



United States  
Department of  
Agriculture

Economic  
Research  
Service

TS-179

March 1982

# Tobacco

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# OUTLOOK & SITUATION

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## NOTICE

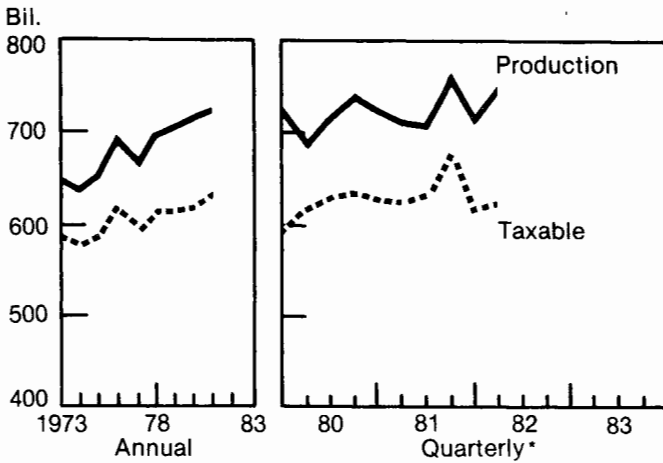
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### Tobacco Outlets

Trends in U.S. Manufactured Products and Exports

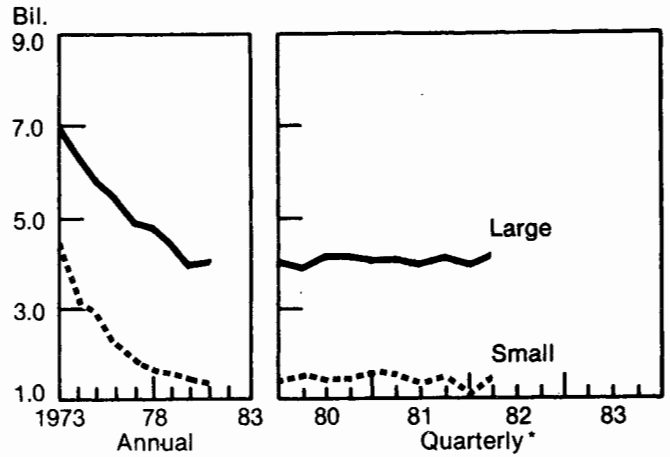
#### Cigarettes Production and Taxable Removals



Last quarter shown estimated.  
\*Seasonally adjusted at annual rates.

Neg. ERS 229-82(3)

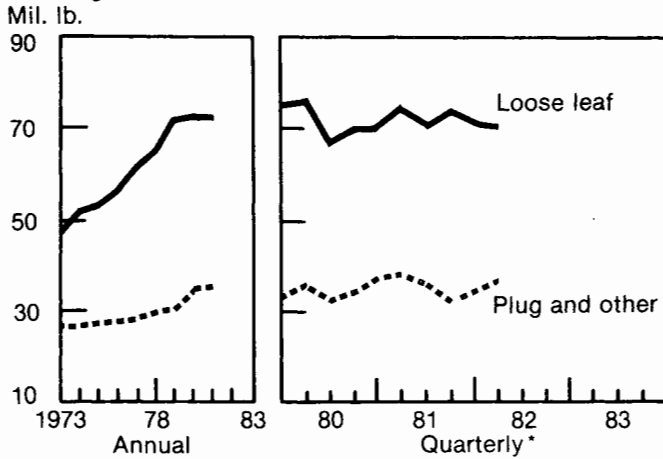
#### Cigars and Cigarillos Production



Last quarter shown estimated.  
\*Seasonally adjusted at annual rates.

Neg. ERS 229-82(3)

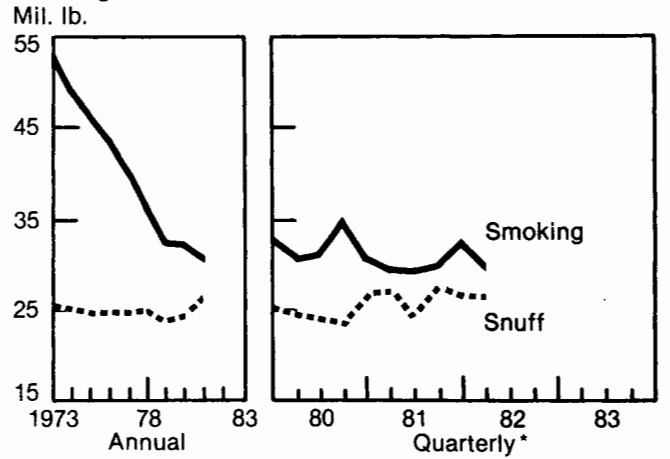
#### Chewing Production



Last quarter shown estimated.  
\*Seasonally adjusted at annual rates.

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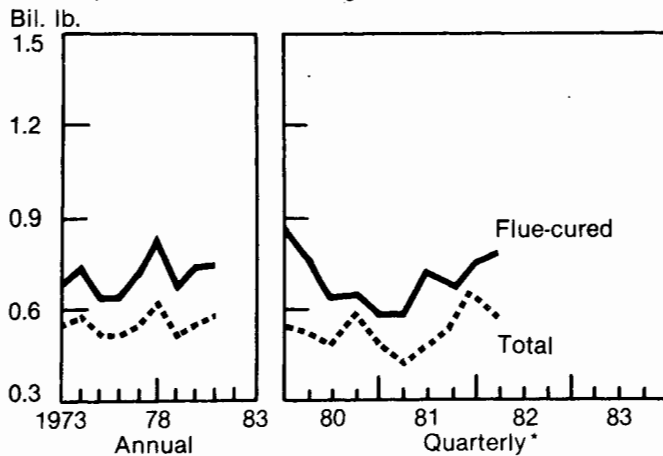
#### Smoking and Snuff Production



Last quarter shown estimated.  
\*Seasonally adjusted at annual rates.

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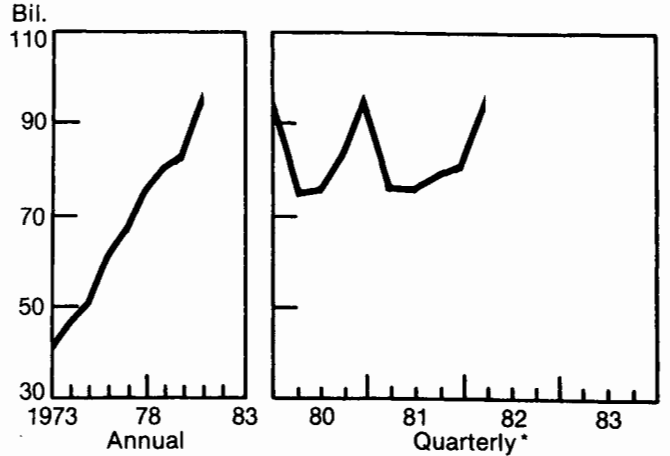
#### Leaf Exports, Farm-Sales Weight



Last quarter shown estimated.  
\*Seasonally adjusted at annual rates.

Neg. ERS 229-82(3)

#### Cigarette Exports



Last quarter shown estimated.  
\*Seasonally adjusted at annual rates.

Neg. ERS 229-82(3)

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The *Tobacco Situation* is published in March, June, September, and December. Subscription for single issues is available at no charge upon request to principal contributor.

Approved by  
The World Agricultural  
Outlook Board  
and Summary released  
March 9, 1982

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Economic Research Service  
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Washington, D.C. 20250

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## Summary

Farm quotas for 1982 are down 12 percent for flue-cured tobacco and 6 percent for burley. Because of quota changes U.S. tobacco growers intend to reduce this year's plantings about 6 percent from the 966,000 acres harvested in 1981.

The reduction in acreage and a more normal yield could decrease this year's tobacco crop about 15 percent from 1981's 2.05 billion pounds. Even with the larger carryin the 1982/83 tobacco supply could be down 2 to 3 percent from this season.

With more normal yields the costs of producing this year's tobacco crop may rise 4 to 6 percent per pound from last season. Prices paid for most inputs are expected to rise at a slower rate. Price support for eligible tobacco will be about 11 percent higher than last year because the support formula reflects changes in prices farmers paid in 1979-81. USDA will announce grade loan rates for the various kinds of tobacco before the marketing season begins.

The larger 1981 crop and carryin stocks raised this season's domestic leaf supply to 5.32 billion pounds, 5 percent above the previous year. On January 1, nonfarm stocks were 3 percent above a year earlier. With a pick-

up in exports, total use of U.S. tobacco during 1981/82 should gain 6 percent from 1981; however, by October 1, all-tobacco carryover stocks will still be above a year earlier.

Last year's cigarette output, a record 736 billion cigarettes, increased 3 percent from 1980. Both domestic use and exports gained. U.S. smokers consumed 640 billion cigarettes last year, about 1 percent above the previous year. Consumption per adult remained about the same as 1980—192 packs. Total cigarette use likely will remain steady this year as increasing population offsets reduced per capita use.

Consumption of smokeless tobacco products (chewing tobacco and snuff) also gained. Use of both smoking tobacco and cigars was slightly below a year earlier. Among the various tobacco products, only modest output changes are expected this year.

U.S. exports of tobacco leaf and products last year gained 12 percent in value over 1980 to a record \$2.72 billion. A larger volume was recorded for manufactured tobacco exports, while leaf volume was lower; both categories recorded higher prices. Exports of unmanufactured tobacco totaled 584 million pounds (265,000 metric

tons), or 702 million pounds, farm-sales weight. Export volume this year is expected to increase due to larger crop in 1981.

Unmanufactured tobacco imports and the Customs category for machine-processed leaf (duty paid) increased 11 percent to 437 million pounds (198,000 metric tons) last year. Cigarette leaf and stems accounted for the gain. Last year's imports represented about three-tenths of the tobacco used in U.S. cigarette production; the same or higher proportion is likely this year.

Flue-cured tobacco disappearance in the current marketing year may rise from last year's 1.04 billion pounds. Exports are expected to gain while domestic use remains about the same. With the larger 1981 crop, June 30 carryover may rise slightly—about 2 percent from last July's 2.013 billion pounds carryin. Production in 1982 is expected to drop from last year's 1,166 million pounds, assuming the crop in relation to the effective quota is similar to the average relationship during 1974-78.

This season's larger burley crop means disappearance may gain a little from last year's 583 million pounds. Auction sales, ending in early February, confirmed the 1981 crop estimate of 717 million pounds, up 156 million

from 1980's short crop. Burley carryover next October 1 is expected to rise 9 percent above a year earlier.

USDA set this season's burley marketing quota at 681 million pounds, 3 percent above last year. The effective quota, which reflects 1981's undermarketings, totals about 789 million pounds, 53 million pounds below last season's effective quota. Burley production is expected to decrease.

Acreage allotments for fire-cured crops—Virginia and Kentucky-Tennessee—and Virginia sun-cured are the same as last year. Dark air-cured, cigar binder, and Ohio filler allotments were reduced. Price increases for the 1981 crop were recorded on fire-cured and dark air-cured types; cigar types have been lower.

The Agricultural and Food Act of 1981 requires USDA to operate the price support and loan program at no net cost to taxpayers. USDA now allows stabilization cooperatives to deduct more for overhead expenses and permits greater flexibility in retaining gains for stabilization operations. Also, legislative changes have been recommended by USDA. The Congress is holding field hearings on all aspects of the program.

# Tobacco Situation

## TOBACCO PRODUCTS

### Cigarette Use Again Increases

Last year's domestic consumption of U.S. cigarettes totaled 640 billion, 1.3 percent above 1980. The gain is attributed to a larger smoking age population. Despite this year's lagging economic activity, total consumption is expected to stay on the trend increase of recent years. Per capita use by persons 18 and over stayed about the

same as 1980—3,840 cigarettes (192 packs of 20), about 11 percent below the 1963 peak of 4,345 (217 packs) (table 2).

Output last year rose 3 percent to 736 billion cigarettes as manufacturers increased their domestic sales, setting another record (table 1).

The annual Economic Research Service survey of cigarette manufacturers indicated that production of filtertip cigarettes rose further in 1981 to 92.7 percent of total output, up from 92.5 percent in 1980. The gain was concentrated in the 85 millimeter size that made up 50 percent of total 1981 output (table 3).

**Table 1—Cigarettes: U.S. output, removals, and consumption, 1972-81**

Year	Removals						Estimated inventory increase	Total U.S. consumption <sup>3</sup>
	Output	Taxable		Tax-exempt		Overseas forces <sup>2</sup>		
			Total	Exports	Shipments <sup>1</sup>			
<i>Billions</i>								
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	50.2	1.5	10.6	-7.7	607.2
1976	693.4	617.9	72.1	61.4	1.9	8.8	13.5	613.5
1977	665.9	592.0	78.1	66.8	1.1	10.2	-14.4	617.0
1978	695.9	614.2	85.1	74.4	1.2	9.6	8.2	616.0
1979	704.4	614.0	93.2	79.7	1.1	12.4	5.4	621.5
1980	714.1	620.5	94.2	82.0	1.0	11.2	2.3	631.5
1981 <sup>4</sup>	734.7	636.1	92.0	82.6	1.0	8.4	5.0	640.0

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

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

**Table 2—Consumption per capita of tobacco products in the United States (including overseas forces), 1972-81**

Year	Per capita 18 years and over				Per male 18 years and over			
	Cigarettes <sup>1</sup>		Snuff	All tobacco products <sup>1</sup>	Large cigars and cigarillos		Smoking tobacco <sup>2</sup>	Chewing tobacco
	Number	Pounds	Pounds	Pounds	Number	Pounds	Pounds	Pounds
1972	4,043	7.95	.18	9.65	108.9	1.74	1.00	1.08
1973	4,148	7.92	.18	9.53	102.4	1.61	.88	1.10
1974	4,141	7.90	.18	9.40	91.9	1.47	.87	1.13
1975	4,123	7.73	.17	9.14	82.4	1.32	.76	1.15
1976	4,092	7.35	.17	8.69	75.0	1.20	.75	1.17
1977	4,051	7.21	.16	8.49	67.9	1.13	.65	1.22
1978	3,967	6.89	.16	8.10	63.4	1.05	.60	1.25
1979 <sup>3</sup>	3,850	6.97	.15	8.12	55.0	.90	.50	1.29
1980 <sup>3</sup>	3,845	6.87	.15	7.98	50.4	.83	.47	1.33
1981 <sup>3/</sup>	3,840	6.91	.15	8.00	48.4	.80	.45	1.32

<sup>1</sup>Unstemmed processing weight. <sup>2</sup>Finished product weight. <sup>3</sup>Subject to revision. Data prior to 1979 do not include results of 1980 census.

