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Tobacco Outlook

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Tobacco Acreage Plunges for 2005 Crop Year

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The next release is
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Outlook Board.

On March 1, 2005, tobacco growers indicated intentions to harvest 319,860 acres during the upcoming 2005 season, the lowest since the 1800s, and 22 percent less than was harvested in 2004, the last season for marketing quotas and price supports. Assuming average yields, production is expected to be around 683 million pounds, as much as 200 million pounds below 2004.

Tobacco leaf production in 2004 is estimated at 883.2 million pounds, 10 percent higher than in 2003. Marketings of flue-cured totaled 499.3 million pounds and burley reached 298.8 million pounds. Marketings of other types are estimated at about 68 million pounds. With beginning stocks of 1.5 billion pounds, total estimated supply for 2004 will be about 2.4 billion pounds, 33 million pounds less than 2003. Supply in 2003 was 2.4 billion pounds.

The final burley auction sales under the tobacco program took place on March 16, 2005. Contract sales ended February 25. Final gross marketings reached 281.4 million pounds (gross auction sales combined with contract sales) and averaged \$198.59 per hundredweight, a record-high price. Last season, gross volume reached 272.5 million pounds and averaged \$197.94 per hundredweight. Because of higher yields, sales in 2004 are estimated at 298.8 million pounds, 10 percent greater than the 2003 season's 271.7 million pounds due mostly to higher yields.

Burley contract centers opened on November 8, 2004, and concluded on February 25, 2005, after operating 50 days, 7 days less than in 2003. Seventy-seven percent of producer sales were sold directly using contracts compared with 76 percent last season. Contract sales totaled 216.6 million pounds valued at \$430.5 million. The season average price for contracts was \$198.61 per hundredweight compared with \$198.51 last season. During the 2002 season, contract sales totaled 208.3 million pounds and in 2001, they totaled 219.5 million pounds.

Burley auction markets for 2004 opened November 15, 2004, and closed March 16, 2005, after 43 days of sales, five more than last season. Gross volume of 64.8 million pounds was 600,000 pounds more than 2003's record low sales. Gross sales value was \$128.3 million. The average auction price of \$198.08 once again set a record compared with last season's 195.79 per hundredweight, itself a record. Burley cooperatives took 48.0 million pounds, 76 percent of producer sales. In 2003, 64 percent, or 40.2 million pounds, of net auction sales went under loan to cooperatives.

There are no quota announcements due to the termination of the USDA tobacco program at the end of the 2004 season. Beginning with the 2005 season, growers are free to produce any quantity of any type of tobacco anywhere.

The tobacco balance of trade--the value of manufactured and unmanufactured exports less manufactured and unmanufactured imports (arrivals)—continued its rapid decline in 2004, slipping \$112 million to end at \$1.5 billion. Values for unmanufactured leaf increased slightly as manufactured export value declined. Smoking tobacco in bulk export value fell by 55 percent, and the value of cigarettes dropped by 8 percent. Cigars, both large and small, gained in value. Unmanufactured export volume and value both advanced. The value of unmanufactured imports (arrivals or general imports) declined 13 percent or \$89 million, while manufactured import value slipped 11 percent or \$68 million.

Unmanufactured tobacco exports advanced slightly in calendar 2004, rising 18 million pounds due to robust burley shipments. At 361.0 million pounds (163,747 metric tons), exports were up 5.2 percent. In 2004, U.S. shipments accounted for about 8 percent of total world exports, about the same as in 2003. The United States was the third largest exporter, following Brazil, which accounted for 27 percent of world exports and shipped just over a billion pounds and China, which barley edged out the United States for second place for the first time in 2004.

On a farm-sales-weight basis, total calendar 2004 unmanufactured tobacco exports were 520.9 million pounds compared with 483.7 million pounds in 2003.

Imports for consumption (duty paid) reversed an upward trend and slipped 12 percent in 2004, ending at 561.4 million pounds, after exceeding 600 million pounds in 2003. Shipments were 77 million pounds below 2003. Oriental leaf imports advanced to reach 118.2 million pounds. Stemmed flue-cured leaf imports slipped 23 percent to 131.5 million pounds. Burley import volume slipped to 123.1 million pounds, 14 percent less than last year, with Brazil accounting for about a third of such imports. Cigar leaf imports increased 3.8 percent to 79.3 million pounds. Imports of stems, supplied mainly by Brazil, slipped 22 percent to 88.7 million pounds.

Cigarette consumption in the United States continued to fall during 2004, dropping 3 percent. At 388 billion cigarettes, U.S. consumption continues declining steadily, averaging about 2 percent per year for the past decade. Year-end taxable removals were 375 billion pieces. Output for calendar 2004 is estimated at 492.6 billion cigarettes, about the same as the late 1950's. Per capita consumption (18 years old and older) in 2004 was 1,791 pieces, 3 percent below 2003.

Cigarette exports in 2004 slipped about 2 percent to 118.7 billion cigarettes from 121.5 billion the previous year. Japan, at 71.0 billion cigarettes, was the largest export market for U.S. cigarettes, taking 60 percent of total shipments. Iran (14.5 billion cigarettes) edged into second place, shifting Saudi Arabia and Israel to third and fourth. They were followed by Lebanon, Hong Kong, and Kuwait. Shipments to the European Union have declined to less than a billion cigarettes. The total value of cigarettes shipped was \$1.3 billion. Unit value was \$11 per 1,000 cigarettes, compared with \$12 the previous year.

Fiscal year 2004 (October 2003-September 2004) Federal cigarette excise tax collections were \$7.9 billion, about the same as the previous year. State excise tax collections in calendar 2004 increased by \$1.2 billion (or 20 percent) to \$12.6 billion. Currently, 18 States have cigarette excise taxes of \$1.00 per pack or more, and 37 have taxes of 50 cents per pack or more. The median State excise tax is 69.5 cents per pack.

Tobacco Products

Cigarette Consumption Estimated at 388 Billion Cigarettes

Cigarette consumption fell at a reduced rate in 2004, slipping to 388 billion pieces, 3 percent below 2003. The 12-billion decline was, as in the past, due to a combination of higher consumer costs due to tax and price increases, declining smoking rates resulting from restrictions on where people can smoke, and greater awareness of the health risks associated with smoking. Consumption peaked in 1981 at 640 billion pieces. Year-end taxable removals for 2004 were 375 billion pieces. Output for 2004 was 492.6 billion cigarettes.

Per capita consumption (18 years old and older) in 2004 was 1,791 pieces, 3 percent below 2003. Per capita consumption in 2003 was 1,837 pieces. Per capita consumption has been slipping for over two decades. For those 16 years old and older, per capita consumption in 2004 fell to 1,726 cigarettes, from 1,770 pieces in 2003. Estimates are based on population statistics from the Bureau of the Census.

Cigarette exports in 2004 slipped 2 percent to 118.7 billion cigarettes from 126.6 billion the previous year. Japan, at 71.0 billion cigarettes, was the largest export market for U.S. cigarettes, taking slightly less than in 2003 and accounting for 60 percent of shipments. Iran (14.5 billion cigarettes) edged into second place, shifting Saudi Arabia and Israel to third and fourth. They were followed by Lebanon, Hong Kong, and Kuwait. Shipments to the European Union have declined to less than a billion cigarettes. The total value of cigarettes shipped was \$1.3 billion. Unit value was \$11 per 1,000 cigarettes, compared with \$12 the previous year.

Industry sources indicate the inroads made by small manufacturers and imports have stabilized at about 10 percent of the market. Currently, about 4 percent of the market is held by small manufacturers, and imports account for another 6 percent of the market.

Taxes

The Federal excise tax has been 39 cents per pack of 20 cigarettes since January 1, 2002. Fiscal year 2004 (October 2003-September 2004) Federal cigarette excise tax collections were \$7.9 billion, unchanged from the previous year. Excise taxes peaked in 2002 at \$8.3 billion due to the 5-cent-per-pack tax increase that became effective at the beginning of that year. However, declining consumption since has reduced Federal excise tax collections.

State tax collections in calendar 2004 increased by \$1.2 billion to \$12.6 billion. Higher taxes offset lower consumption. State excise taxes were collected on 376.8 billion cigarettes, compared with 382.6 billion in 2003. State sales tax collections reached \$3.1 billion. Currently, 18 States have cigarette excise taxes of \$1.00 per pack or more, and 37 have taxes of 50 cents per pack or more. The median State excise tax is 69.5 cents per pack.

Wholesale Cigarette Prices

The last wholesale premium cigarette price increase was 12 cents per pack on April 1, 2002. The wholesale price of premium cigarettes is now \$118.70 per 1,000, excluding tax. The Federal tax is \$19.50 per 1,000 cigarettes.

Cigarette Type Survey Results

Filter-tipped cigarettes became popular during the 1950s and began to outsell non-filter cigarettes in the 1960's. Since the mid-1980s, non-filter tips have accounted for less than 5 percent of U.S. production. The annual Economic Research Service (ERS) survey of manufacturers indicated that filter-tip production comprised 98.9 percent of total output in 2004, unchanged from 2003. The proportion of 80-85 mm filter-tip cigarettes slipped from 61.9 percent in 2003 to 61.8 percent in 2004. The 100 millimeter filter-tip category made up about 36.1 percent of 2004 output, compared with 35.4 percent in 2003.

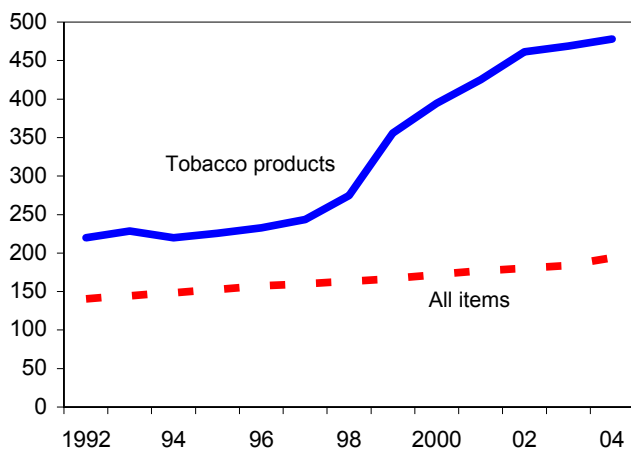
Cigar Output Advances

U.S. cigar production in 2004 reached 4,407 million cigars, up nearly 10 percent from 2003. Exports increased by 40 million cigars, but most of the gain went into domestic taxable removals. Taxable removals in 2004 were 4,619 million cigars, 7 percent above 2003. Cigar consumption in 2004 was 4,935 million cigars, 9 percent greater than the previous year. Calendar year 2004 exports of cigars surged to 171 million, with the Dominican Republic, China, Canada, and Taiwan being the primary destinations. During 2004 U.S. cigar imports (consumption) reached 616 million, 21 percent above the previous year's imports. The Dominican Republic accounted for over two-thirds of 2004 import volume. Honduras, Nicaragua, and India also were major suppliers of cigars. Consumption worldwide in 2004 was 4,935 million cigars, 9 percent greater than the previous year.

Figure 1

Consumer Price Index and tobacco products prices

% of 1982-84



Source: Bureau of Labor Statistics.

Small cigar output in 2004, at 3,360 million cigars was up 28 percent over 2003. For 2004, taxable removals of small cigars were 2,701 million, 18 percent above 2003.

Smoking Tobacco

Smoking tobacco output for 2004 declined 10 percent to 16.1 million pounds. Smoking tobacco consists of pipe tobacco, used in pipes, and cut smoking tobacco, used in roll-your-own cigarettes. Both pipe tobacco and smoking tobacco declined in 2004. In recent years, cut smoking tobacco gained due to the increasing popularity of roll-your-own cigarettes. Taxable removals for smoking tobacco increased 14 percent to 17.6 million pounds.

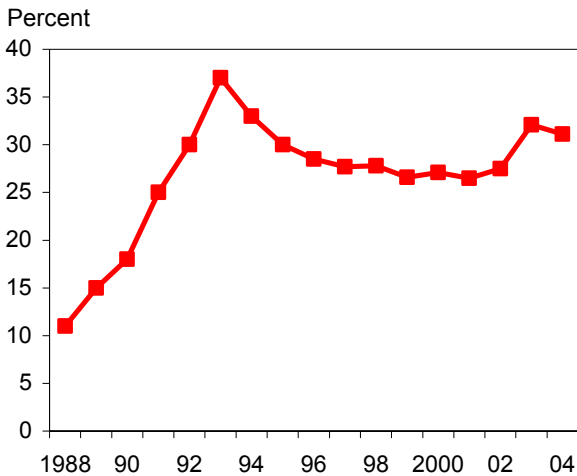
Chewing Tobacco

Chewing tobacco output declined 9 percent during 2004, reaching 39.3 million pounds. The decline was the largest in the past decade. Taxable removals are expected to slip about 6 percent to end the calendar year at about 35.5 million pounds. Firm, moist, twist, and leaf chewing categories all had lower output and taxable removals compared with a year earlier.

