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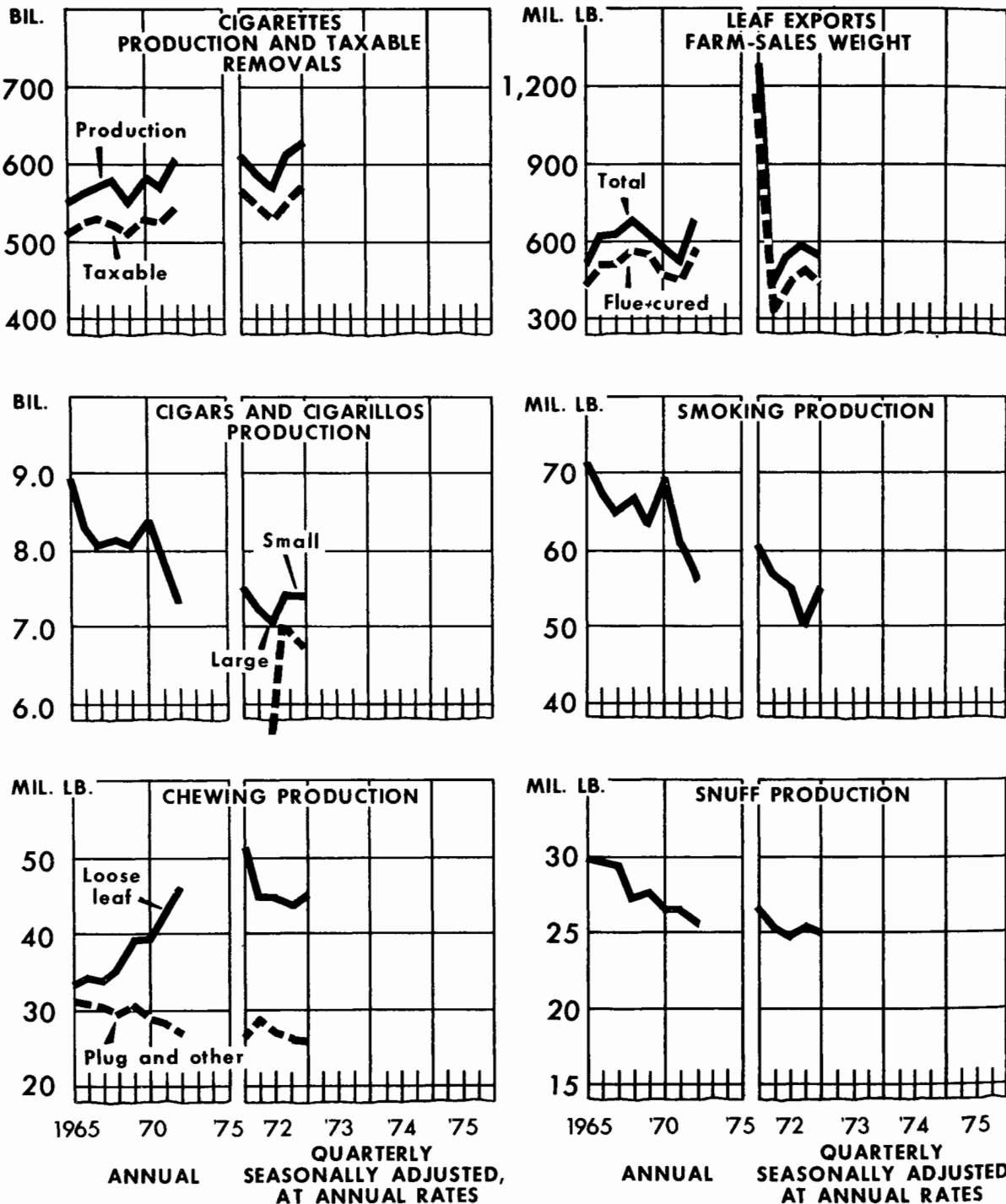
TOBACCO Situation

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TOBACCO OUTLETS

Trends in Manufactured Products and Exports



LAST QUARTER SHOWN ESTIMATED.

THE TOBACCO SITUATION

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SUMMARY

Total domestic use and exports of tobacco for 1972/73 should exceed the 1972 crop output and reduce carryover stocks 4 percent from last season. Larger output in 1973 might equal next season's anticipated use, which may remain about steady.

U.S. tobacco growers plan to boost plantings about 7 percent from the 843,000 acres harvested last year. An increase of 11 percent or 58,000 acres is in prospect for flue-cured as farm quotas are up 14 percent. Burley acreage may change little.

The prospective tobacco acreage, with average growing conditions, indicates a crop of 1.9 billion pounds, 8 percent more than last year. But the smaller expected carryover will keep the supply about the same as in 1972/73.

Based on the legal formula, the 1973 price support levels for eligible tobacco are 5.3 percent higher than last year. As in previous seasons, the price support program is expected to include the provision that requires growers to certify that they did not use DDT or TDE pesticides.

Per capita cigarette use in 1973 is expected to hold at last year's level, so the total should increase. Sales of large cigars, smoking tobacco, and snuff will do well to hold last year's low levels. Chewing tobacco sales are rising. Small cigars (cigarette size) may increase but probably not hold the high level of the second half 1972, due to the withdrawal of broadcast advertising by major brands.

Last year's output of cigarettes increased 4 percent to 599 billion. Filtertip cigarette output increased and the proportion rose to about 84 percent of the total. Nonfilter-tip production declined.

In 1972, U.S. smokers puffed a record 565 billion cigarettes—2 percent more than the previous year. Consumption per adult of 4,040 cigarettes (202 packs) stayed about the same.

In the second half of 1972, cigarette production increased 2 percent. Total domestic use of U.S. tobacco for the 1972/73 marketing year is now placed at 1.31 billion pounds about 1 percent below last year.

Exports may decline slightly for the current fiscal year. They totaled 385 million pounds, farm-sales weight, for July-January, about 8 percent above a

year earlier. Exports for the remainder of the year are expected to fall below the relatively high rate of last year. United Kingdom and Japan have taken more U.S. tobacco while West Germany has taken about the same.

The value of U.S. exports of tobacco and products surged ahead 29 percent to a record \$879 million in calendar 1972. Dock tieups had held down the 1971 total. Both volume and prices rose. Unmanufactured tobacco exports were worth \$639 million and tobacco product exports reached \$240 million. Volume of unmanufactured tobacco totaled 606 million pounds (equivalent to 682 million pounds, farm-sales weight).

Flue-cured tobacco disappearance in the current marketing year may fall slightly below the previous year's 1,142 million pounds. Domestic use is expected to be off some while exports will probably hold last year's level. But the crop was also down in 1972, so carryover in mid-1973 may be around 1.81 billion pounds, 6 percent below a year earlier.

Flue-cured growers intend to set 11 percent more acres than last year as the basic quota is up 10 percent. The effective quota is up about 14 percent because growers under-marketed their quotas last

season. With average yields, production could turn out 13 percent larger than last year's 1.01 billion pounds. Smaller beginning stocks mean that next season's supply would remain about the same as this season's.

With larger domestic use, disappearance of burley tobacco in 1972/73 may gain from last year's 570 million pounds. Last year's production rose one-fifth over 1971's reduced output which reflected adverse weather. Burley carryover next October 1 probably will remain about the same as the year-earlier level.

With cigarette production on the rise, USDA increased the 1973 burley marketing quota by 5 percent. The resulting basic allotment of 560.5 million pounds is 5 percent above last year's quota. But the 1973 farm quota, reflecting 1972's smaller undermarketings than in 1971, totals about 582 million pounds, 30 million below last season's quota. Prospects for 1 percent less acreage mean burley production may remain about the same as 1972.

Increases in acreage are indicated for cigar filler and wrapper. Maryland acreage may remain unchanged. Decreases are indicated for fire-cured, dark air-cured, and cigar binder tobaccos.

TOBACCO PRODUCTS

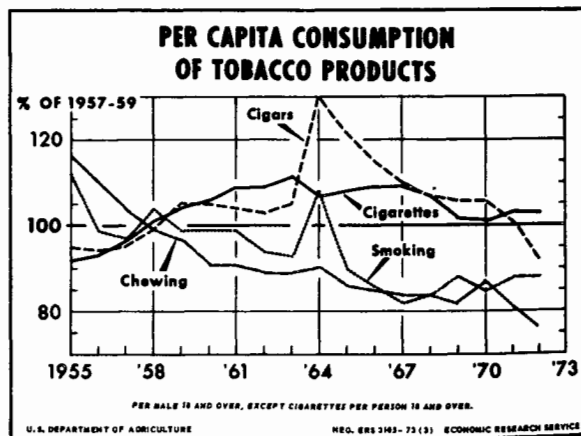
Cigarette Consumption Another Record High

U.S. cigarette output, domestic consumption, and exports all rose to new highs in 1972. Use may again increase slightly for this year, with further rise in the smoking age population.

Output last year rose 4 percent to 599 billion cigarettes (table 1). Most of the gain occurred in the first half, as manufacturers rebuilt inventories they had worked off in 1971. U.S. smokers (including those overseas) used 2 percent more cigarettes than in 1971, a new record. Consumption per person, 18 and over, at 4,040 (202 packs of 20) remained about the same as in 1971 but 7 percent below the 1963 peak (table 4).

U.S. exports of cigarettes in 1972 rose 9 percent to a new record. The declared value of cigarette exports rose to \$202 million, up 10 percent reflecting an increase in both unit value and quantity. Rising foreign cigarette consumption means U.S. exports will likely continue their upward trend this year.

In January, the Federal Trade Commission and the Department of Health, Education, and Welfare (DHEW) submitted annual reports and recommendations to Congress as required by the Public Health Smoking Act of 1969. The 1973 HEW report summarized medical literature on the health consequences of smoking. The FTC reviewed the effectiveness of cigarette labeling and current advertising and promotion practices.



Filter Trend Continues

The annual ERS survey of cigarette manufacturers indicated that filter-tip cigarettes rose further in 1972 to 84 percent of total cigarette production—up from 82 percent in 1971. Concurrently, the nonfilter category declined. The filter-tip gain was largely in the 100 millimeter size that made up 22 percent of 1971 total output (table 3).

Except for the 100 millimeter size, filter-tip cigarettes have a shorter tobacco column than nonfilter cigarettes. Over the past several years the

Table 1.--Cigarettes: Output, removals, and consumption, 1962-72

Year	Output	Removals					Total U.S. consumption
		Taxable	Tax-exempt				
			Total	Exports	Puerto Rico and U.S. possessions	Overseas forces	
<u>Billions</u>							
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	511.2
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	579.5	523.0	53.8	26.5	4.7	22.7	545.7
1969	557.6	510.5	47.1	25.0	3.7	18.4	528.9
1970	583.2	532.8	51.2	29.2	3.7	18.4	3/536.4
1971	576.4	528.9	49.2	31.8	2.7	14.7	3/555.0
1972 <u>4/</u>	599.1	551.0	47.2	34.6	2.1	10.5	3/565.0

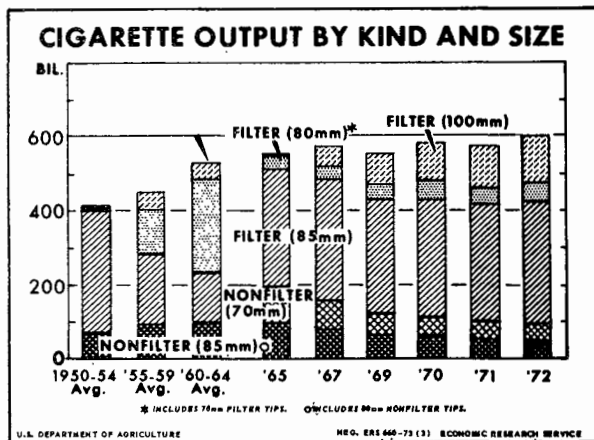
1/ Also includes ship stores and small tax-exempt categories. 2/ Taxable removals plus overseas forces. 3/ Includes estimated inventory changes. 4/ Subject to revision.
 Compiled from reports of Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigars and smoking tobacco: Output, removals, and consumption, 1964-72

Year and item	United States factories			From Puerto Rico taxable	Imports	Exports	Total U.S. consumption <u>1/</u>
	Output	Removals					
		Taxable	Tax-exempt				
<u>Millions</u>							
<u>Large cigars</u> <u>2/</u>							
1964	8,736	8,122	193	809	28	44	9,108
1965	7,899	7,578	180	913	25	55	8,641
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,858	6,846	197	1,099	30	76	8,096
1968	7,184	6,759	169	1,036	48	66	7,946
1969	6,931	6,739	169	1,080	45	65	7,968
1970	7,094	6,705	152	1,259	46	54	8,108
1971	6,707	6,506	131	1,222	48	49	7,858
1972 <u>3/</u>	6,025	5,887	136	1,272	62	76	7,281
<u>Million pounds</u>							
<u>Smoking tobacco</u>							
1964	82.4	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	67.1
1968	66.3	64.1	1.9	---	5.5	1.8	69.7
1969	63.9	62.6	1.6	---	5.7	1.1	68.8
1970	69.4	65.6	1.5	---	8.4	.9	74.6
1971	60.5	61.3	1.4	---	8.4	1.2	69.9
1972 <u>3/</u>	55.8	55.1	1.3	---	11.9	1.4	66.9

1/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports.
2/ Includes cigarillos. 3/ Subject to revision.
 Compiled from reports of the Internal Revenue Service, Bureau of the Census, and Agricultural Marketing Services, USDA.

filter-tips have been lengthened. Also, some brands have smaller diameters. These developments substantially reduce tobacco requirements per cigarette.



