

Tobacco Situation

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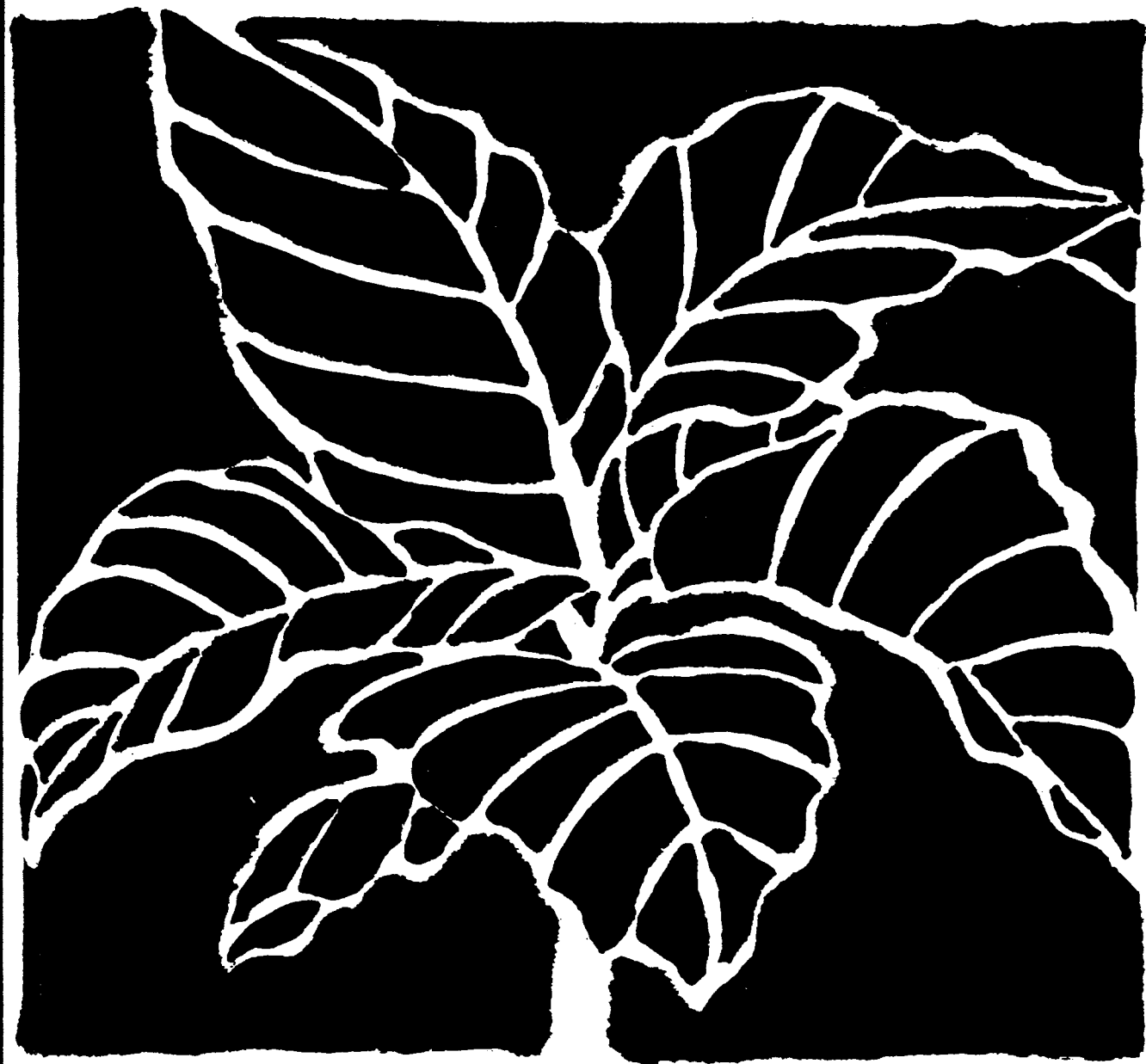
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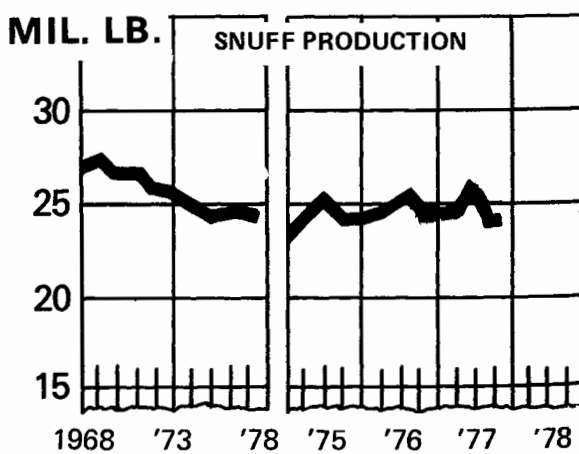
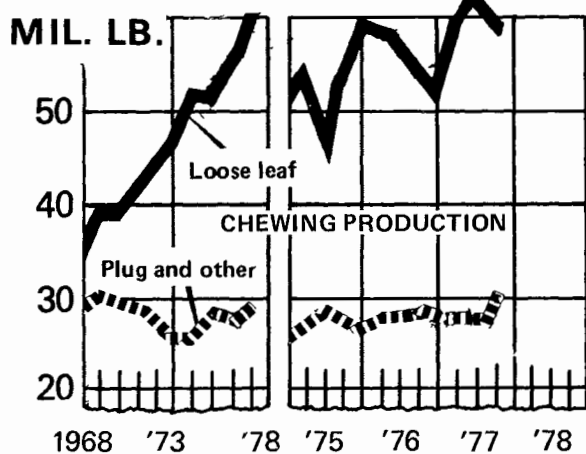
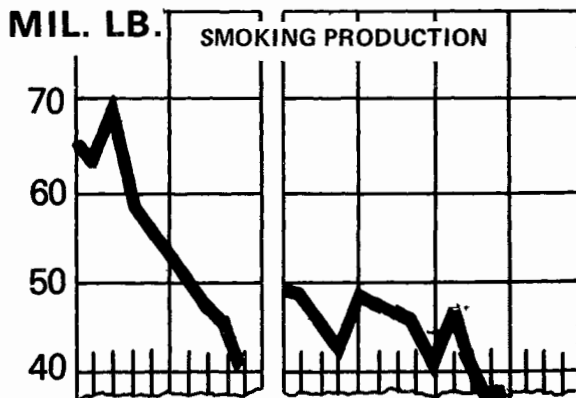
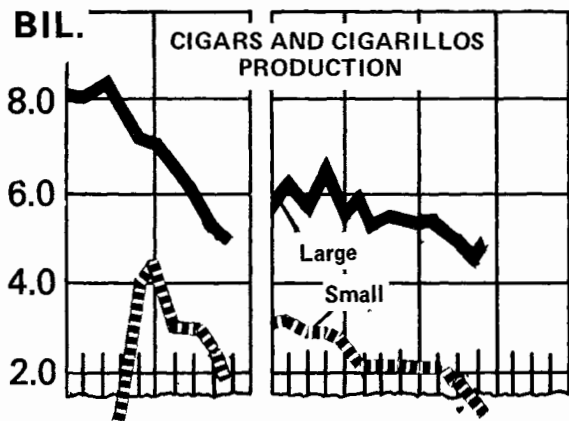
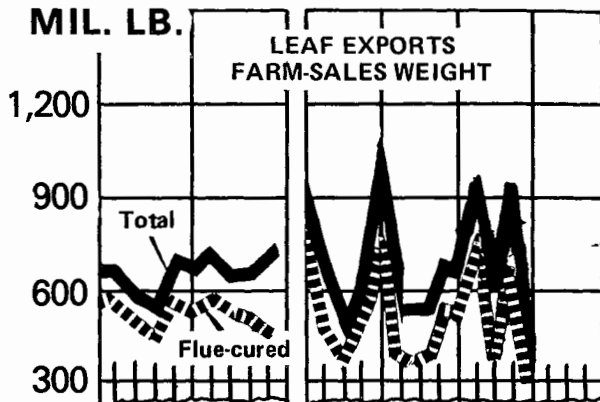
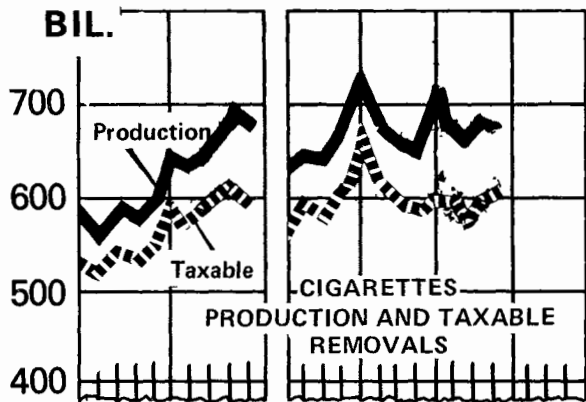
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TOBACCO OUTLETS

Trends in Manufactured Products and Exports



1968 '73 '78 '75 '76 '77 '78

1968 '73 '78 '75 '76 '77 '78

ANNUAL
QUARTERLY
SEASONALLY ADJUSTED
AT ANNUAL RATES

ANNUAL
QUARTERLY
SEASONALLY ADJUSTED
AT ANNUAL RATES

USDA

LAST QUARTER SHOWN ESTIMATED.

NEG. ERS 229-77 (11)

THE TOBACCO SITUATION

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SUMMARY

Auction prices for flue-cured tobacco averaged 7 percent higher for the 1977 season, setting a record high of \$1.18 per pound. However, after mid-September, prices for flue-cured tobacco fell as demand weakened, especially for crops in Virginia and parts of North Carolina where dry weather hurt quality. Burley sales began in late November, with prices averaging above 1976 levels, but prices for fire-cured and dark air-cured tobacco began lower this season. Farmers' cash receipts from tobacco for calendar 1977 may equal the 1976 record of \$2.3 billion.

U.S. tobacco use in the 1977/78 marketing year could remain the same as last season, reflecting steady cigarette smoking and short supplies for key leaf grades. However, if domestic use does not exceed the 1977 1.9-billion-pound crop, little change is expected in the 3.5 billion pounds carried over into the 1977/78 marketing year.

The 1978 national flue-cured marketing quota remains virtually unchanged from 1977. The effective quota for 1978 (reflecting adjustments for the last season's marketings above and below quota) is about 1.2 billion pounds, 1 percent lower than in 1977. Marketing quotas and acreage allotments for other kinds of tobacco will be announced by February 1. In 1978, the average support level will rise about 6 or 7 percent.

Domestic tobacco supplies for 1977/78 are about the same as last season. Beginning stocks are larger, but the 1977 crop is down 10 percent from last year's high level due to less acreage and weather-reduced yields. The flue-cured tobacco supply for the 1977/78 marketing year (July-June), at 3.2 billion pounds, is 1 percent below last year because of the smaller crop. Growers sold 15 percent less.

The burley tobacco supply for 1977/78 (October-September) is 1.86 billion pounds, about 2 percent above last season. Burley auctions through December 8 averaged \$1.20 per pound, 5 cents above last year. The 1977 burley crop is an estimated 651 million pounds, 4 percent below 1977's production. About two-thirds of the crop will be sold in the pre-Christmas sales period. Carryover on October 1

gained as the 1976 crop exceeded utilization last season. Supplies of fire-cured, dark air-cured, and cigar tobaccos are above last season. Maryland tobacco supplies are about the same as last year.

Again in calendar 1977, U.S. cigarette manufacturers increased both domestic and export sales volume. But due to inventory adjustments, cigarette output is dropping about 3 percent below the 1976 level. Further gains in adult population and steady economic conditions should maintain cigarette sales in 1978 at the 1977 record level. In contrast, cigar sales volume trails 1976 output, and the downtrend may continue in 1978.

Although U.S. exports of unmanufactured tobacco for July-October 1977 jumped above the year-earlier level as exporters moved shipments

before the dock strike, exports for the year ending June 1978 may be down. These exports likely decreased in 1977 to around 560 million pounds (620 million pounds, farm-sales weight) from 578 million pounds in 1976. Rising prices in 1977 may boost exports to a record annual value of \$930 million. Total leaf exports for the 1978 calendar year may equal this year's level.

Imports accounted for about 21 percent of U.S. manufacturers' tobacco use last marketing year (17 percent of use for cigarettes and 73 percent for cigars). Cigarette leaf (oriental) is the principal tobacco import item. The January-October total imports for consumption (factory use) were about the same as a year ago. The 1977 calendar year total may approach last year's 310 million pounds.

TOBACCO PRODUCTS

Cigarette Output Lower

Slower growth for domestic sales, coupled with the disruption of exports due to the dock strike are pulling down 1977's cigarette production about 3 percent below 1976 (table 1). However, there are two less calendar weekdays (working days) than last year.

U.S. consumption totaled 472 billion cigarettes during January-September 1977, about the same as a year earlier. Based on State tax receipts, an above-average gain in unit sales occurred in the second quarter, while the first and third quarter gains were about 1 percent over the corresponding quarters of 1976. Despite continued anti-smoking publicity, cigarette consumption and output in 1978

may show a slight rise in response to the gains in adult population and consumer spending.

With almost 60 brands or brand variations now being marketed, low-tar cigarettes have become the growth market of this industry. For 1977, the low-tars or "lights" may have taken almost 25 percent of the domestic market, compared with about one-sixth last year. Manufacturers have concentrated their advertising on the low-tar brands and many consumers have shifted from conventional filter brands.

Retail cigarette prices in 1977 averaged 5 percent higher, compared with last year. However, the hike for cigarettes is less than the rise in consumer prices. This year, four States raised cigarette taxes.

