

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.



TOBACCO Situation



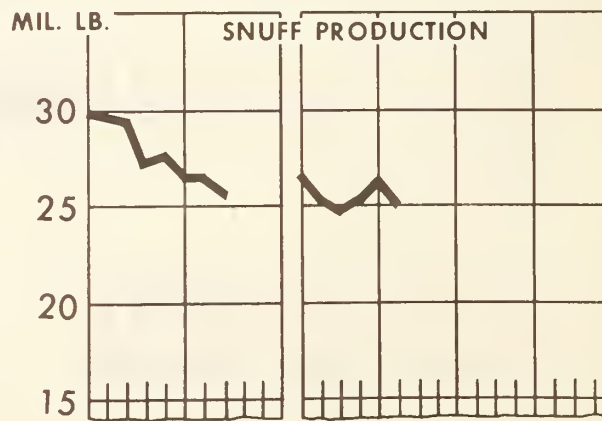
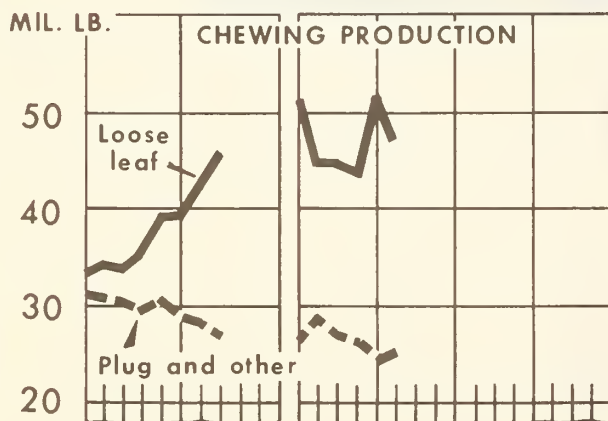
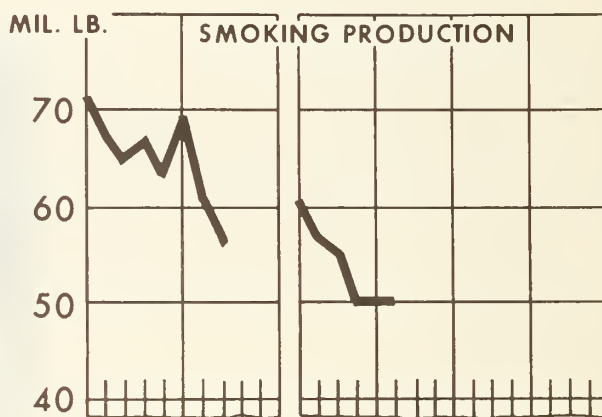
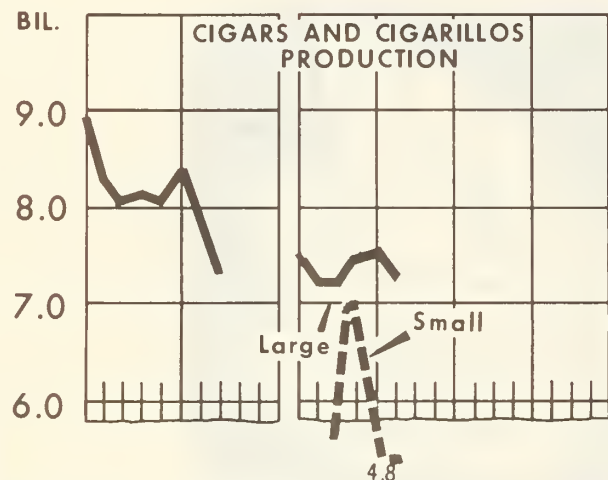
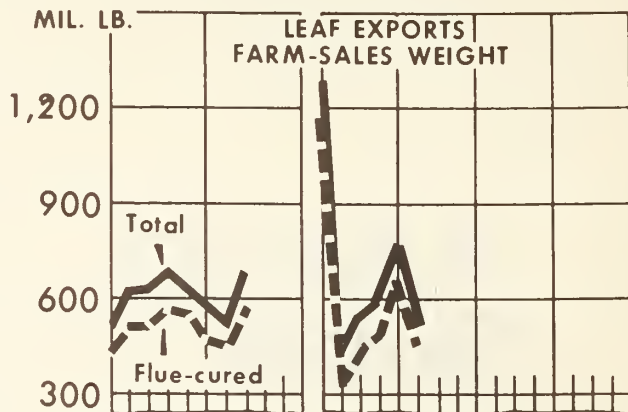
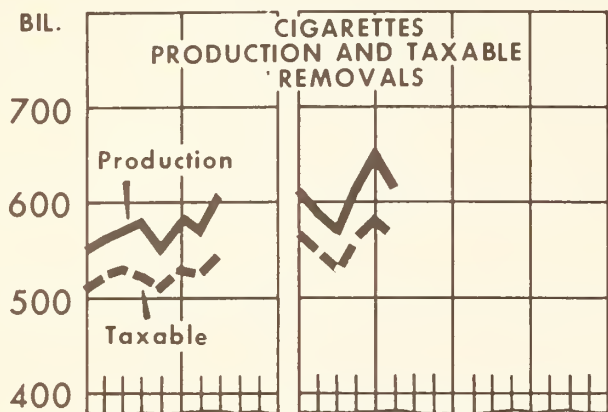
U. S. D. A.
National Agricultural Library
Received

Procurement Section
Current Serial Records

6/15/73

TOBACCO OUTLETS

Trends in Manufactured Products and Exports



1965 70 75 72 73 74 75
 ANNUAL SEASONALLY ADJUSTED, AT ANNUAL RATES

1965 70 75 72 73 74 75
 ANNUAL SEASONALLY ADJUSTED, AT ANNUAL RATES

LAST QUARTER SHOWN ESTIMATED.

THE TOBACCO SITUATION

CONTENTS

	<i>Page</i>
Summary	3
Tobacco Products	4
U.S. Exports and Imports	7
Tobacco Leaf Situation and Outlook	9
World Tobacco Trade Review	20
Foreign News Brief	26
Factors Affecting Tobacco Loan Placements <i>6.989</i>	28
Selected Recent Articles, Reports, Speeches . . .	32
Statistical Summary	33
List of Tables	35



Approved by
The Outlook and Situation Board
and Summary released
June 15, 1973

Principal contributors:
Robert H. Miller
Johnny D. Braden

Economic and Statistical Analysis Division
Economic Research Service
U.S. Department of Agriculture
Washington, D.C. 20250



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

SUMMARY

Use of U.S. tobacco for the 1972/73 marketing year is remaining near the previous year's level, but it is exceeding the 1972 crop. So carryover will be about 4 percent below last year's 3.5 billion pounds and the smallest amount since 1951.

Domestic cigarette use for the 10 months ended April 1973 increased about 2½ percent above a year earlier. With exports gaining sharply, cigarette output in the year ending June 30 will likely be up about 3 percent from the 593 billion cigarettes produced last year. Gains in domestic cigarette use are expected to continue in July-December 1973.

In contrast to the gain for cigarettes, use of large cigars and smoking tobacco is continuing to fall. For the year ending June 30, large cigar and cigarillo consumption may fall about 7 percent below the 7.6 billion in 1971/72. Snuff and chewing tobacco production may remain about the same as in 1971/72.

Unmanufactured tobacco exports moved at a brisk pace in January through April, lifting the July 1972-April 1973 total by 7 percent above a year earlier. With a slower pace in May and June, total shipments for the year ending June 30 are expected to be up about 3-4 percent from the 525 million pounds of the previous year. World cigarette output is climbing toward another record and there are smaller supplies of most competing tobaccos. Exports to Japan, Switzerland, and the United Kingdom have gained this season. West Germany and several other EC countries have taken less.

With rising U.S. price support levels and plans for increased output in Canada, U.S. exports in July-December 1973 will do well to equal the 301 million pounds of a year earlier. Helping to sustain our trade are vigorous economic growth and an increasing demand for cigarettes in the markets that are major U.S. customers.

Flue-cured exports were up 6 percent in July 1972-April 1973, principally due to larger shipments to the United Kingdom, Belgium, and Japan. For the year ending June 30, about 379 million pounds (490 million, farm-sales weight) will be exported, 2 percent above 1971/72. Burley exports for the crop year ending September 30 should equal last year's total of 43 million pounds (55 million, farm-sales weight).

Cigarette tobacco imports for consumption during

July 1972-April 1973 declined 10 percent from a year earlier. Cigar leaf imports gained 3 percent. U.S. manufacturers' stocks of imported cigarette tobacco on April 1 were 15 percent above a year earlier. U.S. stocks of foreign-grown cigar tobacco were up one-third, reflecting the previous year's limited arrivals caused by a dock strike.

Despite gains in cigarette output, domestic flue-cured use in the year ending June 30 is edging slightly below last season's level. However, allowing for more exports, total disappearance is remaining about the same as 1.14 billion pounds of last season. This exceeds the 1972 crop so the July 1973 carryover of flue-cured will likely fall about 6 percent below the 1.91 billion pounds of a year earlier.

Based on March 1 intentions, the 1973 flue-cured crop was projected 12 percent larger than last year. Considering past experience, and if fuel shortages can be avoided, the estimate is still reasonable. For the new season, total supply—estimated carryover plus the projected 1973 crop—may stay about the same. Auctions for the crop usually open in the second half of July on type 14 (Ga.-Fla.) and type 13 (S.C.-N.C.) markets. To receive price support, growers must certify again this season that they did not use DDT or TDE pesticides on their crop. USDA will again random sample and chemically analyze

tobacco from all markets for residues. The law provides penalties for false certification.

Use of burley tobacco may total 2-3 percent above last season's 570 million pounds. This would leave an October 1 carryover about the same as last year's 1,248 million pounds. The farm poundage quota, reflecting 1972's underquota marketings, is expected to result in about the same size marketings, leaving total supplies about the same as last season.

Auction markets for the 1972 crop of Maryland tobacco began April 10 and ended June 15. Through June 13, prices averaged 85 cents per pound compared with 82 cents a year earlier as prices for almost all grades increased. Disappearance is declining this season, but the 1972 crop was also smaller. So the carryover may change little.

Disappearance of cigar binder and fire-cured tobaccos in the current marketing year may gain a little from last season. Use of dark air-cured and domestic cigar filler and wrapper tobaccos is declining. Nevertheless, estimated use for most of these types of tobacco will exceed last year's crop, leaving less carryover into 1973/74. Tentative supplies—estimated carryover plus prospective production—are lower than the previous season for fire-cured, dark air-cured, cigar filler, and wrapper, but about the same for binder tobaccos.

TOBACCO PRODUCTS

Cigarette Use Up

Despite declining shipments to overseas forces, increasing domestic sales brought U.S. cigarette use up 1 percent during the 10 months through April 1973 as compared to the same period in 1971/72. Use by U.S. smokers (including those overseas) in the year ending June 30, 1973, may have increased by a similar percentage to around 573 billion cigarettes (table 2). Increases in domestic cigarette use are expected to continue in July-December 1973.

Total U.S. cigarette output in 1972/73 is estimated at 613 billion—about 3 percent above last year's record. This includes about 41 billion cigarettes for exports, and 2 billion for Puerto Rico and other U.S. possessions. During the 10 months through April 1973, exports jumped 18 percent, reflecting the continued growth in worldwide preference for U.S. cigarettes (table 1).

Retail prices have moved higher in the past 12 months, in part due to a rise in wholesale prices. Since last July at State levels, only the District of Columbia increased cigarette tax rates, compared with 12 States in 1971/72 and 13 States in 1970/71.

Large-Cigar Volume Lags

U.S. smokers and overseas forces reduced smoking 7 percent to 5.9 billion large cigars (including

Table 1.—U.S. cigarette exports to leading destination, 1971-73

Country	1971	1972 ¹	January-April	
			1972	1973 ¹
	Mil.	Mil.	Mil.	Mil.
Hong Kong	3,824	4,320	1,326	1,591
Belgium-Luxembourg . .	2,729	2,984	917	1,040
Spain	2,391	2,776	945	888
Netherlands-Antilles . .	1,530	1,924	561	960
Lebanon	1,510	1,901	496	524
Saudi Arabia	1,189	1,744	325	746
Panama	1,602	1,637	683	827
Ecuador	1,048	1,406	438	572
Kuwait	887	1,397	489	607
Switzerland	1,209	1,118	369	439
Japan	873	1,051	372	686
Other countries	13,020	12,344	3,826	5,069
Total	31,812	34,602	10,747	13,949

¹ Subject to revision.

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

cigarillos) in the 10 months through April 1973. For the 1973 fiscal year, consumption may be down by a similar percentage and well below the 1964/65 record. Demand has been weaker, particularly in lower price categories. In part this reflects the strong demand for cigarettes and small cigars. U.S. smokers used more

Table 2.--Cigarettes: Output, removals, and consumption, 1960-73

Year	Output	Removals					Total U.S. consump- tion 3/
		Taxable	Tax-exempt				
			Total	Exports	Puerto Rico 1/	Overseas forces 2/	
<u>Billions</u>							
1960	506.9	470.1	37.0	20.2	2.5	14.3	484.4
1961	528.3	488.1	39.6	22.2	2.8	14.6	502.7
1962	535.5	494.5	41.1	24.1	3.1	13.9	508.4
1963	550.6	509.6	41.1	23.6	3.2	14.3	523.9
1964	539.9	497.4	42.6	25.1	3.7	13.8	511.2
1965	556.8	511.5	44.2	23.1	3.9	17.2	528.7
1966	567.3	522.5	46.1	23.5	3.9	18.7	541.2
1967	576.2	527.8	49.0	23.7	3.9	21.4	549.2
1968	579.5	523.0	53.8	26.5	4.7	22.6	545.7
1969	557.6	510.5	47.1	25.0	3.7	18.4	528.9
1970	583.2	532.8	51.2	29.2	3.7	18.4	4/536.4
1971	576.4	528.9	49.2	31.8	2.7	14.7	5/555.0
1972 6/	599.1	551.0	47.2	34.6	2.1	10.5	5/565.0
Year ending June 30 --							
1964	535.0	495.1	40.8	23.7	3.5	13.6	508.7
1965	562.4	517.0	43.9	25.1	3.7	15.1	532.1
1966	562.7	516.1	47.2	23.4	4.1	19.7	535.8
1967	572.8	524.9	47.7	23.8	3.7	20.2	545.1
1968	570.7	522.6	48.7	23.5	4.1	21.1	543.7
1969	573.0	520.3	51.5	25.8	4.4	21.3	541.6
1970	562.2	511.7	51.0	28.6	3.8	18.6	530.3
1971	585.1	539.6	47.5	29.0	3.3	15.2	4/544.0
1972	592.6	542.6	50.2	32.8	2.2	15.2	5/566.4
1973 7/	613.0	560.0	53.0	41.0	2.0	10.0	5/573.0

1/ Also includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.

