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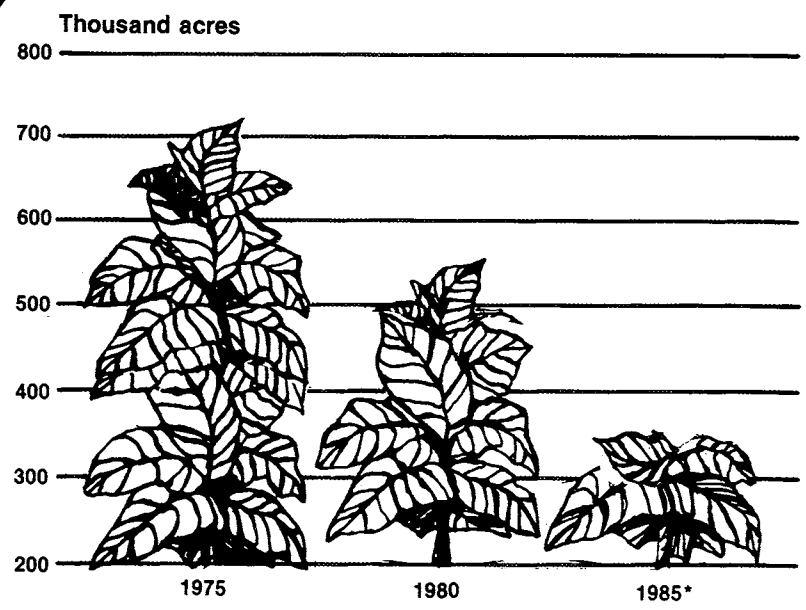
Tobacco

Outlook and Situation Report

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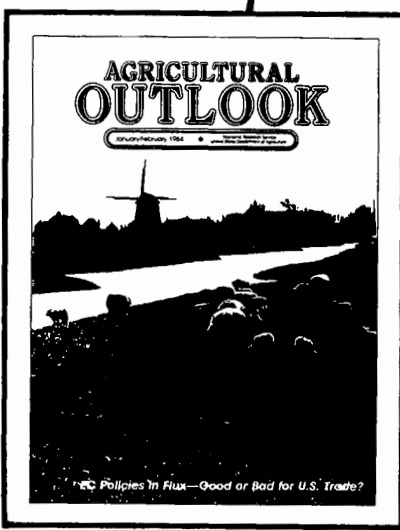
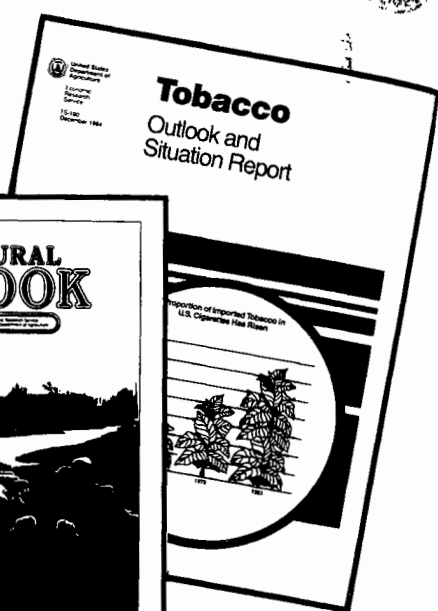
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U.S. Flue Cured Acreage Cut in Half
During Last Decade



*1985 data based on Feb. 1 planting intentions.

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The **Tobacco Outlook and Situation** has shifted to a new schedule. Instead of quarterly, the report will appear twice a year. Subscribers who signed up for four issues of the series will continue receiving copies until their subscriptions expire.

The **Tobacco Outlook and Situation** will be issued each March and September. As a supplement to the regular series, a Tobacco Yearbook will contain both current and historical statistics, and a brief update on the commodity.

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SUMMARY

U.S. tobacco growers indicated in early February they intended to reduce this year's total crop about 10 percent to 715,000 acres. This is in response to an 8-percent cut in the effective quota for flue-cured and a 22-percent reduction for burley. If growers of flue-cured tobacco carry out their intentions, acreage would drop to a record-low 361,000.

The smaller acreage, together with average yields, would lower this year's crop about 15 to 20 percent from 1984's 1.74 billion pounds. The domestic tobacco supply for 1985/86 would fall a little from this season's level.

The larger 1984 crop boosted this season's domestic leaf supply to 5.47 billion pounds, 2.5 percent above the previous year. On January 1, off-farm domestic stocks were 1 percent higher than a year earlier. With a hike in exports and stable domestic consumption, total use of U.S. tobacco during 1984/85 may rise 3 to 4 percent. Still, October 1 carryover stocks of all tobacco may rise a little from a year earlier.

Last year, cigarette output rose slightly to 668 billion. Domestic use rose modestly, but exports fell. U.S. smokers consumed 600 billion cigarettes in 1984, about the same as in 1983. Annual consumption per adult declined 1 percent to 3,454 cigarettes. Total cigarette use may decline this year because of further price hikes, continued antismoking activity, and smoking restrictions.

The value of U.S. leaf and tobacco product exports last year rose 2 percent from 1983. A larger volume was recorded for leaf exports and manufactured exports; however, both categories carried lower prices. Exports of unmanufactured tobacco totaled 543 million pounds (246,000 metric tons), or 650 million pounds, farm-sales weight. This year, export

volume is expected to rise a little, but competition from countries such as Zimbabwe and Brazil, and reduced consumption in some major U.S. markets will hold down the increase.

In 1984, unmanufactured tobacco imports and the Customs category for machine processed leaf (duty paid) fell 21 percent to 416 million pounds (189,000 metric tons). The large drop reflects unusually large imports of machine-threshed leaf in 1983, when importers anticipated a tariff reclassification of certain tobaccos. Last year's imports represented about a third of the tobacco used in U.S. cigarette production. After an investigation and hearings under Section 22 of the Agricultural Adjustment Act, the International Trade Commission (ITC) voted against placing import quotas or fees on burley, flue-, fire-, or dark air-cured tobacco. The ITC recommendation has been sent to President Reagan, who can accept or reject it.

Flue-cured tobacco disappearance in the current marketing year may rise from last year's 894 million pounds, as increased exports may more than offset reduced domestic use. With the smaller 1984 crop, the carryover on July 1, 1985, will probably decline about 3 percent from last July's 2.17 billion pounds. Production in 1985 is expected to drop from last year's 865 million pounds.

Total disappearance of burley tobacco in 1984/85 is likely to increase from 1983/84's 501 million pounds, with a rise in both domestic use and exports. Burley sales this season totaled about 672 million pounds, 28 percent more than last season but 60 million short of estimated production. The burley carryover next October 1 may be about 10 percent above a year earlier.

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Tobacco Outlook and Situation is published in March and September, with a

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TOBACCO PRODUCTS

Cigarette Prices Rising

Cigarette Use Stabilizes In 1984

Despite higher prices, antismoking activities, and restrictions on where people can smoke, U.S. cigarette consumption stabilized in 1984. Americans smoked 600 billion cigarettes last year, about the same as in 1983, but down 5 percent from 1982. However, cigarette prices rose less rapidly than in 1983, the economy improved and some consumers switched to generic cigarettes that are 20 to 25 percent cheaper than standard brands. While domestic use stabilized and exports declined, output rose slightly to 668 billion cigarettes. In 1985, total domestic consumption is expected to decline slightly as some States raise taxes and smoking restrictions increase. Per capita consumption will continue to fall. Last year, per capita use by persons 18 and over fell to 3,454 cigarettes—down from 3,494 in 1983.

The annual Economic Research Service survey of cigarette manufacturers indicated that production of filtertip cigarettes rose to 94.2 percent of total output in 1984, up from 93.6 percent in 1983. The gain was concentrated in the 100-millimeter size, which made up about 36 percent of 1984 output (table 3).

Manufacturers raised wholesale cigarette prices two times last year for a total increase of 7 percent (table 4). Retail prices also rose 7 percent, and are expected to rise further this year.

Five States raised cigarette taxes in 1984 an average of 2 cents a pack. State cigarette tax rates (weighted by number of packs taxed) averaged 15.4 cents per pack in December 1984, 0.1 cent above a year earlier. Maine has announced an excise tax increase to 28 cents a pack effective October 1, 1985, and excise tax increases have been proposed in several other States. The Federal excise tax was increased to 16 cents a pack on January 1, 1983, but under current law it is scheduled to return to 8 cents on October 1, 1985. However, a number of bills have been introduced in Congress to extend the 16-cent rate.

Cigar and Smoking Tobacco Use Again Lower

Large cigar use (including cigarillos) continued to decline in the fourth quarter of 1984. Last year, U.S. smokers used about 3.49 billion large cigars, 3 percent fewer than a year earlier (table 6). Production of small cigars—less than 3 pounds per 1,000—declined to 1.26 billion pieces, down 7 percent from

Table 1--Cigarettes: U.S. output, removals, and consumption, 1976-84

Year	Output	Removals					Estimated inventory increase	Total U.S. consumption ^{3/}
		Taxable	Total	Tax-exempt				
				Exports	Shipments ^{1/}	Overseas forces ^{2/}		
Billions								
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	93.8	79.7	1.1	13.0	5.7	621.5
1980	714.1	620.5	94.2	82.0	.9	11.3	2.3	631.5
1981	736.5	638.1	92.0	82.6	.8	8.6	8.0	640.0
1982	694.2	614.1	82.1	73.6	.8	7.7	-10.8	634.0
1983	667.0	597.5	69.7	60.7	.8	8.2	7.2	600.0
1984 4/	668.2	597.8	67.1	56.5	.8	9.8	8.8	600.4

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

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

Table 2--Per capita consumption of tobacco products in the United States
(including overseas forces), 1975-84

Year	Per capita 18 years and over				Per male 18 years and over			
	Cigarettes 1/		Snuff	All tobacco products 1/	Large cigars & cigarillos		Smoking tobacco 2/	Chewing tobacco
	Number	Pounds	Pounds	Pounds	Number	Pounds	Pounds	Pounds
1975	4,123	7.73	3/	3/	82.4	1.32	.76	3/
1976	4,092	7.35	3/	3/	75.0	1.20	.75	3/
1977	4,051	7.21	3/	3/	67.9	1.13	.65	3/
1978	3,967	6.89	3/	3/	63.4	1.05	.60	3/
1979	3,861	7.00	3/	3/	56.0	.92	.50	3/
1980	3,851	6.79	3/	3/	51.1	.84	.48	3/
1981	3,840	6.53	.25	7.60	48.9	.81	.46	1.13
1982	3,746	6.47	.26	7.49	45.3	.74	.42	1.09
1983 4/	3,494	6.25	.27	7.24	43.9	.72	.41	1.06
1984 4/	3,454	6.15	.27	7.11	42.0	.69	.36	1.05

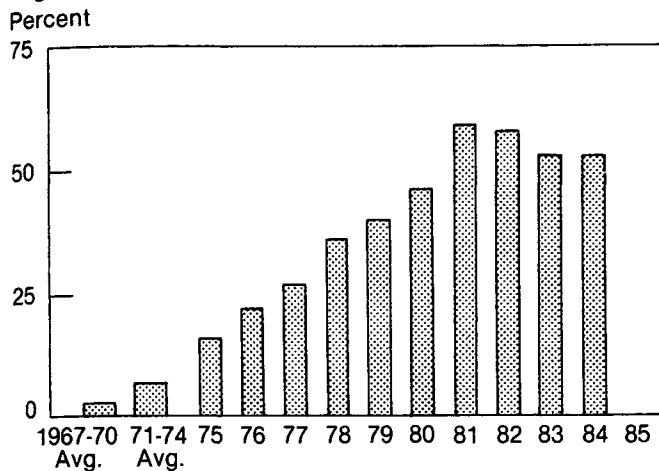
1/ Unstemmed processing weight. 2/ Finished product weight. 3/ New product classifications became effective January 1, 1982. Revisions for 1980 and prior years not available. 4/ Subject to revision. Data prior to 1979 do not include results of 1980 census.

Table 3--Cigarettes: Output of filter tip and nonfilter tip by length, 1982-84 1/

Item	1982		1983		1984 2/	
	Output	Percent of total	Output	Percent of total	Output	Percent of total
	Billion	Percent	Billion	Percent	Billion	Percent
Filter tip						
80 mm Long	73.1	10.6	75.9	11.4	71.6	10.7
85 mm King	330.7	47.6	307.8	46.1	306.0	45.8
100 mm Extra Long	229.4	33.0	226.8	34.0	237.7	35.6
120 mm	14.0	2.0	14.0	2.1	13.7	2.1
Total	647.2	93.2	624.5	93.6	629.0	94.2
Nonfilter tip						
70 mm Regular	21.3	3.1	18.6	2.8	17.7	2.6
85 mm King	25.7	3.7	23.9	3.6	21.5	3.2
Total	47.0	6.8	42.5	6.4	39.2	5.8
Grand total	694.2	100.0	667.0	100.0	668.2	100.0

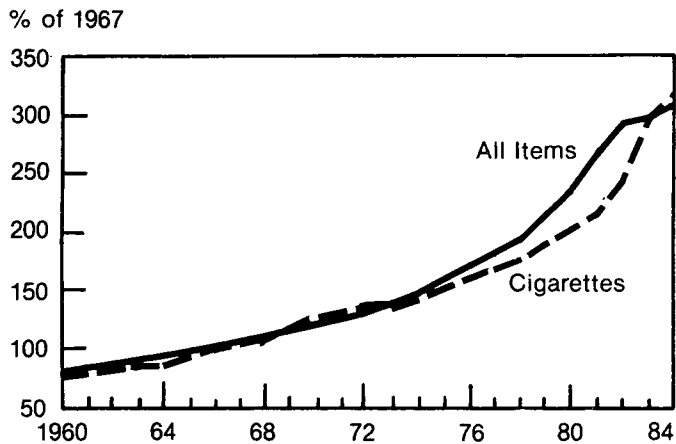
1/ Cigarettes having other lengths were included in the most nearly comparable group.
2/ Preliminary.

Cigarettes Low-Tar Market Share*



*15 mg. "Tar" or less. Federal Trade Commission Data.
Latest year estimated.

Consumer Price Index and Cigarette Prices



BLS Data. Beginning 1978 for all urban consumers.
Cigarettes, filter tip, king size for 1960-77.

Table 4—Wholesale cigarette price revisions, 1977-84 1/

Approximate date of change 3/	Net price per 1000				Net price per 1000 excluding Federal excise tax 2/			
	Standard	King size	Filter tips	100 millimeter	Standard	King size	Filter tips	100 millimeter
Dollars								
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
December 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
January 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
Aug.-Sept. 1982 4/	22.70	23.70	22.70	23.70	18.70	19.70	18.70	19.70
October 1982 4/	24.20	25.20	24.20	25.20	20.20	21.20	20.20	21.20
November 1982 4/	25.20	26.20	25.20	26.20	21.20	22.20	21.20	22.20
January 1983 5/	26.90	27.90	26.90	27.90	18.90	19.90	18.90	19.90
June 1983	28.40	29.40	28.40	29.40	20.40	21.40	20.40	21.40
December 1983	29.15	30.15	29.15	30.15	21.15	22.15	21.15	22.15
June 1984	30.15	31.15	30.15	31.15	22.15	23.15	22.15	23.15
December 1984 6/	31.15	32.40	31.15	32.40	23.15	24.40	23.15	24.40

1/ Includes leading brands. A 3-percent discount is made for payment within 10 days or 2 percent within 14 days. 2/ Effective January 1, 1983, the Federal excise tax doubled to \$8.00 per 1,000 cigarettes. 3/ For 1940-74, see TS-151, March 1975; for 1974-76, see TS-177, September 1981. 4/ Manufacturers increased prices by a different amount. The change shown represents a major manufacturer whose prices were between the highest and lowest. 5/ The January price increase brought major manufacturers' prices in line. 6/ Some prices raised by a smaller amount. Generic cigarette prices are 20 to 25 percent lower than prices listed.

