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TOBACCO SITUATION



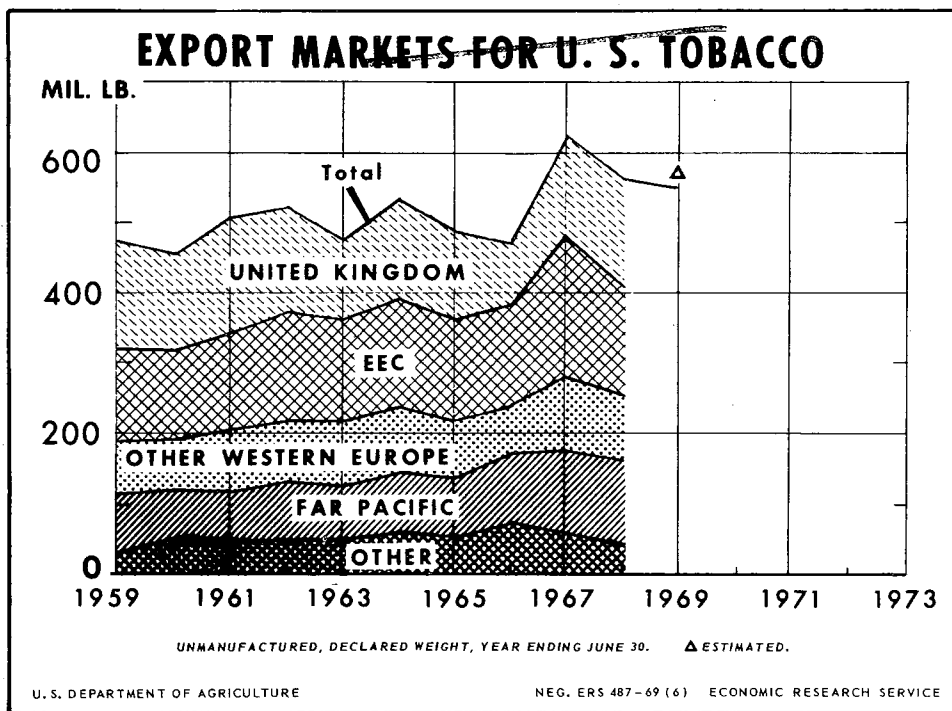
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U.S. exports of unmanufactured tobacco are totaling about the same as last year despite the earlier slow-down due to the winter dock tie-up. Exports are expected to reach 565 million pounds, export weight, for the year ending June 30.

Larger U.S. exports in the past 3 years than earlier have been due to U.N. sanctions against Rhodesian tobacco, U.S. export payments, and the quality of recent flue-cured crops.

Overseas tobacco supplies are substantial, and are often available below the level of U.S. prices. But expanding world cigarette production is expected to maintain U.S. exports in the coming fiscal year to the past year's level.

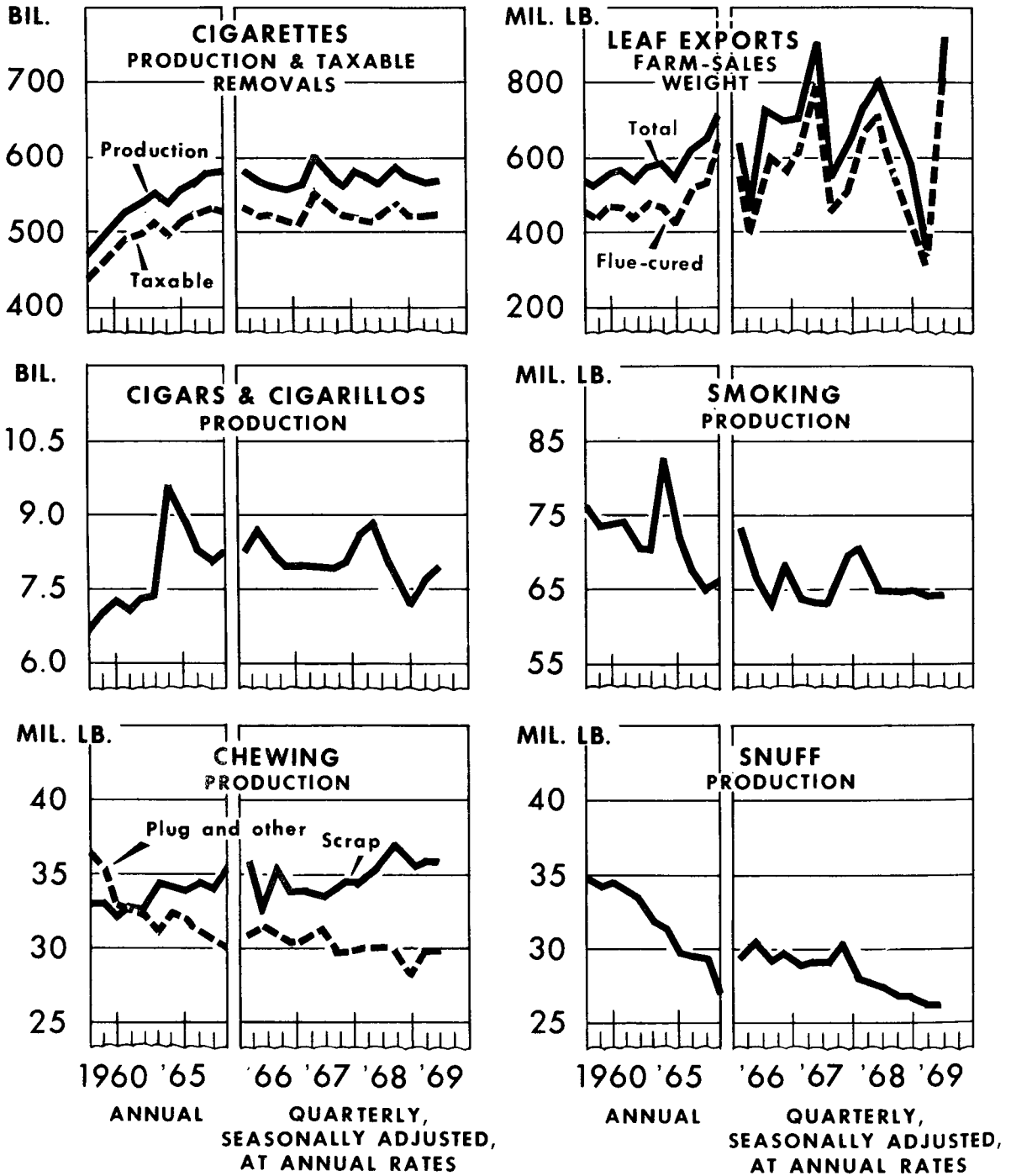


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- Tobacco Products
- Foreign Leaf Trade
- Leaf Use and Carryover
- USDA Tobacco Programs

TOBACCO OUTLETS

Recent Trends In Manufactured Products and Exports



LAST QUARTER SHOWN ESTIMATED.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, June 24, 1969

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SUMMARY*

Domestic use and exports of U.S. leaf tobacco for the 1968/69 marketing year are expected to remain close to the previous year's level so total disappearance will exceed the 1968 crops. As a result, the carryover of U.S. types of leaf tobacco will likely be down by possibly 300 million pounds from the 4.1 billion at the beginning of the 1968/69 year.

Domestic cigarette consumption (taxable removals) for the 10 months through April 1969 was 0.3 percent below a year earlier. Cigarette prices have risen and anti-cigarette publicity has intensified. U.S. output in the year ending June 30 is estimated about 1 percent above the 571 billion cigarettes produced the previous year. U.S. smokers will have consumed an estimated 546 billion cigarettes for the fiscal year, also up slightly.

U.S. cigarette consumption in calendar 1969 may total near last year's 546 billion. The moratorium on the regulation of cigarette advertising expires June 30. The Senate Commerce Committee, and the Federal Trade Commission have scheduled hearings on cigarette advertising. The Federal Communications Commission is considering a ban on all cigarette advertising over radio and television.

Cigar consumption by U.S. smokers in the 10 months through April 1969, at 6.4 billion cigars, was 5 percent below the like period in 1967/68. Cigar prices have held relatively

steady, in contrast to brisk price rises for most goods and services. For the year ending June 30, U.S. consumption of cigars (including cigarillos) is expected to be about 4 percent below the 8.1 billion in 1967/68. Chewing tobacco production is estimated above 1967/68 while output of smoking tobacco and snuff is down.

Unmanufactured tobacco exports during July 1968-April 1969 were 5 percent below a year earlier. The winter dock strike cut the rapid shipping pace earlier in the season, but shipments have since made some recovery. For the year ending June 30, U.S. exports of unmanufactured tobacco are estimated at about the same as the 565 million pounds (632 million, farm-sales weight) the previous year. In calendar 1969, exports may not reach the nearly 600-million-pound level of last year, despite favorable economic conditions in the major West European markets where much U.S. tobacco is sold.

Flue-cured exports during July-April were down 8 percent, principally due to smaller shipments to the United Kingdom. For the year ending June 30, flue-cured exports are expected to total near the 428 million pounds (534 million, farm-sales weight) of 1967/68.

*The summary of this report along with a table on supply and disappearance was released on June 24, 1969.

Burley exports for the year ending September 30 may total around the 43 million pounds (53 million, farm-sales weight), of last season.

Oriental leaf imports for consumption during July-April were down 11 percent from the high level of a year earlier, while cigar leaf imports gained 9 percent. U.S. manufacturer's stocks of imported cigarette tobacco on April 1 were 12 percent below a year earlier but were the second largest on record. Stocks of foreign-grown cigar tobacco in this country have gained after a 3-year decline. On April 1 they were 13 percent above a year earlier.

With the relative stability in U.S. cigarette output, domestic flue-cured use in 1968/69 is expected to be about the same as the 21-year low of the past 2 seasons. With about steady export volume, total disappearance for the crop year is now expected to be about the same as the 1,221 million pounds of last season. However, due to 20 percent cut in the 1968 crop, the carryover of flue-cured on July 1, 1969, will be reduced to an estimated 2.1 billion pounds, some 9 percent below a year earlier and the smallest since 1962.

Based on March 1 intended acres, this year's flue-cured crop is projected 15 percent larger than last year. For the new season the total supply--estimated carryover plus this year's projected crop--may be a little below 1968/69.

Use of burley tobacco may equal last season's nearly 600 million pounds. But use is expected to exceed the 1968 crop and result in a small decline in the carryover from last year's 1,324 million. The 1969 burley crop,

with acreage projected the same as last year and favorable weather, could turn out larger than the 1968 output, when yield per acre averaged below the 1966 record.

The 1969 Maryland tobacco crop is projected near 1968, but a smaller carryover will likely result in another reduction in supply next season. Auction markets for the 1968 crop of Maryland tobacco began April 8 and are scheduled to end June 27. Through June 20, prices averaged 70.0 cents per pound, compared with 64.5 cents a year earlier. Quality of offerings gained and prices for most grades increased.

Disappearance of dark air-cured, cigar filler, and cigar binder in the current marketing year may be slightly higher than last season. Use of fire-cured and cigar wrapper may decline slightly. Since last year's crop was smaller than usage estimated for most of these types of tobacco, carryover into 1969/70 is expected to be lower.

Tentative 1969/70 supplies--estimated carryover plus projected production--are lower than this year for fire-cured, cigar filler, cigar binder, and cigar wrapper, but about the same for dark air-cured tobacco.

Prospects for new tobacco crops will be an important influence on prices received by farmers when the 1969 auction season begins in July. If acreage planted is larger, as indicated by March 1 intentions, and the growing season is average or better, a larger proportion of 1969 crops may go under loan. Prices may average a little above last year due to the 4 percent higher support level and the price-firming effect of smaller carryovers.

TOBACCO PRODUCTS

Total Cigarette Use Little Changed; Per Capita Down

Domestic cigarette consumption during the 10 months through April 1969 was 0.3 percent below the same period in 1967/68. Cigarette prices have risen and anti-cigarette publicity has intensified. As measured by taxable removals from factories, consumption totaled 431 billion cigarettes. For January-April there was a decline of 1 percent from the same 4 months in 1967/68. Since the population 18 and older is increasing about 1 1/2 percent annually, the reduction in per capita use continued in early 1969.

Cigarette consumption by U.S. smokers (including those overseas) in the year ending June 30, 1969, is estimated around 546 billion cigarettes--fractionally above 1967/68. This reflects about the same domestic consumption and an increase in shipments to overseas forces (table 1).

Total U.S. cigarette output in 1968/69 is estimated at 575 billion--about 1 percent above 1967/68. This includes about 25 billion cigarettes for export and 4 billion for Puerto Rico and other U.S. possessions. During the 10 months, July 1968-April 1969, cigarette exports were 9 percent above a year earlier as the up-

Table 1.--Cigarettes: Output, removals, and consumption, 1960-69

Year	Output	Removals					Total U.S. consump- tion
		Taxable	Tax-exempt			Overseas forces	
			Total	Exports	Puerto Rico 1/		
Billions							3/
1960	506.9	470.1	37.0	20.2	2.5	14.3	484.4
1961	528.3	488.1	39.6	22.2	2.8	14.6	502.7
1962	535.5	494.5	41.1	24.1	3.1	13.9	508.4
1963	550.6	509.6	41.1	23.6	3.2	14.3	523.9
1964	539.9	497.4	42.6	25.1	3.7	13.8	510.7
1965	556.8	511.5	44.2	23.1	3.9	17.2	528.7
1966	567.3	522.5	46.1	23.5	3.9	18.7	541.2
1967	576.2	527.8	49.0	23.7	3.9	21.4	549.2
1968 <u>4/</u>	579.5	523.0	52.8	26.5	4.7	21.6	544.6
Fiscal year ending June 30--							
1964	535.0	495.1	40.8	23.7	3.5	13.6	508.7
1965	562.4	517.0	43.9	25.1	3.7	15.1	532.1
1966	562.7	516.1	47.2	23.4	4.1	19.7	535.8
1967	572.8	524.9	47.7	23.8	3.7	20.2	545.1
1968	570.7	522.6	48.7	23.6	4.1	21.0	543.6
1969 <u>5/</u>	577.0	523.0	52.0	25.0	4.0	23.0	546.0

1/ Also includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 2/ Also includes ship stores and small tax-exempt categories. 3/ Taxable removals plus overseas forces. 4/ Subject to revision. 5/ Estimated.

