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Tobacco Outlook

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Leaf Production Projected Up 10 Percent

Contents

[Tobacco Products](#)
[U.S. Exp. & Imp.](#)
[Tobacco Leaf](#)
[Flue-Cured](#)
[Burley](#)
[Maryland Tobacco](#)
[Fire-Cured](#)
[Dark-Air Cured](#)
[Cigar Tobacco](#)
[Contact & Links](#)

Tables

[Cigarettes](#)
[U.S. Leaf Exports](#)
[U.S. Leaf Imports](#)
[Flue-Cured & Burley S&U](#)

Web Sites

[WASDE](#)
[Tobacco Briefing Room](#)

The next release is
April 2005

Approved by the
World Agricultural
Outlook Board.

U.S. tobacco production for the 2004 season was forecast at 882.6 million pounds as of September 1. The crop is expected to be 10 percent greater than last year's 802.7 million pounds. Acreage is projected at 413,550 acres, just 1 percent above the 2003 season. Flue-cured acreage slipped by 2,400 to 231,000 acres, but production is estimated at 511.7 million pounds, an 11-percent gain over 2003. Adequate rainfall and a relatively disease-free crop have raised expected yield, a welcome respite after last season's flooding. Hurricane Frances caused some alteration in sales schedules but little damage. Through September 9th, (33 sales days), flue-cured producers sold 261.3 million pounds or 51 percent of estimated production. Burley sales for the 2004 season begin in November. Burley acreage is expected to advance 3 percent to 156,300 acres, after declining 3 percent from 2002 to 2003. Production is expected to be 307.8 million pounds on higher yields. Acreage for Maryland, dark fire-cured, and air-cured leaf advanced, while cigar tobacco acreage slipped.

Supplies of U.S.-grown tobacco in 2004 are projected to change very little at 2.4 billion pounds. Production is expected to advance 10 percent while beginning stocks are projected to slip 4 percent, to an estimated 1.5 billion pounds.

Disappearance (use) of U.S.-grown leaf is expected to slip about 15 percent by the end of the 2003-04 marketing year to reach 873 million pounds. Use in 2002-03 was 1,026 million pounds. Both domestic use and exports are expected to decline, about 15 and 17 percent, respectively. Cigarette production and exports are both projected lower in 2004, resulting in domestic use of 535 million pounds. Domestic disappearance was 642 million pounds during the 2002-03 season. Export disappearance should reach 338 million pounds, compared with 383 million last season. U.S. leaf exports in 2003-04 (July-June) fell 6 percent from the previous year, reaching 486 million pounds, farm-sales weight.

Cigarette output in calendar 2003 slipped 6 percent to 500 billion cigarettes. Taxable removals ended the year at 377.2 billion pieces. Domestic consumption in 2003 slipped to 400 billion pieces, a 4-percent decline. Exports at year-end were 121.5 billion, 5 percent below the previous year. Per capita consumption (18 years old and over) slid to 1,837 cigarettes, from 1,979 cigarettes in 2002.

For 2004, U.S. cigarette output is expected to decline about 1 percent from 2003 to finish at 495 billion pieces. Domestic removals are expected to reach 377.2 billion cigarettes, and exports are projected to increase slightly to 125.0 billion cigarettes. Consumption is projected at 390 billion pieces, down 3 percent. Cigarette exports during the first 6 months of 2004 reached 65.4 billion pieces, compared with 64.4 billion for the 6-month period last year. Cigarette imports during the first 6 months of 2004 slipped 8 percent, reaching 10.9 billion pieces, compared with 11.8 billion pieces last year. If this trend continues, imports at year-end will be about 21.3 billion pieces.

At the beginning of the flue-cured season, growers carried only 4.4 million pounds available for marketing from previous crops. Last year carryover was 55.3 million pounds. The effective quota for the 2004 crop is 500 million pounds, compared with 536.2 million pounds last season. Production plus carryover totals about 504.4 million pounds, so on-farm carryover at the end of the 2004 season is expected to remain small.

Gross sales through the seventh week (September 9th) reached 261.6 million gross pounds and averaged \$178.96 per cwt. At the same point last season, 246.5 million pounds had returned an average of \$181.87 per cwt. Eighty percent, or 197.1 million pounds, were sold under contracts. At auction, sales of 48.6 million pounds resulted in loan takings of 39.1 million pounds or 16 percent of total flue-cured sales. At this point in the season, 81 percent of auction marketings went to the cooperative.

Beginning flue-cured stocks on July 1, 2004, were 822.8 million pounds, compared with 837.7 million pounds on July 1, 2003. Total reported supply of U.S.-grown flue-cured in 2004 is about 1.3 billion pounds, the same as in 2003. Use in 2003 totaled 522.5 million pounds, 19 percent short of the previous season.

As of September 1, burley production in 2004 is estimated at 301.5 million pounds, compared with actual production of 281.7 million pounds last season. Marketings this year will likely be about 285 million pounds, 14 percent below the effective quota of 331.0 million pounds, resulting in projected supplies of about 880 million pounds, assuming normal on-farm carryover levels.

According to the September 1 crop production forecast, smaller crops are forecast for Maryland, dark air-cured, dark fire-cured, and cigar tobacco.

January-June 2004 exports of flue-cured leaf (declared-weight) slipped 12 percent to 61.7 million pounds. Burley shipments advanced 12 percent to 77.2 million pounds. Total leaf shipments during the first 6 months of calendar 2004 were 184.1 million pounds, about a million pounds less than last year. Belgium, Germany, Japan, and Switzerland were the leading destinations for U.S. leaf.

Leaf imports during the first 6 months of 2004 reached 279.5 million pounds (imports for consumption), compared with 284.4 million pounds during the same period last year. Cigarette tobacco imports gained while cigar and stem imports declined.

By December 15, 2004, the U.S. Department of Agriculture (USDA) will announce the flue-cured poundage quota and matching acreage allotment for the 2005 marketing year. Individual farm quotas and acreage allotments for the next year will reflect this year's overmarketings and undermarketings. By February 1, 2005, USDA will announce the 2005 burley poundage quota, and by March 1 it will announce the 2005 acreage allotments for other kinds of tobacco.

Price supports for 2005-crop flue-cured and burley tobacco will be based on a 5-year moving average of market prices and changes in costs of production. For other types, changes in support will continue to be based on the average of the parity index during the previous 3 years compared with 1959.

Tobacco Products

Cigarette Output Slips 6 Percent in 2003

U.S. cigarette output in 2003 ended the year at 500.0 billion cigarettes, compared with 532 billion in 2002. Taxable removals slipped 5 percent to 377.2 million pieces. Consumption declined 4 percent to 400 billion pieces. Cigarette exports during 2003 reached 121.5 billion pieces, compared with 127.4 the previous year. Japan purchased 65 percent of U.S. cigarette exports (79.3 billion pieces) during calendar 2003. Saudi Arabia, Israel, Lebanon, Iran, Hong Kong, Taiwan, and Kuwait (in declining importance) were also major destinations. Imports for 2003 totaled 23.1 billion cigarettes, 11 percent over 2002. Colombia, Canada, India, and Brazil were major sources for cigarettes. Imports of cigarettes continue to advance as non-participating manufacturers (NPM) and importers (those who did not sign the Master Settlement Agreement) gain market share with lower-priced cigarettes.

Prospects for 2004: Slower Declines

Based on limited data for 2004, trends are generally downward, with slower declines than in 2003. Cigarette output is expected to slip about 1 percent to 495 billion pieces. If downward trends accelerate during the last half of the year, output could decline to 490 billion pieces. Domestic removals are expected to reach 377.2 billion cigarettes, and exports are projected to increase slightly to 125.0 billion cigarettes. Consumption is projected at 390 billion pieces, down 3 percent. Exports during the first 6 months of 2004 were 1 billion pieces higher than the same period in 2003, at 65.4 billion pieces. Cigarette imports during the first 6 months of 2004 slipped 8 percent, reaching 10.9 billion pieces, compared with 11.8 billion pieces last year. If this trend continues, imports at year-end will be about 21.3 billion pieces.

Cigarette Taxes

During 2004, six States will raise cigarette excise taxes. Gains range from 75 cents in Michigan and Rhode Island to 10 cents in Hawaii. The consumption-weighted-average State cigarette excise tax at the end of 2003 is 62.64 cents per pack of 20 cigarettes.

Wholesale Prices

Cigarette wholesale prices have not changed since they increased 12 cents per pack in April 2002. Including the Federal excise tax, the current wholesale price is \$2.374 per pack. The Federal excise tax has been 39 cents per pack since January 1, 2002. The wholesale price, including tax, did not change after the tax increase in January.

CPI for Tobacco Products and Cigarettes Up

The Consumer Price Index (CPI) for tobacco products (cigarettes, cigars, chewing, snuff, and smoking tobacco) is projected to increase from 261.5 to 469.0 during 2003. Based on partial-year data for 2004, the tobacco products CPI is expected to gain 6.5 points to reach 475.5. The CPI for cigarettes is likely to advance 2.7 points in 2003 and is expected to gain another 2.1 points in 2004.

Cigar Output and Consumption Increase in 2003

During 2003, cigar production reached 4,017 million pieces. Taxable removals jumped 313 million to 4,019 million cigars. Cigar consumption in 2002 gained 7 percent to reach 4,420 million pieces. Exports for calendar year 2003 reached 155 million cigars. January-June 2004 exports were more than double the same period in 2003 at 108 million cigars. July 2003-June 2004 exports reached 196 million cigars.

Calendar year 2003 cigar imports reached 408 million pieces, compared with 494 million the previous year. The Dominican Republic, Honduras, Nicaragua, and Belgium accounted for 96 percent of cigar imports. Imports for January-June 2004 advanced 12 percent to 194 million cigars, compared with 173 million the previous year. For the year ending June 2004, imports totaled 422 million cigars, 3 percent behind last year's 408 million.

Calendar year 2004 output is estimated at 4,428 million pieces, up 10 percent from 2003. Taxable removals are projected to be 15-percent higher, at 4,637 million cigars. Exports, based on July-June data, are up 23 percent to 190 million. Canada, China, Turkey, the Netherlands, and Japan were major destinations for cigars during the first half of 2004. With imports projected at 445 million cigars, consumption should be about 5,100 million pieces.

Small Cigars

Small cigars weigh under 3 pounds per 1,000 cigars and must have cigar-type wrapper and filler. Output in 2003 reached 2.6 billion pieces, 6 percent above the previous year. Domestic taxable removals during 2003 increased 3 percent to 2.3 billion cigars. During January-June 2004, imports of small cigars increased 43 percent, reaching 112 million cigars. Imports for 2004 are expected to reach about 264 million pieces. Imports have been rapidly increasing in recent years but still account for a small part of U.S. consumption. Brazil, the Philippines, Honduras, Canada, and the Netherlands were major sources for small cigars during the first half of 2004.

Other Tobacco Products

Output of snuff continues to rise, advancing 6 percent during the first 6 months of 2004. Estimated output at the year's end is expected to be nearly 80.4 million pounds, compared with 75.6 million pounds in 2003. Taxable removals during the 6-month period gained 5 percent. For 2004, taxable removals are expected to reach 77.8 million pounds, compared with 2003's 73.9 million pounds. During the past decade, snuff consumption has advanced 25 percent.

On a July-June basis, snuff output gained 6 percent from 2002 (July 2002-June 2003) to 2003 (July 2003-June 2004) ending at 77.9 million pounds. During the same period, taxable removals advanced 4 percent, ending at 75.8 million pounds.

Chewing tobacco output in 2003 was down 1.2 million pounds to 43.3 million pounds, continuing the long-term decline. During the first 6 months of 2004, chewing tobacco output slid 6 percent, slightly more than last year. Output in 2004

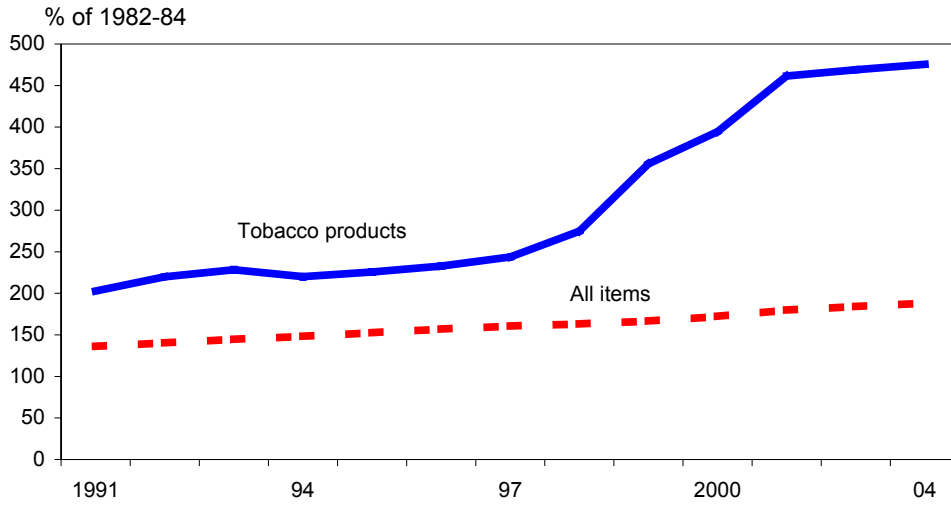
is estimated at 40.7 million pounds. Taxable removals slipped 5 percent during the January-June period and are projected to end 2004 at 38.3 million pounds. For the 12-month period from July 2003 to June 2004 (the latest full year of data available), output of chewing tobacco totaled 42.0 million pounds, 3 percent lower than a year earlier.

After declining to less than 5 million pounds in the mid-1990s, smoking tobacco output has increased during the last 2 years. Output for 2003 reached 17.8 million pounds, although production is expected to level off in 2004. During the first 6 months of 2004, output slipped 1 percent after large gains the previous year. Pipe tobacco output advanced slightly while cut leaf slipped. However, last year, cut smoking tobacco advanced about 2 million pounds. Cut tobacco is predominately used in roll-your-own (RYO) cigarettes. Higher cigarette taxes continue to boost cut tobacco consumption because of the resurgence in the RYO market. Total output of smoking tobacco in 2004 is projected at 17.6 million pounds. Taxable removals of smoking tobacco are expected to reach 16.7 million pounds in 2004.

On a July-June year basis, 2003-04 output of smoking tobacco advanced 4 percent to reach 17.7 million pounds. Cut tobacco gained 3 percent to 12.8 million pounds. Pipe tobacco gained 3 percent to 4.9 million pounds. Taxable removals for July 2003-June 2004 were steady at 16.7 million pounds.

Figure 1

Consumer Price Index and tobacco products prices

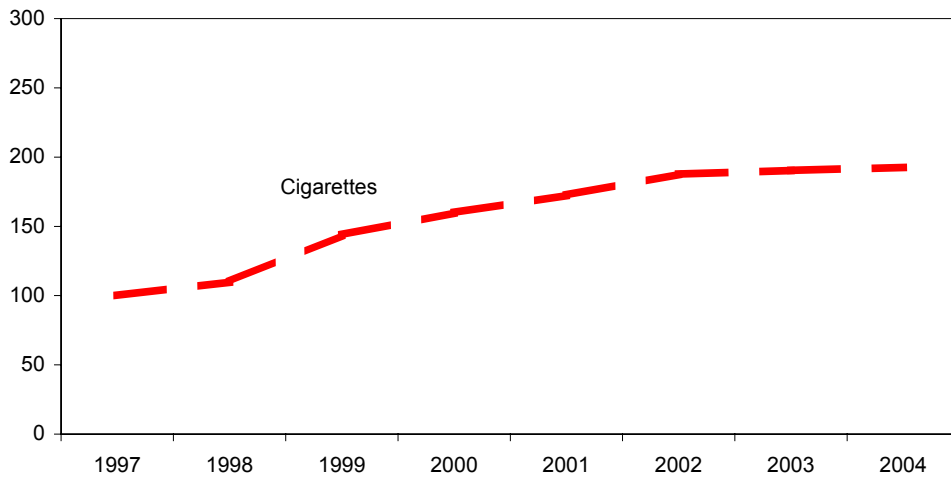


Source: Bureau of Labor Statistics.

