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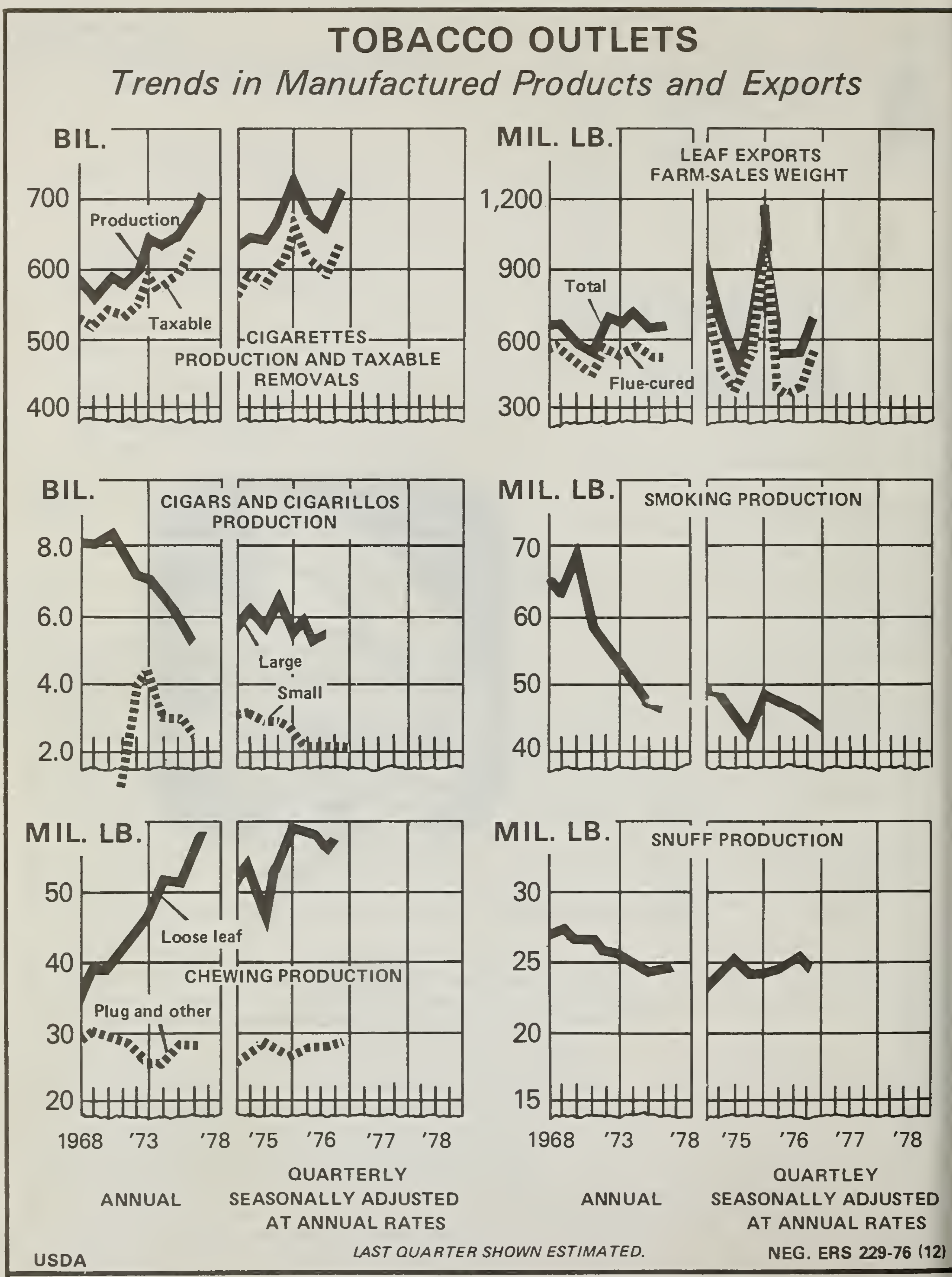
DECEMBER 1976

TOBACCO Situation

ECONOMIC RESEARCH SERVICE

U.S. DEPARTMENT OF AGRICULTURE


TOBACCO OUTLETS
Trends in Manufactured Products and Exports
BIL.
700
600
500
400
Production
Taxable
CIGARETTES
PRODUCTION AND TAXABLE REMOVALS
MIL. LB.
1,200
900
600
300
LEAF EXPORTS FARM-SALES WEIGHT
Total
Flue-cured
BIL.
8.0
6.0
4.0
2.0
CIGARS AND CIGARILLOS PRODUCTION
Large
Small
MIL. LB.
70
60
50
40
SMOKING PRODUCTION
MIL. LB.
50
40
30
20
Loose leaf
CHEWING PRODUCTION
Plug and other
MIL. LB.
30
25
20
15
SNUFF PRODUCTION
1968
'73
'78
'75
'76
'77
'78
ANNUAL
QUARTERLY SEASONALLY ADJUSTED AT ANNUAL RATES
1968
'73
'78
'75
'76
'77
'78
ANNUAL
QUARTLEY SEASONALLY ADJUSTED AT ANNUAL RATES
USDA
LAST QUARTER SHOWN ESTIMATED.
NEG. ERS 229-76 (12)

THE TOBACCO SITUATION

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

SUMMARY

Tobacco Carryover May Increase

U.S. tobacco use in the current marketing year may exceed the 1.9 billion pounds of last season but will likely fall short of the 2.1-billion-pound 1976 crop. This will add to the 3.2 billion pounds carried into the 1976/77 marketing year, which was the second lowest level in 28 years. Basic and effective quotas will total less next season, and another decline in total tobacco output is projected.

Domestic tobacco supplies for 1976/77 are up 3 percent from last season. Beginning stocks are larger, but the 1976 crop is down 5 percent from last year's 11-year high.

Flue-cured auction *prices* declined in October and November as demand weakened, especially for the crop in Virginia and parts of North Carolina where dry weather hurt quality. For the season, prices averaged 11 percent higher to set a record high. Burley sales began in late November with prices averaging above 1975 levels. Fire-cured and dark air-cured tobaccos have also sold at higher prices this season.

Domestic tobacco use in 1976/77 likely will total a little above last marketing year's level due to a gain in cigarette output. Despite higher prices and short supplies for some categories, U.S. exports of unmanufactured tobacco for July-October 1976 remained about the same as a year earlier. Again in 1976, U.S. cigarette manufacturers have increased both domestic and export sales volume. Cigarette output is rising about 8 percent above 1975. Further gains in adult population and steady or improved economic conditions should boost cigarette output in 1977 to another record. In contrast, cigar volume trails 1975's output, and the downtrend may continue in 1977.

Exports of U.S. unmanufactured tobacco (leaf) increased during 1976 to around 580 million pounds (640 million pounds, farm-sales weight). This level of exports will set a record dollar value, and quantity will be moderately higher, although a tenth lower than 1974's high. Delayed shipments from 1975 sales boosted this year's total. Higher U.S. prices, less favorable dollar conversion rates for foreign buyers, large foreign crops, and slower

growth of world cigarette output will hold down 1977 leaf exports. The 1977 calendar year total may fall below this year's level to around the 562-million-pound average of 1965-74. With slowdowns in rate of use, purchases from the 1976 crop by Japan and West Germany remained about the same as last season. Purchases by United Kingdom and Italy were reduced. However, continuing U.N. sanctions on trade with Rhodesia and price rises in other countries will be partly offsetting and will help U.S. exports.

Imports accounted for about 22 percent of U.S. manufacturers' tobacco utilization last marketing year (19 percent of use for cigarettes and 70 percent for cigars). Cigarette leaf (oriental) is the principal import. The January-October total imports for consumption (factory use) were 2 percent below a year ago. This calendar year's total may approach last year's 320 million pounds.

The *flue-cured tobacco* supply for the 1976/77 marketing year (July-June), at 3.2 billion pounds, is 4 percent above last year because of larger beginning inventories. Growers sold 7 percent less. Price averages set a record, but the combination of a larger supply, drought-affected quality, and weak demand, meant the grower price average increased less than the price support level. The market average reached $1.11 per pound, 11 cents above 1975. With marketings exceeding indicated use, mid-1977 carryover will increase from the 1.9 billion pounds of a year earlier.

The 1977 national flue-cured marketing quota has been cut 12 percent from 1976. The effective quota (reflecting adjustments for the last season's marketings above and below quota) is about 1.2 billion pounds, 15 percent lower than last year. The average support level goes up about 7 or 8 percent next season. Some inputs for the 1977 tobacco crop are more plentiful, so production costs may increase at a slower rate.

The *burley* tobacco supply for 1976/77 is 1.78 billion pounds, about 3 percent above last season. Burley auctions through December 14 averaged $1.15 per pound, 10 cents above last year. The 1976 burley crop is an estimated 646 million pounds, 1 percent above 1975's production. About seven-tenths of the crop will be sold in the pre-Christmas sales period. Carryover on October 1 gained slightly as the 1975 crop exceeded utilization in 1975/76. Burley marketing quotas and acreage allotments for several other kinds will be announced by February 1.

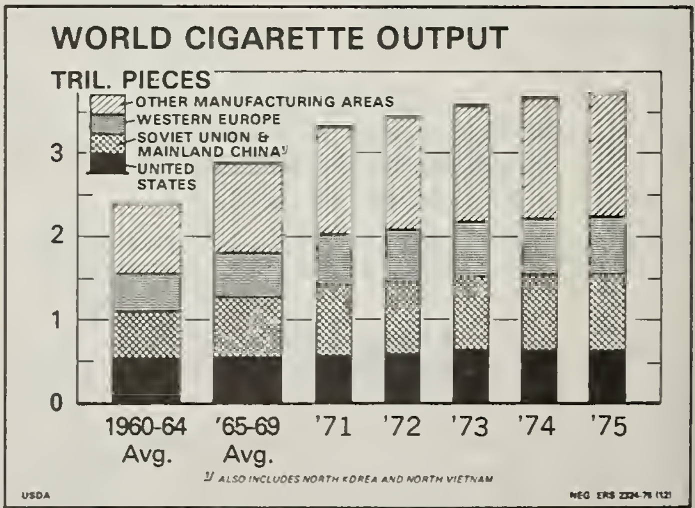
TOBACCO PRODUCTS

More Cigarettes Smoked

Gains in adult population and consumer incomes are lifting U.S. cigarette consumption 1½ percent above the 1975 level. Consumption totaled 469 billion cigarettes during January-September 1976, nearly 2 percent above a year earlier. Based on State tax receipts, an above-average gain occurred in the first quarter, while the second and third quarter gains were about 1½ percent over the corresponding quarters of 1975. With further gains expected next year in population and consumer spending, cigarette consumption and output may rise further. The trend toward low-tar, low-nicotine cigarettes is expected to continue.

Manufacturers increased wholesale cigarette prices 4 to 6 percent in October—1½ cents per pack or 15 cents per carton. As a result of the wholesale price increase and gains in margins, retail prices are expected to be up 2 or 3 cents by the end of December.

In comparison to last year, retail cigarette prices are averaging 4 percent higher in 1976. However, the hike for cigarettes is less than the rise in consumer prices. This year, one State and the District of Columbia raised cigarette taxes. This compares with rises in three States and the District in 1975. By October, the weighted average State cigarette tax was 12.4 cents per pack, nearly the same as a year earlier.



Large-Cigar Volume Declines

Large cigar consumption (including cigarillos) in the third quarter was 7 percent lower than a

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

Year	Output	Removals					Estimated inventory increase	Total U.S. consumption[3]
		Taxable	Tax-exempt					
			Total	Exports	Shipments[1]	Overseas forces[2]		
	Billions	*Billions*	*Billions*	*Billions*	*Billions*	*Billions*	*Billions*	*Billions*
1970	583.2	532.8	51.2	29.2	3.7	18.4	14.7	536.5
1971	576.4	528.9	49.2	31.8	2.7	14.7	-11.4	555.1
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0
1975[4]	651.2	588.3	62.3	50.2	1.5	10.6	-8.0	607.2
1976[5]	700.0	626.0	74.0	62.0	2.0	10.0	16.0	620.0

[1] To Puerto Rico and other U.S. possessions. [2] Includes ship stores and small tax-exempt categories. [3] Taxable removals, overseas forces, inventory change and imports (negligible). [4] Subject to revision. [5] Estimated.

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

Table 2—Cigars and smoking tobacco: U.S. output, removals, and consumption, 1970-76

Year and item	United States factories			From Puerto Rico taxable	Imports	Exports	Total U.S. consumption[1]
	Output	Removals					
		Taxable	Tax-exempt				
	Millions	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*	*Millions*
Large cigars[2]							
1970	7,094	6,706	152	1,259	46	54	8,108
1971	6,707	6,506	131	1,222	48	46	7,861
1972	6,025	5,896	139	1,272	62	75	7,294
1973	5,655	5,554	143	1,304	75	107	6,969
1974	5,284	5,008	136	1,224	74	86	6,356
1975	4,523	4,915	125	1,216	79	[3] 88	5,808
1976[3]	4,100	4,100	135	1,260	85	110	5,300
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Smoking tobacco							
1970	69.4	65.6	1.5	---	8.4	.9	74.6
1971	60.5	61.3	1.4	---	8.4	1.2	69.9
1972	55.9	55.1	1.3	---	11.9	1.1	67.2
1973	53.0	51.7	1.5	---	8.0	1.2	60.0
1974	48.9	49.0	1.0	---	10.9	.9	60.0
1975	46.2	44.5	1.0	---	8.7	1.6	52.6
1976[3]	45.0	43.0	1.0	---	9.5	1.0	52.5

[1] Total removals (or sales) from U.S. and Puerto Rico, factories plus imports, minus exports. [2] Includes cigarillos. [3] Estimated.

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

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U.S. cigarette exports to leading destinations, 1975-76

Country	1975	January-October 1975	January-October 1976[1]
	Billions	*Billions*	*Billions*
Belgium-Luxembourg	7.5	6.2	9.7
Hong Kong	4.4	3.3	4.7
Netherlands Antilles	3.9	3.1	3.3
Japan	3.5	3.1	1.8
Iran	3.1	2.7	5.1
Saudi Arabia	2.3	2.0	2.1
Spain	2.0	1.9	2.9
Kuwait	1.9	1.4	1.9
United Arab Emirates	1.7	1.3	1.5
Canary Islands	1.3	1.0	.9
Syrian Arab Republic	1.2	1.0	2.0
Lebanon	1.0	.9	.4
Panama	.9	.7	.8
Other countries	15.5	12.6	13.9
Total	50.2	41.2	51.0

[1] Subject to revision.

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

year earlier, after running 8 percent lower in the first and second quarters. The 1976 total will be down by a similar percentage (table 2). U.S. smokers (including those overseas) consumed 4.1 billion large cigars in January-September, 7 percent fewer than a year earlier. Cigar shipments from Puerto Rico, as well as U.S. output were down. This year's sales are smaller in all price categories except those retailing for more than 15 cents each. Since

Tobacco products: Output 1974-76

Item	1974	1975[1]	1976[2]
	Million pounds	*Million pounds*	*Million pounds*
Chewing tobacco			
Plug	18.0	18.1	16.5
Twist	2.2	2.3	2.3
Fine-cut	6.2	7.3	8.2
Loose leaf	52.9	53.7	57.0
Total	79.2	81.5	84.0
Snuff	25.0	24.4	25.0
Smoking tobacco in bulk (exports)	38.9	17.6	14.0
	Millions	*Millions*	*Millions*
Small cigars	3,139	2,942	2,300

[1] Subject to revision. [2] Estimated.

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

Cigars: Taxable removals by revenue class, January-September 1976

Retail class and retail price	Number	Change from 1975[1]
	Billions	*Percent*
A-D (up to 8 cents)	2.10	-8.8
E (over 8 to 15 cents)	1.17	-10.8
F-G (over 15 cents)	.73	+3.4
Total removals	4.00	-7.1

[1] Computed from unrounded data.

1964, the overall consumption trend has been downward and this pattern may continue in 1977.

For *small cigars* (not over 3 pounds per 1,000), the 1976 taxable removals may drop one-fifth below 1975's level of 2.9 billion. Small cigars sell for less apiece than cigarettes and large cigars.

Sales Stabilize for Smoking Tobacco

Domestic use of *smoking tobacco*—including imports—totaled 39 million pounds through September, about the same as a year earlier. However, the domestic categories of pipe tobacco, roll-your-own, and sack cut were lower, while imports were higher. If use remains steady in the fourth quarter, 1976 smoking tobacco consumption will not change much from 1975 and may hold its own in 1977.

Chewing tobacco output gained in the third quarter, as sales rose for loose leaf and fine cut tobaccos. Total production for 1976 may exceed last year's figure by 4 percent. *Snuff* sales so far this year have jumped ahead of production, and 1976 output is estimated slightly above 1975.

