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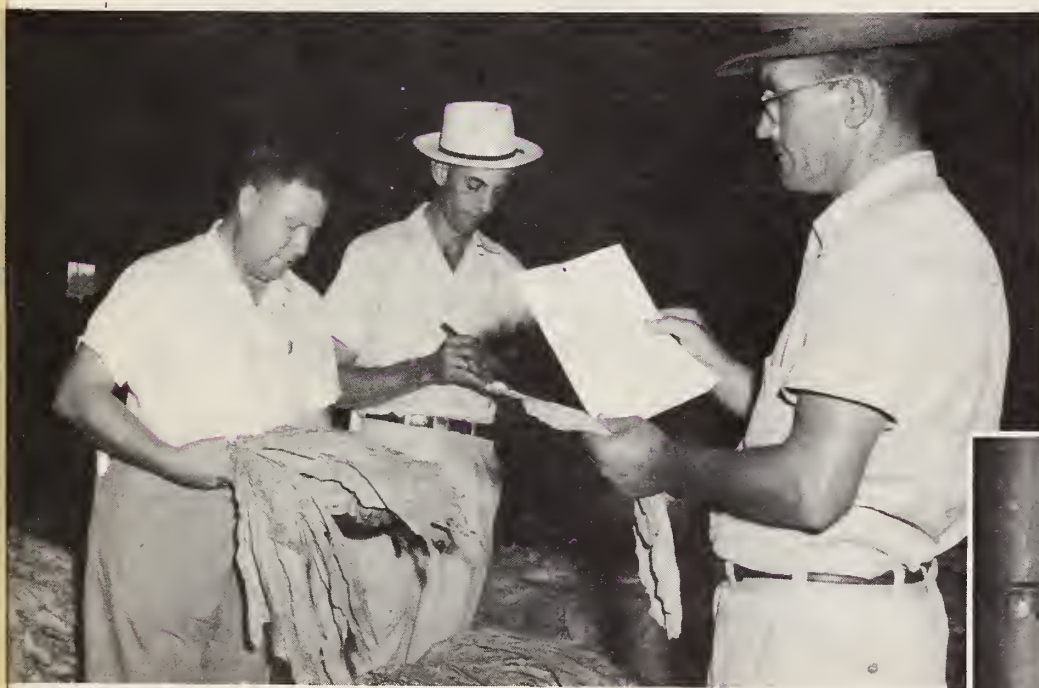
SEP 22, 1965

CURRENT JOURNAL RECORDS

Tobacco

INSPECTION • MARKET NEWS
AND DEMONSTRATION SERVICES

Type 11-14
FLUE-CURED



U.S. DEPARTMENT OF AGRICULTURE
CONSUMER AND MARKETING SERVICE
TOBACCO DIVISION

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Cover illustrations:

1. A Federal tobacco inspector (center) grading a basket of tobacco prior to auction sale.
2. The daily USDA tobacco market news reports are placed at convenient locations in the auction warehouses.
3. A Federal tobacco inspector demonstrating the proper sorting and preparation of tobacco for market.

TOBACCO INSPECTION, MARKET NEWS, AND DEMONSTRATION SERVICES

Class 1 - Flue-cured
Types 11(a), 11(b), 12, 13, and 14

Inspection of tobacco according to standard grades as an aid to growers in marketing their crop began in the United States Department of Agriculture in 1929. In August 1935, The Tobacco Inspection Act became law. This act offered growers free and mandatory inspection on tobacco auction markets where it was desired. That is, the growers might request a referendum be held on a market or group of markets, and if two-thirds of the voters favored inspection, those markets would then be designated by the Secretary of Agriculture for free and mandatory inspection.

In 1936, growers, recognizing the benefits of the inspection service, began requesting it for their respective markets. By 1940, it had spread to more than one-third of the auction markets in the flue-cured area. In May 1942, a general referendum was held and passed for the remaining markets, but qualified inspectors were not available for all of the markets until the season of 1946. Beginning that season all flue-cured markets (located in Virginia, North Carolina, South Carolina, Georgia, and Florida) have had free and mandatory inspection service.