Table 1—Cigarettes: U.S. output, removals, and consumption, 1970-77

Year	Removals							Estimated inventory increase	Total U.S. consumption ³
	Output	Taxable	Tax-exempt						
			Total	Exports	Shipments ¹	Overseas forces ²			
<i>Billions</i>									
1970	583.2	532.8	51.2	29.2	3.7	18.4	14.7	536.5	
1971	576.4	528.9	49.2	31.8	2.7	14.7	-11.4	555.1	
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8	
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7	
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0	
1975	651.2	588.3	62.3	49.9	1.5	10.9	-7.7	607.2	
1976	693.4	617.9	72.1	61.4	1.9	8.8	10.8	616.0	
1977 ⁴	670.0	595.0	75.0	64.5	1.0	9.5	-15.0	620.0	

¹To Puerto Rico and other U.S. possessions. ²Includes ship stores and small tax-exempt categories. ³Taxable removals, overseas forces, inventory change and imports (negligible). ⁴Estimated.

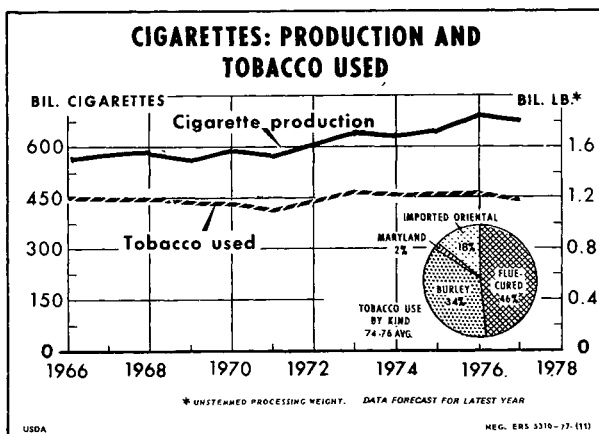
Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.

Table 2—Cigars and smoking tobacco: U.S. output, removals, and consumption, 1970-77

Year and item	United States factories			From Puerto Rico taxable	Imports	Exports	Total U.S. consumption ¹
	Output	Removals					
		Taxable	Tax-exempt				
	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Large cigars²							
1970	7,094	6,706	152	1,259	46	54	8,108
1971	6,707	6,506	131	1,222	48	46	7,861
1972	6,025	5,896	139	1,272	62	75	7,294
1973	5,655	5,554	143	1,304	75	107	6,969
1974	5,284	5,008	136	1,224	74	86	6,356
1975	4,524	4,476	125	1,216	79	92	5,804
1976 ³	4,178	4,043	144	1,225	88	124	5,376
1977 ⁴	3,800	3,760	125	1,150	90	105	5,020
				<i>Million pounds</i>			
Smoking tobacco							
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	55.9	55.1	1.3	---	11.9	1.1	67.2
1973	53.0	51.7	1.5	---	8.0	1.2	60.0
1974	49.0	49.0	1.0	---	10.9	.9	60.0
1975	46.2	45.6	1.0	---	8.7	1.6	53.7
1976 ³	44.6	43.7	.9	---	⁴ 9.9	.8	53.7
1977 ⁴	40.0	40.0	.8	---	⁴ 8.5	.8	48.5

¹Total removals (or sales) from U.S. and Puerto Rico, factories plus imports, minus exports. ²Includes cigarillos. ³Subject to revision. ⁴Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.



down by a similar percentage (table 2). U.S. smokers consumed 3.8 billion large cigars in January-September, 6½ percent fewer than a year earlier. Cigar shipments from Puerto Rico as well as U.S. output were down. This year's sales are smaller in all price categories except those selling in higher value categories (table 3). Since 1964, the overall consumption trend has been downward and this pattern may continue in 1978.

For *small cigars* (not over 3 pounds per 1,000), the 1977 taxable removals may drop one-fifth below 1976's level of 2.2 billion. Small cigars sell

Table 3—Cigars: Taxable removals by revenue class, January-September 1977

Revenue class and wholesale price per thousand cigars	Change from 1976 ²	
	Number	Percent
A-D (up to \$66)	1.79	-14.4
E (over \$66 to \$120) .....	.97	-17.3
F-G (over \$120) .....	.93	+30.3
Total removals	3.69	-7.2

¹Wholesale price classes roughly equivalent to retail price classes used prior to February 1, 1977. ²Computed from unrounded data. Compiled from reports of the Bureau of Alcohol, Tobacco and Firearms, and Cigar Association of America, Inc.

This compares with rises in one State and the District of Columbia in 1976. By October, the weighted average State cigarette tax was 12.8 cents per pack, 0.4 cent above a year earlier.

Large-Cigar Volume Declines

Large cigar consumption (including cigarillos) in the third quarter was 6 percent lower than a year earlier, after running 5 percent lower in the first and second quarters. The 1977 total will be

for less apiece than cigarettes and large cigars but the impact of the heavy advertising efforts in 1972 and 1973 has receded.

Smokeless Tobacco Use Gaining

Chewing tobacco output gained in the third quarter, as sales rose for loose leaf and fine cut tobaccos. Total production for 1977 may exceed last year's figure by 6 percent (table 4). *Snuff* production so far this year is keeping pace with sales and 1977 output is estimated about the same as 1976's.

Table 4—Tobacco products: Output, 1975-77

Item	1975	1976 ¹	1977 ²
<i>Million pounds</i>			
Chewing tobacco			
Plug	18.1	16.7	16.0
Twist	2.3	2.3	2.3
Fine-cut	7.3	8.4	9.7
Loose leaf	53.7	56.3	61.0
Total	81.5	83.7	89.0
Snuff	24.4	24.8	24.8
Smoking tobacco in bulk (exports)	17.6	13.9	11.0
<i>Millions</i>			
Small cigars	2,942	2,246	1,850

¹ Subject to revision. ² Estimated.

Basis data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.

Domestic use of *smoking tobacco*—including imports—totaled 36 million pounds through September, a tenth below a year earlier. The domestic categories, as well as imports, were lower. The downturn may have continued in the fourth quarter, so for all of 1977 smoking tobacco consumption will drop some 10 percent from 1976. However, use

may hold its own in 1978 if it follows the pattern of recent years.

Table 5—U.S. cigarette exports to leading destinations, 1976-77

Country	1976-	January-October	
		1976	1977 ¹
<i>Billions</i>			
Belgium-Luxembourg ..	12.1	9.7	10.5
Hong Kong	5.9	4.7	4.2
Netherlands Antilles ...	4.1	3.3	3.5
Japan	2.1	1.8	2.4
Iran	5.8	5.1	7.4
Saudi Arabia	2.4	2.1	2.8
Spain	3.4	2.9	3.7
Kuwait	2.2	1.9	1.4
United Arab Emirates ..	1.6	1.5	.9
Canary Islands	1.1	.9	1.4
Syrian Arab Republic ..	2.1	2.0	.4
Lebanon .....	.7	.4	1.3
Panama	1.1	.8	1.1
Other countries	16.8	13.9	14.3
Total	61.4	51.0	55.3

¹ Subject to revision.

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

Table 6—U.S. bulk smoking tobacco exports to leading destinations, 1976-77¹

Country	Calendar year 1976	January-October	
		1976	1977 ¹
<i>Million pounds</i>			
Dominican Republic ...	1.6	1.6	0
Switzerland	2.1	1.9	0.4
Spain	1.3	1.3	(²)
Iran	4.5	3.2	4.9
Ecuador .....	.8	.5	.6
Other countries	3.6	3.4	3.7
Total	13.9	11.9	9.6

¹ Subject to revision. ² Less than 50,000 pounds.

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

U.S. EXPORTS AND IMPORTS

Dock Strike Slows Export Pace

Exports of unmanufactured tobacco this year through September ran 15 percent above a year earlier. Beginning October 1, the East and Gulf Coast dock strike halted container cargo—a major item for tobacco. European shipments were cut

back, although hogshead shipments continued. Exports were resumed November 30 following the longshoremen's approval of a new 3-year contract. While strike-delayed shipments are expected to boost exports temporarily, the 1977 total may drop 4 or 5 percent below last year's 578 million pounds

(equivalent to 634 million pounds farm sales weight) (table 7).

Movement of strike-delayed exports is expected to pushup first quarter 1978 shipments, so calendar 1978 could equal 1977's level or the 1967-76 average of 574 million pounds. Overseas production is off slightly and this may help U.S. exports in 1978.

For January-October 1977, increases in exports were registered for flue-cured and burley, the principal export classes. Also, dark fired, Maryland,

and cigar wrapper showed gains. Among major markets, West Germany, Switzerland, the Netherlands, Thailand, and Philippines took more. In total, the nine-member European Community (EC) took 2 percent more U.S. tobacco as foreign manufacturers rebuilt inventories (table 8).

Smaller U.S. shipments went to the United Kingdom and Japan. U.K. manufacturers have made further shifts to EC preference tobacco and Japan's lower trade is partly a reaction to the ciga-

Table 7—United States exports, unmanufactured tobacco, by type and to principal importing countries, 1973-77

(Declared weight)

Type and country	1973	1974	1975	1976	January-October		1977 as a percentage of 1976
					1976 ¹	1977 ²	
	<i>Million pounds</i>						<i>Percent</i>
Type:							
Flue-cured	418.3	440.9	391.4	378.7	289.3	294.4	102
Burley	59.3	60.8	61.9	67.9	60.9	76.7	126
Maryland	9.6	10.9	4.1	8.3	7.0	7.4	106
Fire-cured, Ky. and Tenn.	18.4	19.4	14.9	16.3	14.0	16.2	116
Virginia fire and sun-cured	3.0	6.0	3.3	2.8	2.4	³ 5.1	212
Green River and One Sucker .....	.4	1.0	.3	.3	.3	.1	33
Black Fat	3.1	2.7	3.5	3.3	2.7	1.9	70
Cigar wrapper	2.1	2.9	4.3	3.7	3.0	3.4	113
Cigar binder .....	.1	.1	.2	.3	.2	.1	50
Cigar filler .....	.3	.6	.2	.4	.3	.2	67
Perique .....	.2	.2	.1	.1	.1	.1	100
Stems, trimmings and scrap	98.1	105.9	78.9	95.7	70.8	71.1	100
Total	613.0	651.4	563.0	577.7	451.2	476.7	106
Country of destination:							
United Kingdom	119.7	94.3	78.5	71.8	57.0	36.4	64
France	6.6	8.2	9.5	8.3	6.8	5.0	74
Belgium-Luxembourg	16.7	14.4	8.1	7.5	5.5	6.9	125
Netherlands	31.6	31.0	29.9	24.7	21.5	25.5	119
West Germany	99.4	97.1	91.0	73.7	62.7	65.4	104
Denmark	37.0	12.6	16.4	9.0	5.0	15.5	310
Ireland	8.9	10.2	8.2	7.7	5.9	5.0	85
Italy	21.8	24.3	31.5	33.2	31.6	39.5	125
Subtotal, EC	341.7	292.1	273.1	235.9	196.0	199.2	102
Switzerland	31.4	21.3	25.9	24.3	21.2	25.0	118
Finland	6.1	4.0	8.0	6.2	4.7	4.7	100
Norway	5.7	5.4	5.6	5.5	4.9	5.5	112
Sweden	17.1	14.5	15.3	14.1	13.4	11.8	88
Spain	4.3	8.0	9.4	4.7	3.6	5.1	142
Thailand	8.6	20.6	18.7	21.8	15.3	16.0	104
South Vietnam	14.6	13.7	1.9	0	0	0	0
Malaysia	8.0	11.9	7.1	7.3	7.1	10.9	154
Philippines	8.8	11.2	11.8	13.0	11.5	13.9	121
Taiwan	16.7	23.8	16.0	12.3	7.6	11.7	154
Japan	79.0	109.6	81.5	132.7	78.7	50.2	64
Australia	13.9	18.7	15.5	10.3	8.8	12.1	138
New Zealand	5.3	4.8	5.0	4.9	4.1	4.9	120
Egypt	2.4	12.3	10.4	11.1	11.1	26.7	241
Other countries	48.9	79.5	57.8	73.6	62.8	79.0	126
Total	612.5	651.4	563.0	577.7	451.2	476.7	106

¹ Subject to revision. ² Preliminary. ³ Includes 2.7 million pounds believed to be flue-cured.

Detail may not add to total due to rounding.