Table 5--Tobacco products: Output and domestic sales, 1982-84

Item	Manufactured			Invoiced to domestic customers 1/		
	1982	1983	1984 2/	1982	1983	1984 2/
Million pounds						
Chewing Tobacco:						
Plug-firm	10.5	9.7	8.5	10.2	9.6	8.7
Plug-moist	5.2	4.4	4.2	5.1	4.4	4.0
Twist	1.7	1.7	1.7	1.8	1.7	1.6
Loose leaf	73.0	71.0	74.4	70.9	70.9	73.0
Total	90.4	86.8	88.8	88.0	86.6	87.3
Snuff-dry	10.3	10.5	10.2	11.2	10.7	10.2
Snuff-moist	33.5	36.2	39.2	32.7	35.0	37.5
Total	43.8	46.7	49.4	43.9	45.7	47.7
Smoking						
Pipe	25.3	23.7	20.8	24.5	23.0	20.6
Granulated or sack	.3	.4	.3	.3	.4	.3
Cigarette cut	2.7	4.0	3.4	3.0	3.6	3.4
Total	28.3	28.0	24.5	27.8	27.0	24.3
Smoking tobacco in bulk (exports)	11.1	7.9	9.3	---	---	---
Manufactured smoking tobacco (exports)	8.0	13.8	23.0	---	---	---
Small cigars (millions)	1,316	1,352	1,256	1,265	1,334	1,234

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

1983. While total cigar use probably will continue to fall, the rate of decline has slowed.

Smoking tobacco consumption last year totaled 30 million pounds, 11 percent below 1983. Sales (including imports) of pipe tobacco, the major category, declined while use for roll-your-own cigarettes increased (table 8).

Smokeless Tobacco Use Rises

During 1984, both snuff and chewing tobacco use rose (table 5). Employment went up in many industries where chewing tobacco is typically used. Among smokeless products, moist snuff and loose-leaf chewing consumption increased, while other categories--dry snuff, twist chewing, and plug chewing--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 exporter as well as the largest

importer. During 1960-64, about 30 percent of U.S. tobacco production was exported. By 1979-83, exports increased to 39 percent of the crop and represented about 18.5 percent of world tobacco exports. However, the U.S. share of world exports is declining and fell to 17 percent in 1983.

U.S. exports of unmanufactured tobacco and tobacco products were valued at \$2.7 billion in calendar 1984, 2 percent above 1983 but 5 percent below 1982's record. This figure includes unmanufactured tobacco worth \$1.51 billion and tobacco products valued at \$1.19 billion. Unit values of both unmanufactured and manufactured products were down a little from a year earlier but the rise in volume was more than offsetting. U.S. tobacco imports fell 22 percent in value to \$636 million, leaving a trade balance of \$2.07 billion, 13 percent above 1983 but 9 percent below the 1982 record.

Last year, U.S. cigarette exports fell 7 percent. The declared value declined about 1 percent to \$1.12 billion. However, unit values rose 7 percent. Over half the cigarette

Table 6--Cigars and smoking tobacco: Output, removals, and consumption, 1982-84

Year and item	United States factories			From Puerto Rico, taxable	Imports	Exports	Total U.S. consumption 1/
	Output	Removals					
		Taxable	Tax-exempt				
Millions							
Large cigars 2/							
1982	3,169	3,056	158	500	134	181	3,667
1983	3,135	3,031	140	429	135	130	3,605
1984 4/	3,129	2,960	121	371	143	104	3,491
Million pounds							
Smoking tobacco							
1982	28.3	27.9	.7	--	3/ 6.1	1.0	33.7
1983	28.0	27.0	.6	--	3/ 6.7	1.0	33.3
1984 4/	24.5	24.3	.4	--	3/ 5.9	.9	29.7

1/ Total removals (or sales) from U.S. and Puerto Rican factories, plus imports, minus exports.
 2/ Includes cigarillos. 3/ From European countries normally not suppliers of packaged tobacco.
 4/ 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, 1975-84*

Year	Population July 1 1/	Disposable personal income, per capita 2/		Consumer price indexes 3/				
		Current prices	1972 prices	All items	Tobacco products	Cigarettes		Cigars, regular size
						Nonfilter tip regular	Filter tip, king size	
	Million	Dollars		1967=100				
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	4/ 103.9
1979	161.0	7,293	4,493	217.5	187.9	--	189.7	4/ 110.6
1980	164.0	8,032	4,487	246.8	202.6	--	205.2	4/ 120.0
1981	166.7	8,874	4,561	272.4	218.9	--	221.4	4/ 131.2
1982	169.3	9,385	4,555	289.0	243.4	--	247.1	4/ 140.8
1983	171.7	9,977	4,670	298.4	290.9	--	297.9	4/ 150.2
1984 5/	173.8	10,891	4,938	311.1	310.0	--	318.4	4/ 158.5

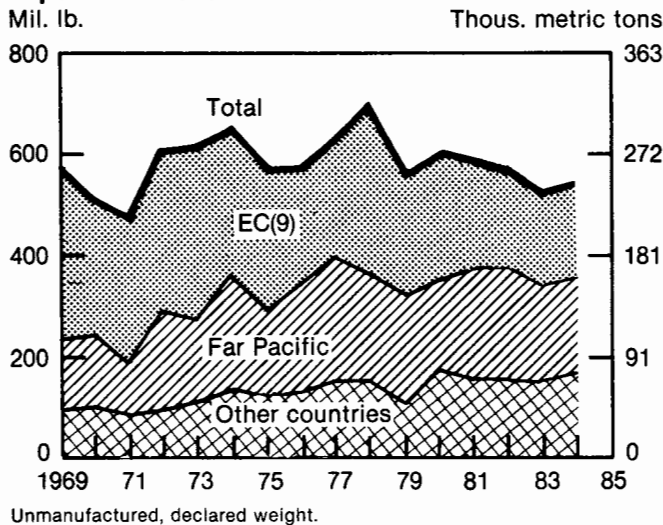
1/ 18 years and older including forces overseas. 2/ Based on total population. 3/ All urban consumers, 1978-84; urban wage earners and clerical workers, 1973-77. 4/ Other tobacco products and smoking accessories, December 1977=100. 5/ Subject to revision. *Data prior to 1979 do not include results of 1980 census.

Table 8--Estimated number of roll-your-own cigarettes smoked and smoking tobacco consumed, 1981-84

Year	Roll-your-own cigarettes 1/	Total 2/	Smoking tobacco for			
			Roll-your-own cigarettes		Pipe tobacco	
			Quantity	Percent of total	Quantity	Percent of total
	Billions	Million pounds	Million pounds	Percent	Million pounds	Percent
1981	4.6	36	8	22	28	78
1982	4.7	34	8	24	26	76
1983	5.5	33	9	29	22	71
1984 3/	5.6	30	9	30	21	70

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

Export Market for U.S. Tobacco



exports go to Asian countries, although the Census Bureau records about 120 countries as destinations.

Leaf Tobacco Exports Decline

U.S. exports of unmanufactured tobacco rose 4 percent from 1983 to 543 million pounds (246,000 metric tons) in export dried weight primarily because of the improved quality of the flue-cured crop. The farm sales weight rose to 650 million pounds, up 20 million from a year earlier. Exports of flue-cured, cigar, black fat, Kentucky-Tennessee dark air-cured

leaf, and Virginia fire and sun cured leaf gained. The gains in cigar wrapper and binder exports more than offset a decline in filler exports. Burley, Maryland, and Kentucky-Tennessee fire-cured declined (table 12).

European markets, which typically take more than half of U.S. leaf exports, increased U.S. purchases by 7 percent. However, purchases by Asian countries remained about unchanged.

Despite the rebound in exports last year, several factors continue to hold U.S. exports below levels of every year from 1972 to 1982. Because of increased excise taxes, several countries are experiencing reductions or slowdowns in the growth of cigarette sales. Also, the high cost of U.S. tobacco and the strength of the U.S. dollar against foreign currencies have raised costs to importers and are causing a further shift to foreign tobacco, particularly that grown in Brazil and Zimbabwe. High interest rates are limiting manufacturers' ability to carry stocks. These factors, combined with ample cheaper foreign stocks, will probably restrain U.S. exports in 1985, although some growth is expected, because of the higher quality 1984 crop.

For the fourth year in a row, Japan was the leading buyer of U.S. tobacco leaf, followed by West Germany. U.S. exports to West Germany rose 14 percent, while Japan

Table 9--U.S. cigarette exports to leading destinations, 1982-84

Country	1982	1983	1984 1/
Billions			
Belgium-Luxembourg	15.7	13.0	11.2
Hong Kong	7.7	7.4	7.5
United Arab Emirates	.6	1.3	.8
Netherlands Antilles	3.6	1.4	1.1
Saudi Arabia	5.5	6.2	6.1
Japan	4.8	5.5	6.3
Kuwait	1.4	1.5	1.5
Spain 2/	1.8	1.2	.8
Colombia	1.5	.7	.3
Other	31.0	22.5	20.9
Total	73.6	60.7	56.5

1/ Subject to revision. 2/ Includes Canary Islands.

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

Table 10--Large cigars: Taxable removals by revenue class, 1983-84

Revenue class and wholesale price 1/	1983	1984	Change from 1983 2/
Billions			
Dollars per thousand			
A-C (up to \$66)	.29	.24	-17
D-E (over \$66 to \$120)	1.94	1.87	-4
F-H (over \$120)	1.35	1.31	-3
Total removals	3.58	3.41	-5

1/ Wholesale price classes roughly equivalent to retail price classes used prior to February 1, 1977.
2/ Computed from unrounded data.

Compiled from reports of the Bureau of Alcohol, Tobacco and Firearms, and Tobacco Merchants Association of the U.S.

Table 11--U.S. tobacco exports and imports: Unmanufactured and manufactured, 1975-84

Year	Exports		Imports 1/			Net exports (value)		Total	
	Unmanufactured		Unmanufactured		Manu- factured 3/	Unmanu- factured	Manu- factured		
	Quantity 2/	Value	Quantity 2/	Value					
	Million lbs.	Million dollars	Million lbs.	Million dollars		Million dollars			
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	335.9	354.0	201.6	1,103.5	1,063.7	2,167.2
1982	572.1	1,546.5	1,298.0	295.8	342.0	226.7	1,204.5	1,071.3	2,275.8
1983	524.4	1,461.7	1,185.6	317.2	413.8	403.5	1,047.9	782.1	1,830.0
1984	542.7	1,511.1	1,192.5	409.1	547.6	88.3	963.5	1,104.2	2,067.7

1/ For consumption. 2/ Declared weight. 3/ Quantity in million pounds was: 1979, 10.4; 1980, 36.9; 1981, 109.8; 1982, 199.3; 1983, 219.1; 1984, 16.3.

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

Table 12--U.S. exports of unmanufactured tobacco by types and to principal importing countries, 1980-84 (declared weight)

Type & country	1980	1981	1982	1983	1984 1/	1984 as a % of 1983
	Million pounds			Percent		
Type						
Flue-cured	391.1	386.3	348.4	310.6	349.8	113
Burley	90.8	74.1	103.6	90.8	73.6	81
Maryland	7.1	7.3	6.7	8.1	3.7	46
Fire-cured, Ky. and Tenn.	14.6	16.3	18.8	19.6	14.2	72
Virginia fire & sun-cured	2.9	1.5	2.7	1.1	2.4	218
Green River & One-Sucker	.1	.2	.2	.1	.5	500
Black Fat	2.6	2.5	2.2	1.9	2.5	132
Cigar wrapper	4.2	2.5	1.1	.9	1.9	211
Cigar binder	.2	.1	.1	.2	.2	100
Cigar filler	.2	.5	.2	.3	.3	100
Perique	.1	.1	.1	.4	.1	25
Stems, trimmings & scrap	77.5	83.8	78.1	75.8	81.8	108
Other unmanu. NEC 2/	7.2	9.3	9.8	14.6	11.8	81
Total	598.7	584.5	572.0	524.4	542.7	103
Country of destination						
United Kingdom	32.5	39.4	30.7	27.8	31.8	114
France	4.5	6.1	5.3	7.3	5.1	70
Belgium-Luxem.	7.9	9.5	15.2	9.6	9.3	97
Netherlands	44.9	28.6	25.1	28.4	22.3	79
West Germany	100.7	83.2	68.2	58.0	66.0	114
Denmark	17.5	11.1	16.8	20.2	19.8	98
Ireland	3.6	3.9	4.7	3.2	7.9	247
Italy	30.7	26.5	28.1	32.2	31.2	97
Total EC	242.2	208.4	194.0	186.7	193.4	104
Switzerland	20.1	22.2	26.7	16.8	25.2	150
Finland	9.5	11.0	6.0	6.5	5.6	86
Norway	6.8	4.2	3.6	5.7	4.7	82
Sweden	15.4	9.9	8.7	12.4	11.5	93
Spain	28.7	33.4	31.8	40.0	52.5	131
Thailand	22.6	18.4	27.7	9.1	14.6	160
Rep. of Korea	13.6	10.7	1.1	0	0	0
Malaysia	8.4	6.9	9.7	7.2	9.2	128
Philippines	11.5	11.2	15.2	11.1	5.7	51
Taiwan	14.1	22.3	21.3	19.9	25.1	126
Japan	82.1	117.0	110.3	114.1	92.1	81
Australia	13.4	12.6	10.1	9.7	8.2	85
New Zealand	3.7	3.5	4.1	2.6	2.9	112
Egypt	17.4	16.1	22.0	21.6	37.3	173
Other countries	89.2	76.7	79.7	61.0	54.7	90
Total	598.7	584.5	572.0	524.4	542.7	103

1/ Preliminary. 2/ New classification, January 1, 1978. Previously included in manufactured in bulk. Details may not add to total due to rounding.

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

reduced its takings 19 percent. Shipments to Japan may rise in 1985, although annual shipments have varied widely because of inventory shifts and changes in shipping patterns. The United Kingdom, long a major U.S. market, moved ahead of Italy to fourth place behind Spain in 1984. U.K. imports of U.S. leaf rose 15 percent after declining for 2 years.

The export volume of U.S. flue-cured tobacco rose 13 percent and value rose to 72 percent of total U.S. tobacco exports, up from 67 percent in 1983. Both Asian and European countries increased takings last year, but the Asian hike was larger.

Burley exports fell 19 percent. Purchases declined in both Europe and Asia, but the Asian decline was somewhat larger. Kentucky-Tennessee fire-cured exports declined, but Virginia fire-cured rose sharply.

Imports Down Substantially

Total duty-paid imports (for consumption) of unmanufactured tobacco and machine-threshed leaf (Customs category 170.8045--tobacco manufactured or not manufactured not specifically provided for) declined 21 percent in 1984 to 416 million pounds. A sharp drop in machine-threshed leaf much more than offset increases in cigarette leaf, cigar leaf, scrap, and stems.

In 1984, cigarette leaf imports rose 33 percent. Largely because of a customs reclassification effective August 28, 1983, more tobacco entered as stemmed leaf and less as machine-threshed tobacco. Flue-cured imports rose 50 percent, and burley 62 percent. Oriental, the major type, declined 8 percent. Stemmed cigarette leaf jumped 456 percent. However, machine-threshed imports fell by 97 percent as the Customs Service reclassification applied a duty of 32 cents per pound (now 29 cents) instead of 17.5 cents.

