporter of tobacco, supplying about one-third of the approximately 1½ billion pounds of unmanufactured tobacco moving in free-world trade in 1957. Other major exporters of tobacco are Turkey, Greece, Rhodesia-Nyasaland, India, Brazil, Cuba and Canada. Significant quantities are also exported by Yugoslavia, Dominican Republic, Italy and Philippine Republic.

The U. S. is also an important importer of tobacco, outranked only by the United Kingdom and Germany. Aside from the U. S., the 10 ranking importers of tobacco in 1957 and the percentage of each country's tobacco imports supplied by the U. S. were as follows:

<u>Ranking tobacco importing countries</u>	<u>Percentage supplied by the United States in 1957</u>
United Kingdom	53
Germany	38
Netherlands	35
France	13
Belgium	34
Australia	75
Spain	16
Austria	19
Switzerland	45
Egypt	35

These countries accounted for close to 70 percent of the free world's tobacco imports last year. With the U. S. added, the figure rises to nearly 80 percent.

Flue-cured tobacco produced in this country meets competition abroad principally from that grown in Rhodesia-Nyasaland, Canada and India.

In the Federation of Rhodesia and Nyasaland, the flue-cured crop harvested early in 1958 is currently estimated at 164 million pounds, 10 percent larger than in the previous year and exceeded only by the 178 million pounds produced in 1956. Acreage was up from the preceding season but average yields declined slightly. Yields, which up to 5 years ago had been around 600 pounds to an acre, have since risen by roughly a third. Auction sales of Rhodesian tobacco, which began March 11, totaled 63 million pounds through early June. Quality of leaf delivered for sale was lower than a year earlier. Prices have averaged the equivalent of 41.7 cents per pound, compared with 46½ cents in the corresponding period last year. The United Kingdom's purchase goal is reported to be 85 million pounds, compared with actual purchases of

81½ million pounds in 1957 and the record total of about 87¾ million in 1956. In January-March 1958, exports of tobacco from Rhodesia-Nyasaland were 10.8 million pounds--10 percent less than in the first quarter of 1957. About five-sixths of the recent period's exports consisted of flue-cured, with dark fire-cured comprising most of the balance. Around half of the total was exported to the United Kingdom and other Commonwealth destinations, and the remainder largely to Germany, Belgium, Denmark, Netherlands, France, Norway, Sweden, Switzerland and Finland.

The total 1957 tobacco crop in Canada was 165 million pounds, of which 152 million were flue-cured. Tobacco exports last year were 37 million pounds, compared with 30 million in 1956 and 48 million in 1955, following a record crop. Flue-cured comprised 96 percent of 1957 shipments. Most of the tobacco went to the United Kingdom, Australia and British West Indies, but significant quantities also went to Germany and Netherlands. Growers in Ontario sold 148 million pounds of 1957 flue-cured through the new auction system. The crop averaged the equivalent of 52.3 U. S. cents per pound, a new high. The 1956 crop averaged about 48 cents.

India's 1958 flue-cured crop, estimated at 135 million pounds, is 3 million larger than harvested last year. Tobacco exports in the first 10 months of 1957, were 74 million pounds, one-sixth less than a year earlier. Flue-cured exports in the recent period were 62 million pounds, more than half of which was consigned to the United Kingdom. Most of the remainder went to the Soviet Union, Malaya and Singapore, Netherlands, Belgium, Hong Kong and French West Africa.

Brazil's position in world tobacco trade is based mainly on her exports of dark and cigar leaf, but her production of flue-cured tobacco is growing rapidly. Production in 1958 is estimated at 121 million pounds, a gain of 64 percent over 1957 and 2½ times the 1950-54 average. Brazilian exports of flue-cured are limited by her growing domestic requirements for cigarettes and the need for quality improvement. Western Europe provides the major market for Brazilian tobacco, and substantial quantities are exported to Spain, Germany, Netherlands, France, Belgium and Denmark.

British Tobacco Situation

The United Kingdom--leading foreign market for U. S. tobacco--imported 280 million pounds of unmanufactured tobacco in July 1957-April 1958, about the same as in the comparable period a year earlier. Flue-cured comprised about nine-tenths of the total. Tobacco imports from the U. S., accounting for 57 percent of the total, were one-eighth larger than a year earlier. Receipts from India also were up substantially, but those from Rhodesia-Nyasaland and Canada were down by approximately 20 percent and 35 percent, respectively.

Table 10.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports ^{1/}			Stocks Dec. 31	Gross clearances from bond ^{3/}			Exports of manu- factured tobacco	Re-exports of unmanu- factured tobacco
	From U. S. ^{2/}	From Common- wealth coun- tries ^{2/}	Total		Non- prefer- ential ^{2/}	Prefer- ential ^{2/}	Total		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average									
1934-38	213	57	275	497	185	47	232	39	12
1939-45	182	63	255	310	215	62	277	27	5
1946	366	62	433	383	261	61	322	55	7
1947	201	82	296	384	235	57	292	52	1
1948	172	97	281	390	204	67	271	45	1
1949	154	119	302	419	190	81	271	47	2
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957 ^{4/}	168	141	319	532	169	135	304	41	3
July-April									
1954-55	150	135	296	^{5/} 446	^{6/} 127	^{6/} 90	^{6/} 217	36	3
1955-56	199	102	313	^{5/} 487	^{6/} 131	^{6/} 96	^{6/} 227	36	3
1956-57	142	132	281	^{5/} 493	^{6/} 131	^{6/} 98	^{6/} 229	37	2
1957-58	160	114	280	^{5/} 494	^{6/} 128	^{6/} 101	^{6/} 229	35	2

^{1/} Unmanufactured tobacco.

^{2/} Since 1946 the full duty rate on tobacco from the United States and other non-preferential areas has been about 3 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.

^{3/} Largely withdrawals for manufactures for home use and export.

^{4/} Subject to revision.

^{5/} March 31.

^{6/} July-March.

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

Gross clearances of tobacco from bond in the United Kingdom are an approximate measure of home use and exports combined. In the 9 months ended March 31, 1958, gross clearances at 229 million pounds were equal to those a year earlier and only slightly higher than those 2 years earlier. About 90 percent of gross clearances was flue-cured tobacco. More detailed data available for July 1957-February 1958 indicate that gross clearances of flue-cured were composed as follows: From United States, 53 percent; from Rhodesia, 24 percent; from India, 13 percent; and from Canada, 10 percent. These proportions were little changed from a year earlier.

During July 1957-March 1958, British home consumption of tobacco was slightly larger than in the same period of 1956-57. Use of tobacco from Commonwealth sources increased about 3 percent, but consumption of non-Commonwealth leaf was lower by about 2 percent. Commonwealth tobacco comprised about half of the total for home consumption, compared with less than a fourth before and immediately after the war.

In recent years, the United Kingdom has been the world's leading exporter of cigarettes, but in 1957, ranked second to the U. S. During July 1957-April 1958, British tobacco exports (mostly cigarettes) were 7 percent smaller than in the same months in 1956-57. Among the United Kingdom's leading outlets for cigarettes, the following took less than a year earlier: Singapore, Germany, Hong Kong, Sudan, Aden, Persian Gulf Establishments, New Zealand, Arabian States and Ghana. Malaya, France and Cyprus received more than in the corresponding period of 1956-57.

Stocks of leaf tobacco in the United Kingdom on March 31, 1958 totaled 494 million pounds, about 1 million larger than a year earlier and 7 million larger than 2 years earlier. More detailed data available for stocks as of the end of February 1958 indicated stocks of U. S. flue-cured at 274 million pounds, $6\frac{1}{2}$ percent above a year earlier. February 28, 1958 holdings of Rhodesian tobacco, 102 million pounds, were unchanged from those on the same date last year. Stocks of Indian and Canadian flue-cured were down--by 5 percent and 22 percent, respectively. British stocks of Nyasaland fire-cured tobacco were also smaller than a year earlier. Stocks of air- and sun-cured from India and Nyasaland were about 20 percent smaller, and oriental tobacco from Turkey and Greece, 3 percent smaller than at the end of February 1957. Stocks of leaf tobacco in the United Kingdom generally reach their lowest point at the end of July and usually are highest at the end of December.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO ^{4/}

Imports of foreign grown tobacco into the U. S. in January-February 1958 at about $22\frac{1}{2}$ million pounds were 10 percent above a year earlier. Imports of cigarette leaf, comprising more than three-fourths of the total,

^{4/} Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 11.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, 1951-57

Classification and country of origin	(Declared weight)						
	1951	1952	1953	1954	1955	1956	1957
	<u>Mil.</u> <u>lb.</u>	<u>Mil.</u> <u>lb.</u>	<u>Mil.</u> <u>lb.</u>	<u>Mil.</u> <u>lb.</u>	<u>Mil.</u> <u>lb.</u>	<u>Mil.</u> <u>lb.</u>	<u>Mil.</u> <u>lb.</u>
Cigarette leaf							
Unstemmed:							
Turkey	53.0	55.0	56.9	56.0	57.7	61.5	61.4
Greece	12.4	14.5	14.3	15.6	17.9	18.9	23.3
Syria	4.0	3.7	3.3	2.9	2.4	1.6	1.2
Italy	.9	.8	1.2	1.9	1.5	1.8	1.5
Cyprus, etc.	.3	.2	.3	.2	.3	.5	.5
Yugoslavia	.3	.8	1.4	2.3	1.5	2.9	3.6
Total ^{2/}	<u>81.3</u>	<u>75.9</u>	<u>78.0</u>	<u>79.3</u>	<u>83.7</u>	<u>88.0</u>	<u>92.6</u>
Cigar leaf (filler)							
Cuba:							
Stemmed	10.9	9.9	9.7	9.1	8.8	9.2	8.8
Unstemmed	4.1	4.0	4.4	4.7	5.0	3.8	3.0
Philippines, Rep.:							
Stemmed	.1	1.9	.6	^{3/}	0	.4	.2
Unstemmed	.7	.2	^{3/}	0	0	.5	0
Total ^{2/}	<u>15.8</u>	<u>16.0</u>	<u>14.8</u>	<u>13.9</u>	<u>13.8</u>	<u>13.9</u>	<u>12.2</u>
Scrap:							
Cuba	6.0	8.1	8.9	9.7	9.4	11.3	12.3
Philippines, Rep.	0	1.2	2.3	1.4	2.5	5.6	6.6
Total ^{2/}	<u>6.1</u>	<u>9.4</u>	<u>11.2</u>	<u>11.1</u>	<u>11.8</u>	<u>17.0</u>	<u>18.9</u>
Cigar wrapper (unst.):							
Indonesia	.9	.8	.4	.4	.3	.1	.1
Cuba	.3	.3	.4	.5	.5	.6	.6
Total ^{2/}	<u>1.2</u>	<u>1.1</u>	<u>.9</u>	<u>.9</u>	<u>.8</u>	<u>.7</u>	<u>.7</u>
Stems ^{4/}							
Cuba	^{3/}	0	^{3/}	.6	.6	.8	1.2
United Kingdom	.2	.4	.5	.6	.5	.5	.4
Total ^{2/}	<u>.3</u>	<u>.4</u>	<u>.5</u>	<u>1.2</u>	<u>1.1</u>	<u>1.3</u>	<u>1.6</u>
Total imports	104.7	102.9	105.4	106.4	111.2	120.9	126.0

^{1/} Preliminary. ^{2/} Includes relatively small quantities from other countries not separately listed except for 1951 when imports of cigarette leaf from Russia and Bulgaria amounted to 6 million and 3 million pounds, respectively. ^{3/} Less than 50,000 pounds. ^{4/} Not cut, ground or pulverized.