**Table 3—Cigarette output of filter-tip and nonfilter-tip by length, 1979-81<sup>1</sup>**

Item	1979		1980		1981 <sup>2</sup>	
	Output	Percent of total	Output	Percent of total	Output	Percent of total
	Billion	Percent	Billion	Percent	Billion	Percent
Filter-tip						
80 mm Long	82.0	11.6	83.8	11.7	74.2	10.1
85 mm King	346.2	49.2	354.7	49.7	371.4	50.4
100 mm Extra Long:	206.6	29.3	210.0	29.4	224.0	30.4
120 mm	12.1	1.7	12.2	1.7	13.1	1.8
Total	646.9	91.8	660.7	92.5	682.7	92.7
Nonfilter-tip						
70 mm Regular	25.8	3.7	23.3	3.3	24.2	3.3
85 mm King	31.7	4.5	30.2	4.2	29.6	4.0
Total	57.5	8.2	53.5	7.5	53.8	7.3
Grand total	704.4	100.0	714.2	100.0	736.5	100.0

<sup>1</sup>Cigarettes having other lengths were included in the most nearly comparable group. <sup>2</sup>Preliminary.

**Table 4—Wholesale cigarette price revisions, 1977-82<sup>1</sup>**

Approximate date of change <sup>2</sup>	Net price per 1,000				Net price per 1,000 excluding Federal excise tax			
	Standard	King size	Filter tips	100 millimeter	Standard	King size	Filter tips	100 millimeter
	<i>Dollars</i>							
August 1977	14.35	14.35	14.35	14.85	10.35	10.35	10.35	10.85
June 1978	15.20	15.20	15.20	15.70	11.20	11.20	11.20	11.70
Dec. 1978	15.75	15.75	15.75	16.25	11.75	11.75	11.75	12.25
June-July 1979	16.30	16.30	16.30	16.80	12.30	12.30	12.30	12.80
Jan. 1980	17.05	17.05	17.05	17.55	13.05	13.05	13.05	13.55
May 1980	17.65	17.65	17.65	18.15	13.65	13.65	13.65	14.15
November 1980	18.50	18.50	18.50	19.00	14.50	14.50	14.50	15.00
April 1981	19.35	19.35	19.35	19.85	15.35	15.35	15.35	15.85
September 1981	20.20	20.20	20.20	20.70	16.20	16.20	16.20	16.70
February 1982	21.20	21.20	21.20	21.70	17.20	17.20	17.20	17.70

<sup>1</sup>Includes leading brands. A 3 percent discount is made for payment within 10 days or 2 percent within 14 days. <sup>2</sup>For 1940-74, see TS-151, March 1975; 1974-76, see TS-177, September 1981.

### Government Report on Cigarettes

*The Health Consequences of Smoking: Cancer*, a report by the U.S. Surgeon General, was released in February by the Department of Health and Human Services. The report summarizes research that shows causal and contributory relationships between cigarette smoking and various cancers. Also, the report notes that smokers who use filtered or lower tar cigarettes have lower death rates than do smokers who use nonfiltered or higher tar brands.

### Cigarette Prices Rising

Last year, manufacturers raised wholesale cigarette prices twice; overall, the average retail prices rose 7 percent. A record boost occurred in February 1982 when manufacturers increased prices by one dollar per thousand cigarettes (5 percent). Cigarette prices are expected to rise further this year because of higher costs for tobacco and other inputs (tables 4 and 5).

Six States raised cigarette taxes in 1981. State cigarette tax rates (weighted by number of packs taxed) averaged 13.6 cents per pack in December 1981, 0.2 cents

above a year earlier. Excise tax increases are proposed in a few States this year; the Federal excise tax has remained 8 cents a pack for many years. To increase revenue for the fiscal 1983 Federal Budget, the Administration had considered the option of doubling certain excise taxes, including those on cigarettes, but finally decided not to propose a change in the Federal levy (table 6).

### Cigar and Smoking Tobacco Use Again Lower

Use of large cigars (including cigarillos) continued to decline slightly in the fourth quarter of 1981. Last year, U.S. smokers used about 3.9 billion large cigars, 3 percent fewer than in 1980 (tables 7 and 8). Production of small cigars—weighing less than 3 pounds per 1,000 pieces—totaled 1.40 billion pieces last year, 3 percent below 1980. Total cigar use in 1982 will likely remain stable.

Smoking tobacco consumption last year totaled 36.5 million pounds, 2 percent below 1980. Sales of pipe tobacco, the major category, including imports, declined (tables 9 and 10).

**Table 5—Tobacco products: Output and domestic sales, 1979-81**

Item	Manufactured			Invoiced to domestic customers <sup>1</sup>		
	1979	1980	1981 <sup>2</sup>	1979	1980	1981
<i>Million pounds</i>						
<b>Chewing tobacco:</b>						
Plug	15.3	17.3	17.4	15.4	16.8	17.5
Twist	2.0	1.9	1.8	2.0	1.9	1.9
Fine-cut	13.3	14.7	15.2	13.5	14.8	14.8
Loose leaf	71.7	72.1	71.9	70.0	72.3	72.3
Total	102.3	106.0	106.3	100.9	105.9	106.5
Snuff	23.7	24.3	26.0	23.9	23.9	25.5
<b>Smoking</b>						
Pipe	29.6	28.9	27.0	28.8	27.3	26.8
Granulated or sack	.3	.3	.3	.3	.3	.3
Cigarette cut	2.9	3.0	3.0	3.1	2.9	2.9
Total	32.8	32.2	30.3	32.3	30.6	30.0
Smoking tobacco in bulk (exports)	22.5	6.4	7.0	—	—	—
Manufactured smoking tobacco (exports)	4.4	11.1	5.5	—	—	—
Small cigars (millions)	1,538	1,440	1,393	1,548	1,418	1,283

<sup>1</sup>Taxable removals for small cigars. <sup>2</sup>Subject to revision.

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

**Table 6—Cigars and smoking tobacco: Output, removals, and consumption, 1979-81**

Year and item	United States			From Puerto Rico, taxable	Imports	Exports	Total U.S. consumption <sup>1</sup>
	Output	Removals					
		Taxable	Tax-exempt				
<i>Millions</i>							
<b>Large cigars<sup>2</sup></b>							
1979	3,601	3,353	179	842	107	177	4,304
1980	3,454	3,291	201	590	119	<sup>3</sup> 200	4,001
1981 <sup>5</sup>	3,428	3,256	160	534	124	181	3,893
<i>Million pounds</i>							
<b>Smoking tobacco</b>							
1979	32.8	32.3	.9	—	<sup>4</sup> 7.0	.9	39.3
1980	32.2	30.6	.8	—	<sup>4</sup> 6.7	.8	37.3
1981 <sup>5</sup>	30.3	30.0	.8	—	<sup>4</sup> 6.6	.9	36.5

<sup>1</sup>Total removals (or sales) from U.S. and Puerto Rico, factories plus imports, minus exports. <sup>2</sup>Includes cigarillos. <sup>3</sup>Estimated. <sup>4</sup>From European countries. Excludes leaf exporting countries normally not suppliers of packaged tobacco. <sup>5</sup>Subject to revision.

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

**Table 7—Tobacco demand factors, 1972-81<sup>\*</sup>**

Year	Population July 1 <sup>1</sup>	Disposable personal income, per capita <sup>2</sup>		Consumer price indexes <sup>3</sup>				
		Current prices	1972 prices	All items	Tobacco products	Cigarettes		Cigars, regular size
						Nonfilter tip regular	Filtertip, king size	
		<i>Dollars</i>		<i>1967=100</i>				
1972	139.8	3,880	3,880	125.3	133.4	134.8	135.4	110.8
1973	142.2	4,346	4,112	133.1	137.0	138.7	139.1	112.9
1974	144.7	4,710	4,050	147.7	143.8	145.5	145.9	119.5
1975	147.3	5,132	4,099	161.2	153.9	156.0	156.5	124.2
1976	150.5	5,550	4,217	170.5	160.5	162.7	163.2	129.9
1977	152.6	6,046	4,334	181.5	168.0	170.6	171.0	135.0
1978	155.3	6,688	4,486	195.4	177.3	—	179.8	<sup>4</sup> 103.9
1979	161.5	7,441	4,585	217.5	187.9	—	189.7	<sup>4</sup> 110.6
1980	164.3	8,002	4,473	246.8	202.6	—	205.2	<sup>4</sup> 120.0
1981 <sup>5</sup>	166.8	8,768	4,525	272.4	218.9	—	221.4	<sup>4</sup> 131.2

<sup>1</sup>18 years and older including forces overseas. <sup>2</sup>Based on total population. <sup>3</sup>All urban consumers, 1978-79; urban wage earners and clerical workers, 1970-77. <sup>4</sup>Other tobacco products and smoking accessories, December 1977=100. <sup>5</sup>Subject to revision. \*Data prior to 1979 does not include results of 1980 census.

**Table 8—Estimated number of roll-own cigarettes smoked and smoking tobacco consumed, 1979-82**

Year	Roll-your own cigarettes <sup>1</sup>	Total <sup>2</sup>	Smoking tobacco consumption			
			Used for—			
			Roll-your own cigarettes		Pipe tobacco	
			Quantity	Percent of total	Quantity	Percent of total
	<i>Billions</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Million pounds</i>	<i>Percent</i>
1979	4.6	39	8	21	31	79
1980	4.4	37	8	22	29	78
1981 <sup>3</sup>	4.6	36	8	22	28	78

<sup>1</sup>Derived from shipments of cigarette papers and tubes. <sup>2</sup>Includes imported tobacco. <sup>3</sup>Preliminary.

**Table 9—U.S. cigarette exports to leading destinations, 1979-81**

Country	1979	1980	1981 <sup>1</sup>
<i>Billions</i>			
Belgium-Luxembourg	13.7	18.4	18.2
Hong Kong	6.3	7.6	8.3
United Arab Emirates	5.9	4.4	3.6
Netherlands Antilles	4.4	4.0	4.3
Saudi Arabia	4.3	4.2	5.1
Japan	3.7	3.6	5.2
Kuwait	3.7	3.6	2.3
Spain	3.6	2.4	.9
Canary Islands	2.1	3.2	1.7
Columbia	1.5	2.4	1.5
Other	28.5	28.2	31.4
Total	79.7	82.0	82.6

<sup>1</sup>Subject to revision. Compiled from publications and records of the Bureau of the Census.

**Table 10—Large cigars: Taxable removals by revenue class, 1980-81**

Revenue class and whole- sale price <sup>1</sup>	1980	1981	Change from 1980 <sup>2</sup>
		<i>Billions</i>	<i>Percent</i>
<i>Dollars per thousand</i>			
A-C (up to \$66)	1.34	.92	-31
D-E (over \$66 to \$120)	1.18	1.44	+22
F-H (over \$120)	1.47	1.55	+5
Total removals	3.99	3.91	-2

<sup>1</sup>Wholesale price classes roughly equivalent to retail price classes used prior to February 1, 1977. <sup>2</sup>Computed from unrounded data. Compiled from reports of the Bureau of Alcohol, Tobacco and Firearms, and Tobacco Merchants Association of the U.S.



### Smokeless Tobacco Posts Gain

Last year the use of snuff gained enough to more than offset a decline in chewing tobacco. The current economic recession has dampened demand because employment has declined in many industries where workers typically use these tobaccos. Among smokeless tobaccos, moist snuff and fine-cut and plug chewing tobacco output increased in 1981, while other categories declined. Manufacturers sell virtually all their chewing tobacco and snuff domestically.

### U.S. EXPORTS AND IMPORTS

The United States is the world's leading tobacco exporters as well as the largest importer. During 1960-64, about 30 percent of the U.S. tobacco crop was exported. By 1975-79, our exports increased to 36 percent of our crop and represented 21 percent of world tobacco exports. U.S. exports of tobacco and products were valued at a record \$2.72 billion in calendar year 1981, 12 percent above 1980's record. This figure includes unmanufactured tobacco worth \$1.46 billion and tobacco products valued at \$1.27 billion. U.S. tobacco imports totaled \$556 million, leaving a record trade balance of \$2.2 billion (table 11).

Last year, U.S. cigarette exports rose 1 percent, reaching another record. The declared value climbed 16 percent to \$1.2 billion, primarily reflecting an increase in unit value. Almost half of the exports go to Asian countries, although the Census records 135 different country destinations.

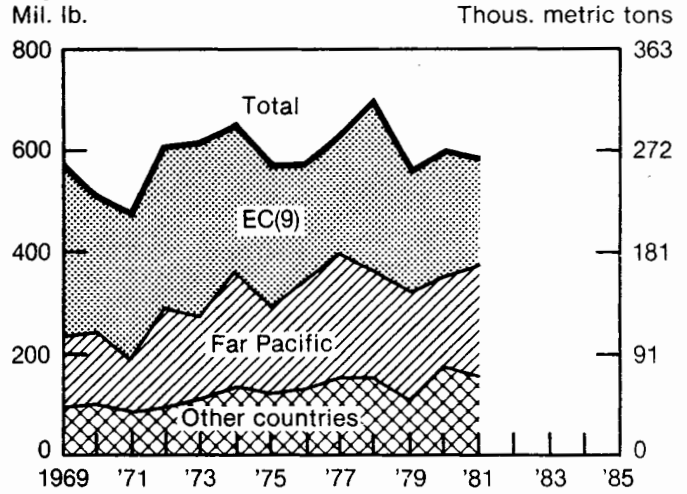
### Leaf Tobacco Exports Decline

U.S. exports of unmanufactured tobacco in 1981 declined 2 percent from 1980 to 584 million pounds (265,000 metric tons) in export (dried) weight. The farm-sales weight reached 702 million pounds, 19 million below 1980.

Exports of Maryland and Kentucky-Tennessee fire-cured gained; flue-cured, burley, and other categories were below 1980. Total exports remain below the high level reached in 1978 (table 12).

European markets, which typically take more than half of U.S. leaf tobacco exports, decreased imports from the United States by 11 percent last year. Asian countries took larger amounts.

**Export Market for U.S. Tobacco**



Unmanufactured, declared weight.  
USDA

Neg. ERS 938-82(3)

**Table 11—U.S. Tobacco exports and imports: Unmanufactured and manufactured, 1972-81**

Year	Exports			Imports <sup>1</sup>			Net exports (value)		
	Unmanufactured		Manu- factured	Unmanufactured		Manu- factured <sup>3</sup>	Unmanu- factured	Manu- factured	Total
	Quantity <sup>2</sup>	Value		Quantity <sup>2</sup>	Value				
	Million lbs.	Million dollars		Million lbs.	Million dollars		Million dollars		
1972	606.1	638.8	239.8	240.5	134.5	25.2	504.3	214.7	719.0
1973	612.5	680.8	288.7	273.6	157.3	24.4	523.5	264.3	787.8
1974	651.4	832.1	360.5	299.9	182.5	32.6	449.6	327.9	777.5
1975	563.0	851.9	401.2	320.3	227.6	35.2	624.3	366.0	990.3
1976	578.1	921.6	536.0	310.4	269.7	46.7	651.9	489.3	1,141.2
1977	628.6	1,094.3	637.4	316.2	326.7	46.0	767.6	591.4	1,359.0
1978	700.0	1,358.2	766.4	336.0	377.9	50.1	1,007.3	716.3	1,723.6
1979	567.4	1,184.2	964.0	377.2	412.0	51.4	772.2	912.6	1,684.8
1980	598.7	1,334.1	1,091.5	365.6	391.7	94.9	942.4	996.6	1,939.0
1981	584.5	1,457.5	1,265.3	335.3	351.3	201.6	1,106.2	1,063.7	2,169.9

<sup>1</sup>For consumption. <sup>2</sup>Declared weight. <sup>3</sup>Quantity in million pounds was: 1979, 10.4, 1980, 36.9, 1981, 109.8

Compiled from publications and records of Bureau of Census.

