

The TOBACCO SITUATION

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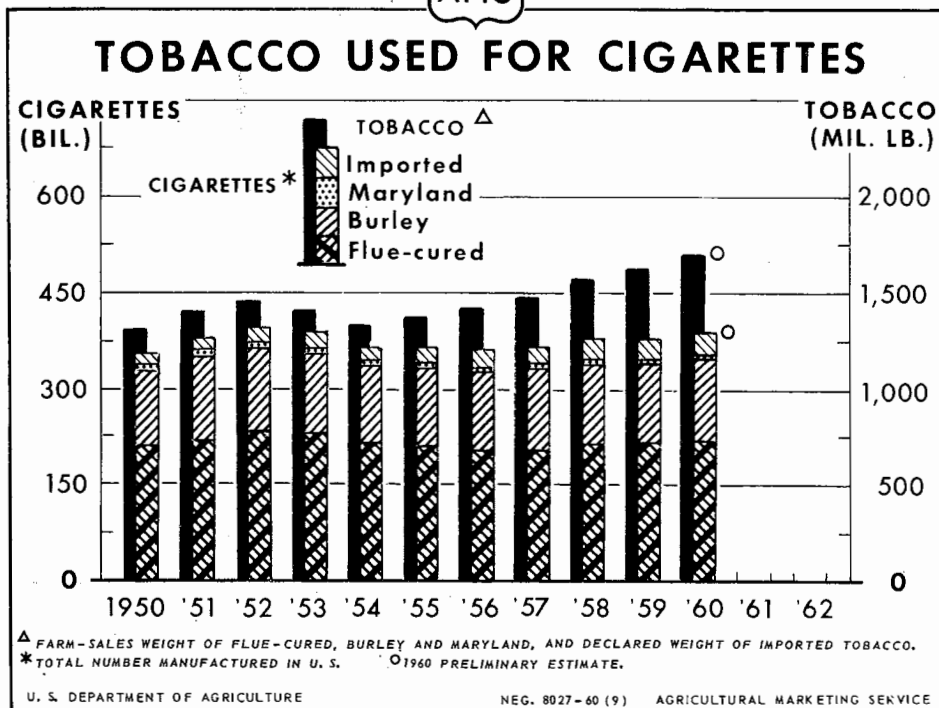
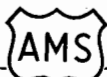
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The number of cigarettes manufactured in 1960 probably will approximate 512 billion--4½ percent above 1959 and 24 percent above 1955. The quantity of tobacco (farm-sales weight of domestic types plus import weight of foreign types) used for cigarettes in 1960 may total close to 1,300 million pounds--about 3 percent above 1959 but only 7 percent above 1955. Due mainly to newer methods of pro-

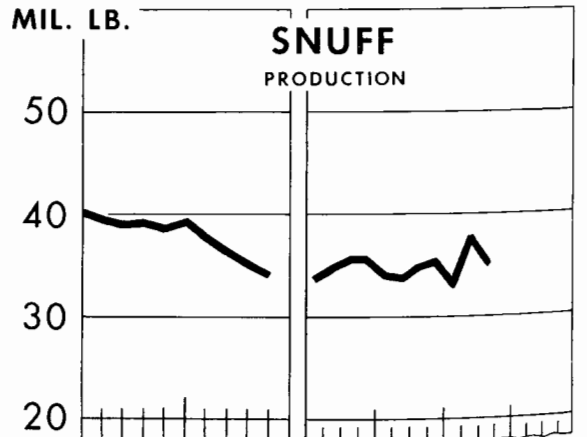
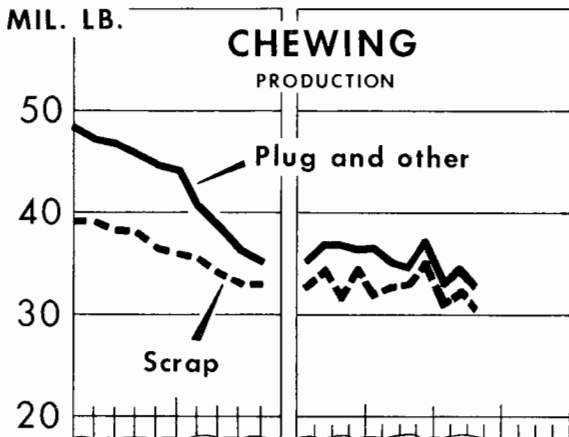
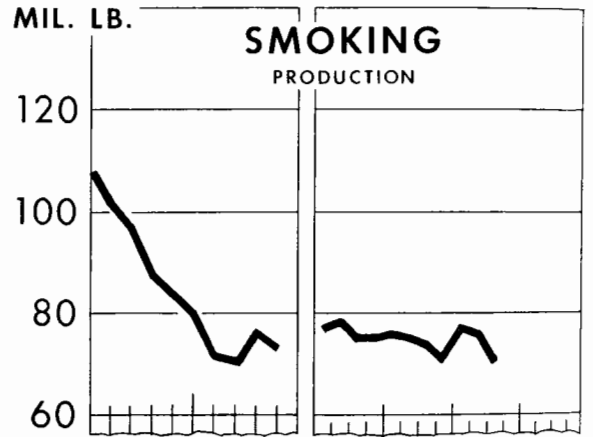
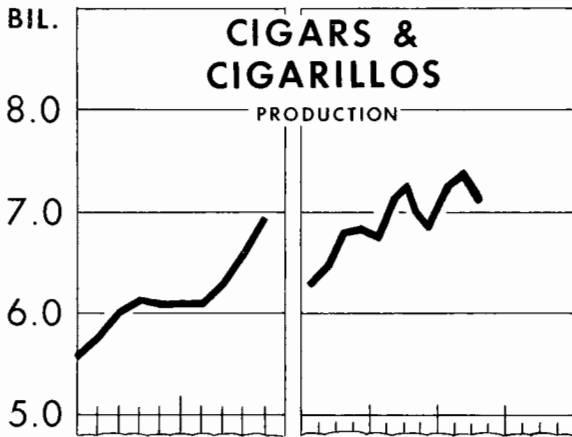
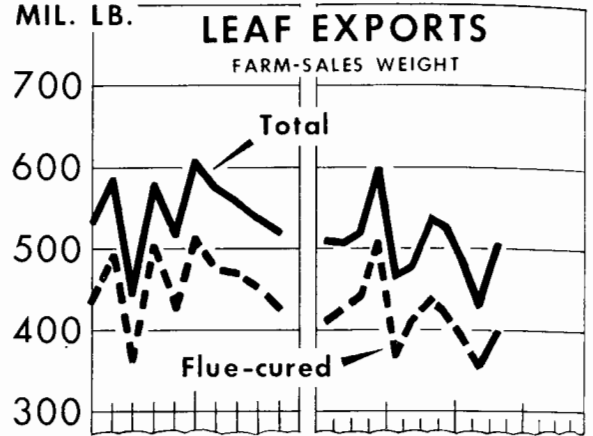
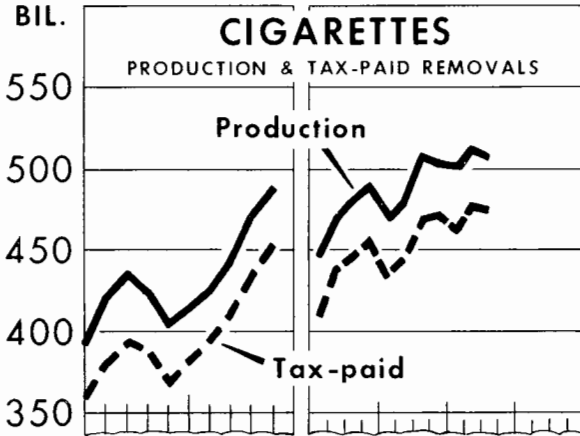
cessing, such as tobacco sheet, and the smaller tobacco column of filter tip cigarettes, the use of leaf tobacco has not kept pace with the increases in cigarette output in the past 6 years.

Cigarette output in 1961 seems likely to top this year's record high; leaf usings are also expected to increase but by a smaller percentage than cigarette output.

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TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



1950 '55 '60 1958 '59 '60 '61

ANNUAL QUARTERLY, SEASONALLY ADJUSTED, AT ANNUAL RATES

1950 '55 '60 1958 '59 '60 '61

ANNUAL QUARTERLY, SEASONALLY ADJUSTED, AT ANNUAL RATES

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, September 23, 1960

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SUMMARY

Carryovers of most domestic tobaccos, except some cigar types, are lower than a year earlier. The 1960 production of all types combined is estimated to be nearly $5\frac{1}{2}$ percent above 1959, with the substantial increase in flue-cured more than offsetting the decreases in burley and some of the other kinds. The total supply of flue-cured for 1960-61 is indicated to be slightly above 1959-60 but the total supply of burley and most other kinds probably will be lower than a year earlier.

The manufactures of tobacco products, except tobacco for "roll-your-own" cigarettes and plug and scrap chewing, are expected to top 1959. Cigarette output will set a new record high and manufacture of cigars (including cigarillos) will be the highest since the early 1920's. A further significant increase in cigarettes is probable in 1961 and some further gain is expected for cigars and cigarillos. Not much change from this year's level is expected in the outputs of smoking tobacco and snuff, but chewing tobacco will probably continue to decline.

Exports of unmanufactured tobacco in calendar 1960 probably will be close to that of 1959, but around 4 percent below the 1949-58 average. However, for the 1960-61 marketing year, tobacco exports are expected to show an increase.

Cigarette output this year is estimated at a record 512 billion-- a 22 billion gain over 1959 and up 100 billion since 1955. About 96 percent of output is consumed by U. S. smokers and 4 percent is exported. The number of cigarette smokers (those who smoke every day) is estimated at 60 million--36 million men and 24 million women. An additional 4 or 5 million persons are occasional cigarette smokers.

The use of leaf tobacco has not kept pace with increases in cigarette output. With newer methods of processing, a pound of leaf tobacco on the average yields more cigarettes. Less tobacco material is discarded as unsuitable for cigarettes; sheet tobacco has been developed and methods found to utilize more stems. Another contributing factor has been the smaller tobacco column in filter tip cigarettes. Filter tip cigarettes probably account for more than half of total cigarette consumption.

The 1960 consumption of cigars and cigarillos may approximate 7,160 million--2½ percent more than in 1959 and the largest number since 1923, when it was about 7,440 million. Here, too, the use of leaf (unstemmed basis) has not made commensurate gains in recent years. The widespread adoption of cigar binder sheet tobacco and the increasing proportion of smaller-sized cigars and cigarillos largely account for this.

Output of smoking tobacco in 1960 seems likely to be near 73 million pounds--about the same as in 1959 and fourth lowest on record. This year's output will be around a third less than 10 years ago.

Output of chewing tobacco in 1960 will approximate 65 million pounds--down about 4 percent from 1959 and a new low. Chewing tobacco consumption has been trending downward for many years.

Production of snuff in 1960 is estimated at near 35½ million pounds--about 3½ percent above 1959. The indicated increase for 1960 contrasts with a declining trend in the previous 4 years during which snuff output dropped more than 12 percent.

The 1960 exports of unmanufactured tobacco may reach 470 million pounds (525 million pounds, farm-sales weight)--not much different from 1959. U. S. tobacco exports have been fairly well-maintained on an absolute basis, but considered as a percentage of the free-world total they have been declining. Favoring some gain in our exports in the year ahead are the larger 1960 crop of flue-cured (the major export tobacco), generally stable leaf prices, the high level of economic activity abroad, and increases in cigarette consumption in many countries. Offsetting factors, however, are the increased competition from expanded foreign production, and the trade barriers of various forms in many countries.

Under legislation approved in February of this year, the 1960 price supports for the eligible kinds of tobacco are the same as those for 1959. This legislation provides that, starting with the 1961 crops, the support prices will be adjusted from their 1959 levels in accordance with the change between the 1959 parity index and the average of the parity indexes for the 3 calendar years just

preceding the year for which the support level is being determined. (For a fuller discussion of this see the March 1960 issue of the Tobacco Situation.) The parity index is the index of prices paid by farmers, including interest, taxes and wage rates. If the parity index remains near its recent level for the rest of 1960, the 1961 price support levels for tobacco will be practically the same as for 1960 and 1959.

The 1960-61 total supply of flue-cured (carryover plus this year's crop) is slightly above 1959-60 but a tenth lower than the record high level of 4 years ago. The increase in this year's crop, which is 11 percent larger than last year's, more than offsets the 5 percent drop in carryover. The 1961 marketing quota and acreage allotment for flue-cured will be announced by the Secretary of Agriculture by December 1. Domestic use of flue-cured during 1959-60 was about 4 percent above the virtually unchanged level of the 2 preceding years and the largest in 6 years. Exports of flue-cured during 1959-60 were $5\frac{1}{2}$ percent below a year earlier and the smallest since 1952-53.

About 58 percent of the 1960 flue-cured crop had been marketed by the third week of September. Prices through September 22 averaged 59.3 cents per pound, compared with 59.1 cents in the corresponding sales period last season. About 3 percent of market deliveries were placed under Government loan compared with $3\frac{1}{2}$ percent in the like period of 1959.

The total supply of burley for 1960-61 is estimated at about 2 percent less than that for 1959-60 and 9 percent below the peak of 1954-55. This year's crop is indicated to be 4 percent less than last year's and carryover is estimated to be about $1\frac{1}{2}$ percent lower than a year ago. Under the law, the Secretary of Agriculture has until February 1 to announce the 1961 burley marketing quota and acreage allotment. Marketings of burley usually start in late November. According to early indications, domestic use of burley in 1959-60 changed relatively little from 1958-59. The 1959-60 exports of burley (accounting for about 7 percent of total disappearance) may top 1958-59 to become the largest since 1949-50.

The estimated total supply of Maryland tobacco is about 5 percent lower for 1960-61 than for 1959-60 and the smallest since 1949-50. The 1961 marketing quota and acreage allotment will be announced by February 1. Indications are that both domestic use and exports were lower in 1959-60 than in 1958-59. Exports of Maryland in 1958-59 were second highest on record.

The 1960-61 total supply of fire-cured tobacco is estimated to be about 3 percent lower than 1959-60 and the lowest on record. This year's production may be 7 percent lower than in 1959 and carryover is down a little from a year ago. The 1960-61 total supply of dark air- and sun-cured tobacco is estimated to be approximately 3 percent less than a year earlier--a near-record low. Both the production and carryover are indicated to be lower than a year ago. The 1961 marketing quotas and acreage allotments for fire-cured, dark air-cured and sun-cured tobaccos will be announced by February 1. Shortly thereafter, growers of the fire-cured types 21-23 and dark air-cured types 35-36 will vote in referendums on whether they favor quotas on their 1961, 1962 and 1963 crops. Approval by at least two-thirds of the growers voting is required if marketing

quotas are to be continued in effect on these kinds of tobacco. Growers of flue-cured, burley, and other eligible kinds of tobacco voted in the past year and the year before in favor of marketing quotas on their next three crops. Thus marketing quotas will definitely be in effect for them in 1961.

The 1960-61 total supply of cigar filler is indicated to be lower than for 1959-60. The 1960 production in Pennsylvania, the largest cigar filler producing area, is indicated to be about 6 percent below 1959, though third largest in 9 years.

The 1960-61 total supply of Connecticut Valley binder tobacco is indicated to be the smallest on record, but the 1960-61 total supply of Wisconsin binder tobacco may be up about 6 percent from 1959-60. The major increase is in the Northern Wisconsin type 55. This crop is indicated to be appreciably larger than the small harvest in 1959.

The 1960-61 supply of shade-grown cigar wrapper tobacco is about $8\frac{1}{2}$ percent above 1959-60 and a record high. Carryover is 12 percent above a year earlier and production is up about 5 percent.

The 1961 marketing quotas and acreage allotments for Connecticut Valley binder tobacco (types 51-52) and Ohio filler and principally Wisconsin binder (types 42-44 and 53-55) will be announced by February 1. A quota is set on Puerto Rican cigar filler tobacco by the Government of Puerto Rico. The cigar wrapper types are not subject to marketing quotas and quotas were rejected by growers of Pennsylvania filler (type 41) in February 1959.

TOBACCO PRODUCTS

Cigarettes

For the sixth year in a row, cigarette consumption in 1960 is showing a sizable increase. A further significant increase is probable in 1961. U. S. smokers (including those overseas) comprise an outlet for about 96 percent of total output and exports take the other 4 percent. This year's output is expected to total about 512 billion--22 billion more than in 1959 and 100 billion more than in 1955.

Cigarette consumption (including that of overseas forces), estimated at 489 billion, may top 1959 by $21\frac{1}{2}$ billion and surpass 1955 consumption by nearly 94 billion. The annual percentage increase in cigarette consumption has been outpacing the percentage increase in population in the last few years. This is largely the result of (1) the greater relative increase in the 15-24 age bracket (the years when cigarette smoking is usually begun) than in the entire population 15 years and over, (2) a larger proportion of women smokers

each successive year, and (3) a rising average number of cigarettes smoked per smoker--partly attributable to the higher consumption rates of a substantial number of filter tip cigarette smokers.

The number of cigarette smokers (including those among overseas forces) is estimated at approximately 60 million--36 million men and 24 million women. These are the smokers who smoke every day. An additional 4 to 5 million persons probably smoke cigarettes occasionally but these would account for only a relatively small part of total consumption. From 1955 to 1960 the total population 15 years and over rose from about 117 million to 124 million--an increase of 7 million. Those smoking cigarettes daily in 1960 represent about 48 percent of those 15 years and over. During the next 5 years the population 15 years and over will be increasing about 2 million a year instead of about $1\frac{1}{2}$ million a year as in the last few years. More than half of the prospective increase by 1965 will be in the 15-24 age bracket, a group from which many of the new smokers will come. A conservative estimate of the number of cigarette smokers by 1965 would be 67 million or about 50 percent of the total population 15 years and over. If the average smoker in 1965 smokes about the same number of cigarettes daily as appears likely this year, total cigarette consumption would total about 545 billion in 1965. A projection of this kind, of course, does not explicitly consider the possible effects of changes in consumer income, cigarette prices, the level of all consumer prices, and other factors that may bear on future cigarette consumption.

