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# Tobacco Situation

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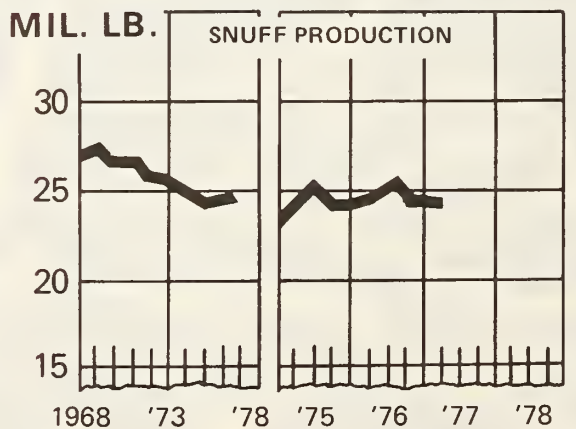
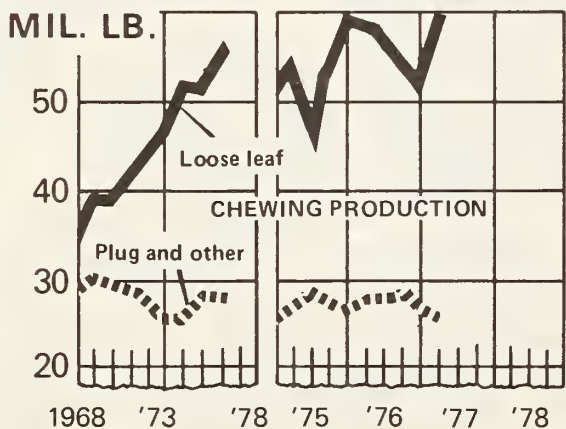
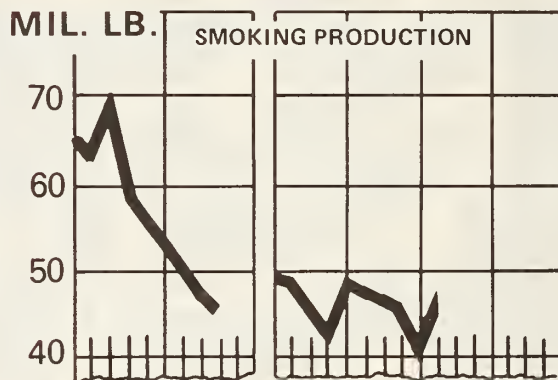
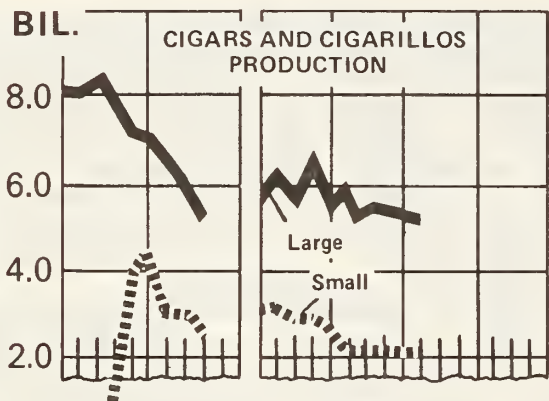
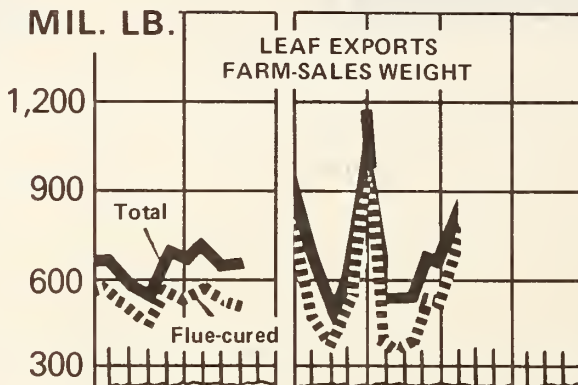
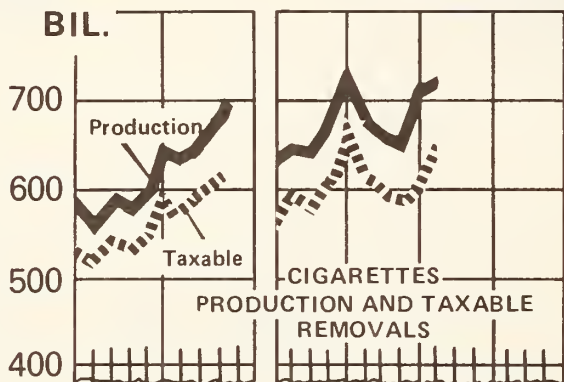
March  
1977

U.S. DEPARTMENT OF AGRICULTURE  
ECONOMIC RESEARCH SERVICE  
MAR 10 1977



# TOBACCO OUTLETS

## Trends in Manufactured Products and Exports



QUARTERLY  
ANNUAL SEASONALLY ADJUSTED  
AT ANNUAL RATES

QUARTERLY  
ANNUAL SEASONALLY ADJUSTED  
AT ANNUAL RATES

USDA

LAST QUARTER SHOWN ESTIMATED.

NEG. ERS 229-77 (2)

# THE TOBACCO SITUATION

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Approved by  
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The *Tobacco Situation* is published in March, June, September, and December.

## SUMMARY

### Tobacco Carryover To Rise

Domestic use and exports of U.S. tobacco during 1976/77 are expected to total less than the 1976 crop, raising carryover stocks. Smaller quotas for flue-cured and burley tobacco this year are expected to result in a 1977 crop slightly under last year's 2.1 billion pounds. However, the larger prospective carryover will bring the 1977/78 tobacco supply near the current year's total.

In 1976, the second largest crop since 1964 coupled with larger beginning stocks raised the domestic leaf supply for 1976/77 to 5.36 billion pounds, 3 percent above the previous year. By January 1, 1977, nonfarm stocks were up 5 percent above a year earlier and year-end stocks will likely continue around 5 percent larger than the 3.25 billion pounds carried into the marketing year—July 1 for flue-cured, October 1 for other kinds.

Effective (farm) quotas for 1977 are down 14 percent for flue-cured (due to a smaller basic quota) and 4 percent for burley. The smaller quotas suggest U.S. tobacco growers may reduce plantings this year some 12 percent from the 1 million acres harvested in 1976.

Price support for eligible tobacco will average 7.3 percent higher than last year. The rise is due to the formula that reflects changes in prices paid by farmers. As a condition for price support, USDA is considering changes in leasing provisions to curtail speculation and require that flue-cured growers comply with acreage allotments. Currently, only poundage quotas are used to qualify for price supports. Primarily because of higher labor costs this year's tobacco crop may cost about 3 percent more to produce.

Total disappearance for the 1976/77 marketing year is expected to rise over last year and approach 1973/74's level of 1.35 billion pounds. Last calendar year's output of cigarettes increased 7 percent to a record 693 billion as domestic use, exports, and inventories gained. Filter-tips continued rising to 88 percent of total output. The 4-percent average increase in cigarette prices was less than the gain for all consumer items.

U.S. smokers puffed a record 616 billion cigarettes in 1976, 1½ percent more than the previous

year. Consumption per adult was about maintained at 4,110 cigarettes (205 packs). Total cigarette use could climb further in 1977 as a result of increasing population. Smokeless tobacco products (chewing tobacco and snuff) registered another sales gain in 1976. The final tally showed smoking tobacco sales steadied last year while cigars declined below 1975.

U.S. tobacco exports rose 16 percent in value to a record \$1.46 billion in calendar 1976. The gain was due to higher prices and larger volume of both unmanufactured and manufactured tobacco exports. Export weight of unmanufactured tobacco totaled 578 million pounds (equivalent to 634 million pounds, farm-sales weight). The excess of U.S. tobacco exports over general imports (arrivals) held at \$1 billion. Unmanufactured tobacco imports decreased 3 percent to 310 million pounds last year. Both leaf and scrap categories declined slightly as supplies of U.S. tobacco picked up. Last year's imports accounted for about one-fifth of the tobacco used in U.S. cigarette production; a similarly high proportion is likely this year.

Flue-cured tobacco disappearance in the current marketing year may stay near the previous year's 1.2 billion pounds. Domestic use is expected to rise slightly, but exports may fall below last year's level. Exports should stabilize the rest of the season due to larger U.S. supplies at steadier prices.

Despite the smaller 1976 crop, carryover in mid-1977 may still rise 100 million pounds from the 1.87 billion pounds carryin.

Flue-cured production in 1977 could turn out one-eighth below last year's 1.31 billion pounds. This projection assumes an average crop outturn in relation to the effective quota.

With larger domestic use and exports, total disappearance of burley tobacco in 1976/77 may rise from last year's 602 million pounds. Above average yields pushed last year's production to the highest level since 1964. Auction sales were drawing to a close in early March, indicating a 1976 crop size of around 663 million pounds, 4 percent above 1975. But burley carryover next October 1 won't change much from the year-earlier level.

USDA set the 1977 burley marketing quota at 637 million pounds, the same as 1976. The 1977 farm quota, reflecting 1976's undermarketings, totals about 700 million pounds. This is 25 million below last season's effective quota. This year's burley production is expected to decline slightly.

Acreage allotments for fire-cured, cigar binder, and Ohio cigar filler were set for 1977 at the same levels as last year. Dark air-cured allotments were increased 10 percent. Price increases for 1976 crop ranged from 3 percent for filler and binder to about 40 percent for Kentucky-Tennessee fire-cured.

## TOBACCO PRODUCTS

### Cigarette Consumption Records Another Gain

Domestic consumption and exports of U.S. cigarettes reached new highs in 1976 thanks to a boost that began last January and continued through December. This year, use is expected to increase slightly along with an increase in the smoking age population. Per capita use may show little change, and first half output is expected to rise from January-June 1976.

Output last year expanded 7 percent from 1975's level of 651 billion cigarettes as manufacturers rebuilt inventories worked off in 1974 and 1975 (table 1). Domestic use of U.S. cigarettes increased 1½ percent from the previous record set in 1975. Consumption per person, age 18 and over, at 4,110 cigarettes (205 packs of 20) remained about the same as in 1975 (table 2)—about 5 percent below the 1963 peak of 4,345 (217 packs of 20). Anti-smoking publicity, including efforts to ban smoking in some public and commercial buildings, continues at a moderate pace in 1977.

The volume of U.S. exports of cigarettes in 1976 rose 23 percent to another record. The declared

value rose to \$510 million, up 38 percent, reflecting an increase in both unit value and quantity. Higher prices have not blunted the rising overseas demand for U.S. cigarettes.

The Federal Trade Commission (FTC) will soon submit their annual report and recommendations

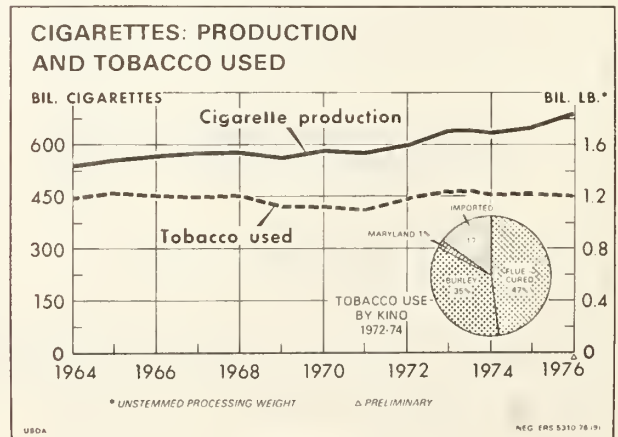


Table 1—Cigarettes: U.S. output, removals, and consumption, 1970-76

Year	Output	Taxable	Removals				Estimated inventory increase	Total U.S. consumption <sup>3</sup>
			Tax-exempt					
			Total	Exports	Shipments <sup>1</sup>	Overseas forces <sup>2</sup>		
	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>	<i>Billions</i>
1970 .....	583.2	532.8	51.2	29.2	3.7	18.4	14.7	536.5
1971 .....	576.4	528.9	49.2	31.8	2.7	14.7	-11.4	555.1
1972 .....	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8
1973 .....	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7
1974 .....	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0
1975 .....	651.2	588.3	62.3	49.9	1.5	10.9	7.7	607.2
1976 <sup>4</sup> .....	693.4	617.9	72.1	61.4	2.0	8.7	10.6	616.0

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

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

Table 2—Consumption per capita of tobacco products in the United States (including overseas forces), 1967-76

Year	Per capita 18 years and over				Per male 18 years and over			
	Cigarettes <sup>1</sup>		Snuff	All tobacco products <sup>1</sup>	Large cigars and cigarillos		Smoking tobacco <sup>2</sup>	Chewing tobacco <sup>2</sup>
	<i>Number</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Number</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
1967 .....	4,280	8.86	.23	10.80	130.7	2.28	1.08	1.04
1968 .....	4,186	8.69	.21	10.59	126.5	2.15	1.11	1.05
1969 .....	3,993	8.11	.20	10.04	125.0	2.11	1.08	1.09
1970 .....	3,985	7.77	.19	9.68	125.3	2.08	1.15	1.06
1971 .....	4,037	7.75	.19	9.52	119.2	1.94	1.06	1.09
1972 .....	4,043	7.95	.18	9.65	108.9	1.74	1.00	1.08
1973 .....	4,148	7.92	.18	9.53	102.4	1.61	.88	1.10
1974 .....	4,141	7.90	.18	9.40	91.9	1.47	.87	1.13
1975 .....	4,121	7.75	.17	9.14	82.4	1.32	.76	1.15
1976 <sup>3</sup> .....	4,110	7.45	.17	8.76	74.1	1.19	.75	1.17

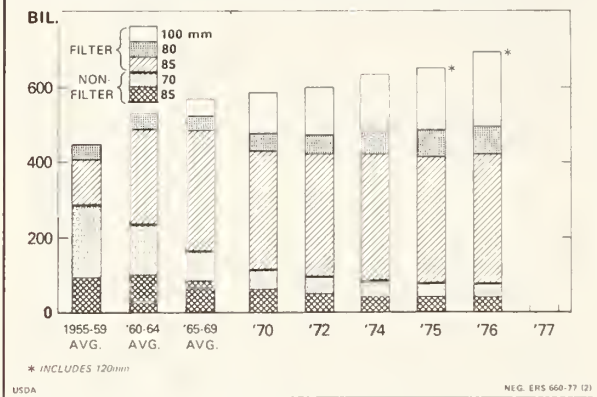
<sup>1</sup> Unstemmed processing weight. <sup>2</sup> Finished product weight. <sup>3</sup> Subject to revision.

Table 3—Cigarette output of filter-tip and nonfilter-tip by length, 1974-76<sup>1</sup>

Item	1974		1975		1976 <sup>2</sup>	
	Output	Percent of total	Output	Percent of total	Output	Percent of total
	<i>Billions</i>	<i>Percent</i>	<i>Billions</i>	<i>Percent</i>	<i>Billions</i>	<i>Percent</i>
Filter-tip						
70mm Regular .....	.1	---	---	---	---	---
80 mm Long .....	62.9	9.9	69.4	10.4	82.7	11.9
85 mm King .....	336.4	53.0	355.4	51.7	356.3	51.4
100 mm Extra long .....	151.1	23.8	157.6	24.2	161.6	23.3
120 mm .....	---	---	9.4	1.4	13.0	1.9
Total .....	550.5	86.7	570.8	87.7	613.6	88.5
Nonfilter-tip						
70 mm Regular .....	39.0	6.1	36.2	5.5	34.8	5.0
85 mm King .....	45.5	7.2	44.1	6.8	45.0	6.5
Total .....	84.5	13.3	80.3	12.3	79.8	11.5
Grand total .....	635.0	100.0	651.2	100.0	693.4	100.0

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

### CIGARETTE OUTPUT BY KIND AND SIZE



### U.S. cigarette exports to leading destinations, 1974-76

Country	1974	1975	1976 <sup>1</sup>
	Billions	Billions	Billions
Belgium-Luxembourg ..	4.8	7.5	12.1
Hong Kong .....	5.2	4.4	5.9
Netherlands Antilles ..	2.4	3.9	4.1
Japan .....	3.1	3.5	2.2
Iran .....	.9	3.1	5.8
Saudi Arabia .....	2.1	2.3	2.4
Spain .....	2.4	2.0	3.4
Kuwait .....	2.9	1.9	2.2
United Arab Emirates ..	1.1	1.7	1.6
Canary Islands .....	1.2	1.3	1.1
Syria .....	.7	1.2	2.1
Lebanon .....	2.3	1.0	.7
Panama .....	1.2	.9	1.1
Other countries .....	16.6	15.5	16.7
<b>Total .....</b>	<b>46.9</b>	<b>50.2</b>	<b>61.4</b>

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

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

to Congress as required by the Public Health Smoking Act of 1969. The FTC reviewed the effectiveness of cigarette labeling and current advertising and promotion practices. As of early March, the 1977 report on the health aspects of smoking had not been issued by the Department of Health, Education, and Welfare.

#### Filters Continue Increasing

The annual Economic Research Service (ERS) survey of cigarette manufacturers indicated that the number of filter-tip cigarettes produced rose in 1976 to 88½ percent of total cigarette production—up slightly from 1975 (table 3).