Manufacturers Raise Prices

Beginning in February cigarette companies raised list prices on nearly all of their brands by 20 to 35 cents per 1,000 cigarettes (2 to 3.5 percent). Five of the 6 major manufacturers increased prices in early February and the other firm raised prices March 5. Increases were within the Phase III guidelines. Retail cigarette prices rose by 1 cent per pack, according to industry sources. Although one company made some limited price increases a year ago, this is the most widespread price rise since May 1970 (table 5).

Retail cigarette prices rose in 1972 due to higher cigarette taxes in several States and higher wholesale-retail margins. By January, the BLS retail price indexes for cigarettes were 3 percent above a year earlier.

The average State cigarette tax rate (weighted by number of packs taxed) was 12.1 cents per pack in January 1973, up from 11.8 cents a year earlier. Tax increases are proposed this year in a few States. The Federal excise tax is 8 cents a pack. In addition, a considerable number of local governments tax cigarettes.

Small Cigars Soar; Ads Removed

With new brand introductions in the second half of 1972 and television promotion, cigarette-size small cigars approached the volume level of large cigars by the fourth quarter last year. For the year, small cigar production more than tripled to a record 4 billion cigars.

Small or little cigars are not included in the statutory radio and TV ad ban that applies to cigarettes. In mid-February, the 2 principal manufacturers of small cigars voluntarily withdrew

radio and television advertising for the 2 leading brands. This action followed discussions between company officials and members of the Senate Commerce Committee. The FTC had urged Congress to ban TV ads for small cigars. In its report to Congress earlier this year, HEW warned that persons smoking small cigars may face health hazards similar to those associated with cigarette smoking.

U.S. cigarette exports to leading destination, 1970-72

Country	1970	1971	1972 ¹
	Millions	Millions	Millions
Hong Kong	3,167	3,824	4,320
Belgium-Luxembourg	1,161	2,729	2,984
Spain	1,745	2,391	2,776
Netherlands-Antilles	1,402	1,530	1,924
Lebanon	496	1,510	1,901
Saudi Arabia	1,269	1,189	1,744
Panama	1,222	1,602	1,637
Ecuador	382	1,048	1,406
Kuwait	1,184	887	1,397
Switzerland	1,384	1,209	1,118
Japan	633	873	1,051
Other countries	15,118	13,020	12,344
Total	29,163	31,812	34,602

¹ Subject to revision.

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

Large Cigar Consumption Falls Further

Consumption of large cigars (including cigarillos) remained reduced in the fourth quarter of 1972. So for all of last year U.S. smokers (including those overseas) consumed about 7.3 billion cigars—8 percent less than in 1971. The trend has been downward since 1964 (table 2). The BLS index of retail cigar prices rose 3.4 percent last year. The declining pattern in use suggests cigar consumption will do well to hold its own this year.

Last year's decline was concentrated in lower price cigars and cigarillos (retailing up to 8 cents each). Medium priced cigars declined slightly while higher priced cigars gained.

Large cigars: Taxable removals by revenue class, 1971-72

Revenue class and retail price	1971	1972	Change from 1971
	Billions	Billions	Percent
A-D (up to 8 cents)	4.99	4.50	-9.8
E (over 8 to 15 cents)	2.23	2.15	-3.7
F-G (over 15 cents) . . . . .	.53	.54	+1.3
Total removals	7.75	7.19	-7.3

Table 3.—Cigarette output of filter-tip and nonfilter-tip by length, 1970-72

Item	1970		1971		1972 ¹	
	Output	Percent of total	Output	Percent of total	Output	Percent of total
	Billions	Percent	Billions	Percent	Billions	Percent
Filter-tip						
Regular 70 mm.	0.8	0.1	0.7	0.1	0.5	.1
Long 80 mm.	47.9	8.2	50.3	8.7	50.3	8.4
King 85 mm.	313.9	53.8	311.1	54.0	319.8	53.4
Extra long 100 mm.	104.8	18.0	113.1	19.6	126.1	21.0
Total	467.4	80.1	475.2	82.4	496.7	82.9
Nonfilter-tip						
Regular 70 mm.	53.9	9.2	47.1	8.2	49.8	7.6
King 85 mm.	61.9	10.6	54.1	9.4	56.5	9.4
Total	115.8	19.9	101.2	17.6	102.3	17.1
Grand total	583.2	100.0	576.4	100.0	599.0	100.0

¹ Cigarettes having other lengths were included in the most nearly comparable group. ¹ Estimated.

Table 4.—Consumption per capita of tobacco products in the United States (including overseas forces), 1963-72

Year	Per capita 18 years and over				Per male 18 years and over			
	Cigarettes ¹		Snuff	All tobacco products ¹	Large cigars and cigarillos	Smoking tobacco ²	Chewing tobacco ²	
	Number	Pounds	Pounds	Pounds	Number	Pounds	Pounds	Pounds
1963	4,345	9.70	0.27	11.78	124.6	2.39	1.22	1.11
1964	4,194	9.21	.26	11.54	154.3	2.69	1.42	1.11
1965	4,258	9.37	.24	11.51	143.8	2.57	1.19	1.07
1966	4,287	9.08	.23	11.12	136.1	2.41	1.13	1.05
1967	4,280	8.86	.23	10.80	130.7	2.28	1.08	1.04
1968	4,186	8.69	.21	10.59	126.5	2.15	1.11	1.05
1969	3,993	8.11	.20	10.04	125.0	2.11	1.08	1.09
1970	3,985	7.77	.19	9.68	125.3	2.08	1.15	1.06
1971	4,037	7.75	.19	9.52	119.2	1.94	1.06	1.09
1972 ³	4,040	7.81	.18	9.51	108.9	1.74	1.00	1.09

¹ Unstemmed processing weight. ² Finished product weight. ³ Subject to revision.

Table 5.—Tobacco demand factors, 1963-72

Year	Population July 1	Disposable personal income, per capita ²		Consumer price indexes				
		Current prices	1958 prices	All items	Tobacco products	Cigarettes		Cigar regular size
						Nonfilter-tip regular	Filtertip king size	
Million	Dollars	Dollars	1967=100	1967=100	1967=100	1967=100	1967=100	
1963	120.6	2,138	2,015	91.7	85.7	83.9	85.8	96.9
1964	121.9	2,283	2,126	92.9	87.7	86.6	87.3	97.2
1965	124.2	2,436	2,239	94.5	91.8	91.1	91.7	97.2
1966	126.3	2,604	2,335	97.2	96.3	96.0	96.3	98.6
1967	128.3	2,749	2,403	100.0	100.0	100.0	100.0	100.0
1968	130.4	2,945	2,486	104.2	106.3	106.9	106.4	101.3
1969	132.5	3,130	2,534	109.8	111.9	112.7	112.3	104.3
1970	135.1	3,366	2,603	116.3	122.2	122.4	122.5	105.4
1971	137.5	3,595	2,679	121.2	126.4	127.9	128.1	107.1
1972 ³	139.8	3,807	2,770	125.3	133.4	134.8	135.4	110.8

¹ 18 years and older including armed forces overseas. ² Based on total population. ³ Subject to revision.

Smoking Tobacco Output and Use Off

With a reduced rate continuing in the fourth quarter, smoking tobacco production last year totaled 56 million pounds, 8 percent below 1971. The decrease came from falling sales of pipe and cigarette-cut tobacco (tables 2 and 6). Last year's estimated consumption of smoking tobacco—domestic sales plus imports—amounted to 67 million pounds, 4 percent below 1971. Domestic factories sold 8 percent less.

Based on factory shipments of cigarette papers (and allowing for probable wastage) the number of roll-your-own cigarettes smoked in 1972 declined 1.7 billion from 1971. Roll-your-own took an estimated 25 million pounds of smoking tobacco in 1972, about 37 percent of U.S. smoking tobacco consumption. Besides cigarette cut and granulated or sack tobacco, a portion of manufacturers pipe tobacco sales are used in roll-your-own (table 7).

Manufactured tobacco imports (mostly smoking tobacco) increased to 12 million pounds in 1972. The value was \$16 million. Sweden and the Netherlands are the principal import sources.

Bulk Smoking Tobacco Exports Declined

Exports of smoking tobacco in bulk declined 6 percent last year from 1971's record-large volume. The average value rose, but total value declined to \$32.9 million. This export category includes specially prepared cigarette leaf and cut or shredded tobacco from U.S. and foreign sources. It also includes processed sheet, blended strips, or stemmed tobacco consisting of more than one kind—principally blended flue-cured and burley.

Chewing Tobacco Output Gains

Increased production and sales in the final quarter raised last year's chewing tobacco output to 73 million pounds, 2 percent above 1971. Of the 2 principal categories, loose leaf output increased while plug chewing declined.

Manufacturers sell virtually all their chewing tobacco domestically. Sales last year increased 1.2

percent with the gain primarily in loose leaf. Wholesale prices for plug remained unchanged.

Last year's snuff production trailed the low 1971 levels.

U.S. bulk smoking tobacco exports to leading destinations, 1970-72

Country	1970	1971	1972 ¹
	Million pounds	Million pounds	Million pounds
Italy	4.5	2.1	0.8
Dominican Republic ...	1.8	2.5	2.4
Switzerland	3.0	6.2	5.9
Netherlands	3.7	7.2	8.7
Spain	1.8	2.1	1.9
Peru .....	.4	1.4	.7
Ecuador .....	.8	1.1	1.1
Finland .....	.6	.7	1.4
Australia	2.0	2.3	1.1
Other countries	5.3	5.1	5.1
Total	23.9	30.7	29.1

¹ Subject to revision.

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

Tobacco products: Output 1970-72

Item	1970	1971	1972 ¹
	Million pounds	Million pounds	Million pounds
Chewing tobacco			
Plug	22.0	20.6	19.6
Twist	2.4	2.4	2.2
Fine-cut	4.8	5.1	5.2
Loose leaf	39.5	43.2	45.9
Total	68.7	71.3	72.9
Snuff	26.5	26.4	25.4
Smoking tobacco in bulk (exports)	24.1	30.7	28.4
Small cigars	933	1,135	4,022

¹ Subject to revision.

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

Table 6.—Smoking tobacco: Production and manufacturers' sales by category, 1971 and 1972

Category	Manufactured		Invoiced					
	1971	1972	To domestic customers		For export ¹		Total	
			1971	1972	1971	1972	1971	1972
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Pipe	49.3	46.6	49.0	45.5	1.4	1.3	50.4	46.8
Granulated or sack .....	.9	.7	.9	.7	(²)	(²)	.9	.7
Cigarette cut	10.3	8.6	11.4	9.2	(²)	(²)	11.4	9.2
Total	60.5	55.6	61.3	55.1	1.4	1.3	62.7	56.4

¹ Sales for overseas shipment (to foreign markets and overseas forces). ² Negligible.

Table 7.—Estimated number of roll-your-own cigarettes smoked and smoking tobacco consumed, 1968-72

Year	Roll-your-own cigarettes	Smoking tobacco consumption				
		Total ²	Used for—			
			Roll-your-own cigarettes		Pipe tobacco	
			Quantity	Percent of total	Quantity	Percent of total
	<i>Billion</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Million pounds</i>	<i>Percent</i>
1968	9.2	70	17	34	53	76
1969	10.4	69	19	27	50	73
1970	15.7	75	28	38	46	62
1971	15.7	70	28	40	42	60
1972 ³	14.0	67	25	37	42	63

¹Derived from shipments of cigarette papers. ²Includes imported smoking tobacco. ³Subject to revision.

U.S. EXPORTS AND IMPORTS

The United States is the leading tobacco exporter and the third largest tobacco importer. In recent years our exports have represented about one-third of the U.S. tobacco crop and about a fourth of world tobacco exports. U.S. exports of tobacco and products were value at a record \$879 million in calendar year 1972, \$196 million over 1971. This includes unmanufactured tobacco worth \$639 million and tobacco products of \$240 million. Thus, the surplus in value of U.S. tobacco exports over general imports was unusually high at \$745 million, relieving some of the pressure on the overall U.S. balance of payments problem.

Leaf Tobacco Exports Surge

With the recovery from 1971's dock strike, U.S. exports of unmanufactured tobacco rose 28 percent to 606 million pounds (export weight) in 1972. This was 682 million pounds farm-sales weight, the most since 1946. Most of the increase occurred in the first quarter last year. Exports followed a more normal pattern the remainder of the year.

Increased exports of flue-cured leaf and stems—the principal export categories—accounted for most of the hike in exports. Exports of burley, Maryland, fire-cured, Black Fat, and cigar wrapper tobacco also gained. Cigar filler and binder exports held about the same as in 1971, while dark air-cured exports were lower (table 8).

Last year 207 million pounds of tobacco were bartered for materials and services used by U.S. agencies overseas (table 9). About seven-tenths of barter exports went to Western Europe, one-fourth to

the Far East and Pacific countries, and the remainder to other areas. CCC provided credit on 40 million pounds of commercial exports. About three-fourths of these exports went to Western Europe. Most financing is for 12 months, but financing up to 36 months is authorized.

Barter exports, leading destinations, 1972

Country	Amount	Country	Amount
	<i>Mil. lb.</i>		<i>Mil. lb.</i>
W. Germany	22.2	Italy	12.3
Japan	34.4	Malaysia	4.1
United Kingdom .	51.8	Norway	6.9
Denmark	17.1	Finland	5.2
Taiwan	13.5	Spain	5.8

For the year ending June 30, 1973, U.S. exports of unmanufactured tobacco may hold near the 524 million pounds shipped in 1971/72, but the value is expected to rise. July 1972-January 1973 exports of 344 million pounds were up 30 million. Exports for the rest of the fiscal year are expected to fall. The 10 percent devaluation of U.S. currency, announced February 12, makes our exports less expensive to some purchasers, but most of our competitors also devalued. The principal effect of any lower cost to importers will occur when they bid on the 1973 crop.