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

Table 8—United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1974/75-1976/77¹

(Declared weight)

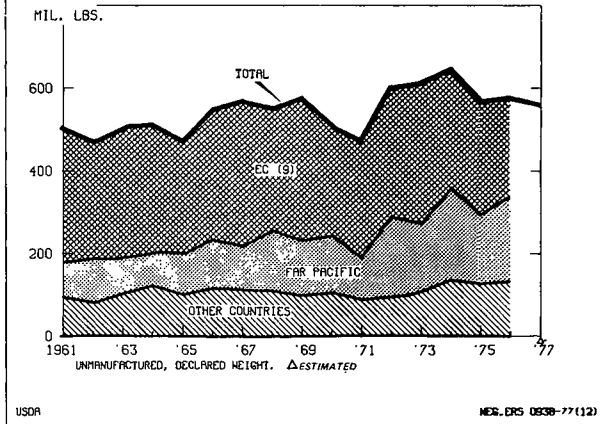
Importing countries	1974/75	1975/76	1976/77 ²	Importing countries	1974/75	1975/76	1976/77 ²
<i>Million pounds</i>				<i>Thousand pounds</i>			
Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37			
United Kingdom	69.0	57.0	45.2	Switzerland	727	42	913
West Germany	71.1	55.9	57.1	Norway	1,801	1,194	1,187
Japan	71.4	84.4	67.9	Sweden	508	397	523
Netherlands	14.4	15.5	13.1	West Germany	655	454	775
Thailand	15.7	12.5	18.1	Other countries	576	972	2,355
Australia	8.7	12.1	9.0	Total	4,267	3,059	³ 5,753
Italy	22.0	15.7	19.3	One Sucker, type 35			
Sweden	5.8	9.1	8.2	Belgium-Luxembourg	86	66	0
Norway	3.4	3.9	4.8	Zaire	36	142	0
Finland	2.8	4.6	4.9	Other countries	40	1	7
Denmark	7.7	10.7	11.6	Total	162	209	7
Ireland	7.7	4.6	5.0	Green River, type 36			
Belgium-Luxembourg	7.6	4.8	4.6	United Kingdom	87	33	52
Switzerland	11.9	9.8	7.2	Belgium-Luxembourg	1	0	0
South Vietnam	4.0	0	0	Zaire	30	79	0
Philippines	4.0	6.6	8.9	Other countries	106	4	2
Spain	7.7	4.9	5.2	Total	224	116	54
Malaysia	6.1	5.9	9.1	Cigar Filler, types 41-44			
Taiwan	17.8	11.2	13.6	New Zealand	19	0	0
Egypt	11.1	17.0	11.3	France	193	269	138
Other countries	44.8	44.4	57.6	Other countries	35	75	198
Total	414.7	390.6	381.7	Total	247	344	336
Burley, type 31				Connecticut Binder, types 51-52			
Italy	10.5	14.2	16.4	West Germany	15	0	0
Sweden	2.6	2.7	2.9	United Kingdom	36	0	0
Denmark	1.5	2.0	2.4	Canada	58	22	68
Netherlands	1.9	2.0	1.7	Other countries	75	135	65
Japan	6.9	8.3	10.2	Total	184	157	133
West Germany	8.5	11.3	18.6	Wisconsin Binder, types 54-55			
Switzerland	1.5	3.1	6.5	Dominican Republic	0	68	8
Syria	1.7	2.9	2.6	Other countries	1	19	1
Thailand	3.0	2.7	4.4	Total	1	87	9
Philippine Republic	4.7	8.9	5.0	Cigar Wrapper, types 61-62			
Other countries	10.4	13.6	16.4	United Kingdom	713	830	299
Total	53.2	71.7	87.1	West Germany	392	212	168
Maryland, type 32				Canada	185	227	104
Belgium-Luxembourg	1.5	1.3	1.0	Dominican Republic	1,538	1,520	1,691
West Germany	1.2	1.8	1.5	Netherlands	131	327	553
Switzerland	2.9	3.3	5.5	Other countries	929	668	550
Other countries . . . . .	.8	.9	1.4	Total	3,888	3,784	3,365
Total	6.4	7.3	9.4	Black Fat			
Ky.-Tenn. Fire-cured, types 22-23				Dahomey	1,692	1,210	1,466
Sweden . . . . .	.5	.3	.9	Cameroon	541	581	287
Netherlands	6.7	8.9	12.1	Niger	451	328	400
Belgium . . . . .	.7	.4	1.2	Nigeria	232	477	352
France	2.6	2.7	1.4	Togo	355	421	273
Switzerland . . . . .	.9	.7	.9	Other countries	143	155	156
Other countries . . . . .	.6	3.1	4.1	Total	3,419	3,172	2,934
Total	12.0	16.1	20.6	Stems, trimmings, and scrap			
Sweden	4.1	3.7	2.9	Denmark	2.6	2.8	5.6
Denmark	2.6	2.8	5.6	United Kingdom	18.3	20.7	16.2
United Kingdom	18.3	20.7	16.2	West Germany	6.2	4.3	7.2
West Germany	6.2	4.3	7.2	Japan	24.7	30.2	24.2
Japan	24.7	30.2	24.2	Other countries	37.1	31.1	39.0
Other countries	37.1	31.1	39.0	Total	93.0	92.8	95.1
Total	93.0	92.8	95.1				

¹July-June crop year for flue-cured, cigar wrapper, stems, trimmings, and scrap; October-September crop for all other types.

²Subject to revision. ³Includes 2,716 thousand pounds believed to be flue-cured. Detail may not add to total due to rounding.

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

U.S. EXPORTS OF TOBACCO BY DESTINATION



rette sales dip in 1976. As sales are rebounding, U.S. exports may recover next year.

Imports Steady

Through September this year, U.S. tobacco imports for consumption (duty-paid imports)

remained the same by weight as a year earlier (table 9). Oriental tobacco, the major import class, was down slightly reflecting the drop in cigarette production. But foreign flue-cured and burley continued at a lower level due to larger supplies of U.S. tobacco. Cigar leaf tobacco imports are down, but scrap imports are up, despite the reduced level of cigar output. Some svktobacco goes for both cigarettes and chewing tobacco. Use of imports in 1978 may stay about the same as cigarette output stabilizes.

January-September 1977 arrivals of tobacco (general imports) were 11 percent below the year-earlier level. Some cigar leaf categories—as well as flue-cured and burley—were higher. Oriental leaf had a sharp decline as manufacturers have held off purchasing due to substantial price jumps.

With reduced imports, U.S. stocks of foreign-grown cigarette and smoking tobacco declined over the past 12 months. On October 1, 1977, foreign grown stocks totaled 602 million pounds (farm-sales weight), 7 percent below the year-earlier record high. About four-tenths of the foreign-grown tobacco stocks consisted of flue-cured and burley.

Imported foreign-grown cigarette leaf stocks, by quarters, 1971-77¹

Year	Jan.	April	July	Oct.	Jan.	April	July	Oct.
<i>Million pounds</i>								
	Foreign-grown flue-cured				Foreign-grown oriental and aromatic			
1971	13	11	14	15	367	371	382	347
1972	12	12	24	19	320	357	389	360
1973	31	31	40	38	369	376	387	360
1974	38	44	47	54	355	374	383	350
1975	53	49	70	70	377	412	415	380
1976	74	73	72	101	361	431	416	405
1977	100	102	109	117	397	365	362	347
	Foreign-grown burley				Total Imported cigarette leaf			
1971	5	5	4	6	386	386	400	367
1972	7	9	9	11	339	377	423	390
1973	17	24	27	36	418	431	455	434
1974	49	59	67	88	442	477	497	493
1975	118	107	145	136	548	567	623	587
1976	134	124	132	141	568	628	619	646
1977	139	132	127	138	637	599	598	602

¹ Farm sales weight.

Table 9—U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1976-77¹

(Declared weight)

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	1976	January-October		1977 as a percentage of 1976	1976	January-October		1977 as a percentage of 1976
		1976	1977 ¹			1976	1977 ¹	
	<i>Million pounds</i>		<i>Percent</i>		<i>Million pounds</i>		<i>Percent</i>	
Cigarette tobacco:								
Leaf,:								
Oriental								
Turkey	94.3	81.6	76.0	93	95.2	95.2	40.0	42
Greece	21.6	16.2	13.6	84	23.3	12.1	22.4	185
Yugoslavia	17.1	14.8	11.7	79	17.3	17.3	12.3	71
Lebanon	9.9	8.5	5.7	67	0	0	7.6	—
Other countries ²	31.7	26.2	38.9	148	50.1	41.0	31.0	76
Flue-cured and burley	30.2	27.0	18.8	70	46.5	40.6	40.6	100
Subtotal	204.8	174.3	164.7	94	232.4	206.2	153.9	75
Scrap								
Turkey	5.0	4.4	6.0	136	4.0	4.0	9.5	238
Mexico	4.0	3.8	3.8	100	1.5	1.5	2.4	160
Other countries ²	16.1	14.1	17.1	121	27.9	21.6	23.2	107
Subtotal	25.1	22.3	26.9	121	33.4	27.1	35.1	130
TOTAL	229.9	196.6	191.6	97	265.8	283.3	189.0	81
Cigar tobacco:								
Wrapper	1.6	1.4	1.4	100	2.7	2.4	1.9	79
Filler-stemmed and unstemmed								
Dominican Republic	2.2	2.0	.9	45	9.7	4.6	4.8	104
Other countries	7.1	6.5	4.1	63	18.8	14.0	17.6	126
Subtotal	9.3	8.5	5.0	59	28.5	18.6	22.4	120
Scrap								
Philippine Republic	15.6	13.9	11.7	84	12.7	10.9	6.4	59
Colombia	2.8	2.6	3.0	115	1.5	1.5	3.2	213
Dominican Republic	7.8	6.3	6.7	106	1.9	1.2	.5	42
Brazil	14.6	12.9	21.3	165	10.2	9.4	11.9	127
Other countries	18.1	14.7	20.0	136	15.2	16.9	15.6	92
Subtotal	58.9	50.4	62.7	124	41.5	39.9	37.5	94
TOTAL	69.8	60.3	69.1	115	72.7	60.9	61.9	102
Stems	10.7	10.2	6.7	66	10.8	10.2	6.8	67
Grand total	310.4	267.1	267.4	100	349.1	304.5	257.7	85

¹ Preliminary. ² Canada, Yugoslavia, Greece, Cyprus, Syria, Lebanon, India, Thailand, Korea, Angola, Mozambique, Zambia, and Malawi.

Detail may not add to total due to rounding.

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

TOBACCO LEAF SITUATION AND OUTLOOK¹

1977 Crop Highlights

Although the production forecast increased after mid-season, the 1977 tobacco crop is still about 10 percent smaller than last year (table 10). Earlier, unfavorable weather conditions had cut the flue-cured yields. Smaller quotas applied for flue-cured and burley, and acreage of both crops decreased.

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

Flue-cured production averaged less per acre than last year. Yields fell in all States and belts except Florida. The largest yield loss was in the Old and Middle Belt (Va.-N.C.) which suffered the most of any flue-cured area. Burley areas had a less favorable curing season than last year. Average yield for all tobacco was below last season, and harvested acres totaled 8 percent below last year.

Flue-cured and burley had gains in carryover that maintained total supplies. For most other

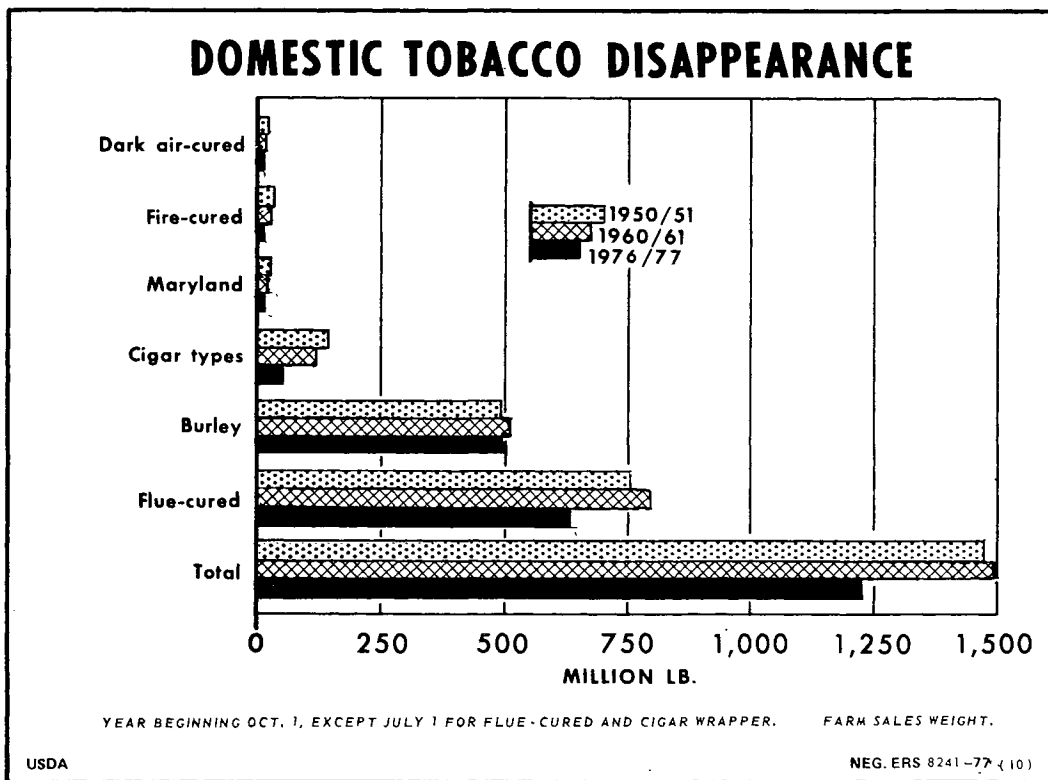


Table 10—U.S. tobacco: Acreage and yield, 1975-77

Type	Acreage				Yield per acre			
	1975	1976	1977 ¹	Change from 1976	1975	1976	1977 ¹	Change from 1976
	1,000 acres		Percent		Pounds		Percent	
Flue-cured								
11—Old and Middle Belt, VA.-N.C.	247.0	255.0	221.0	-13.3	1,693	1,816	1,711	-5.8
12—Eastern N.C.	229.0	203.0	175.0	-13.8	2,155	2,140	2,000	-7.0
13—S.C.—Border N.C.	152.0	126.0	116.0	-7.9	2,127	2,092	2,025	-3.2
14—Georgia—Florida	89.2	82.5	81.1	-1.8	2,018	1,877	1,927	+2.7
Total, types 11-14	717.2	666.6	593.1	-11.0	1,973	1,974	1,887	-4.4
Burley, type 31	282.2	285.8	275.7	-3.6	2,265	2,376	2,360	-.7
Total, all types 11-72 ...	1,083.5	1,044.6	965.4	-4.7	2,015	2,045	1,996	-2.4

¹ November 1 indications; burley is December 1.

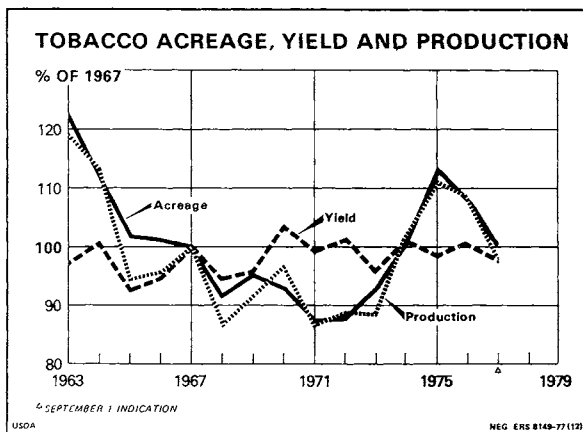
tobacco types, smaller carryovers were reported. Overall, the same size supplies are available for the 1977/78 marketing year. Prices for the current season will likely average 7 cents or so above last season and reach a new record high. The gain reflects rising support levels, although volume of tobacco placed under loan this season will fall short of the 1976 high during the 1967-77 period.