Table 12-United States exports of unmanufactured tobacco by types and to principal importing countries, 1976-81

(Declared weight)

Type and country	1976	1977	1978	1979	1980	1981 <sup>1/</sup>	1980 as a percentage of 1981 <sup>2/</sup>
Million pounds							
Type							
Flue-cured	378.7	411.7	454.8	370.6	391.1	386.2	99
Burley	67.9	79.1	91.0	82.1	90.8	72.4	82
Maryland	8.3	7.7	10.6	6.0	6.6	7.3	111
Fire-cured, Ky. and Tenn.	16.3	19.1	22.6	13.7	14.6	16.3	112
Virginia fire and sun-cured:	2.9	3.6	2.5	3.1	2.9	1.5	52
Green River and One Sucker	.3	.1	.7	.2	.1	.2	134
Black Fat	3.3	2.7	2.6	3.2	2.6	2.5	96
Cigar wrapper	3.8	4.1	3.7	5.3	4.2	2.5	60
Cigar binder	.3	.2	*	.1	.2	.1	63
Cigar filler	.4	.3	.2	.2	.2	.5	205
Perique	.1	.1	*	.1	.1	*	-
Stems, trimmings and scrap	95.8	99.9	98.9	77.2	77.5	83.8	108
Other unmanufactured, NEC3/	---	---	12.4	5.7	7.2	9.3	129
Total	578.1	628.6	700.0	567.4	598.7	584.5	98
Country of destination:							
United Kingdom	71.8	46.8	148.8	68.2	32.5	39.4	121
France	8.3	6.3	9.8	11.5	4.5	6.1	137
Belgium-Luxembourg	7.5	10.4	16.9	5.4	7.9	9.5	120
Netherlands	24.7	30.5	34.2	29.3	44.9	28.6	64
West Germany	73.7	78.9	53.2	67.7	100.7	83.2	83
Denmark	9.0	16.9	27.1	16.4	17.5	11.1	64
Ireland	7.7	5.4	5.3	6.9	3.6	3.9	108
Italy	33.2	40.6	41.0	34.8	30.7	26.5	86
Total EC	235.9	235.8	336.3	240.2	242.2	208.4	86
Switzerland	24.4	28.8	26.2	19.3	20.1	22.2	111
Finland	6.2	5.3	7.8	7.0	9.5	11.0	116
Norway	5.5	6.0	4.2	5.7	6.8	4.2	62
Sweden	14.1	11.8	17.5	13.7	15.4	9.9	64
Spain	4.7	5.1	19.9	1.0	28.7	33.4	116
Thailand	21.8	16.0	18.2	18.8	22.6	18.4	81
Republic of Korea	7.2	9.8	9.9	13.1	13.6	10.7	79
Malaysia	7.3	12.3	10.1	8.4	8.4	6.9	82
Philippines	13.0	15.4	13.9	11.4	11.5	11.2	97
Taiwan	12.3	20.6	25.8	41.4	14.1	22.3	158
Japan	132.7	135.4	102.3	95.9	82.1	117.0	142
Australia	10.3	14.2	12.4	12.4	13.4	12.6	94
New Zealand	4.9	5.0	3.7	4.0	3.7	3.5	94
Egypt	11.1	26.7	24.5	3.8	17.4	16.1	92
Canada	1.3	4.7	4.2	4.5	16.9	3.0	18
Canary Islands	5.4	7.6	10.3	4.4	13.0	12.6	97
Other countries	60.0	68.1	52.8	62.4	59.2	61.3	104
Total	578.1	628.6	700.0	567.4	598.7	584.5	98

<sup>1/</sup>Subject to revision. <sup>2/</sup>Computed from unrounded data. <sup>3/</sup>New classification, January 1, 1978. Previously included in manufactured in bulk. \*Less than 100,000 pounds.

Detail may not add to total due to rounding.

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

Last year, due to increased excise taxes, several European countries experienced a slowdown in the growth of cigarette sales. Also, our higher prices caused a further shift to non-U.S. tobaccos. These factors, plus high interest rates, are limiting manufacturers' ability to carry stocks. However, the larger U.S. crop last year means wider selection of prices and qualities may help 1982 export prospects to go one-tenth or so above 1981.

Japan replaced West Germany as the leading destination for U.S. tobacco in 1981. U.S. exports to both countries are expected to gain in 1982. Although annual shipments have varied widely because of inventory shifts and shipping patterns. The United Kingdom, long a major U.S. market, recovered to third place in 1981 ahead of Spain. U.K. imports of U.S. tobacco are only half of the 1975-79 average due to overall market contraction and the shift to less expensive, duty-preferenced suppliers.

In quantity, exports of flue-cured tobacco slipped 1 percent, but again represented over three-fourths of the value of total U.S. tobacco shipments. Asian countries took 23 percent more than a year ago, about offsetting smaller purchases by European destinations.

Burley exports fell 18 percent. There were smaller purchases by virtually all destinations due to the short U.S. supplies. Maryland and fire-cured tobacco exports both recovered from the low volume of the previous two years.

### Imports Again Increase

Duty-paid imports (for consumption) of unmanufactured tobacco and machine-threshed leaf (Customs category 170.80—tobacco manufactured or not manufactured not specifically provided for) increased 11 percent in 1981 to 437 million pounds. The United States imported more leaf and stems, as well as larger quantities of scrap or threshed leaf for both cigarettes and cigars.

Cigarette leaf imports, mostly Oriental tobacco, increased with shifts in cigarette blends and the continued price advantage of most imports. Turkey, Greece, Italy, Bulgaria, and Yugoslavia were principal suppliers. Flue-cured and burley leaf imports gained 11 million pounds to 47 million last year. Scrap imports (other) (than cigar leaf) decreased to 18 million pounds but were more than offset by the gains in the 170.80 category. Overall, imports accounted for around 30 percent of the tobacco used in U.S. cigarette production in 1981, and a similar high proportion is likely this year.

General imports of tobacco (direct entry plus placements in bonded warehouses for later factory use) gained 20 percent in 1981. Oriental leaf and threshed leaf imports (largely flue-cured and burley tobaccos) increased. In Turkey, a key supplier of Oriental tobacco, shipments are made the year following harvest. The 1980 crop was larger than the year before.

General tobacco imports (arrivals) exceeded imports for consumption, and U.S. stocks of imports tobacco on January 1, 1982, were up from a year earlier. The increase for cigarette tobacco was 85 million pounds, or about 13 percent from a year earlier, with the increase in the burley and Oriental categories. Flue-cured stocks remained the same (table 14).

**Table 13—Flue-cured, burley and Oriental tobacco production in specified countries, 1979-81**

Country	1979	1980 <sup>1</sup>	1981 <sup>2</sup>
<i>Thousand metric tons</i>			
<b>Flue-cured:</b>			
Argentina	30	38	33
Canada	77	106	108
Mexico	9	11	13
Brazil	237	228	205
Zambia	4	5	4
Malawi	25	27	19
Zimbabwe	112	107	67
Tanzania	14	14	13
South Africa	31	22	23
Taiwan	21	20	23
India	142	103	125
Indonesia	48	55	35
Japan	87	80	86
Korea, Rep of	75	65	62
Pakistan	28	28	26
Philippines	43	40	38
Thailand	47	50	50
Total	1,030	999	930
<b>Burley:</b>			
Italy	54	53	54
Mexico	27	29	23
Greece	20	18	19
Korea, Rep. of	36	27	24
Malawi	16	18	19
Brazil	49	23	21
Spain	23	34	34
Total	234	202	194
<b>Oriental:</b>			
Greece	107	99	103
Bulgaria	132	131	103
Yugoslavia	47	38	47
Turkey	214	250	200
Total	500	518	453

<sup>1</sup>Subject to revision. <sup>2</sup>Preliminary.

Compiled from reports of Foreign Agricultural Service.

## TOBACCO LEAF SITUATION AND OUTLOOK<sup>1</sup>

### USDA TOBACCO REPORT TO CONGRESS

Section 1109 of the Agriculture and Food Act of 1981 (P.L. 97-98), approved by President Reagan on December 22, 1981, expressed the intent of Congress that the tobacco price support and production adjustment program be administered in such a manner as to result in no net cost to taxpayers other than administrative expenses. In accordance with the Act, USDA reported to Congress in January on two administrative actions taken to achieve the objective and made recommendations for legislation.<sup>2</sup>

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

<sup>2</sup>USDA, Agricultural Stabilization and Conservation Service, "Recommendations of the Secretary of Agriculture for achieving a No Net Cost Tobacco Program, A Report to Congress Under the Agricultural and Food Act of 1981," Jan. 1982, 9 pp. and 6 tables; USDA News Center, "USDA Submits Tobacco Program Report to Congress," 125-82, Feb. 3, 1982; *Federal Register*, Feb. 19, 1982, p. 7436.

Table 14.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1979-81

(Declared weight)

	Imports for consumption				General imports (arrivals)				Value-- 1981, per lb.
	1979	1980	1981 1/	1981 as percent of 1980	1979	1980	1981 1/	1981 as percent of 1980	
<u>Cigarette tobacco</u>	<u>Million pounds</u>		<u>Percent</u>		<u>Million pounds</u>		<u>Percent</u>		<u>Dollars</u>
Leaf:									
Oriental:									
Turkey .....	89.3	106.2	100.5	95	108.4	89.3	127.0	142	1.39
Greece .....	27.0	23.3	25.3	109	14.3	22.6	26.8	119	1.87
Yugoslavia .....	14.0	13.1	12.6	96	14.4	11.8	7.3	62	1.70
Bulgaria .....	14.6	10.5	12.7	121	17.9	11.6	18.1	156	1.46
Other countries .....	22.1	23.0	27.4	119	17.4	13.6	17.6	129	1.43
Flue-cured .....	10.2	10.4	15.0	144	14.7	22.4	10.9	49	.98
Burley .....	11.9	26.2	32.4	124	29.9	55.2	46.4	84	.93
Other .....	2.2	1.8	3.5	194	1.1	2.7	2.2	81	1.05
Subtotal .....	191.4	214.4	229.4	107	218.1	229.1	256.3	112	1.35
Scrap: 2/									
Brazil .....	30.5	21.3	2.7	13	28.0	24.9	2.4	9	1.43
Korea, Republic of .....	19.8	9.4	*	*	12.1	13.4	*	*	*
Italy .....	16.1	3.2	*	*	10.3	4.3	*	*	*
Mexico .....	7.2	2.2	*	*	4.7	1.7	*	*	*
Turkey .....	10.5	7.7	6.7	87	11.0	10.1	3.6	36	.18
Other countries .....	38.1	34.4	8.2	24	53.9	32.4	7.2	22	.81
Subtotal .....	122.2	78.2	17.6	23	112.7	86.8	13.2	15	.80
TOTAL .....	313.6	292.6	247.0	84	330.8	315.9	269.5	85	1.32
<u>Cigar tobacco:</u>									
Wrapper .....	3.4	1.7	.9	53	4.8	1.3	.9	69	5.11
Filler-stemmed and unstemmed:									
Dominican Republic .....	1.2	1.2	1.4	117	8.3	6.2	5.3	85	.89
Other countries .....	4.3	3.5	5.0	143	17.2	19.7	16.0	81	.94
Subtotal .....	5.5	4.8	6.4	133	25.5	25.9	21.3	82	1.03
Scrap:									
Philippine Republic .....	7.9	10.1	8.5	84	7.1	6.6	8.5	129	.58
Indonesia .....	5.6	5.4	7.2	133	4.8	6.6	8.1	123	.70
Dominican Republic .....	5.6	6.5	6.6	102	3.1	2.2	4.8	218	.89
Brazil .....	2.7	2.9	3.4	117	2.4	2.3	5.2	226	1.22
Other countries .....	13.0	16.0	16.0	100	8.8	12.5	15.0	120	.51
Subtotal .....	34.8	40.9	41.7	102	26.2	30.2	41.6	138	.69
TOTAL .....	43.7	47.4	49.0	103	56.5	57.4		111	.88
<u>Stems</u> .....	20.0	25.7	38.2	149	20.3	30.8	45.2	147	.15
Total unmanufactured .....	377.2	365.6	334.2	91	407.6	404.1	378.5	94	1.12
Manufactured or not manu- factured, NSPF, other									
Brazil .....	--	7.9	34.0	430	--	7.9	41.3	523	1.51
Korea, Republic of .....	--	6.9	23.3	338	--	6.9	27.8	403	1.65
Mexico .....	--	2.2	4.5	204	--	2.2	4.5	205	1.98
Other .....	1.9	11.1	39.7	358	1.9	9.1	63.3	696	1.42
Subtotal .....	1.9	28.1	101.5	361	1.9	26.1	136.9	525	1.51
GRAND TOTAL .....	379.1	393.7	435.7	111	409.5	430.2	515.4	120	.94

1/ Preliminary. 2/ Includes minor quantities for smoking tobacco, chewing tobacco, and snuff.  
Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of Census.

The administrative actions taken by USDA concern overhead deductions and distribution of gains by producer associations. Under the first action, producer associations will be allowed to increase the amount deducted from price support advance made to producers. These deductions, which pay association overhead expenses, had remained at one dollar per hundredweight since 1974. The limit was removed to allow associations to set a larger deduction with CCC approval. Larger deductions will reduce the amount that associations have to borrow to cover operating costs.

Under the second action, loan agreements between CCC and the associations specify that the net gain from a crop must be distributed to producers unless another disposition is requested and approved by CCC. The new policy will allow the net gain from the sale of one crop to be used to offset losses incurred by an association from other crops.

While the two administrative changes may reduce the future losses of operating the tobacco program, the Department also recommended legislation to establish a marketing fee to be paid by all producers and to allow the Secretary to adjust support levels for the various kinds of tobacco.

The USDA report to Congress describes the tobacco program and shows the results of pooling arrangements completed by the 13 producer associations during 1971-80, as well as projections for 1975-80 crops on hand and 1982-86 crops. Overhead deductions and marketing fees are projected under various assumptions.

In February and March, the U.S. Senate Committee on Agriculture, Nutrition, and Forestry, and the House Subcommittee on Tobacco and Peanuts held field hearings in several States to obtain views of organizations and individuals on possible changes in the tobacco program. Most discussion centered around the price support formula and allotment and quota leasing for flue-cured and burley tobacco. As of early March, no hearings had been scheduled for Washington, D.C.

## CROP HIGHLIGHTS

The larger crop and carryin stocks brought the 1981/82 supply of domestic leaf tobacco to 5.32 billion pounds, 5 percent above the previous year. On January 1, 1982, domestic leaf stocks had risen 3 percent from a year earlier. By the end of the current marketing year, stocks may rise 4 percent from the 3.29-billion-pound carryover on July 1, 1981.