Other Export Highlights

The United Kingdom regained the lead as the largest taker of U.S. leaf, with exports to that market up 28 percent from 1971. But the total remained below

Table 8.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)						
Country and type	Average 1964-68	1969	1970	1971	1972 1/	1972 as a percentage of 1971 2/
	----- Million pounds -----					Percent
Flue-cured	408.0	429.6	368.2	341.8	425.3	124
Burley	46.4	52.0	41.4	36.5	53.7	147
Maryland	12.4	10.4	11.8	9.0	11.0	122
Fire- and sun-cured	25.6	25.5	24.2	22.5	25.6	114
Green River	.7	.4	.3	.4	.3	75
One Sucker	.8	.4	.5	.6	.3	50
Black Fat, etc.	3.5	1.1	2.7	2.5	3.3	132
Cigar wrapper	4.4	2.2	1.6	2.5	3.0	120
Cigar binder	2.0	.9	.3	.1	.1	100
Cigar filler	.9	.6	.4	.3	.3	100
Perique	.3	.1	.2	.1	.3	300
Stems, trimmings, and scrap	35.6	54.1	58.8	57.0	82.9	145
Total	540.8	577.5	510.4	473.3	606.1	128
Country of destination						
United Kingdom	126.4	134.2	95.5	89.3	115.1	128
France	6.9	8.6	9.0	10.1	7.7	76
Belgium	18.3	17.4	12.4	15.6	12.9	83
Netherlands	36.7	33.6	26.6	28.1	22.4	80
West Germany	93.6	102.2	92.6	100.0	99.2	99
Portugal	5.1	6.3	4.9	2.7	2.4	89
Denmark	16.2	19.1	18.1	16.7	20.8	125
Ireland	12.9	10.5	10.2	9.0	14.3	159
Switzerland	18.1	26.4	24.7	18.2	23.5	129
Finland	5.6	5.9	5.0	4.8	5.3	110
Norway	8.1	7.2	8.1	4.3	7.0	163
Sweden	17.1	13.9	19.5	14.7	20.5	139
Italy	6.7	19.5	3.1	16.4	23.1	141
Spain	4.2	4.1	3.0	5.2	4.6	88
Thailand	18.5	24.3	20.1	18.9	30.5	161
S. Vietnam	10.6	10.8	10.8	17.2	18.9	110
Malaysia	8.0	10.9	11.8	11.0	8.4	76
Hong Kong	6.4	4.2	4.3	2.7	3.5	130
Japan	37.9	40.9	58.6	18.6	87.3	469
Australia	16.7	20.2	10.2	10.9	14.8	136
New Zealand	4.4	2.5	5.0	3.8	4.4	116
Egypt	9.5	2.6	.6	1.2	.9	75
Other countries	52.7	52.2	56.3	53.5	58.6	110
Total	540.8	577.5	510.4	473.3	606.1	128

1/ Preliminary.

2/ 1972 exports were large due to the 1971 dock strike.

Detail may not add to total due to rounding.

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

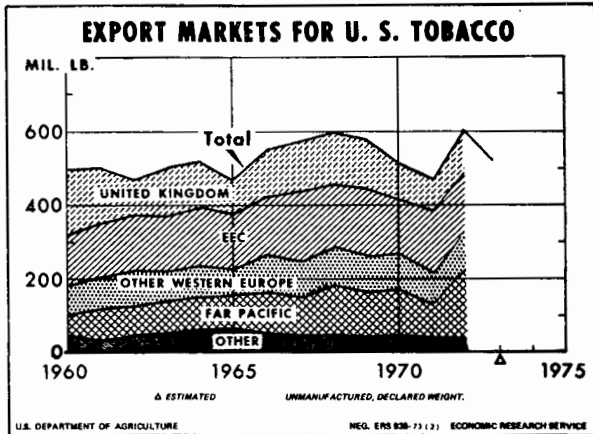
Table 9.--Exports of unmanufactured tobacco under Government financed programs and commercial sales, 1955-59 average, 1960-72 annual

Calendar year	Government financed exports				Commercial exports				Total unmanufactured tobacco exports
	Title I, P.L. 480	Mutual	Security	Total	Barter	Dollar sales	CCC	Other	
	Foreign currency sales	Long-term dollar credit sales	and A.I.D.		<u>1/</u>	short term	credit		
Quantity (exportweight)									
<u>Million pounds</u>									
Average: 1955-59	49.0	---	2.9	51.9	4.0	---	443.9	447.9	499.8
1960	31.2	---	22.8	54.0	27.3	---	414.8	442.1	496.1
1961	26.0	---	20.5	46.5	61.3	---	393.2	454.5	501.0
1962	28.5	0.4	.4	29.3	50.3	---	389.3	439.6	468.0
1963	35.6	3.4	---	39.0	14.9	1.0	450.6	466.5	505.5
1964	37.9	3.5	4.3	45.7	19.5	---	449.3	468.8	514.5
1965	29.7	2.9	1.7	34.3	54.9	.3	378.6	433.8	468.1
1966	25.8	1.0	4.3	31.1	86.0	15.8	418.3	520.1	551.2
1967	17.4	5.9	2.5	25.8	91.4	10.8	444.3	546.5	572.3
1968	20.1	12.1	.3	32.5	92.7	13.5	460.1	566.3	598.8
1969	16.5	15.2	---	31.7	117.2	35.8	392.8	545.8	577.5
1970	12.6	10.4	---	23.0	122.8	58.6	306.0	487.4	510.4
1971	19.3	1.2	---	20.5	143.0	51.3	258.5	452.8	473.3
1972 <u>2/</u>	24.4	2.6	---	27.0	207.4	40.0	331.7	579.1	606.1
Value									
<u>Million pounds</u>									
Average: 1955-59	35.3	---	1.6	36.9	2.3	---	310.7	313.0	349.9
1960	22.0	---	17.8	39.8	21.0	---	318.5	339.5	379.3
1961	20.4	---	16.5	36.9	35.2	---	318.8	354.0	390.9
1962	22.2	0.6	.3	23.1	31.1	---	319.2	350.3	373.4
1963	25.1	2.9	---	28.0	9.1	0.7	365.3	375.1	403.1
1964	24.3	3.7	2.8	30.8	11.9	---	370.2	382.1	412.9
1965	19.4	2.5	1.4	23.3	38.8	.2	320.4	359.4	382.7
1966	19.2	.8	3.8	23.8	65.7	14.0	378.0	457.7	481.5
1967	15.2	4.5	2.0	21.7	79.9	9.4	387.3	476.6	498.3
1968	17.3	10.2	.3	27.8	92.4	11.7	392.5	496.6	524.4
1969	14.9	13.6	---	28.5	121.6	36.1	353.5	511.2	539.7
1970	13.1	8.8	---	21.9	130.2	63.4	273.0	466.6	488.5
1971	19.0	1.4	---	20.4	155.3	54.6	231.7	441.6	462.0
1972 <u>2/</u>	25.3	3.0	---	28.3	243.3	42.5	324.6	610.4	638.7

1/ Government-financed for strategic materials, 1958-62.

2/ Subject to revision.

the highs of 1966-69. Last year, U.K. manufacturers' used about as much U.S. leaf as they bought, so their stocks of U.S. leaf stayed about the same. But U.S. leaf stocks remain substantially below prior years. With the EC enlargement effective January 1, manufacturers have preferential access to large supplies from the EC overseas territories. Availability of lower cost supplies from Commonwealth countries continue.

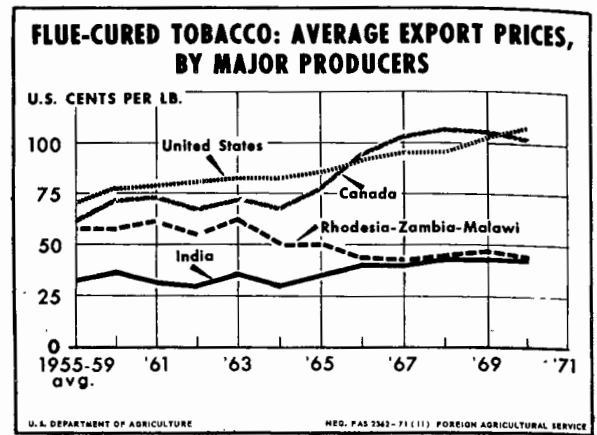


Among the original 6 EC countries, only Italy took more U.S. tobacco last year. Blended cigarettes made in Italy with U.S. leaf are posting sizable gains. Despite increases in West Germany's cigarette production, takings of U.S. leaf stabilized last year. EC tobacco policy discourages use of higher value U.S. leaf. Japan—third ranking market—took substantially more. The U.S. dock strike in 1971 meant the 1971 crop shipments were bunched in early 1972. Annual purchases by Japan show a rising trend. Other major markets such as Denmark, Ireland, Switzerland, Sweden, Thailand, and South Vietnam increased takings from the United States.

Flue-cured exports made up seven-tenths of the total. These exports increased 24 percent despite a decline to the EC group. Other major destinations took more, including Japan and the United Kingdom and other EFTA countries.

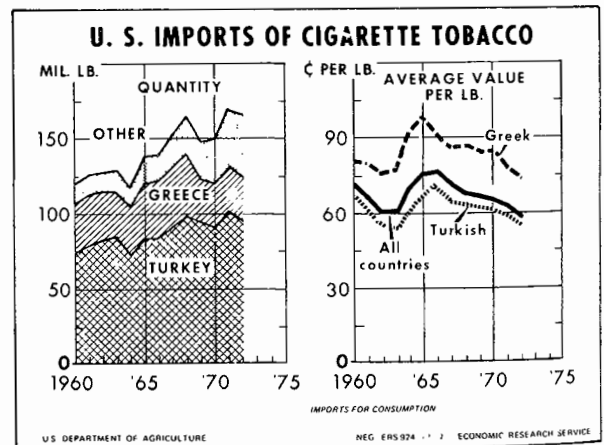
Larger burley exports to the European Common Market reflected increased takings by West Germany and Italy. Thailand became the third ranking burley market. EFTA countries, Japan, Sweden, and Switzerland also took more. Maryland tobacco exports recovered but remained below recent high levels. Takings by Switzerland, the major market, increased about 16 percent.

U.S. tobacco exports under government-financed programs (Public Law 480) in 1972 totaled 27 million pounds, the smallest quantity since the program began in 1954. Two-thirds of the exports went to South Vietnam.



Imports Slacken

Imports of unmanufactured tobacco for consumption (withdrawals from bond and duty-paid releases for manufacture immediately upon arrival) declined from 1971's record high. The total of 241 million pounds was down 3 percent (table 10). Major categories of leaf and scrap were lower. In September 1971 manufacturers withdrew sizable quantities from bonded warehouses before the import surcharge became effective.



Cigarette leaf imports dropped from the 1971 high. Carrying an average value of 60 cents per pound, most of this category is oriental tobacco. Turkey, Greece, and Yugoslavia are principal suppliers. Flue-cured and burley leaf imports increased last year as well as lower-valued imports of scrap from origins suitable for cigarette use. Last year's imports accounted for about one-sixth of the tobacco used in U.S. cigarette production. A high level of imports will probably continue this year.

General imports of tobacco (arrivals; i.e. direct entries plus that placed in bonded warehouses for

Table 10.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1970-72

(Declared weight)								
Classification and country or origin	Imports for consumption				General imports (arrivals)			
	1970	1971	1972	1972 as a percentage of 1971	1970	1971	1972	1972 as a percentage of 1971
	Million pounds	Million pounds	Million pounds	Percent	Million pounds	Million pounds	Million pounds	Percent
<u>Cigarette tobacco:</u>								
<u>Leaf, unstemmed</u>								
Oriental								
Turkey	91.0	101.5	95.7	94	73.2	68.9	135.1	196
Greece	28.7	29.1	29.4	101	18.4	18.3	28.9	158
Yugoslavia	15.8	21.8	15.1	69	19.2	12.9	9.3	72
Other countries	6.3	11.6	17.1	147	14.8	12.2	22.2	182
Flue-cured and burley	7.8	4.4	6.7	152	18.3	9.9	32.4	327
Subtotal	149.6	168.3	164.0	97	143.9	122.2	227.9	186
<u>Scrap</u>								
Turkey	10.7	10.1	10.6	105	8.7	2.7	10.9	404
Other countries ^{2/}	4.2	8.1	2.3	28	1.8	3.5	6.3	180
Total	164.4	186.5	176.9	95	154.4	128.4	245.1	191
<u>Cigar tobacco:</u>								
Wrapper	.8	1.0	1.0	100	1.7	1.2	1.6	133
<u>Filler--stemmed and unstemmed</u>								
Dominican Republic	1.2	1.3	2.0	154	7.6	9.9	15.1	153
Other countries	4.4	5.1	8.8	173	29.9	25.7	34.3	133
Subtotal	5.7	6.4	10.8	169	37.5	35.6	49.5	139
<u>Scrap</u>								
Philippine Republic	22.3	27.2	18.3	67	18.4	15.3	14.2	93
Colombia	4.4	4.6	5.8	126	0	1.0	2.4	240
Dominican Republic	6.6	6.5	6.1	94	1.4	1.2	1.9	158
Brazil	3.8	4.1	6.0	146	.5	.9	1.5	167
Other countries	10.3	11.5	11.9	103	4.6	3.5	14.2	406
Subtotal	47.3	53.9	48.1	89	24.9	22.0	34.2	155
Total	53.8	61.3	59.8	98	64.1	58.8	85.2	145
Stems	.4	.8	3.7	462	.3	.4	2.0	500
Grand total	218.6	248.5	240.5	97	218.8	187.6	332.2	177

^{1/} Preliminary.