Figure 2

Cigarette Consumer Price Index

% of 1997



Source: Bureau of Labor Statistics.

Table 1--Cigarettes: U.S. output, removals, and consumption, 1994-2004

Year	Removals							Total U.S. consumption 3/
	Output	Tax-exempt			Imports	Adjustment 2/		
		Taxable	Total	Exports			Miscellaneous shipments 1/	
Billions								
1994	725.5	488.6	231.6	220.2	11.4	3.5 4/	17.5 5/	486.0
1995	746.5	490.3	250.9	231.1	19.8	3.0	26.1	487.0
1996	754.5	486.0	261.0	243.9	17.1	2.8	18.9	487.0
1997	722.8	471.4	232.0	217.0	15.0	3.2	9.6	480.0
1998	679.7	457.9	212.5	201.3	11.2	4.3	8.4	465.0
1999 6/	611.5	434.5	165.6	151.4	14.1	8.7	17.6	435.0
2000 6/	594.1	422.5	153.6	148.3	5.4	11.3	10.0	430.0
2001 6/	562.8	412.1	144.6	133.9	10.7	14.7	12.5	425.0
2002 6/	532.0	395.2	136.3	127.4	2.6	20.8	3.3	415.0
2003 6/ 7/	500.0	377.2	123.9	121.5	2.4	23.1	2.7	400.0
2004 6/ 7/	495.0	368.2	130.0	125.0	5.0	21.3	4.5	390.0
Year ending June 30								
1994	668.8	467.7	205.0	198.4	6.6	8.7 4/	-9.3 5/	486.8
1995	755.3	492.6	255.6	239.3	7.0	3.2	9.8	488.0
1996	748.3	487.0	254.7	239.5	15.2	2.6	16.8	488.0
1997	732.6	475.8	252.5	232.8	19.7	3.1	18.5	480.0
1998	713.2	465.2	229.0	215.5	13.5	3.5	17.2	465.0
1999	637.2	437.5	190.3	176.8	13.5	6.1	22.1	435.0
2000	605.3	432.3	159.3	142.6	16.7	9.9	28.9	430.0
2001	579.6	418.1	150.5	133.9	16.6	12.2	22.0	425.0
2002 7/	556.5	408.3	140.0	132.1	7.9	17.9	14.1	420.0
2003 7/	510.8	381.4	130.5	123.4	7.1	23.8	7.3	405.0
2004 7/	450.0	335.0	125.0	122.6	2.4	22.1	-35.5	395.0

1/ Includes overseas armed forces, ship stores and small tax-exempt categories, and shipments to Puerto Rico and other U.S. possessions. 2/ Inventory change and unaccounted for. 3/ Taxable removals, misc. shipments, inventory change, and imports. 4/ Includes imports from Canada, many of which were likely re-exported to Canada. 5/ Adjusted for re-exports to Canada. 6/ Output, taxable removals, and tax-exempt removals total evixed in by Tobacco Tax and Trade Bureau. 7/ Estimated, subject to revision.

Sources: Alcohol and Tobacco Tax and Trade Bureau, Bureau of the Census.

Table 2--Per capita consumption of tobacco products in the United States (including overseas forces), 1995-2004

Year	Per capita 16 years and over	Per capita 18 years and over				Per male 18 years and over			
		Cigarettes 1/	All tobacco products		Large cigars & cigarillos	Smoking tobacco 2/	Chewing tobacco 2/		
			Number	----- Pounds -----				Number	----- Pounds -----
1995	2,415	2,505	4.2	0.31	4.67	27.49	0.45	0.13	0.67
1996	2,391	2,482	4.2	0.31	4.70	32.66	0.54	0.12	0.43
1997	2,331	2,423	4.1	0.31	4.55	36.90	0.61	0.12	0.41
1998	2,233	2,320	3.9	0.32	4.49	37.99	0.62	0.12	0.37
1999	2,067	2,136	3.6	0.32	4.32	39.51	0.65	0.14	0.35
2000	2,014	2,092	3.5	0.33	4.14	38.12	0.63	0.15	0.33
2001	1,951	2,026	3.4	0.33	4.11	40.52	0.66	0.15	0.31
2002	1,906	1,979	3.5	0.34	4.23	40.14	0.66	0.15	0.29
2003 3/	1,770	1,837	3.2	0.34	3.92	40.25	0.53	0.11	0.25
2004 3/	1,726	1,791	3.2	0.36	3.89	37.51	0.62	0.10	0.24

1/ Unstemmed processing weight. 2/ Finished product weight. 3/ Preliminary.

Compiled from reports of the Alcohol and Tobacco Tax and Trade Bureau and the Bureau of the Census.

Table 3--U.S. cigarette exports to leading destinations, 2003-2004

Country	July 2003- June 2004	January-June	
		2003	2004 1/
		Billions	
Japan	73.6	43.3	37.6
Iran	12.2	1.5	10.7
Saudi Arabia	11.3	5.6	5.3
Israel	4.7	2.3	2.3
Lebanon	3.9	1.8	1.9
Hong Kong	2.2	1.0	0.9
Kuwait	2.0	1.1	1.0
United Arab Emirates	1.8	0.8	1.0
Taiwan	1.8	1.1	0.8
Singapore	1.3	0.9	0.6
Syria	1.1	0.6	0.3
Azerbaijan	0.8	0.2	0.1
Netherlands	0.7	0.5	0.3
Belgium	0.5	0.7	*
Cyprus	0.5	0.2	0.2
Canada	0.4	0.2	0.2
Oman	0.4	0.2	0.2
Qatar	0.4	0.2	0.2
Korea, South	0.3	0.6	0.2
Bahrain	0.3	0.2	0.1
Australia	0.2	0.3	0.1
Philippines	0.2	*	0.2
Georgia	0.1	*	0.1
Uruguay	0.1	0.1	0.1
Panama	0.1	0.1	*
Other countries	1.7	0.9	*
Total	122.6	64.4	65.4

1/ Subject to revision. * Indicates less than 50 million pieces.

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

Table 4--State cigarette tax increases, 2002-05

Per pack of 20 cigarettes				
State	Increase	New rate	Effective date	
Washington	\$0.60	\$1.42	01/01/02	
Connecticut	\$0.61	\$1.11	04/03/02	
New York State	\$0.39	\$1.50	04/03/02	
Rhode Island	\$0.32	\$1.32	05/01/02	
Utah	\$0.18	\$0.70	05/06/02	
Illinois	\$0.40	\$0.98	07/01/02	
Indiana	\$0.40	\$0.56	07/01/02	
Kansas	\$0.46	\$0.70	07/01/02	
Maryland	\$0.34	\$1.00	07/01/02	
New Jersey	\$0.70	\$1.50	07/01/02	
Ohio	\$0.31	\$0.55	07/01/02	
Vermont	\$0.49	\$0.93	07/01/02	
New York City	\$1.42	\$1.50	07/02/02	
Pennsylvania	\$0.69	\$1.00	07/15/02	
Tennessee	\$0.07	\$0.20	07/15/02	
Massachusetts	\$0.75	\$1.51	07/25/02	
Louisiana	\$0.12	\$0.36	08/01/02	
Michigan	\$0.50	\$1.25	08/01/02	
Hawaii	\$0.20	\$1.20	10/01/02	
Nebraska	\$0.30	\$0.64	10/01/02	
Oregon	\$0.60	\$1.28	11/01/02	
Arizona	\$0.58	\$1.18	11/25/02	
District of Columbia	\$0.35	\$1.00	01/01/03	
Connecticut	\$0.40	\$1.51	03/15/03	
South Dakota	\$0.20	\$0.53	03/18/03	
Montana	\$0.52	\$0.70	05/01/03	
West Virginia	\$0.38	\$0.55	05/01/03	
Idaho	\$0.29	\$0.57	06/01/03	
Georgia	\$0.25	\$0.37	07/01/03	
Hawaii	\$0.10	\$1.30	07/01/03	
Kansas	\$0.09	\$0.79	07/01/03	
New Jersey	\$0.55	\$2.05	07/01/03	
New Mexico	\$0.70	\$0.91	07/01/03	
Vermont	\$0.26	\$1.19	07/01/03	
Wyoming	\$0.48	\$0.60	07/01/03	
Delaware	\$0.31	\$0.55	08/01/03	
Alabama	\$0.26	\$0.425	05/06/04	
Hawaii	\$0.10	\$1.40	07/01/04	
Michigan	\$0.75	\$2.00	07/01/04	
New Jersey	\$0.35	\$2.40	07/01/04	
Rhode Island	\$0.75	\$2.46	07/01/04	
Virginia	\$0.175	\$0.20	09/01/04	
Alaska	\$1.00	\$2.00	01/01/05	

Source: Federation of Tax Administrators, http://www.taxadmin.org/fta/rate/cig_inc02.html.

Table 5--Tobacco demand factors, 1994-2004

Year	Population July 1 1/ Millions	Disposable personal income, per capita 2/ -- Dollars --		Consumer Price Indexes 3/ -- Percent of 1982-84 --		
		Current prices	1996 prices	All items	Tobacco products	Cigarettes 6/ % of 1997
1994	192.5	19,381 5/	20,709	148.2	220.0	--
1995	194.4	20,349 5/	21,056	152.4	225.7	--
1996	196.1	21,117 5/	21,385	156.9	232.8	--
1997	198.2	21,969	21,838	160.5	240.2	100.0
1998	200.4	23,359	22,672	163.0	274.8	109.8
1999	202.5	24,314	23,191	166.6	355.8	143.8
2000	209.1	25,237	23,501	172.2	394.9	159.9
2001	209.8	26,237	23,692	177.1	425.2	172.5
2002	212.2	27,157	24,463	179.9	461.5	187.7
2003	215.5	28,033 7/	24,669 7/	184.0	469.0	190.4
2004 4/	217.8	29,473 7/	25,902 7/	188.1	475.5	192.5

1/ Eighteen years and older including forces overseas. 2/ Based on total population. 3/ All urban consumers. 4/ Subject to revision. Data through August.

5/ Revised. 6/ Bureau of Labor Statistics began to publish cigarette and other tobacco product CPI for January 1998. 7/ Second quarter.

Source: Bureau of the Census, Bureau of Labor Statistics.

Table 6--Wholesale premium brand cigarette price revisions, 1990-2004 1/

Approximate date of change 2/	Net price per 1,000				Net price per 1,000 excluding Federal excise tax			
	Standard	King size	Filter tips	100 millimeter	Standard	King size	Filter tips	100 millimeter
Dollars								
June-1990	51.15	52.65	51.15	52.65	43.15	44.65	43.15	44.65
Dec.-1990	53.65	55.15	53.65	55.15	45.65	47.15	45.65	47.15
Jan.-Feb. 1991 3/	55.75	57.25	55.75	57.25	45.75	47.25	45.75	47.25
Mar.-1991	56.50	58.00	56.50	58.00	46.50	48.00	46.50	48.00
June-1991	58.25	59.75	58.25	59.75	48.25	49.75	48.25	49.75
Nov.-1991	61.00	62.50	61.00	62.50	51.00	52.50	51.00	52.50
Apr.-1992	63.75	65.25	63.75	65.25	53.75	55.25	53.75	55.25
July-1992	66.25	67.75	66.25	67.75	56.25	57.75	56.25	57.75
Nov.-1992	69.00	70.50	69.00	70.50	59.00	60.50	59.00	60.50
Jan.-1993 4/	71.10	72.60	71.10	72.60	59.10	60.60	59.10	60.60
Mar. 1993	72.10	73.60	72.10	73.60	60.10	61.60	60.10	61.60
Aug. 1993	53.95	53.95	53.95	53.95	41.95	41.95	41.95	41.95
Nov.-1993	55.95	55.95	55.95	55.95	43.95	43.95	43.95	43.95
May 1995 5/	57.45	57.45	57.45	57.45	45.45	45.45	45.45	45.45
May 1996	59.45	59.45	59.45	59.45	47.45	47.45	47.45	47.45
Mar.-1997	61.95	61.95	61.95	61.95	49.95	49.95	49.95	49.95
Sep.-1997	65.45	65.45	65.45	65.45	53.45	53.45	53.45	53.45
Jan.-1998	66.70	66.70	66.70	66.70	54.70	54.70	54.70	54.70
Apr.-1998	69.20	69.20	69.20	69.20	57.20	57.20	57.20	57.20
May 1998	71.70	71.70	71.70	71.70	59.70	59.70	59.70	59.70
Aug.-1998	74.70	74.70	74.70	74.70	62.70	62.70	62.70	62.70
Nov.-1998	97.20	97.20	97.20	97.20	85.20	85.20	85.20	85.20
Aug. 1999	106.20	106.20	106.20	106.20	94.20	94.20	94.20	94.20
Jan.- 2000 6/	112.70	112.70	112.70	112.70	95.70	95.70	95.70	95.70
July-2000	115.70	115.70	115.70	115.70	98.70	98.70	98.70	98.70
Dec.-2000	122.70	122.70	122.70	122.70	105.70	105.70	105.70	105.70
Apr.-2001	129.70	129.70	129.70	129.70	112.70	112.70	112.70	112.70
Oct.-2001	132.20	132.20	132.20	132.20	115.20	115.20	115.20	115.20
Jan.-2002 7/	132.20	132.20	132.20	132.20	112.70	112.70	112.70	112.70
Apr.-2002 8/	138.20	138.20	138.20	138.20	118.70	118.70	118.70	118.70

1/ Includes leading brands. A 3-percent discount is made for payment within 10 days or 2 percent within 14 days. 2/ For 1980-89 see TBS-243, April 1999. 3/ Effective January 1, 1991, the Federal excise tax increased to \$10.00 per 1,000 cigarettes. 4/ Effective January 1, 1993, the Federal excise tax increased to \$12.00 per 1,000 cigarettes. 5/ No changes in 1994. 6/ Effective Jan. 1, 2000, Federal excise tax increased to \$17 per 1,000 cigarettes. 7/ Effective January 1, 2002, Federal excise tax increased to \$19.50 per 1,000 cigarettes. 8/ Last price change.

Note: The prices in this table apply to cigarettes manufactured for domestic sales by U.S. manufacturers only. Cigarettes manufactured for export are not included. These prices do not include rebates, discounts, and other adjustments to the wholesale list price.

Sources: News reports and miscellaneous sources.

Table 7--Wholesale nonbrand cigarette price revisions, 1990-2004 1/

Approximate date of change	Net price per 1,000			
	Discounts		Deep discounts	
	Regular	100s	Regular	100s
	Dollars			
June 1990	39.25	40.50	24.50	25.75
December 1990	41.75	43.00	27.00	28.25
Jan.-Feb. 1991	43.85	45.10	29.10	30.35
March 1991	46.35	47.60	29.10	30.35
June 1991	50.35	51.60	30.35	31.60
November 1991	53.10	54.35	31.60	32.85
April 1992	57.10	58.35	26.60	27.87
July-August 1992	46.60	47.85	28.60	29.87
November 1992	49.35	50.60	30.60	31.87
January 1993	51.45	52.70	32.70	33.97
February 1993	51.45	52.70	36.70	37.95
March 1993	52.45	53.70	39.20	40.45
August 1993	52.45	53.70	40.45	40.45
November 1993	52.45	53.70	42.45	42.45
May 1995 2/	52.45	53.70	43.95	43.95
April 1996	52.45	53.70	45.95	45.95
September 1997	55.95	57.20	49.45	49.45
January 1998	57.20	58.45	50.70	50.70
April 1998	58.70	59.95	52.20	52.20
May 1998	61.20	62.45	54.70	54.70
August 1998	63.20	65.45	57.70	57.70
November 1998	85.70	87.95	80.20	80.20
August 1999	94.70	96.95	89.20	89.20
January 2000	106.20	108.45	100.70	100.70
July 2000 2/	109.20	111.45	103.70	103.70
December 2000	116.20	118.45	110.70	110.70
April 2001	123.20	125.45	117.70	117.70
October-2001	125.70	127.95	120.20	120.20
January 2002	125.70	127.95	120.20	120.20
April 2002 3/	131.70	133.95	126.20	126.20

1/ Typical prices. Prices for some brands higher and some lower. Includes Federal excise tax. 2/ No change in 1994. 3/ Last price change.