Cheaper foreign tobacco is being used in U.S. cigarettes. Overall, imports accounted for around a third of the tobacco used in U.S. cigarette production in 1984, and a similarly high proportion is expected this year.

General imports of tobacco (direct entry plus placements in bonded warehouses for later factory use) rose 2 percent in 1984.

Table 13--Flue-cured, burley, and Oriental tobacco production in specified countries, 1982-84

Country	1982	1983 1/	1984 2/
Thousand metric tons			
Flue-cured			
Argentina	41	45	40
Canada	67	110	89
Mexico	13	10	10
Brazil	248	234	242
Zambia	2	2	3
Malawi	22	22	23
Zimbabwe	89	94	109
Tanzania	10	9	9
South Africa	23	25	26
Taiwan	26	23	26
India	136	184	116
Indonesia	30	29	28
Japan	84	82	83
Korea, Rep. of	80	65	65
Pakistan	29	25	34
Philippines	47	49	54
Thailand	51	52	51
Total	998	1,060	1,008
Burley			
Italy	52	60	60
Mexico	18	18	17
Greece	23	27	35
Korea, Rep. of	35	36	33
Malawi	27	42	27
Brazil	33	38	40
Spain	37	37	38
Total	225	258	250
Oriental			
Greece	108	85	105
Bulgaria	120	107	121
Yugoslavia	50	48	48
Turkey	206	227	209
Total	484	467	483

1/ Subject to revision. 2/ Preliminary.

Compiled from reports of Foreign Agricultural Service.

Cigarette leaf, cigar leaf, and stems all rose, while scrap and threshed leaf declined. Flue-cured and stemmed leaf rose, while burley fell and oriental declined about 5 percent. Threshed leaf imports fell sharply because of the customs reclassification.

General imports (arrivals) exceeded imports for consumption, and U.S. stocks of imported tobacco on January 1, 1985, were up from a year earlier. Cigarette tobacco stocks advanced 44 million pounds or about 5 percent from a year earlier, with the rise occurring in two of the three cigarette types, burley and flue-cured. Oriental was about unchanged.

Table 14--U.S. imports of unmanufactured tobacco for consumption and general imports, principal categories, and countries of origin, 1982-84 1/ (declared weight)

	Imports for consumption				General imports (arrivals)				Value 1984 per lb.
	1982	1983	1984 1/	1984 as a percentage of 1983	1982	1983	1984 1/	1984 as a percentage of 1983	
	Million pounds			Percent	Million pounds			Percent	
Cigarette tobacco									
Leaf									
Oriental									
Turkey	102.8	112.7	106.6	95	126.8	109.9	119.8	109	1.68
Greece	25.2	31.1	28.6	92	29.5	32.0	27.9	87	1.66
Yugoslavia	10.2	10.3	13.0	126	11.0	20.3	12.5	62	1.88
Other countries	35.8	29.9	20.7	69	40.6	23.2	16.4	71	1.49
Flue-cured	9.7	14.9	22.3	150	16.6	17.0	24.1	142	1.07
Burley	6.9	12.3	19.9	162	27.3	27.1	22.0	81	.91
Other	2.1	18.6	95.0	511	1.4	23.5	150.7	641	1.45
Subtotal	192.7	229.8	306.1	133	253.2	253.0	373.4	148	1.50
Manufactured or not manufactured, NSPF, other									
Brazil	38.6	82.3	1.0	1	74.8	54.8	--	--	--
Korea, Republic of	17.3	24.9	0	--	13.7	11.0	--	--	--
Mexico	6.0	20.7	1.3	6	4.6	3.2	--	--	--
Other countries	48.9	82.2	4.7	6	81.6	39.5	2.1	5	1.87
Subtotal	110.8	210.1	7.0	3	174.7	108.5	2.1	2	1.87
Scrap 2/									
Brazil	1.3	1.2	.6	50	.5	.8	.4	50	1.22
Korea, Republic of	.1	.1	*	--	.5	.4	--	--	--
Italy	.2	.3	*	--	.6	.2	--	--	--
Mexico	.6	.3	.1	33	.2	.2	.1	50	.83
Turkey	7.9	5.0	5.5	110	12.3	7.6	3.7	49	.21
Other countries	9.1	5.3	6.6	125	6.5	6.2	6.0	97	.94
Subtotal	19.2	12.2	12.8	105	20.6	15.4	10.2	66	.68
Total cigarette tobacco	322.7	452.1	325.9	72	448.5	376.9	385.7	102	1.48
Cigar tobacco									
Wrapper	1.7	2.0	2.2	110	2.4	2.9	2.1	72	5.53
Filler--stemmed and unstemmed									
Dominican Republic	1.1	.9	7.3	811	5.7	2.9	6.5	224	1.38
Other countries	2.4	3.0	5.8	193	12.9	15.4	17.4	113	.88
Subtotal	3.5	3.9	13.1	336	18.6	18.3	23.9	131	1.02
Scrap									
Philippines	7.9	5.2	4.7	90	5.4	4.6	2.6	57	.60
Indonesia	6.4	5.9	6.0	102	6.2	4.5	4.7	104	.69
Dominican Republic	5.1	4.1	6.2	151	1.5	1.5	2.2	147	1.00
Brazil	3.7	2.8	3.8	136	1.2	2.8	3.0	107	1.23
Other countries	16.2	17.3	19.4	112	17.9	15.7	12.3	78	.53
Subtotal	39.3	35.3	40.1	114	32.2	29.1	24.8	85	.69
Total cigar tobacco	44.5	41.2	55.4	134	53.2	50.3	50.8	101	1.05
Stems	39.0	33.7	34.7	103	47.9	32.4	32.8	101	.13
GRAND TOTAL	406.2	527.0	416.0	79	549.6	459.6	469.3	102	1.34

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 the Census.

ITC Opposes Import Quotas

On January 3 and 4, the ITC held Section 22 hearings. Section 22 of the Agricultural Adjustment Act of 1933, as amended, provides that after a study and recommendation, the President may impose import quotas or fees to protect USDA programs. USDA contended that lower priced tobacco imports were increasing and causing a buildup of potentially unsalable stocks in the Stabilization pools, as well as reduced grower marketing quotas, frozen price supports, and increased no-net-cost assessments.

The United States International Trade Commission (ITC) voted 4 to 1 on February 1 against placing import quotas or fees on flue-cured and burley tobacco. The vote was 5-0 for not imposing quotas or fees on cigar, dark-fire cured, and dark air-cured tobacco. Tobacco grower groups had requested the quotas to protect the price support program. The ITC recommendation has been sent to President Reagan, who can accept or reject it.

The Section 22 investigation was the second for tobacco. USDA had requested import quotas for flue-cured in 1981. The ITC did not agree then, either. Thus, at present there are no quantitative restrictions on tobacco imports.

Pesticide Use on Imported Tobacco

A bill (S.67) was introduced on January 3, 1985, to prohibit importation of tobacco which has been grown or processed using pesticides and other chemicals that have been prohibited in the United States for health reasons. The number of pesticides used on tobacco varies among countries.

TOBACCO LEAF SITUATION AND OUTLOOK 1/

Flue-Cured Tobacco Program Provisions Announced

On February 28, USDA announced that flue-cured producers must contribute 25 cents per pound to a no-net-cost fund to be eligible

^{1/} All quantities in this section are in farm-sales weight unless otherwise noted.

for price support for the 1985 crop. A price support level of \$1.699 per pound was also announced.

The contributions are intended to insure that the tobacco program will operate at no net cost to taxpayers in conformity with the No-Net-Cost Tobacco Program Act of 1982. The 1985 contribution of 25 cents is 18 cents above last year.

The Agricultural Adjustment Act of 1949 (amended) provides that the 1985 flue-cured crop be supported at the same level as the 1982 crop if the basic support level increases by no more than 5 percent from the 1984 level as determined by the regular statutory formula. Since the 1985 basic support level is only 3 percent higher than the computed level of support for the 1984 crop, the \$1.699-per-pound support that was applicable for the 1982 crop is also applicable for the 1985 crop.

Potential Program Changes and Modifications

Despite the price support and no-net-cost fund announcement for flue-cured and an announcement of a 30-cent-a-pound assessment and a likely price support of \$1.78 to \$1.79 a pound for burley, further changes may be made before the 1985 marketing season begins. Price supports for flue-cured can be lowered by 12 percent for certain grades comprising up to 25 percent of the total flue-cured crop. This would effectively lower flue-cured support rates by 5 cents a pound if the Flue-Cured Stabilization Board so requests.

There have been proposals to reduce both flue-cured and burley price supports even more than 5 cents. One that has received considerable attention for flue-cured would result in manufacturers buying the entire 808 million pounds of loan stocks at discounts over a 5-year period. The 1976-81 crops would be most heavily discounted, with smaller discounts applied to newer crops. The plan would include administrative action by USDA to reduce the average price support for the 1985 flue-cured crop from last year's \$1.699 per pound to an effective level of \$1.45 (20 cents from rebates and 5 cents through support reductions that can be

administratively applied). Another, more recent, proposal would lower flue-cured support levels to \$1.35 per pound, but achieving this would require new legislation. A plan to lower burley supports to between \$1.40 and \$1.50 a pound, with tobacco companies purchasing the 575 million pounds of loan stocks over several years, is also under consideration.

The outcome of the proposals is uncertain and depends heavily on ongoing negotiations between cigarette manufacturers, grower groups, and the tobacco cooperatives. It is also uncertain if both flue-cured and burley tobacco would be included in any program modifications. If an agreement is reached, the nature of the agreement will determine if it can be implemented administratively or if legislation will be required. If legislative changes are made, the amount of the no-net-cost contribution will be reevaluated with respect to projected losses.

The legislation authorizing the Tobacco Price Support and Marketing Quota program is permanent and thus not a part of the Agriculture and Food Act of 1981 which expires after the 1985 crop year. Therefore, tobacco provisions were not included in the Administration's proposed 1985 farm legislation. However, the Department is continuing to review the tobacco program.

A bill (H.R. 1324) has been introduced in Congress to repeal provisions of law concerning price support and marketing of tobacco. The bill excludes tobacco from the concessional export sales provisions of P.L. 480 and prohibits the establishment of tobacco marketing orders. If passed, the changes would become effective January 1, 1986.

Domestic Leaf Supplies Rise; 1985 Plantings to Decline

Despite smaller carryin stocks, the larger 1984 crop brought the 1984/85 supply of domestic leaf tobacco to 5.47 billion pounds, 2.5 percent above the previous year. On January 1, 1985, domestic leaf stocks were 1 percent above a year earlier. By the end of the current marketing year, stocks may be 2 percent above the 3.8-billion-pound carryover on July 1 and October 1, 1984.

With smaller effective quotas for both flue-cured and burley in 1985, growers are expected to reduce acreage by 10 percent. With average yields, total production could fall 15 to 20 percent from last year's 1.74 billion pounds.

If the historical relationship between poundage quotas and grower marketings prevails, the flue-cured crop will fall 10 to 15 percent and the burley crop 15 to 20 percent (table 16). Reduced allotments are expected to cause decreased output for dark fire-cured and dark air-cured tobacco. Cigar production may not change much.

All tobacco types except Maryland, Pennsylvania filler, Connecticut binder, shade grown cigar wrapper, and Perique are under quotas. Acreage allotments were reduced about 10 percent for Kentucky-Tennessee fire-cured, Virginia fire-cured, and Virginia sun-cured tobaccos. Kentucky-Tennessee dark air-cured allotments were reduced 15 percent. Cigar filler and binder allotments are essentially unchanged.

USDA's *Prospective Plantings* report indicated growers plan to plant 715,000 acres of tobacco in 1985, 10 percent less than a year ago. Last year's intentions were about the same as the final harvested acreage. In 1983, intentions were 4 percent higher than the final harvested acreage, largely because of dry weather. In 1982, intentions were almost the same as final harvested acreage, and in 1981, intentions were 3 percent below it. In 1979 and 1980, harvested acreage fell below intentions because of regulation changes and weather problems. During 1974-78, intentions averaged 1 percent below harvested acreage. This year, quota and allotment changes for burley and minor kinds were announced earlier than usual, so intentions may reflect responses to these changes to a greater extent than when quotas are announced later. However, uncertainties about the size of no-net-cost assessments and the potential for program changes may alter final decisions about acreage.

Flue-Cured Production Costs Higher

Production and marketing costs for flue-cured tobacco are expected to rise again in 1985. However, input prices will continue

Table 15--Estimated U.S. imports of flue-cured and burley tobacco and domestic use, 1969-83
(Farm sales weight)

Year beginning July 1	Flue-cured				Burley			
	Imports 1/	Domestic disappear- ance	Total use	Imports' share of total	Imports 1/	Domestic disappear- ance 2/	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	703.4	723.8	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	644.8	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	529.4	602.1	11.7	136.9	477.6	614.5	22.3
1981	63.3	488.8	552.1	11.5	109.7	463.9	573.6	19.1
1982	103.1	478.5	581.6	17.7	141.3	444.1	585.4	24.1
1983	3/ 94.4	441.6	536.0	17.6	3/ 135.0	388.7	523.7	25.8

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. 3/ General imports adjusted for stock change.

Table 16--Flue-cured and burley tobacco: Marketing quota and marketings, 1975-85

Year	Quota		Marketings				
	Basic	Effective	Actual	Over-quota	Under-quota	Effective underquota 1/	Net carryover 2/
Million pounds Flue-cured, types 11-14							
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	1,086.1	36.0	137.9	135.1	99.1
1981	1,012.9	1,111.4	1,144.3	64.9	31.3	29.2	-35.6
1982	1,013.0	976.8	993.8	54.4	37.5	30.6	-23.8
1983	910.5	886.7	854.8	31.2	67.1	65.6	34.4
1984 3/	804.3	831.7	849.5	42.8	33.0	31.6	-11.2
1985 4/	774.8	763.8					
Burley, type 31							
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	660.1	841.9	725.6	25.2	143.0	129.4	104.1
1982	680.3	777.8	776.7	46.8	50.9	41.2	-3.5
1983	646.6	641.0	526.7	13.7	132.4	127.6	113.9
1984 3/	581.8	688.4	671.5				10.0
1985 4/	525.0	537.0					

1/ Underquota marketings less ineligible carryover. 2/ Effective underquota marketings less overquota marketings. 3/ Subject to revision. 4/ Preliminary.

Compiled from records and reports of Price Support and Loan Division, Agricultural Stabilization and Conservation Service.

Table 17--Computation of price level adjustment factor for tobacco, 1974-85

Crop year	Parity index 1/		Price support level adjustment factor 3/
	Previous calendar year	3-year average 2/	
	1910-14=100	1959=100	
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	1,035	944	317
1983	1,076	1,019	342
1984	1,105	1,072	360
1985	1,130	1,104	370

1/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 year calculations see TS-155, March 1976., p. 16. 2/ Three calendar years immediately preceding. 3/ Three-year average parity index divided by 1959 parity index (298).

to rise at the slower 1982-84 rate, rather than the faster rate of 1979-81. Total costs, excluding land and quota, may rise from 15 to 20 percent per acre. The large jump in the no-net-cost assessment will account for much of the increase.

Variable costs may rise 20 to 25 percent per acre. A small increase is expected in pesticide prices, and wage rates may rise 2 to 4 percent. Fuel and fertilizer costs may decline a little. Costs for leasing and renting quotas may decline even though flue-cured effective quotas were reduced 8 percent. The sharply higher no-net-cost assessment has reduced the amount that can be paid for quota leases. For details on burley production costs, see the special article in this issue of the *Tobacco Outlook and Situation*.