^{2/} Canada, Greece, Cyprus, Lebanon, India, Korea.

Detail may not add to total due to rounding.

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

withdrawal for factory use later) were sharply higher last year. The rise reflected recovery from the 1971 dock strikes and the pickup in U.S. cigarette production. Oriental cigarette leaf accounted for most of the increase. But flue-cured and burley leaf as well as cigar filler and scrap increased markedly. About one-half of the flue-cured and burley arrivals represented leaf from Brazil valued at 30 cents per pound. Last month, the countries supplying most of

our imports devalued their currencies in line with the U.S. change, so the cost to U.S. importers may change little.

As a result of larger imports, stocks of imported cigarette and smoking tobacco in the United States on January 1, 1973, were up 23 percent from a year earlier and 8 percent above 2 years ago (farm-sales weight). U.S. stocks of imported cigar leaf also gained.

TOBACCO LEAF SITUATION AND OUTLOOK ¹

HIGHLIGHTS

Because of smaller crops and carryovers, the supply of domestic leaf tobacco in 1972/73, at 5¼ billion pounds, was 4 percent below the previous year. The smaller 1972 crop moved off the farms and the export pace quickened, and nonfarm leaf stocks on January 1 were 5 percent below a year earlier. Moderate export levels and steady gains in cigarette sales should leave stocks at the end of the current marketing year down 4 percent from the 3½ billion pounds at the start. Last year, U.S. cigarette manufacturers used an estimated 1.16 billion pounds of tobacco (unstemmed processing weight). This quantity was about 4 percent above the previous year.

Prospective Acreage Up

Following a year of decreased production, tobacco growers plan to set 7 percent more acreage, according to the March intentions report. An 11 percent increase in flue-cured accounts for most of the gain as farm quotas for flue-cured are up 14 percent. Burley acreage prospects are a little less than last year. The base quota for burley is 5 percent higher. But with undermarketings in 1972 much smaller than in 1971 the effective poundage quota falls 5 percent below that last year. Little change is in prospect for Maryland acreage. Increases are indicated for cigar filler and wrapper. Growers of fire-cured, dark air-cured, and cigar binder types may set less acreage (table 11).

All tobacco types except Maryland, Pennsylvania filler, shade-grown cigar wrapper, and perique are under quotas. Basic allotments were unchanged for Virginia and Kentucky-Tennessee fire-cured and for sun-cured, dark air-cured, and cigar filler and binder (types 42-44 and 53-55).

For all types of U.S. and Puerto Rican tobacco, production from this year's intended acreage would total 1.89 billion pounds, 7 percent more than last year. This level can be achieved with a reasonably

favorable season. This size crop plus the tentative carryover gives 1973/74 supply about the same as this year's level.

1973 Price Support Program

The 1973 price support program for tobacco is expected to be similar to the one in effect for many years. Supports are 5.3 percent higher than 1972. Price support is made available to eligible producers through non-recourse loans to producer associations.

The increase in 1973 support levels reflects higher prices for goods and services bought by farmers during the past 3 calendar years (1970-72) compared with 1959 average prices paid by farmers as required by law.

To receive price support, tobacco producers must certify that they did not use DDT or TDE insecticides. U.S. exports face sharp reductions if DDT or TDE residues are above tolerance levels set by foreign governments.

Growers of fire-cured and dark air-cured tobaccos approved marketing quotas on their next 3 crops in a February referendum. Therefore, price support will be available for their 1973, 1974, and 1975 crops. Growers of flue-cured, burley, cigar binder, and Ohio filler tobaccos approved marketing quotas applicable to the 1973 crop in previous referendums.

Flue-cured

Utilization Slips

Domestic disappearance of flue-cured tobacco (types 11-14) during 1972/73 will about equal the average of the past 3 marketing years. However, disappearance may fall 3 percent below last season's 662 million pounds. During the first half of the current marketing year, domestic disappearance ran

¹ All quantities in this section are farm-sales weight equivalent unless otherwise noted.

6 percent less, despite increased cigarette production. Cigarette output for last July through January was (3.2) percent higher than in the comparable period of 1971/72.

took more U.S. tobacco, in contrast to declines in the year-earlier period. West Germany and Sweden took less again this year as manufacturers made further inventory reductions.

Computations of price support level adjustment factor for tobacco, 1960-73

Crop year	Parity index ¹		Price support level adjustment factor ³
	Previous calendar year	3-year average ²	
	1910-14=100		1959=100
1960.....	298	293	(⁴)
1961.....	300	297	100
1962.....	302	300	101
1963.....	307	303	102
1964.....	312	307	103
1965.....	313	311	104
1966.....	321	315	106
1967.....	334	313	108
1968.....	342	332	111
1969.....	355	344	115
1970.....	373	357	120
1971.....	390	373	125
1972.....	410	391	131
1973.....	433	411	138

¹ Index of prices paid by farmers, including wage rates, interest and taxes. ² 3 calendar years immediately preceding. ³ 3-year average parity index divided by 1959 parity index. ⁴ Act of February 20, 1960 set the 1960 price support at the 1959 level.

Exports so far this marketing year are above last season's dock-strike-reduced level, but below the July-January average of 1967-71. The season's prospects appear about equal to last season. July-January exports increased 8 percent to 326 million pounds but the rest of the season may trail. For the first 7 months, larger shipments to the United Kingdom accounted for six-tenths of the gain. Despite competition from other suppliers, Japan, Belgium, and Switzerland

Carryover Declining Again

Despite prospects for lower disappearance, the smaller crop last season means the flue-cured carryover on July 1 will fall about 100 million pounds below the 1.91 billion of mid-1972. Since the beginning of acreage-poundage controls in 1965, the decline has averaged 92 million pounds a year through mid-1972.

Manufacturers have purchased heavily from CCC loan stocks again this season to increase their holdings to the highest level since 1968. In the 7 months ended February 28, 1973, there were 220 million pounds sold from loan stocks, compared with 193 million the same period last year. Unsold loan stocks on March 1 were 250 million pounds below a year earlier and about the same as the low level in 1962.

1973 Acreage To Increase

With the national base quota set 10 percent above 1972, and a bigger quota carryover (reflecting last year's net undermarketings) a larger crop is expected. Undermarketings in 1972 exceeded overmarketings by 35 million pounds, but some undermarketings were ineligible to be carried forward (table 12).

According to March 1, intentions, 572 thousand acres will be grown, about 11 percent above last year. On the intended acreage, a projected yield per acre—which takes into account the yield history under farm poundage quotas—indicates a 1973 production of about 1.14 billion pounds. This would be one-eighth above 1972.

Table 11.—U.S. tobacco: Acreage and production, 1971-73

Type	Acreage				Production			
	1971	1972	1973 ¹	Change from 1972	1971	1972	1973 ²	Change from 1972
	1,000 acres	1,000 acres	1,000 acres	Percent	Million pounds	Million pounds	Million pounds	Percent
Flue-cured								
11-Old and Middle Belt, VA.-N.C.	189.4	186.0	208.0	11.2	355	326	376	15.4
12-Eastern N.C.	159.0	157.0	178.0	11.3	355	333	391	17.4
13-S.C.-Border N.C.	107.0	103.0	113.0	11.0	231	219	241	10.0
14-Georgia-Florida	70.4	67.6	73.1	10.8	137	134	145	8.2
Total, types 11-14	525.8	513.6	572.1	11.1	1,078	1,012	1,144	13.0
Burley, type 31	213.5	231.0	228.9	-9	473	588	589	³ 0.1
Maryland, type 32	27.0	26.0	26.0		28	26	27	3.8
Total, all types 11-72 ..	839.4	843.3	898.7	10.7	1,708	1,749	1,886	7.9

¹ March 1 intentions. ² Based on average yield adjusted for trend. ³ Computed from unrounded data.

Table 12.—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-73

Year	Quota		Marketings				Net carryover ²
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under-quota ¹	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Flue-cured, types 11-14							
1965	1,126.0	1,124.4	1,055.5	27.1	96.0	96.0	68.8
1966	1,126.0	1,199.0	1,107.9	35.0	126.1	126.1	91.1
1967	1,126.0	1,202.4	1,247.5	77.9	32.8	30.8	-47.1
1968	1,126.5	1,067.9	996.3	26.5	98.1	96.6	70.0
1969	1,127.1	1,187.0	1,052.1	26.6	161.5	157.9	131.3
1970	1,071.0	1,190.8	1,178.2	65.1	77.6	71.2	6.1
1971	1,071.4	1,069.9	1,076.3	60.4	53.9	49.9	-10.5
1972	1,071.2	1,056.7	1,022.1	41.2	75.8	72.9	31.7
1973	1,178.4	³ 1,210.1					
Burley, type 31							
1971	555.1	552.9	471.5	9.7	91.2	91.1	81.4
1972 ³	531.5	³ 612.9	581.6	30.5		51.7	21.2
1973	560.5	⁴ 581.7					

¹ Under quota marketing less ineligble carryover. ² Effective under quota marketings less over quota marketings. ³ Subject to revision. ⁴ Preliminary.

Compiled from records of Tobacco Division, ASCS.

The projected crop plus the tentative carryover would give a 1973/74 supply slightly above the 2.93 billion pounds available in the current marketing year (table 13). The law requires the 1973 crop be supported at 76.6 cents per pound—3.9 cents higher than for 1972. Loan rates for individual grades will be announced later.

Tobacco loan stocks, 1971-73

(Farm-sales weight)

Type	End of February		
	1971	1972	1973
	Million pounds	Million pounds	Million pounds
Flue-cured, 11-14	845.0	702.4	478.1
Uncommitted	805.7	607.6	358.1
Burley, 31	505.4	393.8	302.4
Uncommitted	499.8	326.8	257.1
Virginia, 21	1.4	.7	(¹)
Kentucky-Tennessee, 22-23 ..	10.1	2.3	3.1
Kentucky-Tennessee, 35-36 ..	19.2	14.7	13.6
Ohio, 42-44	0	0	0
Puerto Rican, 46	4.1	2.2	0
Connecticut Valley, 51-52 ...	2.6	.5	2.6
Total	1,387.8	1,116.6	799.8

¹ Negligible.

Compiled from records of Tobacco Division, ASCS.

Burley

Effective Quota Lower; Crop May Decline

For burley tobacco the 1973 basic allotment of 560 million pounds is 5 percent larger than last year. Marketings from the 1972 crop totaled about 590 million pounds. Undermarketings of the 1972 effective quota more than offset overmarketings. But the 21 million pound shortfall is substantially below 1971's net carryover. Thus, the effective farm quota for 1973 will be about 582 million pounds—5 percent less than last season.

March 1 intentions indicate farmers will set about 1 percent less burley acreage than last year. Assuming an average yield adjusted for modified trend, production would total 589 million pounds, about the same as last year. The indicated carryover would result in a 1973/74 supply about equal to the 1.84 billion pounds of the current marketing year, and 3 percent below 1970/71's level.

For the 1973 crop the price support level will be 78.9 cents a pound—4.0 cents above the 1972 crop average.

Larger Crop Offsets Reduced Carryover

With last season's larger crop the 1972/73 burley tobacco supply is about 1.84 billion pounds, 1 percent

Table 13.—Flue cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield production, carryover, supply, disappearance, season average price, and price support operations, 1963-73