Except for the 100 mm. size and the newer 120 mm. size which generally have smaller diameters, filter-type cigarettes have a shorter tobacco column than nonfilter cigarettes. Over the last several years, the filter plugs have been lengthened. Also, some standard length brands have smaller diameters. On balance, these factors have enabled manufacturers to substantially reduce tobacco

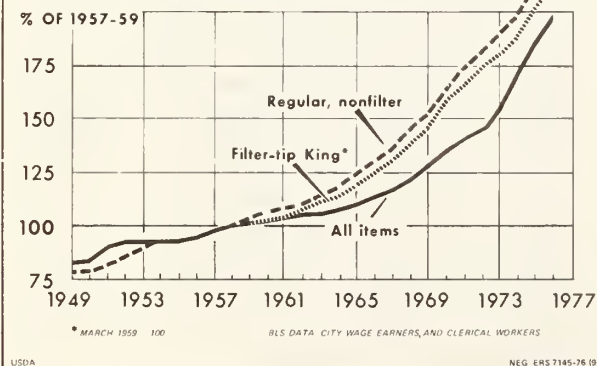
requirements per 1,000 cigarettes. In 1976, U.S. cigarette manufacturers used an estimated 1.4 billion pounds of tobacco (farm sales weight), about 2 percent above 1975.

Since late 1975, major cigarette companies have heavily promoted new and existing brands of low-tar and nicotine cigarettes. Cigarettes containing 14 milligrams or less of tar account for about 15 percent of the cigarette market. Sales of low-tar and nicotine cigarettes are increasing at a faster rate than established types.

#### Manufacturers Prices Up

Cigarette companies raised list prices last November. Yet the 4-percent increase in the average price of cigarettes was less than the 6-percent rise for all consumer items (tables 4 and 5).

### CONSUMER PRICE INDEX AND CIGARETTE PRICES



### TOBACCO CONSUMPTION PER PERSON\*

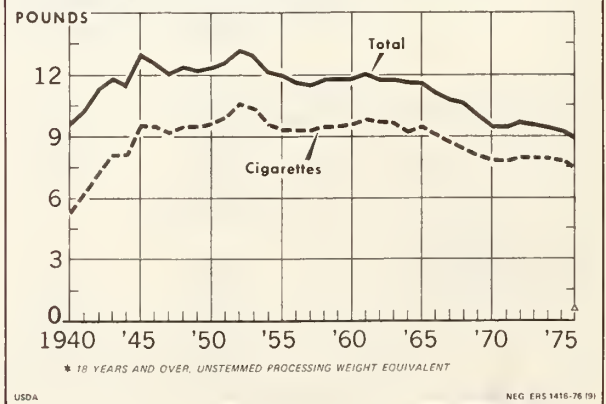




Table 4—Wholesale cigarette price revisions, 1966-76<sup>1 2</sup>

Approximate date of change	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	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
March 1966 .....	9.00	9.20	9.20	--	5.00	5.20	5.20	5.20
June 1967 .....	9.25	9.45	9.45	9.95	5.25	5.45	5.45	5.95
November 1968 .....	9.45	9.45	9.45	9.95	5.45	5.45	5.45	5.95
May 1969 .....	9.80	9.80	9.80	10.30	5.80	5.80	5.80	6.30
May 1970 .....	10.25	10.25	10.25	10.75	6.25	6.25	6.25	6.75
February-March 1973 .....	(10.45-10.60)	(10.45-10.60)	(10.45-10.60)	(10.95-11.10)	(6.45-6.60)	(6.45-6.60)	(6.45-6.60)	(6.95-7.10)
January 1974 .....	10.60	10.60	10.60	11.10	6.60	6.60	6.60	7.10
May 1974 .....	11.30	11.30	11.30	11.80	7.30	7.30	7.30	7.80
November 1974 .....	(11.80-12.00)	(11.80-12.00)	(11.80-12.00)	(12.30-12.50)	(7.80-8.00)	(7.80-8.00)	(7.80-8.00)	(8.30-8.50)
November 1975 .....	(12.55-12.75)	(13.55-13.25)	(12.55-12.75)	(13.05-13.25)	(8.55-8.75)	(9.05-9.25)	(8.55-8.75)	(9.05-9.25)
October 1976 .....	13.50	14.00	13.50	14.00	9.50	10.00	9.50	10.00

<sup>1</sup> Includes leading brands. A 3 percent discount is made for payment within 9 days or 2 percent within 14 days. <sup>2</sup> For 1943-63 see TS-151, March 1975.

Only one State and the District of Columbia raised cigarette taxes last year. State cigarette tax rates (weighted by number of packs taxed) averaged about 12.6 cents per pack in December 1976, about the same as a year earlier. Excise tax increases are proposed this year in a few States. The Federal excise tax is 8 cents a pack. In addition, many local governments tax cigarettes.

#### Cigar Consumption Slumps in 1976

Consumption of *large cigars* (including cigarillos) continued to decline in the fourth quarter of 1976. Last year, U.S. smokers consumed about 5.4 billion large cigars, 7 percent less than in 1975 (table 6). The BLS (Bureau of Labor Statistics)

index of retail cigar prices rose 5 percent last year. The consistent decline in cigar consumption over the past several years could suggest this trend will continue.

Last year's decline in consumption was due to those cigars and cigarillos that retail for up to 15 cents each. Sales of the higher priced cigars continued the uptrend of recent years.

Production of *small cigars* (not over 3 pounds per 1,000) declined to 2.25 billion pieces in 1976. The total was off 18 percent from 1975 and represented only one-half the 1973 record high. Monthly output has been trending downward ever since the heavy volume of the fourth quarter 1972. By the fourth quarter of 1976, output had slipped below a

Table 5—Tobacco demand factors, 1967-76

Year	Population July 1 <sup>1</sup>	Disposable personal income, per capita <sup>2</sup>		Consumer price indexes				
		Current prices	1972 prices	All items	Tobacco products	Cigarettes		Cigars, regular size
						Nonfilter tip, regular	Filter tip, King size	
	Million	Dollars	Dollars	1967=100	1967=100	1967=100	1967=100	1967=100
1967 .....	128.3	2,740	3,371	100.0	100.0	100.0	100.0	100.0
1968 .....	130.4	2,930	3,464	104.2	106.3	106.9	106.4	101.3
1969 .....	132.5	3,111	3,515	109.8	111.9	112.7	112.3	104.3
1970 .....	135.2	3,348	3,619	116.3	122.2	122.4	122.5	105.4
1971 .....	137.5	3,588	3,714	121.3	126.4	127.9	128.1	107.1
1972 .....	139.8	3,837	3,837	125.3	133.4	134.8	135.4	110.8
1973 .....	142.2	4,285	4,062	133.1	137.0	138.7	139.1	112.9
1974 .....	144.7	4,639	3,968	147.7	143.8	145.5	145.9	119.5
1975 .....	147.3	5,062	4,007	161.2	153.9	156.0	156.5	124.2
1976 <sup>3</sup> .....	149.9	5,494	4,141	170.5	160.5	162.9	163.2	129.9

<sup>1</sup> 18 years and older including armed forces overseas. <sup>2</sup> Based on total population. <sup>3</sup> Subject to revision.

Table 6—Cigars and smoking tobacco: U.S. output, removals, and consumption, 1970-76

Year and item	United States factories			From Puerto Rico taxable	Imports	Exports	Total U.S. consumption <sup>1</sup>
	Output	Removals					
		Taxable	Tax-exempt				
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Large cigars <sup>2</sup>							
1970.....	7,094	6,706	152	1,259	46	54	8,108
1971.....	6,707	6,506	131	1,222	48	46	7,861
1972.....	6,025	5,896	139	1,272	62	75	7,294
1973.....	5,655	5,554	143	1,304	75	107	6,969
1974.....	5,284	5,008	136	1,224	74	86	6,356
1975.....	4,524	4,476	125	1,216	79	92	5,804
1976 <sup>3</sup> .....	4,178	4,048	144	1,226	88	124	5,382
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Smoking tobacco							
1970.....	69.4	65.6	1.5	---	8.4	.9	74.6
1971.....	60.5	61.3	1.4	---	8.4	1.2	69.9
1972.....	55.9	55.1	1.3	---	11.9	1.1	67.2
1973.....	53.0	51.7	1.5	---	8.0	1.2	60.0
1974.....	49.0	49.0	1.0	---	10.9	.9	60.0
1975.....	46.2	45.6	1.0	---	8.7	1.6	53.7
1976 <sup>3</sup> .....	44.6	43.7	.9	---	<sup>4</sup> 10.1	.8	53.9

<sup>1</sup> Total removals (or sales) from U.S. and Puerto Rico, factories plus imports, minus exports. <sup>2</sup> Includes cigarillos. <sup>3</sup> Subject to revision. <sup>4</sup> Estimated.

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

Large cigars: Taxable removals by revenue class, 1975-76

Revenue class and retail price	1975	1976	Change from 1975 <sup>1</sup>
	<i>Billions</i>	<i>Billions</i>	<i>Percent</i>
A-D (up to 8 cents) .....	3.03	2.79	-7.9
E (over 8 to 15 cents) .....	1.77	1.56	-11.8
F-G (over 15 cents) .....	.97	1.01	+3.2
Total removals.....	5.77	5.35	-7.2

<sup>1</sup> Computed from unrounded data.

2-billion annual rate. The sales decline for small cigars coincides with the ban on broadcast advertising.

Smoking Tobacco Use Steadies

Smoking tobacco production last year totaled 44½ million pounds, 3.5 percent below 1975. Sales of both pipe and roll-your-own tobacco declined (table 7). Estimated U.S. consumption of smoking tobacco—domestic sales plus imports—amounted to nearly 54 million pounds, about the same as in 1975. Domestic factories sold 4 percent less. This year, sales will do well to hold their own.

The number of roll-your-own tobacco cigarettes smoked declined further in 1976. Roll-your-own

tobacco accounted for about one-fifth of U.S. smoking tobacco consumption. Besides cigarette cut and granulated and sack tobacco, a portion of manufacturers' pipe tobacco sales was used in roll-your-own cigarettes (table 8).

Smoking tobacco imports increased to almost one-fifth of total consumption. Sweden and the

Tobacco products: Output, 1974-76

Item	1974	1975	1976 <sup>1</sup>
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Chewing tobacco			
Plug .....	18.0	18.1	16.7
Twist .....	2.2	2.3	2.3
Fine-cut .....	6.2	7.3	8.4
Loose leaf .....	52.9	53.7	56.3
Total .....	79.2	86.5	83.6
Snuff .....	25.0	24.4	24.8
Smoking tobacco in bulk (exports) .....	38.9	17.6	13.9
Small cigars (millions) .	3,101	2,942	2,246

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

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

Table 7—Smoking tobacco: Production and manufacturers' sales by category, 1975-76

Category	Manufactured		Invoiced					
	1975	1976	To domestic customers		For export <sup>1</sup>		Total	
			1975	1976	1975	1976 <sup>1</sup>	1975	1976
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Pipe .....	39.6	38.8	38.9	37.9	1.0	.9	39.9	38.8
Granulated or sack .....	.5	.4	.5	.4	( <sup>2</sup> )	( <sup>2</sup> )	.5	.4
Cigarette cut .....	6.1	5.3	6.2	5.4	( <sup>2</sup> )	( <sup>2</sup> )	6.2	5.4
Total .....	46.2	44.6	45.6	43.7	1.0	.9	46.6	44.6

<sup>1</sup> Sales for overseas shipment (to foreign markets and overseas forces). <sup>2</sup> Negligible.

Netherlands are the principal sources of pipe tobacco. Excluded here from the import total were 5 million pounds from Brazil and several other leaf exporters. Although reported in the same Census category as pipe tobacco, these countries do not represent sources of packaged tobacco.

#### Smokeless Tobacco Output Gains

The 3-percent gain that manufacturers recorded in 1976 production of *chewing tobacco* and the 1 percent gain in *snuff* output brought those totals to

the highest levels since 1957. Of the chewing tobacco categories, fine-cut and loose-leaf output increased, while plug declined.

Manufacturers sell virtually all their chewing tobacco and snuff domestically. Domestic chewing sales last year increased 4 percent and were the highest since 1951. The gain was for fine-cut, loose leaf and twist. Plug sales continued to decline. Snuff sales gained during 1976 and output went above the 1975 level. Sales of moist snuff have been increasing for several years while dry snuff sales have declined.

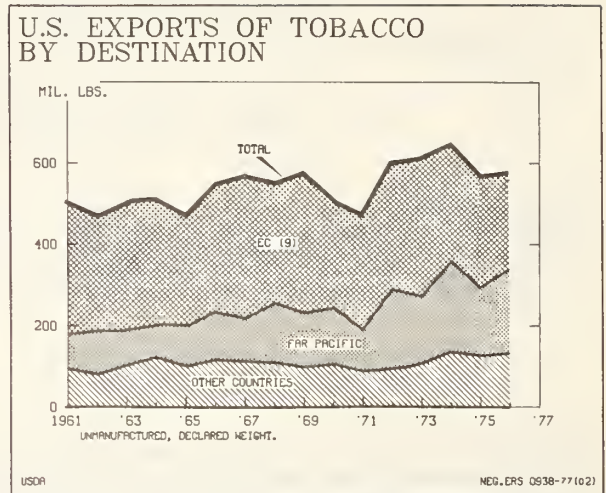
Table 8—Estimated number of roll-your-own cigarettes smoked and smoking tobacco consumed, 1972-76

Year	Roll-your-own cigarettes <sup>1</sup>	Smoking tobacco consumption				
		Total <sup>2</sup>	Used for—			
			Roll-your-own cigarettes		Pipe tobacco	
			Quantity	Percent of total	Quantity	Percent of total
	Billions	Million pounds	Million pounds	Percent	Million pounds	Percent
1972 .....	8.7	67	16	23	51	77
1973 .....	9.8	60	18	29	42	71
1974 .....	8.5	60	15	25	45	75
1975 .....	6.6	54	12	22	42	78
1976 <sup>3</sup> .....	7.0	54	12	23	42	77

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

## U.S. EXPORTS AND IMPORTS

The United States is the world's leading tobacco exporter and the third largest importer. In 1960-64, about 30 percent of the U.S. tobacco crop was exported. Recently our exports have represented about 35 percent of the U.S. tobacco crop and about 25 percent of world tobacco exports. U.S. exports of tobacco and products were valued at a record \$1,457 million in calendar year 1976, \$204 million over the previous record in 1975. This includes unmanufactured tobacco worth \$921 million and tobacco products worth \$536 million. When \$439 million of imports (arrivals) are deducted, the surplus is maintained at about \$1 billion.



### Leaf Tobacco Exports Nominally Higher

U.S. exports of unmanufactured tobacco in 1976 gained 3 percent from a year earlier—to 578 million pounds (export weight). But exports (farm-sales weight) remained unchanged at 634 million pounds. Exports of burley leaf set a calendar year record, while exports of flue-cured and other tobacco fell below the 1974 levels (table 9).

Last year the Commodity Credit Corporation (CCC) provided credit on 32.8 million pounds of commercial exports and financing was authorized up to 36 months. Limited Public Law 480 shipments were approved for Egypt and Portugal. The barter program remained inactive (table 10).

Tobacco: Government program exports to leading destinations, 1975-76

Country	1975	1976 <sup>1</sup>
	Million pounds	Million pounds
Foreign currency sales		
South Vietnam .....	1.9	—
Thailand .....	—	—
Cambodia .....	—	—
Philippines .....	—	—
Dollar credit		
Egypt .....	—	12.4
Syria .....	—	2.6
CCC credit sales		
United Kingdom .....	20.2	7.6
Egypt .....	7.7	—
Malaysia .....	6.0	—
Australia .....	3.7	2.1
Zaire .....	—	1.1
Ireland .....	3.7	2.9
Philippines .....	3.4	12.7

<sup>1</sup> Subject to revision. <sup>2</sup> Less than 50,000 pounds.

Compiled from records of Foreign Agricultural Service.

### Japan's Leaf Take Tops \$200 Million

The 1976 U.S. export tally reflected part of Japan's large purchases from both the 1975 and 1976 U.S. crops that pushed Japan into first place as a major importer—well above West Germany and the United Kingdom.

Japan raised its retail cigarette prices in December 1975 which temporarily slowed their cigarette consumption last year. Increases in tobacco taxes in West Germany and the United Kingdom are holding down the takings by both those markets. In addition, manufacturers in European Community (EC) countries have preferential access to large supplies from the EC's former overseas territories as well as those of many less developed

U.S. bulk smoking tobacco exports to leading destinations, 1974-76

Country	1974	1975	1976 <sup>1</sup>
	Million pounds	Million pounds	Million pounds
Canary Islands .....	4.3	.1	( <sup>2</sup> )
Iran .....	( <sup>2</sup> )	.4	4.5
Dominican Republic .....	2.0	2.7	1.6
Switzerland .....	12.9	5.3	2.1
Netherlands .....	3.2	.3	( <sup>2</sup> )
Spain .....	2.8	1.7	1.3
Fed. Rep. of Germany .....	.9	.6	.8
Ecuador .....	1.3	.8	.8
Finland .....	2.8	1.3	( <sup>2</sup> )
Australia .....	1.6	.5	( <sup>2</sup> )
Other countries .....	7.1	3.9	2.8
<b>Total .....</b>	<b>38.9</b>	<b>17.6</b>	<b>13.9</b>

<sup>1</sup> Subject to revision. <sup>2</sup> Less than 50,000 pounds.