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

Table 12.- Cigarette leaf tobacco: Value per pound of imports into the United States from selected major countries and from all countries, 1948-57

Year	Cigarette leaf, unstemmed					Latakia	All cigarette leaf including Latakia
	Turkey	Greece	Yugoslavia	Italy	All countries	Syria	All countries
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1948	79.7	101.0	81.8	---	81.2	31.9	80.1
1949	68.3	99.0	84.9	---	75.2	31.5	72.6
1950	65.8	102.1	83.6	77.6	73.2	28.4	70.6
1951	61.4	93.5	89.4	73.8	69.6	32.0	67.6
1952	61.4	90.7	73.8	71.5	67.4	40.6	66.0
1953	62.6	86.3	78.6	80.6	67.8	39.7	66.5
1954	63.2	83.5	96.0	95.8	69.1	36.4	67.8
1955	64.4	82.6	87.2	80.2	69.6	37.1	68.6
1956	67.4	81.8	77.3	81.7	70.8	31.5	70.3
1957	68.6	86.9	74.9	87.3	73.5	44.1	73.2

Computed from the import values and quantities as reported in publications of the United States Department of Commerce.

Table 13.- Cigar tobacco: Value per pound of shipments from Puerto Rico and imports into the United States from selected major countries, 1948-57

Year	Scrap			Stemmed filler		Unstemmed filler
	Cuba	Puerto Rico: 1/	Philippines	Cuba	Puerto Rico	Cuba
	Cents	Cents	Cents	Cents	Cents	Cents
1948	58.6	37.1	31.6	139.6	83.8	123.5
1949	54.1	32.8	35.8	132.0	90.2	113.5
1950	56.8	32.7	32.6	136.8	91.6	120.2
1951	65.6	42.0	---	142.0	90.8	121.0
1952	59.7	44.2	29.3	145.8	105.1	134.3
1953	61.1	50.8	26.6	149.0	107.0	121.8
1954	61.0	45.3	28.6	146.8	106.3	104.4
1955	55.6	49.1	28.1	142.3	104.2	98.6
1956	52.3	44.5	26.0	141.2	103.1	114.2
1957	53.4	62.1	29.5	143.1	97.6	133.2

1/ Stems, scrap and trimmings.

Computed from the import and shipment values and quantities as reported in publications of the United States Department of Commerce.

were up by 11 percent. Receipts of cigar leaf (filler) also were higher, attributable to larger imports of the unstemmed tobacco; stemmed tobacco was down slightly. Imports of scrap, also largely used in cigars, increased by nearly a tenth, but less cigar wrapper and stems were imported than a year earlier.

On April 1, 1958, stocks of foreign grown cigarette and smoking tobacco in the U. S. totaled 228 million pounds, 30 percent more than a year earlier when they were the lowest for that date in 4 years. The largest previous April 1 stocks were held in 1956 when they were 213 million pounds. Stocks of Cuban tobacco in this country, 20 million pounds, were up nearly a fourth from year-earlier levels. Holdings of Philippine tobacco at $7\frac{1}{2}$ million pounds were about equal to those on April 1, 1957 which were the largest April 1 stocks since 1940. The stocks of Indonesian tobacco at about 40,000 pounds were less than half of holdings a year earlier and only about one-fourth of holdings 2 years earlier.

Tobacco is imported into the U. S. primarily for blending with U. S. types in cigarette and cigar manufacture. Tables 12 and 13 show, for the past 10 years, the average value per pound of the major kinds of tobacco imported from principal suppliers. The dollar values shown for imports into the U. S. are defined generally as the market value in the foreign country. By this definition, entered values exclude U. S. import duties and such nondutiable charges as ocean freight, marine insurance and consular fees. There is always the possibility that inaccuracies or inadvertences in the completion of import entries could affect the derived average values.

Shipments from Puerto Rico, of course, are not subject to U. S. import duties. The quantities of scrap tobacco imported from the Philippine Republic were duty-free in the years shown in table 13. Under present legislation, the Philippine Republic has a duty-free quota of 6,175,000 pounds of tobacco for 1958. This quota is to be reduced in accordance with a specified schedule, and for 1959-61, the annual duty-free quota will be 5,850,000 pounds.

STOCKS OF TOBACCO SHEET

The regular reporting of stocks of processed tobacco sheet was begun in 1958. Data on these stocks are published quarterly in the long-established publication entitled Tobacco Stocks Report, issued by the Tobacco Division of the Agricultural Marketing Service. These newly reported figures pertain to the quantities of leaf represented in the stocks of tobacco sheet. Data on tobacco stems added during manufacture of the sheet are not furnished in the reports made by manufacturers. As for leaf tobacco, the figures on

tobacco sheet refer to stocks held as of January 1, April 1, July 1 and October 1. The reported figures for January 1 and April 1, 1958 on tobacco sheet are summarized in table 14.

Table 14.--Tobacco leaf represented in stocks of tobacco sheet as of January 1 and April 1, 1958 ^{1/}
(Actual weight)

Type	Stemmed and unstemmed combined		Stemmed		Unstemmed	
	Jan. 1	Apr. 1	Jan. 1	Apr. 1	Jan. 1	Apr. 1
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Flue-cured (types 11-14)	877	993	877	993	---	---
Burley (type 31)	617	619	617	619	---	---
Maryland (type 32)	11	4	11	4	---	---
Subtotal (cig't types)	1,505	1,616	1,505	1,616	---	---
Pennsylvania (type 41)	186	477	83	182	103	295
Ohio (type 42-44)	7	3	7	3	---	---
Puerto Rican (type 46)	7	3	7	3	---	---
Conn. Valley Broadleaf (type 51)	439	509	234	270	205	239
Conn. Valley Havana Seed (type 52)	374	435	1	---	373	435
So. Wisconsin (type 54)	---	6	---	6	---	---
No. Wisconsin (type 55)	46	36	---	---	46	36
Conn. Valley Shade-grown (type 61)	176	243	176	243	---	---
Ga.-Fla. Shade-grown (type 62)	4	10	4	10	---	---
Cuban (type 81)	4	17	3	11	1	6
Philippine (type 83)	---	1	---	1	---	---
Subtotal (cigar types)	1,243	1,740	515	729	728	1,011
Total all types	2,748	3,356	2,020	2,345	728	1,011

^{1/} Does not include tobacco stems added in the manufacturing process.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

1958-59 Supplies

This year's flue-cured acreage is probably 3 to 4 percent below 1957, the smallest since 1932 and the second smallest since 1921. Acreage allotments for nearly all farms are the same as last year. But growers placed about 66,400 acres or 9 percent of the total allotment in the acreage reserve of the 1958 Soil Bank, nearly 21,000 acres more than in 1957.

If 1958 yields per acre should equal the average of 1955 and 1957, this year's production would be around 965 million pounds, fairly close to last year's but perhaps the smallest crop in 15 years.

Carryover of flue-cured on July 1, 1958 seems likely to approximate 2,330 million pounds--7 percent below the record high of a year ago but above any previous July 1. Carryover plus this year's production will provide a total 1958-59 supply of around 3,295 million pounds--down 5 or 6 percent from 1957-58 and about 10 percent below the record level of 1956-57. The prospective 1958-59 total supply is less than 2.9 times the disappearance of the past year compared with over 3.1 two years ago and the more normal ratio of 2.5.

Early this year, the President and Secretary of Agriculture recommended that the acreage reserve program be terminated after the 1958 crop, and Congress has made no provision for continuing it another year. By December 1, 1958, the Secretary of Agriculture will announce the 1959 flue-cured marketing quota and acreage allotment. Soon after, growers will vote on whether they favor marketing quotas on the 1959, 1960 and 1961 crops. At least two-thirds of the growers voting must be in favor if marketing quotas are to be continued on the next 3 crops.

Domestic Use and Exports

During the marketing year just ending (July 1957-June 1958), domestic use of flue-cured is estimated at near 715 million pounds--a little above 1956-57 but still second lowest in 10 years. The principal domestic outlet is in cigarette manufacture which rose to a new high in 1957-58. On a farm-sales weight basis, the domestic use of tobacco rose less percentagewise than the number of cigarettes manufactured.

Exports of flue-cured during July 1957-June 1958 are estimated at about 440 million pounds (farm-sales weight)--5 percent less than a year earlier. Considering the relatively small size of and the higher prices received for the 1957 crop, exports of flue-cured held up well in the past year. Based on the estimate, the 1957-58 exports have been exceeded in only 1956-57, 1955-56 and 1951-52 in the past decade. Based on July 1957-April 1958 data, the average value per pound of the flue-cured tobacco exported was 7 percent above the previous year. (See table 6.) In the previous 5 years, the average value per pound to all countries combined had not changed much.

During the first 10 months of the 1957-58 marketing year, exports of flue-cured to the United Kingdom (accounting for 45 percent of the total) were a tenth greater than in the corresponding period of 1956-57. Those going to Germany (second ranking outlet, accounting for 11 percent of the total) were nearly the same as in the comparable months of 1956-57. Australia, the third ranking destination, took a record quantity of flue-cured in the past year--the 10 months' figures exceeding the previous high of 1955-56 by 2 percent. The next 8 ranking export outlets during July 1957-April 1958 were Netherlands, Thailand, Denmark, Sweden, Belgium, Ireland, New Zealand and

Indonesia. Netherlands and Denmark each took about 15 percent more than in the comparable 1956-57 period. Shipments to Thailand jumped nearly 50 percent and exceeded any previous year. Exports to Sweden held almost even but those to New Zealand rose 23 percent from the comparable figure a year earlier. Flue-cured exports to Belgium, Ireland and Indonesia dropped 25, 15 and 63 percent, respectively, below those in the comparable months of 1956-57. Other important destinations taking substantially less in July 1957-April 1958 than a year earlier were Japan, Finland, Egypt, Switzerland, Pakistan, Hong Kong, France, Austria, Italy, Taiwan and Viet Nam-Laos-Cambodia. Shipments to Norway and Mexico declined moderately and those to Portugal held almost even. But there were substantial percentage increases to Spain, Nigeria and India.

Prices

Growers received an overall record average of 55.4 cents per pound for the 1957 crop--about $7\frac{1}{2}$ percent higher than for the 1956 crop. The previous record was in 1950 when the crop brought an average of 54.7 cents per pound. In 1957 the Georgia-Florida and South Carolina-Border North Carolina Belts had season price averages above any previous year but the Eastern, Middle, and Old Belts each had higher price averages for at least two previous crops.

On April 7, the U. S. Department of Agriculture announced 54.2 cents per pound as the minimum level at which the 1958 flue-cured crop would be supported. Last season's support was 50.8 cents. The rise in the support level is due to (1) the higher base price than last year (the 1958 "adjusted base price" is calculated by dividing the 1948-57 average price of flue-cured by the 1948-57 average index of prices received by farmers for all commodities), and (2) the 3 percent advance since mid-1957 in the parity index (prices paid by farmers including interest, taxes and wage rates).

The actual level of price support for the 1958 crop will be 54.2 cents per pound or 90 percent of the July 1 parity price, whichever is higher. The parity applicable to June is a little higher than when the minimum support was calculated, and 90 percent of this more recent flue-cured parity is 54.8 cents per pound.

As was the case last season, three varieties of flue-cured--Coker 139, Coker 140 and Dixie Bright 244--will be supported at one-half the support rates for comparable grades of other varieties. These three varieties have been classified by Federal and State scientists as tobacco "low to lacking in flavor and aroma, generally of light body and/or currently with poor acceptance in the grade."