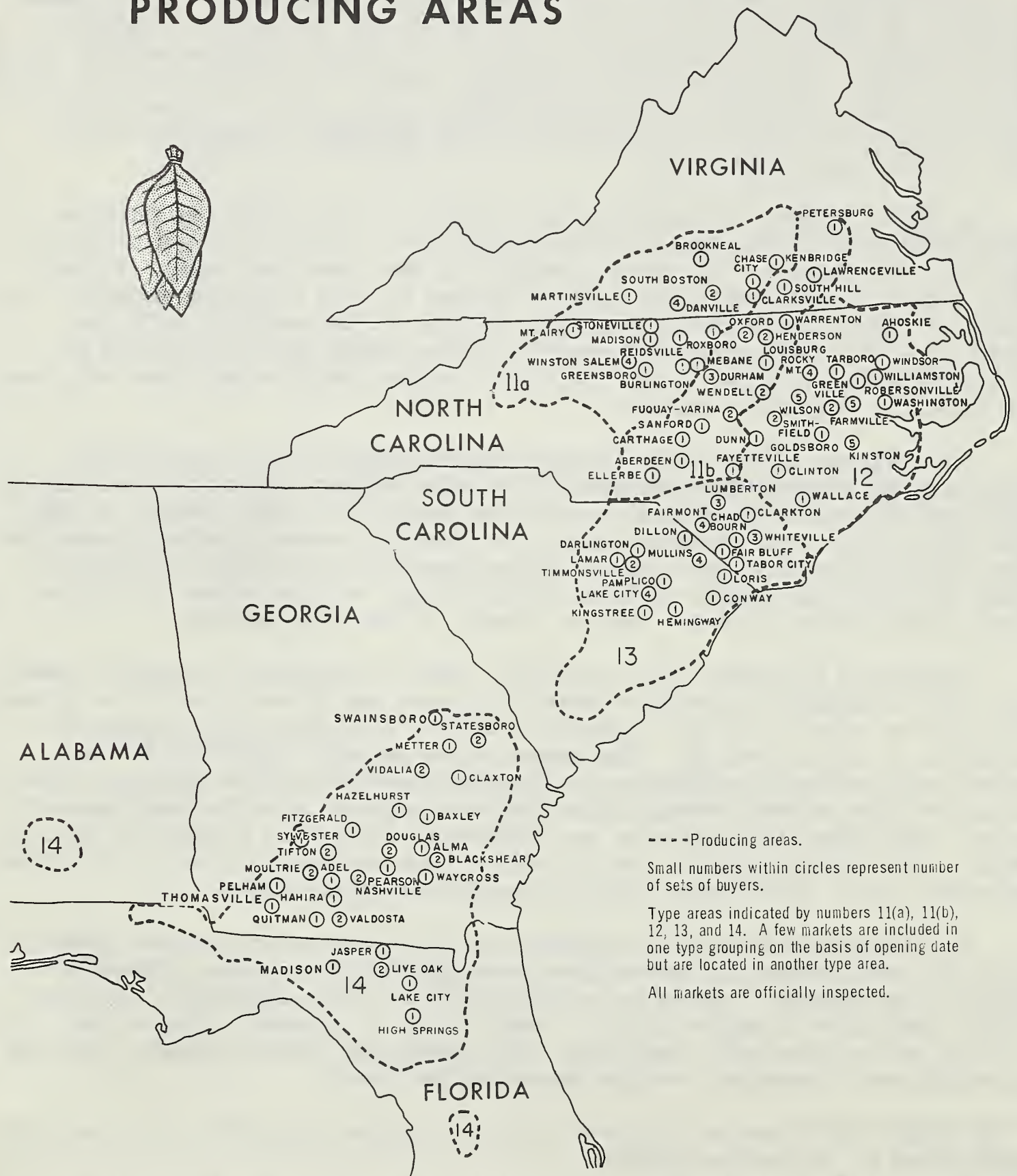
The purposes of the inspection and market news services are readily understood by every farmer who has sold a split lot of tobacco for two widely different prices, or has rejected a bid and resold the same tobacco, on the same day, on the same warehouse floor, for possibly several dollars above the first price offered. Every tobacco grower knows there is much uncertainty about the price any basket of tobacco will bring, and that there is a wide range in the prices paid for lots of tobacco of the same quality.

Inspection and market news services, based on Government standard grades, have been developed to provide a measuring stick and price guide to the grower. Prior to the sale, a trained inspector examines each basket of tobacco and certifies it as to grade 1/₁. The market price reports, furnished by the market news service, cooperating in some instances with State agencies, give the grower the current average price paid and support price for each specific grade. With this information he can determine whether his tobacco is selling in line with current prices, and is enabled when necessary to make intelligent decisions, as to rejections, sales, or accepting loan prices.

The Government through its lending agencies offers non-recourse loans on crops for which marketing quotas have been approved by growers. These are administered through cooperative associations or other responsible organizations, that place a support price on each basket of growers' tobacco that is in sound and merchantable condition. The Government standard grades, affixed by authorized inspectors, are the bases for the loans.

1/₁ Packed and processed tobacco is also inspected and grade certified upon application by interested parties.

FLUE-CURED TOBACCO AUCTION MARKETS AND PRODUCING AREAS



-----Producing areas.
Small numbers within circles represent number of sets of buyers.
Type areas indicated by numbers 11(a), 11(b), 12, 13, and 14. A few markets are included in one type grouping on the basis of opening date but are located in another type area.
All markets are officially inspected.

The Tobacco Inspection Act provides for three related services: inspection, market news, and demonstration.