Price Support Program Similar To 1984

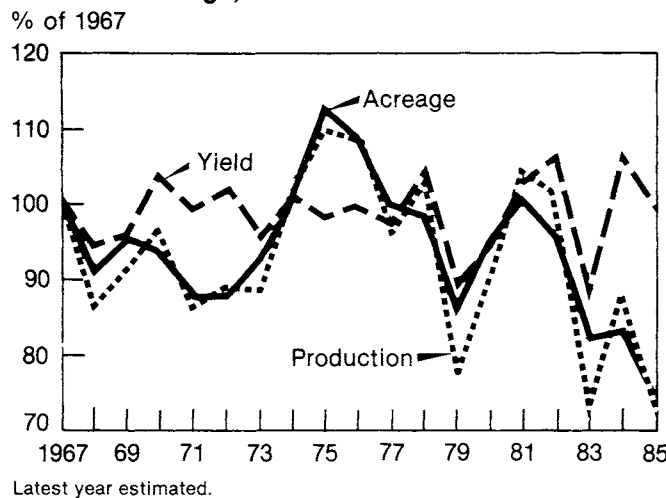
Under current law, the 1985 price support program will be similar to last year. Price support is available to eligible growers through loans to producer associations. To be eligible, producers must contribute to a no-net-cost fund or account established by the

associations. For 1985, the contribution for flue-cured has been set at 25 cents per pound and 30 cents a pound for burley. The no-net-cost contributions have not been set for the other kinds of tobacco.

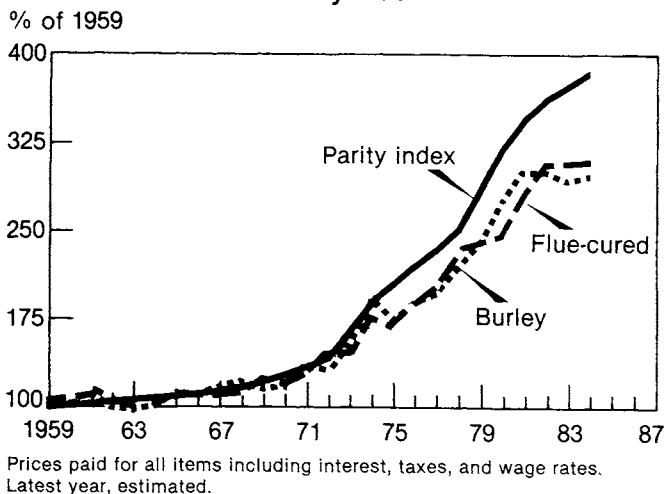
To receive price supports, tobacco producers must certify that pesticides used on tobacco have been approved by the Environmental Protection Agency and that these products have been used in accordance with label directions. As a condition for price support for flue-cured tobacco, USDA requires growers to designate a warehouse where they intend to sell their tobacco.

Price supports for flue-cured tobacco are frozen at the 1982-84 levels. Under the Dairy and Tobacco Adjustment Act of 1983, support

Tobacco Acreage, Yield and Production



Tobacco Prices and Parity Index



prices for all but burley tobacco can increase only if the 3-year moving average of prices paid by farmers (including wage rates, interest, and taxes) rises more than 5 percent. The index of prices paid increased only about 3 percent. Although they cannot be increased, supports for types other than flue-cured and burley can be reduced. Puerto Rican cigar supports may be reduced further. Burley supports in 1985 will again be determined by the basic formula, which would permit a 3-percent increase. However, under the No-Net-Cost Tobacco Program Act of 1982, the Secretary of Agriculture can hold the increase to 65 percent of the increase under the basic formula, which would mean a rise of about 2 percent.

Growers of fire-cured, dark air-cured, and cigar binder tobaccos voted in mail referenda on February 19-22 on whether to approve marketing quotas. Growers approved marketing quotas for dark fire-cured and dark air-cured tobacco, so price supports will be available for their 1985, 1986, and 1987 crops. However, growers again did not approve quotas for Connecticut binder, so price support will not be available in 1985. Growers of flue-cured, burley, Virginia sun-cured, Ohio cigar filler, and Wisconsin binder tobacco approved marketing quotas for the 1985 crop in previous referenda. Growers of Maryland and Pennsylvania filler will have no supports because they turned down marketing quotas 2 years ago.

Flue-Cured

Disappearance Higher

Although total disappearance may rise, domestic disappearance of flue-cured tobacco (types 11-14) this season is expected to fall a little from last season's 441 million pounds. During the first half of this marketing year (July-December, 1984), domestic disappearance was a little above a year earlier. Cigarette output was 2 percent above a year earlier but may decline from a year ago during January-June 1985. Consequently, reduced cigarette production, together with increased use of imported leaf, will probably cause use of domestic flue-cured to decline slightly in 1984/85.

Exports this marketing year are above last season with EC destinations taking more,

but Japan taking less. The better quality 1984 crop is largely responsible for the overall increase. However, reduced demand, ample supplies of lower-cost foreign-grown leaf, and the strong dollar continue to dampen sales abroad. July-December 1984 exports of 331 million pounds were 16 percent above the previous year and a little above the 1973-77 average for that period. Exports for the rest of the season may decline from a year earlier, but total exports for the season will rise.

Carryover To Decline

Marketings in 1984 were below expected disappearance this season. This means that flue-cured carryover on July 1 may decline from 2,165 million pounds in mid-1984.

Despite only slightly higher cigarette output, manufacturers and dealers have increased purchases from loan stocks to supplement supplies. During July 1984-February 1985, 93 million pounds of flue-cured were sold from loan, compared with 65.5 million a year earlier. Still, this was somewhat lower than the 121 million pounds sold 3 years ago. By March 1, unsold loan stocks of 808 million pounds exceeded Stabilization stocks of a year earlier. About two-thirds of the stocks were from the 1982-84 crops.

Sales of loan stocks rose primarily because of discounted prices. On October 29, 1984, the Flue-Cured Cooperative Stabilization Corporation announced a special discount program for loan stock tobacco. Discounts of 50 to 90 percent off base prices were offered on 1976-1981 crops, with the older crops having the largest discounts. Prices of 1982-84 tobacco were discounted 10 percent. To obtain the large discounts for the older tobacco (1976-81), purchasers must buy 2 pounds of newer crops (1982-84) for every 1 pound of older. By early March, about 87 million pounds of tobacco had been sold or committed under the discount program.

1985 Crop Projected To Fall

The basic 1985 quota was reduced 3.7 percent to 775 million pounds, but added net overmarketings give an effective quota of 764 million, 8 percent below last year's. The change from last year's effective quota ranged from a 13-percent drop in the North Carolina

Table 18--Flue-cured tobacco: Effective farm quotas, designations, and marketings, 1983-85 1/

Type and State or marketing area	Effective farm quotas		Initial designation 3/		Final designation		Marketings	
	1985 2/	Change from 1984	1983	1984	1983	1984	1983	1983 4/
	Mil lbs.	Percent	Million pounds					
11-Virginia (E)	66	-14	90	93	95	97	76	93
11-North Carolina (D,E)	185	-13	192	188	197	155	197	176
Total 11	251	-13	281	281	292	252	273	269
12-North Carolina (C)	256	-7	296	316	311	361	277	294
13-North Carolina (B)	68	-8	93	89	96	90	77	82
13-South Carolina (B)	94	-7	112	101	114	103	112	97
Total 13	162	-7	205	190	210	193	189	179
14-Alabama	1	-					1	1
14-Florida (A)	16	-11	17	19	20	19	17	17
14-Georgia (A)	79	-5	100	91	105	93	97	86
Total 14	95	-6	118	110	125	112	115	104
Grand total, flue-cured 1/	764	-8	899	898	940	920	855	845

1/ Data may not add to totals due to rounding. 2/ Growers were allowed to designate 110 percent of their effective quotas. 3/ Computed from unrounded data. 4/ Includes 1983 carryover sold in 1984.

Compiled from reports from Tobacco Division, Agricultural Marketing Service; and Price Support and Loan Division, Agricultural Stabilization and Conservation Service.

Table 19--Flue-cured tobacco: Acreage allotted and underproduction, 1975-85

Year	Acreage allotted 1/	Underproduction 2/	
		Number	As percent of allotment
	Thousand acres		Percent
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	57.2	10.8
1983	457.5	47.7	10.4
1984	404.7	10.7	2.6
1985	389.6		

1/ Basic allotment adjusted for overmarketings and undermarketings. 2/ Acreage allotment minus harvested acres.

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

Table 20--Tobacco loan stocks, 1983-85 (farm-sales weight)

Type	End of February		
	1983	1984	1985 1/
	Million pounds		
Actual			
Flue-cured, 11-14	736.6	826.7	888.8
Burley, 31	267.9	458.0	562.2
Virginia, 21	2.7	2.5	2.7
Kentucky-Tennessee, 22-23	7.1	5.0	5.1
Kentucky-Tennessee, 35-36	13.9	10.5	15.1
Ohio, 42-44	.2	1.9	2.4
Puerto Rican, 46	5.6	5.9	5.9
Connecticut Valley, 51-52	2.8	3.8	3.7
Wisconsin, 54	1.7	2.6	2.1
Wisconsin, 55	6.8	7.4	6.9
Total	1,045.3	1,324.3	1,494.9
Uncommitted			
Flue-cured, 11-14	642.8	761.3	2/ 808.1
Burley, 31	217.7	374.6	3/ 575.6

1/ January 31, 1984, for actual stocks. 2/ End of February. 3/ Includes all of 1984 takings.

Compiled from records of Tobacco and Peanuts Division, Agricultural Stabilization and Conservation Service.

and Virginia Old and Middle Belts to a 6-percent decrease in the Georgia-Florida Belt.

Based on the effective quota, lower marketings are expected in 1985. According to the February 1 planting intentions, a record-low 361,200 acres will be grown, 8 percent below last year. On this acreage, a normal yield would result in production of 700 to 750 million pounds. This size crop would be 12 to 18 percent smaller than last season's marketings. The projected crop is 96 percent of quota but, in recent years producers have marketed about 100 percent of poundage quotas.

The projected crop, plus the anticipated carryover, indicates the 1985/86 supply may fall about 6 percent below the 3.01 billion pounds available in the current marketing season.

Foreign Situation

In Canada, the volume of flue-cured tobacco sold through the Ontario Flue-Cured Growers Marketing Board reached 170 million pounds on March 1, 1985. The average price was U.S.\$1.06 per pound. The 1984 Canadian crop is estimated at 195 million pounds, about 46 million less than in 1983. About 77 million pounds of Canadian tobacco may be exported in 1985.

Zimbabwe's tobacco auctions for the 1984/85 crop will begin April 10. A target output of 262 million pounds has been set by the Zimbabwean Marketing Board. This is about equal to last season's sales but 8 percent larger than last year's target. Early growing conditions indicate the target may not be met because of heavy rains. Last year's crop averaged U.S.\$.73 per pound.

Brazil's output of flue-cured, including Amarelinho, in 1984 is estimated at 534 million pounds, 3 percent above the previous year. Harvest of the 1985 crop, which is nearing completion, will be about the same size as a year earlier. Prices for the 1985 crop have been set at 275 percent of 1984, but this still may not keep up with the rapid rate of inflation.

Burley

Effective Quotas Smaller; Crop Size To Decline

The 1985 basic quota for burley tobacco is 525 million pounds, 10 percent below last year. Marketings from the 1984 crop totaled about 672 million pounds, about 28 percent above 1983 (about 60 million pounds were not marketed because of insufficient quotas). Allowing for overquota and underquota marketings of last season brings the 1985 effective quota to around 537 million pounds, down 22 percent from 1984. This year the price support level will likely increase to \$1.78 to \$1.79 per pound, 8 to 10 cents below the 1984 average market price.

Around February 1, farmers said they intended to set about 14 percent fewer acres than last year. Marketings were incomplete at the survey date. Last year, growers marketed 98 percent of the effective quota. With normal yields, production in 1985 could be 570 to 605 million pounds, down 10 to 15 percent from 1984 marketings. Carryover from the 1984 crop plus 1985 production could result in 630 to 660 million pounds of available tobacco but, quota sufficient to market only about 560 million pounds of it in 1985. This level of marketings would provide a 1-percent larger supply than in the current marketing year.

Supply Rises

The 1984/85 burley supply rose to 2.02 billion pounds on October 1, 9 percent above a year earlier. However, the supply is about 3.7 times the estimated disappearance, well above the desired ratio of 2.6 years' use. By last October, the total carryover held by manufacturers, dealers, and loan cooperatives was 2 percent above the previous year. However, manufacturers' and dealers' stocks declined while loan stocks rose sharply. Takings of the 1984 crop by the two grower loan associations reached 200 million pounds, about 30 percent of 1984-crop producer marketings.

Despite about the same cigarette output in 1984/85, domestic burley use may increase from last year's 389 million pounds. U.S.

Table 21—U.S. exports of unmanufactured tobacco by types, to principal importing countries, crop years 1983/84–1984/85 1/ declared weight

Importing country	Part year through January			Importing country	Part year through January		
	1983/84	1983/84	1984/85		1983/84	1983/84	1984/85 2/
Million pounds				Thousand pounds			
Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37			
United Kingdom	27.7	18.8	13.9	Switzerland	0	0	0
West Germany	32.7	19.6	30.2	Norway	997	154	518
Japan	64.4	64.4	67.9	Sweden	300	300	297
Netherlands	10.2	5.9	5.1	West Germany	40	6	212
Thailand	9.8	4.9	6.1	Other countries	459	208	333
Australia	7.6	5.5	5.5	Total	1,796	668	1,360
Italy	15.1	.8	5.6				
Sweden	5.3	5.3	5.8	One Sucker, type 35			
Norway	3.3	2.9	2.0	Bahamas	13	0	0
Finland	4.7	3.4	3.0	Zaire	0	0	0
Denmark	8.7	6.8	7.0	Other countries	12	7	0
Ireland	2.9	1.2	5.1	Total	25	7	0
Belgium-Luxembourg	4.5	3.1	3.6				
Switzerland	3.6	2.7	13.0	Green River, type 36			
Republic of Korea	0	0	0	United Kingdom	6	6	0
Philippines	2.9	2.1	1.2	Benin (Dahomey)	0	0	0
Spain	41.6	22.0	12.0	Zaire	0	0	0
Malaysia	6.3	4.0	3.4	Other countries	54	0	365
Taiwan	22.1	22.1	21.5	Total	60	6	365
Egypt	12.1	9.8	18.7				
Other countries	33.4	20.4	25.2	Cigar filler, types 41-44			
Total	318.9	225.7	255.8	Canada	0	0	0
				France	0	0	0
				Other countries	282	91	78
				Total	282	91	78
Burley, type 31				Binder, types 51-55			
Italy	11.7	1.7	.3	Dominican Republic	2	0	0
Sweden	3.5	2.6	.2	Switzerland	0	0	0
Denmark	2.4	.9	1.1	Canada	107	21	48
Netherlands	.6	.2	1.0	Other countries	59	30	19
Japan	18.6	8.0	.2	Total	168	51	67
West Germany	12.6	2.8	1.8				
Switzerland	4.6	1.6	.4	Cigar wrapper, types 61-62			
United Kingdom	.2	.1	.2	United Kingdom	0	0	0
Thailand	4.7	0	0	West Germany	60	57	41
Philippines	2.7	.4	1.8	Canada	14	14	0
Other countries	14.2	2.7	9.5	Dominican Republic	984	328	877
Total	75.8	21.0	16.5	Netherlands	593	345	93
				Other countries	91	85	55
				Total	1,742	829	1,066
Maryland, type 32				Black Fat			
Belgium-Luxembourg	.2	.1	.1	Benin (Dahomey)	1,060	481	228
West Germany	.6	.2	.6	Cameroon	0	0	0
Switzerland	1.1	.4	.8	Niger	304	409	0
Other countries	1.2	.6	.4	Nigeria	518	518	324
Total	3.1	1.3	1.9	Togo	203	0	0
				Other countries	873	199	147
				Total	2,958	1,607	699
Ky.-Tenn. fire-cured, types 22-23							
Sweden	.9	.7	.5				
Netherlands	13.3	7.7	2.3				
Belgium-Luxembourg	.2	0	0				
France	.6	0	.4				
Switzerland	.6	.5	0				
Other countries	5.7	.9	.5				
Total	18.0	9.8	3.7				
				Stems, trimmings, and scrap 2/			
Sweden	2.6	.6	.4	Sweden	2.6	.6	.4
Denmark	5.3	1.6	4.8	Denmark	5.3	1.6	4.8
United Kingdom	5.8	2.6	2.2	United Kingdom	5.8	2.6	2.2
West Germany	10.9	4.5	3.3	West Germany	10.9	4.5	3.3
Japan	16.9	16.5	12.5	Japan	16.9	16.5	12.5
Other countries	32.6	11.3	19.9	Other countries	32.6	11.3	19.9
Total	74.1	37.1	43.1	Total	74.1	37.1	43.1

1/ July-June crop year for flue-cured and cigar wrapper; October-September crop year for all other types. 2/ Subject to revision.