Farmers' cash receipts from tobacco for calendar 1977 may equal 1976's record \$2.3 billion. Prices are up and a larger share of the burley crop has been sold in this calendar year to offset the volume decline for flue-cured tobacco.

By February 1, USDA will announce the 1978 marketing quotas and acreage allotments for burley and several other kinds of tobacco. Shortly after the announcement, growers of Connecticut Valley cigar binder tobacco and Wisconsin binder and Ohio filler tobacco will vote for or against marketing quotas on their next three crops. At least two-thirds of the voters must approve marketing quotas for the quotas to continue. In previous referendums for flue-cured, burley, fire-cured, dark air-cured, and sun-cured types, farmers approved marketing quotas for the 1978 crop.

Price Support Level

For 1978, the law requires support levels to rise some 6 or 7 percent above the 1977 price support level—to more than double the 1959 base used for the calculation. The 1978 price support adjustment will be based on the average of the parity index for



1978 Marketing Quotas and Allotments

The 1978 national quota for flue-cured tobacco is virtually the same as for 1977. However, when one considers the carryover of undermarketings from the 1977 crop, the effective quota is reduced slightly (table 11).

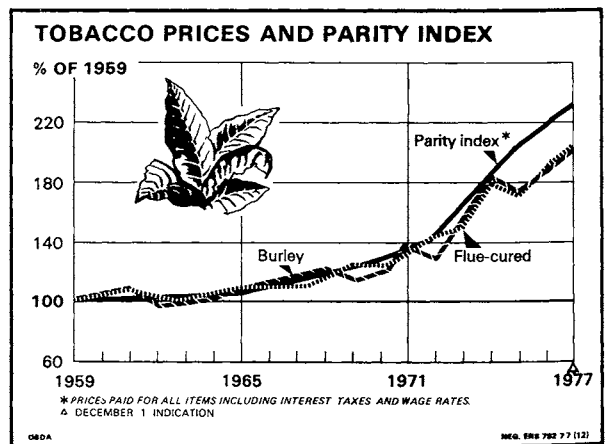


Table 11—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-78

Year	Quota		Marketings				Net Carryover ²
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under quota ¹	
<i>Million pounds</i>							
Flue-cured, types 11-14							
1965	1,126.0	1,124.4	1,055.5	27.1	96.0	91.2	64.0
1966	1,135.0	1,199.0	1,107.9	35.0	126.1	111.1	76.1
1967	1,126.3	1,202.4	1,247.5	77.9	30.8	18.4	-59.5
1968	1,127.5	1,067.9	996.4	26.5	96.6	86.1	59.6
1969	1,127.4	1,187.0	1,052.1	26.6	157.9	145.9	119.3
1970	1,071.5	1,190.8	1,178.2	65.1	71.2	63.4	-1.7
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8
1977	1,116.5	1,197.3	³ 1,120.8				³ 70.0
1978	³ 1,117.0	³ 1,187.0					
Burley, type 31							
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	726.4	663.6	33.1	96.2	80.3	47.2
1977 ³	636.2	683.4					

¹ Under quota marketing less ineligible carryover. ² Effective under quota marketings less over quota marketings. ³ Preliminary.

Compiled from records and reports of Tobacco and Peanut Division, ASCS.

1975, 1976 and 1977 compared with 1959. USDA probably will announce average support levels by tobacco types in the spring and individual grade loan rates just before the opening of the various marketing seasons.

Tobacco Task Force

A USDA Task Force held 7 field hearings in September and October in the flue-cured belt and is studying the situation for possible recommendations for the Secretary of Agriculture. Task Force findings or recommendations had not been reported as of presstime. The hearings identified three major problems related largely to flue-cured tobacco: (1) loss of markets, foreign and domestic; (2) high cost of leasing; and (3) potential losses to CCC from unduly large quantities of lower stalk tobacco in loan stocks.

HEW Studies Ways to Discourage Smoking

The Department of Health, Education, and Welfare (DHEW), (at the request of their Secretary), has been reviewing the tobacco and cigarette situation for possible legislative and administrative proposals, designed to discourage smoking.

EPA Requests Information on MH-30

The Office of Pesticide Programs, Environmental Protection Agency (EPA), has determined that a Rebuttable Presumption Against Registration (RPAR) exists for the growth regulator, maleic hydrazide (MH-30), a chemical widely used for sucker control on tobacco, as well as on onions, potatoes, and certain turf grasses. Chemical companies manufacturing MH-30 are required to supply additional information to EPA to rebut the presumption of risk. In addition, evidence about the economic, social, and environmental benefits of the pesticide may be submitted to EPA by January 31, 1978.

MH-30 was found to control suckers on tobacco plants in 1949 and in the 1950's became widely used to eliminate the drudgery of hand suckering.

FLUE-CURED

1977 Auction Prices Gain

Prices for the 1977 flue-cured crop gained 7 percent from 1976 to set a new record. However,

because of lower volume, crop value fell below 1976's record. Considering both the crop and stabilization stocks, industry takings were up, and loan placements were below the high levels of the past 2 years.

The 1977 flue-cured auction season, which lasted 20 weeks, ended November 23. About nine-tenths of the crop had been sold by October 20. July prices averaged below a year earlier. Through September, the seasonal price increase was sharper than in 1976 due to the vigorous bidding for better quality tobacco. But after September, tobacco from eastern North Carolina and the Old and Middle Belts pre-

dominated, and the lower quality caused by drought meant that market prices fell sharply as loan volume steadily went up.

Price increases from last season were the greatest for leaf, smoking leaf, cutter, and lugs, and the least for primings and nondescript grades. Sand or "dirt" grades were 5 to 16 cents per pound lower than respective "clean" grades. The season average price for gross sales (including resales) was \$1.18 per pound—up 8 cents from last year's average. Price averages rose in all belts (table 12).

Due to reduced quota, producers' marketings were the smallest since 1972. Producer sales totaled

Table 12—Flue-cured tobacco: Gross sales (including resales), average price, and loan receipts by Belt, 1970-77

Marketing season	Old and Middle Belt, type 11	Eastern N.C. Belt, type 12	N.C. Border and S.C. Belt, type 13	Ga.-Fla. Belt, type 14	All Belts
<i>Million pounds</i>					
1970	360	367	295	201	1,224
1971	334	323	268	182	1,107
1972	310	323	249	166	1,048
1973	373	385	270	153	1,181
1974	383	420	290	197	1,290
1975	418	523	337	190	1,469
1976	453	480	275	163	1,370
1977 ¹	385	389	242	169	1,186
<i>Average price per pound</i>					
<i>Cents</i>					
1970	70.1	72.7	71.7	74.3	71.9
1971	77.3	78.4	75.7	76.8	77.2
1972	83.1	87.2	85.3	85.4	85.3
1973	88.2	89.0	86.8	87.7	88.1
1974	106.0	105.9	103.9	102.8	105.0
1975	98.5	101.1	99.9	100.1	100.0
1976	107.2	113.0	112.4	110.2	110.6
1977 ¹	114.3	118.6	124.1	115.8	117.9
<i>Receipts under loan</i>					
<i>Million pounds</i>					
1970	49.5	43.3	28.8	22.7	144.2
1971	14.5	19.2	15.5	6.4	55.7
1972	14.5	8.2	1.1	.4	24.3
1973	11.7	17.0	² 2.4	.2	31.3
1974	5.1	8.1	7.5	2.4	23.1
1975	83.2	90.3	56.6	28.9	259.0
1976	135.3	80.6	37.4	24.8	278.0
1977 ¹	107.7	55.0	20.6	10.8	194.1
<i>Percentage of producer sales under loan</i>					
<i>Percent</i>					
1970	14.2	12.1	10.2	11.9	12.2
1971	4.5	6.1	6.0	3.7	5.2
1972	5.0	2.6	.5	.3	2.4
1973	3.2	4.5	.7	.1	2.7
1974	1.4	2.0	2.7	1.3	1.9
1975	20.8	17.8	17.6	15.9	18.4
1976	31.1	17.4	14.2	16.1	21.2
1977 ¹	29.4	14.9	9.1	6.9	17.3

¹ Preliminary. ² Includes 0.5 million pounds direct deliveries at end of season.

Compiled from records and reports of Tobacco Division, Agricultural Marketing Service.

1,121 million pounds, almost 200 million less than in 1976.

Quality Declines

Crop quality declined from last year. There was a smaller proportion of fair and good grades in 1977 and more nondescript and poor quality tobacco. Poorest nondescript (N2), a nonsupported grade normally 1-2 percent, accounted for 9 percent of the 1977 crop. The share for leaf and priming grades declined (table 14). From a color standpoint, less lemon or orange was recorded with more variegated and green tobacco. Part of this shift was due to the drought that affected all areas and resulted in a less desirable crop. Also, USDA revised grade

standards effective April 25, to set more stringent waste tolerance.

Loan volume dropped below 1975 and 1976, representing about 17 percent of sales. Almost one-half of loan receipts consisted of primings, lugs, and nondescript grades. Variegated and green upper stalk leaf made up a large share of the remainder.

Marketing Conditions About the Same

The smaller flue-cured crop resulted in the 1977 selling period being shortened about a week in each belt in line with harvest completion. Until mid-August, marketing lagged as unfavorable growing weather reduced yields.

Table 13—Flue-cured tobacco: Farm marketings by belt and across-belt marketings, 1977

States and belt	Total farm marketings	Sold in—				Total sold out of belt	
		Ga.-Fla. 14	S.C.-N.C. 13	N.C. 12	N.C.-Va. 11	Amount	Percent of sales
		<i>Million pounds</i>				<i>Percent</i>	
Ga.-Fla., 14	155.2	155.2	(¹)	0	0	(¹)	0.0
S.C.-N.C., 13	230.0	1.2	219.0	4.3	5.5	11.0	4.8
N.C., 12	345.5	0	5.3	333.1	7.1	12.4	3.6
N.C.-Va., 11	388.8	0	3.2	33.0	352.6	36.2	9.3
Sale from out of belt	—	1.2	8.5	37.3	12.5	—	—
Total ¹	1,119.5	156.4	227.5	370.4	365.2	59.6	5.3
		Sales from out of belt as percentage of belt sales					
		<i>Percent</i>					
	5.3	.8	3.7	10.1	3.5	—	—

¹ Distribution of 1.5 million pounds not available. Less than .05 million pounds. Details may not add to total due to rounding.

Compiled from records and reports of Price Support and Loan Division, ASCS.

Table 14—Flue-cured tobacco: Percentage distribution of marketings, by groups and qualities, 1974-77 crops

Crop year	B-leaf	H-S. leaf	C-Cutters	X Lugs	P-Primings	N-Nondescript	Misc.	
	<i>Percent</i>							
	GROUP							
1974	50.3	10.6	10.0	10.8	11.5	4.0	2.8	
1975	48.2	8.9	8.5	14.4	11.4	5.7	2.9	
1976	57.1	3.0	8.9	12.1	11.4	6.1	1.4	
1977 ¹	50.4	1.2	4.1	13.0	6.3	22.9	2.1	
	QUALITY							
Crop year	1 Choice	2 Fine	3 Good	4 Fair	5 Low	6 Poor	Nondescript	Misc.
19742	1.8	23.1	48.6	18.3	1.2	4.0	2.8
19751	.7	13.7	49.4	24.9	2.6	5.7	2.9
19763	1.2	18.1	50.0	20.6	2.3	6.1	1.4
1977 ¹1	.3	4.9	31.6	28.1	10.3	22.9	1.8

¹ Preliminary.

Compiled from records and reports of Tobacco Division, AMS.

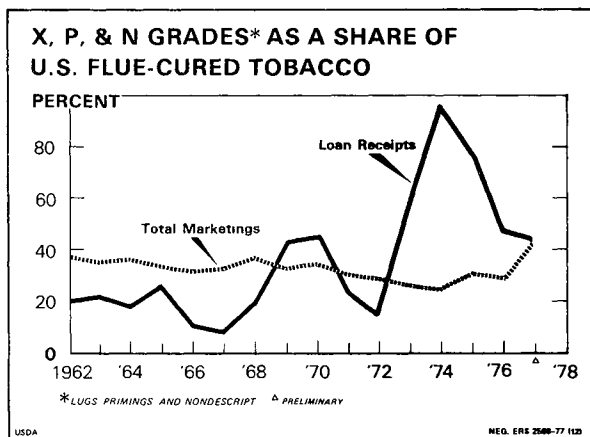


Table 15—U.S. flue-cured exports to principal countries, 1975-77 (export weight)

Country	July-October		
	1975	1976	1977
	<i>Million pounds</i>		
United Kingdom	15	25	15
West Germany	24	23	17
Japan	7	1	2
Netherlands	6	6	7
Ireland	1	1	1
Italy	0	1	4
Australia	5	4	4
Belgium	2	1	2
Denmark	8	3	3
Switzerland	4	3	4
Sweden	7	7	5
Egypt	9	0	6
Taiwan	0	0	3
Others	21	30	34
Total	109	105	107

¹ Less than 500,000 pounds.

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

With manufacturers and exporters maintaining about the same processing plant capacity as last year, the sales opportunity averaged about 85 million pounds weekly. As occurred last season, growers designated a warehouse for the sale of their crop and the USDA Flue-cured Tobacco Advisory Committee recommended opening dates and selling schedules to USDA. A buyer rotation plan was used and selling times were allocated according to the grower designations. Growers could change their warehouse designation at the beginning of each month, if they wished.

About 2 percent of the crop was graded with the special factor "sand" or "dirt," except in type 14 where the share reached 4 percent. Resales averaged 5½ percent of gross sales, a share larger than in 1976. About 5 percent of the crop was sold outside of the belt where produced (table 13).