U.S. bulk smoking tobacco exports to leading destinations, 1975-76[1]

Country	Calendar year 1975	January-October 1975	January-October 1976
	Million pounds	*Million pounds*	*Million pounds*
Dominican Republic	2.7	2.1	1.6
Switzerland	5.3	5.0	1.9
Netherlands	.3	.3	([2])
Spain	1.7	1.1	1.3
Iran	1.4	([2])	3.2
Ecuador	.8	.7	.5
Finland	1.3	1.3	([2])
Australia	.5	.5	([2])
Other countries	4.9	3.9	3.4
Total	17.6	14.9	11.9

[1] Subject to revision. [2] Less than 50,000 pounds.

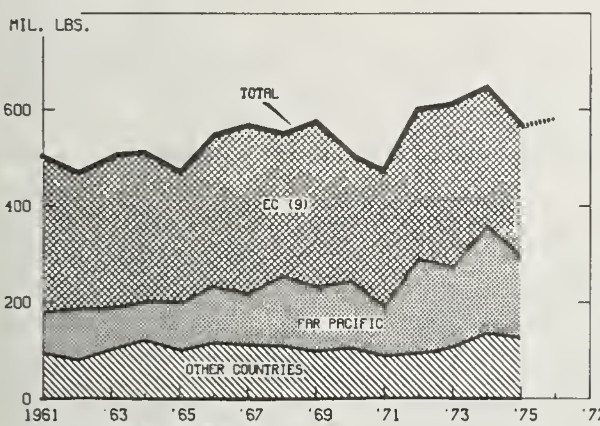
Compiled from publications and records of the Bureau of the Census.

U.S. EXPORTS AND IMPORTS

Calendar 1976 Leaf Exports Higher

Compared with a year earlier, exports of unmanufactured tobacco through October of this year climbed 6 percent by volume and 10 percent by value. The 1976 total may reach around 580 million pounds (640 million pounds, farm-sales weight), slightly above 1975. The trade totals are swelled up due to a shift in Japan's shipments from the end of 1975 to early in 1976. The slowdown in growth of foreign cigarette output, the limited amount of desirable export grades in the last two crops, as well as the high prices of U.S. crops hold down exports.

U.S. EXPORTS OF TOBACCO BY DESTINATION



UNMANUFACTURED, DECLARED WEIGHT.
LATEST YEAR ESTIMATED

USDA NEG. ERS 0938-76(12)

Exports in calendar 1977 will do well to equal this year's level or the 1966-75 average outflow of 571 million pounds. Overseas production is large and preferential trade arrangements among other countries are numerous. While U.N. sanctions on Rhodesian trade continue to help U.S. producers, limited Commodity Credit Corporation (CCC) export credit and P.L. 480 sales have been authorized.

For January-October 1976, decreases in exports were registered for cigar wrapper and flue-cured, the principal export class, however, most other types showed gains (tables 3 and 4). Among major markets, West Germany, Switzerland, the Netherlands, Thailand, and Taiwan took less. In total, the nine-member European Community (EC) took 6 percent less U.S. tobacco as purchases from preferential areas gained. Larger U.S. shipments went to the United Kingdom and Japan, with takings by Italy remaining about the same.

Imports Decline

Through October of this year, U.S. tobacco imports for consumption (duty paid imports) fell 2 percent by weight below a year earlier. Oriental tobacco, the major import class, was up slightly, reflecting the boost in cigarette production. However, foreign flue-cured and burley was down due to larger supplies of U.S. tobacco and cigar tobacco imports are also down slightly.

Despite the reduced level of cigar output, some scrap tobacco goes for chewing tobacco. Use of imports in 1977 may increase slightly as cigarette output rises.

January-October 1976 arrivals of tobacco (general imports) were 11 percent below the year-earlier level as most cigar leaf categories as well as flue-cured and burley were lower. Oriental leaf and cigarette scrap had small gains, but short supplies of oriental and cigar tobaccos have caused substantial price jumps.

U.S. stocks of foreign-grown cigarette and smoking tobacco on October 1, 1976, rose to 646 million pounds (farm-sales weight) which was 10 percent above a year earlier and a record high for that date. About three-eighths of the foreign grown tobacco stocks consisted of flue-cured and burley.

TOBACCO LEAF SITUATION AND OUTLOOK[1]

1976 Crop Highlights

The 1976 tobacco crop is about 5 percent smaller than last year. The production forecast changed little during the season, despite unfavorable weather conditions in several areas. Smaller quotas applied for flue-cured and burley, and acreage of both crops decreased. Yields stayed about the same in the Eastern North Carolina Belt and gained in the Old and Middle Belt (N.C. and Va.). Crop quality in the latter area suffered due to extreme dry weather. The largest yield loss was in the Georgia-Florida Belt which received heavy rains in May and June. Burley areas had a better growing season than last

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

Table 3—United States exports of unmanufactured tobacco by types and to principal importing countries, 1972-76

(Declared weight)

Type and country	1972	1973	1974	1975[1]	January-October 1975[1]	January-October 1976[1]	1976 as a percentage of 1975
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Percent*
Flue-cured	425.3	418.3	440.9	391.4	293.7	289.3	98
Burley	53.7	59.3	60.8	61.9	58.4	60.9	104
Maryland	11.0	9.6	10.9	4.1	3.2	7.0	219
Fire-cured, Ky. and Tenn.	20.6	18.4	19.4	14.9	11.5	14.0	122
Virginia fire and sun-cured	5.0	3.0	6.0	3.3	2.8	2.2	79
Green River and One Sucker	.6	.4	1.0	.3	.3	.3	100
Black Fat	3.3	3.1	2.7	3.5	2.9	2.7	93
Cigar wrapper	3.1	2.1	2.9	4.3	3.5	2.9	82
Cigar binder	.1	.1	.1	.2	.2	.2	100
Cigar filler	.3	.3	.6	.2	.2	.3	150
Perique	.3	.2	.2	.1	.1	.1	100
Stems, trimmings and scrap	82.9	98.1	105.9	78.9	55.5	70.7	127
Total	606.1	613.0	651.4	563.0	426.2	450.8	106
Country of destination							
United Kingdom	115.1	119.7	94.3	78.5	44.5	57.0	128
France	7.7	6.6	8.2	9.5	6.6	6.8	103
Belgium	12.9	16.7	14.4	8.1	6.6	5.5	83
Netherlands	22.4	31.6	31.0	29.9	23.9	21.5	90
West Germany	99.3	99.9	97.1	91.0	78.3	62.7	80
Denmark	20.8	37.0	12.6	16.4	11.3	5.0	44
Ireland	14.8	8.9	10.2	8.2	6.3	5.9	94
Switzerland	23.5	31.4	21.3	25.9	22.5	21.2	94
Finland	5.3	6.1	4.0	8.0	6.3	4.7	75
Norway	7.0	5.7	5.4	5.6	5.2	4.9	94
Sweden	20.5	17.1	14.5	15.3	12.0	13.4	112
Italy	23.1	21.8	24.3	31.5	31.1	31.6	102
Spain	4.6	4.3	8.0	9.4	7.9	3.6	46
Thailand	30.5	8.6	20.6	18.7	18.7	15.3	82
South Vietnam	18.9	14.6	13.7	1.9	1.9	0	---
Malaysia	8.4	8.0	11.9	7.1	6.2	7.1	115
Philippines	9.5	8.8	11.2	11.8	9.9	11.5	116
Taiwan	14.2	16.7	23.8	16.0	12.4	7.6	61
Japan	87.3	79.0	109.6	81.5	44.4	78.7	177
Australia	14.8	13.9	18.7	15.5	10.4	8.8	85
New Zealand	4.4	5.3	4.8	5.0	4.1	4.1	100
Egypt	.9	2.4	12.3	10.4	9.8	11.1	113
Other countries	40.8	48.9	79.5	57.8	45.9	62.8	137
Total	606.1	613.0	651.4	563.0	426.2	450.8	106

[1] Preliminary.

Detail may not add to total due to rounding.

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

Table 4--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1973/74-1975/76 1/

(Declared weight)

Importing countries	1973/74	1974/75	1975/76 2/
	Million pounds		
	Flue-cured, types 11-14		
United Kingdom	91.1	68.3	57.0
West Germany	75.8	71.1	55.9
Japan	61.7	71.4	84.4
Netherlands	17.0	14.2	15.5
Thailand	23.7	15.7	12.5
Australia	14.2	8.7	12.1
Italy	13.5	22.0	14.6
Sweden	8.1	5.8	9.1
Norway	4.3	3.4	3.8
Finland	2.9	2.8	4.6
Denmark	13.8	7.7	10.7
Ireland	6.8	7.7	4.1
Belgium-Luxembourg	10.7	7.6	4.8
Switzerland	10.7	11.9	9.2
South Vietnam	10.2	4.0	0
Philippines	6.6	4.0	6.6
Spain	5.7	7.7	4.9
Malaysia	11.0	6.1	5.9
Taiwan	20.7	17.8	11.2
Egypt	2.	11.1	17.0
Other countries	38.4	45.7	46.7
Total	448.9	414.7	390.6
	Burley, type 31		
Italy	10.4	10.5	12.3
Sweden	3.8	2.5	1.2
Denmark	2.0	1.5	.2
Netherlands	2.9	1.9	.6
Japan	6.3	[illegible]	8.3
West Germany	15.0	8.5	8.8
Switzerland	3.6	1.5	1.7
Syria	1.0	1.7	2.9
Thailand	2.9	3.0	2.7
Philippines	6.3	4.7	5.8
Other countries	13.1	10.4	27.2
Total	67.3	53.2	71.7
	Maryland, type 32		
Belgium-Luxembourg	.8	1.5	1.3
West Germany	2.4	1.2	1.8
Switzerland	4.4	2.9	3.3
Other countries	1.8	.8	.9
Total	9.4	6.4	7.3
	Ky.-Tenn. fire-cured, types 22-23		
Sweden	.3	.5	.3
Netherlands	13.9	6.7	8.9
Belgium-Luxembourg	.7	.7	.5
France	1.7	2.6	2.7
Switzerland	1.6	.9	.8
Other countries	3.2	.6	2.9
Total	21.4	12.0	16.1
	Stems, Trimmings, and Scrap		
Sweden	4.4	4.1	3.7
Denmark	7.1	2.6	2.8
United Kingdom	23.6	18.3	20.7
West Germany	8.9	6.2	4.3
Japan	20.7	24.7	30.2
Other countries	36.9	37.1	31.1
Total	101.6	93.0	92.8

Importing countries	1973/74	1974/75	1975/76 2/
	Thousand pounds		
	Va. fire & sun-cured, types 21 & 37		
Switzerland	254	727	42
Norway	1,240	1,801	1,194
Sweden	242	508	397
West Germany	965	655	454
Other countries	1,112	576	806
Total	3,813	4,267	2,893
	One Sucker, type 35		
Belgium-Luxembourg	218	86	66
Zaire	102	36	142
Other countries	380	40	1
Total	700	162	209
	Green River, type 36		
United Kingdom	108	87	34
Belgium-Luxembourg	1	1	0
Zaire	74	30	82
Other countries	0	106	0
Total	183	224	116
	Cigar Filler, types 41-44		
New Zealand	304	19	0
France	300	193	270
Other countries	74	35	60
Total	678	247	330
	Conn. Binder, types 51-52		
West Germany	2	15	0
United Kingdom	0	36	0
Canada	7	58	22
Other countries	109	75	135
Total	118	184	157
	Wis. Binder, types 54-55		
Dominican Republic	0	0	68
Other countries	0	1	18
Total	0	1	86
	Cigar Wrapper, types 61-62		
United Kingdom	549	713	831
West Germany	482	391	211
Canada	312	185	227
Dominican Republic	267	1,538	1,520
Netherlands	112	134	327
Other countries	405	927	658
Total	2,127	3,888	3,774
	Black Fat		
Dahomey	1,482	1,692	886
Cameroon	483	541	581
Niger	326	451	328
Nigeria	131	232	476
Togo	241	355	421
Other countries	83	148	479
Total	2,746	3,419	3,171

1/ July-June crop year for flue-cured, cigar wrapper, stems, trimmings, and scrap; October-September crop for all other types.
2/ Subject to revision. Detail may not add to total due to rounding.

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

Table 5--U.S. imports of unmanufactured tobacco for consumption and general, principal categories and countries of origin, 1975, and January-October 1975-76 1/

(Declared weight)

Classification and country of origin	Imports for consumption: Total: 1975	January-October: 1975	January-October: 1976 1/	1976 as a percentage of 1975	General imports (arrivals): Total: 1975	January-October: 1975	January-October: 1976 1/	1976 as a percentage of 1975
	-- Million pounds --			Percent	-- Million pounds --			Percent
Cigarette tobacco:								
Leaf, unstemmed								
Oriental								
Turkey	111.4	94.8	81.6	86	69.6	63.7	95.2	149
Greece	26.5	22.9	16.2	71	18.8	18.8	12.1	64
Yugoslavia	13.4	11.0	14.8	135	15.6	15.6	17.3	111
Lebanon	9.2	7.8	8.5	109	10.9	10.9	0	---
Other countries	15.0	9.4	26.2	279	54.7	45.0	41.0	91
Flue-cured and burley	36.4	34.2	27.0	79	79.9	69.7	40.6	58
Subtotal	211.9	180.1	174.3	97	249.5	223.7	206.2	92
Scrap								
Turkey	5.8	5.2	4.4	85	8.5	8.5	4.0	47
Other countries 2/	18.0	15.8	18.0	114	23.8	20.5	27.1	132
Total cigarette tobacco	235.7	201.1	196.7	98	281.8	252.7	237.3	94
Cigar tobacco:								
Wrapper	1.5	1.2	1.4	117	2.0	2.1	2.4	114
Filler-stemmed and unstemmed								
Dominican Republic	2.0	1.8	2.0	111	12.5	10.4	4.6	44
Other countries	11.5	10.4	6.5	63	25.2	21.2	14.0	66
Subtotal	13.5	12.2	8.5	70	37.7	31.6	18.6	59
Scrap								
Philippine Republic	13.5	11.2	13.9	124	16.6	14.4	10.9	76
Colombia	5.0	4.2	2.6	62	2.4	2.4	1.5	63
Dominican Republic	9.2	7.7	6.3	82	2.0	2.0	1.2	60
Brazil	11.4	9.8	12.9	132	3.3	3.2	9.4	294
Other countries	21.2	17.7	14.6	82	25.8	23.5	12.9	55
Subtotal	60.3	50.6	50.3	99	50.1	45.5	35.9	79
Total cigar tobacco	75.3	64.0	60.2	94	89.8	79.2	56.9	72
Stems	9.3	8.7	10.2	117	9.6	9.0	10.2	113
Grand total	320.3	273.8	267.1	98	381.1	340.9	304.5	89

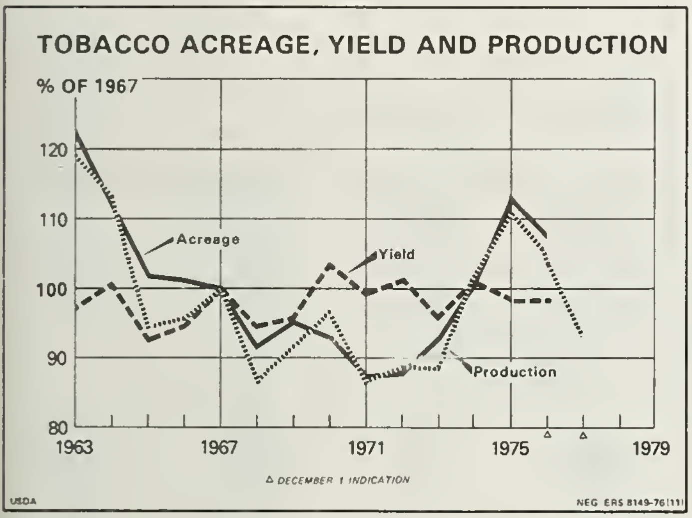
1/ Preliminary.
2/ Canada, Mexico, Yugoslavia, Greece, Cyprus, Syria, Lebanon, India, Thailand, Korea, Angola, Mozambique, Zambia, and Malawi.
Detail may not add to total due to rounding.

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

U.S. tobacco: Acreage and yield, 1974-76

Type	Acreage				Yield per acre			
	1974	1975	1976[1]	Change from 1975	1974	1975	1976[1]	Change from 1975
	1,000 acres	*1,000 acres*	*1,000 acres*	*Percent*	*Pounds*	*Pounds*	*Pounds*	*Percent*
Flue-cured								
11—Old and Middle Belt, VA.-N.C.	214.0	247.0	249.0	+1.0	1,794	1,693	1,782	+5.3
12—Eastern N.C.	188.0	229.0	204.0	-10.9	2,110	2,155	2,150	-.2
13—S.C.—Border N.C.	130.0	152.0	128.0	-15.8	2,104	2,127	2,075	-2.4
14—Georgia—Florida	84.3	89.2	82.1	-8.0	2,219	2,018	1,857	-8.0
Total, types 11-14	616.3	717.2	663.1	-7.7	2,014	1,973	1,961	-.6
Burley, type 31	260.8	282.2	279.1	-1.1	2,350	2,265	2,314	+2.2
Total, all types 11-72	962.6	1,086.4	1,031.7	-5.0	2,067	2,009	2,007	-.1

[1] November 1 indications; burley is December 1.



year. Average yield for all tobacco was about the same as last season but about 3 percent below 1974. Harvested acres totaled 5 percent below last year.