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Production	Beginning stocks ¹			Total supply
				Manufacturers and other	Under loan	Total	
	<i>Thousand acres</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Flue-cured, types 11-14							
1963	694.5	1,975	1,371.5	1,785.3	496.3	2,281.6	3,653.1
1964	627.6	2,211	1,387.8	1,689.5	696.9	2,386.4	3,774.2
1965	562.3	1,883	1,059.0	1,636.9	918.5	2,555.4	3,614.4
1966	607.0	1,825	1,107.9	1,602.5	836.4	2,438.9	3,546.8
1967	610.3	2,070	² 1,250.0	1,587.1	685.4	2,272.5	3,522.5
1968	533.0	1,841	² 995.6	1,528.1	773.4	2,301.5	3,297.1
1969	576.8	1,825	1,052.8	1,299.6	800.5	2,100.1	3,152.9
1970	584.1	2,042	² 1,178.1	1,227.5	744.9	1,972.4	3,150.5
1971	525.8	2,050	² 1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972 ³	513.6	1,970	² 1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973 ⁴	572.1	2,000	1,144.0	1,437.3	370.0	1,807.3	2,951.3
Burley, type 31							
1963	338.5	2,231	755.1	1,133.5	94.4	1,227.9	1,983.0
1964	306.6	2,022	619.8	1,146.8	265.4	1,412.2	2,032.0
1965	277.1	2,116	586.3	1,099.3	316.4	1,415.7	2,002.0
1966	240.7	2,437	586.7	1,133.4	261.9	1,395.3	1,982.0
1967	237.7	2,274	540.6	1,104.8	276.7	1,381.5	1,922.1
1968	237.6	2,372	563.4	1,002.4	321.7	1,324.1	1,887.5
1969	237.7	2,488	591.4	975.7	340.8	1,316.5	1,907.9
1970	216.4	2,590	560.5	887.9	454.8	1,342.7	1,903.2
1971	213.5	2,213	472.6	882.4	468.4	1,345.8	1,818.4
1972 ³	231.0	2,547	² 591.7	920.9	327.6	1,248.5	1,840.2
1973 ⁴	228.9	2,575	589.4	980.2	280.0	1,260.2	1,849.6
Disappearance				Average price per pound	Price support level	Placed under Government loan	
Total	Domestic	Exports	Quantity			Percentage of crop	
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Cents</i>	<i>Cents</i>	<i>Million pounds</i>	<i>Percent</i>
Flue-cured, types 11-14							
1963	1,266.7	768.3	498.4	58.0	56.6	277.2	20.2
1964	1,218.8	774.7	444.1	58.5	57.2	285.6	20.7
1965	1,175.5	752.4	423.1	64.6	57.7	71.5	6.8
1966	1,274.3	687.2	587.1	66.9	58.8	74.6	6.8
1967	1,221.0	687.7	533.3	64.2	59.9	282.1	22.6
1968	1,197.0	671.7	525.3	66.6	61.6	128.8	12.9
1969	1,180.5	645.9	534.6	72.4	63.8	97.6	9.3
1970	1,174.1	640.1	534.0	72.0	66.6	144.2	12.2
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972	⁴ 1,125.0	⁴ 655.0	⁴ 470.0	⁵ 85.3	72.7	⁴ 24.3	2.4
1973					⁴ 76.6		
Burley, type 31							
1963	570.8	513.4	57.4	59.2	58.3	202.3	26.8
1964	616.3	560.6	55.7	60.3	58.9	110.4	17.8
1965	606.7	549.6	57.1	67.0	59.5	42.2	7.2
1966	600.5	544.1	56.4	66.9	60.6	62.5	10.6
1967	598.0	544.6	53.4	71.8	61.8	64.2	11.9
1968	571.0	516.1	54.9	73.7	63.5	56.2	10.0
1969	565.2	507.1	58.1	69.6	65.8	158.2	26.8
1970	557.4	503.0	54.4	72.2	68.6	47.7	8.5
1971	569.9	515.2	54.7	80.9	71.5	.2	(⁶)
1972	⁴ 580.0	⁴ 528.0	⁴ 52.0	⁵ 79.2	74.9	22.9	3.9
1973					⁴ 78.9		

¹ July for flue-cured; October 1, for burley. ² Sales. ³ Subject to revision. ⁴ Estimated; production is based on intended acreage

and projected yield. ⁵ Based on sales data. ⁶ Less than .05 percent.

above last year. Supply equals 3.2 times estimated disappearance. Carryover on October 1 was 7 percent below a year earlier and the lowest since 1963 (table 13).

By March 2, unsold burley loan stocks decreased about a fifth from the 327 million pounds of a year earlier. The 2 associations received 4 percent of total 1972 crop sales compared with hardly any of 1971's sales. But cigarette sales are rising and manufacturers have bought heavily from loan stocks.

If cigarette production continues to rise domestic burley use in 1972/73 may increase slightly from the 515 million pounds of last marketing year. But exports may decline from last marketing year's 55 million pounds. Shipments in October 1972-January 1973 increased 9 million pounds with resumption of normal shipping patterns. West Germany and Switzerland increased takings sharply. Denmark and the Netherlands reduced their takings. None was shipped to Italy in contrast to a sizable quantity a year earlier.

U.S. exports may face some erosion with many foreign producers expanding output. Greece has increased burley production in recent years but had a 7 percent decline in 1972 production. Greek burley enters the EC duty-free in substantial quantities. Overall, foreign burley production in 1972 gained 72 million pounds from the previous season's record. Several countries had sizable gains but the Republic of Korea accounted for almost a third of the increase in foreign production.

While the uptrend in burley disappearance may continue, carryover stocks next October 1 will likely be about the same as the 1,248 million pounds of last year. Loan stocks may fall to the 1967 level.

Auction Prices Down

Average price for the 1972 burley crop was the second highest on record. Sales volume increased 24 percent from last season's low level. General quality improved. Also, the crop contained larger percentages of good to choice grades and less fair and low. Total value of the crop was up 22 percent from 1971 and the highest on record.

Auction prices for the 1972 burley crop (including resales) averaged 79 cents a pound—2 cents below the previous year's level. Average declines by States ranged from 1.32 to 2.67 cents (table 14). Average prices by markets ranged from 76.1 cents per pound in West Jefferson, N.C., to 80.1 cents in Lebanon, Ky.

Markets opened November 20, and the season ended February 27 at Lexington, Ky. The larger crop took 5 more sale days than for the 1971 crop. About 80 percent of the estimated crop was sold by December 15, when markets closed for the holidays.

Price averages by grade ranged from 2 cents per pound above to 4 cents below last season. Prices of better grades were about unchanged with the most variation in the lower grades (table 15).

Maryland

Auctions Open April 10

Auctions for the 1972 crop of Maryland tobacco (type 32) are scheduled to open April 10 and continue through June 15. Sales will also be held by the hogshead market. Maryland tobacco does not receive government price support. About a million pounds of type 32 were produced and sold in the burley area. About half of this tobacco was grown under contract for 55 cents a pound. The other half sold at auction sales averaging 64 cents per pound.

The 1971 crop (marketed mostly in 1972) brought the highest average price on record, 81.9 cents a pound. Quantity marketed was 4 percent below the previous season's marketings.

Supplies Lower

Last year's disappearance left the January 1 stocks one-half million pounds higher. But growers produced a 7 percent smaller crop than the previous year, so this year's supply is 2 percent below 1971/72 and the smallest since 1945/46 (table 16). Use may decline from the past marketing year's level due to record-high prices and reduced supplies.

Exports in October 1972-January 1973 were 5.2 million pounds. This was 3.5 million above a year earlier, when the dock strike slowed shipments. West Germany took less, but Switzerland took considerably more than in the year-earlier period. Swiss cigarette manufacturers hold sizable stocks in Switzerland as well as in the United States.

Prospects Point to More Output

Based on farmers' March 1 intentions, they will raise about 26,000 acres this year—about the same as in 1972. As in the past 6 years, acreage allotments are not in effect.

Assuming an average yield, about 27 million pounds would be produced from the 1973 intended acreage—about 4 percent above the estimated 1972 output. So the 1973/74 supply—projected output plus tentative carryover—may total about the same as this year's 73 million pounds. The survey of farmers intentions to plant type 32 tobacco was limited to Maryland and did not cover the burley area.

Table 14.--Burley tobacco: Gross sales, and average price, by States, crops of 1971 and 1972

States	1971 crop		1972 crop	
	Sales	Average price	Sales	Average price
	Million pounds	Cents per pounds	Million pounds	Cents per pounds
Kentucky	344.0	81.19	434.5	79.44
Tennessee	90.3	79.96	107.9	79.03
Virginia	21.1	80.35	26.7	79.03
North Carolina	14.8	79.69	18.9	77.61
West Virginia	3.2	80.38	5.4	77.71
Indiana	10.5	81.10	13.0	78.53
Ohio	8.3	80.76	10.6	78.37
Missouri	5.2	80.46	4.9	78.20
Total all States <u>1/</u>	497.4	80.86	621.9	79.23

1/ Computed from unrounded data.

Table 15.--Burley tobacco: Price spreads among specified grades, average 1955-64, annual 1965-72

Period	Average price of C4F	Cents per pounds lower than C4F						
		X4F	C4R	B4F	B4FR	B4R	T4R	NIG
<u>Cents per pound</u>								
Average:								
1955-59	67	1	2	3	5	7	11	25
1960-64	71	1	4	4	9	14	19	32
1965	73	1	6	5	8	13	15	28
1966	74	1	6	4	9	13	13	25
1967	75	0	3	4	7	8	9	14
1968	75	1	2	2	3	4	5	10
1969	75	1	<u>1/6</u>	5	8	12	13	19
1970	77	0	<u>1/5</u>	3	5	8	10	18
1971	82	1	<u>1/1</u>	1	1	1	2	11
1972	80	0	<u>1/1</u>	0	0	0	2	9

1/ C4K grade.

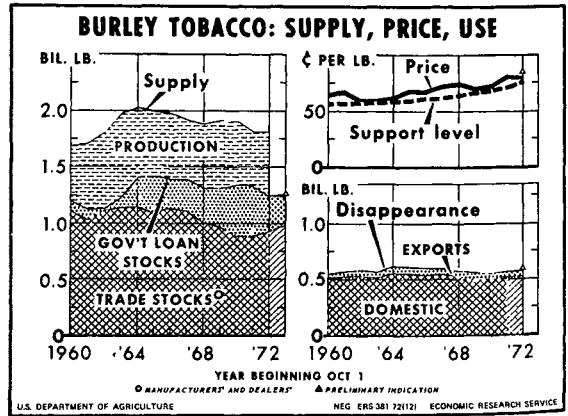
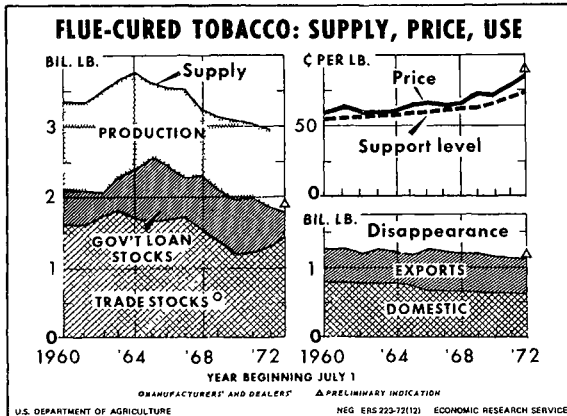
Table 16.--Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-73

(Farm-sales, weight)

Marketing year	Acreage harvested	Yield per acre	Production	Stocks, following January 1 --			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		Million pounds			
1967	31.5	1,030	32.4	68.2	18.1	86.3	118.7
1968	30.0	1,065	32.0	74.5	7.0	81.5	113.5
1969	28.0	1,000	28.0	66.7	0	66.7	94.7
1970	27.0	1,090	29.4	50.1	0	50.1	79.5
1971	27.0	1,040	28.1	46.0	0	46.0	74.1
1972 ^{1/}	26.0	1,000	26.0	46.6	0	46.6	72.6

Marketing year	Disappearance ^{2/}		Average price per pound	Price support level	Placed under Government loan	
	Total	Domestic			Quantity	Percentage of crop
	Million pounds	Million pounds	Cents		Million pounds	Percent
1967	36.0	20.3	15.7	62.4		No price support
1968	48.7	38.3	10.4	69.8		No price support
1969	41.3	29.1	12.2	75.1		No price support
1970	39.5	27.6	11.9	78.6		No price support
1971	25.5	17.5	8.0	81.9		No price support
1972	Auctions scheduled to start April 10, 1973					No price support
1973						No price support

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



Fire-cured

Price Pattern Mixed

Prices skidded for the larger volume Kentucky-Tennessee fire-cured crop (types 22-23) but were up sharply for the Virginia crop (type 21). The quality of offerings was down from 1971 except for type 21 whose quality improved. Auction sales began in early December for Virginia fire-cured and in mid-January for type 22-23. Final sales were held February 8 for type 21 and March 15 for types 22-23.

Most grade price averages declined for types 22-23. Declines ranged from 1 to 10 cents per pound. For type 21, grade averages advanced in all cases. Increases ranged up to 14 cents per pound with most grades gaining 6 to 11 cents. Deliveries to associations under the government loan program were the lowest on record for type 21 but for types 22-23 were considerably higher than last season. The average price of 58 cents per pound for the 1972 crop (types 21-23) was down 4 percent from the previous year. Volume of producer marketings increased 4 percent.

Exports Increase

During the first third of the current marketing year (October 1972-January 1973) exports of Kentucky-Tennessee fire-cured increased to 7.9 million pounds from the year-earlier level of 5.5 million when the dock tie-up delayed shipments. The increase was in shipments to the Netherlands, the major destination, and to Belgium. Switzerland decreased its takings. Exports of Virginia fire-cured increased with more going to Norway.

Foreign fire-cured production gained about 11 million pounds last year. Italy, Poland, and Malawi showed substantial production increases. So U.S. exports may gain little this marketing year. Here in the United States, snuff and plug chewing output is

declining. So domestic use of fire-cured types in 1972/73 may decline from last season's level (table 17).

Prospective Acreage Down

Acreage of fire-cured types in 1973 will decline 5 percent according to farmers's March 1 intentions. Declines are indicated for both type 21 and for types 22-23.

Acreage allotments for most farms growing Kentucky-Tennessee fire-cured will be about the same in 1973 as in 1972. National quota for Virginia fire-cured is 7 percent less. However, allotments for most farms growing this type will be about the same. The 1973 fire-cured crop will receive government price support averaging 53.5 cents a pound—2.7 cents above last year.

If the yield per acre follows recent trends, production of the combined fire-cured types would total around 43 million pounds—about 4 percent below 1972 crop marketings.

Carryover of fire-cured on October 1, 1973, may be around 60 million pounds 4 million less than last October 1. Carryover stocks, plus the projected crop, would provide a supply some 3 percent below the 106 million pounds for the current year.

Dark Air-cured

Smaller Crop, Higher Prices

Record high prices prevailed for the 1972 crop of One Sucker, Green River, and Virginia sun-cured tobaccos (types 35-37). Quality was lower for Green River (type 36) but was higher for types 35 and 37. Total volume was 3 percent less than last season. Auction sales started in early December and closed in early February.