After the auction sales ended in each belt, the Stabilization Cooperative and certain dealers again processed and stored carryover tobacco—that volume exceeding 110 percent of farm marketing quotas and subject to penalty if sold in 1977. About 3 million pounds came in under this separate pooling arrangement.

Exports Boosted Before Dock Strike

Flue-cured exports for July-October 1977 were slightly above the year-earlier level but slightly below the average for the same period from 1972-74 when competing suppliers were short of tobacco (table 15). By October, unit value had risen 13 percent above October 1976.

Japan's 1977 purchases may have dropped a little from last year. Their shipments are usually bunched around the end of the calendar year. Short supplies of export grades, high U.S. prices, and discriminatory tariffs are expected to limit

1977/78 exports to many destinations. By June, flue-cured exports may total slightly below last season's 514 million pounds.

Supplies Smaller in 1977/78

Although carryover is more, the smaller crop has brought the season's flue-cured supply of 3.19 billion pounds about 1 percent below last year. It is still a sixth below the 1964/65 record (table 16). The 1977 crop outturn was about 15 percent below 1976's 20-year high. Harvested acreage in 1977 decreased 11 percent while the yield per acre averaged 4 percent less.

Prospects for rising U.S. cigarette output may offset the decline in exports indicated for this marketing year, so total disappearance may remain near last year's level and bring next July's carryover a little below last July's.

The Flue-cured Stabilization Cooperative, the association handling tobacco under loan, sold 151 million pounds during July through November, the largest amount for that period since 1972/73. Nonetheless, loan stocks at the beginning of 1978/79 will rise around a tenth from the 556 million pounds held last July 1 (table 18).

1978 Quota Virtually Unchanged

USDA announced on November 30 the national flue-cured marketing quota for 1978 of 1,117 million pounds (table 17). The quota maintains the 1977 level, thereby allowing sufficient production to prevent further reduction in takings by key export markets.

Table 16--Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-78

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Production	Beginning stocks ¹			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		Million pounds			
Flue-cured, types 11-14							
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	² 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	513.6	1,971	² 1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973	575.1	2,011	² 1,159.0	1,347.0	402.3	1,749.3	2,908.3
1974	616.3	2,014	² 1,245.1	1,330.6	276.7	1,607.3	2,852.4
1975	717.2	1,973	² 1,414.7	1,471.9	179.9	1,651.8	3,066.5
1976	666.6	1,974	² 1,316.0	³ 1,539.1	359.2	³ 1,898.3	3,214.3
1977 ⁴	593.1	1,887	1,119.3	1,509.2	556.9	2,066.1	3,185.4
1978 ⁵				1,445.4	600.0	2,045.4	
Burley, type 31							
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	235.6	2,552	² 590.3	920.9	327.6	1,248.5	1,838.8
1973	222.1	2,028	² 461.4	952.5	276.7	1,229.2	1,690.6
1974	260.7	2,350	² 610.4	931.5	139.2	1,070.7	1,681.1
1975	282.2	2,265	² 638.3	1,082.4	12.0	1,094.4	1,732.7
1976	285.8	2,376	² 663.8	1,115.3	44.8	³ 1,160.1	1,823.7
1977 ⁴	275.7	2,369	650.8	1,159.1	54.9	1,214.0	1,864.8
1978 ⁵				1,184.8	85.0	1,269.8	
		Disappearance		Average price per pound	Price support level	Placed under loan	
		Total	Domestic			Exports	Quantity	Percentage of crop
		Million pounds		Cents		Million pounds	Percent
Flue-cured, types 11-14							
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	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7
1974	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9
1975	1,193.1	670.6	522.5	99.8	93.2	259.0	18.4
1976	1,148.2	634.0	514.2	110.4	106.0	276.9	21.1
1977	⁵ 1,140.0	⁵ 650.0	⁵ 490.0	⁴ 117.9	113.8	194.1	17.3
Burley, type 31							
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	-.
1972	609.6	534.5	75.1	79.2	79.2	22.9	3.9
1973	619.0	533.1	86.8	92.9	78.9	.7	.1
1974	586.7	518.8	67.9	113.7	85.8	2.8	.4
1975	602.5	510.1	92.4	105.6	96.1	50.7	7.9
1976	609.7	492.9	116.8	114.2	109.3	46.6	7.0
1977	⁵ 595.0	⁵ 505.0	90.0	⁴ 119.5	117.3		

¹ July 1 for flue-cured; October 1 for burley. ² Sales. ³ Adjusted for change in conversion factor January 1, 1977. ⁴ Subject to revision. ⁵ Estimated. ⁶ Through December 15.

Table 17—Flue-cured tobacco: Basic and effective quotas and marketings, 1976-78

Type and State	Basic quota		Effective quota			Marketings	
	1977	1978	1977	1978	Decrease from 1977 ²	1976	1977
	<i>Million pounds</i>		<i>Percent</i>			<i>Million pounds</i>	
14-Alabama	1	1	1			1	1
14-Florida	23	23	25			30	24
14-Georgia	117	117	132			123	131
13-N. Carolina	97	97	101			110	92
13-S. Carolina	139	139	141			153	138
12-N. Carolina	400	401	398			433	345
11-N. Carolina	239	239	287			339	282
11-Virginia	99	99	113			123	108
Total 11-14	1,116	1,117	1,197			1,313	1,121

¹ Computed from unrounded data. ² Detail not available. Detail may not add to total due to rounding.

Compiled from records of Price Support and Loan Division, ASCS.

Acreage allotments and poundage quotas for individual farms will reflect 1977 undermarketings and overmarketings. Aggregate marketings this past season were 6½ percent below the effective quota. The average shortfall since the acreage-poundage program began in 1965 was 5 percent. The base quota plus estimated net undermarketings means that the 1978 effective quota is about 1.2 billion pounds, off about 1 percent. A crop close to the quota, when added to prospective carryover, would provide a 1978/79 supply slightly below this year's level.

Table 18—Tobacco loan stocks, 1975-77
(Farm-sales weight)

Type	End of November		
	1975	1976	1977
	<i>Million pounds</i>		
Flue-cured, 11-14	357.6	608.0	¹ 701.8
Burley, 31	6.0	35.9	¹ 68.7
Virginia, 21	.2	(³)	0
Kentucky-Tennessee, 22-23	.3	0	0
Kentucky-Tennessee, 35-36	.2	0	0
Ohio, 42-44	0	0	.4
Puerto Rican, 46	0	3.3	3.2
Connecticut Valley, 51-52	.3	.7	.9
Wisconsin, 54-55	(³)	(³)	(³)
Total	364.6	647.9	775.0
Uncommitted			
Flue-cured, 11-14	324.6	584.1	² 585.4
Burley, 31	2.0	25.2	51.3

¹ October 31. ² Includes 1977 receipts. ³ Negligible.

Compiled from records of Producer Associations, ASCS.

BURLEY

Auction Prices Set Record

During the first 3 weeks of auction sales, the 1977 burley crop grossed 415 million pounds and averaged \$1.20 per pound. This year, growers sold about two-thirds of the crop in the 4 weeks of pre-Christmas sales, slightly more than last season. Sales resume on January 4.

Prices opened on November 21 about 6 cents above last year's opening and have declined slightly in succeeding sales. Early sales contained lower percentages of quality grades and fewer grades of the preferred tan color. However, most grades are selling a few cents per pound above support levels (table 19).

Grade loan rates range from 78 cents to \$1.28 a pound, with an average support level of \$1.17. USDA increased grade price supports from 1 to 8 cents per pound above 1976 levels. Through December 8, the two burley cooperatives took 10 percent of sales under loan. Early-season loan receipts last

Table 19—Burley tobacco: Percentage of selected groups, quality, and color categories of total, 1970-76

Crop year	Mixed group	1, 2, 3 quality	Tan color
1970	7.8	37.3	57.5
1971	14.2	43.9	63.1
1972	16.7	50.6	67.0
1973	22.6	47.6	65.7
1974	31.4	40.0	54.7
1975	20.6	34.6	55.9
1976	14.7	45.8	55.8

Compiled from reports of Tobacco Division, AMS.

Burley tobacco: Gross sales, average price, and percentage sold before and after the Christmas holidays, crops 1967-77

Crop	Before holidays			After holidays		
	Gross sales	Average price per lb.	Percentage of crop sold	Gross sales	Average price per lb.	Percentage of crop sold
	<i>Mil. lb.</i>	<i>Cents</i>	<i>Percent</i>	<i>Mil. lb.</i>	<i>Cents</i>	<i>Percent</i>
1967	456.7	71.8	81.7	102.6	71.1	18.3
1968	463.8	74.1	79.2	121.5	72.0	20.8
1969	490.6	69.7	79.6	126.1	68.5	20.4
1970	494.9	72.2	83.7	96.1	70.7	16.3
1971	404.5	80.4	81.3	92.9	83.0	18.7
1972	490.4	79.2	78.6	133.6	79.2	21.4
1973	379.5	93.2	76.4	117.3	91.6	23.6
1974	505.5	116.0	75.8	161.4	107.2	24.2
1975	457.7	104.4	66.8	238.0	107.5	32.2
1976	467.4	115.0	65.0	252.2	113.0	35.0
1977	492.4	119.6	¹ 70.0			

¹ Estimated, based on December crop estimate with allowance for resales.

Compiled from *Tobacco Market Review* Burley, issued annually, Agricultural Marketing Service.

year were 3 percent and the season average was 7 percent.

About three-fourths of burley is going for U.S. cigarettes, exports will take about 16 percent, and the remainder will increase carryover or be used in other domestic products.

The experimental marketing of untied leaf was suspended this season, as no price support was given to untied tobacco and as buyers favored the purchase of burley in tied hands.

1976/77 Disappearance Gained

During the year ending September 30, 1977, burley disappearance totaled 610 million pounds—slightly above the 1976 level and slightly above the 1968-74 average. While exports were up, domestic use was lower. In anticipation of the dock strike that lasted from October 1 through November 29,

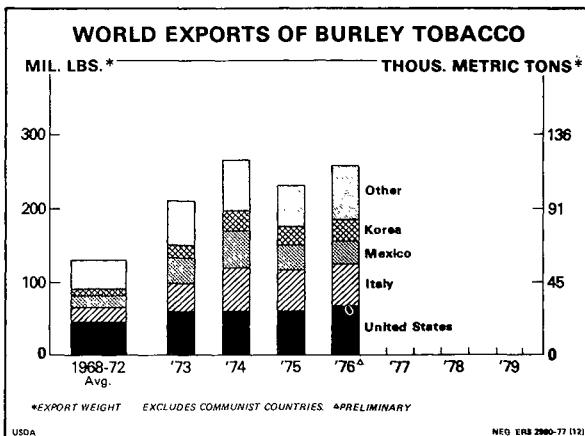
exports were up sharply near the end of the marketing year.

Although cigarette sales increased, domestic burley use declined 3 percent and U.S. cigarette manufacture was lower. During this period, smoking tobacco output fell 6½ percent to a record low of 43 million pounds. Bulk exports, consisting of blended tobaccos processed for cigarette manufacture, while down from last season, remained relatively low. With burley tobacco use per cigarette continuing to decline, even if cigarette production increases in 1977/78, this may only stabilize domestic burley disappearance.

Burley exports for the crop year ending September 30, 1977, were 24 million pounds above the previous year, with volume totaling 117 million pounds. Most major destinations took more. Italy and West Germany continued as our leading foreign markets because of increased manufacture of cigarettes with U.S. tobaccos. Japan further increased burley imports as the U.S.-type blend becomes popular in that country.

Supplies Higher

This season's burley supply of 1.86 billion pounds is about 2 percent above last season but well below the record (table 16). The 1977 crop, estimated December 1 at 651 million pounds, was 4 percent below last year which reflects a 3-percent lower acreage. Under the poundage program, yields are averaging near those of the last 5 years (1972-76). This season's effective farm poundage quota was held 6 percent below last year. Because of 1976's larger crop, burley carryover on October 1 was up 5 percent from a year earlier. Carryover under loan increased to 55 million pounds as last



SOUTHERN MARYLAND

season's loan placements rose. With moderate receipts this season, not much change in loan carryover is expected.

Supply for 1977/78 is equal to 3.1 times probable disappearance. With supply above requirements and production exceeding disappearance for the last three marketing years, quotas or the 1978 crop may have to be reduced. In addition, manufacturers and dealers held 138 million pounds of foreign-grown burley on October 1, slightly less than a year earlier when loan stocks were lower. Foreign burley stocks were built up rapidly in 1973-74 to assure a larger supply.

1978 Quota Decision

Outlook for burley in 1978 hinges partially on the quota decisions USDA will make by February 1. Burley poundage legislation requires that the national quota for any year neither be less than 95 percent of estimated marketing year disappearance nor less than 95 percent of the previous year's quota. For 1976/77, the basic allotment was set at 635 million pounds. By contrast, disappearance in 1976/77 totaled 610 million pounds, 1 percent above the previous year. Not much change is indicated for disappearance in 1977/78 or 1978/79.

Burley supplies are larger than desired under the legislated formula, but loan holdings are low, indicating favorable use prospects. A burley quota cut would prevent a buildup in carryover stocks beyond next October. As in the past, individual farm quotas will be adjusted for the previous year's overmarketings and undermarketings.

1976/77 Disappearance Down

During the year ending September 30, 1977, disappearance of Maryland tobacco was 30 million pounds, 5 million pounds below the previous year and about the same as the 1971-75 average (table 20). The 1977 crop was about the same as disappearance and acreage and yield were unchanged.

Domestic use of Maryland tobacco fell sharply in 1977 to 17 million pounds, 9 percent below the 1971-75 average. Domestic use in the current marketing year may remain about the same.

Exports during last marketing year totaled more than 12 million pounds—up almost 3 million from the previous year. Switzerland's takings were up and remain about one-half of Maryland exports.