2/ Also includes ship stores and small tax-exempt categories.

3/ Taxable removals plus overseas forces.

4/ Excludes estimated inventory increase.

5/ Includes estimated inventory decrease.

6/ Subject to revision.

7/ Estimated.

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

Table 3.--Cigars and smoking tobacco: Output, removals, and consumption

Year and item	U.S. factories			From	Imports	Exports	Total U.S. consumption ^{1/}
	Output	Removals		Puerto Rico: taxable			
		Taxable	Tax-exempt				
<u>Millions</u>							
Large cigars and cigarillos							
1965	7,899	7,578	180	913	25	55	8,641
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,858	6,846	197	1,099	30	76	8,096
1968	7,184	6,759	169	1,036	48	66	7,946
1969	6,931	6,739	169	1,080	45	65	7,968
1970	7,094	6,705	152	1,259	46	54	8,108
1971	6,707	6,506	131	1,222	48	49	7,858
1972 ^{2/}	6,025	5,896	136	1,272	62	55	7,281

<u>Year ending June 30 --</u>							
1965	8,445	7,912	176	850	25	45	8,918
1966	7,517	7,332	210	1,034	25	70	8,531
1967	6,883	6,864	183	1,072	26	74	8,071
1968	7,234	6,868	192	1,114	38	77	8,135
1969	6,868	6,633	156	987	46	62	7,760
1970	7,108	6,755	165	1,186	47	58	8,095
1971	6,956	6,718	139	1,237	47	55	8,086
1972	6,352	6,216	141	1,274	53	65	7,622
1973 ^{3/}	5,820	5,665	130	1,280	65	80	7,060

<u>Million pounds</u>							
Smoking tobacco ^{4/}							
1965	71.8	67.3	3.0	---	2.1	1.0	71.4
1966	67.3	65.3	1.5	---	3.3	.9	69.2
1967	64.8	62.7	2.0	---	3.7	1.3	67.1
1968	66.3	64.1	1.9	---	5.5	1.8	69.7
1969	63.9	62.6	1.6	---	5.7	1.1	68.8
1970	69.4	65.6	1.5	---	8.7	.9	74.6
1971	60.5	61.3	1.4	---	8.4	1.2	69.6
1972 ^{2/}	55.8	55.1	1.3	---	11.9	1.4	66.9

<u>Year ending June 30 --</u>							
1965	74.1	71.4	3.0	---	2.5	1.1	75.8
1966	69.8	65.4	2.4	---	2.8	1.0	69.6
1967	64.3	62.3	1.8	---	3.2	1.1	66.2
1968	66.9	64.6	1.9	---	4.6	1.3	69.8
1969	63.7	62.5	1.7	---	5.3	1.8	67.7
1970	67.2	64.2	1.6	---	7.0	.9	71.9
1971	67.0	64.8	1.5	---	8.7	1.1	73.9
1972	57.6	57.6	1.3	---	10.6	1.4	68.1
1973 ^{3/}	52.5	53.5	1.3	---	10.4	1.4	63.8

^{1/} Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. ^{2/} Subject to revision. ^{3/} Estimated. ^{4/} After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales.

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

imported cigars, about the same number as in 1971 from Puerto Rico, and fewer from U.S. factories (table 3). Small cigar production (cigarette size) totaled 4.3 billion in the 9 months through March 1973 and the total fiscal year output may have tripled (table 4).

According to the annual survey by the Cigar Manufacturers Association of America, sales of cigarillo-size cigars (weighing over 3 pounds but not over 10 pounds per 1,000) totaled 2.7 billion in calendar 1972. The average cigarillo weighs less than half the traditional cigar. Cigarillo sales (based on taxable removals) in 1972 were 37.4 percent of total sales of large cigars and cigarillos. This compares with 38.4 percent for 1971, and 13½ percent at the start of the 1960's.

Smoking and Chewing Tobacco

Smoking tobacco production for pipes and roll-your-own cigarettes has dropped as cigarette sales have gained. In the first 9 months of 1972/73 smoking tobacco output fell 10 percent to 39 million pounds. Domestic sales, including imports, dropped 7 percent to 48 million pounds. As U.S. manufacturers' sales dropped further, imports stabilized. Declines occurred in both pipe tobacco and cigarette cut (roll-your-own) sales. U.S. smoking tobacco consumption for the year ending June 30 may be down about 7 percent.

Smoking tobacco exports in bulk during July 1972-April 1973 were one-third less or 9.6 million pounds below a year earlier. An upward trend prevailed until 1972, but exports for the 1972/73 fiscal year probably total one-third below the 34 million pounds of

1971/72. Switzerland, the leading destination, cut back bulk tobacco takings sharply but took more unmanufactured tobacco from the United States.

Chewing tobacco output in 1972/73 is estimated about the same as the previous year, gains in loose leaf production about offset a decline in plug chewing (table 4).

Snuff production in 1972/73 remained about the same as in 1971/72. Output appears to have stabilized following a long downtrend.

U.S. EXPORTS AND IMPORTS

Export Program Developments

Because tobacco prices to farmers averaged an all-time high last season and CCC-loan stocks were sharply reduced, the U.S. Department of Agriculture took several steps this fiscal year to reduce the cost of export programs.

As announced last November, USDA is discontinuing the export payment program prior to the beginning of the new marketing year. However, following the formal termination notice in March 1973 exporters had 90 days (until June 25) to contract with Commodity Credit Corporation to export with payment. Such tobacco must be from 1972 and older crops and must be exported within 48 months.

In March, USDA temporarily suspended the CCC export credit program for financing all commodities for periods of 12 months or less. This financing probably will be resumed after June 30 at the increased interest rates announced in mid-May. Last fiscal year tobacco exports under the export credit sales program totaled 41 million pounds. Credit was mostly for a term of 12 months or less.

USDA temporarily suspended the CCC Barter Program on May 3, but after Congressional hearings, reopened the program on May 23 for the rest of the fiscal year. Suspension proved to be unsettling to U.S. cotton and tobacco exports, the only commodities presently eligible for the program. Under the barter program CCC pays contractors for financing offshore procurement and arranging for commodity exports. The barter premium or differential to contractors averages about 2 percent of the export value. Tobacco exported under barter for fiscal year 1972/73 is expected to equal the 176 million pounds of last fiscal year.

Leaf Exports Gain

For the year ending June 1973, exports of unmanufactured tobacco are estimated 3-4 percent above last fiscal year's 525 million pounds. During July 1972-April 1973, volume of shipments gained 7 percent to 478 million pounds. All of the increase occurred before January 1973. The average unit value of exports increased 6 percent. January-April exports

Table 4.—Tobacco products: Output, 1971-73

Item	Year ending June 30—		
	1971	1972 ¹	1973 ²
	Million pounds	Million pounds	Million pounds
Chewing tobacco			
Plug	21.6	19.9	19.0
Twist	2.4	2.3	2.2
Fine cut	4.9	5.2	5.3
Loose leaf	41.5	45.5	46.5
Total	70.4	72.9	73.0
Snuff	27.1	26.0	25.5
Smoking tobacco in bulk (exports)	28.8	33.9	22.0
	Millions	Millions	Millions
Small cigars	911.7	1,656.0	5,500.0

¹Subject to revision. ²Estimated.

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

Table 5.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

Country and type	(Declared weight)						
	Average 1965-69	1970	1971	1972 ^{1/}	January-April		1973 as a percentage of 1972
					1972 ^{1/}	1973 ^{1/}	
	Million pounds				Percent		
Flue-cured	414.9	368.2	341.8	425.3	161.9	121.7	75
Burley	46.2	41.4	36.5	53.7	18.8	14.6	78
Maryland	12.0	11.8	9.0	11.0	3.1	2.7	87
Fire- and sun-cured	25.7	24.2	22.5	25.6	9.8	7.1	72
Green River	.6	.3	.4	.3	.1	.1	100
One Sucker	.8	.5	.6	.3	.1	.1	100
Black Fat, etc.	3.0	2.7	2.5	3.3	1.3	1.0	77
Cigar wrapper	3.8	1.6	2.5	3.0	.9	.8	89
Cigar binder	1.8	.3	.1	.1	^{2/}	^{2/}	---
Cigar filler	.9	.4	.3	.3	.2	.1	50
Perique	.3	.2	.1	.3	.2	.1	50
Stems, trimmings, and scrap	43.4	58.8	57.0	82.9	32.3	29.2	90
Total	553.4	510.4	473.3	606.1	228.9	177.5	78
Country of destination							
United Kingdom	128.2	95.5	89.8	115.1	36.3	23.9	66
France	7.2	9.0	10.1	7.7	6.0	2.7	45
Belgium	18.3	12.4	15.6	12.9	3.1	6.9	223
Netherlands	36.8	26.6	28.1	22.4	7.9	7.7	97
West Germany	96.9	92.6	100.0	99.2	28.7	17.7	62
Portugal	4.8	4.9	2.7	2.4	1.0	1.2	120
Denmark	17.5	18.1	16.7	20.8	11.4	9.3	82
Ireland	12.8	10.2	9.0	14.3	7.2	3.6	50
Switzerland	20.4	24.7	18.2	23.5	8.2	10.6	129
Finland	5.6	5.0	4.8	5.3	2.7	2.8	104
Norway	8.1	8.1	4.3	7.0	1.2	1.1	92
Sweden	15.8	19.5	14.7	20.5	4.6	2.5	54
Italy	8.7	3.1	16.4	23.1	6.8	6.9	101
Spain	4.4	3.0	5.2	4.6	4.1	3.6	88
Thailand	21.2	20.1	18.9	30.5	9.9	0	---
S. Vietnam	10.8	10.8	17.2	18.9	7.5	6.6	88
Malaysia	9.1	11.8	11.0	8.4	3.4	3.7	109
Hong Kong	5.6	4.3	2.7	3.5	1.0	.5	50
Japan	39.1	58.6	18.6	^{3/} 87.3	46.2	32.2	70
Australia	17.9	10.2	10.9	14.8	3.7	2.6	70
New Zealand	4.1	5.0	3.8	4.4	1.1	1.7	155
Egypt	7.0	.6	1.2	.9	.1	.9	900
Other countries	53.0	56.3	53.5	58.6	26.7	28.9	108
Total	553.4	510.4	473.3	606.1	228.9	177.5	78

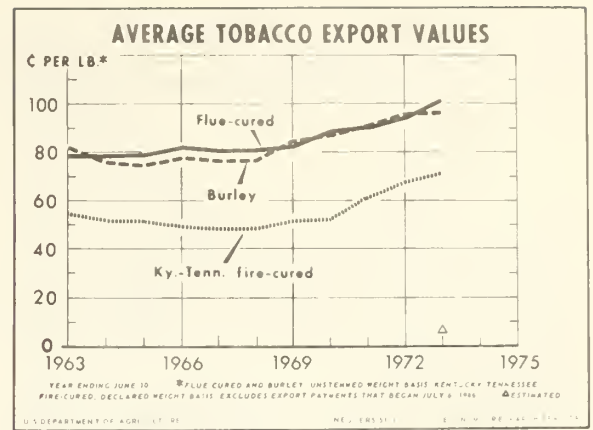
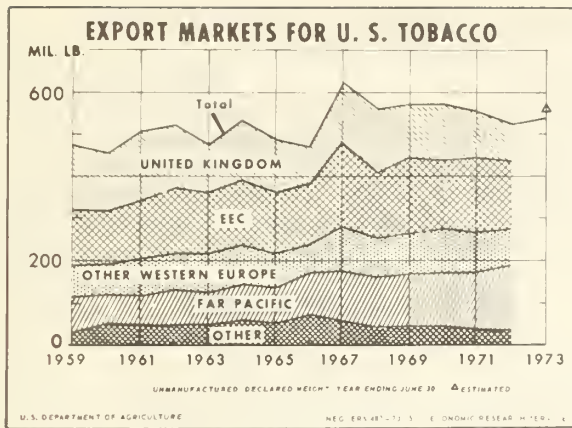
^{1/} Preliminary.

^{2/} Less than 50,000 pounds.

^{3/} 1972 exports were large due to 1971 dock strike.

Detail may not add to total due to rounding.

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



of 177 million pounds were below the 229 million pounds in the same months of 1972. Nearly all leading destinations took less (table 5). Delayed shipments due to the October-November 1971 dock tie-up contributed to the high level in early 1972. Exports in May and June probably continued below the volume shipped during those months of 1972.

Increased exports of flue-cured tobacco, the principal export class, accounted for most of the July-April volume increase. Shipments of burley and Black Fat were also up. Much of the July-April increase occurred in exports to the United Kingdom and Japan. The U.K.-Rhodesia trade embargo continues, so U.K. manufacturers are unable to obtain low-cost tobacco from the country that formerly was a major U.K. supplier.

Among major tobacco importing countries, Japan has the fastest economic growth. A business boom and the rapid inflation that continues in major European markets, along with the devaluation of U.S. currency, helps our export prospects for the rest of 1973. U.N. sanctions against Rhodesia are expected to continue holding down supplies from that

country. However, with Canada planning for increased output this year and withdrawal of U.S. export assistance means U.S. exports in July-December 1973 may not equal the 1967-71 average of 311 million pounds for those months.

Imports Continue To Pick Up

U.S. tobacco imports for consumption during January-April 1973 were about 7 percent above the high level of a year earlier (table 6). Cigarette tobacco imports rose 2 percent to accommodate the gain in cigarette output. Cigar tobacco imports increased further. Turkey continues as our leading source of cigarette tobacco.

January-April 1973 arrivals of tobacco (i.e., general imports) totaled 149 million pounds, 12 percent more than in January-April 1972. With cigarette output rising, additional imports are used for blending with U.S. tobaccos. By April 1 this year, stocks of foreign-grown cigarette and smoking tobacco in the United States were 15 percent above a year earlier. At 432 million pounds (farm-sales weight) these stocks were the largest for that date since 1968.

TOBACCO LEAF SITUATION AND OUTLOOK¹

Marketing Study Committee To Report

In March the Secretary of Agriculture established a 21-member Tobacco Marketing System Study Committee, composed primarily of farmer, warehouse, export, and manufacturing representatives. The committee held 3 meetings and toured the Canadian auctions. The committee is expected to report its findings and recommendations by July 1.