Burley, Type 31

1958-59 Supplies

This year's burley acreage is indicated to be slightly lower than in 1957, which was the smallest since the mid-1930's. Acreage allotments total about the same as last year, and about 10,380 acres were placed in the acreage

Table 16.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods (Farm-sales weight)

Year	Production Mil. lb.	Stocks, Oct. 1 Mil. lb.	Supply Mil. lb.	Disappearance 1/			Average price per pound Ct.
				Total Mil. lb.	Domestic Mil. lb.	Exports Mil. lb.	
Average:							
1934-38	287	701	988	314	302	12	22.2
1941-45	448	730	1,178	437	424	13	40.0
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952	650	1,061	1,711	548	519	29	50.3
1953	564	1,163	1,727	529	494	35	52.5
1954	668	1,198	1,866	519	486	33	49.8
1955	470	1,347	1,817	516	482	34	58.6
1956	506	1,301	1,807	508	480	28	63.6
1957 2/	488	1,299	1,787	*510	*485	*25	60.3
	Parity price 3/	Price support level	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on May 31, 1958 4/		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1946	37.3	33.6	147.8	24.1	0		
1947	44.8	40.3	37.7	7.8	0		
1948	47.1	42.4	96.7	16.0	0		
1949	44.8	40.3	39.1	7.0	0		
1950	50.8	45.7	44.2	8.9	0		
1951	55.3	49.8	97.3	15.7	1.7		
1952	55.0	49.5	103.9	16.0	4.1		
1953	51.8	46.6	102.1	17.9	42.1		
1954	51.5	46.4	221.4	33.2	144.9		
1955	51.3	46.2	73.1	15.6	68.8		
1956	53.4	48.1	6.0	1.2	3.0		
1957	57.4	51.7	16.7	3.4	16.4		
1958	61.1	5/55.0					
Total	---	---	986.0	---	281.0		

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures--includes approximately 16.8 million pounds in CCC inventories. 5/ Minimum--subject to upward revision if parity price is higher as of October 1. *Preliminary estimate.

reserve of the Soil Bank program. Placements were equal to 3 percent of allotments; last year they were 2 percent. If yields per acre should equal the 1955-57 average, the 1958 crop would be around 480 million pounds, 2 percent less than in 1957.

Carryover on October 1, 1958 is expected to be near 1,280 million pounds--approximately 20 million less than last October 1 and about 70 million less than the record October 1, 1955 figure. If this year's crop turns out to be 480 million pounds, the 1958-59 total supply--carryover plus production--will approximate 1,760 million pounds, 2 percent less than for the current season and 6 percent less than the peak 1954-55 figure.

Domestic Use and Exports

During the current marketing year (October 1957-September 1958), domestic use of burley may be about 485 million pounds--up a little from 1956-57. The principal domestic outlet for burley is in cigarettes, but considerable quantities are also used in the manufacture of pipe and chewing tobacco. In the first 7 months of the current marketing year, manufacture of cigarettes and pipe tobacco were up 1 percent and $8\frac{1}{2}$ percent, respectively, from the like period a year earlier, but output of plug chewing tobacco was down by 11 percent.

Exports of burley in 1957-58 seem likely to be around 25 million pounds (farm-sales weight), compared with 28 million in 1956-57 and the 1951-55 average of $32\frac{1}{2}$ million. In the first 7 months of the current marketing year, exports of burley were 10 percent less than in the corresponding period a year earlier. Germany, Sweden, Portugal and Mexico were the leading outlets, accounting for three-fourths of the total. Exports to Germany and Sweden were up 5 percent and 6 percent, respectively. Takings by Portugal jumped 80 percent over those a year earlier, and were larger than her relatively low takings for all of 1956-57. Exports to Mexico were 7 percent smaller and less than a year earlier also went to Denmark, Norway, Netherlands, Egypt and Switzerland.

Prices

The 1957 crop averaged 60.3 cents a pound, 5 percent less than the 1956 peak of 63.6 cents but otherwise higher than any previous year. The 1951-55 average price was $52\frac{1}{2}$ cents. Placements under loan in the 1957 season were 16.7 million pounds--about $3\frac{1}{2}$ percent of the crop.

Recently, the Commodity Credit Corporation acquired title to 16 million pounds of burley from loan stocks of a grower association through which price supports are no longer being extended. This is the first time in several years that the CCC has owned tobacco.

On April 7, the Department of Agriculture announced 55.0 cents per pound as the minimum level at which the 1958 burley crop will be supported. The 1958 minimum is 3-1/3 cents higher than the 1957 average support level and is above all previous years. The actual level of the 1958 support will be 55.0 cents or 90 percent of the October 1 parity price, whichever is higher. Since the minimum support was calculated, the parity price for burley has risen. Ninety percent of the parity applicable to June is 55.6 cents per pound.

Maryland, Type 32 4/

1958-59 Supplies

The Maryland acreage for this year is indicated as 5 percent smaller than in 1957. Acreage allotments for most growers are about the same as in 1957, but a larger acreage has been placed in the acreage reserve of the Soil Bank program. Placements this year totaled about 9,460 acres, one-fifth of allotted acreage. In 1957, about 5,900 acres--about one-eighth of the allotment--were placed in the Soil Bank.

If yields per acre should equal the 1953-57 average (adjusted for the low 1955 figure), this year's crop would be about 30 million pounds, 4 percent below the small 1957 crop and the smallest since 1945.

Carryover stocks next January 1 are likely to be around 68 million pounds--approximately 1 $\frac{1}{2}$ million less than held on the same date in 1958 and 1957. Such a carryover plus the indicated crop would give a 1958-59 total supply of about 98 million pounds--3 percent less than in the current season and the least since 1950.

Domestic Use and Exports

The chief domestic outlet for Maryland tobacco is in cigarette manufacture. Use of Maryland in cigarettes has declined in recent years by a greater percentage than in the case of other domestic cigarette types. Some grades of Maryland are used as filler in some cigars, with such use probably fluctuating from year to year, depending upon the availability of lower-priced grades.

During the current marketing year (October 1957-September 1958), domestic use of Maryland may approximate the 21 $\frac{1}{2}$ million pounds of 1956-57, when it was the smallest in nearly two decades.

4/ 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. Disappearance is calculated on the October-September basis.

Table 17.--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 Jan. 1		Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	27.5	38.4	65.9	26.5	21.1	5.4	19.7
1941-45	29.4	44.1	71.5	29.7	27.1	2.6	48.9
1946	46.2	32.4	78.6	34.0	28.3	5.7	44.5
1947	37.8	44.9	82.7	34.3	27.0	7.3	42.8
1948	35.0	46.9	81.9	37.0	27.7	9.3	54.4
1949	41.2	45.5	86.7	35.4	28.0	7.4	48.3
1950	40.0	53.4	93.4	35.5	27.1	8.4	48.2
1951	41.6	59.3	100.9	33.3	26.7	6.6	44.8
1952	40.2	64.9	105.1	40.2	32.4	7.8	48.8
1953	40.5	65.4	105.9	36.4	28.4	8.0	54.5
1954	43.8	68.6	112.4	36.1	27.9	8.2	40.3
1955	31.5	77.5	109.0	38.6	25.7	12.9	50.8
1956	36.5	69.7	106.2	34.9	21.4	13.5	51.7
1957 3/	31.4	69.4	100.8				
	Parity price 4/	Price support level	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on May 31, 1958 5/		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1946	30.0	27.0	0	---	0		
1947	36.2	32.6	0	---	0		
1948	48.8	43.9	3.0	8.6	0		
1949	46.5	41.8	2.6	6.3	0		
1950	56.5	48.6	5.5	13.8	.6		
1951	60.6	Price supports not in effect 6/					
1952	58.5 do. 6/					
1953	56.0	50.4	6.7	18.1	4.5		
1954	53.5	Price supports not in effect 6/					
1955	53.1 do. 6/					
1956	52.2	47.0	3.3	9.0	2.3		
1957	53.3	48.0	7/3.4	7/16.0	2.2		
1958	56.2	8/50.6					
Total	---	---	24.5	---	9.6		

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed or October 1. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ No support since marketing quota was not approved by two-thirds of growers voting. 7/ Incomplete since marketings are still under way--data represent placements through June 20. 8/ Minimum--subject to upward revision if parity price is higher as of October 1.

Expanded exports have partially offset the drop in domestic use of Maryland. Shipments abroad increased steadily from about $6\frac{1}{2}$ million pounds (farm-sales weight) in 1951-52 to $13\frac{1}{2}$ million in 1956-57, the largest since the late 1920's. Exports in 1957-58 are likely to continue at a relatively high level, though they may be below last year's total. In the first 7 months of the current marketing year, exports of Maryland tobacco were 10 percent less than a year earlier. Switzerland, accounting for more than three-fifths of the total, took 6 percent more than a year earlier. More also went to Spain and Netherlands. Austria, which received none in the 1956-57 marketing year, took approximately a half-million pounds. On the other hand, exports to Germany and Portugal were down by three-fifths and one-third, respectively. Less also went to France, while none was yet reported going to Tunisia, which took a significant quantity in the 1956-57 marketing year.

Prices

Auction markets for the 1957 crop of Maryland opened April 29, and sales will continue to July 17. Sales through June 20 totaled 21 million pounds, and averaged 45.6 cents per pound, compared with 50.9 cents in the corresponding period a year ago. The proportion of lower-quality offerings was larger than a year ago. Prices were higher for most thin-crop, seconds and nondescript grades, while most grades of heavy-crop and tips averaged lower than a year earlier.

In addition to the auction market volume, about 2 million pounds were delivered to the Baltimore hogshead market, which opened for competitive bidding on May 1. Combined market receipts through June 20 represented about three-fourths of the 1957 crop.

The Government support level for the crop now being marketed is 48.0 cents per pound. About 16 percent of deliveries through June 20 were placed under Government loan.

On April 7, the Department of Agriculture announced 50.6 cents per pound as the minimum level at which the 1958 Maryland tobacco crop will be supported. The actual level of the 1958 crop price support will be 50.6 cents or 90 percent of the October 1 parity price, whichever is higher. Since the calculation of the minimum support, the parity price for Maryland tobacco has risen. Ninety percent of the parity applicable to June was 50.9 cents per pound.

Fire-Cured, Types 21-23

1958-59 Supplies

This year's fire-cured tobacco acreages are indicated to be 15 percent lower than last year and the smallest on record. Acreage allotments were reduced 10 percent and about 8,600 acres--equal to one-fifth of allotments--were placed in the acreage reserve of the Soil Bank program. If yields per acre are near the averages of recent years (adjusted for the upward trend), this year's crop may approximate 45 million pounds--11 percent less than harvested in 1957.

Carryover of fire-cured this October 1 will probably total about 133 million pounds--9 percent less than last October 1. This plus the new crop will provide a total 1958-59 supply of about 178 million pounds--9 percent less than for the current marketing year.

Domestic Use and and Exports

Approximately half of total disappearance of fire-cured tobacco is accounted for by domestic manufactures and the other half is exported. During the October 1957-September 1958 marketing year, domestic use of fire-cured may be slightly below the 32-1/3 million pounds consumed in 1956-57. Manufacture of snuff--the principal domestic outlet for fire-cured--was 5 percent smaller in the first 7 months of the current marketing year than in the comparable period of 1956-57.

Exports of fire-cured tobacco in 1957-58 seem likely to be close to 32 million pounds (farm-sales weight)--about 5 percent above those in 1956-57. In the 7 months, October 1957-April 1958, exports of Virginia fire-cured were 17 percent larger than a year earlier. Exports to Norway, the leading outlet, were up by 14 percent. Larger exports than a year earlier also went to United Kingdom, Sweden, Germany and Switzerland. None was yet reported going to Netherlands and Austria. Exports of Kentucky-Tennessee fire-cured in the same period were slightly less than a year earlier. The Netherlands, accounting for approximately three-tenths of the total, took 29 percent more than in the corresponding period of 1956-57. Substantially more than a year earlier also went to Belgium. Less than a year earlier went to France, Sweden, Switzerland, Germany and Egypt. None was yet reported going to Viet Nam-Laos-Cambodia or Italy, which in the 1956-57 marketing year received significant quantities.

Prices

The 1957 season average price for all fire-cured combined was 36.8 cents per pound--two-tenths of a cent above that for the preceding season. Virginia fire-cured, type 21, averaged 38.7 cents per pound--eight-tenths of a cent less than the 1956 record price and the third highest in history. Kentucky-Tennessee type 22 averaged 36.8 cents per pound--one-half cent less than in the preceding year and the lowest in 4 years. For Kentucky-Tennessee type 23, the season average price was 34.8 cents--about 2 cents above the previous year and the highest since the 1952 season.