Supplies Stable

Carryover on January 1, 1978 will likely be about the same as a year earlier. The 1977 Southern Maryland tobacco crop is estimated at 30 million pounds, the same as the previous season. Acreage allotments were not in effect, since growers have disapproved marketing quotas since 1965. Estimated supply (current crop plus tentative carryover) for 1977/78 is about the same as a year earlier. Auctions for the 1977 Maryland crop will begin in April 1978.

Table 20—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1968-77

Marketing year	Acreage harvested	Yield per acre	Supply			Disappearance ¹			Average price per pound to growers
			Production	Stocks, Jan. 1	Total	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds						Cents
1968	29.0	1,100	31.9	81.5	113.4	48.7	38.3	10.4	69.8
1969	26.5	1,060	28.1	66.7	94.8	41.3	29.1	12.2	75.1
1970	27.0	1,090	29.4	50.1	79.5	39.5	27.6	11.9	78.6
1971	27.0	1,040	28.1	46.0	74.1	25.5	17.5	8.0	81.9
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973 ²	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974 ²	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975 ²	23.5	950	21.1	53.6	74.7	34.8	25.1	9.7	107.5
1976 ³	23.0	1,300	30.0	41.9	71.9	29.8	17.3	12.5	110.2
1977 ⁵	23.0	1,300	29.9	⁴ 42.1	72.0				

¹ Year beginning October 1. ² Includes sales and certification. ³ Based on Maryland crop and 75 thousand pounds estimated for other States. ⁴ Estimated. ⁵ Based on November 1 crop prospects and estimated stocks.

FIRE-CURED

Auction Prices Lower

Auction markets for Virginia fire-cured tobacco (type 21) opened November 29 lower than last season's record high price. Last year prices increased substantially later in the season as buyers reacted to a short supply situation. Prices have declined 16 percent below the \$1.17 per pound average last year due to the larger supply and lower quality. Auctions for Kentucky-Tennessee fire-cured (types 22 and 23) are expected to open around the middle of January.

Large Crop Raises Supplies

At an estimated 49 million pounds, the 1977 fire-cured crop helped to raise total supplies, up by 8½ million pounds. The production increase offset a small decline in carryover and brings the 1977/78 supply of fire-cured types to 97 million pounds. Based on last season's increased use, this supply would last about 2.4 years. On October 1, the beginning of the marketing year, no Government loan stocks remained. Total carryover next October will probably increase slightly (table 21).

Disappearance Increases

Disappearance of fire-cured types in 1976/77 was about 41 million pounds—5 million above the previous season. Domestic use of Kentucky-Tennessee types decreased for the third consecutive year. However, increased exports of Kentucky-Tennessee fire-cured tobacco offset the decline in domestic use. Both domestic disappearance and exports of Virginia fire-cured and sun-cured types increased.

Exports of fire-cured tobacco, including an allowance for Black Fat, increased 5.5 million pounds last season because of large shipments near the end of the season. Increased supplies made it possible to sell more tobacco to the Netherlands for making cigars and smoking tobacco. For Black Fat, a semiprocessed product made of fire-cured and dark air-cured leaf, exports decreased about 0.2 million pounds for the second consecutive year. Virginia fire- and sun-cured exports increased as most of the major destinations increased takings.

DARK AIR-CURED

Auction Prices About the Same

Auction markets for One Sucker and Green River tobaccos opened December 5 and November 29, respectively, (Kentucky-Tennessee dark air-cured, types 35-36). Auctions for Virginia sun-cured

(type 37) opened December 6. Farmers received less for One Sucker than last season and about the same for other types, but well above the support level of 79.5 cents per pound.

Supplies Increase

Production increased for the third consecutive year. At an estimated 20 million pounds, the large dark air-cured crop reversed the continuous decline in supply since 1969. Acreage and yields were up slightly for each type.

The supply of dark air-cured and sun-cured tobacco for 1977/78, about 48 million pounds, is 2 million pounds above the record low of last season. However, due to reduced carryover, the supply is lower for Virginia sun-cured (table 22). Total supplies of dark air-cured tobacco represent about 2.6 years' use, based on last year's disappearance. Carryover will likely increase as the disappearance rate trails current production.

Disappearance Declined

Disappearance of dark air-cured tobacco during 1976/77 was 18 million pounds, about 1 million below the previous marketing year, as both domestic use and exports declined. While chewing tobacco output gained, other uses declined. Record high prices for the 1976 crop apparently reduced the use of dark air-cured tobaccos.

CIGAR TOBACCO

U.S. and Puerto Rican Supplies Up Slightly

Supplies of U.S. and Puerto Rican cigar tobacco are up slightly from 1976. Consumption was below the level of production. October 1 carryover was up 2 percent, and total 1977/78 production is up 3 percent (table 24). However, the supply of cigar wrapper types declined. By the marketing year ending September 30, 1977, disappearance of binder, filler, and wrapper had fallen to less than one-half of the 1967/68 level which was about equal to the 1934-38 average. On October 31, Government loan stocks of 4 million pounds of cigar tobacco were above 1976's low level.

Production of U.S. cigar types was estimated about 3 percent above 1976. Acreage was down but yields were up. U.S. cigar leaf tobacco is sold either directly on the farms or through cooperatives. Season average prices will be published in the May 1978 issue of USDA's Crop Report.

Filler Supplies Increase

Supplies of continental cigar filler (U.S. and Puerto Rican types 41 to 46) increased slightly for

Table 21—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, 1968-77

(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		
	<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>	
Kentucky-Tennessee fire-cured, types 22-23								
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	20.4	1,844	37.6	55.0	1.2	56.2	93.8	
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0	
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1	
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3	
1976	21.2	1,567	33.2	42.6	(²)	42.6	75.8	
1977 ¹	23.2	1,800	41.8	43.5	(²)	41.2	83.0	
Virginia fire-cured, type 21								
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	4.8	970	4.7	7.9	.4	8.3	13.0	
1973	4.7	1,205	5.7	7.6	(²)	7.6	13.3	
1974	5.0	1,185	5.9	7.1	---	7.1	13.0	
1975	5.0	975	4.9	7.1	.3	7.3	12.2	
1976	5.3	1,000	5.3	7.4	(²)	7.4	12.7	
1977 ¹	7.3	1,000	7.3	7.0	(²)	6.7	14.0	
Disappearance								
			Average price per pound		Price support level		Placed under 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>	
Kentucky-Tennessee fire-cured, types 22-23								
1968	38.7	³ 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	46.6	(²)	.1	
1971	34.7	16.0	18.7	60.8	48.5	(²)	.1	
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4	
1973	39.9	15.7	24.2	71.7	53.5	.2	.7	
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7	
1975	30.7	12.2	18.5	104.7	65.2	.1	.4	
1976	34.6	⁴ 11.2	23.4	142.1	74.1	(²)	---	
1977					79.5			
Virginia fire-cured, type 21								
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	5.4	1.3	4.1	64.2	50.8	(²)	.1	
1973	6.2	1.7	4.5	75.5	53.5	(²)	---	
1974	5.7	0.7	5.0	81.7	58.2	.3	4.5	
1975	4.8	1.4	3.4	93.0	65.2	(²)	.9	
1976	6.0	⁴ 1.9	⁴ 4.1	118.0	74.1	.1	1.5	
1977				⁵ 97.8	79.5			

¹ Based on November 1 crop prospects. ² Less than 50,000 pounds. ³ Includes 4.7 million pounds fire loss, April 1969. ⁴ Includes 400,000 pounds fire loss, December 1976. ⁵ Through December 15.

Table 22—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, 1968-77

(Farm-sales weight)

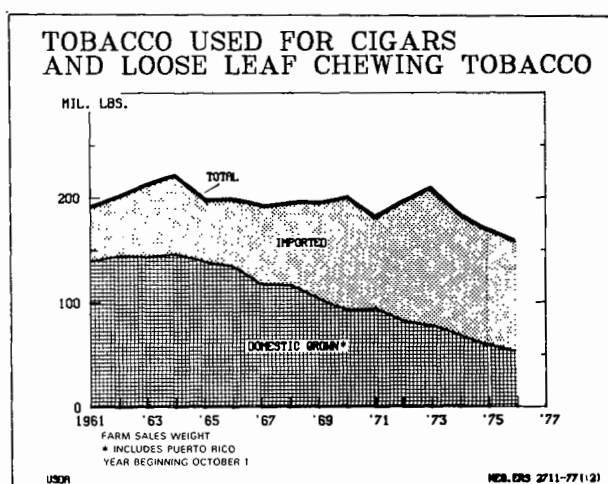
Marketing year beginning Oct. 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply	
				Manufacturers and others	Under loan	Total		
	<i>Thousand acres</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	
Dark air-cured, types 35-36								
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	8.2	1,875	15.5	33.5	12.7	46.2	61.7	
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1	
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5	
1975	8.0	1,750	14.0	32.7	(²)	32.9	46.9	
1976	9.3	1,630	15.1	28.2	---	28.2	43.3	
1977 ¹	10.7	1,775	19.0	27.6	---	26.1	45.1	
Sun-cured, type 37								
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 .....	.8	1,010	.8	3.0	0	3.0	3.8
1973 .....	.7	1,320	.9	3.2	0	3.2	4.1
1974 .....	.7	1,315	.9	3.0	0	3.0	3.9
1975 .....	.7	930	.7	2.3	0	2.3	3.0
1976 .....	.7	1,115	.8	2.1	0	2.1	2.9
1977 ¹ .....	.8	1,000	.8	2.0	0	1.8	2.6
Disappearance			Average price per pound		Price support level		Placed under 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>	
Dark air-cured, types 35-36								
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	17.0	14.7	2.3	50.3	45.2	1.2	.8	
1973	20.2	17.4	2.8	61.9	47.6	(²)	.2	
1974	15.6	12.8	2.8	76.9	51.8	.4	3.7	
1975	18.7	16.1	2.6	89.8	58.0	.1	.5	
1976	17.2	15.0	2.2	113.3	65.9	(²)	---	
1977				115.0	70.7			
Sun-cured, type 37								
1968	1.3	1.1	.2	53.2	38.3	⁴ 1	.1	
1969	1.8	1.5	.3	52.8	39.7	⁴ 1	.1	
1970	1.3	1.1	.2	53.8	41.4	⁴ 3	.3	
1971	1.2	1.0	.2	54.1	43.1	0	---	
1972 .....	.6	.4	.2	57.9	45.2	0	---
1973	1.1	.9	.2	69.2	47.6	0	---	
1974	1.6	1.3	.3	82.1	51.8	⁴ 13	1.4	
1975 .....	.9	.7	.2	85.5	58.9	0	---
1976	1.1	³ .9	³ .2	105.0	65.9	0	---	
1977				101.8	70.7			

¹Based on November 1 crop prospects. ²Less than 50,000 pounds. ³Through December 15. ⁴Quantity placed under loan in thousands of pounds.

Table 23—Foreign grown cigar leaf tobacco: U.S. imports and stocks 1974-77
(Farm sales weight)

Country of origin	Imports for consumption year ending September 30—				Dealers and manufacturers stocks October 1			
	1974	1975	1976	1977	1974	1975	1976	1977
	<i>Million pounds</i>							
Philippines	42.6	20.5	27.0	25.1	41.0	37.9	39.0	31.2
Dominican Republic	14.1	17.8	16.0	15.3	19.8	21.0	14.5	12.6
Brazil	14.9	19.9	24.8	21.0	8.8	7.8	6.2	6.4
Colombia	7.2	8.4	6.5	11.7	13.8	11.3	10.1	9.1
Paraguay	5.4	8.1	4.7	8.0	8.1	8.8	4.8	7.4
Mexico	6.5	¹ 6.5	7.6	6.5	5.6	5.9	3.0	3.2
Indonesia	6.9	11.2	8.5	6.4	9.4	11.1	10.9	12.0
All others	33.5	22.8	16.8	19.0	19.6	25.6	20.8	20.4
Total	131.1	115.2	111.9	113.0	126.1	129.4	109.4	102.5

¹ Estimated at 1973/74 level.



the second consecutive year and are 5 percent above 1975's record low level. Filler production was about the same as last season and carryover was up 4 percent. Based on 1976/77 disappearance, these supplies would last about 3.3 years. Disappearance in the 1977/78 marketing year may decline from last season's level and probably will fall below production. Although filler acreage is down, yields for the 1977 crop are up.

Imports Supplementing U.S. Supplies

Last season, imports accounted for almost three-fourths of U.S. cigar tobacco requirements. With restricted domestic supplies in 1977/78, manufacturers will again draw on foreign leaf.

Manufacturers cut imports in 1976/77 (October-September) in response to a reduced cigar production. Last season, 113 million pounds of cigar tobacco were imported for consumption, up slightly from the previous season (table 23). Imports from

the Dominican Republic, Brazil, and the Philippines declined, while imports from Colombia and several other suppliers increased. Foreign-grown cigar leaf stocks in the United States on October 1 were 102 million pounds—about 7 million pounds below a year earlier.

Binder Supplies Increase

Binder tobacco supplies have increased for 1977/78 as both a larger carryover and a larger crop were achieved. Yields and acreage are up. Much of the Wisconsin crop was sold in November for 10 cents a pound higher than last season.

Cigar binder disappearance last season was 22 million pounds, almost the same as a year earlier. Disappearance increased for Wisconsin (types 54-55) and decreased slightly for Connecticut Valley binder (types 51-52). Chewing tobacco is the principal outlet for Wisconsin tobacco and loose leaf chewing tobacco manufacturers used more Wisconsin leaf in 1976/77. Connecticut tobacco is used primarily for natural binder in higher priced cigars. Disappearance may decline this year, resulting in stocks increasing slightly.

Wrapper Supplies Decline

Cigar wrapper tobacco supplies for 1977/78 are about 10 percent below last year. Connecticut Valley wrapper (type 61) supplies remained stable, but Georgia-Florida (type 62) again declined with another considerable drop in production. Total carryover was down about 14 percent from last year. If disappearance steadies, carryover next July 1 will drop below last July's 13 million pounds.