1973 Crop Prospects

A cool, wet spring slowed plant bed developments and field work over most tobacco belts. Excess moisture prevailed in many States and crop damage has been reported in Georgia. By mid-June, tobacco setting was completed in North Carolina and Virginia, but remained well behind last year in the burley area. Shade-grown tobacco harvest in Georgia and Florida was progressing normally and flue-cured harvest was starting.

Auctions for the 1973 flue-cured crop are expected to begin the second half of July, after the industry-wide Flue-cured Tobacco Marketing Committee works out marketing schedules. Opening dates depend

¹All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

Table 6.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1972, and January-April 1972-73 ^{1/}

Classification and country of origin	(Declared weight)							
	Imports for consumption				General imports (arrivals)			
	Total 1972	January-April ^{1/}			Total 1972	January-April ^{1/}		
		1972	1973	:1973 as a percentage of 1972		1972	1973	:1973 as a percentage of 1972
-- Million pounds --		Percent		-- Million pounds --		Percent		
<u>Cigarette tobacco:</u>								
Leaf, unstemmed								
Oriental								
Turkey	95.7	31.4	35.9	114	135.1	65.6	51.9	79
Greece	29.4	10.3	8.4	82	28.9	11.7	11.2	96
Yugoslavia	15.1	5.3	4.8	91	9.3	3.1	7.2	232
Other countries	17.1	6.5	4.6	71	22.2	12.0	17.4	145
Flue-cured and burley	6.7	2.6	2.0	77	32.4	6.3	16.8	267
Subtotal	164.0	56.1	55.7	99	227.9	98.7	104.5	106
<u>Scrap</u>								
Turkey	10.6	3.6	2.9	81	10.9	4.4	5.9	134
Other countries ^{2/}	2.3	.5	1.4	280	6.3	1.6	2.2	138
Total	176.9	60.2	60.0	100	245.1	104.7	112.6	108
<u>Cigar tobacco:</u>								
Wrapper	1.0	.3	.3	100	1.6	.6	.5	83
Filler-stemmed and unstemmed								
Dominican Republic	2.0	.7	.9	128	15.1	5.8	5.4	93
Other countries	8.8	3.6	2.3	64	34.3	10.2	11.4	112
Subtotal	10.8	4.3	3.2	74	49.5	16.0	16.8	105
<u>Scrap</u>								
Philippine Republic	18.3	6.1	5.6	92	14.2	6.1	5.1	84
Colombia	5.8	1.6	2.8	175	2.4	1.1	2.5	227
Dominican Republic	6.1	2.1	2.5	119	1.9	.5	1.4	280
Brazil	6.0	1.2	4.0	333	1.5	.2	3.2	267
Other countries	11.9	4.4	5.7	130	14.2	2.8	5.0	179
Subtotal	48.1	15.4	20.6	134	34.2	10.7	17.2	161
Total	59.8	20.0	24.1	120	85.2	27.3	34.5	126
Stems	3.7	1.4	2.7	193	2.0	.7	2.0	286
Grand total	240.5	81.6	86.9	106	332.2	132.8	149.1	112

^{1/} Preliminary.

^{2/} Canada, Greece, Cyprus, Lebanon, India, Korea.

Detail may not add to total due to rounding.

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

somewhat on the maturity of the crop. Last year auctions for both type 14 (Ga.-Fla.) and type 13 (S.C.-N.C.) opened July 25.

Conditions of the new crop will be an important influence on prices received by farmers when the 1973 auction season opens. With the larger flue-cured quota this season, and the ending of the export payment program, prices are expected to average near last year's record despite the 5 percent higher support level (table 7).

On July 10, USDA's Crop Reporting Board will release its first forecast of 1973 flue-cured tobacco production, together with the acreage for harvest and the indicated yield. Subsequent monthly reports, beginning August 9, will also cover burley and other kinds. During the last decade harvested tobacco acreage closely approximated March 1 reported intentions, with acreage harvested coming within 1 percent of March 1 plans in 7 out of 10 years.

Pesticide Residue Developments

Again this season, as a condition for receiving price support, growers must certify that they did not use DDT or TDE pesticides. If growers falsely certify they are subject to fines or imprisonment. USDA will continue to random sample the tobacco crops on all markets and will chemically analyze the samples for DDT and TDE residues. Important importers, such as West Germany, have given notice they will discontinue buying tobacco containing DDT or TDE.

Residues of these pesticides have fallen sharply since 1969. USDA samples of last year's crop showed residues in 5.3 percent of the flue-cured samples and 1.4 percent for burley. The highest percent for any State was 13.5 percent for South Carolina. In the burley area, Tennessee was the highest, with 3.6 percent. If an analysis shows DDT-TDE residues of 3 ppm or greater, the grower is declared ineligible for price support loan. DDT-TDE residues of 10 ppm or greater mean the grower is considered in violation if he certified that chemicals were not applied to his crop.

FLUE-CURED

Trade Stocks Pick Up

April 1 stocks of flue-cured tobacco (types 11-14) totaled 2,037 million pounds, 6 percent less than a year earlier. CCC loan stocks fell one-third to 444 million pounds, but privately held stocks (manufacturers and dealers) increased 5 percent. This is a continuation of last year's rebound in trade holdings as cigarette output gains.

Total disappearance during July 1972-March 1973 was 895 million pounds, about the same as in the corresponding period of 1971/72. Domestic disappearance was off 1 percent to 490 million

pounds, and exports were up 1 percent. Cigarette production gained 3.4 percent so manufacturers are apparently still reducing the proportion of flue-cured in cigarettes.

Exports Gaining

Despite record prices, U.S. flue-cured exports are ahead of last season. The shipping pattern this marketing year is more nearly normal. For the 10 months through April, exports totaled 443 million pounds, 6 percent above the same period of a year earlier (table 9).

The United Kingdom, the leading destination for U.S. flue-cured tobacco, increased takings to 113 million pounds in July-April. With Canada's short crop last season, U.S. volume to U.K. was one-fifth above a year earlier, but below that of 2 years ago. To offset rising U.S. prices, U.K. manufacturers are expected to get a larger share of imports from sources enjoying the Commonwealth duty preference for the 1973 season.

The downturn continues in U.S. tobacco exports to West Germany. Last September, a sizable boost in West Germany's cigarette tax went into effect and leaf inventories have been reduced. Japan, our third ranking market, has boosted takings considerably this marketing year. Japan's cigarette sales are going up about 5 percent annually.

Disappearance Steadies

Disappearance of flue-cured tobacco in the 1972/73 marketing year ending June 30 is about the same as the 1,142 million pounds used in 1971/72 (table 8) but 6 percent below the 1965-69 marketing year average.

Domestic use probably totals slightly below last year. Exports, however, may be up enough to balance. These prospects bring total disappearance to 1,145 million pounds, substantially above last season's marketings. Carryover drops to 1,787 million pounds, down 6 percent from a year earlier and 30 percent below the 1965 record.

By June 30, flue-cured loan stocks will have fallen sharply from last year. During July 1972-May 1973, about 251 million pounds were sold, slightly above a year earlier and the largest volume since 1966/67. Unsold government loan stocks on May 31, 1973, totaled 326 million pounds, compared with 584 million a year earlier. The record was 960 million pounds on January 1, 1965.

1973 Flue-cured Acreage Increases

With the flue-cured basic quota increased a tenth, the 1973 effective flue-cured acreage allotment, reflecting last year's net under marketings, is about 651,000 acres, and the effective poundage allotment is about 1,206 million pounds, up 13 percent from last year. Flue-cured growers planned March 1 to set

Table 7.—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-73

Year	Quota		Marketings				Net Carryover ²
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under-quota	
	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	96.0	68.8
1966	1,126.0	1,199.0	1,107.9	35.0	126.1	126.1	91.1
1967	1,126.0	1,202.4	1,247.5	77.9	32.8	30.8	-47.1
1968	1,126.5	1,067.9	996.3	26.5	98.1	96.6	70.0
1969	1,127.1	1,187.0	1,052.1	26.6	161.5	157.9	131.3
1970	1,071.0	1,190.8	1,178.2	65.1	77.6	71.2	6.1
1971	1,071.4	1,069.9	1,076.3	60.4	53.9	49.9	-10.5
1972	1,071.2	³ 1,056.7	1,022.1	41.2	75.8	72.9	31.7
1973	1,178.4	1,206.0					
Burley, type 31							
1971	555.1	552.9	471.5	9.7	91.2	91.1	81.4
1972 ³	531.5	³ 612.9	581.6	30.5		51.7	21.2
1973	560.5	⁴ 581.7					

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

Compiled from records of Tobacco Division, ASCS.

about 11 percent more acreage than in 1972. Acreage harvested has been within 2 percent of intentions for 13 of the past 15 seasons. But harvested acreage will again fall short of allotted acreage. In North Carolina, the principal production area, daily farm wages this spring averaged 9 percent over 1972 and the farm work force was down 6 percent.

In 1972, growers leased 30 percent of the poundage quota from other allotment owners. The proportion is expected to increase further this year. Legislation,

passed last year, authorizes lease and transfer of flue-cured marketing quotas throughout the season.

Assuming a normal growing season, sufficient fuel for curing, and yields modified by the acreage-pounding program on the intended acreage, the crop computes out to about 1.14 billion pounds. Production at this level, plus the prospective carryover, would give a total 1973/74 supply about the same as the 2.93 billion pounds in 1972/73.

Tobacco loan stocks, 1971-73

(Farm-sales weight)

Type	End of May		
	1971	1972	1973
	Million pounds	Million pounds	Million pounds
Flue-cured, 11-14	790.7	633.9	421.7
Uncommitted	747.8	584.1	326.5
Burley, 31	482.3	349.6	292.4
Uncommitted	471.5	314.3	271.4
Virginia, 21	1.1	.6	(¹)
Kentucky-Tennessee, 22-23 .	8.1	2.1	3.4
Kentucky-Tennessee, 35-36 .	18.0	13.6	13.5
Ohio, 42-44	0	0	0
Puerto Rican, 46	6.1	3.8	0
Connecticut Valley, 51-52 ..	2.4	2.1	2.6
Total	1,308.7	1,005.7	733.6

¹ Negligible.

Compiled from records of Tobacco Division, ASCS.

1973 Price Support Details

USDA announced on June 8 the proposed 1973 loan rates for the various grades. Rates range from 50 cents to 99 cents a pound, reflecting the national average support level of 76.6 cents a pound. This is about 5.4 percent above 1972. Grade price supports increased 1 to 6 cents per pound over 1972 levels. Of the 158 grades, 44 were increased 2 cents per pound, 54 went up 3 cents, 25 went up 4 cents and 32 went up 5 cents. The largest increase was placed on nondescript and lower-value leaf grades, which in recent seasons sold for prices well above the loan rate. Price supports on tied tobacco will again be the same as untied tobacco.

As in the past, no price support will be offered in 1973 on any tobacco graded N2 (Nondescript 2), No-G (No Grade), U (Unsound), W (Doubtful keeping order), or scrap. Marketing of such tobacco, however, will be charged against individual farm quotas to discourage the marketing of these grades.

Table 8.—Flue cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield production, carryover, supply, disappearance, season average price, and price support operations, 1963-73

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Production	Beginning stocks ¹			Total supply	
				Manufactures and other	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>	
Flue-cured, types 11-14								
1963	694.5	1,975	1,371.5	1,785.3	496.3	2,281.6	3,653.1	
1964	627.6	2,211	1,387.8	1,689.5	696.9	2,386.4	3,774.2	
1965	562.3	1,883	1,059.0	1,636.9	918.5	2,555.4	3,614.4	
1966	607.0	1,825	1,107.9	1,602.5	836.4	2,438.9	3,546.8	
1967	610.3	2,070	² 1,250.0	1,587.1	685.4	2,272.5	3,522.5	
1968	533.0	1,841	² 995.6	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	² 1,178.1	1,227.5	744.9	1,972.4	3,150.5	
1971	525.8	2,050	² 1,076.3	1,214.5	761.9	1,976.4	3,052.7	
1972 ³	513.6	1,971	² 1,022.1	1,292.4	617.8	1,910.2	2,932.3	
1973 ⁴	572.1	2,000	1,144.0	1,417.3	370.0	1,787.3	2,931.3	
Burley, type 31								
1963	338.5	2,231	755.1	1,133.5	94.4	1,227.9	1,983.0	
1964	306.6	2,022	619.8	1,146.8	265.4	1,412.2	2,032.0	
1965	277.1	2,116	586.3	1,099.3	316.4	1,415.7	2,002.0	
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 ³	235.8	2,549	² 591.7	920.9	327.6	1,248.5	1,840.2	
1973 ⁴	228.9	2,575	589.4	975.2	280.0	1,255.2	1,844.6	
		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>
Flue-cured, types 11-14								
1963	1,266.7	768.3	498.4	58.0	56.6	277.2	20.2	
1964	1,218.8	774.7	444.1	58.5	57.2	285.6	20.7	
1965	1,175.5	752.4	423.1	64.6	57.7	71.5	6.8	
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	55.6	5.2	
1972	⁴ 1,145.0	⁴ 655.0	⁴ 490.0	85.3	72.7	24.3	2.4	
1973					76.6			
Burley, type 31								
1963	570.8	513.4	57.4	59.2	58.3	202.3	26.8	
1964	616.3	560.6	55.7	60.3	58.9	110.4	17.8	
1965	606.7	549.6	57.1	67.0	59.5	42.2	7.2	
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	(⁵)	
1972	585.0	⁴ 530.0	⁴ 55.0	79.2	74.9	22.9	3.9	
1973					78.9			

¹ July for flue-cured; October 1, for burley. ² Sales. ³ Subject to revision. ⁴ Estimated; production is based on intended acreage and projected yield. Less than .05 percent.