Snuff

Snuff output climbed 5 percent in 2004, reaching 79.3 million pounds. Taxable removals saw a similar gain to 77.4 million pounds. Moist snuff accounts for most snuff production. Dry snuff has been declining during the past decade as moist snuff use advanced. Snuff is frequently used as an alternative to cigarettes where smoking is prohibited.

Figure 2
Discount cigarette share of U.S. cigarette consumption



Source: Economic Research Service, USDA.

Table 3--Cigarettes: Output of filter tip and nonfilter tip by length, 2002-2004 1/

Item	2002		2003		2004 2/	
	Output	Percent	Output	Percent	Output	Percent
	Billions	Percent	Billions	Percent	Billions	Percent
Filter tip:						
80 mm long and 85 mm king	329.8	62.0	309.3	61.9	304.2	61.8
100 mm extra long	190.9	35.9	176.7	35.4	177.8	36.1
120 mm	5.9	1.1	7.9	1.6	5.1	1.0
Total	526.6	99.0	493.9	98.9	487.2	98.9
Nonfilter tip:						
70 mm regular	2.7	0.5	2.6	0.5	2.9	0.6
85 mm king	2.7	0.5	2.9	0.6	2.5	0.5
Total	5.4	1.0	5.5	1.1	5.4	1.1
Grand total	532.0	100.0	499.4	100.0	492.6	100.0

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

Source: Economic Research Service, USDA.

Table 4--Wholesale premium brand cigarette price revisions, 1990-2005 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 sale 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.

Source: News reports and miscellaneous sources.

Table 5--Tobacco products: Output and domestic invoices by category, 1994-2004

Period	Chewing tobacco					Snuff dry	Snuff moist	Smoking tobacco in bulk (exports)	Small cigars 2/ Millions
	Plug-firm	Plug-moist	Twist	Loose leaf	Total 1/				
Million pounds									
Manufactured									
1994	3.3	1.3	1.1	56.8	62.5	5.6	53.9	77.0	1,410
1995	2.9	1.2	1.1	57.7	62.9	5.6	54.6	91.8	1,430
1996	2.9	1.0	1.1	56.0	61.1	4.0	57.5	110.4	1,502
1997	2.5	0.8	1.0	52.5	56.8	4.4	57.7	118.2	1,476
1998	2.4	0.7	1.0	49.2	53.3	4.3	61.2	142.5	1,710
1999	2.2	0.6	0.7	47.2	50.9	3.7	63.3	151.0	2,316
2000	2.0	0.5	0.8	46.0	49.4	3.6	65.9	136.1	2,469
2001	1.9	0.5	0.8	43.9	47.0	3.3	67.6	118.2	2,376
2002	1.8	0.4	0.8	41.5	44.5	3.1	69.6	144.0	2,478
2003	1.5	0.3	0.7	39.2	41.7	2.7	72.0	121.3	2,618
2004 4/	1.4	0.3	0.7	37.0	39.3	2.4	76.9	45.4	3,360
Invoiced to domestic customers 3/									
1994	3.1	1.2	1.1	56.4	61.8	5.4	53.2	**	1,377
1995	3.0	1.1	1.1	57.0	62.2	5.3	54.1	**	1,397
1996	2.8	1.0	1.1	55.1	60.0	4.6	56.8	**	1,504
1997	2.5	0.8	1.0	52.5	56.8	4.4	57.7	**	1,587
1998	2.3	0.7	1.0	48.6	52.5	4.1	59.9	**	1,638
1999	2.1	0.6	0.9	46.9	50.5	3.9	61.6	**	2,196
2000	2.0	0.5	0.9	45.1	48.5	3.8	64.8	**	2,243
2001	1.8	0.4	0.8	43.5	46.6	3.4	69.3	**	2,171
2002	1.7	0.3	0.8	40.2	43.0	3.1	68.6	**	2,248
2003	1.4	0.3	0.7	37.9	40.3	2.9	71.1	**	2,296
2004 4/	1.3	0.2	0.7	35.7	37.9	2.6	74.7	**	2,702

1/ Detail may not add to total due to rounding. 2/ Weight not more than 3 pounds per thousand. 3/ Taxable removals for small cigars. 4/ Preliminary.

Source: Agricultural Marketing Service, USDA.

Table 6--Cigars and smoking tobacco: U.S. output, removals, and consumption, 1994-2004

Year	Total output	Taxable removals	Tax-exempt removals	Imports	Exports	Total U.S. consumption 1/
Million						
Large cigars and cigarillos:						
1994	1,942	2,188	78	146	75	2,337
1995	2,058	2,367	82	195	78	2,566
1996	2,413	2,720	98	320	67	3,071
1997	2,324	2,966	110	576	86	3,542
1998	2,751	3,185	122	507	93	3,692
1999	2,905	3,330	148	496	84	3,826
2000	2,825	3,370	114	480	113	3,850
2001	3,741	3,564	130	543	124	4,107
2002 2/	3,819	3,706	80	500	123	4,206
2003 3/	4,017	4,019	94	508	130	4,527
2004 3/	4,428	4,637	191	616	171	5,253
Million pounds						
Smoking tobacco:						
1994	13.5	12.6	0.5	1.9	0.5	14.5
1995	12.2	11.8	0.4	1.9	0.4	13.8
1996	12.0	11.3	0.4	1.9	0.7	13.0
1997	11.4	10.8	0.5	1.5	0.8	12.0
1998	12.5	12.0	0.5	1.4	0.6	13.4
1999	14.7	13.4	0.5	1.6	0.5	15.1
2000	13.6	13.1	0.5	1.4	0.5	14.5
2001	12.8	14.9	0.5	1.9	11.0	16.8
2002 2/	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

1/ Total removals (or sales) plus imports, minus exports. 2/ Subject to revision. 3/ Estimated.

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

Table 7--Tobacco demand factors, 1994-2004

Year	Population July 1 1/ Millions	Disposable personal income, per capita 2/		Consumer price indexes 3/		Cigarettes % of 1997
		Current prices ----- Dollars -----	1996 prices	All items ---- % of 1982-84 ----	Tobacco products	
1994	192.9	19,381	20,709	148.2	220.0	--
1995	194.0	20,349	21,056	152.4	225.7	--
1996	196.1	21,117	21,385	156.9	232.8	--
1997	198.2	21,969	21,838	160.5	243.7	100.0
1998	200.4	23,359	22,672	163.0	274.8	109.8
1999	202.5	23,749	22,678	166.6	355.8	143.8
2000	209.1	25,237	23,501	172.2	394.9	159.9
2001	209.8	25,957	23,692	177.1	425.2	172.5
2002	215.1	27,159	24,706	179.9	461.5	187.7
2003	217.8	28,034	25,027	184.0	469.0	190.4
2004 4/	217.8	29,334	25,628	188.9	478.0	193.5

1/ Eighteen years and older including forces overseas. 2/ Based on total population. 3/ All urban consumers. 4/ July 1, 2004.

Source: Bureau of the Census, USDL.

U.S. Imports and Exports

U.S. Tobacco Balance of Trade Slides to \$1.5 Billion

The tobacco balance of trade--the value of manufactured and unmanufactured exports less manufactured and unmanufactured imports (arrivals)—continued declining in 2004, slipping about \$112 million (close to last year's decline) to end at \$1.5 billion. Values for unmanufactured leaf increased slightly as manufactured export value declined. Smoking tobacco in bulk export value fell by 55 percent, and the value of cigarettes dropped by 8 percent. Cigars, both large and small, gained in value. Unmanufactured export volume and value both advanced. The value of unmanufactured imports (arrivals or general imports) declined 13 percent, \$89 million to \$606 billion, while manufactured import value slipped 11 percent, \$68 million to end at \$538 billion.

Tobacco product export value (mostly cigarettes and smoking tobacco in bulk) peaked in 1996 and has been declining every year but one since. Leaf imports nearly doubled in 1996 and increased further in 1997, before dropping to the 700-to 800-million-pound range where they remain. U.S. leaf exports have fallen because foreign producers have become more competitive. The U.S. tobacco program limited the flexibility of exporters to take advantage of short-term opportunities. With the end of the program in 2005, U.S. producers will be better able to compete on the world market, both in terms of price and flexibility. Although it will take a few years for producers to adjust to the new environment, export prospects are good for the near future.

Leaf Tobacco Export Volume Advances Slightly

Unmanufactured tobacco exports advanced slightly in calendar 2004, rising 18 million pounds due to robust burley shipments. At 361.0 million pounds (163,747 metric tons), exports were up 5.2 percent. In 2004, U.S. shipments accounted for about 8 percent of total world exports, about the same as in 2003. The United States was the third largest exporter, following Brazil, which accounted for 27 percent of world exports and shipped just over a billion pounds, and China, which barely edged out the United States for second place for the first time in 2004.

On a farm-sales-weight basis, total calendar 2004 unmanufactured tobacco exports were 520.9 million pounds compared with 483.7 million pounds in 2003.

Germany was the major destination for U.S. unmanufactured tobacco in 2004, taking slightly more than the previous year—53.5 million pounds. Japan followed with 34.6 million pounds. Russia purchased 34.0 million pounds. Belgium slipped from first place in 2003 to fourth in 2004 with 27.4 million pounds. The Netherlands, France, Spain, Indonesia, and Denmark all took over 10 million pounds. Seventy-nine countries purchased leaf from the United States in 2004.

Imports for Consumption Slip 12 Percent

Imports (consumption, duty paid) declined by 71 million pounds in 2004 dipping to 561.4 million pounds and ending a string of gains that began in 2000.

Last year, imports exceeded 600 million pounds for the first time since 1997. Oriental leaf changed little at 118.2 million pounds. Shipments from Turkey and Bulgaria gained, while those from Greece slipped. Stemmed flue-cured leaf imports declined by 24 percent to 130.7 million pounds, after last year's record high of 172.7 million pounds. Shipments from Brazil shrank 44 million pounds and accounted for 61 percent of U.S. flue-cured purchases. Burley import volume, as indicated by the general "Not Specifically Provided For" (NSPF) category which contains mostly burley leaf, slipped by 20 million pounds to 123.1 million pounds. Burley imports reached a record-high in 2003 of 143.2 million pounds, topping the 1997 peak. Cigar leaf imports changed little in 2004, after substantial gains in 2003. After exceeding 100 million pounds during 2003, imports of stems declined 25 million pounds to 88.7 million pounds. Brazil was the leading source of stems. The sale of nearly 100 million pounds out of CCC-owned stocks will likely dampen imports in 2005.

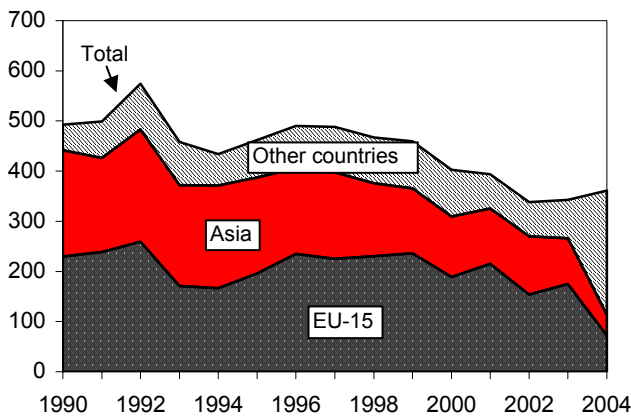
General Imports Plummet Nearly 40 Percent

General imports (arrivals) ended calendar 2004 at 349.1 million pounds, 230 million pounds below 2003's 578.9 million pounds. All major categories declined by at least 25 percent. Oriental leaf fell 24 percent to end at 89.9 million pounds. Stemmed flue-cured imports slipped 30 percent to 95.4 million pounds. Burley plunged 58 percent (75 million pounds) to 53.8 million, the lowest since 1995. Total cigar leaf imports fell 32 percent, canceling last year's gains. At 53.4 million pounds, cigar tobacco imports were the lowest since 1990.