Flue-cured and burley had gains in carryover that pulled up total supplies. For most other tobacco types, smaller carryovers were reported. So overall, larger supplies are available for the 1976/77 marketing year. Prices for the current season will likely average a tenth or so above last season reaching a new record high. With support levels largely setting the general market level, volume of tobacco placed under loan this season will approach the 8-year high of 1975.

Farmers' cash receipts from tobacco in calendar 1976 are setting a record, 5 percent above the $2.16 billion in 1975. Prices are up, more than offsetting the volume declines for flue-cured and burley tobaccos.

1977 Marketing Quotas and Allotments

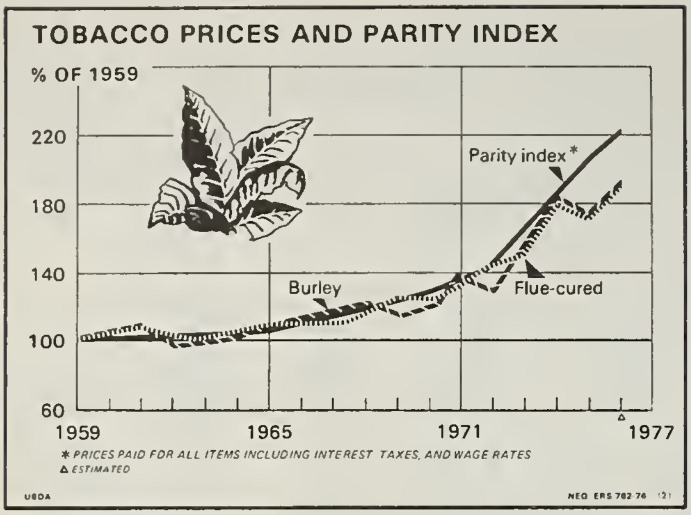
The 1977 national quota for flue-cured tobacco is 12 percent smaller; with the carryover of undermarketings from the 1976 crop, the effective quota is reduced 15 percent (table 6). Flue-cured growers voted, in a referendum on December 16, whether to accept marketing quotas on their next three crops. Of 139,982 voting, 98.6 percent voted for quotas.

By February 1, USDA will announce the 1977 marketing quotas and acreage allotments for burley and several other kinds of tobacco. Shortly after the announcement, growers of burley, Maryland, Virginia sun-cured, and Pennsylvania filler will vote in referendums for or against marketing quotas on their next three crops. If at least two-thirds of the voters approve, marketing quotas will be in effect. In previous referendums for fire-cured, dark air-cured, cigar binder, and Ohio filler types, farmers approved marketing quotas for the 1977 crop.

1977 Price Support Levels and Income

Tobacco price supports operate under permanent legislation. Some growers are discussing new legislation that would change the support formula.

For 1977, the law requires support levels to rise some 7 or 8 percent above the 1976 price support level—to more than double the 1959 base used for the calculation. The 1977 price support adjustment would be based on the average of the parity index for 1974, 1975, and 1976 as compared with 1959. USDA would probably announce average support levels by tobacco types in the spring and individual grade loan rates just before the opening of the various marketing seasons.



Next season, look for a smaller crop. Grower costs are expected to go up and the crop may sell at higher prices.

FLUE-CURED

ASCS Holds Tobacco Meetings

USDA's Agricultural Stabilization and Conservation Service (ASCS) is holding a series of 9 meetings to discuss with growers questions that have been raised concerning tobacco price support and production adjustment programs. Topics for discussion include large quantities of 1975 and 1976 tobacco received under loan, exports, imports, leasing costs, and related matters. Meetings are scheduled to begin Dec. 17 in Valdosta, Georgia, and end in South Hill, Virginia on Dec. 29.

1976 Auction Prices Gain

Prices for the 1976 flue-cured crop gained 11 percent from 1975 and surpassed 1974's record. Despite lower volume, crop value set a new record, however, industry takings from the crop were

Table 6—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-77

Year	Quota		Marketings				Net Carryover[2]
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under quota[1]	
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
			Flue-cured, types 11-1 :				
1965	1,126.0	1,124.4	1,055.5	27.1	96.0	91.2	64.0
1966	1,135.0	1,199.0	1,107.9	35.0	126.1	111.1	76.1
1967	1,126.3	1,202.4	1,247.5	77.9	30.8	18.4	-59.5
1968	1,127.5	1,067.9	996.4	26.5	96.6	86.1	59.6
1969	1,127.4	1,187.0	1,052.1	26.6	157.9	145.9	119.3
1970	1,071.5	1,190.8	1,178.2	65.1	71.2	63.4	-1.7
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976	1,268.1	1,409.1	[3]1,113.2	[3]50.8	[3]145.2	[3]134.2	[3]83.4
1977	[3]1,115.9	1,199.3					
			Burley, type 31				
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	[3]726.4					

[1] Under quota marketing less ineligible carryover. [2] Effective under quota marketings less over quota marketings. [3] Preliminary.

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

Table 7.--Flue-cured tobacco: Gross sales (including resales) average price and loan receipts by Belt, 1967-76

Marketing season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N.C. Belt type 12	N.C. Border and S.C. Belt type 13	Ga.-Fla. Belt type 14	All Belts
	Million pounds					
1967	260	152	359	322	224	1,317
1968	202	110	295	268	164	1,039
1969	235	116	321	266	157	1,096
1970	230	130	367	295	201	1,224
1971	217	117	323	268	182	1,107
1972	201	109	323	249	166	1,048
1973	249	124	385	270	153	1,181
1974	383	2/	420	290	197	1,290
1975	418	2/	523	337	190	1,469
1976 1/	453	2/	480	275	163	1,370
	Average price per pound					
	Cents					
1967	61.9	62.7	64.7	65.0	65.6	64.1
1968	64.8	64.0	67.5	66.8	68.3	66.5
1969	71.3	71.4	72.3	72.6	73.3	72.2
1970	70.1	70.0	72.7	71.7	74.3	71.9
1971	77.4	77.2	78.4	75.7	76.8	77.2
1972	82.3	84.8	87.2	85.3	85.4	85.3
1973	88.2	88.1	89.0	86.8	87.7	88.1
1974	106.0	2/	105.9	103.9	102.8	105.0
1975	98.5	2/	101.1	99.9	100.1	100.0
1976 1/	107.2	2/	113.0	112.4	110.2	110.6
	Receipts under Government loan					
	Million pounds					
1967	84.5	49.7	79.8	57.2	11.0	282.1
1968	36.0	26.9	24.3	29.5	12.0	128.8
1969	24.2	14.9	37.3	13.3	8.0	97.6
1970	29.7	19.8	43.3	28.8	22.7	144.2
1971	9.1	5.4	19.2	15.5	6.4	55.7
1972	11.4	3.1	8.2	1.1	.4	24.3
1973	7.4	4.3	17.0	3/2.4	.2	31.3
1974	5.1	2/	8.1	7.5	2.4	23.1
1975	83.2	2/	90.3	56.6	28.9	259.0
1976 1/	135.3	2/	80.6	37.3	24.9	278.0
	Percentage of net sales under Government loan					
	Percent					
1967	34.1	34.2	23.0	19.0	5.3	22.6
1968	18.8	25.3	8.5	11.5	7.8	12.9
1969	10.8	13.4	11.9	5.2	5.4	9.3
1970	13.4	15.8	12.1	10.2	11.9	12.2
1971	4.3	4.8	6.1	6.0	3.7	5.2
1972	6.0	3.0	2.6	.5	.3	2.4
1973	3.0	3.5	4.5	.7	.1	2.7
1974	1.4	2/	2.0	2.7	1.3	1.9
1975	20.8	2/	17.8	17.6	15.9	18.4
1976 1/	31.1	2/	17.4	14.2	16.1	21.2

1/ Preliminary. 2/ Included in Old Belt. 3/ Includes 0.5 million pounds direct deliveries at end of season.

Compiled from records and reports of Tobacco Division, Agricultural Marketing Service.

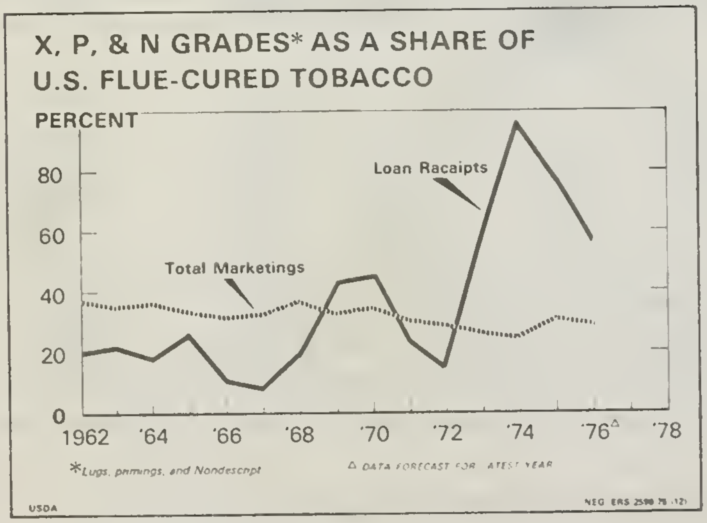
down, and loan placements were the highest in 9 years.

Although the 1976 flue-cured auction season lasted 21 weeks and ended November 24, about nine-tenths of the crop had been sold by October 22. Opening week prices averaged about 9 cents per pound above a year earlier. Through September, the seasonal price increase was sharper than in 1975 due to the better quality of tobacco in areas outside the Old and Middle Belts. But after September, tobacco from that area predominated, and the lower quality caused by drought meant that market prices fell sharply and loan volume was larger than last season. Price increases from last season were the greatest for straight grades and the least for nondescript grades. The season average price for gross sales (including resales) was $1.11 per pound—up 11 cents from last year's average. The average price rose in all belts (table 7).

Producers' marketings were the second highest of the 12 seasons under the acreage poundage program. Their sales totaled 1,313 million pounds—about 100 million less than in 1975.

With crop quality improved from last year, there was a larger proportion of fair and good grades in 1976 and more leaf tobacco, and from a color standpoint, less orange was recorded with more variegated and green tobacco. Resales averaged 4 percent of gross sales, about the same share as in 1975. About 5 percent of the crop was sold outside of the belt where produced.

Loan volume was the highest since 1967, representing about 21 percent of sales, one-half of the loan receipts consisted of primings, lugs, and nondescript grades. Variegated upper stalk leaf made up a large share of the remainder. The Flue-cured Stabilization Cooperative, the association handling tobacco under loan, sold 7 million pounds during July-November, the same low level as in the same period last year. Loan stocks at the beginning of 1977/78 will rise substantially from the 360 million pounds held last July 1.



Marketing Conditions About the Same

Due to a smaller flue-cured crop, the 1976 selling period in each belt was shortened; however, the overall calendar period was the same as in 1975. A substantially shorter season more in line with harvest completion prevailed in Georgia-Florida. The damage, which occurred to tobacco in packhouses last season, resulted when sales were extended into October.

Manufacturers and exporters maintained about the same processing plant capacity as last year, so the sales opportunity averaged about 85 million pounds weekly. As occurred last season, growers designated a warehouse for the sale of their crop and the USDA Flue-cured Tobacco Advisory Committee recommended opening dates and selling schedules to USDA. A buyer rotation plan was used and selling times were allocated according to the grower designations. Growers could change their warehouse designation at the beginning of each month, if they wished.

After the auction sales in each belt ended, the Stabilization Cooperative again processed and stored carryover tobacco—that volume exceeding 110 percent of farm marketing quotas. About 3 million pounds came in under this separate pooling arrangement. Most growers lack adequate facilities for farm storage of their overproduction; they would be heavily penalized if they sold this excess tobacco before the next marketing year.

USDA Retains Sales Policy

USDA announced December 10 that the traditional pricing policy for flue-cured loan stocks would be maintained. This means prices of loan

U.S. flue-cured exports to principal countries, 1974-76 (export weight)

Country	July-October		
	1974	1975	1976
	Million pounds	*Million pounds*	*Million pounds*
United Kingdom	29	15	25
West Germany	30	24	23
Japan	2	7	2
Netherlands	5	6	6
Ireland	3	1	1
Thailand	0	0	0
Australia	2	5	4
Belgium	4	2	9
Denmark	6	8	2
Switzerland	2	4	2
Sweden	6	7	5
Egypt	11	9	0
Taiwan	7	0	0
Others	22	21	26
Total	129	109	105

[1] Less than 500,000 pounds.

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

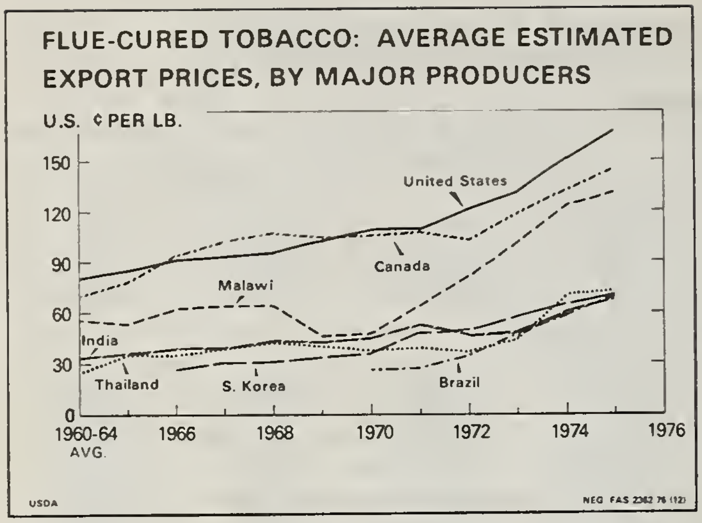
Table 8—Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1966-77

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Production	Beginning stocks[1]: Manufacturers and other	Beginning stocks[1]: Under loan	Beginning stocks[1]: Total	Total supply
	Thousand acres	*Pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
			Flue-cured, types 11-14				
1966	607.0	1,825	1,107.9	1,602.5	836.4	2,438.9	3,546.8
1967	610.3	2,070	[2] 1,250.0	1,587.1	685.4	2,272.5	3,522.5
1968	533.0	1,841	[2] 995.6	1,528.1	773.4	2,301.5	3,297.1
1969	576.8	1,825	1,052.8	1,299.6	800.5	2,100.1	3,152.9
1970	584.1	2,042	[2] 1,178.1	1,227.5	744.9	1,972.4	3,150.5
1971	525.8	2,050	[2] 1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972	513.6	1,971	[2] 1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973	575.1	2,011	[2] 1,159.0	1,347.0	402.3	1,749.3	2,908.3
1974	616.3	2,014	[2] 1,245.1	1,330.6	276.7	1,607.3	2,852.4
1975	717.2	1,973	[2] 1,414.7	1,471.9	179.9	1,651.8	3,066.5
1976[3]	663.1	1,961	[2] [3] 1,313.2	1,514.3	359.2	1,873.5	3,186.7
1977[4]				1,366.7	600.0	1,966.7	
			Burley, type 31				
1966	240.7	2,437	586.7	1,133.4	261.9	1,395.3	1,982.0
1967	237.7	2,274	540.6	1,104.8	276.7	1,381.5	1,922.1
1968	237.6	2,372	563.4	1,002.4	321.7	1,324.1	1,887.5
1969	237.7	2,488	591.4	975.7	340.8	1,316.5	1,907.9
1970	216.4	2,590	560.5	887.9	454.8	1,342.7	1,903.2
1971	213.5	2,213	472.6	882.4	468.4	1,345.8	1,818.4
1972	235.6	2,552	[2] 590.3	920.9	327.6	1,248.5	1,838.8
1973	222.1	2,028	[2] 461.4	952.5	276.7	1,229.2	1,690.6
1974	260.7	2,350	[2] 610.4	931.5	139.2	1,070.7	1,681.1
1975	282.2	2,265	[2] 638.3	1,082.4	12.0	1,094.4	1,732.7
1976[3]	279.1	2,314	646.0	1,087.4	43.6	1,131.0	1,777.0
1977[4]							

Marketing year	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop
	Million pounds	*Million pounds*	*Million pounds*	*Cents*	*Cents*	*Million pounds*	*Percent*
			Flue-cured, types 11-14				
1966	1,274.3	687.2	587.1	66.9	58.8	74.6	6.8
1967	1,221.0	687.7	533.3	64.2	59.9	282.1	22.6
1968	1,197.0	671.7	525.3	66.6	61.6	128.8	12.9
1969	1,180.5	645.9	534.6	72.4	63.8	97.6	9.3
1970	1,174.1	640.1	534.0	72.0	66.6	144.2	12.2
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7
1974	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9
1975	1,193.2	670.7	522.5	99.8	93.2	259.0	18.4
1976	[4] 1,220.0	[4] 720.0	[4] 500.0	[2] 110.7	106.0	278.0	21.1
			Burley, type 31				
1966	600.5	544.1	56.4	66.9	60.6	62.5	10.6
1967	598.0	544.6	53.4	71.8	61.8	64.2	11.9
1968	571.0	516.1	54.9	73.7	63.5	56.2	10.0
1969	565.2	507.1	58.1	69.6	65.8	158.2	26.8
1970	557.4	503.0	54.4	72.2	68.6	47.7	8.5
1971	569.9	515.2	54.7	80.9	71.5	.2	---
1972	609.6	534.5	75.1	79.2	74.9	22.9	3.9
1973	619.0	533.1	86.8	92.9	78.9	.7	.1
1974	586.7	518.8	67.9	113.7	85.8	2.8	.4
1975	602.5	510.1	92.4	105.6	96.1	50.7	7.9
1976	[4] 620.0	[4] 520.0	[4] 100.0	[5] 115.0	109.2	[5] 23.0	[5] 4.9

[1] July 1 for flue-cured; October 1 for burley. [2] Sales. [3] Subject to revision. [4] Estimated. [5] Through December 17.



stocks will be comparable to market prices rather than being based on 1976 support prices as announced on November 24. Actual sales prices are usually announced in mid-January after processing of loan tobacco ends.