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

Table 9—United States exports of unmanufactured tobacco by types and to principal importing countries, 1972-76

(Declared weight)

Type and country	Average 1967-71	1973	1974	1975	1976 <sup>1</sup>	1976 as a percentage of 1975
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>
Type:						
Flue-cured .....	402.1	418.3	440.9	391.4	378.7	97
Burley .....	43.6	59.3	60.8	61.9	67.9	110
Maryland .....	12.0	9.6	10.9	4.1	8.3	202
Fire-cured, Ky. and Tenn. ....	24.8	18.4	19.4	14.9	16.3	109
Virginia fire and sun-cured .....	4.7	3.0	6.0	3.3	2.8	85
Green River and One Sucker .....	1.2	.4	1.0	.3	.3	100
Black Fat .....	2.6	3.1	2.7	3.5	3.3	94
Cigar Wrapper .....	2.9	2.1	2.9	4.3	3.7	86
Cigar binder .....	1.0	.1	.1	.2	.3	150
Cigar filler .....	.6	.3	.6	.2	.4	200
Perique .....	.1	.2	.2	.1	.1	100
Stems, trimmings and scrap .....	55.1	98.1	105.9	78.9	95.7	121
Total .....	546.3	613.0	651.4	563.0	577.7	102
Country of destination:						
United Kingdom .....	120.7	119.7	94.3	78.5	71.8	91
France .....	8.1	6.6	8.2	9.5	8.3	87
Belgium-Luxembourg .....	16.6	16.7	14.4	8.1	7.5	93
Netherlands .....	34.5	31.6	31.0	29.9	24.7	83
West Germany .....	99.5	99.4	97.1	91.0	73.7	81
Denmark .....	17.9	37.0	12.6	16.4	9.0	55
Ireland .....	11.8	8.9	10.2	8.2	7.7	94
Italy .....	10.2	21.8	24.3	31.5	33.2	105
Total EC .....	319.3	341.7	292.1	273.1	235.9	86
Switzerland .....	23.1	31.4	21.3	25.9	24.3	94
Finland .....	5.4	6.1	4.0	8.0	6.2	79
Norway .....	7.5	5.7	5.4	5.6	5.5	99
Sweden .....	16.8	17.1	14.5	15.3	14.1	92
Spain .....	4.3	4.3	8.0	9.4	4.7	49
Thailand .....	23.1	8.6	20.6	18.7	21.8	117
South Vietnam .....	12.4	14.6	13.7	1.9	0	---
Malaysia .....	10.8	8.0	11.9	7.1	7.3	103
Philippines .....	7.0	8.8	11.2	11.8	13.0	110
Taiwan .....	8.1	16.7	23.8	16.0	12.3	77
Japan .....	38.8	79.0	109.6	81.5	132.7	163
Australia .....	14.8	13.9	18.7	15.5	10.3	66
New Zealand .....	4.2	5.3	4.8	5.0	4.9	98
Egypt .....	1.3	2.4	12.3	10.4	11.1	107
Other countries .....	49.4	48.9	79.5	57.8	73.6	127
Total .....	546.3	612.5	651.4	563.0	577.7	102

<sup>1</sup> Preliminary.

Detail may not add to total due to rounding.

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

Table 10—Exports of unmanufactured tobacco under Government financed programs and commercial sales, 1970-76<sup>1</sup>

Calendar Year	Government financed exports				Commercial exports				Total unmanufactured tobacco exports
	Title I, P.L. 480		Mutual Security and A.I.D.	Total	Barter	Dollar sales		Total	
	Foreign currency sales	Long-term dollar credit sales				CCC short term credit	Other		
Quantity (export weight)									
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
1970	12.6	10.4	---	23.0	122.8	58.6	306.0	487.4	510.4
1971	19.3	1.2	---	20.5	143.0	51.3	258.5	452.8	473.3
1972	24.4	2.6	---	27.0	207.4	40.0	331.7	579.1	606.1
1973	21.3	.7	---	22.0	119.4	11.3	459.8	590.5	612.5
1974	21.7	7.5	---	29.2	5.9	28.2	588.1	622.2	651.4
1975	1.9	---	---	1.9	---	49.9	511.2	561.1	563.0
1976 <sup>2</sup>	---	15.0	---	15.0	---	32.8	529.9	562.7	577.7
Value									
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1970	13.1	8.8	---	21.9	130.2	63.4	273.0	466.6	488.5
1971	19.0	1.4	---	20.4	155.3	54.6	231.7	441.6	462.0
1972	25.3	3.0	---	28.3	243.3	42.5	324.7	610.5	638.8
1973	24.3	.7	---	25.0	144.4	12.1	499.3	655.8	680.8
1974	27.4	9.5	---	36.9	6.8	40.4	748.0	795.2	832.1
1975	2.6	---	---	2.6	---	73.3	775.9	849.2	851.8
1976 <sup>2</sup>	---	25.1	---	25.1	---	58.1	837.4	895.5	920.6

<sup>1</sup> For 1960-69 data, see TS-155, March 1976. <sup>2</sup> Subject to revision.

countries. Overall EC takings were down by 14 percent. The increase in sales of American blend cigarettes containing U.S. leaf has meant several destinations such as Italy, Thailand, Phillipines, and Korea took more U.S. leaf.

Flue-cured exports which decreased 3 percent from a year earlier made up seven-tenths of the total volume. EC countries took 23 percent less, but shipments to Japan and several countries in Asia were up sharply.

The 10-percent gain in burley exports reflected gains in takings by most destinations, including the EC. Italy and West Germany each took more burley than a year earlier. Maryland tobacco exports increased sharply; takings by Switzerland, a major market for the Maryland tobacco, increased 4.4 million pounds.

#### GSP Petition Denied

An Executive Order issued February 25 amending the Generalized System of Preference (GSP) did not include unmanufactured tobacco in the list of commodities eligible for GSP, in effect denying the petition of the Cigar Association of America, Inc. to have filler and scrap tobacco declared eligible for duty-free GSP benefits. Earlier this winter the U.S. Trade Policy Staff Committee held hearings

on the request. Grower organizations and political leaders in tobacco growing States strongly opposed the GSP treatment. They cited adverse affects on both the cigar leaf and cigarette leaf producing industries, as well as the unfavorable tariff and nontariff barriers that the proposed beneficiary countries maintain. Furthermore, the opponents of GSP cited the need to consider tariff reduction on a multilateral and reciprocal basis within the framework of the current round of trade negotiations. A similar request from the cigar industry was denied last year.

#### Imports Decline

Imports of unmanufactured tobacco for consumption (withdrawals from bond and duty-paid releases for manufacture immediately upon arrival) which totaled 310 million pounds fell 3 percent below 1975's record high (table 11). Among major classes, both cigarette and cigar leaf were down; scrap remained nominally unchanged, but stems were up. Flue-cured and burley leaf were down 6 million pounds (from 36 million).

Cigarette leaf imports were a little below 1975's record quantity. This category is mostly Oriental tobacco with Turkey, Greece, and Yugoslavia as principal suppliers. Last year, the flue-cured and

Table 11—U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1974-76

(Declared weight)

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	1974	1975	1976 <sup>1</sup>	1976 as a percentage of 1975	1974	1975	1976 <sup>1</sup>	1976 as a percentage of 1975
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>
Cigarette tobacco:								
Leaf, unstemmed:								
Oriental								
Turkey .....	112.4	111.4	94.3	85	93.9	69.6	95.2	137
Greece .....	24.2	26.5	21.6	82	16.8	18.8	23.3	124
Yugoslavia .....	16.5	13.4	17.1	128	15.7	15.6	17.3	111
Lebanon .....	8.9	9.2	9.9	108	7.0	10.9	0	---
Other countries .....	3.9	15.0	31.7	211	29.0	54.7	50.1	92
Flue-cured and burley .....	22.1	36.4	30.2	83	52.9	79.9	46.5	58
Subtotal .....	188.0	211.9	204.8	97	215.3	249.5	232.4	93
Scrap								
Turkey .....	6.7	5.8	5.0	86	7.7	8.5	4.0	48
Mexico .....	16.0	5.8	4.0	70	13.3	2.3	1.5	67
Other countries <sup>2</sup> .....	12.2	12.2	16.1	132	19.8	21.5	27.9	130
Subtotal .....	34.9	23.8	25.1	105	40.8	32.3	33.4	103
TOTAL .....	222.9	235.7	229.9	98	256.1	281.8	265.8	94
Cigar tobacco:								
Wrapper .....	1.2	1.5	1.6	107	2.2	2.4	2.7	112
Filler-stemmed and unstemmed								
Dominican Republic .....	2.1	2.0	2.2	110	11.3	12.5	9.7	78
Other countries .....	8.8	11.5	7.1	62	31.5	24.8	18.8	76
Subtotal .....	12.1	15.0	10.9	73	45.0	39.7	31.2	79
Scrap								
Philippine Republic .....	24.2	13.5	15.6	116	16.6	16.6	12.7	77
Colombia .....	3.6	5.0	2.8	58	3.0	2.4	1.5	62
Dominican Republic .....	6.7	9.2	7.8	85	2.0	2.0	1.9	95
Brazil .....	9.8	11.4	14.6	128	3.1	3.3	10.2	309
Other countries .....	16.6	21.2	18.1	85	19.8	25.8	15.2	59
Subtotal .....	60.9	60.3	58.9	98	44.5	50.1	41.5	83
TOTAL .....	73.0	75.3	69.8	93	89.5	89.8	72.7	81
Stems .....	4.0	9.3	10.7	115	4.0	9.6	10.8	112
Grand total .....	299.9	320.3	310.4	97	349.6	381.1	349.1	92

<sup>1</sup> Preliminary. <sup>2</sup> Canada, Yugoslavia, Greece, Cyprus, Syria, Lebanon, India, Thailand, Korea, Angola, Mozambique, Zambia, and Malawi.

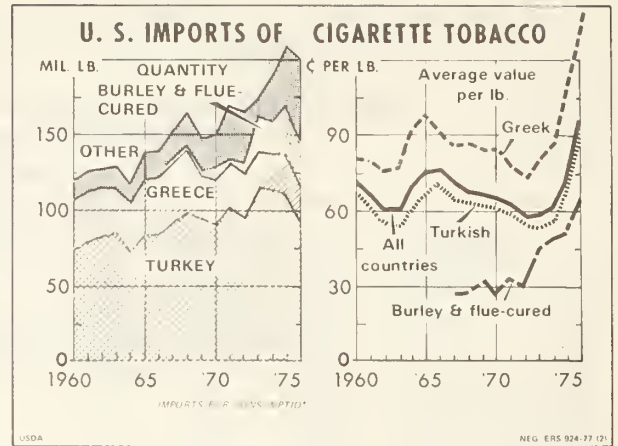
Detail may not add to total due to rounding.

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

burley leaf imports were valued at 66 cents per pound and the Oriental leaf at \$1.03 a pound. Imports accounted for about one-fifth of the tobacco used in U.S. cigarette production, and a similar high proportion is likely this year.

General imports of tobacco (direct entry plus placements in bonded warehouses for later factory use) dropped 8 percent. Scrap imports from countries that grow cigar tobacco declined while scrap imports from countries that grow cigarette tobacco remained about the same. The decrease in flue-cured and burley leaf occurred while U.S. supplies were gaining. Oriental leaf production has picked up due to higher prices.

Since tobacco arrivals exceeded factory use, larger stocks of imported tobacco were held in the United States on January 1, 1977. The rise for cigarette tobacco was 69 million pounds or about 12 percent above a year earlier. The rise was largely in flue-cured and Oriental leaf categories. The level



of imports dropped sharply in the final quarter of last year since stocks changed little.

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

### HIGHLIGHTS

A larger crop and carryover raised the supply of domestic leaf tobacco in 1976/77 to 5.3 billion pounds or 3 percent above the previous year. By January 1, nonfarm leaf stocks had increased 5 percent over a year earlier. By the end of the current marketing year, in mid-1977 stocks may rise a similar percentage or about 160 million pounds above the beginning 3.2 billion pounds. With smaller quotas this year, farmers may decrease acreage and produce a little less tobacco than last year's 2.1 billion pounds. The 1976 crop was the second largest since 1964.

Effective farm quotas are down for both flue-cured and burley tobacco. Flue-cured has a smaller basic quota. If the average historical relationship between poundage quotas and grower marketings prevails, the flue-cured crop will drop about one-eighth and the burley crop will decline about 5 percent (table 12).

All tobacco types except Maryland, Pennsylvania filler, Connecticut binder (types 51-52), shade-grown cigar wrapper, and perique are under quotas. Acreage allotments are up 10 percent for dark air-cured and are about the same as last year for Virginia and Kentucky-Tennessee fire-cured,

sun-cured, and cigar filler and binder (types 42-44 and 53-55).

Considering this year's quotas, production of all types of U.S. and Puerto Rican tobaccos would total around 1.9 billion pounds, slightly below last year. The Statistical Reporting Service (SRS) will publish growers' intentions (as of April 1) for tobacco acreage on April 14. During the past 5 years, the SRS spring intentions averaged about the same as the harvested acreage of all tobacco finally reported.

### Production Costs Higher

For the 1977 crop year, tobacco production costs will again increase primarily due to higher wage rates. Machinery and equipment prices also have increased. Some increases are expected for electricity, gas, and curing fuel. Herbicides, insecticides, and other chemicals are in adequate supply at prices near the 1975 season levels. Interest rates have dropped. Until midwinter, fertilizer supplies were ample, and prices had declined. The severe winter meant many fertilizer plants were without natural gas, a basic ingredient in the manufacture of nitrogen fertilizer. Production has been restored and supplies are expected to remain adequate.

With the increase in tobacco production costs the 1977 tobacco crop will probably cost a minimum of 3 cents more per pound to produce than in

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



Table 12—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-77

Year	Quota		Marketings				Net Carryover <sup>2</sup>
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under quota <sup>1</sup>	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Flue-cured, types 11-14							
1965	1,126.0	1,124.4	1,055.5	27.1	96.0	91.2	64.0
1966	1,135.0	1,199.0	1,107.9	35.0	126.1	111.1	76.1
1967	1,126.3	1,202.4	1,247.5	77.9	30.8	18.4	-59.5
1968	1,127.5	1,067.9	996.4	26.5	96.6	86.1	59.6
1969	1,127.4	1,187.0	1,052.1	26.6	157.9	145.9	119.3
1970	1,071.5	1,190.8	1,178.2	65.1	71.2	63.4	-1.7
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976 <sup>3</sup>	1,268.1	1,409.1	1,316.0	49.4	139.9	129.4	80.0
1977 <sup>3</sup>	1,115.9	1,195.9					
Burley, type 31							
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	726.4	646.0		<sup>4</sup> 79.6	<sup>4</sup> 73.0	<sup>4</sup> 73.0
1977	<sup>4</sup> 637.0	<sup>4</sup> 700.0					

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

Compiled from records and reports of Tobacco and Peanut Division, ASCS.

1976 (excluding quota rentals). Once the harvest and curing is in full swing, a better cost estimate can be made.

### 1977 Price Support Program

The 1977 price support program for tobacco is expected to be similar to previous years. Price support is made available to eligible producers through nonrecourse loans to producer associations. To receive price support, tobacco producers certify that they did not use DDT, TDE, toxaphene, and endrin insecticides. Since 1974 USDA has required growers to designate a warehouse where they intend to sell their tobacco as a condition for price support for flue-cured tobacco. After a 2-year lapse, USDA will begin enforcing the acreage allotments for flue-cured tobacco. Grower concern about program compliance under poundage control without adherence to acreage allotment led to the change. Leasing regulations are being changed to limit leasing after June 14 to the difference between the yield from acreage planted and poundage marketed.

Support prices for the 1977 crop are up 7.3 percent over 1976 as required by formula provisions in the law. This increase reflects higher prices for goods and services bought by farmers during the past 3 calendar years (1974-76), compared with 1959 average prices paid. Grade loan rates are announced before the marketing season opens.

Growers of burley and Virginia sun-cured tobacco approved marketing quotas and therefore price support will be available for their 1977, 1978,

Flue-cured tobacco: Redesignation summary, 1975 and 1976 seasons

Category	1975	1976
	<i>Million pounds</i>	
Voluntary	124.0	81.4
Quota transfer	34.2	42.8
Warehouse sales close	4.4	6.5
Other	1.9	2.4
Total	164.5	133.1

Compiled from the records of Program Operations Division, ASCS.