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.

Foreign Leaf Stocks

U.S. stocks of imported cigarette leaf remained at historically low levels. January 1, 2005 imported cigarette leaf stocks were 718 million pounds, 55 million pounds below January 1, 2004. Oriental stocks gained 9 percent to reach 210.5 million pounds. Imported flue-cured stocks were 251.2 million pounds, 4 percent below January 2004. Stocks of imported burley advanced 17 percent to 248.2 million pounds.

Tariff-Rate Quota Update

The tariff-rate Quota (TRQ) for 2004-05 on cigarette tobacco leaf imports (excluding Oriental) was 37 percent filled as of March 28, 2005 at 122.5 million pounds. Brazil has used more than half its allocation of 90.1 million pounds. The tobacco TRQ year begins on September 13 and runs through September 12 the following year. The total quantity allowed under the TRQ is 332.2 million pounds. During the 2003-04 TRQ year, 79 percent of the quota, or 262.7 million pounds were imported under the quota.

Table 8--U.S. cigarette exports to leading destinations, 2001-04

	2001	2002	2003	2004 1/
Japan	75.4	77.9	79.3	71.0
Iran	*	1.5	3.0	14.5
Saudi Arabia	11.3	11.7	11.6	10.7
Israel	4.6	4.6	4.9	5.1
Lebanon	5.7	3.9	3.7	4.0
Hong Kong	2.8	2.8	2.3	2.0
Kuwait	2.0	1.8	2.1	1.8
United Arab Emirates	2.3	3.0	1.6	1.7
Taiwan	2.1	1.9	2.1	1.5
Singapore	2.5	2.5	1.6	1.2
European Union	4.8	3.6	2.3	0.7
Netherlands	1.9	0.9	0.9	0.5
Belgium	2.7	2.6	1.2	0.1
Oman	0.4	0.4	0.4	0.4
Qatar	0.3	0.3	0.4	0.4
Syria	0.9	1.0	1.5	0.3
South Korea	6.2	3.6	0.6	0.3
Cyprus	4.5	0.6	0.5	0.3
Bahrain	0.3	0.4	0.4	0.3
Canada	0.4	0.4	0.4	0.4
Azerbaijan	1.8	0.3	0.9	0.2
Panama	0.3	0.3	0.2	0.1
Other countries	13.5	12.9	9.3	10.7
Total	133.9	127.4	121.5	118.7

* Less than 50 million. 1/ Subject to revision.

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

Table 9--U.S. tobacco exports and imports: Unmanufactured and manufactured, 1993-2004

Year	Exports			Imports 1/			Net exports (value)		
	Unmanufactured		Manu- factured	Unmanufactured		Manu- factured	Unmanu- factured	Manu- factured	Total
	Quantity 2/ Million pounds	Value --Million dollars--		Quantity 2/ Million pounds	Value --Million dollars--				
1993	458.0	1,305.5	4,250.8	792.6	943.4	605.1	362.1	3,645.7	4,007.8
1994	433.9	1,302.1	5,363.4	582.3	692.7	161.9	609.4	5,201.5	5,810.9
1995	461.8	1,399.3	5,218.0	439.2	555.7	183.7	843.6	5,034.3	5,877.9
1996	489.9	1,389.4	5,234.9	719.7	1,052.5	279.4	336.9	4,955.5	5,292.3
1997	488.3	1,553.3	4,953.5	676.5	1,128.8	497.0	424.5	4,456.5	4,881.0
1998	467.2	1,458.8	4,824.7	551.2	779.7	483.2	679.1	4,341.5	5,020.6
1999	417.5	1,294.4	3,876.4	537.1	763.8	449.9	530.6	3,426.5	3,957.2
2000	402.4	1,221.8	4,010.5	439.7	578.8	548.4	643.0	3,462.1	4,105.1
2001	410.7	1,268.8	2,725.6	563.1	715.1	522.4	553.7	2,203.2	2,756.9
2002	338.2	1,049.7	1,942.9	585.6	706.9	609.7	342.8	1,333.2	1,676.0
2003	343.3	1,038.1	1,835.9	578.7	694.2	606.0	343.9	1,229.9	1,573.8
2004 3/	361.0	1,044.4	1,560.8	349.1	605.5	538.4	438.9	1,022.4	1,461.3

1/ Arrivals. 2/ Declared weight. 3/ Subject to revision.

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

Table 10--U.S. exports of unmanufactured tobacco by types and to principal importing countries, 2001-04 (declared weight)

Type & country	2001	2002	2003	2004 1/	Pct. Change 2003-04 Percent
Type					
Flue-cured	196.7	160.6	155.0	147.0	-5.2
Burley	90.9	86.2	91.6	128.1	39.8
Maryland	2.7	2.4	0.7	1.4	100.0
Fire-cured, Ky. and Tenn.	17.5	11.5	12.1	6.6	-45.5
Virginia fire & sun-cured	0.2	*	*	0.2	--
Blackfat	*	*	*	*	--
Cigar wrapper	3.3	2.2	2.2	2.6	18.2
Cigar binder	0.3	0.1	0.9	1.7	88.9
Stems and refuse	59.5	45.2	48.0	36.3	-24.4
Other leaf	39.6	30.0	32.7	37.0	13.1
Total 2/	410.7	338.2	343.3	361.0	5.2
Country of destination					
Austria	0.9	0.5	0.9	4.2	366.7
Belgium-Luxembourg	49.7	29.4	61.7	27.4	-55.6
Denmark	12.2	13.6	13.5	10.2	-24.4
France	11.5	10.3	8.8	15.8	79.5
Germany	94.8	59.5	55.8	53.5	-4.1
Greece	0.5	1.2	0.8	4.1	412.5
Italy	6.2	8.6	6.9	6.6	-4.3
Netherlands	21.6	10.3	9.8	15.8	61.2
Portugal	4.3	5.9	6.2	4.6	-25.8
Spain	7.9	6.3	4.7	11.6	146.8
Sweden	3.6	1.2	1.6	0.6	-62.5
United Kingdom	1.6	6.0	4.8	4.0	-16.7
Total EU-15 2/	214.8	152.8	175.5	158.4	-9.7
Japan	51.6	49.6	42.4	34.6	-18.4
Russia	27.2	7.5	5.0	34.0	580.0
Indonesia	3.6	5.0	5.4	10.3	90.7
Dominican Republic	5.9	9.2	8.9	9.6	7.9
Switzerland	14.4	27.3	34.8	9.4	-73.0
Romania	0.4	*	0.5	8.6	1,620.0
Thailand	7.7	12.6	3.6	8.5	136.1
Malaysia	18.4	15.1	6.4	7.9	23.4
Rep. of Korea	9.6	10.1	9.6	7.3	-24.0
China	0.6	0.2	1.4	6.8	385.7
Czech Republic	*	0.2	0.1	5.2	5,100.0
Nigeria	5.6	3.7	6.2	4.8	-22.6
Taiwan	7.9	8.1	7.9	4.0	-49.4
Australia	3.4	4.5	6.3	3.6	-42.9
Cyprus	*	*	1.5	3.6	--
Lithuania	*	*	*	3.6	--
Egypt	0.9	1.8	1.1	3.3	200.0
Mexico	*	1.4	1.2	3.1	158.3
Ukraine	*	0.7	0.4	3.0	650.0
Jordan	*	*	3.1	2.8	--
Hong Kong	*	1.0	1.3	2.3	76.9
Kazakhstan	0.6	*	*	2.2	--
Honduras	1.1	1.6	1.3	2.1	61.5
Philippines	5.1	6.9	2.9	1.8	-37.9
Turkey	15.8	0.3	0.4	1.8	350.0
Norway	3.3	2.0	2.1	1.7	-19.0
South Africa	1.8	0.3	0.1	1.5	1,400.0
Sri Lanka	2.3	1.7	2.1	1.4	-33.3
Other countries	12.8	16.6	14.0	16.7	19.3
Total 3/	410.7	338.2	343.3	361.0	5.2

* = Less than 50,000 pounds. 1/ Preliminary. 2/ Some countries not listed. 3/ Details may not add to total due to rounding.

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

Table 11--U.S. smoking tobacco exports, (January-December), 2001-04

Country	2001	2002	2003	2004 1/
	Million pounds			
Smoking tobacco in bulk:				
Japan	25.7	22.1	23.8	11.8
Russia	12.9	22.4	15.5	4.2
Belgium-Luxembourg	10.4	30.3	18.2	3.8
Dominican Republic	*	0.1	2.6	2.1
Korea	0.1	1.2	6.0	2.0
Romania	*	0.4	3.9	1.8
Spain	18.6	17.3	11.4	1.6
Austria	3.0	4.8	4.9	1.0
Czech Republic	5.9	4.4	4.7	0.9
Senegal	0.5	1.3	1.4	0.2
Finland	3.1	3.3	3.1	0.1
Turkey	25.5	31.9	22.4	*
France	*	*	0.8	0.7
Other countries	12.5	4.5	2.6	15.2
Total	118.2	144.0	121.3	45.4

* = Negligible. 1/ Subject to revision.

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

Table 12--Flue-cured, burley, and Oriental tobacco production in specified countries, 2001-04

Country	2001	2002	2003	2004 1/
Metric tons (farm-sales weight)				
Flue-cured:				
China; Peoples Republic	2,045,250	2,472,143	2,283,941	na
Brazil	410,000	515,000	481,000	na
India	56,000	178,000	179,500	na
Zimbabwe	202,535	165,835	81,800	60,000
Argentina	54,400	73,100	70,300	88,600
Italy	48,878	50,000	52,380	51,800
Philippines	36,607	39,300	40,100	na
Japan	41,289	41,034	33,597	33,000
Indonesia	42,000	43,250	39,300	39,300
Korea; Republic of	37,598	35,950	24,729	26,000
Greece	36,500	34,000	34,000	na
South Africa; Republic of	28,650	24,850	32,702	27,595
Thailand	20,000	18,000	17,500	16,700
Poland	10,000	15,000	17,000	17,000
Malaysia	8,299	11,468	11,691	11,880
France	9,770	10,960	10,950	10,950
Turkey	5,160	3,393	4,333	5,700
Total 2/	na	na	na	na
Burley:				
China; Peoples Republic	na	na	na	na
Brazil	89,000	115,000	116,000	na
Argentina	35,800	47,600	38,800	54,200
Italy	42,400	43,800	49,400	49,300
Thailand	27,000	30,000	32,000	31,000
Philippines	20,127	27,600	28,000	na
Korea; Republic of	17,989	16,400	10,937	10,380
Japan	18,413	16,395	16,394	16,000
Mexico	20,263	13,892	15,349	17,206
Total 2/	na	na	na	na
Oriental:				
Turkey	199,658	154,626	157,102	145,450
Greece	75,600	71,500	68,000	65,000
China; Peoples Republic	24,620	24,620	26,338	26,338
Total 2/	na	na	na	na

na= not available. 1/ Subject to revision. Based on most recent estimates. 2/ Totals may not add due to rounding.

Compiled from reports of Foreign Agricultural Service, USDA.