Flue-cured exports for July-October 1976 were near the year earlier level, but about one-fifth below the average for the same period from 1972-74 when competing suppliers were short of tobacco. Among the leading destinations, takings by West Germany was down slightly, while the United Kingdom took more. By October, unit value had risen 7 percent above October 1975. While Japan's 1976 purchases may have stayed about the same as last year, their shipments are usually bunched around the end of the calendar year. High U.S. prices, discriminatory tariffs, and less favorable dollar exchange rates are expected to limit 1976/77 exports to many destinations. By June, exports may total 5 percent below last season's 522 million pounds.

Supplies Larger in 1976/77

With carryover and current crop both larger, the season's flue-cured supply of 3.17 billion pounds is about 4 percent above last year but still a sixth below the 1964/65 record (table 8). However, the 1976 crop outturn was about 8 percent below 1975's 20-year high. Harvested acreage in 1976 decreased 8 percent while the yield per acre average was virtually unchanged.

Prospects for rising U.S. cigarette output may offset the decline in exports indicated for this marketing year, so total disappearance may remain near last year's level. However, as the 1976 crop was the second largest in 12 years, it will bring next July's carryover above last July's.

1977 Quota Reduced 12 Percent

While the USDA announced on November 24 the national flue-cured marketing quota for 1977 of 1,116 million pounds, this quota was reduced 12 percent from 1976 to allow for needed production adjustments.

Acreage allotments and poundage quotas for individual farms will reflect 1976 undermarketings and overmarketings. Aggregate marketings this past season were 6 percent below the effective quota. The average shortfall since the acreage-poundage program began in 1965 was 5 percent. The base quota plus estimated net undermarketings means that the 1977 effective quota is about 1.2 billion pounds, or 15 percent below 1976. A crop close to the quota, when added to prospective carryover, would provide a 1977/78 supply slightly below this year's level.

BURLEY

Auction Prices Above 1974's Record

Auction sales of the 1976 burley crop began November 22 and closed December 16 for the holidays. Sales will resume on January 3. Through December 14 gross sales totaled 410 million pounds and averaged $1.15 per pound. Growers sold about seven-tenths of the crop in the pre-Christmas sales this year slightly more than last season. In 7 out of the past 10 seasons prices have declined in the post-Christmas sales.

With prices opening 9 cents above last year's opening and trending upward in succeeding sales, sales contained larger percentages of quality grades and the percentage of mixed grades dropped. Most grades are selling several cents per pound above support levels.

Tobacco loan stocks, 1974-76

(Farm-sales weight)

Type	End of November		
	1974	1975	1976[1]
	Million pounds	*Million pounds*	*Million pounds*
Actual			
Flue-cured, 11-14	270.0	357.6	[2] 619.0
Burley, 31	128.7	6.0	35.9
Virginia, 21	0	.2	0
Kentucky-Tennessee, 22-23	1.0	.3	0
Kentucky-Tennessee, 35-36	4.9	.2	0
Ohio, 42-44	0	0	0
Puerto Rican, 46	1.4	0	3.3
Connecticut Valley, 51-52	2.0	1.9	.8
Wisconsin, 54-55	0	([3])	([3])
Total	408.0	366.2	659.0
Uncommitted			
Flue-cured, 11-14	95.8	324.6	[2] 608.3
Burley, 31	0	2.0	25.2

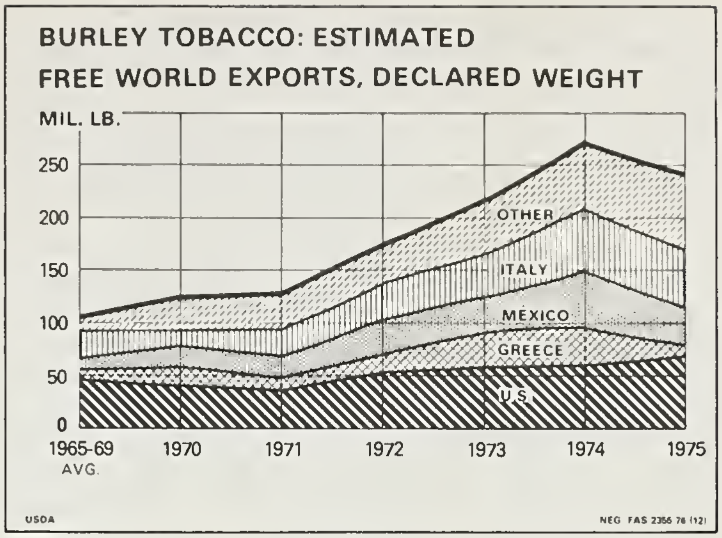
[1] October 31. [2] Includes 1976 receipts. [3] Negligible.

Compiled from records of Tobacco and Peanut Division, ASCS.

Burley tobacco: Percentage of selected groups, quality, and color categories of total

Crop year	Mixed group	1, 2, 3 quality	Tan color
	Percent	*Percent*	*Percent*
1960-64 average ...	2.1	21.9	51.3
1965-69 average ...	3.6	29.8	59.6
1970	7.8	37.3	57.5
1971	14.2	43.9	63.1
1972	16.7	50.6	67.0
1973	22.6	47.6	65.7
1974	31.4	40.0	54.7
1975	20.6	34.6	55.9

Compiled from reports of Tobacco Division, AMS.



Grade loan rates range from 77 cents to $1.20 a pound, with an average support level of $1.09. USDA increased grade price supports from 4 to 17 cents per pound over 1975 levels. Through December 14, the two burley cooperatives took 4 percent of sales under loan; however, nearly 8 percent went under loan last year. About three-fourths of burley is going for U.S. cigarettes, exports will take about 15 percent and other domestic products the remainder.

Loose leaf and baled tobacco are being displayed, graded and priced to determine the differences and value of these methods versus traditional tied hands. Buyers have agreed to pay the highest price that tied tobacco of similar grade sells for. These sales are scheduled for December 10, January 14, and 28. Sales data will be compiled separately from other auction sales.

1975/76 Disappearance Gained

During the year ending September 30, 1976, burley disappearance totaled 602 million pounds. This was about 3 percent above the previous year and slightly above the 1968-74 average. Exports were up, but domestic use was lower. The rise in use from 1975 was due to larger U.S. supplies, lower prices, and increased exports.

While domestic burley use declined 2 percent, a rise of 7½ percent occurred for U.S. cigarette manufacture, the principal outlet for burley. During the same period, smoking tobacco output fell 6 percent to a record low 46 million pounds. Bulk exports, consisting of blended tobaccos processed for cigarette manufacture, were off 43 percent or 10 million pounds as some countries have shifted to unmanufactured tobacco imports for local processing. With burley tobacco use per cigarette continuing to decline, increased cigarette production in 1976/77 may only stabilize domestic burley disappearance.

Burley exports for the crop year ending September 30, 1976, were 241½ million pounds above the previous year, with volume totaling 92 million however, most major destinations took more. Italy continued as our leading foreign market due to increased manufacture of cigarettes with U.S. tobaccos. U.S. burley tobacco imports to the Federal Republic of Germany (West Germany) rose, accounting for about 26 percent of the Federal Republic's burley imports in 1975. Japan further increased burley imports as the U.S.-type blend becomes preferred in that country.

Supplies Higher

This season's burley supply of 1.78 billion pounds is about 3 percent above last season but 12 percent below the record (table 8). The 1976 crop, estimated December 1 at 646 million pounds, was 1 percent above last year. This reflects 1 percent lower acreage, with yields averaging near those of the 5 years (1971-1975) under the poundage program. This season's effective farm poundage quota was held 4 percent below last year and the basic quota was cut 5 percent.

With a larger 1975 crop, burley carryover on October 1 was up 3 percent from a year earlier and carryover under government loan recovered to 44 million pounds as last season's loan placements increased. However, with this season's receipts moderate, little change in loan carryover is expected.

Burley supply for 1976/77 is equal to 2.9 times probable disappearance, about the same as last season. This is slightly above the desirable ratio based on the legislative formula. With supply in line with use, little change in carryover is indicated by October 1, 1977. In addition, manufacturers and dealers held 141 million pounds of foreign-grown burley on October 1, 5 million pounds above a year earlier when loan stocks were depleted. Foreign burley stocks were built up rapidly in 1973-74 to assure a larger supply.

The burley outlook for 1977 hinges partially on the quota decisions USDA will make by February 1. Burley poundage legislation requires that the national quota for any year not be less than 95 percent of estimated marketing year disappearance nor less than 95 percent of the previous year's quota. For 1976/77, the basic allotment was set at 635 million pounds. By contrast, disappearance in 1975/76 totaled 602 million pounds, 3 percent above the previous year. Not much change is indicated for 1976/77 as burley stocks are adequate but not excessive. The USDA will probably maintain the 1977 burley quota near the level for the 1976 crop and, as in the past, individual farm quotas will be adjusted for the previous year's overmarketings and undermarketings.

SOUTHERN MARYLAND

1975/76 Disappearance Up

During the year ending September 30, 1976, disappearance of Maryland tobacco was 35 million pounds, 1.3 million above the previous year (table 9). The 1976 crop went above 1975 but was not as large as disappearance.

Domestic use of Maryland tobacco at 25 million pounds was held constant but 13 million below 1968's high level. Domestic use in the current marketing year may remain about the same.

Last marketing year's exports totaled 9.7 million pounds—up over 1 million from the previous year. Switzerland's takings were up and remain about one-half of exports.

Supplies Lower

Carryover on January 1, 1977, is expected to fall well below a year earlier. The 1976 Southern Maryland tobacco crop is estimated at 29 million pounds, 8 million pounds above the previous season. Acreage was constant and yield improved. Acreage allotments were not in effect, since growers have disapproved marketing quotas since 1965. Estimated supply (current crop plus tentative carryover) for 1976/77 is about one fifth below a year earlier. Auctions for the 1976 Maryland crop will begin in April.

Southern Maryland tobacco, type 32: Production and price, Maryland, and other States, 1973-75

Crop year	Production		Average price per pound to growers	
	Maryland	Other States[1]	Maryland	Other States[1]
	Million pounds	*Million pounds*	*Cents*	*Cents*
1973	31.5	3.5	90.5	63.7
1974	30.2	2.6	95.6	51.4
1975	21.8	.7	109.1	[2]60.0

[1] Compiled from sales and certification data, Tobacco Division, AMS. [2] Estimated.

FIRE-CURED

Auction Prices

Auction markets for Virginia fire-cured tobacco (type 21) opened November 30. Sales were suspended December 8 through December 14 because of a fire in the warehouse of a major buyer. Record prices for 3 days of sale were 18 cents above last year's early season price of 92 cents per pound. Quality was up from last year's crop. Auctions for Kentucky-Tennessee fire-cured (types 22 and 23) are expected to open around the middle of January. At an estimated 37 million pounds, the 1976 fire-

Table 9—Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1968-76

Marketing year	Acreage harvested	Yield per acre	Supply			Disappearance[1]			Average price per pound to growers
			Production	Stocks, Jan. 1	Total	Total	Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Cents*
1968	29.0	1,100	31.9	81.5	113.4	48.7	38.3	10.4	69.8
1969	26.5	1,060	28.1	66.7	94.8	41.3	29.1	12.2	75.1
1970	27.0	1,090	29.4	50.1	79.5	39.5	27.6	11.9	78.6
1971	27.0	1,040	28.1	46.0	74.1	25.5	17.5	8.0	81.9
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973[2]	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974[2]	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975[2]	23.5	950	21.1	53.6	74.7	34.8	25.1	9.7	107.5
1976[3]	23.0	1,250	28.8	*39.6	58.4				

[1] Year beginning October 1. [2] Includes sales and certification. [3] Based on November 1 crop prospects and 75 thousand pounds estimated for other States. *Estimated.

cured crop is about the same as 1975. Acreage gains are recorded for all types.

Supplies Up

An increased carryover brings the 1976/77 supply of fire-cured types to 87 million pounds—almost 2 million above a year earlier. Based on last season's use, this supply would last about 2.5 years. On October 1, the beginning of the marketing year, no government loan stocks remained. Total carryover next October will probably increase slightly (table 10).

Disappearance Remains at Low Level

Disappearance of fire-cured types in 1975/76 was about 36 million pounds—about the same as the previous season. Domestic use of Kentucky-Tennessee types decreased for the second consecutive year. However, exports of Kentucky-Tennessee fire-cured increased. An increase in Virginia fire-cured domestic disappearance was less than the decline in exports.

Exports of fire-cured tobacco, including an allowance for Black Fat, increased 1 million pounds last season. Supplies were near the record low 1974-75 year and prices were record high. Exports of Kentucky-Tennessee types to the Netherlands were up from a relatively low level in the previous year. Cigar and smoking tobacco manufacture using fire-cured tobacco is a major part of the Netherlands' industry. For Black Fat, a semi-processed product made of fire-cured and dark air-cured leaf, exports decreased about 246,000 pounds, primarily due to tight supplies of fire-cured. Virginia fire and sun-cured exports declined since Norway, the major importer, decreased its takings.

DARK AIR-CURED

Auction Prices Jump

Auction markets for One Sucker and Green River tobaccos opened December 3 and November 30, respectively (Kentucky-Tennessee dark air-cured types 35-36). Auctions for Virginia sun-cured (type 37) opened December 7. Farmers received more for each type than last season and well above the support level of 65.9 cents per pound. The quality of offerings was generally up.

An estimated 16.5 million pounds, the dark air-cured crop is larger than 1975's production, but almost 3 million below last season's disappearance. Acreage and yield was up slightly for each type.

Supplies Record Low

The record low supply of dark air-cured and sun-cured tobacco for 1976/77, about 47 million pounds, is 3 million below last season. Supply is lower for each type due to reduced carryover (table 11). Total supplies of dark air-cured tobacco represent about 2.4 years' use, based on last year's disappearance. Carryover will again decline as the disappearance rate exceeds current production.

Disappearance Increases

Disappearance of dark air-cured tobacco during 1975/76 was 20 million pounds, about 3 million more than in the previous marketing year. Domestic use increased but exports of each type declined. Chewing tobacco output gained but other uses declined.

CIGAR TOBACCO

U.S. and Puerto Rican Supplies Stable

Supplies of U.S. and Puerto Rican cigar tobacco are about the same as in 1975. Consumption was about equal to the level of production. October 1 carryover is down 2 percent but 1976/77 production is up 3 percent. Most of the supply decline occurred in the cigar wrapper types. By the last marketing year ending September 30, 1976, disappearance of binder, filler and wrapper had fallen to about one-half 1967/68's level which was about equal to the 1934-38 average. On October 31, government loan stocks of cigar tobacco were above 1975's low level. The continued decline in the production of U.S. cigars offsets cigar tobacco gains in chewing tobacco use.

Production of U.S. cigar types was estimated about 3 percent above 1975. Acreage was down but yields were up. U.S. cigar leaf tobacco is sold either directly on the farms or through cooperatives. Season average prices will be published in the May 1977 issue of USDA's crop report.

Filler Supplies Increase

Supplies of continental cigar filler (U.S. and Puerto Rican types 41-46) are 3 percent above the record low level in 1975. Production of filler was up 15 percent and carryover was up 3 percent. These supplies would last about 3.2 years, based on 1975/76 disappearance. Disappearance in the 1976/77 marketing year may decline from last season's level and probably will be below production. Both filler acreage and yields for the 1976 crop are up.

Imports Supplementing U.S. Supplies

Last season, imports accounted for about 70 percent of U.S. cigar tobacco requirements. With domestic supplies at a low level in 1976/77, manufacturers will again draw heavily on foreign leaf.