Table 9.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1971/72-1972/73 1/

		(Declared weight)							
Importing countries	1971- 1972	Part year		1972	Importing countries	1971- 1972	Part year		1972- 1973
		through April 2/ 1971	through April 2/ 1972				through April 2/ 1971	through April 2/ 1972	
					: Million pounds				
					: Flue-cured, types 11-14				
United Kingdom	67.9	65.6	78.1	:	Sweden	449	445	307	:
West Germany	73.2	52.5	47.2	:	Norway	1,683	450	1,482	:
Japan	45.0	45.0	52.4	:	Other countries	864	412	1,013	:
Netherlands	12.8	11.9	9.9	:					:
Thailand	19.8	19.8	16.4	:	Total	2,996	1,307	2,802	:
Australia	9.8	8.0	8.8	:					:
Italy	13.8	4.3	3.8	:					:
Sweden	8.0	7.3	5.8	:					:
Norway	3.0	2.3	2.8	:					:
Finland	3.2	3.1	3.3	:	Bahamas	77	59	54	:
Denmark	13.4	12.8	11.6	:	Zaire (Congo, Kinshasa)	120	32	85	:
Ireland	7.7	6.9	7.2	:	Other countries	20	10	83	:
Belgium	7.9	7.2	11.5	:	Total	217	101	222	:
Switzerland	6.0	4.8	8.7	:					:
S. Vietnam	13.8	11.0	10.5	:					:
Philippine Republic	4.2	3.7	3.1	:					:
Spain	4.2	4.1	3.6	:					:
Malaysia	7.8	7.1	5.9	:	United Kingdom	80	70	117	:
Taiwan	13.3	13.3	13.0	:	Zaire (Congo, Kinshasa)	40	12	7	:
New Zealand	2.8	2.1	3.1	:	Other countries	108	60	44	:
Other countries	29.1	22.3	26.8	:					:
Total	366.7	315.1	333.5	:	Total	228	142	168	:
					: Burley, type 31				
Italy	9.2	2.9	2.3	:	France	280	200	125	:
Sweden	2.0	1.5	2.0	:	New Zealand	55	38	11	:
Denmark	2.2	1.9	1.0	:	Other countries	1	0	11	:
Netherlands	.6	.5	.3	:					:
Japan	3.3	3.3	4.2	:	Total	336	238	147	:
West Germany	10.1	3.4	5.8	:					:
Switzerland	1.9	1.1	2.3	:					:
Finland	1.0	.7	.8	:					:
Thailand	3.8	.9	1.4	:					:
Philippine Republic	3.6	1.7	1.2	:	West Germany	27	18	21	:
Other countries	5.6	2.4	5.1	:	Canada	29	24	10	:
Total	43.3	20.3	26.4	:	Canary Islands	0	0	18	:
					: Maryland, type 32				
Belgium	1.0	.5	.8	:	Other countries	29	10	10	:
West Germany	1.8	1.1	1.0	:	Total	85	52	59	:
Switzerland	4.2	2.1	4.6	:					:
Other countries	.7	.1	.4	:					:
Total	7.7	3.8	6.7	:					:
					: Ky.-Tenn. fire-cured, 22-23				
Sweden	.6	.6	.5	:	Canada	323	278	234	:
Netherlands	6.0	2.8	6.7	:	United Kingdom	1,195	1,117	1,020	:
Belgium	.4	.2	.6	:	West Germany	648	353	381	:
France	3.5	3.5	1.7	:	Australia	47	24	0	:
Switzerland	.9	.9	.7	:	Canary Islands	115	83	108	:
Other countries	4.2	1.7	2.2	:	Other countries	738	648	543	:
Total	15.8	9.7	12.4	:	Total	3,066	2,503	2,286	:
					: Stems, Trimmings, and Scrap				
Sweden	6.5	1.1	3.0	:	Cameroon	550	322	142	:
Denmark	3.4	2.1	3.6	:	Bahamas	40	24	23	:
United Kingdom	17.9	12.0	14.4	:	Togo	499	316	346	:
West Germany	6.4	2.8	1.0	:	Nigeria	253	248	211	:
Japan	13.8	13.1	15.9	:	Western Africa, n.e.c.	1,437	756	1,063	:
Other countries	20.3	14.1	18.9	:	Other countries	76	56	46	:
Total	68.3	45.3	56.8	:	Total	2,855	1,722	1,831	:
					: Thousand pounds				
					: Va. fire and sun-cured, 21 and 37				
					: One Sucker, type 35				
					: Green River, type 36				
					: Cigar Filler, types 41-44				
					: Conn. Binder, types 51-52				
					: Wis. Binder, types 54-55				
					: Cigar Wrapper, types 61-62				
					: Black Fat				

1/ July-June crop year for flue-cured and cigar wrapper; October-September for all other types. 2/ Subject to revision.
Detail may not add to total due to rounding.
Compiled from publications and records of the Bureau of the Census.

1974 Quota and Referendum To be Announced

USDA is expected to announce the national flue-cured quota for 1974 shortly after July 1, the beginning of the new marketing year. Then within 30 days of announcement, flue-cured growers will vote whether to continue acreage-poundage quotas for another 3 years. Acreage-poundage controls have been in effect since 1965. The program was overwhelmingly approved in the last previous vote held in July 1970.

BURLEY

Burley Use Up

Both exports and domestic use of burley increased substantially in the first half of the marketing year (October-March). At 310 million pounds, disappearance was 26 million pounds above a year earlier. Domestic use totaled 279 million pounds, up 20 million. Concurrently, cigarette output rose 6 percent.

For the first 7 months of this marketing year, burley exports totaled 35 million pounds—9 million above a year earlier. Japan, West Germany, and Switzerland accounted for most of the gain. Denmark, Italy, and the Philippines took less. On an unstemmed leaf basis, burley exports averaged \$1.02 per pound this past July-April, about the same as a year earlier.

Carryover Steady

April 1 stocks of burley totaled 1,530 million pounds, about the same as a year earlier. By May 31, CCC loan stocks were about one-fifth below the 350 million pounds of a year earlier. With the rise in cigarette production, domestic utilization of burley tobacco this season is expected to exceed the 515 million pounds in 1971/72. Exports may equal last year's 55 million pounds. Based on these prospects disappearance will climb about 3 percent above the 570 million pounds of last season. This would leave an October 1 carryover about the same as a year earlier.

March intentions indicated farmers will set about 1 percent less burley acreage than last year but 7 percent above the 1971 record low. Assuming an average yield, production on the intended acreage would total 589 million pounds, about the same as last year's marketings. Indicated carryover plus the projected crop would result in a 1973/74 supply about the same as this year's 1.84 billion pounds.

The projected crop is above the 582 million pound effective quota, so burley growers for the first time in 3 years, under poundage quota program may market more than their quota. They can market up to 110 percent of their quota without penalty. Flue-cured

growers have operated under an acreage-poundage program for 8 years with overquota and underquota marketings running about equal.

Last year 47,505 burley allotment holders leased out 50.4 million pounds. Leasing was first authorized by 1971's burley legislation. Growers can lease throughout the production and marketing season. About half the 1972 leasing occurred during the growing season and one-half was in the marketing period—mostly in November to January.

MARYLAND

Brisk Demand Boosts Prices

For Maryland tobacco (type 32) demand was strong again this year and auction prices reached another record high. Quality of offerings eased downward but prices of almost all grades were higher. The 1972 crop was about 16 percent smaller than the previous year's output. Auction sales began April 10 and ended June 15. Market receipts totaled about 90 percent of the crop estimate.

Maryland tobacco goes almost entirely into cigarettes. Beginning with the 1966 crop when growers did not approve marketing quotas, Maryland tobacco has not been eligible for government price support. Since 1966, Maryland supplies have dropped about 44 percent because of labor shortages and rapid urbanization. Disappearance during the first half of the marketing year (October 1972-March 1973) was 11.6 million pounds—about a half-million below a year earlier. Domestic disappearance fell while exports rose.

In the first 7 months of the current marketing year, exports were 3 million pounds above a year earlier. Most of the increase went to Switzerland. Maryland tobacco accounted for about 10 percent of total Swiss tobacco imports in 1972.

Supplies Off; Carryover To Decline

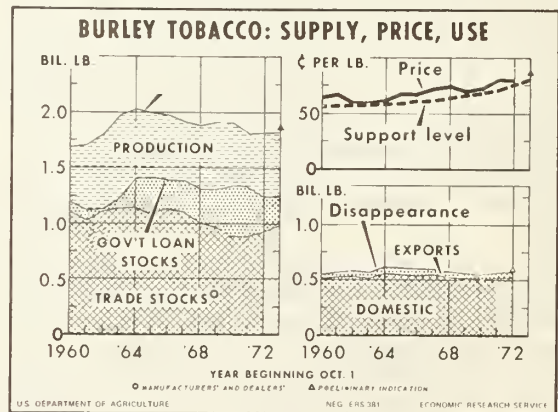
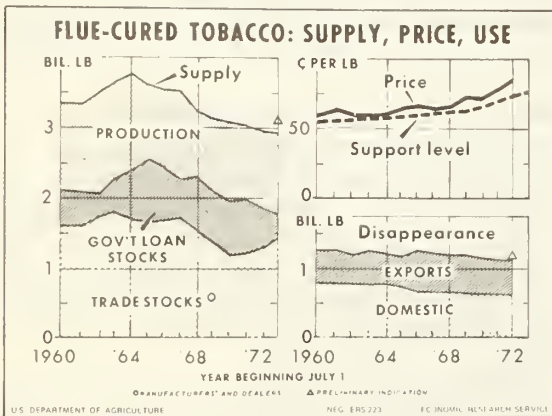
For the 1972/73 season ending in September, disappearance of Maryland tobacco is expected to fall below last season's 25 million pounds (table 10). Exports are up but domestic use is declining. Supplies are down from last season and prices have risen. Next January 1, carryover (the date used for marketing quota calculations) may decline slightly from this year.

Based on farmers' March acreage intentions and average yield, the 1973 Maryland crop would increase about one-seventh from the weather-reduced 1972 crop. Over the past decade harvested acreage has fallen about 6 percent short of March plans so this year's plantings could again fall short of intended acreage. But if the prospective crop is achieved, supply for 1973/74 would be about 4 percent above the 70 million pounds for this season.

Table 10.--Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-73

Marketing year	(Farm-sales, weight)							Total supply
	Acreage harvested	Yield per acre	Production	Stocks, following January 1 --			Total	
				Manufacturers and other	Under loan			
	Thousand acres	Pounds		Million pounds				
1967	31.5	1,030	32.4	68.2	18.1	86.3	118.7	
1968	30.0	1,065	32.0	74.5	7.0	81.5	113.5	
1969	28.0	1,000	28.0	66.7	0	66.7	94.7	
1970	27.0	1,090	29.4	50.1	0	50.1	79.5	
1971	27.0	1,040	28.1	46.0	0	46.0	74.1	
1972	26.0	1,000	#23.5	46.6	0	46.6	70.1	
1973 ^{1/}	26.0	1,030	*27.0	46.0	0	*46.0	*73.0	
	Disappearance ^{2/}			Average price per pound	Price support level	Placed under Government loan		
	Total	Domestic	Exports			Quantity	Percentage of crop	
	Million pounds			Cents		Million pounds	Percent	
1967	36.0	20.3	15.7	62.4		No price support		
1968	48.7	38.3	10.4	69.8		No price support		
1969	41.3	29.1	12.2	75.1		No price support		
1970	39.5	27.6	11.9	78.6		No price support		
1971	25.5	17.5	8.0	81.9		No price support		
1972	*24.0	*13.5	*10.5	#84.4		No price support		
1973						No price support		

^{1/} Subject to revision. ^{2/} Year beginning October 1. # Sales data. * Estimated; production based on intended acreage and projected yield.



FIRE-CURED

Disappearance Up

Disappearance of fire-cured tobacco (types 21-23) during the first half of the marketing year that began October 1, 1972, was 24 million pounds—about 4 percent more than a year earlier. Exports gained while domestic use slipped. For the year disappearance is expected to be up about 9 percent. It would exceed last year's output by about 3 million pounds. Carryover stocks this October would fall about 4 percent from last October's (table 11).

Due to lower average prices in the 1972/73 markets, fire-cured growers may decrease acreage this year. Decreases are expected in the Kentucky-Tennessee and Virginia types—according to March 1 planting intentions. On intended acreage with an average yield adjusted for trend, growers would produce a crop of about 43 million pounds, about 2 percent larger than in 1972 and about a tenth above the 1967-71 average. Supply for 1973/74 is indicated about 2 percent lower than this season.

Exports of fire-cured tobacco in 1972/73 may increase from last season. Exports of 13.6 million pounds for types 22-23 during October 1972-April 1973 were 3 million higher than a year earlier. The Netherlands—usually the leading outlet—increased its takings about 4 million pounds after last season's decline. Exports declined to France, the second-ranked outlet.

Virginia fire-cured exports of 3.4 million pounds in October 1972-April 1973 were 1.8 million above a year earlier. Exports to Norway, the leading destination, increased after declining the preceding year. In Malawi, another major fire-cured exporter, the 1973 crop is expected to reach 26³/₄ million pounds, down 3 million from last year.

DARK AIR-CURED

Supplies Declining

Total disappearance of dark air-cured tobacco (types 35-37) during the first half of the current marketing year was 9 million pounds, 2.4 million below a year earlier. Domestic disappearance dropped substantially after a gain last year. For the year ending September 30, 1973, total disappearance may decline. But it may exceed last year's production, leaving another reduced carryover (table 12).

Dark air-cured growers plan to set the smallest acreage on record, 8,100 acres compared with 8,600 last year. With carryin stocks likely lower, the 1973/74 supply would total slightly below the 65 million pounds in 1972/73.

Domestic disappearance of dark-air-cured tobacco follow an irregular pattern, but in the year ending in

September disappearance may fall from the high level of last year. In the first half of the current marketing year, there was less manufacture of plug chewing tobacco—major domestic outlet for these types. Exports of dark air-cured and sun-cured tobacco, which normally account for one-fifth of use, are increasing in the 1972/73. crop year.

Exports of Black Fat tobacco, a semiprocessed product of mostly dark fire-cured and air-cured leaf, increased in October 1972-April 1973 from the year-earlier level of 1.7 million pounds. Exports of One Sucker and Green River leaf were up 183,000 pounds.

CIGAR TOBACCO

Prospective Acreage Up

Supplies of domestic-grown cigar tobacco are smaller again this year, due to lower carryover stocks and a reduced crop. Production in 1973/74 is projected to increase about 30 percent from last year's weather-reduced crop. According to March 1 intentions, a 45 percent increase is expected for filler, 24 percent for binder, and 14 percent for wrapper.

By April 1, holdings of U.S. and Puerto Rican cigar tobacco (types 41-62) totaled 159 million pounds, a decline of 30 million from a year earlier. The decrease was in the filler, binder, and Connecticut Valley wrapper types; Georgia-Florida wrapper (type 62) was up slightly. Foreign-grown cigar tobacco stocks in the United States on April 1 were 27 million pounds above a year earlier.