Note: The prices in this table apply to cigarettes manufactured for domestic sales by U.S. manufacturers only. Cigarettes manufactured for export are not included. These prices do not include rebates, discounts, and other adjustments to the wholesale list price.

Sources: News reports and miscellaneous sources.

Table 8--Cigars and smoking tobacco: Output, removals, and consumption, 2000-04

Year and item	Output	Removals		Imports	Exports	Total U.S. consumption 2/
		Taxable 1/	Tax-exempt			
Millions						
Large cigars and cigarillos:						
2000	2,825	3,370	114	480	113	3,850
2001	3,741	3,564	130	543	124	4,107
2002	3,819	3,699	80	413	123	4,112
2003 3/	4,017	4,018	94	401	155	4,419
2004 3/	4,428	4,637	191	445	190	5,082
Year ending June 30						
2000	2,935	3,386	130	497	94	3,883
2001	3,080	3,422	77	489	113	3,911
2002	3,742	3,654	84	494	134	4,148
2003 3/	3,211	3,889	90	408	131	4,297
2004 3/	3,801	3,834	200	422	196	4,256
Million pounds						
Smoking tobacco:						
2000	13.6	13.1	0.5	1.4 4/	0.5	14.5 5/
2001	12.8	14.9	0.5	1.9	11.0	16.8
2002	15.5	15.2	0.6	2.1	7.0	17.3
2003 3/	17.8	15.5	0.6	2.1	0.7	17.6
2004 3/	17.6	16.6	1.0	1.7	1.1	18.3
Year ending June 30						
2000	14.4	12.9	0.7	1.5 4/	0.4	14.4 5/
2001	12.1	14.3	0.5	1.4	7.9	15.7
2002	14.3	15.4	0.5	2.2	7.4	17.6
2003 3/	17.1	16.6	0.5	2.1	4.2	18.7
2004 3/	17.7	16.7	2.0	1.8	1.1	18.5

1/ Includes United States and Puerto Rico combined. 2/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports minus exports. 3/ Estimated. 4/ Total imports including re-exports to Canada. 5/ Adjusted to reflect estimated re-exports to Canada.

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

Table 9--Tobacco products: Output by category, 1993-2004

Period	Chewing tobacco					Snuff dry	Snuff moist	Small cigars 2/	Smoking tobacco in bulk (exports)	
	Plug-firm	Plug-moist	Twist	Loose leaf	Total 1/					
	Million pounds							Millions	Million pounds	
1995	2.9	1.2	1.1	57.4	62.6	5.6	54.6	1,430	91.8	
1996	2.9	1.0	1.1	56.0	61.1	4.0	57.5	1,503	110.4	
1997	2.6	0.9	1.0	53.7	58.1	4.4	59.9	1,476	118.2	
1998	2.4	0.7	1.0	49.2	53.3	4.3	61.2	1,710	143.8	
1999	2.2	0.6	0.9	47.2	50.9	3.7	63.3	2,316	151.1	
2000	2.0	0.5	0.8	46.0	49.4	3.6	65.9	2,469	136.1	
2001	1.9	0.5	0.8	43.9	47.0	3.3	67.6	2,376	118.2	
2002	1.7	0.3	0.7	40.2	43.0	3.1	69.6	2,478	144.0	
2003	1.4	0.3	0.7	37.9	40.3	2.7	71.1	2,616	121.3	
2004 3/	1.4	0.2	0.6	36.1	38.3	2.6	75.2	2,691	58.2	
	Year ending June 30									
1995	3.1	1.3	1.1	58.8	64.3	5.9	54.5	1,450	84.1	
1996	3.0	1.1	1.1	55.0	60.3	4.9	55.4	1,433	102.0	
1997	2.8	1.0	1.0	54.4	59.2	4.1	58.6	1,587	118.4	
1998	2.4	0.8	1.0	52.5	56.7	4.3	60.9	1,575	131.6	
1999	2.2	0.7	0.9	48.1	51.9	4.1	62.0	1,942	134.6	
2000	2.1	0.6	0.8	46.5	50.1	3.7	65.6	2,188	149.1	
2001	2.0	0.5	0.8	44.1	47.3	3.6	65.4	2,171	129.4	
2002	1.8	0.4	0.8	41.9	44.8	3.2	67.2	2,248	133.9	
2003	1.6	0.3	0.7	39.3	41.9	3.0	69.8	2,531	130.9	
2004 3/	1.4	0.3	0.7	37.0	39.3	2.7	73.1	2,358	89.3	

1/ Details may not add to total due to rounding. 2/ Weight not more than 3 pounds per thousand. 3/ Estimated.

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

U.S. Exports and Imports

January-June 2004 Exports Slip Less Than 1 Percent

For January-June 2004, leaf exports totaled 184.1 million pounds (266.9 million pounds farm-sales weight), less than 1 percent below the same period last year. Most categories slipped with the exception of burley, which gained 12 percent. Flue-cured shipments slipped 12 percent to 61.7 million pounds during the 6-month period, about the same decline as last year. Overall shipments to Japan, the largest buyer, slipped 10 percent while those to Germany fell 7 percent. Shipments to Belgium advanced 2 percent. Switzerland, which saw large gains in 2003, reduced purchases by 88 percent. The Bureau of the Census reported 78 countries as destinations for U.S. tobacco leaf during July-June 2004.

January-June 2004 leaf export value reached \$539.9 million compared with \$569.4 million during the same period in 2003. Maryland and wrapper exports increased in value. Flue-cured and burley both declined in value. During the first 6 months of 2004 flue-cured and burley made up 83 percent of total export value, compared with 85 percent last year.

July 2003-June 2004 Exports

For the July-June period (July 2003-June 2004), unmanufactured export value advanced less than 1 percent. Exports just cleared the \$1 billion mark to end the 12-month period at \$1,008.6 million, compared with \$990.9 million during the previous July-June period. Flue-cured was nearly steady. The value of stem exports increased.

Total export volume from July 2003 through June 2004 was 342.1 million pounds. Year-earlier volume was 325.7 million pounds. Flue-cured shipments slipped 5 million pounds to 146.9 million pounds. Belgium, Germany, Japan, and South Korea were the top destinations for flue-cured tobacco. Burley shipments of 100.0 million pounds were up 13 million pounds, regaining some ground lost last year. Kentucky-Tennessee dark-fired, cigar binder, wrapper, and stem exports gained while Maryland, and "other leaf" slipped during the 12-month period.

Leaf Imports for Consumption Volume Slips

Imports for consumption slowed 2 percent during January-June 2004 compared with January-June 2003, following an 8-percent decline the previous year and a gain of 22 percent over the same period in 2001. The period ended at 279.5 million pounds, compared with 284.4 million pounds last year. Value was \$380.8 million, compared with \$334.0 million the previous year. During the first half of the year, Brazil, Turkey, Argentina, Canada, and Malawi were unchanged as the leading sources for leaf. Shipments from Brazil were only 80 million pounds, compared with 111 million pounds 2 years earlier. Flue-cured leaf led imports, accounting for 30 percent of total imported leaf volume during the first 6 months of 2004. Oriental leaf followed in importance.

General imports (arrivals) for January-June 2004 slipped 4.6 million pounds to 251.8 million valued at \$345.4 million, compared with 256.6 million pounds valued at \$328.3 million in 2003. Oriental leaf arrivals gained 79 percent to end at 77.8

million pounds. Flue-cured (stemmed) arrivals advanced 8.2 million pounds to end at 65.7 million pounds, while burley arrivals declined by 11.1 million pounds to 50.7 million pounds.

July-June Imports Regain Lost Ground

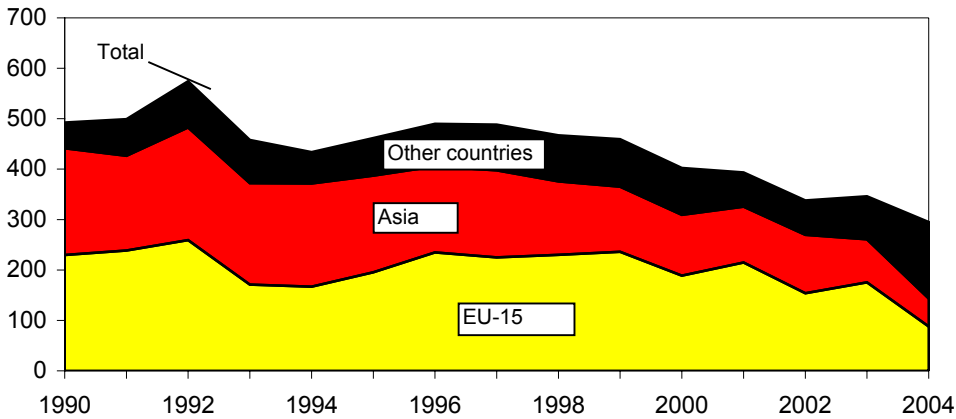
For July 2003-June 2004, leaf import volume (consumption) gained 14 percent to 632.3 million pounds. Stemmed flue-cured advanced from 123.6 million pounds in 2002-03 to 183.1 million pounds in 2003-04. Stemmed burley imports were about 141.6 million pounds compared with 113.7 million last year. Imports of stems were reduced to 95.3 million pounds from 111.8 billion pounds but remain at historically high levels. Cigar wrapper and filler imports advanced. Oriental leaf volume gained about 3 million pounds to 121.9 million pounds. During July 2003-June 2004, the value of unmanufactured leaf imports for consumption was \$632.3 million, compared with \$646.1 million the previous July-June period.

General imports (arrivals) slipped during July 2003-June 2004 to end at 573.9 million pounds, compared with 580.2 million pounds the previous year. The value of general imports during July 2003-June 2004 was \$711.3 million, compared with \$670.5 million last year.

Figure 3

Export markets for U.S. tobacco

Million pounds



Unmanufactured, declared weight, European Union (EU, formerly referred to as the European Community, EC, or EC-12).

Source: Bureau of the Census.

Table 10--U.S. imports of unmanufactured and other tobacco:
Quantity and average value, by kinds, 2003/04 1/

Kind	Quantity	Change from	Value per
	2003/04	2002/03	pound
	Million	Percent	Dollars
	pounds		
Imports for consumption			
Cigarette 2/			
Flue-cured leaf	7.2	-5.2	0.9
Burley leaf	2.5	-13.7	1.0
Other	*	*	*
Oriental leaf	121.9	2.6	2.0
Stemmed leaf			
Flue-cured	183.1	48.1	1.4
NSPF	141.6	24.5	1.4
Scrap	*	*	*
Manufactured or not mfd., NSPF	2.2	-43.5	1.6
Cigar			
Leaf	66.2	-0.3	1.1
Scrap	6.5	389.6	0.4
Other stemmed and unstemmed leaf	5.8	63.5	1.7
Stems	95.3	-14.7	0.2
Total	632.3	14.2	1.3
Cigarette 2/			
Flue-cured leaf	7.2	-5.2	1.1
Burley leaf	2.5	-13.7	1.0
Other	*	*	*
Oriental leaf	121.9	2.6	0.5
Stemmed leaf			
Flue-cured	183.1	48.1	0.7
NSPF	141.6	24.5	0.7
Scrap	*	*	*
Manufactured or not mfd., NSPF	2.2	-43.5	0.5
Cigar			
Leaf	70.4	2.9	1.1
Scrap	6.5	389.6	1.9
Other stemmed and unstemmed leaf	5.8	63.5	0.7
Stems	95.3	-14.7	0.2
Total	632.3	14.2	1.4

1/ Year ending June 30, 2002. 2/ Includes minor quantities for smoking tobacco, chewing tobacco, and snuff. * = Negligible.

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

Table 11--U.S. imports of unmanufactured tobacco for consumption and general imports, principal categories, and countries of origin, 2003/2004 (declared-weight)

Item	Imports for consumption				General imports (arrivals)			
	July 2003- June 2004	January-June		Percentage change from 2002-2003	July 2003- June 2004	January-June		Percentage change from 2002-2003
		2003	2004 1/			2003	2004 1/	
	Million pounds			Percent	Million pounds			Percent
Cigarette tobacco leaf (unstemmed):								
Oriental								
Turkey	87.8	40.3	53.3	32.3	90.5	44.3	57.1	28.9
Greece	17.8	8.2	9.5	15.9	16.5	10.4	9.5	-8.7
Macedonia	7.2	2.9	5.8	100.0	7.2	2.9	6.2	113.8
Bulgaria	5.9	6.7	3.3	-50.7	6.8	6.7	4.2	-37.3
Lebanon	2.5	8.0	0.7	-91.3	2.5	6.8	0.7	-89.7
Other countries	0.7	1.6	0.1	-93.7	0.5	1.6	0.1	-93.8
Total Oriental	121.9	67.7	72.7	7.4	124.0	72.7	77.8	7.0
Flue-cured	7.2	6.5	7.1	9.2	4.9	6.5	7.1	9.2
Burley	2.5	0.4	1.1	175.0	2.4	1.5	1.0	-33.3
Other (unstemmed)	*	*	*	*	*	*	*	*
Total unstemmed leaf	131.6	74.6	80.9	8.4	131.3	80.7	85.9	6.4
Cigarette tobacco leaf (stemmed):								
Flue-cured--								
Brazil	123.0	44.7	43.4	-2.9	93.9	39.4	36.7	-6.9
Other countries	60.1	20.8	32.4	55.8	50.0	18.1	29.0	60.2
Total stemmed flue-cured	183.1	65.5	75.8	15.7	143.9	57.5	65.7	14.3
NSPF--								
Brazil	50.6	19.3	18.3	-5.2	34.7	25.5	10.5	-58.8
Malawi	37.0	11.8	14.9	26.3	37.4	3.4	8.3	144.1
Argentina	11.6	7.0	3.0	-57.1	8.7	2.4	1.6	-33.3
Thailand	16.9	6.1	4.0	-34.4	12.8	3.7	1.3	-64.9
Guatemala	7.3	1.0	3.2	220.0	7.2	1.0	3.0	200.0
Mexico	5.2	1.8	0.6	-66.7	5.5	0.2	0.4	100.0
China	2.4	1.1	1.3	18.2	2.3	2.0	0.4	-80.0
Zimbabwe	1.7	1.1	0.3	-72.7	1.0	1.3	0.5	-61.5
Italy	3.3	0.9	1.6	77.8	2.2	0.3	0.1	-66.7
Other countries	5.6	2.2	3.5	59.1	5.7	1.7	4.3	152.9
Total NSPF	141.6	52.3	50.7	-3.1	117.5	41.5	30.4	-26.7
Total cigarette leaf	456.3	192.4	207.4	7.8	392.7	179.7	182.0	1.3
Manufactured or not manufactured categories 2/								
	2.2	1.8	0.7	-61.1	2.1	1.8	0.7	-61.1
Total cigarette tobacco	458.5	194.2	208.1	7.2	394.8	181.5	182.7	0.7
Cigar tobacco:								
Wrapper								
	3.1	1.3	1.7	30.8	3.1	1.3	1.7	30.8
Filler (stemmed and unstemmed)								
Indonesia	16.0	8.1	7.5	-7.4	16.0	8.0	7.5	-6.3
Italy	13.9	4.8	2.8	-41.7	13.9	4.4	2.0	-54.5
Dominican Republic	6.5	4.3	3.1	-27.9	6.5	4.3	3.1	-27.9
Philippines	6.5	3.9	3.9	0.0	6.5	3.9	3.8	-2.6
Argentina	4.0	5.3	2.3	-56.6	4.0	4.9	2.3	-53.1
Other countries	19.5	13.6	9.3	-31.6	23.6	13.9	11.6	-16.5
Total filler	62.4	34.7	26.6	-23.3	66.5	34.5	28.0	-18.8
Binder	0.8	0.5	0.1	-80.0	0.8	0.5	0.1	-80.0
Cigar scrap:								
Indonesia	3.0	*	3.0	*	3.0	*	3.0	*
Argentina	2.2	*	1.6	*	2.2	*	1.6	*
Other countries	1.3	0.8	0.7	-12.5	1.3	0.8	0.7	-12.5
Total cigar scrap	6.5	0.8	5.3	562.5	6.5	0.8	5.3	562.5
Total cigar tobacco	72.8	37.3	33.7	-9.7	76.9	33.2	33.2	0.0
Other stemmed and unstemmed l	5.8	2.3	3.8	65.2	5.7	2.3	3.7	60.9
Stems	95.3	51.6	33.8	-34.5	93.0	35.8	30.1	-15.9
GRAND TOTAL	632.3	284.4	279.5	-1.7	573.9	256.6	251.8	-1.9

* = Negligible.