Table 13--U.S. imports of unmanufactured tobacco for consumption and general imports, principal categories, and countries of origin, 2001-04 (declared weight)

Item 1/	Imports for consumption					General imports (arrivals)				
	2001	2002	2003	2004 2/	Change, 2003-04	2001	2002	2003	2004 2/	Change, 2003-04
	Million pounds				Percent	Million pounds				Percent
Cigarette tobacco										
Leaf (unstemmed):										
Oriental										
Turkey	92.8	81.6	74.8	83.0	11.0	98.0	70.0	77.7	62.8	-19.2
Greece	12.1	13.8	16.5	10.7	-35.2	11.2	13.8	17.4	9.9	-43.1
Bulgaria	12.1	13.1	9.3	16.8	80.6	9.1	11.2	9.3	10.1	8.6
Other countries	21.6	17.0	16.2	7.7	-52.5	21.4	15.8	14.4	7.1	-50.7
Total Oriental	138.6	125.5	116.8	118.2	1.2	139.7	110.8	118.8	89.9	-24.3
Flue-cured										
Burley	8.0	7.1	6.6	10.1	53.0	8.0	7.2	6.6	7.7	16.7
Other (unstemmed)	6.6	4.0	1.8	2.4	33.3	5.3	5.6	4.0	1.8	-55.0
Subtotal	*	*	*	*	--	*	*	*	*	--
Subtotal	153.2	136.6	125.2	130.7	4.4	153.0	123.7	129.4	99.4	-23.2
Leaf (stemmed):										
Flue-cured--										
Brazil	61.7	79.6	124.2	79.9	-35.7	72.1	91.8	96.6	60.5	-37.4
Argentina	8.6	11.9	13.1	10.9	-16.8	8.5	11.2	11.7	7.5	-35.9
China			3.1	6.9	122.6			0.5	3.8	660.0
Other countries	33.0	29.8	32.3	33.8	4.6	33.2	30.1	26.9	23.6	-12.3
Total flue-cured	103.3	121.3	172.7	131.5	-23.9	113.8	133.1	135.7	95.4	-29.7
NSPF--										
Brazil	33.4	51.8	51.6	48.6	-5.8	34.3	56.0	49.7	29.6	-40.4
Malawi	28.5	31.8	33.9	29.5	-13.0	37.7	35.2	32.8	8.4	-74.4
Thailand	14.1	7.3	19.0	11.7	-38.4	15.2	8.7	15.2	3.5	-77.0
Argentina	10.9	13.1	15.6	12.0	-23.1	13.9	17.2	9.4	2.2	-76.6
Guatemala	3.3	9.6	5.1	6.9	35.3	4.6	8.4	5.1	3.4	-33.3
Mexico	4.3	6.6	6.4	4.6	-28.1	4.2	7.1	5.1	0.5	-90.2
Italy	4.5	1.7	2.6	2.0	-23.1	4.1	2.3	2.4	0.1	-95.8
Zimbabwe	2.8	1.3	2.5	0.8	-68.0	2.1	2.2	1.3	1.1	-15.4
China	1.5	1.8	2.1	1.7	-19.0	1.5	14.8	4.0	0.4	-90.0
Other countries	9.2	7.8	4.4	5.3	20.5	5.2	-8.2	3.6	4.6	27.8
Total NSPF	112.5	132.8	143.2	123.1	-14.0	122.8	143.7	128.6	53.8	-58.2
Subtotal	369.0	390.7	441.1	385.3	-12.7	389.5	400.5	393.7	248.6	-36.9
Manufactured or not manufactured categories 3/										
Scrap:	3.2	5.2	3.3	1.9	-42.4	2.6	3.9	3.2	1.1	-65.6
Subtotal	*	*	*	*	--	*	*	*	*	--
Total cigarette tobacco	372.2	395.9	444.4	387.2	-12.9	392.2	404.4	396.9	249.7	-37.1
Cigar tobacco:										
Wrapper	3.0	3.1	2.7	3.0	11.1	3.0	3.1	2.7	2.0	-25.9
Filler (stemmed and unstemmed):										
Dominican Republic	8.7	5.4	7.7	8.1	5.2	8.7	5.4	7.7	7.7	0.0
Indonesia	12.6	14.3	16.6	16.4	-1.2	12.1	14.1	16.5	10.7	-35.2
Italy			15.9	12.7	-20.1	1.9	1.0	1.3	7.1	446.2
Other countries	34.5	32.6	30.3	32.1	5.9	38.8	34.3	47.5	19.9	-58.1
Total filler	55.8	52.3	70.5	69.3	-1.7	61.5	54.8	73.0	45.4	-37.8
Binder	0.4	0.9	1.2	0.5	-58.3	0.4	0.9	1.2	0.3	-75.0
Scrap:										
Dominican Republic	0.5	0.2	0.4	0.3	--	0.5	0.2	0.4	0.1	-75.0
Other countries	1.7	1.5	1.6	6.2	287.5	1.7	1.5	1.6	5.6	250.0
Subtotal	2.2	1.7	2.0	6.5	225.0	2.2	1.7	2.0	5.7	185.0
Total cigar tobacco	61.4	58.0	76.4	79.3	3.8	67.0	60.5	78.9	53.4	-32.3
Other stemmed and unstemmed										
Stems	3.5	3.3	4.3	6.2	44.2	3.4	3.4	4.3	3.8	-11.6
GRAND TOTAL	516.8	578.9	638.2	561.4	-12.0	563.1	585.6	181.9	349.1	91.9

* = Negligible. -- = not available. 1/ Details may not add to total due to rounding. 2/ Preliminary. 3/ 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).

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

Table 14--Imported foreign-grown cigarette leaf stocks, by quarters, 1991-2005

Year	Jan. 1	April 1	July 1	Oct. 1	Jan. 1	April 1	July 1	Oct. 1
Million pounds 1/								
----Foreign-grown flue-cured----				----Foreign-grown oriental and aromatic----				
1991	185	169	189	198	313	331	341	326
1992	194	191	231	269	396	405	401	356
1993	259	241	288	298	334	369	385	354
1994	277	276	296	287	350	330	349	352
1995	339	352	331	352	342	342	328	280
1996	364	391	391	406	308	428	332	306
1997	400	384	451	435	323	352	369	334
1998	434	406	416	395	335	356	352	340
1999	377	352	350	341	344	271	329	292
2000	352	302	300	303	295	271	261	242
2001	297	282	284	282	220	230	223	208
2002	281	261	265	282	204	216	214	199
2003	267	248	263	191	202	195	197	191
2004	262	251	270	271	194	205	208	200
2005	251				210			
----Foreign-grown burley----				----Total imported cigarette leaf----				
1991	166	159	180	228	664	660	710	752
1992	235	224	230	247	825	820	862	872
1993	259	285	296	319	866	895	969	972
1994	295	281	292	295	922	887	936	934
1995	323	326	298	305	1,003	1,019	957	937
1996	312	298	290	311	998	1,128	1,024	1,032
1997	310	221	325	374	1,043	966	1,156	1,154
1998	368	325	300	325	1,149	1,097	1,079	1,070
1999	315	297	280	286	1,046	988	970	930
2000	303	281	269	283	960	866	840	837
2001	284	270	238	269	791	790	753	766
2002	308	282	251	275	801	767	738	763
2003	268	285	269	279	745	735	737	756
2004	300	276	249	236	773	738	736	716
2005	248				718			

1/ Farm-sales weight.

Source: Agricultural Marketing Service, USDA.

Domestic Supplies Slip for 2004/05

Tobacco leaf production in 2004/05 is estimated at 883.2 million pounds, compared with 802.7 million pounds in 2003/04. Marketings of flue-cured totaled 499.3 million pounds, and burley reached 298.8 million pounds. Marketings of other types are estimated at about 68 million pounds. Adding beginning stocks of 1.5 billion pounds results in a total estimated supply of 2.4 billion pounds, 33 million pounds less than last season.

Domestic leaf stocks at the beginning of the 2004/05 marketing year (July 1 for flue-cured and cigar wrapper, October 1 for all other types) were 1.5 million pounds, 4 percent lower than at the beginning of 2003/04. Ending stocks in 2004/05 are expected to be nearly unchanged at 1.5 billion pounds. With grower harvest intentions on March 1st of 319,860 acres, a crop of about 675 million pounds is likely, given average weather conditions. At this level, leaf supplies in 2004/05 should be close to 2.1 million pounds.

For the 2004/05 crop year, all tobacco types except Maryland, Pennsylvania cigar filler, Connecticut cigar binder, shade grown cigar wrapper, and Perique are grown under quotas administered by the USDA. Beginning with the 2005/06 crop year (July 1 for flue-cured and cigar wrapper, October 1 for all other types), there will be no marketing quotas for U.S.-produced tobacco.

USDA disposes of Commodity Credit Corporation Tobacco Inventory

The U.S. Department of Agriculture's Commodity Credit Corporation (CCC) released for purchase 72.7 million pounds of the 2002, 2003 and 2004 crops of CCC-owned flue cured tobacco and 27.5 million pounds of the 1994, 1997, 1998, 2000, 2002 and 2003 crops of burley tobacco on March 24. On April 11, USDA accepted offers for the purchase of 72.5 million pounds of flue-cured and 16.8 million pounds of burley tobacco. The remaining tobacco was offered for purchase the following day. USDA acquired the tobacco inventory as a result of the Fair and Equitable Tobacco Reform Act of 2004.

Pesticide Testing Will Be Voluntary Beginning with the 2005/06 Crop

As a result of the Fair and Equitable Tobacco Reform Act of 2004, beginning with the 2005/06 crop, testing for pesticides on domestic and imported tobacco will take place on a voluntary basis and be conducted by the Agricultural Marketing Service. Growers will no longer have to certify to the Farm Service Agency that they have not used prohibited pesticides.

Flue-Cured Tobacco

July-December disappearance of flue-cured tobacco increased 19 percent compared with the same period last season. Disappearance for the first half of the 2004/05 marketing year was 430.2 million pounds, compared with 361.7 million pounds in 2003/04. Year-end disappearance is likely to be close to 625 million pounds. Increased exports have contributed to the higher disappearance. In 2004/05, domestic disappearance is projected unchanged and exports are expected to increase 13 percent.

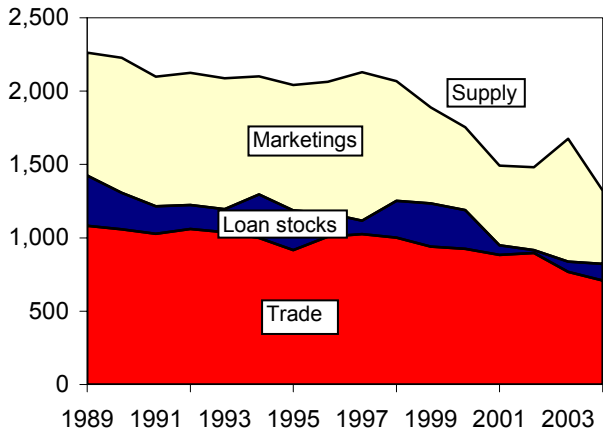
During the first 7 months of the marketing season, (July 2004-January 2005) flue-cured exports were virtually unchanged compared with the same period last season. Although Germany increased purchases 30 percent to 19.9 million pounds, Belgium reduced its purchases by nearly 80 percent (by 24 million pounds) and Japan lowered its purchases slightly. Most other countries reduced imports. During the 7-month period, flue-cured exports totaled 103.0 million pounds compared with 103.6 million pounds the same time last season. During the 2003/04 marketing year, flue-cured shipments totaled 146.9 million pounds.

For 2005/06, March 1st harvest intentions for flue-cured tobacco are 17 percent below last year's actual acreage. Uncertainty accompanying the end of the tobacco program, and retirements by farmers taking the buyout are among the reasons for the lower acreage projection. Given typical yields, the 189,300 acres to be harvested should result in a crop of about 423 million pounds, 93 million pounds below last season.

Figure 4

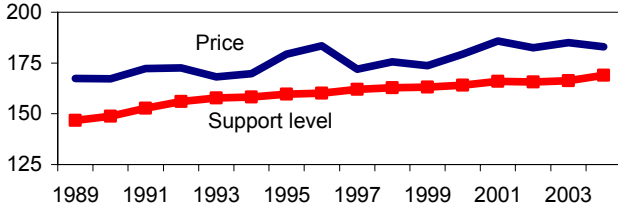
Flue-cured tobacco: Supply, price, and use

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

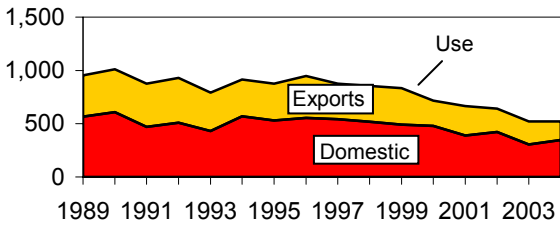


Table 15--Flue-cured and burley tobacco: Marketing quota and marketings, 1980-2004

Year	Quota		Marketings			Effective	Net carryover 2/
	Basic	Effective	Actual	Over-quota	Under-quota	Under-quota 1/	
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	562.9	10.5	7.6	7.4	-3.1
2001 3/	548.9	543.0	544.4	10.6	7.3	7.0	-3.6
2002 4/	582.0	545.3	564.8	5/	5/	5/	5/
2003 4/	526.3	540.0	507.7	5/	5/	5/	5/
2004 4/	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	247.4	367.4	315.4	5.5	59.5	47.2	41.7
2001 3/	332.0	352.0	343.7	6.4	35.2	31.6	25.2
2002 4/	323.7	349.3	299.8	5/	5/	5/	5/
2003 4/	287.8	330.0	271.7	5/	5/	5/	5/
2004 4/	302.1	331.0					

1/ Under quota marketings less ineligible carryover. 2/ Effective underquota marketings less overquota marketings.