Computations of price support level adjustment factor for tobacco, 1960-77

Crop year	Parity index <sup>1</sup>		Price support level adjustment factor <sup>3</sup>
	Previous calendar year	3-year average <sup>2</sup>	
	1910-14=100		1959=100
1960 .....	298	293	( <sup>4</sup> )
1961 .....	300	297	100
1962 .....	302	300	101
1963 .....	307	303	102
1964 .....	312	307	103
1965 .....	313	311	104
1966 .....	322	316	106
1967 .....	335	323	108
1968 .....	341	333	111
1969 .....	349	342	115
1970 .....	366	352	120
1971 .....	382	366	125
1972 .....	407	385	131
1973 .....	425	405	138
1974 .....	490	441	150
1975 .....	564	493	168
1976 .....	614	556	191
1977 .....	653	610	205

<sup>1</sup> Index of prices paid by farmers, including wage rates, interest and taxes. 1965-75 required in 1976 using 1971-73 weights. For original data used for prior years calculations see TS-155, March 1976., p. 16. <sup>2</sup> 3 calendar years immediately preceding. <sup>3</sup> 3-year average parity index divided by 1959 parity index. <sup>4</sup> Act of February 20, 1960 price support at the 1959 level.

and 1979 crops. Growers of flue-cured, fire-cured, dark air-cured, cigar binder, and Ohio filler, tobaccos approved marketing quotas applicable to the 1977 crop in previous referendums. However, growers of Maryland and Pennsylvania filler tobaccos disapproved marketing quotas in referendums held last month. Hence, price supports are not available for these two types through 1979.

## FLUE-CURED

### Utilization May Stabilize

*Domestic disappearance* of flue-cured tobacco (types 11-14) during 1976/77 is expected to remain

near last season's 671 million pounds. During the first half of the current marketing year, domestic disappearance is not comparable with a year earlier due to a change in the conversion factor for stemmed tobacco to reflect recent industry yields. Cigarette output for July-December was 5 percent higher than in the comparable period of 1975, and is expected to rise in January-June 1977 above a year earlier.

*Exports* so far this marketing year are one-tenth below last season's level. The EC and most Asian destinations are taking less. July 1976-January 1977 exports of 340 million pounds are running about the same as the 1970-74 average for that period. Exports for the rest of the season may remain about the same as last season. For the first 7 months, exports to Sweden and Australia recorded gains. Shipments were down 7 percent to the EC, and 10 percent to Japan. The UK took 17 percent less and Germany 5 percent more (table 25).

### Carryover To Increase

The large 1976 crop will surpass disappearance again this crop year. This means that the flue-cured carryover on July 1 will gain from the 1,874 million pounds of mid-1976.

Manufacturers and dealers have bought only limited amounts from the Commodity Credit Corporation (CCC) loan stocks this season to supplement their auction purchases. During July 1976-February 1977, 18 million pounds of flue-cured tobacco were sold from loan stocks, about the same as a year earlier. Unsold loan stocks on March 1 of 600 million pounds were substantially above those of the past 3 years, but were still below the 1972 levels.

### Acreage To Decrease

The basic quota for 1977 is 12 percent lower, and adding net undermarketings gives an effective quota of 1,197 million pounds, about 14 percent below 1976's quota (table 13). By Belts, the change from last year's effective quota ranges from a

Flue-cured tobacco: Lugs, primings, and nondescript grades as percent of total loan receipts and crop marketings, 1962-76

Year	Loan receipts	Crop marketings	Year	Loan receipts	Crop marketings	Year	Loan receipts	Crop marketings
	Percent	Percent		Percent	Percent		Percent	Percent
1962 .....	19.9	36.7	1967 .....	8.4	32.0	1972 .....	15.2	28.6
1963 .....	21.1	35.6	1968 .....	18.9	36.7	1973 .....	61.4	26.0
1964 .....	17.6	35.9	1969 .....	43.0	32.5	1974 .....	97.5	25.3
1965 .....	26.2	33.1	1970 .....	44.8	33.9	1975 .....	75.7	31.5
1966 .....	10.2	31.0	1971 .....	34.4	30.0	1976 .....	47.2	29.6

Compiled from records and reports of Tobacco Division, Agricultural Marketing Service, and Flue-cured Tobacco Cooperative Stabilization Corporation.

Table 13—Flue-cured tobacco: Effective farm quotas, designations, and marketings, 1975-77<sup>1</sup>

Type and State or marketing area	Effective farm quotas		Initial designation <sup>2</sup>		Final designation		Marketings	
	1977	Change from 1976 <sup>1</sup>	1975	1976	1975	1976	1975	1976
	Million pounds	Percent	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
11-Virginia (E) . . . . .	113	-19.0	166	164	174	172	112	123
11-North Carolina (D,E) . . . . .	288	-19.7	277	271	291	287	271	339
Total . . . . .	401	-19.5	443	435	465	459	383	462
12-North Carolina (C) <sup>4</sup> . . . . .	398	-15.4	638	576	661	591	528	433
13-North Carolina (B) . . . . .	101	-16.7	162	118	162	123	135	110
13 South Carolina (B) . . . . .	140	-9.7	188	156	191	163	189	153
Total . . . . .	241	-10.4	349	274	353	286	324	263
14-Alabama . . . . .	1	0	—	—	—	—	1	1
14-Florida (A) . . . . .	25	-21.9	34	32	35	32	28	30
14-Georgia(A) . . . . .	132	-5.0	174	153	178	158	151	123
Total . . . . .	158	-8.7	208	185	213	190	180	154
Total, flue-cured <sup>3</sup> . . . . .	1,197	-15.0	1,638	1,471	1,691	1,527	1,415	1,313

<sup>1</sup>Data may not add to totals due to rounding. <sup>2</sup>Growers were allowed to designate 110 percent of their effective quotas. <sup>3</sup>Computed from unrounded data. <sup>4</sup>Fayetteville, N.C. was moved from Area B (1975) to Area C (1976).

Compiled from reports from Tobacco Division, Agricultural Marketing Service and Tobacco and Peanut Division, Agricultural Stabilization and Conservation Service.

Flue-cured tobacco: Acreage allotted and underproduction, 1960-77

Year	Acreage allotted <sup>1</sup>	Under production <sup>2</sup>	
		Number	As percent of allotments
	Thousands acres	Thousands acres	Percent
1960 . . . . .	713.3	21.6	3.0
1961 . . . . .	714.2	15.7	2.2
1962 . . . . .	745.2	15.4	2.1
1963 . . . . .	708.5	14.0	2.0
1964 . . . . .	638.2	10.7	1.7
1965 . . . . .	606.6	44.3	7.3
1966 . . . . .	644.9	38.0	5.9
1967 . . . . .	644.7	34.4	5.3
1968 . . . . .	578.2	45.2	7.8
1969 . . . . .	640.9	64.1	10.0
1970 . . . . .	638.7	54.6	8.5
1971 . . . . .	572.1	46.3	8.1
1972 . . . . .	562.3	48.7	8.7
1973 . . . . .	642.4	67.3	10.5
1974 . . . . .	725.9	109.6	15.1
1975 . . . . .	854.8	137.6	16.1
1976 . . . . .	765.0	98.4	12.9
1977 . . . . .	651.7		

<sup>1</sup>Basic allotment adjusted for overmarketings and undermarketings, 1966 to present. <sup>2</sup>Acreage allotted minus harvested acres.

Compiled from records and reports of Tobacco and Peanut Division, ASCS and Statistical Reporting Service.

decrease of 8 percent in the Georgia-Florida Belt to a decrease of 19 percent in the Old and Middle Belt (N.C.-Va.).

A smaller crop is expected. Historically, producers have marketed an average of 95 percent of poundage quotas, although acreage has been only 86 percent of acreage allotments (1969-74). Thus, the effective quota multiplied by the 95-percent historical relationship gives a projected 1976 production of about 1,150 million pounds, around 12 percent below 1976.

The projected crop plus the anticipated carry-over indicates 1977/78 supply of about the same as the 3.2 billion pounds available in the current marketing year (table 14).

## BURLEY

### Effective Quota Smaller; Crop May Be Down

The 1977 basic quota for burley tobacco is 637 million pounds, about the same as last year. Marketings from the 1976 crop will total about 646 million pounds, up 2 percent from 1975's crop, but below the 1976 effective quota. The quota carryover from the 1976 season brings the effective farm quota for 1977 to around 700 million pounds. The effective quota is down 4 percent. Moreover, 15 to 20 million pounds carried over by growers in excess of quota will further reduce the 1977 crop plans and production may be down around 8 percent from 1976.

Growers have the incentive of a support level that goes above the 1976 market price average. Nevertheless, the grower carryover and reduction

Table 14—Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1966-77

Marketing year	(Farm-sales weight)						Total supply	
	Acreage harvested	Yield per acre	Production	Beginning stocks <sup>1</sup>				
				Manufacturers and other	Under loan	Total		
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Flue-cured, types 11-14								
1966	607.0	1,825	1,107.9	1,602.5	836.4	2,438.9	3,546.8	
1967	610.3	2,070	<sup>2</sup> 1,250.0	1,587.1	685.4	2,272.5	3,522.5	
1968	533.0	1,841	<sup>2</sup> 995.6	1,528.1	773.4	2,301.5	3,297.1	
1969	576.8	1,825	1,052.8	1,299.6	800.5	2,100.1	3,152.9	
1970	584.1	2,042	<sup>2</sup> 1,178.1	1,227.5	744.9	1,972.4	3,150.5	
1971	525.8	2,050	<sup>2</sup> 1,076.3	1,214.5	761.9	1,976.4	3,052.7	
1972	513.6	1,971	<sup>2</sup> 1,022.1	1,292.4	617.8	1,910.2	2,932.3	
1973	575.1	2,011	<sup>2</sup> 1,159.0	1,347.0	402.3	1,749.3	2,908.3	
1974	616.3	2,014	<sup>2</sup> 1,245.1	1,330.6	276.7	1,607.3	2,852.4	
1975	717.2	1,973	<sup>2</sup> 1,414.7	1,471.9	179.9	1,651.8	3,066.5	
1976 <sup>3</sup>	666.6	1,971	<sup>2</sup> 1,150.0	1,514.3	359.2	1,873.5	3,189.5	
1977 <sup>4</sup>				1,389.5	600.0	1,989.5	3,139.5	
Burley, type 31								
1966	240.7	2,437	586.7	1,133.4	261.9	1,395.3	1,982.0	
1967	237.7	2,274	540.6	1,104.8	276.7	1,381.5	1,922.1	
1968	237.6	2,372	563.4	1,002.4	321.7	1,324.1	1,887.5	
1969	237.7	2,488	591.4	975.7	340.8	1,316.5	1,907.9	
1970	216.4	2,590	560.5	887.9	454.8	1,342.7	1,903.2	
1971	213.5	2,213	472.6	882.4	468.4	1,345.8	1,818.4	
1972	235.6	2,552	<sup>2</sup> 590.3	920.9	327.6	1,248.5	1,838.8	
1973	222.1	2,028	<sup>2</sup> 461.4	952.5	276.7	1,229.2	1,690.6	
1974	260.7	2,350	<sup>2</sup> 610.4	931.5	139.2	1,070.7	1,681.1	
1975	282.2	2,265	<sup>2</sup> 638.3	1,082.4	12.0	1,094.4	1,732.7	
1976 <sup>3</sup>	279.1	2,314	<sup>2</sup> 646.0	1,087.4	43.6	1,131.0	1,777.0	
1977 <sup>4</sup>			609.0	1,102.0	50.0	1,152.0	1,761.0	
Disappearance								
			Average price per pound		Price support level		Placed under Government loan	
Total			Cents		Cents		Quantity	
Domestic							Percentage of crop	
Exports							Million pounds	
							Percent	
Flue-cured, types 11-14								
1966	1,274.3	687.2	587.1	66.9	58.8	74.6	6.8	
1967	1,221.0	687.7	533.3	64.2	59.9	282.1	22.6	
1968	1,197.0	671.7	525.3	66.6	61.6	128.8	12.9	
1969	1,180.5	645.9	534.6	72.4	63.8	97.6	9.3	
1970	1,174.1	640.1	534.0	72.0	66.6	144.2	12.2	
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2	
1972	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4	
1973	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7	
1974	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9	
1975	1,193.2	670.7	522.5	99.8	93.2	259.0	18.4	
1976	<sup>4</sup> 1,220.0	720.0	500.0	<sup>2</sup> 110.6	106.0	278.0	21.1	
Burley, type 31								
1966	600.5	544.1	56.4	66.9	60.6	62.5	10.6	
1967	598.0	544.6	53.4	71.8	61.8	64.2	11.9	
1968	571.0	516.1	54.9	73.7	63.5	56.2	10.0	
1969	565.2	507.1	58.1	69.6	65.8	158.2	26.8	
1970	557.4	503.0	54.4	72.2	68.6	47.7	8.5	
1971	569.9	515.2	54.7	80.9	71.5	.2	---	
1972	609.6	534.5	75.1	79.2	74.9	22.9	3.9	
1973	619.0	533.1	86.8	92.9	78.9	.7	.1	
1974	586.7	518.8	67.9	113.7	85.8	2.8	.4	
1975	602.5	510.1	92.4	105.6	96.1	50.7	7.9	
1976	<sup>4</sup> 625.0	525.0	100.0	114.5	109.2	<sup>5</sup> 40.2	<sup>5</sup> 6.0	

<sup>1</sup> July 1 for flue-cured; October 1 for burley. <sup>2</sup> Sales. <sup>3</sup> Subject to revision. <sup>4</sup> Estimated. <sup>5</sup> Through February 24.

in effective quota are large enough to reduce the 1976 crop. In the last 5 years, growers marketed about 87 percent of the effective quota. Such a crop in 1977 would provide a little larger supply than in the current marketing year.

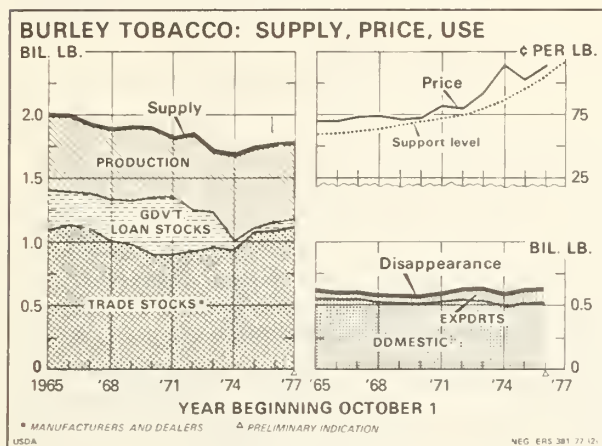
fair leaf, good mixed, and fair lugs. The 1976 crop value is expected to set a new record, about 7 percent above the previous high of \$697 million in 1974.

Through February 24, auction prices for the 1976 burley crop (including resales) averaged \$1.145 a pound—9 cents above the previous year and about 1 cent above the 1974 record. Average prices by grade ranged from 2 to 15 cents per pound above the 1976 support record. Variations among grades widened as lower quality tobacco increased the least in price (table 15).

Average price increases by States ranged from 5.9 to 12.9 cents (table 16). By markets, prices ranged from 105.7 cents per pound in Henderson, Kentucky, to 117.2 cents in Greensburg, Kentucky (table 16).

All markets opened November 22 and the season may end in early March at Lexington. This is the longest season since 1966 because the snow and cold in January hampered market preparation. On December 2, prices peaked at an average of \$1.159 per pound. By December 16, the season average price was down to \$1.150 with about 70 percent of the crop sold. However, prices continued to decline in January and February to bring the season average to \$1.145 per pound.

Growers marketed about 2¾ million pounds of burley in looseleaf (untied) form this past season. On an experimental basis, tobacco was displayed in warehouses and unofficial USDA grades were placed on each lot. Since tobacco was marketed in



### Supply Increases

The 1976/77 burley supply reached 1.79 billion pounds, 3 percent above a year earlier. Supply is equal to 2.84 times estimated disappearance. Carry-over held by manufacturers, dealers, and loan co-ops last October 1, was 3 percent above a year earlier but below that of October 1972 (table 14).

Despite rising cigarette sales and exports, manufacturers and dealers have purchased little of the loan stocks of the 1975 crop. From the 1976 crop, the two grower loan associations took about 6 percent or about 40 million pounds.

Rising cigarette production means domestic use in 1976/77 may increase from the 511 million pounds of last marketing year. If exports follow recent trends, they may rise above last year's high level. Shipments in October 1976-January 1977 decreased about 4 million pounds due to smaller shipments to Sweden, Switzerland, the Netherlands, South Korea, and Denmark.

Foreign burley production in 1976 increased slightly, about the same as in the United States. Increases in the Republic of Korea and Mexico offset declines in Brazil and Italy. More foreign output means U.S. exports face continued extensive competition.