During October 1972-April 1973, manufacturers used about 74 million pounds of imported cigar tobacco—about 22 million above a year earlier. Imports from Brazil gained while imports from the Philippines declined.

U.S. cigar tobacco acreage may gain about one-seventh in 1973. The increase would primarily occur in Pennsylvania cigar filler. Again this year, USDA transferred filler and binder allotments (types 42-44 and 53-55) to growers who wanted to increase their 1973 plantings. Under terms of this annual reallocation USDA transferred the allotments from growers who did not wish to use their allotments this year. In Wisconsin, 1,703 acres were reallocated, and 2,864 acres were reallocated in Ohio.

Filler Supply Lower; Disappearance Down

For the first half of the current marketing year (October-March) total disappearance of cigar filler tobacco was 29 million pounds—2 million pounds below a year earlier. During October 1972-April 1973, filler exports—a relatively small part of total disappearance—decreased to 164,000 pounds,

Table 12--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, 1967-73

(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 -----																																				
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	93.2																																
1973 ^{1/}	19.5	1,914	*37.3			*55.3	*92.6																																
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 ^{1/}	4.5	1,195	*5.4			*6.3	*11.7																																
<table border="0" style="width:100%"> <tr> <td style="width:33%">Disappearance</td> <td style="width:10%">:</td> <td style="width:10%">Average</td> <td style="width:10%">:</td> <td style="width:10%">Price</td> <td style="width:10%">:</td> <td colspan="2">Placed under Government loan</td> </tr> <tr> <td>Total</td> <td>:</td> <td>Domestic</td> <td>:</td> <td>price</td> <td>:</td> <td>Quantity</td> <td>Percentage</td> </tr> <tr> <td></td> <td>:</td> <td>Exports</td> <td>:</td> <td>per pound</td> <td>:</td> <td>of</td> <td>crop</td> </tr> <tr> <td></td> <td>:</td> <td></td> <td>:</td> <td></td> <td>:</td> <td></td> <td></td> </tr> </table>								Disappearance	:	Average	:	Price	:	Placed under Government loan		Total	:	Domestic	:	price	:	Quantity	Percentage		:	Exports	:	per pound	:	of	crop		:		:		:		
Disappearance	:	Average	:	Price	:	Placed under Government loan																																	
Total	:	Domestic	:	price	:	Quantity	Percentage																																
	:	Exports	:	per pound	:	of	crop																																
	:		:		:																																		
<table border="0" style="width:100%"> <tr> <td style="width:33%"><u>Million pounds</u></td> <td style="width:10%">:</td> <td style="width:10%"><u>Cents</u></td> <td style="width:10%">:</td> <td style="width:10%"><u>Million pounds</u></td> <td style="width:10%">:</td> <td colspan="2"><u>Percent</u></td> </tr> </table>								<u>Million pounds</u>	:	<u>Cents</u>	:	<u>Million pounds</u>	:	<u>Percent</u>																									
<u>Million pounds</u>	:	<u>Cents</u>	:	<u>Million pounds</u>	:	<u>Percent</u>																																	
Kentucky-Tennessee fire-cured, types 22-23																																							
1967	42.0	14.9	27.1	46.2	41.9	.8	2.7																																
1968	38.7	^{2/} 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	56.6	^{3/}	.1																																
1971	34.7	16.0	18.7	60.8	48.5	^{3/}	.1																																
1972	*38.5	*15.0	*23.5	57.3	50.8	2.8	7.4																																
1973					53.5																																		
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	*6.7	*3.0	*3.7	64.2	50.8	^{3/}	.1																																
1973					53.5																																		

^{1/} Based on March 1 prospective plantings and average yield with allowance for trend and estimated stocks. ^{2/} Includes 4.7 million pounds fire loss, April 1969. ^{3/} Less than 50,000 pounds. * Estimated.

Table 12.--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, 1967-73

(Farm-sales weight)							
Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		Million pounds			
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 ^{1/}	7.4	1,866	*13.8			*44.0	*57.8
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 ^{1/}	.7	1,140	*.8			*3.1	*3.9
Disappearance				Average price	Price support level	Placed under Government loan	Percentage of crop
Total	Domestic	Exports		per pound		Quantity	
---- Million pounds ----				Cents		Million pounds	Percent
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
1970	19.3	16.7	2.6	46.0	41.4	1.0	6.8
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972	*17.7	*14.7	*3.0	50.3	45.2	1.2	.8
1973					47.6		
Sun-cured, type 37							
1967	1.6	1.2	.4	45.2	37.3	2/25	1.9
1968	1.3	1.1	.2	53.2	38.3	2/1	.1
1969	1.8	1.5	.3	52.8	39.7	2/1	.1
1970	1.3	1.1	.2	53.8	41.4	2/3	.3
1971	1.2	1.0	.2	54.1	43.1	0	---
1972	*.7	*.5	*.2	57.9	45.2	0	---
1973					47.6		

^{1/} Based on March 1 prospective plantings and average yield with allowance for trend and estimated stocks. ^{2/} Quantity placed under Government loan reported in thousand pounds. * Estimated.

Foreign-grown cigar leaf tobacco: U.S. imports and stocks, 1970-73

Farm-saleweight)

Country of Origin	Imports for consumption				Dealers and manufactures stocks, April 1—			
	October-September 1971-72	October-April			1970	1971	1972	1973
		1970-71	1971-72	1972-73				
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Philippines	29.1	21.7	16.1	12.5	42.1	45.0	32.4	36.9
Dominican Republic	11.4	6.9	6.4	8.5	11.5	13.3	12.7	19.9
Brazil	8.3	3.2	5.6	16.3	8.0	7.3	6.3	8.1
Colombia	10.0	3.8	5.3	7.2	9.4	6.8	6.8	8.7
Paraguay	4.5	1.5	2.4	5.0	10.9	8.1	5.5	7.8
Mexico	6.7	2.3	3.9	3.8	4.6	6.0	6.1	5.7
Indonesia	2.5	2.6	1.4	3.8	2.8	3.5	4.4	6.6
All others	19.2	11.6	10.8	16.9	12.8	13.7	12.3	19.8
Total	91.7	53.6	51.9	74.0	102.1	103.7	86.5	113.6

compared with 266,000 pounds of a year earlier. Most of the decline was in exports to France.

Based on historical trends and 1972/73 part-year data, total disappearance of Pennsylvania filler may not change much from 1971/72. Disappearance of Puerto Rican tobacco may decline further in 1972/73. Since filler disappearance is expected to surpass production by about 27 million pounds, carryover on October 1 may total around 63 million pounds, lowest on record (table 13).

Binder Disappearance Mixed

Cigar binder disappearance for October 1972-March 1973 declined slightly to 12 million pounds. Wisconsin binder (types 54-55) decreased while Connecticut Valley (types 51-52) increased. Rising price levels virtually preclude exports of either kind.

Disappearance of Connecticut Valley binder tobacco for 1972/73 is estimated above last season's output; so carryover this October 1 may decline to 7 million pounds, about 1/2 million pounds below the year-earlier level.

Some gains in loose leaf chewing tobacco production and manufacturers' preference for Wisconsin tobacco point to a slight rise in use above the 20.4 million pounds of last season. Carryover stocks may decline from last October's 39 million pounds.

Wrapper Use Down

Disappearance of shade-grown wrapper (types 61-62) during July 1972-March 1973 was 10 million pounds, 2.7 million below the year-earlier period. Exports were off some but most of the decline was in domestic use. Prices to growers held about steady again last season. For the year ending June 30, 1973, cigar wrapper disappearance is expected to exceed the 1972 crop, leaving smaller carryover than a year ago. During the first 10 months of the marketing year, cigar wrapper exports were 2.6 million pounds, slightly below a year earlier. Canada and the United Kingdom's takings were less than a year earlier.

1972 Crop Summary

Marketing of the 1972 U.S. cigar tobacco crop was practically completed by April 1973. The weather-reduced crop totaled 53.3 million pounds, about 20 percent below 1971. Price changes ranged from 80 cents per pound more for Connecticut Valley shade-grown wrapper to 6 cents per pound less for Wisconsin binder. Last year filler and wrapper acreage and production were below 1971; binder acreage gained but output was down. Yields were off from the previous year for each class.

The Puerto Rican crop (type 46) was harvested this year on increased acreage. But yields were off so production fell sharply.

WORLD TOBACCO TRADE REVIEW, 1972²

Exports Up in 1972

Free world tobacco leaf exports rose 23 percent last

²Data summarized from "World Tobacco Exports", Foreign Agriculture Circular FT 3-73, June 1973, available from Foreign Agricultural Service, Room 5918, USDA, Washington, D.C. 20250.

year to surpass the previous year's record. Despite continued U.N. sanctions against Rhodesian tobacco, increased quantities are apparently moving in world trade. Oriental leaf continued in surplus, even though exports were up substantially. Good quality cigarette tobacco appeared to be in tight supply throughout the world.

Table 13.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-73-Cont.

Crop year	(Farm-sales weight)								
	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pounds to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
Thous. acres	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	1,727	18.7	39.3	58.0	*21.0	*21.0	0	48.5
1973 2/	11.3	2,093	*23.7	*37.0	*60.7				
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	1,727	21.4	46.7	68.1	*24.0	*24.0	*.2	51.3
1973 2/	12.9	2,044	*26.3	*44.1	*70.4				
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	5.8	2.6	400.0
1972	4.0	1,250	5.1	13.2	18.3	*8.0	*5.0	*3.0	480.0
1973 2/	4.9	1,425	*7.0	*10.3	*17.3				
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	262.0
1972	3.0	1,517	4.6	6.6	11.2	*5.0	*4.4	*.6	280.0
1973 2/	2.6	1,510	*3.9	*6.2	*10.1				
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	375.7
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	11.2	3.4	347.5
1972	7.0	1,365	9.7	19.8	29.5	*13.0	*9.4	*3.6	384.5
1973 2/	7.5	1,454	*10.9	*16.5	*27.4				
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	263.5	87.3	84.8	2.5	102.3
1971	41.9	1,734	72.7	176.2	248.9	92.5	88.6	3.9	96.7
1972	40.7	1,442	58.8	156.4	215.2	*91.5	*87.3	*4.2	93.2
1973 2/	45.5	1,696	*77.1	*123.7	*200.8				

1/ October 1 for types 41-55; July 1 for types 61-62.

2/ Subject to revision.

3/ Puerto Rican planting occurs late in calendar year.

4/ Excludes payment by Puerto Rican Government.

5/ Evaluated at 39.8 cents per pound.

Less than 50,000 pounds.

* Estimated, 1973 production based on March 1 acreage intentions and projected yields.

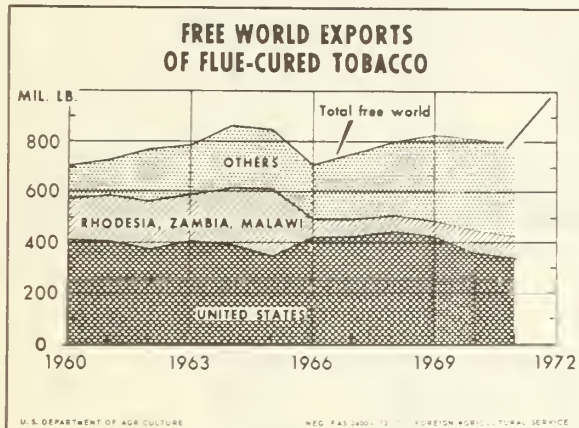
Table 15.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-73

Crop year	(Farm-sales weight)								
	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
Thous. acres	Pounds	Million pounds						Cents	
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	127.9	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	129.3	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	*42.0	*41.6	*.4	46.0
1973 2/	17.0	1,660	*28.2	*46.4	*74.6				
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	2.3	1,750	4.0	7.0	11.0	*4.5	*4.5	---	44.0
1973 2/	2.1	1,840	*3.9	*6.5	*10.4				
Puerto Rico Filler (type 46) 3/									
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	---	4/33.1
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	4/33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	4/33.6
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	---	4/36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	4/39.8
1972	6.0	920	5.5	12.7	18.2	*8.0	*8.0	---	5/
1973 2/	6.0	1,300	*7.8	*10.2	*18.0				
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	21.3	1,302	27.7	89.9	117.6	*54.5	*54.1	*.4	37.5
1973 2/	25.1	1,588	*39.9	*63.1	*103.0				
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	65.7
1972	1.6	1,725	2.7	7.4	10.1	*3.0	*2.8	*.2	70.2
1973 2/	1.6	1,680	*2.6	*7.1	*9.7				
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	---	40.2
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	50.3
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	55.6
1972	5.0	1,700	8.5	20.3	28.8	*10.5	*10.5	---	48.0
1973 2/	5.4	2,140	*11.6	*18.3	*29.9				
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	1,750	10.2	19.0	29.2	*10.5	*10.5	0	49.0
1973 2/	5.9	2,050	*12.1	*18.7	*30.8				

See footnotes at end of table.

Continued --

World import trade volume (excluding the Sino-Soviet countries) increased 5 percent from 1971 to 2,122 million pounds of unmanufactured tobacco. Exports exceed imports because Sino-Soviet countries are net importers. Stock buildup also occurred. The United States, the world's leading producer and exporter of tobacco, supplied about one-fourth of free-world exports in 1972 (table 14) much the same in 1971. U.S. exports during 1972 rebounded after the U.S. dock strike was settled. Last year the United States shipped about 44 percent of the world's flue-cured total. Devaluation of U.S. currency in 1971 did not appreciably change the trade pattern since a number of competing suppliers also devalued.



The 10 leading exporting countries accounted for 74 percent of total free-world exports last year, about the same as in 1971 (table 16). In 1955-59 this share averaged 87 percent. Many other countries are

attempting to expand tobacco production as a source of valuable export earnings, although their exports sell for one-fourth or one-half of U.S. prices. Among these countries (Mexico, Argentina, Paraguay, Colombia, South Africa, Taiwan, South Korea, Pakistan, and Thailand) tobacco exports increased one-sixth from the 229 million pounds in 1971. The total was well above the annual average of 100 million pounds in 1960-64.

Import Highlights

The United States last year ranked third as an importer of cigarette and cigar tobaccos, mainly for blending with domestic types. West Germany remained the world's leading tobacco importing country. The United Kingdom took more tobacco last year as the industry recovered from the 1971 anti-cigarette publicity, but West German manufacturers reduced U.S. tobacco inventories as important tax changes took effect last fall.