1/ Preliminary. 2/ Includes tobacco, manufactured or not manufactured, except smoking tobacco in retail packages, flue-cured, and tobacco manufactured or not manufactured, not specially provided for (other).

Due to aggregation, rounding errors may occur.

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, 1999-2004 (declared-weight)

Type & country	1999	2000	2001	2002	2003	January-June		Pct. change, 2003-04
						2003	2004 1/	
	Million pounds							
Type:								
Flue-cured	188.6	190.2	196.7	160.6	155.0	69.9	61.7	-12
Burley	106.9	83.0	90.9	90.9	91.6	68.8	77.2	12
Maryland	4.9	3.2	2.7	2.4	1.0	0.3	0.6	83
Fire-cured, Ky. and Tenn.	14.7	16.5	17.5	11.5	12.1	4.2	3.8	-9
Virginia fire- & sun-cured	1.6	0.5	0.2	*	*	*	*	*
Black Fat	*	*	*	*	*	*	*	*
Cigar wrapper	5.5	4.1	3.3	2.2	2.2	0.7	1.3	80
Cigar binder	0.7	0.3	0.2	0.1	0.9	0.2	1.4	462
Stems and refuse	65.9	69.5	59.5	45.2	48.0	22.0	19.9	-10
Other leaf	28.8	35.1	39.6	30.0	32.7	19.0	18.1	-5
Total 2/	417.5	402.4	410.7	338.2	343.3	185.3	184.1	-1
Country of destination:								
Austria	*	1.4	0.9	0.5	0.9	0.7	1.9	171
Belgium-Luxem.	18.3	23.2	49.7	29.4	61.7	20.5	20.9	2
Denmark	14.9	15.7	12.2	13.6	13.5	7.5	5.3	-29
Finland	2.0	0.2	0.3	0.1	*	*	*	*
France	5.6	5.5	11.5	10.3	8.8	4.4	12.2	177
Germany	71.9	86.1	94.8	59.5	55.8	24.9	23.2	-7
Greece	0.6	0.5	0.5	1.2	0.8	0.4	0.2	*
Ireland	*	*	*	1.0	*	*	*	*
Italy	15.1	15.8	6.2	8.6	6.9	6.4	6.1	-5
Netherlands	64.5	19.7	21.6	10.3	9.8	1.5	6.1	307
Portugal	1.3	4.2	4.3	5.9	6.2	1.5	2.0	33
Spain	15.5	9.5	7.9	6.3	4.7	4.5	7.7	71
Sweden	3.9	3.5	3.6	1.2	1.6	0.7	0.4	-43
United Kingdom	9.0	7.3	1.6	6.0	4.8	3.3	1.9	-42
Total EU-15	222.6	192.6	215.1	153.8	175.5	76.4	88.0	15
Japan	60.3	63.6	51.6	49.6	42.4	32.3	29.3	-9
Switzerland	16.1	9.5	14.4	27.3	34.8	24.9	3.9	-84
South Korea	12.7	12.0	9.6	10.1	9.6	4.3	3.5	-19
Dominican Republic	10.7	12.0	5.9	9.2	8.9	4.5	4.7	4
Taiwan	4.4	5.8	7.9	8.1	7.9	6.4	1.9	-70
Malaysia	11.7	14.2	7.0	15.1	6.4	3.4	2.8	-18
Australia	3.2	3.6	3.4	4.5	6.3	4.3	0.6	-86
Nigeria	3.6	6.2	5.6	3.7	6.2	4.0	1.6	-60
Thailand	6.8	7.3	7.7	12.6	3.6	2.8	7.4	164
Philippines	0.6	7.4	5.1	6.9	2.9	2.0	0.2	-90
Norway	1.8	2.0	3.3	2.0	2.1	1.3	1.0	-23
Singapore	0.8	0.4	0.5	0.3	1.3	0.3	0.4	33
Egypt	0.8	1.2	0.9	1.8	1.1	1.0	1.7	70
Canada	0.7	0.5	0.3	1.8	1.1	0.7	0.4	-43
Turkey	23.0	26.9	15.8	0.3	0.4	0.3	0.5	67
Bulgaria	0.1	*	0.2	0.7	0.2	0.1	*	*
New Zealand	0.5	0.7	0.1	0.5	0.1	0.1	*	*
Other countries	37.1	36.5	56.3	29.9	32.5	16.2	36.2	123
Total 2/	417.5	402.4	410.7	338.2	343.3	185.3	184.1	-1

* = Negligible.

1/ Preliminary. 2/ Data may not add to total due to rounding.

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

Table 13--U.S. exports of unmanufactured tobacco by types, to principal importing countries, crop years 2001/02-2003/04 (declared-weight) 1/

Importing country	2001/02	2002/03	2003/04 2/	Importing country	2001/02	2002/03	2003/04 2/
Million pounds				1,000 pounds			
Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37			
Germany	49.7	27.2	28.7	United Kingdom	*	*	*
Japan	33.5	24.8	19.7	Norway	4	*	*
Switzerland	9.5	17.8	6.2	Sweden	*	*	*
Belgium-Luxembourg	21.3	14.2	30.5	Germany	*	*	6
Republic of Korea	7.0	8.0	8.9	Other countries	48	*	2
Malaysia	6.7	7.9	5.5	Total 3/	52	*	8
Taiwan	6.7	7.3	1.3				
Denmark	6.5	7.1	5.7	Binder, types 51-55			
Australia	2.1	5.3	1.3	Dominican Republic	3	799	1,260
United Kingdom	2.8	3.8	2.8	Spain	*	7	53
Italy	6.1	3.1	2.9	Panama	*	*	46
France	3.1	2.9	1.8	Other countries	133	75	74
Philippines	3.0	2.4	*	Total 3/	136	881	1,433
Norway	1.6	2.3	1.4				
Indonesia	2.8	2.0	5.1	Cigar wrapper, types 61-62			
Spain	4.5	2.0	5.3	Dominican Republic	2,574	1,783	2,513
Thailand	4.4	1.6	1.9	Honduras	10	20	232
Netherlands	3.2	1.4	4.1	Spain	*	1	19
Portugal	3.3	0.9	3.7	Nicaragua	66	40	9
Turkey	4.9	0.2	0.1	Taiwan	36	42	*
Sweden	0.7	0.2	0.5	Other countries	80	22	17
Other countries	7.2	9.5	9.5	Total 3/	2,766	1,908	2,790
Total 3/	190.6	151.9	146.9				
Burley, type 31				Blackfat	*	*	*
Belgium-Luxembourg	12.4	18.1	18.2	Total 3/	*	*	*
Japan	12.3	13.0	10.5				
Russia	*	*	10.0				
Germany	21.3	11.6	9.9				
Thailand	4.8	1.9	5.8	Other leaf			
Netherlands	4.4	*	4.7	Dominican Republic	6.1	6.6	3.6
Switzerland	3.5	25.8	3.3	Jordan	*	2.3	3.5
Romania	*	*	3.2	Indonesia	*	1.3	2.9
Italy	2.4	3.8	2.8	Japan	0.8	3.3	2.8
Spain	*	2.4	2.2	Nigeria	4.1	5.7	2.3
Denmark	3.1	3.2	1.6	Honduras	1.5	0.9	0.7
Philippines	4.4	1.6	0.2	Germany	0.9	0.7	0.5
Malaysia	8.1	1.6	0.1	Canada	0.9	1.0	0.4
Other countries	11.1	10.4	10.9	Netherlands	0.2	0.2	0.2
Total 3/	87.8	93.4	83.4	Other countries	19.5	9.8	9.1
				Total 3/	34.0	31.8	26.0
Maryland, type 32							
Germany	1.3	0.4	0.2	Stems, trimmings, and scrap			
Israel	0.4	0.3	0.1	France	4.1	5.0	9.9
Switzerland	0.1	*	*	Belgium	0.9	1.1	8.3
Other countries	0.1	0.6	0.3	Germany	5.7	11.6	4.9
Total 3/	1.9	1.3	0.6	Japan	7.6	5.1	3.0
				Denmark	3.2	3.5	2.2
Ky.-Tenn. fire-cured, types 22-23				Netherlands	0.7	*	1.4
Netherlands	4.1	2.7	2.9	Switzerland	2.0	2.5	1.2
Sri Lanka	1.4	1.6	1.2	Mexico	0.1	*	1.0
Indonesia	0.4	0.4	0.8	Portugal	1.4	0.2	0.8
Belgium	0.1	0.5	0.5	Italy	0.9	0.6	0.5
Nigeria	0.5	0.2	0.4	Sweden	0.1	*	0.7
Egypt	*	0.9	0.2	Thailand	*	6.5	0.5
France	0.7	0.2	*	Other countries	13.6	9.3	3.4
Other countries	5.3	2.0	3.3	Total 3/	40.3	45.4	37.8
Total 3/	12.5	8.5	9.3				

* = Negligible. 1/ July-June crop year for flue-cured and cigar wrapper; October-September crop year for all other types except October-June for 2002/03.

2/ Subject to revision. 3/ Data may not add to total because of rounding.

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

U.S. Tobacco Leaf Situation and Outlook¹

U.S. tobacco production for the 2004 season was forecast at 882.6 million pounds as of September 1. The crop is expected to be 10-percent greater than last year's 802.7 million pounds. Acreage in 2004 is projected at 432,310 acres, 1 percent greater than the 2003 season. Cigarette leaf production is expected to account for 93 percent of U.S. output in 2004 or 819.5 million pounds, compared with 742.6 million pounds during the 2003 season. Cigar types accounted for nearly 2 percent, while dark-fired and air-cured leaf accounted for 6 percent.

U.S. Leaf Supply Steady in 2004

Supplies of U.S.-grown tobacco in 2004 will likely be within a percent of last year's. Lower beginning stocks offset greater production, resulting in little change. September 1 estimates project production at 882.6 million pounds. At an estimated 1.5 billion pounds, beginning stocks are expected to be about 4 percent lower than last season. U.S. leaf supplies are expected to stay at 2.4 billion pounds.

Disappearance Projected To Decline in 2003

Disappearance (use) of U.S.-grown leaf is expected to slip about 15 percent by the end of the 2003-04 marketing year to reach about 875 million pounds. The 150-million-pound shortfall is down two-thirds due to lower domestic use and down one-third from lower export disappearance. Lower cigarette production and cigarette exports will result in domestic use of about 535 million pounds. Export disappearance should exceed 340 million pounds, compared with 383 million last season.

Efforts To Eliminate Unauthorized Pesticides Continue

Pesticide use on U.S. tobacco has been restricted for many years. Furthermore, the Food Security Act of 1985 extended adherence standards. The act requires the U.S. Department of Agriculture (USDA) to inspect domestic and imported flue-cured and burley tobacco to determine if pesticide residues exceed established limits.

Before selling their tobacco, growers must certify to USDA's Farm Service Agency (FSA) that any pesticides used in production have been approved by the Environmental Protection Agency for use on tobacco and were applied in accordance with label directions. Growers lose price support if they falsify the certification, fail to certify, or refuse to provide samples for testing. Growers who are found filing a false report will be required to refund any price support advances received on the current crop. In addition, violators are subject to a \$10,000 fine, 5 years imprisonment, or both.

To ensure the integrity of U.S.-grown tobacco, efforts to eliminate unauthorized pesticides include: 1) tests of samples taken from auction warehouse floors, 2) efforts to educate growers about unapproved pesticides, and 3) intensified monitoring of pesticide use and penalties for misuse.

¹ All quantities in this section are in farm-sales weight unless otherwise noted. Years refer to marketing years; for instance, the 2000 crop year is July 2000-June 2001 for flue-cured and cigar wrapper (type 61) and October 2000-September 2001 for all other types, unless otherwise

Marketing Quota and Price Support in 2004

By December 15, 2004, USDA will announce the flue-cured poundage quota and matching acreage allotment for 2005. Individual farm quotas and acreage allotments for the next year will reflect this year's overmarketings and undermarketings. USDA will announce the 2004 burley poundage quota by February 1, 2005, and it will announce the 2005 acreage allotments for other kinds of tobacco by March 1.

Growers of flue-cured tobacco voted in January 2004 to continue acreage-poundage marketing quotas for their crops for the 2004-2006 marketing years. Burley producers voted in a referendum held February 2004 to continue marketing quota on a poundage basis for the 2004, 2005, and 2006 marketing years. Five referenda were held during March 2004 for additional types of tobacco. Virginia growers of sun-cured tobacco voted to continue marketing quotas for the 2004-2006 crop years. Pennsylvania growers of cigar filler (type 41), Connecticut and Massachusetts growers of cigar binder (types 51 and 52), and growers of Maryland-type tobacco (type 32) all voted against marketing quotas for the 2004-2006 crops. Two referenda held during March 2003 among growers of fire-cured (types 21 through 23) and dark air-cured (types 35 and 36) tobacco resulted in a continuation of acreage allotments for those types during the marketing years 2003, 2004, and 2005.

The quota law provides that flue-cured and burley quotas equal the sum of buying intentions of domestic cigarette manufacturers, the 3-year average of unmanufactured tobacco exports, and adjustments of loan association inventories needed to reach the reserve stock level. The Secretary of Agriculture may adjust this three-part total either up or down by a maximum of 3 percent.

Support levels for 2004 average \$1.690 per pound for flue-cured and \$1.873 per pound for burley. Flue-cured grade loan rates range from \$1.23 to \$1.93 per pound, the same as last season. Price supports for other supported types range from \$1.357 per pound to \$1.863 per pound.

For 2005, the flue-cured and burley price supports will equal the 2004 level adjusted by changes in the 5-year moving average of prices (two-thirds weight) and changes in a cost-of-production index (one-third weight). Costs include general variable expenditures, but exclude costs of land, quota, risk, overhead, management, marketing contributions, and other costs not directly related to tobacco production. The Secretary of Agriculture can set the price support at the previous year's level adjusted by between 65 and 100 percent of the calculated increase or decrease.

For other kinds, changes in price support will continue to be based on the average of the parity index during the 3 previous years compared with 1959. However, loan associations can request lower support levels if market conditions warrant.

Estimated flue-cured production costs for 2004 are used by the Farm Services agency (FSA) in determining the cost component for the 2005 support level. Costs are expected to increase in 2004, resulting in a slight increase in the flue-cured support level for 2005.