In 1960, consumer expenditure on cigarettes (not including overseas personnel) probably will approach \$6.6 billion--almost a half-billion larger than expenditures in 1959. (Table 4.) This increase in outlay reflects not only the larger number purchased but also substantially increased State tax collections on cigarettes. There were numerous increases in State tax rates in the last year and a half and 2 new cigarette-taxing States were added--California and Virginia. The addition of California in mid-1959 and of Virginia in August 1960 brought the number of States taxing cigarettes to 47 out of 50; only North Carolina, Colorado and Oregon do not levy a State cigarette tax. (See Table 32 for tobacco tax collections in recent fiscal years.)

Cigarette consumption on a per capita basis is computed by dividing the total consumption figure by the population 15 years and over (including armed forces overseas). For 1960 the estimated number consumed per capita is a record 3,940 (197 packs of 20), $3\frac{1}{2}$ percent more than in 1959 and 16 percent more than 5 years ago. (Average consumption per smoker would, of course, be considerably higher than the computed per capita figure.) The unstemmed tobacco equivalent of the cigarettes consumed per capita in 1960 is estimated at 9.6 pounds, 2 percent above 1959 but still well below the 1952-53 highs. (Table 3.) In the last several years the per capita poundage, unstemmed basis, has not kept pace with the per capita number consumed. With newer methods of processing, a pound of tobacco leaf on the average yields more cigarettes. Less tobacco material is discarded as unsuitable for cigarettes; sheet tobacco has been developed and methods found to utilize more stems. It is estimated that the use of sheet tobacco may approximate 75 million pounds annually--or around

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

Period	Total output	Domestic consumption	Shipments to		Exports
			Overseas forces and other 1/	Puerto Rico and U. S. islands 2/	
	Billions	Billions	Billions	Billions	Billions
Average:					
1935-39	164.2	157.0	0.9	0.8	5.5
1940-44	256.9	223.5	26.5	1.0	5.8
1945	332.2	267.2	56.9	1.2	6.9
1946	350.0	321.7	5.0	1.6	24.1
1947	369.7	335.4	10.4	1.1	22.8
1948	386.8	348.5	12.8	1.7	25.2
1949	385.0	351.8	12.0	1.7	19.5
1950	392.0	360.2	15.6	1.9	14.3
1951	418.8	379.7	20.1	2.0	16.8
1952	435.5	394.1	21.7	1.9	16.4
1953	423.1	386.8	18.8	2.0	16.2
1954	401.8	368.7	15.9	1.8	15.4
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960 ^{3/}	512.0	475.0	14.0	2.6	20.0
Fiscal year					
Year ending June					
1956	416.8	387.1	12.5	2.0	15.3
1957	433.9	401.7	14.0	2.0	16.1
1958	449.1	416.3	13.3	2.1	17.7
1959	479.5	444.3	14.3	2.3	18.4
1960 ^{4/}	506.1	468.6	14.2	2.5	20.1

^{1/} Also includes ship stores and small tax-exempt categories.

^{2/} Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.

^{3/} Preliminary estimate.

^{4/} Subject to revision.

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

8 percent of the finished weight of tobacco in cigarettes. Another contributing factor has been the smaller tobacco column in filter tip cigarettes (which now probably account for over half of total consumption) than in nonfilter tip cigarettes.

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

Country	Calendar year		Year ending June 30		January - July		1959 as percent- age of 1960
	Average 1934-38	Average 1954-58	1959 1/	1960 1/	1959 1/	1960 1/	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Morocco	12	1,692	2,282	1,538	1,374	287	21
Hong Kong	22	956	1,230	1,495	778	933	120
France	307	1,010	1,366	1,303	676	787	116
Venezuela	39	2,020	2,241	1,221	1,398	115	8
Singapore 2/	3	695	950	1,002	657	746	114
Gibraltar (Br.)	28	42	5	953	5	1,015	3/
Belgium	63	704	954	935	430	524	122
Netherlands Antilles:	105	486	875	864	531	583	110
Kuwait	0	366	651	689	415	463	112
Netherlands	128	420	470	599	264	348	132
Other countries 4/	3,360	7,874	7,408	9,459	4,486	5,379	120
Total all countries	4,774	16,265	18,432	20,058	11,014	11,180	102

1/ Preliminary.

2/ Includes Federation of Malaya.

3/ Percentage increase exceeds 999.

4/ Includes about 95 to 110 foreign destinations in recent years.

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

Table 3.--Tobacco products: Consumption per capita, 15 years and over,
in the United States and by overseas forces, 1920-60 ^{1/}

Year	Cigarettes	Large cigars and cigarillos	Cigarettes <u>2/</u>	Large cigars and cigarillos <u>2/</u>	Smoking, chewing and snuff <u>2/</u>	Total tobacco products <u>2/ 3/</u>
	Number	Number	Pounds	Pounds	Pounds	Pounds
1920	611	117.0	1.89	2.41	4.34	8.67
1921	682	93.8	2.07	1.96	4.14	8.21
1922	707	96.0	2.14	2.13	4.28	8.58
1923	836	96.2	2.51	2.18	4.26	8.98
1924	901	88.9	2.70	2.03	4.07	8.83
1925	996	86.6	2.96	1.97	4.04	8.99
1926	1,093	85.2	3.17	1.97	3.87	9.03
1927	1,174	82.7	3.41	1.91	3.61	8.95
1928	1,254	80.5	3.57	1.89	3.45	8.92
1929	1,382	79.8	3.91	1.84	3.44	9.20
1930	1,365	71.5	3.84	1.66	3.34	8.85
1931	1,288	64.2	3.63	1.51	3.29	8.44
1932	1,147	52.3	3.21	1.23	3.19	7.64
1933	1,230	50.7	3.49	1.22	3.07	7.79
1934	1,368	52.9	3.94	1.27	3.11	8.33
1935	1,443	53.7	4.11	1.29	2.80	8.21
1936	1,618	57.2	4.61	1.39	2.81	8.82
1937	1,704	57.7	4.80	1.39	2.74	8.94
1938	1,688	55.4	4.76	1.30	2.68	8.75
1939	1,755	55.9	4.95	1.31	2.56	8.83
1940	1,828	56.3	5.17	1.35	2.60	9.13
1941	2,072	58.9	5.97	1.41	2.41	9.80
1942	2,400	58.8	7.03	1.40	2.27	10.70
1943	2,750	52.6	8.00	1.28	2.18	11.46
1944	2,832	49.2	8.04	1.21	1.96	11.21
1945	3,223	52.3	9.15	1.26	2.04	12.45
1946	3,228	56.0	9.23	1.36	1.58	12.17
1947	3,203	52.4	9.16	1.29	1.50	11.95
1948	3,293	53.0	9.35	1.30	1.46	12.11
1949	3,275	50.8	9.33	1.16	1.44	11.93
1950	3,322	50.1	9.37	1.18	1.41	11.96
1951	3,530	51.4	9.99	1.19	1.31	12.49
1952	3,664	53.4	10.42	1.26	1.25	12.93
1953	3,562	53.6	10.47	1.26	1.18	12.91
1954	3,344	52.3	9.74	1.22	1.16	12.12
1955	3,392	52.1	9.59	1.20	1.15	11.94
1956	3,441	51.2	9.31	1.11	1.06	11.48
1957	3,536	52.0	9.32	1.09	1.01	11.42
1958	3,707	53.7	9.53	1.02	1.00	11.56
1959	3,808	57.0	9.40	1.04	.96	11.42
1960 ^{4/}	3,940	57.8	9.61	1.03	.93	11.58

^{1/} Data in this table have been revised to include Hawaii and Alaska for all years.

^{2/} Unstemmed processing-weight equivalent.

^{3/} Includes small cigars not shown separately.

^{4/} Preliminary estimate.

Table 4.--Disposable personal income, consumer expenditures for tobacco products, and percentages, 1939-60

Year	Dispos- able personal income	Consumer expenditures for tobacco products				Tobacco product expenditures as percentage of disposable personal income			
		Total	Ciga- rettes	Cigars	Other 1/	Total	Ciga- rettes	Cigars	Other 1/
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Pct.	Pct.	Pct.
1939	70,444	1,767	1,207	261	299	2.51	1.71	0.37	0.43
1940	76,076	1,883	1,316	265	302	2.48	1.73	.35	.40
1941	92,982	2,108	1,518	284	306	2.27	1.63	.31	.33
1942	117,516	2,381	1,773	305	303	2.03	1.51	.26	.26
1943	133,547	2,677	2,024	358	295	2.00	1.51	.27	.22
1944	146,761	2,717	2,025	402	290	1.85	1.38	.27	.20
1945	150,355	2,972	2,208	443	321	1.98	1.47	.30	.21
1946	160,569	3,478	2,656	542	280	2.17	1.65	.34	.18
1947	170,113	3,869	3,044	547	278	2.27	1.79	.32	.16
1948	189,300	4,155	3,319	548	288	2.19	1.75	.29	.15
1949	189,654	4,272	3,463	520	289	2.25	1.83	.27	.15
1950	207,655	4,432	3,626	514	292	2.13	1.74	.25	.14
1951	227,481	4,743	3,934	526	283	2.09	1.73	.23	.13
1952	238,714	5,153	4,326	545	282	2.16	1.81	.23	.12
1953	252,474	5,365	4,537	560	268	2.12	1.79	.22	.11
1954	256,885	5,218	4,406	552	260	2.03	1.72	.21	.10
1955	274,448	5,350	4,544	549	257	1.95	1.66	.20	.09
1956	292,942	5,638	4,843	553	242	1.92	1.65	.19	.08
1957	308,791	6,064	5,267	557	240	1.96	1.70	.18	.08
1958	317,872	6,399	5,564	581	254	2.01	1.75	.18	.08
1959	337,266	7,034	6,132	625	277	2.09	1.82	.19	.08
1960	2/354,100	*7,525	*6,600	*650	*275	2.13	1.86	.19	.08

1/ Smoking, chewing, and snuff.

2/ Second quarter seasonally adjusted annual rate.

* Preliminary indication.

Basic data, except the 1960 tobacco expenditure estimates, United States Department of Commerce.

Cigars and Cigarillos

The 1960 consumption of cigars and cigarillos by U. S. smokers may approximate 7,160 million-- $2\frac{1}{2}$ percent more than in 1959 and the largest number since 1923. In 1923 about 7,440 million cigars were consumed, of which 255 million were imported. This year all except about 27 million of those consumed will come from factories in the United States and Puerto Rico. During the 1920's and 1930's around 200 million cigars were imported annually from the Philippines, but in recent years the number from there has been about 4 or 5 million. Most of the cigars imported in the past 15 years have come from Cuba.

Although unit consumption has been making appreciable gains in recent years, the poundage equivalent of unstemmed cigar tobacco consumed is not making commensurate gains. This is partly attributable to the increasing proportion of smaller sized cigars and cigarillos, which take less leaf per unit of output. Another important factor in the last 5 years has been the widespread adoption of cigar binder sheet in place of natural leaf binders, which enabled manufacturers to use considerably less leaf for this component of the cigar. Most leading cigar brands now use the binder sheet.

The principal increases in cigar consumption in the last 2 years have come in the 6.1 to 8.0 cent price bracket and in those selling for not more than 6 cents. The latter group includes practically all of the cigarillos--most of which are priced at 4 or 5 cents apiece. In 1959, cigarillos comprised $13\frac{1}{2}$ percent of total cigar sales. In the last year or two leading cigar firms have introduced lines of established brands retailing at 8.0 cents apiece and less. Internal Revenue Service data indicate that during the first 7 months of 1960 the proportion in the 6.1 to 8.0 cent bracket was about 17 percent compared with $9\frac{1}{2}$ percent 5 years ago. The proportion selling for 6 cents or less was 44 percent compared with 42 percent 5 years ago. On the other hand, cigars selling in the 8.1 to 15.0 cent price bracket dropped to 33 percent compared with 42 percent 5 years ago.

Consumer expenditures for cigars in 1960 may approximate \$650 million--about 4 percent more than in 1959 and the most for any year for which expenditure estimates are available. Seventeen States now tax cigars; six including New York State, a major cigar consuming area, began collecting a tax on cigars within the last year or two.

Cigar and cigarillo consumption per capita 15 years and over in 1960 is estimated at about $1\frac{1}{2}$ percent more than in 1959 and the highest since 1942. (Table 3.) The corresponding poundage estimate--unstemmed leaf equivalent--has shown little change in the last 3 years and is considerably lower than in most years prior to 1955 when larger-size cigars were dominant.

Table 5.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Domestic factories			Bonded	Shipments	Imports for			Total consumption
	Manufac- tured	Removals	Tax- able	manufac- turing warehouse	from Puerto Rico	Total	From	Exports	
			Tax- exempt	Taxable removals	to the United States	1/ 2/	Cuba		2/
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:									
1935-39	5,075	5,060	13	66	29	192	3	8	5,352
1940-44	5,450	5,282	199	105	11	94	15	9	5,682
1945	5,275	4,774	469	82	97	60	60	2	5,480
1946	5,618	5,621	26	125	69	22	20	3	5,860
1947	5,488	5,460	41	124	8	12	9	19	5,626
1948	5,645	5,588	38	140	4	12	10	13	5,769
1949	5,453	5,399	46	142	4	11	10	3	5,599
1950	5,399	5,365	47	160	3/	12	11	2	5,582
1951	5,594	5,518	85	177	3/	14	13	3	5,791
1952	5,825	5,755	102	196	1	15	12	3	6,066
1953	5,915	5,820	90	205	9	17	13	6	6,135
1954	5,820	5,690	89	206	47	16	12	8	6,040
1955	5,776	5,688	82	227	83	20	15	6	6,094
1956	5,767	5,633	72	230	94	23	18	9	6,043
1957	5,903	5,757	79	238	122	26	20	9	6,213
1958	6,225	6,020	87	240	139	28	22	9	6,505
1959	6,608	6,470	103	247	144	31	24	10	6,985
1960 4/	6,830	6,635	105	245	161	27	19	13	7,160
	Fiscal year								
Year end- ing June									
1956	5,806	5,672	74	231	95	21	15	8	6,085
1957	5,780	5,652	74	234	100	24	18	8	6,076
1958	5,952	5,838	80	238	131	26	21	10	6,303
1959	6,507	6,408	101	254	142	34	27	10	6,929
1960 5/	6,786	6,456	100	241	153	27	20	11	6,966

1/ Predominant share of imports prior to 1942 came from **Philippine Islands**.

2/ Total removals from domestic factories plus cigars from bonded manufacturing warehouses, from Puerto Rico and imports minus exports.

3/ Less than a half million.

4/ Preliminary estimate.

5/ Subject to revision.

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

Table 6.--Cigars weighing not more than 3 pounds per thousand (approximately cigarette size); Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Millions	Millions	Millions	Millions
Average:				
1935-39	173.3	174.4	174.4	Neg.
1940-44	132.7	134.9	134.4	0.5
1945	98.2	100.2	100.2	Neg.
1946	92.3	90.8	90.8	Neg.
1947	79.7	80.6	80.6	Neg.
1948	89.1	89.6	89.5	.1
1949	83.5	83.7	83.7	Neg.
1950	68.9	69.2	69.1	.1
1951	69.2	68.6	68.2	.4
1952	67.1	67.4	66.9	.5
1953	58.3	56.9	56.7	.2
1954	61.2	62.9	60.3	2.6
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1958				
Jan.-June	24.5	24.3	24.1	.2
July-Dec.	145.5	135.7	135.6	.1
1959				
Jan.-June	457.6	439.8	434.5	5.3
July-Dec.	72.5	65.7	47.1	18.6
1960				
Jan.-June	78.6	75.8	66.9	8.9

Compiled from reports of Internal Revenue Service.

Additional reductions in cigar leaf requirements per unit of output may be in prospect. Market tests are being made of cigars wrapped with sheet wrappers instead of natural leaf. If such cigars find consumer acceptance, and economies similar to those accomplished in binder tobacco can be achieved, the shade-grown cigar wrapper types in the Connecticut Valley and Georgia-Florida will be principally affected.

During the first 7 months of 1960, the production of small cigars (cigarette-size, not included in the cigar and cigarillo total) was at an annual rate of about 150 million. This is far below the boom level of the corresponding period a year ago, but it is well above annual output from 1945 to 1957 when small cigars were trending downward. During the first 7 months of 1960 about 85 percent of the small cigars were consumed domestically and 15 percent went into tax-free channels--mainly exports.

Cigar exports as reported by the Bureau of the Census represent the combined total of cigars of all sizes. This total rose sharply during 1959 and in the first half of 1960, but this was principally due to the substantial exports of the cigarette-size cigars. Total cigar exports in the fiscal year ending June 30, 1960 was $28\frac{1}{2}$ million compared with $11\frac{1}{3}$ million in the preceding year. Cigarette-size cigars probably accounted for over nine-tenths of the 17 million increase in cigar exports from 1958-59 to 1959-60.

Smoking Tobacco

Output of smoking tobacco in 1960 probably will be near 73 million pounds--about the same as in 1959, but 4 percent below 1958. Between 1950 and 1957, production of smoking tobacco fell more than a third. Although output has recovered from the low point reached in 1957, it is still **about 30 percent** less than 10 years ago and considerably less than half that produced in the 1930's.