INSPECTION SERVICE. The inspection is done by highly trained specialists in tobacco judging, who have taken training courses and passed tests to qualify them for this type of work. They precede the auction sale and certify each basket as to grade, according to Federal standards. This grade is, in reality, a description of each basket of tobacco as to group, quality, and color. Grades can be readily understood by the grower, if he is given a little instruction in their application.

Class. The first and major division of tobacco is class. It is based on characteristics connected with different varieties, soils, or climatic conditions, or with the method of cultivation, harvesting, or curing.

Type. Each class is subdivided into types. A type has certain common characteristics and can be divided into closely related grades.

Grade. The next subdivision is grade. A grade is a subdivision of a type according to group, quality, and color.

(a) Group. The first and basic factor of a grade is group, a division of a type covering closely related grades based on certain characteristics which are related to stalk position, body, or the general quality of the tobacco. Groups in flue-cured tobacco are: Wrappers (A), Leaf (B), Smoking Leaf (H), Cutters (C), Lugs (X), Primings (P), Nondescript (N), and Scrap (S).

Wrappers (A). This group consists of leaves from either Leaf or Cutters, which are mature to ripe, elastic, have small and blending fibers, and show a low percentage of injury.

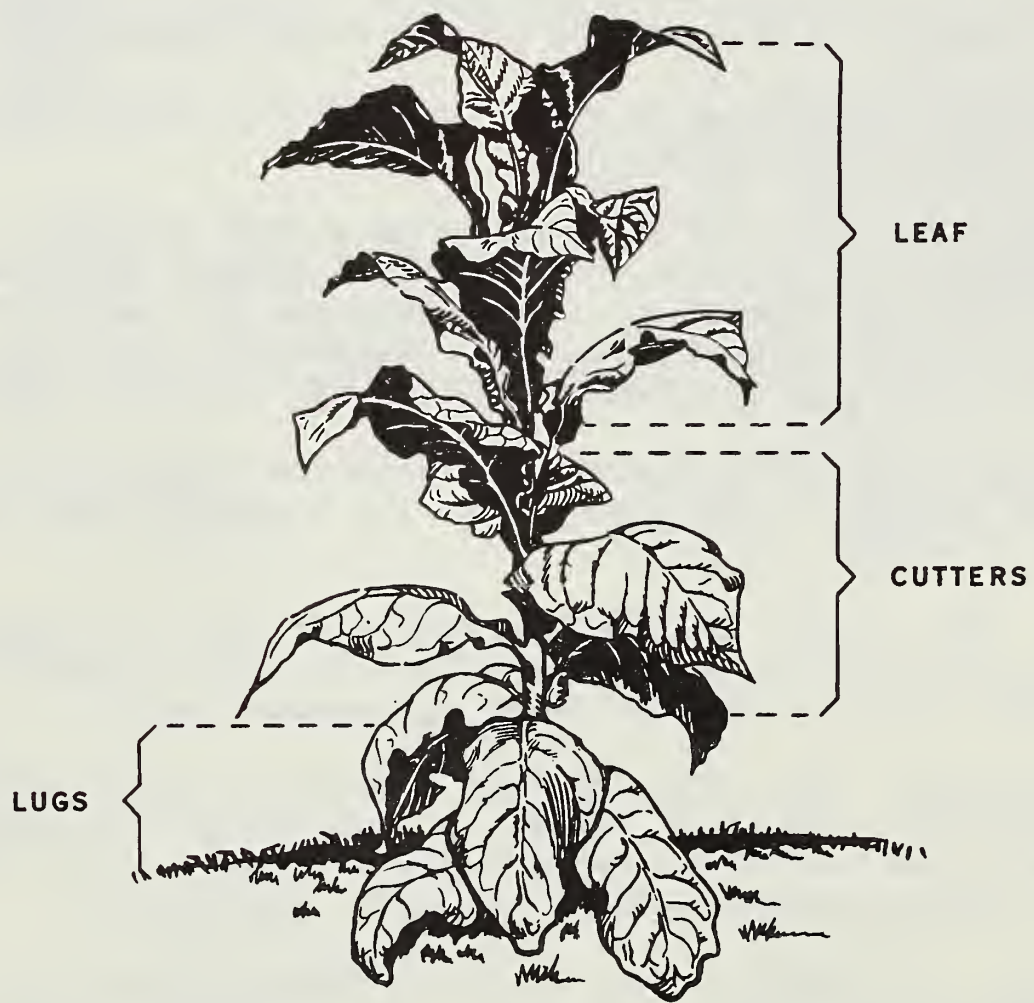
Leaf (B). This tobacco is normally found at or above the midportion of the stalk. The leaves have a pointed tip, tend to fold, are usually heavier in body than other groups, and show little or no ground injury.