### 1976 Crop Summary

Sales volume was up slightly from 1975/76's high level. This season's marketings have been hampered by bad weather in January and February. Sales have contained a smaller percentage of mixed grades. Principal offerings were good and

Tobacco loan stocks, 1975-77

(Farm-sales weight)

Type	End of February		
	1975	1976	1977
	Million pounds	Million pounds	Million pounds
<b>Actual</b>			
Flue-cured, 11-14 . . . . .	205.1	369.5	<sup>1</sup> 619.0
Burley, 31 . . . . .	51.8	53.3	<sup>1</sup> 44.1
Virginia, 21 . . . . .	.3	.3	( <sup>2</sup> )
Kentucky-Tennessee, 22-23 . . . . .	1.3	.3	0
Kentucky-Tennessee, 35-36 . . . . .	1.4	( <sup>2</sup> )	( <sup>2</sup> )
Ohio, 42-44 . . . . .	0	0	0
Puerto Rican, 46 . . . . .	1.6	0	3.3
Connecticut Valley, 51-52 . . . . .	2.1	.4	.8
Wisconsin, 54-55 . . . . .	0	( <sup>2</sup> )	( <sup>2</sup> )
<b>Total . . . . .</b>	<b>263.6</b>	<b>423.8</b>	<b>667.2</b>
<b>Uncommitted</b>			
Flue-cured, 11-14 . . . . .	99.3	340.8	598.7
Burley, 31 . . . . .	0	53.7	38.8

<sup>1</sup> January 31, 1977. <sup>2</sup> Negligible.

Compiled from records of Tobacco and Peanut Division, ASCS.

Table 15—Burley tobacco: Price spreads among specified grades, average 1955-69, annual 1970-76

Period	Average price of C4F	Cents per pounds lower than C4F						
		X4F	C4R	B4F	B4FR	B4R	T4R	N1G
<i>Cents per pound</i>								
Average:								
1955-59 .....	67	1	2	3	5	7	11	25
1960-64 .....	71	1	4	4	9	14	19	32
1965-69 .....	74	1	5	4	7	10	11	19
1970 .....	77	0	<sup>1</sup> 5	3	5	8	10	18
1971 .....	82	1	<sup>1</sup> 1	1	1	1	2	11
1972 .....	80	0	<sup>1</sup> 2	0	0	0	2	9
1973 .....	93	1	<sup>1</sup> 2	0	0	0	1	11
1974 .....	117	1	<sup>1</sup> 5	1	0	0	2	28
1975 .....	112	2	<sup>1</sup> 7	1	3	4	11	29
1976 <sup>2</sup> .....	118	2	<sup>1</sup> 4	2	3	5	9	27

<sup>1</sup> C4K grade. <sup>2</sup>Through February 24, 1977.

Table 16—Burley tobacco: Gross sales, and average price, by States, crops of 1975-76

State	1975		Placed under Government loan		1976 <sup>1</sup>		Placed under Government loan	
	Sales	Average price	Quantity	Percentage of sales	Sales	Average price	Quantity	Percentage of sales
	<i>Million pounds</i>	<i>Cents per pound</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Million pounds</i>	<i>Cents per pound</i>	<i>Million pounds</i>	<i>Percent</i>
Kentucky .....	466.0	106.81	27.5	5.9	461.9	115.48	24.6	5.3
Tennessee .....	122.5	102.55	13.7	11.1	127.6	113.00	6.3	5.0
Virginia .....	30.5	103.78	2.7	8.8	29.7	111.77	1.8	6.0
North Carolina .....	21.9	102.19	2.3	10.5	18.6	109.70	1.9	10.4
West Virginia .....	5.1	102.50	.5	9.8	4.5	108.38	.5	10.6
Indiana .....	14.8	104.15	1.3	8.7	15.6	113.46	2.0	12.4
Ohio .....	12.6	107.33	.6	4.8	12.0	113.66	1.2	10.2
Missouri .....	6.0	98.41	1.7	28.3	5.1	105.80	1.9	37.1
Total all States <sup>2</sup> .....	679.5	105.60	50.3	7.4	675.0	114.49	40.2	6.0

<sup>1</sup> Through February 24. <sup>2</sup> Computed from unrounded data.

## RECENT PUBLICATIONS

"Ecuador To Up Imports of U.S. Tobacco," Francisco Serrano, *Foreign Agriculture*, Jan. 31, 1977, p. 14.

"Mexico and Brazil: Growing Contenders in Tobacco Sales," *Foreign Agriculture*, Jan. 24, 1977, pp. 6-7, 12.

"Price Supports and Other Considerations Related to Flue-Cured Tobacco," Charles R. Pugh, North Carolina State University, Dept. of Economics and Business, mimeo., Jan. 1977, 29 pp.

*The Tax Burden on Tobacco—Historical Compilation*, Vol. II, 1976, 159 pp. Available from the Tobacco Tax Council, Inc., P.O. Box 8269, Richmond, Va. 23226.

*Kentucky and Tobacco*, 1976, 48 pp.; *Maryland and Tobacco*, 1976, 24 pp.; *Virginia and Tobacco*, 1976, 32 pp. Available from The Tobacco Institute, Inc., 1776 K St., N.W., Washington, D.C. 20006.

*A Study of Cigarette Smoking Among Teenage Girls and Young Women*, Publication (NIH) 77-1203, Public Health Service, U.S. Dept. of Health, Education and Welfare, 31 pp., 1976.

*Costs of Producing Selected Crops in the United States—1975, 1976, and Projections for 1977*, Committee Print 95th Cong., 1st Session, Committee on Agriculture and Forestry, Prepared by Economic Research Service, USDA. Available from ERS Publications, Room 0054 South Bldg., USDA, Washington, D.C. 20250. (Does not include tobacco.)

baled or untied form, rather than the customary manner, price support did not apply. Buyers had agreed to buy this tobacco at the prevailing auction prices by grades. Data from Agricultural Marketing Service, auction warehouses, and buying companies will be evaluated to determine the feasibility of loose leaf sales.

## SOUTHERN MARYLAND

### Auctions Open April 13

Auctions for the 1976 crop of Southern Maryland tobacco (type 32) are scheduled to open April 13 and end June 9. Maryland tobacco does not receive government price support. For the 1975 crop (marketed mostly in 1976), growers received the highest average price on record, 107.5 cents a pound. Quantity marketed through auctions was 33 percent below the previous season's large marketings. Last season, very little type 32 tobacco was grown in areas with quotas for other tobacco types because an amendment to the quota law means most sales count against a producer's quota or are subject to penalties.

### Supply Down

Use during 1976 was large enough to keep January 1, 1977 stocks well below the year-earlier level. Growers produced a one-third larger crop in 1976 than in the previous season when yields were off. However, this year's supply is about 5 percent below the 1975/76 level when stocks were reduced because use was substantially above marketings. Use was over 30 million pounds for the second consecutive year, despite record prices paid (table 17).

Exports during October 1976-January 1977 were about 3 million pounds, up 1 million from a year

earlier. Switzerland, a major market, took considerably more than in the previous season.

### No Quotas on Southern Maryland Tobacco

Growers rejected marketing quotas for their 1977, 1978, and 1979 crops in the February referendum. The last time quotas on Maryland tobacco were in effect was in 1965.

The trend in production in recent years has been down, but the 1976 crop was above 1975's. Nevertheless, use in 1976 exceeded output and the 1977/78 supply—projected output plus tentative carry-over—may total below this year's 71 million pounds.

## FIRE-CURED

### Prices Record High

Auction prices rose to a record high for the small volume fire-cured crop (types 21-23). Virginia crop (type 21) prices were up 23 cents per pound to a record 117.3 cents. For the Kentucky-Tennessee types, prices also rose sharply after a jump in price last season. Quality of offerings were somewhat improved over last season for the Virginia crop. Auction sales, begun in early December, for Virginia fire-cured were suspended January 19 due to extreme cold weather and a fire in a storage warehouse. Final sales were held February 24 for type 21. Volume of producer marketings increased for type 21. Auction markets for types 22-23 began January 24, but sales have been extremely light. Sales directly on farms being last November. Such sales reached 27 percent of the total (mainly type 22) in 1976, but are much higher this season. No closing date for auction sales has been announced.

Table 17—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1968-76

Marketing year	Acreage harvested	Yield per acre	Supply			Disappearance <sup>1</sup>			Average price per pound to growers
			Production	Stocks, Jan. 1	Total	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
1968	29.0	1,100	31.9	81.5	113.4	48.7	38.3	10.4	69.8
1969	26.5	1,060	28.1	66.7	94.8	41.3	29.1	12.2	75.1
1970	27.0	1,090	29.4	50.1	79.5	39.5	27.6	11.9	78.6
1971	27.0	1,040	28.1	46.0	74.1	25.5	17.5	8.0	81.9
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973 <sup>2</sup>	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974 <sup>2</sup>	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975 <sup>2</sup>	23.5	950	21.1	53.6	74.7	34.8	25.1	9.7	107.5
1976 <sup>3</sup>	23.0	1,250	28.8	41.9	70.7				

<sup>1</sup> Year beginning October 1. <sup>2</sup> Includes sales and certification. <sup>3</sup> Based on Maryland crop and 75 thousand pounds estimated for other States.

Table 18—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, 1967-76

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1—			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Kentucky-Tennessee fire-cured, types 22-23							
1967	17.3	1,702	29.5	64.0	27.3	91.3	120.8
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969	19.0	1,797	34.1	61.1	11.6	72.7	106.8
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971	19.5	1,928	37.6	48.6	4.7	53.3	90.9
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3
1976 <sup>1</sup>	19.4	1,645	31.9	42.6	( <sup>2</sup> )	42.6	74.5
Virginia fire-cured, type 21							
1967	5.4	1,290	7.0	12.1	2.7	14.8	21.8
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969	5.0	1,340	6.7	8.0	1.9	9.9	16.6
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971	5.0	1,180	5.9	8.0	1.0	9.0	14.9
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	( <sup>2</sup> )	7.6	13.3
1974	5.0	1,185	5.9	7.1	---	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976 <sup>1</sup>	5.3	1,000	*5.3	7.4	( <sup>2</sup> )	7.4	12.7
Disappearance				Average price per pound	Price support level	Placed under Government loan	
Total	Domestic	Exports	Quantity			Percentage of crop	
Million pounds	Million pounds	Million pounds	Cents	Cents	Million pounds	Percent	
Kentucky-Tennessee fire-cured, types 22-23							
1967	42.0	14.9	27.1	46.2	41.9	0.8	2.7
1968	38.7	<sup>3</sup> 19.1	19.6	51.1	43.1	.4	1.2
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
1970	41.4	13.1	28.3	54.4	46.6	( <sup>2</sup> )	.1
1971	34.7	16.0	18.7	60.8	48.5	( <sup>2</sup> )	.1
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976				<sup>4</sup> 141.0	74.1	<sup>4</sup> ( <sup>2</sup> )	---
Virginia fire-cured, type 21							
1967	10.1	3.4	6.7	40.9	41.9	.7	10.1
1968	7.7	3.0	4.7	46.9	43.1	.2	3.4
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
1970	7.0	2.4	4.6	52.0	46.6	.1	2.0
1971	6.6	3.1	3.5	54.8	48.5	.1	1.0
1972	5.4	1.3	4.1	64.2	50.8	( <sup>2</sup> )	.1
1973	6.2	1.7	4.5	75.5	53.5	( <sup>2</sup> )	---
1974	5.7	0.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	( <sup>2</sup> )	.9
1976				<sup>4</sup> 118.5	74.1	.1	1.5

<sup>1</sup> Subject to revision. <sup>2</sup> Less than 50,000 pounds. <sup>3</sup> Includes 4.7 million pounds fire loss, April 1969. <sup>4</sup> Through February 24.

\* Auction sales. --- Less than .05 percent.



For types 22-23, grade price averages advanced sharply in most cases. Increases ranged from 40 to 51 cents per pound. The average auction price of 123 cents per pound for the 1976 crop (types 21-23) is up 17 percent from the record last year. Prices at the farm may have been higher as more damaged and nondescript tobacco appeared at auction this year relative to last season.

### Exports Steady

During the first third of the current marketing year (October 1976-January 1977), exports of Kentucky-Tennessee and Virginia fire-cured tobacco remained about the same as last season.

Foreign fire-cured production increased 13 million pounds last year. Malawi and Poland showed the principal production increases and Italy the principal decline. Consequently, U.S. exports may remain at the 1976 level this marketing year. The stability in snuff and a slight decline in plug chewing output in the United States, coupled with the price jump may result in a decline in domestic use of fire-cured types in 1976/77 (table 18).

### Acreage Allotments Stable

Acreage allotments for farms growing Kentucky-Tennessee fire-cured will total 32,733 acres, about the same as 1976. However, growers only planted about 60 percent of allotments in 1976. Despite auction prices rising 15 percent, growers may not plant above the average acreage of the past three seasons. Production now is limited by the availability of curing barns. Using average yield, production in 1977 will be above the disappearance in 1975/76. The national quota for Virginia fire-cured is about the same as 1976. Quotas for Virginia fire-cured will be reduced in line with plantings on farms that historically have produced less than 75 percent of their quotas.

Carryover of fire-cured tobacco on October 1, 1977, may be above the 50 million pounds of last October 1. Carryover stocks, plus the projected crop, would provide a supply slightly larger than the 87 million pounds for the current year.

## DARK AIR-CURED

### Smaller Supply, Higher Prices

Another record-high price prevailed for the 1976 crop of One Sucker, Green River, and Virginia sun-cured tobaccos (types 35-37). Quality of offerings, however, was higher than in the previous season. Total volume was down slightly. Auction sales started in early December and were virtually completed by early February. Extremely light sales of One Sucker continue. Tentative sales have been extended into March.

Grade price averages were higher, and government loan placements were down. The average price was up 25 cents for type 35, which has the largest sales volume; type 36 increased 30 cents; and type 37 gained 17 cents over the 1975 crop averages.

At 47 million pounds, the 1976/77 supply of dark air-cured is down about 6 percent. Virginia sun-cured supplies continue to decline (table 19).

### Use Pattern Mixed

Plug, twist, and fine-cut chewing tobaccos are the chief domestic outlets for dark air-cured tobaccos. Chewing tobacco output increased in the last 2 years. The output was down slightly in the October-December 1976 period (first quarter of the current marketing year).

Most U.S. exports of dark air-cured tobacco reach West African destinations in the form of Black Fat—a semiprocessed product. In October 1976-January 1977, Black Fat exports were near the 1.3 million pounds of a year earlier.

### Allotments Increased

Acreage allotments this year of dark air-cured tobacco (types 35-36) are up 10 percent. Sun-cured allotments remain the same as last year. The change along with the sizable gain in prices suggests growers may increase acreage this season.

## CIGAR TOBACCO

### Prices Steady to Higher

Producers of cigar tobacco are receiving higher prices this season than last. Crops continue to be sold into early 1977. Most of the Connecticut binder crop was sold last fall. Buyers and sellers began negotiating prices for Ohio and Wisconsin crops in February; the sales pace was not as rapid as last season because the extreme cold has delayed stripping and marketing. Pennsylvania tobacco sold for 60 cents per pound. Prices have been 60-64 cents in Ohio and 75-77 cents in Wisconsin. Season average price and production data for the 1976 cigar tobacco crop are scheduled for release on May 10.

Overall price support levels for the 1977 crop of cigar leaf tobacco are about 7.3 percent higher than for the 1976 crops. There is no government price support for Pennsylvania tobacco (type 41) or shade-grown cigar wrapper (types 61-62). For many years, the Puerto Rican Government has allocated an annual poundage quota to cigar filler growers and made supplemental payments. The current supplement is 23 cents per pound with a bonus of 6.6 cents for tobacco planted after February 1.

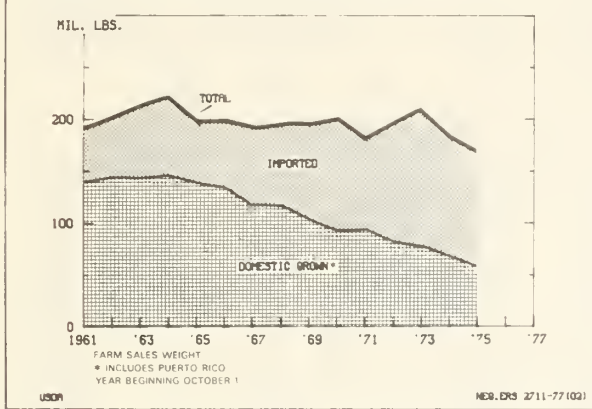
Table 19—Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-76

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and others	Under loan	Total	
	<i>Thousand acres</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Dark air-cured, types 35-36							
1967	9.5	1,629	15.5	39.2	21.3	60.5	76.0
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969	10.1	1,793	18.1	44.1	15.0	59.1	77.2
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971	8.6	1,834	15.7	35.5	14.3	49.8	65.5
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	( <sup>2</sup> )	32.9	46.9
1976 <sup>1</sup>	9.3	1,700	16.2	28.2	---	28.2	44.0
Sun-cured, type 37							
1967	1.2	1,090	1.3	4.2	0	4.2	5.5
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969	1.1	1,225	1.3	3.8	0	3.8	5.1
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971	.9	1,200	1.1	3.1	0	3.1	4.2
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973	.7	1,320	.9	3.2	0	3.2	4.1
1974	.7	1,315	.9	3.0	0	3.0	3.9
1975	.7	930	.7	2.3	0	2.3	3.0
1976 <sup>1</sup>	.7	1,100	.7	2.1	0	2.1	2.8
Disappearance			Average price per pound	Price support level	Placed under Government loan		
Total	Domestic	Exports			Quantity	Percentage of crop	
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Cents</i>	<i>Cents</i>	<i>Million pounds</i>	<i>Percent</i>
Dark air-cured, types 35-36							
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	17.1	15.0	2.1	47.4	38.3	.7	3.9
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972	17.0	14.7	2.3	50.3	45.2	1.2	.8
1973	20.2	17.4	2.8	61.9	47.6	( <sup>2</sup> )	.2
1974	15.6	12.8	2.8	76.9	51.8	.3	2.6
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976				<sup>3</sup> 117.1	65.9	( <sup>2</sup> )	---
Sun-cured, type 37							
1967	1.6	1.2	.4	45.2	37.3	<sup>4</sup> 25	1.9
1968	1.3	1.1	.2	53.2	38.3	<sup>4</sup> 1	.1
1969	1.8	1.5	.3	52.8	39.7	<sup>4</sup> 1	.1
1970	1.3	1.1	.2	53.8	41.4	<sup>4</sup> 3	.3
1971	1.2	1.0	.2	54.1	43.1	0	---
1972	.6	.4	.2	57.9	45.2	0	---
1973	1.1	.9	.2	69.2	47.6	0	---
1974	1.6	1.3	.3	82.1	51.8	<sup>4</sup> 2	2.1
1975	.9	.7	.2	85.5	58.0	( <sup>5</sup> )	.1
1976				<sup>3</sup> 104.7	65.9	---	---

<sup>1</sup> Subject to revision. <sup>2</sup> Less than 50,000 pounds. <sup>3</sup> Sales data through February 24. <sup>4</sup> Quantity placed under Government loan in thousand pounds. <sup>5</sup> Less than 500 pounds.