With smaller effective quotas this year for both flue-cured and burley, growers are expected to reduce acreage 6 percent. Also, if there is an easing in yields to long-time averages, total production could drop around 15 percent from last year's 2.05 billion pounds. If the average historical relationship between poundage quotas and grower marketing prevails, the flue-cured crop would fall one-fifth and the burley crop would drop by 5 percent (table 16). For other tobacco, reduced allotments are expected to result in decreased output as well.

All tobacco types except Maryland, Pennsylvania filler, shade-grown cigar wrapper, and Perique and under quotas. Acreage allotments are the same this year for Virginia fire-cured, Kentucky-Tennessee fire-cured, and sun-cured. Cigar filler and binder allotments (types 42-44 and 53-55) were reduced 20 percent; Connecticut binder was cut 15 percent; dark air-cured was cut 10 percent.

USDA's Crop Reporting Board indicates growers intended on February 1 to harvest 904,000 acres of tobacco in 1982, 6 percent less than a year ago. But the planting intentions do not necessarily provide an indication of response to quota and allotment changes since burley quotas and allotments for minor kinds were announced February 1, the same time growers were being surveyed. Last year the intentions were 3 percent below the final harvested acreage. In 1979 and 1980, intentions were above harvested acreage because of regulation changes and weather problems. During 1974-78, intentions averaged 1 percent below the harvested average.

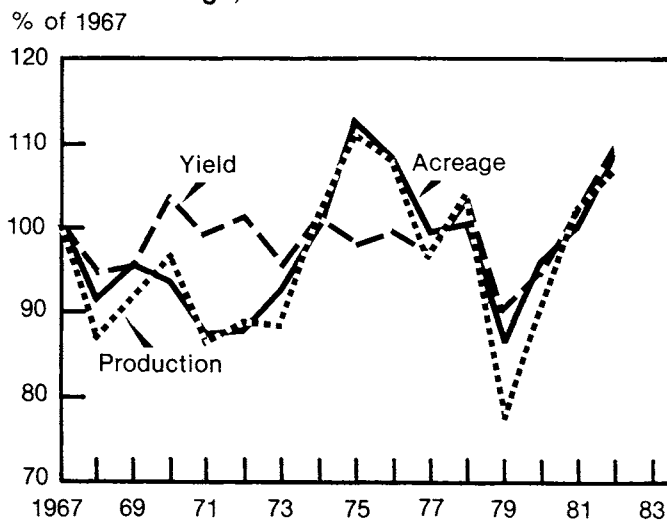
### Production Costs Higher

For the 1982 crop, tobacco production costs are expected to rise again. The rate of increase should ease to 4 to 6 percent with generally adequate supplies and reduced pressure from the general inflationary pattern in the economy. Some of the sharpest price gains may occur for flue-cured quota charges. Interest and wage rates, machinery, and equipment are also rising. Supplies of agricultural chemicals, fertilizer, and fuel are ample, and prices are likely to rise at a slower rate than in 1981. Quota lease rates are averaging higher for flue-cured because the effective quotas were reduced 12 percent.

### 1982 Price Support Program

The 1982 price support program for tobacco will be similar to programs in previous years. Price support is available to eligible growers through nonrecourse loans

### Tobacco Acreage, Yield and Production



▲ Latest year projected.

USDA

Neg. ERS 8149-82(3)

Table 15.--Estimated U.S. imports of flue-cured and burley tobacco and domestic use, 1969-80

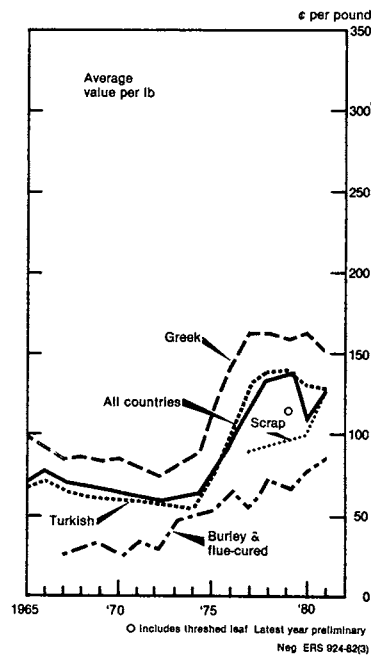
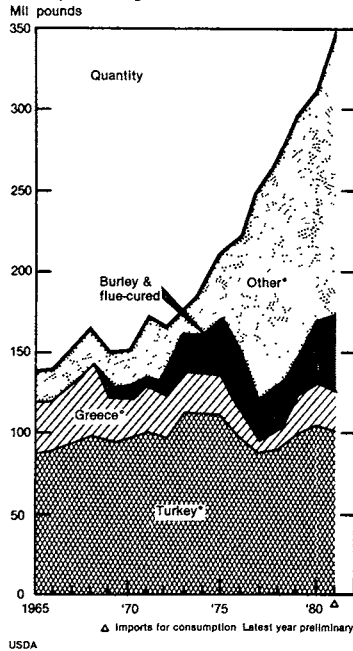
(Farm sales weight)

Year beginning July	Flue-cured				Burley			
	Imports <u>1/</u>	Domestic disappear- ance <u>2/</u>	Total use	Imports share of total	Imports <u>1/</u>	Domestic disappear- ance <u>2/</u>	Total use	Imports share of total
	Million pounds			Percent	Million pounds			Percent
1969	5.7	645.9	651.6	0.9	3.3	507.1	510.4	0.6
1970	10.6	640.1	650.7	1.6	3.2	503.0	506.2	0.6
1971	11.2	662.5	673.7	1.7	4.6	515.2	519.8	0.9
1972	12.7	664.2	676.9	1.9	8.9	534.5	543.4	1.6
1973	20.4	703.0	723.4	2.8	30.7	533.1	563.8	5.4
1974	23.1	652.3	675.4	3.4	47.7	518.8	566.5	8.4
1975	24.4	670.6	695.0	3.5	46.7	510.1	556.8	8.4
1976	30.8	634.0	664.8	4.6	37.9	489.6	527.5	7.2
1977	55.0	608.2	663.2	8.3	85.4	494.8	580.2	14.7
1978	60.1	584.1	644.2	9.3	89.1	502.8	591.9	15.1
1979	84.8	563.1	647.9	13.1	113.6	498.5	612.1	18.6
1980	72.7	548.9	621.6	11.7	136.9	477.6	614.5	22.3

1/ Imports for consumption (duty paid) of leaf, scrap, and manufactured or unmanufactured (beginning 1980), prorated according to reported stocks of imported flue-cured and burley.

2/ Marketing year beginning October.

U.S. Imports of Cigarette Tobacco



**Table 16—Flue-cured and burley tobacco: Marketing quota and marketings, 1971-82**

Year	Quota			Marketings			Net carryover <sup>2</sup>
	Basic	Effective	Actual	Over-quota	Under quota	Effective underquota <sup>1</sup>	
<i>Million pounds</i>							
Flue-cured, types 11-14							
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	1,124.2	42.6	115.2	106.9	64.3
1978	1,117.2	1,181.5	1,205.9	65.6	43.9	41.8	-26.4
1979	1,094.9	1,068.5	973.8	24.8	118.8	117.0	92.2
1980	1,094.4	1,186.5	1,084.6	36.0	137.9	135.1	99.1
1981 <sup>3</sup>	1,012.9	1,111.4	1,144.3	66.4	33.2	32.1	-34.3
1982 <sup>4</sup>	1,012.7	978.4					
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	82.3	49.2
1977	636.2	683.4	612.6	27.2	99.0	80.8	53.6
1978	614.2	667.8	614.2	31.5	88.2	67.6	36.1
1979	614.2	647.8	472.2	12.2	188.6	168.8	155.2
1980	614.4	768.9	557.5	11.6	224.3	200.1	181.8
1981 <sup>4</sup>	660.1	841.9	716.8				108.0
1982 <sup>4</sup>	681.0	789.0					

<sup>1</sup>Under quota marketings less ineligible carryover. <sup>2</sup>Effective underquota marketings less overquota marketings. <sup>3</sup>Subject to revision. <sup>4</sup>Preliminary.

Compiled from records and reports of Analysis Division, ASCS.

to producer associations. USDA will continue the four-leaf program which permits participating producers to exceed their allotments if they discard in the field the four bottom leaves of each plant.

Support prices for the 1982 crop are up 10.8 percent from 1981. The formula in the law takes account for the higher prices for goods and services bought by farmers during the past 3 calendar years (1979-81), as compared with 1959 average prices paid. USDA will set grade loan rates for flue-cured and other kinds before the marketing season opens.

Growers of fire-cured and dark air-cured tobaccos approved marketing quotas, so price support will be available for their 1982, 1983, and 1984 crops. Growers of flue-cured, burley, sun-cured, cigar binder, and Ohio filler tobaccos approved marketing quotas applicable to the 1982 crop in previous referenda. Growers of Maryland and Pennsylvania filler tobacco will not have supports because they turned down marketing quotas in their last referendum.

**Pesticide Residue Developments**

To receive price supports, tobacco producers must certify that they did not use DDT, TDE, toxaphene, or endrin insecticides. As a condition for price support for flue-cured tobacco, USDA requires growers to designate a warehouse where they intend to sell their tobacco.

Last year USDA's maleic hydrazide (MH) testing program monitored growers' efforts to keep MH within acceptable limits of major export markets. About 7,000 samples from auction warehouses averaged 108 parts per

**Table 17—Computation of price level adjustment factor for tobacco, 1971-82**

Crop year	Parity index <sup>2</sup>		Price support level adjustment factor <sup>3</sup>
	Previous calendar year	3-year average <sup>2</sup>	
	1910-14=100		1959=100
1971	382	366	125
1972	407	385	131
1973	425	405	138
1974	490	441	150
1975	564	493	168
1976	614	556	191
1977	653	610	205
1978	687	650	218
1979	746	695	233
1980	850	761	255
1981	950	849	285
1982	1,031	994	317

<sup>1</sup>Index of prices paid by farmers, including wage rates, interest and taxes. 1965-75 revised in 1976 using 1971-73 weights. For original data used for prior years calculations see TS-155, March 1976, p. 16. <sup>2</sup>3 calendar years immediately preceding. <sup>3</sup>3-year average parity index divided by 1959 parity index (298).

million (ppm). This figure represented a sizable decrease from the 1980 sample, but still is considerably above the level of extension land grant collage test plots (67 ppm) or the amount that the West German health officials and the cigarette industry consider acceptable (80 ppm). USDA is cooperating with extension personnel to continue the extensive educational program on the proper use of MH.

## FLUE-CURED

### Higher Disappearance in 1981/82

Domestic disappearance of flue-cured tobacco (types 11-14) this season is expected to remain near last season's 548 million pounds. During the first half of the current marketing year, domestic disappearance stayed the same as a year earlier. Cigarette output for July-December was 2 percent larger than in second-half 1980; the uptrend in output is expected to continue in January-June 1982. But the continued shift to low-tar, low-nicotine cigarettes and the substantial volume of imported leaf is preventing increased use of domestic flue-cured.

Exports are well above last season's, with Japan and other Asian destinations taking more. Most European markets, including the EC, are taking less. The larger 1981 crop is contributing to the export gain but the higher foreign currency cost of a dollar is particularly dampening our European markets. July 1981-January 1982 exports of 362 million pounds were 7 percent above the previous year but near the 1973-77 average for that period. Exports for the rest of the season may continue above the same period last season.

### Carryover to Increase

Marketings from the 1981 crop are above expected disappearance this season, so flue-cured carryover on

July 1 may increase from the 2,013 million pounds of mid-1981. In addition, growers held about 26 million pounds of last season's crop that they were unable to market without penalties because they sold all their quota.

Since the last auction season, manufacturers and dealers have continued to buy from Stabilization Co-op stocks to supplement their supplies. From July 1981 to February 1982, 121 million pounds of flue-cured tobacco were sold from loan stocks, about the same as a year earlier. Some 25 million pounds were leaf, priming, and lug grades sold by bid in February. By March 1, unsold loan stocks of 452 million pounds stood at the lowest for that date in 6 years (tables 19 and 20). Sales over the past 12 months have pulled the inventory of 1975-77 crops to less than half the total of all Stabilization stocks. Those older crops contain grades and qualities in limited demand at announced sales prices.

### Projected Crop to Fall Below 1981

The basic 1982 quota was held the same as 1981, but subtracting the overmarketings gives an effective quota of 979 million pounds, 12 percent below last year's. The change from last year's effective quota ranges from a decrease of 20 percent in Virginia and the North Carolina Old and Middle Belt to a decrease of 2 percent in the Eastern North Carolina Belt.

Based on quotas, a smaller crop is expected in 1982. According to February 1 intentions, 494,500 acres will be grown or 8 percent below last year. On intended acreage, a normal yield would result in production of about 989 million pounds. This size crop would be a 15 percent decrease from last season. Historically, producers have marketed about 95 percent of poundage quotas. But the projected crop is in excess of quota, since growers can market 10 percent over their quota without penalty. Those marketings are deducted from the following year's quota.

The projected crop, plus the anticipated carryover, indicates the 1982/83 supply may fall about 4 percent

**Table 18—Flue-cured tobacco: Effective farm quotas, designations, and marketing, 1980-82<sup>1</sup>**

Type and State or marketing area	Effective farm quotas		Initial designation <sup>3</sup>		Final designation		Marketings	
	1982 <sup>2</sup>	Change from 1981	1980	1981	1980	1981	1980	1981
11-Virginia (E)	85	-21.3	125	131	128	134	84	114
11-North Carolina (D,E)	233	-19.7	215	220	218	225	245	299
Total-11	318	-20.1	340	351	345	359	330	413
12-North Carolina (C)	323	-2.4	506	433	515	438	401	344
13-North Carolina (B)	87	-8.4	123	109	123	113	98	97
13-South Carolina (B)	124	-15.1	149	150	151	150	125	148
Total-13	211	-12.4	272	259	274	263	224	245
14-Alabama	1	0					1	1
14-Florida (A)	21	-8.7	22	24	23	25	20	23
14-Georgia (A)	104	-12.0	136	129	136	131	110	119
Total-14	126	-11.3	158	153	159	156	131	143
Grand total, flue-cured <sup>1</sup>	978	-12.4	1,276	1,195	1,293	1,216	1,085	1,144

<sup>1</sup>Data may not add to totals due to rounding. <sup>2</sup>Growers were allowed to designate 110 percent of their effective quotas. <sup>3</sup>Computed from unrounded data. Compiled from reports from Tobacco Division, Agricultural Marketing Service, and Analysis Division, Agricultural Stabilization and Conservation Service.