Fire-cured and dark air-cured tobacco: Acreage and production, 1971-73

Type	Acreage				Production			
	1971	1972	1973 ¹	Change from 1972	1971	1972 ²	1973 ³	Change from 1972
	1,000 acres	1,000 acres	1,000 acres	Percent	Million pounds	Million pounds	Million pounds	Percent
Fire-cured								
Virginia, 21	5.0	4.8	4.5	-6.2	5.9	4.6	5.4	17.4
Ky.-Tenn., 22	15.2	16.1	15.8	-1.9	29.9	30.6	30.8	.7
Ky.-Tenn., 23	4.3	4.4	3.7	-16.0	7.7	6.4	6.5	1.6
Total, types 21-23	24.5	25.3	24.0	-5.1	43.5	41.5	42.7	2.6
Dark air-cured								
Ky.-Tenn., 35	6.1	5.3	5.0	-5.7	11.2	10.6	9.4	-11.3
Kentucky, 36	2.4	2.5	2.4	-4.0	4.5	5.0	4.4	-12.0
Va. sun-cured, 37 . . . . .	.9	.8	.7	-12.5	1.1	.8	.8	0
Total, types 35-37	9.4	8.6	8.1	-5.8	16.8	16.4	14.6	-11.0

¹ March 1 intentions. ² Based on auction sales. ³ Based on average yield adjusted for trend. ⁴ Computed from unrounded data.

Table 17.--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, 1967-73

(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	
	Thousand acres	Pounds		Million pounds			
Kentucky-Tennessee fire-cured, types 22-23							
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	19.0	1,797	34.1	61.1	11.6	72.7	106.8
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971	19.5	1,928	37.6	48.6	4.7	53.3	90.9
1972 ^{1/}	20.5	1,908	*37.0	55.0	1.2	56.2	93.2
Virginia fire-cured, type 21							
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	5.0	1,340	6.7	8.0	1.9	9.9	16.6
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971	5.0	1,180	5.9	8.0	1.0	9.0	14.9
1972 ^{1/}	4.8	1,150	*4.6	7.9	.4	8.3	12.9
Disappearance				Average	Price	Placed under Government loan	
Total				price	support	Quantity	Percentage of crop
Domestic				Exports	per pound	level	
Million pounds				Cents	Million pounds	Percent	
Kentucky-Tennessee fire-cured, types 22-23							
1967	42.0	14.9	27.1	46.2	41.9	.8	2.7
1968	38.7	^{2/} 19.1	19.6	51.1	43.1	.4	1.2
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
1970	41.4	13.1	28.3	54.4	56.6	^{3/}	.1
1971	34.7	16.0	18.7	60.8	48.5	^{3/}	.1
1972				*56.7	50.8	2.8	7.5
1973					**53.5		
Virginia fire-cured, type 21							
1967	10.1	3.4	6.7	40.9	41.9	.7	10.1
1968	7.7	3.0	4.7	46.9	43.1	.2	3.4
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
1970	7.0	2.4	4.6	52.0	46.6	.1	2.0
1971	6.6	3.1	3.5	54.8	48.5	.1	1.0
1972				*64.4	50.8	^{3/}	.1
1973					**53.5		

^{1/} Subject to revision. ^{2/} Includes 4.7 million pounds fire loss, April 1969. ^{3/} Less than 50,000 pounds. * Indicated by sales data. ** Estimated.

Most grade averages were higher and government loan placements declined. Compared with the previous season, the average price was up 4.3 cents per pound for type 35, which has the largest sales volume. Type 36 increased 1.0 cent and type 37 gained 4.1 cents.

At 66 million pounds, the 1972/73 supply of dark air-cured is down about 6 percent. Also Virginia sun-cured supplies are lower (table 18).

Domestic Use Lower, Exports Gain

Plug, twist, and fine-cut chewing tobaccos are the chief domestic outlets for dark air-cured tobacco. Output of these products has trended down, and the decline continued in October-December 1972 (first quarter of the current marketing year).

Low levels of One Sucker and Green River leaf exports prevailed in October 1972-January 1973. A large part of U.S. exports of dark air-cured tobacco reach West African destinations in the form of Black Fat—a semi-processed product. In October 1971-January 1972, Black Fat exports were 376,000 pounds above the year-earlier level.

Intended Acreage Down

Farmers this year plan to harvest 6 percent less acreage of dark air-cured (including sun-cured). For most farms growing these types, acreage allotments are the same in 1973 as in 1972. Based on an average yield per acre, with allowance for trend, 1973 production of dark air-cured and sun-cured would be 15 million pounds—about 2 million less than marketings from the 1972 crop when above-average yields prevailed.

Because utilization is expected to exceed the season's marketings, the carryover of dark air-cured and sun-cured types next October 1 probably will decline from the 49 million pounds of last October 1. Indicated carryover plus this year's projected crop would result in a smaller supply.

Cigar Tobacco

Prices and Price Support

Although the Ohio and Pennsylvania filler crops brought more, buyers paid about 6 cents per pound less than last season for the 1972 Wisconsin binder crops. In all areas weather problems lowered the average quality. A sizable proportion of the Connecticut binder crop again went under loan. Season average price and production data for the 1972 cigar tobacco crops are scheduled for release May 10.

Overall price support levels for the 1973 crop of cigar leaf tobacco are about 5.3 percent higher than for the 1972 crops. For many years, the Puerto Rican

Government has allocated annual poundage quotas to cigar filler growers and made supplemental payments. The current supplemental rate is 17 cents per pound. There is no government price support for Pennsylvania tobacco (type 41) and shade-grown cigar wrapper (types 61-62).

Cigar Filler and Binder Allotments

For most farms growing cigar filler and binder tobacco (types 42-44, 53-55) USDA set 1973 acreage allotments about the same as for 1972. Because some farms went out of production, the national acreage allotment is 1 percent smaller than in 1972. Also, USDA reallocated allotments from growers who did not wish to use their allocated acreage this year to growers who want to increase their crop.

In January, USDA set allotments for most farms growing cigar binder (types 51-52) about the same in 1973 as in 1972. However, the national allotment is 12 percent below acreage allotted in 1972. These Connecticut-Massachusetts supplies continue substantially below normal and again this year USDA is considering termination of quotas for types 51-52.

U.S. and Puerto Rican Supplies Lower

Supplies of U.S. and Puerto Rican cigar tobacco are down 10 percent from the past marketing year. Production was 6 percent lower but carryover was down 11 percent. Cigar filler accounted largely for the drop, but wrapper supplies also fell (table 19).

March 1 grower intentions indicate larger acreages of cigar tobacco this season. Based on average yield, the crop may be up 2 percent. Prospective acreage gain is mostly Pennsylvania cigar filler where growers received sharply higher prices for last year's short crop. With a price decline last year, Wisconsin tobacco growers plan for 2 percent smaller acreage than last year. After 4 years of sharp reductions in wrapper output, manufacturers apparently needed to increase the cigar wrapper supply in the Connecticut Valley where intentions are up. But in the Georgia-Florida area, lower price levels have caused a further curtailment of acreage.

The January 1, 1973, stocks of Puerto Rican tobacco (on the Island and in the United States) totaled 10 million pounds—1 million below a year earlier and less than one-fourth of the high level 5 years earlier. The crop, planted in late 1972 for harvest in early 1973, is tentatively estimated at 7.5 million pounds—somewhat above last year's record-low harvest.

More foreign cigar tobaccos arrived in the United States in 1972 than the year before. The average import value of cigar filler and scrap tobacco brought in last year was 41 cents per pound.

Table 18.--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, 1967-73

(Farm-sales weight)							
Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		Million pounds			
Dark air-cured, types 35-36							
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	10.1	1,793	18.1	44.1	15.0	59.1	77.2
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971	8.6	1,834	15.7	35.5	14.3	49.8	65.5
1972 ^{1/}	7.8	1,884	*15.6	33.5	12.7	46.2	61.8
Sun-cured, type 37							
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	1.1	1,225	1.3	3.8	0	3.8	5.1
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971	.9	1,200	1.1	3.1	0	3.1	4.2
1972 ^{1/}	.8	1,150	*.8	3.0	0	3.0	3.8
Disappearance				Average price	Price support	Placed under Government loan	
Total	Domestic	Exports	per pound	per pound	level	Quantity	Percentage of crop
---- Million pounds ----				Cents		Million pounds	Percent
Dark air-cured, types 35-36							
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	17.1	15.0	2.1	47.4	38.3	.7	3.9
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
1970	19.3	16.7	2.6	46.0	41.4	1.0	6.8
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972				*50.4	45.2	1.2	.8
1973					**47.6		
Sun-cured, type 37							
1967	1.6	1.2	.4	45.2	37.3	2/25	1.9
1968	1.3	1.1	.2	53.2	38.3	2/1	.1
1969	1.8	1.5	.3	52.8	39.7	2/1	.1
1970	1.3	1.1	.2	53.8	41.4	2/3	.3
1971	1.2	1.0	.2	54.1	43.1	0	---
1972				*58.1	45.2	0	---
1973					**47.6		

^{1/} Subject to revision. ^{2/} Quantity placed under loan reported in thousand pounds. * Indicated by sales data. ** Estimated.

Table 19.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-72

Crop year	(Farm-sales weight)								
	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
Thous. acres	Pounds	Million pounds							Cents
Pennsylvania Seedleaf Filler (type 41)									
1967	21.0	1,825	38.3	112.3	150.6	41.9	41.3	0.6	28.0
1968	21.0	1,775	37.3	108.7	146.0	40.9	40.0	.9	30.0
1969	20.0	1,825	36.5	105.1	127.9	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	129.3	40.9	40.7	.2	31.0
1971	17.0	1,600	27.2	87.0	114.2	44.0	43.6	.4	36.0
1972 2/	16.0	1,400	22.4	70.2	92.6				
Ohio, Miami Valley Filler (types 42-44)									
1967	2.3	1,580	3.6	15.5	19.1	6.2	6.2	---	29.0
1968	2.0	1,670	3.4	12.9	16.3	5.4	5.4	---	31.0
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	---	32.5
1970	1.6	1,750	2.9	9.0	11.9	4.1	4.1	---	38.0
1971	2.0	1,850	3.8	7.8	11.6	4.6	4.6	---	41.0
1972 2/	2.3	1,750	4.0	7.0	11.0				
Puerto Rico Filler (type 46) 3/									
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	---	4/33.1
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	4/33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	4/33.6
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	---	4/36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	4/39.8
1972 2/	5.6	1,340	7.5	12.7	20.2				
Total Cigar Filler (types 41-46)									
1967	30.9	1,707	52.7	168.3	221.0	65.0	64.4	.6	29.1
1968	29.0	1,666	48.3	156.0	204.3	62.5	61.6	.9	30.5
1969	26.4	1,721	45.4	141.8	187.2	61.6	61.0	.6	30.6
1970	21.8	1,737	38.0	125.6	163.6	53.8	53.6	.2	32.1
1971	23.8	1,585	37.7	109.8	147.5	57.6	57.2	.4	37.2
1972 2/	23.9	1,419	33.9	89.9	123.8				
Connecticut Valley Binder (types 51-52)									
1967	1.5	1,819	2.7	16.4	19.1	7.9	5.7	2.2	54.5
1968	1.6	1,808	2.8	11.2	14.0	5.1	4.7	.4	59.5
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
1970	1.7	1,756	2.9	7.0	9.9	2.7	2.4	.3	65.5
1971	1.6	1,743	2.8	7.2	10.0	2.6	2.5	.1	65.5
1972 2/	1.5	1,634	2.5	7.4	9.9				
Southern Wisconsin Binder (type 54)									
1967	3.8	1,905	7.2	20.7	27.9	8.0	8.0	---	34.4
1968	3.7	1,990	7.4	19.9	27.3	7.7	7.7	---	36.8
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	---	40.2
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	50.3
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	55.6
1972 2/	5.4	2,100	11.3	20.3	31.6				
Northern Wisconsin Binder (type 55)									
1967	4.5	1,975	8.9	29.3	38.2	9.3	8.9	.4	34.1
1968	4.0	1,670	6.7	28.9	35.6	14.9	14.5	.4	37.9
1969	3.7	1,815	6.7	20.7	27.4	8.8	8.5	.3	43.4
1970	4.4	2,055	9.0	18.6	27.6	9.2	9.1	.1	52.0
1971	5.3	1,980	10.5	18.4	28.9	9.9	9.9	*	54.0
1972 2/	6.1	1,950	11.9	19.0	30.9				

See footnotes at end of table.

Continued --

Table 19.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-72--Cont.