## TOBACCO USED FOR CIGARS AND LOOSE LEAF CHEWING TOBACCO



### U.S. and Puerto Rican Supplies Stable

Total supplies of U.S. and Puerto Rican cigar tobacco are about the same as the past marketing year. A production increase offset a cut in carry-over. Cigar filler increased and binder and wrapper supplies decreased (table 20). The Puerto Rican crop planted in late 1976 for harvest in early 1977 is tentatively estimated at 4.7 million pounds—slightly above last year.

Of all tobaccos, cigar binder, filler, and wrapper had the weakest market in recent years. After 5 years of sharp reductions, cigar wrapper supplies are still adequate for the declining disappearance.

Less foreign cigar tobaccos arrived in the United States in 1976 than the year before. Foreign grown leaf stocks January 1, 1977 were 13 percent below a year earlier. However, stocks of 114 million pounds remain about twice annual use.

1976. The bonus seeks to encourage production that had been below disappearance in most recent years.

### Cigar Filler and Binder Allotments: Same as 1976

For most farms growing cigar filler and binder tobacco (types 42-44 and 53-55), USDA set 1977 acreage allotments about the same as for 1976. For Connecticut Valley binder (types 51-52) some farms will receive a small increase. This is because of reallocation of allotments on some farms on which the tobacco acreage history has been less than 75 percent of the farm's allotment. Their unused allotments will be allocated more in line with plantings. Annually since 1970 USDA has suspended quotas for types 51-52. Price supports remain in effect.

### Domestic Use May Decline

Cigar makers continue to sell fewer small and large cigars this year. Domestic disappearance of U.S. filler types will probably fall from last year's low level. Imported tobacco accounts for about three-fourths of our total filler use.

Disappearance in 1976/77 of Connecticut Valley cigar binder will probably fall below last season's 3.3 million pounds. Production is stabilizing below disappearance. The major use for Wisconsin tobacco is not cigars but loose leaf chewing tobacco. Although sales of chewing tobacco are

Table 21—Foreign grown cigar leaf tobacco: U.S. Imports and Stocks, 1974-77

(Farm sales weight)

Country of origin	General imports <sup>1</sup>			Imports for Consumption				Dealers and manufacturers stocks, January 1			
	1974	1975	1976	Oct.-Sept. 1975-76	October-January			1974	1975	1976	1977
					1974-75	1975-76	1976-77				
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Philippines . . . . .	33.0	30.0	42.4	27.0	2.9	13.8	4.9	33.5	37.7	43.8	38.2
Dominican Republic . .	16.8	16.0	11.4	16.0	5.0	4.9	4.1	17.9	19.2	19.6	17.8
Brazil . . . . .	11.8	8.8	18.8	24.8	6.9	5.4	4.6	7.7	7.9	8.0	6.9
Columbia . . . . .	11.2	6.4	5.1	6.5	2.0	2.3	.8	10.4	11.5	9.5	8.9
Paraguay . . . . .	4.9	7.6	3.8	4.7	3.2	1.7	2.1	9.0	10.9	8.2	7.4
Mexico . . . . .	24.7	7.1	5.1	7.6	10.3	1.6	.9	4.8	6.2	6.1	4.3
Indonesia . . . . .	9.2	8.4	8.1	8.5	6.4	2.2	2.0	9.8	10.9	11.8	10.9
All others . . . . .	68.5	74.1	44.4	49.5	11.5	17.2	10.8	19.1	20.3	24.1	19.9
Total . . . . .	180.1	158.4	139.1	144.5	48.2	49.1	30.2	112.3	124.6	131.1	114.3

<sup>1</sup> Includes scrap tobacco from some countries than may be used in cigarette manufacture.

Table 20—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1967-76

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks	Total supply	Total	Domestic	Exports	
			Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Pennsylvania Seedleaf Filler (type 41)									
1967	21.0	1,825	38.3	112.3	150.6	41.9	41.3	0.6	28.0
1968	21.0	1,775	37.3	108.7	146.0	40.9	40.0	.9	30.0
1969	20.0	1,825	36.5	105.1	140.6	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	127.9	40.9	40.7	.2	31.0
1971	15.2	1,610	24.5	87.0	111.5	41.3	40.6	.4	36.0
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975 <sup>2</sup>	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976 <sup>2</sup>	12.5	1,850	23.1	46.8	69.9				
Ohio, Miami, Valley Filler (types 42-44)									
1967	2.3	1,580	3.6	15.5	19.1	6.2	6.2	--	29.0
1968	2.0	1,670	3.4	12.9	16.3	5.4	5.4	--	31.0
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	--	32.5
1970	1.6	1,750	2.9	9.0	11.9	4.1	4.1	--	38.0
1971	2.0	1,850	3.8	7.8	11.6	4.6	4.6	--	41.0
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	--	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	--	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	--	59.0
1975 <sup>2</sup>	1.8	1,660	3.0	5.9	9.1	3.4	3.4	--	60.0
1976 <sup>2</sup>	1.9	1,650	3.1	5.7	8.8				
Puerto Rico Filler (type 46) <sup>3</sup>									
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	--	33.1
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	--	33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	--	33.6
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	--	36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	--	39.8
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	--	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	--	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	--	45.5
1975 <sup>2</sup>	2.7	1,500	4.3	6.1	10.4	3.2	3.2	--	50.7
1976 <sup>2</sup>	3.2	1,470	4.7	7.2	11.9				
Total Cigar Filler (types 41-46)									
1967	30.9	1,707	52.7	168.3	221.0	65.0	64.4	.6	29.1
1968	29.0	1,666	48.3	156.0	204.3	62.5	61.6	.9	30.5
1969	26.4	1,721	45.4	141.8	187.2	61.6	61.0	.6	30.6
1970	21.8	1,737	38.0	125.6	163.6	53.8	53.6	.2	32.1
1971	22.0	1,587	35.0	109.8	144.8	54.9	54.5	.4	37.3
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	18.0	1,850	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975 <sup>2</sup>	17.3	1,630	27.3	61.2	88.5	<sup>2</sup> 28.8	<sup>2</sup> 28.4	.4	56.2
1976 <sup>2</sup>	17.6	1,760	30.9	59.7	90.6				
Connecticut Valley Binder (types 51-52)									
1967	1.5	1,819	2.7	16.4	19.1	7.9	5.7	2.2	54.5
1968	1.6	1,808	2.8	11.2	14.0	5.1	4.7	.4	59.5
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
1970	1.7	1,756	2.9	7.0	9.9	2.7	2.4	.3	65.5
1971	1.6	1,743	2.8	7.2	10.0	2.6	2.5	.1	65.1
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975 <sup>2</sup>	1.5	1,568	2.4	6.2	8.6	4.4	4.2	.2	92.7
1976 <sup>2</sup>	1.5	1,766	2.7	4.2	6.9				
Southern Wisconsin Binder (type 54)									
1967	3.8	1,905	7.2	20.7	27.9	8.0	8.0	--	34.4
1968	3.7	1,990	7.4	19.9	27.3	7.7	7.7	--	36.8
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	--	36.8
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	--	40.2
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	--	50.3
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	--	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	--	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	--	74.9
1975 <sup>2</sup>	5.6	1,945	10.9	19.8	30.7	7.5	7.5	--	75.1
1976 <sup>2</sup>	5.6	1,650	9.2	23.2	32.4				
Northern Wisconsin Binder (type 55)									
1967	4.5	1,975	8.9	29.3	38.2	9.3	8.9	.4	34.1
1968	4.0	1,670	6.7	28.9	35.6	14.9	14.5	.4	37.9
1969	3.7	1,815	6.7	20.7	27.4	8.8	8.5	.3	43.4
1970	4.4	2,055	9.0	18.6	27.6	9.2	9.1	.1	52.0
1971	5.3	1,980	10.5	18.4	28.9	9.9	9.9	*	54.0
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	*	75.4
1975 <sup>2</sup>	5.4	1,835	9.9	15.8	25.7	9.7	9.7	*	75.1
1976 <sup>2</sup>	5.5	1,650	9.1	16.0	25.1				

See footnote at end of table.

Table 20—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-76—Cont.

Crop year	(Farm-sales weight)								
	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks <sup>1</sup>	Total supply	Total	Domestic	Exports	
Thousand acres	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	
Total Wisconsin Binder (types 54-55)									
1967	8.3	1,943	16.1	50.0	66.1	17.3	16.9	0.4	34.2
1968	7.7	1,824	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969	7.4	1,778	13.1	40.3	53.4	18.1	17.8	.3	41.8
1970	8.8	2,095	18.4	35.3	53.7	16.5	16.4	.1	51.1
1971	10.6	2,125	22.5	37.2	59.7	20.4	20.4	*	54.9
1972	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.2	*	75.1
1976 <sup>2</sup>	11.1	1,650	18.3	39.2	57.5				
Total Cigar Binder (types 51-55)									
1967	9.8	1,924	18.8	66.4	85.2	25.2	22.6	2.6	37.1
1968	9.3	1,821	16.9	60.0	76.9	27.7	26.9	.8	41.0
1969	9.0	1,716	15.4	49.2	64.6	22.3	21.7	.6	44.3
1970	10.5	2,041	21.3	42.3	63.6	19.2	18.8	.4	53.1
1971	12.2	2,075	25.3	44.4	69.7	23.0	22.9	.1	56.1
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.1	21.6	21.4	.2	76.9
1976 <sup>2</sup>	12.6	1,664	21.0	43.4	64.4				
Connecticut Valley Shade-grown (type 61)									
1967	8.5	1,124	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
1970	6.0	1,535	9.3	12.2	21.5	7.6	6.6	1.0	400.0
1971	4.7	1,635	7.7	13.9	21.6	8.4	5.7	2.7	400.0
1972	4.1	1,250	5.1	13.2	18.5	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8	640.0
1976 <sup>2</sup>	4.2	1,550	6.6	7.5	14.1				
Georgia-Florida Shade-grown (type 62)									
1967	5.1	1,573	8.0	8.7	16.7	7.9	6.3	1.6	245.0
1968	5.0	1,556	7.9	8.8	16.7	9.2	7.1	2.1	270.0
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
1970	3.6	1,590	5.6	9.2	14.8	6.7	5.8	.9	270.0
1971	3.0	1,582	4.7	8.1	12.8	6.2	5.4	.8	260.0
1972	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4	280.0
1973	2.6	1,413	3.7	7.0	10.7	4.2	3.7	.5	350.0
1974	1.9	1,724	3.2	6.5	9.7	3.6	3.1	.5	380.0
1975	1.1	1,556	1.7	6.2	7.9	1.9	1.0	.9	400.0
1976 <sup>2</sup>	.4	1,750	.6	6.0	6.6				
Total Shade-grown (types 61-62)									
1967	13.6	1,292	17.6	24.7	42.3	20.8	15.9	4.9	308.0
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	276.0
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
1970	9.6	1,555	14.9	21.4	36.3	14.3	12.4	1.9	351.0
1971	7.7	1,614	12.4	22.0	34.4	14.6	11.1	3.5	347.5
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	9.9	5.2	4.7	585.7
1976 <sup>2</sup>	4.6	1,565	7.2	13.5	20.7				
Grand Total Cigar Tobacco (types 41-62)									
1967	54.3	1,642	89.1	259.4	348.5	111.0	102.9	8.1	85.7
1968	51.7	1,610	83.3	237.5	320.8	110.2	104.7	5.5	85.9
1969	46.7	1,645	76.7	210.6	287.3	98.0	94.9	3.1	97.7
1970	41.9	1,771	74.2	189.3	263.4	87.3	84.8	2.5	102.3
1971	41.9	1,734	72.7	176.2	248.9	92.5	88.5	4.0	96.7
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.5	1,834	65.3	121.2	186.3	67.7	62.8	4.9	142.5
1975	35.4	1,635	57.9	118.6	176.5	60.3	54.5	5.8	135.1
1976 <sup>2</sup>	34.8	1,700	59.1	116.6	175.7				

<sup>1</sup> October 1 for types 41-55; July 1 for types 61-62. <sup>2</sup> Subject to revision. <sup>3</sup> Puerto Rican planting occurs late in calendar year; projected for 1976; price excludes payment by Puerto Rican Government; 23 cents per pound in 1976. \*Less than 50,000 pounds.

increasing, disappearance may not change significantly as the large volume of scrap imports supplement domestic leaf.

Domestic use of cigar wrapper is near the low level of the past five seasons. Stocks on January 1

were 19 percent below a year earlier. Total disappearance will exceed the 1976 crop of 7 million pounds. Thus, the July 1 carryover could decline again. Exports for July 1976-January 1977 were down with less going to the United Kingdom.

## FOREIGN MARKETS

### Market Briefs

Last year the United Kingdom continued to take less U.S. tobacco. U.K. stocks of U.S. tobacco decreased in calendar 1976 continuing a decline of several years, except for 1974.

Canada's flue-cured crop of 191 million pounds (87,000 metric tons) in 1976 was 16 percent below 1975. The Ontario crop was produced under poundage control for the first time. Despite significant quality improvement, exports continued to lag behind previous years, especially to the United Kingdom. In January a Canadian sales team, including the Ontario Minister of Agriculture and Food, went to the United Kingdom to seek ways of reversing the declining sales.

The 1976 flue-cured crop in Rhodesia was below that of 1975. The 1977 crop is expected to remain about 185 million pounds (84,000 metric tons). Political unrest and guerrilla activity provide less optimistic views on marketing possibilities and may reduce 1977 plantings. Auction sales usually begin in March.

India's 1976 flue-cured crop of 200 million pounds (95,000 metric tons) was 15 percent below the 1975 crop. Production may be up this year spurred by the larger U.K. import allocation at low general preference tariff rates. India is the second largest exporter of flue-cured tobacco. About one-half of India's exports go to the EC, primarily the United Kingdom. The preferential import quota of the EC for 1977 was increased 58 percent to 60,000 metric tons with 34,900 tons allocated to the United Kingdom.

### Trade Concerns: Trends in Duties, Taxes, and Quotas

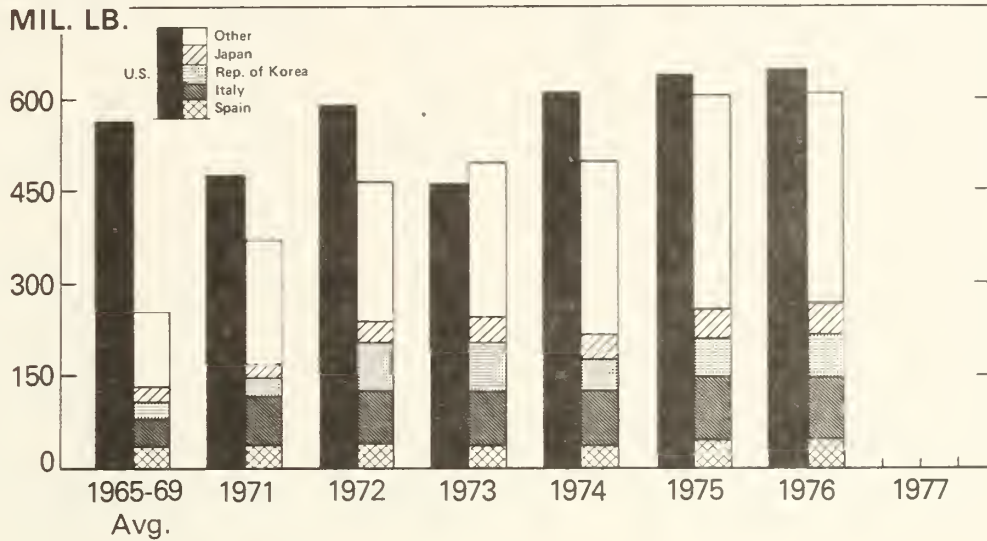
Trade access is a key factor in current multilateral trade negotiations. The EC, which normally

takes about half of our tobacco exports, has continued to increase quotas on flue-cured tobacco from sources other than the United States. The quota increase is for tobacco entering under the General Schemes of Preference Tariffs. The GSP tariff is about half the 20 cents a pound paid on U.S. tobacco that is already higher in price than competitive tobaccos. The United States necessarily seeks modification of the EC tobacco duties.