Table 10—Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-76

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1— Manufacturers and other	Beginning stocks, October 1— Under loan	Beginning stocks, October 1— Total	Total supply
	Thousand acres	*Pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
	Kentucky-Tennessee fire-cured, types 22-23						
1967	17.3	1,702	29.5	64.0	27.3	91.3	120.8
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969	19.0	1,797	34.1	61.1	11.6	72.7	106.8
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971	19.5	1,928	37.6	48.6	4.7	53.3	90.9
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3
1976[1]	19.4	1,645	31.9	42.6	([2])	42.6	74.5
	Virginia fire-cured, type 21						
1967	5.4	1,290	7.0	12.1	2.7	14.8	21.8
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969	5.0	1,340	6.7	8.0	1.9	9.9	16.6
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971	5.0	1,180	5.9	8.0	1.0	9.0	14.9
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	([2])	7.6	13.3
1974	5.0	1,185	5.9	7.1	---	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976[1]	5.3	1,000	5.3	7.4	([2])	7.4	12.7

Marketing year beginning October 1	Disappearance Total	Disappearance Domestic	Disappearance Exports	Average price per pound	Price support level	Placed under Government loan Quantity	Placed under Government loan Percentage of crop
	Million pounds	*Million pounds*	*Million pounds*	*Cents*	*Cents*	*Million pounds*	*Percent*
	Kentucky-Tennessee fire-cured, types 22-23						
1967	42.0	14.9	27.1	46.2	41.9	0.8	2.7
1968	38.7	[3]19.1	19.6	51.1	43.1	.4	1.2
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
1970	41.4	13.1	28.3	54.4	46.6	([3])	.1
1971	34.7	16.0	18.7	60.8	48.5	([3])	.1
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976					74.1		
	Virginia fire-cured, type 21						
1967	10.1	3.4	6.7	40.9	41.9	.7	10.1
1968	7.7	3.0	4.7	46.9	43.1	.2	3.4
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
1970	7.0	2.4	4.6	52.0	46.6	.1	2.0
1971	6.6	3.1	3.5	54.8	48.5	.1	1.0
1972	5.4	1.3	4.1	64.2	50.8	([3])	.1
1973	6.2	1.7	4.5	75.5	53.5	([3])	---
1974	5.7	0.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	([3])	.9
1976				[4]119.4	74.1		

[1] November 1 crop prospects. [2] Less than 50,000 pounds. [3] Includes 4.7 million pounds fire loss, April 1969. [4] Through December 17.

Table 11—Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-76

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and others	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thousand acres	*Pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
	Dark air-cured, types 35-36						
1967	9.5	1,629	15.5	39.2	21.3	60.5	76.0
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969	10.1	1,793	18.1	44.1	15.0	59.1	77.2
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971	8.6	1,834	15.7	35.5	14.3	49.8	65.5
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	([2])	32.9	46.9
1976[1]	9.3	1,700	15.8	28.2	---	28.2	44.0
	Sun-cured, type 37						
1967	1.2	1,090	1.3	4.2	0	4.2	5.5
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969	1.1	1,225	1.3	3.8	0	3.8	5.1
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971	.9	1,200	1.1	3.1	0	3.1	4.2
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973	.7	1,320	.9	3.2	0	3.2	4.1
1974	.7	1,315	.9	3.0	0	3.0	3.9
1975	.7	930	.7	2.3	0	2.3	3.0
1976[1]	.7	1,000	.7	2.1	0	2.1	2.8

Marketing year beginning October 1	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop
	Million pounds	*Million pounds*	*Million pounds*	*Cents*	*Cents*	*Million pounds*	*Percent*
	Dark air-cured, types 35-36						
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	17.1	15.0	2.1	47.4	38.3	.7	3.9
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972	17.0	14.7	2.3	50.3	45.2	1.2	.8
1973	20.2	17.4	2.8	61.9	47.6	([2])	.2
1974	15.6	12.8	2.8	76.9	51.8	.3	2.6
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976				[3]116.2	65.9	([2])	---
	Sun-cured, type 37						
1967	1.6	1.2	.4	45.2	37.3	[4]25	1.9
1968	1.3	1.1	.2	53.2	38.3	[4]1	.1
1969	1.8	1.5	.3	52.8	39.7	[4]1	.1
1970	1.3	1.1	.2	53.8	41.4	[4]3	.3
1971	1.2	1.0	.2	54.1	43.1	0	---
1972	.6	.4	.2	57.9	45.2	0	---
1973	1.1	.9	.2	69.2	47.6	0	---
1974	1.6	1.3	.3	82.1	51.8	[4]2	2.1
1975	.9	.7	.2	85.5	58.0	([5])	.1
1976				[3]105.9	65.9	---	---

[1] Based on November 1 crop prospects. [2] Less than 50,000 pounds. [3] Through December 17. [4] Quantity placed under Government loan in thousands of pounds. [5] Less than 500 pounds.

Foreign grown cigar leaf tobacco: U.S. imports and stocks, 1973-76

Country of origin	Imports for consumption year ending September 30—				Dealers and manufacturers stocks October 1			
	1973	1974	1975	1976	1973	1974	1975	1976
Philippines	25.1	42.6	20.5	27.0	33.2	41.0	37.9	39.0
Dominican Republic	15.3	14.1	17.8	16.0	16.6	19.8	21.0	14.5
Brazil	21.0	14.9	19.9	24.8	8.8	8.8	7.8	6.2
Columbia	11.7	7.2	8.4	6.5	13.4	13.8	11.3	10.1
Paraguay	8.0	5.4	8.1	4.7	7.3	8.1	8.8	4.8
Mexico	6.5	[1] 6.5	[1] 6.5	7.6	6.4	5.6	5.9	3.0
Indonesia	6.4	6.9	11.2	8.5	10.2	9.4	11.1	10.9
All others	19.0	33.5	22.8	16.8	19.5	19.6	25.6	20.8
Total	113.0	131.1	115.2	111.9	115.3	126.1	129.4	109.4

[1] Estimated at 1973/74 level.

Manufacturers reduced imports in 1975/76 (October-September) due to a reduced cigar production. Last season 112 million pounds of cigar tobacco were imported for consumption, 3 million pounds less than in the previous season. Imports from the Dominican Republic and Colombia declined while tobacco from Brazil, and the Philippines increased. Foreign-grown cigar leaf stocks in the United States on October 1 were 109 million pounds—about 20 million below a year earlier.

The Cigar Association of America petitioned at a December 17, 1976 hearing of the U.S. Trade Policy Staff Committee to have filler tobacco, scrap tobacco, and other tobacco (not specifically provided for) eligible for GSP (Generalized Scheme of Preferences) benefits. Adding commodities to the list provides for duty free import from nearly 140 countries including most of Africa, Latin America, and Asia.

Binder Supplies Stable

Binder tobacco supplies for the season are about the same as 1975/76 as a larger carryover offset a smaller crop. Yields are down; acreage is stable.

Cigar binder disappearance last season was 22 million pounds, almost the same as a year earlier. Disappearance decreased for Wisconsin (types 54-55) and increased slightly for Connecticut Valley binder (types 51-52). Loose leaf chewing tobacco manufacturers continue to use other kinds of tobacco to supplement Wisconsin leaf. Chewing tobacco is the principal outlet for Wisconsin tobacco. At current levels of use, Connecticut tobacco is used primarily for natural binder in higher-priced cigars. Disappearance may increase this year resulting in stocks remaining about the same.

Wrapper Supplies Decline

Cigar wrapper tobacco supplies for 1976/77 are about 12 percent below last year. Connecticut Valley wrapper (type 61) supplies declined slightly and Georgia-Florida (type 62) again declined with a considerable cut in production. Total carryover was down about 14 percent from last year. If disappearance steadies, carryover next July 1 will drop below last July's 14 million pounds.

During July-October 1976, cigar wrapper exports were 400,000 pounds below the level of a year earlier. Exports were down for Connecticut Valley wrapper and up for Georgia-Florida. Dominican Republic manufacturers again took a sizable quantity of Connecticut Valley wrapper this season to supply their expanding cigar market.

Cigar Wrapper: Connecticut Valley Holds On

Cigar wrapper is grown under cheesecloth covered frames in Connecticut, Massachusetts, Georgia, and Florida. It costs the most to grow of any U.S. tobacco crop and accounts for about 2 percent of the value of U.S. production. Florida-Georgia production has all but ceased because of declining demand and relatively low prices. For the more highly integrated Connecticut Valley production, demand continues at record prices, despite the decline in domestic cigar production, as wrapper exports remain strong. Rising production costs in Connecticut, particularly for harvest labor, have been softened in the last two seasons by using local labor rather than contracting labor from Puerto Rico.

Table 12—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, 1967-76

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks[1]	Total supply	Total	Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Cents*
	Pennsylvania Seedleaf Filler (type 41)								
1967	21.0	1,825	38.3	112.3	150.6	41.9	41.3	0.6	28.0
1968	21.0	1,775	37.3	108.7	146.0	40.9	40.0	.9	30.0
1969	20.0	1,825	36.5	105.1	140.6	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	127.9	40.9	40.7	.2	31.0
1971	15.2	1,610	24.5	87.0	111.5	41.3	40.6	.4	36.0
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976[2]	12.5	1,850	23.1	46.8	69.9				
	Ohio, Miami, Valley Filler (types 42-44)								
1967	2.3	1,580	3.6	15.5	19.1	6.2	6.2	---	29.0
1968	2.0	1,670	3.4	12.9	16.3	5.4	5.4	---	31.0
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	---	32.5
1970	1.6	1,750	2.9	9.0	11.9	4.1	4.1	---	38.0
1971	2.0	1,850	3.8	7.8	11.6	4.6	4.6	---	41.0
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	---	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	---	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	---	59.0
1975	1.8	1,750	3.2	5.9	9.1	3.4	3.4	---	60.0
1976[2]	1.9	1,700	3.1	5.7	8.8				
	Puerto Rico Filler (type 46)[3]								
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	---	33.1
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	33.6
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	---	36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	39.8
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	---	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	---	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	---	45.5
1975	2.7	1,500	4.3	6.1	10.4	3.2	3.2	---	50.7
1976[2]	3.4	1,470	5.0	7.2	12.2				
	Total Cigar Filler (types 41-46)								
1967	30.9	1,707	52.7	168.3	221.0	65.0	64.4	.6	29.1
1968	29.0	1,666	48.3	156.0	204.3	62.5	61.6	.9	30.5
1969	26.4	1,721	45.4	141.8	187.2	61.6	61.0	.6	30.6
1970	21.8	1,737	38.0	125.6	163.6	53.8	53.6	.2	32.1
1971	22.0	1,587	35.0	109.8	144.8	54.9	54.5	.4	37.3
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	18.0	1,850	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	17.3	1,630	27.3	61.2	88.5	[2]28.8	[2]28.4	.4	56.2
1976[2]	17.8	1,760	31.2	59.7	90.9				
	Connecticut Valley Binder (types 51-52)								
1967	1.5	1,819	2.7	16.4	19.1	7.9	5.7	2.2	54.5
1968	1.6	1,808	2.8	11.2	14.0	5.1	4.7	.4	59.5
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
1970	1.7	1,756	2.9	7.0	9.9	2.7	2.4	.3	65.5
1971	1.6	1,743	2.8	7.2	10.0	2.6	2.5	.1	65.1
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975	1.5	1,568	2.4	6.2	8.6	4.4	4.2	.2	92.7
1976[2]	1.5	1,766	2.7	4.2	6.9				
	Southern Wisconsin Binder (type 54)								
1967	3.8	1,905	7.2	20.7	27.9	8.0	8.0	---	34.4
1968	3.7	1,990	7.4	19.9	27.3	7.7	7.7	---	36.8
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	---	36.8
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	40.2
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	50.3
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	---	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	---	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	---	74.9
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	---	75.1
1976[2]	5.6	1,600	9.0	23.2	32.2				
	Northern Wisconsin Binder (type 55)								
1967	4.5	1,975	8.9	29.3	38.2	9.3	8.9	.4	34.1
1968	4.0	1,670	6.7	28.9	35.6	14.9	14.5	.4	37.9
1969	3.7	1,815	6.7	20.7	27.4	8.8	8.5	.3	43.4
1970	4.4	2,055	9.0	18.6	27.6	9.2	9.1	.1	52.0
1971	5.3	1,980	10.5	18.4	28.9	9.9	9.9	*	54.0
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	*	75.4
1975	5.4	1,835	9.9	15.8	25.7	9.7	9.7	*	75.1
1976[2]	5.5	1,600	8.8	10.0	24.8				

See footnote at end of table.

Table 12—Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-76—Cont.

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks[1]	Total supply	Total	Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Cents*
	Total Wisconsin Binder (types 54-55)								
1967	8.3	1,943	16.1	50.0	66.1	17.3	16.9	0.4	34.2
1968	7.7	1,824	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969	7.4	1,778	13.1	40.3	53.4	18.1	17.8	.3	41.8
1970	8.8	2,095	18.4	35.3	53.7	16.5	16.4	.1	51.1
1971	10.6	2,125	22.5	37.2	59.7	20.4	20.4	*	54.9
1972	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.2	*	75.1
1976[2]	11.1	1,600	17.8	39.2	57.0			*	
	Total Cigar Binder (types 51-55)								
1967	9.8	1,924	18.8	66.4	85.2	25.2	22.6	2.6	37.1
1968	9.3	1,821	16.9	60.0	76.9	27.7	26.9	.8	41.0
1969	9.0	1,716	15.4	49.2	64.6	22.3	21.7	.6	44.3
1970	10.5	2,041	21.3	42.3	63.6	19.2	18.8	.4	53.1
1971	12.2	2,075	25.3	44.4	69.7	23.0	22.9	.1	56.1
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.1	21.6	21.4	.2	76.9
1976[2]	12.6	1,627	20.5	43.4	63.9	21.6			
	Connecticut Valley Shade-grown (type 61)								
1967	8.5	1,124	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
1970	6.0	1,535	9.3	12.2	21.5	7.6	6.6	1.0	400.0
1971	4.7	1,635	7.7	13.9	21.6	8.4	5.7	2.7	400.0
1972	4.1	1,250	5.1	13.2	18.5	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8	640.0
1976[2]	4.2	1,550	6.6	7.5	14.1				
	Georgia-Florida Shade-grown (type 62)								
1967	5.1	1,573	8.0	8.7	16.7	7.9	6.3	1.6	245.0
1968	5.0	1,556	7.9	8.8	16.7	9.2	7.1	2.1	270.0
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
1970	3.6	1,590	5.6	9.2	14.8	6.7	5.8	.9	270.0
1971	3.0	1,582	4.7	8.1	12.8	6.2	5.4	.8	262.0
1972	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4	280.0
1973	2.6	1,413	3.7	7.0	10.7	4.2	3.7	.5	350.0
1974	1.9	1,724	3.2	6.5	9.7	3.6	3.1	.5	380.0
1975	1.1	1,556	1.7	6.2	7.9	1.9	1.0	.9	400.0
1976[2]	.4	1,750	.6	6.0	6.6				
	Total Shade-grown (types 61-62)								
1967	13.6	1,292	17.6	24.7	42.3	20.8	15.9	4.9	308.0
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	276.0
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
1970	9.6	1,555	14.9	21.4	36.3	14.3	12.4	1.9	351.0
1971	7.7	1,614	12.4	22.0	34.4	14.6	11.1	3.5	347.5
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	9.9	5.2	4.7	585.7
1976[2]	4.6	1,565	7.2	13.5	20.7				
	Grand Total Cigar Tobacco (types 41-62)								
1967	54.3	1,642	89.1	259.4	348.5	111.0	102.9	8.1	85.7
1968	51.7	1,610	83.3	237.5	320.8	110.2	104.7	5.5	85.9
1969	46.7	1,645	76.7	210.6	287.3	98.0	94.9	3.1	97.7
1970	41.9	1,771	74.2	189.3	263.4	87.3	84.8	2.5	102.3
1971	41.9	1,734	72.7	176.2	248.9	92.5	88.5	4.0	96.7
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.5	1,834	65.3	121.2	186.3	67.7	62.8	4.9	142.5
1975	35.4	1,635	57.9	118.6	176.5	60.3	54.5	5.8	135.1
1976[2]	35.0	1,683	58.9	116.6	175.5				

[1] October 1 for types 41-55; July 1 for types 61-62. [2] Based on November 1 crop prospects. [3] Puerto Rican planting occurs late in calendar year; projected for 1976; price excludes payment by Puerto Rican Government; 23 cents per pound in 1976. *Less than 50,000 pounds.