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

The Tobacco Situation is published March,
June, September and December.

The next issue is scheduled to be avail-
able September 30, 1969.

Table 2.--Cigarettes: U.S. exports
to leading destinations, July-
April, 1967/68, 1968/69

Country	July-April		1968-69 as a percent- age of 1967-68
	1967- 1968	1968- 1969 1/	
	Mil.		Pct.
Hong Kong	2,003	2,360	118
Spain	1,224	1,253	102
Paraguay	1,333	653	49
Netherlands			
Antilles	1,280	1,069	84
Kuwait	858	873	102
Panama	707	938	133
W Germany	548	426	78
Italy	539	450	83
Lebanon	522	437	84
Canary Is.	342	473	139
France	565	279	49
Ecuador	400	269	67
Other countries	8,557	11,091	130
Total	18,878	20,571	109

1/ Subject to revision.

ward trend in world cigarette consumption continued (table 2).

Cigarette manufacturers increased prices 4 percent in late May on all their major brands to \$9.80 per 1,000 for regular and king-size and to \$10.30 for super-king size (100mm). This includes the Federal excise tax of \$4.00. The increase equals 0.7 cent per pack of 20. The previous price rise for all types of cigarettes was in June 1967.

Since last July, 8 States have hiked cigarette tax rates. This compares with increases in 15 States for 1967/68 and increases in 2 States in 1966/67.

On June 18, the House of Representatives passed a bill to strengthen the health warning on cigarette packages and to extend until 1975 the moratorium on advertising regulation now provided in the 1965 Cigarette Labeling and Advertising Act. House passage of the bill followed hearings conducted in April by the Interstate and Foreign Commerce Committee, on cigarette labeling and the regulation of cigarette advertising. Senate Commerce Committee hearings are scheduled to start July 21.

The Federal Trade Commission proposed in May to adopt a rule requiring a strong health warning in all cigarette advertising. A public hearing on the proposed rule was scheduled at FTC on July 1. The rule would go into effect if Congress were not to extend the statutory moratorium.

Cigar Volume Down

U.S. smokers and overseas forces smoked 6.4 billion cigars and cigarillos in the 10 months through April 1969, down 5 percent from a year earlier. For the 1969 fiscal year, consumption may be down 4 percent from the 8.1 billion in 1967/68. The 1968/69 total would be 12 percent less than the 1964/65 record. The number of cigars to be used in 1968/69 includes a decline in use from both U.S. and Puerto Rican factories (table 4). Some of this reduction was due to the dock strike last winter, but U.S. demand has been weaker, especially for medium-priced cigars.

According to the annual survey of the Cigar Manufacturers' Association of America, sales of cigarillo-size cigars (weighing over 3 pounds but not over 10 pounds per 1,000) were 2.38 billion in calendar 1968. The traditional-size cigar is generally more than

Table 3.--Tobacco products: Output, 1967-69

Item	Year ending June 30		
	1967	1968 1/	1969 1/
	Million pounds		
Chewing tobacco			
Plug	24.2	23.2	22.7
Twist	2.6	2.6	2.5
Fine-cut	4.0	4.2	4.3
Scrap	34.2	34.7	36.2
Total	65.0	64.7	66.0
Snuff	29.1	28.6	26.3
Smoking tobacco in bulk (exports)	15.7	18.4	19.0
Small cigars	420.8	462.1	550.0

1/ Subject to revision, 2/ Estimated.

Basic data compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

Table 4.--Cigars and smoking tobacco: Output, removals, and consumption

Year and item	United States factories			From			Total
	Output	Removals ^{1/}	Tax- exempt	Puerto Rico: taxable	Imports ^{2/}	Exports	U.S. consumption ^{3/}
	----- Millions -----						
Large cigars and cigarillos							
1962	6,684	6,442	126	483	23	19	7,055
1963	6,716	6,621	144	526	24	33	7,282
1964	8,736	8,106	193	809	28	44	9,092
1965	7,899	7,577	180	911	25	55	8,638
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,857	6,845	197	1,099	30	76	8,095
1968 ^{4/}	7,183	6,759	168	1,036	40	66	7,945
	----- Fiscal year, ending June 30 -----						
1965	8,445	7,912	176	850	25	45	8,918
1966	7,517	7,332	210	1,034	25	70	8,531
1967	6,883	6,864	183	1,072	26	74	8,071
1968	7,234	6,868	192	1,114	29	77	8,126
1969 ^{5/}	6,800	6,650	150	1,050	50	60	7,840
	----- Million pounds -----						
Smoking tobacco ^{6/}							
1962	70.9	68.3	2.6	---	1.5	.9	71.5
1963	70.4	68.0	2.2	---	1.6	.9	70.9
1964	82.5	79.0	3.4	---	2.7	1.4	83.7
1965	71.8	67.3	3.0	---	2.1	1.0	71.4
1966	67.3	65.3	1.5	---	3.3	.9	69.2
1967	64.8	62.7	2.0	---	3.7	1.3	67.0
1968 ^{4/}	66.3	64.1	1.9	---	5.5	1.8	69.7
	----- Fiscal year ending June 30 -----						
1965	74.1	71.4	3.0	---	2.5	1.1	75.8
1966	69.8	65.4	2.4	---	2.8	1.0	69.6
1967	64.3	62.3	1.8	---	3.2	1.1	66.2
1968	66.9	64.6	1.9	---	4.6	1.2	69.9
1969 ^{5/}	64.5	62.5	1.8	---	5.0	1.8	67.5

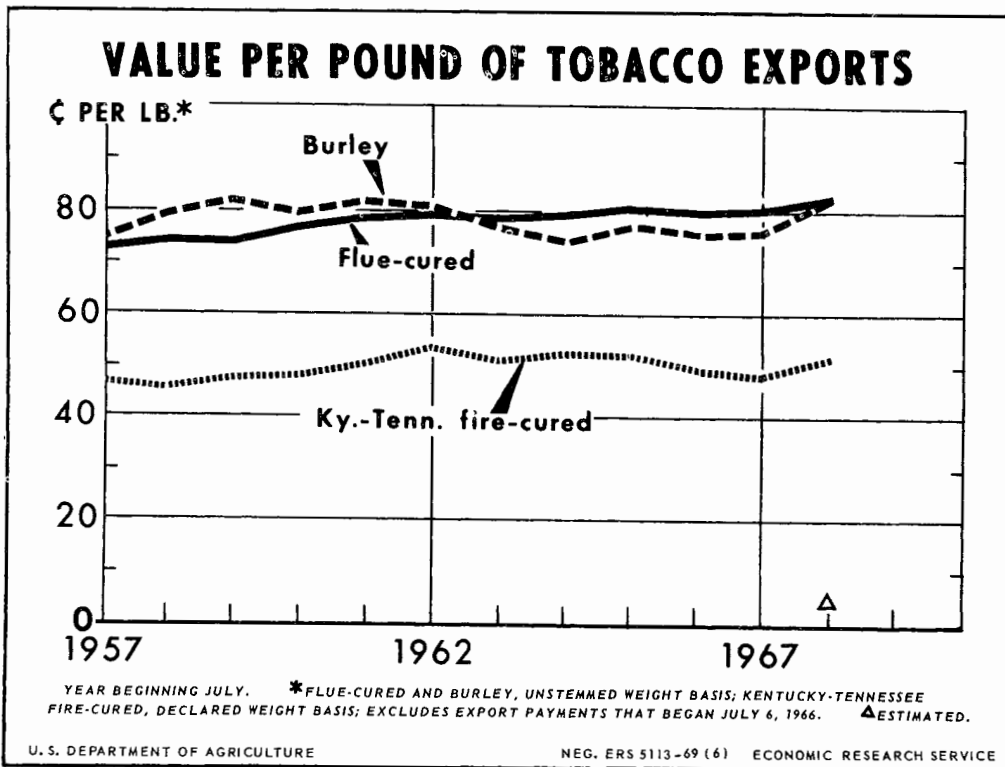
^{1/} Includes cigar output and removals of bonded manufacturing warehouses--no facilities in this category since February 1964. ^{2/} Prior to the embargo on imports from Cuba (effective February 1962), the major share of imported cigars came from Cuba. ^{3/} Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. ^{4/} Subject to revision. ^{5/} Estimated. ^{6/} After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales. Prior to July 1962 and after December 1965, import data are from Census classification covering mainly smoking tobacco; from July 1962 through December 1965, data represent taxable removals of imported smoking tobacco reported by Internal Revenue Service.

Compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

Table 5.--Estimated number of roll-your-own cigarettes smoked and smoking tobacco consumed, 1959-68 1/

Year	Roll-your-own cigarettes	Smoking tobacco consumption				
		Total <u>2/</u>	Used for--			
			Roll-your-own cigarettes		Pipe tobacco	
			Quantity	Percentage of total	Quantity	Percentage of total
	Bil.	Mil. lb.	Mil. lb.	Pct.	Mil. lb.	Pct.
1959	13.6	73	24	33	49	67
1960	13.7	74	24	32	50	68
1961	13.4	74	24	32	50	68
1962	12.0	72	22	31	50	69
1963	11.8	71	21	30	50	70
1964	12.2	84	22	26	62	74
1965	11.2	71	20	28	51	72
1966	10.3	72	19	26	53	74
1967	11.7	67	21	31	46	69
1968	9.2	70	17	34	53	76

1/ Derived from shipments of cigarette papers. 2/ Including overseas forces. Includes imported smoking tobacco.



double the weight of the average cigarillo. Cigarillo sales (based on taxable removals) in 1968 were 30.5 percent of total sales of large cigars and cigarillos. This was more than the 25.7 percent of 1967, and well above the 13 1/2 percent share at the start of the 1960's.

Smoking and Chewing Tobacco

Smoking tobacco production for pipes and roll-your-own cigarettes was 47.8 million pounds in the first 9 months of the 1968/69 fiscal year--5 percent below the same period in 1967/68. Last year's total was above the trend of recent years which has been downward.

Sales of 49.7 million pounds of smoking tobacco to U.S. smokers during July 1968-March 1969 were 4 percent below the same period of a year ago. This was due to declining U.S. manufacturers' sales; imports gained further.

Smoking tobacco consumption in the United States for the year ending June 30, 1969, is

estimated about 3 percent below the 70 million pounds in 1967/68. (table 4).

Smoking tobacco exports in bulk during July 1968-April 1969 were 8 percent larger than a year earlier. These exports have trended upward for several years and in 1968/69 probably will total 5 percent above the 18 million pounds in the previous 12 months. Bulk tobacco exports have gained due to the growing overseas popularity of American-type blended cigarettes. Some U.S. brands are manufactured abroad under licensing arrangements; some by overseas subsidiaries of U.S. firms.

Chewing tobacco output in 1968/69 is estimated at about 66 million pounds--2 percent more than in the previous year. Production of plug and twist may have been down some, while output of scrap chewing and fine-cut likely increased a little (table 3).

Snuff production in 1968/69 is estimated at 26.3 million pounds--about 8 percent below 1967/68 and the ninth successive year of decline. Virtually all U.S. snuff output is consumed in this country.

FOREIGN TRADE

Leaf Exports in 1968/69 Equaling Last Year

U.S. leaf exports so far this season are slightly below those of a year earlier, but are expected to recover and about equal those in fiscal year 1968. During July-April, 449 million pounds (export weight) were shipped, 5 percent below a year earlier (table 6). Much of this reduction was due to the dock strike of last winter. Exports have made a good recovery since the dock strike. March-April exports of 82 million pounds were one-fourth above those 2 months in 1968, but a little below those 2 months in 1965--which followed the previous dock strike in the winter of 1964/65. Preliminary indications are that May shipments will be substantially larger than those a year ago.

For the fiscal year ending June 1969, exports of unmanufactured tobacco are estimated at about the same as the 565 million pounds exported last year, and substantially above the 1962-66 average. Movement of tobacco under barter and Public Law 480 could likely total a little larger than the 105 million pounds exported in fiscal year 1967/68.

A decline in exports of flue-cured tobacco, the principal export class, accounts for most of the July-April decline from 1967/68. Shipments of burley and fire-cured tobaccos are up so far in the fiscal year, but Maryland, dark air-cured (including Black Fat), and cigar tobaccos are down.

Most of the July-April decline occurred in exports to the United Kingdom. The U.K. import duty (including surcharge) was increased 15 percent, or the equivalent of \$1.62 per pound last year, and U.K. manufacturers have been attempting to use more tobacco from cheaper sources. Several other European countries took smaller shipments, as also did Japan and South Vietnam.

Outlook for U.S. tobacco exports appears more promising for the second half of calendar year 1969 if Rhodesia's sizable tobacco stocks continue to be sanctioned in international trade. The economic outlook for Europe and other U.S. markets continues favorable and the EEC's Common Agricultural Policy, which contains several objectionable features to U.S. tobacco exports, is still being drafted.