The Government support level of the 1957 crop of fire-cured (fixed at 75 percent of the burley support) was 38.8 cents per pound. A change in the law requires that, beginning with this year's crops, separate parity prices be established for type 21 and for types 22-23. Although price supports for type 21 and for types 22-23 are still based on 75 percent of the burley support, beginning with the 1958 crops, they cannot exceed the 1957 level unless 90 percent

Table 18.--Fire-cured tobacco, types 21-23^{1/}: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 2/			Average price
	Mil. lb.	Mil. lb.	Mil. lb.	Total	Domestic	Exports	per pound
Average:							Ct.
1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1941-45	66.1	170.7	236.8	81.9	49.6	38.3	22.1
1946	108.9	105.1	214.0	70.6	36.2	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	77.9	34.7	43.2	31.9
1949	72.2	157.9	230.1	65.2	36.5	28.7	29.8
1950	58.3	164.9	223.2	76.0	36.7	39.3	31.2
1951	59.5	147.2	206.7	59.8	32.2	27.6	40.0
1952	58.2	146.9	205.1	58.8	29.6	29.2	37.6
1953	48.9	146.3	195.2	61.2	32.9	28.3	33.8
1954	62.2	134.0	196.2	59.1	29.9	29.2	37.8
1955	65.2	137.1	202.3	64.6	31.2	33.4	37.3
1956	70.6	137.7	208.3	62.7	32.4	30.3	36.6
1957 ^{3/}	50.5	145.6	196.1	*63.5	*31.5	*32.0	36.8
	Parity price ^{4/}	Price support level ^{5/}	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on May 31, 1958 ^{6/}		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1946	17.8	25.2	40.8	37.5	0		
1947	21.5	30.2	31.3	36.2	0		
1948	22.6	31.8	27.3	37.3	0		
1949	21.5	30.2	18.7	25.9	0		
1950	30.3	34.3	12.2	20.9	0		
1951	33.6	37.4	7.5	12.6	2.7		
1952	34.8	37.1	10.9	18.7	2.0		
1953	34.4	35.0	8.2	16.8	1.5		
1954	34.8	34.8	6.9	11.1	4.5		
1955	35.8	34.6	9.7	14.9	7.7		
1956	36.2	36.1	20.4	28.9	17.9		
1957	38.8	38.8	14.9	29.5	14.7		
1958	^{7/}	^{5/} 38.8					
Total	---	---	208.8	---	51.0		

^{1/} Type 24 included until early 1950's when it became practically nonexistent.
^{2/} Year beginning October 1. ^{3/} Subject to revision. ^{4/} As of applicable date when support level was computed. ^{5/} Set at 75 percent of burley support, but beginning with 1958, not to exceed 1957 level unless 90 percent of fire-cured parities exceeds such level. ^{6/} Actual loan stocks on a packed-weight basis average somewhat less than these farm-sales weight figures. ^{7/} Parities for fire-cured types now separated--Virginia fire-cured (type 21), 41.3 cents, and Kentucky-Tennessee (types 22-23), 40.7 cents. *Preliminary estimate.

of their own parities is higher than their 1957 supports. At the time minimum supports for the 1958 crops were calculated, 90 percent of the respective parities were still below the 1957 supports. Therefore, the minimum support level announced on April 7 for the 1958 crops of Virginia fire-cured, type 21, and Kentucky-Tennessee fire-cured, types 22-23, was 38.8 cents--the same as last season's actual supports. The 1957 support level exceeds 90 percent of the Virginia fire-cured parity applicable to June 1958 by 1.1 cents a pound and tops 90 percent of the Kentucky-Tennessee fire-cured parity applicable to June 1958 by 1.6 cents a pound. It appears likely that the actual support prices for 1958 crops of the fire-cured types will be at last year's levels.

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

1958-59 Supplies

The 1958 acreage of dark air-cured tobacco is indicated to be 10 percent less than last year's and the lowest on record. Acreage allotments were reduced a tenth and about 2,070 acres--13 percent of allotted acreage--were placed in the acreage reserve of the Soil Bank program. The 1958 sun-cured acreage is indicated to be up 400 acres from 1957. This year's acreage allotments for sun-cured are about the same as in 1957, and about 2,250 acres--more than two-fifths of allotted acreage--were placed in the Soil Bank.

If yields per acre should be near the average of the recent 3 years (adjusted for the low 1955 sun-cured figure), this year's production of dark air-cured and sun-cured would approximate 22 million pounds--2 percent less than the 1957 crop.

Carryover of types 35-37 this October 1 is estimated at 78 million pounds--5 million less than last October 1. The carryover plus the new crop may provide a total supply for 1958-59 of 100 million pounds--5 percent below that for the current year and 16 percent below the postwar peak of 1956-57.

Domestic Use and Exports

In the year October 1957-September 1958, domestic use of dark air- and sun-cured may be near 20 million pounds, compared with 25-1/3 million in 1956-57, the largest in 6 years. The chief domestic outlet for these types is the manufacture of plug, twist and fine-cut chewing tobacco, which in the first 7 months of the current marketing year was 10 percent less than a year earlier. Also contributing to the reduced domestic disappearance this year are the smaller quantities of dark air-cured apparently utilized in nonchewing uses than in 1956-57.

Exports of dark air- and sun-cured in 1957-58 also probably will be down sharply from year-earlier levels. Shipments abroad may drop more than one-third to around 7 million pounds (farm-sales weight). Last marketing year, exports of dark air-cured tobacco were the largest in 8 years because

Table 19.--Dark air-cured and sun-cured tobacco, types 35-37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1941-45	37.0	64.4	101.4	39.8	33.9	5.9	20.6
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.5	22.7	14.8	28.7
1949	36.2	74.5	110.7	29.9	23.1	6.8	28.2
1950	28.6	80.8	109.4	36.4	25.6	10.8	24.6
1951	31.7	73.0	104.7	30.1	21.5	8.6	34.3
1952	33.8	74.6	108.4	29.3	22.7	6.6	31.6
1953	26.6	79.1	105.7	29.9	22.8	7.1	25.9
1954	34.1	75.8	109.9	29.1	19.0	10.1	34.1
1955	31.1	80.8	111.9	26.5	20.5	6.0	31.1
1956	33.9	85.4	119.3	36.5	25.3	11.2	34.1
1957 ^{2/}	22.5	82.8	105.3	*27.0	*20.0	*7.0	35.9
	Parity price ^{3/}	Price support level ^{4/}	Placed under Government loan: Quantity	Percentage of crop	Remaining in Government loan stocks on May 31, 1958 ^{5/}		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1946	14.3	19.1	22.4	15.7	31.7	0	
1947	17.2	23.1	26.9	14.5	39.0	0	
1948	18.1	24.2	28.3	8.9	25.6	0	
1949	17.2	23.1	26.9	4.0	11.0	0	
1950	27.2	34.2	30.5	4.1	14.3	0	
1951	29.6	37.5	33.2	7.4	23.3	3.9	
1952	30.5	37.7	33.0	6/9.9	29.3	5.1	
1953	30.2	35.6	31.1	7.5	28.2	3.4	
1954	29.4	34.5	30.9	7.3	22.5	5.6	
1955	30.4	34.1	30.8	6.3	20.0	4.9	
1956	31.0	33.0	32.1	6.7	19.8	6.0	
1957	33.2	35.5	34.5	3.0	13.3	3.0	
1958	35.6	37.4	4/34.5				
Total			95.3			31.9	

^{1/} Year beginning October 1. ^{2/} Subject to revision. ^{3/} As of applicable date when support level was computed. ^{4/} Set at 66-2/3 percent of burley support, but beginning with 1958, not to exceed 1957 level unless 90 percent of dark air- and sun-cured parities exceed such level. ^{5/} Actual loan stocks on a packed-weight basis are less than these farm-sales weight figures. ^{6/} An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but were purchased and shipped by mid-1953. *Preliminary estimate.

of sales, at reduced prices, of 1950- and prior-crop tobacco under Government loan. Substantial quantities of this tobacco were sold to the Union of South Africa.

In October 1957-April 1958, exports of One Sucker were less than one-sixth of those of a year earlier. Negligible quantities went to Union of South Africa, while exports to Belgium--second ranking destination in 1956-57--were down by about 40 percent. Portugal's takings were only one-eighth of those in October 1956-April 1957. None was yet reported going to Finland, which in 1956-57 marketing year took approximately a third of a million pounds. In the first 7 months of 1957-58, exports of Green River were 4 percent less than a year earlier. The Union of South Africa took none, compared with about two-fifths of a million pounds in the like period a year ago. Portugal, a new outlet, took about a third of a million pounds. More went to Belgian Congo than a year earlier, but less to United Kingdom and Belgium.

Exports of Black Fat (a semiprocessed form composed largely of dark air-cured tobacco) were 15 percent larger in October 1957-April 1958 than in the corresponding period of 1956-57. Approximately half of the total went to Nigeria, which took a little more than a year earlier. More than in the same period of 1956-57 also went to the other ranking markets--Ghana and French West Africa--and to the Cameroons, Spanish Africa and Canary Islands.

Prices

The 1957 season price for dark air- and sun-cured tobacco combined was 35.9 cents--5 percent higher than for the 1956 crop. One Sucker (type 35) averaged 36.9 cents--nine-tenths of a cent more than in the 1956 season and a new high. The season average for Green River (type 36)--34.4 cents--was nearly $4\frac{1}{2}$ cents higher than for the 1956 crop and was exceeded only by the 1954 season price. The price average for 1957 Virginia sun-cured (type 37) was 34.0 cents--down 5 percent from the record of the previous year.

The level of Government price support for 1957 dark air- and sun-cured tobacco was 34.5 cents--calculated at $66\frac{2}{3}$ percent of the burley support level. Although price supports for dark air-cured and sun-cured are still based on $66\frac{2}{3}$ percent of the burley support, beginning with the 1958 crops, they cannot exceed 1957 levels unless 90 percent of their own parities is higher than their 1957 supports. At the time minimum supports for the 1958 crops were calculated, 90 percent of the respective parities were still below the 1957 supports. Therefore, the minimum support level announced on April 7 for the 1958 crops of dark air-cured, types 35-36, and Virginia sun-cured, type 37, was 34.5 cents--the same as last season's actual supports. The 1957 support level exceeds 90 percent of the dark air-cured parity applicable to June 1958 by 2 cents, and tops 90 percent of the sun-cured parity applicable to June 1958 by 0.7 cents. It seems likely that the actual support prices for 1958 crops of dark air- and sun-cured tobacco will be at last year's levels.

Cigar, Types 41-62

1958-59 Supplies

Filler: Pennsylvania filler (type 41) acreage may be as much as 5 percent lower this year, but Ohio filler (types 42-44) acreage is expected to be approximately the same as last year. Acreage allotments and the Soil Bank program are in effect on the Ohio types but not on the Pennsylvania type. Most 1958 allotments for Ohio filler tobacco are the same as in 1957. These growers placed about 625 acres in the Soil Bank program, 12 percent of their total allotment. Last year they placed 378 acres in the Soil Bank. Yields per acre in 1957 in both areas were below normal. If 1958 yields should be near the 1952-56 averages, the 1958 production of continental filler would approximate 51 million pounds--5 million pounds more than in 1957. The carryover of these types next October 1 is estimated at about 125 million pounds--3 percent below last October 1 and the smallest on record. The 1958-59 total supply--this year's production plus carryover--seems likely to be near 176 million pounds, slightly more than this year's record low.

Puerto Rican filler (type 46) is mainly harvested early in the calendar year. The crop ready for marketing in the first half of 1958 is estimated at 26.7 million pounds--about a tenth larger than a year ago when it was the smallest since 1946. Carryover last October 1 was 50-1/3 million pounds--7 million pounds below a year earlier. Total supply for 1957-58 at 77 million pounds is the least in 5 years. Stocks of Puerto Rican tobacco owned by dealers and manufacturers on April 1, 1958 totaled 57 million pounds--3 million more than a year earlier but 7 million less than 2 years earlier. About 47 percent of the April 1, 1958 stocks were in the U. S. and the other 53 percent in Puerto Rico.

Binder: The two principal cigar binder producing areas are the Connecticut Valley (types 51-52) and Wisconsin (types 54-55). Acreage allotments and the Soil Bank program are in effect in both areas. The 1958 tobacco allotments for most farms in the Connecticut Valley are reduced about 10 percent below last year, but in Wisconsin, are about the same in 1958 as in 1957. Indications are that binder acreage in the Connecticut Valley will be about a fourth less than last year, by far the smallest on record; growers have placed close to 8,300 acres in the acreage reserve of the Soil Bank program. In Wisconsin, 1958 tobacco acreage is indicated at practically the same as in 1957; growers placed about 2,600 acres in the Soil Bank program.