During July-October 1977, cigar wrapper exports were 0.4 million pounds above the level of a year earlier. Exports were up both for Connecticut Valley wrapper and for Georgia-Florida. Dominican

Table 24—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1968-77

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks ¹	Total supply	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf Filler (type 41)									
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	140.6	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	127.9	40.9	40.7	.2	31.0
1971	15.2	1,610	24.5	87.0	111.5	41.3	40.6	.4	36.0
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976 ²	13.5	1,750	23.6	46.8	70.4	20.7	20.3	.4	60.0
1977 ²	13.0	1,810	23.5	49.7	73.3				
Ohio, Miami, Valley Filler (types 42-44)									
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	7.0	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	2.4	1,780	4.2	7.0	11.2	4.4	4.4	---	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	---	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	---	59.0
1975	1.8	1,660	3.0	5.9	9.1	3.4	3.4	---	60.0
1976 ²	1.9	1,650	3.1	5.7	8.8	2.8	2.8	---	59.0
1977 ²	1.7	1,800	3.1	6.0	9.1				
Puerto Rico Filler (type 46) ^{3 4}									
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	33.6
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	---	36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	39.8
1972	5.6	1,883	4.8	12.7	17.5	8.3	8.3	---	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	---	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	---	45.5
1975	2.7	1,500	4.3	6.1	10.4	3.2	3.2	---	50.7
1976 ²	3.2	1,340	4.3	7.2	11.5	5.1	5.1	---	57.6
1977 ²	3.2	1,340	4.3	6.4	10.7				
Total Cigar Filler (types 41-46)									
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	22.0	1,587	35.0	109.8	144.8	54.9	54.5	.4	37.3
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	18.0	1,850	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	17.3	1,630	27.3	61.2	88.5	28.8	28.4	.4	56.2
1976 ²	18.6	1,660	30.9	59.7	90.7	28.6	28.2	.4	58.5
1977 ²	17.9	1,725	30.9	62.1	93.0				
Connecticut Valley Binder (types 51-52)									
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	65.1
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975	1.5	1,568	2.4	6.2	8.6	.4	4.2	.2	92.7
1976 ²	1.5	1,605	2.4	4.3	6.7	2.4	2.3	.1	89.6
1977 ²	1.6	1,625	2.6	4.3	6.9				
Southern Wisconsin Binder (type 54)									
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	---	36.8
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	40.2
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	50.3
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	---	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	---	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	---	74.9
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	---	75.1
1976 ²	5.6	1,890	10.6	23.2	33.8	10.0	10.0	---	74.7
1977 ²	5.8	2,150	12.5	23.8	36.3				
Northern Wisconsin Binder (type 55)									
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	5.8	1,770	10.3	19.0	29.3	9.8	9.8	*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	*	75.4
1975	5.4	1,835	9.9	15.8	25.7	9.7	9.7	*	75.1
1976 ²	5.5	1,750	9.6	16.0	25.6	9.4	9.4	*	75.2
1977 ²	5.6	1,950	10.9	16.2	27.1				

See footnote at end of table.

Table 24—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1968-77—Cont.

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks ¹	Total supply	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Total Wisconsin Binder (types 54-55)									
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	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.2	*	75.1
1976	11.1	1,821	20.2	39.2	59.4	19.4	19.4	*	75.2
1977 ²	11.4	2,050	23.4	40.0	63.4				
Total Cigar Binder (types 51-55)									
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	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.1	21.6	21.4	.2	76.9
1976	12.6	1,795	22.6	43.5	66.1	21.8	21.6	.2	76.5
1977 ²	13.0	2,010	26.1	44.3	70.4				
Connecticut Valley Shade-grown (type 61)									
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	5.7	2.7	400.0
1972	4.1	1,250	5.1	13.2	18.5	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8	640.0
1976	4.2	1,555	6.6	7.5	14.1	5.2	1.9	3.3	540.0
1977 ²	3.3	1,610	5.3	8.9	14.2				
Georgia-Florida Shade-grown (type 62)									
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	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4	280.0
1973	2.6	1,413	3.7	7.0	10.7	4.2	3.7	.5	350.0
1974	1.9	1,724	3.2	6.5	9.7	3.6	3.1	.5	380.0
1975	1.1	1,556	1.7	6.2	7.9	1.9	1.0	.9	400.0
1976	.4	1,680	.6	6.0	6.6	2.4	2.0	.4	395.1
1977 ²	.1	1,700	.2	4.2	4.4				
Total Shade-grown (types 61-62)									
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	276.0
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	11.1	3.5	347.5
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	9.8	5.1	4.7	585.7
1976	4.6	1,565	7.2	13.6	20.8	7.6	3.9	3.7	528.2
1977 ²	3.5	1,571	5.5	13.1	18.6				
Grand Total Cigar Tobacco (types 41-62)									
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	263.4	87.3	84.8	2.5	102.3
1971	41.9	1,734	72.7	176.2	248.9	92.5	88.5	4.0	96.7
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.5	1,834	65.3	121.2	186.3	67.7	62.8	4.9	142.5
1975	35.4	1,635	57.9	118.6	176.5	60.3	54.5	5.8	135.1
1976	34.8	1,738	60.5	116.8	177.3	58.0	53.7	4.3	121.4
1977 ²	34.3	1,820	62.5	119.5	172.0				

¹ October 1 for types 41-55; July 1 for types 61-62. ² Based on November 1 crop prospects. ³ Puerto Rican planting occurs late in calendar year; projected for 1977. ⁴ Excludes payment by Puerto Rican Government; 23 cents per pound in 1976. * Less than 50,000 pounds.

Table 25.--Tobacco: Acreage, yield, production, stocks, supply, disappearance, price and crop value, United States and Puerto Rico, 1947-77

Crop year	(Farm-sales weight)									
	Acreage	Yield per acre	Production	Stocks ^{1/}	Supply	Disappearance ^{1/}			Average price per pound to growers	Crop value
						Total	Domestic	Exports		
	1,000 acres	Pounds	Million pounds			Cents			Million dollars	
United States										
Average:										
1947-49	1,676	1,208	2,019	2,947	4,965	1,908	1,417	491	45.9	926
1950-54	1,690	1,292	2,184	3,382	5,566	2,006	1,479	527	51.2	1,118
1955-59	1,242	1,541	1,914	4,095	6,009	1,951	1,397	554	56.0	1,072
1960-64	1,159	1,879	2,178	3,911	6,089	2,037	1,468	569	60.0	1,307
1965	977	1,898	1,855	4,496	6,351	2,000	1,462	538	65.1	1,207
1966	972	1,939	1,885	4,351	6,236	2,098	1,392	704	66.5	1,252
1967	960	2,050	1,968	4,140	6,108	2,020	1,372	648	66.8	1,316
1968	879	1,945	1,710	2/4,088	5,798	1,975	1,352	623	69.5	1,189
1969	918	1,964	1,803	3,823	5,626	1,949	1,308	640	71.8	1,296
1970	898	2,122	1,906	3,678	5,584	1,919	1,278	639	72.9	1,389
1971	839	2,034	1,705	2/3,667	5,372	1,883	1,312	571	78.6	1,340
1972	842	2,076	1,749	2/3,488	5,237	1,951	1,312	639	83.0	1,451
1973	889	1,963	1,746	2/3,289	5,035	2,081	1,348	732	90.0	1,572
1974	963	2,067	1,994	2/2,948	4,942	1,937	1,282	655	108.6	2,160
1975	1,083	2,015	2,182	3,003	5,185	1,945	1,226	678	102.6	2,239
1976 ^{3/}	1,044	2,045	2,139	3,217	5,356	1,880	1,265	615	112.6	2,485
1977 ^{4/}	965	1,996	1,926	3,518	5,444					
United States and Puerto Rico										
Average:										
1947-49	1,710	1,200	2,045	3,012	5,057	1,942	1,447	495	45.6	932
1950-54	1,728	1,282	2,215	3,430	5,645	2,036	1,508	527	50.9	1,127
1955-59	1,270	1,528	1,941	4,147	6,088	1,981	1,426	555	55.6	1,080
1960-64	1,188	1,861	2,211	3,957	6,168	2,066	1,497	569	59.7	1,319
1965	994	1,882	1,871	4,559	6,430	2,027	1,489	538	64.8	1,212
1966	981	1,934	1,899	4,403	6,300	2,121	1,415	704	66.2	1,256
1967	967	2,045	1,979	4,181	6,160	2,037	1,390	648	66.7	1,319
1968	885	1,941	1,718	2/4,122	5,840	1,992	1,368	623	69.3	1,191
1969	923	1,960	1,810	3,849	5,658	1,961	1,320	640	71.7	1,298
1970	902	2,120	1,912	3,698	5,609	1,928	1,288	639	72.9	1,391
1971	844	2,031	1,714	2/3,682	5,394	1,893	1,321	571	78.5	1,342
1972	848	2,068	1,759	2/3,501	5,260	1,959	1,320	639	82.9	1,453
1973	894	1,960	1,752	2/3,298	5,050	2,087	1,355	732	89.8	1,574
1974	966	2,066	1,998	2/2,958	4,956	1,945	1,290	655	108.5	2,162
1975	1,087	2,013	2,186	3,009	5,195	1,907	1,229	678	102.5	2,241
1976 ^{3/}	1,048	2,042	2,143	3,304	5,447	1,885	1,270	615	112.5	2,487
1977 ^{4/}	969	1,992	1,930	3,524	5,454					

^{1/} For flue-cured and cigar wrapper, year beginning July 1; for all other types, October 1. ^{2/} Includes flue-cured carried over on farms; 1968, 13 million pounds; 1971, 16 million pounds; 1972, 17 million pounds; 1973, 7 million pounds for flue-cured and 13 million pounds for burley, 1974, 5 million pounds for flue-cured. ^{3/} Subject to revision. ^{4/} Preliminary.

Republic manufacturers again took a sizable quantity of Connecticut Valley wrapper this season to supply their expanding cigar market.

Connecticut Valley wrapper production in 1977 was only 68 percent of the 1972-76 average because

of a late spring snowstorm which damaged production facilities and resulted in a decline of more than 20 percent of harvested acreage. The crop was only slightly above the 1972 crop which was the lowest since 1932 (table 25).

INTERNATIONAL DEVELOPMENTS

Imports and Exports

The anticipated growth in world consumption and efforts of manufacturers to maintain stock levels will likely result in an increase in world trade

Table 26—Flue-cured and Oriental tobacco production in specified countries, average 1970-74, 1975-76

Country	Average 1970-74	1975 ¹	1976 ²
<i>Million pounds</i>			
Flue-cured:			
Argentina	62	83	80
Canada	223	228	192
Mexico	13	4	18
Brazil	191	380	344
Angola	8	11	11
Mozambique	6	3	3
Zambia	12	14	16
Malawi	1	33	36
Rhodesia	141	200	181
Tanzania	25	26	26
Uganda	6	3	3
South Africa	40	37	45
Iran	8	6	9
China, Rep. of ...	39	39	39
Sri Lanka	11	8	9
India	256	245	209
Indonesia	32	41	40
Japan	199	207	205
Khmer	7	4	4
Korea, Rep. of ...	142	167	166
Pakistan	53	69	49
Philippines	64	74	106
Thailand	52	88	92
South Vietnam ...	6	6	6
Total	1,597	1,976	1,889
Oriental:			
Greece	162	231	246
Bulgaria	270	298	282
Yugoslavia	93	114	127
Turkey	376	459	573
Total	901	1,102	1,228
Burley:			
Italy	82	103	100
Mexico	20	42	54
Greece	28	29	33
Korea, Rep. of ...	52	62	72
Malawi	13	18	16
Brazil	30	66	51
Total	225	320	326

¹ Subject to revision. ² Preliminary.

Compiled from reports of Foreign Agricultural Service.

in the year ending June 30, 1978. However, because of both relatively high prices in the United States and the October-November 1977 dock strike, the United States may not share in the increase in world trade (table 26).

Japan, the largest customer of unmanufactured U.S. tobacco, expects to reduce purchases in the current year citing the relatively high prices for a poor quality U.S. flue-cured crop and continued high prices for burley. Also, Brazilian production of flue-cured and burley tobacco has been expanding and Japan is experimenting with production in Brazil as a possible alternative to U.S. tobacco (table 27).

The *Federal Republic of Germany*, always an importer of 40,000 to 45,000 tons (95-100 million pounds) of tobacco annually, may not take a large share of the current U.S. crop. Prices increased and the smoking and health debate continued. Sales of "light and mild" (low tar and nicotine cigarettes) in the Federal Republic continue to increase. However, U.S. flue-cured tobacco is imported for its high nicotine content.

In the *United Kingdom*, manufacturers recently have purchased 35,000 to 40,000 tons (77-88 million pounds) annually but may cut purchases for 1977-78 as a result of the shortage of quality U.S. leaf for export and the relatively high U.S. prices.

Some nations, such as Thailand and the Philippines, are likely to increase their U.S. purchases. However, the United States, as well as Canada—both exporters of tobacco to the United Kingdom in the past—face increased competition from other sources as flue-cured prices in both countries continue to be high relative to prices from other sources (table 28).

Synthetic Tobacco Blend Cigarettes Take 2 Percent of U.K. Market²

Three U.K. manufacturers introduced synthetic-tobacco blend cigarettes last July and early sales reached a high of 3 percent in the U.K.'s cigarette market. Sales declined to 2 percent of the market

²Howland, Kenneth E., "U.K. Smokers Spurn Tobacco Substitutes," *Foreign Agriculture*, November 28, 1977, p. 6.