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

Country and type	(Declared weight)						1969 as a percentage of 1968
	Average 1961-65	1966	1967	1968 ^{1/}	January-April 1968 ^{1/}	1969 ^{1/}	
	Million pounds						Percent
Flue-cured	385.6	422.6	427.4	443.5	112.0	66.1	59
Burley	43.9	45.7	45.3	42.8	13.0	11.2	86
Maryland	11.1	10.6	15.1	13.8	3.4	1.8	53
Fire- and sun-cured	24.8	23.4	26.3	25.5	6.2	6.0	97
Green River	.7	.5	.9	.5	.3	.3	100
One Sucker	.7	.6	1.0	1.0	.1	.1	100
Black Fat, etc.	4.0	3.5	4.1	2.5	1.0	.2	20
Cigar wrapper	4.6	4.5	3.7	4.6	1.8	.9	50
Cigar binder	1.7	1.9	1.8	2.2	.3	.1	33
Cigar filler	.4	1.9	.9	.6	.1	.3	300
Perique	.2	.4	.2	.2	*	*	---
Stems, trimmings, and scrap	13.9	35.6	44.9	61.6	16.7	7.4	44
Total	491.6	551.2	571.6	598.8	154.9	94.4	61
Country of destination							
United Kingdom	121.3	129.9	137.6	146.7	44.2	15.8	36
France	6.1	8.6	6.3	6.9	2.3	3.5	152
Belgium	17.4	17.5	17.5	20.1	6.2	5.9	95
Netherlands	31.6	28.8	40.5	44.0	6.4	6.4	100
West Germany	82.0	98.7	114.3	88.6	17.0	16.8	99
Portugal	6.4	3.8	5.5	4.6	3.1	3.3	106
Denmark	13.8	17.9	16.4	19.2	7.0	4.1	59
Ireland	14.3	13.5	14.3	15.0	4.7	.2	4
Switzerland	13.3	16.9	21.4	24.8	5.7	4.5	79
Finland	7.5	4.7	5.9	5.5	1.0	1.1	110
Norway	7.3	9.3	8.4	9.7	3.4	1.2	35
Sweden	14.3	22.8	19.3	16.9	4.9	1.1	22
Italy	11.9	3.7	7.1	5.0	0	.1	---
Spain	2.4	5.1	3.8	5.5	3.4	*	---
Thailand	10.7	17.7	23.2	28.9	6.7	2.2	33
S. Vietnam	6.7	12.4	12.9	10.4	3.7	2.6	70
Malaysia ^{2/}	5.9	7.3	9.6	10.9	2.6	3.0	115
Hong Kong	7.2	4.7	5.9	5.6	1.8	.8	44
Japan	29.8	42.1	27.0	48.8	12.9	2.4	19
Australia	17.1	16.5	13.3	19.7	5.1	4.3	84
New Zealand	4.1	5.3	3.8	5.9	1.9	.4	21
Egypt	12.6	12.0	1.4	.6	0	.2	---
Other countries	47.9	52.0	56.2	55.5	10.9	14.5	133
Total	491.6	551.2	571.6	598.8	154.9	94.4	61

^{1/} Preliminary.^{2/} Malaysia and Singapore.

* Less than 50,000 pounds.

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

Second half exports are expected to be larger for the United States than first half but probably will not reach the 355 million pounds in July-December 1968--when some extra shipments may have been made in anticipation of the dock strike.

U.S. Imports Down Sharply

U.S. tobacco imports for consumption (factory use of imports) during January-April 1969 were 67 million pounds or 18 percent below the record level a year earlier, but otherwise, the largest total for those months (table 7). Cigarette tobacco imports dropped one-fourth; those of cigar tobacco gained 9 percent. Tobacco from Greece, which carries the highest value of the cigarette kinds, was down by one-half in quantity; other origins also had lower totals.

January-April 1969 general imports of tobacco (total arrivals, i.e., direct entries plus tobacco placed in bonded warehouses) were 76 million pounds, about one-half the high figure of a year earlier. Some of the drop resulted from the dock tie-up, but the shipping pace for cigarette tobaccos had already slowed earlier because stocks had built up to a record level by April 1968.

By April 1 this year, stocks of foreign-grown cigarette and smoking tobacco in the United States were 11 percent below the record a year earlier because factories used more than arrived. At 408 million pounds (farm-sales weight), stocks still were one-fifth above the 1963-67 average for that date. Foreign-grown cigar stocks by country of origin are shown on page 23.

Foreign Production and Sales

The 1968 flue-cured crop in Canada was 210 million pounds or about 3 percent above the previous year. Auction sales in Ontario (where most of the crop is grown) amounted to 200 million pounds and averaged the equivalent of 66 U.S. cents per pound. The quality was better and prices averaged 2 cents above a year

earlier. The 1969 acreage quota in Ontario is expected to produce another crop of around 200 million pounds. Frost damage during the late planting season has not yet been fully evaluated.

India's 1968 flue-cured crop was estimated at 192 million pounds, 4 percent less than the previous year. The 1969 crop may be one-fourth larger due to larger acreage and higher yields. Most of the increased production would be available for export.

Little information is available on the size of Rhodesia's flue-cured crop for harvest early in 1969, but the crop is believed to be near the production goal of 132 million pounds. The 1969 crop is being bought by the government at fixed prices for specified classifications with growers guaranteed an average return equivalent to 29 U.S. cents per pound. The 1969 crop may add further to the stockpile of old tobacco crops. The production goal and support level remain unchanged for 1969/70.

Mexican tobacco production in 1968 was nearly 137 million pounds, 38 percent larger than the 1967 crop. An 18 percent increase is expected for 1969. Increases are in prospect for flue-cured and burley. With larger crops, Mexico's tobacco exports this year may rise to about 24 million pounds from 16 million last year.

With grower sales completed at the end of May, the 1968 crop of oriental tobacco in Greece is now estimated at 172 million pounds, 60 million below 1967, and the lowest since 1961. Exporters paid 5-10 percent more for the smaller oriental crop than last year, and very little tobacco went to the government this season. With a poundage production control system in effect to avoid surplus output, acreage in 1969 is expected to be about the same as 1968.

Greece's 1969 burley crop is expected to be about the same as the 21 million pounds in 1968. Greek burley is produced for export, principally to West Germany. Production in 1967 was 21 million pounds and 1962-66 production averaged 7 million.

Table 7.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1968, and January-April 1968-69 ^{1/}

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	January-April				January-April			
	Total 1968	1968	1969	1969 as a percentage of 1968	Total 1968	1968	1969	1969 as a percentage of 1968
	Million pounds		Percent	Million pounds		Percent		
Cigarette tobacco:								
Leaf, unstemmed								
Oriental								
Turkey	98.1	32.6	30.6	94	118.9	74.2	34.3	46
Greece	41.4	19.9	9.8	49	39.4	36.0	10.7	30
Yugoslavia	16.0	6.7	4.5	67	14.0	7.3	.8	11
Other countries	7.1	2.3	1.3	57	6.6	3.3	2.4	73
Flue-cured and burley								
Sub total	164.7	63.0	47.5	75	186.8	125.0	53.6	43
Scrap:								
Turkey	6.6	2.0	2.4	120	11.8	2.3	2.0	87
Other countries ^{2/}	3.3	1.8	.7	39	6.3	2.2	.6	27
Total	174.5	66.8	50.6	76	204.9	129.4	56.2	43
Cigar tobacco:								
Wrapper								
Filler-stemmed and unstemmed								
Dominican Rep.	.8	.4	.3	75	9.9	8.1	3.4	42
Other countries	4.7	1.7	1.2	71	23.3	5.7	5.0	88
Sub total	5.6	2.1	1.6	76	33.2	13.8	8.4	61
Scrap:								
Philippine Republic	19.1	5.9	8.0	136	20.1	5.6	8.7	155
Colombia	3.8	1.2	1.4	117	.1	^{3/}	0	---
Dominican Republic	6.1	1.7	1.6	94	1.7	.8	.2	25
Brazil	4.1	1.4	1.2	86	^{3/}	0	^{3/}	---
Other countries	5.9	2.3	2.2	96	.7	.2	1.1	550
Sub total	39.0	12.4	14.3	115	22.6	6.6	9.9	150
Total	45.3	14.8	16.1	109	56.9	20.7	18.6	90
Stems	1.6	.1	.6	600	.9	.1	.6	600
Grand total ^{4/}	221.5	81.7	67.2	82	262.6	150.2	75.5	50

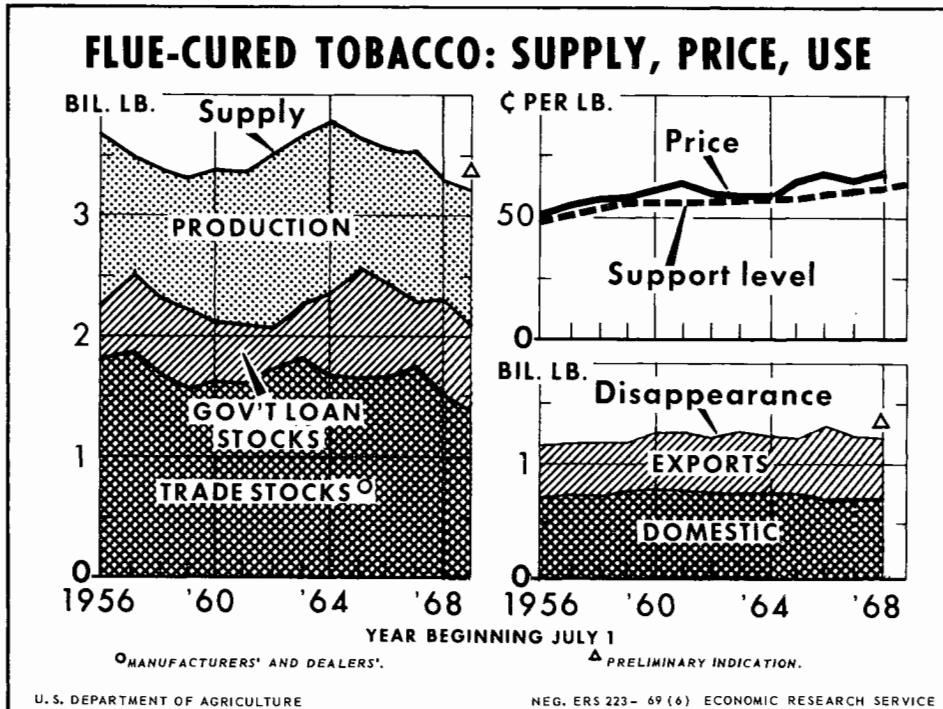
^{1/} Preliminary.^{2/} Canada, Greece, Cyprus, Lebanon, India, Korea.^{3/} Less than 50,000 pounds.^{4/} Detail may not add due to rounding.

Compiled from publications and records of the Bureau of the Census; declared weight.

Table 8.--United Kingdom tobacco: Imports, stocks, clearances, and exports 1966-69

Item	July-March			Item	July-March		
	1966-1967	1967-1968	1968-1969		1966-1967	1967-1968	1968-1969
	--- Million pounds ---				--- Million pounds ---		
Imports, by source:				Gross clearances			
United States	125	137	108	Full duty rate	122	118	128
Commonwealth	69	81	81	Commonwealth rate	104	115	103
Other	15	18	28				
Total	209	236	217	Total	226	233	231
Exports, manufactured:	31	34	1/33	Flue-cured			
				United States	95	106	111
Re-exports, unmanufactured:	2	3	1/3	Canada	32	36	32
				India	28	32	33
Stocks, March 31				Rhodesia	50	29	14
Flue-cured	401	390	325	Zambia and Malawi	1	5	7
				Other	8	11	16
Total	438	430	406	Total	214	219	213
				Net clearances:	177	182	179

1/ March 1969 estimated.
 Compiled from official United Kingdom sources.



TOBACCO LEAF SITUATION AND OUTLOOK

1969 Crop Prospects

By mid-June tobacco setting was completed in North Carolina and Virginia, and mostly completed in Kentucky. Heavy rains have damaged some of Georgia's crop. Shade grown tobacco harvest was progressing normally in Georgia and in Florida as of the first of June.

Auctions for the 1969 flue-cured crop will begin when the Georgia and Florida markets open during the second half of July. In Georgia, an advisory board recommends to the Commissioner of Agriculture a date for the season opening. The opening date depends somewhat on the maturity of the crop. The 1968 season began on July 31 on both the type 14 (Ga.-Fla.) and type 13 (S.C.-N.C.) markets.

Prospects for the new crop will be an important influence on prices received by farmers when the 1969 auction season opens. With larger tobacco crops this season, if growing conditions are favorable, a larger proportion of the 1969 crop will likely be placed under loan than last season. Prices would still be expected to average a little above last year's, due to the 4 percent higher support level and the price-firming effect of smaller carryovers.

The first forecast of all tobacco production for 1969, together with indicated acreage of tobacco for harvest and indicated yield, will be released by USDA's Crop Reporting Board July 10.

FLUE-CURED

April 1 Flue-Cured Stocks Down Substantially

April 1 stocks of flue-cured tobacco (types 11-14), as reported by the Consumer and Marketing Service, totaled almost 2.4 billion pounds--8 percent less than a year earlier. Of the total, 0.85 billion pounds were under CCC loan--3 percent more than a year earlier. So the overall decrease was entirely in holdings of dealers and manufacturers.

Total disappearance during the first 9 months of the current marketing year (July 1968-March 1969) was 910 million pounds. This was 25 million pounds less than in the same period of 1967/68. While exports were down, domestic disappearance gained about 2 percent--

totaling 528 million pounds. Since cigarette production was up 1 percent, the indicated flue-cured use would imply domestic manufacturers increased the flue-cured proportion in their cigarette blends.

Among the developments affecting domestic leaf use are cigarette leaf tobacco imports and tobacco sheet. For July 1968-April 1969 imports declined 12 million pounds, from a year earlier. Use of sheet tobacco, which incorporates stem as well as leaf, is apparently increasing further this year. The April 1, 1969, stocks showed a 7 percent gain over a year earlier and 35 percent over 2 years earlier.

Exports Lower

For the 10 months through April, U.S. flue-cured exports totaled 414 million pounds, 8 percent below the same period a year ago. Some countries have increased their takings from other sources. U.S. flue-cured exports during January-April 1969 were 83 million pounds,--40 percent below a year earlier. Much of this decline was due to the dock tie-up.