In January-July 1960, taxable removals of smoking tobacco were down 2 percent from those a year earlier. Indications are that the decline may have been primarily in "roll-your-own" cigarettes. Withdrawals of tax-paid papers, estimated to comprise nearly a half of the total used for "roll-your-own" cigarettes, were 18 percent smaller than in January-July 1959.

Generally, either pipe-smoking or "roll-your-own" cigarettes are considered by smokers to be the most economical forms of smoking. With incomes of most consumers at high levels, appreciable increases in purchases of smoking tobacco are not likely. Consumption of smoking tobacco per person 15 years and over is estimated at close to three-fifths of a pound, the same as in 1959. (Table 9.) Ten years ago consumption was a little under a pound, and 20 years ago it was more than 2 pounds.

Imports for consumption of manufactured tobacco (presumably almost entirely smoking tobacco), which have risen sharply since 1957, have continued to

Table 7.—Index numbers of tobacco consumption per capita, 15 years and over, in the United States and by overseas forces, 1925-60 ^{1/}

(1947-49=100)

Year	Cigarettes based on--		Large cigars and cigarillos based on--		Smoking ^{3/}	Chewing ^{3/}	Snuff ^{3/}	Total ^{2/ 4/}
	Number	Pounds	Number	Pounds				
		^{2/}		^{2/}				
1925	31	32	166	158	216	301	127	75
1926	34	34	164	158	210	294	127	75
1927	36	37	159	153	198	275	130	75
1928	39	38	155	151	189	262	130	74
1929	42	42	153	147	187	249	127	77
1930	42	41	137	133	193	224	124	74
1931	40	39	123	121	211	194	122	70
1932	35	35	100	98	220	155	108	64
1933	38	38	97	98	218	146	108	65
1934	42	42	102	102	214	145	108	69
1935	44	44	103	103	211	144	105	68
1936	50	50	110	111	210	142	108	73
1937	52	52	111	111	202	140	105	74
1938	52	51	106	104	211	128	105	73
1939	54	53	107	105	211	121	105	74
1940	56	56	108	108	211	118	103	76
1941	64	64	113	113	199	121	105	82
1942	74	76	113	112	172	129	108	89
1943	84	86	101	102	154	131	114	95
1944	87	87	94	97	140	139	108	93
1945	99	99	100	101	164	128	111	104
1946	99	99	107	109	102	121	100	101
1947	98	99	101	103	99	105	97	100
1948	101	101	102	104	101	101	100	101
1949	101	101	98	93	100	94	100	99
1950	102	101	96	94	97	92	97	100
1951	108	108	99	95	91	88	95	104
1952	112	112	102	101	86	87	92	108
1953	109	113	103	101	77	85	92	108
1954	103	105	100	98	73	81	89	101
1955	104	103	100	96	69	79	89	99
1956	106	100	98	89	62	74	86	96
1957	109	100	100	87	60	71	81	95
1958	114	103	103	82	64	66	78	96
1959	117	101	109	83	61	65	73	95
1960 ^{5/}	121	104	111	82	61	61	76	97

^{1/} Underlying data on which these index numbers are based and index numbers have been revised to include Hawaii and Alaska for all years. ^{2/} Unstemmed processing weight equivalent. ^{3/} Based on finished product weight. ^{4/} Includes small cigars not shown separately. ^{5/} Preliminary estimate.

gain. During January-July 1960, these imports at 518,000 pounds were more than a third larger than in January-July 1959.

According to Bureau of Labor Statistics data, wholesale prices through July of this year were unchanged from January, when they were advanced 3 percent.

Exports of packaged smoking tobacco are relatively small in relation to total output; most of the smoking tobacco output is consumed in this country. In the first 7 months of 1960, exports of packaged smoking tobacco were a third higher than a year earlier. Consignments to Canada, the leading outlet, were up about 70 percent.

Much of the manufactured tobacco reported in the export classification as bulk smoking tobacco is not included in the output figures reported by the Internal Revenue Service. Included in this export category are specially prepared cigarette tobacco, cut and granulated tobacco, partially processed blended tobacco and shredded tobacco. Exports of bulk smoking tobacco have increased substantially--from around $1\frac{1}{2}$ million pounds in 1950 to a record $8\frac{1}{2}$ million in 1959. In January-July 1960, exports of bulk smoking tobacco were 5 percent smaller than in the corresponding months of last year. None was reported as going to Spain, the leading outlet in 1959. About a fifth of the recent period's total went to Venezuela, which increased takings markedly over those of a year ago. Local production of cigarettes is being expanded in Venezuela to replace those formerly imported, mainly from the United States. Substantially more than in January-July 1959 also went to Panama, Bolivia and Switzerland. On the other hand, there were reductions in takings by Mexico, Dominican Republic and Haiti.

Chewing Tobacco

Production of chewing tobacco in 1960 is estimated at around $65\frac{1}{4}$ million pounds--down about 4 percent from 1959 and a new low. The downtrend in chewing tobacco consumption has been apparent for many years and some further decline seems likely in the year ahead.

The two main categories of chewing tobacco are scrap and plug, which in 1959 made up 48 percent and 42 percent, respectively, of all chewing. Twist and fine-cut made up the other 10 percent. The decline in plug chewing has been steeper than that in scrap. Compared with 1955 levels, output of plug chewing has dropped 10 million pounds or 27 percent, while scrap chewing fell 4 million pounds or 11 percent. Plug chewing utilizes mainly burley and the dark air-cured types, and scrap chewing takes significant quantities of cigar binder tobacco. Production of twist has dropped about a fifth compared with 1955, but fine-cut has been relatively stable.

Consumption of chewing tobacco per person 15 years and over in 1960 is estimated at $5\frac{1}{2}$ percent less than in the preceding year. The 1960 estimated figure is a third below per capita consumption 10 years ago and almost 50 percent below per capita consumption 20 years ago (table 9).

Table 8.--Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Total	Snuff
		Plug	Twist	Fine-cut	Scrap			
	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	70.5	31.6	4.0	2.8	34.0	72.4	36.1	
1958	76.0	29.6	3.8	2.9	33.0	69.3	34.8	
1959	73.2	28.5	3.6	3.0	33.0	68.1	34.3	
1960 <u>1/</u>	73.0	26.5	3.6	3.1	32.0	65.2	35.5	
Fiscal year								
Year ending June								
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	75.0	30.2	3.9	2.8	33.3	70.2	34.8	
1959	74.8	29.5	3.6	3.0	32.5	68.6	34.6	
1960 <u>2/</u>	73.8	27.5	3.6	3.1	32.7	66.9	35.3	

1/ Preliminary estimate.

2/ Subject to revision.

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

Table 9.--Selected tobacco products: Consumption per capita, 15 years and over, in the United States and by overseas forces, 1920-60 ^{1/}

(Finished-product weight)

Year	Smoking	Smoking	Snuff
	Pounds	Pounds	Pounds
1920	1.95	3.06	.50
1921	1.99	2.69	.48
1922	2.21	2.79	.51
1923	2.04	2.79	.51
1924	2.14	2.58	.50
1925	2.10	2.56	.47
1926	2.04	2.50	.47
1927	1.92	2.34	.48
1928	1.83	2.23	.48
1929	1.81	2.12	.47
1930	1.87	1.90	.46
1931	2.05	1.65	.45
1932	2.13	1.32	.40
1933	2.11	1.24	.40
1934	2.08	1.23	.40
1935	2.05	1.22	.39
1936	2.04	1.21	.40
1937	1.96	1.19	.39
1938	2.05	1.09	.39
1939	2.05	1.03	.39
1940	2.05	1.00	.38
1941	1.93	1.03	.39
1942	1.67	1.10	.40
1943	1.49	1.11	.42
1944	1.36	1.18	.40
1945	1.59	1.09	.41
1946	.99	1.03	.37
1947	.96	.89	.36
1948	.98	.86	.37
1949	.97	.80	.37
1950	.94	.78	.36
1951	.88	.75	.35
1952	.83	.74	.34
1953	.75	.72	.34
1954	.71	.69	.33
1955	.67	.67	.33
1956	.60	.63	.32
1957	.58	.60	.30
1958	.62	.56	.29
1959	.59	.55	.27
1960 ^{2/}	.59	.52	.28

^{1/} Data on this table have been revised to include Hawaii and Alaska for all years.^{2/} Preliminary estimate.

According to the Bureau of Labor Statistics wholesale price index, manufacturers' prices of plug chewing tobacco through July 1960 have remained unchanged since increases were made in February and March last year.

All except a small proportion of chewing tobacco is consumed in this country. Exports in recent years--mainly twist and plug--have ranged between 1 and about 2 million pounds. In January-July 1960, exports of chewing tobacco were about a fifth below those a year earlier, and the smallest for that period in many years. Australia reduced takings 8 percent, and none went to the Philippine Republic, which took a significant quantity in January-July 1959. Exports to Panama declined 10 percent.

Snuff

Production of snuff in 1960 is estimated at near $35\frac{1}{2}$ million pounds--about $1\frac{1}{4}$ million more than in 1959. The indicated increase for 1960 contrasts with a declining trend evidenced in the previous 4 years, during which output fell 5 million pounds or about an eighth. Production in the coming year may be near the current year's level.

In the first quarter of 1960, snuff output was slightly lower than a year earlier, but a spurt in the second quarter carried production to the highest level in 3 years--12 percent above April-June 1959. Consumption in January-July of this year, as measured by taxable removals, was nearly 5 percent ahead of that of a year earlier. Snuff ordinarily is sold in powdered or fine-cut form, but earlier this year, several brands in wafer form were placed on the market.

Nearly all the snuff produced is consumed in this country--mainly in southern and northwestern United States. Although consumption in the aggregate was highly stable for many years, per capita consumption had been declining as population increased. Per capita consumption of persons 15 years and over in the last 3 years has been about 20 to 25 percent less than 10 years ago.

According to the Bureau of Labor Statistics index, wholesale prices of snuff through July 1960 have held steady since mid-1957.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco in calendar 1960 are expected to be around 470 million pounds--not much different from 1959. Tobacco exports in 1949-58 averaged 490 million pounds. For the 1960-61 marketing year, tobacco exports are expected to show some increase over 1959-60.

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

In the first 8 months of 1960, total exports of tobacco were 7 percent smaller than in the corresponding period of last year, but shipments of flue-cured--the principal export class--are expected to pick up in the remaining third of this year compared with the like 1959 period. Heaviest shipments of flue-cured are made in the months of September-December. Favoring a gain in exports are the larger 1960 flue-cured crop, generally stable prices, and lower stocks in the United Kingdom, our principal foreign market.

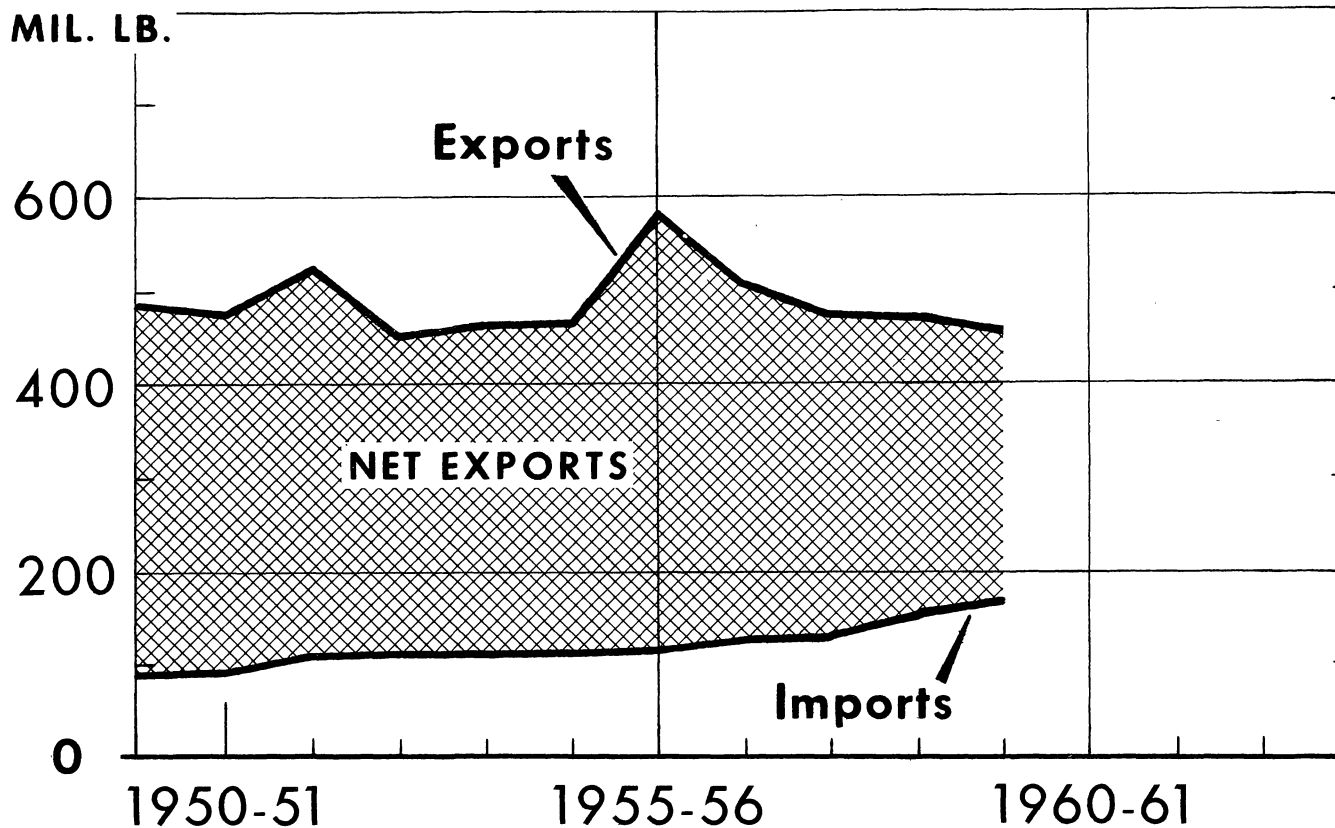
U. S. tobacco exports, while fairly well-maintained on an absolute basis, have been declining when considered as a percentage of the free-world total. Helping to sustain our exports are the high level of economic activity abroad, rising cigarette consumption in many foreign countries, and the favorable gold and dollar position of most West European countries. But offsetting influences are the increased competition from expanded foreign production and the trade barriers of various forms in many countries. Of concern to foreign buyers is the use of maleic hydrazide (MH-30), which, they contend, adversely affects the physical and chemical properties of the leaf. From a longer-term standpoint, the competitive position of U. S. tobacco in several major markets will be affected by the outcome of trade agreement meetings being held this fall. These discussions concern import duties on tobacco scheduled to be placed in effect by the European Common Market countries--Belgium, Netherlands, Luxembourg, West Germany, Italy and France. In 1959, these 6 countries together were the destination for nearly 125 million pounds of U. S. tobacco--more than a fourth of the total--and as a group ranked second only to the United Kingdom as a foreign market.

In the year ended June 30, 1960, about 42 million pounds of tobacco were shipped under Title I, Public Law 480--9 percent of total exports. This was a little higher, both in quantity and percentage of the total, than in 1958-59. Peak exports under Title I were made in 1955-56, when 79 million pounds were shipped under the program, more than half of which went to the United Kingdom. Fiscal year shipments since inception of the P. L. 480 program were as follows:

<u>Year ending</u> <u>June 30</u>	<u>Million</u> <u>pounds</u>	<u>Percentage of total</u> <u>unmanufactured tobacco exports</u>
1955	5.4	1.2
1956	78.9	13.7
1957	52.3	10.4
1958	34.5	7.3
1959	41.0	8.7
1960	41.9	9.2

From the beginning of the Title I program in 1954-55 through June 30, 1960, agreements had been signed with 23 countries and authorizations issued for about 284 million pounds, worth approximately \$206 million. The quantity actually shipped under these authorizations in the past 6 fiscal years totaled 254 million pounds, valued at about \$183 million. Remaining to be shipped under existing authorizations are about 30 million pounds. It is expected that additional authorizations will be issued under new agreements that are currently being negotiated.

U. S. FOREIGN TRADE IN TOBACCO



UNMANUFACTURED, UNSTEMMED WEIGHT BASIS.

YEAR BEGINNING JULY.

U. S. DEPARTMENT OF AGRICULTURE

NEG. 8080-60 (9)

AGRICULTURAL MARKETING SERVICE

From 1949-50 to 1955-56, U. S. exports of unmanufactured tobacco (unstemmed weight basis) ranged from 452 million pounds in 1952-53 to 581 million in 1955-56, when exports were swelled by large shipments under Public Law 480. Exports in recent years have declined from the 1955-56 peak, while imports of tobacco, mainly for blending with domestic types in cigarettes and cigars, have risen. This has reduced net exports; in 1959-60 they amounted to 294 million pounds (unstemmed weight basis) compared with an average of 372 million in fiscal years 1950-55.