The 12 leading importing countries, excluding the United States, accounted for 69 percent of total free-world imports in 1972 (table 15). Including U.S. imports, the 13 countries accounted for 80 percent. This was about the same proportion as 1972.

Last year the United Kingdom imported 298 million pounds of tobacco, 10 percent above 1971. Receipts from the United States and from Commonwealth countries picked up. Gross clearances of tobacco from bond in 1972—an approximate measure of home use and exports combined—gained 5 percent.

West Germany's imports declined to 322 million pounds, 6 percent below 1971. The United States

Table 16.—Exports of unmanufactured tobacco from the leading exporting countries, 1969-72

Country	1969	1970	1971	1972
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
United States	577	510	473	606
Turkey	154	162	180	274
Greece	157	143	131	164
India	121	106	122	179
Rhodesia	*50	*70	*100	*120
Brazil	106	120	133	139
Philippine Republic	72	84	102	84
Dominican Republic	38	43	57	72
Canada	66	65	68	75
Malawi	32	38	46	53
Total 10 countries	1,373	1,341	1,412	1,766
Ten countries as percentage of world total				
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
	78	73	73	74

*Estimated.

Compiled from reports of Foreign Agricultural Service.

Table 14.--United States and world production and exports of flue-cured and all unmanufactured tobacco, 1955-72

Period	Flue-cured				All tobacco			
	United States	World total	United States as percentage of total	United States as percentage of total	United States	World total	United States as percentage of total	United States as percentage of total
	Million pounds	Million pounds	Percent	Percent	Million pounds	Million pounds	Percent	Percent
Production (farm-sales weight)								
Average:								
1955-59	1,208	2,914	41	41	1,941	8,519	23	23
1960-64	1,335	3,305	41	41	2,211	8,898	25	25
1965	1,059	3,469	31	31	1,871	9,620	19	19
1966	1,108	3,531	31	31	1,899	9,636	20	20
1967	1,263	3,859	33	33	1,979	10,368	19	19
1968	982	3,649	27	27	1,721	9,833	18	18
1969	1,053	3,823	28	28	1,810	9,821	18	18
1970	1,193	3,937	30	30	1,911	10,021	19	19
1971 2/	1,078	3,918	28	28	1,712	9,865	17	17
1972 2/	1,012	3,934	26	26	1,757	10,010	18	18
Exports (unmanufactured, export weight) 3/								
Average:								
1955-59	413	683	60	60	500	1,434	35	35
1960-64	397	772	52	52	497	1,691	30	30
1965	351	844	42	42	468	1,815	26	26
1966	423	710	60	60	551	1,689	33	33
1967	427	750	57	57	572	1,821	31	31
1968	444	800	56	56	599	1,801	33	33
1969	430	833	52	52	577	1,810	32	32
1970	368	812	45	45	510	1,838	28	28
1971 2/	342	814	42	42	473	1,927	25	25
1972 2/	425	977	44	44	606	2,371	26	26

1/ Includes Puerto Rico. 2/ Subject to revision. 3/ Total excludes Sino-Soviet countries. Foreign data supplied by the Tobacco Division, Foreign Agricultural Service.

Table 15.--Tobacco imports of ranking foreign markets and percentage supplied by the United States, 1969-72

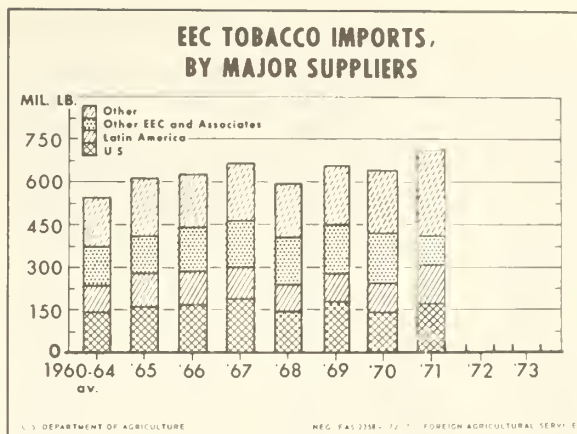
Country	Total tobacco imports 1/				Percentage supplied by the United States			
	1969	1970	1971	1972 2/	1969	1970	1971	1972 2/
	Million pounds				Percent			
West Germany	340	270	341	322	32	25	30	30
United Kingdom	305	284	269	298	44	41	36	40
France	98	140	168	178	5	7	5	7
Netherlands	107	121	126	132	30	30	26	26
Japan	73	73	100	132	64	60	54	52
Belgium-Luxembourg	72	72	74	77	22	22	20	17
Spain	69	79	93	70	10	6	8	12
Switzerland	53	87	66	68	45	40	48	46
Canary Islands	39	39	61	65	1	1	*	*
Italy	39	37	37	48	42	38	53	56
Denmark	34	37	33	38	55	65	48	60
Sweden	19	30	27	33	70	70	56	64

1/ Unmanufactured tobacco. 2/ Subject to revision. * Less than .5 percent. Compiled from reports of Foreign Agricultural Service.

remained the leading supplier, and its share remained unchanged. West German cigarette production was unchanged last year and manufacturers reduced inventories. Germany's imports of tobacco from Italy and Mexico rose, while imports from Turkey, Poland, Indonesia, and Thailand declined. Imports from the Peoples Republic of China are not reported separately, but from the change in "other countries" category, China apparently supplied about 26 million pounds last year about the same as 1971.

France is the fourth largest tobacco importer, but our share of the market is minor. Latin American sources supplied about 31 percent of the total last year, a smaller percentage than in 1971. Oriental leaf accounted for 28 percent of France's tobacco imports last year, about the same share as in 1971. France took more tobacco from Italy and West Germany with the incentive of the EC tobacco CAP.

The Netherlands has no domestic tobacco production and draws from a large number of countries. The U.S. share of the total was 25 percent, a decline again last year. Consignments from South Africa and Mozambique rose further to a 25 percent share.



With rising cigarette production and falling domestic tobacco production, Japan imported a record 132-million pounds of tobacco last year. The United States, the principal supplier with 52 percent, nevertheless saw its share drop again. Last year Japan stepped up sharply its oriental leaf arrivals from Greece and Turkey. This year small shipments are coming from the Peoples Republic of China (tables 17 and 18).

Table 17.—United Kingdom tobacco: Imports, stocks, clearances, and exports 1970-73

Item	July-March			Item	July-March		
	1970-1971	1971-1972	1972-1973		1970-1971	1971-1972	1972-1973
	Million pounds	Million pounds	Million pounds		Million pounds	Million pounds	Million pounds
Imports, by source:				Gross clearances:			
United States	108	82	90	Full rate ¹	118	112	95
Commonwealth	96	86	97	Commonwealth rate ²	108	109	117
Other	34	34	33	Total	226	221	212
Total	238	202	220	Flue-cured:			
Exports:				United States	94	88	85
Manufactured products	36	39	38	Canada	40	38	46
Unmanufactured	5	5	5	India	33	30	32
Stocks, March 31:				Zambia and Malawi	7	1	9
Flue-cured	360	341	302	Rhodesia	1	1	0
Other	48	53	54	Other	24	22	24
Total	408	394	356	Tot	199	180	196
				Net clearances:	169	166	179

¹ Equivalent to \$12.10 per pound. ² Equivalent to \$11.92 per pound.

Compiled from official United Kingdom sources.

Table 18.—Tobacco EEC imports, by major suppliers, 1955-72

Year	United States	Latin America	Other EC and Associates		India, Canada, Rhodesia, Zambia, Malawi	Other	Total	U.S. share of total
			Greece and Turkey	Other EC and associated areas				
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Average								
1955-59	119	53	90	41	27	57	387	30.7
1960-64	140	89	86	55	61	109	540	25.9
1965	159	120	84	49	73	126	611	26.0
1966	172	113	101	53	55	132	626	27.5
1967	190	110	99	60	27	178	664	28.6
1968	145	95	97	65	21	170	593	24.5
1969	178	98	100	66	20	193	655	27.2
1970	142	112	104	72	15	195	640	22.2
1971	178	132	126	79	21	207	743	24.0
1972	181	---	---	---	---	---	756	23.9

--Not available.

FOREIGN NEWS BRIEFS

Foreign Production and Sales

Canada's 1972 flue-cured crop was about 181 million pounds or about one-sixth below the previous year. Auction sales in Ontario (where most of the crop is grown) amounted to 167 million pounds and prices averaged the equivalent of 78 U.S. cents per pound. With a sharply reduced yield, production fell below the target while prices gained, and exceeded the Canadian manufacturers guaranteed floor price. For 1973 Ontario's acreage quota was increased. Plans are for a crop of around 250 million pounds. Domestic manufacturers have agreed on a minimum average price of 72.5 Canadian cents per pound.

For Rhodesia's flue-cured crop, harvested early in 1973, growers received a guarantee equivalent to 32 U.S. cents per pound. Auction sales opened in April with open auctions for the first time since Rhodesia's independence in 1965. Bidding was brisk as many buyers are ignoring U.N. sanctions. Buyers are urging growers to increase next season's crop. By the end of May, Malawi's flue-cured crop was selling for the equivalent of 78.5 cents per pound, compared with 41 cents last year.

World oriental leaf production declined 2 percent last year, but Turkish growers increased output. Sales of the 1972 crop began in January and the Turkish Monopoly paid higher prices than last year.

The Monopoly continues concessional sales to reduce old-crop stock.

In April, the European Community established 1973 season prices, averaging 1 percent higher than the previous year. The gain was 5 percent last year.

U.S. Outlines Trade Plans

In the proposed Trade Reform Act of 1973 submitted to Congress in April, the President asked for broad authority to expand U.S. foreign trade including several provisions for dealing with import and the adverse balance of payments. Authority was requested to extend "most favored nation" or normal U.S. tariff treatment to the Soviet Union, the People's Republic of China, and other Communist countries and to reduce U.S. import barriers whenever it would help combat domestic inflation. Hearings on the trade bill began in May before the House Ways and Means Committee.

Among the provisions of the trade bill is authority to negotiate: (1) increases, reductions, or elimination of tariffs; (2) changes in tariff-related barriers, such as customs valuation and import marking requirements; and (3) other nontariff barriers, such as a quota, subject to a veto by Congress. Tariff preferences were proposed for products of the developing countries.

Table 19.--Cash receipts from tobacco and percentages of total cash receipts from all farm commodities, by States, average 1965-69, annual 1970-72

State	Average 1965-69		1970		1971 1/		1972 1/	
	:Percentage:		:Percentage:		:Percentage:		:Percentage	
	Tobacco	of total	Tobacco	of total	Tobacco	of total	Tobacco	of total
	: receipts	:	: receipts	:	: receipts	:	: receipts	:
	Million		Million		Million		Million	
	: dollars	Percent	: dollars	Percent	: dollars	Percent	: dollars	Percent
North Carolina	494	38.5	576	37.8	562	36.8	586	36.1
Kentucky	284	36.1	303	32.7	271	28.7	331	30.5
South Carolina	93	23.3	101	22.2	101	21.6	113	20.1
Virginia	84	16.0	89	14.7	90	14.6	90	13.6
Tennessee	82	13.2	82	11.6	76	10.2	92	10.8
Georgia	81	7.8	102	8.6	92	7.3	100	7.0
Florida	29	2.6	31	2.4	27	1.9	27	1.7
Maryland	22	6.4	21	5.4	23	5.8	23	5.6
Connecticut	27	16.6	24	14.7	26	15.7	22	13.4
Pennsylvania	11	1.2	11	1.1	10	.9	9	.8
Ohio	13	1.0	14	1.0	12	.9	13	.8
Indiana	10	.7	10	.7	10	.6	10	.5
Massachusetts	10	6.0	11	6.7	11	6.7	9	5.6
Wisconsin	6	.4	6	.3	9	.6	12	.7
Missouri	3	.2	4	.3	5	.3	3	.2
West Virginia	2	2.5	2	2.2	2	1.7	2	1.7
United States 2/	1,251	2.9	1,388	2.8	1,328	2.5	1,442	2.4

1/ Subject to revision. 2/ U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately.

Table 20.--Tobacco manufacturing corporations: Net sales, net income, and profit ratios, 1963-73

Period	Net sales	Net income		Profit			
		Before	After	Per dollar of sales		Percentage of stockholders equity (annual basis)	
		Federal tax	Federal tax	Before	After	Before	After
				Federal tax	Federal tax	Federal tax	Federal tax
	Million pounds			Cents		Percent	
1963	5,563	675	327	12.1	5.9	27.6	13.4
1964	5,836	664	345	11.4	5.9	25.8	13.4
1965	6,006	665	354	11.2	5.9	25.4	13.5
1966	6,570	727	389	11.1	5.9	26.3	14.1
1967	7,088	794	420	11.2	5.9	27.2	14.4
1968	7,859	896	436	11.4	5.6	29.7	14.4
1969	9,162	976	476	10.6	5.2	29.6	14.4
1970	9,839	1,098	569	11.2	5.8	30.3	15.7
1971	10,551	1,217	643	11.5	6.1	29.8	15.7
1972	11,308	1,246	676	11.1	6.0	28.4	15.4
Quarterly							
1972							
1	2,723	300	160	11.0	5.9	28.2	15.1
2	2,763	319	171	11.5	6.2	29.6	15.9
3	2,829	312	170	11.0	6.0	28.1	15.3
4	2,993	315	175	10.5	5.8	27.7	15.4
1972							
1	2,790	286	157	10.3	5.6	24.7	13.6

Note: Data includes non-tobacco enterprises of tobacco manufacturing corporations. Compiled and adapted from the Quarterly Financial Reports for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

FACTORS AFFECTING TOBACCO LOAN PLACEMENTS

by

Robert H. Miller

Economic and Statistical Analysis Division

Economic Research Service

ABSTRACT: Two ordinary least squares equations using data in arithmetic form for 1950-71 estimated the flue-cured and burley tobacco placed annually under government loan. Independent variables were current production and a supply-disappearance ratio. Signs were as expected and were statistically significant (except for burley supply-disappearance ratio). Coefficients of determination (R^2) were 0.76 for the flue-cured equation and 0.63 for burley. Results of the equation estimated actual loans closely for the year following the fitted period. Quality factor was nonsignificant.

KEYWORDS: Tobacco, tobacco marketing, tobacco loan program.

Since the early 1930's the Federal Government has operated programs to support and stabilize tobacco prices. When growers approve marketing quotas, government price support is in effect and a support price (loan rate) is established for each grade of tobacco. If the buyer's bid price is not more than the government loan rate for the grade, an eligible grower may receive the loan rate. The tobacco is then taken by a cooperative association and is pledged to CCC for a nonrecourse loan.