**Table 19—Flue-cured tobacco: Acreage allotted and underproduction, 1972-82**

Year	Under production <sup>2</sup>		
	Acreage allotted <sup>1</sup>	Number	As percent of allotments
1972	562.3	48.7	8.7
1973	642.4	67.3	10.5
1974	725.9	109.6	15.1
1975	854.8	137.6	16.1
1976	765.0	98.4	12.9
1977	651.7	56.5	8.7
1978	641.0	38.9	6.1
1979	580.3	77.5	13.4
1980	639.5	84.4	13.2
1981	603.0	63.2	10.5
1982	529.5		

<sup>1</sup>Basic allotment adjusted for overmarketings and undermarketings, 1971 to present. <sup>2</sup>Acreage allotted minus harvested acres.

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

below the 3.16 billion pounds available in the current marketing year.

### Foreign Flue-cured Situation

In Canada, the volume of flue-cured tobacco sold through the Ontario Flue-cured Growers' Marketing Board reached 203 million pounds on February 26, 1982. The average price was \$1.25 per pound (U.S. dollars). The 1981 Canadian crop is estimated at 240 million pounds, about 3 percent above 1980. Canadian tobacco manufacturers are again negotiating a two-price system for the upcoming Ontario flue-cured crop.

Zimbabwe's tobacco auctions for the 1981/82 crop begin March 16. A substantially larger quota applies for this season (212 million pounds) as older stocks have been sold. A crop of around 194 million pounds is forecast, about one-third larger than a year ago. The crop is behind the normal maturity due to weather stress. Last year's crop averaged \$1.17 per pound. Growers have experienced sharp increases in minimum wages the past two seasons and in prices of coal, the chief curing fuel.

Brazil's output in 1981/82 is estimated at 459 million pounds, about the same as the previous year. Output remains below the 1979 record output due to cost increases that have made other crops more attractive.

## BURLEY

### Effective Quota Smaller; Crop Size May Drop

The 1982 basic quota for burley tobacco is 689 million pounds, 3 percent above last year. Marketings from the 1981 crop totaled about 717 million pounds, 28 percent above 1980. The quota carryover from last season brings the 1981 effective quota to around 789 million pounds, down 6 percent. This year's higher price support level approaches the record 1981 market price average.

February intentions indicate farmers will set about 1 percent less acreage than last year. Marketings were

**Table 20—Tobacco loan stocks, 1980-82 (Farm-sales weight)**

Type	End of February		
	1980	1981 <sup>1</sup>	1982
	Million pounds		
<b>Actual</b>			
Flue-cured, 11-14	624.6	666.0	649.3
Burley, 31	123.5	52.7	0.8
Virginia, 21	2.7	2.5	2.5
Kentucky-Tennessee, 22-23	17.0	19.6	15.2
Kentucky-Tennessee, 35-36	5.3	7.1	8.4
Ohio, 42-44	.9	.4	.4
Puerto Rican, 46	5.9	7.7	6.9
Connecticut Valley, 51-52	1.5	1.4	2.1
Wisconsin, 54	(2)	(2)	(2)
Wisconsin, 55	0	0	0
Total	781.4	757.4	685.6
<b>Uncommitted</b>			
Flue-cured, 11-14	525.6	529.6	451.8
Burley, 31	56.6	0	0

<sup>1</sup>January 31, 1982 for actual stocks. <sup>2</sup>Less than 50 thousand pounds.

Compiled from records of Tobacco and Peanuts Division, ASCS.

incomplete at the survey date and the 1982 quota had not been announced. Last year, growers marketed 85 percent of the effective quota. At that rate, and with normal yields, the 1982 crop could turn out around 705 million pounds, down slightly from 1981, but providing a 4-percent larger supply than the current marketing year.

### Supply Rebounds

The 1981/82 burley supply recovered to 1.72 billion pounds, 9 percent above a year earlier. Supply is about 2.7 times the estimated disappearance, or close to the desired ratio. By last October, the total carryover was held by manufacturers and dealers, with no loan stocks. From the 1981 crop, the two grower loan associations received more than a year earlier, but their loan volume was still only a negligible amount, about 0.1 percent of marketings.

More adequate supplies mean domestic burley use in 1981/82 can recover from last season's 9-year low of 478 million pounds.

Foreign burley production dropped 2 percent in 1981 primarily due to declines in Brazil and Argentina. World production remains below world usage, thus assuring a firm demand for U.S. burley exports.

### 1981 Crop Summary

The 1981 crop value set a record as the crop was the largest since 1963. Quality was about the same as in 1980. There was a larger percentage of fourth quality, with less first, second, and third quality. The share of mixed grades increased. Many markets had most of their lots in baled form. Sales in sheet form, about 3.5 percent of the total, were not eligible for support, but prices were similar for tied, baled, or sheet form.

Auction prices for the 1981 burley crop (including resales) averaged \$1.81 a pound—15 cents above the

Table 21.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1980/81-1981/82 1/

		(Declared weight)							
		Part year through January			Part year through January				
Importing country		1980/81	1980/81	1981/82 2/	Importing country	1980/81	1980/81	1981/82 2/	
		Million pounds			Thousand pounds				
				<u>Flue-cured, types 11 - 14</u>					
United Kingdom	:	32.2	25.3	19.8	Switzerland	:	95	90	60
West Germany	:	51.4	33.8	32.8	Norway	:	701	137	66
Japan	:	58.2	57.5	68.2	Sweden	:	291	216	150
Netherlands	:	20.3	12.6	7.3	West Germany	:	99	22	123
Thailand	:	14.8	0	6.9	Other countries	:	553	51	9
Australia	:	9.2	6.7	6.5					
Italy	:	15.5	11.1	5.7	Total	:	1,739	516	459
Sweden	:	7.5	7.3	4.0					
Norway	:	2.7	1.9	2.0	<u>One Sucker, type 35</u>				
Finland	:	6.1	3.2	3.8	Bahamas	:	0	0	0
Denmark	:	7.3	4.2	4.9	Zaire	:	0	0	0
Ireland	:	2.2	1.7	1.5	Other countries	:	126	0	0
Belgium-Luxembourg	:	5.6	2.9	3.6					
Switzerland	:	8.6	5.9	5.7	Total	:	126	0	0
Rep. of Korea	:	--	0	9.8					
Philippines	:	6.8	3.3	3.5	<u>Green River, type 36</u>				
Spain	:	24.9	12.6	15.3	United Kingdom	:	42	0	0
Malaysia	:	7.2	5.4	6.1	Benin (Dahomey)	:	0	0	0
Taiwan	:	13.2	13.2	19.4	Zaire	:	0	0	0
Egypt	:	10.9	0	1.4	Other countries	:	4	0	0
Other countries	:	56.5	31.9	25.2					
Total	:	361.0	240.5	253.5	Total	:	46	0	0
				<u>Burley, type 31</u>					
Italy	:	11.5	0	0	<u>Cigar Filler, type 41-44</u>				
Sweden	:	2.1	.8	.5	Canada	:	18	0	0
Denmark	:	.8	.4	.4	France	:	163	49	13
Netherlands	:	8.2	.4	.5	Other countries	:	298	19	55
Japan	:	13.6	3/	.8					
West Germany	:	19.2	2.6	1.5	Total	:	478	68	68
Switzerland	:	5.0	3/	3.8					
United Kingdom	:	.6	0	.3	<u>Binder, types 51-55</u>				
Thailand	:	3.6	0	0	Dominican Republic	:	60	35	0
Philippines	:	3.3	.8	.6	Switzerland	:	0	0	0
Other countries	:	12.9	2.7	2.6	Canada	:	110	86	46
Total	:	73.0	7.7	10.5	Other countries	:	15	9	0
				<u>Maryland, type 32</u>					
Belgium-Luxembourg	:	.6	.3	.6	Total	:	185	130	46
West Germany	:	1.3	.2	.3	<u>Cigar Wrapper, types 61-62</u>				
Switzerland	:	3.9	.9	1.2	United Kingdom	:	441	406	161
Other countries	:	.8	.2	.3	West Germany	:	40	20	0
Total	:	6.6	1.6	2.4	Canada	:	24	13	9
				<u>Ky.-Tenn. fire-cured, types 22-23</u>					
Sweden	:	.4	.4	.2	Dominican Republic	:	2,337	1,229	425
Netherlands	:	9.6	2.4	2.5	Netherlands	:	238	238	300
Belgium-Luxembourg	:	.5	.1	.1	Other countries	:	459	132	53
France	:	2.0	0	0					
Switzerland	:	.2	.2	.4	Total	:	3,538	1,938	933
Other countries	:	2.7	.3	.9					
Total	:	15.4	3.4	4.1	<u>Black Fat</u>				
				<u>Stems, Trimmings, and Scrap</u>					
Sweden	:	4.5	1.1	.1	Dahomey	:	1,764	941	478
Denmark	:	1.0	.1	1.7	Cameroon	:	0	0	0
United Kingdom	:	8.7	3.0	2.1	Niger	:	430	300	159
West Germany	:	12.2	4.1	4.2	Nigeria	:	359	20	3
Japan	:	24.0	17.1	20.7	Togo	:	0	0	132
Other countries	:	28.7	11.7	9.5	Other countries	:	496		
Total	:	79.1	34.1	36.2	Total	:	3,049	1,585	922

1/ July-June crop year for flue-cured, cigar wrapper; October-September crop for all other types. 2/ Subject to revision. Detail may not add to total due to rounding. 3/ Less than 50,000 pounds.

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

Table 22 -- Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1971-82

(Farm-sales weight)

Marketing Year	Acreage		Yield		Beginning stocks <sup>1/</sup>			Total Supply
	Harvested	per acre	Marketings	Manufacturers and others	Under loan	Total		
	Thousand acres	Pounds	--- Million pounds ---					
Flue-cured, types 11-14								
1971.....	525.8	2,050	1,076.3	1,214.5	761.9	1,976.4	3,052.7	
1972.....	513.6	1,971	1,022.1	1,292.4	617.8	1,910.2	2,932.3	
1973.....	575.1	2,011	1,159.0	1,347.0	402.3	1,749.3	2,908.3	
1974.....	616.3	2,014	1,245.1	1,330.6	276.7	1,607.3	2,852.4	
1975.....	717.2	1,973	1,414.7	1,471.9	179.9	1,651.8	3,066.5	
1976.....	666.6	1,974	1,316.0	3/ 1,539.1	359.2	3/ 1,898.3	3,214.3	
1977.....	589.3	1,917	1,124.2	1,517.6	556.9	4/ 2,075.0	3,199.2	
1978.....	602.1	2,046	1,205.9	1,517.9	534.0	4/ 2,051.9	3,257.8	
1979.....	502.8	1,881	945.8	1,510.8	564.0	2,074.8	3,020.6	
1980.....	551.8	1,957	1,086.1	1,411.0	554.4	1,965.4	3,051.5	
1981.....	539.8	2,161	2/ 1,144.3	1,416.8	595.8	2,012.6	3,156.9	
1982 5/.....	494.5	2,000	989.0	1,506.9	550.0	2,056.9	3,045.9	
Burley, type 31								
1971.....	213.5	2,213	2/ 472.6	882.4	468.4	1,345.8	1,818.4	
1972.....	235.6	2,552	590.3	920.9	327.6	1,248.5	1,838.8	
1973.....	221.1	2,028	461.4	952.5	276.7	1,229.2	1,690.6	
1974.....	260.7	2,350	610.4	931.5	139.2	1,070.7	1,681.1	
1975.....	282.2	2,265	638.3	1,082.4	12.0	1,094.4	1,732.7	
1976.....	285.8	2,376	663.8	3/ 1,115.3	44.8	3/ 1,160.1	1,823.7	
1977.....	268.6	2,298	612.5	1,162.3	54.9	4/ 1,217.2	1,829.7	
1978.....	261.4	2,396	617.6	1,087.0	113.5	4/ 1,218.4	1,836.0	
1979.....	238.1	1,873	445.8	1,056.3	155.4	1,211.7	1,657.5	
1980.....	276.6	2,027	557.5	959.5	66.3	1,025.8	1,583.3	
1981.....	323.7	2,214	716.8	1,000.2	0	1,000.2	1,717.0	
1982 5/.....	320.5	2,200	705.0	1,086.5	.5	1,087.0	1,792.0	
		Disappearance		Average price		Price support	Placed under loan	
	Total	Domestic	Exports	per pound		level	Quantity of crop	
							Percentage of crop	
		--- Million pounds ---		--- Cents ---		--- Million pounds --- Percent		
Flue-cured, types 11-14								
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	277.3	21.0	
1977.....	1,147.3	608.2	539.1	117.6	113.8	195.6	17.3	
1978.....	1,182.8	584.1	598.7	135.0	121.0	64.1	5.3	
1979.....	1,083.2	563.2	520.0	140.0	129.3	72.0	7.4	
1980.....	1,038.9	548.9	490.0	144.5	141.5	137.2	12.6	
1981.....	6/ 1,100.0	6/ 550.0	6/ 550.0	166.4	158.7	106.4	9.3	
Burley, type 31								
1971.....	569.9	515.2	54.7	80.9	71.5	.2	---	
1972.....	609.6	534.5	75.1	79.2	74.9	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	105.5	96.1	50.7	7.9	
1976.....	606.3	489.6	116.8	114.2	109.3	46.6	7.0	
1977.....	611.3	494.8	116.5	120.0	117.3	57.0	9.2	
1978.....	624.3	502.8	121.4	131.2	124.7	67.7	10.8	
1979.....	631.8	498.5	133.3	145.2	133.3	7.3	1.5	
1980.....	583.1	477.6	105.5	165.9	145.9	.0	.0	
1981.....	6/ 630.0	6/ 490.0	6/ 140.0	180.7	163.6	.8	.1	

<sup>1/</sup> July 1 for flue-cured; October 1 for burley. <sup>2/</sup> Does not include 26 million pounds carried over on farms.

<sup>3/</sup> Adjusted for change in conversion factor January 1, 1977. <sup>4/</sup> Stocks revision January 1, 1979 report.

<sup>5/</sup> Estimated from acreage intentions, projected yield. <sup>6/</sup> Estimated.

**Table 23—Burley tobacco: Price spreads among specified grades, 1972-81**

Period	Average price of C4F	Cents per pounds lower than C4F						
		X4F	C4K	B4F	B4FR	B4R	T4R	N1G
<i>Cents per pound</i>								
1972	80	0	1	0	0	0	2	9
1973	93	1	2	0	0	0	1	11
1974	117	1	5	1	0	0	2	28
1975	112	2	7	1	3	4	11	29
1976	118	2	4	2	3	5	9	27
1977	126	2	6	1	2	4	10	33
1978 <sup>1</sup>	133	1	6	0	0	2	11	27
1979 <sup>1</sup>	147	1	4	0	0	1	3	20
1980 <sup>1</sup>	166	0	0	0	0	0	0	2
1981	183	1	3	0	1	2	4	18

<sup>1</sup>Tied

1980 record. Fine quality of flying, lugs, and leaf averaged 8-10 cents over support, while nondescript grades brought 45-50 cents over support prices (table 23). Average prices in all producing States increased (table 24).

All markets opened November 23, and the season ended February 8 at Lexington, Ky. Unlike the usual pattern, prices remained firm when markets reopened following the Christmas holidays.