Table 10.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

Country and type	(Declared weight)							
	Calendar year			Year ending June 30		January-July		
	Average 1924-28	Average 1934-38	Average 1954-58	1959	1960	1959	1960	1960 as percentage of 1959
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	2/324.0	324.9	413.3	391.3	368.9	128.2	122.8	96
Burley	8.9	11.6	28.0	28.1	33.2	16.9	16.9	100
Maryland	14.3	5.5	11.0	12.3	13.0	7.2	5.3	74
Va. Fire-cured and sun-cured	22.6	9.7	4.5	4.7	4.5	2.7	2.2	81
Ky. and Tenn. fire-cured	2/126.6	53.7	21.6	16.3	17.5	8.8	8.4	95
Green River	15.8	3.0	1.6	1.0	.8	.7	.7	100
One Sucker	3/	.7	1.7	2.2	.9	1.7	.2	118
Black Fat, etc.	2/2.0	9.0	4.8	4.6	5.2	2.5	2.8	112
Cigar wrapper	)	4.1	4.1	4.7	3.4	2.6	2.1	81
Cigar binder	) .8	1.3	2.5	2.7	2.1	2.0	.8	40
Cigar filler	)	.4	.4	1.0	.8	.9	.5	56
Perique	2/.1	.1	.1	.1	.1	.1	.1	100
Stems, trimmings, and scrap	12.0	17.8	3.8	4.3	6.2	1.4	1.4	100
Total	527.1	437.3	497.4	473.3	456.6	175.7	164.2	93
Country of Destination:								
United Kingdom	164.8	213.9	163.5	151.2	140.1	21.5	22.1	103
France	34.6	21.0	8.0	6.5	5.7	4.1	3.3	80
Belgium	21.1	15.5	18.2	16.2	18.9	9.0	8.6	96
Netherlands	31.5	15.6	31.3	21.5	26.2	11.7	13.0	111
Germany, W. & E.	34.0	12.8	64.5	75.9	68.0	36.6	40.0	109
Portugal	4.4	4.8	7.0	6.9	6.7	5.2	5.7	110
Denmark	5.2	4.6	11.9	14.1	13.5	6.8	5.9	87
Ireland	3.8	7.4	11.8	12.5	11.9	1.7	3.6	212
Switzerland	2.8	3.8	12.2	10.0	11.9	4.8	5.0	104
Norway	4.1	4.7	7.8	7.0	7.1	3.9	4.0	103
Sweden	4.7	7.2	12.3	8.5	10.5	1.4	1.7	121
Italy	7.8	1.1	5.6	12.8	7.5	10.3	4.7	46
Thailand	.9	1.6	8.9	9.6	8.6	6.3	3.2	51
Australia	21.5	18.4	29.5	29.0	23.2	5.5	8.3	151
India	)	2.5	2.5	2.7	.5	2.0	.6	30
Pakistan	) 5.4	2.6	1.9	.3	1.2	.4	1.0	250
New Zealand	.6	2.5	6.8	7.5	4.6	4.4	2.4	55
Philippine Rep.	.5	1.2	9.7	4.6	4.5	.4	1.0	250
Indonesia	5.8	2.0	10.2	1.6	1.8	1.3	.2	15
Egypt	71.3	1.1	7.5	4.0	17.0	.5	1.3	260
Japan	1.1	7.3	9.0	13.0	12.7	4.2	5.4	129
Other countries	4/101.2	4/88.2	57.3	57.9	54.5	33.7	23.2	69
Total	527.1	437.3	497.4	473.3	456.6	175.7	164.2	93

1/ Preliminary.

2/ Partially estimated.

3/ Less than 50,000 pounds.

4/ China averaged 93 million pounds in 1924-28 and 48 million in 1934-38

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

Table 11.--Value of United States unmanufactured tobacco exports as percentage of the value of total agricultural exports to selected countries, average 1952-54, annual 1955-59

Item	Average	1955	1956	1957	1958	1959
	1952-54					
	Mil.Dol.	Mil.Dol.	Mil.Dol.	Mil.Dol.	Mil.Dol.	Mil.Dol.
Total agricultural exports	3,106	3,195	4,158	4,507	3,854	3,949
Total unmfed. Tobacco Exports	300	360	334	360	354	346
Tobacco exports as percentage of agricultural exports						
	Percent	Percent	Percent	Percent	Percent	Percent
All Countries	9.7	11.3	8.0	8.0	9.2	8.8
United Kingdom	29.3	34.4	26.3	25.6	30.4	26.1
France	4.2	6.6	2.8	5.6	6.5	6.9
Belgium	5.8	8.4	5.3	5.8	6.4	8.5
Netherlands	9.3	5.5	5.5	6.7	5.6	3.8
Germany, W.	15.0	15.7	11.8	11.4	21.0	15.5
Austria	5.0	9.7	12.1	3.7	13.0	9.3
Spain	3.7	3.7	1.9	2.1	2.6	5.3
Denmark	31.8	21.1	18.3	22.6	20.9	16.9
Finland	34.7	21.1	18.7	29.3	25.0	38.8
Ireland	45.9	33.3	30.6	59.8	63.6	50.0
Switzerland	20.3	21.4	16.8	17.7	21.4	22.1
Norway	17.5	15.6	16.7	18.5	20.6	14.8
Sweden	26.3	29.0	25.5	23.2	21.4	21.4
Italy	2.6	3.6	3.1	2.1	4.1	7.1
Thailand	71.7	80.2	85.5	82.5	80.7	81.6
Australia	74.4	74.5	68.8	68.2	63.5	67.1
India	1.9	6.6	2.0	1.1	1.6	.9
Pakistan	6.1	14.0	2.4	4.4	.3	1.4
Philippine, Rep.	22.5	19.0	3.2	.3	3.7	4.8
Indonesia	40.0	48.4	17.2	33.9	10.1	8.9
UAR-Egypt	12.3	15.7	8.9	35.1	37.9	13.7
Japan	1.7	3.6	1.3	.7	2.9	3.4
Other Countries	3.4	3.6	3.2	2.4	2.5	3.2
European Economic Community ^{1/}	8.9	9.1	6.9	7.4	10.9	8.9
European Free Trade Assn. ^{2/}	25.3	30.1	23.1	23.1	27.6	23.8

^{1/} Includes the Netherlands, Belgium, Luxembourg, West Germany, France and Italy.

^{2/} Includes the United Kingdom, Denmark, Switzerland, Sweden, Norway, Austria and Portugal.

Source: Basic Data from reports of Foreign Agricultural Service.

Table 12.--Tobacco exports under P. L. 480, Title I program and totals
by countries, fiscal years 1956-60 1/

Country	(Export weight)									
	July 1955- June 1956 exports		July 1956- June 1957 exports		July 1957- June 1958 exports		July 1958- June 1959 exports		July 1959- June 1960 exports	
	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total	P. L. 480, Title I:	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Austria	5.3	8.4	0.3	3.4	1.8	3.9	0	5.3	0	1.2
Brazil	.1	.2	0	3.2	0	.1	.1	.1	.1	.1
Burma	0	0	1.1	1.1	1.3	1.3	.1	.1	.4	.5
Chile	0	.2	.3	.3	0	.2	0	.3	0	.4
Colombia <u>2/</u>	0	.8	0	.3	.1	.7	.4	1.1	.2	.7
Ecuador <u>3/</u>	.2	.2	.1	.3	.2	.2	0	.3	0	.3
Finland	3.9	6.9	5.8	6.9	2.0	2.0	5.7	7.1	4.1	5.4
France	.9	6.5	3.1	7.2	4.5	7.8	4.1	6.5	1.5	5.7
Iceland <u>4/</u>	0	.6	0	.4	.5	.6	.6	.7	.5	.7
India	0	.8	0	2.3	3.3	3.7	2.7	2.7	.5	.5
Indonesia	1.0	10.6	18.1	18.1	5.0	6.7	0	1.6	.2	1.8
Israel	.6	.6	0	.3	.2	.4	.3	.3	0	.3
Italy	4.2	5.5	7.1	9.6	.6	1.2	9.8	12.8	3.8	7.5
Japan	6.6	12.7	3.2	7.0	0	4.7	0	13.0	0	12.7
Korea	6.1	6.1	2.4	2.4	0	0	0	0	0	0
Pakistan	1.9	2.3	3.3	4.5	0	.1	0	.3	0	1.2
Spain <u>5/</u>	3.6	6.4	5.0	6.3	6.4	6.7	4.4	4.4	6.9	7.4
Taiwan	0	2.6	2.0	2.9	0	.7	2.0	3.3	2.9	3.2
Thailand	2.6	9.5	.5	8.8	2.3	14.6	0	9.6	0	8.6
U. A. R. (Egypt)	0	8.7	0	8.6	0	6.6	0	4.0	14.2	17.0
U. Kingdom	41.9	203.6	0	148.4	6.3	164.9	0	151.2	0	140.1
Uruguay <u>3/</u>	0	1.2	0	4.3	0	.5	1.9	3.1	5.1	5.1
Viet Nam <u>6/</u>	0	7.1	0	7.6	0	2.7	8.9	8.9	1.5	1.5
Total, above countries	78.9	301.5	52.3	254.2	34.5	230.3	41.0	236.7	41.9	221.9
Total, all countries <u>7/</u>		577.7		500.7		472.3		473.3		456.6

1/ In addition to these Title I exports, shipments under Title III barter contracts were as follows: 1957-58, 0.5 million pounds; 1958-59, 1.5 million; 1959-60, 29.4 million, mainly to United Kingdom, Thailand and Ireland. 2/ Mainly tobacco in cigarettes. 3/ Includes smoking tobacco in bulk form. 4/ Mainly tobacco in cigarettes and packaged smoking tobacco. 5/ Includes smoking tobacco in bulk, and in 1959-60, cigarettes. 6/ Prior to January 1, 1958, Viet Nam-Laos-Cambodia. 7/ Unmanufactured tobacco.

Sales for foreign currency are made under Title I of the Agricultural Trade Development and Assistance Act (referred to as Public Law 480). Under present legislation, the expiration date for Title I is December 31, 1961. The law specifies that reasonable safeguards must be taken that sales for foreign currencies do not displace usual marketings for dollars.

Title III of P. L. 480 provides for the barter of surplus agricultural commodities for strategic and other materials. In the fiscal years 1954-55 through 1958-59, about 2 million pounds of tobacco were exported under barter contracts, but such exports jumped to about 29½ million pounds, valued at about \$19½ million, in the year ended June 30, 1960. Additional quantities of tobacco have been shipped under the barter program since June 30.

Foreign Producing and Exporting Countries

U. S. flue-cured meets competition in world markets principally from flue-cured from Rhodesia-Nyasaland, Canada and India. Turkey and Greece are the main producers and exporters of oriental tobacco--also a light cigarette tobacco. This year's production is estimated to be higher than in 1959 in Rhodesia-Nyasaland, Canada, India and Turkey, but there are indications that output in Greece is below last year.

The flue-cured crop harvested in early 1960 in the Federation of Rhodesia-Nyasaland is currently estimated at 215 million pounds--a tenth larger than that of the previous year and the biggest on record. The gain is chiefly due to a rise in average yield per acre in the main producing area of Rhodesia. Placed at nearly 1,020 pounds, the average yield is 15 percent above the previous record high of 886 pounds obtained in the preceding season. During the current marketing season through September 1, 174 million pounds of Rhodesian tobacco were sold at the Salisbury auctions, at an average price equivalent to 42.7 U. S. cents. In the corresponding sales period a year ago, 146 million pounds were sold at an average of about 41.3 U. S. cents. By early August, purchases by United Kingdom buyers amounted to nearly 70 million pounds, while Australian purchases amounted to about 6½ million.

In the first 6 months of 1960, the Federation exported 70 million pounds of tobacco (59 million of which were flue-cured)--6 percent above shipments a year ago. As usual, the United Kingdom was the leading market, accounting for more than half of the total exports. British takings were little changed from a year earlier. Other Commonwealth areas--mainly Australia, Union of South Africa, Malaya and Singapore, Hong Kong and Sierra Leone--accounted for nearly a fifth of total exports, and took 14 percent more than in January-June 1959. More than a fifth of the total went to West European countries, chiefly Germany, Belgium and Netherlands. Exports to West Germany and to Belgium increased by 25 percent and 50 percent, respectively,

Table 13.--Production of flue-cured and oriental tobacco in specified countries for specified periods

Country	Year of harvest					
	Average 1935-39	Average 1952-56	1957	1958	1959	1960 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
	Flue-cured					
Canada	54.6	140.9	151.7	181.3	152.7	170.0
India	26.9	119.6	130.0	105.3	121.0	139.0
Rhodesia-Nyasaland	28.4	135.4	148.6	156.0	195.2	215.1
Total, countries shown	109.9	395.9	430.3	442.6	468.9	524.1
	Oriental					
Greece	132.8	153.2	242.2	187.3	175.9	165.0
Turkey	128.1	234.8	263.1	226.9	268.5	285.5
Total, countries shown	260.9	388.0	505.3	414.2	444.4	450.5

1/ Preliminary.

Compiled from reports of Foreign Agricultural Service.

but those to Netherlands dropped by 25 percent. Among other destinations were Denmark, Switzerland, Portugal, and Austria, all of which took more than a year earlier, and Norway, Sweden, Finland and France, all of which took less than during the first half of 1959.

Canadian production of flue-cured in 1960 is currently estimated at about 170 million pounds--11 percent above 1959. Acreage is estimated to be around a tenth larger than last year. The average price of the 1959 flue-cured

crop was 55.9 Canadian cents per pound--a fifth higher than the average for the preceding year. Only a negligible fraction of the 1959 crop was treated with maleic hydrazide; in the preceding year, a substantial portion of the crop was treated with the sucker retardant chemical. In the first 6 months of 1960, Canada exported 32½ million pounds of unmanufactured tobacco (over 90 percent flue-cured). The United Kingdom was the destination for seven-eighths of the total, and took about 3 percent more than a year earlier.

The 1960 flue-cured crop in India is placed at around 139 million pounds--15 percent above 1959 and 32 percent above 1958. Exports of unmanufactured tobacco in 1959 totaled 83 million pounds, of which about 67 million were flue-cured. About half of the flue-cured exports went to the United Kingdom; other leading outlets were Soviet Union, Ireland, Netherlands, Belgium, Hong Kong, French West Africa and West Germany.

In Turkey, the 1960 oriental crop is estimated at a record 286 million pounds--6 percent more than was harvested in 1959. Quality of the current crop reportedly is better than that of 1959. Usually, from two-thirds to three-fourths of the crop is exported. Exports in the first 6 months of 1960 were 77 million pounds--26 percent less than in January-June 1959. Exports to the United States, leading market for Turkish tobacco, were down 9 percent. There were also decreases in consignments to a majority of other destinations, including West Germany, France, Austria, Switzerland and Netherlands. Italy, Finland and Belgium received more than a year earlier.

The 1960 production of oriental tobacco in Greece, estimated at 165 million pounds, is 6 percent smaller than last year. There are indications that plantings were down from the year before, the fourth such consecutive annual decline. Smaller tobacco acreages have resulted from the Government policy of limiting production to prevent further accumulation of tobacco stocks. At the end of June 1960, stocks included some 60 million pounds of tobacco from the 1958 and earlier crops--around a third of which were held by the Government. Exports in the first 6 months of 1960 at 41 million pounds were a little above those in January-June 1959. The United States increased takings by 30 percent, but tobacco exports to West Germany, usually the leading market for Greek leaf, declined 39 percent. More than in the first half of 1959 went to Soviet Union, Poland, Austria, Hungary and Czechoslovakia, but less went to Italy, Finland, Portugal and Belgium.

British Tobacco Situation

The United Kingdom is the largest single foreign market for U. S. tobacco, usually accounting for around a third of total U. S. exports of unmanufactured tobacco. Flue-cured is the principal kind of tobacco imported. Cigarette smoking is the predominant form of tobacco use in the United Kingdom, followed by pipe-smoking. Cigars, chewing tobacco, and snuff comprise a very minor part of total consumption.

Tobacco is imported into the United Kingdom both for home consumption and for export--largely as manufactured cigarettes. For many years, the United Kingdom was the world's largest exporter of cigarettes but now ranks second to the United States. Several of Britain's traditional markets for cigarettes have expanded local production in recent years, reducing import requirements accordingly. With increasing industrialization in many areas, this trend will likely continue.

Gross clearances of tobacco from bond in the United Kingdom are an approximate measure of home use and exports combined. Since 1952, gross clearances have risen steadily, by quantities ranging from 2 to 8 million pounds a year. This largely reflects increasing home consumption, as exports of manufactured tobacco have trended downwards in recent years. In 1959, gross clearances at 316 million pounds were nearly 2 percent higher than in 1958; in the first half of 1960, they rose nearly 4 percent above a year earlier. Home consumption of tobacco continued to gain, more than offsetting lower exports. Cigarette exports in January-June 1960 were 6 percent below a year earlier and 21 percent below 2 years earlier. Among the Commonwealth destinations, Singapore and Federation of Malaya reduced takings sharply, and Hong Kong, a little, but larger exports than in January-June 1959 went to Aden, Persian Gulf Establishments and Cyprus. Exports to West Germany, an important outlet in prior years, fell by a fifth. Fewer cigarettes than a year ago went to Sudan, but more went to France and Arabian States.

Of last year's gross clearances of tobacco, flue-cured from the 4 major suppliers comprised about 290 million pounds--over nine-tenths of the total. About 52 percent of this flue-cured came from the U. S., 26 percent from Rhodesia, 13 percent from India, and 9 percent from Canada. In January-June 1960, compared with a year ago, gross clearances of U. S. flue-cured increased 4 percent; Rhodesian, 14 percent; Indian, 1 percent; and Canadian, 5 percent. There were decreases in gross clearances of Nyasaland dark fire-cured and air- and sun-cured from India. Gross clearances of oriental tobacco from Turkey and Greece were insignificant.

Imports of unmanufactured tobacco in the year ended June 30, 1960 totaled 317 million pounds--slightly more than in the preceding year. Imports from the United States declined 6 percent below 1958-59 and 9 percent below 1957-58. Receipts from Rhodesia-Nyasaland and Canada increased nearly a fourth and over a tenth, respectively, but those from India declined nearly a sixth (See table 15).