The market price-support price differential and the amount of leaf placed by growers under loan at the support price are key indicators of the government's role in maintaining support prices. Over the years, loan associations have a favorable record of eventually selling their stocks to the trade with only negligible losses. But loan placements vary widely from year to year and a decade may pass before a given crop is completely sold. Thus, information that would explain some of the wide variation in burley and flue-cured loan purchases should assist the plans of loan cooperatives as well as firms in the industry. While the net loan activity may be useful on an annual basis (placements minus loan repayments) each season begins with placements so that the series needs to be analyzed separately.

It was hypothesized that loan placements depend on the size of the current crop and a supply-disappearance ratio. The expectation is that loan

placements most clearly relate to crop size since short crops traditionally bring brisk bidding and low loan placements. Large crops have historically resulted in large loan replacements.

A supply-disappearance ratio is an important concept in the industry since domestic manufacturers allow crops to age about 2-3 years. A ratio of the net leaf supply to the previous year's domestic disappearance excludes exports since they have varied less than domestic usage during the period since World War II. Also, exporters maintain only a fraction of the large stocks that domestic manufacturers carryover. Net supply includes loan holdings, since these stocks are available to all firms at announced prices. The expectation is that the regression coefficient of the supply ratio variable should be positive.

Results

Loan placements in millions of pounds were studied by ordinary least squares procedures using data in arithmetic form for 1950-71. Actual loan placements as well as changes in loan placements were analyzed but the former gave the best explanation and are a more direct measure. Crop size (CROP) and net supply-domestic disappearance ratio (NETS/DOMDIS) provided the best fit for flue (FL LOANS). But for burley (B LOANS) the net ratio gave

the same fit as total supply to total disappearance (S/DIS). Variables representing quality and short term interest rates were also investigated. They gave negative signs as expected but the coefficient was nonsignificant.

Figures in parentheses under the coefficients are the standard errors of the estimates. Other statistical measures shown are the coefficient of determination (R^2)- the percentage of variation in the dependent variable explained by the independent variables, the standard error of the equation (S.E.) and the Durbin-Watson statistic, a measure of the degree of autocorrelation (D.W.).

$$(1) \text{ FL LOANS} = -963.8 + .4461 \text{ CROP} + 145.9 \text{ NETS/DOMDIS}$$

(0.0656) (29.7)

S. E. = 46.3 $R^2 = .756$ D. W. = 1.47

$$(2) \text{ B LOANS} = -507.3 + .612 \text{ CROP} + 70.02 \text{ S/DIS}$$

(0.111) (47.3)

S. E. = 39.5 $R^2 = .633$ D. W. = 1.38

Equation (1) indicates that flue-cured loan placements tend to increase about 440,000 pounds for each million-pound increase in production and decrease a corresponding amount for each million-pound decrease in production. Also, placements increase 14.6 million pounds for each increase of 0.1 in the net supply-domestic disappearance ratio. Conversely, placements tend to decrease a corresponding amount for each 0.1 decrease in the ratio.

Burley loan placements were not as fully explained as were flue-cured placements. Burley placements depended more on the size of the current crop since a million pound increase in crop size was associated with 612,000 pounds increase in loan placements. The supply-disappearance ratio was not as significant for burley as flue-cured. Since domestic use accounts for about 90 percent of burley disappearance, the use of a net supply-domestic disappearance ratio did not improve the explanation of loan placements so the total supply-total disappearance ratio was used.

The analysis of loan placements leaves a considerable amount of the variation in such pledges unexplained, since leaf purchases reflect the expected demand for cigarettes 2 or 3 years after the purchase date. The large positive unexplained residual for 1953, 1967, and 1968 for flue-cured was probably due in part to pessimism among buyers due to adverse smoking-health publicity.

Since the unexplained residual was small in 1964, buyers must have concluded that the public concern surrounding the 1964 Surgeon General's Report on Smoking and Health was very temporary.

Supply-disappearance formulas do not reflect current psychological tendencies among buyers and hence are unable to pick up these changes when they are based on the previous season's disappearance. In Equation 1, the large negative unexplained residual for 1960 and 1961 was probably due in part to anticipation among buyers of the higher level of disappearance beginning in the 1960 marketing year.

Price relationships were not investigated since loan placements are believed to depend primarily on relative supplies which can be estimated before auctions begin. Support prices are known at the beginning of the season, but there is no indication that their sharp increases in recent years have resulted in larger loan placements.

In an earlier analysis for 1949-66, Vernon *et al*¹ correlated loan placements to the difference between the support price and the "free market" price (an artificial series based on per capita income and a supply-disappearance ratio). However, the coefficient of determination (R^2) of 0.49 was lower than for any other equations in their model of the flue-cured economy. Johnson², in an analysis of the burley economy related loan placements for 1935-41 and 1945-49 to support prices, production, quality index, October 1 stocks, and previous season's disappearance. Results were nonsignificant, but except for quality the coefficients had the expected sign.

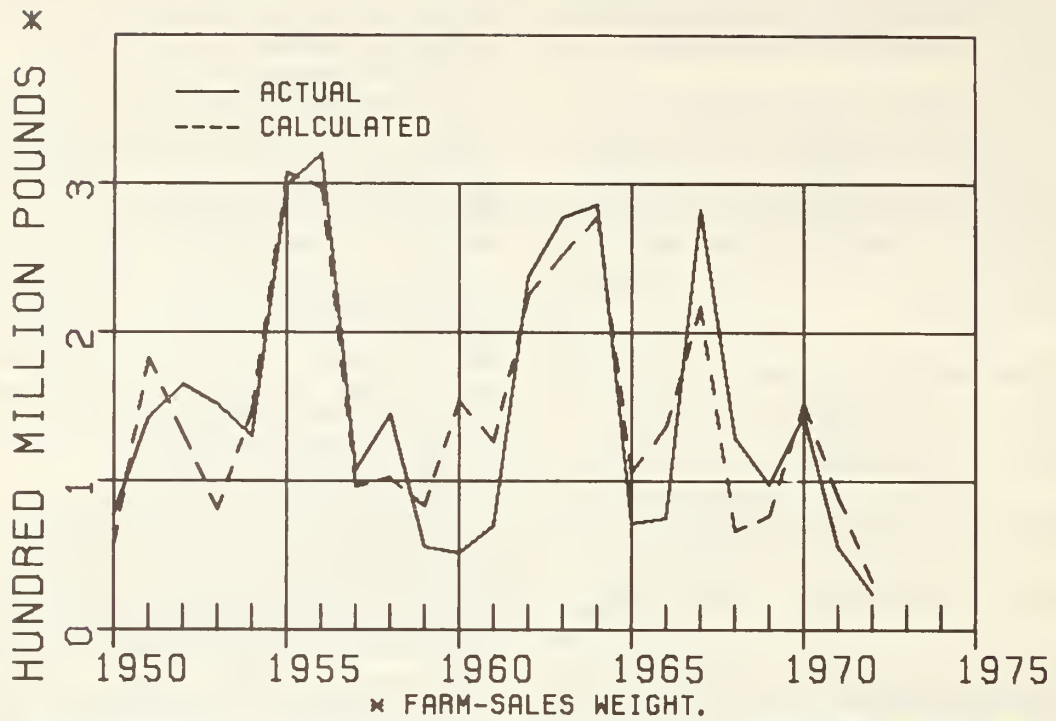
Periodically, buyers purchase loan stock tobacco to supplement their requirements, and additional analysis might explain this purchase pattern or the net placements. For the most part manufacturers prefer to make their initial selection on auction floors and process the tobacco to their own specifications. Also, CCC sets prices to encourage users to purchase the great bulk of their requirements directly from auction markets.

Table 21 contains actual loan placements for flue-cured and burley and formula estimates. With the limitations noted above the formulas do a reasonably good job of forecasting the loan placements of the tobacco industry.

¹Vernon, John M., Jr., Rives, Norfleet, W., and Naylor, Thomas H., "Econometric Model of the Tobacco Industry," *Review of Economics and Statistics*, Vol. II, May 1969, pp. 149-58.

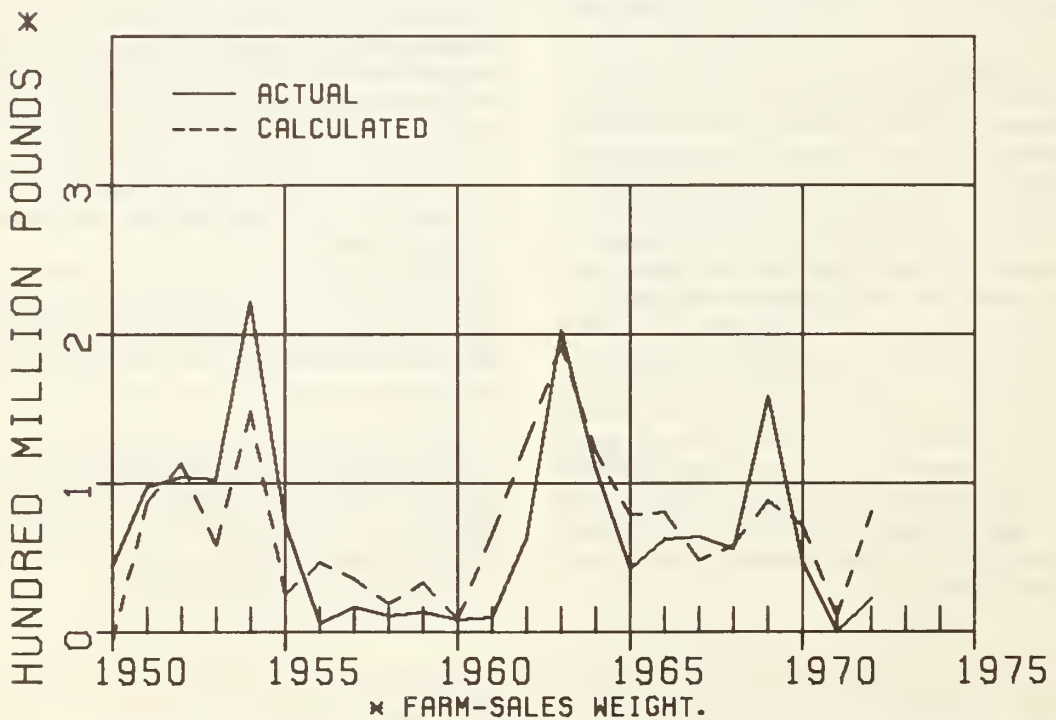
²Johnson, Glenn L., *Burley Tobacco Control Programs*, Ky., Agric. Expt. Sta. Bul. 580, 1952.

FLUE-CURED TOBACCO LOANS



U.S. DEPARTMENT OF AGRICULTURE NEG.EAS 0185-73 (6) ECONOMIC RESEARCH SERVICE

BURLEY TOBACCO LOANS



U.S. DEPARTMENT OF AGRICULTURE NEG.EAS 0188-73 (6) ECONOMIC RESEARCH SERVICE

Table 21.--Flue-cured and burley loan placements, actual and calculated, 1950-73 ^{1/}

Year	Flue-cured					Burley				
	Loan placements		Ratio of supply to disappearance,			Loan placements		Ratio of supply to disappearance,		
	: Actual:	: Calculated:	: t-1	: Total disappearance:	: Domestic disappearance:	: Actual:	: Calculated:	: t-1	: Total disappearance:	: Domestic disappearance:
	: : lated	: : lated	: : lated	: : ance	: : ance 2/	: : lated	: : lated	: : lated	: : ance	: : ance 2/
	Million pounds		Number			Million pounds		Number		
1950	77.6	57.6	20.0	2.347	3.157	44.2	-5.5	49.7	2.804	2.954
1951	142.2	182.5	-40.3	2.542	3.414	97.3	87.2	10.1	3.088	3.216
1952	165.0	132.0	33.0	2.420	3.337	103.9	113.2	-9.3	3.180	3.316
1953	151.4	80.9	70.5	2.511	3.271	102.1	58.7	43.4	3.153	3.273
1954	130.2	147.3	-17.1	2.671	3.598	221.4	148.2	73.2	3.523	3.699
1955	298.9	307.6	-8.7	3.018	4.180	73.1	25.4	47.7	3.500	3.672
1956	319.9	297.7	22.2	2.873	4.295	6.0	46.5	-40.5	3.486	3.662
1957	107.8	97.0	10.8	2.981	4.289	16.6	35.9	-19.3	3.492	3.638
1958	144.8	102.2	42.6	2.877	4.001	11.2	18.9	-7.7	3.441	3.584
1959	55.5	83.1	-27.6	2.792	3.870	13.2	33.4	-20.2	3.334	3.503
1960	51.8	154.0	-102.2	2.833	3.836	8.4	8.9	-.5	3.132	3.288
1961	70.3	126.7	-56.4	2.643	3.628	10.3	65.6	-55.3	3.112	3.284
1962	237.2	225.2	12.0	2.754	3.844	63.5	128.4	-64.9	3.178	3.365
1963	277.2	252.9	24.3	3.024	4.147	202.3	192.4	9.9	3.393	3.634
1964	285.6	277.5	8.1	2.980	4.264	110.4	121.4	-11.0	3.559	3.846
1965	71.5	105.7	-34.2	2.965	4.092	42.2	78.9	-36.7	3.249	3.472
1966	74.6	136.3	-61.7	3.017	4.152	62.5	80.7	-18.2	3.267	3.503
1967	282.1	217.1	65.0	2.764	4.272	64.2	48.0	16.2	3.201	3.429
1968	128.8	66.9	61.9	2.700	4.019	56.2	58.3	-2.1	3.156	3.367
1969	97.6	76.7	20.9	2.634	3.912	158.2	88.4	69.8	3.341	3.590
1970	144.2	152.6	-8.4	2.669	4.050	47.7	71.9	-24.2	3.368	3.639
1971	55.7	90.4	-34.7	2.600	3.935	.2	10.6	-10.4	3.262	3.507
1972	24.3	32.2	-7.9	2.567	3.702	22.9	80.9	-58.0	3.229	3.466
1973 ^{3/}	---	97.7	---	2.591	3.778	---	76.6	---	3.189	3.377

^{1/} See text for regression equations.

^{2/} Leaf supply less exports.

^{3/} Estimated.