Smoking Leaf (H). This group consists of leaves normally grown at or above the midportion of the stalk. Leaves of the H group show a high degree of maturity, more open leaf structure in relation to the B group, and a material amount of injury characteristic of very ripe leaf tobacco.

Cutters (C). The leaves of this group are normally grown at or just below the midportion of the stalk. The leaves have a tendency to roll concealing the stem. Cutters usually have a rounded tip, are thin to medium in body, and show some ground injury.

Lugs (X). This group consists of leaves normally grown near the bottom of the stalk. Leaves of the X group usually have a blunt tip and open face; they show some ground injury characteristic of the group.

FLUE-CURED TOBACCO PLANT



Primings (P). This group consists of round-tipped leaves from the lowest portion of the stalk. Leaves of the P group ripen prematurely as a result of starvation and show a material amount of injury characteristic of leaves grown close to the ground.

Nondescript (N). Extremely common tobacco which does not meet the minimum specifications or which exceeds the tolerance of the lowest grade of any other group except Scrap.

Scrap (S). A byproduct of stemmed and unstemmed tobacco. Scrap accumulates from handling tobacco in farm buildings, warehouses, packing and conditioning plants, and stemmeries.

(b) Quality. A division of a group or the second factor of a grade based on the relative degree of one or more elements of quality. The six degrees of quality in flue-cured are: Choice (1), Fine (2), Good (3), Fair (4), Low (5), and Poor (6).

(c) Color. The third factor of a grade is based on the relative hues, saturations or chromas, and color values common to the type. The terms used to describe color in flue-cured are: Lemon (L), Orange (F), Orange red (FR), Red (R), Variegated (K), Walnut (D), Green (G), Lemon greenish (LV), Orange greenish (FV), Green lemon (GL), Green orange (GF), Green red (GR), Green variegated (GK), Gray green (GG), Variegated lemon (KL), Variegated orange (KF), Variegated greenish (KV), and Variegated mixed (KM).

Combination symbols are Lemon slick (LS), Orange slick (FS), Rank red (RR), Rank green (RG), and Lug side (XL).

A combination of group, quality, and color can be made to form a grade. To simplify the use of Groups, Qualities, and Colors, letters and numerals are used to represent the words they stand for, as follows:

KEY TO STANDARD GRADEMARKS

Groups	Qualities
A - Wrappers	1 - Choice
B - Leaf	2 - Fine
H - Smoking Leaf	3 - Good
C - Cutters	4 - Fair
X - Lugs	5 - Low
P - Primings	6 - Poor
N - Nondescript	
S - Scrap	

Color Symbols		Combination Symbols
L - Lemon	GL - Green lemon	LS - Lemon slick
F - Orange	GF - Green orange	FS - Orange slick
FR - Orange red	GR - Green red	RR - Rank red
R - Red	GK - Green variegated	RG - Rank green
K - Variegated	GG - Gray green	XL - Lug side
D - Walnut	KL - Variegated lemon	
G - Green	KF - Variegated orange	
LV - Lemon greenish	KV - Variegated greenish	
FV - Orange greenish	KM - Variegated mixed	

Substituting symbols for words, Cutters of Good quality in Orange color would be written C3F. The first symbol, C, indicates the group, the second symbol, 3, denotes the quality, and the third symbol, F, describes the color. Each symbol used in a Federal Grade for tobacco has therefore a definite and known meaning.

To make this clear, assume we are to determine a grade of a single lot of tobacco. Upon examination we find from characteristics it is clearly a Lug and we know the first symbol is X. Examining it more closely as to relative degrees of quality, we find that it is ripe, has an open leaf structure, is thin, lean in oil, moderate color intensity, and has less than 40 percent injury. We are thus able to arrive at its degree of quality, which is 3 or Good. Assuming that the major portion of the Lugs are lemon-colored leaves, we use L making it X3L. We now have a complete description of the tobacco.

Operation of Inspection Service:

(1) Growers deliver their tobacco to the market of their choice and to any warehouse they may select.

(2) The tobacco is arranged for sale on flat baskets.

(3) Each lot, or basket, is then weighed and a warehouse ticket is placed on the lot. The ticket shows the name of the seller and the number of pounds of tobacco in the lot, and may give other information for the purpose of identification. Space is provided on the ticket for the name of the buyer, the grade symbol of the buyer, and the price at which the tobacco is sold. It also has a space in the upper-right corner for the Federal grade (see page 13).

(4) The lots, or baskets, are placed in line on the warehouse floor.

(5) As soon as there is good light, the official inspector starts at the beginning of the "break" ahead of the sale, and makes a careful examination of each basket of tobacco. He then writes on the ticket, in the space provided, the Federal grade that correctly describes the tobacco in the lot, inserts the date, and signs his initials. If the tobacco inspected is Leaf of Fair quality in Red color, the inspector writes B4R. If the tobacco is made up of Cutters of Fine quality in Lemon color, the grade symbols are C2L. If the lot is made up of Lugs of Good quality in Orange color, the grade mark is X3F. The warehouse ticket then becomes a certificate of grade and shows the type of tobacco as well as its group, quality, and color.