If 1958 yields per acre equal the 1953-57 average, the production of the combined binder types will approximate 24 million pounds--4 million less than in 1957, only half as much as 5 years ago and a record low. Drastic reductions have occurred in the Connecticut Valley in the last few years as the use of processed-binder sheet on cigars has expanded. The carryover of the combined binder types next October 1 is estimated at near 86 million

pounds--down 12 million pounds from last October 1 and 40 million less than 5 years earlier. The carryover plus this year's probable production will provide a total supply of about 110 million pounds for 1958-59. This would be over 16 million pounds less than for the current year and over one-third lower than 5 years ago.

Wrapper: The 1958 shade-grown cigar wrapper acreages in the Connecticut Valley and the Georgia-Florida areas have been indicated at about 1 and 6 percent less than last year's. Yields per acre in the Connecticut Valley averaged the highest on record last year. If 1958 yields should equal the average of recent years, the production of wrapper tobacco would be around 16½ million pounds--over 2 million less than last year's record crop. The carryover of cigar wrapper on July 1, 1958 is estimated at a little over 20 million pounds--up more than 1½ million pounds from a year ago. This year's probable outturn plus the carryover will provide a total supply of between 36 and 37 million pounds for 1958-59. Though perhaps as much as a million pounds less than for 1957-58, this supply level would be above any previous year.

Disappearance and Exports

Filler: The disappearance of Pennsylvania and Ohio filler in the year ending September 30, according to preliminary indications, may be around 48 million pounds--nearly 5 million pounds lower than in 1956-57 and the smallest for many years. The disappearance of Puerto Rican filler in the year ending last September 30 held close to the fairly high level of 1955-56, but a moderate decrease is indicated thus far during the current year. Use of imported scrap as filler for cigars appears to have increased over that of a year ago.

Binder: The disappearance of the combined binder types in the year ending September 30 is estimated at about 40 million pounds--around 5 million less than in 1956-57 and 10 million below each of the previous 2 years. Preliminary indications are that disappearance of Connecticut Valley Broadleaf (type 51) has dropped sharply, partly due to the drop in exports. On the other hand, Wisconsin tobacco is likely to show a larger disappearance this year than last, partly due to the substantially greater exports than in the last marketing year.

During October 1957-April 1958, exports of Broadleaf (type 51), Havana Seed (type 52) and Wisconsin (types 54-55) totaled about 416,000, 961,000 and 2,211,000 pounds, farm-sales weight, respectively. The Broadleaf exports were only a third as much as in the same period of a year ago, when nearly a million pounds went to Spain. However, Danish, Belgian and German takings increased sharply percentagewise. The Havana Seed exports were 13 percent larger than a year earlier, with increases in shipments to West Germany and Netherlands more than offsetting a decrease to Belgium. The substantial October 1957-April 1958 exports of Wisconsin tobacco were mainly to West Germany in contrast to none a year earlier. Sweden got more Wisconsin tobacco than a year earlier.

Table 20.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, 1947-57

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Cents
Pennsylvania Seedleaf (type 41)							
1947	52.1	98.5	150.6	50.8	49.3	1.5	30.5
1948	57.4	99.8	157.2	51.2	50.5	.7	26.3
1949	54.2	106.0	160.2	44.4	43.7	.7	26.4
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957 ^{2/}	41.2	105.3	146.5				20.5
Ohio, Miami Valley (types 42-44)							
1947	8.4	23.7	32.1	8.2	8.2		31.0
1948	10.9	23.9	34.8	8.9	8.9		23.0
1949	11.2	25.9	37.1	9.1	9.1		25.0
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957 ^{2/}	4.7	23.1	27.8				22.4
Puerto Rico (type 46)							
1947	26.1	74.0	100.1	32.1	30.6	1.5	27.5
1948	27.0	68.0	95.0	41.8	32.9	8.9	27.0
1949	26.0	53.2	79.2	28.1	25.9	2.2	20.0
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957 ^{2/}	26.7	50.3	77.0				

^{1/} Year beginning October 1. ^{2/} Subject to revision.

Table 21.--Cigar binder tobacco, types 51-55: Domestic supplies, disappearance, and season average prices, 1947-57

Year	Production	Stocks October 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
				Million pounds	Million pounds	Million pounds	
(Farm-sales weight)							
Connecticut Valley Broadleaf (type 51)							
1947	15.0	28.6	43.6	13.3			51.0
1948	14.0	30.3	44.3	17.8	13.5	4.3	60.0
1949	14.1	26.5	40.6	12.9	11.8	1.1	53.0
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957 ^{2/}	5.2	25.5	30.7				50.5
Connecticut Valley Havana Seed (type 52)							
1947	15.1	16.5	31.6	12.2			73.3
1948	14.6	19.3	33.9	14.1	9.4	4.7	62.3
1949	14.7	19.8	34.5	9.5	7.4	2.1	41.9
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957 ^{2/}	3.2	20.2	23.4				44.0
Southern Wisconsin (type 54)							
1947	15.8	37.9	53.7	16.5			22.3
1948	11.9	37.2	49.1	9.3	8.9	.4	22.4
1949	12.6	39.8	52.4	12.3	12.3		22.8
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957 ^{2/}	7.6	21.0	28.6				31.1
Northern Wisconsin (type 55)							
1947	21.5	37.6	59.1	22.9			34.9
1948	18.4	36.2	54.6	19.4	17.7	1.7	23.0
1949	18.8	35.2	54.0	13.2	13.0	.2	28.5
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957 ^{2/}	12.2	31.6	43.8				33.5

^{1/} Year beginning October 1.^{2/} Subject to revision.

Table 22.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, 1947-57

(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
Connecticut Valley Shade-grown (type 61)							
1947	9.3	10.1	19.4	8.7			310.0
1948	9.8	10.7	20.5	8.4			290.0
1949	11.1	12.1	23.2	9.6			205.0
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957 ^{2/}	11.8	11.4	23.2				205.0
Georgia-Florida Shade-grown (type 62)							
1947	4.2	3.2	7.4	3.6			265.0
1948	5.3	3.8	9.1	4.6			245.0
1949	6.2	4.5	10.7	4.8			195.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957 ^{2/}	7.1	7.1	14.2				185.0
Total Shade-grown (types 61-62)							
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	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957 ^{2/}	18.8	18.5	37.3				198.0

^{1/} Year beginning July 1.^{2/} Subject to revision.

Wrapper: The disappearance of shade-grown cigar wrapper in the year ending June 30 is estimated at close to 17 million pounds--over a million more than in 1956-57, and perhaps a record high. The increase is mainly due to the larger exports than a year earlier. The July 1957-April 1958 exports of shade-grown wrapper totaled 4 million pounds, farm-sales weight--27 percent ahead of the comparable figure of a year earlier. West Germany accounted for more than two-thirds of the total and took a 35 percent larger amount than in the corresponding period of 1956-57. More also went to Canada and Netherlands but less to Belgium.

Beginning with January 1958, exports of Connecticut Valley shade-grown tobacco and exports of Georgia-Florida shade-grown tobacco are being reported separately for the first time. From 1949 through 1957, they were reported only on a combined basis. Before 1949 they were in the overall cigar leaf classification. The January-April 1958 exports (declared weight and value) broken down into the present more detailed classification and according to leading countries of destination are as follows:

<u>Country</u>	<u>Connecticut Valley</u> <u>type 61</u>		<u>Georgia-Florida</u> <u>type 62</u>	
	<u>1,000 lb.</u>	<u>1,000 dol.</u>	<u>1,000 lb.</u>	<u>1,000 dol.</u>
West Germany	358	579	731	1,113
Canada	39	122	20	46
Netherlands	4	7	34	57
Belgium	1	1	32	41
Denmark	13	23	4	6
Philippine Rep.	0	0	31	62
Algeria	0	0	15	34
Canary Islands	14	32	14	32
Sweden	2	4	19	29
Other	6	14	14	40
<u>Total</u>	<u>437</u>	<u>782</u>	<u>914</u>	<u>1,460</u>

Prices and Price Supports

Filler: Prices for the 1957 crop of Pennsylvania filler averaged 20.7 cents per pound--13 percent lower than for the 1956 crop and, except for 1950, the lowest since 1944. The 1957 season average price of Ohio filler was 22.4 cents per pound, not much different than in each of the previous 3 years. The average price for the Puerto Rican filler crop just completing marketings may average around 30 cents per pound, not markedly different than last season. Government price supports were applicable to the Ohio and Puerto Rican filler types (see table 23) but not to the Pennsylvania filler type.

Table 23.--Cigar tobacco types: Government price support levels, 1956-58, and season average prices, 1956-57

Type	1956		1957		1958
	Price : support : level : 1/	Season : average : price	Price : support : level : 1/	Season : average : price	Minimum : price : support : 1/
	Cents : per : pound	Cents : per : pound	Cents : per : pound	Cents : per : pound	Cents : per : pound
Ohio cigar filler, types 42-44	23.4	22.0	23.2	22.4	23.2
Puerto Rican filler, type 46	31.4	30.8	32.5	2/30.0	3/
Connecticut Valley Broadleaf binder, type 51	52.5	59.0	53.8	50.5	4/55.7
Connecticut Valley Havana Seed binder, type 52	49.0	42.3	48.8	44.0	47.5
Southern Wisconsin binder, type 54	22.8	26.1	23.3	31.1	25.1
Northern Wisconsin binder, type 55	29.6	30.9	29.9	33.5	30.7

1/ For Pennsylvania Havana Seed, type 53: 1956, 23.6 cents; 1957, 23.3 cents; and 1958, 25.1 cents. 2/ Preliminary indication. 3/ Support level to be announced in fall. 4/ Broadleaf (type 51) will not be supported on a sorted basis, and the actual level of support on an unsorted basis will be considerably less than 55.7 cents per pound and will not substantially exceed the support level for Havana Seed (type 52).

Table 24.--Cigar tobacco price support operations, quantities placed under loan, 1946-57, and remaining under loan May 31, 1958

Crop year	Ohio, : types : 42-44	Puerto : Rican, : type 46	Conn. : Valley, : type 51	Conn. : Valley, : type 52	So. : Wis., : type 54	No. : Wis., : type 55	Total
	Million : pounds	Million : pounds	Million : pounds	Million : pounds	Million : pounds	Million : pounds	Million : pounds
1946	0	10.6	0	0	2.2	0	12.8
1947	0	10.3	0	0	.8	0	11.1
1948	0	12.3	0	0	2.0	3.0	17.3
1949	0	9.3	.1	3.2	.2	.5	13.3
1950	2.6	.3	.1	3.7	1.4	.6	1/11.5
1951	.6	1.1	1.7	2.7	4.8	.1	1/11.0
1952	2/	1.4	2/	2/	2/	2/	1.4
1953	2.7	1.4	3/	1.8	2.4	1.9	1/10.3
1954	1.2	5.1	.8	3.4	1.3	.9	12.7
1955	.8	2.8	7.8	5.2	.4	3.1	20.1
1956	.4	1.5	1.7	1.6	.1	.9	6.2
1957	.1	4/1.5	2.5	.4	---	.3	4.8
Total	8.4	57.6	14.7	22.0	15.6	11.3	1/132.5
Remaining as of : May 31, 1958	5/1.7	2.2	5/8.0	6.4	.5	1.8	20.6

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana seed (type 53). 2/ Price support not in effect because marketing quotas were disapproved by growers. 3/ Less than 50,000 pounds. 4/ Incomplete. 5/ Includes sizable quantities, particularly types 42-44, that have been sold.

Binder: Prices for the 1957 crops of Connecticut Valley Broadleaf and Havana Seed averaged 50.5 and 44.0 cents a pound, respectively. The Broadleaf price average was down 14 percent from the previous year but the Havana Seed price average was up a little. The 1957 crop of Southern Wisconsin brought an average of 31.1 cents per pound--nearly one-fifth higher than a year earlier and the highest price since 1946. The 1957 Northern Wisconsin crop averaged 33.5 cents per pound--8 percent above 1956 and the highest since 1947. Government price supports were in effect on all binder types. (For support price levels, see table 23 and for receipts under Government loan, see table 24.)

