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# TOBACCO SITUATION



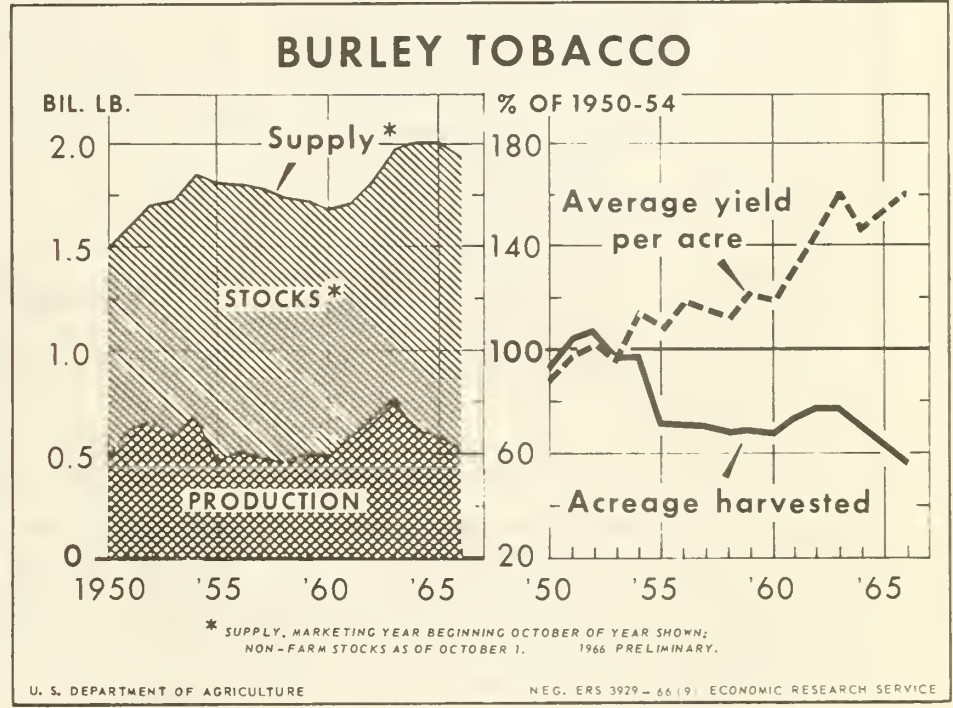
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The 1966-67 supply of burley, at 1,938 million pounds, is 3 percent below the comparatively high average of the preceding 3 years, but larger than any other year. The 1966 crop is indicated to be 8 percent smaller than 1965, and well below the big crops of 1962-64. Also, carryover stocks on October 1, 1966 are estimated at a little below a year earlier.

Burley acreage for harvest in 1966 is 13 percent below 1965; allotments for farms not covered by special provisions were reduced 15 percent. The 1966 average yield per acre is indicated to be up from last year to a near-record, partly offsetting reduced allotments.



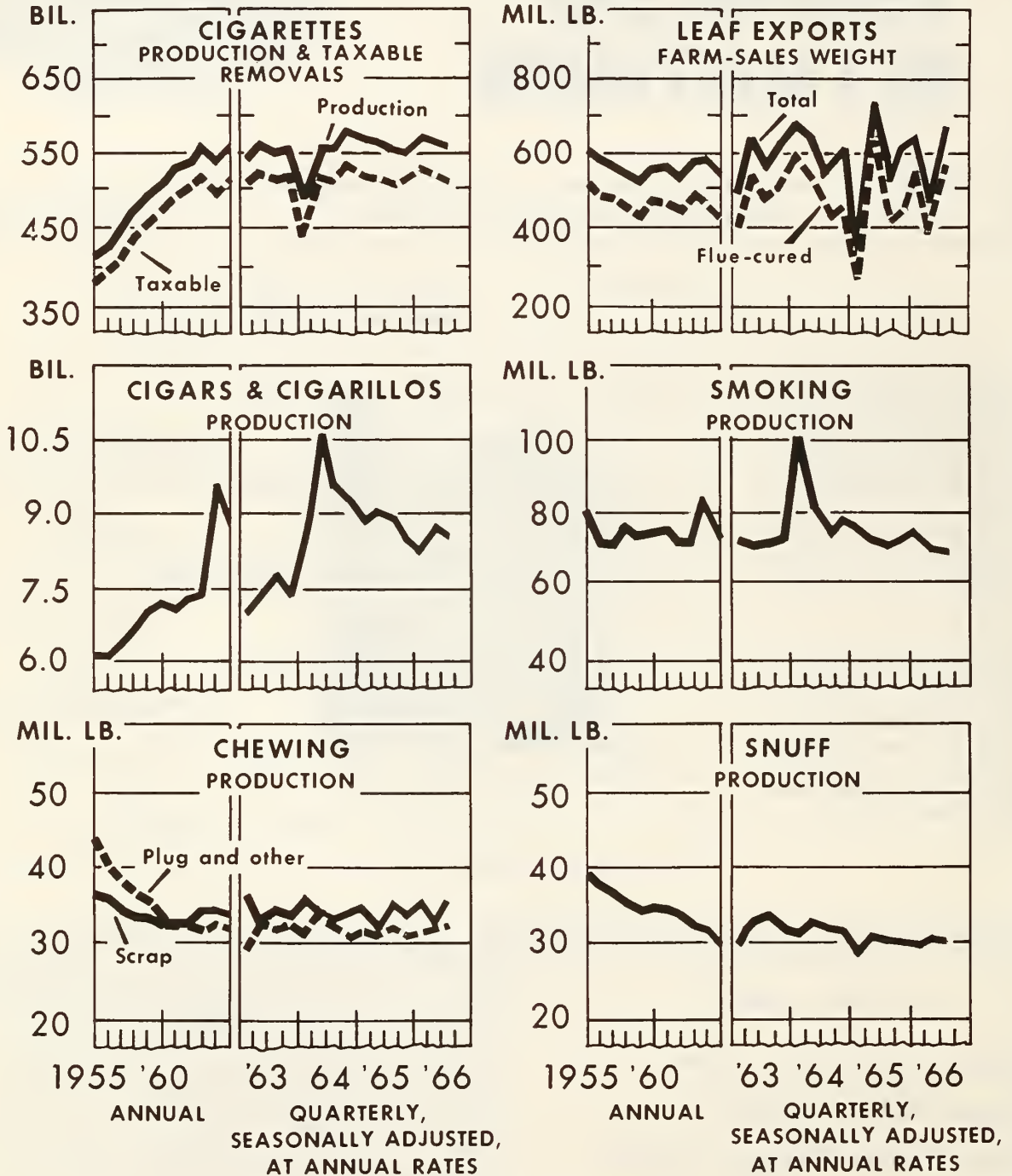
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U.S. DEPARTMENT OF AGRICULTURE  
ECONOMIC RESEARCH SERVICE  
FEB 12 1967  
CIGARETTE SECT. DIVISION

# TOBACCO OUTLETS

## Recent Trends in Manufactured Products and Exports



LAST QUARTER SHOWN PARTLY ESTIMATED.

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 T H E T O B A C C O S I T U A T I O N  
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Approved by the Outlook and Situation Board, September 22, 1966

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SUMMARY

This year's production of flue-cured and burley--the big volume cigarette tobaccos--is below anticipated 1966-67 domestic use and exports. Consequently, carryovers at the start of the 1967-68 marketing year will decline for the second successive year from their record 1965-66 levels. Cigarette consumption (including that of overseas forces) in 1966 will probably exceed that of 1965 by 2 percent, and will likely increase further in 1967. Unmanufactured tobacco exports in 1966-67 are expected to be well above 1965-66.

The 1966-67 supply of flue-cured tobacco--production plus carryover--is about the same as 1965-66, but is 4 percent lower than the record level of 1964-65. Carryover of flue-cured at the outset of the 1966-67 marketing year dropped 5 percent from the record level of a year earlier. However, as of September 1, the flue-cured crop was indicated to be 11 percent larger than the small 1965 harvestings.

About 54 percent of the 1966 flue-cured crop--the second to be produced under the acreage-poundage program--had been marketed by September 23. Through that date prices averaged 7 percent higher than the comparable period of last season. The quality of this crop is far above average. Placements under Government loan for price support have been less than 1 percent of marketings.

Domestic use of flue-cured in 1965-66 fell off--probably due to the continuing shift towards filter tip cigarettes and increased use of reconstituted sheet tobacco.

Exports of flue-cured--usually accounting for around one-third of the total market--were 5 percent lower in 1965-66 than a year earlier, and 10 percent below the past 5-years' average.

The 1966-67 supply of burley tobacco is 4 percent below the comparatively high average level of the preceding 2 years. Carryover of burley tobacco at the outset of the 1966-67 marketing year (beginning October 1) is estimated a little lower than the high levels the last 2 years. As of September 1, the burley crop was indicated to be 8 percent below 1965, and well below the big crops of 1962-64. The average yield per acre was indicated to be up from last year to a near-record, partly offsetting reduced allotments.

Domestic use of burley in 1965-66 is estimated to be down some from the exceptionally large quantity indicated for 1964-65. (Tobacco statistics available for measuring domestic use usually provide reasonable approximations but lack precision.) Exports of burley--usually accounting for about one-tenth of the market--probably were nearly the same in 1965-66 as a year earlier. Burley auctions usually start in late November.

U.S. cigarette output in calendar 1966 is estimated at a record 570 billion--13 billion above 1965. U.S. cigarette consumption (including armed forces overseas) may be 2 percent above 1965. Shipments for overseas forces are well ahead of a year earlier. Cigarette consumption per capita (18 years and over) in 1966 is estimated to be nearly 1 percent higher than 1965, and second only to the record level of 1963. The continuing increase in the smoking-age population, high levels of consumer income, and substantial shipments to overseas forces are likely to result in some further increase in cigarette consumption in 1967.

The 1966 consumption of cigars and cigarillos by U.S. smokers is estimated at near 8.5 billion-- about 2 percent below 1965 and 7 percent below the record 1964 level. Despite a high level of consumer income and the increase in the male population of smoking age, cigar consumption has not gained. At this time, it appears that cigar consumption in 1967 may remain fairly near the estimated 1966 level.

The 1966 production of smoking tobacco (used in pipes and roll-your-own cigarettes) is estimated at about 70 million pounds-- $2\frac{1}{2}$  percent below 1965, and 15 percent below 1964 (when there was an upsurge in sales following the smoking-health report). Output in 1967 may show relatively little change from 1966. Imported smoking tobacco--accounting for about 4 percent of total consumption--may reach a new high this year.

Production of chewing tobacco in 1966 may be a little over 65 million pounds--about equal with 1965. Since 1960, output has remained fairly near this level, after a long period of steady decline. Output of snuff in 1966 is estimated at about  $29\frac{1}{2}$  million pounds--only slightly less than in 1965, but 13 percent below 5 years ago. Snuff consumption seems likely to continue a downward trend.

On the average, export markets have taken about a fourth of the tobacco produced in the United States. Exports of unmanufactured tobacco in calendar 1966 may be the largest in 11 years--around 600 million pounds (farm-sales weight), up more than one-eighth from 1965. The Government export payment program which became effective July 6 applies to flue-cured, burley, fire-cured, dark air-cured, sun-cured, Connecticut Valley binder, Wisconsin binder and Ohio filler, and Puerto Rican filler; this program will enable these tobaccos to become more competitive in world markets.

In 1966-67, exports of flue-cured --accounting for about four-fifths of our total tobacco exports--are expected to increase substantially: The export payment program

will provide a stimulus, and the ban on importation of Rhodesian tobacco by most major importing countries will increase takings from the United States. Flue-cured is the principal tobacco being affected by the present Rhodesian impasse. From a longer-range standpoint, the level of U.S. tobacco exports will be considerably influenced by the eventual settlement of the Rhodesian situation, and also by the decisions concerning import duties and other restrictions on U.S. tobacco entering the Common Market (European Economic Community).

The 1966 overall levels of Government price support are up 2 percent from 1965. In accordance with law, the 1967 price support levels will be established by raising the 1959 price supports to match the percentage rise of the parity index from 1959 to 1964-66 (average of 3 most recent calendar years). The parity index measures average change over a period of time in the price of commodities and services commonly bought by farm families. If the parity index remains fairly near its recent level for the rest of this year, the 1967 tobacco price support levels would increase 2 percent over 1966.

The Secretary of Agriculture is required to announce the amount of the 1967 flue-cured tobacco marketing quota on an acreage-poundage basis by December 1, 1966. Marketing quotas for burley, fire-cured, dark air-cured, sun-cured, Maryland and certain cigar tobaccos must be announced on an acreage allotment basis by February 1, 1967. Typically, growers of each kind of tobacco vote every third year as to whether marketing quotas shall be in effect on their next 3 crops; at least two-thirds of the growers voting must be in favor if marketing quotas and acreage allotments are to continue in effect. Government price support cannot be made available if growers disapprove marketing quotas.

The 1966-67 supply of Maryland tobacco will likely be about 1 percent above 1965-66, exceeding any previous year; the rise in carryover is estimated to more than offset the decrease in 1966 production from last year. Last February, Maryland growers voted against continuing a marketing quota and acreage allotments on their 1966 crop, hence Government price support cannot be made available when this crop is marketed.

In February 1967, growers of Maryland tobacco and of fire-cured and dark air-cured tobaccos will vote on whether they favor marketing quotas and acreage allotments on their 1967-69 crops.

The 1966-67 supply of fire-cured tobacco seems likely to be about 4 percent lower than for 1965-66. Production in Kentucky-Tennessee is moderately larger than last year, but indicated to be down some in Virginia. Carryover of Kentucky-Tennessee fire-cured may show a sizable drop from the 7-year high of a year earlier.

The 1966-67 supply of Kentucky-Tennessee dark air-cured and Virginia sun-cured tobacco is indicated to be slightly less than 1965-66. Carryover is estimated to be down some, but production is indicated to be up a bit from last year.

The 1966-67 supply of Pennsylvania cigar filler tobacco is estimated to be 7 percent lower than 1965-66; this year's production is sharply lower than 1965 harvestings, and carryover declined some.

The 1966-67 supply of Ohio filler is estimated to be slightly less than 1965-66; although the 1966 crop increased over a year earlier, carryover is indicated at a new low.

Carryover stocks of Puerto Rican filler on October 1, 1966, are estimated to be considerably below the long-time high of a year ago. Except for Philippine tobacco,

stocks of most imported cigar tobaccos in this country were reduced in the past fiscal year. General imports (total arrivals) of tobacco from the Dominican Republic, Colombia and Brazil were sharply lower in January-July 1966 than a year earlier.

The 1966-67 supply of Connecticut Valley binder tobacco is estimated at a new low--due to a further decline in carryover and lower production.

The 1966-67 total supply of Southern Wisconsin tobacco is estimated to be lower than 1965-66, reflecting a smaller crop and a decline in carryover; the supply of Northern Wisconsin tobacco may be a bit larger than 1965-66, since a rise in carryover is likely to more than offset the decrease in this year's production.

The 1966-67 supply of Connecticut Valley cigar wrapper tobacco is estimated to be 6 percent larger than 1965-66--a new high; the rise in carryover more than offset the small drop in this year's production.

The 1966-67 supply of Georgia-Florida cigar wrapper tobacco is about 3 percent lower than 1965-66, and is the lowest in 7 years. Production is indicated to be considerably below 1965, but carryover is up some.

#### TOBACCO PRODUCTS

##### Cigarettes

The 1966 calendar year output of cigarettes is estimated at a record 570 billion--13 billion above 1965 and 30 billion above 1964. Consumption by U.S. smokers (including armed forces overseas) in 1966 is estimated at around 541 billion--a rise of about 2 percent over 1965. Cigarette shipments to overseas forces have increased considerably during the past year. For calendar 1966 this additional quantity is likely to account for about two-fifths of the increase in total consumption. Exports of cigarettes to foreign markets this year--at about 24 billion--may be up about 1 billion over last year. Cigarette shipments to Puerto Rico and U.S. possessions--at about 4 billion--will likely exceed any previous year.

The increase in consumption of cigarettes by U.S. smokers largely results from more people of smoking age, high levels of consumer income, and larger shipments to overseas armed forces. These factors are likely to continue to influence cigarette consumption in 1967 and result in some further increase.

Cigarette consumption per capita (18 years and over) in 1966 seems likely to total about 4,290 (214½ packs)--nearly 1 percent above 1965 and second only to 1963 when it was 4,345. (See table 3. Average consumption per smoker would exceed this per capita measure.)

Manufacturers advanced cigarette prices during March-May of this year. According to the Bureau of Labor Statistics indexes, cigarette prices to consumers rose about 2 percent from March to June this year. The annual average index of cigarette prices to consumers for 1965 was up 5 percent from 1964--mainly reflecting increased cigarette taxes in 23 States and in New York City during 1965. This year, Massachusetts increased its rate from 8 to 10 cents per pack in March, and New Jersey increased its rate from 8 to 11 cents per pack in June. Oregon, where a 4 cents per pack rate went into effect July 1, 1966, became the 49th State to levy a cigarette tax. The weighted average rate of tax on cigarettes for the 49 States and District of Columbia is about 7 cents per pack. The only State not taxing cigarettes is North



Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to		Exports
			Overseas forces and other <u>1/</u>	Puerto Rico and U. S. islands <u>2/</u>	
	Billions	Billions	Billions	Billions	Billions
Average: 1950-54	414.2	377.9	18.4	1.9	15.8
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960	506.9	470.1	14.3	2.5	20.2
1961	528.3	488.1	14.6	2.8	22.2
1962	535.5	494.5	13.9	3.1	24.1
1963	550.6	509.6	14.3	3.2	23.6
1964	539.9	497.4	13.8	3.7	25.1
1965 <u>3/</u>	556.8	511.5	17.2	3.9	23.1
1966 <u>4/</u>	570.0	520.0	21.0	4.0	24.0
Fiscal year					
Year ending June					
1962	529.9	488.4	13.9	3.0	23.4
1963	543.7	503.0	14.0	3.1	23.4
1964	535.0	495.1	13.6	3.5	23.7
1965	562.4	517.0	15.1	3.7	25.1
1966 <u>3/</u>	562.7	516.1	19.8	4.0	23.4

1/ Also includes ship stores and small tax-exempt categories. 2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 3/ Subject to revision. 4/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarette exports from the United States to leading destinations for specified periods

Country	Calendar year average 1959-63	Fiscal year ending June 30			January-July		1966 as a percentage of 1965
		1964	1965	1966 <u>1/</u>	1965	1966 <u>1/</u>	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
Hong Kong	1,678	2,277	2,749	2,405	1,611	1,296	80
Spain	639	1,302	2,255	2,071	948	1,293	136
Netherlands Antilles	977	1,153	1,267	1,303	772	767	99
Paraguay	124	439	834	1,227	444	729	164
Malaysia	1,309	1,452	1,208	1,017	748	436	58
France	1,391	1,113	1,318	978	626	567	91
Kuwait	914	1,297	1,325	930	651	589	90
Ecuador	428	491	620	683	370	330	89
Lebanon	354	514	568	661	294	341	116
Panama <u>2/</u>	524	653	783	648	377	412	109
West Germany	538	540	544	625	298	414	139
Italy	669	718	689	622	401	377	94
Other countries <u>3/</u>	12,399	11,731	10,912	10,230	5,669	6,311	111
Total all countries	21,944	23,680	25,072	23,400	13,209	13,862	105

1/ Subject to revision. 2/ Includes Canal Zone. 3/ Includes around 100 foreign destinations in recent years.