## SOUTHERN MARYLAND

### Auctions Open March 16

Auctions for the 1981 crop of Southern Maryland tobacco (type 32) will open in Maryland March 16 and end May 6. Last fall and again in February, displays and sales were held for the 13 million pounds grown in

**Table 25—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1972-81 (Farm sales weight)**

Marketing year <sup>1</sup>	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Stocks following Jan. 1	Total	Total	Domestic	Exports	
	<i>Thousand acres</i>	<i>Pounds</i>			<i>Million pounds</i>				<i>Cents</i>
1973 <sup>2</sup>	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974 <sup>2</sup>	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975 <sup>2</sup>	23.0	955	22.0	53.6	75.6	35.7	26.0	9.7	107.5
1976 <sup>2</sup>	25.0	1,205	30.1	41.9	72.0	29.9	17.4	12.5	110.0
1977 <sup>2</sup>	25.0	1,230	30.8	45.3	76.1	29.0	19.6	9.4	115.1
1978 <sup>2</sup>	24.0	1,275	30.6	41.9	72.5	31.1	21.1	10.1	123.1
1979 <sup>2</sup>	19.5	1,130	22.0	41.3	63.4	33.6	23.6	10.0	139.7
1980 <sup>2</sup>	24.0	1,091	26.2	32.6	57.8	27.3	18.6	8.7	167.9
1981 <sup>4</sup>	34.2	1,294	44.3	<sup>5</sup> 37.0	69.7				<sup>3</sup> 111.5
1982 <sup>6</sup>	24.0								

<sup>1</sup> Year beginning October 1. <sup>2</sup> Includes sales and certification. <sup>3</sup> Auction sales. <sup>4</sup> Final crop estimate. <sup>5</sup> Includes 11.6 mil. lb. of 1981 crop sold in October-November 1981. <sup>6</sup> February intentions.

the flue-cured area. Prices averaged \$1.11 per pound. For the 1980 crop (marketed mostly in 1981), growers received the highest average price on record, \$1.68 a pound. Maryland tobacco does not receive government price support and quotas do not apply. In a referendum in February, growers rejected USDA grading with the required fee, so that service will not be provided.

### Supply Increases

With a boost in acreage outside the traditional Southern Maryland area, growers produced an 18-million-pound larger crop in 1981 than the previous season. This marketing year's supply (October 1981-September 1982) is 12 million pounds larger than 1980/81 and the largest in 4 years. Last season's use of 27 million pounds was about 1 million pounds greater than 1980 crop marketings (table 25).

Farmers' February acreage intentions coupled with a normal yield, indicate the 1982 crop may be smaller than last season. If the prospective crop is achieved, supply for 1982/83 would be about one-fifth below last season.

In 1981, about one-third of the Maryland tobacco was produced in the flue-cured area. But, the 1981 farm bill provides prohibitive penalties for growing and marketing Maryland tobacco in any quota area. So no Maryland tobacco is expected to be grown outside its traditional area in 1982.

## FIRE-CURED

### Larger Crop Brings Higher Prices

With a larger crop of better quality, prices for fire-cured (types 21-23) rose both for auction sales and farm purchases. With an improvement in crop quality, loan associations took less tobacco. The overall average auc-

Table 24-Burley tobacco: Gross sales, and average price, by States, 1980-81

State	1980 Crop				1981 crop <sup>1</sup>			
	Auction sales		Placed under Government loan		Auction sales		Placed under Government loan	
	Amount	Average price	Quantity	Percentage of sales	Amount	Average price	Quantity	Percentage of sales
	Million pounds	Cents per pound	Million pounds	Percent	Million pounds	Cents per pound	Million pounds	Percent
Kentucky.....	453.4	165.98	( <sup>2</sup> )	0.0	508.7	180.98	.6	.11
Tennessee.....	102.4	165.79	( <sup>2</sup> )	0	148.4	180.16	.1	.04
Virginia.....	23.2	165.65	0	--	37.8	180.70	<u>2/</u>	--
North Carolina....	15.8	165.83	0	--	26.2	178.69	.1	.03
West Virginia.....	2.3	165.49	0	--	3.4	178.47	<u>2/</u>	--
Indiana.....	17.5	166.23	0	--	19.1	180.73	<u>2/</u>	--
Ohio.....	11.5	166.00	0	--	12.4	179.17	<u>2/</u>	--
Missouri.....	5.4	162.06	0	--	6.2	179.24	<u>2/</u>	--
Total all States..	631.6	165.91	( <sup>2</sup> )	.0	762.2	180.67	.8	.1

<sup>1</sup>Preliminary. <sup>2</sup>Less than 50,000 pounds.

tion price of \$1.54 per pound for the 1981 Kentucky-Tennessee crop rose 35 cents above a year earlier.

Auctions for Kentucky-Tennessee (types 22-23) began January 14. About two-thirds of the estimated crop had already been sold on farms for around \$1.75 per pound. This season's auction averages ranged from \$2.11 per pound for the best wrapper and heavy leaf grades to 44 cents per pound for N2 (nondescript).

Virginia (type 21) prices were up for half the grades, as sales rose sharply. By the final sales of type 21, which were held on February 8, the volume of producer marketings had increased 1.3 million pounds. Five percent of the crop was placed under loan, considerably less than last season. The crop consisted of more heavy leaf and the dark and medium brown category.

Output of snuff, the principal outlet for fire-cured tobacco, rose in the last quarter of 1981.

During the first third of the current marketing year (October 1981-January 1982) exports of Kentucky-Tennessee and Virginia fire-cured were above last season. Foreign fire-cured production remained about the same last year as in 1980. Production was up in Malawi, but down in Italy. Consequently, U.S. exports may not change much from last season in the remainder of this marketing year.

### **Acreage Allotments Unchanged**

This year's acreage allotments were unchanged for both the Kentucky-Tennessee types (26,353 acres) and Virginia type (9,430 acres). Acreage harvested as a percentage of allotments in 1981 was: Kentucky, 71 percent; Tennessee, 85 percent; and Virginia, 43 percent. With grower prices rising compared with less favorable prospects for other crop alternatives, increased acreage is expected in each State.

Carryover of fire-cured tobacco on October 1 may change little from the 71 million pounds of last October. With average yields on the intended acres, a 1982 crop of 41.5 million pounds is projected. The indicated supply is close to the current year total of 113 million pounds.

## **DARK AIR-CURED**

### **Supplies Increase, Prices Stable**

Grade prices rose from the 1980 season for the 1981 crop of dark air-cured and Virginia sun-cured tobaccos (types 35-37). Quality decreased in Kentucky and Tennessee, and the crop was larger. Auction sales started in early December and ended in early February. New record averages were set for One Sucker (type 35) and Sun-cured (type 37) while Green River (type 36) was lower.

Grade price averages for heavy and thin leaf rose substantially over last season. About the same or lower prices prevailed for low grade lugs and nondescript. The Green River crop averaged 6 cents per pound less than 1980 while the Virginia sun-cured crop averaged 3 cents per pound more.

This season's supply of dark air-cured was 56 million pounds, 3 million higher than last season (table 27).

The chief domestic outlets for dark air-cured tobacco are plug, twist, and fine-cut chewing tobacco. Product output increased during 1981. However, projected utilization is likely to fall short of the 1981 crop, resulting in an increased October 1 carryover.

### **Allotments Reduced**

Acreage allotments for the 1982 crop of dark air-cured tobacco (types 35-36) are 11,986 acres, down 10 percent. Virginia sun-cured, at 1,320 acres, is essentially unchanged from last season. Growers of dark air-cured tobacco plan to set 7 percent less acreage than last year. This indicates lower production, but with carryin stocks likely higher, the 1982/83 supply may remain close to the 56 million pounds in 1981/82.

## **CIGAR TOBACCO**

### **Price Mixed**

Some cigar tobacco producers received the same prices this season as last, but most prices were lower. About 5 million pounds of domestic cigar tobacco are expected to be placed under loan, a substantial jump from 1980/81. Some of the Pennsylvania filler and Wisconsin binder crops were still unsold by early March. Prices ranged from 72 to 90 cents per pound in Pennsylvania and \$1.00 to \$1.25 in Wisconsin. Ohio cigar types were contracted for \$0.97 to \$1.05 per pound. Season average price and production data for the 1981 cigar tobacco crop are scheduled for release on May 10.

Overall price support levels for this year's crop of cigar leaf tobacco are about 11 percent higher than for last year. There are no price supports for Pennsylvania tobacco (type 41) or shade-grown cigar wrapper (types 61-62). No production is expected to type 62, Georgia-Florida shade-grown.

### **U.S. and Puerto Rican Supplies Increase**

Total supplies of U.S. and Puerto Rican cigar tobacco this season are about 4 percent above the previous season; overall carryin and production both gained. Cigar wrapper supplies continued to decrease, while filler and binder supplies have gained (table 28).

More foreign cigar tobacco arrived in the United States in 1981 than the year before, and due to the small change in use, foreign-grown leaf stocks on January 1, 1982, were 8 percent above a year earlier. However, stocks of 94 million pounds remained at twice annual use.

### **Domestic Use May Stabilize**

The demand for cigar filler and binder has decreased with a further shift to offshore supplies for loose leaf chewing tobacco production, leaving sizable inventories of domestic leaf. Last year, cigarmakers continued to obtain most of their requirements for imports.

With sagging economic activity, including factory employment, U.S. cigar leaf use this season may not

Table 26--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, 1973-82

(Farm-sales weight)

Marketing Year beginning October 1	Beginning stocks						Total supply	
	Acreage harvested	Yield per acre	Production	Manufac- turers and other	Under loan	Total		
	Thousand acres	Pounds	Million pounds					
Kentucky-Tennessee fire-cured, types 22-23								
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	(1)	42.6	75.8	
1977	25.6	1,767	45.2	41.2	(1)	41.2	86.4	
1978	27.1	1,898	51.4	50.0	1.0	51.0	102.4	
1979	22.1	1,791	39.6	54.0	11.1	65.1	104.7	
1980	19.4	1,685	32.6	48.9	19.1	68.0	100.6	
1981	20.8	1,781	37.0	48.4	14.7	63.1	99.7	
1982 <u>2/</u>	21.2							
Virginia fire-cured, type 21								
1973	4.7	1,205	5.7	7.6	(1)	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	(1)	7.4	12.7	
1977	7.2	1,000	7.2	7.0	(1)	6.7	13.9	
1978	6.1	1,120	6.8	7.9	.8	8.7	15.5	
1979	4.8	1,135	5.4	8.2	2.7	10.9	16.3	
1980	3.9	935	3.6	6.0	3.3	9.3	12.9	
1981	4.1	1,200	4.9	5.7	2.6	8.3	13.2	
1982 <u>2/</u>	4.4							
Disappearance								
			Average price per pound		Price support level		Placed under loan	
Total	Domestic	Exports				Quantity	Percentage of crop	
Million pounds					Cents	Million pounds	Percent	
Kentucky-Tennessee fire-cured, types 22-23								
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	11.2	23.4	142.4	74.1	(1)	--	
1977	35.4	17.4	18.0	132.3	79.5	1.1	2.4	
1978	37.3	15.1	22.2	112.5	84.6	11.3	22.2	
1979	36.7	18.0	18.7	115.2	90.3	11.4	28.8	
1980	37.5	19.7	17.8	121.9	98.9	1.8	5.5	
1981				153.5	111.0	1.0	2.7	
Virginia fire-cured, type 21								
1973	6.2	1.7	4.5	75.5	53.5	(1)	--	
1974	5.7	.7	5.0	81.7	58.2	.3	4.5	
1975	4.8	1.4	3.4	93.0	65.2	(1)	.9	
1976	6.1	<u>3/</u> 2.0	4.1	118.0	74.1	.1	1.5	
1977	5.2	2.8	2.4	96.2	79.5	1.0	14.4	
1978	4.6	1.0	3.6	94.5	84.6	1.8	26.2	
1979	7.0	3.2	3.8	107.9	90.3	.9	16.3	
1980	4.6	2.6	2.0	127.4	98.9	.3	7.2	
1981				131.0	111.0	.2	4.1	

1/ Less than 50,000 pounds. 2/ February planting intentions. 3/ Includes 400,000 pounds fire loss, December 1976.

Table 27--Dark air-cured tobacco, types 36-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1973-82

(Farm-sales weight)

Marketing year beginning October	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and other	Under loan	Total	
				Thousand acres	Pounds	Million pounds	
Dark air-cured, types 35-36							
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	(1)	32.9	46.9
1976	9.3	1,660	15.1	28.2	--	28.2	43.3
1977	11.2	1,809	20.4	26.1	--	26.1	46.5
1978	11.2	1,969	22.2	30.4	(1)	30.4	52.6
1979	9.7	1,665	16.1	30.0	4.1	34.1	50.2
1980	9.3	1,745	16.2	28.6	5.6	34.2	50.4
1981	9.8	1,776	17.4	29.6	6.8	36.4	53.8
1982 2/	9.0						
Sun-cured, type 37							
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	.8	1,030	.8	1.8	0	1.8	2.6
1978	.7	1,205	.9	1.8	0	1.8	2.7
1979	.5	1,055	.6	2.2	0	2.2	2.8
1980	.4	1,010	.4	2.0	0	2.0	2.4
1981	.5	1,225	.6	1.6	0	1.6	2.2
1982 2/	.7						

	Disappearance			Average price per pound	Price support level	Placed under loan	
	Total	Domestic	Exports			Quantity	Percentage of crop
	Million pounds	Million pounds	Million pounds			Million pounds	Percent
Dark air-cured, types 35-36							
1973	20.2	17.4	2.8	61.9	47.6	(1)	.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	15.1	2.1	116.6	65.9	(1)	--
1977	16.1	13.6	2.4	117.7	70.7	(1)	--
1978	18.4	15.7	2.7	99.1	75.2	4.3	19.7
1979	16.0	14.2	1.8	111.7	80.4	2.2	13.7
1980	14.0	12.0	2.0	126.5	88.0	1.4	8.6
1981					98.7	1.5	8.6
Sun-cured, type 37							
1973	1.1	.9	.2	69.2	47.6	0	--
1974	1.6	1.3	.3	82.1	51.8	3/ 13	1.4
1975	.9	.7	.2	85.5	58.9	0	--
1976	1.1	.9	.2	105.0	65.9	0	--
1977	.8	.6	.1	100.0	70.7	3/ 13	1.6
1978	.5	.3	.2	88.8	75.2	3/ 109	12.4
1979	.8	.6	.2	90.8	80.4	3/ 30	5.2
1980	.8	.7	.1	127.0	88.0	0	0
1981				130.1	98.7	0	0

1/ Less than 50,000 pounds. 2/ February planting intentions. 3/ Quantity placed under loan in thousands of pounds.