Table 13.--Tobacco: Acreage, yield, production, stocks, supply, disappearance, price and crop value, United States and Puerto Rico, 1947-76

(Farm-sales weight)

Crop year	Acreage	Yield per acre	Production	Stocks 1/	Supply	Disappearance 1/			Average price per pound to growers	Crop value
						Total	Domestic	Exports		
	1,000 acres	Pounds	- - - - - - - -	- - - - - - - -	Million pounds	- - - - - - - -	- - - - - - - -	- - - - - - - -	Cents	Million dollars
					United States					
Average:										
1947-49	1,676	1,208	2,019	2,947	4,965	1,908	1,417	491	45.9	926
1950-54	1,690	1,292	2,184	3,382	5,566	2,006	1,479	527	51.2	1,118
1955-59	1,242	1,541	1,914	4,095	6,009	1,951	1,397	554	56.0	1,072
1960-64	1,159	1,879	2,178	3,911	6,089	2,037	1,468	569	60.0	1,307
1965	977	1,898	1,855	4,496	6,351	2,000	1,462	538	65.1	1,207
1966	972	1,939	1,885	4,351	6,236	2,098	1,392	704	66.5	1,252
1967	960	2,050	1,968	4,140	6,108	2,020	1,372	648	66.8	1,316
1968	879	1,945	1,710	2/4,088	5,798	1,975	1,352	623	69.5	1,189
1969	918	1,964	1,803	3,823	5,626	1,949	1,308	640	71.8	1,296
1970	898	2,122	1,906	3,678	5,584	1,919	1,278	639	72.9	1,389
1971	839	2,034	1,705	2/3,667	5,372	1,883	1,312	571	78.6	1,340
1972	842	2,076	1,749	2/3,488	5,237	1,951	1,312	639	83.0	1,451
1973	889	1,963	1,746	2/3,289	5,035	2,081	1,348	732	90.0	1,572
1974	963	2,067	1,994	2/2,948	4,942	1,934	1,281	653	108.6	2,160
1975 3/	1,086	2,009	2,184	3,003	5,187	1,945	1,290	655	102.6	2,241
1976 4/	1,032	2,007	2,071	3,243	5,314				113.3	2,347
					United States and Puerto Rico					
Average:										
1947-49	1,710	1,200	2,045	3,012	5,057	1,942	1,447	495	45.6	932
1950-54	1,728	1,282	2,215	3,430	5,645	2,036	1,508	527	50.9	1,127
1955-59	1,270	1,528	1,941	4,147	6,088	1,981	1,426	555	55.6	1,080
1960-64	1,188	1,861	2,211	3,957	6,168	2,066	1,497	569	59.7	1,319
1965	994	1,882	1,871	4,559	6,430	2,027	1,489	538	64.8	1,212
1966	981	1,934	1,899	4,403	6,300	2,121	1,415	704	66.2	1,256
1967	967	2,045	1,979	4,181	6,160	2,037	1,390	648	66.7	1,319
1968	885	1,941	1,718	2/4,122	5,840	1,992	1,368	623	69.3	1,191
1969	923	1,960	1,810	3,849	5,658	1,961	1,320	640	71.7	1,298
1970	902	2,120	1,912	3,698	5,609	1,928	1,288	639	72.9	1,391
1971	844	2,031	1,714	2/3,682	5,394	1,893	1,321	571	78.5	1,342
1972	848	2,068	1,759	2/3,501	5,260	1,959	1,320	639	82.9	1,453
1973	894	1,960	1,752	2/3,298	5,050	2,087	1,355	732	89.8	1,574
1974	966	2,066	1,998	2/2,958	4,956	1,942	1,289	653	108.5	2,162
1975 3/	1,090	2,008	2,189	3,009	5,198	1,948	1,293	655	102.5	2,243
1976 4/	1,035	2,006	2,076	3,250	5,326				113.2	2,350

1/ For flue-cured and cigar wrapper, year beginning July 1; for all other types, October 1. 2/ Includes flue-cured carried over on farms; 1968, 13 million pounds; 1971, 16 million pounds; 1972, 17 million pounds; 1973, 7 million pounds for flue-cured and 13 million pounds for burley, 1974, 5 million pounds for flue-cured. 3/ Subject to revision. 4/ Preliminary.

Table 14--Flue-cured tobacco: Farm marketings by belt and across-belt marketings, 1976

States and belt	Total farm marketings	Sold in -- Ga.-Fla. 14	S.C.-N.C. 13	N.C. 12	N.C.-Va. 11	Total sold out of belt Amount	Percent of sales
	- - - Million pounds - - -						Percent
Ga.-Fla., 14	154.1	154.0	0.1	0	0	0.1	0.1
S.C.-N.C., 13	263.0	1.0	249.9	5.6	6.4	13.1	5.0
N.C., 12	432.3	0	7.0	416.1	9.2	16.2	3.7
N.C.-Va., 11	462.2	0	3.7	39.5	419.0	43.2	9.3
Sales from out of belt	--	1.0	10.8	45.1	15.6	--	--
Total 1/	1,311.7	155.0	260.8	461.2	434.6	72.5	5.5
	Sales from out of belt as percentage of belt sales						
	Percent						
	5.5	.6	4.1	9.8	3.6	--	

1/ Distribution of 1.5 million pounds not available.
Detail may not add to total due to rounding.
Compiled from records and reports of Tobacco and Peanut Division, ASCS.

Table 15--Flue-cured tobacco: Basic and effective quotas and marketings, 1975-77

Type and state	Basic quota 1976	Basic quota 1977	Effective quota 1976	Effective quota 1977	Decrease from 1976 1/	Marketings 1975	Marketings 1976
	- - - Million pounds - - -				Percent	Million pounds	
14-Alabama	1	1	1	1	14.9	1	1
14-Florida	26	23	32	25	23.8	28	30
14-Georgia	133	117	139	132	4.9	151	123
13-N. Carolina	111	97	114	101	11.5	135	110
13-S. Carolina	158	139	155	140	9.6	189	153
12-N. Carolina	455	400	470	399	15.2	528	433
11-N. Carolina	271	239	358	288	19.6	271	339
11-Virginia	113	99	139	113	18.4	112	123
Total 11-14	1,268	1,116	1,409	1,199	14.9	1,415	1,313

1/ Computed from unrounded data.
Detail may not add to total due to rounding.

Compiled from records of Tobacco and Peanut Division, ASCS.

World Tobacco Harvest About the Same[2]

World tobacco production in 1976 of about 11.8 billion pounds (5,337,800 metric tons) is about the same as in 1975. Production decreased in North America, South America, USSR, Africa, and Oceania, but increased in Asia and Europe.

Table 16— Flue-cured and Oriental tobacco production in specified countries, average 1965-69, 1975-76

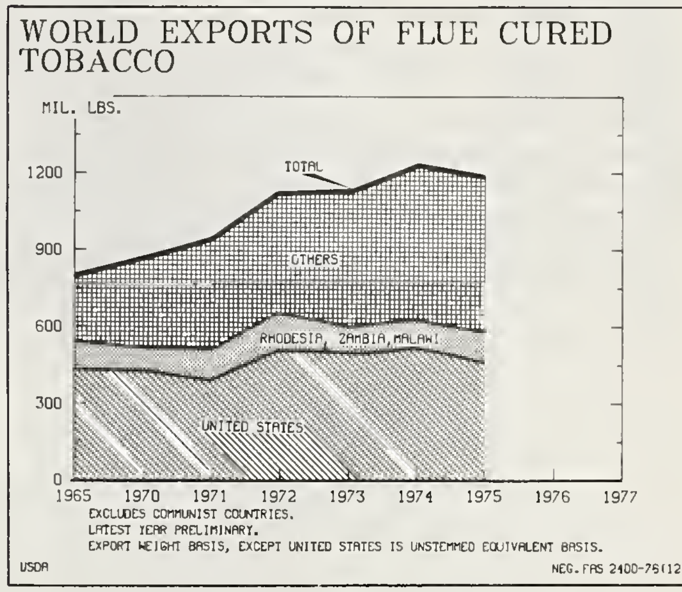
Country	Average 1965-69	1975[1]	1976[2]
	Million pounds	*Million pounds*	*Million pounds*
Flue-cured:			
Argentina	38	83	80
Canada	208	228	192
Mexico	12	4	18
Brazil	144	406	344
Angola	9	11	11
Mozambique	5	3	3
Zambia	13	14	16
Malawi	4	33	36
Rhodesia	187	200	172
Tanzania	11	26	26
Uganda	4	3	3
South Africa	34	26	31
Iran	10	6	9
China, Rep. of	39	39	39
Sri Lanka	7	8	9
India	212	245	209
Indonesia	35	41	40
Japan	272	207	205
Khmer	10	4	4
Korea, Rep. of	106	167	166
Pakistan	60	69	49
Philippines	76	74	106
Thailand	37	88	92
South Vietnam	5	6	6
Total	1,500	1,908	1,786
Oriental:			
Greece	204	231	246
Bulgaria	242	298	282
Yugoslavia	94	114	127
Turkey	345	459	573
Total	885	1,102	1,228
Burley:			
Italy	45	103	100
Mexico	16	42	54
Greece	18	29	33
Korea, Rep. of	28	62	72
Malawi	6	18	16
Brazil	11	66	51
Total	124	320	326

[1] Subject to revision. [2] Preliminary.

Compiled from reports of Foreign Agricultural Service.

[2]Data summarized from "World Production of Tobacco," Foreign Agriculture Circular FT 6-76, December 1976, available from Foreign Agricultural Service, Room 5918, USDA, Washington, D.C. 20250.

Flue-cured production was about 4 percent below last year. A gain in output in the Philippines, Thailand, and Malawi was more than offset by declines in Canada, the United States, Rhodesia, Brazil, and India. A small gain is indicated for the Peoples Republic of China (PRC). In other major producing countries, production remained about the same as a year before, but substantially above the 1965-69 average.



In Rhodesia, the 1976 flue-cured harvest again was below the production goal of 200 million pounds. U.N. sanctions on Rhodesian trade continue, and continued unstable political conditions in that country and surrounding areas tend to limit the expansion of Rhodesia's tobacco crops.

Production in Canada decreased this season, as growers had smaller quotas. In the major Ontario production area, auctions began November 1. Prices early in the season have averaged 101 Canadian cents per pound compared with 86 cents a year earlier.

Burley production in 1976 was up slightly from 1975. Production is more than 50 percent above the 1965-69 average. The stability of the Italian and U.S. crops is the major feature this year. In Korea, another leading producer, output increased about 15 percent.

Oriental leaf production up substantially in 1976, or some 30 percent above the 1965-69 average. Greece and Turkey had sizable gains. Russia's output decreased 3 percent. In Greece and Turkey, old crop stocks were negligible and 1975 prices soared. Growers are again expecting a strong market for their crops. U.S. firms continue to purchase oriental leaf in Italy where the buyer's premium, i.e. rebate, and export subsidy make the price attractive.

Imports and Exports

The *Federal Republic of Germany* tobacco imports were off 11 percent in 1975. U.S. tobacco imports were down because of adequate stocks, higher prices for U.S. leaf, and an uncertain outlook for consumption of U.S. tobacco. Cigarette sales were down as prices increased 5 percent and the smoking and health debate continued. Sales of low tar and nicotine cigarettes in the Federal Republic reached 28 percent of total sales in 1975. U.S. flue-cured tobacco is imported for its high nicotine content.

Canadian flue-cured tobacco sales in 1975 to the United Kingdom declined. Shipments to the U.K. were 30 percent below 1974. As in the United States, rising labor costs and vigorous price competition from flue-cured leaf grown in low-wage or EC tariff preference areas, such as Africa, India, and Brazil, are largely responsible for the decline.

Italy's cigarette sales gained 1.4 percent in 1975. The sales rise is dominated by blends of flue-cured, burley, and oriental tobaccos. Leaf trade has expanded with other EC countries due to the provisions of the EC tobacco policy. Decreased imports of U.S. tobacco in 1975 were 40 percent of Italian imports and the U.S. took 27 percent of Italian exports.

In 1975, *EC* imports under the GSP were about 7 percent of the community's 1.2 billion pound tobacco imports. For 1977, the flue-cured quota for preferential tariffs has been increased 58 percent to about 132 million pounds, about one-half as large as U.S. exports to the EC in 1975. In addition, other areas enjoy preferential tariffs. The United States, without tariff advantage, supplied 24 percent of EC's imports of unmanufactured tobacco last year (almost 48 percent of U.S. exports).

Mexico produced a burley crop 25 percent larger than 1975. Combined with the peso devaluation, Mexico's crop will give strong price competition to U.S. burley. Mexico exported 50 million pounds of burley in 1974 and 34 million in 1975.

Table 17—United Kingdom tobacco: Imports, stocks, clearances, and exports, 1974-76

Item	January-September 1974	1975	1976[1]	Item	January-September 1974	1975	1976[2]
	Million pounds	*Million pounds*	*Million pounds*		*Million pounds*	*Million pounds*	*Million pounds*
Imports, by source:				Gross clearances:			
United States	48	33	54	Other rates	119	107	141
Commonwealth	121	115	113	Commonwealth rate	118	95	66
Other	61	58	73				
Total	230	206	240	Total	233	231	207
Exports:				Flue-cured, by source:			
Manufactured products	45	53	64	United States	75	71	59
				Commonwealth	118	104	86
Unmanufactured	4	4	5	Other	32	44	51
Stocks, Sept. 30:				Subtotal	225	219	196
Flue-cured, total	360	295	[2] 370				
United States	119	99	[2] 96	Other tobaccos	12	11	11
Total, all kinds	384	399	[2] 408	Net clearances:	176	167	148

[1] Through October 31. [2] Through August 31. [3] Not available.

Compiled from official United Kingdom sources.

Table 18—Japan tobacco: Imports, by major suppliers, 1966-76

Year	United States	India	Thailand	Bulgaria, Greece, Turkey, Yugoslavia	Other countries	Total	United States as a percent of— Total	Non-oriental imports[1]
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Percent*	*Percent*
1966	47	3	3	11	7	71	67.1	79.5
1967	40	6	3	15	1	65	61.9	80.6
1968	35	7	4	13	1	60	58.8	75.3
1969	47	6	3	16	1	73	63.9	81.9
1970	44	6	6	16	1	73	60.3	78.0
1971	54	9	8	23	6	100	53.6	69.5
1972	69	10	9	36	8	132	51.9	71.5
1973	69	10	6	25	17	127	54.1	67.6
1974	85	11	7	30	37	170	50.0	60.8
1975	106	12	8	25	51	202	52.5	59.9
1976[2]	114	10	6	15	34	179	63.7	69.5

[1] Total less Bulgaria, Greece, Turkey, and Yugoslavia. [2] January-August.

ECONOMIC IMPORTANCE OF THE U.S. TOBACCO INDUSTRY

by
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ABSTRACT: U.S. consumers spent $17 billion in 1975 on tobacco products and foreign buyers paid $1.3 billion more for United States unmanufactured tobacco and tobacco products. Over 220 thousand retail establishments distribute tobacco products that provide Federal, State, and local governments about $6 billion in revenue. Value added by manufacturing has continued to rise and was over $2.5 billion in 1972. Manufacturing tobacco products and processing tobacco for storing before manufacture provide nearly 65,000 jobs with a payroll of over $566 million, mostly in tobacco producing States. Growers market through auction warehouses with an annual payroll of over $20 million. Tobacco is grown on about 200,000 farms. Growers receive over $2 billion annually, about 2.4 percent of cash receipts from all farm marketings. Excluding wages growers spend over $540 million annually for fertilizers, fuel, pesticides, etc. in producing tobacco.

KEYWORDS: Tobacco and tobacco products, consumption, processing, manufacturing, production, value added.

SALES

Consumer expenditures for tobacco products have been increasing about $1 billion annually since 1973. Consumers spent $17 billion in 1975 for tobacco products (table 1). Several hundred thousand Americans are involved (part time or full time) in meeting both the foreign and domestic demand for tobacco and tobacco products. Money flows from foreign and domestic sales of cigarettes and other tobacco products to the areas of factory production and finally to areas where tobacco is grown.

For 1975, cigarette purchases were $15 billion or about 93 percent of domestic expenditures on tobacco products. Purchases of other products totaled about $1.2 billion. In recent years, the annual increase in the value of cigarette purchases, has approached the value of total purchases of cigars, smoking tobacco, chewing tobacco and snuff. Except for chewing tobacco, the actual volume of other product sales has declined. Nevertheless, consumer expenditures on all tobacco products represents only 1.4 percent of total disposable personal income. This share has been declining for several years.

Exports of unmanufactured tobacco in 1975 had a value of about $850 million and exports of tobacco products were nearly $400 million. Foreign sales of tobacco and tobacco products exceed imports by almost $1 billion. Thus, tobacco adds substantially to our ability to purchase other goods from abroad. About 40 percent of the flue-cured crop and an increasing percentage of burley is expected. Foreign buyers largely purchase the higher grades or quality U.S. tobacco.