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

Table 3.--Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-66

Year	Cigarettes <sup>1/</sup>		All tobacco	Cigarettes	All tobacco	
	Number	Pounds	products <sup>1/</sup>	(number)	products	
	----- (Indexes--1957-59=100) -----					
			Pounds			
1925	1,085	3.10	9.66	28	33	83
1926	1,191	3.23	9.62	30	34	83
1927	1,279	3.65	9.69	33	39	83
1928	1,366	3.75	9.58	35	40	82
1929	1,504	4.08	9.85	38	44	85
1930	1,485	4.21	9.66	38	45	83
1931	1,399	3.99	9.23	36	43	79
1932	1,245	3.42	8.23	32	37	71
1933	1,334	3.51	8.17	34	37	70
1934	1,483	3.95	8.72	38	42	75
1935	1,564	4.22	8.67	40	45	75
1936	1,754	4.77	9.33	45	51	80
1937	1,847	5.01	9.50	47	54	82
1938	1,830	4.92	9.25	47	53	80
1939	1,900	5.15	9.35	48	55	80
1940	1,976	5.35	9.62	50	57	83
1941	2,236	6.08	10.22	57	65	88
1942	2,585	7.27	11.23	66	78	97
1943	2,956	8.04	11.78	75	86	101
1944	3,039	8.12	11.53	77	87	99
1945	3,449	9.48	13.02	88	101	112
1946	3,446	9.43	12.58	88	101	108
1947	3,416	9.12	12.11	87	97	104
1948	3,505	9.42	12.36	89	101	106
1949	3,480	9.45	12.22	89	101	105
1950	3,522	9.54	12.29	90	102	106
1951	3,744	9.94	12.60	95	106	108
1952	3,886	10.44	13.11	99	112	113
1953	3,778	10.37	12.95	96	111	111
1954	3,546	9.59	12.12	90	102	104
1955	3,597	9.49	11.99	92	101	103
1956	3,650	9.35	11.65	93	100	100
1957	3,755	9.21	11.44	96	98	98
1958	3,953	9.46	11.73	101	101	101
1959	4,073	9.44	11.73	104	101	101
1960	4,171	9.64	11.82	106	103	102
1961	4,266	9.84	12.00	109	105	103
1962	4,265	9.69	11.80	109	103	102
1963	4,345	9.70	11.78	111	104	101
1964	4,195	9.22	11.53	107	98	99
1965	4,262	9.40	11.48	109	100	99
1966 <sup>2/</sup>	4,290	9.40	11.54	109	100	99

<sup>1/</sup> The weight represents the unstemmed processing-weight equivalent of the tobacco.

<sup>2/</sup> Preliminary estimate.



Table 5.-- Tobacco used per 1,000 cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight			Unstemmed-processing weight					
	Flue-cured	Burley	Mary-land	Total domestic	Flue-cured	Burley	Mary-land	Imported	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average:									
1925-29	1.434	1.164	.084	2.682	1.276	1.033	.084	.391	2.784
1930-34	1.616	1.061	.084	2.761	1.431	.934	.076	.303	2.744
1935-39	1.637	1.010	.110	2.757	1.449	.895	.103	.261	2.708
1940-44	1.822	.965	.090	2.877	1.608	.856	.086	.175	2.725
1945-49	1.782	1.037	.066	2.885	1.577	.919	.063	.153	2.712
1950	1.781	1.033	.061	2.875	1.577	.913	.056	.163	2.709
1951	1.760	.993	.053	2.806	1.557	.878	.048	.172	2.655
1952	1.780	.999	.057	2.836	1.575	.884	.053	.175	2.687
1953	1.803	1.033	.057	2.893	1.595	.915	.054	.182	2.746
1954	1.760	1.023	.055	2.837	1.555	.906	.052	.192	2.705
1955	1.703	1.002	.053	2.758	1.506	.888	.051	.194	2.639
1956	1.622	.985	.054	2.661	1.438	.874	.050	.200	2.562
1957	1.555	.937	.045	2.537	1.379	.832	.041	.199	2.451
1958	1.515	.893	.038	2.446	1.349	.796	.036	.212	2.393
1959	1.457	.863	.035	2.355	1.296	.768	.033	.222	2.319
1960	1.442	.862	.032	2.336	1.284	.767	.032	.229	2.312
1961	1.435	.857	.030	2.322	1.276	.763	.030	.237	2.306
1962	1.391	.863	.030	2.284	1.238	.768	.030	.235	2.271
1963	1.366	.848	.029	2.243	1.217	.756	.029	.231	2.232
1964	1.343	.842	.028	2.213	1.195	.750	.028	.224	2.197
1965	1.300	.862	.031	2.193	1.157	.767	.030	.237	2.191

Table 6.--Percentage distribution of tobacco used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight			Unstemmed-processing weight					
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average:									
1925-29	53.5	43.4	3.1	100.0	45.8	37.1	3.0	14.1	100.0
1930-34	58.5	38.4	3.1	100.0	52.1	34.1	2.8	11.0	100.0
1935-39	59.4	36.6	4.0	100.0	53.5	33.0	3.8	9.7	100.0
1940-44	63.3	33.6	3.1	100.0	59.0	31.4	3.2	6.4	100.0
1945-49	61.8	35.9	2.3	100.0	58.1	33.9	2.3	5.7	100.0
1950	61.9	36.0	2.1	100.0	58.2	33.7	2.1	6.0	100.0
1951	62.7	35.4	1.9	100.0	58.6	33.1	1.8	6.5	100.0
1952	62.8	35.2	2.0	100.0	58.6	32.9	2.0	6.5	100.0
1953	62.3	35.7	2.0	100.0	58.1	33.3	2.0	6.6	100.0
1954	62.0	36.1	1.9	100.0	57.5	33.5	1.9	7.1	100.0
1955	61.8	36.3	1.9	100.0	57.1	33.6	1.9	7.4	100.0
1956	60.9	37.0	2.1	100.0	56.1	34.2	1.9	7.8	100.0
1957	61.3	36.9	1.8	100.0	56.3	33.9	1.7	8.1	100.0
1958	61.9	36.5	1.6	100.0	56.4	33.2	1.5	8.9	100.0
1959	61.9	36.6	1.5	100.0	55.9	33.1	1.4	9.6	100.0
1960	61.7	36.9	1.4	100.0	55.5	33.2	1.4	9.9	100.0
1961	61.8	36.9	1.3	100.0	55.3	33.1	1.3	10.3	100.0
1962	60.9	37.8	1.3	100.0	54.5	33.8	1.3	10.4	100.0
1963	60.9	37.8	1.3	100.0	54.5	33.9	1.3	10.3	100.0
1964	60.7	38.0	1.3	100.0	54.4	34.1	1.3	10.2	100.0
1965	59.3	39.3	1.4	100.0	52.8	35.0	1.4	10.8	100.0

Carolina. The Federal Government taxes cigarettes at 8 cents per pack. A number of cities also tax cigarettes up to 4 cents per pack.

The trend towards filter tip cigarettes continues and a number of new brands or filter tip versions of established brands have entered the market. Most filter tip cigarettes require less tobacco than nonfilter tip cigarettes. This partly accounts for the smaller volume of leaf use than would be proportionate with the number of units manufactured. A technological development contributing to this same result is reconstituted sheet tobacco. This process enables manufacturers to utilize midribs of leaves and small leaf particles and thus obtain an increased quantity of cigarette filler from a given quantity of leaf. (See table 5 for the estimated use of tobacco per 1,000 cigarettes during specified years.)

During January-July 1966, cigarette exports were 5 percent ahead of the same period of 1965. (See table 2.) There were sharp increases in sales to Spain and Paraguay. Exports to the Netherlands, Switzerland, Denmark, and the United Kingdom (sizable outlets not separately listed in table 2) were also up sharply from the comparable period of a year earlier. Shipments to Hong Kong--the top-ranking export outlet--dropped a fifth, and those to Malaysia fell more than two-fifths below the year-earlier period. Exports to Belgium, Australia, and Sweden (other sizable unlisted outlets) also declined.

#### Cigars, Cigarillos, and Small Cigars

The 1966 consumption of cigars and cigarillos by U.S. smokers (including armed forces overseas) is estimated at near  $8\frac{1}{2}$  billion--about 2 percent below 1965, and 7 percent below the record 1964 level.

Cigarillos (over 3 up to 10 pounds per 1,000 and less than one-half the weight of the full-size cigars) comprise a significant part of the total. In 1964 and 1965 over one-fourth of the total number of cigars and cigarillos were cigarillo-size. Indications are that a similar proportion will be in this category in 1966.

Despite a high level of consumer income and an increase in male population of smoking age, cigar consumption did not gain during the first two-thirds of 1966. At this time it appears that cigar consumption in 1967 may remain fairly near the estimated 1966 level.

Cigar and cigarillo consumption per male (18 years and over) in 1966 is estimated at 140--about 3 percent below 1965 and 9 percent below 1964, but 13 percent above the 1960-63 average.

Cigars coming from Puerto Rico to the mainland continue to trend upward. In 1966 they will account for about one-eighth of total consumption. In 1966, consumption of cigars shipped from Puerto Rican factories to the U. S. may total 1.1 billion--up about one-fifth from 1965, and  $5\frac{1}{2}$  times as many as in 1960.

Imports of cigars from foreign countries continue to be small, relative to total consumption. During January-July 1966, cigar imports were 8 percent below the comparable period of 1965, although imports from the Philippine Republic--the leading source--were slightly ahead of the year-earlier period.

Exports of cigars continue to gain. January-July 1966 exports were substantially above those in the same period of 1965, and above any full calendar year prior to 1965. The leading destination was France--accounting for over two-fifths of the total.

Table 7.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Factories in the United States 1/			From Puerto Rico:	Imports for consumption		Exports	Total consumption 3/
	Total output	Removals		taxable	Total 2/	From Philippine Republic		
	Million	Million	Million	Million	Million	Million		
Average: 1950-54	5,902	5,818	83	13	15	2	4	5,925
1955	6,004	5,915	82	84	20	5	6	6,095
1956	5,998	5,863	72	93	23	4	9	6,042
1957	6,145	5,995	79	124	26	5	9	6,215
1958	6,469	6,260	87	137	28	4	9	6,503
1959	6,857	6,717	103	148	31	5	4/10	6,989
1960	6,991	6,728	105	198	32	6	4/11	7,052
1961	6,642	6,558	118	354	24	8	4/16	7,038
1962	6,684	6,442	126	483	23	14	4/19	7,055
1963	6,716	6,261	144	526	24	15	33	7,282
1964	8,736	8,122	193	809	28	13	44	9,108
1965	7,899	7,577	180	911	25	9	55	8,638
1966 5/	7,470	7,230	220	1,100	25	9	75	8,500
Fiscal year								
Year ending June								
1962	6,834	6,572	121	423	27	10	4/18	7,125
1963	6,532	6,440	139	521	23	16	4/25	7,098
1964	7,774	7,483	170	641	30	15	39	8,285
1965	8,445	7,912	176	850	25	10	45	8,918
1966 6/	7,517	7,332	210	1,034	25	9	70	8,531

1/ Includes output and removals of bonded manufacturing warehouses--a category in which no facilities have been classified since February 1964. 2/ Prior to the embargo on imports from Cuba (effective February 1962), the major share of imported cigars came from Cuba. 3/ Total removals from U. S. factories plus those from Puerto Rico, and imports, minus exports. 4/ Estimated--excludes little cigars. 5/ Preliminary estimate. 6/ Subject to revision.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 8.--Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
		Million	Million	Million
Average: 1950-54	64.9	65.0	64.2	0.8
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1961	158.2	152.9	146.1	6.8
1962	164.0	162.9	155.8	7.1
1963	281.4	272.4	264.2	8.2
1964	973.9	973.8	939.7	23.1
1965	440.7	457.8	434.7	23.1
1966 1/	465.0	463.0	445.0	18.0
Fiscal year				
Year ending June				
1962	164.7	163.1	156.2	6.9
1963	187.1	188.6	181.8	6.8
1964	913.2	881.5	865.1	16.4
1965	437.7	477.1	443.3	33.8
1966 2/	474.7	470.9	449.9	21.0

1/ Preliminary estimate. 2/ Subject to revision.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Table 9 --Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods

Period	Consumption per male 18 years and over				Per person
	Large cigars and		Smoking	Chewing	:18 years and over
	cigarillos 1/		tobacco 1/	tobacco 1/	Snuff 1/
	Number	Pounds	Pounds	Pounds	Pounds
Average:					
1925-29	177.4	4.10	4.15	5.03	0.52
1930-34	125.2	2.96	4.40	3.15	.46
1935-39	120.9	2.89	4.39	2.48	.42
1940-44	118.9	2.87	3.67	2.34	.43
1945	112.3	2.71	3.41	2.34	.44
1946	120.4	2.93	2.12	2.21	.40
1947	112.8	2.78	2.06	1.92	.39
1948	113.7	2.80	2.09	1.85	.40
1949	109.3	2.50	2.08	1.71	.40
1950	107.8	2.53	2.03	1.67	.38
1951	110.8	2.56	1.89	1.62	.37
1952	115.1	2.72	1.80	1.58	.36
1953	115.5	2.72	1.62	1.55	.36
1954	112.8	2.64	1.55	1.48	.35
1955	112.8	2.60	1.47	1.44	.35
1956	110.8	2.41	1.30	1.36	.34
1957	113.0	2.37	1.27	1.29	.32
1958	117.3	2.45	1.37	1.23	.31
1959	124.9	2.55	1.31	1.20	.29
1960	124.7	2.42	1.30	1.13	.30
1961	122.9	2.43	1.30	1.13	.29
1962	121.9	2.40	1.24	1.10	.28
1963	124.6	2.39	1.22	1.11	.27
1964	154.4	2.69	1.42	1.11	.26
1965	143.9	2.58	1.19	1.07	.24
1966 2/	140.0	2.63	1.16	1.06	.24
1957-59=100					
Average:					
1925-29	150	167	316	406	168
1930-34	106	120	334	254	150
1935-39	102	117	333	200	138
1940-44	100	117	279	189	140
1945	95	110	259	189	144
1946	102	119	161	178	129
1947	95	113	157	155	127
1948	96	114	159	149	130
1949	92	102	158	138	129
1950	91	103	154	134	125
1951	94	104	144	131	121
1952	97	111	137	128	118
1953	98	111	123	125	117
1954	95	107	118	120	115
1955	95	106	112	116	115
1956	94	98	99	110	110
1957	95	97	97	104	105
1958	99	100	104	99	100
1959	105	104	99	97	95
1960	105	98	99	91	97
1961	104	99	99	91	93
1962	103	97	94	89	91
1963	105	97	93	89	86
1964	130	109	108	90	84
1965	122	105	90	86	78
1966 2/	119	107	88	86	77

1/ Unstemmed weight equivalent for cigars and finished-product weight for all others.

2/ Preliminary estimate.



Table 10.--Smoking tobacco: Output, removals, foreign trade, and consumption, for specified periods

Period	Output	Removals <sup>1/</sup>		Imports <sup>2/</sup>	Exports, in packages	Total consumption <sup>3/</sup>	Exports, smoking tobacco in bulk <sup>4/</sup>
		Taxable <sup>1/</sup>	Tax-exempt <sup>1/</sup>				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1950-54	95.2	92.0	3.2	0.1	0.6	94.7	3.0
1955	80.0	77.7	2.3	.1	.5	79.6	6.2
1956	71.5	69.9	1.7	.1	.6	71.1	5.7
1957	70.5	68.7	1.7	.2	.6	70.0	4.4
1958	76.0	74.0	2.0	.4	.7	75.7	7.5
1959	73.2	71.2	1.9	.7	.7	73.1	8.5
1960	73.8	71.3	2.3	.9	.9	73.6	7.7
1961	74.2	71.4	2.5	1.3	.8	74.4	9.0
1962	70.9	68.3	2.6	1.5	.9	71.5	8.6
1963	70.4	68.0	2.2	1.6	.9	70.9	9.8
1964	82.5	79.0	3.4	2.7	1.4	83.7	12.3
1965 <sup>5/</sup>	71.8	67.3	3.0	2.1	1.1	71.3	13.4
1966 <sup>6/</sup>	70.0	65.0	4.0	3.0	1.2	70.8	14.5
Fiscal year							
Year ending June							
1962	71.5	69.0	2.4	1.3	.8	71.9	8.5
1963	69.8	67.1	2.3	1.7	.9	70.2	9.7
1964	80.7	77.5	2.9	2.1	1.2	81.3	10.0
1965	74.1	71.4	3.0	2.5	1.1	75.8	13.2
1966 <sup>5/</sup>	70.9	65.5	3.6	2.7	1.2	70.6	13.8

<sup>1/</sup> After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales. See March 1966 Tobacco Situation, pp. 15-16. <sup>2/</sup> Prior to July 1962 and after December 1965, data are from Census import classification covering mainly smoking tobacco; from July 1962 through December 1965, data represent taxable removals of imported smoking tobacco reported by Internal Revenue Service. <sup>3/</sup> Total removals (or sales) plus imports minus exports in packages. <sup>4/</sup> Includes specially-prepared cigarette tobacco, cut or granulated tobacco, partially-processed blended tobacco and shredded tobacco. Virtually all of the smoking tobacco in this export class was not included in Internal Revenue Service output figures for smoking tobacco. <sup>5/</sup> Subject to revision. <sup>6/</sup> Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

French takings in July contained a large proportion of very low-priced cigars. Canada, second ranking destination, took 66 percent more cigars in January-July 1966 than a year earlier. Shipments to all destinations combined except France and Canada were up 13 percent from the year-earlier period.

The 1966 taxable removals of small cigars (about cigarette size--not over 3 pounds per 1,000) may approximate 445 million--2 or 3 percent above 1965, which were down sharply from the high 1964 level. (See table 8.)

### Smoking Tobacco

Production of smoking tobacco in 1966 is estimated at about 70 million pounds-- $2\frac{1}{2}$  percent below a year earlier. It is likely to be 15 percent below 1964 when there was an upsurge following the smoking-health report issued in January of that year. Estimated 1966 production would be approximately at the 1963 level. Output in 1967 may show relatively little change from 1966.

Manufacturers' domestic sales of smoking tobacco in January-June 1966, reported by the Consumer and Marketing Service, USDA, were 5 percent below taxable removals for January-June 1965, reported by the Internal Revenue Service. (Initiation of the C&MS report in January 1966 precludes a direct year-ago comparison.) For calendar 1966, these sales may approximate 65 million pounds--about  $3\frac{1}{2}$  percent below the previous year's taxable removals.

The quantity of smoking tobacco reported by C&MS as "invoiced for export"--comparable to tax-exempt removals formerly reported by IRS--may rise 1 million pounds above the IRS figure for 1965 and exceed tax-exempt removals for all years since 1951.

Consumption of smoking tobacco per male (18 years and over) is estimated at about 1-1/6 pounds in 1966--about 3 percent less than in 1965, and about a tenth less than 10 years ago.

Imports of smoking tobacco in January-July 1966 were nearly a third above those a year earlier. For all of 1966, these imports may reach a record 3 million pounds, and make up about 4 percent of total U.S. consumption of smoking tobacco. Imports of smoking tobacco--mainly from the Netherlands and the United Kingdom--have increased each year except one since 1957.

Exports of packaged smoking tobacco account for a comparatively small part of total output. For calendar 1966, these exports may be up moderately from the 1.1 million pounds of 1965. In the first 7 months of 1966, they were 10 percent above a year earlier. Canada, Iceland, West Germany, Switzerland, and Australia took more than a year ago, but there were reductions by Denmark and Japan.

### Smoking Tobacco in Bulk for Export

The smoking tobacco in bulk export category includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco. It also includes "blended strips" or stemmed tobacco consisting of more than one kind--principally blended flue-cured and burley.

Exports of smoking tobacco in bulk have increased from the 1955-59 average of about  $6\frac{1}{2}$  million pounds to about  $13\frac{1}{2}$  million in 1965, and will probably approach  $14\frac{1}{2}$  million pounds in 1966. In the first 7 months of 1966, exports were 16 percent larger than a year earlier. Exports to Peru more than quadrupled, and over 1 million pounds were shipped to the Netherlands, in contrast with the relatively minor quantity a year earlier. Substantial increases also occurred in exports to Spain, Dominican Republic, Ecuador, Finland, Bolivia, Australia, and Austria, with a moderate increase to Panama. But there were declines in exports to Mexico and Haiti, while shipments to Switzerland--leading outlet in 1965--were only a small fraction of the year-earlier figure.