1958 Crop Price Supports: On April 7, the U. S. Department of Agriculture announced the 1958 minimum support levels for the eligible types of tobacco except Puerto Rican type 46 for which the support level is determined in the fall. The 1958 crop minimum supports are shown in table 23. The support level for the cigar tobacco types under marketing quotas is computed at 90 percent of parity. If the parity prices increase by October 1, the beginning of the 1958-59 marketing year, the actual supports will be raised above the minimums to reflect such increases. If parity prices decline by October 1, the minimum supports become the actual supports. The parity prices for the cigar tobaccos that are applicable to June are higher than when these minimum supports were calculated.

The 1958 crop of Pennsylvania filler will not be supported since growers disapproved marketing quotas. The shade-grown wrapper in Connecticut and Georgia-Florida is not covered by price support legislation.

Wrapper: The average price for the Connecticut Valley 1957 shade-grown wrapper was \$2.05 per pound--up nearly 8 percent from 1956 but a little lower than in the previous 2 years. The Georgia-Florida 1957 shade-grown wrapper averaged \$1.85 per pound--3 percent more than in 1956 and the same as in 1955.

Table 25.- Tobacco: Acreage in the United States, by types, for specified periods with percentages

Period	Flue-cured: 11-14	Fire-cured: 21-24 <u>1/</u>	Burley 31	Mary-land 32	Dark air- and sun-cured: 35-37	Cigar			United States
						Filler 41-45 <u>1/</u>	Binder 51-56 <u>1/</u>	Wrapper 61-62	
	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>
Averages									
1924-28	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3
1929-33	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1939-43	872.8	90.1	375.4	38.4	38.6	45.2	39.2	10.2	1,510.3
1944	1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9
1945	1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7
1946	1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8
1947	1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6
1948	883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6
1949	935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2
1950	958.4	52.9	408.3	50.0	28.7	45.1	41.5	13.7	1,599.0
1951	1,110.1	49.0	456.1	53.0	26.5	39.8	31.4	13.6	1,779.9
1952	1,111.3	47.4	463.5	50.0	26.3	29.4	30.4	13.1	1,771.8
1953	1,021.8	48.3	419.7	45.0	26.0	30.5	29.0	12.3	1,632.9
1954	1,042.2	52.0	420.9	50.0	25.9	33.8	29.4	13.0	1,667.5
1955	990.7	48.2	310.6	47.0	24.2	33.9	27.7	12.9	1,495.4
1956	875.3	47.0	309.8	43.5	22.4	32.9	19.0	13.3	1,363.5
1957 <u>2/</u>	662.7	36.6	306.6	37.0	17.1	33.1	16.0	13.1	1,122.4
1958 <u>3/</u>	651.3	31.0	302.6	35.0	16.1	31.8	15.0	12.7	1,095.8
Percentage decrease									
	<u>Per- cent</u>	<u>Per- cent</u>	<u>Per- cent</u>	<u>Per- cent</u>	<u>Per- cent</u>	<u>Per- cent</u>	<u>Per- cent</u>	<u>Per- cent</u>	<u>Per- cent</u>
Av. 1947-49: to 1958	34.4	55.1	30.2	27.1	50.3	27.9	63.1	14.2	34.6

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

2/ Subject to revision.

3/ Farmers' intentions as of March 1 -- at that time roughly 92,000 tobacco acres had been placed in the acreage reserve of the Soil Bank, but tobacco acreage in the reserve has risen since to nearly 111,000.

Table 26.--Tobacco: Yield per acre in the United States, by types, for specified periods with percentages

Period	Flue-cured	Fire-cured	Burley	Maryland	Dark air- and sun-cured	Cigar			All types
	11-14	21-24 1/	31	32	35-37	41-45 1/	51-56 1/	Wrapper: 61-62	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Average:									
1924-28	676	767	807	781	784	1,340	1,256	1,041	765
1929-33	707	777	777	683	803	1,035	1,350	1,039	770
1934-38	856	811	819	749	837	1,266	1,465	954	865
1939-43	963	923	985	755	958	1,323	1,526	982	986
1944	1,069	1,022	1,189	850	1,116	1,440	1,548	1,075	1,115
1945	1,088	951	1,127	525	988	1,261	1,518	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,469	1,519	1,000	1,181
1947	1,135	1,031	1,153	795	1,054	1,419	1,495	992	1,138
1948	1,233	1,170	1,396	750	1,165	1,566	1,524	998	1,274
1949	1,191	1,189	1,253	825	1,133	1,542	1,561	1,108	1,213
1950	1,312	1,102	1,222	800	998	1,474	1,548	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,571	1,098	1,310
1952	1,229	1,228	1,403	805	1,286	1,590	1,532	1,124	1,273
1953	1,245	1,013	1,345	900	1,022	1,468	1,618	1,203	1,261
1954	1,261	1,197	1,586	875	1,317	1,681	1,642	1,264	1,346
1955	1,497	1,353	1,513	670	1,284	1,569	1,555	1,213	1,466
1956	1,625	1,501	1,635	840	1,514	1,665	1,763	1,290	1,596
1957 2/	1,471	1,380	1,592	850	1,316	1,384	1,756	1,437	1,479
Percentage change									
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49: to 1957	24.0	22.1	25.7	7.6	17.8	-8.3	15.0	39.1	22.4
1956 to 1957	-9.5	-8.1	-2.6	1.2	-13.1	-16.9	-.4	11.4	-7.3

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

2/ Subject to revision.

Table 27.--Cash receipts from tobacco compared with total cash receipts from all farm commodities, selected States and United States, average 1951-55, annual 1956-57

State	Average 1951-55			1956			1957		
	Cash receipts		Tobacco	Cash receipts		Tobacco	Cash receipts		Tobacco
	Total	Tobacco	as per- centage of total	Total	Tobacco	as per- centage of total	Total	Tobacco	as per- centage of total
	Million dollars	Million dollars	Percent	Million dollars	Million dollars	Percent	Million dollars	Million dollars	Percent
N. C.	942	496	52.7	999	507	50.8	851	370	43.5
Ky.	563	229	40.7	555	229	41.3	558	223	40.0
S. C.	371	91	24.5	361	91	25.2	321	77	24.0
Va.	471	84	17.8	466	89	19.1	439	70	15.9
Tenn.	488	70	14.3	484	78	16.1	444	72	16.2
Ga.	587	66	11.2	684	65	9.5	641	48	7.5
Conn.	172	24	14.0	166	20	12.0	163	20	12.3
Md.	253	19	7.5	244	17	7.0	243	20	8.2
Fla.	556	23	4.1	672	20	3.0	636	19	3.0
Pa.	782	12	1.5	740	11	1.5	750	12	1.6
Mass.	189	8	4.2	170	7	4.1	174	7	4.0
Wis.	1,060	7	.7	1,017	5	.5	1,049	6	.6
Ohio	1,041	12	1.2	1,020	11	1.1	991	10	1.0
Ind.	1,082	7	.6	1,040	7	.7	1,046	7	.7
Subtotal:	8,557	1,148	13.4	8,618	1,157	13.4	8,306	961	11.6
U. S. ^{1/}	31,168	1,152	3.7	30,372	1,162	3.8	30,019	967	3.2

^{1/} Other States with relatively small cash receipts from tobacco are Alabama, Kansas, Louisiana, Minnesota, Missouri, New York, and West Virginia.

Table 28.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-57, by quarters 1955-57

Year and quarter	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders' equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,378	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
1955	3,796	388	183	10.2	4.8	24.2	11.4
1956	3,959	413	197	10.4	5.0	24.5	11.7
1957	4,262	342	220	8.0	5.2	26.0	12.5
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
4	967	106	48	11.0	5.0	26.0	11.8
1956							
1	904	88	41	9.7	4.5	21.4	10.0
2	1,002	105	50	10.5	5.0	25.2	12.0
3	1,026	111	54	10.8	5.3	26.2	12.7
4	1,027	109	52	10.6	5.1	25.4	12.1
1957							
1	936	90	44	9.6	4.7	21.0	10.3
2	1,066	111	52	10.4	4.9	25.4	11.9
3	1,119	131	62	11.7	5.5	29.3	13.9
4	1,141	127	62	11.1	5.4	28.3	13.8

Note: The 1947-50 data lack strict comparability with the series beginning 1951.

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

URBAN FAMILY EXPENDITURES FOR TOBACCO

By S. M. Sackrin

Recent publications have made available considerable information on smoking patterns in the U. S. ^{5/} However, data shown are in terms of units smoked, i.e., the number of cigarettes or cigars, and in the case of smoking tobacco, number of pipefuls. But in addition to consumption expressed in terms of quantities, analysts frequently are interested in consumption expressed in terms of expenditures--the dollar amounts spent for a particular commodity. For some purposes, expenditure data may be more useful than quantity data, since they automatically take into consideration variations in quality as reflected in price differences. For such a product as cigars--where price ranges are wide--this is particularly important.

In 1956, U. S. consumers spent 5.7 billion dollars for tobacco, about 2 percent of their total personal consumption expenditures. Tobacco expenditures in 1957 are estimated at close to 6 billion dollars, of which approximately 85 percent were for cigarettes, 10 percent for cigars, and the other 4-5 percent for smoking tobacco, chewing tobacco, and snuff. Since 1939, tobacco expenditures have risen around 85 percent, after allowance is made for price increases at retail.

Data on tobacco expenditures by income class have appeared in a number of publications (listed at the end of this article), but generally have been limited in geographical scope or have lacked sufficient detail on family characteristics--especially significant in the case of tobacco products which usually are not consumed by all members. A more comprehensive publication has recently been made available, entitled Study of Consumer Expenditures, Incomes, and Savings, 1950. ^{6/} Originally undertaken in connection with a revision of the Consumer Price Index, the survey was conducted in the first half of 1951 in 91 urban areas throughout the U. S. Detailed information was obtained on expenditures, income, and savings for the year 1950 from approximately 12,500 families and single consumers who provided complete and usable reports. Expenditures were reported separately for the following tobacco and related products: cigarettes; cigars; other tobacco (comprising tobacco for pipes and

^{5/} See Tobacco Smoking Patterns in the United States, W. Haenszel, M. B. Shimkin, and H. P. Miller, Public Health Monograph 45, U. S. Public Health Service, 1956; and Tobacco Smoking in the United States in Relation to Income, S. M. Sackrin and Arthur G. Conover, Marketing Research Report No. 189, U. S. Department of Agriculture, 1957.

^{6/} Tabulated by the Bureau of Labor Statistics for the Wharton School of Finance and Commerce, University of Pennsylvania, and published by the University in 1956 and 1957. See especially Vol. III, "Summary of Family Expenditures for Food, Beverages and Tobacco," and Vol. XII, "Detailed Family Expenditures for Food, Beverages, and Tobacco." Vol. XVIII contains summary data for all urban areas combined, but does not show expenditures by individual tobacco products.

"roll-your-own" cigarettes, chewing tobacco, and snuff); and pipes and smokers' supplies.

The 91 urban areas were divided into 3 broad geographic regions--North, South, and West. In each of these regions, the urban sample was regrouped into large cities, suburbs of large cities, and small cities, giving a total of 9 classes. While such an intra-regional division was deemed useful for market research, for purposes of the present article the three classes within each region were combined. Data for each of the three regions were also combined into an overall "urban U. S." category. The weights used for the regrouping of data were based on the total urban population surveyed--numbering approximately $31\frac{1}{2}$ million families in 1950. ^{7/} Based on the 1950 census of population, urban households comprised about two-thirds of total households in the U. S.

Data on urban family expenditures for tobacco in 1950, by income class, are shown in table 29. Important to note is that expenditures shown are average expenditures by families reporting purchases of the particular product. This differs from the presentation in the Consumer Expenditures study where average expenditures shown were computed by using, as divisor, all families--both purchasers and nonpurchasers of tobacco.