The United Kingdom continues to be the largest single destination of U.S. flue-cured tobacco, taking 120 million pounds (farm-sales weight equivalent) in July-April. The U.S. exports were one-fourth below a year earlier as other suppliers have entered the U.K. market. Australia took considerably more this season; its crop was smaller last year. Details are as follows:

Country	July-April		
	1966-	1967-	1968-
	1967	1968	1969
: Million pounds			
United Kingdom	113	112	84
West Germany	82	52	59
Japan	40	35	31
Netherlands	17	17	17
Thailand	13	15	16
Australia	15	8	14
Belgium	14	11	11
Denmark	11	10	8
Switzerland	6	8	8
Sweden	9	8	7
South Vietnam	10	10	7
All others	83	70	64
Total*	413	356	326

*Based on unrounded data.

¹/ All quantities in this section are stated in farm sales weight equivalent.

Table 9.--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/}		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	775	444
1965	1,059	2,555	3,614	1,175	752	423
1966	1,108	2,439	3,547	1,274	687	587
1967	^{10/2/} 1,250	2,273	3,523	1,221	687	534
1968	^{10/2/} 996	2,302	3,298	*1,220	*685	*535
1969 ^{3/}	*1,141	*2,078	*3,219			
Year	Average price per pound	Price support level ^{4/}	Placed under Government loan		Remaining in Government loan stocks on May 31, 1969 ^{5/}	
			Quantity	Percentage of crop		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1955	52.7	48.3	298.9	20.2	0	
1956	51.5	48.9	319.9	22.5	0	
1957	55.4	50.8	107.8	11.1	0	
1958	58.2	54.6	144.8	13.4	0	
1959	58.3	55.5	55.3	5.1	0	
1960	60.4	55.5	51.8	4.1	0	
1961	64.3	55.5	70.3	5.6	0	
1962	60.1	56.1	237.2	16.8	0	
1963	58.0	56.6	277.2	20.2	128.6	
1964	58.5	57.2	285.6	20.7	127.2	
1965	64.6	57.7	71.5	6.8	37.4	
1966	66.9	58.8	74.6	6.8	63.8	
1967	64.2	59.9	282.1	22.6	250.0	
1968	66.6	61.6	128.8	12.9	125.8	
1969		63.8				
Total	---	---	2,405.8	---	732.8	

^{1/} Year beginning July 1.^{2/} Sales.^{3/} Subject to revision.^{4/} Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.^{5/} As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than their farm-sales weight figures.

* Preliminary estimates--production based on intended acreage and projected yield.

Disappearance Reducing Carryover Sharply

Total disappearance of flue-cured tobacco in the 1968/69 marketing year ending June 30, is expected to about equal the 1,221 million pounds in 1967/68 (table 9).

Domestic use probably is totaling near the 687 million pounds used in 1967/68. Exports, may be about the same as the 534 million pounds exported last year. At this level, 1968/69 exports would be about 11 percent above the average of 1962-66 marketing years. Based on these prospects, total disappearance would be around 1,220 million pounds, well in excess of the 1968 crop. This would leave a carryover of about 10 percent less than a year earlier, and 19 percent below the 1965 record.

The carryover of Government loan stocks of flue-cured on June 30 remains relatively large. During June 1968-May 1969, about 160 million pounds were sold, compared with 84 million in June 1967-May 1968. Sales in the same period of 1966/67 were 284 million. Government loan stocks on May 31, 1969, totaled 733 million pounds, compared with 765 million a year earlier. The May 31 stocks were considerably below the peak holdings of 970 million pounds in 1965.

1969 Flue-Cured Acreage Higher Than Last Year

The 1969 effective flue-cured acreage allotment, reflecting last year's net undermarketings, is 640,000 acres and the effective poundage allotment is 1,186 million pounds, up 11 percent from last year. Acres and pounds under lease and transfer increased this year, although the rate of increase was less than last year when allotments for most farms were cut below base acreage:

Year	Flue-cured Lease and transfer	
	Thous. acres	Mil. lb.
1962	23.7	---
1963	33.1	---
1964	41.8	---
1965	50.2	---
1966	80.1	138.0
1967	97.2	167.6
1968	122.9	214.6
1969 ^{1/}	131.8	230.3

^{1/} Subject to revision.

If farmers carry out their March 1 intentions, 585,240 acres will be grown this year--9 percent more than the record low last year. The crop with this acreage (assuming a normal growing season and yields as modified by the acreage-poundage program) would compute out to about 1,140 million pounds. Production at this level, plus the prospective carryover, would give a total 1969/70 supply about 2 percent below the 3.3 billion pounds in 1968/69.

1969 Price Support Details

USDA announced on May 23 the 1969 loan rates for the various grades. Rates range from 32 cents to 90 cents a pound for untied leaf, reflecting the national average support level of 63.8 cents a pound. This is about 3.6 percent above 1968. Grade price supports were increased from 1 to 7 cents per pound over 1968 levels. Of the 160 grades, 76 were increased 3 cents per pound, while 29 were increased 4 cents and 28 by 5 cents. The lowest increase was on variegated leaf (K grades), which recent markets indicate is in weak demand.

Price support will continue to be made available on tied tobacco throughout the marketing season. Tied and untied tobacco will be displayed separately on the auction floors as in the past. Price supports on the 1969 crop of tied tobacco will be 3 cents per pound higher than for untied tobacco of like grade, the same as last year.

USDA will continue the support of certain flue-cured varieties at 50 percent of the loan value for comparable grades of other varieties. This variety discount program began in 1957 and discourages the production of certain varieties which tend to produce tobacco with low-quality flavor and aroma.

Also, as in the past, no price support will be offered in 1969 on any tobacco graded N2 (Nondescript 2), No-G (No Grade), U (unsound), W (doubtful keeping order), or scrap. Marketing of such tobacco, however, will be charged against individual farm quotas to discourage the marketings of these grades.

BURLEY

First Half Burley Use Lower

Based on April stocks, disappearance of burley tobacco (type 31) for the first half of the

Table 10.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, October 1	Supply	Disappearance ^{1/}		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	616	560	56
1965	586	1,416	2,002	607	550	57
1966	587	1,395	1,982	600	544	56
1967	541	1,382	1,923	599	546	53
1968	563	1,324	1,887	*598	*545	*53
1969 ^{2/}	*594	*1,289	*1,883			
Year	Average price per pound	Price support level ^{3/}	Placed under Government loan		Remaining in Government loan stocks on May 31, 1969 ^{4/}	
			Quantity	Percentage of crop		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1955	58.6	46.2	73.1	15.6	0	
1956	63.6	48.1	6.0	1.2	0	
1957	60.3	51.7	16.6	3.4	0	
1958	66.1	55.4	11.2	2.4	0	
1959	60.6	57.2	13.2	2.6	0	
1960	64.3	57.2	8.4	1.7	0	
1961	66.5	57.2	10.3	1.8	0	
1962	58.6	57.8	63.5	9.4	9.9	
1963	59.2	58.3	202.3	26.8	75.4	
1964	60.3	58.9	110.4	17.8	61.9	
1965	67.0	59.5	42.2	7.2	37.2	
1966	66.9	60.6	62.5	10.6	53.8	
1967	71.8	61.8	64.2	11.9	63.3	
1968	73.7	63.5	56.2	10.0	56.2	
1969		65.8				
Total	---	---	740.1	---	5/357.7	

^{1/} Year beginning October 1.

^{2/} Subject to revision.

^{3/} Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

^{4/} Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.

^{5/} About 7 million pounds of these holdings have been sold.

* Preliminary estimates--production based on intended acreage and projected yield.

marketing year (October-March) was 281 million pounds--19 million smaller than a year earlier. The 6-month domestic use totaled 263 million pounds, about 11 million pounds below 1967/68. Last season was the second year of record burley prices.

For the first 7 months this marketing year, burley exports totaled 25 million pounds--3 million below those a year earlier. Exports to West Germany--the leading importer--were only about half of year-earlier takings. Other substantial declines were in takings by Sweden and Portugal. Average value of burley exports was 87 cents per pound this past October-April compared with 81 cents in 1967/68 (unstemmed leaf basis).

April 1 stocks of burley totaled 1,605 million pounds against 1,626 million a year earlier. By May 31, Government loan stocks amounted to 358 million pounds compared with 331 million a year earlier. This increase was due to smaller sales from CCC loan stocks. Loan placements from the 1968 crop were 8 million pounds lower than in 1967.

Utilization Reducing Carryover

Domestic utilization of burley tobacco this season probably will be near the 546 million pounds used in 1967/68. Exports may reach the 53 million pounds last year. At this level exports would be about 10 percent below the average of the previous 5 marketing years. With prospects, for about the same total disappearance as last season, but above the 1968 crop, this would leave an October 1 carryover around 1.3 billion pounds. This would be about 4 percent below a year earlier and about 8 percent below the 1965 record high (table 10).

Burley acreage for 1969 is indicated the same as in 1968. Allotments for most farms are the same as last year. With allowance for trend in average yield per acre, the 1969 burley crop would be about 6 percent above 1968 production of 563 million pounds when yields were below the 1966 record.

This year's projected crop and tentative carryover give total 1969/70 supplies about the same as the 1.9 billion pounds in 1968/69.

MARYLAND

Maryland Prices Up Sharply

Auction sales of the 1968 Maryland tobacco crop (type 32) began April 8 and were

scheduled to end June 27. Overall quality of offerings improved over last year, and prices for most grades advanced. The 1968 crop is estimated about the same as in 1967. Data through June 20 this year and for last year with the same sales days remaining are:

	Net sales	Average price
	<u>Mil. lbs.</u>	<u>Cents/lb.</u>
1968	28.1	64.5
1969	29.0	70.0

Besides the auction volume, about 177,000 pounds have been delivered to the Baltimore hogshead market, which opened for competitive sealed bids on April 9. Combined market receipts of Maryland tobacco thus totaled 29.2 million pounds--about 88 percent of the estimated 1968 crop. Beginning with the 1966 crop, Maryland tobacco crops have not been eligible for government price support since growers did not approve marketing quotas.

First Half Disappearance Gains

Disappearance of Maryland tobacco during the first half of the marketing year (October 1968-March 1969) was 20 million pounds--about 3 million above a year earlier. Exports were down, but domestic disappearance was higher. The chief domestic outlet for Maryland tobacco is in the manufacture of cigarettes; some is also used as cigar filler, depending upon availability and prices of certain grades. This season U.S. manufacturers are apparently able to use Maryland tobacco to advantage in their blends, because of its slow-burning qualities and neutral aroma.

In the first 7 months of the current marketing year, exports were 40 percent below the high level of the year earlier. Exports to Switzerland--the principal outlet--were down 1 million pounds. While the Maryland-blend cigarette is important in Switzerland, sales there of cigarettes containing U.S. type blends gained more rapidly in 1968. West Germany and Belgium also cut their takings, while Spain did not take any. Together they took 3 million pounds less than a year earlier. Value per pound of Maryland exports has risen so far this fiscal year (July-April) to 85.6 cents per pound from 78.8 cents a year earlier.

Table 11.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average prices, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks following Jan. 1 <u>1/</u>	Supply	Disappearance <u>2/</u>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964	42.3	82.0	124.3	32.9	23.3	9.6
1965	38.5	90.1	128.6	35.7	24.7	11.0
1966	36.0	89.7	125.7	40.2	23.7	16.5
1967	32.4	86.3	118.7	36.0	20.3	15.7
1968	33.0	81.5	114.5	*36.0	*23.0	*13.0
1969 <u>3/</u>	*33.0	*79.0	*112.0			
Average price per pound	Ct.	Price support level <u>4/</u>	Quantity	Placed under Government loan	Percentage of crop	Remaining in Government loan stocks on May 31, 1969 <u>5/</u>
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1955	50.8	No price support	<u>6/</u>			
1956	51.7	47.0	3.3	9.0	0	
1957	44.9	48.0	5.9	15.3	0	
1958	62.5	50.8	1.1	3.6	0	
1959	61.6	No price support	<u>6/</u>			
1960	63.8	50.8	1.6	4.6	0	
1961	62.0	50.8	3.7	9.5	0	
1962	55.8	51.3	6.0	14.8	0	
1963	43.2	51.8	10.4	30.1	0	
1964	62.0	52.3	4.2	10.1	0	
1965	65.5	52.8	2.7	7.0	0	
1966	48.6	No price support	<u>6/</u>		0	
1967	63.0	No price support	<u>6/</u>		0	
1968	*70.0	No price support	<u>6/</u>		0	
1969		No price support	<u>6/</u>		0	
Total	---	---	38.9	---	0	

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. * Preliminary estimates--production based on intended acreage and projected yield; price is auction market average through June 20.

Carryover to Decline Again

For the entire season through September, disappearance of Maryland tobacco is expected to be about the same as the 36 million pounds last season; the record was 40.2 million pounds in 1966/67 (table 11). Domestic use may be above the past season's level and near the highs of the 1964-66 seasons.

Exports of Maryland tobacco may approximate 13 million pounds (farm-sales weight)--about a sixth below the high level in 1967/68, but a little above the 1962-66 marketing year average.

So carryover next January 1 may decline a bit further from this year's 81 1/2 million pounds because disappearance exceeds production.

Based on farmers' March acreage intentions and average yield, the 1969 Maryland crop would be about the same as the 1968 estimated crop. The 1969/70 supply--tentative production plus prospective carryover--would be about 3 percent below the 114 million pounds for this season.

FIRE-CURED, DARK AIR-CURED

By May 31, fire-cured and dark air-cured loan holdings were reduced substantially from year-earlier levels, due to smaller 1968 crop loan receipts, larger sales, and an April fire loss of 5.1 million pounds.

Type	End of May		
	1967	1968	1969
	(Farm-sales weight)		
	Million pounds		
Virginia, type 21	3.0	3.1	2.3
Ky.-Tenn., types 22-23	31.8	24.8	14.5
Ky.-Tenn., types 35-36	23.0	19.7	15.9
Virginia, type 37	0	0	0

Fire-Cured Disappearance Trending Down

Disappearance of fire-cured tobacco (types 21-23) during the first half of the marketing year

that began October 1, 1968, was 22.8 million pounds--about 4 percent below a year earlier. Exports were smaller, but domestic disappearance gained. For the marketing year, disappearance (including the 5 million pounds fire loss) is expected to be a little above the 52 million pounds last year. If this level of use is reached, it would be above 15 million pounds more than was produced in 1968. Carryover stocks this October would be about 76 million pounds--some 16 percent below last October's (table 12).