Chewing Tobacco

Production of chewing tobacco in 1966 may be a little over 65 million pounds--approximately equal to 1965. Output trended downwards for many years, but since 1960 has generally held fairly close to the 65-million-pound level.

Scrap chewing and plug chewing make up 53 percent and 37 percent, respectively, of estimated 1966 total chewing tobacco output. Ten years ago, the split was 47 percent scrap and 43 percent plug. The 1966 output of scrap chewing may be slightly above the previous year, but plug chewing may be down about 2 percent. Scrap chewing uses substantial quantities of Wisconsin cigar binder types and Pennsylvania filler, while plug chewing mainly utilizes dark air-cured and burley.

Twist and fine-cut make up the remaining 10 percent of estimated 1966 chewing tobacco production. Production of both may be up a little from 1965.

Table 11.--Chewing tobacco and snuff: Output by category for specified periods

Period	Chewing tobacco					Total	Snuff
	Plug	Twist	Fine-cut	Scrap			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.		
Average:							
1950-54	38.9	4.9	2.8	38.2	84.8	39.2	
1955	36.5	4.5	3.0	36.0	80.0	39.2	
1956	33.0	4.3	2.9	35.5	75.7	37.7	
1957	31.6	4.0	2.8	34.0	72.4	36.1	
1958	29.6	3.8	2.9	33.0	69.3	34.8	
1959	28.6	3.6	3.0	33.0	68.2	34.3	
1960	26.4	3.4	3.1	32.0	64.9	34.6	
1961	26.0	3.3	3.2	32.7	65.2	33.8	
1962	26.0	2.9	3.3	32.5	64.7	33.2	
1963	24.9	2.9	3.3	34.2	65.3	31.8	
1964	25.9	2.8	3.5	34.0	66.2	31.4	
1965 <u>1/</u>	24.7	2.8	3.7	33.9	65.1	29.7	
1966 <u>2/</u>	24.2	2.9	3.9	34.3	65.3	29.5	
	Fiscal year						
Year ending June							
1962	26.0	3.0	3.2	32.5	64.7	32.9	
1963	25.1	3.0	3.3	33.6	65.0	32.7	
1964	25.9	2.8	3.4	34.2	66.3	31.9	
1965	25.1	2.8	3.6	33.4	64.9	30.3	
1966 <u>1/</u>	24.5	2.9	3.8	34.2	65.4	30.0	

1/ Subject to revision. 2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

The 1966 consumption of chewing tobacco per male (18 years and over) is estimated at slightly below that of 1965, but over a fifth less than 10 years ago. (See table 9.)

All except a small fraction of chewing tobacco is consumed domestically. Exports, consisting mostly of twist and plug, have trended downwards for the past 10 years. In the first 7 months of 1966, however, these exports were more than double those a year earlier and were largest for that period in 3 years. The increase was largely attributable to sharply higher exports to Australia, principal outlet. Also, moderately more than a year ago went to Panama, and a significant shipment was made to the Dominican Republic. But reduced exports went to French Pacific Islands, Netherlands Antilles, and Trust Territory of the Pacific Islands.

### Snuff

Production of snuff in 1966 is estimated at about 29½ million pounds--slightly less than in the previous year. In contrast to a relatively stable output for about a decade following World War II, snuff output since 1956 has trended downward. The estimated 1966 output is about 8 million pounds smaller (22 percent) than 10 years earlier. Production in the year ahead is expected to continue to drift downward.

Practically the entire output of snuff is consumed domestically, mainly in the South and Northwest, and in industries where smoking is hazardous or inconvenient. Snuff provides the principal domestic outlet for fire-cured types.

On a per capita basis, snuff consumption has been declining for many years. In 1966, per capita consumption (by persons 18 years and over) is estimated at near the 1965 level, but around 30 percent less than 10 years ago. (See table 9.)

In May 1966, the Bureau of Labor Statistics wholesale price index of snuff increased 4 percent over the preceding month. In August 1966, it was 11 percent above a year earlier.

### EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco in calendar 1966 may be around 525 million pounds (about 600 million farm-sales weight)--about 12 percent above 1965 and the largest in 11 years. During January-July 1966, exports were up 6 percent from the corresponding period of 1965. Shipments during the second quarter lagged behind those a year ago, partly due to pending issuance of regulations setting forth details of the Government program to assist exports (issued July 6, 1966). Exports in the remainder of this year are expected to increase over the year-earlier level. In addition to the stimulus of the Government export payment program, the 1966 flue-cured crop is larger than last year's and of good quality. Around four-fifths of U.S. unmanufactured tobacco exports usually consists of flue-cured, shipments of which are heaviest in September-December after substantial quantities have been marketed. The unsettled Rhodesian situation and

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1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 12.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

Country and type	(Declared weight)						
	Year ending June 30				January-July		
	Average 1959-63	1964	1965 1/	1966 1/	1965 1/	1966 1/	1966 as a percentage of 1965
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Flue-cured	393.9	422.9	372.7	348.4	153.5	158.0	103
Burley	35.9	46.0	47.1	47.4	23.4	25.4	109
Maryland	11.9	11.6	10.4	10.5	3.8	5.3	139
Va. fire-cured and sun-cured	4.9	4.8	4.8	6.6	2.9	3.0	103
Ky. and Tenn. fire-cured	18.7	16.3	18.8	22.2	8.0	8.6	108
Green River	.7	.8	1.2	.7	.4	.4	100
One Sucker	.9	.4	.7	.9	.1	.1	100
Black Fat, etc.	4.4	3.4	3.8	4.1	1.9	2.0	105
Cigar wrapper	4.2	5.6	3.8	4.6	2.4	2.9	121
Cigar binder	2.1	1.4	2.1	2.4	1.9	1.5	79
Cigar filler	.5	.5	.6	1.0	.2	.5	250
Perique	.1	.2	.4	.3	.3	.1	33
Stems, trimmings and scrap	7.3	18.3	17.5	23.1	8.7	11.9	137
<b>Total</b>	<b>485.5</b>	<b>532.1</b>	<b>484.0</b>	<b>472.2</b>	<b>207.5</b>	<b>219.7</b>	<b>106</b>
Country of destination:							
United Kingdom	143.7	144.9	123.2	91.8	33.0	25.4	77
France	5.9	6.3	5.7	7.3	3.0	4.5	150
Belgium	17.4	18.6	15.9	17.2	7.5	6.6	88
Netherlands	28.9	35.6	29.7	35.8	14.9	13.3	89
Germany, West	73.2	89.1	83.8	81.2	46.6	55.3	119
Portugal	7.2	7.7	4.5	3.1	2.1	1.7	81
Denmark	13.7	14.3	14.9	12.0	9.3	7.6	82
Ireland	14.9	15.1	10.8	7.8	6.2	2.9	47
Switzerland	12.1	12.1	13.4	15.2	5.2	8.2	158
Finland	7.4	8.7	5.7	4.6	2.8	1.3	46
Norway	7.6	6.5	5.5	6.2	2.7	4.3	159
Sweden	13.8	19.0	16.5	12.0	4.2	12.0	286
Italy	12.6	3.6	11.6	4.0	8.3	1.1	13
Spain	2.4	3.1	3.5	3.2	3.7	3.2	86
Thailand	9.5	9.0	12.5	14.8	7.0	10.7	153
Pakistan	1.5	.9	1.2	.7	1.2	0	---
Malaysia <u>2/</u>	3.9	4.7	6.6	7.7	3.6	4.4	122
Hong Kong	5.1	7.3	9.0	5.9	4.3	2.1	49
Japan	18.0	33.1	27.5	42.1	0	5.6	---
Australia	21.1	17.8	15.1	16.5	8.6	5.9	69
New Zealand	5.6	2.9	3.0	3.9	1.5	3.1	207
Egypt	11.9	17.6	5.2	21.2	6.2	10.5	169
Other countries	48.1	54.2	59.2	58.0	25.6	30.0	117
<b>Total</b>	<b>485.5</b>	<b>532.1</b>	<b>484.0</b>	<b>472.2</b>	<b>207.5</b>	<b>219.7</b>	<b>106</b>

1/ Preliminary. 2/ Malaysia and Singapore

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

continuing trade sanctions on that country's tobacco should increase foreign demand for U.S. tobacco, especially as several importing countries are expected to replenish their stocks levels.

For the year ending June 30, 1967, U.S. tobacco exports are likely to increase substantially over the 472 million pounds (export weight) in 1965-66. Exports of flue-cured are expected to show a sizable gain over 1965-66, when they were second smallest in 13 years.

From a longer-range standpoint, U.S. tobacco exports will be influenced by developments which cannot be foreseen with certainty at the present time. Chief among these are the outcome of the Rhodesian situation, and final decisions to be made concerning import duties and other restrictions on tobacco entering EEC markets from the United States and other outside countries. (See page 24.)

U.S. tobacco exports include those made under several programs of the Agricultural Trade Development and Assistance Act (Public Law 480). Title I, P. L. 480, authorizes sales of surplus agricultural commodities to dollar-short countries for foreign currencies. The present expiration date of Title I is December 31, 1966. But at this writing Congress is considering legislation that would extend P. L. 480 for 2 years--through December 31, 1968. In the year ended June 30, 1966, about 43 million pounds of tobacco were shipped under Title I, more than double the previous year's total and the most in 9 years. Major recipient countries and quantities taken (preliminary data) were as follows: Egypt, 20.3 million pounds; South Vietnam, 9.8 million; and Republic of the Congo (Leopoldville), 8.9 million. The rest went to Chile, Taiwan, Pakistan, and Israel.

Title III, P. L. 480, authorizes barter of surplus agricultural commodities for strategic materials and offshore procurement of goods and services. In the year ended June 30, 1966, exports of unmanufactured tobacco under the barter program amounted to about 76 million pounds, contrasted with 15 to 19 million in each of the 3 preceding years, and were only a little below record shipments in 1961-62. (See table 13.) Principal recipients of barter tobacco in 1965-66 were: United Kingdom, 24.1 million pounds; Japan, 17.9 million; West Germany, 12.5 million; Malaysia, 3.3 million; Spain, 2.7 million; Portugal, 2.6 million; the Netherlands, 2.1 million; Taiwan, 1.9 million; Finland, 1.8 million; Egypt, 1.5 million; and Singapore, 1.2 million.

Title IV authorizes sales under long-term supply and dollar credit arrangements. Exports under Title IV in the year ended June 30, 1966, dropped to about 900,000 pounds--sharply below the levels of 1 and 2 years earlier--and went mainly to Iceland, Ecuador, and Sierra Leone.

Tobacco exports under Agency for International Development (AID) programs in the year ended 1966 amounted to nearly 6 million pounds--moderately above the previous year--and went mainly to Chile and Tunisia.

Exports under Government-financed programs in 1965-66 totaled about 126 million pounds, nearly 27 percent of total tobacco exports--the largest quantity and percentage since inception of P. L. 480 programs in fiscal 1955. (See table 13.)

#### Foreign Producing and Exporting Countries

Flue-cured tobacco is the leading kind entering international trade, and oriental--also a light cigarette tobacco--ranks second. U.S. flue-cured meets competition in world markets chiefly from Rhodesia, Canada, and India. Turkey and Greece are the major producers and exporters of oriental tobacco.

In Rhodesia, a target of 200 million pounds has been announced for the flue-cured crop to be harvested early in 1967. Guaranteed grade prices are designed to give growers an average return equivalent to about 33 U.S. cents per pound. No official figures are available on the size of the flue-cured crop harvested early in 1966, but

Table 13.--Tobacco exports under Government-financed programs, fiscal years 1955-66

Year ending June 30	Public Law 480				Total under Government-financed programs	Total unmanufactured tobacco exports	Exports under Government-financed programs as percentage of total exports
	Title I, foreign currency sales	Title III, barter sales	Title IV, long-term dollar credit sales	Mutual Security and A.I.D. programs			
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent	
1955	5.4	---	5.4	22.0	27.4	461.6	5.9
1956	78.0	---	78.0	3.5	81.5	577.7	14.1
1957	53.2	---	53.2	.8	54.0	500.7	10.8
1958	34.6	0.5	35.1	---	35.1	472.3	7.4
1959	41.1	1.5	42.6	5.7	48.3	473.3	10.2
1960	41.9	29.4	71.3	23.2	94.5	456.6	20.7
1961	40.2	40.4	80.6	20.0	100.6	504.2	20.0
1962	26.1	77.4	103.5	2.8	106.3	520.4	20.4
1963	28.7	18.1	46.8	---	46.8	473.3	10.1
1964	35.5	15.4	50.9	.6	51.5	532.1	10.4
1965	21.2	18.8	40.0	5.1	45.1	484.0	10.2
1966 1/	43.0	75.8	118.8	5.8	124.6	472.2	26.6

Year ending June 30	Value				Total unmanufactured tobacco exports	Percent	
	Million dollars	Million dollars	Million dollars	Million dollars			
1955	4.0	---	4.0	11.4	15.4	306.4	5.0
1956	55.0	---	55.0	1.6	56.6	379.5	14.9
1957	36.6	---	36.6	.7	37.3	340.1	11.0
1958	25.9	0.4	26.3	---	26.3	342.9	7.7
1959	30.7	1.0	31.7	2.8	34.5	350.2	9.9
1960	30.8	19.6	50.4	18.4	68.8	341.9	20.1
1961	29.4	25.1	54.5	16.5	71.0	385.2	18.4
1962	19.6	46.3	65.9	1.8	67.7	407.5	16.6
1963	22.5	12.4	34.9	---	36.5	378.4	9.6
1964	23.8	8.5	32.3	.8	33.1	420.7	8.6
1965	14.9	13.1	28.0	2.8	30.8	395.3	9.0
1966 1/	29.5	54.1	83.6	4.4	88.0	394.7	22.5

1/ P. L. 480 exports preliminary; subject to revision. Total unmanufactured tobacco exports include CCC credit sales (credits for relatively short periods); these sales amounted to about 1 million pounds in fiscal 1964, about 200,000 pounds in fiscal 1965, and about 100,000 pounds in fiscal 1966.

reportedly it could exceed the 233 million pounds harvested in 1965. Sales this year are being conducted in complete secrecy. It is believed that only a fraction of the crop has been purchased by the commercial trade and that the tobacco corporation set up by the Government may have an inventory approximating 180-200 million pounds of flue-cured when the marketing season is completed.

In 1964, Rhodesia (and Western Zambia) exported 221 million pounds of flue-cured tobacco; in 1965, these exports amounted to 261 million--highest on record. Exports in 1965 included tobacco carried over from the huge 1964 Rhodesian flue-cured crop. Principal countries of destination and quantities taken in 1964 and 1965 were as follows:

Country	1964	1965
	<u>Mil. lb.</u>	<u>Mil. lb.</u>
United Kingdom	100	102
West Germany	33	41
Netherlands	15	23
Belgium	7	10
Other Western Europe	13	17
Japan	9	18
Hong Kong	3	11
Australia	7	6
Other	34	33
Total	221	261

The 1966 flue-cured crop in Canada is estimated at 219 million pounds--37 percent above the previous year, and largest on record. Acreage was expanded nearly a third, and average yield per acre may be up over 1965. Canada's exports of flue-cured in January-May 1966 were 8 percent below a year earlier. Around nine-tenths was shipped to the United Kingdom, which took a little less than a year ago. None went to Hong Kong, in contrast with a significant quantity a year earlier, but exports to Denmark increased.

India's 1966 flue-cured crop is placed at about 225 million pounds--7 percent below a year earlier, and 11 percent below the record 2 years earlier. Exports in 1965 totaled about 115 million pounds--nearly a sixth below the previous year's peak. The Soviet Union took 50 percent, and the United Kingdom nearly 30 percent, of the total.

In Turkey, the 1966 production of oriental tobacco is estimated at 309 million pounds--11 percent more than the 1965 outturn but still well below the huge 1964 crop. In the Aegean area, blue mold infestation reduced the crop below earlier forecasts. Unmanufactured tobacco exports in January-June 1966 amounted to 110 million pounds, of which 67 million were consigned to the United States and 13 million to West Germany. Quantities ranging from approximately 2 to 5 million pounds each went to Hungary, East Germany, Czechoslovakia, and the Netherlands.

The 1966 production of oriental tobacco in Greece, estimated at 241 million pounds, is 9 percent below a year earlier and 17 percent below the record 2 years earlier. In January-June 1966, Greece exported 87 million pounds of unmanufactured tobacco, 15 percent more than a year earlier and 47 percent more than 2 years earlier. Exports to the United States rose a tenth, and those to West Germany nearly doubled. The Soviet Union also increased takings substantially. Other countries taking more than a year earlier included Poland, Czechoslovakia, Hungary, and Belgium; those reducing takings included Italy, Egypt, Israel, and France.



Table 14.--Production of flue-cured and oriental tobacco in specified countries for specified periods

Country	Year of harvest					
	Average 1950-54	Average 1958-62	1963	1964	1965 1/2	1966 1/2
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
	Flue-cured					
Canada	138.0	184.5	186.6	143.2	159.2	218.6
India	101.9	144.7	185.9	252.2	243.2	225.0
Rhodesia, Zambia, Malawi	117.0	209.0	199.9	327.0	250.0	220.8
Total, countries shown	356.9	538.2	572.4	722.4	652.4	664.4
	Oriental					
Greece	128.3	174.8	279.7	291.0	264.3	240.8
Turkey	214.4	249.0	290.8	384.7	279.1	308.9
Total, countries shown	342.7	423.8	570.5	675.7	543.4	549.7

1/ Preliminary; subject to revision.

Compiled from reports of Foreign Agricultural Service.

U.S. burley is meeting increased competition in world tobacco markets. In 1935-39, the United States accounted for over 90 percent of world production of burley type tobacco, but by 1965 this figure was down to about 75 percent. Similarly, in 1950 the United States accounted for an estimated 85 percent of world trade in burley type tobacco, but only about 60 percent in 1964--shipping 53 million pounds (export weight) that year. Other exporters in 1964 included Japan, 10 million pounds; Rhodesia, Malawi, Zambia, 7 million; Italy, 4 million, and Canada and Greece, around 3 million pounds each. Except for Canada, these countries have shown an upward trend in production in recent years. Other countries which have expanded production of burley type tobacco include Mexico, Argentina, Brazil, and South Korea. Italian and Greek burley enjoy preferential tariff treatment in the European Economic Community (Common Market).

#### Common Market Import Duties and U.S. Tobacco

The countries of the European Economic Community (EEC or Common Market)--West Germany, the Netherlands, Belgium, Luxembourg, France, and Italy--considered as a group comprise the largest importers of tobacco in the world, and a principal market for U.S. tobacco. In 1963-65, EEC took an average of 151 million pounds--30 percent of total U.S. exports of unmanufactured tobacco.

Import duties on unmanufactured tobacco entering EEC from non-member countries have been established at an ad valorem rate of 28 percent (to become effective in gradual stages), with a minimum equivalent to 13.2 cents a pound and a maximum of 17.2 cents a pound. The 28 percent ad valorem charge applies to tobacco valued from about 47 cents to about 61½ cents a pound. The maximum rate is effective above 61½ cents a pound and the minimum is effective on tobacco below 47 cents a pound. Most U.S. tobacco will be subject to the maximum rate, which is 4 cents a pound higher than the minimum rate assessed on lower-priced tobacco provided by competitor countries. The maximum rate of 17.2 cents a pound to be levied against U.S. tobacco entering the Common Market compares with an average duty of about 12.8 cents a pound in 1958, which if calculated on an ad valorem basis amounted to about 19 percent.