Details may not add to total because of rounding. 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, yields, production, carryover, supply, disappearance, season average price, and price support operations, 1975-85 (farm-sales weight)

Marketing Year 1/	Acreage Harvested	Yield per acre	Marketings 2/	Beginning stocks 1/			Total supply
				Manufacturers and others	Under loan	Total	
	Thousand acres	Pounds		-- Million pounds--			
Flue-cured, types 11-14							
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	555.1	1,957	1,086.1	1,411.0	554.4	1,965.4	3,051.5
1981	540.6	2,164	1,144.3	1,416.8	595.8	2,012.6	3,156.9
1982	472.3	2,131	993.8	1,626.4	518.7	2,145.1	3,138.9
1983	409.8	2,004	854.8	1,516.3	688.4	2,204.7	3,059.5
1984	394.0	2,196	849.6	1,367.8	797.5	2,165.3	3,014.9
1985 5/	361.2	2,025	731.4	1,244.9	860.0	2,104.9	2,836.3
Burley, type 31							
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	331.2	2,203	725.6	1,000.2	0	1,000.2	1,725.8
1982	346.2	2,374	776.7	1,120.2	.7	1,120.9	1,897.6
1983	292.6	1,645	526.7	1,092.6	226.1	1,318.7	1,845.4
1984	318.3	2,301	671.5	967.2	377.2	1,344.4	2,015.9
1985 5/	272.8	2,175	560.0	915.9	560.0	1,475.9	2,035.9
Disappearance							
				Average price per pound	Price support level	Placed under loan	
Total	Domestic	Exports				Quantity	Percentage of crop
---Million pounds---				--- Cents ---		Million pounds	Percent
Flue-cured, types 11-14							
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	1,038.5	529.6	508.9	144.5	141.5	137.2	12.6
1981	1,011.7	488.8	522.9	166.4	158.7	105.9	9.3
1982	934.5	478.8	455.9	178.5	169.9	259.9	26.3
1983	894.2	441.7	452.5	177.9	169.9	7/ 194.8	7/ 22.9
1984	6/ 910.0	6/ 435.0	6/ 475.0	181.0	169.9	159.2	18.8
Burley, type 31							
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	604.9	463.9	141.0	180.7	163.6	.8	.1
1982	578.9	444.1	134.8	181.0	175.1	269.2	35.0
1983	501.0	388.7	112.3	177.3	175.1	8/ 255.6	8/ 48.5
1984	6/ 540.0	6/ 395.0	6/ 145.0	187.5	175.1	200.3	29.8

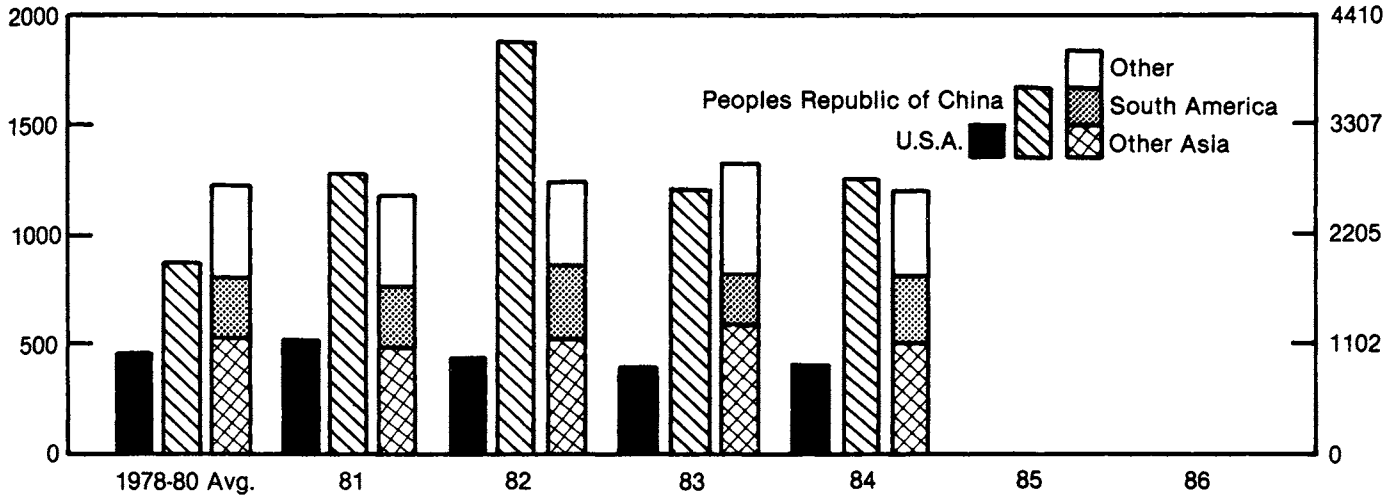
1/ July 1 for flue-cured; October 1 for burley. 2/ Actual or projected marketings in the marketing year. 3/ Adjusted for change in conversion factor January 1, 1977. 4/ Stocks revision January 1, 1979, report. 5/ Estimated from acreage intentions, projected yield. 6/ Estimated. 7/ Includes 163.1 million pounds from the 1983 crop and 31.7 million from the 1982 crop held by the Stabilization Cooperative and offered for sale in the 1983 marketing year. 8/ Includes sales of 1982 crop carryover tobacco.

Details may not add to total because of rounding. Compiled from publications and records of the Bureau of the Census.

Flue-Cured Tobacco: Estimated World Production

Thous. metric tons

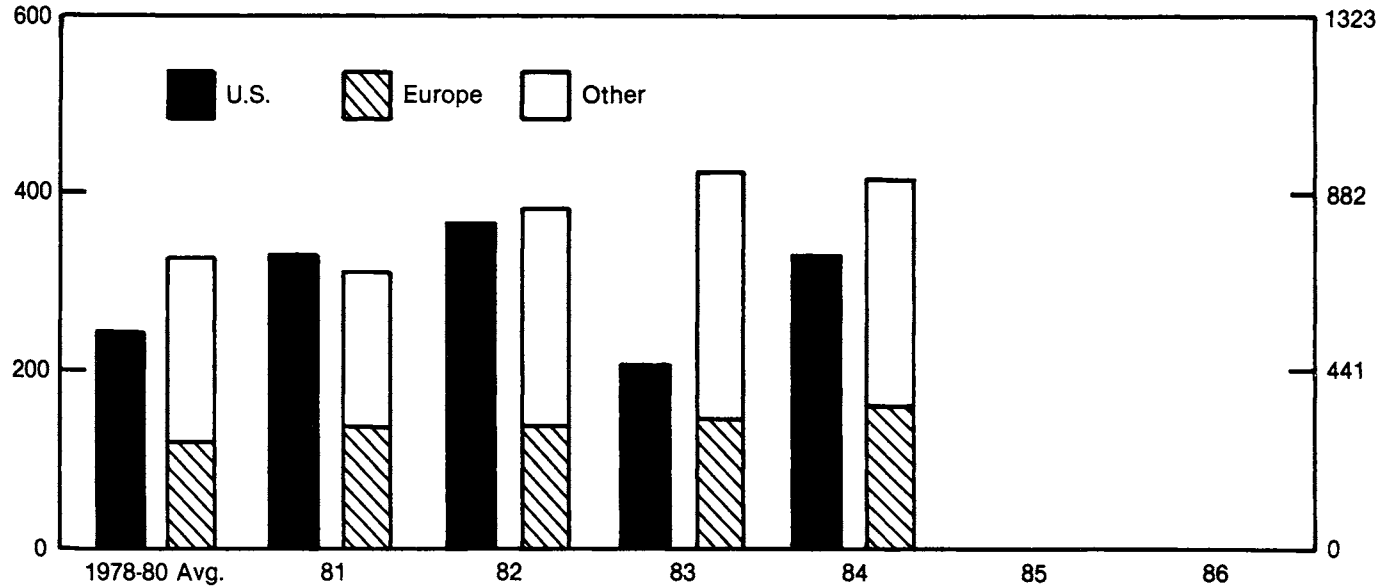
Mil. lbs.



Burley Tobacco: Estimated World Production

Thous. metric tons

Mil. lbs.



burley exports in 1984/85 are likely to rise from 112 million pounds a year earlier. Italy, Japan, and Germany remain the three leading destinations. World burley production rose 18 percent in 1984 because of the big increase in the United States; foreign production changed little. Although ample supplies are available, the United States will likely increase exports of burley in 1985.

1984 Crop Volume and Value Up Sharply

The volume and value of the 1984 crop both rose sharply. Quality this season was considered one of the best in several seasons. The percentage of tobacco classified as unripe and immature declined. The proportion rated good and fine quality rose, but fair, low, and nondescript declined. Many markets had a

Table 23--Burley tobacco: Price spreads among specified grades, 1975-84

Period	Average price of C4F	Cents per pounds lower than C4F						
		X4F	C4K	B4F	B4FR	B4R	T4R	NIG
		Cents per pound						
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 1/	133	1	6	0	0	2	11	27
1979 1/	147	1	4	0	0	1	3	20
1980 1/	166	0	0	0	0	0	0	2
1981	183	1	3	0	1	2	4	18
1982	187	1	13	0	1	3	11	38
1983	188	3	21	0	0	2	12	57
1984	189	3	9	0	0	1	4	40

1/ Tied.

Table 24--Burley tobacco: Gross sales, and average price, by States, 1983-84

State	1983 Crop				1984 Crop 1/			
	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	334.9	175.78	196.6	58.7	500.4	188.25	146.9	29.4
Tennessee	111.6	179.37	30.8	27.6	126.8	185.67	30.5	24.1
Virginia	29.0	183.25	3.0	10.5	27.1	184.72	5.9	21.6
North Carolina	22.5	178.31	5.1	22.6	21.4	183.97	5.0	23.3
West Virginia	4.4	175.97	3.0	68.2	4.8	181.39	1.0	16.1
Indiana	10.8	177.51	5.9	55.0	15.6	188.17	3.6	23.1
Ohio	9.0	178.19	6.0	66.9	13.3	188.75	4.1	30.8
Missouri	6.5	179.05	5.3	81.5	5.7	185.70	3.0	53.2
Total all States	528.7	177.17	255.6	48.4	715.3	187.48	200.3	28.0

1/ Preliminary.

large share of lots in baled form, but burley was also sold in burlap sheets and in the traditional tied form. In 1984/85, USDA provided official grading for burley tied in hands, for untied burley packed straight in bales, and untied burley packed straight in sheets. This was the second full season that price support was available for untied tobacco placed in sheets.

Auction prices for the 1984 burley crop (including resales) averaged \$1.87 a pound--about 10 cents higher than the

previous year. Fine quality flyings, lugs, and leaf averaged little above the support price, while nondescript and mixed grades averaged 20 to 30 cents above support. To cut costs, companies concentrated their purchases more in the lower-priced grades.

All markets opened November 19 and the season ended on March 12 in Lexington, Kentucky. As usual, prices declined when markets reopened following the Christmas holidays. However, the decline was very small this year.

Southern Maryland

Auctions of the 1984 crop of Southern Maryland (type 32) opened March 19 and are tentatively scheduled to run about 8 weeks. Opening day prices for the better quality 1984 crop averaged 18 cents a pound above opening day a year ago. For the 1983 crop (marketed mostly in 1984), growers received \$1.07 per pound—41 cents less than the year before. Maryland's severely drought-stressed crop averaged only \$1.05 per pound, compared with \$1.15 for type 32 grown in Pennsylvania. The 1984 crop of Maryland tobacco produced in Pennsylvania has largely been sold nonauction at prices averaging about 90 cents per pound.

Maryland tobacco does not receive Government price support and quotas do not apply. In a referendum in February 1982, growers rejected USDA grading with the required fee, so that service is no longer provided.

Supply Increases

With better yields, growers produced a 1984 crop that was 1.5 million pounds larger than the previous season. Production rose in Maryland but stayed the same in Pennsylvania. The Agriculture and Food Act of 1981 provided prohibitive penalties for

growing and marketing Maryland tobacco in quota areas. However, quotas are not applicable to Pennsylvania seedleaf tobacco and prices are lower, so some seedleaf growers are changing to Maryland tobacco.

This marketing year's supply (October 1984–September 1985) is about 2 million pounds larger than 1983/84 but 2.5 million smaller than 1982/83. Last season's use of 34 million pounds was about 3.5 million short of marketings for the 1983 crop (table 25).

Farmers' February acreage intentions, together with normal yields, indicate the 1985 crop may be smaller than last season. So, the supply for 1985/86 may not change much from this season.

Fire-Cured

Larger Crop Brings Mixed Prices

With a crop substantially larger than last year, this season's auction prices for Virginia fire-cured (type 21) are lower, but Kentucky-Tennessee fire-cured (types 22–23) prices are a little higher. However, farm purchase prices of types 22–23 were down from a year ago. Quality improved from last year, but loan associations are taking more because of the large crop and weaker demand. Auction prices for types 22–23 averaged \$1.48

Table 25--Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1976–85 (farm-sales weight)

Marketing Year 1/	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Stocks following Jan. 1	Total	Total	Domestic	Exports	
	Thousand acres	Pounds	- - - - - Million pounds - - - - -						Cents
1976	25.0	1,205	30.1	41.9	72.0	29.9	17.4	12.5	110.0
1977	25.0	1,230	30.8	45.3	76.1	29.0	19.6	9.4	115.1
1978	24.0	1,275	30.6	41.9	72.5	31.1	21.1	10.1	123.1
1979	19.5	1,130	22.0	41.3	63.4	33.6	23.6	10.0	139.7
1980	24.0	1,091	26.2	32.6	58.8	27.3	18.6	8.7	167.9
1981	36.2	1,281	46.4	37.0	83.4	36.0	27.9	8.1	157.3
1982	29.3	1,433	42.0	40.7	82.7	38.9	26.0	12.9	148.0
1983	31.3	1,196	37.4	2/40.6	78.0	33.8	29.7	4.1	106.9
1984	28.3	1,376	38.9	2/41.3	80.2				
1985 3/	27.3								

1/ Year beginning October 1. 2/ Adjusted to reflect calendar 1983 and 1984 sales of tobacco produced in Pennsylvania. 3/ Estimates of February planting intentions based on intentions for types and classes of tobacco other than burley and flue-cured.