Due to the record high price from 1968 marketings, growers may expand acreage in 1969. The 1969 intended acreage of about 23,600 acres with an average yield adjusted for trend would produce a crop of about 41 million pounds, some 7 percent larger than in 1968 and about one-sixth above the 1966 record low. The 1969/70 supply--production plus carryover--is indicated to be some 6 percent below that for 1967/68.

Based on the 6 months' disappearance through March 1969, domestic use of Virginia fire-cured tobacco (type 21) may decrease a little this season from the 1967/68 level, but domestic use of the much larger volume Kentucky-Tennessee types 22-23 may stabilize after an unusually sharp drop to 15 million pounds last year from 21 million the year before excluding fire loss this year. The 1968 crop prices averaged about 12 percent higher than for 1967.

Exports of fire-cured tobacco in 1968/69 may be moderately below 1967/68 shipments, but below the 1962-66 marketing year average. Exports of the Kentucky-Tennessee types may be a little below 1967/68. Exports of 9.4 million pounds (farm-sales weight) during October 1968-April 1969 were one-fourth below a year earlier. The Netherlands--first ranking outlet--cut its takings one-half as did Sweden. Some change in storage holding patterns may be occurring. But increased exports went to 2 other leading outlets-- France and Belgium.

Virginia fire-cured exports of 2.4 million pounds (farm-sales weight) in October 1968-April 1969 were sharply below the 3.8 million a year earlier. Exports to Norway, the leading destination, and other countries in Europe were off. There, exports are manufactured into shag tobacco, a cut item used in roll-your-own cigarettes and pipe tobaccos. With a decline in these categories, less imports were required.

Dark Air-Cured Supplies Steadying

Total disappearance of dark air-cured tobacco (types 35-37) during the first half of the

Table 12.--Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-69

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1			Total supply
				Manufacturers and other	Under loan	Total	
				Thous. acres	Pounds	Million pounds	
Kentucky-Tennessee fire-cured, types 22-23							
1965	23.2	1,574	36.6	72.5	32.3	104.8	141.4
1966	21.0	1,919	40.2	69.9	25.9	95.8	136.0
1967	17.3	1,702	29.5	64.0	27.3	91.3	120.8
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969 <u>1/</u>			34.3			66.4	100.7
Virginia fire-cured, type 21							
1965	7.6	1,260	9.6	12.3	3.3	15.6	25.2
1966	6.0	1,255	7.5	13.4	3.5	16.9	24.4
1967	5.4	1,290	7.0	12.1	2.7	14.8	21.8
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969 <u>1/</u>			7.0			9.2	16.2
Disappearance				Average price	Price support level	Placed under Government loan	
Total	Domestic	Exports	per pound	per pound	level	Quantity	Percentage of crop
Million pounds				Cents		Mil. lb.	Pct.
Kentucky-Tennessee fire-cured, types 22-23							
1965	45.6	18.0	27.6	43.6	40.4	2.3	6.3
1966	44.7	21.0	23.7	42.2	41.1	6.3	15.7
1967	42.0	14.9	27.1	46.2	41.9	.8	2.7
1968	*45.0	*2/23.0	*22.0	50.5	43.1	.4	1.2
1969					44.6		
Virginia fire-cured, type 21							
1965	8.3	3.0	5.3	39.9	40.4	1.0	10.4
1966	9.6	2.3	7.3	41.2	41.1	.6	8.0
1967	10.1	3.4	6.7	40.9	41.9	.7	10.0
1968	*8.5	*3.0	*5.5	46.9	43.1	.2	3.4
1969					44.6		

1/ Based on March 1 prospective plantings and average yield with allowance for trend and tentative estimate of utilization. 2/ Includes 5.1 million pounds fire loss, April 1969.

* Preliminary; based on June 1969 indications.

Table 13.--Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37:
Acreage, yield, production, carryover, supply, disappearance, season
average price, and price support operations, 1965-69

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and other	Under loan	Total	
	Thous. acres	Pounds		Million pounds			
Dark air-cured, types 35-36							
1965	11.3	1,639	18.5	40.6	21.3	61.9	80.4
1966	10.7	1,987	21.3	41.0	19.6	60.6	81.9
1967	9.5	1,629	15.5	39.2	21.3	60.5	76.0
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969 <u>1/</u>			18.9			58.2	77.1
Sun-cured, type 37							
1965	1.8	1,105	2.0	4.3	0	4.3	6.3
1966	1.4	1,065	1.5	4.3	0	4.3	5.8
1967	1.2	1,090	1.3	4.2	0	4.2	5.5
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969 <u>1/</u>			1.4			3.6	5.0
Disappearance		Average price per pound		Price support level		Placed under Government loan	
Total	Domestic	Exports				Quantity	Percentage of crop
	Million pounds			Cents		Mil. lb.	Pct.
Dark air-cured, types 35-36							
1965	19.8	16.2	3.6	37.0	35.9	3.2	17.3
1966	21.4	17.0	4.4	37.3	36.6	4.7	22.1
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	*18.0	*15.2	*2.8	47.4	38.3	.7	3.9
1969					39.7		
Sun-cured, type 37							
1965	2.0	1.7	.3	39.2	35.9	7.5	3.8
1966	1.6	1.2	.4	42.3	36.6	2.6	1.7
1967	1.6	1.2	.4	45.2	37.3	2.5	1.9
1968	*1.5	*1.2	*.3	53.2	38.3	.1	.1
1969					39.7		

1/ Based on March 1 prospective plantings and average yields with allowance for trend and tentative estimate of utilization.

* Preliminary; based on June 1969 indications.

current marketing year was 8.2 million pounds, compared with 10.4 million a year earlier. Both domestic disappearance and exports declined. For the year ending September 30, 1969, total disappearance is expected to be about the same as the 19 million pounds last year. This would mean a carryover about the same as the 62 million pounds of last October 1 (table 13).

The 1969 intended acreage, with an average yield allowing for trend, would produce a little larger crop than in 1968. Tentative carryin stocks are not much different so the 1969/70 supply would be slightly above the 81 million pounds in 1968/69.

In the year ending in September, domestic use of One Sucker and Green River, types 35-36, and Virginia sun-cured, type 37, may not change much from the 1967/68 total. In the first half of the current marketing year, manufacture of plug, twist, and fine-cut chewing tobacco--major domestic outlets for these types--was slightly less than a year earlier.

Exports of dark air and sun-cured tobacco in 1968/69 will probably be 10 percent below the level of a year earlier, totaling around 3 million pounds (farm-sales weight).

Exports of Black Fajá semiprocessed product accounting for about one-half of U.S. dark air-cured tobacco exports, have trended downward for several years. They were about 700,000 pounds in October 1968-April 1969. This was only one-third the level of a year earlier. Several African destinations cut their takings.

During October 1968-April 1969, exports of One Sucker leaf were 700,000 pounds (farm-sales weight) compared with 400,000 pounds a year earlier. A large shipment went to South Vietnam this season. Exports of Green River leaf in October 1968-April 1969 were above those a year earlier, primarily because Australia increased its takings.

CIGAR LEAF

1969 Cigar Tobacco Prospects

April 1 holdings of domestic-grown cigar tobacco, including the 1968 crop and Puerto Rican stocks, totaled 254 million pounds. This was a decline of 28 million pounds from a year earlier. Stocks of each type of tobacco were lower, except for Connecticut Valley wrapper.

Foreign-grown cigar tobacco stocks in the United States on April 1 were reported at 94 million pounds above a year earlier. Much of the gain was stocks from the Philippines, as holdings of most origins declined:

Country of origin	April 1 --		
	1967	1968	1969
	Million pounds		
Philippines	33.6	26.7	42.9
Dominican Republic	11.3	16.8	14.3
Brazil	12.9	10.1	8.9
Colombia	9.7	8.9	7.4
Paraguay	1.7	2.3	4.2
Indonesia	5.6	5.0	3.0
Cuba	4.8	2.9	1.7
Other	11.5	10.4	11.5
Total	91.1	83.1	93.9

During October 1968-April 1969 there were 43-1/2 million pounds of cigar tobacco imported for consumption--about 2 million above a year earlier. This increase is supplementing reduced U.S. supplies. Imports from the Philippines gained. Most other origins were lower:

Country of origin	October-April		
	1966-1967	1967-1968	1968-1969
	Million pounds		
Philippine Rep.	13.6	16.2	19.8
Dominican Rep.	3.6	5.5	5.6
Brazil	3.9	4.7	3.9
Colombia	3.2	4.2	3.7
All others	8.9	10.9	10.5
Total	33.2	41.5	43.5

Since supplies of domestic cigar filler are declining, manufacturers are likely to draw more heavily on foreign leaf in the future.

The acreage of U.S. cigar tobacco may be down further in 1969, following the long-time trend. Most of the decline would occur in cigar wrapper types. However, according to March 1 grower intentions, filler and binder acreage likely will also be lower.

Table 14.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1964-69--Cont.

Crop year	(Farm-sales weight)							Average price per pound to growers
	Supply			Disappearance				
	Production	Beginning stocks ^{1/}	Total supply	Total	Domestic	Exports		
Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.		
Total Wisconsin Binder (types 54-55)								
1964	19.9	47.7	67.6	18.1	17.5	0.6	34.2	
1965	19.3	49.5	68.8	18.2	17.9	.3	29.3	
1966	16.2	50.6	66.8	16.8	16.5	.3	33.3	
1967	16.1	50.0	66.1	17.3	16.9	.4	34.2	
1968	14.1	48.8	62.9	*19.0	*18.8	*.2	37.3	
1969 ^{2/}	*14.4	*43.9	*58.3					
Total Cigar Binder (types 51-55)								
1964	25.5	70.6	96.1	25.3	22.7	2.6	37.3	
1965	24.2	70.8	95.0	25.1	22.6	2.5	32.7	
1966	20.1	69.9	90.0	23.7	21.8	1.9	36.7	
1967	18.8	66.3	85.1	25.1	22.5	2.6	37.1	
1968	17.0	60.0	77.0	*26.0	*23.8	*2.2	41.1	
1969 ^{2/}	*17.7	*51.0	*68.7					
Connecticut Valley Shade-grown (type 61)								
1964	13.5	13.9	27.4	13.1	10.0	3.1	250.0	
1965	14.6	14.3	28.9	12.6	9.3	3.3	250.0	
1966	13.7	16.3	30.0	14.0	10.5	3.5	295.0	
1967	9.6	16.0	25.6	12.9	9.7	3.2	360.0	
1968	10.2	12.7	22.9	*10.0			360.0	
1969 ^{2/}	* 8.8	*12.9	*21.7					
Georgia-Florida Shade-grown (type 62)								
1964	7.6	8.2	15.8	8.5	7.3	1.2	235.0	
1965	8.3	7.3	15.6	7.4	5.6	1.8	225.0	
1966	7.3	8.2	15.5	6.8	6.1	.7	185.0	
1967	8.0	8.7	16.7	6.6	5.0	1.6	245.0	
1968	7.9	10.1	18.0	*9.0			270.0	
1969 ^{2/}	*7.1	* 9.0	*16.1					
Total Shade-grown (types 61-62)								
1964	21.1	22.1	43.2	21.6	17.3	4.3	245.0	
1965	22.9	21.6	44.5	20.0	14.9	5.1	241.0	
1966	21.0	24.5	45.5	20.8	16.6	4.2	257.0	
1967	17.6	24.7	42.3	19.5	14.7	4.8	308.0	
1968	18.1	22.8	40.9	*19.0	*14.5	*4.5	320.9	
1969 ^{2/}	*15.9	*21.9	*37.8					
Grand Total Cigar Tobacco (types 41-62)								
1964	136.3	301.4	437.7	136.3	128.8	7.5	65.4	
1965	120.1	301.4	421.5	131.4	122.1	9.3	68.3	
1966	97.5	290.1	387.6	128.3	120.7	7.6	78.4	
1967	89.1	259.3	348.4	109.6	101.6	8.0	85.7	
1968	85.6	238.8	324.4	*112.0	*104.3	*7.7	94.0	
1969 ^{2/}	*83.6	*212.4	*296.0					

^{1/} October 1 for types 41-55; July 1 for types 61-62.

^{2/} Subject to revision.

^{3/} Puerto Rican planting occurs late in calendar year; projected for 1969.

^{4/} Excludes payment by Puerto Rican Government. n.a.--not available. The 1967 season average price was used for calculating an average price for all cigar tobacco.

* Preliminary estimates; 1969 production based on March 1 acreage intentions and projected yields.