In addition to erecting a common tariff wall against imports from third countries, EEC countries are lowering duties on trade between members with the aim of eventually eliminating internal duties. This provides an advantage to tobacco from Italy and from associated overseas territories. Greece and Turkey, as associate members, also benefit. On July 1, 1966, EEC duties on Greek tobacco were further reduced 5 percentage points, and a similar reduction is scheduled to become effective January 1, 1967. As of the latter date, EEC duties on Greek tobacco will be equal to only 20 percent of those originally in force in 1958. Turkey has a 1966 quota of 30 million pounds that can enter EEC countries at the same duty rates charged on Greek tobacco.

As of January 1, 1966, the main EEC import duties on unmanufactured tobacco applicable to member countries (internal rate) and to non-member countries (external rate) were as follows (expressed in U.S. cents):

Country	Internal rate	External rate		
		Ad valorem	Minimum	Maximum
	U.S. cents per pound	Percent	U.S. cents per pound	U.S. cents per pound
Benelux <u>1/</u>	1.5	20.0	9.7	11.9
West Germany	6.1	<u>2/</u> 16.8	16.1	18.7
Italy	0	16.8	8.0	10.0
France	0	16.8	8.0	10.0

1/ Belgium, the Netherlands, Luxembourg. 2/ Plus 8.2 cents a pound.

Under present arrangements, these rates will attain the eventual common duties already mentioned--an external rate of 28 percent ad valorem (minimum 13.2 cents, maximum 17.2 cents a pound), and no internal duties at all among member countries.

In the "Kennedy Round" negotiations under the auspices of GATT (General Agreement on Tariff and Trade), resuming in Geneva, efforts will be made by the United States in negotiating with EEC to secure more advantageous terms for its tobacco in this important trading area. At this writing, a common agricultural policy for tobacco has not as yet been established by EEC members. Adoption of a common agricultural policy for tobacco, which would, for example, provide for import quotas, would clearly be detrimental to U.S. tobacco.

Authority for U.S. participation in GATT negotiations for the reduction or removal of duties or other import restrictions--conferred by the Trade Expansion Act of 1962--expires on June 30, 1967.

### British Tobacco Situation

The United Kingdom is the single largest export market for U.S. tobacco--accounting for 28 percent of all U.S. exports of unmanufactured tobacco and 34 percent of U.S. flue-cured exports in 1960-64. Even in 1965, when exports to the United Kingdom dropped sharply, on an unstemmed equivalent basis that market still accounted for 22 percent of all U.S. exports of unmanufactured tobacco, and 27 percent of U.S. flue-cured exports. Tobacco imports consist principally of flue-cured, used both for home consumption and export of manufactured products, chiefly cigarettes.

In the United Kingdom, gross clearances of tobacco are a measure of total use by manufacturers, both for domestic consumption and export. Between 1950 and 1960, these clearances increased steadily to a peak of 319 million pounds, but then trended downwards. In 1965, gross clearances were 299 million pounds--20 million below the 1960 level. Stemmed tobacco, which provides more usable leaf from the same weight of tobacco, now makes up a much higher proportion of gross clearances than formerly. In 1955, stemmed tobacco (referred to as "stripped" in British statistics) comprised 17 percent of total gross clearances of unmanufactured tobacco. By 1960, this proportion was about 28 percent. By 1965, it had climbed to 64 percent, and in the first 6 months of 1966 rose further to 71 percent. Another factor affecting clearances of tobacco is the growth in British manufacture of filter tip cigarettes, which require less tobacco per unit than nonfilter tips. In 1960, filter tip cigarettes comprised 33 percent of total sales, but increased to 53 percent by 1965. The proportion in mid-1966 reportedly was around 60 percent.

In the first half of 1966, gross clearances were about 3 percent above the relatively low level a year ago, due to a gain in clearances of tobacco receiving Commonwealth preference. (See table 15.) Both home consumption and exports were up over year-earlier levels. Gross clearances of flue-cured in January-June 1966 totaled about 144 million pounds--nearly 5 million more than a year earlier. Flue-cured from the United States declined slightly, making up 42.4 percent of total flue-cured gross clearances, compared with 44.3 percent a year earlier and 48.3 percent 2 years earlier. Flue-cured clearances from Rhodesia also were down a little, but those from India and Canada increased.

Domestic consumption (net clearances from bond) in January-June 1966 was nearly 2 percent above a year earlier, although about 3 percent less than 2 years earlier.

The United Kingdom is a major exporter of cigarettes, which usually make up close to nine-tenths of its tobacco exports. British tobacco exports had trended downward for some years, but gained substantially in 1965. In the first 6 months of 1966, exports of cigarettes were 10 percent above those in the like 1965 period. Exports to Kuwait jumped nearly a third, and increased shipments also went to Aden, Singapore and Malaysia, West Germany, Persian Gulf States, and French Somaliland. On the other hand, fewer British cigarettes were exported to Hong Kong, France, and Sudan.

Table 15.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports <sup>1/</sup>		Stocks Dec. 31 <sup>3/</sup>	Gross clearances from bond <sup>4/</sup>		Exports of manu- factured tobacco	Re-exports of unmanu- factured tobacco
	From U. S. <sup>2/</sup>	From Common- wealth countries <sup>2/</sup>		Nonprefer- ential <sup>2/</sup>	Prefer- ential <sup>2/</sup>		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	144	146	445	180	91	271	43
1951	212	131	498	183	104	287	51
1952	67	143	430	172	108	280	47
1953	174	127	452	167	116	283	45
1954	160	139	468	168	122	290	41
1955	179	149	507	173	125	298	44
1956	160	146	523	173	127	300	45
1957	168	141	529	169	135	304	41
1958	164	145	529	172	138	310	41
1959	140	155	509	171	144	315	34
1960	178	180	538	167	152	319	31
1961	157	182	563	161	156	317	31
1962	106	168	540	153	154	307	28
1963	145	174	536	155	159	314	29
1964	123	181	541	146	163	309	26
1965 <sup>5/</sup>	91	184	520	131	168	299	32
Jan.-July 1962	15	103	6/ 502	*75	*74	*149	17
1963	30	93	6/ 468	*76	*78	*154	17
1964	32	86	6/ 478	*73	*79	*149	14
1965	35	91	6/ 477	*66	*82	*148	18
1966	34	70	6/ 451	*65	*88	*153	20

<sup>1/</sup> Unmanufactured tobacco. <sup>2/</sup> The full duty rate on tobacco from the United States and other non-preferential areas is about 2 percent above the preferential rate on tobacco from Commonwealth areas. <sup>3/</sup> Beginning with 1957, stocks not strictly comparable with prior years. <sup>4/</sup> Largely withdrawals for manufacturers for home use and export. <sup>5/</sup> Subject to revision. <sup>6/</sup> Stocks as of June 30. \*Jan.-June.

Compiled from official United Kingdom sources.

Table 16.--Unmanufactured tobacco imports into the United Kingdom from major sources, 1950-66

Year ending June 30	United States	Rhodesia, Zambia, and Malawi	India	Canada	Turkey	Greece	Other	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1950	162.4	64.9	46.6	15.0	13.7	1.3	5.5	309.4
1951	146.7	82.6	42.1	20.2	1.9	1.0	6.9	301.4
1952	223.1	62.0	43.8	36.2	1.9	1.2	10.8	379.0
1953	105.0	74.0	32.3	12.4	1.2	.8	14.7	240.4
1954	127.4	69.4	34.0	32.3	2.1	1.0	14.6	280.8
1955	151.9	82.7	36.1	40.2	3.5	1.6	10.9	326.9
1956	208.5	60.8	40.2	21.1	3.3	1.9	9.7	345.5
1957	148.6	91.6	36.0	30.4	2.2	.1	7.5	316.4
1958	162.1	78.4	45.6	21.8	2.2	1.4	5.7	317.2
1959	157.7	73.2	47.2	28.8	.3	.2	7.0	314.4
1960	147.2	90.9	39.5	32.1	.1	.3	6.8	316.9
1961	166.7	107.3	45.1	36.3	.4	.3	6.4	362.5
1962	154.0	101.0	37.9	33.7	.3	.4	5.9	333.2
1963	117.5	94.3	32.5	32.2	.4	.3	6.9	284.1
1964	147.7	96.7	36.3	36.1	.4	.4	7.4	325.0
1965	121.8	107.4	35.4	32.5	.6	.3	7.5	305.5
1966 <sup>1/</sup>	98.0	108.4	37.1	36.0	.7	.3	17.7	298.2
Percentage change								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average: 1950-54 to 1966	-35.9	53.5	-6.8	55.2	-83.3	-72.7	70.2	-1.3
1965 to 1966	-19.5	0.9	4.8	10.8	16.7	0	132.9	-2.4
Percentage distribution								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1950	52.5	21.0	15.1	4.9	4.4	.4	1.7	100.0
1951	48.6	27.4	14.0	6.7	.6	.3	2.4	100.0
1952	58.9	16.4	11.5	9.6	.5	.3	2.8	100.0
1953	43.7	30.8	13.4	5.2	.5	.3	6.1	100.0
1954	45.4	24.7	12.1	11.5	.7	.4	5.2	100.0
1955	46.5	25.3	11.0	12.3	1.1	.5	3.3	100.0
1956	60.4	17.6	11.6	6.1	1.0	.5	2.8	100.0
1957	47.0	28.9	11.4	9.6	.7	---	2.4	100.0
1958	51.1	24.7	14.4	6.9	.7	.4	1.8	100.0
1959	50.2	23.3	15.0	9.1	.1	.1	2.2	100.0
1960	46.5	28.6	12.5	10.1	---	.1	2.2	100.0
1961	46.0	29.6	12.4	10.0	.1	.1	1.8	100.0
1962	46.2	30.3	11.4	10.1	.1	.1	1.8	100.0
1963	41.4	33.2	11.4	11.3	.1	.1	2.5	100.0
1964	45.4	29.8	11.2	11.1	.1	.1	2.3	100.0
1965	39.9	35.1	11.6	10.6	.2	.1	2.5	100.0
1966	32.9	36.4	12.4	12.1	.2	.1	5.9	100.0

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

Basic data compiled from official United Kingdom sources.

Imports of unmanufactured tobacco in the year ended June 30, 1966, totaled 298 million pounds--about  $2\frac{1}{2}$  percent less than in 1964-65, and the second lowest in 12 years. About 86 percent entered in stemmed form, compared with 72 percent a year earlier and 60 percent 2 years earlier.

Tobacco imports from the United States dropped for the second year in a row, and were nearly a fifth below 1964-65. Imports from Rhodesia, Zambia, Malawi topped the high level of a year earlier by about 1 percent, and those from India and Canada increased 5 and 11 percent, respectively. The proportion of total imports provided by the United States fell further to 33 percent. In the 5 preceding years, this figure ranged between 41 and 46 percent. (See table 16.)

The main duty on unmanufactured tobacco imported into the United Kingdom from non-Commonwealth sources is equivalent to \$12.23 a pound. Commonwealth sources, which include the major flue-cured producers and exporters, India and Canada, receive a preferential rate equivalent to \$12.01 $\frac{1}{2}$  cents--a margin of preference equal to 21 $\frac{1}{2}$  cents a pound. (Since its unilateral declaration of independence last November, Rhodesia has been suspended from Commonwealth preferential tariff arrangements.) Import duties account for approximately 80 percent of the retail price of popular brands of cigarettes in Britain.

At the end of June 1966, stocks of tobacco in the United Kingdom totaled 451 million pounds--5 percent less than a year earlier. Stocks amounted to 17- $\frac{3}{4}$  months' use, as represented by July 1965-June 1966 gross clearances. A year earlier, stocks were equal to 18- $\frac{3}{4}$  months' use and 2 years earlier they were equal to 18 $\frac{1}{2}$  months' use. On June 30, 1966, British manufacturers' stocks of U.S. flue-cured, at 185 million pounds, declined more than a tenth from a year earlier to the lowest in 11 years. These stocks were equal to about 18 $\frac{1}{2}$  months' use, based on July 1965-June 1966 usings of U.S. flue-cured, compared with nearly 19 $\frac{1}{2}$  months' use a year earlier, and 18 to 18 $\frac{1}{2}$  months' use in the 2 years before that. June 30, 1966, stocks of Rhodesian flue-cured, at 121 million pounds, were about 1 $\frac{1}{2}$  percent below the year-ago record level, but were larger than midyear holdings of other years. Imports of Rhodesian flue-cured into the United Kingdom ceased after February 1966, upon completion of shipments contracted for prior to the unilateral declaration of independence. June 30, 1966, stocks of Canadian flue-cured, at 58 million pounds, were about the same as a year earlier, but those of Indian, at 42 million, declined 14 percent. Mid-1966 holdings of dark fire-cured from Malawi also were about equal to those a year earlier, but air- and sun-cured from India increased a little, and from Malawi, rose sharply.

#### UNITED STATES IMPORTS AND STOCKS OF FOREIGN-GROWN TOBACCO 2/

The United States, the world's largest producer and exporter of tobacco, is also a major importer, purchasing foreign-grown tobacco mainly for blending with domestic types in the manufacture of cigarettes and cigars.

Tobacco imports for consumption in the year ended June 30, 1966, totaled 174 million pounds--10 million or about 6 percent below the record receipts in 1964-65. Cigarette leaf comprised over three-fourths of the 1965-66 imports, and nearly all the rest was for use in cigars. The decline in imports was due mainly to a drop in scrap--small pieces of leaves used principally in cigars and which make up the chief category of U.S. cigar tobacco imports for consumption.

Cigarette leaf imports, at 134 million pounds, increased nearly 2 percent. Receipts from Turkey rose 6 percent, while those from Greece were up slightly. Imports from Yugoslavia, which had furnished steadily increasing quantities in recent years, dropped 7 percent; imports from Italy were also less than in 1964-65.

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2/ Imports of tobacco are on a declared-weight basis and stocks are on a farm-sales weight basis.

Table 17.--United States imports for consumption of unmanufactured tobacco from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						
	Year ending June 30				January-July		
	Average 1959-63	1964	1965 <sup>1/</sup>	1966 <sup>1/</sup>	1965 <sup>1/</sup>	1966 <sup>1/</sup>	1966 as a percentage of 1965
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Cigarette leaf							
Unstemmed:							
Turkey	76.5	79.6	77.8	82.4	49.0	47.7	97
Greece	32.0	28.9	35.1	35.5	21.4	21.2	99
Yugoslavia	6.0	10.1	12.3	11.4	7.9	6.4	81
Italy	1.7	1.2	2.1	.5	1.1	.2	18
Cyprus	.9	.8	.7	.7	.5	.4	80
Syria	.7	.4	.3	.2	.1	.1	100
Total <sup>2/</sup>	120.6	123.5	131.4	133.7	82.2	78.1	95
Flue-cured and burley	<sup>3/</sup> .2	.4	.5	.8	.3	.8	267
Cigar leaf (filler)							
Cuba:							
Stemmed	6.0	.6	.3	.1	.1	.1	100
Unstemmed	3.6	1.4	1.1	.3	.4	.1	25
Philippine Republic							
Stemmed	.4	.2	.2	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	---
Unstemmed	.1	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	.1	---
Colombia	.3	.1	.3	.5	<sup>4/</sup>	.5	---
Brazil	.2	.6	.8	.6	.3	.4	133
Paraguay	.1	.1	.2	.2	.2	.1	50
Dominican Republic	.3	.5	.7	.8	.4	.4	100
Mexico	.1	.7	1.0	1.1	.6	.7	117
Total <sup>2/</sup>	11.2	4.6	5.4	4.6	2.4	3.0	125
Scrap:							
Cuba	11.8	2.6	1.7	1.7	.9	1.0	111
Philippine Republic	9.7	13.0	15.2	14.2	9.6	9.7	101
Peru	.5	.1	.2	.2	.2	.1	50
Colombia	1.4	6.8	7.2	4.3	3.4	2.2	65
Dominican Republic	1.3	7.3	9.7	4.8	5.3	2.1	40
Netherlands	.1	.1	.1	.1	<sup>4/</sup>	.2	---
Indonesia	.3	1.5	1.9	1.0	.8	.5	62
Brazil	.3	2.5	4.8	2.7	2.7	1.9	70
Argentina	.1	.3	.6	.3	.4	.2	50
Paraguay	.1	.6	.7	1.2	.5	.7	140
Total <sup>2/</sup>	26.9	36.9	45.3	34.1	25.8	20.2	78
Cigar wrapper (unst.):							
Cuba	.5	.1	.1	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	---
Cameroon Rep.	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	.1	<sup>4/</sup>	<sup>4/</sup>	---
Honduras	<sup>4/</sup>	<sup>4/</sup>	.1	.1	<sup>4/</sup>	.1	---
Total <sup>2/</sup>	.6	.2	.2	.3	.1	.2	200
Total imports <sup>5/</sup>	160.1	165.9	184.3	173.9	111.5	102.5	92

<sup>1/</sup> Preliminary. <sup>2/</sup> Includes relatively small quantities from other countries not separately listed.  
<sup>3/</sup> 1960-63 average. <sup>4/</sup> Less than 50,000 pounds. <sup>5/</sup> Includes stems not cut, ground, or pulverized.

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

Table 18.--United States general imports of tobacco from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						1966 as a percentage of 1965
	Year ending June 30				January-July		
	Average 1959-63	1964	1965	1966	1965	1966	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
<b>Cigarette leaf (unstemmed):</b>							
Turkey	92.1	34.2	94.4	126.6	60.1	105.7	176
Greece	33.0	45.0	45.0	35.5	31.8	31.5	99
Other countries	15.3	15.9	19.0	23.9	13.2	23.1	175
<b>Total</b>	<b>140.4</b>	<b>95.1</b>	<b>158.4</b>	<b>186.0</b>	<b>105.1</b>	<b>160.3</b>	<b>153</b>
<b>Scrap:</b>							
Turkey	1.1	.1	1.3	6.9	1.3	1.2	92
<b>Flue-cured and burley</b>	<b>1/.3</b>	<b>.4</b>	<b>.6</b>	<b>2.5</b>	<b>.9</b>	<b>1.7</b>	<b>189</b>
<b>Cigar wrapper (unstemmed):</b>							
Cuba 2/	.4	0	0	0	0	0	---
Cameroon Republic	3/	.1	.1	.1	3/	3/	---
Honduras	3/	.1	.1	.1	3/	3/	---
<b>Total 4/</b>	<b>.5</b>	<b>.2</b>	<b>.4</b>	<b>.3</b>	<b>.2</b>	<b>.1</b>	<b>50</b>
<b>Cigar filler (stemmed):</b>							
Cuba 2/	5.0	0	0	0	0	0	---
Philippine Republic	.6	1.0	1.8	.9	1.4	3/	---
Brazil	.4	.3	.2	.3	.1	.2	200
Mexico	3/	.4	.5	.6	.3	.3	100
Dominican Republic	3/	.4	.8	.2	.8	.1	12
Honduras	3/	.2	.2	.3	.1	.2	200
<b>Total 4/</b>	<b>6.2</b>	<b>2.5</b>	<b>4.0</b>	<b>2.6</b>	<b>2.9</b>	<b>1.0</b>	<b>34</b>
<b>Cigar filler (unstemmed):</b>							
Cuba 2/	13.3	0	0	0	0	0	---
Philippine Republic	.5	.2	1.4	.8	.4	.6	150
Dominican Republic	4.3	12.6	14.7	.4	2.3	.3	13
Colombia	4.7	16.5	9.4	4.7	6.3	4.2	67
Brazil	1.1	6.5	12.1	2.0	8.1	1.0	12
Paraguay	.8	.5	2.2	.5	1.6	.3	19
Indonesia	1.0	3.2	7.3	3/	2.5	3/	---
Netherlands	.3	.2	3/	3/	0	3/	---
Peru	1.3	0	1.5	.7	2.1	0	---
Argentina	.1	.4	1.3	.2	3/	.1	---
Mexico	.3	1.3	1.5	2.3	1.7	2.3	135
Jamaica	.1	3/	3/	3/	3/	3/	---
Other countries	.1	.2	.4	1.7	.3	.8	267
<b>Total</b>	<b>28.1</b>	<b>41.6</b>	<b>51.8</b>	<b>13.3</b>	<b>25.3</b>	<b>9.5</b>	<b>38</b>
<b>Scrap:</b>							
Cuba 2/	5.2	0	0	0	0	0	---
Philippine Republic	9.8	10.1	25.3	18.2	18.1	11.1	61
Dominican Republic	.2	.9	1.0	.6	.5	.1	20
Colombia	3/	3/	0	0	0	0	---
Brazil	.1	.2	.6	.1	3/	.1	---
Paraguay	.1	3/	.1	.5	3/	.4	---
Indonesia	3/	.1	.3	3/	3/	3/	---
Netherlands	.1	3/	0	3/	3/	3/	---
Argentina	.2	.4	.3	.1	.1	.1	100
Honduras	3/	.1	3/	3/	3/	3/	---
Other countries	1.9	.5	.6	1.0	.3	.4	133
<b>Total</b>	<b>16.6</b>	<b>12.3</b>	<b>28.2</b>	<b>20.5</b>	<b>19.0</b>	<b>12.2</b>	<b>64</b>
<b>Total cigar tobacco</b>	<b>51.4</b>	<b>56.6</b>	<b>84.3</b>	<b>36.7</b>	<b>47.4</b>	<b>22.8</b>	<b>48</b>
<b>Grand total</b>	<b>193.2</b>	<b>152.2</b>	<b>244.6</b>	<b>232.0</b>	<b>154.7</b>	<b>186.0</b>	<b>120</b>

1/ 1960-63 average.