SELECTED RECENT ARTICLES, REPORTS, SPEECHES

- Andrews, B. G., "Outlook Mixed For Future Trade in U.S. Tobacco", Foreign Agriculture, Feb. 26, 1973, pp. 2-4. 1/
- Braden, Johnny D., "Analysis of Tobacco Quota Transfers", talk given at the 1973 National Agricultural Outlook Conference, Feb. 22, 1973, 8 pp. 2/
- Campbell, J. Phil, "Value of Expanding Agriculture", remarks given at Annual Convention of Burley and Dark Leaf Tobacco Export Association, Knoxville, Tenn. Oct. 17, 1972, USDA 3368-72, 4 pp. 3/
- "Canadian Tobacco Faces Problems as United Kingdom Joins Common Market", Foreign Agriculture, March 19, 1973, pp. 14-15. 1/
- Doub, Albert, Jr., and Crabtree, Larry, Tobacco in the United States, AMS Misc. Pub. 867, rev., Jan. 1973, 66 pp. 4/
- "Enlargement Could Shift Consumption of Tobacco in New EC Member States", Foreign Agriculture, Oct. 2, 1972, pp. 12-15. 1/
- Frink, James C., "Greece Faces Leaf Tobacco Production Crisis", Foreign Agriculture, Sept. 25, 1972, p. 4. 1/
- Goodman, Richard J., "GATT Negotiation's Could Help Gear World Trade To Today's Realities and Requirements", Foreign Agriculture, April 30, 1973, pp. 5-6. 1/
- Haviland, Guy, Jr., "Ecuador: A Growing Market for U.S. Tobacco and Cigarettes", Foreign Agriculture, Sept. 4, 1972, p 11. 1/
- Hodges, Lerroy, Jr., "Asian Market for U.S. Tobacco-An Awakening Giant", Foreign Agriculture, Feb. 19, 1973, pp. 7-9. 1/
- _____, "U.S. Tobacco Exports and Containerization", Foreign Agriculture, June 19, 1972, pp. 7-8. 1/
- Johnson, Robert W., Implications of European Community Enalrgement For U.S. Tobacco Exports, FASM-251, Feb. 1973, 25 pp. 1/
- _____, "U.S. Tobacco Exports Shift From Unmanufactured Leaf to More Processed Items", Foreign Agriculture, July 17, 1972, pp. 6-7, 12. 1/
- Kiger, Hugh C., "Prospects for Tobacco Trade Between The United States and Mainland China", Foreign Agriculture, May 8, 1972, pp. 2-3. 1/
- _____, "U.S. Tobacco Exports to Norway No Longer Threatened by EC Entry", Foreign Agriculture, Dec. 18, 1972, pp. 12,16. 1/
- Miller, Robert H., "Outlook for Tobacco for 1973 and Longer Range Prospects", talk given at the 1973 National Agricultural Outlook Conference, Feb. 22, 1973, 12 pp. 2/
- _____, "Tobacco and Tobacco Production Consumption for 1980", talk given at the 24th National Tobacco Workers Conference, Chattanooga, Tenn., Jan. 20, 1972. 16 pp. 2/
- "Secretary Butz Appoints Tobacco Marketing System Study Committee", March 15, 1973, USDA 827-73. 3/
- Tandon, V. M., "India's Cigarette Industry Poised for Further Production Increases", Foreign Agriculture, March 12, 1973, pp. 6-7. 1/
- USDA, Agricultural Marketing Service, Annual Report on Tobacco Statistics 1972, April 1973, 51 pp. 4/
- "Will Rhodesian-U.K. Agreement End Trade Problems?" Foreign Agriculture, March 6, 1972. 1/

1/ Available from Foreign Agricultural Service, Room 5918, USDA, Washington, D.C. 20250.

2/ Available from Division of Information, OMS, Room 0425, USDA, Washington, D.C. 20250.

3/ Available from Press Service, USDA, Washington, D.C. 20250

4/ Available from Information Division, AMS, Room 1078, USDA, Washington, D.C. 20250.

STATISTICAL SUMMARY

Item	Unit or base period	1972		1973		Last data as percentage of a year earlier
		Apr.	May	Mar.	Apr.	
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.	C - 1 - o - s - e - d		C - 1 - o - s - e - d		---
Maryland	Ct. per lb.	83.2	82.2	Closed	87.1	83.3
Virginia fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d		---
Ky.-Tenn. fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d		---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d		---
Virginia sun-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d		---
Support price ^{1/}						
Flue-cured	Ct. per lb.	72.7			76.6	105
Burley	Ct. per lb.	74.9			78.9	105
Maryland	Ct. per lb.	No support			No support	---
Virginia fire-cured	Ct. per lb.	50.8			53.5	105
Ky.-Tenn. fire-cured	Ct. per lb.	50.8			53.5	105
Ky.-Tenn. dark air-cured	Ct. per lb.	45.2			47.6	105
Virginia sun-cured	Ct. per lb.	45.2			47.6	105
Connecticut Valley cigar binder	Ct. per lb.	51.9			54.6	105
Wis. binder and Ohio filler	Ct. per lb.	37.5			39.5	105
Puerto Rican filler	Ct. per lb.	38.9			41.0	105
Parity index ^{2/}	1967=100	125	125	138	140	143
Industrial production index ^{3/}	1967=100	112.8	113.2	122.0	122.8	123.4
Employment	Mil.	80.6	81.2	82.8	83.3	83.8
Personal income ^{4/}	Bil. dol.	919.4	924.0	1,001.3	1,007.4	1,012.2
Taxable removals						
Cigarettes	Bil.	49.9	42.6	45.6	49.3	44.7
Cigars and cigarillos	Mil.	654.8	554.2	504.1	600.0	570.6
Accumulated from Jan. 1						
Cigarettes	Bil.	138.9	181.5	93.8	143.2	187.9
Cigars and cigarillos	Mil.	1,751.8	2,310.1	1,097.0	1,640.7	2,211.3
Invoiced to domestic customers						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	13.7			12.8	93
Chewing tobacco	Mil. lb.	17.2			17.6	102
Snuff	Mil. lb.	6.6			6.6	100
Tax-exempt removals						
Cigarettes	Bil.	3.7	2.7	4.9	5.2	4.8
Exports	Bil.	2.6	2.0	3.5	3.8	4.2
Cigars and cigarillos	Mil.	10.0	11.3	12.7	12.1	13.8
Accumulated from Jan. 1						
Cigarettes	Bil.	12.9	15.6	9.0	14.2	19.0
Exports	Bil.	8.8	10.7	5.9	9.7	13.9
Cigars and cigarillos	Mil.	47.2	58.4	22.8	34.9	48.7
Invoiced for export						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	.4			.4	100
Chewing tobacco	Mil. lb.	.2			.2	100
Wholesale price indexes ^{5/}						
Cigarettes (reg. nonfilter)	1967=100	121.7	121.7	126.3	126.3	126.3
Cigars	1967=100	109.0	109.0	109.0	109.0	109.1
Smoking tobacco	1967=100	118.4	118.4	119.9	120.7	120.7
Plug chewing tobacco	1967=100	125.3	125.3	126.4	126.4	128.2
Snuff	1967=100	138.6	138.6	138.6	138.6	143.7
Consumer price indexes (urban) ^{6/}						
Cigarettes (reg. nonfilter)	1967=100	133.7	133.9	136.3	137.3	138.2
Cigarettes (filter tip king)	1967=100	134.8	135.0	136.2	137.6	138.7
Cigars (domestic reg. size)	1967=100	110.6	110.7	111.3	111.6	112.3
Imports of tobacco						
Cigarette leaf	Mil. lb.	14.6	11.9	14.1	14.1	12.9
Cigar tobacco ^{7/}	Mil. lb.	12.5	8.6	14.8	8.1	13.7
Accumulated from Jan. 1						
Cigarette leaf	Mil. lb.	44.1	56.1	28.7	42.8	55.7
Cigar tobacco ^{7/}	Mil. lb.	29.3	37.9	24.4	32.5	44.2

See footnotes at end of table.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1972		1973		Last data as percentage of a year earlier
		Mar.	Apr.	Feb.	Mar.	
Exports of leaf tobacco						
(farm-sales weight)						
Flue-cured	Mil. lb.	23.8	16.0	36.4	43.4	37.8
Burley	Mil. lb.	5.0	1.3	8.2	5.5	3.8
Maryland	Mil. lb.	.5	.6	.7	.7	.4
Virginia fire- & sun-cured	Mil. lb.	*	0	.1	.2	.2
Ky.-Tenn. fire-cured	Mil. lb.	2.2	.4	1.7	1.1	2.8
Ky.-Tenn. dark air-cured	Mil. lb.	*	*	*	.2	0
Black Fat	Mil. lb.	.4	.3	.2	.6	*
Cigar wrapper	Mil. lb.	.2	.3	.2	.4	.2
Connecticut binder	Mil. lb.	*	*	*	0	*
Wisconsin binder	Mil. lb.	0	0	0	0	0
Accumulated from beginning of marketing year <u>8/</u>						
Flue-cured	Mil. lb.	401.1	417.1	362.0	405.4	443.2
Burley	Mil. lb.	25.1	26.4	25.8	31.3	35.1
Maryland	Mil. lb.	3.3	3.9	5.9	6.6	7.0
Virginia fire- & sun-cured	Mil. lb.	1.6	1.6	3.1	3.2	3.4
Ky.-Tenn. fire-cured	Mil. lb.	10.1	10.6	9.7	10.8	13.6
Ky.-Tenn. dark air-cured	Mil. lb.	.3	.3	.3	.5	.5
Black rat	Mil. lb.	1.4	1.7	1.2	1.8	1.8
Cigar wrapper	Mil. lb.	2.5	2.8	1.9	2.3	2.6
Connecticut binder	Mil. lb.	.1	.1	.1	.1	.1
Wisconsin binder	Mil. lb.	*	*	0	0	0
Cigar filler	Mil. lb.	.3	.3	.1	.2	.2
Exports of manufactured tobacco in bulk	Mil. lb.	2.3	1.7	.9	2.4	1.9
Accumulated from Jan. 1	Mil. lb.	9.8	11.5	2.5	4.9	6.7
Quarterly data						
		1972		1973		
		Jan.-Mar.	Apr.-June	Jan.-Mar.	Apr.-June	
Stocks of tobacco—1st of quarter <u>9/</u>						
Domestic types (farm-sales weight)						
Flue-cured	Mil. lb.	2,512	2,158	2,327	2,037	94
Burley	Mil. lb.	1,565	1,534	1,551	1,530	100
Maryland	Mil. lb.	46	40	47	43	108
Fire-cured	Mil. lb.	58	83	56	83	100
Dark air- and sun-cured	Mil. lb.	54	58	51	57	98
Cigar filler	Mil. lb.	98	110	76	83	75
Cigar binder	Mil. lb.	45	57	43	56	98
Cigar wrapper	Mil. lb.	23	22	20	20	91
Under Government loan <u>10/</u>	Mil. lb.	1,149	1,009	805	749	74
Tobacco sheet <u>11/</u>						
Cigarette types	Mil. lb.	26.9	27.6	23.8	24.7	89
Cigar types	Mil. lb.	1.8	1.8	2.0	1.8	100
Foreign types (farm-sales weight)						
Cigarette and smoking	Mil. lb.	339	377	418	432	115
Cigar	Mil. lb.	83	87	106	114	131
Tobacco outlets <u>12/</u>						
Seasonally adjusted data, annual rates, for charts, p.2						
Cigarettes						
Production	Bil.	618.4	589.2	652.8	610.0	104
Taxable removals	Bil.	562.4	550.0	581.2	568.4	103
Large Cigar production	Bil.	7.64	7.35	6.79	7.35	100
Smoking production	Mil. lb.	60.5	56.9	50.0	51.2	90
Chewing production						
Loose leaf	Mil. lb.	50.3	44.8	51.9	47.2	105
Plug and other	Mil. lb.	26.2	28.5	25.0	25.6	90
Snuff production	Mil. lb.	26.5	25.1	26.2	25.2	100
Exports of leaf						
Total	Mil. lb.	1,303.1	465.7	787.6	525.0	113
Flue-cured	Mil. lb.	1,168.5	344.5	700.6	400.0	116

1/ 1972 and 1973 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5 Excise tax excluded. 6/ Federal and applicable State and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. * Less than 50,000 pounds. Detail may not add to total due to rounding.

LIST OF TABLES

Title

<u>Table</u>	<u>Title</u>	<u>Page</u>
1	U.S. Cigarette exports to leading destinations, 1971-73	4
2	Cigarettes: Output, removals, and consumption, 1960-73	5
3	Cigars and smoking tobacco: Output, removals, and consumption, 1965-73	6
4	Tobacco products: Output, 1971-73	7
5	U.S. tobacco exports by types and countries, 1965-73	8
6	U.S. imports of unmanufactured tobacco for consumption, and general, 1971-73	10
7	Flue-cured and burley tobacco: Marketing quota and marketings, 1965-73	12
8	Flue-cured and burley tobacco: U.S. supplies, disappearance, and prices, 1963-73	13
9	Unmanufactured tobacco exports, by types, to principal destinations, marketing years, 1971/72-1972/73	14
10	Maryland tobacco: U.S. supplies, disappearance, and prices, 1967-73	16
11	Fire-cured tobacco: U.S. supplies, disappearance, and prices, 1967-73'	18
12	Dark air-cured tobacco: U.S. supplies, disappearance, and prices, 1967-73	19
13	Cigar tobacco: Supplies, disappearance, and prices, 1967-73	21
14	World tobacco production and exports and the United States share, 1955-72	24
15	Tobacco imports of ranking foreign markets and the United States share, 1969-72	24
16	Exports of unmanufactured tobacco from the leading exporting coun- tries, 1969-72	23
17	United Kingdom tobacco: Imports, stocks, clearances, and exports, 1969-73	25
18	EEC tobacco imports, by major suppliers, 1955-72	26
19	Cash receipts from tobacco, by States, 1965-72	27
20	Tobacco manufacturing corporations: Net sales, net income, and profit ratios, 1963-73	27
21	Flue-cured and burley loan placements, actual and calculated, 1950-72	31
	Statistical Summary	33

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101
FIRST CLASS



OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

NOTICE: If you don't want future issues of this ERS publication, check here and mail this sheet to the address below.

If your address should be changed, write your new address on this sheet and mail it to:

Automated Mailing List Section
Office of Plant and Operations
U.S. Department of Agriculture
Washington, D.C. 20250

TS-144

JUNE 1973

6297 JENKIN492A112 18016 0001
I JENKINS
AMER AGRL ECCN DCC CTR
492 GHI
WASHINGTON DC 20250