Table 14.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1964-69

Crop year	(Farm-sales weight)							Average price per pound to growers
	Supply			Disappearance				
	Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports		
Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	
Pennsylvania Seedleaf Filler (type 41)								
1964	45.9	138.1	184.0	54.6	54.1	0.5	27.0	
1965	51.3	129.4	180.7	53.0	51.2	1.8	24.0	
1966	38.5	127.7	166.2	53.9	52.4	1.5	25.0	
1967	38.3	112.3	150.6	41.9	41.3	.6	28.0	
1968	37.8	108.7	146.5	*46.0	*45.0	*1.0	30.0	
1969 2/	*36.5	*100.5	*137.0					
Ohio, Miami Valley Filler (types 42-44)								
1964	5.8	19.2	25.0	8.0	8.0	---	26.7	
1965	5.4	17.0	22.4	6.2	6.2	---	26.2	
1966	6.0	16.2	22.2	6.7	6.7	---	28.0	
1967	3.6	15.5	19.1	6.2	6.2	---	29.0	
1968	3.7	12.9	16.6	*6.0	*6.0	---	31.0	
1969 2/	*3.4	*10.6	*14.0					
Puerto Rico Filler (type 46)								
1964	37.9	51.4	89.3	26.7	26.7	---	37.2	
1965	16.2	62.6	78.8	27.0	27.0	---	4/32.1	
1966	12.0	51.8	63.8	23.3	23.3	---	4/31.3	
1967	10.8	40.5	51.3	16.9	16.9	---	4/33.1	
1968	2/9.0	34.4	43.4	*15.0	*15.0	---	n.a.	
1969 2/	3/10.1	*28.4	*38.5					
Total Cigar Filler (types 41-46)								
1964	89.6	208.7	298.3	89.3	88.8	.5	31.3	
1965	72.9	209.0	281.9	86.2	84.4	1.8	26.0	
1966	56.5	195.7	252.2	83.9	82.4	1.5	26.7	
1967	52.7	168.3	221.0	65.0	64.4	.6	29.1	
1968	50.5	156.0	206.5	*67.0	*66.0	*1.0	30.1	
1969 2/	*50.0	*139.5	*189.5					
Connecticut Valley Binder (types 51-52)								
1964	5.7	22.9	28.6	7.3	5.2	2.1	47.9	
1965	5.0	21.3	26.3	7.0	4.9	2.1	45.9	
1966	3.8	19.3	23.1	6.8	5.2	1.6	51.2	
1967	2.7	16.3	19.0	7.8	5.6	2.2	54.5	
1968	2.9	11.2	14.1	*7.0	*5.0	*2.0	59.5	
1969 2/	*3.3	* 7.1	*10.4					
Southern Wisconsin Binder (type 54)								
1964	8.7	22.9	31.6	8.9	8.9	---	32.2	
1965	8.5	22.7	31.2	8.8	8.8	---	29.7	
1966	7.4	22.4	29.8	9.1	9.1	---	34.3	
1967	7.2	20.7	27.9	8.0	8.0	---	34.4	
1968	7.4	19.9	27.3	*8.0	*8.0	---	36.8	
1969 2/		*19.3						
Northern Wisconsin Binder (type 55)								
1964	11.2	24.8	36.0	9.2	8.6	.6	35.8	
1965	10.8	26.8	37.6	9.4	9.1	.3	28.9	
1966	8.8	28.2	37.0	7.7	7.4	.3	32.4	
1967	8.9	29.3	38.2	9.3	8.9	.4	34.1	
1968	6.7	28.9	35.6	*11.0	*10.8	*.2	37.9	
1969		*24.6						

See footnotes at end of table

Continued -

Cigar Filler Supply Lower; Disappearance Gains

For the first half of the current marketing year (October-March), total disappearance of cigar filler tobacco was 31 million pounds--3 million above a year earlier. The gain from 1967/68 was in Pennsylvania filler, as Puerto Rican was about the same. The April 1 stocks indicate a sizable gain this year in Pennsylvania filler used for cigarette sheet tobacco.

During October 1968-April 1969, filler exports--a relatively small part of total disappearance--were 680,000 pounds compared with 480,000 a year earlier. Canada, France, and South Vietnam accounted for the filler exports so far in 1968/69.

Based on historical trend, and 1968/69 part-year data, total disappearance of Pennsylvania filler may gain about 10 percent above the 42 million pounds of 1967/68. The 1968/69 disappearance of Puerto Rican tobacco may be slightly below the 17 million pounds in 1967/68.

By April 1969, cigar filler stocks were 16 million pounds below a year earlier. Since filler disappearance may exceed production by about 18 million pounds, carryover on October 1 may total around 140 million pounds--lower than in any previous year on record (table 14).

Cigar Binder Disappearance Gains

Cigar binder disappearance for October 1968-March 1969 was 15 million pounds--about 3 million above a year earlier. Leaf use of Connecticut Valley (types 51-52) was lower, while Wisconsin (types 54-55) binder gained from year-earlier levels.

The 1968/69 disappearance of Connecticut Valley binder tobacco is estimated to be about 9-10 percent below the 7.7 million pounds of 1967/68. Carryover this October 1 is expected to drop to a new low of about 7 million pounds--some 4 million below the year-earlier level. During the first 7 months of this marketing year, exports of Connecticut Valley binder were 170,000 pounds, compared with 440,000 a year earlier. Shipments to West Germany and Canary Islands fell.

Scrap chewing tobacco production has been gaining a little and disappearance of Wisconsin tobacco in 1968/69 likely will be about 10 percent larger than the 17 million pounds in 1967/68. This would leave stocks about 10 percent below

the 49 million pounds of last October. For the first 7 months of this marketing year, exports of Wisconsin tobacco were only 26,000 pounds, representing a shipment to the Canary Islands. None was shipped to the Netherlands, West Germany, and Canada in contrast with a total of 180,000 pounds a year earlier.

Cigar Wrapper Disappearance Lower

The July 1968-March 1969 disappearance of shade-grown cigar wrapper (types 61-62) was 14.6 million pounds--0.7 million below the same period a year earlier. Both exports and domestic use were down. For the year ending June 30, 1969, cigar wrapper disappearance is totaling about 18 million pounds--around 8 percent below 1967/68. Since this estimate equals the 1968 crop, this would leave 23 million pounds of carry-over stocks, about unchanged from a year ago.

During the first 10 months of the marketing year, cigar wrapper exports were 3.3 million pounds (farm-sales weight) or one-fifth below a year earlier. Connecticut Valley wrapper exports were 1.2 million pounds under those of the corresponding period of 1967/68, but exports of Georgia-Florida wrapper were up 0.4 million pounds from a year earlier.

West Germany, the leading cigar wrapper destination last season, is reducing takings substantially after sharp gains in 1967/68. Among other leading outlets, the United Kingdom, Canary Islands, and Canada are also taking less.

1968 Cigar Tobacco Crop Summary

Marketing of the 1968 U.S. cigar tobacco crop was practically completed by April 1969. The 1968 crop was 76.5 million pounds compared with 78.4 million in 1967, according to USDA's Crop Reporting Board. Filler prices gained 2 cents over 1967 while binder gained 4 cents per pound. Cigar wrapper gained 13 cents, averaging \$3.21 per pound. Last year, filler and binder production were both below 1967, but cigar wrapper gained. Both acreage and average yield of each type were lower, except for wrapper types where yields gained.

The Puerto Rican crop, (type 46) harvested early this year, did not reach earlier expectations because yields were hurt by rains. The Government of Puerto Rico has set annual poundage quotas since 1946.

Loan receipts of 1968 cigar tobacco were smaller than the previous season and May 31 holdings were down:

Type	End of May		
	1967	1968	1969
	<u>Million pounds</u>		
Ohio, types 42-44	0.2	0.4	0.1

Puerto Rican, type 46	5.6	1.7	2.0
Conn. Valley, type 51	1.3	.6	.4
Conn. Valley, type 52	1.9	1.7	.9
Southern Wis., type 54	.7	.5	.2
Northern Wis., type 55	6.3	8.0	3.6
Total	16.0	12.9	7.2

WORLD TOBACCO TRADE REVIEW, 1968 ^{1/}

Exports Down Slightly in 1968

Despite large crops and carryover, world leaf tobacco trade last year remained below the 1964 record, primarily because of continued U.N. sanctions against Rhodesian tobacco. Last year, world trade volume (excluding the Sino-Soviet countries) was down 1 percent from 1967 to 1.8 billion pounds of unmanufactured tobacco.

The United States, the world's leading producer and exporter of tobacco, supplied 33 percent of the free-world tobacco exports in 1968 (table 15). This is the highest proportion since 1957, although still below the 1950-59 average. U.S. exports during 1968 increased 5 percent from 1967. U.S. flue-cured exports represented 61 percent of the world's total last year.

The 10 leading exporting countries accounted for 80 percent of total free-world exports last year, compared with 81 percent in 1967 and the 1955-59 average of 87 percent. Outside of the traditional exporting countries, tobacco exports increased by a total of 140 million pounds between 1955-59 and 1967 for Mexico, Argentina, Paraguay, Colombia, South Africa, China (Taiwan), South Korea, and Thailand.

Thus, as world demand and price levels for tobacco have increased due to rising population and income levels, many countries are expanding tobacco production and finding it a valuable source of export earnings. Even though most of the foreign-grown tobacco cannot match the quality of U.S. tobacco, many countries can produce it and export it at about half the level of U.S. prices.

Import Highlights

The United States ranks third as a tobacco importing country, importing cigarette and cigar tobaccos for blending with domestic types. The United Kingdom again became the free-world's leading tobacco importing country after ending 3 years of stock drawdowns (table 16). During 1965-67 West Germany ranked first and the United Kingdom second.

The 10 leading importing countries outside the United States accounted for about 67 percent of total free-world imports in 1968. If U.S. imports are added, the 13 countries would account for 79 percent. This is below the proportions in 1967 because tobacco trade expanded more rapidly outside of the traditional importing countries.

West Germany's imports fell to 306 million pounds in 1968, 8 percent below 1967. The United States continued as the chief supplier because of the demand for American-type blended cigarettes, but imports from the United States were 28 percent below the 1967 peak because of tax changes last year. Imports of oriental tobacco from Greece, Turkey, Bulgaria, and Yugoslavia increased one-fifth to 104 million pounds after a decline in 1967. Imports from the Far East declined to 55 million pounds last year after sharp gains the 2 previous years. Supplies from Indonesia dropped sharply, but **Mainland**

^{1/} Data summarized from "World Tobacco International Trade", Foreign Agriculture Circular FT 3-69, June 1969, available from Foreign Agricultural Service, Room 5918, U.S. Department of Agriculture, Washington, D.C. 20250.

Table 15.--United States and world production and exports of flue-cured and all unmanufactured tobacco, average 1955-59, annual 1960-68

Period	Flue-cured				All tobacco 1/			
	United States		World total		United States		World total	
	: as percentage		: of total		: as percentage		: of total	
	2/		3/		2/		3/	
	Million pounds		Percent		Million pounds		Percent	
Production (farm-sales weight)								
Average:								
1955-59	1,208	2,914	41	1,941	8,519	23		
1960	1,251	3,161	40	1,972	8,278	24		
1961	1,258	2,975	42	2,092	7,723	27		
1962	1,408	3,230	44	2,350	8,643	27		
1963	1,371	3,376	41	2,376	9,605	25		
1964	1,388	3,782	37	2,266	10,240	22		
1965	1,059	3,469	31	1,871	9,620	19		
1966	1,108	3,531	31	1,899	9,636	20		
1967 4/	1,263	3,859	33	1,979	10,368	19		
1968 4/	982	3,537	28	1,721	9,926	17		
Exports (export weight)								
Average:								
1955-59	413	683	60	500	1,434	35		
1960	409	705	58	496	1,501	33		
1961	403	727	55	501	1,667	30		
1962	375	776	48	469	1,690	28		
1963	403	786	51	505	1,670	30		
1964	396	864	46	515	1,898	27		
1965	351	844	42	468	1,815	26		
1966	423	710	60	551	1,689	33		
1967 4/	427	760	56	572	1,810	32		
1968 4/	444	725	61	599	1,796	33		

1/ Unmanufactured. 2/ Production figures include Communist bloc; export figures relate to free world.
3/ Including Puerto Rican. 4/ Subject to revision.

Foreign data supplied by Tobacco Division, Foreign Agricultural Service.

Table 16.--Tobacco imports of ranking foreign markets and percentage supplied by the United States, 1965-68

Country	Total tobacco imports 1/				Percentage supplied by the United States			
	1965		1966		1967		1968 2/	
	Million pounds				Percent			
West Germany	301	329	334	306	32	32	37	29
United Kingdom	284	262	280	328	32	51	47	50
France	109	117	122	105	6	8	5	7
Netherlands	105	98	103	102	32	31	34	34
Japan	55	71	65	60	50	67	62	59
Belgium-Luxembourg	73	66	82	67	29	23	23	22
Spain	69	58	74	67	6	7	11	8
Switzerland	45	39	44	47	49	47	46	45
Egypt	32	33	*30	*30	50	49	5	2
Denmark	35	32	38	41	46	53	50	47
Austria	27	28	26	31	20	20	19	11
Sweden	17	27	24	23	41	87	75	76

1/ Unmanufactured tobacco. 2/ Subject to revision. n.a.--not available. * Estimated.
Compiled from reports of Foreign Agricultural Service.

China, South Korea, and Thailand continued their expansion.

France, the fourth largest tobacco importing country, obtained only 7 percent of its 1968 supplies from the United States, apparently because lower priced dark tobaccos from other areas are preferred. Supplies from Latin

American sources were about 40 percent of the total in 1967 but fell back last year.

Oriental leaf from Greece, Bulgaria, Turkey, and Yugoslavia has always been important for France's tobacco imports and these tobaccos were better maintained last year. Greece and Turkey are associate members of the EEC.

Table 17.--Exports of unmanufactured tobacco from the leading exporting countries, 1965-68

Country	1965	1966	1967	1968
----- Million pounds -----				
United States	468	551	572	599
Turkey	152	188	201	173
Greece	161	161	178	155
India	137	79	123	115
Rhodesia, Zambia, Malawi	304	*120	*110	*100
Brazil	122	103	100	85
Philippine Republic	59	51	*50	94
Dominican Republic	33	28	44	34
Yugoslavia	51	46	42	33
Canada	42	38	42	47
Total 10 countries:	1,529	1,365	1,462	1,435
Ten countries as percentage of world total				
----- Percent -----				
	84	81	81	80

*Estimated.

Compiled from reports of Foreign Agricultural Service

USDA Tobacco Price Support and Export Programs

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The Federal Government has operated programs to support and stabilize tobacco prices since the early 1930's. As a result, risks to growers from seasonal and cyclical price changes are relatively low, even though weather, production, and utilization may vary.

Early Federal Programs

During the depression in the 1930's prices of farm products dropped much more sharply than prices paid by farmers. Tobacco exports were reduced substantially because of curtailed foreign consumption and increased barriers to international trade.