2/ For 1959-61 (pre-embargo) years, average exports were wrapper, 0.7 million pounds; stemmed filler, 8.3 million; unstemmed filler, 22.1 million; and scrap, 8.7 million.

3/ Less than 50,000 pounds.

4/ Includes quantities from other countries not separately listed. Details may not add to total, due to rounding.  
Note: General imports include all arrivals in the United States as distinguished from "imports for consumption".



Imports for consumption consist principally of merchandise released from Customs custody immediately upon arrival (direct entries) plus withdrawals from bonded warehouses. Imports for consumption are usually taken as a measure of manufacturers' use. General imports or total arrivals from abroad represent direct entries plus that placed in bonded warehouses. In the year ended June 30, 1966, total arrivals of cigarette leaf rose about a sixth above the previous year. General imports from Turkey increased sharply, but those from Greece fell below the level of the 2 previous years. (See table 18.) The average value per pound of general imports from Turkey was  $60\frac{1}{2}$  cents--down nearly 11 cents from a year earlier; for Greek tobacco, it was about  $85\frac{1}{2}$  cents--up about  $1\frac{1}{2}$  cents from a year earlier. For general imports of cigarette leaf from all countries, the average value per pound was about  $66\frac{1}{2}$  cents--nearly 9 cents less than in 1964-65 and lowest in 4 years.

Stocks of foreign-grown cigarette and smoking tobacco in the United States on July 1, 1966, totaled 365 million pounds (farm-sales weight equivalent)--15 percent above a year earlier and the largest holdings for any date on record. During 1960-64, July 1 holdings averaged about 298 million pounds.

In the year ended June 30, 1966, imports of scrap for consumption dropped 25 percent below the relatively high level of 1964-65. About 7 percent less than a year earlier was recorded from the Philippine Republic, while sharply less was imported from the Dominican Republic, Colombia, Brazil, and Indonesia; scrap from Paraguay gained. Although the 1965-66 imports of Cuban scrap for consumption (from stocks already in the United States) held the drastically reduced level of the previous year, Cuban filler continued to decline to a relatively minor figure.

Imports from Cuba, for many years our principal supplier of foreign cigar tobacco were embargoed in February 1962. Since then, the Philippine Republic has been the leading source of cigar tobacco imported into the United States. Philippine filler and scrap have a duty-free quota of 3.9 million pounds annually for calendar years 1965-67. Imports from the Philippines in excess of the duty-free quota are dutiable at lower rates than from other sources--the same as the preferential rates applicable to Cuban tobacco prior to the embargo. In 1965, nearly  $10\frac{1}{2}$  million pounds of Philippine filler and scrap (mostly scrap) were imported subject to duty.

General imports (total arrivals) of cigar tobacco in 1965-66 dropped 56 percent below a year earlier and 35 percent below 2 years earlier. Less was received from the Philippines, Dominican Republic, Colombia, Indonesia, Paraguay, Peru, and Argentina; more arrived from Mexico. (See table 18.)

July 1, 1966, stocks of foreign-grown cigar tobacco, by country of origin, are shown on page 53.

## OUTLOOK AND SITUATION FOR TOBACCO LEAF

### Flue-cured, Types 11-14

#### Domestic Use and Exports

In 1965-66, total flue-cured disappearance (calculated by subtracting July 1, 1966, stocks from the total of July 1, 1965, stocks and 1965 production) was 1,175 million pounds--44 million pounds below a year earlier and the lowest in 9 years.

Although cigarette output in 1965-66 held almost even with 1964-65, domestic use of flue-cured dipped nearly 3 percent.

The continued shift toward filter tip cigarettes, and probably the increase in use of reconstituted sheet tobacco contributed to a decrease in the use of flue-cured tobacco in cigarettes in recent years. (Estimates of use of tobacco per 1,000 cigarettes are shown in table 5.) Generally, filter tip cigarettes require less tobacco per unit of output than nonfilter tip cigarettes, and the reconstituted tobacco sheet process makes it possible to obtain an increased quantity of usable cigarette filler from a given quantity of leaf.

The 1965-66 exports of 422 million pounds of flue-cured tobacco were 22 million pounds--5 percent--lower than 1964-65, and 45 million pounds--10 percent--below the past 5-year average. In the latter part of the 1965-66 marketing year, some shipments were deferred while exporters awaited the start of the export payment program which became effective on July 6. In 1966-67, exports of flue-cured are expected to increase considerably over the low 1965-66 figure. The export payment program will assist exports, and the ban on importation of Rhodesian tobacco by a number of countries will result in larger takings from the United States.

In 1965-66, exports of flue-cured tobacco (unstemmed equivalent basis) to Britain--our leading export outlet--were down 23 percent from 1964-65, and dropped 32 percent below 1963-64. West Germany--second ranking outlet--took 5 percent less than in 1964-65, and 13 percent less than 1963-64. Japan--third ranking outlet--took a record quantity, 56 percent more than in 1964-65 and 27 percent more than the previous high of 1963-64. The Netherlands--fourth ranking outlet--took 20 percent more than in 1964-65, but 11 percent less than in 1963-64. Australia--fifth ranking outlet--took slightly more than a year earlier, but 15 percent less than 2 years earlier. Other foreign countries taking less U.S. flue-cured in 1965-66 than in each of the two previous years included Ireland, Denmark, Belgium, Sweden, Finland, Portugal, Spain, Austria, Italy, Pakistan, Hong Kong, and Mexico. The 1965-66 flue-cured exports to Norway, Switzerland, and Thailand were up moderately, and those to South Vietnam and Republic of the Congo rose sharply above a year earlier. Exports to Egypt in 1965-66 nearly tripled the small 1964-65 figure, but were only moderately above 1963-64. Exports to Malaysia slightly topped those a year earlier, but were notably above 2 years earlier.

The proportion of flue-cured tobacco exported in stemmed form has shown a considerable rise since 1958-59. Measuring exports of both stemmed and unstemmed tobacco on an unstemmed equivalent basis, the percentages of U.S. flue-cured exported in stemmed form were as follows:

<u>Marketing year</u>	<u>Percent</u>	<u>Marketing year</u>	<u>Percent</u>
1958-59	4.5	1962-63	17.0
1959-60	6.8	1963-64	22.6
1960-61	9.3	1964-65	26.7
1961-62	10.1	1965-66	33.0

It seems likely that this upward trend will continue.

The 1965-66 value of stemmed flue-cured tobacco exports (export weight) averaged \$1.10 per pound--about  $3\frac{1}{2}$  percent above 1964-65, and 5 percent above 1963-64. The 1965-66 value of unstemmed flue-cured tobacco exports (export weight) averaged 79 cents per pound--about  $2\frac{1}{4}$  percent above 1964-65, and 3 percent above 1963-64. (Export weight tobacco on which the above values were computed reflects a loss of around 11 percent from farm-sales weight due to a reduction in moisture content, essential for packing and storing the tobacco in a sound condition.)

Table 19.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, July 1	Supply	Disappearance <sup>1/</sup>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	775	444
1965	1,059	2,555	3,614	1,175	753	422
1966 <sup>2/</sup>	1,174	2,439	3,613			
Average price per pound	Price support level <sup>3/</sup>	Placed under Government loan		Remaining in Government loan stocks on August 31, 1966		
Ct.	Ct.	Quantity	Percentage of crop	Mil. lb.		
		Mil. lb.	Pct.	Mil. lb.		
1955	52.7	48.3	298.9	20.2	0	
1956	51.5	48.9	319.9	22.5	0	
1957	55.4	50.8	107.8	11.1	0	
1958	58.2	54.6	144.8	13.4	0	
1959	58.3	55.5	55.3	5.1	0	
1960	60.4	55.5	51.8	4.1	25.2	
1961	64.3	55.5	70.3	5.6	42.1	
1962	60.1	56.1	237.2	16.8	147.9	
1963	58.0	56.6	277.2	20.2	182.5	
1964	58.5	57.2	285.6	20.7	224.6	
1965	64.6	57.7	71.5	6.8	67.1	
1966		58.8	<sup>5/</sup>	<sup>5/</sup>		
Total	---	---	1,920.3	---	689.4	

<sup>1/</sup> Year beginning July 1. <sup>2/</sup> Subject to revision. <sup>3/</sup> Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. <sup>4/</sup> As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than these farm-sales weight figures. <sup>5/</sup> By September--4.9 million pounds, 0.7 percent of deliveries, were placed under loan.

1966-67 Supplies

Carryover of flue-cured on July 1, 1966, totaled 2,439 million pounds--116 million pounds lower than the record level of a year earlier, but the third largest on record.

The estimated U. S. flue-cured tobacco acreage for harvest this year, at 610,100 acres, is  $8\frac{1}{2}$  percent above 1965 but 3 percent lower than 1964. The increased acreage in 1966 reflects fuller planting of the acreage allotments than in 1965, and the upward adjustment in acreage allotments for growers who marketed less than their quota last year. The acreage-poundage program--now in its second year--enables growers who fall short of their allocated poundages in a given year to sell in the next year an additional quantity equal to the difference. Growers marketing more than their quotas in a given year take a reduction the next year equal to the excess. In 1965, undermarketings exceeded overmarketings by a sizable margin, and the larger acreage and production this year than last reflect this.

The September 1 production estimate was 1,174 million pounds--115 million above last year's relatively small crop, but 215 million pounds below the average of the large crops produced in 1962-64. The 1966-67 total supply--production plus carryover--is indicated at 3,613 million pounds--nearly the same as for 1965-66, but down 161 million pounds--4 percent--from the record level of 1964-65. The 1966-67 total supply is about 2.8 times probable disappearance, compared with a ratio of 3.1 two years ago. Carryover on July 1, 1967, may drop about 4 percent below July 1, 1966, and be down 8 percent from the record high on July 1, 1965.

By December 1, 1966, the Secretary is required to announce the amount of the 1967 national marketing quota on an acreage-poundage basis, the national average yield goal, and the matching national acreage allotment. As provided under the program, individual farms will be allocated 1967 poundage quotas and acreage allotments increased or decreased to take into account their undermarketings or overmarketings in the 1966 season.

The acreage-poundage program in 1965 and 1966 contributed to a substantial improvement in the quality of flue-cured tobacco. Growers have an incentive to place more stress on producing high quality tobacco, whereas under the previous acreage allotment program there was great incentive to produce the largest possible number of pounds on the acreage allotted.

On September 1, Government loan stocks of flue-cured tobacco (such stocks are included in the carryover and supply estimates above) from the 1960-65 crops totaled 689 million pounds (farm-sales weight). In the year ended August 31, 1966, 251 million pounds were sold by the Flue-cured Tobacco Cooperative Stabilization Corporation--the growers' organization which makes Government loans for price support. Sales in the preceding year amounted to 107 million pounds, and the year before that 48 million pounds.

Prices and Price Support

The 1966 auction market prices for all flue-cured sold this season through September 23 averaged 69.0 cents per pound, 4.4 cents above the average for the similar period last season. Demand is strong, the quality of much of the crop is very good, and the season average price will set a new record high. The overall level of price support for the 1966 crop is 58.8 cents per pound--about 2 percent above 1965.

The overall price support level for the 1967 crop will be established by adjusting the 1959 support level upward in accordance with the percentage rise in the parity index. This adjustment is based on a comparison of the average of the parity index in the 3 most recent calendar years--1964, 1965, 1966--with the level of 1959. The parity index measures average change over a period of time in the price of commodities and services commonly bought by farm families. If the parity index continues near its recent level for the rest of 1966, the support level for 1967 crop flue-cured would be 8 percent above the 1959 level, and about 2 percent above price support for the current season.

In the Georgia-Florida Belt (type 14), where all tobacco is sold throughout the season in untied form, regular auctions began July 27 and final sales were held on August 31. Gross sales (including resales) totaled 172.8 million pounds--slightly more than in the 1965 season. Prices for 1966 marketings averaged 69.9 cents per pound--3.9 cents above 1965, and highest on record.

Auctions in the other Belts opened as follows: South Carolina-Border North Carolina (type 13)--August 9; Eastern North Carolina (type 12)--August 24; Middle Belt--North Carolina-Virginia (type 11-b)--September 8; and Old Belt--North Carolina-Virginia (type 11-a)--September 20. For total marketings through September 23, type 13 prices averaged 69.3 cents per pound, 3.8 cents above the comparable period of 1965; type 12 prices averaged 69.2 cents--up 6.0 cents from 1965; type 11-b prices averaged 64.4 cents--up 1.3 cents from 1965; and type 11-a for the first 4 days averaged 67.0 cents--up 2.6 cents from the like period of 1965.

For all Belts combined, the quantity of tobacco placed under Government loan for price support through September 23 was 4.9 million pounds--about 0.7 percent of gross sales; in the comparable period of the 1965 season, about 47.8 million pounds went under loan-- 5.7 percent of gross sales. Through September 23, placements under loan were relatively small in each Belt. The total placed under Government loan this season are likely to be the least since the current price support program was started in 1946.

Table 20.--Quantities and prices of untied and tied flue-cured tobacco types 11-13 in specified periods of 1966 and 1965 marketing seasons

Type	1966 season--12 day period of price support for untied tobacco, all grades					
	Quantity (gross sales)			Untied	Av. price per lb.	
	Total	Untied	Tied	as percent	Untied	Tied
	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	Ct.	Ct.
13	116.8	113.9	2.9	97.5	68.1	69.3
12	113.9	107.0	6.9	93.9	67.0	70.7
11-b	53.6	53.0	.6	98.9	64.4	67.5
11-a*	26.3	25.5	1.8	97.0	66.9	68.6
	1965 season--7 day period of price support for untied tobacco, lugs, primings, and nondescript grades thereof					
13	54.3	40.5	13.8	74.6	61.6	63.7
12	77.0	32.8	44.2	42.6	58.5	63.7
11-b	35.2	12.7	22.5	36.1	60.2	64.6
11-a	62.2	13.6	55.6	19.1	59.3	65.6

\*When this report was processed, data for type 11-a, Old Belt, were available for only the first 4 days of the 12 day period.

In the type 11-13 flue-cured markets, price support was made available on all grades of untied tobacco during the first 12 days as each successive Belt started its selling season. In the past 3 seasons, price support was offered only on untied tobacco graded as lugs, primings, and on the mondescript grades thereof, during the first 7 days. Price support on tied tobacco, however, is available throughout the season in these Belts, and is 3 cents per pound higher for each grade--the same differential as in 1965. Extending price support to all grades of untied types 11-13 tobacco and for an additional 5 days this season resulted in a sharp increase in the volume of tobacco marketed in untied form.

The volume of sales and average price for untied and tied tobacco in the respective Belts for the 1966 and 1965 periods of untied sales are shown in table 20 (first 4 days only for type 11-a in 1966).

### Burley, Type 31

#### Domestic Use and Exports

Domestic use of burley in the October 1965-September 1966 marketing year is estimated at about 545 million pounds--down about 3 percent from the unusually large figure of 1964-65. In 1964-65, the statistically derived domestic disappearance was higher than could have been expected on the basis of the increase in cigarette output, chief outlet for burley, especially when reduced outputs of smoking and plug chewing tobacco, secondary outlets, are also considered. Domestic use of burley in 1966-67 is expected to show some increase over 1965-66.

Burley exports in 1965-66 may approach the previous year's 56 million pounds (farm-sales weight). During October 1965-July 1966, burley exports were about even with those a year earlier. Exports to West Germany--for many years the leading foreign market for U.S. burley--increased 7 percent, while those to Egypt rose to around 4½ million pounds (farm-sales weight), in contrast to less than a half-million pounds a year earlier. There were also big increases in exports to Thailand, Republic of the Congo, Belgium, Chile, Australia, the Philippine Republic and Switzerland; and a moderate increase to Denmark. On the other hand, exports to Sweden and Mexico--both of which have consistently ranked among the top 5 foreign markets for U.S. burley in recent years--dropped 29 and 44 percent, respectively. Other countries cutting their takings included Portugal, the Netherlands, and Hong Kong.

#### 1966-67 Supplies

Carryover of burley on October 1, 1966, is estimated at about 1,400 million pounds, down some from the high levels 1 and 2 years earlier. The September estimate of the 1966 crop is 538 million pounds--8 percent below 1965, and the smallest in 6 years. Acreage for harvest is indicated to be down 13 percent, reflecting a cut of 15 percent for farms not covered by special provisions of the law applying to small allotments. But the average yield per acre is indicated to be 5 percent above the previous year's and nearly equal to the record high of 1963. The indicated 1966 average yield is higher than 1965 in the majority of producing States, and for Tennessee, is at a record high.

Table 21 --Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, Oct. 1	Supply	Disappearance <sup>1/</sup>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	616	560	56
1965	586	1,416	2,002	*601	*545	*56
1966 <sup>2/</sup>	538	*1,400	*1,938			
	Average price per pound	Price support level <sup>3/</sup>	Placed under Government loan Quantity	Percentage of crop	Remaining in Government loan stocks on August 31, 1966 <sup>4/</sup>	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1955	58.6	46.2	73.1	15.6	0	
1956	63.6	48.1	6.0	1.2	0	
1957	60.3	51.7	16.6	3.4	0	
1958	66.1	55.4	11.2	2.4	0	
1959	60.6	57.2	13.2	2.6	0	
1960	64.3	57.2	8.4	1.7	0	
1961	66.5	57.2	10.3	1.8	0	
1962	58.6	57.8	63.5	9.4	33.2	
1963	59.2	58.3	202.3	26.8	104.8	
1964	60.3	58.9	110.4	17.8	85.7	
1965	66.9	59.5	42.4	7.2	42.2	
1966		60.6				
Total	---	---	557.4	---	5/265.9	

<sup>1/</sup> Year beginning October 1.

<sup>2/</sup> Subject to revision.

<sup>3/</sup> Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

<sup>4/</sup> Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.

<sup>5/</sup> Probably around 35 million pounds of these holdings have been sold.

\* Preliminary estimates.

The 1966-67 total supply of burley (indicated carryover plus the new crop) is 1,938 million pounds--about 3 percent below a year earlier, and 5 percent below 2 years earlier. Prospective 1966-67 supplies are equal to about 3.1 times probable disappearance, down from the 3.3 ratio in 1965-66 and the peak of 3.5 in 1963-64. The desirable ratio based on the legislative formula is 2.8. Carryover stocks on October 1, 1967, will likely show a sizable reduction from the estimated level of this year.