3/ Subject to revisions. 4/ Preliminary. 5/ Not available.

Compiled from records of the Tobacco and Peanuts Division, FSA

Table 16--Flue-cured and burley marketing quotas: Formula components and manufacturer purchases, 1993-2004

Kind of tobacco and item	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Million pounds												
Flue-cured												
Purchase intentions	473.0	288.0	569.9	475.5	535.5	454.6	327.0	286.0	297.0	310.0	283.3	254.3
Exports (3-year avg.)	405.6	391.3	371.5	344.8	343.3	371.9	355.2	334.1	297.7	249.9	254.7	228.7
Reserve stock adjustment	9.6	(183.0)	22.1	80.3	125.1	-42.4	-35.4	-92.9	-61.8	22.1	-11.7	-25.4
Total 1/	888.2	496.3	963.5	900.6	1,003.7	784.1	646.8	527.2	532.9	582.0	526.3	457.6
Secretary's discretion	3.6	**	(28.9)	(27.0)	(30.1)	23.5	19.4	15.8	16.0	0.0	0.0	13.7
Basic quota 2/	892.0	802.6	934.6	873.6	973.8	807.6	666.2	543.0	548.9	581.8	526.3	471.3
Effective quota 3/	889.6	798.5	924.9	943.6	1,019.4	813.0	671.5	553.0	549.2	578.0	536.2	500.0
Manufacturer purchases (actual)	421.2	463.3	617.5	603.0	506.4	476.3	357.9	351.4	326.2	295.0	--	--
Burley												
Purchase intentions	361.0	324.0	385.0	424.0	473.5	421.1	291.0	242.5	225.0	227.4	184.9	194.6
Exports (3-year avg.)	205.8	183.8	160.1	155.4	163.0	188.1	185.9	159.1	144.4	138.8	137.9	144.5
Reserve stock adjustment 4/	(46.0)	(165.0)	20.9	54.4	68.0	28.6	-37.2	-161.4	-37.4	-42.0	-35.0	-37.0
Total 1/	520.8	342.8	566.0	633.8	704.5	637.8	439.7	240.2	332.0	324.2	287.8	302.1
Secretary's discretion	**	**	(17.0)	0.0	0.0	0.0	13.2	7.2	0.0	0.0	0.0	0.0
Basic quota 2/	603.0	542.7	549.0	633.8	704.5	637.8	452.9	247.4	332.0	324.2	287.8	302.1
Effective quota 3/	717.9	605.9	577.9	724.0	879.8	860.0	690.1	361.9	368.8	346.3	330.0	331.0
Manufacturer purchases (actual)	296.0	440.1	434.0	402.4	322.7	367.3	241.9	255.8	205.9	193.1	--	--

** = Not applicable. -- = Not available.

1/ Sum of manufacturers purchase intentions, exports (3-year average), and the reserve stock adjustment. 2/ Sum of manufacturers purchase intentions, exports (3-year average), and the reserve stock adjustment plus or minus any discretionary adjustment by the Secretary not to exceed 3 percent upward or downward. The basic quota was limited to maximum declines of 6 percent a year during 1986-89 and 10 percent a year during 1990-96.

3/ Adjustment for over- and undermarketings, latest year estimated. 4/ Downward adjustment limited to one-half of excess.

Sources: Notices of Determination and Final Rules, National Marketing Quota, Flue-cured and Burley Tobacco, Federal Register, various issues, and unpublished reports, U.S. Department of Agriculture, Farm Service Agency, Tobacco and Peanuts Division.

Table 17--Flue-cured and burley tobacco price support formula components, 1993-2004

Applicable year 1/	Price received			Prices paid index			Weighted average change		Applicable support rate 3/
	Year	Average 2/	Change	Year	Level	Change	100%	65%	
Cents per pound									
Flue-cured									
1993	1987-91	165.3		1991 4/	98.5				
	1988-92	168.9	3.6	1992	99.0	0.5	2.6	1.7	157.7
1994	1988-92	169.0		1992 4/	98.6				
	1989-93	169.5	0.5	1993	100.2	1.6	0.9	0.6	158.3
1995	1989-93	169.3		1993 4/	100.3	4.7	2.2	1.4	159.7
	1990-94	170.2	0.9	1994	105.0				
1996	1990-94	170.1		1994 4/	104.3	1.2	0.6	0.4	160.1
	1991-95	171.6	1.5	1995	103.1				
1997	1991-95	171.6		1995 4/	110.4	4.8	3.1	2.0	162.1
	1992-96	173.0	2.2	1996	115.2				
1998	1992-96	173.9	0.0	1996	117.0	2.2	0.7	0.5	162.8
	1993-97	173.9		1997	119.2				
1999	1993-97	173.7	1.9	1997	108.8	2.8	0.4	0.3	163.2
	1994-98	175.6		1998	106.0				
2000	1994-98	175.6	0.4	1998	114.5	1.5	0.8	0.5	164.0
	1995-99	176.0		1999	116.0				
2001	1995-99	176.2	-0.2	1999	116.8	6.5	2.0	1.3	166.0
	1996-00	176.0		2000	123.3				
2002	1996-2000	176.1	0.0	2000	137.1	-1.7	-0.6	-0.4	165.6
	1997-2001	176.1		2001	135.4				
2003	1997-2001	178.3	2.9	2001	133.7	-2.9	1.0	0.7	166.3
	1998-2002	179.1		2002	130.8				
2004	1998-2002	178.9	3.3	2002	131.6	6.4	4.2	2.7	169.0
	1999-2003	182.3		2003	138.0				
Burley									
1993	1987-91	167.8		1991 4/	127.8				
	1988-92	173.8	6.0	1992	131.5	3.7	5.2	3.4	168.3
1994	1988-92	173.8		1992 4/	130.8				
	1989-93	178.5	4.7	1993	135.5	4.7	4.7	3.1	171.4
1995	1989-93	178.5		1993 4/	135.5				
	1990-94	180.6	2.1	1994	136.4	0.9	1.7	1.1	172.5
1996	1990-94	180.6		1994 4/	135.1				
	1991-95	182.4	1.8	1995	136.9	1.8	1.8	1.2	173.7
1997	1991-95	182.4		1995 4/	138.6	1.3			
	1992-96	183.7	1.3	1996	146.6	8.0	3.5	2.3	176.0
1998	1992-96	183.7	2.9	1966 4/	115.0	2.5	2.8	1.8	177.8
	1993-97	186.6		1997	117.5				
1999	1993-97	186.0	2.2	1997	120.1	0.7	1.7	1.1	178.9
	1994-98	188.1		1998	120.8				
2000	1994-98	188.1	1.5	1998	120.9	1.8	1.6	1.0	180.5
	1995-99	189.6		1999	122.7				
2001	1995-99	189.5	1.5	1999	126.5	7.3	3.3	2.1	182.6
	1996-00	190.8		2000	133.8				
2002	1996-2000	190.8	0.9	2000	131.6	0.8	0.9	0.6	183.5
	1997-2001	191.7		2001	132.4				
2003	1997-2001	192.1	2.6	2001	133.1	1.1	2.1	1.4	184.9
	1998-2002	194.7		2002	134.2				
2004	1998-2002	194.6	2.4	2002	130.7	6.3	3.7	2.4	187.3
	1999-2003	197.0		2003	139.0				

1/ 1986 support level set by P.L. 99-272, April 7, 1986. 2/ Omits high and low years. 3/ The support rate is 1) the moving 5-year average of auction prices omitting high and low years (66.7 percent weight) and 2) the change in cents per pound of annual index of tobacco producers, cost of production (33.3 percent weight). The law provides the Secretary of Agriculture discretionary authority to change the price support from 65 to 100 percent of the calculated change dictated by the two-part formula. 4/ Revised to reflect data for entire year.

Sources: Notices of Determination and Final Rules, Price Support Level, Flue-cured and Burley Tobacco, Federal Register, various issues, and unpublished reports, U.S. Department of Agriculture, Farm Service Agency, Tobacco and Peanuts Division.

Table 18--Computation of price support level adjustment factor for tobacco, 1987-2004 1/

Crop year	Parity index 2/		Price support level adjustment factor 4/
	Previous calendar year	3-year average 3/	
	% of 1910-14		% of 1959
1987	1,109	1,134	381
1988	1,139	1,126	378
1989	1,191	1,146	385
1990	1,255	1,195	401
1991	1,293	1,246	418
1992	1,316	1,288	432
1993	1,329	1,313	441
1994	1,355	1,333	447
1995	1,394	1,359	456
1996	1,420	1,390	466
1997	1,520	1,449	486
1998	1,998	1,510	507
1999	1,532	1,597	516
2000	1,531	1,548	519
2001	1,594	1,552	521
2002	1,644	1,590	533
2003	1,649	1,629	547
2004	1,705	1,664	558

1/ Used for fire-cured, dark air-cured, and cigar types. Revised numbers.

2/ Index of prices paid by farmers, including wage rates, interest, and taxes. 3/ Three calendar years immediately preceding. 4/ Three-year average parity index divided by 1959 parity index (298).

Sources: Notices of Determination and Final Rules, Price Support Level, Flue-cured and Burley Tobacco, Federal Register, various issues, and unpublished reports, U.S. Department of Agriculture, Farm Service Agency, Tobacco and Peanuts Division.

Table 19--Flue-cured tobacco: Acreage allotted and under production, 1983-2004

Year	Acreage allotted 1/	Under production 2/	
		Number	As percent of allotment
Percent			
1983	457.5	47.7	10.4
1984	404.7	10.7	2.6
1985	389.6	32.5	8.3
1986	366.3	58.0	15.8
1987	372.4	47.8	12.8
1988	409.1	42.7	10.4
1989	432.9	42.2	9.1
1990	448.6	31.7	7.1
1991	427.2	24.6	5.8
1992	429.7	28.2	6.6
1993	425.0	24.9	5.9
1994	384.4	24.9	6.5
1995	447.6	51.7	11.6
1996	449.6	32.4	7.2
1997	488.0	35.3	7.2
1998	390.8	22.0	5.6
1999	319.1	15.1	4.7
2000	260.1	6.2	2.4
2001	262.3	24.2	9.2
2002	278.7	32.6	11.7
2003 3/	241.0	6.6	2.7
2004	4/	4/	4/

1/ Basic allotment adjusted for overmarketings and undermarketings.

2/ Acreage allotment minus harvested acres.

3/ Based on March Prospective Plantings. 4/ Not available.

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

Table 20--Sales of flue-cured tobacco quotas, 1993/94-2002/03 1/

State & year	Sales (basic quota) 1,000 pounds	State & year	Sales (basic quota) 1,000 pounds
Alabama:		South Carolina:	
1993/94	2	1993/94	1,377
1994/95	0	1994/95	1,395
1995/96	0	1995/96	1,260
1996/97	0	1996/97	1,113
1997/98	0	1997/98	921
1998/99	0	1998/99	984
1999/2000	14	1999/2000	869
2000/01	na	2000/01	na
2001/02	0	2001/02	662
2002/03	0	2002/03	311
Florida:		Virginia:	
1993/94	689	1993/94	1,321
1994/95	670	1994/95	1,423
1995/96	278	1995/96	1,243
1996/97	647	1996/97	1,169
1997/98	327	1997/98	460
1998/99	341	1998/99	926
1999/2000	281	1999/2000	643
2000/01	na	2000/01	na
2001/02	79	2001/02	639
2002/03	107	2002/03	332
Georgia:		All States:	
1993/94	1,661	1993/94	12,198
1994/95	2,216	1994/95	11,827
1995/96	2,769	1995/96	12,459
1996/97	2,655	1996/97	12,706
1997/98	1,051	1997/98	7,703
1998/99	1,632	1998/99	8,598
1999/2000	811	1999/2000	7,594
2000/01	na	2000/01	na
2001/02	361	2001/02	4,291
2002/03	1,073	2002/03	3,970
North Carolina:			
1993/94	7,148		
1994/95	6,114		
1995/96	6,909		
1996/97	2,119		
1997/98	4,189		
1998/99	4,736		
1999/2000	50		
2000/01	na		
2001/02	2,550		
2002/03	2,147		

na=Not available. 1/ Year ending June 15. 2003/2004 not yet available..