The Agricultural Adjustment Act of 1933 designated tobacco as a basic (storable) commodity. To accomplish the law's goal of parity--restoring purchasing power of agricultural commodities to the 1909-14 level ¹/--USDA contracted with growers to restrict production in return for cash payment out of funds obtained from processing taxes. The law also authorized marketing agreements, licenses, and codes.

The 1933 Act was supplemented by the Kerr-Smith Act in 1934. This measure taxed tobacco sales of growers who did not sign contracts with USDA. Thus, nonsigners were prevented from sharing in the benefits of the program.

After the U.S. Supreme Court declared portions of the Agricultural Adjustment Act of 1933 unconstitutional in 1936, Congress repealed the Kerr-Smith Act and passed the Soil Conservation and Domestic Allotment Act. This 1936 legislation authorized payments for diverting acreage from the production of soil depleting crops to soil conserving crops, and for carrying out soil conservation practices.

The Agricultural Adjustment Act of 1938

To achieve effective production control, additional legislation was enacted. The Agricultural Adjustment Act of 1938 authorized marketing quotas with a penalty on growers who exceeded marketing quotas. When two-thirds or

more tobacco growers voting favored marketing quotas they received up to 75 percent of parity price for their tobacco. Production control was based on each farm's historical tobacco production. The program is available for all kinds of tobacco, except shade-grown wrapper and Perique.

The annual national marketing quota was the amount of tobacco which would make available a supply equal to the reserve supply level--defined as normal year's domestic consumption and exports with allowance for stocks. The national quota was apportioned to States and each State quota was apportioned to farms on the basis of each farm's history of marketing.

Marketing quotas were approved and in effect for the 1938 crops of flue-cured, burley, and dark tobaccos, but referendums on the 1939 crops did not carry by the required percentage. As a result, growers increased production. With the outbreak of World War II, British buyers withdrew from the markets. The lowest prices since 1933 resulted.

Beginning with 1940, state quotas were converted to acres on the basis of the preceding 5-year average yields and growers approved quotas. The acreage allotted to each farm was increased or decreased each year by approximately the same percent as the national quota was increased or decreased from the previous year.

Commodity Credit Corporation--to buy, sell, lend, and to engage in other activities with respect to agricultural commodities, and products, the Government organized the Commodity Credit Corporation in 1933. CCC and its activities were transferred to USDA in 1939 and CCC has continued to date under various authorities. One of the primary activities of CCC is to finance price support operations.

¹/ The 10-year period August 1919 to July 1929 was the designated base period for tobacco rather than the pre-World War I period which applied for most other commodities.

To raise prices and maintain the export market, CCC bought and stored substantial quantities of the 1939 tobacco crop and gave foreign buyers the option to purchase at a later date. By October 1942, Congress raised the support level to 90 percent of parity. CCC purchased almost one-fourth of flue-cured tobacco produced during 1939-45 and later sold the tobacco to foreign countries and to the Lend Lease Administration for transfer overseas.

Allotment and Price Support Programs Since World War II

Since World War II, tobacco programs have operated in essentially the same manner as during 1940-45. Marketing quotas have been in effect throughout the period for most kinds of tobacco. Numerous changes have affected program operations. Allotments have varied from year to year depending on disappearance and reserve supply levels.

The Agricultural Act of 1948 extended mandatory price supports at 90 percent of parity through 1949. The Agricultural Act of 1949 which continued this parity level has been the authority for tobacco price support since 1950. A 1960 amendment to the 1949 law set 1960 crop support prices at the 1959 level and provided for subsequent changes, based on changes in the Parity Index. As a result of this amendment the rate of increase in tobacco price support has been much slower than the rise that would have occurred under the old formula.

In the case of flue-cured tobacco, CCC made loans on about 10 percent of production during 1946-54. Beginning in 1955, newer and more productive flue-cured varieties were planted extensively, but because of their poor trade acceptance about 20 percent of the crop went under loan.

Despite reductions in acreage allotments and a 50 percent discount on the support levels on certain flue-cured varieties, loans continued to gain. Flue-cured yield per acre increased substantially from 1,261 pounds per acre in 1954 to 2,211 pounds in 1964, a compound annual gain of 6 percent.

At the conclusion of the 1964 selling season, some growers requested legislation to add poundage limits to acreage allotments. Congress passed acreage-poundage legislation in early 1965 and flue-cured tobacco growers approved the program, effective for the 1965 crop.

As a result of the acreage-poundage program, flue-cured yields have stabilized below the 1964 peak. Growers have emphasized quality production and shifted away from yield-increasing varieties and production practices. So current supplies are considerably below the 1964/65 record.

For burley tobacco, acreage-poundage quotas were disapproved in referendums held in 1966 and 1967 and USDA has not submitted acreage-poundage quotas to burley referendums since then. Burley yields continued to increase through 1966, but have been a little lower since.

Among other changes were an increase in the penalty on excess marketings (1955) to 75 percent of the average market price of the previous year. Also Congress authorized lease and transfer of allotments (1962) for flue-cured, Maryland, fire-cured, dark air-cured, and cigar filler and binder. Beginning with the 1968 crop, national acreage allotments were apportioned directly to farms.

Tobacco farmers, like other farmers could participate in the Soil Bank, established by the Agricultural Act of 1956, and take farmland out of production. When farmers reduced land planted to tobacco and other allotment crops, they received payments for the diversion of such acreage to conserving uses. The last year in which acreage could be placed in this program was 1958.

Under the cropland adjustment program, provided by the Food and Agriculture Act of 1965, farmers are paid to divert cropland acres to non-agricultural and conserving uses. During fiscal year 1968, approximately \$3.1 million was paid to producers on contracts for converting tobacco acreage under this program.

Loan Program Operations--When Government price support is in effect, a support price (loan rate) is established for each grade of tobacco. If the buyer's bid price on any lot of tobacco is not more than the government loan rate for the grade, an eligible grower may receive the loan rate. The tobacco is then taken by a cooperative association.

Cooperative associations, financed by and acting as agents for CCC, arrange for facilities, as necessary, for receiving, redrying, packing, and storing tobacco. The largest producer association, the Flue-Cured Tobacco Cooperative Stabilization Corporation, was organized in 1946 for these purposes, but several associa-

tions preceded the advent of Government programs.

Several weeks after the farm marketing season has ended, cooperative association officials and USDA officials hold a pricing meeting to consider all costs and factors involved in eventual sale of the tobacco. In addition to original cost, sales price includes handling, administration, and an allowance for interest on the money borrowed from CCC to finance price support operations.

Lists of loan holdings are made available to regular trade channels. When a buyer wants to make a purchase from an association he examines samples from hogsheads of the grades in which he is interested. A substantial part of the tobacco sampled has gone through sufficient aging process so that it is ready for immediate use in manufacturing. If any net profits are realized from sales, they go to the grower's according to patronage, but any losses are assumed by CCC.

From 1946 through March 31, 1969, about \$3-1/4 billion were advanced to cooperatives on about 5-3/4 billion pounds of tobacco, which represented the collateral for these loans. As of March 31, 1969, the cumulative realized loss on tobacco price support loan operations since the beginning of tobacco programs in 1933 was \$56 million of which \$17 million was offset by interest income. Of this loss, \$38 million was attributable to 2 flue-cured crops--1955 and 1956--when high-yielding varieties could be sold only at large discounts.

Export Programs--in addition to loan programs, growers benefit from several programs that help maintain U.S. exports of tobacco. These sales programs operate through normal trade channels and steps are taken to assure that sales do not interfere with normal dollar sales or disrupt world prices.

The Agricultural Trade and Assistance Act of 1954, commonly called Public Law 480, and its amendments, authorizes sales for foreign currency and long-term dollar credit. This

program has helped expand U.S. tobacco sales to developing countries. In 1968, about 32 million pounds--5 percent of U.S. leaf tobacco exports--were exported under this program. CCC costs for these P.L. 480 programs averaged \$26 million during 1964-68 fiscal years.

Also under the impetus of P.L. 480, barter exports have expanded sharply. Prior to 1963, the principal objective of the barter program was the exchange of CCC-owned agricultural commodities for strategic materials to be placed in a supplemental stockpile. Since 1963, using CCC Charter Act authority, bartering has been almost exclusively transactions that offset overseas procurement by U.S. Government agencies. Thus, these transactions contribute to the U.S. balance of payments. Last year, 93 million pounds--about 15 percent of our leaf tobacco exports--were exported under this barter program.

Since 1966, using the CCC Charter Act authority, USDA has made export payments on tobacco (under marketing quotas) to help regain the historic share of the world market for U.S. tobacco. The oldest crops in storage qualify for a 10 cents per pound payment and more recent crops qualify for 5 cents per pound. The program assists in making U.S. tobacco more competitive with tobacco of countries that can offer it at lower prices because of subsidies, preferential duties, bilateral trading arrangements, and cheaper foreign labor and land. The cost of this program through March 31, 1969 was \$81 million.

Summary

For over one-third of a century, price support and production adjustment programs have had an important impact on the tobacco industry. The legislation and resulting programs have been modified to meet varying conditions of depression, war, and prosperity. Tobacco allotment programs have been designed and operated to improve prices and incomes to growers by limiting production. CCC program costs for tobacco, including those for exports, have been low in both amount and in relation to the crop value.

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1/ Available from Foreign Agricultural Service, Room 5918, USDA, Washington, D.C. 20250.

2/ Available from Division of Information, OMS, Room 0423, USDA, Washington, D.C. 20250.

Table 18.--Tobacco: Commodity Credit Corporation price support loans and program operations, 1950-69

Year ending June 30	New loans made	Repayments	Loans canceled <u>1/</u>	Charged off	Loans outstanding		
					Additions (deductions)	End of year	
						Value	Quantity
----- Million dollars -----					----- Mil. lbs. -----		
1950	68.9	77.2	0.8	0.1	(9.2)	125.5	311
1951	80.1	91.2	0	.2	(11.3)	114.2	247
1952	129.8	48.4	.4	1.1	79.9	194.1	380
1953	161.9	133.6	1.0	2.9	24.5	218.6	496
1954	118.4	81.6	.1	1.1	35.6	254.2	586
1955	203.5	54.8	0	.4	148.4	402.6	797
1956	249.1	122.9	0	1.0	125.2	527.8	867
1957	199.8	149.4	0	.8	49.7	577.5	946
1958	82.9	77.3	11.1	5.1	(10.6)	566.9	901
1959	106.2	89.0	1.0	2.9	13.3	580.2	892
1960	56.2	198.8	18.7	1.2	162.5	417.7	668
1961	50.4	54.0	25.0	1.2	(29.8)	387.9	610
1962	70.2	102.3	41.5	9.7	(83.2)	304.7	451
1963	209.1	44.1	15.8	16.4	132.7	437.4	610
1964	304.9	52.4	10.8	12.2	229.5	666.9	942
1965	262.4	73.4	28.4	1.1	159.4	826.3	1,149
1966	96.9	92.1	68.6	1.3	(65.1)	761.1	1,018
1967	111.3	154.4	31.6	7.6	(82.3)	678.8	921
1968	246.1	158.8	8.3	1.8	77.2	756.0	1,035
1969 <u>2/</u>	135.9	72.2	5.9	1.8	55.9	811.9	1,109

Loan and program operations			Public Law 480			Total cost	
Loan and other chargeoffs	Export payments	Sales for foreign currencies	Credit sales for dollars				
----- Million dollars -----							
1962	9.3	0	19.9	0	29.2		
1963	16.1	0	23.3	1.6	41.0		
1964	11.5	0	24.4	2.9	38.8		
1965	.4	0	15.4	4.7	20.4		
1966	.3	<u>3/</u>	30.1	1.1	31.4		
1967	7.6	33.1	16.7	4.5	61.9		
1968	1.8	28.4	22.5	8.7	61.3		
1969 <u>2/</u>	1.8	19.4	6.7	3.7	31.7		

1/ Barter for commodities and services.2/ July 1968-March 1969.3/ Less than \$50,000.Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, various issues.

Table 19.--Cash receipts from tobacco and percentages of total cash receipts from all farm commodities, by states, average 1961-65, annual 1966-68

	Average 1961-65		1966		1967 1/		1968 1/	
	Percentage of total receipts	Mil. dol.	Percentage of total receipts	Mil. dol.	Percentage of total receipts	Mil. dol.	Percentage of total receipts	Mil. dol.
North Carolina	45.4	537	40.8	519	41.3	535	35.9	444
Kentucky	41.4	276	33.1	240	41.6	343	34.2	282
South Carolina	25.3	99	22.4	88	26.2	107	21.7	81
Virginia	18.7	92	16.1	81	16.3	83	14.5	76
Tennessee	15.5	88	12.8	77	13.7	83	13.1	82
Georgia	9.7	83	7.1	72	9.8	101	7.4	77
Florida	2.9	27	2.5	26	2.8	32	2.5	30
Maryland	7.4	22	7.5	25	5.3	17	5.8	20
Connecticut	15.7	23	17.5	29	19.0	30	16.6	27
Pennsylvania	1.7	13	1.4	12	1.1	10	1.2	11
Ohio	1.2	13	.9	12	1.3	16	1.0	13
Indiana	.7	9	.5	8	.9	12	.7	10
Massachusetts	5.4	8	6.3	11	6.7	11	6.1	10
Wisconsin	.5	6	.4	6	.4	5	.4	6
Missouri	.3	3	.2	3	.2	3	.3	4
West Virginia	2.5	3	2.0	2	3.1	3	2.5	2
United States 2/	3.5	1,303	2.8	1,211	3.3	1,392	2.7	1,176

1/ Subject to revision. 2/ U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately.