Government loan stocks of burley on August 31, 1966, amounted to 266 million pounds (farm-sales weight equivalent). Probably around 35 million pounds have been sold from these holdings. A year earlier, burley loan stocks amounted to 319½ million pounds, and 2 years earlier, 259 million pounds (after taking into account that sold but not yet delivered).

The 1967 burley marketing quota and acreage allotment (under the acreage allotment program in effect) will be announced by the Secretary of Agriculture by February 1, 1967. Marketing quotas (on an acreage basis) for the 1965-67 crops were approved by growers in a February 1965 referendum. At the time of the announcement of the 1967 acreage allotment (under the program now in effect), the Secretary can--if he determines that acreage-poundage quotas would result in a more effective program--announce the national quota, the national acreage allotment, and the national yield goal applicable under an acreage-poundage program. A special referendum would then be held within 45 days of this announcement to determine whether or not burley growers favor marketing quotas on an acreage-poundage basis for the next 3 marketing years (1967-69). If an acreage-poundage determination is made, and the growers voting fail to approve by more than a two-thirds majority, the acreage allotment program would continue in effect. If an acreage-poundage determination is not made, the earliest crop for which it could be made is the 1969 crop. (See Tobacco Situation, June 1965, page 29, for applicable provisions of the acreage-poundage law enacted in April 1965.)

An acreage-poundage program for the 1966, 1967, and 1968 burley crops was offered to growers, but was disapproved in a referendum held last March. Fifty-seven percent of those voting favored quotas on an acreage-poundage basis, but this fell short of the more than two-thirds favorable vote necessary to place an acreage-poundage program into effect. By States, the percentages of those favoring acreage-poundage quotas ranged from 14 percent in Tennessee and 48 percent in Virginia to 73 percent in Kentucky and 80 percent in Ohio.

### Price Support and Prices

The price support level for 1966 burley is 60.6 cents a pound. Support levels for the 1967 crop of burley and other eligible kinds will be **determined by comparing** the average of the parity index for calendar 1964, 1965, and 1966 with the 1959 index and adjusting the **respective** 1959 support levels by the resulting percentage change. If the parity index for the rest of this year remains near the level of recent months, the overall support level for 1967 burley will be about 2 percent higher than the 60.6 cents in effect for the current crop. During 1962-65, the support level for burley rose about 1 percent a year, and in 1966 increased 2 percent.

The 1965 burley crop sold for a record average price of 66.9 cents a pound--about 6½ cents above 1964 and two-fifths of a cent above the previous high of 1961. About 7 percent of the crop was placed under loan, the smallest percentage in 4 years.

Auction markets for sales of the burley crop usually begin in late November.



Maryland, Type 32 3/Domestic Use and Exports

Total disappearance of Maryland tobacco in the October 1965-September 1966 marketing year is estimated at about 34 million pounds--about 1 million more than in the preceding year. Domestic disappearance, however, may be down moderately, while exports may show a sizable increase over the relatively low 1964-65 total. Domestic use is estimated at 22 million pounds, compared with about 23½ million in 1964-65. The major outlet for Maryland tobacco is in the manufacture of cigarettes; such use has not kept pace with expanded cigarette output. Certain grades of Maryland are also used as fillers in some cigars. The quantity used depends on availability and prices of desired grades.

Exports of Maryland tobacco in the marketing year just ending may approximate 12 million pounds--about a fourth above the 10-year low of 1964-65. In the first 10 months of 1965-66, exports were 32 percent larger than a year earlier. Switzerland, accounting for well over half of the total, increased takings 14 percent, while exports to West Germany more than tripled. Larger shipments than a year earlier were also made to Belgium, Spain, Portugal, and a significant quantity went to South Vietnam in contrast to none a year ago. But exports to the Netherlands and France declined.

1966-67 Supplies

Carryover of Maryland tobacco on January 1, 1967, may be around 94 million pounds, 4 million above a year earlier and the highest on record. The September estimate of the 1966 Maryland crop is 36 million pounds, 2½ million less than estimated 1965 production. Acreage allotments are not in effect for the 1966 crop, since growers disapproved marketing quotas in last February's referendum. Compared with 1965, this year's acreage increased 7½ percent, but the average yield is lower due to dry weather during much of the growing season. This year's crop plus the estimated carryover will provide a 1966-67 supply of about 130 million pounds--1 percent more than for the current marketing year and the largest on record.

The 1967 marketing quota and acreage allotment for Maryland tobacco will be announced by the Secretary of Agriculture by February 1, 1967. Shortly thereafter, a referendum will be held in which growers of Maryland will vote on whether or not they approve marketing quotas (on an acreage basis) for the 1967, 1968, and 1969 crops. Approval by at least two-thirds of the farmers voting is necessary for marketing quotas to be placed into effect. In the last referendum, held February 1966, about 42 percent of the growers voting favored marketing quotas, short of the required two-thirds majority. But in the referendum before that, held in February 1963, about 84 percent of those voting approved marketing quotas for their next 3 crops.

Price Support and Prices

Since producers disapproved a marketing quota for the 1966 crop, it will not receive Government price support when it is marketed, mostly next spring and summer. If Maryland growers approve a marketing quota for the 1967 crop, that crop will be price-supported. The support level for 1967 Maryland tobacco will be determined in the same manner as for flue-cured (see page 35 ), but with consideration given to

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3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of the January 1 falling within the marketing year, October 1 through September 30. Disappearance is calculated on the October-September basis.

Table 22.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 <sup>1/</sup>	Supply	Disappearance <sup>2/</sup>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964	42.3	82.0	124.3	33.0	23.4	9.6
1965 <sup>3/</sup>	38.5	90.1	128.6	*34.0	*22.0	*12.0
1966 <sup>3/</sup>	36.0	*94.0	*130.0			
Average price per pound	Price support level <sup>4/</sup>	Placed under Government loan		Percentage of crop	Remaining in Government loan stocks on August 31, 1966 <sup>5/</sup>	
Ct.	Ct.	Mil. lb.		Pct.	Mil. lb.	
1955	No price support		6/			
1956	47.0	3.3		9.0	0	
1957	48.0	5.9		15.3	1.6	
1958	50.8	1.1		3.6	.2	
1959	No price support		6/			
1960	50.8	1.6		4.6	.4	
1961	50.8	3.7		9.5	1.2	
1962	51.3	6.0		14.8	2.6	
1963	51.8	10.4		30.1	9.9	
1964	52.3	4.2		10.1	4.0	
1965	52.8	2.7		7.0	2.7	
1966	No price support		6/			
Total	---	38.9		---	22.6	

<sup>1/</sup> For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. <sup>2/</sup> Year beginning October 1. <sup>3/</sup> Subject to revision. <sup>4/</sup> Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. <sup>5/</sup> Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. <sup>6/</sup> Marketing quota not in effect since over one-third of growers voting disapproved. <sup>7/</sup> Auction market average. \*Preliminary estimates.

what would have been the 1959 support level for Maryland had a marketing quota been in effect on that year's crop. If the parity index for the remainder of this year stays near the level of recent months, the overall support level for 1967 Maryland tobacco will be about 2 percent above the level (53.8 cents a pound) that would have applied to 1966 Maryland had that crop been produced under a marketing quota.

This year, auction sales for the 1965 Maryland tobacco crop began April 12 and ended July 1. Also, the Baltimore hogshead market opened for competitive bidding on April 14. Auction sales totaled 33.7 million pounds and averaged 65.6 cents a pound--about 3-3/4 cents above the preceding season's average, and the highest on record. Sales volume dropped a tenth. Quality exceeded that of the 1964 crop, which also had been of better-than-average quality. The Government support level for 1965-crop Maryland (produced under a marketing quota) was 52.8 cents a pound. Deliveries for Government loan amounted to 7 percent of the crop, compared with 10 percent of the previous year's crop.

In addition to the volume sold at this year's auction, about 3.7 million pounds were received at the Baltimore hogshead market by September 16.

### Fire-Cured, Types 21-23

#### Domestic Use and Exports

Disappearance of the fire-cured types in the marketing year that began October 1965 is estimated at about 55 million pounds--a little above 1964-65.

Domestic use is estimated at 22 million pounds--about 3-3/4 million less than a year earlier. Domestic use of both Virginia and Kentucky-Tennessee fire-cured may be down, but the drop will likely be proportionately greater in the Virginia type.

Exports of fire-cured in 1965-66 are estimated at close to 33 million pounds (farm-sales weight)--about a fifth above the previous year and second largest in 10 years. Kentucky-Tennessee fire-cured exports may have risen around a fourth above 1964-65, and exports of Virginia fire-cured may have increased moderately to the largest since 1948-49. In the first 10 months of the 1965-66 marketing year, exports of Kentucky-Tennessee fire-cured were nearly a third higher than a year earlier. The Netherlands, our principal outlet for these types, increased taking 63 percent, and the next ranking outlet--France--by 10 percent. Substantially more than a year earlier also went to Belgium, Switzerland, and Sweden, and moderately more, to the Republic of the Congo. Significant quantities were shipped to Egypt and Tunisia, in contrast to none a year earlier. Denmark also took more Kentucky-Tennessee fire-cured, but less than a year ago was exported to South Vietnam.

In the first 10 months of 1965-66, exports of Virginia fire-cured were 30 percent above a year earlier. Exports to Norway, accounting for over a fourth of the total, increased 28 percent. More than 1 million pounds (farm-sales weight) were shipped to Thailand; a year earlier, none went there. There were moderate gains in shipments to Sweden and West Germany, and significant quantities went to Switzerland and East Germany. On the other hand, the United Kingdom--second ranking foreign market for Virginia fire-cured in 1964-65--took only about a fourth as much as a year earlier.

Table 23.--Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance <sup>1/</sup>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	10.5	26.6	37.1	12.7	6.7	6.0
1956	10.7	24.4	35.1	10.3	4.8	5.5
1957	8.6	24.8	33.4	9.6	4.2	5.4
1958	9.4	23.8	33.2	10.7	5.3	5.4
1959	10.0	22.5	32.5	10.3	4.9	5.4
1960	8.9	22.2	31.1	10.2	4.0	6.2
1961	9.8	20.9	30.7	10.8	5.5	5.3
1962	9.5	19.9	29.4	9.2	4.1	5.1
1963	6.2	20.2	26.4	9.6	3.0	6.6
1964	9.1	16.8	25.9	10.3	3.9	6.4
1965	9.6	15.6	25.2	<b>*9.8</b>	<b>*3.0</b>	<b>*6.8</b>
1966 <sup>2/</sup>	<b>8.9</b>	<b>*15.4</b>	<b>*24.3</b>			
Average price per pound	Price support level <sup>3/</sup>	Placed under Government loan	Quantity	Percentage of crop	Remaining in Government loan stocks on August 31, 1966 <sup>4/</sup>	
Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1955	31.3	34.6	1.8	17.1	0	
1956	39.5	36.1	1.7	15.9	0	
1957	38.7	38.8	1.0	11.6	.3	
1958	36.9	38.8	.8	23.4	.9	
1959	37.6	38.8	.8	8.1	.1	
1960	39.4	38.8	.3	3.3	.1	
1961	38.8	38.8	.9	9.8	.3	
1962	38.8	39.2	1.2	12.6	.4	
1963	35.5	39.6	.4	6.5	.4	
1964	43.1	40.0	.3	3.3	.2	
1965	39.9	40.4	1.0	10.4	1.0	
1966		41.1				
Total	---	---	10.2	---	3.7	

<sup>1/</sup> Year beginning October 1.

<sup>2/</sup> Subject to revision.

<sup>3/</sup> Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

<sup>4/</sup> Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

\*Preliminary estimates.

Table 24.--Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price, and price support operations for specified periods

Year	(Farm-sales weight)					
	Production	Stocks, Oct. 1	Supply	Disappearance <sup>1/</sup>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	54.7	110.5	165.2	52.0	24.6	27.4
1956	59.9	113.2	173.1	52.3	27.5	24.8
1957	41.9	120.8	162.7	53.3	29.5	23.8
1958	33.9	109.4	143.3	44.1	24.6	19.5
1959	43.1	99.2	142.3	41.1	22.5	18.6
1960	36.5	101.2	137.7	44.9	23.9	21.0
1961	43.3	92.8	136.1	46.7	17.2	29.5
1962	44.6	89.4	134.0	40.8	21.1	19.7
1963	49.7	93.2	142.9	41.4	19.6	21.8
1964	46.0	101.5	147.5	42.7	21.7	21.0
1965	36.6	104.8	141.4	*45.0	*19.0	*26.0
1966 <sup>2/</sup>	39.7	*96.4	*136.1			
Average price per pound	Price support level <sup>3/</sup>	Placed under Government loan		Remaining in Government loan stocks on August 31, 1966 <sup>4/</sup>		
Ct.	Ct.	Mil. lb.	Percentage of crop	Mil. lb.		
1955	38.4	34.6	7.9	14.4	0	
1956	36.1	36.1	18.6	31.1	0	
1957	36.4	38.8	13.9	33.1	.2	
1958	38.1	38.8	4.4	12.0	.6	
1959	38.3	38.8	5.3	12.3	2.1	
1960	43.3	38.8	3.2	8.7	2.6	
1961	40.2	38.8	5.1	11.8	3.5	
1962	38.7	39.2	8.6	19.3	6.2	
1963	36.9	39.6	13.0	26.2	6.4	
1964	41.0	40.0	7.2	15.7	6.0	
1965	43.6	40.4	2.3	6.3	2.2	
1966		41.1				
Total	---	---	89.5	---	29.8	

<sup>1/</sup> Year beginning October 1.

<sup>2/</sup> Subject to revision.

<sup>3/</sup> Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

<sup>4/</sup> Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

\*Preliminary estimates.

1966-67 Supplies

Carryover of Virginia fire-cured on October 1, 1966, is estimated at about 15½ million pounds--not much different than the record-low holdings a year earlier. The September estimate of this year's crop is close to 9 million pounds--7 percent below 1965. Acreage for harvest is estimated to be a little under last year's, and average yield per acre is indicated to be down to the second lowest in 11 years. The 1966 acreage allotments for most farms are the same as in 1965. The total 1966-67 supply of Virginia fire-cured--production plus indicated carryover--is estimated at about 24 million pounds, 4 percent below 1965-66, and the smallest in many years.

The October 1, 1966, carryover of Kentucky-Tennessee fire-cured is estimated at about 96 million pounds--about 8 million pounds below the 7-year high a year earlier. The September estimate of this year's crop is about 39-¾ million pounds--9 percent larger than 1965. Acreage for harvest is estimated to be down 7 percent, but average yield per acre is indicated to be up a sixth from last year to the second highest on record. The 1966 acreage allotments for most farms are the same as in 1965. The 1966-67 supply of Kentucky-Tennessee fire-cured--production plus carryover--is estimated at about 136 million pounds, 4 percent less than the previous year.

Combined supplies of the fire-cured types for 1966-67 are about 160 million pounds, 4 percent smaller than for 1965-66. Carryover on October 1, 1967, may show some further decline from the current level.

The 1967 marketing quotas (on an acreage basis) for Virginia fire-cured (type 21) and for Kentucky-Tennessee fire-cured (types 22-23) will be announced by the Secretary of Agriculture by February 1, 1967. Within 30 days following the announcement, a referendum will be held in which growers of the 3 fire-cured types will vote on whether or not they approve marketing quotas on the 1967, 1968, and 1969 crops. Approval by at least two-thirds of the growers voting is necessary for marketing quotas to continue in effect. In the last referendum (February 1964), about 95 percent of the farmers voting favored marketing quotas on their next 3 crops.

Price Supports and Prices

The overall support level for 1966 fire-cured is 41.1 cents a pound. If marketing quotas are approved in the forthcoming referendum, Government price support will continue for the 1967 fire-cured crop. The support level for 1967 fire-cured will be determined in the same manner as for flue-cured. (See page 35.) Should the parity index for the rest of this year remain near the level of recent months, the overall support level for 1967 fire-cured will be about 2 percent higher than the 41.1 cents a pound in effect for the current crop. In 1962-65, the support level for fire-cured tobacco rose 1 percent a year, and in 1966, advanced 2 percent.

The 1965 season average price for the combined fire-cured types was 42.9 cents a pound--about 4 percent above the preceding year. Virginia fire-cured averaged 39.9 cents--7 percent below the record 1964 average, but higher than any other year. The season average for Kentucky-Tennessee type 22 was a record 44.7 cents a pound--up 6 percent from the preceding year. For Kentucky-Tennessee type 23, the 1965 season average price of 40.9 cents exceeded the previous year's average by 7 percent, and was second highest on record.

## Dark Air-Cured and Sun-Cured, Types 35-37

Domestic Use and Exports

Total disappearance of dark air-cured and sun-cured for the October 1965-September 1966 marketing year is estimated at about 21½ million pounds--2 million less than in 1964-65.

Domestic use is estimated at about 17½ million pounds--a decline of a tenth from the preceding year. Indications are that domestic disappearance of type 37 was near 1964-65, but that of types 35-36 may have declined approximately 10 percent.

Exports of dark air-cured and sun-cured (including allowance for Black Fat) are estimated at about 4 million pounds (farm-sales weight)--a little less than in 1964-65. In the first 10 months of 1965-66, exports of Green River were 37 percent smaller than a year earlier, due mainly to a sharp cut in takings by the Republic of the Congo, and none shipped to South Vietnam, which took a significant quantity a year ago. The United Kingdom also reduced takings, but shipments to Australia rose substantially. Exports of One Sucker leaf were 14 percent ahead of those in October 1964-July 1965. Around nine-tenths of the total was exported to Belgium and the Republic of the Congo--each of which increased takings considerably. Shipments to South Vietnam were minor, in contrast with a significant quantity a year earlier.

In most recent years, over half of all air-cured exports have been made in the form of Black Fat, a semi-processed product intended especially for sale abroad. In the 5 years before the marketing year 1961, these exports ranged between 4½ and 5 million pounds annually, but in the marketing years 1961-64 were below 4 million pounds each year. In the first 10 months of 1965-66, exports were 7 percent larger than a year earlier. A little less went to Nigeria, and moderately less to Ghana and West Africa. But increased exports were made to Cameroon and Togo, and some also went to the Netherlands (probably for re-export), and to Guinea.

1966-67 Supplies

October 1, 1966, stocks of dark air-cured and sun-cured are estimated at around 65 million pounds--a little lower than last October. Carryover of Kentucky-Tennessee dark air-cured is estimated to be down some, but that of Virginia sun-cured may be near the year-earlier level.

The September estimate of this year's crop combined is about 21 million pounds--3 percent more than 1965. Acreage for harvest of dark air-cured types 35-36 is estimated to be a little smaller than in 1965, but average yield per acre is indicated to be up nearly a tenth. Both the 1966 acreage and average yield per acre of type 37 are estimated to be below last year. The 1966 allotments for most farms growing dark air-cured and sun-cured are about the same as in 1965.

Total 1966-67 supplies of dark air-cured and sun-cured--October 1 stocks plus this year's crop--are estimated at about 86 million pounds, slightly less than for 1965-66. The supply of Virginia sun-cured may be down about 5 percent, but that of dark air-cured may be about the same as the previous year. October 1, 1967, carryover of the combined types may show some decline from the current level.