Developments in the United Kingdom may further restrict potential U.S. exports. The United Kingdom may permit introductory marketing of tobacco substitutes, before clearance by the Hunter Committee, sometime after January 1, 1978, and the EC tax system may be applied to the UK cigarettes. The EC tax system applies only to the finished product. Both a duty on unmanufactured tobacco was raised 10 percent, and a retail tax on cigarettes was raised up to 22 percent December 16, 1976. Manufacturers have freedom to apportion the incidence of the tobacco levy and may minimize the tax impact on king-size and low-tar brands. The tax increase, equivalent to about 7 cents per pack, could further depress U.K. cigarette consumption and leaf imports in 1977.

Both Thailand and Ecuador seek to reduce imports of U.S. tobacco with programs to promote more domestic production of both flue-cured and burley tobacco. Thailand imported a record 30 million pounds from the United States in calendar 1972. Since the U.S. exports have trended downward, United States exports to Ecuador were rising with the expansion in Ecuadorean cigarette production and may have peaked at 5 million pounds (calendar 1976). Ecuadorean flue-cured and burley production in 1976 were 4 times the 1970-74 average and about one-half as large as imports of U.S. tobacco.

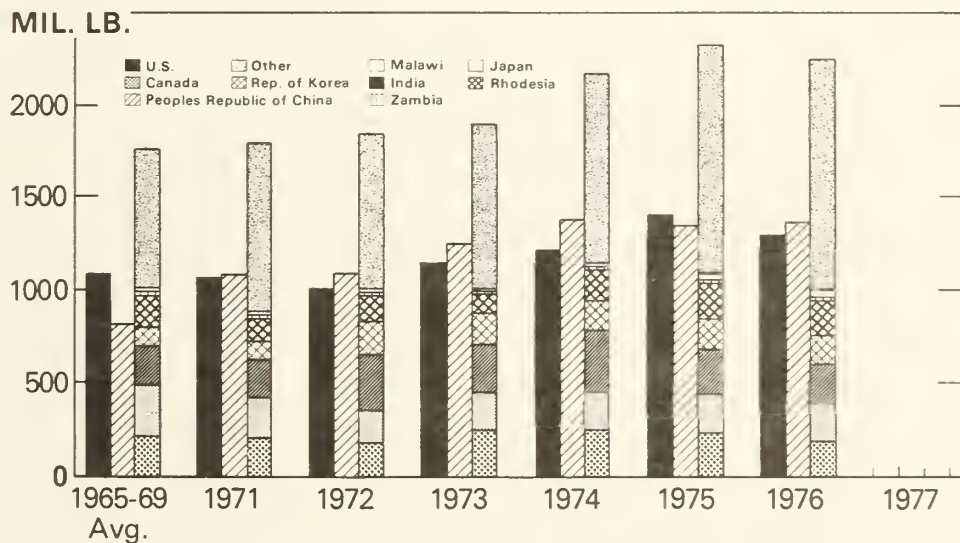
# BURLEY TOBACCO: ESTIMATED WORLD PRODUCTION



U.S. DEPARTMENT OF AGRICULTURE

NEG. FAS 2402-76 (12) FOREIGN AGRICULTURAL SERVICE

# FLUE-CURED TOBACCO: ESTIMATED WORLD PRODUCTION



U.S. DEPARTMENT OF AGRICULTURE

NEG. FAS 2359-76 (12) FOREIGN AGRICULTURAL SERVICE

Table 25—Cash receipts from farm marketings and tobacco, 1966-75 with percentages

Period	Cash receipts				Tobacco as a percentage of—	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
1967	24,259	18,434	42,693	1,391	7.5	3.3
1968	25,539	18,846	44,386	1,173	6.2	2.6
1969	28,439	18,790	47,229	1,296	6.9	2.7
1970	29,543	20,911	50,454	1,388	6.6	2.8
1971	30,560	22,245	52,805	1,328	6.0	2.5
1972	35,670	25,520	61,190	1,442	5.7	2.4
1973	45,824	41,050	86,875	1,570	3.8	1.8
1974	41,377	51,271	93,178	2,197	4.3	2.3
1975	42,901	46,611	90,370	2,155	4.6	2.4
1976 <sup>1</sup>	46,991	47,802	94,793	2,280	4.7	2.4

<sup>1</sup> Preliminary.

Table 26—Expenditures for tobacco products, and disposable personal income, 1967-76

Year	Total	Cigarettes	Cigars	Other <sup>1</sup>	Disposable personal income <sup>2</sup>	Percent of disposable personal income Spent on tobacco products			
						All products	Cigarettes	Cigar	Other <sup>1</sup>
						Percent	Percent	Percent	Percent
	Million dollars	Million dollars	Million dollars	Million dollars	Billion dollars	Percent	Percent	Percent	Percent
1967	9,582	8,572	706	304	544	1.76	1.57	.13	.06
1968	10,112	9,094	703	315	588	1.72	1.55	.12	.05
1969	10,444	9,404	701	339	630	1.66	1.49	.11	.05
1970	11,544	10,448	707	389	686	1.68	1.52	.10	.06
1971	12,155	11,040	700	415	743	1.64	1.49	.09	.06
1972	12,910	11,765	720	425	801	1.61	1.47	.09	.05
1973	13,485	12,325	730	430	903	1.49	1.36	.08	.05
1974 <sup>3</sup>	14,450	13,270	705	475	983	1.47	1.35	.07	.05
1975 <sup>1</sup>	15,660	14,420	675	505	1,081	1.44	1.34	.06	.05
1976 <sup>4</sup>	16,450	15,250	650	550	1,182	4.39	1.29	.05	.05

<sup>1</sup> Smoking tobacco, chewing tobacco, and snuff. <sup>2</sup> Compiled from reports of Department of Commerce, Bureau of Economic Analysis. <sup>3</sup> Subject to revision. <sup>4</sup> Estimated.

Table 27—Governmental revenues from tobacco products, 1967-76

Year	Federal Government				State and local Governments		All Governments
	Cigarettes <sup>1</sup>	Cigars <sup>2</sup>	Other <sup>1</sup>	Total <sup>4</sup>	State	Local	
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	
1967	2,111	56	2	2,169	1,760	109	4,038
1968	2,086	54	2	2,142	2,067	99	4,308
1969	2,020	56	1	2,077	2,186	113	4,376
1970	2,113	55	2	2,170	2,458	134	4,762
1971	2,098	54	2	2,154	2,637	154	4,945
1972	2,151	53	1	2,195	2,951	179	5,321
1973	2,404	53	3	2,460	3,126	145	5,731
1974	2,308	52	2	2,362	3,287	113	5,762
1975	2,349	50	3	2,302	3,369	<sup>4</sup> 115	5,786
1976 <sup>4</sup>	2,500	51	4	2,555	3,445	120	6,120

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

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



Table 28.--Marketing quota referendums, by kinds of tobacco

Kind (type numbers in parentheses) and basis of quotas <u>1/</u>	Last referendum			Next referendum		
	Date	Crops to which applicable	Number voting	Percentage voting in favor of	Probable date <u>3/</u>	Crops to which applicable
Flue-cured (11-14) Acreage-poundage	Dec. 16, 1976	1977-79	141,353	98.5	Dec. 1979	1980-82
Burley (31) Foundage	Feb. 22-25, 1977	1977-79	244,816	99.0	Feb. 1980	1980-82
Maryland (32)	Feb. 22-25, 1977	1977-79	2,528	31.4	Feb. 1980 <u>4/</u>	1980-82
Fire-cured (21-23)	Feb. 23-27, 1976	1976-78	10,494	94.2	Feb. 1979	1979-81
Dark air-cured (35-36)	Feb. 23-27, 1976	1976-78	11,181	94.8	Feb. 1979	1979-81
Va. sun-cured (37)	Feb. 22-25, 1977	1977-79	403	95.8	Feb. 1980	1980-82
Pa. filler (41)	Feb. 22-25, 1977	1977-79	798	13.0	Feb. 1980 <u>4/</u>	1980-82
Cigar binder (51-52)	Feb. 24-28, 1975	1975-77	189	96.8	Feb. 1978	1978-80
Cigar filler and binder (42-44, 53-55)	Feb. 24-28, 1975	1975-77	3,526	86.6	Feb. 1978	1978-80

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

Table 29—United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1975-76 - 1976-77<sup>1</sup>  
(Declared weight)

Importing countries	1975-1976	Part year through January <sup>2</sup>		Importing countries	1975-1976	Part year through January <sup>2</sup>	
		1975-1976	1976-1977			1975-1976	1976-1977
<i>Million pounds</i>				<i>Thousand pounds</i>			
Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37			
United Kingdom . . . . .	57.0	47.9	36.8	Switzerland . . . . .	42	0	127
West Germany . . . . .	55.9	35.2	31.9	Norway . . . . .	1,194	778	297
Japan . . . . .	84.4	72.7	66.5	Sweden . . . . .	397	385	250
Netherlands . . . . .	15.5	10.0	7.9	West Germany . . . . .	454	238	258
Thailand . . . . .	12.5	5.1	7.5	Other countries . . . . .	806	224	204
Australia . . . . .	12.1	9.9	5.7	Total . . . . .	2,893	1,625	1,136
Italy . . . . .	14.6	6.0	5.0	One Sucker, type 35			
Sweden . . . . .	9.1	9.0	7.1	Cameroon . . . . .	0	0	0
Norway . . . . .	3.8	1.9	2.7	Belgium . . . . .	66	0	0
Finland . . . . .	4.6	3.4	3.7	Zaire . . . . .	142	0	0
Denmark . . . . .	10.7	10.5	6.3	Other countries . . . . .	1	0	0
Ireland . . . . .	4.1	3.3	2.6	Total . . . . .	209	0	0
Belgium . . . . .	9.8	2.9	2.8	Green River, type 36			
Switzerland . . . . .	9.8	5.0	5.3	United Kingdom . . . . .	34	0	0
Egypt . . . . .	17.0	9.4	2.7	Zaire . . . . .	79	0	0
Philippine Republic . . . . .	6.6	5.0	4.2	Other countries . . . . .	3	0	2
Spain . . . . .	4.9	3.9	2.7	Total . . . . .	116	0	2
Malaysia . . . . .	5.9	3.6	4.9	Cigar Filler, types 41-44			
Taiwan . . . . .	11.2	10.8	13.6	New Zealand . . . . .	0	0	0
New Zealand . . . . .	3.6	2.1	2.1	France . . . . .	270	43	4
Other countries . . . . .	42.5	21.4	31.2	Other countries . . . . .	60	56	122
Total . . . . .	390.6	279.0	253.2	Total . . . . .	330	99	126
Burley, type 31				Connecticut Binder, type 51-52			
Italy . . . . .	14.3	0	.4	West Germany . . . . .	0	0	0
Sweden . . . . .	2.7	1.5	1.1	United Kingdom . . . . .	0	0	0
Denmark . . . . .	2.0	1.8	1.0	Canada . . . . .	22	8	41
Netherlands . . . . .	2.0	1.5	1.0	Other countries . . . . .	135	32	56
Japan . . . . .	8.3	0	2.0	Total . . . . .	157	40	97
West Germany . . . . .	11.4	3.2	5.9	Wisconsin Binder, types 54-55			
Switzerland . . . . .	3.1	1.4	.5	Dominican Republic . . . . .	68	0	8
Syria . . . . .	2.9	0	0	Other countries . . . . .	18	0	0
Thailand . . . . .	2.7	0	0	Total . . . . .	86	0	8
Philippine Republic . . . . .	6.9	2.0	1.0	Cigar Wrapper, types 61-62			
Other countries . . . . .	15.4	5.9	2.0	United Kingdom . . . . .	830	615	299
Total . . . . .	71.7	17.3	14.9	West Germany . . . . .	212	82	51
Maryland, type 32				Canada . . . . .	227	127	69
Belgium . . . . .	1.3	.4	0	Dominican Republic . . . . .	1,520	919	909
West Germany . . . . .	1.8	.3	.7	Netherlands . . . . .	327	161	370
Switzerland . . . . .	3.3	.3	1.0	Other countries . . . . .	668	386	234
Other countries . . . . .	.9	.2	.4	Total . . . . .	3,784	2,290	1,932
Total . . . . .	7.3	1.2	2.1	Black Fat			
Ky.-Tenn. Fire-cured, types 22-23				Dahomey . . . . .	886	543	690
Sweden . . . . .	.3	.3	.5	Cameroon . . . . .	581	228	161
Netherlands . . . . .	8.9	3.4	3.6	Niger . . . . .	328	75	160
Belgium . . . . .	.5	.2	.1	Nigeria . . . . .	476	57	0
France . . . . .	2.7	( <sup>3</sup> )	0	Togo . . . . .	421	220	104
Switzerland . . . . .	.7	.6	.6	Other countries . . . . .	479	45	43
Other countries . . . . .	3.0	.9	.6	Total . . . . .	3,171	1,168	1,158
Total . . . . .	16.1	5.4	5.4	Stems, trimmings, and scrap			
Sweden . . . . .	3.7	.5	( <sup>3</sup> )	United Kingdom . . . . .	20.7	15.2	12.6
Denmark . . . . .	2.8	2.7	2.6	West Germany . . . . .	4.3	2.3	4.3
United Kingdom . . . . .	20.7	15.2	12.6	Japan . . . . .	30.2	22.0	21.0
West Germany . . . . .	4.3	2.3	4.3	Other countries . . . . .	31.1	19.9	21.9
Japan . . . . .	30.2	22.0	21.0	Total . . . . .	92.8	62.6	62.4
Other countries . . . . .	31.1	19.9	21.9	Total			

<sup>1</sup> July-June crop year for flue-cured, cigar wrapper, stems, trimmings, and scrap; October year for all others.

<sup>2</sup> Subject to revision. <sup>3</sup> Less than 50,000 pounds. Detail may not add to total due to rounding.

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

## TOBACCO EXPORT SHARES BY STATES, 1973-76<sup>1</sup>

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Commodity Economics Division

**ABSTRACT:** Tobacco exports were 16 percent of the value of all agricultural exports for 18 States growing tobacco for the year ending June 30, 1976. Tobacco was 4 percent of all United States agricultural exports. North Carolina's export share of tobacco was over half of the U.S. tobacco total. The allocation of export shares based upon production shows that tobacco dominated export shares of agricultural products for North Carolina, Connecticut, and Massachusetts. The export shares of tobacco was near or over one-third of agricultural exports for Kentucky, South Carolina, and Virginia. The maintenance of tobacco exports is a developing problem for the agricultural economy of each State with a large share in tobacco exports.

**KEYWORDS:** Agricultural exports, export shares, exports by State, export values, tobacco exports.

From fiscal year 1973 to 1976 (year ending June 30), U.S. agricultural exports increased 72 percent in value (table 1). The increase in value of tobacco (unmanufactured and bulk smoking tobacco) exports was 43 percent from 1973 to 1976. The increase was primarily the result of higher unit export values. Since exports represent about 30 percent of the annual disappearance of the U.S. tobacco crop, the export value allocated to States is of economic importance. States with a large share in the value of exports have a special interest in maintaining or increasing the value of U.S. exports.

Eighteen States (all but Missouri located east of the Mississippi River) produce significant quantities of tobacco. Five dominate in the production of flue-cured tobacco, the major cigarette tobacco. Flue-cured production provides about two-thirds of the total U.S. tobacco crop. Production is concentrated in North Carolina, South Carolina, Georgia, Virginia, and Florida.

Burley tobacco, the second major type of cigarette tobacco, represents about 30 percent of the U.S. tobacco crop. Two States, Kentucky and Ten-

nessee, dominate burley production. Additional burley is grown in Indiana, Missouri, North Carolina, Ohio, Virginia, and West Virginia.

Other types of tobacco, although neither large in quantity or value nationally, are important in the agricultural economies of Connecticut, Maryland, and Massachusetts.

Although production is compiled by States, exports are not reported by States. Exports are reported by port or region of exit and a few ports handle most of the tobacco exports. But production industries are relatively unfamiliar with how the value of either agricultural or tobacco exports relate to the economies of producing States. Export shares were calculated for fiscal years 1973-76 based upon the relative share of agricultural production in each State the year previous to the export year.

### Agricultural Export Shares to States

The total value of U.S. agricultural exports in fiscal 1976 was \$22 billion. Allocating this value to the five leading States—Illinois, Iowa, Texas, California, and Kansas—shows that other crops and livestock products are exported in great quantity and value relative to tobacco. Tobacco is important in only 18 States and was 4 percent of export value in 1976. However, total agricultural exports from the 18 tobacco producing States were one-fourth of

<sup>1</sup>Adapted from: Tontz, Robert L. and McCall, Thomasine B., "U.S. Agricultural Export Shares By States, Fiscal Year 1976," *Foreign Agricultural Trade of the United States*, October 1976, pp. 5-16.

the U.S. total. The total value of tobacco exports in fiscal 1976 was \$917 million.