Table 14--All tobacco: Acreage, yield, and production,
United States, 1965-2004

Year	Acreage	Yield	Production
	harvested	per acre	
	Thousand	Pounds	Million
	acres		pounds
Average			
1965-69	942	1,958	1,845
1970-74	886	2,053	1,819
1975-79	978	2,001	1,957
1980-84	878	2,046	1,800
1985-89	634	2,080	1,321
1990	733	2,218	1,625
1991	764	2,178	1,663
1992	785	2,194	1,722
1993	746	2,163	1,614
1994	671	2,358	1,583
1995	663	1,913	1,268
1996	733	2,071	1,517
1997	836	2,137	1,787
1998	718	2,061	1,479
1999	647	1,997	1,293
2000	472	2,229	1,053
2001	432	2,293	991
2002	427	2,039	871
2003	411	1,952	803
2004 1/	414	2,134	883

1/ Indicated September 1, 2004.

Source: National Agricultural Statistics Service, USDA.

Table 15--Tobacco loan stocks, 2002-2004 (farm-sales weight)

Type	2002	2003	2004
	Million pounds September 1		
Flue-cured, 11-14	86.8	280.4	63.8
Burley, 31	123.5	419.8	123.3
Virginia, 21 and 37	0.3	--	0.1
Kentucky-Tennessee, 22-23	4.0	--	5.9
Kentucky-Tennessee, 35-36	1.1	--	0.9
Wisconsin Binder, 54-55	0.0	1.4	0.0
Total	215.7	701.6	194.0
Uncommitted 1/			
Flue-cured, 11-14	77.9	71.7	78.3 2/
Burley, 31	74.8	39.5	80.4

1/ Redried weight. 2/ Farm-sales weight.

Compiled from records of Tobacco and Peanuts Division, FSA.

Table 16--Flue-cured tobacco auction sales: Gross sales, average price, loan receipts, sales dates, through Sept. 21, 2004, and a comparable number of sales days, 2003

Type, belt	Gross sales		Average price per pound		Loan receipts Volume		Percent of sales 2/		Sales period	
	2003 3/	2004 3/	2003 3/	2004 3/	2003 3/	2004 3/	2003 3/	2004 3/	Opening date	Closing date
									2004 (2003)	2004 3/ (2003)
14, Southern Contract	109.8	97.1	184.6	183.4	na	na	na	na	July 26 (July 23)	(Oct. 8)
13, Southern Auction	22.6	30.3	173.4	173.1	16.1	24.4	71.2	80.1	Aug 3 (July 29)	(Oct. 16)
12, Northern Contract	169.7	181.6	184.5	183.8	na	na	na	na	Aug. 3 (July 28)	(Nov. 15)
12, Northern Auction	22.4	46.3	174.3	177.1	15.1	33.4	67.3	72.1	Aug. 4 (July 30)	(Nov. 7)
All Belts 1/	324.5	355.4	183.1	181.9	31.2	57.8	9.6	16.3	(July 9)	(Nov. 7)

na = not applicable. 1/ Computed from unrounded data. 2/ Percent of gross sales.

Totals may not add due to rounding.

Compiled from reports of the Tobacco Division, Agricultural Marketing Service, USDA.

Table 17--Tobacco: No-net-cost assessment, by kind, 1995-2004 1/

Kind and type	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Cents per pound									
Flue-cured, types 11-14										
Producer	0.002	0.200	0.190	0.186	1.000	2.500	2.500	2.500	2.500	5.000
Buyer	1.002	1.000	0.190	0.186	1.000	2.500	2.500	2.500	2.500	5.000
Burley, type 31										
Producer	0.138	0.132	0.880	2.111	3.000	3.000	1.000	1.000	1.000	1.000
Buyer	0.138	0.132	0.880	2.111	3.000	3.000	1.000	1.000	1.000	1.000
Fire-cured, type 21	15.285	3.273	2.251	1.232	2.000	2.000	2.000	8.000	8.000	2.000
Fire-cured, types 22-23	1.241	1.222	0.189	0.160	0.000	0.500	1.000	1.000	0.000	0.500 2/
					1.000	1.500	2.000	2.000	2.000	2.000 3/
Dark air-cured, types 35-36	2.348	2.331	1.189	1.160	1.000	1.500	2.000	4.000	1.000	1.000 3/
			0.301	0.275	0.000	0.500	2.000	3.000	0.000	1.000 2/
			1.301	1.275	1.000	1.500	3.000	4.000	1.000	1.000 3/
			2.301	2.275	3.000	4.000	4.000	6.000	5.000	5.000 4/
Sun-cured, type 37	15.368	3.356	2.337	1.320	2.000	2.000	2.000	8.000	2.000	2.000
Cigar-filler, type 46	**	**	**	**	**	**	**	**	**	**
Cigar-filler & binder, types 42-44	110.100	112.000	116.900	121.200	123.800	125.000	125.000	128.600	132.300	135.700
type 54	0.450	0.440	0.416	0.394	2.000	2.000	2.000	2.000	2.000	2.000
type 55	0.450	0.440	0.416	0.394	6.000	15.000	6.000	6.000	2.000	2.000

** = Not applicable. 1 / From 1991 through 1998, marketing assessments totaling 1 percent of the applicable price support level are divided equally between buyers and sellers for all tobacco under the price support program. See April 1995 Tobacco Situation, TBS-230, table 20 for rates.

2/ Eastern district. 3/ Western district. 4/ Stemming district.

Compiled from records of the Tobacco and Peanuts Division, Farm Service Agency, USDA.

Table 18--Burley marketing quota, Kentucky, Tennessee,
and other States, 2001-03 1/

State	Carryover (net)	Basic quota	Effective quota
Million pounds			
2001			
Kentucky	5.2	227.7	232.9
Tennessee	15.8	57.0	72.8
Other States	16.4	46.7	63.1
2002			
Kentucky	1.6	222.5	224.1
Tennessee	9.5	55.6	66.1
Other States	59.1	45.6	104.7
2003			
Kentucky	17.1	197.7	214.8
Tennessee	13.7	49.2	62.9
Other States	13.4	40.5	53.9

Compiled from records and reports of Tobacco and Peanuts Division,

1/ 2004 data not available.

FSA, USDA.

Table 19--Burley tobacco: Percentage of selected groups,
quality, and color categories of total, 1993-2003 1/

Crop year	Mixed group	1,2,3, quality	Tan color
Percent			
1993	1.5	35.8	61.6
1994	1.4	42.7	62.4
1995	3.7	26.2	65.5
1996	19.8	21.0	69.9
1997	6.2	22.8	70.5
1998	0.7	23.7	74.6
1999	0.7	16.3	73.5
2000	0.5	20.3	69.4
2001	0.5	26.1	68.8
2002	0.8	21.6	67.3
2003	0.2	19.7	74.6

1/ Auction sales only.

Compiled from reports of the Tobacco Division, AMS, USDA.

Table 20--Sales of burley tobacco quotas, 1997/98-2002/03 1/

State & year	Sales (basic quota)
Indiana:	
1997/98	275
1998/99	155
1999/2000	149
2000/01	77
2001/02	54
2002/03	43
Kentucky:	
1997/98	3,905
1998/99	3,676
1999/2000	3,645
2000/01	2,285
2001/02	1,796
2002/03	1,147
North Carolina:	
1997/98	183
1998/99	94
1999/2000	90
2000/01	63
2001/02	53
2002/03	41
Ohio:	
1997/98	233
1998/99	198
1999/2000	183
2000/01	94
2001/02	50
2002/03	50
Tennessee:	
1997/98	1,110
1998/99	782
1999/2000	766
2000/01	605
2001/02	446
2002/03	348
Virginia:	
1997/98	152
1998/99	156
1999/2000	156
2000/01	113
2001/02	67
2002/03	52
Other States 2/:	
1997/98	149
1998/99	70
1999/2000	70
2000/01	28
2001/02	30
2002/03	15
All States:	
1997/98	6,007
1998/99	5,131
1999/2000	5,059
2000/01	3,265
2001/02	2,496
2002/03	1,696

1/ 2003/04 data not available. Year ending June 15.

2/ Primarily West Virginia and Missouri.

Compiled from records and reports of the Tobacco and Peanuts
Division, Farm Service Agency, USDA.

Table 21--Flue-cured and burley tobacco: Marketing quota and marketings, 1980-2004

Year	Quota		Marketings			Effective Under-quota 1/	Net carryover 2/
	Basic	Effective	Actual	Over-quota	Under-quota		
Million pounds							
Flue-cured, types 11-14							
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	804.3	831.7	849.6	42.6	32.8	31.5	(11.1)
1985	775.0	758.0	789.4	51.1	24.8	16.4	(34.7)
1986	728.5	699.4	666.9	10.5	45.3	43.8	33.3
1987	707.0	740.0	683.2	9.3	68.8	65.6	56.3
1988	754.3	811.8	796.1	13.4	28.4	25.0	11.6
1989	890.5	903.6	838.1	12.7	68.5	67.3	54.6
1990	877.7	936.1	920.2	15.0	30.6	28.6	13.6
1991	877.6	891.5	882.5	15.3	24.3	23.3	8.0
1992	891.8	899.0	901.0	15.7	14.2	13.5	(2.2)
1993	892.0	889.6	891.7	16.2	13.1	12.5	(3.7)
1994	802.6	798.5	806.8	16.7	8.2	7.7	(9.9)
1995	934.6	924.9	854.2	9.7	80.1	79.5	69.8
1996	873.6	943.6	896.7	12.5	59.8	58.5	46.0
1997	973.8	1,019.8	1,013.5	13.0	17.4	16.8	3.8
1998	814.3	819.6	815.2	12.9	13.3	16.7	4.8
1999	667.7	671.5	645.0	9.7	27.6	26.4	17.2
2000	543.0	553.0	564.1	10.5	7.6	7.4	(3.1)
2001 3/	548.4	545.3	544.4	4/	4/	4/	4/
2002 3/	582.0	545.3	564.8	4/	4/	4/	4/
2003 3/	526.3	536.2	507.7	4/	4/	4/	4/
2004 3/	471.3	500.0					
Burley, type 31							
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	581.8	697.0	674.0	37.8	59.8	54.5	16.7
1985	524.4	541.7	541.9	37.2	36.4	31.9	5.3
1986	493.5	488.2	419.8	6.7	74.8	67.9	61.2
1987	463.9	524.8	427.5	5.2	101.6	91.2	86.0
1988	473.4	559.0	468.1	7.4	95.6	81.8	74.4
1989	586.9	660.7	498.3	6.1	165.2	146.4	140.3
1990	601.3	741.2	592.2	8.8	159.4	139.5	130.7
1991	724.1	846.1	657.0	7.6	197.3	175.4	167.8
1992	668.5	835.6	699.8	10.3	141.0	124.6	114.3
1993	601.9	717.9	626.6	9.8	93.1	83.3	73.4
1994	536.3	605.9	568.0	11.5	48.0	43.5	32.0
1995	546.5	577.9	480.4	5.9	100.3	93.9	88.0
1996	631.3	719.8	516.3	4.3	190.8	180.9	176.6
1997	704.5	879.8	628.8	5.3	253.5	236.3	231.0
1998	635.4	867.5	588.7	4.6	280.2	245.1	240.5
1999	452.6	690.1	551.2	7.0	145.4	122.1	115.1
2000	247.0	361.9	307.4	5.5	59.5	47.2	41.7
2001 3/	331.4	368.8	335.8	6.3	35.7	32.0	25.7
2002 3/	323.7	349.3	298.8	4.3	53.5	49.2	44.9
2003 3/	287.8	330.0	271.7	4/	4/	4/	4/
2004 3/	302.1	331.0					

1/ Under-quota marketings less ineligible carryover. 2/ Effective under-quota marketings less over-quota marketings. 3/ Subject to revision. 4/ Not yet available.

Compiled from records of the Tobacco and Peanuts Division, FSA.

Flue-Cured Tobacco

Marketing of flue-cured tobacco for the 2004 season began July 26, 2003, as contract centers began opening in the Southern Area. Opening sales at auctions began on August 3rd in the Southern Area and by August 9th in all other areas. Carryover tobacco of 4.4 million pounds will not have a significant impact on this year's market. Last season, on-farm carryover was 55.1 million pounds, nearly half the previous year's.

Flue-Cured Acreage Slips

According to the September 1 crop production estimate, flue-cured acreage slipped by 2,400 acres to 231,000 acres. However, production is projected up 12 percent to 511.7 million pounds. Adequate rainfall and a relatively disease-free crop have raised expected yields, a welcome respite after last season's flooding. Hurricane Frances caused some alteration in sales schedules but little damage. Through September 9th, (33 sales days), flue-cured producers sold 261.3 million pounds or 51 percent of estimated production.

To receive price support in 2004, flue-cured tobacco growers must:

- Certify pesticide use and absence of nesting.
- Designate one or more warehouses within 100 miles of their county seat where they plan to sell their crop.
- Contribute to a no-net-cost account that totals 5.0 cents for the producer and 5.0 cents for the purchaser for each pound of 2004-crop flue-cured tobacco that is marketed.

Under quota legislation, growers receive price support on marketings up to 103 percent of their farm poundage quotas. However, marketings above the poundage quota are deducted from the following year's quotas. For marketings above 103 percent, growers must pay a penalty of \$1.39 a pound (75 percent of the average market price for the preceding year).

Beginning flue-cured stocks on July 1, 2004, were 822.8 million pounds, compared with 837.7 million pounds on July 1, 2003. The total reported supply of U.S.-grown flue-cured in 2004 is about 1.4 billion pounds, within 1 percent of 2003's level.

Disappearance Down in 2003

Disappearance of flue-cured tobacco in the 2003 marketing year (July 2003-June 2004) shrank 19 percent compared with the previous year to reach 622.5 million pounds.

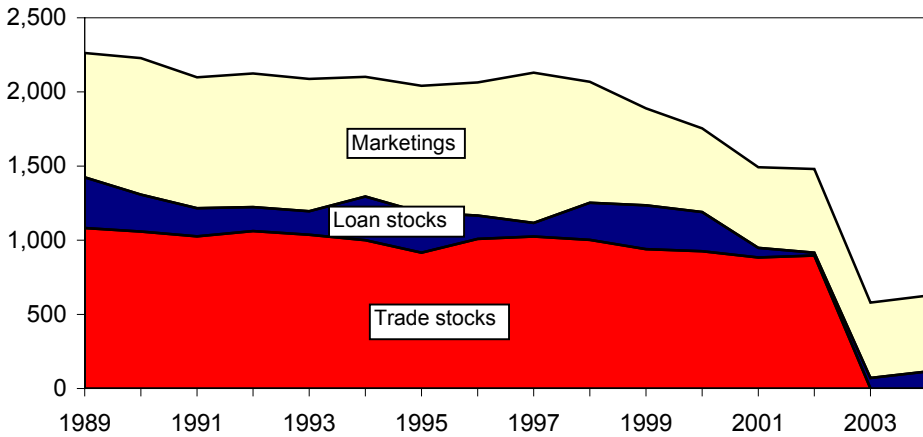
Beginning stocks of 915.9 million pounds and marketings of 507.7 million pounds resulted in 1,334.5 million pounds of flue-cured leaf available in 2004. Supplies for 2004 are expected to be 1 percent below the previous season. Production for 2004 is estimated at 511.7 million pounds, and carryover is 4.4 million pounds. With an effective quota of 500.0 million pounds, marketings will not exceed the quota, and carryover for 2005 should again be small. Assuming marketings of 511.7 million

Pounds, and beginning stocks on July 1, 2004 of 822.98 million pounds, supplies of domestic flue-cured leaf are expected to be slightly below last season. At 1,335 million pounds, 2004 supplies are, for the second year, lower than any time since the late 1930s.