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pounds to growers
			Production	Beginning stocks ^{1/}	Total supply	Total	Domestic	Exports	
Total Wisconsin Binder (types 54-55)									
1967	8.3	1,943	16.1	50.0	66.1	17.3	16.9	0.4	34.2
1968	7.7	1,824	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969	7.4	1,778	13.1	40.3	53.4	18.1	17.8	.3	41.8
1970	8.8	2,095	18.4	35.3	53.7	16.5	16.4	.1	51.1
1971	10.6	2,125	22.5	37.2	59.7	20.4	20.4	*	54.9
1972 ^{2/}	11.5	2,020	23.2	39.3	62.5				
Total Cigar Binder (types 51-55)									
1967	9.8	1,924	18.8	66.4	85.2	25.2	22.6	2.6	37.1
1968	9.3	1,821	16.9	60.0	76.9	27.7	26.9	.8	41.0
1969	9.0	1,716	15.4	49.2	64.6	22.3	21.7	.6	44.3
1970	10.5	2,041	21.3	42.3	63.6	19.2	18.8	.4	53.1
1971	12.2	2,075	25.3	44.4	69.7	23.0	22.9	.1	56.1
1972 ^{2/}	13.0	1,976	25.7	46.7	72.4				
Connecticut Valley Shade-grown (type 61)									
1967	8.5	1,124	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
1970	6.0	1,535	9.3	12.2	21.5	7.6	6.6	1.0	400.0
1971	4.7	1,635	7.7	13.9	21.6	8.4	5.8	2.6	400.0
1972 ^{2/}	4.2	1,226	5.2	13.2	18.4				
Georgia-Florida Shade-grown (type 62)									
1967	5.1	1,573	8.0	8.7	16.7	7.9	6.3	1.6	245.0
1968	5.0	1,556	7.9	8.8	16.7	9.2	7.1	2.1	270.0
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
1970	3.6	1,590	5.6	9.2	14.8	6.7	5.8	.9	270.0
1971	3.0	1,582	4.7	8.1	12.8	6.2	5.4	.8	262.0
1972 ^{2/}	3.0	1,517	4.6	6.6	11.2				
Total Shade-grown (types 61-62)									
1967	13.6	1,292	17.6	24.7	42.3	20.8	15.9	4.9	308.0
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	375.7
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
1970	9.6	1,555	14.9	21.4	36.3	14.3	12.4	1.9	351.0
1971	7.7	1,614	12.4	22.0	34.4	14.6	11.2	3.4	348.0
1972 ^{2/}	7.2	1,349	9.8	19.8	29.6				
Grand Total Cigar Tobacco (types 41-62)									
1967	54.3	1,642	89.1	259.4	348.5	111.0	102.9	8.1	85.7
1968	51.7	1,610	83.3	237.5	320.8	110.2	104.7	5.5	85.9
1969	46.7	1,645	76.7	210.6	287.3	98.0	94.9	3.1	97.7
1970	41.9	1,771	74.2	189.3	263.5	87.3	84.8	2.5	102.3
1971	43.7	1,727	75.4	176.2	251.6	95.2	91.3	3.9	94.5
1972 ^{2/}	44.1	1,572	69.4	156.4	225.8				

^{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.

^{4/} Excludes payment by Puerto Rican Government; 17 cents per pound in 1971.

* Less than 50,000 pounds.

Cigar tobacco: Prospective plantings and projected production, 1973

Class and type	Acreage ¹		Production ²	
	Amount	Change from 1972	Amount	Change from 1972
	Thou. acres	Pct.	Mil. lb.	Pct.
Filler				
Pennsylvania	17.0	6.2	28.2	25.9
Ohio	2.1	-8.7	3.9	-2.5
Total	19.1	4.4	32.1	21.6
Binder				
Connecticut Valley ..	1.6	6.7	2.6	4.0
Wisconsin	11.3	-1.7	23.7	2.2
Total	12.9	-8	26.3	2.3
Wrapper				
Connecticut Valley ..	4.9	1.7	7.0	34.6
Georgia-Florida	2.6	-14.8	3.9	15.2
Total	7.5	3.4	10.9	11.2
Total, all types	39.5	2.3	69.3	12.0

¹Based on farmers' intentions as of March 1. ²Based on average yield adjusted for trend.

Domestic Use May Decline

Cigar makers may sell substantially more small cigars this year than last, but large cigars will do well to hold their own. So domestic disappearance of U.S. filler types will probably fall from last marketing year's low level. Imported tobacco accounts for about two-thirds of our total filler use. During October 1972-January 1973, cigar factories used more imported cigar tobacco (imports for consumption) than a year earlier, with all major sources providing more.

For Connecticut Valley cigar binder, disappearance in 1972/73 will probably match last season's low total since production is stabilizing around the offtake level. With sales increasing for loose leaf chewing tobacco and shifts away from competing tobacco, domestic disappearance of Wisconsin tobacco may gain.

Domestic use of cigar wrapper is continuing at the low level of the past 3 seasons. Stocks on January 1 were 12 percent below a year earlier. Total disappearance may exceed the 1972 crop of 10 million pounds. Thus, the July 1 carryover could decline. Exports in July 1972-January 1973 were down slightly. The United Kingdom and Canada took less.

FOREIGN MARKETS

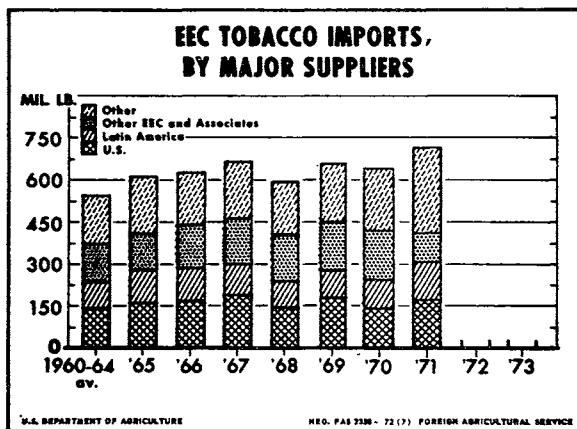
EC Policy Developments

With the addition of the United Kingdom, Denmark, and Ireland, to the European Community on January 1, the enlarged Community contains a population of about 250 million, larger than either the United States or the Soviet Union. The EC now accounts for over half of the world tobacco trade, excluding Communist countries.

The new EC members will soon begin reducing their tariffs to zero for imports from other EC members and EC associates such as Greece and Turkey. Also, the EC tariff (CXT) will eventually apply to imports from other countries. For this purpose, the United Kingdom has set a customs duty on unmanufactured tobacco equivalent to about 20 U.S. cents per pound. This is the duty preference margin now enjoyed by Commonwealth suppliers. The new duty will apply to imports from the United States and other non-preference suppliers and will be established in four stages beginning January 1, 1974.

The United States began EC negotiations in March to protect the trading rights of U.S. farmers, including tobacco growers, from adverse effects of the EC enlargement. These negotiations will be held under the GATT rules (Article XXIV). According to GATT, customs unions such as the EC cannot

maintain the general level of duties or other trade measures in the enlarged area higher than before enlargement.



The U.S. objective in the enlargement negotiations is to demonstrate where the United States has lost trading rights, extent of loss, and particularly for tobacco, to seek changes in the discriminatory EC tariff system that will offset the losses. Plans are for further trade negotiations, held under the GATT, that will aim toward worldwide trade liberalization.

The European Community approved export subsidies for 2 varieties of 1971 crop Italian tobaccos, effective January 24, 1973. Burley tobacco receives a subsidy the equivalent of about 9 U.S. cents per pound and for an oriental variety, the subsidy is 14 cents per pound. To be eligible, exports must go to certain countries outside the EC. This is the first time EC has granted export subsidies for tobacco.

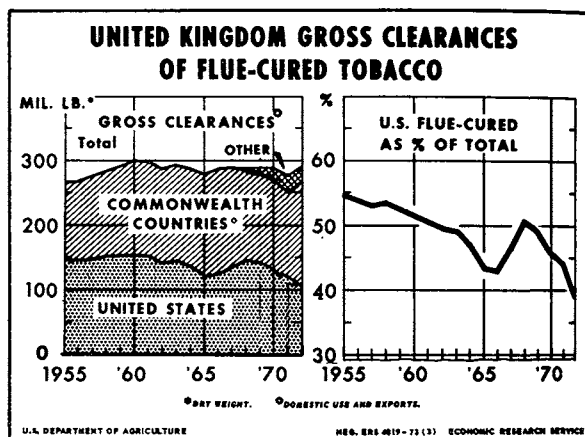
Market Briefs

Last year the *United Kingdom* took about one-tenth more tobacco than in 1971. More normal shipping patterns prevailed and Rhodesian tobacco remained under sanctions. (table 20). The sizable gain for U.S. tobacco came after the United Kingdom and Rhodesia reached an impasse in settling their 7-year old political dispute. Despite rising U.S. prices and uncertainty about future EC tobacco taxes, U.K. stocks of U.S. tobacco stabilized last year, following declines for several years. Net clearances (domestic use) increased 7 percent as U.K. cigarette sales rebounded from the 1971 level. That year publicity surrounding a smoking and health report dampened sales. U.K. manufacturers now label cigarette packages with the tar and nicotine content.

Canada's flue-cured crop was an estimated 188 million pounds last year, 10 percent below 1971. Auction sales in Ontario began November 6 and totaled 150 million pounds through March 1. Sales averaged the equivalent of 79 cents a pound, 12 cents

higher than last season. In recent years Canada has exported about 30 percent of the crop. The export share may go up since U.K. manufacturers have indicated they may buy 70-75 million pounds from the 1973 crop.

In *Rhodesia* the 1973 flue-cured crop has been affected by widespread drought. So the harvest is expected to fall considerably short of the 1973 target of 132 million pounds. The 1972 crop was estimated around 146 million pounds. Auction sales usually begin in March but a short crop means a reduction in the carryover of old crops to maintain anticipated disappearance.



Foreign-grown cigar leaf tobacco: U.S. imports and stocks, 1970-73

(Farm-saleweight)

Country of origin	General imports			Imports for consumption			Dealers and manufactures stocks, January 1			
	1970	1971	1972	October-September	October-January		1970	1971	1972	1973
				1971-72	1971-72	1972-73				
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Philippines	32.7	30.6	35.6	29.1	8.4	9.3	38.4	40.4	31.6	37.3
Dominican Rep. ...	11.4	13.8	21.3	11.4	3.2	4.5	10.6	9.8	9.2	17.1
Brazil	7.4	6.8	7.4	8.3	4.2	8.0	7.3	8.0	7.3	8.0
Colombia	5.0	6.7	12.1	10.0	2.4	3.2	9.4	8.6	6.4	7.0
Paraguay	4.2	2.0	10.4	4.5	1.4	2.8	10.0	9.0	5.6	6.9
Mexico	4.7	4.2	6.4	6.7	.8	1.5	4.9	6.7	5.7	6.5
Indonesia	4.2	3.1	5.9	2.5	.7	2.4	2.8	2.9	4.1	6.7
All others	20.3	18.2	26.1	19.2	13.0	6.9	11.4	13.5	13.0	16.9
Total	89.9	85.4	125.2	91.7	34.1	38.6	94.8	98.9	82.9	106.4

Table 21.--Cash receipts from farm marketings and tobacco, average 1950-59, annual 1960-72 with percentages

Period	Cash receipts				Tobacco as a percentage of--	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
----- Million dollars -----						
Average:						Percent
1950-54	17,432	13,504	30,936	1,119	8.3	3.6
1955-59	17,559	13,755	31,314	1,088	7.9	3.5
1960	18,909	15,090	33,999	1,154	7.6	3.4
1961	19,391	15,532	34,923	1,325	8.5	3.8
1962	20,025	16,162	36,187	1,321	8.2	3.7
1963	19,926	17,282	37,208	1,269	7.3	3.4
1964	19,817	17,233	37,050	1,414	8.2	3.8
1965	21,845	17,250	39,095	1,186	6.9	3.0
1966	24,836	18,383	43,219	1,211	6.6	2.8
1967	24,405	18,383	42,788	1,392	7.6	3.3
1968	25,539	18,846	44,386	1,173	6.2	2.6
1969	28,439	18,790	47,229	1,296	6.9	2.7
1970	29,595	19,636	49,231	1,388	7.1	2.8
1971	30,454	22,609	53,063	1,328	5.9	2.5
1972 1/	34,317	24,233	58,550	1,440	5.9	2.5

1/ Preliminary.

Table 22.--Total expenditures for tobacco products, average 1950-59, annual 1960-72

Year	Total	Cigarettes	Cigars	Other 1/
----- Million dollars -----				
Average:				
1950-54	4,904	4,088	539	277
1955-59	5,904	5,072	575	257
1960	7,187	6,244	649	294
1961	7,472	6,538	631	303
1962	7,608	6,675	634	299
1963	8,004	7,055	649	300
1964	8,113	7,024	765	324
1965	8,651	7,609	734	308
1966	9,140	8,113	718	309
1967	9,582	8,572	706	304
1968	10,112	9,094	703	315
1969	10,444	9,404	701	339
1970	11,534	10,438	707	389
1971	12,323	11,190	704	429
1972 2/	13,150	12,010	715	425

1/ Smoking, chewing, and snuff. 2/ Preliminary; subject to revision.

Table 23.--Federal and State tax revenues from tobacco products, average 1950-59, annual 1960-72

Period	Federal				States 2/	Total Federal and State
	Cigarettes	Cigars	Chewing, smoking, and snuff	Total 1/	All tobacco products 3/	
----- Million dollars -----						
Average:						
1950-54	1,445	45	28	1,518	471	1,989
1955-59	1,658	47	18	1,723	640	2,363
1960	1,887	50	17	1,955	998	2,953
1961	1,950	50	17	2,019	1,070	3,094
1962	1,961	50	16	2,030	1,130	3,160
1963	2,047	51	17	2,116	1,225	3,341
1964	1,987	62	18	2,069	1,264	3,333
1965	2,014	58	16	2,090	1,482	3,572
1966	1,993	56	4/	2,051	1,633	3,684
1967	2,111	56	4/	2,169	1,760	3,929
1968	2,086	54	4/	2,142	2,067	4,209
1969	2,020	56	4/	2,077	2,186	4,263
1970	2,113	55	4/	2,170	2,458	4,628
1971	2,098	54	4/	2,154	2,637	4,791
1972 5/	2,140	54	4/	2,195	2,940	5,135

1/ Includes leaf dealer penalties, floor taxes, cigarette papers and tubes, etc. 2/ Includes District of Columbia. 3/ Cigarette taxes--about 98 percent of total. 4/ The Federal excise tax on chewing, smoking, and snuff was repealed effective January 1, 1966. Taxes incurred prior to repeal but paid in 1966 totaled about \$510,000. 5/ Preliminary. General note: Local government taxes from tobacco products in fiscal 1970/71 totaled \$140 million.