Table 14.--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		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
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	168	141	319	532	169	135	304	41	3
1958	164	145	316	534	172	138	310	41	2
1959 ^{4/}	140	157	301	515	171	144	315	34	2
Jan.-July									
1956	48	59	115	<u>5/455</u>	<u>6/86</u>	<u>6/63</u>	<u>6/149</u>	25	1
1957	40	76	121	<u>5/462</u>	<u>6/85</u>	<u>6/68</u>	<u>6/153</u>	24	2
1958	41	79	125	<u>5/469</u>	<u>6/87</u>	<u>6/69</u>	<u>6/156</u>	24	1
1959	24	88	115	<u>5/470</u>	<u>6/85</u>	<u>6/70</u>	<u>6/155</u>	20	1
1960	32	94	129	<u>5/459</u>	<u>6/84</u>	<u>6/77</u>	<u>6/161</u>	19	4

^{1/} Unmanufactured tobacco.

^{2/} Since 1946 the full duty rate on tobacco from the United States and other non-preferential areas has been 2.4 to 2.9 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/} June 30.

^{6/} January-June.

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

Table 15.--Unmanufactured tobacco imports into the United Kingdom from major sources, average 1935-39, annual 1948-60

Year ending June 30	United States	Rhodesia and Nyasaland	India	Canada	Turkey	Greece	Other	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1935-39	210.6	28.4	18.1	12.3	0.6	0.6	4.5	275.1
1948	130.7	46.0	21.8	13.1	1.2	.1	2.6	215.5
1949	147.5	56.3	32.5	13.0	25.4	5.6	3.9	284.2
1950	162.4	64.9	46.6	15.0	13.7	1.3	5.5	309.4
1951	146.7	82.6	42.1	20.2	1.9	1.0	6.9	301.4
1952	223.1	62.0	43.8	36.2	1.9	1.2	10.8	379.0
1953	105.0	74.0	32.3	12.4	1.2	.8	14.7	240.4
1954	127.4	69.4	34.0	32.3	2.1	1.0	14.6	280.8
1955	151.9	82.7	36.1	40.2	3.5	1.6	10.9	326.9
1956	208.5	60.8	40.2	21.1	3.3	1.9	9.7	345.5
1957	148.6	91.6	36.0	30.4	2.2	.1	7.5	316.4
1958	162.1	78.4	45.6	21.8	2.2	1.4	5.7	317.2
1959	157.7	73.2	47.2	28.8	.3	.2	7.0	314.4
1960	147.5	90.9	39.6	32.1	.1	.3	6.9	317.4
Percentage change								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Average 1935-39 to 1960	-30.0	220.1	118.8	161.0	-83.3	-50.0	53.3	15.4
1959 to 1960	-6.5	24.2	-16.1	11.5	-66.7	50.0	-1.4	1.0
Percentage distribution								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Average 1935-39	76.6	10.3	6.6	4.5	0.2	0.2	1.6	100.0
1948	60.6	21.3	10.1	6.1	.6	---	1.3	100.0
1949	51.8	19.8	11.4	4.6	8.9	2.0	1.5	100.0
1950	52.5	21.0	15.1	4.9	4.4	.4	1.7	100.0
1951	48.6	27.4	14.0	6.7	.6	.3	2.4	100.0
1952	58.9	16.4	11.5	9.6	.5	.3	2.8	100.0
1953	43.7	30.8	13.4	5.2	.5	.3	6.1	100.0
1954	45.4	24.7	12.1	11.5	.7	.4	5.2	100.0
1955	46.5	25.3	11.0	12.3	1.1	.5	3.3	100.0
1956	60.4	17.6	11.6	6.1	1.0	.5	2.8	100.0
1957	47.0	28.9	11.4	9.6	.7	---	2.4	100.0
1958	51.1	24.7	14.4	6.9	.7	.4	1.8	100.0
1959	50.2	23.3	15.0	9.1	.1	.1	2.2	100.0
1960	46.5	28.6	12.5	10.1	---	.1	2.2	100.0

Basic data compiled from Accounts Relating to Trade and Navigation of the United Kingdom.

At the end of June 1960, stocks of tobacco in the United Kingdom totaled 459 million pounds--11 million less than a year earlier and lowest since August 31, 1956. Stocks amounted to a little over 17 months' use, as represented by July 1959-June 1960 gross clearances. In the previous 4 years, mid-year holdings were maintained at a level equal to 18 months' use. On June 30, 1960, British manufacturers' stocks of U. S. flue-cured, 228 million pounds, were down 4 percent from a year earlier. Stocks of Rhodesian flue-cured at 79 million pounds and Indian flue-cured at 59 million pounds, were also down--by 5 percent and 12 percent, respectively. Stocks of Canadian flue-cured increased 7 percent to 42 million pounds. Stocks of Nyasaland dark fire-cured at mid-1960 were about an eighth less than a year ago. Holdings of air- and sun-cured from India were approximately a fourth smaller than on the same date in 1959, but those from Nyasaland gained about a fifth. No oriental tobacco was reported held by manufacturers.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

Foreign grown tobacco is imported into this country mainly for blending with domestic types in the manufacture of cigarettes and cigars. Tobacco imports for consumption in the year ended June 30, 1960 totaled 157 million pounds--5 million or 3 percent above the preceding year. Although this was a new high, the increase was considerably less than in 1958-59, when imports rose 26 million pounds or over a fifth. As usual, around three-fourths of the total 1959-60 imports was cigarette leaf and nearly all the rest was for use in cigars.

Cigarette leaf imports at about 117 million pounds were 6 percent higher than in 1958-59. Turkey and Greece--our principal suppliers--furnished 6 percent and 4 percent more, respectively. More than usual was imported from Yugoslavia. On July 1, 1960, stocks of foreign-grown cigarette and smoking tobacco totaled 241 million pounds--about 6 million more than a year earlier and the largest on record.

In the year ended June 30, 1960, about 30 million pounds of cigar tobacco were imported from Cuba, the principal source. This was a decrease of 6 percent from 1958-59. The decline was attributable to lower imports of filler (stemmed and unstemmed) and scrap; imports of Cuban wrapper were up from the preceding year. The July 1 stocks of Cuban tobacco were record high, amounting to 44 million pounds compared with 25 million on the same date in 1959.

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

Table 16.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)							
	Calendar year			Year ending June 30		January-July		
	Average 1924-28 1/	Average 1934-38	Average 1954-58	1959 2/	1960 2/	1959 2/	1960 2/	1960 as per- centage of 1959
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Cigarette leaf								
Unstemmed:								
Turkey	13.1	18.2	58.1	68.9	73.3	39.7	41.7	105
Greece	20.1	18.8	20.8	30.8	32.1	18.6	18.3	98
Syria	.2	.5	2.0	.8	.8	.6	.4	67
Italy	10.8	4.7	1.7	1.7	1.8	1.1	1.0	91
Cyprus	0	.1	.5	1.1	1.2	.6	.8	133
Yugoslavia	0	0	3.3	2.6	5.1	2.5	3.0	120
Total 3/	46.1	44.4	89.4	110.4	116.7	64.5	66.8	104
Cigar leaf (filler)								
Cuba:								
Stemmed	13.8	7.1	9.0	9.4	8.2	5.4	4.1	76
Unstemmed	7.8	4.1	3.9	3.7	3.5	2.3	2.3	100
Philippines, Rep.								
Stemmed	} 1.7	} 4/	.1	.4	.5	.2	.5	250
Unstemmed			.2	.1	.0	5/	0	---
Total 3/	22.4	11.3	13.3	13.6	12.5	7.9	7.1	90
Scrap:								
Cuba	1.8	2.9	11.3	16.2	15.6	9.4	8.8	94
Philippines, Rep.	0	4/3.2	4.2	9.1	8.3	5.5	6.7	122
Peru	0	0	0	5/	1.3	5/	1.4	---
Total 3/	1.9	6.1	15.6	25.8	26.4	15.3	17.8	116
Cigar wrapper (unst.)								
Indonesia	6/6.1	6/1.9	.2	5/	5/	5/	5/	---
Cuba	.1	.2	.5	.5	.6	.3	.3	100
Total 3/	6.3	2.1	.8	.7	.6	.4	.3	75
Total imports 7/	78.3	66.3	120.3	152.0	157.1	89.2	92.4	104

1/ General imports.

2/ Preliminary.

3/ Includes relatively small quantities from other countries not separately listed.

4/ Reported as leaf in 1934-35 and as scrap in 1936-38.

5/ Less than 50,000 pounds.

6/ From Netherlands Indies or Netherlands.

7/ Includes stems not cut, ground, or pulverized.

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

Imports of tobacco from the Philippine Republic--mostly scrap--at about $8\frac{3}{4}$ million pounds were 8 percent smaller than the near-record quantity imported in 1958-59. July 1, 1960 stocks of Philippine tobacco in this country at $12\frac{1}{2}$ million pounds were down a little from year-earlier holdings--largest July 1 stocks on record.

In the first 7 months of 1960, imports for consumption of scrap from Peru amounted to 1.4 million pounds. This is the first time a significant quantity from that source has moved into U. S. consumption.

Imports of cigar wrapper from Indonesia, which before the war were sizable, have dwindled and in the past fiscal year amounted to less than 14,000 pounds. Stocks on July 1, 1960 were 125,000 pounds.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured Tobacco

Domestic Use and Exports

Domestic use of flue-cured at 766 million pounds during July 1959-June 1960 was about 4 percent above the virtually unchanged level of the two preceding years and the largest in 6 years. This reflected, but was not commensurate with the increase in cigarette production--the predominant outlet for flue-cured. The 1959-60 output of cigarettes was 9 percent above the average of the two preceding years. Increased use of sheet tobacco in cigarettes in the last 2 years has helped manufacturers save on use of leaf tobacco. Manufacturers' stocks of sheet tobacco for cigarettes show a rising trend and on July 1, 1960 were substantially higher than a year earlier. This is indicative of the increased use of sheet tobacco. The reported components of sheet tobacco are about 60 percent flue-cured, 35 percent burley, over 4 percent imported, and less than 1 percent Maryland tobacco. Cigarette consumption is expected to continue to increase and the domestic use of flue-cured should also, but the percentage increase in leaf usings (unstemmed basis) probably will not be as much as the gain in cigarette output.

The 1959-60 exports of flue-cured at $419\frac{1}{2}$ million pounds (farm-sales weight) were $5\frac{1}{2}$ percent below 1958-59 and the smallest since 1952-53. The 1959-60 exports were 35 million pounds less than the average of the preceding 10 years. Exports of flue-cured in 1960-61 are expected to increase moderately. The crop is larger than last year and, as pointed out earlier, there are other favorable factors.

During 1959-60 exports of flue-cured to the United Kingdom (accounting for 36 percent of total U. S. flue-cured exports) were $8\frac{1}{2}$ percent below a year earlier and the smallest in 6 years. Exports to Germany (accounting for 15 percent of the total) were also down $8\frac{1}{2}$ percent from the preceding year, but exports to Australia, third ranking destination, declined 27 percent from 1958-59 and were the smallest in 8 years. The Netherlands and Belgium were the fourth

Table 17.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	741	845	1,586	704	338	366	22.9
1941-45	902	1,349	2,251	992	617	375	38.5
1947-49	1,174	1,458	2,632	1,108	715	393	46.0
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953	1,272	1,852	3,124	1,209	778	431	52.8
1954	1,314	1,915	3,229	1,173	744	429	52.7
1955	1,483	2,056	3,539	1,281	728	553	52.7
1956	1,423	2,258	3,681	1,170	705	465	51.5
1957	975	2,511	3,486	1,178	737	441	55.4
1958	1,081	2,308	3,389	1,179	736	443	58.2
1959	1,081	2,210	3,291	1,185	766	419	58.3
1960 ^{2/}	1,203	2,106	3,309				
	Parity price ^{3/}	Price support level	Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1960 ^{4/}		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1950	50.0	45.0	77.6	6.2	0		
1951	56.3	50.7	142.2	9.8	0		
1952	56.2	50.6	5/165.0	12.1	0		
1953	53.2	47.9	151.4	11.9	0		
1954	53.2	47.9	130.2	9.9	0		
1955	53.7	48.3	298.9	20.2	155.0		
1956	54.3	48.9	319.9	22.5	139.0		
1957	56.5	50.8	107.8	11.1	70.0		
1958	60.7	54.6	144.8	13.4	102.0		
1959	61.7	55.5	55.5	5.1	50.0		
1960	# 63.2	# 55.5	6/	6/	6/		
Total			1,593.3		*516.0		

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ Through mid-September, 19 million pounds, about 3 percent of market deliveries were placed under loan. # Parity price based on August data; support price set at 1959 level by February legislation. * Roughly 15 million pounds of this has been sold.

and fifth ranking outlets for flue-cured. Exports to Netherlands were 24 percent greater than the unusually low 1958-59 figure but considerably below most other postwar years. The 1959-60 exports to Belgium were a tenth larger than 1958-59 and second largest in 8 years. A record quantity of flue-cured was shipped to Egypt in 1959-60--far more than in any other previous year. Much of it was under the foreign currency program. Other countries taking more flue-cured in 1959-60 than in the previous year were Sweden, Norway, Portugal, Switzerland, Spain, Hong Kong, Mexico and Pakistan. Less than in the preceding year went to Ireland, Denmark, Finland, France, Italy, Thailand, India and Taiwan. The 1959-60 shipments to New Zealand and Viet Nam dropped sharply below their record takings in 1958-59 but shipments to Japan were only a little below the 1958-59 high. Shipments to the Philippine Republic and Indonesia about equalled a year earlier though they were far below those of a few years ago.

1960-61 Supplies

Carryover of flue-cured on July 1, 1960 totaled 2,106 million pounds--104 million pounds lower than a year earlier and over 400 million lower than the peak level of July 1, 1957. The September 1 estimate of production is 1,203 million pounds, 11 percent larger than last year's crop but fourth smallest in 11 years. Acreage allotments are about the same as last year--indicated acreage is only slightly above 1959. However, yields per acre are indicated to be at record or near record highs in all Belts. The September indication for all producing areas combined was an average 1,722 pounds per acre--10 percent more than in 1959 and 2 percent above the previous high of 1958.

The 1960-61 total supply--carryover plus this year's crop--at 3,309 million pounds is slightly more than for 1959-60. The supply is about 2.7 times expected disappearance, compared with 3.1 in 1956-57 when supplies were record large. If the 1960 crop turns out close to the present estimate, the carryover on July 1, 1961 seems likely to be around 2,080 million pounds--roughly 25 million below last July 1.

The 1961 marketing quota and acreage allotment for flue-cured will be announced by the Secretary of Agriculture by December 1. Growers of flue-cured approved marketing quotas on their 1959-61 crops in a referendum held in December 1958. Next year growers will vote on whether they favor quotas on their 1962, 1963 and 1964 crops.

Prices and Price Support

Under the legislation approved in February 1960, this year's price support level for flue-cured is 55½ cents, the same as in 1959. For the 1961 crop the level of price support will be adjusted in accordance with the change between the 1959 parity index (the index of prices paid by farmers, including interest, taxes and wage rates) and the average of the parity indexes for 1958, 1959 and 1960. From 1961 on, the legislation provides for making adjustments

from the 1959 support level by taking into account the percentage difference between the 1959 parity index and the average of the parity indexes for the three calendar years just preceding the year for which the support level is being determined. If the parity index remains near its recent level for the rest of 1960, the 1961 support level will be practically the same as in 1960 and 1959.

The 1960 auction market prices for all flue-cured sold this season through September 22 averaged 59.3 cents per pound, compared with 59.1 cents in the corresponding sales period of last season. Approximately 58 percent of the crop had been marketed by the third week of September.

Auction market volumes and prices in the 5 Belts through September 22, and comparable figures for last season, are as follows:

	<u>Sales Volume</u>		<u>Average Price</u>	
	<u>1959</u>	<u>1960</u>	<u>1959</u>	<u>1960</u>
	<u>Mil.</u>	<u>Mil.</u>	<u>ct. per</u>	<u>ct. per</u>
	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>
Ga.-Fla., type 14 (finished)	161	182	57.8	56.5
S. C. and Border N. C., type 13	254	268	62.2	61.4
Eastern N. C., type 12	219	252	57.5	59.0
Middle Belt, type 11 (b)	49	47	56.8	59.6
Old Belt, type 11 (a)	18	14	53.1	59.8

In the Georgia-Florida Belt, marketings this year ran from July 28 through September 2. Volume sold was more than 13 percent above last year and the largest in 4 years. Prices averaged about 2 percent lower than the 1959 record but above any other season average except 1958. Growers placed about 2.3 million pounds under Government loan, compared with 1.8 million in 1959.

Auctioning in the Border Belt began August 11, later than usual, and was nearing completion by late September. Through September 22, volume of sales was about 5 percent larger than in the comparable number of days a year earlier. Prices averaged 1 percent lower than in 1959. Approximately 8 million pounds were placed under Government loan, compared with 11 million in the 1959 season.

In the Eastern Belt, where auctions opened August 23, prices through September 22 averaged 3 percent higher than in the comparable period of last season. About 4 percent of market deliveries went under loan, compared with 2 percent in the corresponding period last season. Except for last season, the percentage going under Government loan has been the smallest in many years.

In the Middle Belt, where auctions opened September 6, prices for the first 2 weeks sales averaged 5 percent above those for the comparable period last season. Receipts under Government loan amounted to about 4 percent of market deliveries, compared with 6 percent a year earlier.

In the Old Belt, where auctions began September 19, prices for the first 4 day's sales averaged 13 percent higher than for the first 4 days of last season.

Burley, Type 31

Domestic Use and Exports

Disappearance of burley in the October 1959-September 1960 marketing year is estimated at about 521 million pounds--1 percent more than in 1958-59. Domestic disappearance, placed at 485 million pounds, may show a small gain from the preceding year. The expected increase is proportionately much smaller than the gain in manufacture of cigarettes--major domestic outlet for burley. Cigarette output in the October 1959-July 1960 period was $3\frac{1}{2}$ percent above the corresponding months of 1958-59. Sizable quantities of burley are also used in smoking tobacco and chewing products. In October 1959-July 1960, production of smoking tobacco was $2\frac{1}{2}$ percent below that in the like 1958-59 period, and output of plug chewing was down nearly 8 percent.