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, 1976-85 (farm-sales weight)

Mkt. yr. begin. Oct. 1	Acre. harvested	Yield per acre	Prod.	Beginning stocks			
				Mfrs. & other	Under loan	Total	Total supply
Kentucky-Tennessee fire-cured, types 22-23							
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	1,680	32.6	48.9	19.1	68.0	100.6
1981	20.6	1,578	32.4	48.4	14.7	63.1	95.5
1982	23.5	2,030	47.7	54.5	8.0	62.5	110.2
1983	21.5	1,441	32.5	62.3	6.4	68.7	99.4
1984	23.7	2,017	47.8	60.4	3.8	64.2	112.0
1985 2/	21.9						
Virginia fire-cured, type 21							
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	1,265	5.2	5.7	2.6	8.3	13.5
1982	4.8	1,150	5.5	6.7	2.3	9.0	14.5
1983	4.7	985	4.6	7.9	2.4	10.3	15.1
1984	4.7	1,240	5.8	5.6	2.4	8.0	13.8
1985 2/	4.1						
Disappearance							
Total		Domestic	Exports	Aver. price per lb.	Price support level	Placed under loan	
						Quantity	% of crop
		Million pounds		Cents		Million pounds	Percent
Kentucky-Tennessee fire-cured, types 22-23							
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	2.1	6.4
1981	33.0	14.5	18.5	161.1	111.0	1.1	2.8
1982	41.5	20.9	20.6	156.0	123.0	4.4	9.2
1983	37.0	16.4	20.6	181.7	123.0	2.0	6.0
1984					123.0	3/ 6.6	3/ 20.3
Virginia fire-cured, type 21							
1976	6.1	4/ 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	128.1	98.9	.3	7.2
1981	4.5	1.8	2.7	131.7	111.0	.3	5.9
1982	4.2	2.7	1.5	117.6	118.8	.4	8.1
1983	6.9	4.8	2.1	126.8	118.8	.4	8.6
1984					118.8	1.1	19.0

1/ Less than 50,000 pounds. 2/ Estimate of February planting intentions based on intentions for types and classes of tobacco other than burley and flue-cured. 3/ Through March 19. 4/ Includes 400,000 pounds fire loss, December 1976.

per pound in mid-March, about 6 cents higher than a year earlier.

Auctions for Kentucky-Tennessee (types 22-23) began January 22. Because of the large crop, only 30 to 35 percent of the estimated crop was sold on farms. Farm sales averaged about \$1.70 per pound. This season's auction averages ranged from about \$1.78 per pound for the best wrapper and heavy leaf grades to around 52 cents for NIG (nondescript).

Virginia type 21 prices were down due to increased production. By the final sale of type 21, on February 13, the volume of producer marketings had risen 1.4 million pounds from last season. Eighteen percent of the crop was placed under loan, about double that of 1983/84. The crop consisted of more thin leaf but less heavy leaf and lugs. Less no-grade, nondescript, damaged, and wet tobacco was offered. The proportion of low quality grades declined, as did the proportion of mixed color tobacco. However, the proportion of green color tobacco increased.

Output of snuff, the principal domestic use of fire-cured tobacco, increased during October-December, but exports were lower. Foreign fire-cured production was up about 35 percent, and Malawi's output more than doubled. Consequently, U.S. exports are likely to decline during the remainder of this marketing year, while domestic use may rise a little.

Acreage Allotments Reduced

This year's acreage allotment was lowered 10 percent for both Virginia fire-cured (7,782 acres) and Kentucky-Tennessee fire-cured (22,328 acres). Acreage harvested by State as a percent of allotments in 1984 was: Kentucky, 96 percent; Tennessee, 96 percent; and Virginia, 54 percent. This is about the same as in 1983: Kentucky, 94 percent; Tennessee, 96 percent; and Virginia, 52 percent. However, the percentages have grown in recent years because of reduced allotments, favorable grower prices, and less favorable prospects for alternative crops. As recently as 1980, fire-cured acreage allotments were considerably underplanted in all States. Acreage harvested as a percentage of allotments in 1980 was; Kentucky, 63 percent; Tennessee, 75; and Virginia, 41. In 1985,

smaller acreage is expected in Kentucky, Tennessee, and Virginia because of smaller allotments.

Carryover of fire-cured tobacco on October 1 likely will increase from the 72 million pounds of a year earlier. With average yields on the intended acreage, a 1985 crop of 42 million pounds is projected. The indicated supply is a little above the current year's total of 126 million pounds.

Dark Air-Cured

Supplies Rise, Prices Lower

Grade prices for the 1984 crops of dark air-cured and Virginia sun-cured tobacco (types 35-37) were lower than during the 1984 season. Quality of types 35 and 36 improved while quality of type 37 declined. The total air-cured crop was up substantially. Auction sales started in early December and closed in early February. Auction prices were 20 cents a pound lower for one-sucker (type 35), 22 cents a pound lower for Green River (type 36), and 38 cents lower for sun-cured (type 37). Very light demand, highlighted by the withdrawal of a major purchaser, caused the big drop in sun-cured prices and resulted in almost half the crop going under loan. Because of the larger crop, only about 15 to 20 percent of the one-sucker crop was sold in the country. Farm sales averaged about \$1.35 a pound, 25 cents below a year earlier.

Prices averaged lower for all grades. The largest declines occurred for lugs and the smallest for heavy leaf. Prices for sun-cured (type 37) were the lowest since 1979.

This season's supply of dark air-cured tobacco was 62 million pounds, about 6 million more than last season (table 27). The chief domestic outlets for dark air-cured tobacco are plug and twist chewing tobacco. Output of these products fell in 1984, and domestic disappearance of dark air-cured fell. This season, use of dark air-cured tobacco is expected to about equal the 1984 crop, which will result in about the same October 1 carryover.

Allotments Reduced

Allotments for the 1985 crops of types 35-36 are 8,195 acres, about 15 percent lower

Table 27--Dark air-cured tobacco, types 35-36, and sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1976-85 (farm-sales weight)

Marketing yr. begin. Oct. 1	Acre. harvested	Yield per acre	Prod.	Beginning stocks			Total supply
				Mfrs. & other	Under loan	Total	
	Thousand acres	Pounds		--- Million pounds ---			
Dark air-cured, types 35-36							
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	9.7	1,614	15.7	29.6	6.8	36.4	52.1
1982	10.2	1,951	19.9	29.8	8.1	37.9	57.8
1983	8.7	1,643	14.3	29.2	13.1	42.3	56.6
1984	8.9	1,966	17.5	33.1	9.5	42.7	60.2
1985 2/	7.8						
Sun-cured, type 37							
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	1,320	.7	1.6	0	1.6	2.3
1982	.6	1,290	.7	1.6	0	1.6	2.3
1983	.5	780	.4	1.5	0	1.5	1.9
1984	.5	1,370	.6	1.4	0	1.4	2.0
1985 2/	.4						
Disappearance							
					Placed under loan		
Total	Domestic	Exports	Aver. price per pound	Price support level	Quantity	Percent of crop	
--- Million pounds ---			Cents		Million pounds	Percent	
Dark air-cured, types 35-36							
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	14.2	12.3	1.9	133.0	98.7	1.5	9.6
1982	15.5	14.6	.9	122.9	105.7	5.7	28.8
1983	13.9	11.7	2.2	151.3	105.7	1.3	9.3
1984					105.7	6.1	34.6
Sun-cured, type 37							
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	127.1	88.0	0	0
1981	.7	.6	.1	131.7	98.7	3/ 4	.7
1982	.8	.7	.1	106.4	109.4	3/ 69	9.4
1983	.5	.4	.1	132.5	109.4	3/ 1	.3
1984					109.4	3/ 261	42.3

1/ Less than 50,000 pounds. 2/ Estimate of February planting intentions based on intentions for types and classes of tobacco other than burley and flue-cured. 3/ Quantity placed under loan in thousands of pounds.

Table 28—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1976-85 (farm-sales weight)

Crop Year 1/	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	
Pennsylvania seedleaf filler (type 41)									
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	13.3	2,050	27.3	52.1	79.4	27.1	26.9	.2	80.0
1982	10.7	2,000	21.4	52.3	73.7	19.6	19.2	.4	75.0
1983	7.7	1,850	14.2	54.1	68.3	20.3	20.0	.3	85.0
1984	7.7	1,900	14.6	48.0	62.6				
1985 2/	7.7								
Ohio, Miami, Valley filler (types 42-44)									
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	1,440	2.5	4.0	6.5	2.1	2.1	—	105.0
1982	1.8	1,950	3.5	4.4	7.9	2.0	2.0	—	90.0
1983	1.4	1,370	1.9	5.9	7.8	1.9	1.9	—	75.0
1984	1.1	1,820	2.0	5.9	7.9				
1985 2/	1.1								
Puerto Rico filler (type 46) 3/									
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	.6	1,000	.6	8.0	8.6	1.3	1.3	—	86.0
1982	.3	1,000	.3	7.3	7.6	.8	.8	—	91.0
1983	.8	1,000	.8	6.8	7.6	1.5	1.5	—	91.0
1984	.8	1,000	.8	6.1	6.9				
1985 2/	.7								
Total cigar filler (types 41-46)									
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	15.6	1,949	30.4	64.1	94.5	30.5	30.3	.2	82.1
1982	12.8	1,969	25.2	64.0	89.2	22.4	22.0	.4	75.6
1983	9.9	1,707	16.9	66.8	83.7	23.7	23.4	.3	82.4
1984	9.6	1,813	17.4	60.0	77.4				
1985 2/	9.5								
Connecticut Valley binder (types 51-52)									
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	1,998	3.5	6.1	9.6	2.5	2.4	.1	182.1
1982	2.1	1,660	3.5	7.1	10.6	3.3	3.1	.2	181.2
1983	1.4	1,793	2.5	7.3	10.0	3.2	3.0	.2	155.7
1984	1.1	1,794	1.9	6.7	8.6				
1985 2/	1.2								
Southern Wisconsin binder (type 54)									
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	6.4	2,150	13.8	4/	—	—	—	—	113.0
1982	5.1	2,110	10.8	4/	—	—	—	—	106.0
1983	4.4	2,080	9.2	4/	—	—	—	—	110.0
1984	3.9	2,050	8.0	4/	—	—	—	—	
1985 2/	3.9								

See footnotes at end of table.

Continued

Table 28--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1976-85 (farm-sales weight)--continued

Crop year 1/	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
Northern Wisconsin binder (type 55)									
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	--	--	*	117.0
1980	6.6	1,920	12.7	4/	--	--	--	--	125.0
1981	7.3	1,725	12.6	4/	--	--	--	--	108.0
1982	5.0	1,875	9.4	4/	--	--	--	--	101.0
1983	4.2	1,795	7.5	4/	--	--	--	--	109.0
1984	4.1	1,890	7.7	4/	--	--	--	--	
1985 2/	4.1								
Total Wisconsin binder (types 54-55)									
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	21.3	21.3	*	125.0
1981	13.7	1,924	26.4	53.6	80.0	20.0	20.0	*	110.6
1982	10.1	1,994	20.1	60.0	80.1	19.8	19.8	*	103.7
1983	8.6	1,941	16.7	60.3	77.0	18.5	18.5	*	109.6
1984	8.0	1,968	15.7	58.5	74.2				
1985 2/	8.0								
Total Cigar binder (types 51-55)									
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	23.5	23.3	.2	129.9
1981	15.4	1,932	29.8	59.7	89.5	22.5	22.4	.1	118.9
1982	12.2	1,939	23.6	67.1	90.7	23.1	22.9	.2	115.1
1983	10.0	1,920	19.2	67.6	86.8	21.6	21.4	.2	115.5
1984	9.1	1,948	17.6	65.2	82.8				
1985 2/	9.2								
Connecticut Valley shade-grown (type 61)									
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	1,592	4.1	5.3	9.4	4.5	2.9	1.6	1000.0
1982	1.1	1,421	1.6	4.9	6.5	3.2	2.2	1.0	1250.0
1983	1.0	1,706	1.7	3.3	5.0	1.3	.4	.9	1100.0
1984	1.2	1,450	1.8	3.7	5.5				
1985 2/	1.2								
Total shade-grown (types 61-62) 5/									
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	1,592	4.1	6.2	10.2	5.0	3.4	1.6	1000.0
1982	1.1	1,421	1.6	5.2	6.8	3.4	2.4	1.0	1250.0
1983	1.0	1,706	1.7	3.4	5.1	1.4	.4	1.0	1100.0
1984	1.2	1,450	1.8	3.7	5.5				
1985 2/	1.2								
Grand total cigar tobacco (types 41-62)									
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	57.1	52.5	4.6	175.3
1981	33.6	1,914	64.3	130.0	194.3	58.0	56.1	1.9	158.3
1982	26.1	1,931	50.4	136.3	186.7	48.9	47.3	1.6	131.2
1983	20.7	1,817	37.8	137.8	175.6	46.7	45.2	1.5	145.2
1984	19.9	1,850	36.8	128.9	165.7				
1985 2/	19.9								

1/ October 1 for types 41-55; July 1 for types 61-62. 2/ Estimates of February planting intentions based on intentions for types and classes of tobacco other than burley and flue-cured. 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, 1984, stocks were 0.1 million pounds. See TS-176 for annual supply and disappearance. *Less than 50,000 pounds.

than a year earlier. Virginia sun-cured, at 1,076 acres, is down about 10 percent from last season. Growers of dark air-cured may set 12 percent fewer acres this year than last. This indicates lower production and with carryin stocks about unchanged, the 1985/86 supply may decline from the 44 million pounds of 1984/85.

Cigar Tobacco

Prices Generally Higher

Most cigar tobacco producers received higher prices than a year ago for their 1984 crop. A smaller quantity of cigar tobacco is expected to be placed under loan than last season's 2.7 million pounds, partly because Connecticut binder tobacco was not under the price support program in 1984. Much of the Pennsylvania filler and Wisconsin binder crops had been sold by late February. Prices averaged around 90 cents per pound in Pennsylvania and about \$1.10 in Wisconsin. Ohio cigar types sold for about \$1.05 per pound. Prices were up a little for Pennsylvania filler and Ohio filler. Wisconsin binder prices were about the same as a year ago. Prices for Connecticut binder (type 51) ranged from \$1.55 to \$1.90 per pound, and were about 10 cents higher than last season. Connecticut binder (type 52) prices ranged from \$1.50 to \$1.58 per pound, about the same as a year ago. Season average price and production data for the 1984 crop will be released by the Crop Reporting Board on May 10.

Overall price support levels for this year's crop of cigar leaf tobacco will be no higher than last year. There are no price supports for Pennsylvania filler (type 41), Connecticut binder (types 51-52), or shade-grown cigar wrapper (types 61-62). For type 62, Georgia-Florida shade grown, no production is expected.

Growers of Puerto Rican cigar filler (type 46) must agree to contribute 46 cents a pound to a no-net-cost account to receive price support for the 1984 crop (currently being marketed). Last year's contribution was also 46 cents. In addition, the Puerto Rican tobacco cooperatives deduct 6 cents a pound to cover overhead costs. The no-net-cost contribution for cigar filler types 42-44 was 8 cents per pound; cigar binder type 54 was 2

cents, and cigar binder type 55, 5 cents. The price support program for cigar binder types 51-52 was not in effect in 1984.

U.S. and Puerto Rican Supplies Decline

Total supplies of U.S. and Puerto Rican cigar tobacco for this season are about 6 percent below the previous season; both carryin and production declined. Cigar binder supplies declined 5 percent and filler declined 8 percent, while wrapper supplies rose 8 percent (table 28).