Figure 4

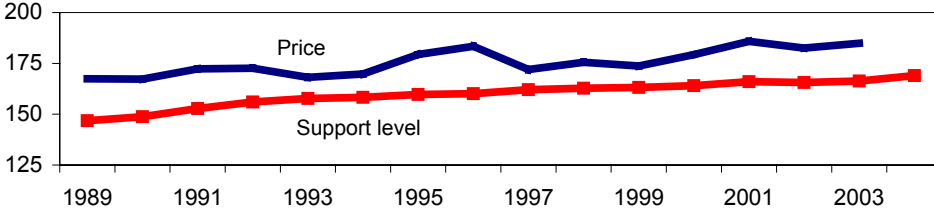
Flue-cured tobacco: Supply, price, and use

Million lb



Trade stocks include those of manufacturers and dealers. Crop year beginning July 1. 2001 and 2002 are preliminary.
Source: Agricultural Marketing Service, USDA.

Cents/lb



Million lb

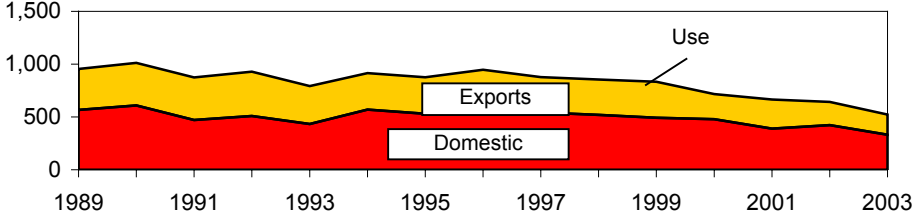


Table 22--Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, marketings, carryover, supply, disappearance, season average price, and price support operations, 1994-2004 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Marketings 2/	Beginning stocks 1/				Total supply
				Manufacturers and others	Under loan	Total		
				--- Million pounds ---				
Flue-cured, types 11-14								
1994	359.5	2,420	806.6	999.8	295.2	1,295.0	2,101.6	
1995	386.2	1,933	854.2	915.6	271.2	1,186.8	2,041.0	
1996	422.2	2,151	897.3	1,008.9	157.6	1,166.4	2,063.8	
1997	458.3	2,285	1,013.5	1,025.1	91.5	1,116.5	2,130.0	
1998	368.8	2,204	814.8	1,002.2	250.9	1,253.2	2,068.0	
1999	303.8	2,162	653.9	939.7	294.6	1,234.3	1,888.2	
2000	250.0	2,396	564.1	925.6	263.9	1,189.5	1,753.6	
2001	238.1	2,432	544.4	936.2	100.2	1,036.4	1,580.8	
2002	245.6	2,064	564.8	896.5	19.4	915.9	1,480.7	
2003	233.4	1,957	507.7	766.8	70.9	837.7	1,345.3	
2004 3/	231.0	2,215	511.7	708.8	114.0	822.8	1,334.5	
Burley, type 31								
1994	266.3	2,300.0	568.0	633.1	380.8	1,013.9	1,581.9	
1995	234.2	1,863.0	482.5	637.3	321.5	958.8	1,441.3	
1996	268.3	1,940.0	526.8	677.9	212.5	890.4	1,417.2	
1997	335.3	1,934.0	628.2	645.4	105.6	751.0	1,379.2	
1998	315.4	1,960.0	588.7	647.8	183.8	831.6	1,421.9	
1999	300.6	1,829.0	551.2	737.1	164.3	901.4	1,452.6	
2000	193.8	1,957.0	315.4	619.4	420.7	1,040.0	1,355.5	
2001	167.6	2,033.0	343.7	570.2	119.3	689.5	1,033.1	
2002	157.7	1,861.0	299.8	516.7	131.1	647.9	947.7	
2003	152.3	1,850.0	271.7	442.4	135.7	578.2	849.9	
2004 3/	156.3	1,929.0	301.5	399.3	127.7	527.0	828.5	
		Disappearance		Average price	Price support	Placed under loan		
Total		Domestic	Exports	per pound	level	Quantity	% of crop	
		--- Million pounds ---		--- Cents ---		Million pounds	Percent	
Flue-cured, types 11-14								
1994	914.8	569.3	345.5	169.8	158.3	97.7	12.1	
1995	875.1	530.6	344.5	179.4	159.7	12.0	1.3	
1996	946.6	555.4	391.2	183.4	160.1	1.8	0.2	
1997	876.8	542.5	334.3	172.0	162.1	195.5	19.4	
1998	833.7	492.1	341.6	175.5	162.8	82.4	10.2	
1999	698.7	436.9	261.8	173.6	163.2	136.4	21.2	
2000	717.2	479.2 6/	238.0	179.3	164.0	27.4	4.6	
2001	664.9	388.9	276.0	185.7	166.0	15.0	2.6	
2002	643.0	423.4	219.6	182.5	165.6	24.8	4.8	
2003	522.5 7/	332.5 7/	215.5 7/	184.9	166.3	59.8	11.8	
2004 3/					169.0			
Burley, type 31								
1994	623.1	468.1	155.0	184.1	171.4	54.7	9.5	
1995	550.9	386.1	164.8	185.5	172.5	0.0	0.0	
1996	666.2	456.8	209.4	192.2	173.7	0.0	0.0	
1997	547.6	379.2	168.4	188.5	176.0	124.5	0.2	
1998	520.5	351.6	168.9	190.3	177.8	73.2	12.4	
1999	412.5	503.8	139.3	189.8	178.9	230.6	42.0	
2000	666.0	524.0 6/	142.0	196.3	180.5	19.3	4.8	
2001	385.2	245.4	139.8	197.3	182.6	12.4	3.5	
2002	369.6	220.9	148.6	197.4	183.5	24.3	31.0	
2003	322.9 7/	187.9 7/	135.0 7/	197.0	184.9	40.2	14.8	
2004 3/					187.3			

1/ July 1 for flue-cured; October 1 for burley. 2/ Actual marketings in the marketing year. 3/ September 1 estimate.

4/ The factor used to convert stemmed stocks to farm-sales weight has been changed from 1.55 to 1.6 based on processing

yields from 1989 to 1992. 5/ Estimated. 6/ 1999 loan forgiveness stocks included (230 million pounds burley, 78 million pounds flue-cured). 7/ Estimate.

Source: Agricultural Marketing Service, National Agricultural Statistics Service, and Farm Service Agency, USDA.

Burley Tobacco

As of September 1, burley production in 2004 is estimated at 301.5 million pounds compared with actual production of 281.7 million pounds last season. Acreage is 156,300 acres, 4,000 acres above last season, regaining what was lost last season. Yields improved over last year's crop.

Marketings this year will likely be close to 300 million pounds, given the higher quota and an effective quota of 331.0 million pounds, resulting in projected supplies of about 880 million pounds, assuming normal on-farm carryover levels.

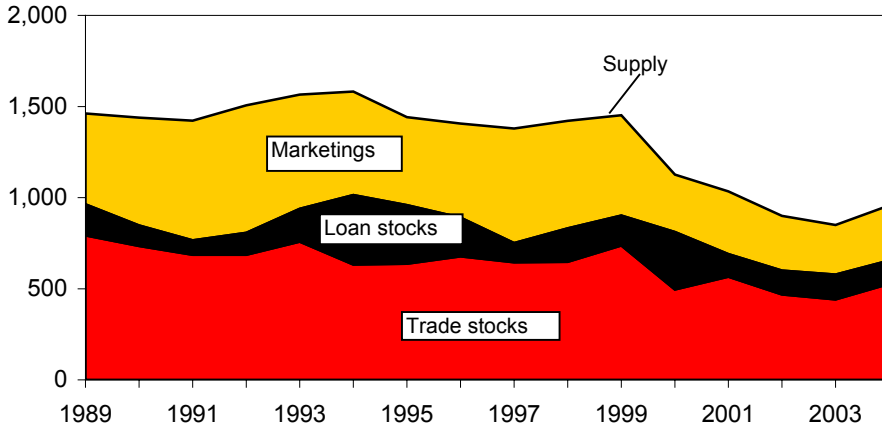
Supplies in 2004-05 Expected To Slip

Lower production combined with lower expected beginning stocks in October 2004 are expected to result in supplies of 830 million pounds, 2 percent below the previous season's 849.9 million pounds. Disappearance in 2003 is projected at 47 million pounds lower at 323 million pounds. Export disappearance will likely change little, with most of the decline the result of lower domestic use.

Figure 5

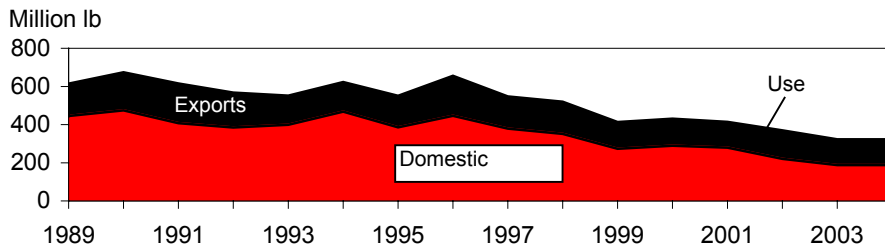
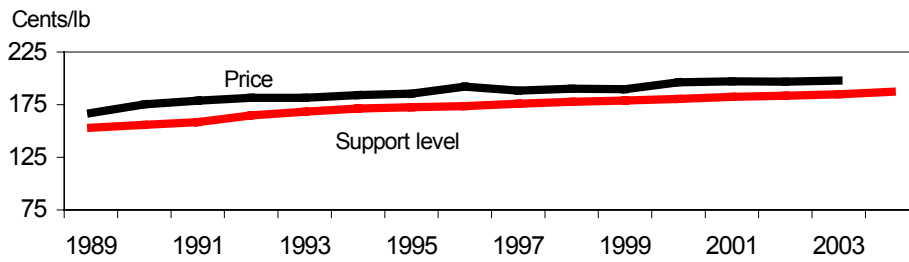
Burley tobacco: Supply, price, and use

Million lb



Trade stocks include those of manufacturers and dealers. Crop year beginning October 1. 2001 and 2002 are preliminary.

Source: Agricultural Marketing Service, USDA.



Maryland Tobacco

Maryland tobacco production is estimated at 6.4 million pounds for the 2004 crop year. Increased production in Pennsylvania boosted the acreage estimate 52 percent. Production in Maryland is set to increase 10 percent. Acreage increased by 900 acres in 2003, and yields also improved during the current year.

Beginning stocks of Maryland leaf on January 1, 2004, were 7.2 million pounds, compared with 8.2 million pounds last season. Combined with this season's marketings, the 2004 supply should be about 12.7 million pounds, compared with 11.5 million pounds last season. Ending stocks (January 1, 2004) are likely to be higher due to greater production.

October-June disappearance of Maryland leaf was half the same period last year. Estimated disappearance for the 2003 marketing year (October 2003-September 2004) is expected to be close to 5.0 million pounds, slightly higher than last season.

Table 23--Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season-average price, 1993-2004 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Supply			Disappearance			Avg. grower price per pound Cents
			Production 2/	Stocks following Jan. 1	Total --- Million pounds ---	Total	Domestic	Exports	
1993	12.7	1,526	18.3	7.5	26.9	17.3	11.8	5.5	143.0
1994	12.1	1,634	19.8	8.4	28.2	17.7	12.7	5.0	147.0
1995	11.9	1,507	17.9	11.1	29.6	14.6	8.1	6.6	157.3
1996	11.5	1,436	16.1	15.0	31.0	12.4	6.6	6.4	185.6
1997	11.2	1,629	17.7	18.7	36.4	15.7	9.2	6.5	158.5
1998	9.8	1,568	15.4	20.6	36.0	20.0	13.8	6.2	129.1
1999	9.5	1,511	14.4	16.0	30.4	17.0	12.8	4.2	134.5
2000	8.4	1,595	13.4	13.4	26.8	17.1	12.7	4.4 4/	138.7
2001	3.3	1,620	5.3	9.7	15.0	17.1	12.7	2.7 4/	155.4
2002	2.5	1,682	4.2	8.2	12.4	5.1	3.3	1.8	134.8
2003	2.4	1,748	4.2	7.3	11.5	5.2	5.2	0.1	146.3
2004 3/	3.3	1,933	6.4	6.3	12.7				

1/ Year beginning October 1. 2/ Adjusted to reflect calendar 1987-1996 sales of tobacco produced in Pennsylvania. 3/ September 1 crop estimate.

Sources: Agricultural Marketing Service, National Agricultural Statistics Service, and Farm Service Agency, USDA.

Fire-Cured Tobacco

Fire-cured tobacco is mainly used in making snuff, plug chewing tobacco, and twist chewing tobacco. About half of the crop is usually exported. Production of fire-cured leaf in 2004-05 is projected at 33.7 million pounds, about .8 million pounds below the previous season. Acreage was set at 10,700 acres, compared with 11,250 the previous year. Yields are greater than last season. Production of Kentucky-Tennessee fire-cured leaf (types 22-23) as of September 1 (2004 crop) is estimated at 35.3 million pounds, compared with 33.7 million pounds in 2003. Production of Virginia fire-cured tobacco is estimated at 1.3 million pounds, compared with .8 million pounds in 2003.

Dark Fire-Cured Exports Fall

Shipments of Kentucky-Tennessee fire-cured (types 22-23) recovered by 55 percent during the first 9 months of the 2003 crop year (October 2003-June 2004). Total exports of types 22-23 are expected to reach 15.0 million pounds, compared with 10.7 million pounds last season.

Total fire-cured disappearance for the first 9 months of the 2003-04 marketing year was 24.4 million pounds, compared with 30.1 million pounds during the 9-month period last year. For the entire marketing year, disappearance is expected to be about 34 million pounds.

Table 24--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, 1994-2004 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Beginning stocks					Total supply
			Production	Manufacturers and others		Total	Total supply	
				Under loan	Under loan			
			--- Million pounds ---					
Kentucky-Tennessee fire-cured, types 22-23								
1994	16.7	2,564	45.9	69.1	0.8	69.7	115.6	
1995	15.8	2,386	37.7	79.5	1.0	80.5	118.2	
1996	15.5	2,745	42.5	79.3	0.9	80.2	122.7	
1997	15.4	2,625	40.3	83.2	0.1	83.3	123.6	
1998	15.3	2,444	37.5	84.6	0.2	84.8	122.3	
1999	15.0	2,365	35.4	86.7	0.0	86.7	122.1	
2000	16.2	3,023	49.1	87.8	0.0	87.8	136.9	
2001	13.4	3,211	43.1	89.8	4.0	93.8	136.9	
2002	10.2	3,265	33.4	90.8	8.7	99.5	132.9	
2003 2/	10.7	3,147	33.7	93.2	4.4	97.6	131.2	
2004 3/	11.0	3,200	35.3	94.5	4.5	99.0	134.3	
Virginia fire-cured, type 21								
1994	1.4	1,780	2.4	2.4	0.8	3.2	5.6	
1995	1.1	1,400	1.5	2.6	0.9	3.5	5.3	
1996	1.1	1,580	1.7	3.4	0.1	3.5	5.5	
1997	1.2	1,640	2.0	2.3	0.1	2.4	4.3	
1998	1.5	1,560	2.3	2.4	0.0	2.4	4.7	
1999	1.6	1,670	2.7	2.6	0.0	2.7	5.3	
2000	1.3	1,700	2.5	3.0	0.4	3.4	6.0	
2001	1.2	1,835	2.2	3.9	0.3	4.2	6.4	
2002	0.7	2,015	1.5	3.9	0.9	4.8	6.3	
2003 2/	0.6	1,525	0.8	4.3	0.0	4.3	5.1	
2004 3/	0.7	1,850	1.3	4.0	0.0	4.0	5.3	
Disappearance								
Total		Domestic	Exports	Price per pound	Support level	Placed under loan		
		--- Million pounds ---		--- Cents ---		Quantity	% of crop	
						Thousand pounds	Percent	
Kentucky-Tennessee fire-cured, types 22-23								
1994	35.1	20.4	13.9	209.2	148.3	1,117	2.4	
1995	37.9	23.8	14.1	217.2	151.8	238	0.6	
1996	39.4	22.7	16.7	224.5	155.7	71	0.2	
1997	38.9	21.2	17.7	225.6	162.3	368	0.9	
1998	35.5	20.4	15.2	222.5	168.1	218	0.6	
1999	34.3	13.4	21.0	229.8	171.6	28	0.1	
2000	43.1	17.8	25.3	216.3	171.6	4,850	9.9	
2001	37.4	21.2	16.2	217.2	173.6	6,904	16.0	
2002	35.3	24.7	10.7	214.9	176.7	488	1.5	
2003	32.2	6/ 25.3	3/ 15.0	3/ 216.0	181.7	14	0.0	
2004					186.3			
Virginia fire-cured, type 21								
1994	2.1	0.7	1.4	161.2	140.7	534	22.2	
1995	1.6	0.8	0.8	164.0	143.0	75	4.9	
1996	3.2	0.7	2.5	179.0	145.5	27	1.6	
1997	2.0	1.3	0.7	212.5	149.8	0	0.0	
1998	2.0	1.5	0.6	193.6	153.6	153	6.5	
1999	1.9	0.9	1.0	181.9	155.9	407	15.2	
2000	1.8	0.8	1.0	163.7	155.9	307	23.8	
2001	1.6	1.4	0.2	175.8	157.2	495	22.5	
2002	2.0	1.9	0.1	188.4	160.3	18	1.2	
2003	1.1	3/ 0.1	3/ 1.1	3/ 179.0	163.6	35	4.2	
2004					163.6			

* = Negligible. 1/ Marketing year beginning October 1. 2/ September 1 crop estimate. 3/ Estimate.