- - - - -

The Federal system of grades for tobacco differs from private systems in that it must be more comprehensive, since it must describe any and all lots of tobacco offered for sale. Each symbol has a definite meaning which is known to the general public, and symbols are a complete description of the lot to which they apply.

Farmers are sometimes confused by the fact that the combinations of the several groups, qualities, and colors form such a large number of grades. Because the total number cannot be applied to their particular crops, they say that too many grades are recognized. However, it should be remembered that grades are used only as required, and only a limited number are necessary to describe all the tobacco in an individual crop. Crops from different farms and from different areas show such a wide variation that a wide range in grades is necessary to describe all flue-cured tobacco offered for sale.

SUMMARY OF STANDARD GRADES

<u>4 Grades of Wrappers</u>		<u>29 Grades of Leaf</u>						<u>19 Grades of Smoking Leaf</u>				<u>10 Grades of Cutters</u>	
A1F	A1R	B1L	B1F	B1FR	B1R			H1L	H1F			C1L	C1F
A2F	A2R	B2L	B2F	B2FR	B2R			H2L	H2F			C2L	C2F
		B3L	B3F	B3FR	B3R			H3L	H3F	H3FR		C3L	C3F
		B4L	B4F	B4FR	B4R	B4K		H4L	H4F	H4FR	H4K	C4L	C4F
		B5L	B5F	B5FR	B5R	B5K	B5D	H5L	H5F	H5FR	H5K	C5L	C5F
		B6L	B6F	B6FR	B6R	B6K	B6D	H6L	H6F	H6FR	H6K		

<u>10 Grades of Lugs</u>		<u>8 Grades of Primings</u>		<u>12 Grades of Greenish</u>									
X1L	X1F												
X2L	X2F		P2L	P2F									
X3L	X3F		P3L	P3F			B3LV	B3FV			X3LV	X3FV	
X4L	X4F		P4L	P4F			B4LV	B4FV	C4LV	C4FV	X4LV	X4FV	
X5L	X5F		P5L	P5F			B5LV	B5FV					

<u>19 Grades of Variegated</u>								<u>16 Grades of Slick</u>					
B3KL	B3KF							B3LS	B3FS			X3LS	X3FS
B4KL	B4KF	B4KV	C4KL	C4KF	X4KL	X4KF	X4KV	B4LS	B4FS	C4LS	C4FS	X4LS	X4FS
B5KL	B5KF	B5KV			X5KL	X5KF	X5KV	B5LS	B5FS	C5LS	C5FS		
B6KL	B6KF	B6KV						B6LS	B6FS				

<u>19 Grades of Green</u>								<u>7 Grades of Variegated Mixed</u>		
B4GL	B4GF	B4GR	B4GK	B4GG	X4G	X4GK	P4G	B3KM		X3KM
B5GL	B5GF	B5GR	B5GK	B5GG	X5G		P5G	B4KM	C4KM	X4KM
B6GL	B6GF	B6GR	B6GK					B5KM		
								B6KM		

<u>2 Grades of Rank</u>		<u>10 Grades of Nondescript</u>				<u>1 Grade of Scrap</u>
B5RR	B5RG	N1L	N1GL			S
		N1XL	N1GF			
		N1K	N1GR			
		N1F	N1GG			
		N1R	N2			

Special factors "U" (unsound), and "W" (doubtful-keeping order) may be applied to all grades. Tobacco not covered by the standard grades is designated "No-G."