As in any survey, the statistical reliability of the data is affected by sampling variability and errors of response and nonreporting. While this limitation applies generally to survey figures, data relating to tobacco and alcoholic beverages are particularly subject to bias since there is a tendency to under-report consumption or expenditures. Judging from the total spent nationally for tobacco in 1950, as estimated by the Department of Commerce, the data in table 29 substantially understate actual tobacco expenditures by urban families. However, as interest usually centers on the interrelationships among income classes, the understatement does not seriously impair the usefulness of the data.

About two-thirds of the urban families queried in the survey reported expenditures for cigarettes. The proportion of cigarette-purchasing families in middle-income and high-income groups is larger than in lower-income groups. Annual cigarette expenditures ranged from \$52 for families with incomes of less than \$1,000 to \$120 for those with incomes of \$10,000 and over.

Somewhat more than a tenth of families reported expenditures for cigars. The percentage of families which bought cigars is larger in the middle- and high-income families than among lower-income families. Annual expenditures ranged from \$39 for families with incomes under \$2,000 to \$97 for those receiving \$10,000 and over.

^{7/} Owing to certain conceptual differences, the urban population covered by the survey differs somewhat from the census count.

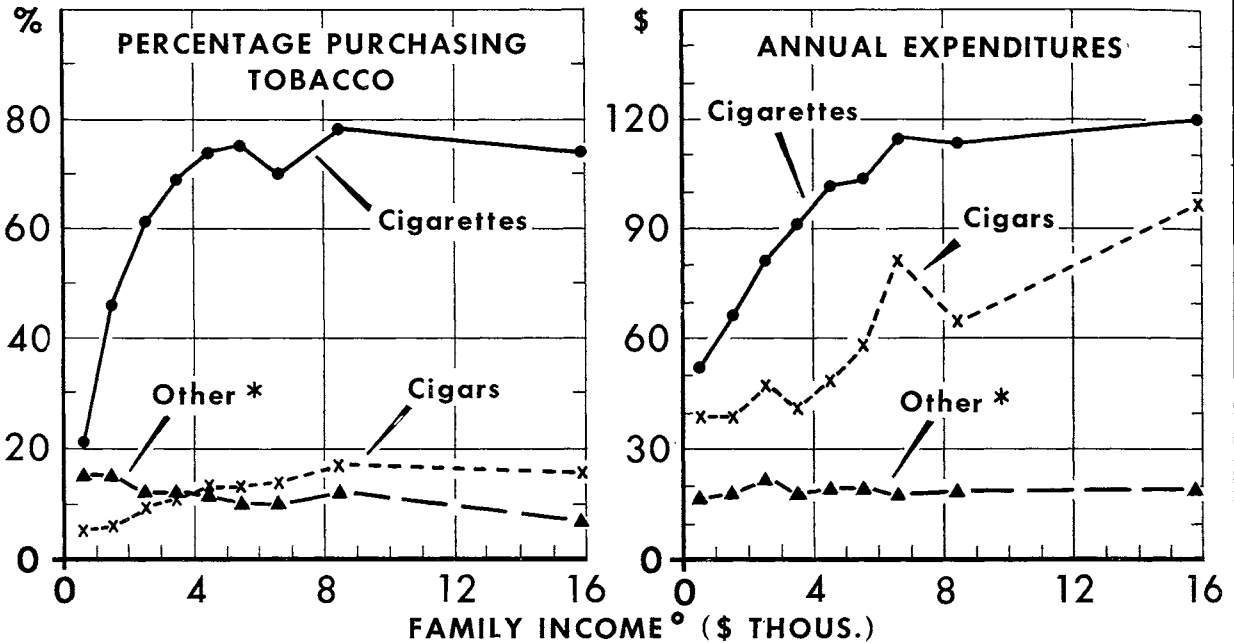
Table 29.--Annual expenditures by urban families for tobacco and related products, and percentage of families reporting expenditures, by region and income, 1950

Region and income class	Number of families in sample	Cigarettes		Cigars		Other tobacco		Pipes and smokers' supplies	
		Percentage of families purchasing	Average expenditure per family	Percentage of families purchasing	Average expenditure per family	Percentage of families purchasing	Average expenditure per family	Percentage of families purchasing	Average expenditure per family
	Number	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars
NORTH (34 CITIES)									
Under \$1,000	303	19	52	4	30	12	17	5	10
\$ 1,000 to 2,000	616	44	65	6	43	12	17	7	14
2,000 to 3,000	1,041	62	83	10	49	12	22	8	11
3,000 to 4,000	1,417	69	91	11	39	12	18	7	11
4,000 to 5,000	1,026	75	103	14	50	11	21	10	12
5,000 to 6,000	550	76	108	14	67	10	21	8	13
6,000 to 7,500	391	70	117	16	95	10	16	10	19
7,500 to 10,000	224	78	119	16	48	9	14	11	20
10,000 and over	156	77	123	19	106	8	18	12	70
ALL	5,724	64	96	12	55	11	19	8	15
SOUTH (22 CITIES)									
Under \$1,000	180	25	43	6	59	24	14	4	14
\$ 1,000 to 2,000	464	52	68	8	23	21	21	9	6
2,000 to 3,000	632	65	83	9	42	16	23	6	18
3,000 to 4,000	647	70	92	10	44	12	21	9	14
4,000 to 5,000	435	75	104	12	48	10	21	11	11
5,000 to 6,000	236	75	97	15	41	9	14	8	16
6,000 to 7,500	151	74	116	13	70	12	13	11	14
7,500 to 10,000	76	75	105	22	134	15	27	11	16
10,000 and over	48	76	115	23	50	6	18	7	4
ALL	2,869	64	90	11	48	15	20	8	13
WEST (35 CITIES)									
Under \$1,000	288	20	59	4	38	13	17	5	8
\$ 1,000 to 2,000	450	44	64	4	55	13	13	7	15
2,000 to 3,000	672	58	74	8	32	10	18	7	9
3,000 to 4,000	921	67	90	10	45	11	15	9	8
4,000 to 5,000	653	72	95	11	43	10	16	8	10
5,000 to 6,000	427	72	96	9	44	11	17	7	11
6,000 to 7,500	262	68	105	11	44	11	22	9	12
7,500 to 10,000	130	78	103	19	58	19	20	14	11
10,000 and over	93	65	114	8	101	5	23	5	16
ALL	3,896	61	88	9	47	11	16	8	10
URBAN U. S. (91 CITIES)									
Under \$1,000	771	21	52	5	39	15	16	5	10
\$ 1,000 to 2,000	1,530	46	66	6	39	15	17	8	12
2,000 to 3,000	2,345	61	81	9	47	12	22	7	12
3,000 to 4,000	2,985	69	91	11	41	12	17	8	11
4,000 to 5,000	2,114	74	101	13	48	11	19	9	11
5,000 to 6,000	1,213	75	103	13	58	10	19	8	13
6,000 to 7,500	804	70	114	14	81	10	17	10	16
7,500 to 10,000	430	78	113	17	64	12	18	12	17
10,000 and over	297	74	120	16	97	7	19	10	59
ALL	12,489	64	93	11	52	12	18	8	13

Data derived from Study of Consumer Expenditures, Incomes, and Savings, 1950, tabulated by the Bureau of Labor Statistics and published by the University of Pennsylvania in 1956 and 1957.

TOBACCO EXPENDITURES

Percentage of Urban Families Purchasing Tobacco and Their Average Expenditures, 1950, by Income



DATA DERIVED FROM STUDY OF CONSUMER EXPENDITURES, INCOMES, AND SAVINGS, 1950.
 * SMOKING, CHEWING, AND SNUFF. ° MONEY INCOME, AFTER TAXES.

U. S. DEPARTMENT OF AGRICULTURE

NEG. 6183-58(5) AGRICULTURAL MARKETING SERVICE

About one-eighth of the families reported expenditures for other tobacco --smoking, chewing, and snuff. But the percentage of families purchasing these products tends to decline as income increases, dropping from 15 percent among families with income under \$1,000 to 7 percent among those with income of \$10,000 and over. Expenditures per family, however, tend to be stable and generally range between \$16 and \$19.

Income Elasticity of Demand for Cigarettes and Cigars

How is consumer demand influenced by changes in income? Answers to this question are an important application of demand analysis. Other factors besides income, of course, affect demand. Some of these are price, changes in consumer tastes and preferences, supplies and prices of competing products, size and composition of population, and the distribution of income among families, as distinguished from the general level of income. However, in using survey data to analyze demand these other factors may be considered fixed,

since demand as of a given time is examined. The demand data analyzed may consist of the quantity consumed or purchased, or, as in the present case, expenditures. When using expenditure data, price differences are automatically considered.

The relationship between consumption (or expenditures) and income can be conveniently summarized by a statistical measure--the income elasticity of demand. ^{8/} Simply defined, the income elasticity of demand is the percentage change in consumption (or expenditure) accompanying a 1 percent change in income, other demand factors remaining the same. For most commodities, demand increases as consumers get more income, but a 10 percent rise in incomes is not likely to mean a 10 percent increase in the purchase of each commodity or service. When the percentage change in consumption or expenditure is greater than the percentage change in income, the demand is said to be elastic with respect to income; when it is smaller, the demand is said to be inelastic with respect to income.

Statistical analyses of the survey data were made to ascertain the relationship between cigarette and cigar expenditures and income. In order to analyze the relationship between family income and expenditures, it is necessary to hold constant the factors other than income which may affect expenditures, such as size and composition of family. Expenditures for cigarettes, for example, may differ among families not only because of differing income but because of differing number of smokers, which, in turn, depends on such considerations as family size, and sex and age of members. Number of persons per family tends to increase with income, as indicated by the following averages for urban families in 1950:

<u>Income class</u>	<u>Average number per family</u>	<u>Income class</u>	<u>Average number per family</u>
Under \$1,000	1.5	\$5,000 to 6,000	3.6
\$1,000 to 2,000	2.1	\$6,000 to 7,500	3.7
\$2,000 to 3,000	2.7	\$7,500 to 10,000	4.0
\$3,000 to 4,000	3.2	\$10,000 and over	3.7
\$4,000 to 5,000	3.4	All	3.0

While adjustment could not be made for all differences in family composition, the expenditure data were adjusted to reflect estimated average number of persons of smoking age in each income class. The income variable,

^{8/} Some writers make a distinction between the income elasticity of demand obtained from analysis of consumption data and that obtained from expenditure data, using the term "elasticity of expenditures with respect to income" for the latter. The term "income elasticity of demand" is used for both throughout the above discussion for brevity, although it should be understood that when it refers to changes in expenditures as related to changes in income that the foregoing term may be preferable.

however, was put on a straight per capita basis by dividing family income (after taxes) by average number of persons per family, as all members of a family--smokers and nonsmokers--are supported from family income.

The statistical analysis showed that, on the average, for each 10 percent increase in per capita income of urban families, cigarette expenditures per person of smoking age increase 1 percent. ^{9/} The indicated income elasticity coefficient of 0.10 may be regarded as additional evidence of the highly inelastic nature of demand for cigarettes. In a cross-section analysis of 1955 survey data on numbers of cigarettes smoked by U. S. regular smokers in relation to income (with allowance for age differences), the income elasticity coefficient found was 0.12. ^{10/}

A similar analysis was made for cigars, but expenditure data were adjusted to reflect estimated number of male adults in each income class. ^{11/} The elasticity coefficient derived from the analysis was 0.3 at the average level of income considered (\$1,576 per capita). This implies that each 10 percent increase in per capita income above the average level for all urban families is accompanied by a 3 percent increase in cigar expenditures per

^{9/} In this analysis, X_1 represented estimated cigarette expenditures per person of smoking age (dollars) and X_2 represented per capita income (dollars). Both variables were expressed in logarithms. The following regression equation and statistical coefficients were obtained. Numbers in parentheses beneath the regression coefficient is its standard error.

$$\text{Log } X_1' = 1.30 + 0.10 \log X_2$$

(0.02)

$$r^2 = 0.77 \quad s_{12} = 0.017$$

A similar analysis which used per capita total consumption expenditures instead of per capita income yielded a coefficient of $0.16 \pm .04$. This coefficient is referred to as the "elasticity of demand with respect to expenditure" as distinguished from "elasticity of demand with respect to income." In this case, the coefficient implies that, on the average, each 10 percent increase in per capita consumption expenditures of urban families is accompanied by an increase of approximately $1\frac{1}{2}$ percent in cigarette expenditures per person of smoking age.