Retail sales of cigarettes and tobacco products according to the 1972 Census were made in over 220 thousand retail establishments. Somewhat over half of these retailers are food stores, merchandising machine operators, and drug stores, and together they sell three-fourths of tobacco products (table 2). Merchandising machine operators accounted for about 18 percent of total sales in

Table 1—Expenditures for tobacco products, and disposable personal income, 1967-76

Year	Total	Cigarettes	Cigars	Other[1]	Disposable personal income[2]	Percent of disposable personal income: All products	Spent on tobacco products: Cigarettes	Spent on tobacco products: Cigar	Spent on tobacco products: Other[1]
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Billion dollars*	*Percent*	*Percent*	*Percent*	*Percent*
1967	9,582	8,572	706	304	544	1.76	1.57	.13	.06
1968	10,112	9,094	703	315	588	1.72	1.55	.12	.05
1969	10,444	9,404	701	339	630	1.66	1.49	.11	.05
1970	11,544	10,448	707	389	686	1.68	1.52	.10	.06
1971	12,155	11,040	700	415	743	1.64	1.49	.09	.06
1972	12,910	11,765	720	425	801	1.61	1.47	.09	.05
1973	13,485	12,325	730	430	903	1.49	1.36	.08	.05
1974[3]	14,450	13,270	705	475	984	1.47	1.35	.07	.05
1975[4]	15,630	14,450	675	505	1,077	1.45	1.34	.06	.05
1976[4]	16,660				1,190	1.39			

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

Table 2—Tobacco sales as percentage of all tobacco sales and percentage of total sales, by type of retail outlet, 1967 and 1972

Retail outlet	1967: Percentage of total tobacco sales	1967: Percentage of sales by type of outlet	1972: Percentage of total tobacco sales	1972: Percentage of sales by type of outlet
	Percent	*Percent*	*Percent*	*Percent*
Food stores[1]	48.7	4.9	42.7	4.3
Merchandising machine operators	15.3	---	17.8	38.3
Drug stores	16.4	9.9	15.7	7.8
Subtotal	80.5	---	76.2	---
Gasoline service stations	3.8	---	6.5	4.7
Cigar stores and stands	5.5	75.1	4.5	77.6
General merchandise group[2]	3.8	4.7	4.2	1.2
Eating and drinking places[3]	3.8	4.2	2.5	3.2
All other[4]	2.6	---	6.1	---
Total	100.0	---	100.0	---

[1] Grocery, meat and seafood markets, and dairy product stores. [2] Department stores, variety stores, misc. general merchandise stores. [3] Restaurants and lunchrooms, cafeterias, refreshment places, other eating places, drinking places (alcoholic beverages). [4] Proprietary stores, liquor stores, nonstore retailers, mail order houses, direct selling, misc. shopping goods (bookstores, news dealers, newstands) and other.

Source: U.S. Bureau of Census, *1972 Census of Retail Trade, Merchandise Line Sales, U.S. Summary*, 1975.

1972. Tobacco products sales were 38 percent of the sales of merchandising machine operators (who handled tobacco products). In comparison, tobacco product sales in cigar stores remain over 75 percent of total sales. The number of establishments reporting sales of tobacco products declined between 1967 and 1972. Gradually the pattern has changed from sales of single cigarette packs at checkout counters to sales by individual pack by machine or sales by carton in food, drug stores and other mass merchandising outlets.

Excise taxes on tobacco products are levied by the U.S. government, all 50 States, and many local governments. Tobacco tax revenues totaled $5.9 billion last year, about 38 percent of total consumer expenditures for tobacco products. Nationally, excise taxes total about 3 times the amount U.S. farmers receive for their tobacco.

Today, tobacco taxes represent about 1 percent of Federal taxes and about 1.7 percent of all State-local taxes collected in the United States.[1] About 98 percent of the tobacco tax revenue comes from cigarettes. Since 1969, State and local tobacco taxes have exceeded the Federal tax levy.

[1] Italicized members in parentheses refer to items in Literature Cited at the end of this article.

The variance in excise tax rates among the States in 1975 is of both a political and an economic concern to tax collection officials and the wholesale and retail business in higher tax States. Sales and tax receipts in those States are not increasing as expected. Smuggling and other tax evasion operations have been blamed. Tax rates per pack of cigarettes vary from 2 to 3 cents in the cigarette manufacturing States of Kentucky, North Carolina, and Virginia to as high as 21 cents in Connecticut and Massachusetts. In Connecticut, State and Federal excise taxes were an estimated 53 percent of the average retail price of 54.5 cents per pack in 1975 while in North Carolina taxes were about 30 percent of the retail price of 33.0 cents. Per capita sales in higher tax States are generally lower and not increasing at the same rate as in North Carolina.

MANUFACTURING

The annual disappearance of *domestic tobacco* in products has been relatively stable. Use of domestic tobacco in products annually has fluctuated around 1,200 million pounds (unstemmed processing weight) since 1970 (table 3). The slight increase in the use of tobacco in cigarettes and chewing tobacco for the period about offsets the decline in use for other products, particularly cigars.

However, tobacco use per cigarette, particularly domestic tobacco in cigarettes, is declining. Domestic tobacco used per thousand cigarettes is down from 1.7 pounds in 1970 to 1.5 pounds (unstemmed processsing weight) in 1975. Domestic use has not increased with cigarette production and consumption because: (1) filter cigarettes, have become increasingly popular, and less tobacco is used in them than in regular cigarettes; (2) which increase tobacco filling power have been adopted; and (3) manufacturers have increased use of lower prices imported tobacco.

Cigarettes may continue taking less domestic tobacco if the domestic prices continue to rise relative to foreign tobacco. The use of foreign tobacco in U.S. cigarettes has increased 65 million pounds or 40 percent since 1970.

Value added by tobacco manufacturing and processing contributes importantly to State and local economies, particularly in North Carolina, Virginia, and Kentucky, according to the 1972 Census.

Almost all tobacco used domestically and half that bought for export is stemmed (tough stems and veins in the center are removed) before being redried and stored. In 1972 there were 91 stemming and redrying plants concentrated mainly in cities with larger tobacco auction markets. These plants provide about $66 million in salaries and jobs for 11,000 persons (table 4).

After a storing and aging period, manufacturers further process tobacco into consumer products. Value added in manufacturing consumer products in 1972 was about $2.5 billion. The 181 establishments making cigarettes, cigars, and chewing and smoking tobacco employed nearly 54,000 workers in 1972. Annual payroll totaled $436 million.

The 12 cigarette manufacturing establishments accounted for about 88 percent of the value added in tobacco manufacturing plants. However, most domestic manufacturing firms also manufacture cigarettes abroad or have foreign subsidiaries or licensees to sell cigarettes or tobacco products in over 140 foreign countries.

Advertising is a controversial issue since the cigarette manufacturers continue to make large ad expenditures. Before the ban on radio and T.V. advertising for cigarettes in 1971, about two-thirds of advertising expenditures were for radio and T.V. Ad expenses were down in 1971-73. In 1974, about the same total was spent as in 1970, but the amount formerly spent for radio and T.V. advertising was split three ways and added to magazine, newspapers, and outdoor advertising (table 5). Thus, advertising expenditures in real terms have declined relative to total sales.

The Federal Trade Commission is critical of advertising themes that "may tend to negate the effect of the health warning because they imply that smoking is a habit which is compatible with performing vigorous outdoor activites and having a strong, healthy body." Some anti-smoking groups seek to ban cigarette advertising completely.

Purchases by tobacco processing and product manufacturers of materials, containers, supplies, and energy are substantial. In 1972, tobacco plants spent about $501 million for these items. Plant and equipment expenditures were $133 million.

Table 3—Estimated use of domestic tobacco in selected products, 1970-75

(Unstemmed processing weight)

Year	Cigarettes	Chewing tobacco	Other products[1]	Total all products
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*
1970	975	46	176	1,197
1971	942	48	161	1,151
1972	982	48	160	1,190
1973	1,035	50	136	1,221
1974	1,000	52	113	1,165
1975	989	53	97	1,139
1970-75 average	987	50	140	1,177

[1] Smoking tobacco, snuff, and cigars.

Table 4—Tobacco manufacturing establishments, by region, 1967 and 1972

Industry and area[1]	Establishments		All employees				Value added		Value of production	
			Number		Payroll					
	1967	1972	1967	1972	1967	1972	1967	1972	1967	1972
	Number	*Number*	*Thousands*	*Thousands*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
Tobacco stemming and redrying										
Northeast	24	17	---	---	---	---	---	---	---	---
South	92	72	14.8	10.3	61.0	59.2	116.1	141.7	1,332.3	1,595.0
U.S. Total	119	91	15.9	11.4	66.2	66.0	133.1	153.6	1,373.1	1,656.8
Cigarettes										
South Atlantic	12	9	28.3	28.6	170.5	259.2	1,281.6	1,723.4	2,390.0	2,958.0
East South Central	4	3	8.3	9.5	50.8	85.5	358.0	464.4	654.6	785.5
U.S. Total	16	12	36.6	38.1	221.3	344.7	1,639.6	2,187.8	3,044.6	3,743.5
Cigars										
Northeast	67	44	---	6.2	---	32.3	---	107.4	---	175.2
North Central	17	8	---	---	---	---	---	---	---	---
South	59	71	8.7	6.8	32.0	33.4	78.7	80.0	150.8	153.6
U.S. Total	148	132	19.0	13.5	71.2	68.3	195.8	192.6	363.7	339.7
Chewing and smoking tobacco										
Northeast	15	10	---	---	---	---	---	---	---	---
North Central	13	10	---	---	---	---	---	---	---	---
South	17	17	2.1	1.6	9.9	13.1	37.4	49.3	69.6	92.6
U.S. Total	46	37	3.6	2.6	18.1	23.0	63.5	103.2	122.2	180.2
Grand Total	329	272	75.1	65.6	376.8	502.0	2,032.2	2,637.2	([2])	([2])

[1] U.S. totals include a few establishments outside specified regions. [2] Omitted because of duplication.

--- = data not available.

Compiled from: Bureau of Census, *1972 Census of Manufacturers,' Industry Statistics*, 1974.

Table 5—U.S. cigarette advertising expenditures, 1970-74

Year	TY, radio	Magazine	Newspapers	Outdoor[1]	Direct	Others	Total
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
1970	217.4	49.5	14.7	11.7	16.9	4.5	314.7
1971	[2]2.2	98.3	59.3	60.6	27.0	4.2	251.6
1972	---	96.1	63.1	67.5	22.9	8.0	257.6
1973	---	92.4	65.3	63.2	15.2	11.4	247.5
1974	---	114.6	80.5	71.4	31.1	9.2	306.8
Change 1970-74[3]	-217.4	+65.1	+65.8	+59.7	+14.2	+4.7	-7.9

[1] Includes billboard, posters, transit, and other outdoor advertising. [2] Banned on January 3, 1971. [3] Total of magazine newspaper, and outdoor 190.6.

Source: "Statistical Supplement to FTC Report to Congress". Dec. 31, 1974.

results from the trend toward increasing average size as more farmers lease-out allotments to growers seeking to expand production. Bureau of Census reports tobacco was grown on about 200,000 farms in 1974 compared to about 276,000 farms in 1969 (*4*). Some additional farms grow tobacco but were not counted under the Census definition.[2]

GROWING AND MARKETING

The *value of tobacco* grown is rising. In addition to the increasing returns to growers, tobacco provides income for many additonal allotment owners, hired workers, and their families. Grown on less than 0.3 percent of the Nation's cropland, tobacco sales totaled $2.1 billion in 1975, and accounted for 2.4 percent of all farm cash receipts from marketing (table 6). Tobacco sales represented 4.6 percent of cash receipts from crops. It usually ranks fourth or fifth in value among cash crops and ninth among all U.S. farm commodities.

About 91 percent of the tobacco produced is in 6 States—North Carolina, Kentucky, Georgia, South Carolina, Virginia, and Tennessee. Production was large enough relative to other farm enterprises in 1975 in South Carolina, Virginia, Connecticut, and Tennessee for each to receive more than a tenth of its cash farm receipts from tobacco. Both in North Carolina, and Kentucky, tobacco accounted for about one- third of total cash receipts.

Gross receipts from an acre of tobacco may average over $2,000 in comparison to under $300 for feed and food grains as corn and wheat. However, net returns show less though still considerable difference because of higher production costs. Net returns from an acre of tobacco generally exceed gross returns from food and feed grains. Most types of tobacco remain under marketing quotas because of the apparent economic incentive to produce more at current prices to growers than the market demands. Under the tobacco program, less land has been used to produce a given volume of tobacco than in the past.

Substantial *labor* is required in producing all types of tobacco. However, mechanization and improved techniques of planting, growing, harvesting, curing, and marketing tobacco, are reducing labor use by tobacco farms. For about the same size crop in 1974 as in 1967, 261 million hours of farmwork were used in growing tobacco, a decline

[2]Census defines a farm as any place from which $250 or more of agricultural products were sold, or normally would have been sold, during the census year, or any place of 10 acres of more from which $50 or more of agricultural products were sold, or normally would have been sold, during the census year. USDA's Agricultural Stabilization and Conservation Service reported 534,382 tobacco allotments in 1974. This is more than the number of farms harvesting tobacco, because of farms having more than one type of allotments, farms not growing tobacco in a given year, and definitional differences. USDA estimated about 373,700 farms produced tobacco in 1971.

Table 6—Cash receipts from tobacco, leading States, 1970 and 1975

State	1970			1975[1]		
	Tobacco	Percent of tobacco	Tobacco as percentage of all farm commodities	Tobacco	Percent of tobacco	Tobacco as percentage of all farm commodities
	Million dollars	*Percent*	*Percent*	*Million dollars*	*Percent*	*Percent*
North Carolina	576	41.5	37.3	951	44.1	35.6
Kentucky	303	21.8	32.9	408	18.9	27.8
Subtotal	879	63.3	36.3	1,359	63.1	32.8
South Carolina	101	7.3	22.8	188	8.7	22.7
Georgia	102	7.3	8.9	154	7.1	6.9
Virginia	89	6.4	14.9	149	6.9	14.8
Tennessee	82	5.9	11.6	122	5.7	11.1
Subtotal	374	26.9	12.7	613	28.4	11.9
Other[2]	135	9.7	.3	183	8.5	.2
United States	1,388	100.0	2.8	2,155	100.0	2.4

[1]Subject to revision. [2]Connecticut, Florida, Maryland, Ohio, Indiana, Pennsylvania, Wisconsin, Massachusetts, Missouri, West Virginia, Alabama, and Louisiana.

Detail may not add due to rounding.

of over one-third (*5*). Much of the tobacco labor has come from farm operators and their families. Nevertheless, most producers hire some labor due to the extremely high seasonal requirements.

Marketing and production services purchased required by growers are increasing. Excluding labor, budget data indicate producers spend more than one-fourth of their cash receipts from tobacco for fertilizers, chemicals, gasoline, petroleum, curing facilities, machinery, custom work, transportation, warehouse charges, and other crop expenses (*6*, *7*). In 1974, these expenses amounted to over $540 million.

U.S. growers sell about 95 percent of their tobacco through auction markets; the remainder is sold and delivered directly to manufacturers or dealers. In 1975, there were 175 tobacco markets with 845 tobacco warehouses. The warehouses had an estimated annual payroll of $20 million.

FUTURE PROSPECTS

Cigarettes have been and likely will continue to be the key economic base for most of tobacco product manufacture and tobacco processing and growing. Stability of domestic tobacco use in cigarettes, and increasing competition from foreign growers in unmanufactured tobacco markets abroad, increases economic pressure on United States growers.

The trends in sales, manufacturing, marketing and growing indicate that the same, or greater production of tobacco products in the future will require fewer marketing firms, fewer manufacturing plants, fewer growers and less direct labor. The value of production in total, and per person, will continue to depend upon the changing demand for cigarettes.

An increasing consumption of cigarettes by an expanding smoking age population has offset the decline in the percentage of smokers in the population since 1970. Current anti-smoking efforts, and the militancy of non-smokers against smoking in public places, will continue to work against the increase in cigarette consumption.

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1. "Canadian, U.S. Tobacco Farmers Face Same Problems," by Herbert F. Rudd, *Foreign Agriculture*, Nov. 22, 1976, pp. 12-15. Describes nature of farm production, allotment, and marketing procedures.

2. "Cigar Taxes," *Federal Register*, Vol. 41, No. 234, Dec. 3, 1976, pp. 53055-67. Proposed amendment by Bureau of Alcohol, Tobacco and Firearms (BATF) to regulations dealing with taxation of large cigars. Amendment is required by Section 2128 of P.L. 94-455 (Tax Reform Act of 1976) approved Oct. 4, 1976). New tax rate is 8½ percent of the wholesale price, with a maximum rate of $20 per thousand cigars. New rate effective Feb. 1, 1977. Written comments due BAFT by Dec. 21, 1976.

3. *The Facts About Public Smoking*, Summer 1976, 23 pp. R. J. Reynolds Tobacco Co., Winston Salem, N.C. 27102. Discusses Arizona's antismoking efforts and other restrictive laws banning or segregating smoking in certain public places.

4. "Flue-cured Tobacco—Domestic Use, Supply, and Demand Outlook," Robert H. Miller, Statement before USDA Flue-cured Tobacco Quota Meeting, Douglas, Ga., Oct. 19, 1976, and Raleigh, N.C., Oct. 20, 1976. 7 pp. Discusses cigarettes, other products, flue-cured supply and use.

5. "Outlook for Tobacco," Robert H Miller, talk presented at the National Agricultural Outlook Conference, USDA, Washington, D.C., Nov. 16, 1976. 8 pp. Discusses tobacco products, U.S. exports, imports, tobacco leaf supplies and use.

6. "Report of Tar and Nicotine Content of the Smoke of 169 Varieties of Cigarettes," Federal Trade Commission, Nov. 1976. 18 pp. Dry particulate matter, total alkaloid content, butt length, and average weight is reported for samples purchased during May 1976.

7. *The Structure of Agricultural Earnings in Planning and Development Areas in Georgia*, D. H. Carley, Research Bul. 185, Sept. 1976, Dept. of Agric. Econ., Georgia Station, Experiment, Ga. 30212. 25 pp. Estimates the relative importance of farm, government, and private nonfarm earnings to total earnings by areas in Georgia; utilizes shift-share analysis.