By February 1, 1967, the Secretary of Agriculture will announce marketing quotas and acreage allotments for dark air-cured and Virginia sun-cured tobacco. Shortly

Table 25.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
1955	27.8	76.6	104.4	23.6	18.4	5.2	
1956	30.7	80.8	111.5	34.0	23.4	10.6	
1957	19.8	77.5	97.3	24.8	18.5	6.3	
1958	16.1	72.5	88.6	25.0	17.5	7.5	
1959	19.3	63.6	82.9	21.9	16.4	5.5	
1960	18.2	61.0	79.2	22.0	17.3	4.7	
1961	20.6	57.2	77.8	22.6	17.9	4.7	
1962	22.5	55.2	77.7	19.5	16.5	3.0	
1963	24.2	58.2	82.4	21.2	18.1	3.1	
1964	22.7	61.2	83.9	22.0	18.0	4.0	
1965	18.5	61.9	80.4	*19.7	*16.0	*3.7	
1966 <u>2/</u>	19.5	*60.7	*80.2				
Year	Average price per pound	Price support level <u>3/</u>	Placed under Government loan		Remaining in Government loan stocks on August 31, 1966 <u>4/</u>		
			Quantity	Percentage of crop			
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1955	31.8	30.8	6.3	22.7	0		
1956	34.0	32.1	6.6	21.5	0		
1957	36.1	34.5	3.0	15.2	<u>5/</u>		
1958	38.4	34.5	.5	2.7	.1		
1959	34.5	34.5	3.7	19.2	.7		
1960	37.4	34.5	2.2	12.2	.5		
1961	37.8	34.5	1.9	9.2	1.5		
1962	36.2	34.8	4.1	18.2	3.3		
1963	33.3	35.2	8.3	34.3	7.7		
1964	37.0	35.5	3.7	16.3	3.7		
1965	37.0	35.9	3.2	17.3	3.2		
1966		36.6					
Total	---	---	43.5	---	20.7		

1/ Year beginning October 1.

2/ Subject to revision.

3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

5/ Less than 50,000 pounds.

\*Preliminary estimates.



Table 26.--Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	3.3	4.2	7.5	2.9	2.1	0.8
1956	3.2	4.6	7.8	2.5	1.9	.6
1957	2.7	5.3	8.0	2.5	1.9	.6
1958	1.9	5.5	7.4	2.5	2.2	.3
1959	2.2	4.9	7.1	1.9	1.6	.3
1960	1.8	5.2	7.0	2.0	1.7	.3
1961	2.2	5.0	7.2	2.1	1.8	.3
1962	2.3	5.1	7.4	2.3	2.0	.3
1963	1.1	5.1	6.2	2.0	1.7	.3
1964	1.8	4.2	6.0	1.7	1.4	.3
1965	2.0	4.3	6.3	*1.9	*1.5	*.4
1966 <u>2/</u>	1.6	*4.4	*6.0			
Average price per pound	Ct.	Price support level <u>3/</u>	Placed under Government loan		Remaining in Government loan stocks on August 31, 1966	
			Quantity	Percentage of crop		
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.	
1955	25.3	30.8	72	2.2	0	
1956	35.7	32.1	103	3.2	0	
1957	34.0	34.5	11	.4	0	
1958	36.8	34.5	29	1.5	0	
1959	34.4	34.5	24	1.1	0	
1960	37.9	34.5	5	.3	0	
1961	39.8	34.5	7	.3	0	
1962	37.4	34.8	59	2.6	0	
1963	31.4	35.2	92	8.1	0	
1964	41.2	35.5	16	.9	0	
1965	39.2	35.9	75	3.8	0	
1966		36.6				
Total	---	---	493	---	0	

1/ Year beginning October 1.

2/ Subject to revision.

3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

\*Preliminary estimates.

thereafter, a referendum will be held for growers of dark air-cured (types 35-36) to vote on whether they favor marketing quotas on their 1967, 1968, and 1969 crops. Approval by at least two-thirds of the growers voting is required before marketing quotas can continue in effect. In the last referendum, held February 1964, close to 98 percent of growers of types 35-36 who voted approved quotas for their next 3 crops. Producers of Virginia sun-cured, type 37, approved marketing quotas for their 1965-67 crops in a referendum held February 1965.

### Price Supports and Prices

The support level in effect for 1966 dark air- and sun-cured is 36.6 cents a pound. Government price support will continue for the 1967 crop of Virginia sun-cured, and--provided marketing quotas are approved in the forthcoming referendum--for 1967 dark air-cured, types 35-36. The support level for 1967 dark air-cured and sun-cured will be determined in the same manner as for flue-cured. (See page 35.) Should the parity index for the remainder of this year stay near the level of recent months, the overall support level for 1967 dark air-cured and sun-cured will be about 2 percent higher than the 36.6 cents in effect for the current crop. In 1962-65, the support level for dark air-cured and sun-cured increased 1 percent a year, and in 1966, rose 2 percent.

Last season the combined dark air- and sun-cured crop brought an average of 37.3 cents a pound--the same as in the previous year. One Sucker (type 35) averaged 37.6 cents--slightly less than the year before. The 1965 crop of Green River (type 36) brought an average of 36.1 cents--2 percent higher than the 1964 price, and second highest on record. The price average for 1965 Virginia sun-cured, at 39.2 cents, was 5 percent below the record average for the 1964 crop, but still the third highest on record.

During the 1965 season, growers placed 1.4 million pounds of One Sucker and 1.7 million pounds of Green River under Government loan. Placements of each type were moderately less than in the previous season; they were equal to 12 percent of the One Sucker crop and 26 percent of the Green River crop. Loan placements of Virginia sun-cured, usually minor, amounted to 75,000 pounds--less than 4 percent of the crop.

### Cigar Tobacco, Domestic and Imported

#### Domestic Use and Exports

**Filler:** The 1965-66 domestic use of Pennsylvania filler is estimated at about 55 million pounds--about 3/4 million above 1964-65, and about 6 million above the recent 5-year average. The 1965-66 domestic use of Ohio filler is estimated at about 6 1/2 million pounds--down 1 1/2 million from 1964-65 and 1/2 million below the recent 5-year average. The 1965-66 domestic use of Puerto Rican filler is estimated at 28 million pounds--up about 1 1/4 million from 1964-65, but about 3/4 million lower than the recent 5-year average.

Domestic use accounts for all except a small part of total disappearance of the U.S. cigar filler types. The major proportion is used in cigar manufacture, but a sizable quantity of the Pennsylvania type is used in the manufacture of scrap chewing. The Pennsylvania type is one of the major components of cigar binder sheet. A little Puerto Rican and Ohio tobacco is also used for this purpose.

The 1965-66 exports of U.S. cigar filler are estimated at about  $1\frac{1}{4}$  million pounds (farm-sales weight)--more than double 1964-65, and above any year since 1958-59. Canada--the leading destination--took about twice as much as a year earlier, and South Vietnam--ranking second--tripled its 1964-65 takings. Next ranking outlets for cigar filler were the United Kingdom, France, and Switzerland.

Use of imported cigar filler: During October 1965-June 1966, the use of Philippine tobacco is estimated at about 19 million pounds (farm-sales weight)--3 million more than in the comparable period of a year earlier. Data on imports for consumption indicate that use of most other foreign cigar tobaccos declined during the 10 months ending July 31. During October 1965-July 1966, Dominican tobacco entering consumption channels totaled about  $5\frac{1}{2}$  million pounds (farm-sales weight)--one-half as much as the year-earlier figure. Similar data indicated Colombian tobacco at about 5 million pounds--down over one-third; Brazilian tobacco at about 4 million pounds--down over one-fourth; and Indonesian tobacco at about 1 million pounds--down one-half. On the other hand, consumption of Mexican tobacco at nearly  $2\frac{1}{2}$  million pounds was indicated to be two-fifths larger than in October 1964-July 1965, Paraguayan tobacco at  $1\frac{1}{2}$  million pounds--up more than 50 percent, and Honduran tobacco at two-thirds of a million pounds--up 35 percent.

During October 1965-July 1966, use of Cuban tobacco from the relatively small stocks still on hand in this country totaled about 3-3/4 million pounds (farm-sales weight)--virtually the same as in the like period of 1964-65. Prior to the U.S. embargo on imports from Cuba (imposed February 3, 1962) that country was the leading source of U.S. cigar tobacco imports, with annual U.S. consumption amounting to about 35 million pounds (farm-sales weight). As of July 1, 1966, stocks of Cuban tobacco in this country were down to about 6-3/4 million pounds.

Binder: The 1965-66 disappearance of Connecticut Valley binder is estimated at 7 million pounds--down a bit from 1964-65, and near a record low. The disappearance of Broadleaf (type 51) may be up some, but disappearance of Havana Seed (type 52) is down. Domestic use of the combined types is estimated at 4-3/4 million pounds--about  $\frac{1}{2}$  million below 1964-65. Broadleaf is an important constituent of cigar binder sheet. The 1965-66 exports of Connecticut Valley binder types are estimated at about 2.2 million pounds (farm-sales weight)--virtually the same as in 1964-65. During the first 10 months of the marketing year, Spain--the leading destination--took about one-fourth less than a year earlier, but German takings were up more than 50 percent. Other destinations getting comparatively small quantities included Canada, Denmark, Canary Islands, the Netherlands and Dominican Republic.

The 1965-66 disappearance of Wisconsin tobacco is estimated at around 19 million pounds--about 1 million above 1964-65. Disappearances of both the Southern (type 54) and Northern (type 55) Wisconsin tobaccos are indicated to be moderately above a year earlier. The major outlet for Wisconsin tobacco is scrap chewing tobacco, but the Northern Wisconsin type is also utilized to some extent in cigar binder sheet. Exports of Wisconsin tobacco in 1965-66 are estimated at 400,000 pounds (farm-sales weight)--down one-third from 1964-65. There was a sharp drop in shipments to East Germany--leading outlet last year--but a sizable quantity went to Canada in contrast with very little a year earlier.

Shade-grown wrapper: The disappearance of Connecticut Valley shade-grown wrapper during July 1965-June 1966 at 12.6 million pounds was  $\frac{1}{2}$  million below a year earlier and  $1\frac{1}{2}$  million below 2 years earlier. Domestic use at 9.3 million pounds declined 7 percent below the preceding year. Exports at nearly 3.3 million pounds,

Table 27.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance <sup>1/</sup>			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf (type 41)							
1955	45.7	113.0	158.7	55.0	54.6	0.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	60.0	122.9	182.9	2/52.0	2/51.7	.3	23.5
1963	51.8	128.0	179.8	2/44.7	44.2	.5	21.0
1964	45.9	138.1	184.0	54.6	54.1	.5	27.0
1965	51.3	129.4	180.7	*56.0	*54.8	*1.2	24.0
1966 <sup>3/</sup>	42.5	*125.0	*167.5				
Ohio, Miami Valley (types 42-44)							
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.5	20.2	27.7	6.6	6.6		28.2
1963	6.8	21.1	27.9	8.7	8.7		27.1
1964	5.8	19.2	25.0	8.0	8.0		26.7
1965	5.6	17.0	22.6	*6.5	*6.5		26.2
1966 <sup>3/</sup>	6.5	*16.0	*22.5				
Puerto Rico (type 46) <sup>4/</sup>							
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	28.1	42.4	70.5	26.7	26.2	.5	31.6
1960	27.5	43.8	71.3	28.0	27.9	.1	33.7
1961	30.7	43.3	74.0	32.4	32.3	.1	36.8
1962	35.6	41.6	77.2	28.0	28.0	---	38.0
1963	32.0	49.2	81.2	29.8	29.6	.2	40.8
1964	30.8	51.4	89.3	26.7	26.7	---	37.2
1965	16.6	62.6	79.2	* 28.0	* 28.0	---	31.0
1966 <sup>3/</sup>	15.0	* 51.2	*66.2				

<sup>1/</sup> Year beginning October 1.

<sup>2/</sup> Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year.

<sup>3/</sup> Subject to revision.

<sup>4/</sup> Puerto Rican planting occurs late in calendar year. <sup>5/</sup> Quota set by Commonwealth Government of Puerto Rico.

\*Preliminary estimates.

Table 28.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Connecticut Valley Broadleaf (type 51)							
1955	12.1	33.4	45.5	14.7	14.3	0.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961	3.1	19.4	22.5	3.7	3.6	.1	43.3
1962	2.9	18.8	21.7	6.2	6.0	.2	53.5
1963	3.7	15.5	19.2	4.6	4.3	.3	51.0
1964	3.8	14.6	18.4	3.7	<u>2/</u>	<u>2/</u>	50.0
1965	3.5	14.7	18.2	*4.0	<u>2/</u>	<u>2/</u>	47.0
1966 3/	2.2	*14.2	*16.4				
Connecticut Valley Havana Seed (type 52)							
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962	2.4	11.0	13.4	3.3	2.6	.7	42.5
1963	2.2	10.1	12.3	4.0	2.7	1.3	41.6
1964	1.9	8.3	10.2	3.6	<u>2/</u>	<u>2/</u>	43.8
1965	1.4	6.6	8.0	*3.0	<u>2/</u>	<u>2/</u>	47.0
1966 3/	1.3	*5.0	*6.3				
Total Connecticut Valley (types 51-52)							
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	9.0	8.1	.9	42.6
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962	5.3	29.8	35.1	9.5	8.6	.9	48.5
1963	5.9	25.6	31.5	8.6	7.0	1.6	47.5
1964	5.7	22.9	28.6	7.3	5.2	2.1	47.9
1965	4.9	21.3	26.2	*7.0	*4.8	*2.2	47.0
1966 3/	3.5	*19.2	*22.7				

1/ Year beginning October 1. 2/ Breakdown between domestic use and exports not available for individual types of Connecticut Valley binder tobacco. 3/ Subject to revision.  
\*Preliminary estimates.

Table 29.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance <sup>1/</sup>			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Southern Wisconsin (type 54)							
1955	6.7	29.0	35.7	10.3	9.9	0.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962	8.7	23.3	32.0	7.7	7.6	.1	29.3
1963	8.3	24.3	32.6	9.7	9.7	<u>2/</u>	30.0
1964	8.7	22.9	31.6	8.9	<u>3/</u>	<u>3/</u>	32.2
1965	8.5	22.7	31.2	*9.4	<u>3/</u>	<u>3/</u>	29.7
1966 <sup>4/</sup>	7.9	*21.8	*29.7				
Northern Wisconsin (type 55)							
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962	10.9	27.8	38.7	11.1	10.9	.2	29.1
1963	9.7	27.6	37.3	12.5	12.5	<u>2/</u>	31.6
1964	11.2	24.8	36.0	9.2	<u>3/</u>	<u>3/</u>	35.8
1965	10.8	26.8	37.6	*9.5	<u>3/</u>	<u>3/</u>	28.9
1966 <sup>4/</sup>	10.0	*28.1	*38.1				
Total Wisconsin (types 54-55)							
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962	19.6	51.1	70.7	18.9	18.6	.3	29.2
1963	18.0	51.9	69.9	22.2	22.2	<u>2/</u>	30.9
1964	19.9	47.7	67.6	18.1	17.5	.6	34.2
1965	19.3	49.5	68.8	*18.9	*18.5	*.4	29.3
1966 <sup>4/</sup>	17.9	*49.9	*67.8				

<sup>1/</sup> Year beginning October 1.<sup>2/</sup> Negligible.<sup>3/</sup> Breakdown between domestic use and exports not available for individual types of Wisconsin tobacco.<sup>4/</sup> Subject to revision.

\* Preliminary estimates.

however, gained a bit; West Germany--the leading outlet--took slightly less, and Canada--second ranking outlet--took about a tenth less; however, the United Kingdom--third ranking outlet--raised its takings more than one-fifth, and East Germany--fourth ranking outlet--tripled its 1964-65 takings. Moderately less went to the Canary Islands, but moderately more to the Netherlands, and a significant quantity went to Finland, in contrast with none in 1964-65.

The disappearance of Georgia-Florida shade-grown wrapper at 7.4 million pounds was 0.9 million lower than 1964-65. Domestic use at 5.6 million pounds was down sharply from the high level of a year earlier, but exports at 1.8 million were up sharply from the low 1964-65 figure. West Germany--our leading export outlet--more than doubled its 1964-65 takings; East Germany--the second ranking destination--took over three-fifths more than in 1964-65; and Canada--the third ranking outlet--took 78 percent more than in 1964-65. On the other hand, sharply less than a year earlier went to Austria and the Netherlands. The Canary Islands took about the same as a year earlier; but more went to Switzerland, and Belgium.

### 1966-67 Supplies

Filler: Pennsylvania filler (type 41) acreage is estimated at about 7 percent below 1965, and is the smallest since 1952. As of September 1, the crop was indicated at  $42\frac{1}{2}$  million pounds--one-sixth lower than 1965, and smallest since 1957. The 1966 crop, plus the carryover of about 125 million pounds, will provide a total supply of  $167\frac{1}{2}$  million pounds for 1966-67--7 percent below 1965-66, and 9 percent below the long-time high of 2 years ago.

Ohio filler (types 42-44) acreage is estimated at 8 percent below 1965, and is the second smallest on record. As of September 1, the crop was expected to be about  $6\frac{1}{2}$  million pounds--one sixth larger than 1965, due to an indicated record average yield per acre. The 1966 crop, plus carryover estimated at 16 million pounds--a new low--will provide a total supply of  $22\frac{1}{2}$  million pounds--only slightly below the 1965-66 supply, but one of the lowest on record.

Puerto Rico filler tobacco (type 46) is planted late in the calendar year and harvested in the early months of the following year. The Puerto Rican Government has announced a quota of 15.0 million pounds--about 1.6 million below the comparatively small harvest early in 1966. The carryover of Puerto Rican filler on October 1 is estimated at about 51 million pounds--down roughly 11 million from the long-time high of a year earlier, and near the level of 2 years ago.

Imported cigar tobacco: July 1 stocks of foreign cigar tobaccos in the United States, compared with 1 and 2 years earlier, are shown below:

Country of origin	July 1 stocks--farm-sales weight		
	1964	1965	1966
	Mil. lb.	Mil. lb.	Mil. lb.
Philippines	16.7	41.7	45.3
Brazil	9.6	17.2	14.0
Colombia	20.3	19.7	13.8
Dominican Republic	15.3	20.2	12.8
Cuba	17.3	11.9	6.8
Indonesia	3.5	8.4	6.0
Paraguay	2.8	4.1	4.1
Other	4.9	8.7	11.4
Total	90.4	131.9	113.7

Table 30.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Shade-grown (type 61)							
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	16.2	28.2	11.3	8.8	2.5	190.0
1961	10.3	16.9	27.2	12.0	8.7	3.3	235.0
1962	11.9	15.2	27.1	11.1	8.3	2.8	250.0
1963	12.0	16.0	28.0	14.1	10.0	4.1	260.0
1964	13.5	13.9	27.4	13.1	10.0	3.1	250.0
1965	14.6	14.3	28.9	12.6	9.3	3.3	230.0
1966 <u>2/</u>	14.3	16.3	30.6				
Georgia-Florida Shade-grown (type 62)							
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.7	17.0	6.5	5.5	1.0	200.0
1961	8.8	10.5	19.3	9.1	6.5	2.6	190.0
1962	7.4	10.2	17.6	8.5	6.4	2.1	205.0
1963	6.7	9.1	15.8	7.6	5.3	2.3	205.0
1964	7.6	8.2	15.8	8.5	7.3	1.2	235.0
1965	8.3	7.3	15.6	7.4	5.6	1.8	225.0
1966 <u>2/</u>	7.0	8.2	15.2				
Total Shade-grown (types 61-62)							
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	23.9	45.2	17.8	14.3	3.5	194.0
1961	19.1	27.4	46.5	21.1	15.2	5.9	214.0
1962	19.3	25.4	44.7	19.6	14.7	4.9	233.0
1963	18.7	25.1	43.8	21.7	15.3	6.4	240.0
1964	21.1	22.1	43.2	21.6	17.3	4.3	245.0
1965	22.9	21.6	44.5	20.0	14.9	5.1	228.0
1966 <u>2/</u>	21.3	24.5	45.8				

1/ Year beginning July 1.

2/ Subject to revision.

Note: Stocks data back to 1960 have been revised, and supply and derived disappearance correspondingly so but not 1959-60 disappearance.