Sources: Unpublished reports, U.S. Department of Agriculture, Tobacco and Peanuts Division, Farm Service Agency.

Table 21--Tobacco loan stocks, 2003-2005 (farm-sales weight)

Type	2003	2004	2005
	Million pounds		
	January 1		
Flue-cured, 11-14	280.4	63.8	106.6
Burley, 31	419.8	123.3	115.1
Virginia, 21 and 37	0.0	0.1	0.4
Kentucky-Tennessee, 22-23	0.0	5.9	4.4
Kentucky-Tennessee, 35-36	0.0	0.9	0.0
Wisconsin Binder, 54-55	1.4	0.0	0.0
Total	701.6	194.0	226.5
Uncommitted 1/			
Flue-cured, 11-14	71.7	74.7	169.7
Burley, 31	39.5	76.8	80.5 2/

1/ Redried weight. 2/ Does not include all of 2004 crop.

Compiled from records of Tobacco and Peanuts Division, FSA.

Table 22--U.S. exports of unmanufactured tobacco by type, to principal importing countries, crop years, 2003/04-2004/05 (declared weight) 1/

Importing country	Marketing year through January			Importing country	Marketing year through January		
	2003/04	2003/04	2004/05		2003/04	2003/04	2004/05
Million pounds				Thousand pounds			
Flue-cured				Virginia fire-and sun-cured			
Belgium-Luxembourg	30.5	29.7	6.1	Dominican Republic	31.0	1.0	1.0
Germany	28.7	19.9	25.9	Other countries	11.0	0.0	0.0
Japan	19.7	13.7	13.4	Total	42.0	1.0	1.0
South Korea	8.6	5.3	1.8	Binder			
Switzerland	6.2	5.4	4.9	Dominican Republic	1,391	539	539
Denmark	5.7	4.0	2.3	Spain	53	*	*
Malaysia	5.5	3.2	4.7	Panama	46	6	6
Spain	5.3	*	2.4	Other	184	66	66
Indonesia	5.1	2.0	2.2	Total	1,575	605	605
Netherlands	4.1	3.9	7.0	Cigar wrapper			
Italy	2.9	0.2	1.0	Dominican Republic	2,513	1,513	781
United Kingdom	2.8	1.5	2.2	Honduras	232	71	583
Russia	2.1	0.9	3.3	Spain	19	19	*
Thailand	1.9	1.7	2.1	Panama	11	*	*
France	1.8	0.8	2.4	Nicaragua	9	8	15
Norway	1.4	0.8	0.6	Other countries	6	0	9
Taiwan	1.3	0.8	0.8	Total	2,790	1,611	1,388
Australia	1.3	1.3	2.5	Million pounds			
Portugal	3.7	1.7	1.3	Other leaf			
Egypt	1.1	*	1.1	Dominican Republic	4.1	2.2	4.7
Other countries	7.2	6.9	15.0	Indonesia	4.1	1.6	*
Total	146.9	103.7	103.0	Jordan	3.5	1.4	*
Burley				Japan	3.5	1.6	1.4
Russia	20.3	0.1	9.6	Nigeria	3.3	1.3	2.0
Belgium	18.2	7.6	*	Cyprus	2.9	1.1	2.1
Japan	11.2	*	*	South Korea	1.7	*	*
Germany	11.2	3.1	3.3	Germany	1.0	0.2	0.3
Thailand	5.8	0.1	*	Brazil	1.0	*	0.5
Romania	5.0	*	2.9	Honduras	0.8	*	0.1
Netherlands	4.7	0.7	2.4	Belgium	0.7	0.1	0.6
Switzerland	3.3	1.5	2.3	Georgia	0.7	0.5	*
Czech Republic	3.3	*	1.9	Singapore	0.6	0.3	0.2
Spain	3.0	*	0.5	Other countries	7.2	2.7	3.0
Austria	2.9	*	1.2	Total	33.8	12.2	14.7
Denmark	2.3	1.0	0.5	Stems, trimmings, and scrap			
Portugal	2.2	1.3	0.8	France	11.7	3.5	3.5
Other countries	15.1	0.6	14.7	Belgium	8.3	8.3	8.3
Total	108.5	16.0	40.1	Germany	5.8	4.3	4.3
Thousand pounds				Russia	3.1	0.3	0.3
Maryland				Japan	3.0	*	*
Germany	358	25	15	Denmark	2.9	0.9	0.9
Indonesia	265	*	127	United Kingdom	1.4	*	*
Switzerland	465	*	*	Netherlands	1.4	1.4	*
Other countries	204	37	120	Switzerland	1.2	0.9	0.9
Total	1,292	62	262	Taiwan	1.1	*	*
KY-TN Fire-cured				Mexico	1.0	1.0	*
Netherlands	3,356	1,397	1,024	Portugal	0.8	0.8	0.8
Japan	2,628	2,628	465	Sweden	0.7	0.7	*
Sri Lanka	1,785	993	1	Thailand	0.5	*	*
Indonesia	793	215	*	Senegal	0.5	0.3	*
Belgium	776	224	171	Other countries	0.7	3.6	4.8
Nigeria	446	*	232	Total	40.6	23.2	23.0
France	349	349	*				
Other countries	440	14	151				
Total	10,573	5,820	2,044				

-- = zero or negligible. * = Less than 50,000 pounds.

1/ July-June crop year for flue-cured and cigar wrapper; October-September crop year for all other types except October-June for 1995/96. 2/ Subject to revision.

Data may not add to total because of rounding.

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

Table 23--Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, marketings, carryover, supply, disappearance, season average price, and price support operations, 1995-2005 (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							
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	247.0	2,426	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	2,094	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/	228.4	2,261	499.3	708.8	114.0	822.8	1,322.2
2005 4/	189.3	2,234	422.9				
Burley, type 31							
1995	234.2	1,863	482.5	637.3	321.5	958.8	1,441.3
1996	268.3	1,940	526.8	677.9	212.5	890.4	1,417.2
1997	335.3	1,934	628.2	645.4	105.6	751.0	1,379.2
1998	307.1	1,896	588.7	647.8	183.8	831.6	1,421.9
1999	303.6	1,829	551.2	737.1	164.3	901.4	1,452.6
2000	185.4	1,957	315.4	619.4	420.7	1,040.0	1,355.5
2001	164.4	2,032	343.7	571.2	119.3	690.5	1,034.1
2002	157.7	1,861	299.8	516.7	131.1	647.9	947.7
2003	152.3	1,850	271.7	442.4	135.7	578.2	849.9
2004 3/	154.7	1,932	298.8	412.3	127.7	540.0	838.8
2005 4/	108.3	1,926	208.7				
		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							
1995	875.1	530.6	344.5	179.0	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	175.6	162.8	82.4	10.2
1999	698.7	436.9	261.8	173.7	163.2	136.4	21.2
2000	717.2	479.2	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	182.0	165.6	24.8	4.8
2003	522.5	307.0	215.5	185.1	166.3	59.8	11.8
2004	522.2 3/	347.2 3/	175.0 3/	184.6	169.0	94.9	18.5
2005					5/		
Burley, type 31							
1995	550.9	386.1	164.8	185.4	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	643.1	503.8	139.3	189.9	178.9	230.6	42.0
2000	665.0	523.0	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	8.1
2003	309.8	136.2	173.7	197.7	184.9	40.2	14.8
2004	347.8 3/	147.8 3/	200.0 3/	198.7	187.3	48.0	16.1
2005					5/		

1/ July 1 for flue-cured; October 1 for burley. 2/ Actual marketings in the marketing year. 3/ Estimate, subject to change. 4/ Acreage from March *Prospective Plantings Report*. Yield based on previous 5-year average. 5/ No price support beginning in 2005.

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

Burley Tobacco

The final burley auction sales under the tobacco program took place on March 16, 2005. Contract sales ended February 25. Final gross marketings reached 281.4 million pounds (gross auction sales combined with contract sales) and averaged \$198.59 per hundredweight, a record-high price. Last season, gross volume reached 272.5 million pounds and averaged \$197.94 per hundredweight. Because of higher yields, sales in 2004/05 are estimated at 298.8 million pounds, 10 percent greater than the 2003/04 season's 271.7 million pounds.

Burley contract centers opened on November 8, 2004, and concluded on February 25, 2005, after operating 50 days, 7 days less than in 2003/04. Seventy-seven percent of producer sales were sold directly using contracts compared with 76 percent last season. Contract sales totaled 216.6 million pounds valued at \$430.5 million. The season average price for contracts was \$198.61 per hundredweight compared with \$198.51 last season. During the 2002 season, contract sales totaled 208.3 million pounds and in 2001, they totaled 219.5 million pounds.

Burley auction markets for 2004/05 opened November 15, 2004, and closed March 16, 2005, after 43 days of sales, five more than last season. Gross volume of 64.8 million pounds was 600,000 pounds more than 2003/04's record-low sales. Gross sales value was \$128.3 million. The average auction price of \$198.08 once again set a record compared with last season's 195.79 per hundredweight, itself a record. Burley cooperatives took 48.0 million pounds, 76 percent of producer sales. In 2003/04, 64 percent, or 40.2 million pounds, of net auction sales went under loan to cooperatives.

This season, 203.4 million pounds or 73 percent of the leaf marketed by producers was sold prior to the holiday break. Sales after the break totaled 82.2 million pounds. During the 2003/04 season, 72 percent was also marketed prior to the break and in 2002, 72 percent was marketed prior to the holidays.

Farmers indicated on March 1 their intention to harvest 108,300 acres of burley tobacco during the 2005/06 season. With normal yields, this would result in a crop of about 210 million pounds, 30 percent below the 2004/05 crop. With the termination of marketing quotas beginning with the 2005/06 crop year and with most tobacco being sold under contract, producers will likely have little tobacco left on their farms at the end of the season. For the 2004/05 season, harvest intentions were 157,200 acres and actual harvested acres were 154,650 acres. The demise of quota restrictions will likely, over time, result in increased yields as producers, no longer constrained by quotas, strive for greater efficiencies.

Disappearance in 2004/05 is expected to increase 12 percent over 2003/04. October-December 2004/05 use was 236 million pounds compared with 162 million pounds during the same period in 2002. However, use is expected to slow during the final three quarters and end at about 350 million pounds.

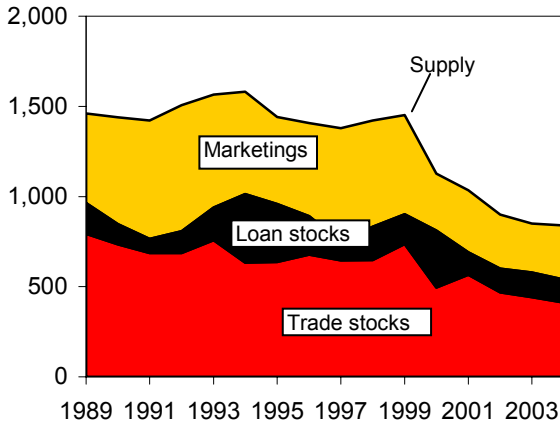
Export shipments during October 2004-January 2005 (the first four months of the 2004/05 marketing year) surged, rising 151 percent to 40.1 million pounds compared with 16.0 million pounds last season. This season, both exports and domestic use advanced during the 4-month period.

Due to the termination of the tobacco program (with the passage of the Fair and Equitable Tobacco Reform Act of 2004), there was no February 1, 2005, announcement of quotas, no-net-cost assessments and price support for burley tobacco. There is no marketing quota or price support program beginning with the 2005/06 marketing year.

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.