FLUE-CURED MARKETS, WAREHOUSES, AND SETS OF BUYERS, 1964 SEASON

Market	Warehouses	Buyers	Market	Warehouses	Buyers
<u>Type 11 (a)</u>	<u>Number</u>	<u>Sets</u>	<u>Type 13</u>	<u>Number</u>	<u>Sets</u>
Virginia:			South Carolina:		
Brookneal	3	1	Conway	6	1
Chase City	4	1	Darlington	4	1
Clarksville	2	1	Dillon	3	1
Danville	12	4	Hemingway	3	1
Kenbridge	5	1	Kingstree	3	1
Lawrenceville	3	1	Lake City	8	4
Martinsville	3	1	Lamar	2	1
Petersburg	2	1	Loris	2	1
South Boston	9	2	Mullins	10	4
South Hill	5	1	Pamplico	5	1
Total	48	14	Timmonsville	4	2
North Carolina:			Total	50	18
Burlington	3	1	North Carolina:		
Greensboro	2	1	Chadbourn	2	1
Madison	3	1	Clarkton	3	1
Mebane	2	1	Fair Bluff	5	1
Mt. Airy	3	1	Fairmont	9	4
Reidsville	4	1	Fayetteville	2	1
Roxboro	6	1	Lumberton	8	3
Stoneville	4	1	Tabor City	2	1
Winston-Salem	8	4	Whiteville	9	3
Total	35	12	Total	40	15
Total Type 11(a)	83	26	Total Type 13	90	33
<u>Type 11(b)</u>			<u>Type 14</u>		
North Carolina:			Georgia:		
Aberdeen	3	1	Adel	4	1
Carthage	2	1	Alma	6	1
Durham	6	3	Baxley	6	1
Ellerbe	2	1	Blackshear	6	2
Fuquay-Varina	7	2	Claxton	3	1
Henderson	6	2	Douglas	5	2
Louisburg	3	1	Fitzgerald	2	1
Oxford	6	2	Hahira	5	1
Sanford	5	1	Hazlehurst	3	1
Warrenton	5	1	Metter	2	1
Total Type 11(b)	45	15	Moultrie	6	2
Type 12			Nashville	4	2
North Carolina:			Pearson	1	1
Ahoskie	4	1	Pelham	4	1
Clinton	3	1	Quitman	4	1
Dunn	2	1	Statesboro	8	2
Farmville	7	2	Swainsboro	2	1
Goldsboro	4	1	Sylvester	2	1
Greenville	9	5	Thomasville	3	1
Kinston	11	4	Tifton	8	2
Robersonville	3	1	Valdosta	3	2
Rocky Mount	10	4	Vidalia	6	2
Smithfield	7	2	Waycross	4	1
Tarboro	5	1	Total	97	31
Wallace	4	1	Florida:		
Washington	3	1	High Springs	2	1
Wendell	4	1	Jasper	4	1
Williamston	4	1	Lake City	4	1
Wilson	13	5	Live Oak	6	2
Windsor	4	1	Madison	2	1
Total Type 12	97	33	Total	18	6
			Total Type 14	115	37
			GRAND TOTAL	430	144

MARKET NEWS SERVICE: A principal purpose of market news reports is to provide tobacco growers with information on prices and market conditions as assistance to them in making sound decisions in marketing their tobacco. The average grower cannot spend enough time on the warehouse floor to keep posted on the approximate value of the different grades of tobacco, but he must have this information if he is to get a fair price for his tobacco. The tobacco market news service gathers this information as a companion activity of the inspection service.

The value of the inspection and market news services lies in the fact that the certificate of grade on the warehouse ticket provides tobacco growers with unbiased information regarding the grade or quality of each lot of tobacco offered for sale, and the price reports furnish a definite basis for making an intelligent decision on whether or not to accept a bid.

During morning sales, on representative markets located over the entire Belt, a record is made of grade, pounds, and price for each lot sold. These data are transmitted to a central market news office, where averages are calculated for representative grades and issued in the form of a daily press release. This report carries quotations on grades which represent around three-fourths of the total volume of offerings. The release reviews the highlights of the day's sale covering such items as quality, price, trend, high and low price for individual baskets, etc. Sales figures for the Belt are also included. Newspapers and radio and television stations are furnished with the release daily.

Daily price reports are sent to every market showing the average price at which each grade sold the preceding day, along with the support price for the grade. This information is made available to growers selling on the market. In addition, weekly market news reports and press releases are issued which review the marketing activities for the week.

Market price reports furnish growers with current average prices and support prices by grade. If a certain grade is averaging well above the support price, it is well for the grower to think before accepting the loan price. For example, if the average for B5FR was \$62.00, and the support was \$49.00, and the grower was offered a bid below the support price, it would be worth his time to reject this bid and offer the lot at the next sale. He is assured that the loan price will be the same all season, and in most cases his lot will bring a price nearer the average on the second sale, and thus give him a nice profit over the first sale.

No. <u>84</u>	TOBACCO INSPECTION CERTIFICATE This tobacco, inspected under the Tobacco Inspection Act by the U. S. Department of Agriculture, is certified to be:	
	PLANTER <u>John Doe</u>	Type 11B Grade.....
AND	(Date) _____	By _____ (Inspector U.S.D.A.)
(NAME OF WAREHOUSE)	Lbs. <u>180</u>	

No. <u>84</u>	TOBACCO INSPECTION CERTIFICATE This tobacco, inspected under the Tobacco Inspection Act by the U. S. Department of Agriculture, is certified to be:	
	PLANTER <u>John Doe</u>	Type 11B <u>H 5 F</u> Grade.....
AND	9-10-65 (Date)	By <u>P. G.</u> (Inspector U.S.D.A.)
(NAME OF WAREHOUSE)	Lbs. <u>180</u>	
<u>74</u>	<u>P 44 X</u>	