Total stocks of foreign-grown cigar tobaccos in the U.S. on July 1, were 14 percent lower than a year earlier, but 26 percent above 2 years earlier. Sharp reductions occurred in stocks of Dominican, Colombian and Brazilian tobaccos; but there was a 9 percent increase in stocks of Philippine tobacco from a year earlier.

During January-July, general imports (total arrivals) of tobacco from the Philippines were down nearly two-fifths from the unusually high level of a year earlier. Tobacco arrivals from Dominican Republic and Brazil were only about one-tenth and one-fifth as much, respectively, as in January-July 1965; tobacco arrivals from Colombia were only about two-thirds as much as a year earlier. The quantity from Indonesia was negligible. Tobacco arriving from Mexico, however, was nearly a third more than in the year-earlier period, and that from Honduras was up 15 percent.

Binder: Cigar binder tobacco acreage in the Connecticut Valley is estimated to be down more than a third from 1965--a new low. As of September 1, production of Broadleaf and Havana Seed were estimated at 2.2 and 1.3 million pounds respectively--a sharp drop indicated in Broadleaf. Carryovers of both types are estimated to be lower than a year earlier. The 1966-67 total supply of Broadleaf may be about 16.4 million pounds--about 1.8 million lower than 1965-66; the 1966-67 total supply of Havana Seed may be around 6.3 million pounds--about 1.7 million below 1965-66.

Acreages of Southern Wisconsin (type 54) and Northern Wisconsin (type 55) are estimated to be down 6 and 5 percent, respectively, from 1965. As of September 1, production in Southern Wisconsin--indicated at 7.9 million pounds--was 7 percent below last year's harvestings. Production plus estimated carryover of about 21.8 million pounds (nearly 1 million below a year ago) would provide a total supply for 1966-67 of 29.7 million pounds--the lowest since 1958-59. The September 1 indication for the Northern Wisconsin crop was 10 million pounds--7 percent below 1965. The anticipated smaller crop, plus an estimated carryover of about 28 million pounds (up about  $1\frac{1}{4}$  million from a year ago), would provide a total supply for 1966-67 of around 38 million--about  $\frac{1}{2}$  million pounds above 1965-66.

Wrapper: Acreage of Connecticut Valley wrapper is estimated at 4 percent below 1965, but is the second largest since 1949. As of September 1, production was indicated at 14.3 million pounds--2 percent under 1965 harvestings, but above any other year. Carryover on July 1 at 16.3 million pounds was 2 million larger than a year earlier, and is the highest since 1961. The 1966-67 total supply of Connecticut Valley wrapper at 30.6 million pounds is about 6 percent above 1965-66 and a record level.

Acreage of Georgia-Florida wrapper is estimated to be down nearly one-tenth from 1965. As of September 1, production was indicated at 7 million pounds--around one-sixth lower than 1965 harvestings, and second smallest in 8 years. Carryover on July 1, at 8.2 million pounds, was about nine-tenths of a million pounds above a year earlier, and virtually the same as 2 years earlier. The 1966-67 total supply of Georgia-Florida wrapper at 15.2 million pounds is about 3 percent below 1965-66, and is the smallest in 7 years.

#### 1967 Marketing Quotas and Acreage Allotments

By February 1, 1967, the 1967 marketing quotas and acreage allotments will be announced for (1) Connecticut Valley binder types 51-52 and (2) Ohio filler types 42-44 and binder types 53-55 (principally Wisconsin). Growers voted approval of marketing quotas on their 1966, 1967 and 1968 crops in referendums held in the respective producing areas on February 10, 1966.

Table 31.--Cigar tobacco types: Government price support levels 1963-66 and season average prices, 1963-65

Types	1963		1964		1965		1966
	Price support level <u>1</u> /	Season average price	Price support level <u>1</u> /	Season average price	Price support level <u>1</u> /	Season average price	Price support level <u>1</u> /
	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.
Puerto Rican filler, type 46	30.3	40.8	30.6	37.2	30.9	31.0	31.5
Conn. Valley Broadleaf, type 51	( )	51.0	( )	50.0	( )	47.0	( )
	(40.4)		(40.8)		(41.2)		(42.0)
Conn. Valley Havana Seed, type 52	( )	41.6	( )	43.8	( )	47.0	( )
Ohio filler, types 42-44	( )	27.1	( )	26.7	( )	26.2	( )
So. Wis., type 54	(29.2)	30.0	(29.5)	32.2	(29.7)	29.7	(30.3)
No. Wis., type 55	( )	31.6	( )	35.8	( )	28.9	( )

1/ Support levels are adjusted to reflect the relative change between the 1959 parity index and the average of the parity index for the 3 most recent calendar years.

Table 32.--Cigar tobacco price support operations, quantities placed under loan, 1955-65, and remaining under loan August 31, 1966

Crop	Quantities placed under loan						Total
	Puerto Rican, type 46	Ohio, types 42-44	Connecticut Valley, type 51	Connecticut Valley, type 52	Southern Wisconsin, type 54	Northern Wisconsin, type 55	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
1955	2.8	0.8	7.8	5.2	0.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	<u>1</u> /	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	<u>2</u> /7.1
1963	.6	.6	.2	1.3	1.0	3.1	6.8
1964	0	.1	.1	1.0	<u>1</u> /	.8	2.0
1965	<u>3</u> /	.2	.9	.5	.6	3.2	5.4
1966							
Total	12.7	2.3	17.6	16.2	8.0	23.6	<u>2</u> /80.4
Remaining under loan as of August 31, 1966							
1960	0	0	0	.2	0	0	.2
1961	0	0	0	.6	0	0	.6
1962	0	0	0	.4	0	0	.4
1963	0	0	.1	.3	0	0	.4
1964	0	0	.1	.3	0	.3	.7
1965	<u>3</u> /	.2	.8	.4	.6	3.2	5.2
1966							
Total	0	.2	1.0	2.2	.6	3.5	7.5

1/ Negligible. 2/ Includes negligible amount from the 1962 crop of New York and Pennsylvania Havana Seed (type 53). 3/ Not available.

A marketing quota has never been in effect on Pennsylvania filler, type 41. In a referendum held February 18, 1965, growers voted against marketing quotas on their 1965, 1966, and 1967 crops.

For Puerto Rico filler (type 46), the Commonwealth Government of Puerto Rico has determined quotas for many years.

The cigar wrapper grown in the Connecticut Valley (type 61) and in Georgia-Florida (type 62) are not subject to the legislation providing for marketing quotas and price support.

#### Prices and Price Support

Price for the 1965 crops and overall levels of 1966 price supports are shown in table 31. The overall levels of 1967 price supports would be about 2 percent above 1966 if the parity index remains near its present level for the rest of the year. The parity index measures changes in prices paid by farmers, including interest, taxes, and wage rates.

:  
:        The Tobacco Situation is published March, :  
:        June, September and December.        :  
:        :  
:        The next issue is scheduled for release :  
:        December 30, 1966.        :  
:        :

Table 33. --Tobacco: Acreage and yield per acre in the United States, by types, or groups of types, for specified periods

Period	Flue-cured		Mary-land		Va.		Dark		Fire-cured		Ky-Tenn.		air-cured		Va. sun-cured		Cigar		Binder		Wrapper		Total 1/ acres	
	11-14	acres	31	acres	21	acres	22-23	acres	35-36	acres	41	acres	42-44	acres	45	acres	51-52	acres	54-55	acres	61-62	acres		
1950	958.4	408.3	50.0	9.8	43.1	25.5	37.3	7.8	37.0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,636.0
1951	1,110.1	456.1	53.0	10.0	39.0	23.0	34.9	4.9	36.0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,815.9
1952	1,111.3	463.5	50.0	9.8	37.6	22.9	23.7	5.7	36.7	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,808.5
1953	1,021.8	419.7	45.0	9.9	38.4	22.3	25.8	4.7	41.7	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,674.6
1954	1,042.2	420.9	50.0	10.0	42.0	21.8	29.2	4.6	38.0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,705.5
1955	990.7	310.6	47.0	9.1	39.1	20.0	29.5	4.4	36.1	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,531.5
1956	875.3	309.8	43.7	8.5	38.5	19.3	29.0	3.9	26.3	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,389.8
1957	662.7	306.6	37.0	6.9	24.7	14.5	29.0	3.6	26.5	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,148.3
1958	639.4	297.1	34.0	6.8	24.3	12.7	30.0	3.0	24.2	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,102.1
1959	693.3	301.0	40.0	7.6	27.6	13.2	31.0	3.9	26.3	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,179.0
1960	691.8	295.7	37.5	7.3	25.9	13.0	31.0	4.3	28.5	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,170.1
1961	698.5	318.9	40.0	7.5	27.9	13.5	31.0	4.6	27.0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,201.4
1962	729.8	338.6	41.0	7.6	28.5	13.9	30.0	4.2	28.5	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,252.6
1963	694.5	338.5	34.5	6.6	27.7	13.8	28.0	3.9	30.0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,205.7
1964	627.6	306.6	39.0	7.3	24.8	12.4	27.0	3.7	30.8	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,108.6
1965	562.3	277.1	33.5	7.6	23.2	11.3	27.0	3.7	17.0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	993.9
1966 2/	610.1	241.6	36.0	7.4	21.6	10.9	25.0	3.4	13.7	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	998.1
1950	1,312	1,222	800	1,310	1,054	983	1,500	1,350	689	1,670	1,446	1,130	1,130	1,256										
1951	1,309	1,355	785	1,340	1,183	1,204	1,610	1,480	781	1,676	1,473	1,098	1,299											
1952	1,229	1,403	805	1,250	1,223	1,314	1,600	1,550	935	1,620	1,447	1,124	1,266											
1953	1,245	1,345	900	930	1,034	1,060	1,480	1,400	818	1,833	1,400	1,203	1,250											
1954	1,261	1,586	875	1,060	1,229	1,395	1,670	1,750	895	1,754	1,530	1,264	1,336											
1955	1,497	1,513	670	1,155	1,399	1,391	1,550	1,700	831	1,643	1,469	1,213	1,451											
1956	1,625	1,635	840	1,260	1,555	1,592	1,670	1,625	913	1,849	1,712	1,290	1,583											
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,420	1,270	1,008	1,940	1,709	1,442	1,475											
1958	1,691	1,567	915	1,385	1,393	1,269	1,700	835	1,058	1,867	1,682	1,283	1,599											
1959	1,559	1,669	780	1,320	1,560	1,466	1,725	1,770	1,068	1,712	1,436	1,325	1,548											
1960	1,808	1,639	925	1,220	1,411	1,403	1,700	1,535	965	1,802	1,431	1,460	1,685											
1961	1,801	1,820	970	1,300	1,552	1,525	1,725	1,665	1,137	1,881	1,640	1,429	1,741											
1962	1,930	1,993	990	1,255	1,566	1,619	2,000	1,775	1,249	2,026	1,621	1,464	1,876											
1963	1,975	2,231	1,000	940	1,795	1,751	1,850	1,740	1,067	2,075	1,680	1,449	1,970											
1964	2,211	2,022	1,085	1,245	1,854	1,828	1,700	1,555	1,232	2,021	1,821	1,530	2,044											
1965	1,883	2,116	1,150	1,260	1,574	1,639	1,900	1,500	976	1,890	1,765	1,468	1,883											
1966 2/	1,924	2,228	1,000	1,200	1,839	1,791	1,700	1,900	n.a.	2,069	1,743	1,461	1,929											

1/ Total includes types 56, 24 and 53 in various years prior to 1953. 2/ Preliminary. 3/ Approximation based on reduction in quota. n.a.--not available

Table 34.--Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1964 and 1965

State	1964				1965 <sup>1/</sup>		
	Tobacco	Tobacco as:		Tobacco	Tobacco as:		
		Percent- age of crops	Percentage of all farm commodities		Percent- age of crops	Percentage of all farm commodities	
	Million dollars	Percent	Percent	Million dollars	Percent	Percent	
North Carolina	564	64.9	45.6	455	58.4	38.2	
Kentucky	349	82.5	46.7	255	76.8	36.3	
Tennessee	100	31.6	16.9	90	29.6	14.4	
South Carolina	94	31.8	23.0	88	29.6	21.1	
Virginia	103	40.9	20.6	84	34.3	16.4	
Georgia	77	18.9	8.9	79	18.6	8.4	
Florida	26	3.4	2.6	27	3.6	2.8	
Maryland	16	17.0	5.6	27	23.5	8.2	
Connecticut	25	41.7	16.8	26	41.3	17.0	
Pennsylvania	11	5.1	1.4	12	5.3	1.5	
Ohio	15	3.3	1.4	11	2.5	1.0	
Massachusetts	9	12.7	5.5	10	13.5	6.0	
Indiana	11	2.1	.9	8	1.4	.6	
Wisconsin	6	3.6	.5	7	3.9	.6	
Missouri	4	1.0	.3	3	.7	.2	
West Virginia	3	12.0	3.0	3	12.5	2.8	
United States <sup>2/</sup>	1,414	8.3	3.8	1,186	6.8	3.0	

<sup>1/</sup> Subject to revision. <sup>2/</sup> U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately. Detail may not add to total due to rounding.

Table 35.--Total expenditures for tobacco products, 1946-65

Year	Total	Cigarettes	Cigars	Other <sup>1/</sup>	Year	Total	Cigarettes	Cigars	Other <sup>1/</sup>
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.		Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1946	3,478	2,656	542	280	1956	5,481	4,681	556	244
1947	3,869	3,044	547	278	1957	5,877	5,072	562	243
1948	4,143	3,307	548	288	1958	6,182	5,341	584	257
1949	4,246	3,437	520	289	1959	6,764	5,854	629	281
1950	4,392	3,586	514	292	1960	7,187	6,244	649	294
1951	4,685	3,876	526	283	1961	7,472	6,538	631	303
1952	5,073	4,246	545	282	1962	7,608	6,675	634	299
1953	5,264	4,436	560	268	1963	8,004	7,055	649	300
1954	5,104	4,292	552	260	1964	8,116	7,048	746	322
1955	5,217	4,409	550	258	1965 <sup>2/</sup>	8,652	7,626	719	307

<sup>1/</sup> Smoking, chewing, and snuff. <sup>2/</sup> Subject to revision. Note: These series on expenditures supersede those in table 31, page 58, March 1965 Tobacco Situation.

Table 36.--Federal, State, and local tax revenues from tobacco products for specified periods

Fiscal year	Federal				State	Total	Local Governments	Total
	Cigarettes	Cigars	Chewing, smoking, and snuff	Total	All tobacco products	Federal and State		Federal, State and local Governments
	<sup>1/</sup>	<sup>2/</sup>		<sup>3/</sup>				
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average: 1950-54	1,422	45	30	1,497	445	1,942		
1955	1,504	46	20	1,571	460	2,031	49	2,080
1956	1,549	45	19	1,613	516	2,129	42	2,171
1957	1,611	45	18	1,674	558	2,232	48	2,280
1958	1,668	47	18	1,734	619	2,353	50	2,403
1959	1,738	51	17	1,807	677	2,484	53	2,537
1960	1,864	50	17	1,932	923	2,855	65	2,920
1961	1,924	50	17	1,991	1,001	2,992	76	3,068
1962	1,957	50	17	2,026	1,075	3,101	72	3,173
1963	2,011	50	16	2,079	1,124	3,203	64	3,267
1964	1,977	56	17	2,053	1,196	3,249	84	3,333
1965	2,070	61	17	2,149	1,284	3,433	102	3,535
1966 <sup>4/</sup>	2,006	58	9	2,074	1,500	3,574	<sup>2/</sup>	<sup>2/</sup>

<sup>1/</sup> Includes large cigarettes. <sup>2/</sup> Includes small cigars and amounts on cigars from Puerto Rico covered into the Treasury of Puerto Rico. <sup>3/</sup> Includes cigarette papers and tubes, floor taxes, penalties, etc. <sup>4/</sup> Preliminary--State tax revenues estimated. <sup>5/</sup> Local government collections for fiscal 1965 not yet available.

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



STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1965		1966		Last data as percentage of a year earlier	
		June	July	May	June		July
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	29.2	33.0	19.2	23.9	39.5	120
Burley	Mil. lb.	8.8	5.6	3.7	5.4	5.6	100
Maryland	Mil. lb.	.4	.7	.7	.5	1.8	257
Virginia fire- & sun-cured	Mil. lb.	.5	.4	.3	.1	.4	100
Ky.-Tenn. fire-cured	Mil. lb.	.4	1.5	.2	1.2	1.5	100
Ky.-Tenn. dark air-cured	Mil. lb.	*	*	*	*	*	---
Black Fat	Mil. lb.	.4	.3	.4	.4	.2	67
Cigar wrapper	Mil. lb.	.5	.5	.6	.2	.4	80
Connecticut binder	Mil. lb.	.1	.3	.2	.1	*	---
Wisconsin binder	Mil. lb.	*	*	0	*	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	444.1		398.0	421.9		95
Burley	Mil. lb.	39.8	45.4	34.6	40.0	45.6	100
Maryland	Mil. lb.	7.0	7.7	7.8	8.4	10.2	132
Virginia fire- & sun-cured	Mil. lb.	4.1	4.5	5.3	5.4	5.9	131
Ky.-Tenn. fire-cured	Mil. lb.	14.7	16.1	18.8	20.0	21.4	133
Ky.-Tenn. dark air-cured	Mil. lb.	1.8	1.8	1.5	1.5	1.5	83
Black Fat	Mil. lb.	2.9	3.1	2.8	3.2	3.4	110
Cigar wrapper	Mil. lb.	4.3		4.9	5.1		119
Connecticut binder	Mil. lb.	1.7	2.0	1.7	1.9	1.9	95
Wisconsin binder	Mil. lb.	.5	.5	.2	.3	.3	60
Exports of manufactured tobacco in bulk	Mil. lb.	1.4	.6	1.2	1.3	1.3	217
Accumulated from Jan. 1	Mil. lb.	5.8	6.4	4.9	6.2	7.4	116
Quarterly data							
		1965		1966			
		Apr.-June	July-Sept.	Apr.-June	July-Sept.		
Stocks of tobacco 9/							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,823	2,555	2,680	2,439	95	
Burley	Mil. lb.	1,710	1,584	1,695	1,563	99	
Maryland	Mil. lb.	75	104	82	108	104	
Fire-cured	Mil. lb.	141	134	136	125	93	
Dark air- and sun-cured	Mil. lb.	78	72	75	71	99	
Cigar filler	Mil. lb.	231	232	225	214	92	
Cigar binder	Mil. lb.	80	75	82	75	100	
Cigar wrapper	Mil. lb.	25	22	29	24	109	
Under Government loan 10/	Mil. lb.	1,367	1,324	1,238	1,189	90	
Tobacco sheet 11/							
Cigarette types	Mil. lb.	6.3	7.2	10.4	11.7	162	
Cigar types	Mil. lb.	2.5	2.4	3.2	2.9	121	
Foreign types (farm-sales wt.):							
Cigarette and smoking	Mil. lb.	304	317	353	365	115	
Cigar	Mil. lb.	126	132	123	114	86	
Tobacco outlets 12/							
Seasonally adjusted data, annual rates, for charts, p.2:							
Cigarettes							
Production	Bil.	564	552	567	559	101	
Tax-paid removals	Bil.	515	506	521	511	101	
Cigar production	Bil.	9.04	8.85	8.74	8.50	96	
Smoking production	Mil. lb.	71.3	69.8	68.8	68.1	98	
Chewing production							
Scrap	Mil. lb.	31.9	35.3	32.4	35.9	102	
Plug and other	Mil. lb.	31.0	31.9	31.4	31.8	100	
Snuff production	Mil. lb.	30.4	30.5	30.4	30.1	99	
Exports of leaf							
Total	Mil. lb.	735	530	466	675	127	
Flue-cured	Mil. lb.	640	414	392	566	137	

1/ 1965 and 1966 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. #Percentage covers period from December 1965 to June 1966. \*\*C&MS--invoiced, domestic and exports.

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