Table 28-Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1973-82 (Farm-sales weight)

Crop Year <u>1/</u>	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks <u>1/</u>	Total supply	Total Domestic	Exports		
	Thousand acres	Pounds	Million pounds						Cents
<b>Pennsylvania Seedleaf Filler (type 41)</b>									
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	13.5	1,750	23.6	46.8	70.4	20.7	20.3	.4	60.0
1977	13.5	1,940	26.2	49.7	75.9	21.8	21.6	.2	60.0
1978	13.0	1,940	25.2	54.1	79.3	23.6	23.5	.1	62.0
1979	11.2	1,580	17.7	55.7	73.4	24.3	24.0	.3	72.0
1980	13.0	1,900	24.7	49.1	73.8	21.7	21.4	.3	87.0
1981	13.6	1,850	25.2	52.1	77.3				
1982 <u>2/</u>	13.5								
<b>Ohio, Miami, Valley Filler (types 42-44)</b>									
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	2.1	1,620	3.4	5.9	9.3	3.6	3.6	--	60.0
1976	2.2	1,550	3.4	5.7	9.1	3.1	3.1	--	59.0
1977	1.8	2,025	3.6	6.0	9.6	2.6	2.6	--	62.0
1978	1.6	1,850	3.0	7.0	10.0	3.7	3.7	--	64.0
1979	1.3	1,500	2.0	6.3	8.3	4.5	4.5	--	87.0
1980	1.4	1,700	2.4	3.8	6.2	4.1	4.1	--	107.0
1981	1.7	1,500	2.6	2.1	4.7				
1982 <u>2/</u>	1.9								
<b>Puerto Rico Filler (type 46) <u>3/</u></b>									
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	2.8	1,429	4.1	7.2	11.3	4.9	4.9	--	57.6
1977	2.6	1,480	3.9	6.4	10.3	3.9	3.9	--	60.2
1978	2.2	1,400	3.1	6.4	9.5	2.6	2.6	--	57.0
1979	2.0	1,000	2.0	6.9	8.9	.8	.8	--	69.1
1980	1.1	1,380	1.5	8.1	9.6	1.6	1.6	--	73.5
1981	1.1	1,380	1.5	8.0	9.5				
1982 <u>2/</u>	1.0								
<b>Total Cigar Filler (types 41-46)</b>									
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	17.7	1,870	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	16.8	1,687	27.5	61.2	88.5	28.8	28.4	.4	56.2
1976	18.5	1,681	33.1	59.7	90.2	28.1	27.7	.4	59.4
1977	17.9	1,883	33.7	62.1	95.8	28.3	27.0	.3	60.2
1978	16.8	1,863	31.3	67.5	98.8	29.9	29.8	.1	61.5
1979	14.5	1,475	21.7	68.9	90.6	29.6	29.3	.3	73.1
1980	15.5	1,845	28.6	61.0	89.6	27.5	27.0	.5	87.5
1981	16.4	1,790	29.3	62.1	91.2				
1982 <u>2/</u>	16.4								
<b>Connecticut Valley Binder (types 51-52)</b>									
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	1,582	2.4	6.2	8.6	4.3	4.1	.2	92.7
1976	1.5	1,605	2.4	4.3	6.7	2.4	2.3	.1	89.6
1977	1.4	1,784	2.5	4.3	6.8	1.9	1.9	.*	121.3
1978	1.5	1,734	2.6	4.9	7.5	2.1	2.0	.1	144.9
1979	1.5	1,637	2.4	5.5	7.9	2.2	2.0	.2	161.5
1980	1.5	1,750	2.6	5.7	8.3	2.2	2.0	.2	178.8
1981	1.7	1,778	3.1	6.1	9.2				
1982 <u>2/</u>	1.6								
<b>Southern Wisconsin Binder (type 54)</b>									
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	5.6	1,890	10.6	23.2	33.8	10.0	10.0	--	74.7
1977	6.2	2,020	12.5	23.8	36.3	10.2	10.2	--	84.6
1978	6.2	1,800	11.2	26.0	37.2	11.4	11.4	--	100.5
1979	6.3	2,080	13.1	25.8	38.9	--	--	--	117.0
1980	6.3	2,110	13.3	4/	--	--	--	--	125.0
1981	6.3	2,025	12.8	4/	--	--	--	--	
1982 <u>2/</u>	5.1								

See footnotes at end of table.

Table 28-Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1973-82 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			Cents			
Northern Wisconsin Binder (type 55)									
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	9.6	.1	75.1
1976	5.5	1,750	9.6	16.0	25.6	9.4	9.4	.*	75.2
1977	5.8	2,045	11.9	16.2	28.1	9.1	9.1	.1	85.5
1978	5.9	1,550	9.1	19.1	28.2	8.9	8.9	.1	100.5
1979	6.6	1,810	11.9	19.3	31.2	--	--	.1	117.0
1980	6.6	1,920	12.7	4/	--	--	--	*	125.0
1981	7.1	1,875	13.3	4/	--	--	--	*	125.0
1982 2/	6.5								
Total Wisconsin Binder (types 54-55)									
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	17.1	.1	75.1
1976	11.1	1,821	20.2	39.2	59.4	19.4	19.4	*	75.2
1977	12.0	2,032	24.4	40.0	64.4	19.3	19.3	.1	85.0
1978	12.1	1,678	20.3	45.1	65.4	20.1	20.1	*	100.5
1979	12.9	1,942	25.0	45.3	70.3	21.4	21.4	*	117.0
1980	12.9	2,013	26.0	48.9	74.9	19.2	19.2	*	125.0
1981	13.4	1,946	26.1	55.7	81.8				
1982 2/	11.6								
Total Cigar Binder (types 51-55)									
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	65.0	21.5	21.2	.3	76.9
1976	12.6	1,795	22.6	43.5	66.1	21.8	21.6	.2	76.5
1977	13.4	2,007	26.8	44.3	71.1	21.1	21.1	.1	88.4
1978	13.6	1,684	22.9	50.0	72.9	22.2	22.2	.1	105.6
1979	14.4	1,911	27.5	50.8	78.3	23.6	23.4	.2	120.9
1980	14.4	1,985	28.6	54.6	83.2	21.4	21.2	.2	129.9
1981	15.1	1,926	29.2	61.8	91.0				
1982 2/	13.2								
Connecticut Valley Shade-grown (type 61)									
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	1.8	3.4	540.0
1977	3.3	1,544	5.1	8.9	14.0	4.7	.5	4.2	600.0
1978	2.7	1,392	3.8	9.3	13.1	5.0	.1	4.9	750.0
1979	2.7	1,472	4.0	8.1	12.1	5.4	.5	4.9	850.0
1980	3.0	1,513	4.5	6.8	11.3	5.9	2.3	3.6	980.0
1981	2.6	1,500	3.9	5.3	8.9				
1982 2/	1.2								
Total Shade-grown (types 61-62) 5/									
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	5.6	4.2	585.7
1976	4.6	1,565	7.2	13.6	20.8	7.7	3.8	3.8	528.2
1977	3.4	1,547	5.3	13.1	18.4	5.8	1.0	4.8	591.4
1978	2.7	1,392	3.8	12.7	16.5	6.3	1.0	5.3	750.0
1979	2.7	1,472	4.0	10.2	14.2	6.5	1.1	5.4	850.0
1980	3.0	1,513	4.5	7.8	12.3	6.1	2.2	3.9	980.0
1981	2.6	1,500	3.9	6.2	10.1				
1982 2/	1.2								
Grand Total Cigar Tobacco (types 41-62)									
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.2	1,848	65.1	121.2	186.3	67.7	62.8	4.9	142.5
1975	34.8	1,678	58.4	118.6	177.1	60.3	55.4	4.9	135.1
1976	35.7	1,709	61.0	116.8	177.7	58.2	53.7	4.4	121.4
1977	34.7	1,900	65.9	119.5	185.4	55.2	50.0	5.2	114.9
1978	33.1	1,752	58.0	130.1	188.2	58.6	53.2	5.5	122.1
1979	31.6	1,684	53.2	129.9	183.1	59.7	53.8	5.9	156.4
1980	32.9	1,875	61.7	123.4	185.1	55.0	50.4	4.6	171.2
1981	34.1	1,821	62.4	130.2	192.3				
1982 2/	30.8								

1/October 1 for types 41-55; July 1 for types 61-62. 2/February planting intentions. 3/Puerto Rican planting occurs late in calendar year. Price per pound excludes payment by Puerto Rican Government. 4/Not available. 5/Includes Georgia-Florida shade-grown, type 62 which has not been grown since 1978. July 1, 1981, stocks were 0.8 million pounds. See TS-176 for annual supply and disappearance. \*Less than 50,000 pounds.

Table 29--United States and world production and exports of flue-cured, burley and all unmanufactured tobacco, 1955-81

Period	Flue-cured			Burley			All tobacco		
	United States	World total	United States as % of total	United States	World total	United States as % of total	United States <sup>1/</sup>	World total	United States as % of total
	Million pounds		Percent	Million pounds		Percent	Million pounds		Percent
Production (farm-sales weight)									
Average:									
1955-59	1,208	2,914	41	486	595	82	1,941	8,519	23
1960-64	1,336	3,302	40	624	778	80	2,211	8,898	25
1965-69	1,093	3,666	30	574	824	70	1,856	9,856	19
1970	1,193	3,937	30	561	906	62	1,911	10,021	19
1971	1,078	3,918	28	473	868	55	1,712	9,865	17
1972	1,012	4,076	25	601	1,094	55	1,754	10,155	17
1973	1,157	4,404	27	450	944	48	1,744	10,670	17
1974	1,241	4,788	26	613	1,113	55	1,990	11,385	17
1975	1,415	5,100	28	639	1,240	52	2,182	11,837	18
1976	1,316	5,823	23	679	1,283	53	2,141	13,312	16
1977	1,130	5,802	19	617	1,276	48	1,918	12,989	15
1978	1,232	6,233	20	626	1,311	48	2,028	13,441	15
1979	946	5,503	19	446	1,229	36	1,528	12,569	12
1980 <sup>2/</sup>	1,086	5,413	20	558	1,248	45	1,785	12,290	15
1981 <sup>3/</sup>	1,144	5,914	19	716	1,390	52	2,027	12,838	16
Exports (unmanufactured, export weight)									
Average:									
1955-59	413	683	60	28	47	60	500	4/1,434	35
1960-64	397	772	52	42	74	57	497	4/1,691	30
1965-69	415	790	53	46	106	44	553	1,787	31
1970	368	797	46	41	125	33	510	4/1,838	28
1971	342	831	41	36	128	28	473	4/1,890	25
1972	425	1,046	41	54	175	31	606	4/2,341	26
1973	418	1,088	38	59	210	28	613	4/2,288	27
1974	441	1,232	36	61	265	23	662	3,116	21
1975	391	1,176	33	62	231	27	571	2,854	20
1976	379	1,208	31	68	258	26	587	2,912	20
1977	412	1,238	33	79	291	27	640	2,797	23
1978	455	1,366	33	91	319	29	707	3,107	23
1979	371	1,236	30	82	313	26	567	3,002	19
1980 <sup>2/</sup>	391	1,326	29	91	342	27	599	2,882	21
1981 <sup>3/</sup>	386			74			585		

<sup>1/</sup>Includes Puerto Rico. <sup>2/</sup>Subject to revision. <sup>3/</sup>Preliminary. <sup>4/</sup>Total excludes Sino-Soviet countries. Foreign data supplied by the Tobacco and Cotton Division, Foreign Agricultural Service.

change much from a year ago. So tobacco disappearance is expected to fall below the 1981 crop of 62 million pounds, bringing the 1981 carryover to the highest in 10 years.

### Cigar Filler and Binder Allotments Reduced

For most farms growing cigar filler and binder tobacco (types 42-44, and 53-55), USDA set this year's acreage allotments 20 percent below last year. The Connecticut Valley binder allotments were reduced 15 percent. The Puerto Rico Department of Agriculture has set a quota of 2 million pounds for the 1981/82 crop.

According to the February intentions reports, a 10-percent decrease was indicated for cigar types. A larger decline is expected due to the quota reductions announced February 1 and reduced grower prices. Shade-grown wrapper output will decline by more than half as a major cigar manufacturer is reducing output sharply since shifts to homogenized wrapper require much less natural wrapper. This shift has given manufacturers funds for increased consumer advertising.

Overall, cigar tobacco production in 1982/83 is projected to fall from last year's crop, but with a larger carryin, total supplies may still increase.

**Table 30—Cash receipts from farm marketings, and tobacco, 1972-81**

Period	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	<i>Million dollars</i>				<i>Percent</i>	
1972	35,670	25,520	61,190	1,442	5.7	2.4
1973	45,936	41,132	87,068	1,570	3.8	1.8
1974	41,359	51,090	92,449	2,097	4.1	2.3
1975	43,059	45,150	88,209	2,155	4.6	2.4
1976	46,112	48,668	94,780	2,310	4.7	2.4
1977	47,639	48,650	96,289	2,331	4.8	2.4
1978	59,213	53,711	112,924	2,606	4.8	2.3
1979	68,522	63,394	131,916	2,271	3.6	1.7
1980	67,405	69,026	136,431	2,672	3.9	1.9
1981 <sup>1</sup>	68,785	73,943	142,728	3,295	4.5	2.3

<sup>1</sup>Preliminary.

**Table 31—Expenditures for tobacco products, and disposable personal income, 1972-81**

Year	Total	Cigarettes	Cigars <sup>1</sup>	Other <sup>2</sup>	Disposable personal income <sup>2</sup>	Percent of disposable personal income spent on tobacco products			
						All	Cigarettes	Cigars <sup>1</sup>	Other <sup>2</sup>
	<i>Million dollars</i>				<i>Billion dollars</i>	<i>Percent</i>			
1972	12,910	11,765	720	425	810	1.61	1.47	.09	.05
1973	13,485	12,325	730	430	914	1.50	1.37	.08	.05
1974	14,475	13,270	705	500	998	1.47	1.35	.07	.05
1975	15,505	14,250	680	575	1,096	1.43	1.32	.06	.05
1976	16,410	15,100	675	625	1,194	1.39	1.28	.06	.05
1977	17,190	15,850	665	675	1,312	1.32	1.22	.05	.05
1978	18,030	16,600	680	750	1,463	1.24	1.14	.05	.05
1979	19,150	17,650	670	830	1,642	1.17	1.08	.04	.05
1980	21,000	19,400	670	930	1,822	1.15	1.06	.04	.05
1981 <sup>3</sup>	22,950	21,200	710	1,040	2,015	1.14	1.05	.04	.05

<sup>1</sup>Includes small cigars (cigarette-size). <sup>2</sup>Smoking tobacco, chewing tobacco, and snuff. Compiled from reports of Department of Commerce, Bureau of Economic Analysis. <sup>3</sup>Subject to revision.