TOBACCO WAREHOUSE TICKET - BEFORE AND AFTER INSPECTION AND SALE

Tobacco Market Prices

SOUTH CAROLINA AND BORDER NORTH CAROLINA FLUE-CURED - TYPE 13

DAILY
Wednesday
August 18, 1965

U. S. DEPARTMENT OF AGRICULTURE - CONSUMER AND MARKETING SERVICE - TOBACCO DIVISION

NO.
1965 crop (Tied)

S. C. and N. C. Departments of Agriculture, Cooperating

Gross Sales: Tuesday - 6,932,548 pounds - average \$66.12

Season - 73,066,546 pounds - average \$63.19

Auction bid averages and support prices by U. S. Grades - Wednesday, August 18, 1965

U. S. GRADE AVG.		U. S. SUP.		U. S. GRADE AVG.		U. S. SUP.		U. S. GRADE AVG.		U. S. SUP.		U. S. GRADE AVG.		U. S. SUP.					
WRAPPERS				LEAF (Cont'd)				LEAF (Cont'd)				CUTTERS (Cont'd)				LUGS (Cont'd)			
A1F	\$--	\$86		B3LV	\$69*	\$65		B6GF	\$52*	\$41		C3L	\$--	\$76		X3FS	\$--	\$59	
A2F	--	84		B4LV	65*	60		B4GR	--	46		C4L	75*	75		X4FS	--	56	
A1R	--	83		B5LV	60*	56		B5GR	--	42		C5L	74	74		X4KL	67	58	
A2R	--	82		B3FV	--	65		B6GR	--	34		C1F	--	81		X5KL	66	49	
				B4FV	--	60		B4GK	61*	46		C2F	--	77		X4KF	66	58	
				B5FV	--	56		B5GK	58*	43		C3F	--	76		X5KF	65	49	
LEAF				B3LS	63*	56		B6GK	--	36		C4F	74*	75		X4KV	--	51	
B1L	--	80		B4LS	62*	54		B5RG	--	36		C5F	74	74		X5KV	--	40	
B2L	--	75		B5LS	59*	50		B4GG	--	34		C4LV	69*	69		X3KM	65*	62	
B3L	72	71		B6LS	--	44		B5GG	--	31		C4FV	--	69		X4KM	66*	57	
B4L	70	68		B3FS	--	56						C4LS	65*	61		X4GK	--	46	
B5L	68	63		B4FS	--	54		SMOKING LEAF				C5LS	66*	59		X4G	61	48	
B6L	--	59		B5FS	--	50		H1L	--	81		C4FS	--	61		X5G	58*	41	
B1F	--	80		B6FS	--	44		H2L	--	77		C5FS	--	59		PRIMINGS			
B2F	--	75		B3KL	63*	53		H3L	--	76		C4KL	68	64		P2L	70*	69	
B3F	73	71		B4KL	63	51		H4L	75*	75		C4KF	71*	64		P3L	70	67	
B4F	73	68		B5KL	60*	47		H5L	73*	72		C4KM	68*	64		P4L	66	61	
B5F	68	63		B6KL	66*	41		H6L	--	68						P5L	61	52	
B6F	62*	59		B3KF	--	53		H1F	--	81		LUGS				P2F	--	69	
B1FR	--	79		B4KF	62*	51		H2F	--	77		X1L	--	76		P3F	70	67	
B2FR	--	73		B5KF	59	47		H3F	--	76		X2L	--	75		P4F	67	61	
B3FR	--	69		B6KF	58	41		H4F	75	75		X3L	74	74		P5F	61	49	
B4FR	--	64		B4KV	--	51		H5F	73	72		X4L	72	71		P4G	57*	42	
B5FR	--	59		B5KV	--	45		H6F	--	68		X5L	68	65		P5G	55*	34	
B6FR	--	54		B6KV	--	38		H3FR	--	70		X1F	--	76		NONDESCRIPT			
B1R	--	64		B3KM	66*	56		H4FR	--	67		X2F	--	75		N1L	52	31	
B2R	--	60		B4KM	63*	54		H5FR	--	64		X3F	73	74		N1XL	61	42	
B3R	--	56		B5KM	61*	50		H6FR	--	60		X4F	73	71		N1K	56	44	
B4R	--	51		B6KM	--	44		H4K	72	66		X5F	69	65		N1F	--	36	
B5R	--	45		B5RR	--	40		H5K	70	62		X3LV	68*	64		N1R	--	29	
B6R	--	38		B4GL	--	51		H6K	66*	56		X4LV	66	61		N1GL	51	25	
B4K	70*	62		B5GL	59*	47		CUTTERS				X3FV	--	64		N1GF	--	31	
B5K	66	58		B6GL	--	41		C1L	--	81		X4FV	69*	61		N1GR	--	26	
B6K	63	52		B4GF	--	51		C2L	--	77		X3LS	64*	59		N1GG	--	23	
B5D	--	39		B5GF	--	47						X4LS	65*	56		N2	43	0	
B6D	--	32																	

*Latest average established.