8. *1977 Tobacco Information*, W. K. Collins *et al*, North Carolina Extension Service, Dec. 1976, Raleigh, N.C. 27607, 63 pp. Contains production, harvesting, and economics information.

9. "West Germany Imported Less U.S. Tobacco in 1975," *Foreign Agriculture*, Sept. 27, 1976. Indicates 1974-75 changes in imports, value, U.S. share, cigarette production and prices.

10. *World Smoking and Health*, Vol. 1, No. 1, Fall 1976, 48 pp. published by American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017. A new magazine aimed at professionals and journalists. Stories on psychology, chemotherapy, education, physiology, politics, legislation, history, pharmacology, and epidemiology.

STATISTICAL SUMMARY

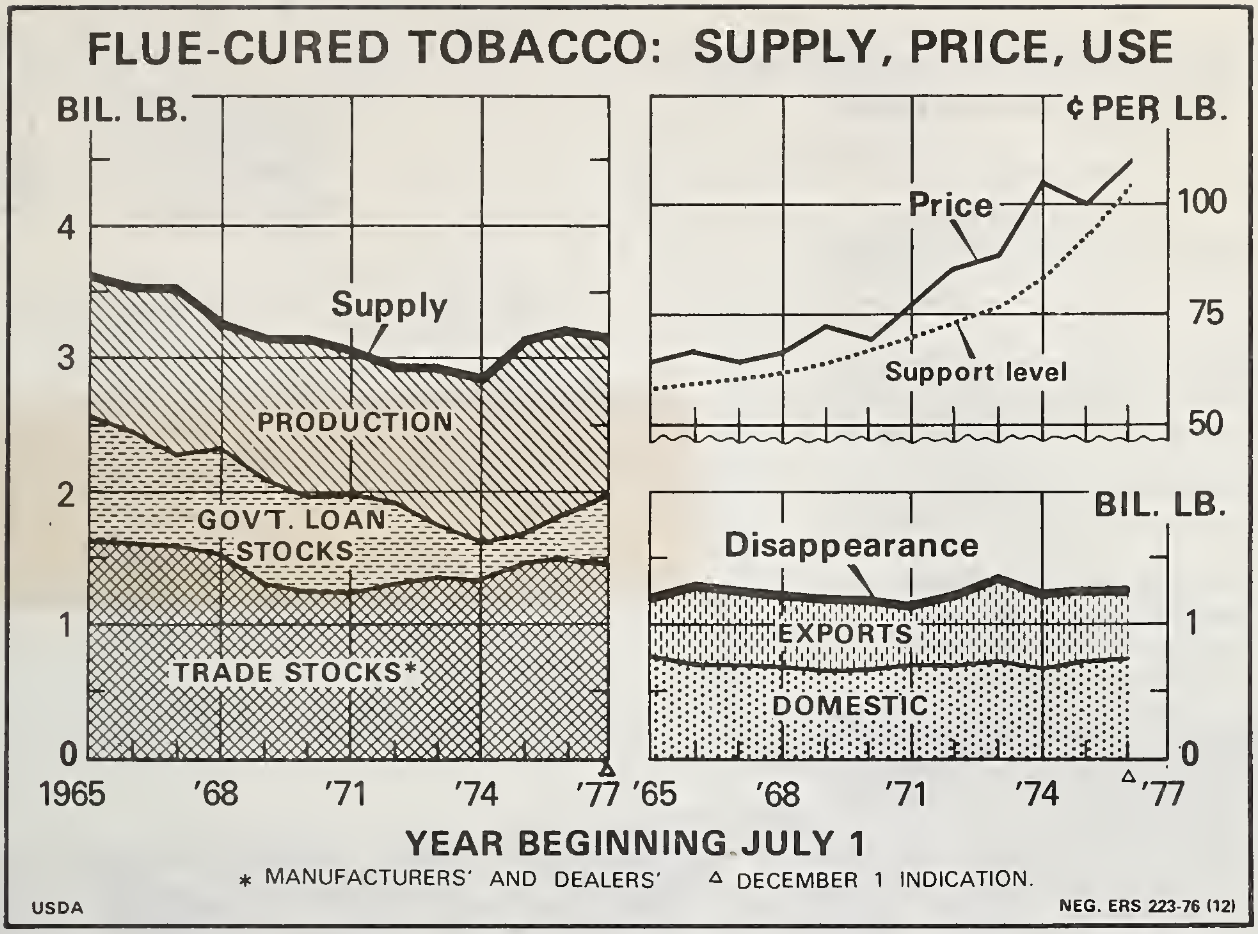
Item	Unit or base period	1975		1976			Last data as percentage of a year earlier
		Oct.	Nov.	Sept.	Oct.	Nov.	
Average price at auctions							
Flue-cured	Ct. per lb.	105.0	98.8	119.0	112.9	104.5	106
Burley	Ct. per lb.	--	105.9	--	--	114.6	108
Maryland	Ct. per lb.	closed		closed		closed	--
Virginia fire-cured	Ct. per lb.	closed		closed		closed	--
Ky.-Tenn. fire-cured	Ct. per lb.	closed		closed		closed	--
Ky.-Tenn. dark air-cured	Ct. per lb.	closed		closed		closed	--
Virginia sun-cured	Ct. per lb.	closed		closed		closed	--
Support price 1/							
Flue-cured	Ct. per lb.	93.2			106.0		114
Burley	Ct. per lb.	96.1			109.3		114
Maryland	Ct. per lb.	No support			No support		--
Virginia fire-cured	Ct. per lb.	65.2			74.1		114
Ky.-Tenn. fire-cured	Ct. per lb.	65.2			74.1		114
Ky.-Tenn. dark air-cured	Ct. per lb.	58.0			65.9		114
Virginia sun-cured	Ct. per lb.	58.0			65.9		
Connecticut Valley cigar binder	Ct. per lb.	66.5			75.6		114
Wis. binder and Ohio filler	Ct. per lb.	48.0			54.6		114
Puerto Rican filler	Ct. per lb.	49.9			56.7		114
Parity index 2/	1910-14=100	625	624	662	658	657	105
Industrial production index 3/		122.2	123.5	130.9	130.4	132.0	107
Employment	Mil.	86.0	85.6	87.9	88.7	88.5	103
Personal income 4/	Bil. dol.	1,290.8	1,300.2	1,391.7	1,402.9	1,417.8	109
		1975		1976			
		Sept.	Oct.	Aug.	Sept.	Oct.	
Taxable removals							
Cigarettes	Bil.	52.8	58.9	54.1	52.4	52.2	89
Cigars and cigarillos	Mil.	489.8	581.9	464.0	353.8	510.3	88
Accumulated from Jan. 1							
Cigarettes	Bil.	438.7	497.6	418.2	470.6	522.8	105
Cigars and cigarillos	Mil.	4,315.1	4,897.0	3,517.7	3,871.5	4,381.8	89
Invoiced to domestic customers		Jan.-Sept.			Jan.-Sept.		
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	33.9			32.8		97
Chewing tobacco	Mil. lb.	58.5			62.8		107
Snuff	Mil. lb.	19.2			19.8		103
Tax-exempt removals							
Cigarettes	Bil.	5.6	6.4	6.0	6.3	6.9	108
Exports	Bil.	5.4	5.4	4.7	5.3	6.2	115
Cigars and cigarillos	Mil.	10.4	9.1	11.3	13.0	13.0	143
Accumulated from Jan. 1							
Cigarettes	Bil.	45.2	51.6	46.7	53.0	59.0	117
Exports	Bil.	35.8	41.5	39.5	44.8	51.0	123
Cigars and cigarillos	Mil.	96.7	105.8	91.4	104.4	117.4	111
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	0.8			0.7		88
Chewing tobacco	Mil. lb.	.1			.1		100
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)		153.9	153.9	168.2	168.2	168.2	109
Cigars		123.6	125.2	126.2	126.6	126.6	101
Smoking tobacco		163.7	163.7	179.2	184.1	184.1	112
Plug chewing tobacco		175.0	175.0	184.1	184.1	194.4	111
Snuff		184.3	184.3	190.5	193.3	207.0	112
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)		156.4	156.7	162.7	162.7	163.1	104
Cigarettes (filter tip king)		157.0	156.6	163.2	163.2	163.6	104
Cigars (domestic reg. size)		124.8	125.4	130.1	130.4	131.4	105
Imports of tobacco							
Cigarette leaf	Mil. lb.	15.8	13.7	21.0	13.1	13.4	98
Cigar tobacco 7/	Mil. lb.	11.5	11.6	13.8	11.1	11.0	95
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	166.3	180.1	146.2	159.3	172.7	96
Cigar tobacco 7/	Mil. lb.	115.5	127.1	100.3	111.4	122.4	96

See footnotes at end of table.

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1975 Sept.	1975 Oct.	1976 Aug.	1976 Sept.	1976 Oct.	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	35.1	49.9	27.1	46.0	48.8	98
Burley	Mil. lb.	8.4	8.0	7.1	5.2	5.6	70
Maryland	Mil. lb.	.4	.2	1.1	2.4	1.0	500
Virginia fire- & sun-cured	Mil. lb.	.6	.5	.4	.1	.4	80
Ky.-Tenn. fire-cured	Mil. lb.	1.7	1.5	.8	1.6	3.0	200
Ky.-Tenn. dark air-cured	Mil. lb.	0	0	0	*	*	---
Black Fat	Mil. lb.	.3	*	.6	.1	.5	---
Cigar wrapper	Mil. lb.	.3	.3	.3	.1	.5	167
Connecticut binder	Mil. lb.	*	*	*	*	*	---
Wisconsin binder	Mil. lb.	0	0	*	*	0	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	93.9	143.8	44.5	90.4	139.2	97
Burley	Mil. lb.	67.9		87.2	92.4		136
Maryland	Mil. lb.	8.5		7.3	9.7		114
Virginia fire- & sun-cured	Mil. lb.	5.2		3.4	3.6		69
Ky.-Tenn. fire-cured	Mil. lb.	14.8		16.0	17.6		119
Ky.-Tenn. dark air-cured	Mil. lb.	.5		.4	.4		80
Black Fat	Mil. lb.	3.4		3.1	3.2		92
Cigar wrapper	Mil. lb.	.9	1.2	.4	.5	1.1	92
Connecticut binder	Mil. lb.	.2		.2	.2		100
Wisconsin binder	Mil. lb.	*		.1	.1		---
Cigar filler	Mil. lb.	.3		.3	.4		133
Exports of manufactured tobacco in bulk	Mil. lb.	.6	.9	1.1	.8	1.6	178
Accumulated from Jan. 1	Mil. lb.	14.0	14.4	9.4	10.3	11.9	80
		Quarterly data					
		1975		1976			
		July-Sept.	Oct.-Dec.	July-Sept.		Oct.-Dec.	
Stocks of tobacco--1st of quarter 9/							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	1,652	2,231	1,874		2,468	111
Burley	Mil. lb.	1,224	1,094	1,265		1,131	103
Maryland	Mil. lb.	67	61	58		49	80
Fire-cured	Mil. lb.	57	48	59		50	104
Dark air- and sun-cured	Mil. lb.	40	35	36		30	86
Cigar filler	Mil. lb.	71	61	64		60	98
Cigar binder	Mil. lb.	47	42	49		44	105
Cigar wrapper	Mil. lb.	16	16	14		14	88
Under Government loan 10/	Mil. lb.	221	354	408		533	151
Tobacco sheet 11/							
Cigarette types	Mil. lb.	22.4	24.7	24.9		27.8	113
Cigar types	Mil. lb.	1.5	1.4	1.9		1.5	107
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	623	587	619		646	110
Cigar	Mil. lb.	134	129	121		109	84
Tobacco outlets 12/							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	642.7	694.7	650.5		712.8	103
Taxable removals	Bil.	579.1	622.0	582.9		632.0	102
Large cigar production	Bil.	5.66	5.44	5.44		5.44	100
Smoking production	Mil. lb.	45.4	42.6	43.3		42.6	100
Chewing production	Mil. lb.						
Loose leaf	Mil. lb.	56.5	55.7	54.6		56.0	100
Plug and other	Mil. lb.	28.6	28.2	27.3		27.6	98
Snuff production	Mil. lb.	25.1	24.4	26.1		24.8	102
Exports of leaf							
Total	Mil. lb.	447.3	659.7	440.6		672.0	102
Flue-cured	Mil. lb.	360.7	544.2	347.3		540	99

1/ 1975 and 1976 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 manufactureres and dealers including growers 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.


FLUE-CURED TOBACCO: SUPPLY, PRICE, USE
BIL. LB.
¢ PER LB.
Price
Supply
Support level
PRODUCTION
GOV'T. LOAN STOCKS
TRADE STOCKS*
Disappearance
BIL. LB.
EXPORTS
DOMESTIC
1965
'68
'71
'74
'77
'65
YEAR BEGINNING JULY 1
* MANUFACTURERS' AND DEALERS'
Δ DECEMBER 1 INDICATION.
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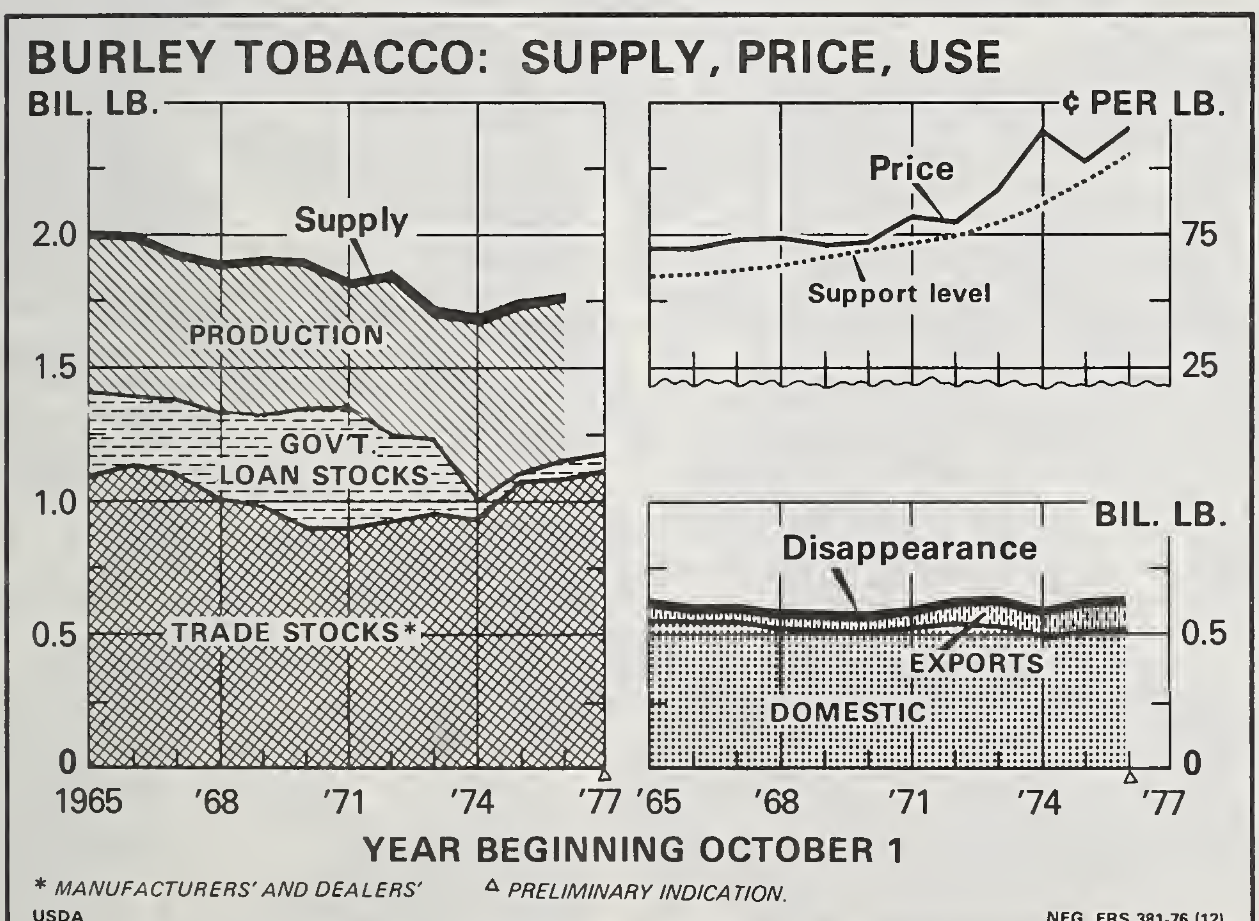
BURLEY TOBACCO: SUPPLY, PRICE, USE
BIL. LB.
¢ PER LB.
Price
Supply
Support level
PRODUCTION
GOV'T. LOAN STOCKS
TRADE STOCKS*
Disappearance
BIL. LB.
EXPORTS
DOMESTIC
1965
'68
'71
'74
'77
'65
YEAR BEGINNING OCTOBER 1
* MANUFACTURERS' AND DEALERS'
Δ PRELIMINARY INDICATION.
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