Sources: Agricultural Marketing Service, National Agricultural Statistics Service, and Farm Service Agency, USDA.

Dark Air-Cured

Dark air-cured tobacco (types 35-37) is used in plug and twist chewing tobacco, snuff, and to some extent in smoking tobacco. Production and use have declined by more than 50 percent over the last two decades. Exports traditionally account for 10-20 percent of total use, but have declined in the past decade as cigarettes have displaced traditional tobacco products in many countries that purchased dark air-cured leaf. The marketing year for dark air-cured tobacco is on an October-September basis.

Production Gains in 2004

Although acreage rose in 2004, improved yields are expected to boost air-cured production to 12.2 million pounds from 11.3 the previous season, according to the September 1 crop forecast. Acreage is projected at 4,160 acres, compared with 4,090 last season, and yields are 2,900 pounds per acre, compared with 2,746 last season. Supplies at the beginning of 2004 (October 1, 2004) are expected to be about 37.3 million pounds, about the same as in 2003.

2003 Disappearance Falls

Air-cured disappearance for the first 9 months of the marketing year (October 2003-June 2004) slipped 21 percent to 7.7 million pounds, compared with 59.7 million pounds last season. Based on past years' marketing patterns, total disappearance during the crop year is expected to be slightly less than last season's 11.5 million pounds.

Table 25--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, 1994-2004 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Production	Beginning stocks				Total supply
				Manufacturers and others		Under loan	Total	
				--- Million pounds ---				
Dark air-cured, types 35-36								
1994	4.6	2,527	11.7	24.1	0.6	24.7	36.4	
1995	4.1	2,084	8.5	26.6	0.7	27.3	35.8	
1996	3.8	2,262	8.6	25.1	0.3	25.4	34.0	
1997	3.6	2,258	8.2	23.8	0.0	23.8	32.0	
1998	4.3	2,229	9.7	22.5	0.0	22.5	32.1	
1999	5.0	2,328	11.6	24.0	0.0	24.0	35.7	
2000	5.5	2,901	15.9	26.6	0.0	26.6	42.5	
2001	5.0	2,807	13.9	32.2	0.5	32.7	46.6	
2002	3.8	2,811	10.6	35.1	3.1	38.3	48.8	
2003	4.1	2,746	11.2	36.2	1.1	37.3	48.5	
2004 2/	4.2	2,900	12.1	37.3	0.0	37.3	49.4	
Sun-cured, type 37								
1994	0.1	1,770	0.1	*	0.1	0.1	0.2	
1995	0.1	1,125	0.1	*	0.1	0.1	0.2	
1996	0.1	1,600	0.1	*	*	*	0.1	
1997	0.1	1,490	0.1	0.0	*	0.0	0.1	
1998	0.1	1,220	0.1	0.0	*	0.0	0.2	
1999	0.1	1,550	0.2	0.1	*	0.1	0.2	
2000	0.1	1,650	0.2	0.1	*	0.1	0.3	
2001	0.1	1,540	0.2	0.2	*	0.2	0.3	
2002	0.1	1,655	0.1	0.1	*	0.1	0.2	
2003	0.1	1,400	0.1	0.1	0.0	0.1	0.2	
2004 2/	0.1	1,500	0.1	0.1	0.0	0.1	0.2	
Disappearance		Disappearance		Avg. price	Avg. support	Placed under loan		
Total		Domestic	Exports	per pound	level	Quantity	% of crop	
		--- Million pounds ---		--- Cents ---		Thousand pounds	Percent	
Dark air-cured, types 35-36								
1994	9.1	6.7	1.8	168.5	127.3	619	5.3	
1995	10.3	9.0	1.3	176.2	130.4	110	1.3	
1996	10.1	9.6	0.5	195.2	133.9	20	0.2	
1997	9.6	9.6	0.0	201.7	139.8	14	0.2	
1998	8.1	8.1	0.0	195.5	145.0	73	0.8	
1999	9.0	7.7	1.3	203.9	148.1	48	0.4	
2000	9.8	8.8	1.0	197.1	148.1	810	5.1	
2001	8.4	8.3	0.1	182.9	149.9	2,431	17.4	
2002	11.5	11.4	0.1	210.1	152.6	151	1.4	
2003	11.2 3/	10.1 3/	1.1 3/	159.2	157.1	183	1.6	
2004				205.0	161.2			
Sun-cured, type 37								
1994	0.1	*	0.1	147.6	124.5	27.0	21.8	
1995	0.1	*	0.1	174.5	126.5	0.0	0.0	
1996	0.1	*	0.1	197.9	128.8	0.0	0.0	
1997	0.1	*	0.1	190.8	132.6	0.0	0.0	
1998	0.1	0.1	0.0	170.9	136.0	8.7	7.1	
1999	0.1	0.1	0.0	159.4	138.0	21.6	13.9	
2000	0.1	0.0	0.1	180.0	138.0	4.0	2.4	
2001	0.2	0.2	0.0	168.6	139.2	38.0	24.7	
2002	0.1	0.1	0.0	177.8	142.9	1.2	1.0	
2003	0.1 3/	0.1 3/	0.0 3/	170.7	145.8	1.2	1.5	
2004				172.0	145.8			

* = Negligible.

1/ Marketing year beginning October 1. 2/ September 1 harvest intentions. 3/ Estimate.

Sources: Agricultural Marketing Service, National Agricultural Statistics Service, and Farm Service Agency, USDA.

Cigar Tobacco

Cigar leaf (types 41-61) is classified according to its traditional use: filler, binder, and wrapper. Most cigar wrapper is exported for use in cigars, but loose leaf chewing tobacco takes most of the filler and binder. Some binder is also used in smoking tobacco. Exports of filler and binder are negligible.

Cigar Leaf Production Steady in 2004

Cigar leaf production in 2004 (September 1 crop estimate) changes very little, projected at 14.3 million pounds, close to last season. Harvest projections were 2,400 below last season's acreage with higher yields. Wrapper acreage is up by 90 acres, while filler acreage slipped by 600 acres. Many growers of seedleaf filler in Pennsylvania may have switched to Maryland type 32 leaf this season. Binder acreage was down by 140 acres from 2003's 4,190 acres. Connecticut Valley binder lost 20 acres to reach an estimated 1,300 acres. Wisconsin binder slipped from 1,820 acres to 1,700 this season, but with slightly lower yields.

Filler Disappearance Projected To Advance in 2003

During the first 9 months of the marketing year (October 2003-June 2004) disappearance of filler tobacco reached 7.6 million pounds, compared with 5.3 million during the same period last season. Year-end disappearance is expected to reach 8 million pounds.

Binder Disappearance Slips in 2003

During the first 9 months of the 2003 season (October 2003-June 2004), disappearance of binder leaf declined compared with last season. Both Connecticut Valley Binder and Wisconsin Binder supplies decreased. For the 2003 season, disappearance of binder leaf is expected to exceed 8 million pounds. Connecticut Binder usually accounts for about a third of total binder disappearance.

Wrapper Supplies Recover

Wrapper production in 2004 is expected to gain 33 percent to reach 1.8 million pounds. Supplies for 2004 should increase slightly. Estimated year-end disappearance for 2003 (July 2003-June 2004) is 1.7 million pounds, 25 percent below the previous season's total. For 2004, supplies are expected to increase by 100,000 pounds as low beginning stocks combine with higher production.

Table 26--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season-average prices, 1994-2004 (farm-sales weight)

Crop year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Supply			Disappearance			Avg. price per pound to growers Cents
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
			Million pounds						
Pennsylvania seedleaf filler (type 41)									
1994	5.4	2,100	11.3	24.0	35.3	14.9	14.9	*	100.0
1995	4.8	2,150	10.3	20.5	30.8	11.8	11.8	*	145.0
1996	4.8	2,140	10.3	17.9	28.2	15.0	15.0	*	155.0
1997	4.9	2,200	10.8	13.2	24.0	11.0	11.0	*	160.0
1998	4.5	2,100	9.5	13.0	22.1	10.7	10.7	*	130.0
1999	3.2	1,850	5.9	11.4	17.3	7.8	7.8	*	130.0
2000	2.4	2,100	5.0	9.5	14.6	2.5	2.5	*	6/
2001	2.0	2,060	4.1	12.1	16.2	4.0	4.0	*	165.0
2002	2.1	2,100	4.4	12.3	16.7	6.0	6.0	*	145.0
2003 2/	2.4	2,200	5.3	10.7	15.9	8.4	8.4	*	140.0
2004 3/	1.8	2,300	4.1	7.5	11.6				
Puerto Rico filler (type 46)									
1994	*	**	*	0.1	0.1	0.1	0.1	*	**
1995 5/	*	**	*	*	*	*	*	*	**
Total cigar filler (types 41-46) 7/									
1994	5.4	2,100	11.3	24.1	35.4	15.0	14.9	*	100.0
1995	4.5	2,050	9.2	20.5	29.7	11.8	11.4	*	145.0
1996	4.8	2,140	10.3	17.9	28.2	15.0	15.0	*	155.0
1997	4.9	2,200	10.8	13.2	24.0	11.0	11.0	*	160.0
1998	4.5	2,100	9.5	13.0	22.1	10.7	10.7	*	130.0
1999	3.2	1,850	5.9	11.4	17.3	7.8	7.8	*	130.0
2000	2.4	2,100	5.0	9.5	14.6	2.5	2.5	*	6/
2001	2.0	2,060	4.1	12.1	16.2	4.0	4.0	*	165.0
2002	2.1	2,100	4.4	12.3	16.7	6.0	6.0	*	145.0
2003 2/	2.4	2,200	5.3	10.7	15.9	8.4	8.4	*	140.0
2004 3/	1.8	2,300	4.1	7.5	11.6				
Connecticut Valley binder (types 51-52)									
1994	1.0	1,893	1.8	1.6	3.4	2.0	2.0	*	306.0
1995	1.2	1,969	2.4	1.4	3.8	2.2	1.8	*	389.0
1996	1.6	1,780	2.9	1.6	4.5	3.3	2.9	0.4	628.0
1997	2.0	1,783	3.6	1.2	4.8	2.8	2.2	0.6	741.4
1998	2.4	1,539	3.6	2.1	5.7	2.2	1.4	0.8	549.9
1999	2.5	1,668	4.2	3.5	7.7	4.9	4.6	0.3	741.4
2000	0.9	1,189	1.1	2.8	3.8	1.5	1.2	0.3	549.9
2001	2.1	1,786	3.8	2.3	6.1	4.3	4.1	0.2	558.9
2002	2.2	1,828	4.0	1.8	5.8	3.8	2.4	1.4	536.9
2003 2/	2.4	1,429	3.4	2.1	5.5	3.6	2.4	1.2	545.0
2004 3/	2.4	1,831	4.3	1.9	6.2				
Southern Wisconsin binder (type 54)									
1994	1.9	2,200	4.2	4/	--	--	--	--	145.0
1995	1.9	2,375	4.5	4/	--	--	--	--	145.0
1996	1.9	1,900	3.6	4/	--	--	--	--	148.0
1997	1.8	2,330	4.2	4/	--	--	--	--	150.0
1998	1.5	2,180	3.3	4/	--	--	--	--	149.0
1999	0.9	2,530	2.3	4/	--	--	--	--	148.0
2000	0.7	2,500	1.8	4/	--	--	--	--	150.0
2001	1.2	2,535	3.0	4/	--	--	--	--	165.0
2002	1.2	2,740	3.2	4/	--	--	--	--	175.0
2003 2/	1.4	2,480	3.5	4/	--	--	--	--	175.0
2004 3/	1.3	2,550	3.3						175.0

See footnotes at end of table.

Continued--

Table 26--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season-average prices, 1994-2004 (farm-sales weight)