The 1960-61 use of burley may show some further gain from the current year's level, reflecting the anticipated continued increase in cigarette output.

Burley exports in the 1959-60 marketing year are expected to total near 36 million pounds, farm-sales weight. Exports at this level would top those of 1958-59 by about 1 million pounds and would be the largest since 1949-50. During October 1959-July 1960 (five-sixths of the full marketing year), total burley exports were 6 percent larger than a year earlier. Major countries of destination were West Germany, Sweden, Mexico, Italy, Egypt, Netherlands, Australia, Portugal and Denmark; these outlets together accounted for over four-fifths of the total. Mexico increased takings by 28 percent, while Sweden and Portugal each boosted takings by 6 percent. Exports to Netherlands were equal to more than 4 times, and to Australia, more than $2\frac{1}{2}$ times, those of a year earlier. There was an increase of about a tenth in exports to Denmark, while close to 2 million pounds (farm-sales weight) went to Egypt, in contrast to minor quantities in the comparable period of 1958-59. On the other hand, exports to West Germany, single largest outlet, declined a little. Italy and France cut takings by about 50 percent and 70 percent, respectively, below those in October 1958-July 1959.

1960-61 Supplies

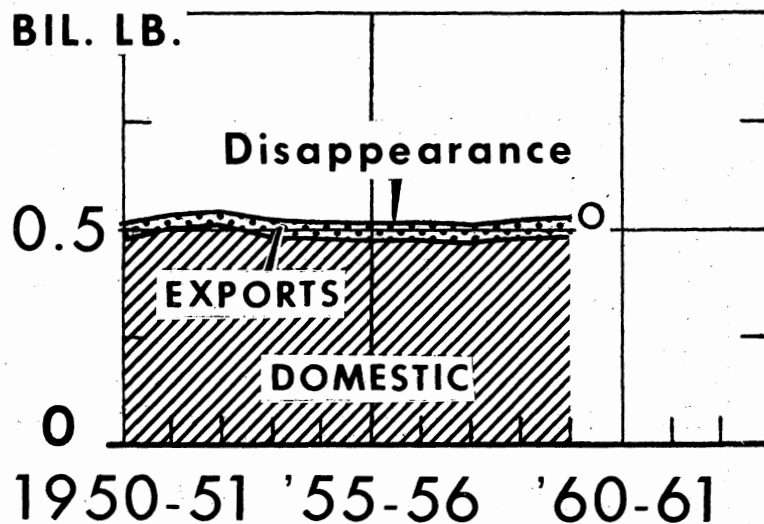
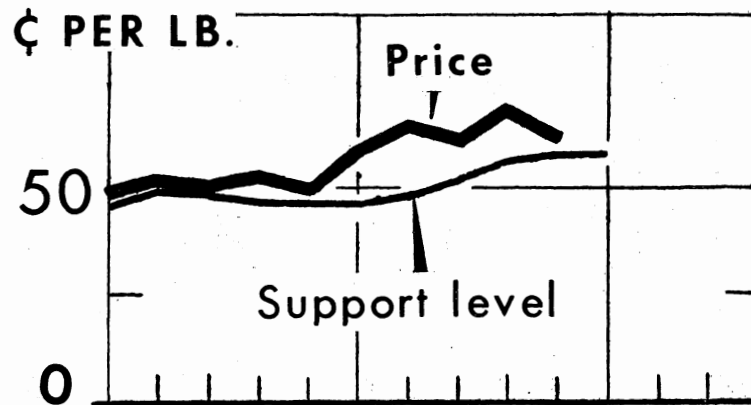
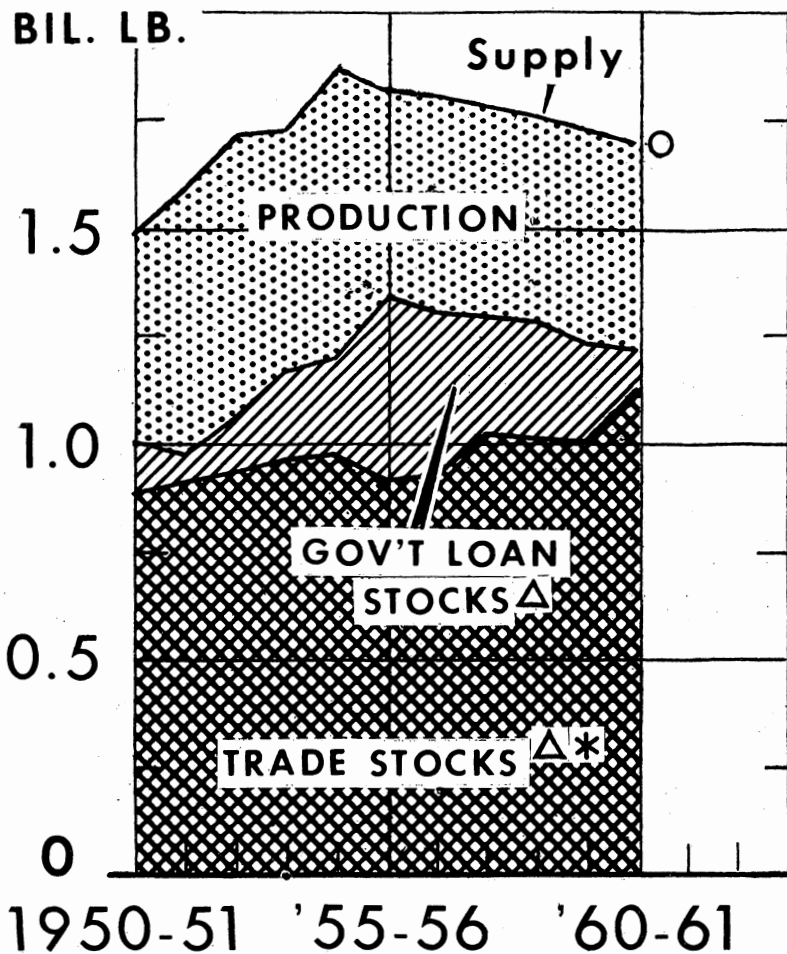
The carryover of burley on October 1, 1960 is estimated at 1,217 million pounds--19 million less than a year earlier and 130 million below the peak on October 1, 1955. The September estimate of the 1960 crop is 482 million pounds--4 percent less than harvested last year. This year's burley acreage is down a little from 1959, and the average yield for the Belt as a whole is indicated to be about 2 percent smaller than last year's record but still third highest ever obtained. Farm acreage allotments are substantially the same as last year.

Table 18.—Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

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	287	701	988	314	302	12	22.2
1941-45	448	730	1,178	437	424	13	40.0
1947-49	550	939	1,489	530	493	37	46.6
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	488	1,299	1,787	502	474	28	60.3
1958	466	1,285	1,751	515	480	35	66.1
1959	502	1,236	1,738	*521	*485	*36	60.4
1960 ^{2/}	482	*1,217	*1,699				
				Placed under Government loan		Remaining in Government loan stocks on Aug. 31, 1960 ^{4/}	
	Parity price ^{3/}	Price support level		Quantity	Percentage of crop		
	Ct.	Ct.		Mil. lb.	Pct.		Mil. lb.
1950	50.8	45.7		44.2	8.9		0
1951	55.3	49.8		97.3	15.7		0
1952	55.0	49.5		103.9	16.0		0
1953	51.8	46.6		102.1	18.1		0
1954	51.5	46.4		221.4	33.2		60.1
1955	51.3	46.2		73.1	15.6		2.2
1956	53.4	48.1		6.0	1.2		.4
1957	57.4	51.7		16.6	3.4		9.3
1958	61.6	55.4		11.2	2.4		10.7
1959	63.6	57.2		13.2	2.6		11.4
1960	#65.6	#57.2					
Total				689.0			94.1

^{1/} Year beginning October 1. ^{2/} Subject to revision. ^{3/} Through 1959, as of date determining support level; under legislation approved February 20, 1960, parity prices are no longer the basis for determining support level. ^{4/} Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. * Preliminary estimate. # Parity price based on August data; support price set at 1959 level by February legislation.

BURLEY TOBACCO



Δ BEGINNING OF MARKETING YEAR
 \circ PRELIMINARY INDICATION

The 1960-61 total supply of burley--carryover plus the new crop-- will be around 1,699 million pounds--about 2 percent less than in 1959-60. This continues the gradual downtrend in burley supplies from the 1954-55 peak of 1,866 million pounds. Prospective 1960-61 supplies are equal to 3.2 times probable disappearance, compared with a ratio of 3.3 in 1959-60 and 3.6 in 1954-55. A desirable average level of supply is generally considered to be 2.8 times disappearance. Carryover of burley on October 1, 1961 appears certain to be smaller than this October 1.

Government loan stocks of burley have continued to show some decline in recent months. On August 31, about 94 million pounds (farm-sales weight) remained, over three-fifths from the 1954 crop (table 18). Reported Government loan stocks are about 12 million pounds less than on May 31, but 155 million less than the quantity held at the end of August a year ago.

The 1961 burley marketing quota and acreage allotment will be announced by the Secretary of Agriculture by February 1, 1961. Burley growers approved marketing quotas for the 1959-61 crops in a referendum held February 1959. Before the 1962 crop is planted, burley growers will vote on whether or not they favor quotas on the 1962, 1963 and 1964 crops.

Price Supports and Prices

The price support level for the 1960 crop of burley is 57.2 cents a pound, the same as for the 1959 crop, in accordance with legislation enacted earlier this year. The support level for the 1961 burley crop will be adjusted according to the change between the 1959 parity index (the index of prices paid by farmers, including interest, taxes and wage rates) and the average of the parity indexes for 1958, 1959 and 1960. If the parity index for the remaining months of this year should continue near the levels of recent months, the average for 1958-60 will be little different than the 1959 index. Consequently, it is likely that the support level for 1961 burley will be practically the same as the 57.2 cents in effect for the current crop.

Last year's crop sold for an average of 60.4 cents a pound, 9 percent less than the 1958 record price of 66.1 cents, but the third highest ever received by growers. Only about $2\frac{1}{2}$ percent of the crop was placed under price support loan.

Auction markets for sales of the 1960 crop are expected to begin in late November.

Maryland, Type 32 3/Domestic Use and Exports

The total disappearance of Maryland tobacco in the October 1959-September 1960 marketing year is estimated at $36\frac{1}{2}$ million pounds--about 3 million less than in 1958-59. Indications are that both domestic use and exports were lower than in the preceding marketing year. Domestic use, estimated at 23 million pounds, is about 1 million less than in 1958-59. In the 1955-59 marketing years, domestic use ranged between 21 and 26 million pounds, averaging 24 million. In the 5 years preceding this period, domestic use varied mostly between 27 and 28 million pounds. Cigarettes are the major domestic outlet for Maryland, but certain grades are used in some cigars. The aggregate use of Maryland in cigarettes is estimated to have declined significantly in the last 5 years. Utilization of Maryland in cigars varies from year to year, depending upon the availability and prices of certain grades.

Exports of Maryland tobacco in the marketing year just ending may be around $13\frac{1}{2}$ million pounds, farm-sales weight--nearly 2 million less than the postwar peak reached in 1958-59. During the first 10 months of 1959-60, Maryland exports were almost a fifth below a year earlier. Switzerland, accounting for approximately half of the total, took a tenth less than in October 1958-July 1959. Belgium was the second ranking outlet, more than doubling takings of a year ago. Exports to Portugal, the next ranking destination, dropped a third from the relatively large total of a year earlier. West Germany reduced takings by over half, and Netherlands, by a tenth. Consignments to France were only a small fraction of those in October 1958-July 1959. None was reported exported to Spain, which received a substantial quantity of Maryland in 1958-59.

1960-61 Supplies

The 1960 auction sales and hogshead market receipts of Maryland tobacco, mostly of the 1959 crop, totaled 31.4 million pounds. Carryover of Maryland tobacco on January 1, 1961 is likely to be around 59 million pounds--approximately 5 million less than stocks held a year earlier and probably the lowest since 1951. The September estimate for the 1960 Maryland crop is 32.4 million pounds--about equal to the 1959 estimated crop. The 1960 crop is being produced under a marketing quota and acreage allotments. Acreage for harvest is estimated to be down 5 percent from 1959--in that year acreage allotments were not in effect--but the average yield per acre is indicated to be 6 percent higher. This year's crop plus the expected carryover will provide a 1960-61 total supply of about 91 million pounds--5 million less than this year's supply.

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

Acreage allotments will be applicable to the 1961 Maryland crop, as growers approved marketing quotas for the 1960-62 crops in last February's referendum. The 1961 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1.

Price Supports and Prices

The 1960 crop of Maryland tobacco, to be marketed **next** spring and summer, will receive Government price support at an average level of 50.8 cents a pound. Legislation enacted earlier this year provided that the 1960 support level would be the same as it would have been for the 1959 crop if it had been under a marketing quota.

For the 1961 crop, the support level for Maryland tobacco will be adjusted according to the change between the 1959 parity index (the index of prices paid by farmers, including interest, taxes and wage rates) and the average of the parity indexes for 1958, 1959 and 1960. If the parity index for the remaining months of this year should continue near the levels of recent months, the average for 1958-60 will be little different than the 1959 index. Consequently, it is likely that the support level for 1961 Maryland tobacco will be practically the same as the 50.8 cents a pound in effect for the 1960 crop.

Auction sales for 1959 crop Maryland tobacco were held from April 26 to July 15. Also operating was the Baltimore hogshead market. The auction market average at 60.7 cents was topped only by the 61.8 cents averaged at the auctions for the 1958 crop. Sales volume was the smallest in 14 years, but quality of offerings was well above average. In addition to the 26.1 million pounds sold at this year's auctions, 5.3 million pounds were received at the Baltimore hogshead market by September 1. Government price support was not available for the 1959 Maryland crop, as it was not produced under a marketing quota.

Fire-Cured, Types 21-23

Domestic Use and Exports

Disappearance of fire-cured in the marketing year beginning October 1959 is estimated at around 55 million pounds, approximately the same as in 1958-59. Domestic use is estimated at near 29 million pounds--about 1 million below 1958-59. The principal domestic outlet for fire-cured is in the manufacture of snuff, which in the October 1959-July 1960 period was 2 percent larger than a year ago. Possibly less fire-cured was used in other products in 1959-60 than in 1958-59.

The indicated decline in domestic use may have been offset by larger exports. Exports of fire-cured in 1959-60 are placed at near 26 million pounds (farm-sales weight)--about 1 million more than in 1958-59. During the first

10 months of the 1959-60 marketing year, exports of Kentucky-Tennessee fire-cured exceeded those in the like 1958-59 period by 4 percent. The Netherlands accounted for nearly a third of the total and took a tenth less than a year earlier. Exports to France, ranking second, jumped 86 percent. Switzerland, ranking third, took 9 percent more than in October 1958-July 1959. Other countries receiving more Kentucky-Tennessee than a year earlier were Egypt, West Germany, Sweden, Norway, Ireland and Australia. On the other hand, less than a year ago went to Belgium, Denmark, United Kingdom, Portugal, Viet Nam and Canary Islands.

Exports of Virginia fire-cured in October 1959-July 1960 were 7 percent less than in the corresponding months of 1958-59. Shipments to the United Kingdom accounted for nearly two-fifths of the total, and were 12 percent larger than a year ago. Exports to Norway, usually the principal foreign market for Virginia fire-cured, were 30 percent less than in the like 1958-59 period, and less Virginia fire-cured than a year ago also went to Switzerland, Netherlands, and West Germany. Countries taking more Virginia fire-cured than in the first 10 months of 1958-59 were Sweden and Australia.

1960-61 Supplies

Carryover of the combined fire-cured types on October 1, 1960 is estimated at approximately 120 million pounds--about 2 million below a year ago and lowest since 1946. The September estimate of this year's crop is 49 million pounds--7 percent smaller than the 1959 crop. Acreage is indicated to be down 2 percent from 1959, and the average yield per acre for each of the three fire-cured types is indicated to be below last year, with the sharpest reduction in Kentucky-Tennessee type 23. Acreage allotments are mostly the same as in 1959

The new crop added to the expected carryover will provide total supplies of fire-cured tobacco in 1960-61 of about 169 million pounds--6 million below 1959-60. Carryover on October 1, 1961 will probably be reduced from its current level.

The 1961 marketing quotas and acreage allotments for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1. Shortly thereafter, a referendum will be held in which growers of the three fire-cured types will vote on whether they favor marketing quotas on their 1961, 1962 and 1963 crops. Approval by at least two-thirds of the growers voting in the referendum is necessary before marketing quotas can be placed in effect. In the last referendum, held in February 1958, 96 percent of the farmers voting favored marketing quotas on their next 3 crops.

Price Supports and Prices

If marketing quotas are approved in the forthcoming referendum, Government price support will continue for the 1961 fire-cured crop. As provided for in legislation enacted this year, the support level for 1960 fire-cured tobacco

is the same as for the 1959 crop--38.8 cents per pound. Provided marketing quotas are not disapproved by growers, the support level for the 1961 crop will be adjusted according to the change between the 1959 parity index (the index of prices paid by farmers, including interest, taxes, and wage rates) and the average of the indexes for 1958, 1959 and 1960. If the parity index for the remaining months of this year should continue near the levels of recent months, the average for 1958-60 will be little different than the 1959 index. Consequently, it is likely that the support level for 1961 fire-cured will be practically the same as the 38.8 cents in effect for the current crop.