Table 20.--Tobacco manufacturing corporations: Net sales, net income, and profit ratios, for specified periods

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			Cents		Percent	
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
1960	5,139	577	281	11.2	5.5	27.5	13.4
1961	5,300	630	303	11.9	5.7	28.3	13.6
1962	5,340	634	306	11.9	5.7	27.1	13.1
1963	5,563	675	327	12.1	5.9	27.6	13.4
1964	5,836	664	345	11.4	5.9	25.8	13.4
1965	6,006	665	354	11.1	5.9	25.4	13.5
1966	6,570	727	389	11.1	5.9	26.3	14.1
1967	7,088	794	420	11.2	5.9	27.2	14.4
1968	7,859	896	436	11.4	5.6	29.7	14.4
Quarterly 1968							
1	1,764	194	100	11.0	5.7	26.1	13.5
2	1,806	217	100	12.0	5.5	29.5	13.6
3	1,983	248	119	12.5	6.0	33.1	15.9
4	2,306	237	117	10.3	5.1	30.0	14.8
1969							
1	2,029	194	93	9.6	4.6	25.2	12.1

Note: Data include non-tobacco enterprises of tobacco manufacturing corporations. Compiled and adapted from Quarterly Financial Reports for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

Table 21.--Tobacco: Acreage and yield per acre in the United States, by types, or groups of types, for specified periods

Period	Flue-cured 11-14	Burley 31	Maryland 32	Va.		Dark air-cured 35-36	Va. sun-cured 37	Cigar						Total 1/
				Ky.-Tenn. 21	Ky.-Tenn. 22-23			Filler		Binder		Wrapper		
								41	42-44	46	51-52	54-55	61-62	
----- Thousand acres -----														
Average:														
1950-54	1,048.8	433.7	49.6	9.9	40.0	23.1	3.6	30.2	5.5	37.9	15.7	16.5	13.1	1,728.1
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	36.1	13.4	14.3	12.9	1,531.5
1956	875.3	309.8	43.5	8.5	38.5	19.3	3.1	29.0	3.9	26.3	7.2	11.8	13.3	1,389.8
1957	662.7	306.6	37.0	6.9	29.7	14.5	2.6	29.0	3.6	26.5	4.3	11.6	13.1	1,148.3
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	24.2	2.9	13.0	12.9	1,102.1
1959	693.4	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	26.3	4.5	14.4	14.0	1,179.1
1960	691.8	295.7	37.5	7.3	25.9	13.0	1.8	31.0	4.3	28.5	3.8	14.6	14.6	1,170.0
1961	698.5	318.9	40.0	7.5	27.9	13.5	2.1	31.0	4.6	27.0	2.9	13.7	13.4	1,201.4
1962	729.8	338.6	41.0	7.6	28.5	13.9	2.2	30.0	4.2	28.5	2.6	12.1	13.2	1,252.6
1963	694.5	338.5	34.5	6.6	27.7	13.8	1.5	28.0	3.9	30.0	2.8	10.7	12.9	1,205.7
1964	627.6	306.6	39.0	7.3	24.8	12.4	1.7	27.0	3.7	30.8	2.8	10.9	13.8	1,108.6
1965	562.3	277.1	33.5	7.6	23.2	11.3	1.8	27.0	3.7	17.0	2.6	10.9	15.6	993.9
1966	607.0	240.7	35.0	6.0	21.0	10.7	1.4	23.0	3.2	9.0	1.8	9.3	14.6	982.9
1967	610.3	237.7	31.5	5.4	17.3	9.5	1.2	21.0	2.3	7.6	1.5	8.3	13.6	967.4
1968 <u>2/</u>	533.0	237.6	30.0	4.9	17.9	9.8	1.1	21.0	2.0	6.2	1.6	7.7	13.4	886.5
1969 <u>3/</u>	585.2	237.4	30.0	5.3	18.3	10.1	1.2	20.0	2.0	n.a.	1.7	7.3	11.2	<u>4/</u> 929.9
----- Pounds -----														
Average:														
1950-54	1,271	1,382	833	1,178	1,145	1,191	1,011	1,572	1,506	824	1,711	1,459	1,164	1,281
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	831	1,643	1,469	1,213	1,451
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	913	1,849	1,712	1,290	1,583
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,008	1,940	1,709	1,442	1,475
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,058	1,867	1,682	1,283	1,599
1959	1,559	1,669	780	1,320	1,560	1,466	1,040	1,725	1,770	1,068	1,712	1,449	1,325	1,547
1960	1,808	1,639	925	1,220	1,411	1,403	995	1,700	1,535	965	1,826	1,431	1,460	1,685
1961	1,801	1,820	970	1,300	1,552	1,525	1,045	1,725	1,665	1,137	1,856	1,640	1,429	1,741
1962	1,930	1,993	990	1,255	1,566	1,619	1,040	2,000	1,775	1,249	2,014	1,621	1,464	1,876
1963	1,975	2,231	1,000	940	1,795	1,751	760	1,850	1,740	1,067	2,093	1,680	1,449	1,970
1964	2,211	2,022	1,085	1,245	1,854	1,828	1,060	1,700	1,555	1,231	2,021	1,821	1,530	2,044
1965	1,883	2,116	1,150	1,260	1,574	1,639	1,105	1,900	1,465	951	1,910	1,765	1,468	1,882
1966	1,825	2,437	1,030	1,255	1,919	1,987	1,065	1,675	1,885	1,338	2,111	1,744	1,440	1,932
1967	2,070	2,274	1,030	1,290	1,702	1,629	1,090	1,825	1,580	1,419	1,819	1,943	1,292	2,045
1968 <u>2/</u>	1,841	2,372	1,100	1,205	1,822	1,831	1,095	1,800	1,800	1,452	1,846	1,824	1,343	1,942

1/ Total includes Perique--type 72--and in 1950-53, type 53. 2/ Preliminary. 3/ Farmers' intentions as of March 1. 4/ Not including type 46. n.a.--not available.

STATISTICAL SUMMARY

Item	Unit or base period	1968		1969		Last data as percentage of a year earlier
		Apr.	May	Mar.	Apr.	
Average price at auctions						
Flue-cured	Ct. per lb.	C - 1 - o - s - e - d	C - 1 - o - s - e - d	C - 1 - o - s - e - d	C - 1 - o - s - e - d	---
Burley	Ct. per lb.	C - 1 - o - s - e - d	C - 1 - o - s - e - d	C - 1 - o - s - e - d	C - 1 - o - s - e - d	---
Maryland	Ct. per lb.	64.1	65.4	Closed	70.7	69.5
Virginia fire-cured	Ct. per lb.	C - 1 - o - s - e - d	C - 1 - o - s - e - d	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	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	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	C - 1 - o - s - e - d	C - 1 - o - s - e - d	---
Support price 1/						
Flue-cured	Ct. per lb.		61.6		63.8	104
Burley	Ct. per lb.		63.5		65.8	104
Maryland	Ct. per lb.		No support		No support	---
Virginia fire-cured	Ct. per lb.		43.1		44.6	104
Ky.-Tenn. fire-cured	Ct. per lb.		43.1		44.6	104
Ky.-Tenn. dark air-cured	Ct. per lb.		38.3		39.7	104
Virginia sun-cured	Ct. per lb.		38.3		39.7	104
Connecticut Valley cigar binder	Ct. per lb.		44.0		45.5	104
Wis. binder and Ohio filler	Ct. per lb.		31.7		32.9	104
Puerto Rican filler	Ct. per lb.		33.0		34.2	104
Parity index 2/	1910-14=100	353	354	369	372	374
Industrial production index 3/	1957-59=100	163	164	171	172	173
Employment	Mil.	75.1	75.9	76.5	77.1	77.3
Personal income 4/	Bil. dol.	672.6	678.2	727.7	731.2	735.0
Taxable removals						
Cigarettes	Bil.	41.8	40.0	41.5	40.1	40.2
Cigars and cigarillos	Mil.	609.2	670.9	602.4	628.3	634.4
Accumulated from Jan. 1						
Cigarettes	Bil.	129.2	169.2	87.7	127.3	167.5
Cigars and cigarillos	Mil.	1860.6	2531.5	1104.0	1732.3	2366.7
Invoiced to domestic customers						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	16.1			14.7	
Chewing tobacco	Mil. lb.	15.4			15.4	
Snuff	Mil. lb.	7.3			6.8	
Tax-exempt removals						
Cigarettes	Bil.	4.1	4.0	3.0	3.8	3.6
Exports	Bil.	1.5	2.3	1.5	2.1	1.7
Cigars and cigarillos	Mil.	16.6	14.0	18.7	11.9	11.7
Accumulated from Jan. 1						
Cigarettes	Bil.	11.7	15.6	6.1	9.9	13.5
Exports	Bil.	5.0	7.3	2.2	4.4	6.1
Cigars and cigarillos	Mil.	52.0	66.0	25.4	37.2	48.9
Invoiced for export						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	.5			.3	
Chewing tobacco	Mil. lb.	.1			.4	
Wholesale price indexes 5/						
Cigarettes (reg. nonfilter)	1957-59=100	119.9	119.9	124.5	124.5	124.5
Cigars	1957-59=100	101.5	101.5	101.9	102.0	102.6
Smoking tobacco	1957-59=100	130.2	130.2	137.9	137.9	139.6
Plug chewing tobacco	1957-59=100	133.3	133.3	133.3	133.3	133.3
Snuff	1957-59=100	127.3	127.3	131.7	131.7	133.5
Consumer price indexes (urban) 6/						
Cigarettes (reg. nonfilter)	1957-59=100	143.5			148.7	
Cigarettes (filter tip king)	Mar. 1959=100	136.0			140.7	
Cigars (domestic reg. size)	1957-59=100	104.0			105.9	
Imports of tobacco						
Cigarette leaf	Mil. lb.	15.5	18.6	8.4	12.0	11.4
Cigar tobacco 7/	Mil. lb.	7.7	6.7	6.8	7.5	8.8
Accumulated from Jan. 1						
Cigarette leaf	Mil. lb.	44.4	63.0	24.0	36.0	47.5
Cigar tobacco 7/	Mil. lb.	22.8	29.5	14.5	21.9	30.7

See footnotes at end of table.

Continued -

STATISTICAL SUMMARY—CONTINUED

Item	Unit or base period	1968		1969			Last data as percentage of a year earlier
		Mar.	Apr.	Feb.	Mar.	Apr.	
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	26.6	32.0	2.4	40.4	31.4	98
Burley	Mil. lb.	4.8	5.1	1.2	4.7	6.4	125
Maryland	Mil. lb.	.7	1.1	.1	.2	1.5	136
Virginia fire- & sun-cured	Mil. lb.	.4	.3	.2	.3	.3	100
Ky.-Tenn. fire-cured	Mil. lb.	1.1	1.0	.6	1.6	3.1	310
Ky.-Tenn. dark air-cured	Mil. lb.	* .2		0	.1	.4	200
Black Fat	Mil. lb.	.1	.3	*	.1	.1	33
Cigar wrapper	Mil. lb.	.1	1.2	*	.2	.7	58
Connecticut binder	Mil. lb.	0	*	*	*	*	---
Wisconsin binder	Mil. lb.	0	.1	*	0	0	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	416.0	448.0	342.0	382.5	413.9	92
Burley	Mil. lb.	23.0	28.1	13.6	18.4	24.8	88
Maryland	Mil. lb.	6.5	7.6	2.8	3.0	4.5	59
Virginia fire- & sun-cured	Mil. lb.	3.6	3.8	1.8	2.1	2.4	63
Ky.-Tenn. fire-cured	Mil. lb.	11.2	12.2	4.7	6.3	9.4	77
Ky.-Tenn. dark air-cured	Mil. lb.	.6	.7	.7	.6	1.1	157
Black Fat	Mil. lb.	1.7	2.0	.5	.6	.7	35
Cigar wrapper	Mil. lb.	2.9	4.1	2.4	2.5	3.3	80
Connecticut binder	Mil. lb.	.5	.5	.1	.2	.2	40
Wisconsin binder	Mil. lb.	.1	.2	*	*	*	---
Cigar filler	Mil. lb.	.5	.5	.4	.6	.7	140
Exports of manufactured tobacco in bulk	Mil. lb.	1.6	.8	.2	1.7	.4	50
Accumulated from Jan. 1	Mil. lb.	3.9	4.7	1.9	2.2	2.6	55
Quarterly data							
		1968		1969			
		Jan.-Mar.	Apr.-June	Jan.-Mar.	Apr.-June		
Stocks of tobacco—1st of quarter 9/							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,844	2,588	2,612	2,388		92
Burley	Mil. lb.	1,666	1,626	1,607	1,606		99
Maryland	Mil. lb.	86	79	82	72		91
Fire-cured	Mil. lb.	95	119	84	106		89
Dark air- and sun-cured	Mil. lb.	66	71	65	73		103
Cigar filler	Mil. lb.	152	182	138	166		91
Cigar binder	Mil. lb.	61	73	53	62		85
Cigar wrapper	Mil. lb.	32	27	28	26		96
Under Government loan 10/	Mil. lb.	1,311	1,225	1,244	**1,245		102
Tobacco sheet 11/							
Cigarette types	Mil. lb.	19.7	21.9	21.1	23.4		107
Cigar types	Mil. lb.	2.4	3.3	2.1	2.3		70
Foreign types (farm-sales wt.)							
Cigarette and smoking	Mil. lb.	403	459	416	408		89
Cigar	Mil. lb.	78	83	91	94		113
Tobacco outlets 12/							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	586	567	566	566		100
Taxable removals	Bil.	531	512	521	518		101
Cigar production	Bil.	8.64	8.78	7.78	7.96		91
Smoking production	Mil. lb.	70.7	64.9	63.8	64.2		99
Chewing production							
Scrap	Mil. lb.	34.3	35.5	36.2	35.9		101
Plug and other	Mil. lb.	30.2	30.2	30.0	30.0		99
Snuff production	Mil. lb.	27.5	27.6	26.2	26.0		94
Exports of leaf							
Total	Mil. lb.	754	812	340	930		115
Flue-cured	Mil. lb.	697	735	309	820		112

1/ 1968 and 1969 crops respectively. 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/ Farm-sales weight 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 estimated. * Less than 50,000 pounds. ** Of this quantity, approximately 125 million pounds had been sold. Detail may not add to total due to rounding.

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