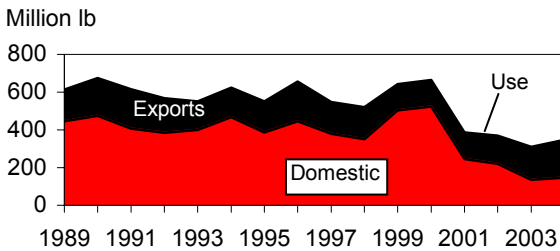
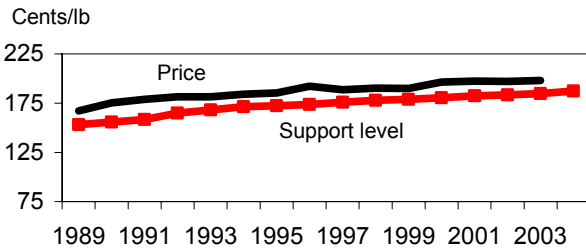


Table 24--Burley tobacco: Price spreads among specified grades, 1995-2004

Period	Average price of C4F	Cents/lb different from C4F							
		X4F	C4K	B4F	B4FR	B4R	T4R	M4F	N1G
Cents per pound									
1995	184	1	+1	+2	+2	+3	+4	+1	-3
1996	192	0	0	0	0	0	0	0	-3
1997	189	+1	-7	-2	+1	+10	+13	-13	-62
1998	189	+1	-15	0	+6	+14	+13	-15	-66
1999	188	+1	-26	+1	+7	+11	+16	-18	-75
2000	191	0	-17	+1	+15	+11	+17	-23	-74
2001	192	0	-30	+1	+4	+16	+11	-37	-91
2002	194	-1	-32	+2	+7	+11	+13	-39	-93
2003	193	+1	-50	+4	+9	+9	+16	-98	-103
2004	194	0	1/	+3	+9	+13	+15	-82	-103

1/ No sales..

Source: Agricultural Marketing Service, USDA.

Table 25--Burley tobacco: Gross auction sales, and average price, by States, 2003-04

State	2003 crop				2004 crop 1/			
	Auction sales		Placed under Government loan		Auction sales		Placed under Government loan	
	Amount	Average price	Quantity	Percentage of sales 2/	Amount	Average price	Quantity	Percentage of sales 2/
	Million pounds	Cents per pound	Million pounds	Percent	Million pounds	Cents per pound	Million pounds	Percent
Kentucky	48.7	196.30	31.4	64.5	48.4	198.66	37.0	76.3
Tennessee	6.7	194.47	4.2	63.7	5.5	196.62	3.8	69.4
Virginia	0.8	192.59	0.6	71.8	1.3	195.59	1.0	75.0
North Carolina	3.7	194.31	1.5	40.3	4.2	193.61	2.8	67.0
Indiana	2.8	194.38	1.7	60.4	3.4	198.19	2.3	67.4
Ohio	1.5	194.13	0.8	51.4	1.9	198.97	1.1	61.0
Missouri	3/	3/	3/	3/	3/	3/	3/	3/
Total all States	64.2	195.82	40.2	62.6	64.7	198.08	48.0	74.2

1/ Preliminary. 2/ Gross sales. 3/ Did not operate in this year.

Source: Agricultural Marketing Service, USDA.

Maryland Tobacco

Maryland tobacco (type 32) is grown in southern Maryland and Pennsylvania. Auction markets are held in southern Maryland at Hughesville. Auction sales for 2005/06 opened on March 14 and lasted for 2 weeks. At auction, 1.4 million pounds were sold averaging \$142.68 per hundredweight. Last season, 1.3 million pounds crossed the auction floor and sold for \$173.43 per hundredweight. Despite an excellent crop there was little demand for leaf at the Maryland auction markets and prices were disappointing. Production of type 32 in Maryland for 2004/05 is projected at 1.9 million pounds in Maryland and 4.0 million pounds in Pennsylvania. Total 2004/05 Maryland production (both Pennsylvania and Maryland) is estimated at 5.8 million pounds compared with 4.2 million pounds last season.

Although Maryland tobacco was not regulated by marketing quotas and price supports, the termination of the tobacco program will have an impact on production. On March 1st, growers in Pennsylvania indicated they intend to harvest 1,500 acres of Maryland tobacco (type 32) during the 2005/06 crop year. Estimates for Maryland were discontinued beginning in 2005. In 2004/05, Maryland accounted for 1,100 acres and Pennsylvania 2,200 acres. With normal yields, a crop of 4.8 million pounds is expected. Growers in Pennsylvania, formerly prohibited from planting burley tobacco due to the tobacco program, are switching and indicated, on March 1, intentions to harvest 2,400 acres of burley.

Disappearance of Maryland-type leaf during the first quarter of 2004/05 was 6.8 million pounds, greater than the same period a year earlier. Disappearance for the entire marketing year is expected to be about 6.3 million pounds, compared to 6.4 million in 2003/04.

Table 26--Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1995-2005 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Supply			Disappearance			Avg. grower price per pound Cents
			Production	Stocks following Jan 1	Total	Total	Domestic	Exports	
--- Million pounds ---									
1995	12.0	1,518	18.2	11.1	29.6	14.6	8.1	6.6	157.3
1996	11.4	1,451	16.5	15.0	31.0	12.4	6.6	6.4	185.6
1997	11.2	1,629	18.2	18.7	36.4	15.7	9.2	6.5	157.6
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	138.7
2001	3.3	1,620	5.3	9.7	15.0	4.1	2.7	2.7	155.4
2002	2.5	1,682	4.2	8.2	13.0	3.9	1.8	1.8	134.8
2003	2.4	1,748	4.2	7.2	11.4	6.4	4.6	1.8	146.3
2004	3.3	1,767	5.8	5.0	10.8	6.3	3.8	2.5	140.4
2005 2/	1.5	1,682	2.5						3/

1/ Year beginning October 1. 2/ March planting intentions. 3/ Price at the Maryland auction.

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

Fire-Cured Tobacco (type 21)

Virginia dark fire-cured (type 21) sales opened the last week of November 2004 and ended on January 11, 2005 after 7 sales days, the same as last year. Markets were held in Farmville only. The 2004/05 Virginia fire-cured crop was 1.4 million pounds, recovering from last year's record-small crop of .8 million pounds. Auction marketings accounted for 98 percent of Virginia fire-cured marketings. Prices at auction averaged \$178.40 per hundredweight in 2004/05 and \$164.05 for the 2003/04 crop. Production in 2003/04 was only 839,000 pounds, compared with 1.5 million pounds in 2002.

For 2005/06, grower harvest intentions indicate steady acreage at 450 acres. Last season, intentions were 700 acres, 20 acres below the final estimated acreage of 720 acres. With normal yields, production in 2005/06 should be about .8 million pounds.

There was no March 1st USDA announcement of grower allotments and no-net-cost assessments for Virginia fire-cured tobacco due to the termination of the USDA tobacco program. Beginning with the 2005/06 crop year, there will be no restrictions on production of Virginia fire-cured tobacco.

Based on ending first quarter stocks, disappearance of Virginia fire-cured tobacco is estimated at 1.5 million pounds for 2004/05, compared with 1.4 million pounds the previous season. Year-to-date disappearance through the end of December is .7 million pounds, compared with 1.6 million pounds the previous season.

Table 27--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, 1995-2005 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Production	Beginning stocks 2/				
				Manufacturers and others	Under loan	Total	Total supply	
								--- Million pounds ---
Kentucky-Tennessee fire-cured, types 22-23								
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	14.8	2,389	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	10.7	3,147	33.7	93.2	4.4	97.6	131.2	
2004 3/	10.9	3,245	35.4	94.3	4.5	98.8	134.3	
2005 4/	11.3	3,178	36.0					
Virginia fire-cured, type 21								
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	1,960	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	0.6	1,525	0.8	4.3	0.0	4.3	5.1	
2004 3/	0.7	1,900	1.4	3.8	0.0	3.8	5.1	
2005 4/	0.5	1,847	0.8					
Marketing year 1/	Total	Disappearance		Exports	Price per pound	Support level	Placed under loan	
		Domestic	Exports				Quantity	% of crop
Kentucky-Tennessee fire-cured, types 22-23								
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	214.9	173.6	6,904	16.0	
2002	35.3	24.7	10.7	237.8	176.7	488	1.5	
2003	32.4	19.2	13.2	247.5	181.7	14	4.3	
2004	29.8	6/ 21.0	6/ 8.8	6/ 239.9	186.3	294	82.9	
2005					5/			
Virginia fire-cured, type 21								
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	175.9	157.2	495	22.5	
2002	2.0	1.9	0.1	188.4	160.3	18	1.2	
2003	1.4	1.3	0.1	164.1	163.6	35	4.2	
2004	1.5	6/ 1.3	6/ 0.2	6/ 179.8	163.6	268	19.6	
2005					5/			

* = Negligible. 1/ Marketing year beginning October 1. 2/ As of October 1. 3/ Preliminary. 4/ March 1 harvest intentions, 5-year average yield.

5/ No price support after 2004. 6/ Estimate.

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

Kentucky-Tennessee Fire-Cured (types 22-23)

Kentucky-Tennessee fire-cured markets opened on January 10, 2005, and ended on February 24, 2005, after 14 sales days. Demand weakened from the previous season. Volume of sales through the auction system was the lowest on record, as just 3 percent of the 2004/05 estimated crop production passed across warehouse floors. The overall average of \$161.58 per hundredweight was down \$29.83 from last season. Value received at auction this year totaled \$2,219,305. Resales amounted to 154,049 pounds, leaving a net figure of 1,219,438 pounds. Figures are incomplete for country sales at the present time, but are expected to be around 32-34 million pounds, as practically all tobacco was purchased directly from the farm. Total of both auction and country sales of the 2003/04 crop was 33.5 million pounds, returning \$246.12 per hundred.

Grower harvest intentions as of March 1 indicate Kentucky-Tennessee fire-cured acreage will be nearly steady at 11,320 acres, compared with 2004/05 actual acreage of 10,920 acres. With normal yields, production in 2005/06 should be about 36.0 million pounds, 2 percent above the 2004/05 season.

There was no March 1st USDA announcement of grower allotments, price support, and no-net-cost assessments for Kentucky-Tennessee fire-cured (types 22-23) tobacco due to the termination of the USDA tobacco program. Beginning with the 2005/06 crop year, there will be no restrictions on production of Kentucky-Tennessee fire-cured leaf.

Disappearance of Kentucky-Tennessee fire-cured through December 2004 reached 24.7 million pounds, 22 percent below the same period last season. Estimated disappearance for the 2004/05 season is expected to be about 30.0 million pounds, compared with 32.4 the previous season. Production in 2004/05 was 35.4 million pounds.

Dark Air-Cured (types 35-37)

Opening sales of One Sucker (type 35) tobacco began on November 29, 2004, and final sales took place on January 27, 2005, after 15 auction days. Volume at auction once again set a new low record. At .9 million pounds, volume was 383,000 pounds below 2003/04. About 10 percent of total sales were at auction. Grade bid averages were higher for a majority of grades. The type 35 crop averaged \$131.02 per hundredweight at auction, compared with \$135.73 last season. The 2004/05 crop was deemed slightly less desirable as increases in the amounts of low-quality, nondescript, and unsound tobacco moved across auction floors. Coops purchased 52,794 pounds (3 percent of producer sales) compared with 86,000 (7.4 percent) last year.

Last season (2003/04), combined auction and country sales reached 7.7 million pounds and averaged \$216.21 per hundredweight.

Green River tobacco (type 36) sales began December 1, 2004, and were held for 8 days, ending on February 3, 2004. Sales were held only in Owensboro, Kentucky, as was the case last year. Gross auction sales accounted for 1.3 million pounds this season on weaker demand. The average price of \$160.42 per hundredweight slipped \$15.31 per hundredweight compared with last season, when auction sales averaged \$175.73 per hundredweight. Last season, auction and country sales combined for 3.4 million pounds, averaging \$202.63 per hundredweight.

Producer sales at auction were 1.3 million pounds compared with 1.7 million last season. Nearly three-fourths of grade averages declined. Loan takings amounted to 241,069 pounds, compared with 97,000 pounds last season. Loan takings accounted for 19.0 percent of producer sales, compared with 5.6 percent last season.

Grower harvest intentions as of March 1, 2005, indicate 4,140 acres will be planted to One Sucker and Green River dark air-cured (types 35-36) tobacco, the same as last season's actual harvest. Last year's intentions were 4,060 acres. With usual yields, production in 2005/06 should be about 11.6 million pounds, unchanged from 2004/05.

There was no March 1st USDA announcement of grower allotments and no net-cost assessments for Kentucky-Tennessee air-cured (types 35-36) tobacco due to the termination of the USDA tobacco program. Beginning with the 2005/06 crop year, there will be no restrictions on production of Kentucky-Tennessee air-cured leaf.

Disappearance of dark air-cured tobacco (types 35 and 36) is expected to increase from last season's 11.2 million pounds to about 11.4 million pounds. Year-to-date disappearance is 8.2 million pounds, about the same as last year's level but year-end disappearance will likely end ahead of last season.

Virginia sun-cured (type 37) tobacco sales were held for 3 days this season. Final sales were held January 11, 2005, after 3 days of sales, the same number of days as last season.