Slightly less foreign cigar tobacco arrived in the United States in 1984 than in 1983. However, even though use of foreign cigar tobacco rose, stocks of foreign-grown leaf on January 1, 1985, totaled 91 million pounds, 9 percent above a year earlier, and about 8 million above annual use.

Domestic Use May Fall

The demand for domestically produced cigar filler and binder has decreased due to a further shift to foreign suppliers for loose leaf chewing tobacco, leaving sizable but declining inventories of domestic leaf. Last year, cigar makers continued to obtain most of their requirements from imports.

Despite improved economic activity, including increased factory employment, U.S. cigar leaf use this season may decline a little from a year ago. Tobacco disappearance may be 7 or 8 million pounds above the 1984 crop, dropping the 1984 carryover to around 120 million, the lowest since 1977.

Cigar Filler and Binder Allotments Unchanged

For most farms growing cigar filler and binder tobacco (types 42-44 and 53-55), USDA set this year's acreage allotments about the same as last year. For Puerto Rican cigar tobacco (type 46), the Puerto Rican Department of Agriculture has set a quota of 1 million pounds for 1984/85, down from 1.5 million a year earlier.

Based on the February 1 planting intentions report, cigar-type acreage could remain about the same as a year ago because allotments were unchanged and prices were a

little higher for the 1984 crop. Shade-grown wrapper production may not change much but will remain much lower than the 1975-80 average. A major cigar manufacturer reduced use sharply after it shifted to homogenized wrapper that requires much less natural wrapper.

Overall, cigar tobacco production in 1985/86 is projected about the same as last year's crop. Supplies will decline because carryover from 1984/85 will be smaller.

Table 29--Cash receipts from farm marketings, and tobacco, 1975-84

Period	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco	All crop	Total cash receipts
	Million dollars				Percent	
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	68,785	73,943	142,728	3,295	4.5	2.3
1982	69,430	73,847	143,277	3,382	4.6	2.4
1983	69,203	69,516	138,719	2,831	4.1	2.0
1984 1/	71,043	69,401	140,444	2,805	4.0	2.0

1/ Preliminary.

Table 30--Expenditures for tobacco products and disposable personal income, 1975-84

Year	Total	Cigarettes	Cigars 1/	Other 2/	Disposable personal income	Percent of disposable personal income spent on tobacco products			
						All	Cigarettes	Cigars 1/	Other 2/
	Million dollars				Billion dollars	Percent			
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	22,950	21,200	710	1,040	2,042	1.13	1.04	.04	.05
1982	25,310	23,525	685	1,100	2,181	1.16	1.08	.03	.05
1983 3/	28,710	26,840	705	1,165	2,340	1.23	1.15	.03	.05
1984 4/	30,700	28,750	715	1,235	2,576	1.19	1.11	.03	.05

1/ Includes small cigars (cigarette-size). 2/Smoking tobacco, chewing tobacco, and snuff. 3/Subject to revision. 4/Estimated. Compiled from reports of Department of Commerce, Bureau of Economic Analysis.

Table 31—Governmental revenues from tobacco products, 1975–84

Year	Federal Government			State and local Governments		All Government	
	Cigarettes 1/	Cigars 2/	Other 3/	Total	State		Local
Million dollars							
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	3,820	134	6,563
1981	2,535	40	4	2,579	3,895	150	6,624
1982	2,485	34	6	2,525	4,060	177	6,762
1983	4,609	31	9	4,649	4,090	180	8,919
1984 4/	4,628	32	10	4,670	4,260	182	9,112

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

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

Table 32—Marketing quota referendums, by kinds of tobacco

Kind (type numbers in parentheses) and basis of quotas 1/	Last referendum			Next referendum		
	Date	Crops to which applicable	Number voting	Percentage voting in favor of quota 2/	Probable date 3/	Crops to which applicable
Flue-cured (11–14) Acreage–poundage	Dec. 16, 1982	1983–85	112,314	93.7	Dec. 1985	1986–88
Burley (31) Poundage	Feb. 28–March 3, 1983	1983–85	221,268	97.0	Feb. 1986	1986–88
Maryland (32)	Feb. 28–March 3, 1983	1983–85	2,091	7.4	Feb. 1986 4/	1986–88
Fire-cured (21–23) Acreage	Feb. 19–22, 1985	1985–87	8,489	92.6	Feb. 1988	1988–90
Poundage	Feb. 28–March 3, 1983	1983–85	10,457	18.8	Feb. 1986 5/	1986–88
Dark air-cured (35–36) Acreage	Feb. 19–22, 1985	1985–87	7,356	93.5	Feb. 1988	1988–90
Poundage	Feb. 28–March 3, 1983	1983–85	12,253	38.6	Feb. 1986 5/	1986–88
Va. sun-cured (37)	Feb. 28–March 3, 1983	1983–85	310	91.6	Feb. 1986	1986–88
Pa. filler (41)	Feb. 28–March 3, 1983	1983–85	955	17.5	Feb. 1986 4/	1986–88
Cigar binder (51–52)	Feb. 19–22, 1985	1985–87	96	35.4	Feb. 1986	1986–88
Cigar filler and binder (42–44, 53–55)	Feb. 27–March 1, 1984	1984–86	3,393	82.4	Feb. 1987	1987–89

1/ Quota based on acreage allotments unless otherwise specified. 2/ A majority of two-thirds or more of farmers voting is required for marketing quotas to become effective under the acreage allotment program or acreage–poundage program. 3/ Probable month, but referendums can occur earlier if warranted by pertinent considerations. 4/ Unless at least a fourth of the growers petition the Secretary of Agriculture in the interim. 5/ If Secretary of Agriculture determines producers and other interested persons favor poundage quotas.

COSTS OF PRODUCING AND SELLING BURLEY TOBACCO: 1983, 1984, AND PROJECTED 1985

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Abstract: Variable and total costs per acre of producing and selling burley tobacco rose 30 and 24 percent, respectively, in 1984, and both are expected to increase again this year. Much of this year's increase in costs will result from the big hike in no-net-cost assessments. Prices of pesticides are expected to increase a little and wage rates are likely to go up, but fuel and fertilizer costs are forecast to decline. These estimates are based on information from a 1977 survey of 790 burley tobacco producers in the Bluegrass and south-central areas of Kentucky and north-central and eastern Tennessee. The information has been updated with input prices for 1983 and 1984 and projected input prices for 1985. Technology and the input mix for 1983-85 are assumed the same as for 1976, except for market-preparation labor and fungicide use.

Keywords: Burley tobacco, variable costs, total costs, yield.

INTRODUCTION

This article presents estimated costs of producing burley tobacco during 1983 and 1984 and projections for 1985. The major source of data is a 1977 survey of the 1976 costs of 790 tobacco producers in five major Kentucky and Tennessee areas (table 33). The data have been updated from 1976 by the use of price indexes for individual input items. 1/

The technology and input mix for 1983-85 are assumed to be the same as in 1976, except for two changes in 1984 and 1985. Because of the outbreak of blue-mold in the field in 1979 and the continued threat of this disease, it is assumed that 90 percent of the output is treated with a fungicide. Also, farmers have largely changed from hand tying to baling burley tobacco to prepare it for market. Baling reduces labor requirements. It is assumed that 80 percent of production was baled in 1983, and 90 percent in 1984 and

1985. For 1983, harvest and stripping labor costs, as well as some other items, are adjusted to reflect low yields resulting from the drought.

Production costs vary widely from farm to farm because of differences in management, labor productivity, and other factors. The estimates reported here reflect average costs of farmers in the specified production areas.

The cost estimates cover variable costs, machinery and barn ownership, and general farm overhead. Variable costs include expenditures for labor, fertilizer and lime, pesticides, sucker-control chemicals, curing and heating fuel, custom operations, fuel and lubricants, repairs, tobacco crop insurance, marketing fees, and other costs, such as seed and plant bed canvas.

Hired, family, and exchange labor are all charged at prevailing farm wage rates. Machinery and barn ownership costs reflect the estimated age of these items for the year for which costs are calculated. General farm overhead includes costs for recordkeeping, utilities, and other items that are difficult to allocate to specific enterprises. Two additional cost components—management, and land and quota (the right to grow and market

1/ For a more complete discussion of the concepts and procedures that underlie production cost estimates for burley tobacco see "Costs of Producing Burley Tobacco-1976," Verner N. Grise, TOBACCO SITUATION, TS-163, Washington, D.C., USDA, March, 1978, pp. 37-42.

tobacco without a penalty)—are also estimated. The management charge is computed at 7 percent of the value of the crop. Crop values in 1983 and 1984 are calculated using the average annual price received by farmers and estimated yields. For 1985, a projected price of \$1.85 is used. Yields for 1983 are based on USDA Statistical Reporting Service (SRS) estimates within the study area, and for 1984, the SRS estimate for the U.S. adjusted to the study area. Yields for 1985 are based on the average of the last 10 years.

The charge for land and quota is based on the net-share rent approach. Net-share rent is the value of the landlord's share of the crop after subtracting landlord payments for fertilizer, chemicals, and other inputs, and allocating barn ownership costs.

Cost Changes From 1983 to 1984

The variable costs for producing and selling burley tobacco rose 30 percent an acre in 1984 (table 34). Much of the rise is attributable to greater input use because increased yields resulted in sharply higher costs for harvest and market-preparation labor. However, despite increased input costs, variable costs per 100 pounds fell 11 percent because yields rose substantially.

Labor costs accounted for about 54 percent of all variable costs. Wage rates rose about 4 percent in 1984, however, the increase was dampened because the Federal minimum wage rate remained at \$3.35 a hour for farm employees covered by the law. 2/

After declining in 1983, fertilizer prices rose in 1984, while pesticide and fuel prices fell.

Total costs per acre, excluding land and quota, rose 24 percent in 1984. However, total costs per pound fell about 15 percent because of sharply higher yields. Prices of new machinery and construction costs for new barns continued to rise, but at a slow rate.

2/ Farm employers who have hired 500 or more man-days during at least one calendar quarter the previous year are subject to the Federal minimum wage rate.

Land and quota charges per acre averaged 20 percent higher, due mainly to the increased yields. Quota costs per 100 pounds were about 18 percent lower.

Projected Costs in 1985

Variable costs are projected to rise about 22 percent per acre this year, and total costs about 15 percent. Most of the increase will stem from the 21-cent-a-pound hike in the no-net-cost assessment fee. Variable costs per 100 pounds will also rise about 22 percent if yields about equal the 1973-82 average.

Wage rates are likely to rise somewhat. The Federal minimum wage is not scheduled to change in 1985, but unemployment rates are down and labor needs continue high despite the less labor-intensive market preparation methods that have been adopted the last 5 years.

Fuel and fertilizer prices may decline in 1985; pesticide prices may rise slightly.

Total costs, excluding land and quota, are projected at \$4,187 an acre in 1985—\$161.30 per 100 pounds. Much of the rise stems from a large hike in no-net-cost assessments. Price hikes for pesticides, custom operations, and repairs will also contribute to the increase. Input prices may rise about the same as a year earlier. The charge for land and quota is forecast to decline to \$43.24, compared with \$48.89 in 1984. The hike in assessments has reduced land and quota charges.

Conclusions

The total cost per acre for producing and selling burley tobacco, excluding land and quota, could rise about 15 percent, compared with 24 percent in 1984. The key factors governing the large rise in costs per acre in 1984 and 1985 are greater yields and labor requirements than those associated with the 1983 drought-reduced crop, and large increases in the no-net-cost assessment.

Costs vary markedly from one tobacco grower to another. The cost estimates presented here are averages and probably overstate those for a tobacco grower whose tractors, machinery, and barns are fully depreciated. On the other hand, the estimates

may understate costs for a grower with new equipment and barns. Also, keep in mind that the estimates include out-of-pocket costs plus

opportunity costs for the unpaid inputs of management, and labor performed by the operator and his or her family.

Table 33.--Counties in the burley tobacco study area

Kentucky.		
Adair	Nelson	Jefferson
Allen	Nicholas	Johnson
Anderson	Oldham	Macon
Bath	Owen	Pickett
Bourbon	Pendleton	Sevier
Boyle	Pulaski	Sullivan
Bracken	Robertson	Unicoi
Carroll	Russell	Union
Casey	Scott	Washington
Clark	Shelby	
Clinton	Spencer	
Cumberland	Taylor	
Fayette	Trimble	
Fleming	Washington	
Franklin	Wayne	
Gallatin	Woodford	
Garrard		
Grant	Tennessee 2/	
Green	Campbell	
Harrison	Carter	
Henry	Claiborne	
Jessamine	Clay	
Lincoln	Cocke	
Madison	Grainger	
Marion	Greene	
Mason	Hamblen	
Mercer	Hancock	
Monroe	Hawkins	
Montgomery	Jackson	

1/ The Kentucky study area includes the Bluegrass region and 12 south-central counties.
 2/ The Tennessee study area is located mostly in the eastern part of the state.

Table 34.--Burley tobacco: Production costs per acre and per 100 pounds, by cost item, study area, 1983, preliminary 1984, and projected 1985

Cost item	Year					
	Cost per acre			Cost per 100 pounds		
	1983	1984	1985	1983	1984	1985
	Dollars					
Variable 1/	1,952.06	2,528.93	3,073.89	119.83	106.26	129.43
Labor 2/	1,054.19	1,377.24	1,425.45	64.71	57.87	60.02
Hired	367.44	480.04	496.84	22.56	20.17	20.92
Family and exchange	333.86	436.17	451.44	20.49	18.33	19.01
Operator	352.89	461.03	477.17	21.66	19.37	20.09
Fertilizer and lime	209.97	214.17	209.89	12.89	9.00	8.84
Pesticides 3/	72.73	70.55	71.26	4.46	2.96	3.00
Sucker control chemicals	13.96	13.54	13.54	.86	.57	.57
Curing and heating fuel 4/	15.05	14.67	14.23	.92	.62	.60
Custom operations 5/	67.76	69.12	70.50	4.16	2.90	2.97
Fuel and lubricants	103.72	104.24	100.07	6.37	4.38	4.21
Repairs	68.45	70.16	72.62	4.20	2.95	3.06
Tobacco crop insurance 6/	.00	44.06	45.38	.00	1.85	1.91
Marketing fee	144.00	223.15	219.70	8.84	9.38	9.25
Other 7/	202.23	328.03	831.25	12.41	13.78	35.00
Machinery ownership costs 8/	342.00	347.13	352.34	20.99	14.59	14.84
Barn ownership costs 9/	324.39	326.94	329.56	19.91	13.74	13.88
Insurance 10/	42.03	43.29	44.59	2.58	1.82	1.88
Irrigation costs	21.02	21.65	22.30	1.29	.91	.94
General farm overhead	54.40	55.76	56.88	3.34	2.34	2.39
Management 11/	201.60	312.41	307.58	12.38	13.13	12.95
Total, excluding land and quota	2,937.60	3,636.11	4,187.14	180.33	152.78	166.30
Land and quota charge 12/	969.41	1,163.56	1,026.91	59.51	48.89	43.24
Yield per acre (pounds) 13/	1629	2380	2375	1629	2380	2375

1/ Includes interest on operating expenses. 2/ Includes operator, family and exchange labor valued at prevailing wage rates. 3/ Includes fungicides, herbicides, and pesticides. 4/ Includes fuel for aiding curing and heating the stripping room. 5/ Includes costs of materials in cases where the farmer could not separate the cost of material and the cost of the custom operation. 6/ Net of payment for losses. Assumed at zero in 1983 because of severe drought. 7/ Includes tobacco seed, cover crop seed, plant bed canvas, car costs, mule and horse upkeep and other miscellaneous items. It also includes the contribution to the no-net-cost account and the charge for inspection and grading. The no-net-cost assessment is 30 cents a pound in 1985. 8/ Excludes insurance. 9/ Excludes insurance and taxes. 10/ Includes tobacco's prorated share of general farm insurance including machinery and barn insurance. 11/ Estimated at 7 percent of gross receipts. 12/ Calculated on the net-share rent basis. 13/ The 1983 yield estimated is the weighted-average yield for counties within the study area. The 1984 yield estimate is based on the USDA Statistical Reporting Service national yield estimate, adjusted to reflect the yield difference of the study area. The 1985 yield projection is based on the USDA Statistical Reporting Service's 10-year average U.S. yield adjusted to reflect higher yields in the study area.