Compiled from reports of the Internal Revenue Service, the National Tobacco Tax Association, and other sources.

Table 24.--Marketing quota referendums, by kinds of tobacco

Kind (type numbers in parentheses) and basis of quotas <u>1/</u>	Last referendum				Next referendum	
	Date	Crops to which applicable	Number voting	Percentage voting in favor of quota <u>2/</u>	Probable date <u>3/</u>	Crops to which applicable
Flue-cured (11-14) Acreage-poundage	July 16, 1970	1971-73	129,961	98.4	Dec. 1973	1974-76
Burley (31) Poundage	May 4, 1971	1971-73	328,608	96.6	Feb. 1974	1974-76
Maryland (32)	Feb. 22-26, 1971	1971-73	3,976	19.2	Feb. 1974 <u>4/</u>	1974-76
Fire-cured (21-23)	Feb. 19-23, 1973	1973-75	10,504	93.2	Feb. 1976	1976-78
Dark air-cured (35-36)	Feb. 19-23, 1973	1973-75	10,901	93.7	Feb. 1976	1976-78
Va. sun-cured (37)	Feb. 22-26, 1971	1971-73	665	94.6	Feb. 1974	1974-76
Pa. filler (41)	Feb. 22-26, 1971	1971-73	1,412	22.5	Feb. 1974 <u>4/</u>	1974-76
Cigar binder (51-52)	Jan. 10-14, 1972	1972-74	282	92.2	Feb. 1975	1975-77
Cigar filler and binder (42-44, 53-55)	Jan. 10-14, 1972	1972-74	3,629	91.2	Feb. 1975	1975-77

1/ Quotas based on acreage allotments unless otherwise specified. 2/ A majority of two-thirds or more of farmers voting is required for marketing quotas to become effective under the acreage allotment program or acreage-poundage program. 3/ Probable month, but referendums can occur earlier if warranted by pertinent considerations. 4/ Unless at least a fourth of the growers petition the Secretary in the interim.

<u>Title</u>	<u>Issue</u>
SPECIAL ARTICLES	
Economic Importance of the U.S. Tobacco Industry	March
Factors Affecting Leaf Tobacco Prices	March
TABLES	
TOBACCO PRODUCTS	
Cigarette prices, wholesale	September
Expenditures for cigarettes, cigars, other	March, September
Production and use	
Cigars, Cigarettes, other manufactured products	Each issue
Cigarette output, filter and nonfilter	March
Consumption per capita, 18 and older	March, September
Tobacco used in cigarettes	September
Taxes, excise	March, September
Tobacco manufacturing corporations: Net sales, net income, ratios	June
FOREIGN TOBACCO TRADE AND PRODUCTION	
U.S. imports	
Principal sources, by types, general and for consumption	Each issue
Value per pound	June
U.S. exports	
Principal destinations, by types	Each issue
Government program shipments	March, September
Flue-cured exports, percentage in stemmed form	September
World tobacco trade	
EC imports	June
Exports, total, and U.S. share	June
Exports, specified countries	June
Imports, specified countries, and United States	June
United Kingdom trade	Each issue
World production	
Total and U.S. share	June
Specified countries	December
U.S. PRODUCTION, MARKETING, AND USE	
Allotments and price support program	
Allotments	
Flue-cured quota, marketings, carryover	December
Flue-cured lease and transfer	September
Number, acres and average size	September
Price support program	
Commodity Credit Corporation expenditures	September
Computations for price support level adjustment factor	March
Marketing quota referendum results	March
Marketing	
Burley and flue-cured	
Gross burley sales and average price by States	March
Price spreads among grades	March
Gross flue-cured sales, average prices, loan placements by belts	December
Cash receipts	
Tobacco compared to all farm marketings, U.S. and States	June, September
Tobacco and total farm marketings, United States	March
Production	
Acreage by types	March
Acreage and yield per acre, by types	Each issue
Prospective plantings and projected production	March, June
Supply, utilization, and prices	
Flue-cured and burley	
Including price support operations	Each issue
Prices, actual and calculated	March
Stocks and stocks utilization ratios	September
Stocks held by trade and under loan	June
Maryland, fire-cured, dark air-cured, and cigar types	Each issue
Total tobacco, United States and Puerto Rico	December

STATISTICAL SUMMARY

Item	Unit or base period	1972		1973		Last data as percentage of a year earlier
		Jan.	Feb.	Jan.	Feb.	
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.	83.3	78.5	79.6	78.3	100
Maryland	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 fire-cured	Ct. per lb.	55.5	52.7	66.9	53.1	101
Ky.-Tenn. fire-cured	Ct. per lb.	62.0	58.7	57.1	54.7	93
Ky.-Tenn. dark air-cured	Ct. per lb.	46.3	Closed	50.2	38.3	108
Virginia sun-cured	Ct. per lb.	55.7	44.7	58.6	52.1	117
Support price <u>1/</u>						
Flue-cured	Ct. per lb.	72.7		*76.6		105
Burley	Ct. per lb.	74.9		*78.9		105
Maryland	Ct. per lb.	No support		No support		---
Virginia fire-cured	Ct. per lb.	50.8		*53.5		105
Ky.-Tenn. fire-cured	Ct. per lb.	50.8		*53.5		105
Ky.-Tenn. dark air-cured	Ct. per lb.	45.2		*47.6		105
Virginia sun-cured	Ct. per lb.	45.2		*47.6		105
Connecticut Valley cigar binder	Ct. per lb.	51.9		*54.6		105
Wis. binder and Ohio filler	Ct. per lb.	37.5		*39.5		105
Puerto Rican filler	Ct. per lb.	38.9		*41.0		105
Parity index <u>2/</u>	1967=100	123	123	134	136	111
Industrial production index <u>3/</u>	1967=100	109	110	120	121	110
Employment	Mil.	79.1	79.4	81.0	81.8	103
Personal income <u>4/</u>	Bil. dol.	898.9	908.5	985.6	993.9	109
		1971-72		1972-73		
		Dec.	Jan.	Nov.	Dec.	Jan.
Taxable removals						
Cigarettes	Bil.	39.6	43.2	46.9	36.8	48.2
Cigars and cigarillos	Mil.	516.9	534.6	650.7	437.4	536.6
Accumulated from Jan. 1						
Cigarettes	Bil.	528.9		514.3	551.0	
Cigars and cigarillos	Mil.	7,746.7		6,745.5	7,184.0	
Invoiced to domestic customers						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	61.3			55.1	
Chewing tobacco	Mil. lb.	71.8			72.7	
Snuff	Mil. lb.	26.6			25.7	
Tax-exempt removals						
Cigarettes	Bil.	2.9	4.8	4.1	4.1	4.1
Exports	Bil.	2.9	2.6	3.4	3.1	2.3
Cigars and cigarillos	Mil.	12.4	21.5	9.5	7.5	10.1
Accumulated from Jan. 1						
Cigarettes	Bil.	49.2		43.1	47.2	
Exports	Bil.	31.8		31.5	34.6	
Cigars and cigarillos	Mil.	131.3		128.2	135.7	
Invoiced for export						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	1.4			1.3	
Chewing tobacco	Mil. lb.	.2			.1	
Wholesale price indexes <u>5/</u>						
Cigarettes (reg. nonfilter)	1967=100	119.7	121.7	121.7	121.7	121.7
Cigars	1967=100	109.5	109.0	109.0	109.0	109.0
Smoking tobacco	1967=100	118.4	118.4	119.9	119.4	119.4
Plug chewing tobacco	1967=100	126.4	125.3	126.4	126.4	126.4
Snuff	1967=100	138.6	138.6	138.6	138.6	138.6
Consumer price indexes (urban) <u>6/</u>						
Cigarettes (reg. nonfilter)	1967=100	130.6	131.6	136.0	135.9	136.0
Cigarettes (filter-tip king)	1967=100	131.1	132.2	136.3	136.2	136.2
Cigars (domestic reg. size)	1967=100	105.7	109.7	111.1	111.3	111.2
Exports of tobacco						
Cigarette leaf	Mil. lb.	10.6	13.4	11.3	11.0	13.9
Cigar tobacco <u>7/</u>	Mil. lb.	6.6	7.8	8.2	10.9	9.6
Accumulated from Jan. 1						
Cigarette leaf	Mil. lb.	168.3		153.0	164.0	
Cigar tobacco <u>7/</u>	Mil. lb.	127.8		93.6	104.5	

See footnotes at end of table.

Continued -

STATISTICAL SUMMARY—CONTINUED

Item	Unit or base period	1971-72		1972-73			Last data as percentage of a year earlier
		Dec.	Jan.	Nov.	Dec.	Jan.	
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	61.4	100.3	55.5	58.8	40.4	40
Burley	Mil. lb.	2.0	6.9	6.8	3.4	1.7	25
Maryland	Mil. lb.	.7	1.1	1.3	.5	1.1	100
Virginia fire- & sun-cured	Mil. lb.	.3	.7	1.8	.7	.2	29
Ky.-Tenn. fire-cured	Mil. lb.	.9	4.4	2.4	2.1	1.6	36
Ky.-Tenn. dark air-cured	Mil. lb.	**	**	.1	.1	.1	---
Black Fat	Mil. lb.	.4	.3	.3	.3	.2	67
Cigar wrapper	Mil. lb.	.2	.2	.3	.3	.1	50
Connecticut binder	Mil. lb.	**	**	**	**	**	---
Wisconsin binder	Mil. lb.	0	**	0	0	0	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	200.3	300.6	226.4	285.1	325.6	108
Burley	Mil. lb.	2.0	8.9	12.5	15.8	17.6	198
Maryland	Mil. lb.	.7	1.7	3.6	4.1	5.2	306
Virginia fire- & sun-cured	Mil. lb.	.3	1.0	2.1	2.8	3.0	300
Ky.-Tenn. fire-cured	Mil. lb.	1.0	5.5	4.2	6.4	7.9	144
Ky.-Tenn. dark air-cured	Mil. lb.	**	.1	.1	.2	.3	300
Black Fat	Mil. lb.	.4	.7	.6	.8	1.1	157
Cigar wrapper	Mil. lb.	1.7	2.0	1.4	1.7	1.8	90
Connecticut binder	Mil. lb.	**	**	**	**	.1	---
Wisconsin binder	Mil. lb.	0	**	0	0	0	---
Cigar filler	Mil. lb.	.1	.1	.1	.1	.1	100
Exports of manufactured tobacco in bulk	Mil. lb.	.3	4.5	1.1	3.5	1.5	33
Accumulated from Jan. 1	Mil. lb.	30.7		25.7	29.1		95
Quarterly data							
		1971-72		1972-73			
		Oct.-Dec.	Jan.-Mar.	Oct.-Dec.	Jan.-Mar.		
Stocks of tobacco—1st of quarter <u>9/</u>							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,312	2,512	2,340	2,327		93
Burley	Mil. lb.	1,346	1,565	1,248	1,551		99
Maryland	Mil. lb.	52	46	54	47		102
Fire-cured	Mil. lb.	62	58	64	56		97
Dark air- and sun-cured	Mil. lb.	53	54	49	51		94
Cigar filler	Mil. lb.	110	98	90	76		78
Cigar binder	Mil. lb.	44	45	47	43		96
Cigar wrapper	Mil. lb.	23	23	20	20		87
Under Government loan <u>10/</u>	Mil. lb.	1,264	1,149	875	805		70
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	27.1	26.9	24.4	23.8		88
Cigar types	Mil. lb.	1.5	1.8	1.7	2.0		111
Foreign types (farm-sales weight)							
Cigarette and smoking	Mil. lb.	367	339	390	418		123
Cigar	Mil. lb.	102	83	95	106		128
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	580.8	618.4	612.0	635.6		103
Taxable removals	Bil.	551.6	562.4	561.6	575.2		102
Cigar production	Bil.	7.61	7.52	7.53	7.52		100
Smoking production	Mil. lb.	58.2	60.5	50.1	54.4		90
Chewing production							
Loose leaf	Mil. lb.	41.4	50.3	43.9	47.8		95
Plug and other	Mil. lb.	27.9	26.3	26.2	25.0		95
Snuff production	Mil. lb.	26.7	26.5	25.4	25.2		95
Exports of leaf							
Total	Mil. lb.	214.3	1,303.1	595.7	570.0		44
Flue-cured	Mil. lb.	194.0	1,168.5	481.4	450.0		39

1/ 1972 and 1973 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 estimates. * Estimated. ** Less than 50,000 pounds.

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Table 20.—United Kingdom tobacco: Imports, stocks, clearances, and exports, 1970-72

Item	1970	1971	1972	Item	1970	1971	1972
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>		<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Imports, by source:				Gross clearances:			
United States	117	98	121	Full duty rate ¹	166	150	148
Commonwealth	118	124	131	Commonwealth rate ²	139	139	159
Other	49	47	45	Total	305	289	307
Total	284	269	297				
Exports:				Flue-cured:			
Manufactured products	55	54	59	United States	133	119	112
				Commonwealth	138	134	152
Unmanufactured	5	9	9				
Stocks, Dec. 31:				Other	19	24	25
Flue-cured	364	332	320	Total	290	277	289
Other	52	54	54	Net clearances:	229	220	235
Total	416	386	374				

¹ Equivalent to \$13.13 per pound. ² Equivalent to \$12.93 per pound.

Compiled from Official United Kingdom sources.