Crop year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Supply			Disappearance			Avg. price per pound to growers Cents
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
Northern Wisconsin binder (type 55)									
1994	1.0	1,775	1.7	4/	--	--	--	--	145.0
1995	0.9	1,985	1.7	4/	--	--	--	--	145.0
1996	1.0	1,600	1.6	4/	--	--	--	--	150.0
1997	0.8	1,995	1.5	4/	--	--	--	--	152.0
1998	0.6	1,745	1.0	4/	--	--	--	--	149.0
1999	0.3	1,952	0.6	4/	--	--	--	--	145.0
2000	0.2	1,865	0.4	4/	--	--	--	--	150.0
2001	0.3	1,860	0.6	4/	--	--	--	--	152.0
2002	0.3	2,145	0.7	4/	--	--	--	--	175.0
2003 2/	0.4	1,865	0.8	4/	--	--	--	--	173.0
2004 3/	0.4	1,950	0.8						
Total Wisconsin binder (types 54-55)									
1994	2.9	1,444	5.9	27.9	33.8	9.3	9.3	0.0	145.0
1995	2.8	2,254	6.2	24.6	30.8	9.0	9.0	0.0	145.0
1996	2.9	1,799	5.2	21.7	26.9	9.1	8.9	0.2	148.6
1997	2.6	2,231	5.7	17.8	23.5	7.3	6.9	0.4	150.5
1998	2.1	2,063	4.3	16.2	20.4	6.1	5.0	1.1	149.0
1999	1.2	2,388	2.8	27.9	33.8	4.4	3.4	1.0	149.0
2000	0.9	2,348	2.3	24.6	30.8	5.2	4.2	1.0	155.0
2001	0.3	1,860	0.6	4/	--	--	--	--	165.0
2002	0.3	2,220	0.7	4/	--	--	--	--	175.0
2003 2/	0.4	1,865	0.8	4/	--	--	--	--	174.6
2004 3/	0.4	1,950	0.8						
Total Cigar binder (types 51-55)									
1994	3.8	1,952	7.7	29.6	37.3	11.4	11.3	*	181.1
1995	4.0	2,165	8.7	29.3	34.6	11.3	11.3	*	213.7
1996	4.4	1,792	8.1	26.1	35.2	12.3	12.0	*	321.4
1997	4.9	2,032	8.8	22.9	28.2	11.9	11.1	0.6	375.4
1998	4.4	1,783	7.9	19.9	29.2	8.3	6.4	1.0	334.7
1999	3.7	1,876	7.0	31.4	41.5	9.3	8.1	1.3	--
2000	1.8	1,787	3.3	27.3	34.6	6.7	5.4	1.3	--
2001	1.5	2,397	3.6	9.7	13.3	4.6	4.4	0.2	165.0
2002	1.5	2,632	3.8	8.7	12.5	4.4	4.3	0.1	175.0
2003 2/	1.8	2,338	4.3	8.1	12.4	4.7	4.6	0.1	173.0
2004 3/	1.7	2,409	4.1	7.7	11.8				
Connecticut Valley shade-grown (type 61)									
1994	1.2	1,400	1.7	1.9	3.6	1.6	0.2	1.3	1,780.0
1995	1.3	1,582	2.0	2.1	4.1	1.8	0.4	1.4	4/
1996	1.4	1,473	2.1	2.3	4.4	2.4	0.2	2.0	4/
1997	1.7	1,431	2.4	2.0	4.4	2.3	0.2	2.1	4/
1998	1.7	1,413	2.4	2.0	4.5	3.2	0.5	2.7	4/
1999	1.9	1,951	3.6	1.3	4.9	4.1	1.1	3.0	4/
2000	1.3	1,472	1.8	0.8	2.6	1.5	0.2	1.3	2,530.0
2001	1.3	1,605	1.8	1.1	2.9	1.1	0.3	0.8	2,300.0
2002	1.0	1,201	1.2	1.8	2.9	2.2	1.5	0.8	3/
2003 2/	1.1	1,253	1.3	0.7	2.0	1.7	0.8	0.9	
2004 3/	1.2	1,537	1.8	0.4	2.1				
Grand total cigar tobacco (types 41-61)									
1994	10.4	1,989	20.7	55.6	76.3	28.0	26.4	1.6	265.7
1995	9.8	2,085	19.9	48.5	68.3	24.9	23.1	1.8	178.3 6/
1996	10.6	1,905	20.5	46.3	67.8	28.9	24.7	4.2	231.7 6/
1997	11.5	2,015	22.0	38.1	56.5	23.4	20.3	3.1	266.9 6/
1998	10.6	1,863	19.8	34.9	55.8	22.3	17.6	4.6	222.9 6/
1999	8.7	1,892	16.5	44.1	63.7	21.2	16.9	4.3	245.1 6/
2000	5.5	1,852	10.2	37.6	51.8	10.7	8.1	2.6	263.4 6/
2001	6.9	1,964	13.3	25.3	38.6	14.0	12.9	1.2	559.7 6/
2002	6.7	1,997	13.4	24.6	38.0	16.4	14.3	2.1	452.4 6/
2003 2/	7.7	1,863	14.2	21.6	35.8	18.4	15.1	3.3	208.6 6/
2004 3/	7.0	2,044	14.3	17.5	31.8	16.4			

* = Negligible. ** = Not applicable. -- = Not available. 1/ October 1 for types 41-55; July 1 for type 61. 2/ Estimate. 3/ September 1 harvest intentions. 4/ Growers of type 61 no longer provide price information. 5/ Subsequent years negligible. 6/ Does not include type 61. 7/ Ohio filler type 41 price not available as there is no production and stocks are negligible.

Source: Agricultural Marketing Service, National Agricultural Statistics Service, and Farm Service Agency, USDA.

Table 27--Cigarettes: Estimated world output and exports, specified countries, annual 1993-2003 1/

Country	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	% change 1997-98
	Billions										Percent
Production:											
China	1,710.0	1,735.0	1,700.3	1,683.6	1,683.5	1,674.7	1,698.5	1,701.0	1,709.5	1,735.0	1
United States	725.6	746.5	758.0	719.6	679.7	606.6	594.6	562.8	532.0	500.0	-6
United Kingdom	114.9	156.0	170.3	170.2	163.5	155.0	126.1	126.1	133.0	130.0	-2
Germany	221.1	221.0	193.3	182.0	181.9	204.8	206.8	213.8	212.5	211.0	-1
France	48.2	46.4	46.4	45.0	43.3	42.4	38.2	37.0	37.0	37.0	0
Italy	55.1	50.2	51.5	51.9	43.3	42.4	38.2	37.7	39.4	38.0	-4
Other EU	283.9	286.6	296.2	310.3	322.9	447.3	415.3	422.4	427.2	427.2	0
Total European Union 2/	723.2	760.2	757.7	759.4	755.0	763.9	736.4	734.9	742.3	738.4	-1
USSR 3/	271.8	333.5	356.2	390.5	394.0	423.5	377.0	374.0	375.0	380.0	1
Japan	268.9	262.8	271.0	254.6	267.1	263.2	258.0	256.2	229.0	224.0	-2
Brazil	163.9	173.7	182.3	182.8	170.0	111.4	104.9	109.4	106.7	101.6	-5
Other	1,613.6	1,567.3	1,655.4	1,660.1	1,631.4	1,711.2	1,839.7	1,883.3	1,859.4	1,856.7	0
Total	5,477.0	5,579.0	5,680.9	5,650.6	5,580.8	5,554.4	5,609.1	5,621.6	5,553.9	5,535.6	0
Exports:											
United States	220.2	231.1	243.9	217.0	201.3	151.4	148.3	133.9	127.4	121.5	-5
Bulgaria	40.1	60.9	40.1	25.7	15.4	11.0	8.7	7.6	7.6	7.6	0
United Kingdom	310.4	84.8	136.7	108.1	125.5	100.3	111.0	100.5	72.4	100.0	38
Switzerland	24.1	26.6	27.1	23.3	23.4	23.4	23.4	23.4	23.4	23.4	0
Germany	83.5	85.0	81.6	69.7	69.4	85.2	90.7	105.8	105.2	105.0	0
Netherlands	79.9	82.2	116.0	118.0	103.7	105.1	101.6	104.8	134.5	135.5	1
Belgium-Luxembourg	11.3	11.6	14.9	14.1	14.0	11.8	9.8	8.2	8.2	8.2	0
Hong Kong	82.3	74.3	79.6	45.9	35.2	25.3	28.2	27.8	28.5	28.1	-1
Singapore	54.4	50.2	59.3	70.1	53.3	58.7	58.7	58.7	58.7	58.7	0
Other	249.6	275.3	295.1	290.6	307.6	260.4	262.2	269.9	296.1	173.6	-41
Total	1,155.8	982.0	1,094.3	982.5	948.7	832.7	842.6	840.7	862.0	761.7	-12

1/ Estimates included in absence of reasonable data. 2002 preliminary. 2/ Prior to 1996, excludes Austria, Sweden, and Finland--new members effective January 1, 1995.

3/ Former Soviet Union. Includes Papyrosa.

Compiled from USDA, FAS, Foreign Agriculture Circular, FT 8-00, August 2001.

Table 28--Estimated leaf used for cigarettes by kinds of tobacco, 1960-2003

Calendar year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Million pounds								
1960-64	742	455	16	1,213	661	404	16	123	1,204
1965-69	666	477	21	1,164	594	426	21	150	1,191
1970-74	623	459	19	1,101	556	410	19	186	1,171
1975-79	594	464	21	1,079	529	414	21	268	1,232
1980-84	480	424	25	930	428	379	25	374	1,207
1985	455	374	28	862	406	334	28	396	1,164
1986	426	365	26	817	380	326	26	418	1,150
1987	446	368	24	838	398	329	24	435	1,186
1988	474	406	24	904	423	363	24	392	1,202
1989	481	362	22	865	430	324	22	368	1,144
1990	532	397	21	950	475	354	21	378	1,228
1991	484	408	16	908	432	364	16	422	1,234
1992	463	348	16	827	413	310	16	520	1,259
1993	416	331	13	760	371	296	13	549	1,229
1994	434	353	12	799	391	317	12	447	1,218
1995	475	368	12	855	427	331	12	467	1,237
1996	464	314	12	790	418	282	12	545	1,257
1997	452	317	13	783	407	286	12	563	1,267
1998	403	268	7	677	362	241	6	477	1,087
1999	344	223	6	572	309	200	5	487	1,002
2000	348	177	6	530	313	159	5	497	974
2001	338	188	4	530	304	169	4	490	967
2002	287	136	2	426	259	123	2	528	911
2003 1/	318	120	1	438	286	108	0	447	842
	Pounds per 1,000 cigarettes								
1960-64	1.396	.854	.030	2.280	1.242	.761	.030	.231	2.264
1965-69	1.174	.840	.037	2.051	1.048	.751	.036	.264	2.098
1970-74	1.026	.755	.031	1.812	.916	.674	.031	.305	1.926
1975-79	.871	.680	.031	1.582	.777	.607	.030	.392	1.806
1980-84	.689	.609	.036	1.334	.615	.544	.036	.539	1.734
1985	.684	.562	.042	1.288	.610	.502	.042	.595	1.750
1986	.647	.555	.040	1.242	.578	.495	.040	.635	1.748
1987	.647	.534	.035	1.216	.578	.477	.035	.631	1.720
1988	.683	.585	.035	1.303	.608	.522	.035	.564	1.729
1989	.710	.535	.032	1.272	.635	.478	.032	.543	1.689
1990	.750	.559	.030	1.339	.670	.499	.030	.533	1.732
1991	.697	.587	.023	1.306	.622	.522	.023	.608	1.777
1992	.641	.484	.022	1.147	.575	.431	.022	.723	1.751
1993	.629	.501	.020	1.150	.561	.448	.020	.831	1.859
1994	.670	.502	.017	1.188	.598	.448	.017	.616	1.679
1995	.636	.493	.016	1.145	.572	.444	.016	.626	1.658
1996	.615	.416	.016	1.047	.554	.374	.016	.722	1.666
1997	.626	.439	.018	1.083	.563	.395	.016	.779	1.753
1998	.583	.389	.010	.982	.525	.350	.009	.691	1.575
1999	.567	.367	.010	.944	.510	.330	.009	.804	1.653
2000	.584	.297	.010	.892	.526	.268	.009	.835	1.638
2001	.601	.334	.007	.943	.541	.301	.006	.871	1.719
2002	.540	.256	.004	.800	.486	.230	.004	.992	1.712
2003 1/	.636	.240	.001	.877	.572	.216	.001	.896	1.686
	Percent distribution								
	Percent								
1960-64	61.2	37.5	1.3	100.0	54.9	33.6	1.3	10.2	100.0
1965-69	57.2	41.0	1.8	100.0	49.9	35.8	1.8	12.6	100.0
1970-74	56.6	41.7	1.7	100.0	47.6	35.0	1.6	15.8	100.0
1975-79	55.0	43.0	2.0	100.0	43.0	33.6	1.7	21.7	100.0
1980-84	51.6	45.6	2.7	100.0	35.4	31.4	2.1	31.1	100.0
1985	52.8	44.0	3.2	100.0	34.8	28.9	2.4	33.9	100.0
1986	52.1	44.7	3.2	100.0	33.0	28.3	2.3	36.4	100.0
1987	53.2	43.9	2.9	100.0	33.6	27.7	2.0	36.7	100.0
1988	52.4	44.9	2.7	100.0	35.2	30.2	2.0	32.6	100.0
1989	55.8	41.7	2.5	100.0	37.7	28.2	1.9	32.2	100.0
1990	56.0	41.7	2.2	100.0	38.7	28.8	1.7	30.8	100.0
1991	53.3	44.9	1.8	100.0	35.0	29.4	1.4	34.2	100.0
1992	55.9	42.2	1.9	100.0	32.8	24.6	1.2	41.3	100.0
1993	54.7	43.6	1.7	100.0	30.2	24.1	1.0	44.7	100.0
1994	56.4	42.2	1.4	100.0	35.6	26.7	1.0	36.7	100.0
1995	55.5	43.1	1.4	100.0	34.5	26.8	1.0	37.7	100.0
1996	58.8	39.7	1.5	100.0	33.2	22.5	1.0	43.4	100.0
1997	57.8	40.5	1.7	100.0	32.1	22.5	0.9	44.4	100.0
1998	59.4	39.6	1.0	100.0	33.3	22.2	0.6	43.9	100.0
1999	60.0	38.9	1.1	100.0	30.9	20.0	0.5	48.6	100.0
2000	65.5	33.3	1.1	100.0	32.1	16.3	0.6	51.0	100.0
2001	63.8	35.5	0.8	100.0	31.5	17.5	0.4	50.6	100.0
2002	67.5	32.0	0.5	100.0	28.4	13.5	0.2	57.9	100.0
2003 1/	72.5	27.4	0.1	100.0	34.0	12.8	0.1	53.2	100.0

1/ Subject to revision.

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U. S. Tobacco Import Update

<http://www.ers.usda.gov/publications/tbs/feb04/tbs200301/>

examines use of foreign leaf tobacco by the United States and describes imports under the tariff-rate quota. For example, the domestic share of leaf used to manufacture tobacco products had trended down during the past decade, but it increased in 2002/03 to 55.2 percent.

U.S. Tobacco Industry Responding to New Competitors, New Challenges

<http://www.ers.usda.gov/AmberWaves/September03/Features/USTobaccoIndustry.htm>

This article discusses policy options for bringing the tobacco program into the 21st century with a focus on a quota buyout. Tobacco growers are facing tough times as cigarette consumption shrinks and foreign producers edge them out of formerly lucrative markets.

Related Websites

The Tobacco Briefing Room, <http://www.ers.usda.gov/Briefing/tobacco>. Articles, data, and reports on tobacco leaf and product markets, domestic and international.

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List of Tables

Table	Page
1. Cigarettes: U.S. output, removals, and consumption, 1994-2004	8
2. Per capita consumption of tobacco products in the United States (including overseas forces), 1994-2004	8
3. U.S. cigarette exports to leading destinations, 2003-04	9
4. State cigarette tax increases, 2002-05	10
5. Tobacco demand factors, 1994-2004	11
6. Wholesale premium brand cigarette price revisions, 1999-2004	13
7. Wholesale nonbrand cigarette price revisions, 1999-2004	13
8. Cigars and smoking tobacco, Output, removals, and consumption, 2000-04	14
9. Tobacco products: Output by category, 1993-2004	15
10. U.S. imports of and unmanufactured and other tobacco: Quantity and average value, by kinds, 2003-04	18
11. U.S. imports of unmanufactured tobacco for consumption and general imports principal categories, and countries of origin, 2003/2004 (declared-weight)	19
12. U.S. exports of unmanufactured tobacco by type and to principal importing countries, 1999-2004 (declared-weight)	20
13. U.S. exports of unmanufactured tobacco by types, to principal importing countries, crop years, 2001/02-2003/04 (declared-weight)	21
14. All tobacco: Acreage, yield, and production, United States, 1965-2004	24
15. Tobacco loan stocks, 2002-2004 (farm-sales weight)	24
16. Flue-cured tobacco auction sales: Gross sales, average price, loan receipts, sales dates, through September 21, 2004	25
17. Tobacco: No-net-cost assessment, by kind, 1995-2004	25
18. Burley marketing quota, Kentucky, Tennessee, other States, 2001-03	26
19. Burley tobacco: Percentage of selected groups, quality, and color categories of total, 1993-2003	26
20. Sales of burley tobacco quotas, 1997/98-2002/03	27
21. Flue-cured and burley tobacco: Marketing quota and marketings, 1980-2004	29
22. Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Average yield, marketings, carryover, supply, disappearance, season average price, and prices support operations, 1994-2004 (farm-sales weight)	31
23. Southern Maryland tobacco: type 32: Acreage, yield, production, carryover, supply, disappearance, season-average price, 1993-2004	35
24. 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, 1994-2004	37
25. Dark air-cured tobacco, types 35-36, and sun-cured tobacco, types 37: Acreage, yield, production, carryover, supply, disappearance, season-average price, and price support operations, 1994-2004	39
26. Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season-average prices, 1994-2004	41
27. Cigarettes: Estimated world output and exports, specified countries, annual 1993-2003	43
28. Estimated leaf used for cigarettes by kinds of tobacco, 1960-2003	44