STATISTICAL SUMMARY

Item	Unit or base period	1984		1984-85		Last data as percentage of a year earlier	
		January	February	December	January		February
Average price at auctions							
Flue-cured	Ct. per lb.	closed	closed	closed	closed	closed	---
Burley	Ct. per lb.	174.2	1.70	187.5	187.5	1.86	109
Maryland	Ct. per lb.	closed	closed	closed	closed	closed	---
Virginia fire-cured	Ct. per lb.	closed	closed	119.5	closed	closed	---
Ky.-Tenn. fire-cured	Ct. per lb.	192.4	1.82	closed	156.0	1.59	87
Ky.-Tenn. dark air-cured	Ct. per lb.	138.3	1.27	131.0	125.0	1.18	93
Virginia sun-cured	Ct. per lb.	130.0	closed	103.0	85.0	closed	---
Price support level 1/							
Flue-cured	Ct. per lb.	169.9			169.9		100
Burley	Ct. per lb.	175.1			*		
Virginia fire-cured	Ct. per lb.	118.8			*		
Ky.-Tenn. fire-cured	Ct. per lb.	123.0			*		
Ky.-Tenn. dark air-cured	Ct. per lb.	105.7			*		
Virginia sun-cured	Ct. per lb.	109.4			*		
Connecticut Valley cigar binder	Ct. per lb.	121.2			*		
Wisc. binder and Ohio filler	Ct. per lb.	90.7			*		
Puerto Rican filler	Ct. per lb.	74.0			*		
Parity index 2/							
	1910-14=100	1,123	1,127	1,130	1,130	1,131	100
Industrial production index 3/							
Employment	1967=100	158.5	160.0	166.2	166.6	---	105
Personal income 4/	1967=100	103.3	103.9	106.3	106.4	---	103
Personal income 4/							
	1967=100	2,897.4	2,923.5	3,113.6	3,130.1	---	108
		1983-84		1984-85			
		December	January	November	December	January	
Taxable removals							
Cigarettes	Bill.	43.2	49.9	53.2	42.8		99
Cigars and cigarillos	Bill.	268.2	268.0	252.4	266.0		99
Accumulated from Jan. 1							
Cigarettes	Bill.	597.5		555.0	597.8		100
Cigars and cigarillos	Bill.	3,459.9		3,064.6	3,330.6		96
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	27.0			24.3		90
Chewing tobacco	Mil. lb.	86.6			87.3		101
Snuff	Mil. lb.	45.7			47.7		104
Tax-exempt removals							
Cigarettes	Bill.	5.4	5.2	6.3	5.6		104
Exports	Bill.	5.2	3.8	6.0	4.4	5.5	145
Cigars and cigarillos	Bill.	11.9	9.0	7.6	7.4		62
Accumulated from Jan. 1							
Cigarettes	Bill.	69.7		61.5	67.1		96
Exports	Bill.	60.7		52.1	56.5		93
Cigars and cigarillos	Bill.	140.0		113.3	120.6		86
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	.6			.4		67
Chewing tobacco	Mil. lb.	.2			.2		100
Producer price indexes 5/							
Tobacco products	1967=100	377.0	389.4	407.1	406.9	423.8	109
Cigarettes (filtertip, king size)	1967=100	374.4	388.1	406.4	406.4	424.8	109
Cigars	1967=100	177.3	178.2	183.0	183.1	195.7	110
Smoking tobacco	1967=100	363.4	363.4	382.3	388.5	395.6	109
Plug chewing tobacco	1967=100	N.A.	N.A.	N.A.	N.A.	N.A.	---
Snuff	1967=100	386.5	405.4	417.3	417.3	417.3	103
Consumer price indexes (urban)							
Tobacco products	1967=100	299.9	304.3	314.7	314.6	321.0	105
Cigarettes	1967=100	299.2	312.8	323.4	323.2	330.3	106
Other tobacco products 6/	Dec. 1977=100	154.8	154.9	160.6	161.0	161.6	104
Imports of tobacco (for consumption)							
Cigarette leaf	Mil. lb.	17.0	17.9	30.3	19.9	26.3	147
Cigar tobacco (leaf and scrap)	Mil. lb.	2.5	7.5	3.8	3.6	3.9	52
Other tobacco (leaf and scrap)	Mil. lb.	6.8	2.5	8.7	9.0	.8	32
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	229.8		286.2	306.1		133
Cigar tobacco (leaf and scrap)	Mil. lb.	41.6		51.9	55.5		133
Other scrap and tobacco NSPF 7/	Mil. lb.	240.9		106.0	114.8		48

See footnotes at end of table.

STATISTICAL SUMMARY--CONTINUED

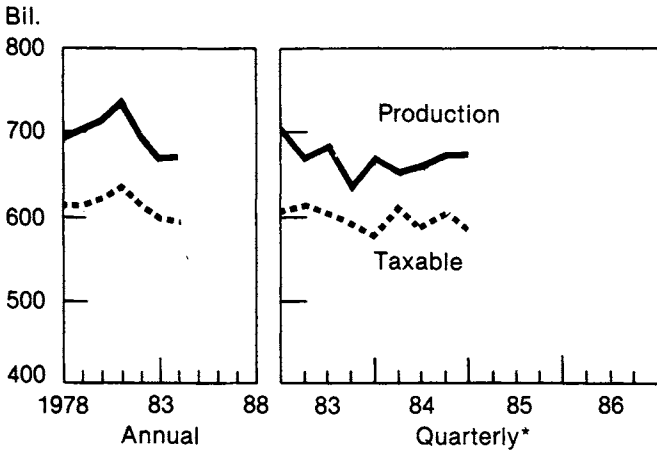
Item	Unit or base period	1983-84		1984-85		Last data as percentage of a year earlier	
		December	January	November	December		January
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	67.4	38.3	106.6	84.6	37.0	97
Burley	Mil. lb.	2.3	7.8	7.6	5.5	4.2	54
Maryland	Mil. lb.	.1	.2	.3	.6	.3	150
Virginia fire- & sun-cured	Mil. lb.	*	.1	.6	*	.2	200
Ky.-Tenn. fire-cured	Mil. lb.	1.2	2.8	1.4	1.1	*	---
Ky.-Tenn. dark air-cured	Mil. lb.	.3	.4	.2	.5	.1	25
Cigar wrapper	Mil. lb.	.2	.3	.2	.1	.4	133
Cigar binder	Mil. lb.	0	*	*	*	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	284.9	323.2	246.0	330.7	367.7	114
Burley	Mil. lb.	24.3	32.1	15.4	20.9	25.1	78
Maryland	Mil. lb.	1.5	1.7	1.6	2.2	2.5	147
Virginia fire- & sun-cured	Mil. lb.	.7	.8	1.4	1.5	1.7	213
Ky.-Tenn. fire-cured 9/	Mil. lb.	8.5	11.3	3.1	4.2	4.2	37
Ky.-Tenn. dark air-cured 9/	Mil. lb.	.7	1.1	.3	.8	.9	82
Cigar wrapper	Mil. lb.	.5	.9	.6	.8	1.2	133
Cigar binder	Mil. lb.	*	.1	.1	.1	.1	100
Cigar filler	Mil. lb.	.1	.1	*	*	.1	100
Exports of manufactured tobacco in bulk and not elsewhere classified 10/							
Accumulated from Jan. 1	Mil. lb.	2.0	1.4	3.8	3.4	2.0	143
	Mil. lb.	21.8		28.8	32.2		148
Quarterly data							
		1983-84		1984-85			
		Oct.-Dec.	Jan.-Mar.	Oct.-Dec.	Jan.-Mar.		
Stocks of tobacco—1st of quarter							
(farm-sales weight) 11/							
Domestic types							
Flue-cured	Mil. lb.	2,605	2,550	2,507	2,451		96
Burley	Mil. lb.	1,319	1,537	1,344	1,699		111
Maryland	Mil. lb.	51	48	54	49		102
Fire-cured	Mil. lb.	79	76	72	84		111
Dark air- and sun-cured	Mil. lb.	44	47	44	45		96
Cigar filler	Mil. lb.	67	62	60	65		105
Cigar binder	Mil. lb.	68	67	65	71		106
Cigar wrapper	Mil. lb.	4	4	3	4		100
Under Government loan 12/	Mil. lb.	1,116	1,315	1,324	1,453		110
Foreign types							
Cigarette and smoking	Mil. lb.	885	875	944	951		109
Oriental	Mil. lb.	377	364	382	419		115
Flue-cured	Mil. lb.	237	236	280	244		103
Burley	Mil. lb.	271	275	282	288		105
Cigar	Mil. lb.	85	83	88	87		105
Tobacco outlets 13/							
Seasonally adjusted data, annual rates, for charts							
Cigarettes							
Production	Bil.	633.6	669.2	680.8	680.0		102
Tax-paid removals	Bil.	598.0	573.3	625.6	580.0		101
Cigar production							
Large	Bil.	3.79	3.55	3.41	3.48		98
Small	Bil.	1.32	1.35	1.04	1.15		87
Smoking production	Mil. lb.	28.3	25.9	25.8	24.0		93
Chewing production							
Loose leaf	Mil. lb.	65.2	70.2	68.0	70.0		100
Plug and other	Mil. lb.	15.9	14.3	14.1	14.0		98
Snuff production	Mil. lb.	46.2	46.2	51.1	48.5		105
Exports of leaf							
Total	Mil. lb.	722.7	552.0	868.0	630.0		114
Flue-cured	Mil. lb.	594.0	390.0	764.0	480.0		123

1/ 1984 and 1985 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. Items may not add because of rounding. Data comparable to earlier years not available.

Tobacco Outlets

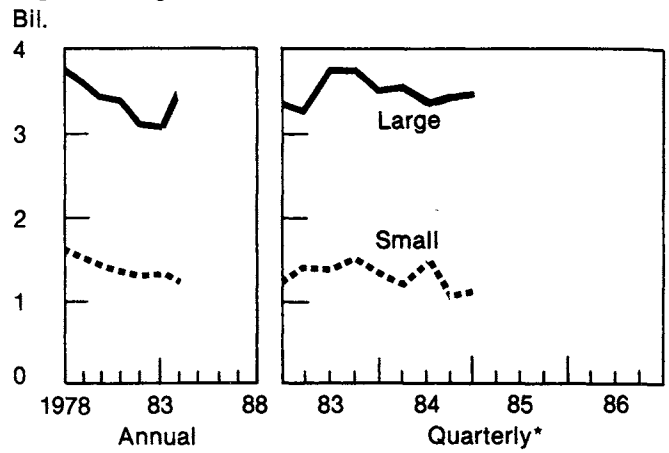
Trends in U.S. Manufactured Products and Exports

Cigarette Production and Taxable Removals



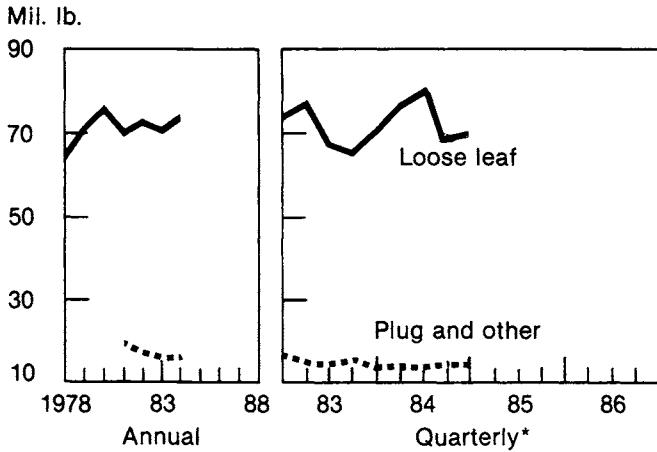
Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Cigar and Cigarillo Production



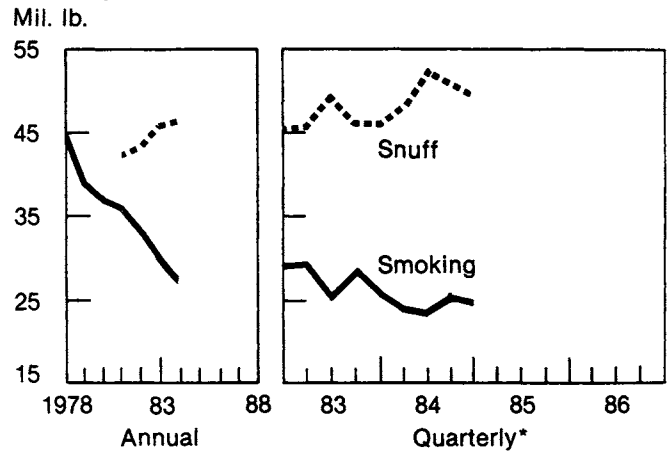
Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Chewing Production



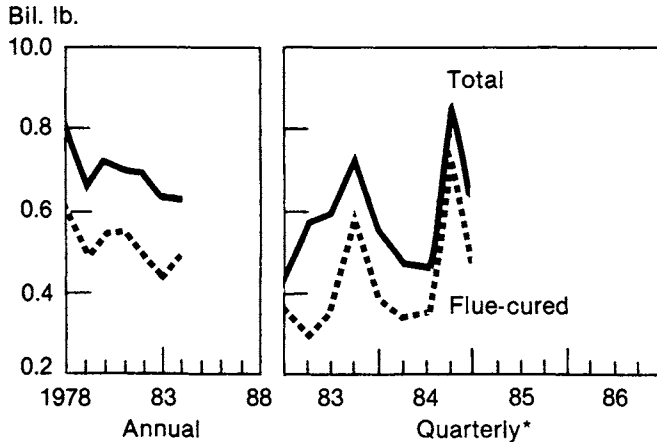
Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Smoking and Snuff Production



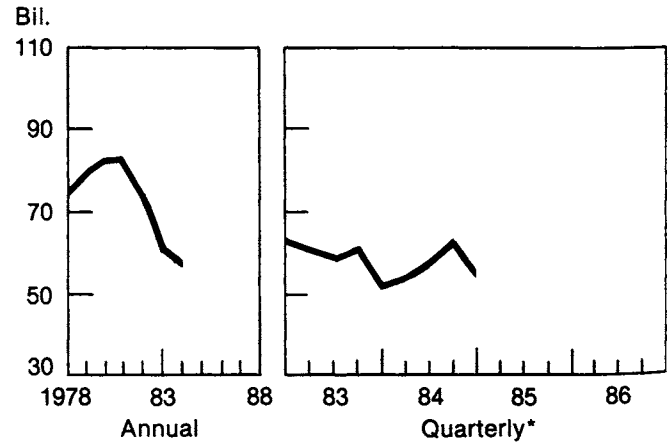
Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Leaf Exports, Farm-Sales Weight



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

Cigarette Exports



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

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Note to Readers:

The tables that appeared in the now discontinued June Tobacco Outlook and Situation report will be available upon request about mid-June. If you are interested in receiving copies of approximately 20 tables detailing tobacco product consumption and supply and use of various tobacco types, contact Verner N. Grise, ERS, U.S. Dept. of Agriculture, Washington, D.C. 20250.