The 1959 season average price for the combined fire-cured types was 38.2 cents a pound--1 percent higher than for the previous crop and second highest on record. Virginia fire-cured averaged 37.6 cents a pound--2 percent more than in the previous year. The season average for Kentucky-Tennessee type 22 was 39.0 cents--1½ percent above 1958. For Kentucky-Tennessee type 23, the 1959 season average was 36.2 cents--2 percent less than the previous season's record price but otherwise above any previous year.

Last season, growers placed about 6 million pounds of fire-cured tobacco (about 12 percent of the combined crop) under Government loan. This quantity was moderately lower than that in the 1958-59 season, when loan placements were equal to 15 percent of the crop. Loan receipts of the Kentucky-Tennessee types increased over those in 1958-59, but this was more than offset by the reduction in Virginia fire-cured.

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

Domestic Use and Exports

Total disappearance of dark air-cured and sun-cured tobacco is estimated at 24 million pounds for the October 1959-September 1960 marketing year. This is about an eighth less than in 1958-59. Domestic disappearance, at near 18 million pounds, was approximately 2 million less than in the preceding year and nearly 4 million less than the 1953-57 average. The chief outlet for dark air-cured is in the manufacture of chewing tobacco. In the first 10 months of the 1959-60 marketing year, output of plug, twist and fine-cut chewing was 6 percent lower than in the comparable 1958-59 period.

Exports of these types in 1959-60 (including an allowance for the quantities shipped out in the form of Black Fat) are estimated at about 6 1/3 million pounds. This would be 1½ million pounds less than in 1958-59. Most of the decrease is attributable to reduced shipments of One Sucker. In the 10 months, October 1959-July 1960, exports of One Sucker leaf were not much more than a third of those a year ago. Belgium, accounting for over 60 percent of the total, took about a sixth less. A significant shipment went to Finland, which took none in 1958-59. But no exports of One Sucker were reported as going to Austria or Portugal; these countries accounted for over three-fifths of total shipments in 1958-59.

During October 1959-July 1960, exports of Green River tobacco (type 36) were 9 percent below those a year earlier. The United Kingdom accounted for roughly 60 percent of the total, and Belgium, for more than 25 percent. Consignments to the United Kingdom were down by over a fifth, but those to Belgium increased substantially. No exports of Green River were reported as going to Austria, which received a sizable shipment in 1958-59.

In recent years, around half of all exports of dark air-cured has been in the form of Black Fat, a semi-processed product. Exports of Black Fat in the first 10 months of the 1959-60 marketing year increased 6 percent over those in the like 1958-59 period. Nigeria and Ghana took 12 and 8 percent more, respectively, than a year earlier. There was also a substantial increase in shipments to Other Spanish Africa. On the other hand, exports to Western Africa (formerly French West Africa) dropped by about a fourth, and less Black Fat than a year ago went to Cameroun and Canary Islands.

1960-61 Supplies

October 1, 1960 stocks of dark air-cured and sun-cured are estimated at near 66 million pounds--2 to 3 million less than last October and lowest since 1946. The September estimate of the 1960 crop is about 21 million pounds--4 percent less than the 1959 outturn. Acreage of One Sucker (type 35) and Virginia sun-cured (type 37) is indicated to be smaller than in 1959, that of Green River (type 36) the same as last year. The average yield per acre for One Sucker is indicated to be down moderately from 1959, but average yields for Green River and Virginia sun-cured may exceed those of last year.

Total supplies for 1960-61--October 1 stocks plus this year's crop--are estimated at 87 million pounds, about 3 million below 1959-60. It is likely that October 1, 1961 carryover will be reduced from the current level.

By February 1, 1961, the Secretary of Agriculture will announce marketing quotas and acreage allotments for dark air-cured and Virginia sun-cured tobacco. Within 30 days following the announcement, a referendum will be held in which producers of dark air-cured (types 35-36) will vote on whether they favor marketing quotas for their 1961-63 crops. Approval by at least two-thirds of the growers voting is necessary before marketing quotas can be placed in effect. In the last referendum, held in February 1958, close to 97 percent of growers of types 35-36 approved quotas for their next 3 crops. Producers of Virginia sun-cured, type 37, approved marketing quotas for their 1959-61 crops in a referendum held in February 1959.

Price Supports and Prices

Government price support will again be available for the 1961 crop of Virginia sun-cured, and, provided marketing quotas are not disapproved in the forthcoming referendum, for 1961 dark air-cured, types 35-36. The support level in effect for 1960 dark air- and sun-cured is $34\frac{1}{2}$ cents a pound--the

same as for the 1959 crop, in accordance with legislation enacted this year. The support level for 1961 sun-cured will be adjusted according to the change between the 1959 parity index (the index of prices paid by farmers, including interest, taxes and wage rates) and the average of the indexes for 1958, 1959 and 1960. If the parity index for the remaining months of this year should continue near the levels of recent months, the average for 1958-60 will be little different than the 1959 index. Consequently, it is likely that the support level for 1961 sun-cured will be practically the same as the 34.5 cents in effect for the current crop. This will also apply to dark air-cured, types 35-36, providing marketing quotas continue in effect for the 1961 crop.

During the 1959 crop marketing season, growers placed 3 million pounds of One Sucker (type 35) and 741,000 pounds of Green River (type 36) under Government loan. These quantities were substantially more than the record low placements in the 1958 season, and represented 21 percent and 14 percent, respectively, of these crops. In the 1953-57 seasons, loan placements of One Sucker averaged a little over 4 million pounds--23 percent of production; those of Green River averaged 2 million pounds--22 percent of production. Loan placements of 1959 Virginia sun-cured were minor as usual, amounting to 24,000 pounds or about 1 percent of the crop.

Cigar Tobacco, Types 41-62

Disappearance and Exports

Filler: The 1959-60 disappearance of Pennsylvania cigar filler tobacco is estimated at about 52 million pounds--about $1\frac{1}{2}$ million more than in 1958-59 and one of the largest of the last 10 years. The 1959-60 disappearance of Ohio cigar filler, estimated at $6\frac{1}{2}$ million pounds, is around a half-million above the low 1958-59 figure. According to preliminary indications, the disappearance of Puerto Rican filler at $29\frac{1}{2}$ million pounds was about a tenth lower than a year earlier. Exports of cigar filler at about one-half million pounds were down nearly 1 million pounds from 1958-59. During the last 2 years, most cigar filler exports went to Viet Nam, and the rest mainly to France and Canada.

Use of imported cigar tobacco in 1959-60 was fairly close to the high level of 1958-59. In each of the last 2 years, use of Cuban and Philippine tobacco exceeded prior years by a considerable margin. In the year just ending, a significant quantity of tobacco from Peru, and some from the Dominican Republic, was used. Imports of cigar tobacco for consumption probably totaled around 47 million pounds (unstemmed equivalent) in 1959-60 compared with 38 million two years earlier.

Binder: The 1959-60 disappearance of Connecticut Valley binder types 51-52 is estimated at about $9\frac{3}{4}$ million pounds, compared with 9 million in 1958-59. According to indications, the disappearance of Havana Seed is up from the extreme low of 1958-59, but 1959-60 disappearance of Broadleaf may have been

Table 24--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

Year	Production	Stocks October 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
				Million pounds	Million pounds	Million pounds	
(Farm-sales weight)							
Pennsylvania Seedleaf (type 41)							
Average:							
1947-49	54.6	101.4	156.0	48.8	47.8	1.0	27.7
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	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	*52.1	*52.0	*.1	31.5
1960 ^{2/}	50.2	*105.7	*156.0				
Ohio, Miami Valley (types 42-44)							
Average:							
1947-49	10.2	24.5	34.7	8.7	8.7		26.3
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	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	*6.5	*6.5		27.3
1960 ^{2/}	6.8	*17.5	*24.3				
Puerto Rico (type 46)							
Average:							
1947-49	26.4	65.0	91.4	34.0	29.8	4.2	24.8
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	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	27.5	42.4	69.9	*29.5	*29.1	*.4	*32.2
1960 ^{2/}	27.5	*40.4	*67.9				

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

* Preliminary estimate

Table 25.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Broadleaf (type 51)							
Average:							
1947-49	14.4	28.5	42.8	14.7	12.4	2.3	54.7
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	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.4	20.0	24.4	*5.5	*5.2	*.3	44.0
1960 2/	4.0	*18.9	*22.9				
Connecticut Valley Havana Seed (type 52)							
Average:							
1947-49	14.8	18.5	33.3	11.9	9.1	2.8	59.2
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	44.4
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	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	*4.2	*3.6	*.6	41.2
1960 2/	3.6	*13.5	*17.1				
Total Connecticut Valley (types)							
Average:							
1947-49	29.2	47.0	76.2	26.6	21.5	5.1	56.9
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.6	34.5	42.1	*9.7	*8.8	*.9	42.6
1960 2/	7.6	*32.4	*40.0				

1/ Year beginning October 1.

2/ Subject to revision.

* Preliminary estimate

Table 26--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Southern Wisconsin (type 54)							
Average:							
1947-49	13.4	38.3	51.7	12.7	12.5	0.2	22.5
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	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	7.9	7.5	.4	34.6
1959	9.2	20.9	30.1	*8.0	* 7.9	*.1	29.3
1960 2/	9.4	* 22.1	* 31.5				
Northern Wisconsin (type 55)							
Average:							
1947-49	19.6	36.3	55.9	18.5	17.5	1.0	28.8
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	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.3	12.0	2.3	35.2
1959	11.6	25.3	36.9	*12.0	*10.8	*1.2	37.1
1960 2/	14.5	* 24.9	* 39.4				
Total Wisconsin types (54-55)							
Average:							
1947-49	33.0	74.6	107.6	31.2	30.0	1.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	83.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.2	19.5	2.7	35.0
1959	20.8	46.2	67.0	*20.0	* 18.7	* 1.3	33.7
1960 2/	23.9	* 47.0	* 70.9				

1/Year beginning October 1.

2/Subject to revision.

* Preliminary estimate

even less than the small 1958-59 figure. Exports were up a little but were still considerably under most other postwar years. Domestic use of the combined Connecticut binder types in each of the last 2 years was only around a third as much as 5 years ago. This drastic reduction resulted mainly from the widespread adoption of binder sheet in place of natural leaf binders on cigars.

The 1959-60 disappearance of the Wisconsin binder types is estimated at 20 million pounds--over 2 million less than in 1958-59 and the smallest on record. The drop in domestic use of the Northern Wisconsin type 55 more than offset the modest increase in domestic use of the Southern Wisconsin type 54. A sizable outlet for Wisconsin tobacco, especially type 54, is scrap chewing tobacco. Much of type 55 has usually gone for cigar binders. Domestic use of type 55 was about a third less than 5 years ago. This reduction results in part from the increased use of sheet binder, though to a lesser degree than in the case of the Connecticut Valley types. Exports of the Wisconsin types dropped sharply below the 1958-59 level. In 1958-59 exports to East Germany were sizable, so that total exports accounted for 12 percent of total disappearance. During the first 10 months of 1959-60 none was reported exported to East Germany, and exports to West Germany were less than half as much as a year earlier. France, third ranking outlet in the last two years, took considerably more than a year earlier.

Wrapper: The 1959-60 disappearance of shade-grown wrapper types 61-62 was 15.9 million pounds--12 million pounds used domestically and nearly 3.9 million pounds exported. A sharp increase in the domestic use of Georgia-Florida wrapper, type 62, more than offset a decrease in the domestic use of Connecticut Valley wrapper, type 61. Total domestic use of types 61-62 in 1959-60 was the largest in 5 years. Exports of wrapper tobacco were down more than a fourth from 1958-59 and the smallest in 6 years. Exports of both wrapper types were below a year earlier. West Germany, the leading foreign destination, took only a little over half as much in 1959-60 as in 1958-59. Canada, second ranking outlet, took a fourth less than in 1958-59. Less went to Belgium, but slightly more to the Netherlands. East Germany stepped up her takings of Georgia-Florida wrapper but took none of Connecticut Valley type, in contrast to a sizable quantity a year earlier. The United Kingdom significantly increased takings of cigar wrapper in 1959-60. The Canary Islands took a little less than a year earlier.

1960-61 Supplies

Filler: The October 1 carryover of Pennsylvania and Ohio filler tobacco is estimated at 123 million pounds, a little larger than a year ago, when it was the lowest on record. The September estimate of production of these types is 57 million pounds--6 percent less than in 1959 but second largest in 9 years. In 1959, yields per acre in both Pennsylvania and Ohio were record high. The 1960-61 total supply of these types--this year's production plus carryover--is indicated at near 180 million pounds, about $1\frac{1}{2}$ million lower than for 1959-60, and third lowest on record.

Table 27.--Cigar wrapper tobacco, types 61-62: Domestic supplies disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Shade-grown (type 61)							
Average:							
1947-49	10.2	11.0	21.0	8.9			268.3
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	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.6	13.0	23.6	8.5	6.0	2.5	180.0
1960 2/	11.0	15.1	26.1				
Georgia-Florida Shade-grown (type 62)							
Average:							
1947-49	5.2	3.8	9.1	4.3			235.0
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	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.7	7.3	15.0	7.4	6.1	1.3	195.0
1960 2/	8.2	7.6	15.8				
Total Shade-grown (types 61-62)							
Average:							
1947-49	15.3	14.8	30.1	13.3	11.2	2.1	257.0
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	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.3	20.3	38.6	15.9	12.1	3.8	186.0
1960 2/	19.2	22.7	41.9				

1/ Year beginning July 1.

2/ Subject to revision.

The Puerto Rican crop of cigar filler type 46 harvested early this year totaled more than 27 million pounds--the most in 4 years. The Puerto Rican Government has set a quota of $27\frac{1}{2}$ million pounds for the crop to be planted this fall. Estimated carryover of type 46 on October 1 is about 40 million pounds--roughly 2 million less than a year ago. The production quota, if realized, plus the estimated carryover would provide a total supply of nearly 68 million pounds--about 2 million less than for 1959-60 and the smallest in many years.

Binder: The October 1 carryover of Connecticut Valley binder types 51-52 is estimated at close to $32\frac{1}{2}$ million pounds--about 2 million less than a year ago and a record low. The September estimate of production of these types is 7.6 million pounds--practically the same as last year. The increase in Havana Seed type 52 just about offsets the decrease in Broadleaf type 51. The 1960-61 total supply of Connecticut Valley binder--the crops plus the estimated carryover--at about 40 million pounds is roughly 2 million below 1959-60 and the smallest on record.

The October 1 carryover of the Wisconsin binder types is estimated at about 47 million pounds, up a little from the record low of a year ago. There are indications that the stocks of Northern Wisconsin type 55 are the lowest on record but stocks of Southern Wisconsin type 54 are up from a year ago. The September 1 estimate of production of the Wisconsin types is almost 24 million pounds--3 million larger than in 1959. Most of the increase is in Northern Wisconsin where type 55 yields per acre averaged nearly the lowest on record last year. The 1960-61 total supply of the Wisconsin binder types--the crops plus carryover--is indicated at close to 71 million pounds, roughly 4 million larger than for 1959-60 but third lowest on record.

Wrapper: The July 1 carryover of shade-grown wrapper types 61-62 at $22\frac{2}{3}$ million pounds is 12 percent above July 1, 1959 and a record high. Most of the jump from 1959 was in the stocks of Connecticut Valley wrapper type 61. The September 1 estimate of production of types 61-62 is more than 19 million pounds, up 5 percent from last year's harvestings and higher than in any previous year. The indicated 1960 crop in the Connecticut Valley (type 61) was exceeded only twice, in 1957 and in 1949. The indicated crop in Georgia-Florida is a record high, 18 percent above the 1955-59 average. Yields per acre in the Connecticut Valley may be second highest on record on the largest acreage in 6 years. In Georgia-Florida, acreage has risen sharply in the last 2 years and is record high, with yields per acre well above average.

The total supply of wrapper for 1960-61 is almost 42 million pounds-- $8\frac{1}{2}$ percent above 1959-60 and larger than for any previous year. Supplies of both type 61 and 62 are record large.

1961 Marketing Quotas and Acreage Allotments

By February 1, 1961 the 1961 marketing quotas and acreage allotments will be announced for (1) Connecticut Valley binder types 51-52 and (2) Ohio filler types 42-44 and binder types 53-55 (principally Wisconsin). Last February, more

Table 28.--Cigar tobacco types: Government price support levels, 1955-60

Type	1955	1956	1957	1958	1959	1960
Ohio cigar filler, types 42-44	24.7	23.4	23.2	23.4	23.4	23.4
Puerto Rican filler, type 46	31.9	31.4	32.5	31.2	29.7	29.7
Connecticut Valley Broadleaf binder, type 51 ^{1/}	53.9	52.5	53.8	56.2	39.6	39.6
Connecticut Valley Havana Seed binder, type 52	50.8	49.0	48.8	48.0	39.6	39.6
N. Y. and Pa. Havana Seed type 53	25.0	23.6	23.3	25.5	26.5	26.5
Southern Wisconsin binder, type 54	24.5	22.8	23.3	25.5	26.5	26.5
Northern Wisconsin binder, type 55	32.0	29.6	29.9	31.0	32.0	32.0

^{1/} After 1956 price supports not made applicable to sorted Broadleaf, type 51, but were applicable on an unsorted basis and at less than averages shown. ^{2/} Price supports for 1960 crops set at 1959 levels in accordance with February legislation.

Table 29.--Cigar tobacco price support operations, quantities placed under loan, 1950-59, and remaining under loan Aug. 31, 1960

Crop year	Puerto Rican, type 46	Ohio types 42-44	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
1950	.3	2.6	.1	3.7	1.4	.6	^{1/} 11.5
1951	1.1	.6	1.7	2.7	4.8	.1	^{1/} 11.0
1952	1.4	No Price Support					1.4
1953	1.4	2.7	^{3/}	1.8	2.4	1.9	^{1/} 10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	---	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	^{3/}	4.4
Total	19.4	8.4	16.4	19.1	11.3	7.9	^{1/} 85.4
Remaining as of August 31, 1960	0	0	7.5	4.6	.9	.6	13.6

^{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.

than nine-tenths of the growers voting favored the continuation of marketing quotas on their 1960, 1961 and 1962 crops. A referendum was held for each of the two groups of types.