**Table 32—Governmental revenues from tobacco products, 1972-81**

Year	Federal Government			State and local Governments		All Governments	
	Cigarettes <sup>1</sup>	Cigars <sup>2</sup>	Other <sup>3</sup>	Total	State		Local
<i>Million dollars</i>							
1972	2,140	53	1	2,195	2,951	179	5,325
1973	2,404	53	3	2,460	3,126	145	5,731
1974	2,308	52	2	2,362	3,287	113	5,762
1975	2,249	50	3	2,302	3,369	119	5,790
1976	2,322	48	4	2,374	3,445	125	5,944
1977	2,343	35	4	2,382	3,580	131	6,093
1978	2,537	38	5	2,580	3,642	132	6,354
1979	2,409	35	4	2,448	3,700	132	6,280
1980	2,564	41	4	2,609	<sup>4</sup> 3,820	<sup>4</sup> 131	6,560
1981 <sup>4</sup>	2,516	40	4	2,560	4,100	130	6,790

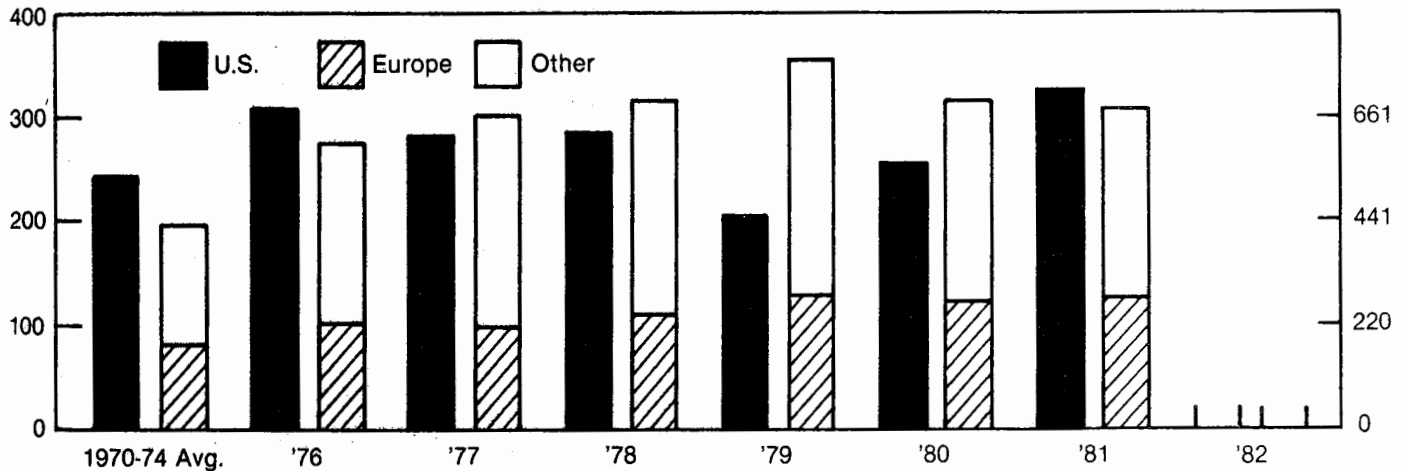
<sup>1</sup>Includes large cigarettes. <sup>2</sup>Includes small cigars and revenue on cigars from Puerto Rico covered into the Treasury of Puerto Rico. <sup>3</sup>Includes cigarette paper and tubes, and imported cigarettes and cigars. <sup>4</sup>Estimated.

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

**Burley Tobacco: Estimated World Production**

Thous. metric tons

Mil. lbs.

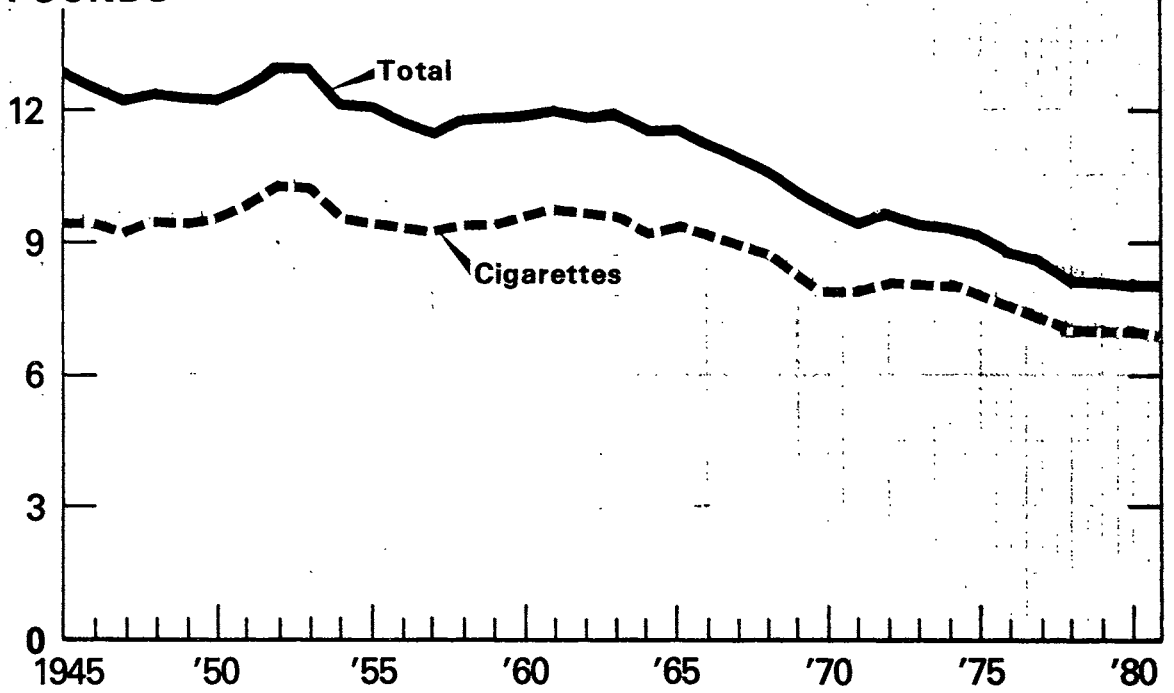


USDA

Neg. ERS 2402-82(3)

# TOBACCO CONSUMPTION PER PERSON\*

POUNDS



\*18 YEARS AND OVER; UNSTEMMED PROCESSING WEIGHT EQUIVALENT.  
'LATEST YEAR PRELIMINARY.

USDA

NEG. ERS 1416-82(3)

STATISTICAL SUMMARY

Item	Unit or base period	1981			1981-82		Last data as percentage of a year earlier
		Jan.	Feb.	Dec.	Jan.	Feb.	
Average price at auctions							
Flue-cured	Ct. per lb.	Closed	Closed	Closed	Closed	Closed	
Burley	Ct. per lb.	166.0	165.5	180.5	182.0	180.5	109
Maryland	Ct. per lb.	Closed	Closed	132.0	Closed	Closed	
Virginia fire-cured	Ct. per lb.	118.5	106.0	Closed	133.5	109.5	103
Ky.-Tenn. fire-cured	Ct. per lb.	124.5	139.0	Closed	151.5	170.5	123
Ky.-Tenn. dark air-cured	Ct. per lb.	129.0	Closed	177.0	132.5	Closed	103
Virginia sun-cured	Ct. per lb.	125.0	Closed	129.5	135.5	Closed	108
Price support level 1/							
Flue-cured	Ct. per lb.	158.7			**		
Burley	Ct. per lb.	163.6			**		
Virginia fire-cured	Ct. per lb.	111.0			**		
Ky.-Tenn. fire-cured	Ct. per lb.	111.0			**		
Ky.-Tenn. dark air-cured	Ct. per lb.	98.7			**		
Virginia sun-cured	Ct. per lb.	98.7			**		
Connecticut Valley cigar binder	Ct. per lb.	113.3			**		
Wis. binder and Ohio filler	Ct. per lb.	81.8			**		
Puerto Rican filler	Ct. per lb.	84.9			**		
Parity index 2/	1910-14=100	1,102	1,017	1,031	1,058	1,060	104
Industrial production index 3/	1967=100	151.0	151.8	143.4	139.1		92
Employment	Mil.	99.9	100.1	99.6	99.6		100
Personal income 4/	Bil. dol.	2,300.7	2,318.2	4,920.9	2,494.7		108
		1980-81			1981-82		
		Dec.	Jan.	Nov.	Dec.	Jan.	
Taxable removals							
Cigarettes	Bil.	43.8	53.0	49.7	42.3		97
Cigars and cigarillos	Mil.	283.7	257.8	324.0	265.2		93
Accumulated from Jan. 1							
Cigarettes	Bil.	620.7		593.8	636.1		102
Cigars and cigarillos	Mil.	3,991.8		3,604.8	3,870.1		97
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	30.6			30.0		98
Chewing tobacco	Mil. lb.	105.9			106.4		100
Snuff	Mil. lb.	23.9			25.5		107
Tax-exempt removals							
Cigarettes	Bil.	8.2	9.9	7.4	6.5		79
Exports	Bil.	6.8	7.0	8.1	4.7	6.4	91
Cigars and cigarillos	Mil.	22.8	10.5	11.4	14.2		62
Accumulated from Jan. 1							
Cigarettes	Bil.	94.3		85.5	92.0		98
Exports	Bil.	82.0		77.9	82.6		101
Cigars and cigarillos	Mil.	200.1		146.2	163.4		82
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	.8			.8		100
Chewing tobacco	Mil. lb.	.3			.2		67
Producer price indexes 5/							
Tobacco products	1967=100	254.2	254.3	278.0	277.9	277.9	109
Cigarettes (filtertip, king size)	1967=100	257.0	257.0	283.3	283.3	283.3	110
Cigars	1967=100	162.1	163.3	171.3	171.3	171.3	105
Smoking tobacco	1967=100	268.7	268.7	N/A	296.4	296.4	110
Plug chewing tobacco	1967=100	327.7	327.7	362.5	362.5	362.5	111
Snuff	1967=100	297.6	300.2	N/A	345.5	345.5	115
Consumer price indexes (urban)							
Tobacco products	1967=100	210.8	211.9	226.2	226.8	227.1	107
Cigarettes	1967=100	213.5	214.6	228.9	229.7	230.0	107
Other tobacco products 6/	Dec. 1977=100	124.9	125.5	134.7	134.4	134.7	107
Imports of tobacco (for consumption)							
Cigarette leaf	Mil. lb.	16.2	25.6	15.3	8.6	22.7	89
Cigar tobacco (leaf and scrap)	Mil. lb.	3.5	6.4	3.9	3.3	4.0	63
Other tobacco (leaf and scrap)	Mil. lb.	6.5	6.5	8.3	4.8	9.2	142
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	214.4		220.6	229.3		107
Cigar tobacco (leaf and scrap)	Mil. lb.	47.4		46.9	49.4		104
Other scrap and tobacco NSPF 7/	Mil. lb.	106.5		115.2	120.0		113

See footnotes at end of table.

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1980-81		1981-82		Last data as percentage of a year earlier	
		December	January	November	December		January
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	75.7	50.2	96.7	62.3	33.0	66
Burley	Mil. lb.	1.7	2.7	4.8	3.7	5.5	204
Maryland	Mil. lb.	.7	0	1.3	.7	.2	0
Virginia fire- & sun-cured	Mil. lb.	*	0	*	*	.2	0
Ky.-Tenn. fire-cured	Mil. lb.	1.4	.7	1.3	1.5	.4	57
Ky.-Tenn. dark air-cured	Mil. lb.	.3	.3	.1	.1	.2	67
Cigar wrapper	Mil. lb.	.2	.1	.1	.1	.1	100
Cigar binder	Mil. lb.	*	.1	*	0	0	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	289.0	339.2	266.3	328.6	361.6	107
Burley	Mil. lb.	8.4	11.4	6.8	10.4	16.0	140
Maryland	Mil. lb.	2.1	2.1	2.3	3.0	3.2	152
Virginia fire- & sun-cured	Mil. lb.	.6	.6	.3	.4	.6	100
Ky.-Tenn. fire-cured <u>9/</u>	Mil. lb.	3.5	4.2	2.8	4.2	4.7	112
Ky.-Tenn. dark air-cured <u>9/</u>	Mil. lb.	.8	1.1	.4	.5	.6	55
Cigar wrapper	Mil. lb.	2.0	2.1	.9	.9	1.0	48
Cigar binder	Mil. lb.	.1	.2	.1	*	*	---
Cigar filler	Mil. lb.	*	*	*	*	.1	---
Exports of manufactured tobacco in bulk and not elsewhere classified <u>10/</u>	Mil. lb.	.3	.3	1.0	.7	2.2	733
Accumulated from Jan. 1	Mil. lb.	17.5		11.8	12.6		72
Quarterly data							
		1980-81		1981-82			
		Oct.-Dec.	Jan.-Mar.	Oct.-Dec.	Jan.-Mar.		
Stocks of tobacco--1st of quarter (farm-sales weight) <u>11/</u>							
Domestic types							
Flue-cured	Mil. lb.	2,430	2,520	2,570	2,588		103
Burley	Mil. lb.	1,026	1,299	1,000	1,366		105
Maryland	Mil. lb.	39	33	37	37		112
Fire-cured	Mil. lb.	77	76	71	67		88
Dark air- and sun-cured	Mil. lb.	36	41	38	41		100
Cigar filler	Mil. lb.	61	56	62	58		104
Cigar binder	Mil. lb.	55	52	62	58		112
Cigar wrapper	Mil. lb.	7	7	6	6		86
Under Government loan <u>12/</u>	Mil. lb.	698	752				
Foreign types							
Cigarette and smoking	Mil. lb.	719	676	752	760		112
Oriental	Mil. lb.	336	316	320	337		107
Flue-cured	Mil. lb.	167	152	167	152		100
Burley	Mil. lb.	216	208	265	272		131
Cigar	Mil. lb.	93	87	94	94		108
Tobacco outlets <u>13/</u>							
Seasonally adjusted data, annual rates, for charts, p. 2							
Cigarettes							
Production	Bil.	738.8	755.0	714.6	755.0		100
Tax-paid removals	Bil.	636.5	626.0	610.7	626.0		100
Cigar production							
Large	Bil.	4.09	4.14	3.97	4.14		100
Small	Bil.	1.43	1.42	1.04	1.36		95
Smoking production	Mil. lb.	34.7	30.5	32.2	29.3		96
Chewing production							
Loose leaf	Mil. lb.	70.3	70.8	71.4	70.8		100
Plug and other	Mil. lb.	34.8	37.1	33.5	36.4		98
Snuff production	Mil. lb.	23.2	26.3	26.4	26.3		100
Exports of leaf							
Total	Mil. lb.	640.8	569.2	747.0	780.0		137
Flue-cured	Mil. lb.	570.9	476.1	650.4	568.0		119

1/ 1981 and 1982 crops, respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Federal and applicable state and local taxes included. 6/ Includes tobacco accessories. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Includes Black Fat. 10/ Smoking tobacco in bulk through December 1977. Beginning January 1978 blended strips no longer included. 11/ Holdings of manufacturers and dealers, including grower cooperatives. 12/ Reported by grower cooperatives. 13/ Latest quarter is estimated. \*Less than 50,000 pounds. \*\*Estimated. Detail may not add due to rounding.



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USDA's Statistical Reporting Service (SRS) announced on March 10 that it is cutting back portions of the crop and Livestock estimating program, in order to stay within the agency budget. SRS plans to report tobacco by 7 classes and 21 types only in the August and January issues of Crop Production. Other months will carry

only U.S. and state estimates for all-tobacco". In several states with multiple tobacco types agricultural statisticians indicate they are making arrangements to continue the class and type reporting program. (USDA News Center 272-82).



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