Table 27—United Kingdom tobacco: Imports, stocks, clearances, and exports, 1974-77

Item	1975	1976	1977 ¹	Item	1975	1976	1977 ²
<i>Million pounds</i>				<i>Million pounds</i>			
Imports, by source:				Gross clearances:			
United States	88	69	39	Full duty rate	174	200	102
Commonwealth	140	107	84	Commonwealth rate	134	112	48
Other	86	108	118				
Total	314	284	241	Total	308	313	150
Exports:				Flue-cured:			
Manufactured products	70	78	72	United States	93	88	³ 52
Unmanufactured	6	7	8	Commonwealth	138	123	³ 83
				Other	56	72	³ 69
Stocks, Dec. 31:				Total	287	283	³ 204
Flue-cured	289	276	³ 360	Net quality duty-paid	224	230	107
Other	110	117	³ 42				
Total	399	393	³ 402				

¹Through October 31. ²Through June 30. ³Through July 31.

Compiled from Official United Kingdom sources.

Table 28—Japan tobacco: Imports, by major suppliers, 1967-77

Year	United States	People's Republic of China	India	Thailand	Bulgaria, Greece, Turkey, Yugoslavia	Other countries	Total	United States as a percentage of	
								Total	Non-oriental imports ¹
	<i>Million pounds</i>							<i>Percent</i>	
1967	40	—	6	3	15	1	65	61.9	80.6
1968	35	—	7	4	13	1	60	58.8	75.3
1969	47	—	6	3	16	1	73	63.9	81.9
1970	44	—	6	6	16	1	73	60.3	78.0
1971	54	—	9	8	23	6	100	53.6	69.5
1972	69	1	10	9	36	7	132	51.9	71.5
1973	69	1	10	6	25	16	127	54.1	67.6
1974	85	4	11	7	30	33	170	50.0	60.8
1975	106	8	12	8	25	43	202	52.5	59.9
1976	125	15	11	8	17	40	216	57.8	62.8
1977 ²	96	8	9	8	26	23	170	56.5	66.7

¹Total less Bulgaria, Greece, Turkey, and Yugoslavia. ²January-September.

by the end of October, somewhat below manufacturers' expectations. As a result, some cigarettes were destroyed to obtain an excise tax refund.

For these new cigarettes that contained about 25 percent synthetic material, several marketing problems arose: (1) prices no less than natural tobacco cigarettes; (2) blends not much different in "tar" and nicotine than low-tar cigarettes; (3) competition from government-sponsored anti-smoking publicity; and (4) uncertainty among smokers due to retail price wars, other new brands, and end of the no additive rule. In previous years, shifts to filtertips or low tar brands took a longer period of time. A 2-percent share of the U.K. cigarette market represents about 2½ billion cigarettes annually. The U.K. market is about one-fifth as large as the U.S. cigarette market.

Before October 1, poor sales of U.S.-type blended cigarettes were usually blamed on high prices and the ban on flavoring normally used to enhance the blends. The U.K. Government now permits flavorings in cigarette blends.

EC Recommends 1978 Quota on Preference Tariff Rate

The EC Commission recently proposed that the present 60,000-ton quota (132 million pounds) for flue-cured imports from less developed countries at the preferential tariff rate (GSP) be maintained in 1978. Exporters eligible for GSP preference include India, Brazil, South Korea, Mozambique, Pakistan, Philippines, and Thailand.

RECENT PUBLICATIONS

Economic Value of Present Tobacco Program, Hearing, Subcommittee on Tobacco, Committee on Agriculture, House, 95th Congress, 1st Sess., Oct. 6, 1977, 45 pp. Presents statements by representatives of State Departments of Agriculture, tobacco associations, agribusinesses.

"Cigarette Sales Trends and the Antismoking Campaign," Robert H. Miller. Remarks prepared for the 51st Annual Meeting, National Tobacco Tax Association, Vail, Colo., Sept. 27, 1977. Discusses current cigarette sales situation, anti-smoking efforts, and possible demand shifts.

"Flue-cured Tobacco Supply and Demand Outlook," Robert H. Miller. Statement before USDA Flue-cured Tobacco Quota Meeting, Tifton, Ga., Nov. 9, 1977, and Raleigh, N.C., Nov. 10, 1977, 8 pp. Discusses tobacco products, foreign situation, flue-cured supply.

"1978 Outlook for Tobacco," Robert H. Miller and Richard Hall, talk presented at the National Agricultural Outlook Conference, USDA, Washington, D.C., Nov. 15, 1977, 8 pp.

"EC Enlargement, Tariff Affect U.S. Leaf Exports," *Foreign Agriculture*, November 28, 1977, p. 7. Based on an article prepared by the Tobacco Division, Foreign Commodity Analysis, FAS.

Tennessee and Tobacco, 1977, 28 pp. Available from the Tobacco Institute, Inc., 1776 K St., N.W., Washington, D.C. 20006.

"European Community Incentives Boost India's Tobacco Trade," *Foreign Agriculture*, Aug. 8, 1977, pp. 8-9. Based on dispatch from Ivan E. Johnson, U.S. Agricultural Attache', New Delhi.

Flue-cured Tobacco Harvest Labor: Its Characteristics and Vulnerability to Mechanization, by Dale M. Hoover and Leon B. Perkinson, Economics Research Report No. 38, Dept. of Economics and Business, North Carolina State University, Raleigh, N.C. 27607, June 1977, 184 pp. A sample of households in an eight-county area of eastern North Carolina was surveyed in 1972. Belt-wide projections were developed. Over one-half of the 1972 hired work force was less than 18; more than two-thirds was black, and over half was female. Harvest earnings for the average hired-worker household accounted for 8 percent of income; for the own-farm worker households it was 15 percent. Projections made to 1980.

1978 Tobacco Information, W. K. Collins *et al*, North Carolina Extension Service, Dec. 1977, Raleigh, N.C. 27607, 84 pp. Contains production, harvesting, and economics information.

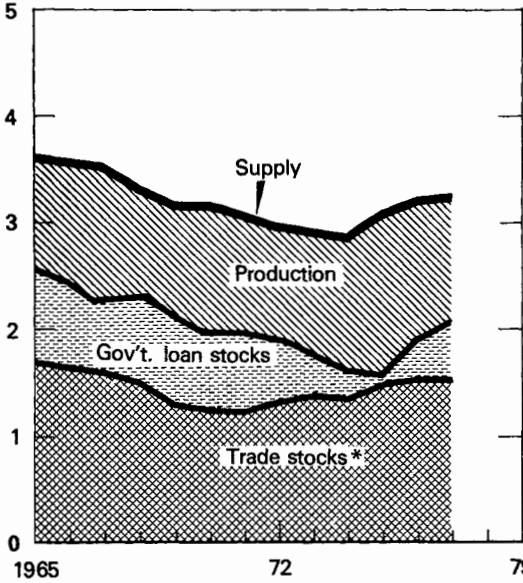
STATISTICAL SUMMARY—CONTINUED

Item	Unit or base period	1976		1977		Last data as percentage of a year earlier	
		Sept.	Oct.	Aug.	Sept.		Oct.
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	46.4	49.3	30.7	58.3	14.4	29
Burley	Mil. lb.	5.2	5.6	16.5	9.4	1.5	27
Maryland	Mil. lb.	2.4	1.0	2.1	3.2	*	---
Virginia fire- & sun-cured	Mil. lb.	.1	.4	1.2	.6	.2	50
Ky.-Tenn. fire-cured	Mil. lb.	1.6	3.1	2.3	4.7	.7	23
Ky.-Tenn. dark air-cured	Mil. lb.	*	*	0	0	0	0
Black Fat	Mil. lb.	.1	.3	.3	.2	.0	0
Cigar wrapper	Mil. lb.	.1	.5	.5	.6	.3	60
Connecticut binder	Mil. lb.	*	*	0	*	*	---
Wisconsin binder	Mil. lb.	*	0	*	0	0	0
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	90.4	139.2	70.2	128.5	142.9	103
Burley	Mil. lb.	92.4		107.4	116.8		126
Maryland	Mil. lb.	9.7		9.2	12.4		128
Virginia fire- & sun-cured	Mil. lb.	3.6		6.4	7.0		194
Ky.-Tenn. fire-cured	Mil. lb.	18.5		18.7	23.4		126
Ky.-Tenn. dark air-cured	Mil. lb.	.4		.2	.1		25
Black fat	Mil. lb.	3.2		2.7	2.9		93
Cigar wrapper	Mil. lb.	.5	1.1	4.2	4.8	5.1	464
Connecticut binder	Mil. lb.	.2		.1	.1		50
Wisconsin binder	Mil. lb.	.1		*	*		---
Cigar filler	Mil. lb.	.4		.4	.4		100
Exports of manufactured tobacco in bulk	Mil. lb.	.8	1.6	1.5	.5	.2	125
Accumulated from Jan. 1	Mil. lb.	10.3	11.9	8.9	9.4	9.6	81
		Quarterly data					
		1976		1977			
		July-Sept.	Oct.-Dec.	July-Sept.	Oct.-Dec.		
Stocks of tobacco—1st of quarter <u>9/</u>							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	1,874	2,468	2,066	2,550		103
Burley	Mil. lb.	1,265	1,131	1,372	1,214		107
Maryland	Mil. lb.	58	49	54	49		100
Fire-cured	Mil. lb.	59	50	59	48		96
Dark air- and sun-cured	Mil. lb.	36	30	34	28		93
Cigar filler	Mil. lb.	64	60	67	62		103
Cigar binder	Mil. lb.	49	44	50	44		100
Cigar wrapper	Mil. lb.	14	14	13	14		100
Under Government loan <u>10/</u>	Mil. lb.	408	533	627	601		113
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	24.9	27.8	25.4	24.6		88
Cigar types	Mil. lb.	1.9	1.5	1.6	1.3		87
Foreign types (farm-sales wt.)							
Cigarette and smoking	Mil. lb.	619	646	598	602		93
Cigar	Mil. lb.	122	109	106	102		94
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	650.5	707.7	681.2	669.2		95
Taxable removals	Bil.	582.9	608.7	598.0	606.4		100
Large cigar production	Bil.	5.44	5.50	4.60	4.86		90
Smoking production	Mil. lb.	43.3	39.3	36.4	35.7		91
Chewing production	Mil. lb.						
Loose-leaf	Mil. lb.	54.6	52.9	60.6	58.1		107
Plug and other	Mil. lb.	27.3	28.0	28.0	31.0		107
Snuff production	Mil. lb.	26.1	24.5	24.2	24.1		98
Exports of leaf							
Total	Mil. lb.	440.6	665.5	936.8	386.0		58
Flue-cured	Mil. lb.	347.3	576.0	667.3	310.0		54

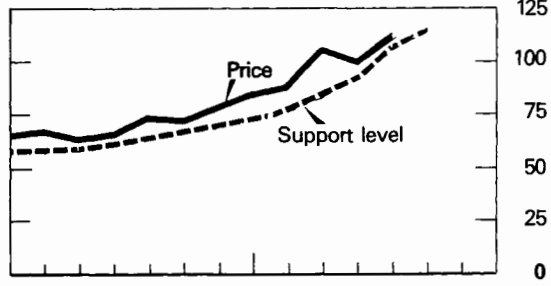
1/ 1976 and 1977 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured 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. *Less than 50,000 pounds. Detail may not add to total due to rounding.

FLUE-CURED TOBACCO: SUPPLY, PRICE, USE

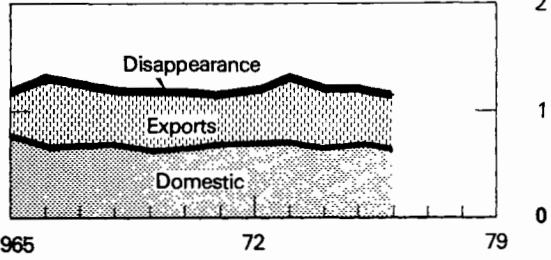
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¢ PER LB.



BIL. LB.



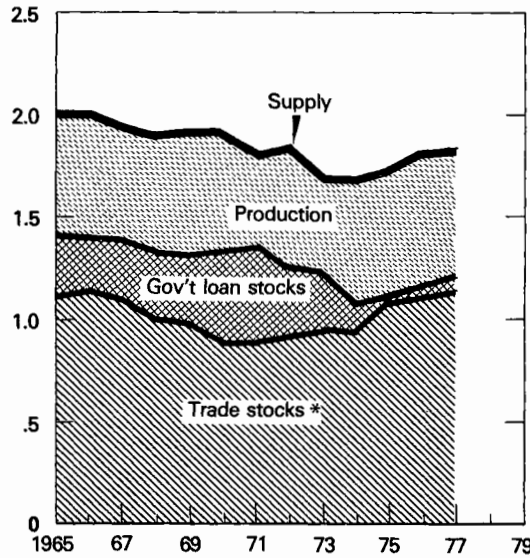
YEAR BEGINNING JULY 1

* MANUFACTURERS' AND DEALERS' 1977 PRELIMINARY INDICATION.

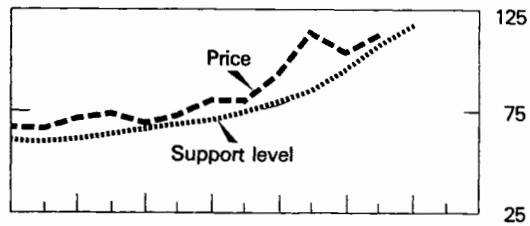
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BURLEY TOBACCO: SUPPLY, PRICE, USE

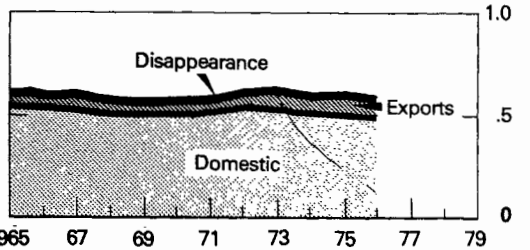
BIL. LB.



¢ PER LB.



BIL. LB.



YEAR BEGINNING OCTOBER 1

* MANUFACTURERS' AND DEALERS' 1977 PRELIMINARY

ERS-381-C-77(10)

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