Growers of Pennsylvania filler type 41 rejected quotas in February 1959. Unless growers of this kind of tobacco petition the Secretary of Agriculture for an earlier referendum, they will not vote again until early 1962 on whether they favor quotas on their next three crops.

For Puerto Rican cigar filler type 46, a quota has been applied for several years by the Commonwealth Government of Puerto Rico.

Under the law, the shade-grown cigar wrapper types 61-62 are not subject to marketing quotas.

Price Supports

For the kinds of tobacco under Federal marketing quotas and Puerto Rican type 46, price support is mandatory. Under the legislation approved in February 1960, this year's price support levels are the same as in 1959. For the 1961 crops the level of price support will be adjusted in accordance with the change between the 1959 parity index and the average of the parity indexes for 1958, 1959 and 1960. From 1961 on, the legislation provides for making adjustments from the 1959 support levels by taking into account the percentage difference between the 1959 parity index and the average of the parity indexes for the three calendar years just preceding the year for which the support level is being determined. Based on the data available thus far it appears likely that the 1961 support levels will be practically the same as in 1960 and 1959. (See Table 28 for price support levels **in recent years.**)

:
 : The next issue of The Tobacco Situation :
 : is scheduled for release December 28. :
 :

Table 30.--Tobacco leaf represented in stocks of tobacco sheet on specified dates 1/

Types	(Reported weight)				
	1959			1960	
	July 1	October 1	January 1	April 1	July 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Flue-cured (types 11-14)					
Unstemmed	3	266	452	75	88
Stemmed	688	939	1,219	2,442	2,938
Subtotal	691	1,205	1,671	2,517	3,026
Burley (type 31)					
Unstemmed	0	177	301	0	0
Stemmed	446	628	666	1,572	1,500
Subtotal	446	805	967	1,572	1,500
Total for cigarettes (including smoking tobacco)					
Unstemmed	3	478	814	126	148
Stemmed <u>2/</u>	1,138	1,595	1,973	4,158	4,642
Subtotal <u>2/</u>	1,141	3/2,073	3/2,787	3/4,284	3/4,790
Maryland (type 32)					
Unstemmed	3	3	0	0	0
Stemmed	32	26	40	17	21
Subtotal	35	29	40	17	21
Pennsylvania (type 41)					
Unstemmed	230	103	110	118	68
Stemmed	192	160	216	189	251
Subtotal	422	263	326	307	319
Connecticut Valley (type 51)					
Unstemmed	378	368	319	347	310
Stemmed	372	145	196	237	229
Subtotal	750	513	515	584	539
Connecticut Valley (type 52)					
Unstemmed	477	335	340	369	191
Stemmed	0	0	0	0	0
Subtotal	477	335	340	369	191
Northern Wisconsin (type 55)					
Unstemmed	109	111	101	121	182
Stemmed	10	9	9	8	7
Subtotal	119	120	110	129	189
Connecticut Valley (type 61)					
Unstemmed	45	48	69	46	45
Stemmed	314	310	327	419	335
Subtotal	359	358	396	465	380
Total for Cigars <u>4/</u>					
Unstemmed	1,260	989	953	1,018	816
Stemmed	963	683	816	900	874
Subtotal	2,223	1,672	1,769	1,918	1,690
Grand total for all types	3,364	3,745	4,556	6,202	6,480

1/ Does not include tobacco stems added in manufacturing process. 2/ Includes very small quantity of Maryland (type 32). 3/ Includes foreign grown tobacco: October 1959, 56,000 pounds; January 1960, 144,000 pounds; April 1960, 178,000 pounds; July 1960, 241,000 pounds. 4/ Includes relatively small quantities of Flue-cured (types 11-14), Ohio (types 42-44), Puerto Rican (type 46), Southern Wisconsin (type 54), Cuban (type 81) and Philippine Islands (type 83), other foreign-grown cigar-leaf (type 84).

Table 31.--Tobacco: Acreage and yield per acre in the United States, by types, for specified periods

Period	Flue-cured 11-14	Fire-cured 21-24 1/	Burley 31	Maryland 32	Dark air- and sun- cured 35-37	Cigar			United States
						Filler 41-45 1/	Binder 51-56 1/	Wrap- per 61-62	
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:									
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1941-45	889.8	68.4	420.1	38.7	36.4	40.5	37.9	10.3	1,542.5
1947-49	993.5	69.0	433.3	48.0	32.4	42.9	41.9	14.8	1,676.1
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	43.7	22.4	34.0	19.1	13.3	1,364.9
1957	662.7	36.6	306.6	37.0	17.1	32.6	15.9	13.1	1,121.8
1958	639.4	31.1	297.1	34.0	14.3	33.0	15.9	12.9	1,077.9
1959	693.3	35.2	301.0	38.0	15.3	34.9	18.4	13.8	1,150.0
1960 2/	698.4	34.4	295.6	36.0	14.8	34.0	19.3	14.3	1,147.0
	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>
Average:									
1934-38	856	811	819	749	837	1,266	465	954	865
1941-45	1,005	967	1,053	696	1,016	1,338	1,526	1,004	1,032
1947-49	1,186	1,130	1,267	790	1,117	1,506	1,527	1,033	1,208
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	1,471	1,380	1,592	1,040	1,316	1,403	1,766	1,442	1,486
1958	1,690	1,391	1,567	925	1,258	1,619	1,715	1,286	1,611
1959	1,559	1,508	1,669	850	1,407	1,729	1,546	1,325	1,563
1960 2/	1,722	1,430	1,629	900	1,396	1,678	1,639	1,343	1,652

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

2/ Subject to revision.

Table 32.--Federal and State tax revenues from tobacco products for specified periods

Fiscal year	Federal				State		Total	
	Ciga- rettes 1/	Cigars 2/	Chewing, and snuff	Total 3/	All tobacco products 4/	Total Federal and State	Local Govt's. 5/	Federal, State and local Govt's. 5/
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average:								
1930-34	343	16	64	424	19	443		
1935-39	457	13	61	532	50	582		
1940-44	719	19	58	800	127	927		
1945	837	37	57	932	145	1,077		
1946	1,073	41	49	1,166	198	1,364		
1947	1,145	48	44	1,238	245	1,483		
1948	1,208	47	44	1,300	337	1,637		
1949	1,233	46	43	1,322	388	1,710		
1950	1,243	42	42	1,328	414	1,742		
1951	1,294	44	41	1,380	430	1,810		
1952	1,474	45	28	1,565	449	2,014		
1953	1,587	46	21	1,655	469	2,124		
1954	1,514	46	20	1,580	464	2,044		
1955	1,504	46	20	1,571	460	2,031	49	2,080
1956	1,549	45	19	1,613	516	2,129	42	2,171
1957	1,611	45	18	1,674	558	2,232	48	2,280
1958	1,668	47	18	1,734	619	2,353	50	2,403
1959	1,738	51	17	1,807	677	2,484	53	2,537
1960	1,864	50	17	1,932	6/919	2,851	7/	7/

1/ Includes large cigarettes.

2/ Includes small cigars.

3/ Includes cigarette papers and tubes, floor taxes, penalties, etc.

4/ Includes collections in Hawaii beginning 1955 and in Alaska beginning 1957.

5/ Comparable estimates not available for years prior to 1955.

6/ Preliminary.

7/ Local government collections for fiscal 1960 not yet available.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 33.--Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-59, by quarters 1958-60

Period	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	24.6	11.7
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
Quarterly:							
1958							
1	1,036	111	53	10.7	5.1	24.6	11.8
2	1,172	129	61	11.0	5.2	28.2	13.3
3	1,225	140	67	11.4	5.5	30.3	14.5
4	1,216	141	68	11.6	5.6	29.7	14.3
1959							
1	1,114	121	58	10.9	5.2	25.1	12.0
2	1,264	145	70	11.5	5.5	29.5	14.2
3	1,277	151	72	11.8	5.6	30.3	14.4
4	1,253	134	65	10.7	5.2	26.5	12.8
1960							
1	1,172	128	61	10.9	5.2	25.2	12.0
2	1,320	149	71	11.3	5.4	28.5	13.6

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.

STATISTICAL SUMMARY

Item	Unit or base period	1959		1960			Last data as percentage of a year earlier
		July	August	June	July	August	
Average price at auctions							
Flue-cured	:Ct. per lb.	59.2	59.8	Closed	55.1	57.9	97
Burley	:Ct. per lb.	C - 1 - o - s - e - d			C - 1 - o - s - e - d		---
Maryland	:Ct. per lb.	58.0	Closed	60.7	56.5	Closed	97
Virginia fire-cured	:Ct. per lb.	C - 1 - o - s - e - d			C - 1 - o - s - e - d		---
Ky.-Tenn. fire-cured	:Ct. per lb.	C - 1 - o - s - e - d			C - 1 - o - s - e - d		---
Ky.-Tenn. dark air-cured	:Ct. per lb.	C - 1 - o - s - e - d			C - 1 - o - s - e - d		---
Virginia sun-cured	:Ct. per lb.	C - 1 - o - s - e - d			C - 1 - o - s - e - d		---
Parity prices 1/							
Flue-cured	:Ct. per lb.	61.7	61.5	63.4	63.2	63.2	103
Burley	:Ct. per lb.	63.8	63.6	65.8	65.6	65.6	103
Maryland	:Ct. per lb.	56.6	56.4	58.0	57.8	57.8	102
Virginia fire-cured	:Ct. per lb.	42.0	41.9	42.8	42.6	42.6	102
Ky.-Tenn. fire-cured	:Ct. per lb.	41.7	41.6	43.1	42.9	42.9	103
Ky.-Tenn. dark air-cured	:Ct. per lb.	37.0	36.8	38.0	37.8	37.8	103
Virginia sun-cured	:Ct. per lb.	38.1	38.0	38.6	38.4	38.4	101
Pa. cigar filler	:Ct. per lb.	29.0	28.9	29.8	29.7	29.7	103
Conn. Valley cigar binder	:Ct. per lb.	44.1	44.0	45.1	45.0	45.0	102
Wis. binder and Ohio filler	:Ct. per lb.	31.9	31.8	32.9	32.8	32.8	103
Puerto Rican filler	:Ct. per lb.	33.0	33.0	33.2	33.1	33.1	100
Parity index 2/							
	:1910-14=100	297	297	299	298	298	100
Industrial production index 3/							
Employment	:Mil.	153	157	166	166	165	105
Personal income 4/	:Mil. dol.	386.9	383.3	406.1	407.3	407.6	106
Taxable removals							
Cigarettes	: Bil.	38.4	39.9	41.4	43.6	35.7	89
Cigars	: Mil.	650.1	514.7	623.8	571.9	503.9	98
Smoking tobacco	: Mil. lb.	6.3	5.5	6.2	6.2	4.8	87
Chewing tobacco	: Mil. lb.	6.0	5.8	5.7	6.0	4.9	84
Snuff	: Mil. lb.	2.9	1.9	3.3	3.3	2.2	116
Accumulated from Jan. 1							
Cigarettes	: Bil.	220.1	260.0	191.4	235.0	270.7	104
Cigars	: Mil.	3,201.2	3,715.9	2,616.0	3,188.0	3,691.9	99
Smoking tobacco	: Mil. lb.	36.2	41.7	29.9	36.2	40.9	98
Chewing tobacco	: Mil. lb.	33.2	39.0	26.0	32.1	37.0	95
Snuff	: Mil. lb.	17.3	19.2	14.5	17.8	20.1	105
Tax-exempt removals							
Cigarettes	: Bil.	3.2	3.5	3.2	3.7	2.6	74
Exports	: Bil.	1.6	1.9	1.8	1.8	1.6	84
Cigars	: Mil.	11.7	7.9	8.2	8.2	9.1	115
Smoking tobacco	: Mil. lb.	.2	.1	.2	.2	.1	100
Chewing tobacco	: Mil. lb.	.1	.1	.1	.1	*	---
Accumulated from Jan. 1							
Cigarettes	: Bil.	17.5	21.0	14.9	18.5	21.1	100
Exports	: Bil.	9.1	11.0	7.8	9.6	11.2	102
Cigars	: Mil.	52.5	60.4	41.9	50.1	59.2	98
Smoking tobacco	: Mil. lb.	.9	1.1	1.0	1.2	1.3	118
Chewing tobacco	: Mil. lb.	.6	.7	.4	.5	.5	71
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	:1947-49=100	134.8			134.8		100
Cigarettes, filter tip	:Jan. 1959=100	100.0					100
Cigars	:1947-49=100	106.6			106.5		100
Smoking tobacco	:1947-49=100	160.8			167.7		104
Plug chewing tobacco	:1947-49=100	142.4			142.4		100
Snuff	:1947-49=100	148.5			148.5		100
Consumer price indexes (urban) 6/							
Cigarettes, reg. nonfilter	:1947-49=100	139.6			144.3		103
Cigarettes, filter tip	:Mar. 1959=100	103.4			106.7		103
Cigars	:1947-49=100	109.3			115.5		106
Imports of tobacco							
Cigarette leaf	: Mil. lb.	9.2	10.2	9.7	11.2	7.6	75
Cigar tobacco 7/	: Mil. lb.	4.0	3.7	3.9	4.1	4.3	116
Accumulated from Jan. 1							
Cigarette leaf	: Mil. lb.	54.3	64.5	48.0	59.2	66.8	104
Cigar tobacco 7/	: Mil. lb.	24.3	27.9	21.4	25.5	29.8	107

See Footnotes at end of Statistical Summary.

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1959		1960		Last data as percentage of a year earlier	
		June	July	May	June		July
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	22.8	17.9	20.5	25.4	17.2	96
Burley	Mil. lb.	2.2	3.7	2.5	4.8	2.3	62
Maryland	Mil. lb.	1.0	2.0	.8	.3	1.5	75
Virginia fire- & sun-cured	Mil. lb.	.1	.4	.3	.5	.3	77
Ky.-Tenn. fire-cured	Mil. lb.	.6	.5	.6	1.2	.5	100
Ky.-Tenn. dark air-cured	Mil. lb.	.1	.1	—	.2	.1	100
Black Fat	Mil. lb.	.2	.4	.4	.4	.4	100
Cigar wrapper	Mil. lb.	.5	.2	.5	.2	.2	100
Connecticut binder	Mil. lb.	.1	.1	.1	*	*	—
Wisconsin binder	Mil. lb.	.3	.1	.4	*	*	—
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	442.7	17.9	394.1	419.5	17.2	96
Burley	Mil. lb.	24.7	28.5	23.1	28.0	30.3	106
Maryland	Mil. lb.	9.8	11.8	7.7	8.1	9.6	81
Virginia fire- & sun-cured	Mil. lb.	3.9	4.3	3.2	3.7	4.0	93
Ky.-Tenn. fire-cured	Mil. lb.	14.2	14.8	13.7	14.9	15.4	104
Ky.-Tenn. dark air-cured	Mil. lb.	3.2	3.3	1.5	1.7	1.8	55
Black Fat	Mil. lb.	3.5	3.9	3.3	3.7	4.1	105
Cigar wrapper	Mil. lb.	5.3	.2	3.6	3.8	.2	100
Connecticut binder	Mil. lb.	.5	.6	.6	.6	.7	117
Wisconsin binder	Mil. lb.	2.1	2.2	.8	.8	.8	36
Exports of manufactured tobacco in bulk	Mil. lb.	.5	.3	.7	.5	.4	133
Accumulated from Jan. 1	Mil. lb.	4.2	4.5	3.3	3.8	4.3	96
Q u a r t e r l y d a t a							
		1959		1960			
		Apr.-June	July-Sept.	Apr.-June	July-Sept.		
Tobacco stocks--1st of quarter 9/							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,457	2,210	2,345	2,106	95	
Burley	Mil. lb.	1,502	1,366	1,478	1,357	99	
Maryland	Mil. lb.	60	77	57	73	95	
Fire-cured	Mil. lb.	143	135	142	135	100	
Dark air- and sun-cured	Mil. lb.	80	75	79	72	96	
Cigar filler	Mil. lb.	198	195	200	197	101	
Cigar binder	Mil. lb.	97	89	94	87	98	
Cigar wrapper	Mil. lb.	24	20	26	23	115	
Under Government loan 10/	Mil. lb.	1,025	1,004	778	738	74	
Tobacco sheet 11/							
Cigarette types	Mil. lb.	.8	1.1	4.3	4.8	436	
Cigar types	Mil. lb.	2.2	2.2	1.9	1.7	77	
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	232	235	233	241	103	
Cigar	Mil. lb.	43	43	53	61	142	
Tobacco outlets 12/							
Seasonally adjusted data, annual rates, for charts, p. 2:							
Cigarettes							
Production	Bil.	480	508	513	508	100	
Taxable removals	Bil.	447	468	477	474	101	
Cigar production	Bil.	7.15	7.24	7.39	7.14	99	
Smoking production	Mil. lb.	74.9	73.7	75.8	70.4	96	
Chewing production							
Scrap	Mil. lb.	32.6	32.8	32.7	30.5	93	
Plug and other	Mil. lb.	35.1	34.6	34.7	32.8	95	
Snuff production	Mil. lb.	33.5	34.9	37.6	35.1	101	
Exports of leaf (farm-sales weight)							
Total	Mil. lb.	478	538	429	504	94	
Flue-cured	Mil. lb.	409	435	354	398	91	

1/ Based on data for month specified. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds.

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