Demand was up slightly, although quality was lower. Gross sales at the Farmville market totaled 125,954 pounds averaging \$145.93 per hundredweight. Last season, 86,327 pounds averaged \$170.72 per hundredweight. There were no resales again this season. Producers placed 25,994 pounds or 20.6 percent of net sales under loan this season, compared with 1,238 pounds, or 1.4 percent last season.

According to March 1 harvest intentions, no Virginia sun-cured is expected to be harvested in the coming crop year. Last season, 70 acres were harvested. Production in 2004/05 was 119,000 pounds.

No allotments or price supports for Virginia sun-cured tobacco were announced on March 1st due to the termination of the tobacco program. Production is unrestricted.

Disappearance during 2003/04 of Virginia sun-cured (type 37) tobacco is ahead of the same period a year ago, and year-end disappearance is expected to exceed last year's 76,000 pounds.

Table 28--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, 1995-2005 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Production	Beginning stocks 2/				
				Manufacturers and others	Under loan	Total	Total supply	
								--- Million pounds ---
Dark air-cured, types 35-36								
1995	4.1	2,065	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 3/	4.1	2,798	11.6	37.3	0.0	37.3	48.9	
2005 4/	4.1	2,813	11.6					
Sun-cured, type 37								
1995	0.1	1,130	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	*	0.1	0.2	
2004 3/	0.1	1,700	0.1	0.1	*	0.1	0.2	
2005 4/	0.0							
	Disappearance		Disappearance		Avg. price per pound	Avg. support level	Placed under loan	
	Total	Domestic	Exports				Quantity	% of crop
	--- Million pounds ---			--- Cents ---		Thousand pounds	Percent	
Dark air-cured, types 35-36								
1995	10.3	9.0	1.3	176.2	130.4	0	1.3	
1996	10.1	9.6	0.5	195.2	133.9	0	0.2	
1997	9.6	9.6	0.0	201.7	139.8	0	0.2	
1998	8.1	8.1	0.0	201.7	145.0	0	0.8	
1999	9.0	7.7	1.3	203.9	148.1	5	0.4	
2000	9.8	8.8	1.0	196.5	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	11.1	0.1	215.7	157.1	183	1.6	
2004	11.4 6/	11.2 6/	0.3 6/	214.8	161.2	294	2.5	
2005					5/			
Sun-cured, type 37								
1995	0.1	*	0.1	155.5	126.5	0	0.0	
1996	0.1	*	0.1	178.2	128.8	0	0.0	
1997	0.1	*	0.1	190.8	132.6	0	0.0	
1998	0.1	0.1	0.0	170.9	136.0	9	7.1	
1999	0.1	0.1	0.0	159.4	138.0	22	13.9	
2000	0.1	0.0	0.1	180.0	138.0	4	2.4	
2001	0.2	0.2	0.0	168.6	139.2	38	24.7	
2002	0.1	0.1	0.0	177.8	142.9	1	1.0	
2003	0.1	0.1	0.0	170.7	145.8	1	1.5	
2004	0.2 6/	0.2 6/	0.0 6/	147.6 6/	145.8	26	20.6	
2005					5/			

* = Negligible. 1/ Marketing year beginning October 1. 2/ As of October 1. 3/ Preliminary. 4/ March 1 harvest intentions, 5-year average yield.

5/ No price support after 2004. 6/ Estimate.

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

Cigar Tobacco

No allotments or price supports for cigar filler and binder (types 42-44 and 53-55) tobacco were announced on March 1st due to the termination of the tobacco program. Production is unrestricted.

Filler Tobacco

March 1 harvest intentions for Pennsylvania seedleaf filler tobacco (type 41) in 2005/06 fell 900 acres from the previous season's production of 1,800 acres, 500 acres below last season's actual harvested acreage. Normal yields would produce a crop of about 2.8 million pounds. In the absence of a tobacco program, growers in Pennsylvania are shifting to burley tobacco. Nearly all type 41 is sold at the farm gate. For the 2004/05 season, production is estimated at 4.1 million pounds, compared with 5.3 million pounds in 2003/04. Most Pennsylvania seedleaf filler is sold during March and April.

First-quarter disappearance is 30 percent behind the previous year. Disappearance in 2004/05 is expected to fall from 2003/04 levels. Type 41 filler tobacco is nearly all used by domestic industry.

Binder Tobaccos

Connecticut Valley Broadleaf binder tobacco (type 51) harvest intentions were 2,300 acres as of March 1, 50 acres less than last year's intentions but 70 acres less than last season's actual acreage. With usual yields, production in 2005/06 should reach 2.8 million pounds. Disappearance during the first quarter of marketing year 2004/05 was up from the same period last season. Disappearance at the end of the marketing year is projected to decline to 4.8 million pounds. Disappearance in 2003/04 was 5.6 million pounds.

Planting intention estimates were discontinued for Wisconsin binder tobacco (types 54 and 55) for 2005. Southern Wisconsin binder (type 55) is expected to be produced in 2005/06 but production of Northern Wisconsin binder (type 54) is expected to almost cease. Last season's actual acreage for all Wisconsin binder was 1,500 acres. Disappearance of Wisconsin binder tobacco in 2004/05 is expected to be about 3 million pounds, 803,000 pounds below 2003/04.

Wrapper tobacco

Production of Connecticut Valley cigar wrapper (type 61) tobacco on 1,190 acres in 2004/05 reached 1.9 million pounds, a 43-percent gain over 2003/04. Last season, actual harvest was 1,060 acres as wrapper production continued recovering from 2002, when only 960 acres were harvested. For 2005/06, harvest intentions as of March 1 indicate 1,250 acres will be harvested, 50 more than last year's intentions. Assuming usual yields, 2005/06 production should be close to last season at about 1.9 million pounds. For the 2004/05 marketing year, disappearance of Connecticut Valley cigar wrapper is expected to shrink to about 1.0 million pounds.

Table 29--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season average prices, 1995-2005 (farm-sales weight)

Crop year 1/	Acreage harvested	Yield per acre	Supply			Disappearance			Avg. price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	1,000 acres	Pounds	Million pounds						Cents
Pennsylvania seedleaf filler (type 41)									
1995	4.8	2,150	10.3	20.5	30.8	12.8	12.8	*	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	2.4	2,200	5.3	10.7	15.9	6.2	6.2	*	140.0
2004 2/	1.8	2,300	4.1	9.7	13.9	4.7	4.7	*	
2005 3/	1.3	2,152	2.8						
Total cigar filler (types 41-46)									
1995	4.5	2,050	10.3	20.5	30.8	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	2.4	2,200	5.3	10.7	15.9	6.2	6.2	*	140.0
2004 2/	1.8	2,300	4.1	9.7	13.9	4.7	4.7	*	
2005 3/	1.3	2,152	2.8						
Connecticut Valley binder (types 51-52)									
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	627.9
1997	2.0	1,783	3.6	1.2	4.8	2.8	2.2	0.6	727.3
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	473.7
2000	0.9	1,283	1.2	2.8	3.8	1.5	1.2	0.3	491.6
2001	2.2	1,786	4.0	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	531.2
2003	2.4	1,429	3.4	2.1	5.5	3.9	2.7	1.2	358.4
2004 2/	2.4	1,681	4.0	1.6	5.6	4.4	2.2	2.2	550.0
2005 3/	2.3	1,601	3.7						
Southern Wisconsin binder (type 54)									
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/	--	--	--	--	150.0
1999	0.9	2,530	2.3	4/	--	--	--	--	149.0
2000	0.7	2,570	1.8	4/	--	--	--	--	155.0
2001	1.2	2,535	3.0	4/	--	--	--	--	165.0
2002	1.2	2,740	3.2	4/	--	--	--	--	175.0
2003	1.4	2,480	3.5	4/	--	--	--	--	175.0
2004 2/	1.1	2,550	2.8	4/	--	--	--	--	
2005 3/	7/								

See footnotes at end of table.

Continued--

Table 29--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season average prices, 1995-2005 (farm-sales weight)

Crop year 1/	Acreage	Yield	Supply			Disappearance			Avg. price per pound to growers
	harvested	per acre	Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	1,000 acres	Pounds	Million pounds						Cents
Northern Wisconsin binder (type 55)									
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/	--	--	--	--	149.0
2000	0.2	1,670	0.4	4/	--	--	--	--	150.0
2001	0.3	1,860	0.6	4/	--	--	--	--	165.0
2002	0.3	2,220	0.7	4/	--	--	--	--	175.0
2003	0.4	1,865	0.8	4/	--	--	--	--	173.0
2004 2/	0.4	1,950	0.8	4/	--	--	--	--	
2005 3/	7/								
Total Wisconsin binder (types 54-55)									
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	4.2	16.2	20.4	6.1	5.0	1.1	149.8
1999	1.2	2,388	2.8	27.9	33.8	4.4	3.4	1.0	149.0
2000	0.9	2,399	2.3	24.6	30.8	5.2	4.2	1.0	155.0
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	1.8	2,338	4.3	8.1	12.4	3.8	3.7	0.1	174.6
2004 2/	1.5	2,390	3.6	8.6	12.2	3.0	1.9	1.1	175.0
2005 3/	7/								
Total Cigar binder (types 51-55)									
1995	4.0	2,165	8.7	1.4	34.6	11.3	11.3	*	213.7
1996	4.5	1,792	8.1	26.1	35.2	12.3	12.0	*	321.1
1997	4.6	2,032	9.3	22.9	28.2	11.9	11.1	0.6	375.4
1998	4.4	1,782	7.9	19.9	29.2	8.3	6.4	1.0	334.7
1999	3.7	1,899	7.0	31.4	41.5	9.3	8.1	1.3	342.7
2000	1.8	1,853	3.4	27.3	34.8	6.7	5.4	1.3	263.3
2001	3.7	2,033	7.6	12.0	19.5	9.0	8.8	0.2	367.3
2002	3.7	2,147	7.8	10.5	18.4	8.1	6.8	1.4	360.8
2003	4.2	1,824	7.6	10.2	17.9	7.6	5.1	2.5	256.1
2004 2/	3.9	1,956	7.6	10.2	17.8	7.3	3.8	3.5	
2005 3/	2.3	1,963	4.5						
Connecticut Valley shade-grown (type 61)									
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	1,950	3.6	1.3	4.9	4.1	1.1	3.0	4/
2000	1.3	1,437	1.8	0.8	2.6	1.5	0.2	1.3	2,530.0
2001	1.3	1,327	1.7	1.1	2.9	1.1	0.3	0.8	2,300.0
2002	1.0	1,201	1.2	1.8	3.0	2.3	1.5	0.8	2,250.0
2003	1.1	1,253	1.3	0.7	2.0	1.7	0.8	0.9	4/
2004 2/	1.2	1,592	1.9	0.4	2.3	2.3	1.4	0.9	4/
2005 3/	1.3	1,362	1.8						
Grand total cigar tobacco (types 41-61)									
1995	10.1	2,085	21.0	48.5	68.3	24.9	23.1	1.8	178.3 5/
1996	10.7	1,905	20.4	46.3	67.6	28.9	24.7	4.2	231.7 5/
1997	11.2	2,015	22.5	38.1	56.5	23.4	20.3	3.1	259.9 5/
1998	10.6	1,857	19.8	34.9	55.8	22.3	17.6	4.6	222.9 5/
1999	8.7	1,892	16.5	44.1	63.7	21.2	16.9	4.3	245.1 5/
2000	5.5	1,865	10.3	37.6	51.8	10.7	8.1	2.6	1,070.8 5/
2001	7.0	1,913	13.4	25.3	38.9	14.3	12.8	1.6	559.7 6/
2002	6.7	1,997	13.4	24.6	38.0	16.5	14.3	2.1	452.4 5/
2003	7.7	1,863	14.2	21.6	35.8	15.5	12.1	3.4	208.6 5/
2004 2/	6.9	1,983	13.6	20.3	33.9	14.3	9.9	4.4	
2005 3/	4.9	1,924	9.4						

* = Negligible. ** = Not applicable. -- = Not available. 1/ October 1 for types 41-55; July 1 for type 61. 2/ Preliminary. 3/ March 1 harvest intentions. 4/ Growers of type 61 no longer provide price information. 5/ Does not include type 61. 6/ Pennsylvania filler type 41 price not published and not included in total.

7/ Estimates discontinued in 2005.

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

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