^{10/} See Sackrin and Conover, *op. cit.*, pp. 90-91, 188.

^{11/} In this analysis, X_1 represented estimated cigar expenditures per male adult (dollars) and X_2 represented per capita income (dollars). Actual data of both variables were used. The following regression equation and statistical coefficients were obtained:

$$X_1' = 32.14 + 0.0081 X_2$$

(0.0017)

$$r^2 = 0.74 \quad s_{12} = 0.058$$

adult male. At the lowest level of income considered (\$409 per capita), a 10 percent increase in income is accompanied by a 1 percent increase in cigar expenditures per adult male (elasticity coefficient, 0.1); at the highest income level (\$4,301 per capita), a 10 percent increase in income is accompanied by a 5 percent increase in cigar expenditures per adult male (elasticity coefficient, 0.5). While the derived coefficients suggest an inelastic demand for cigars with respect to income, they also imply a demand for cigars at the highest income level 5 times more responsive to income changes than at the lowest income level. The quality factor, as reflected in expenditures for cigars, undoubtedly is a factor in the greater responsiveness of demand at higher income levels.

Tobacco Expenditures in Relation
to Total Consumption Expenditures

Table 30, page 58, shows total tobacco expenditures in relation to total personal consumption expenditures in the U. S. The survey data enable an examination of this relationship by income class for urban families. While understatement of consumption expenditures in general, and tobacco expenditures in particular, prevent calculation of precise relationships, the data indicate broadly the changes occurring at different levels of income.

Urban family expenditures for tobacco in 1950 comprised a little more than 1 percent of total consumption expenditures among families receiving less than \$1,000. This percentage increases to approximately 2 percent among those with incomes from \$1,000 to \$5,000. It then declines steadily among families with incomes above this amount, and is only 1 percent for families with incomes of \$10,000 and over. Thus the lowest percentages occur among families in the lowest and highest income classes.

Table 30.--Consumer expenditures for tobacco in relation to disposable income and total consumption expenditures, 1929-57

Year	Consumer expenditures for tobacco				
	Disposable personal income	Personal consumption expenditures	Total amount	Percentage of disposable personal income	Percentage of total consumption expenditures
	Million dollars	Million dollars	Million dollars	Percent	Percent
1929	83,120	78,952	1,695	2.04	2.15
1930	74,374	70,968	1,450	1.95	2.04
1931	63,840	61,333	1,489	2.33	2.43
1932	48,660	49,306	1,322	2.72	2.68
1933	45,744	46,392	1,233	2.70	2.66
1934	51,980	51,894	1,367	2.63	2.63
1935	58,322	56,289	1,434	2.46	2.55
1936	66,222	62,616	1,535	2.32	2.45
1937	71,000	67,259	1,673	2.36	2.49
1938	65,692	64,641	1,697	2.58	2.63
1939	70,444	67,578	1,767	2.51	2.61
1940	76,076	71,881	1,883	2.48	2.62
1941	92,982	81,875	2,108	2.27	2.57
1942	117,516	89,748	2,381	2.03	2.65
1943	133,547	100,541	2,677	2.00	2.66
1944	146,761	109,833	2,717	1.85	2.47
1945	150,355	121,699	2,972	1.98	2.44
1946	159,182	146,617	3,478	2.18	2.37
1947	169,016	164,973	3,869	2.29	2.35
1948	187,601	177,609	4,147	2.21	2.33
1949	188,157	180,598	4,252	2.26	2.35
1950	206,130	194,026	4,401	2.14	2.27
1951	226,069	208,342	4,701	2.08	2.26
1952	237,374	218,328	5,092	2.15	2.33
1953	250,235	230,542	5,310	2.12	2.30
1954	254,403	236,557	5,228	2.06	2.21
1955	270,189	254,421	5,372	1.99	2.11
1956	287,202	267,160	5,651	1.97	2.12
1957 ^{1/}	300,600	280,400	5,945	1.98	2.12

^{1/} Preliminary. Basic data U. S. Department of Commerce, except tobacco expenditure data for 1955 and 1956, which have been slightly adjusted for corrected cigar data; and 1957, estimated by Tobacco Division, AMS.

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- Family Income, Expenditures, and Savings in 10 Cities, 1946-49, Bulletin 1065, U. S. Department of Labor, Bureau of Labor Statistics, January 1952.
- Family Income, Expenditures and Savings in 1945. Birmingham, Indianapolis, and Portland, Oregon. Bulletin No. 956, U. S. Department of Labor, Bureau of Labor Statistics, 1949.
- Family Spending and Saving in Wartime, Bulletin No. 822, Bureau of Labor Statistics, April 1945.
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- Rural Family Spending and Saving in Wartime, Miscellaneous Publication 520, U. S. Department of Agriculture, June 1943.
- Family Spending and Saving as Related to Age of Wife and Age and Number of Children, Miscellaneous Publication No. 489, U. S. Department of Agriculture, May 1942.
- Family Expenditures for Education, Reading, Recreation, and Tobacco, 1935-36, Consumer Purchases Study, Miscellaneous Publication No. 456, U. S. Department of Agriculture, 1941.
- Family Expenditures in the United States, Statistical Tables and Appendices, National Resources Planning Board, June 1941.
- Consumer Expenditures in the United States, 1935-36, National Resources Committee, 1939.

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STATISTICAL SUMMARY

Item	Unit or base period	1957				1958				Last data available as percentage of a year earlier	
		Jan.	Feb.	Mar.	Apr.	Jan.	Feb.	Mar.	Apr.		
Average prices at auctions											
Flue-cured	Ct. per lb.	*	c - 1 - o - s - e - d			c - 1 - o - s - e - d				---	
Burley	Ct. per lb.	63.9	c - 1 - o - s - e - d			51.2	c - 1 - o - s - e - d			80	
Maryland	Ct. per lb.	c - 1 - o - s - e - d				c - 1 - o - s - e - d				---	
Fire-cured	Ct. per lb.	36.8	33.8	31.4	closed	36.6	34.4	31.4	closed	100	
Dark air-cured (35-36)	Ct. per lb.	34.8	33.3	c-1-o-s-e-d		36.2	27.9	c-1-o-s-e-d		84	
Virginia sun-cured (37)	Ct. per lb.	35.8	32.6	c-1-o-s-e-d		34.6	c - 1 - o - s - e - d			97	
Parity prices											
Flue-cured	Ct. per lb.	55.8	56.2	56.3	56.5	59.6	59.8	60.2	60.6	107	
Burley	Ct. per lb.	56.6	57.0	57.2	57.4	60.5	60.7	61.1	61.5	107	
Maryland	Ct. per lb.	54.7	55.2	55.2	55.2	55.7	55.9	56.2	56.6	103	
Fire-cured (21)	Ct. per lb.	}	38.5	38.6	38.8	---	41.1	41.3	41.6	---	
Fire-cured (22-23)	Ct. per lb.					---	40.5	40.7	41.0	---	
Dark air-cured (35-36)	Ct. per lb.	32.7	32.9	33.0	33.2	35.2	35.3	35.6	35.8	108	
Virginia sun-cured (37)	Ct. per lb.	---	35.3	35.4	35.5	37.0	37.1	37.4	37.6	106	
Parity index 1/	1910-14=100	292	294	295	296	301	302	304	306	103	
Tax-paid removals											
Cigarettes, small	Bil.	36.0	31.7	33.2	32.1	35.8	31.4	33.0	35.7	111	
Cigars, large	Mil.	437	392	422	470	444	394	440	490	104	
Chewing and smoking	Mil. lb.	12.1	10.1	11.2	11.4	11.8	10.4	11.7	12.4	109	
Snuff	Mil. lb.	3.3	2.9	2.9	3.1	3.1	2.7	2.7	2.8	90	
Accumulated from January 1											
Cigarettes, small	Bil.	36	68	101	133	36	67	100	136	102	
Cigars, large	Mil.	437	829	1,251	1,721	444	838	1,278	1,768	103	
Chewing and smoking	Mil. lb.	12	22	33	45	12	22	34	46	102	
Snuff	Mil. lb.	3	6	9	12	3	6	9	11	92	
Tax-free removals											
Cigarettes, small	Bil.	3	2	2	3	3	3	3	3	100	
Cigars, large	Mil.	6	7	4	5	6	7	7	5	100	
Chewing and smoking	Mil. lb.	.3	.2	.3	.3	.3	.3	.3	.2	67	
Accumulated from January 1											
Cigarettes, small	Bil.	3	5	7	10	3	6	8	11	110	
Cigars, large	Mil.	6	13	17	22	6	12	20	25	114	
Chewing and smoking	Mil. lb.	.3	.5	.8	1.1	.3	.6	.9	1.2	109	
Disposable personal income 2/	Bil. dol.	296			300				101		
Index of industrial production 3/	1947-49=100	145	146	145	144	133	130	128	126	88	
Employment	Mil.	62.6	63.2	63.9	64.3	62.2	62.0	62.3	62.9	98	
Labor force employed	Pct.	95.1	95.3	95.7	96.0	93.3	92.3	92.3	92.5	---	
Exports (farm-sales weight)											
Flue-cured	Mil. lb.	27.4	23.1	29.0	24.7	20.1	18.8	29.7	19.3	78	
Burley	Mil. lb.	2.7	2.0	1.6	2.4	2.6	3.6	4.0	1.5	62	
Maryland	Mil. lb.	.7	.7	1.5	2.4	1.0	.5	1.5	.7	29	
Fire-cured	Mil. lb.	1.7	3.3	2.7	3.0	1.7	2.4	3.6	2.8	93	
Dark air-cured	Mil. lb.	1.0	.6	.7	1.0	.4	.8	.6	.8	80	
Cigar	Mil. lb.	.3	.4	.6	.4	.8	.6	.6	.3	75	
Accumulated from beginning of marketing year 4/											
Flue-cured	Mil. lb.	326.1	349.1	378.1	402.8	326.2	344.9	374.6	393.9	98	
Burley	Mil. lb.	11.5	13.5	15.1	17.5	6.7	10.3	14.3	15.8	90	
Maryland	Mil. lb.	3.8	4.5	5.9	8.3	4.7	5.2	6.7	7.4	89	
Fire-cured	Mil. lb.	8.8	12.1	14.8	17.8	9.4	11.8	15.4	18.2	102	
Dark air-cured	Mil. lb.	4.8	5.3	6.0	7.0	2.1	2.9	3.5	4.3	61	
Cigar filler and binder	Mil. lb.	2.4	2.5	2.7	2.8	3.3	3.4	3.5	3.6	129	
Cigar wrapper	Mil. lb.	2.2	2.5	2.8	3.2	2.8	3.3	3.8	4.0	125	
General imports, all commodities	Mil. dol.	1,115	993	1,132	1,119	1,095	962	1,085		96	
Accumulated from January 1	Mil. dol.	1,115	2,108	3,240	4,359	1,095	2,057	3,142		97	
Sterling area gold and dollar reserves 5/	Mil. dol.	2,084	2,147	2,209	2,320	2,404	2,539	2,770	2,914	126	
Stocks of domestic types (farm-sales weight) 6/											
Flue-cured	Mil. lb.	3,209				2,769	2,809			2,568	93
Burley	Mil. lb.	1,553				1,559	1,525			1,537	99
Maryland	Mil. lb.	70				61	69			61	100
Fire-cured	Mil. lb.	126				173	133			161	93
Dark air-cured	Mil. lb.	87				100	88			91	91
Cigar, filler	Mil. lb.	164				206	161			206	100
Cigar, binder	Mil. lb.	104				120	90			105	88
Cigar, wrapper	Mil. lb.	24				22	27			24	109

1/ Prices paid, interest, taxes, and farm wage rates. 2/ 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.

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