Stabilization Corporation does not accept "Scrap", "W", "U" or "No-G" tobacco.

KEY TO STANDARD GRADE MARKS FOR FLUE-CURED TOBACCO

Groups	Qualities	Color Symbols		Combination Symbols
A-Wrappers	1-Choice	L-Lemon	GL-Green Lemon	
B-Leaf	2-Fine	F-Orange	GF-Green Orange	LS-Lemon Slick
H-Smoking Leaf	3-Good	FR-Orange Red	GR-Green Red	FS-Orange Slick
C-Cutters	4-Fair	R-Red	GK-Green Variegated	RR-Rank Red
X-Lugs	5-Low	K-Variegated	GG-Gray Green	RG-Rank Green
P-Primings	6-Poor	D-Walnut	KL-Variegated Lemon	XL-Lug Side
N-Non-descript		G-Green	KF-Variegated Orange	
S-Scrap		LV-Lemon Greenish	KV-Variegated Greenish	
		FV-Orange Greenish	KM-Variegated Mixed	

For example: B4F designates leaf, fair quality, and orange color.

Information like this will enable every farmer to know after his tobacco is sold whether the prices, lot by lot, are in line with those already established on a grade basis by the buyers. This information will enable farmers to market their tobacco on a basis of fair competition.

Records of offerings and sales, compiled by the Department of Agriculture, show that when bids are materially below the price range per grade, farmers make money by rejecting the bids and putting their tobacco up for sale again. The data also show that when bids are within the price range per grade or above the average for the grade, farmers seldom profit but usually lose by rejecting the bid. The point is that if farmers are to benefit from the operations of the inspection and market news services they must apply the information obtained. Information which enables farmers to reject low bids and to obtain for their tobacco substantially higher prices at the second offering is of great value to producers in marketing their tobacco.

In addition, the Department issues market reviews each year which cover such information as opening and closing dates of all markets, number of warehouses and buyers on each market, warehouse charges, summary of sales by crop years, summary of sales by States and months, producers' sales and re-sales by markets, price charts showing fluctuations over a period of years, average price per grade each week of marketing season, percentages of each group, quality, and color in each crop, and other valuable data.

Any or all of these reports will be sent without cost, upon request to Market News Service, Tobacco Division, C&MS, P. O. Box 549, Raleigh, N. C.

DEMONSTRATION SERVICE: The demonstration service is educational. It acquaints farmers with the objectives of inspection and market news and how these services can benefit them, and instructs them how to prepare their tobacco so that it will be sold at the highest price consistent with quality.

In cooperation with county agents and agricultural teachers, tobacco inspectors hold meetings directly at tobacco barns, where actual stripping demonstrations are given. These demonstrations show the farmer the best way to prepare his tobacco for market so that he will get the best possible price for it. Inspectors will also explain to agricultural students the advantages of knowing how to use the inspection and market news services.

Summary: The object of Inspection, Market News, and Demonstration is to supply information regarding the factors pertaining to the value of tobacco offered for sale.

When a lot of tobacco is sold at auction, many factors other than type and quality may influence the selling price. As a result, it is not unusual to see parts of a split lot sold for different prices. Nor is it uncommon for selling prices of tobacco of the same quality and other identical characteristics to vary considerably among different auction markets. This price behavior is to a large extent inherent in the system of auction selling.

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Official Business

For many years, this situation created considerable uncertainty and confusion among farmers. To help overcome the problem, farmers found that they needed:

1. A system of standard grades, uniformly applied, for classifying their tobacco according to type, quality, and other significant characteristics.
2. A good working knowledge of how to properly prepare their tobacco for market.
3. Reliable reports on current market prices according to standard grades.

These needs are met by the services authorized in the Tobacco Inspection Act of 1935. The Federal inspection, demonstration, and market news services of the U. S. Department of Agriculture, which are based on Government standard grades, provide an impartial and relatively accurate measuring stick of grades and prices which each grower can use.

In effect the services provide a common language which can be understood by all people engaged in growing, selling, or processing tobacco. Uniform standard grades remove much doubt and uncertainty in the minds of buyers concerning the quality of tobacco offered for sale. Farmers are assured that their tobacco has been carefully examined and accurately described. The sale can then proceed at a more orderly pace with less confusion. Furthermore, since the support price is based on Government grade standards, the grower is assured of a reasonable market price for his crop. The information provided by the market news service on all aspects of the marketing system provides both buyers and sellers with reliable data enabling them to make more accurate decisions. When tobacco is sold from loan holdings, each hogshead is again inspected by a Government inspector, ensuring the buyer of a uniform pack.

The services are informational. The inspection service does not promote sales; it only supplies information regarding the quality of tobacco offered for sale. The market news service does not establish prices; it only records current average prices established by sales of tobacco. If the service is rightly used it will go far toward preventing losses suffered by growers when tobacco is sold at less than its current market value.