Because of the diversity of the agricultural economies of tobacco States, the range in percent of agricultural exports represented by tobacco was less than 1 percent to over 80 percent. The average for tobacco States was 16 percent (table 2).

In North Carolina, flue-cured and burley tobacco provided 60 percent of the agricultural export share allocated in 1976. Cigar wrapper and binder tobacco provided 81 percent of the agricultural export share in Connecticut and 50 percent in Massachusetts. Tobacco made up about one-third of the export shares allocated to three States—flue-cured for South Carolina, burley and fire-cured for Kentucky, and flue-cured, burley, and fire- and sun-cured for Virginia.

#### **Tobacco Shares by States**

North Carolina's share of \$474 million in tobacco exports was 52 percent of the tobacco total in 1976 (table 2). Among other States, only Kentucky and South Carolina accounted for more than 10 percent of the total.

From 1973 to 1976, individual State shares did not vary substantially relative to other States because total production did not shift among the States. The significant changes are the increase in value due to the sharp rise in unit value of exports and the increase in burley exports.

The quantity of flue-cured tobacco exported in 1973 and 1976 was about the same, slightly over 520 million pounds (farm sales weight). Thus, flue-cured exports were about two-thirds of the weight of tobacco exported in 1976. Burley exports

increased about 20 million pounds in the period, representing the net gain in total tobacco exports. Burley exports were 30 percent of the total weight in 1976.

The increase in volume of burley exports allocated to Kentucky and Tennessee more than offset the decline in fire-cured exports. The result was that both the rise in unit value and quantity of burley exported and the rise in unit value of fire-cured tobacco increased the value of the Kentucky share of exports by \$58 million from 1973 to 1976. The increase in the Kentucky share from 1973 to 1976 was larger than the total share of exports for all other States in 1976 except the four leading flue-cured producing and exporting States. The increase for North Carolina was \$136 million. This increase was larger than the total share of any other State.

#### **Future Shares of Tobacco Exports**

The rapid increase in tobacco export value from 1973 to 1976 still does not indicate an expanding export demand. A rapid rise in unit values, associated with inflation, substantially overshadowed the slight increase in the quantity of exports for the period. The unit value rise may limit the total value of exports in the future. Rising foreign population and income created a more rapid rise in the value of exports of other agricultural products. Quantity, as well as unit values, increased.

From 1973 to 1976, the production and world trade in tobaccos similar to the types produced in the United States have been increasing. States with large shares of tobacco exports are particularly vulnerable to increased foreign competition for export markets.

Table 1--Agricultural export shares, selected States and State groups, fiscal years, 1973 and 1976

Agricultural export States	Year ending June 30		Change, 1973-1976	Percentage of total (1976)
	1973	1976 <u>1/</u>		
	Million dollars		Percent	
Leading States (5)				
Illinois	1,310	2,405	+84	10.8
Iowa	1,095	1,752	+60	7.9
Texas	798	1,541	+93	7.0
California	774	1,467	+90	6.6
Kansas	775	1,312	+69	5.9
Subtotal	4,752	8,477	+78	38.3
Tobacco producing States (18) <u>2/</u> :	3,774	5,603	+48	25.3
Tobacco	640	917	+43	4.1
Other States (27)	4,368	8,067	+84	36.3
United States	12,894	22,147	+72	100.0

1/ Subject to revision. 2/ Alabama, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Missouri, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin. Source: Tontz, Robert L. and McCall, Thomasine B., "U.S. Agricultural Export Shares By States, Fiscal Year 1976", FOREIGN AGRICULTURAL TRADE OF THE UNITED STATES, October 1976, pp. 5-16.

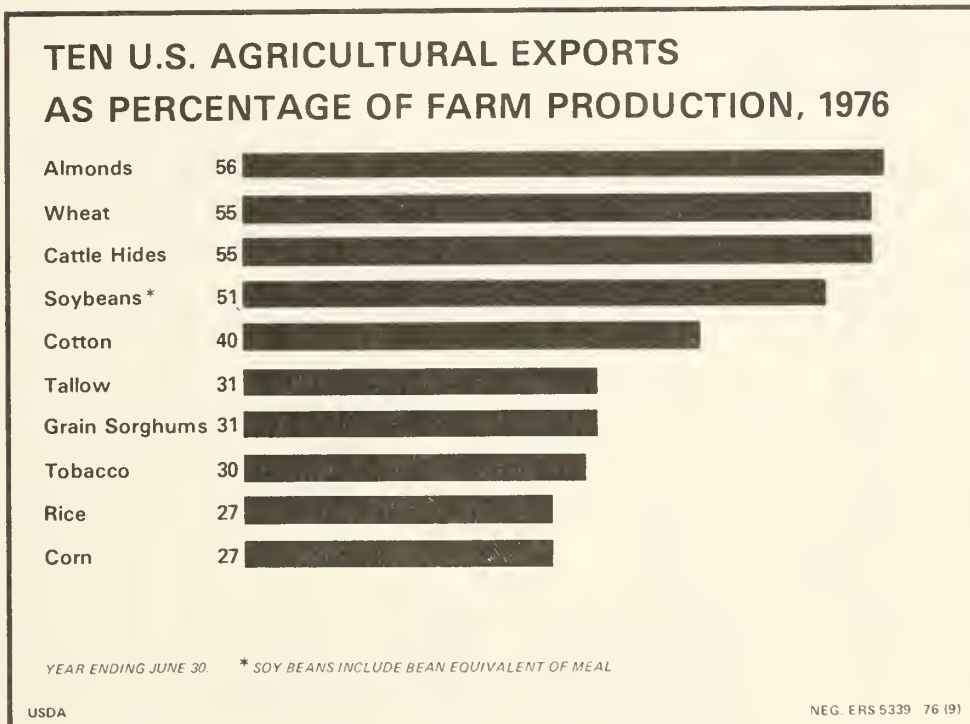


Table 2--Agricultural and tobacco export value, percentage distribution and percent of total, by State, fiscal years 1973 and 1976 1/

Tobacco type and State	Export value		Tobacco as percentage of agricultural 3/				Tobacco as percentage of total tobacco 3/			
	Tobacco 2/ 1973	1976	1973	1976	1973	1976	1973	1976	1973	1976
----- Million dollars -----										
----- Percent -----										
<b>Flue-cured</b>										
North Carolina	338	474	526	786	64	60	53	52		
South Carolina	66	95	174	267	38	36	10	10		
Georgia	59	77	207	394	28	19	9	8		
Virginia	49	66	120	193	41	34	8	7		
Florida	16	19	184	295	9	6	3	2		
Subtotal	528	731	1,210	1,935	44	38	83	79		
<b>Burley and fire-cured</b>										
Kentucky	64	112	186	351	34	32	10	12		
Tennessee	23	36	175	272	13	13	4	4		
Subtotal	87	148	361	623	24	24	14	16		
<b>Other</b>										
Connecticut	6	14	8	17	75	81	1	2		
Maryland	10	7	59	110	18	6	1	1		
Massachusetts	2	5	6	11	42	50	4/	1		
Ohio	2	5	432	831	1	1	4/	1		
All other 5/	5	7	1,701	2,076	4/	4/	1	1		
Total 18 States	640	917	3,774	5,603	17	16	100	100		

1/ Year ending June 30.

2/ Unmanufactured and bulk smoking tobacco.

3/ Computed from unrounded totals.

4/ Less than .5 percent.

5/ Pennsylvania, West Virginia, Alabama, Indiana, Wisconsin, Louisiana and Missouri.

Compiled from: Tontz, Robert and McCall, Thomasine, "U.S. Agricultural Export Shares by States, Fiscal year 1976", FOREIGN AGRICULTURAL TRADE OF THE UNITED STATES, October 1976, pp. 5-16.

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STATISTICAL SUMMARY

Item	Unit or base period	1976		1976-77		Last data as percentage of a year earlier
		Jan.	Feb.	Dec.	Jan.	
Average price at auctions						
Flue-cured	Ct. per lb.	C - 1 - o - s - e - d	C - 1 - o - s - e - d			---
Burley	Ct. per lb.	108.0	107.4	114.4	113.2	112.8
Maryland	Ct. per lb.	C - 1 - o - s - e - d	C - 1 - o - s - e - d			---
Virginia fire-cured	Ct. per lb.	91.9	78.2	122.0	117.0	114.0
Ky.-Tenn. fire-cured	Ct. per lb.	99.3	107.0	Closed	135.8	142.2
Ky.-Tenn. dark air-cured	Ct. per lb.	89.7	Closed	116.3	118.1	114.8
Virginia sun-cured	Ct. per lb.	84.0	Closed	106.0	102.5	Closed
Support price 1/						
Flue-cured	Ct. per lb.	106.0			**113.8	107
Burley	Ct. per lb.	109.2			**117.3	107
Maryland	Ct. per lb.	No support			No support	---
Virginia fire-cured	Ct. per lb.	74.1			**79.5	107
Ky.-Tenn. fire-cured	Ct. per lb.	74.1			**79.5	107
Ky.-Tenn. dark air-cured	Ct. per lb.	65.9			**70.7	107
Virginia sun-cured	Ct. per lb.	65.9			**70.7	107
Connecticut Valley cigar binder	Ct. per lb.	75.6			**81.2	107
Wis. binder and Ohio filler	Ct. per lb.	54.6			**58.6	107
Puerto Rican filler	Ct. per lb.	56.7			**60.9	107
Parity index 2/	1910-14=100	643	648	657	673	679
Industrial production index 3/	1967=100	125.7	127.3	132.8	131.5	
Employment	Mil.	84.5	84.8	88.5	86.9	87.2
Personal income 4/	Bil. dol.	1,320.8	1,331.4	1,439.5	1,443.3	
		1975-76		1976-77		
		Dec.	Jan.	Nov.	Dec.	Jan.
Taxable removals						
Cigarettes	Bil.	42.7	51.9	50.5	43.7	102
Cigars and cigarillos	Mil.	405.0	396.9	458.7	376.9	93
Accumulated from Jan. 1						
Cigarettes	Bil.	588.4		573.4	617.1	105
Cigars and cigarillos	Mil.	5,771.2		4,976.4	5,353.3	93
Invoiced to domestic customers						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	45.6			43.7	96
Chewing tobacco	Mil. lb.	80.6			83.9	104
Snuff	Mil. lb.	25.2			25.8	102
Tax-exempt removals						
Cigarettes	Bil.	5.4	6.0	6.1	6.0	111
Exports	Bil.	4.6	3.9	4.4	6.0	3.8
Cigars and cigarillos	Mil.	8.6	12.0	13.7	13.0	151
Accumulated from Jan. 1						
Cigarettes	Bil.	62.3		66.1	72.1	116
Exports	Bil.	49.9		55.4	61.4	123
Cigars and cigarillos	Mil.	124.2		131.1	144.1	116
Invoiced for export						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	1.0			.9	90
Chewing tobacco	Mil. lb.	.1			.1	100
Wholesale price indexes 5/						
Cigarettes (reg. nonfilter)	1967=100	168.4	168.4	182.8	182.8	182.8
Cigars	1967=100	125.4	125.4	126.6	126.6	126.6
Smoking tobacco	1967=100	163.7	163.7	184.1	186.3	186.3
Plug chewing tobacco	1967=100	175.0	175.0	194.4	194.4	194.4
Snuff	1967=100	184.3	184.3	207.0	207.0	209.8
Consumer price indexes (urban) 6/						
Cigarettes (reg. nonfilter)	1967=100	159.3	160.5	165.0	166.0	167.8
Cigarettes (filter tip king)	1967=100	159.1	160.6	165.0	166.4	168.2
Cigars (domestic reg. size)	1967=100	126.5	127.1	132.6	132.8	133.2
Imports of tobacco						
Cigarette leaf	Mil. lb.	10.4	17.4	11.4	19.2	15.6
Cigar tobacco 7/	Mil. lb.	11.5	13.4	9.6	9.4	.8
Accumulated from Jan. 1						
Cigarette leaf	Mil. lb.	211.9		184.1	204.8	97
Cigar tobacco 7/	Mil. lb.	149.5		132.4	141.8	95

See footnotes at end of table.

Continued -



STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1975-76		1976-77		Last data as percentage of a year earlier	
		Dec.	Jan.	Nov.	Dec.		Jan.
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	61.6	98.5	48.0	76.4	79.6	81
Burley	Mil. lb.	5.6	2.7	2.4	6.9	4.7	174
Maryland	Mil. lb.	.5	.2	1.1	.4	0	---
Virginia fire- & sun-cured	Mil. lb.	.5	.8	.3	.3	.7	98
Ky.-Tenn. fire-cured	Mil. lb.	1.6	.8	1.2	1.2	.5	62
Ky.-Tenn. dark air-cured	Mil. lb.	0	0	0	0	0	---
Black Fat	Mil. lb.	.1	.3	.2	.4	.2	66
Cigar wrapper	Mil. lb.	.4	.5	.3	.5	.2	40
Connecticut binder	Mil. lb.	0	*	*	*	*	---
Wisconsin binder	Mil. lb.	0	0	0	*	0	---
Accumulated from beginning of marketing year <sup>8/</sup>							
Flue-cured	Mil. lb.	279.3	377.8	187.2	263.6	343.2	91
Burley	Mil. lb.	20.8	23.6	8.0	14.9	19.6	83
Maryland	Mil. lb.	1.4	1.6	2.3	2.7	2.7	174
Virginia fire- & sun-cured	Mil. lb.	1.2	2.0	.8	1.1	1.8	90
Ky.-Tenn. fire-cured	Mil. lb.	5.2	6.0	4.3	5.5	6.0	100
Ky.-Tenn. dark air-cured	Mil. lb.	0	0	0	0	0	---
Black Fat	Mil. lb.	.9	1.2	.6	1.0	1.3	100
Cigar wrapper	Mil. lb.	2.0	2.6	1.3	1.9	2.2	84
Connecticut binder	Mil. lb.	*	*	.1	.1	.1	---
Wisconsin binder	Mil. lb.	0	0	0	*	*	---
Cigar filler	Mil. lb.	*	.1	*	.1	.1	100
Exports of manufactured tobacco in bulk	Mil. lb.	2.0	.8	1.2	.8	.1	13
Accumulated from Jan. 1	Mil. lb.	17.6		13.1	13.9		79
Quarterly data							
		1975-76		1976-77			
		Oct.-Dec.	Jan.-Mar.	Oct.-Dec.	Jan.-Mar.		
Stocks of tobacco—1st of quarter <sup>9/</sup>							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,231	2,443	2,468	2,596		106
Burley	Mil. lb.	1,094	1,346	1,131	1,399		104
Maryland	Mil. lb.	61	54	49	42		78
Fire-cured	Mil. lb.	48	41	50	45		110
Dark air- and sun-cured	Mil. lb.	35	35	30	30		86
Cigar filler	Mil. lb.	61	55	60	55		100
Cigar binder	Mil. lb.	42	39	44	39		100
Cigar wrapper	Mil. lb.	16	19	14	16		84
Under Government loan <sup>10/</sup>	Mil. lb.	354	402	533	638		159
Tobacco sheet <sup>11/</sup>							
Cigarette types	Mil. lb.	24.7	24.1	27.8	29.4		122
Cigar types	Mil. lb.	1.4	1.5	1.5	1.4		93
Foreign types (farm-sales weight)							
Cigarette and smoking	Mil. lb.	587	568	646	637		112
Cigar	Mil. lb.	129	131	109	114		87
Tobacco outlets <sup>12/</sup>							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	694.7	724.2	707.7	724.0		100
Taxable removals	Bil.	622.0	655.3	608.7	655.0		100
Cigar production	Bil.	5.44	5.45	5.50	5.40		99
Smoking production	Mil. lb.	42.6	48.4	39.3	47.4		98
Chewing production							
Loose leaf	Mil. lb.	55.2	59.6	52.9	59.6		100
Plug and other	Mil. lb.	28.2	26.6	28.0	26.3		99
Snuff production	Mil. lb.	24.4	24.3	24.5	24.3		100
Exports of leaf							
total	Mil. lb.	659.7	1,157.7	665.5	835.0		72
Flue-cured	Mil. lb.	544.2	1,032.9	576.0	745.0		72

<sup>1/</sup> 1976 and 1977 crops respectively. <sup>2/</sup> Prices paid by farmers including interest, taxes and wage rates. <sup>3/</sup> Seasonally adjusted. <sup>4/</sup> Seasonally adjusted, annual rate. <sup>5/</sup> Excise tax excluded. <sup>6/</sup> Federal and applicable state and local taxes included. <sup>7/</sup> Farm-sales weight equivalent. <sup>8/</sup> July 1 for flue-cured and cigar wrapper and October 1 for others. <sup>9/</sup> Holdings of manufacturers and dealers including growers cooperatives. <sup>10/</sup> Reported by grower cooperatives. <sup>11/</sup> Weight of tobacco leaf not including stems added. <sup>12/</sup> Data for most recent quarter are preliminary estimates. \* Less than 50,000 pounds. \*\* Estimated.



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