U.S. exports of unmanufactured tobacco in the year ended last June totaled 565 million pounds (export weight). This was 10 percent below the high level of 1966/67, but still the second largest since 1955/56. Reduced takings by West Germany accounted for about two-thirds of the decline. Most other destinations also took less, although United Kingdom's takings rose.

Leaf exports in 1968/69 may be down a little, reflecting increased overseas supplies, higher foreign tobacco taxes, and changes in manufacturing procedures.

IN THIS ISSUE
1968/69 OUTLOOK
Tobacco Products--Per Capita
Tobacco Used for Cigarettes
Foreign Trade
Leaf Situation and Outlook

Published quarterly by
ECONOMIC RESEARCH SERVICE • U.S. DEPARTMENT OF AGRICULTURE
TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports

CIGARETTES
PRODUCTION & TAXABLE REMOVALS

Production
Taxable

LEAF EXPORTS
FARM-SALES
WEIGHT

Total
Flue-cured

CIGARS & CIGARILLOS
PRODUCTION

SMOKING
PRODUCTION

CHEWING
PRODUCTION

Plug and other
Scrap

SNUFF
PRODUCTION

1960 '65
66 '67 '68 '69
ANNUAL
QUARTERLY,
SEASONALLY ADJUSTED,
AT ANNUAL RATES

LAST QUARTER SHOWN ESTIMATED.

U.S. DEPARTMENT OF AGRICULTURE
NEG. ERS 229-68 (9) ECONOMIC RESEARCH SERVICE
THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, September 24, 1968

Contents

| Summary | 3 |
| Tobacco products | 5 |
| Cigarettes | 5 |
| Cigars and cigarillos | 10 |
| Smoking tobacco | 12 |
| Chewing tobacco and snuff | 15 |
| Foreign trade | 15 |
| U.S. leaf exports | 15 |
| U.S. imports | 19 |
| Foreign situation | 23 |
| Tobacco Leaf Situation and Outlook | 27 |
| Quotas, allotments and price support | 27 |
| Flue-cured | 28 |
| Burley | 31 |
| Maryland | 33 |
| Fire-cured | 34 |
| Dark air-cured | 38 |
| Cigar tobacco | 41 |
| Statistical summary | 51 |
| List of tables and charts | 53 |

SUMMARY

Smaller crops and carryovers are reducing the prospective U.S. supply of tobacco in 1968/69 by around 4 percent from last season. The supply, estimated at 5.9 billion pounds, is down for the fourth straight year.

Output of this year's tobacco crops, estimated at 1.8 billion pounds, is down 8 percent from 1967, mainly because of 6 percent less acreage. The beginning carryover for this season (July 1 for flue-cured and cigar wrapper types; October 1 for others) is around 60 million pounds below a year earlier.

Domestic use and exports this marketing year may total near the 2.0 billion pounds of last year. Domestic use of U.S. tobacco may be the same as or slightly below last year, due to little prospective change in cigarette output, and increased imports of oriental and cigar tobaccos.

Cigarette output, the major outlet for U.S. tobacco, may total about the same as the 571 billion cigarettes produced in 1967/68. The smoking-age population is increasing, and consumer incomes are at record levels. However, increasing cigarette taxes and the smoking-health publicity apparently are reducing cigarette use per person, and possibly the proportion of smokers. Cigarette consumption per person 18 and older this year is expected to average slightly below the 4,280 of last year. Consumption of cigars and smoking tobacco probably will gain further in 1968/69; use of chewing tobacco may be steady and snuff will likely decline slightly.

Leaf exports this marketing year may be near last season's 565 million pounds (632 million, farm-sales weight). Exports under Government programs last season were 116 million pounds, 14 percent under 1966/67. Attaining last season's level of exports may be difficult because many non-traditional suppliers have been increasing flue-cured and burley production and prices of U.S. tobacco are likely to be higher than 1967. Other major flue-cured exporters—Canada, and India—report a 1968 crop about the same as last year.

* The summary of this report along with a table on supply and disappearance was released on September 24, 1968.
Although some 200-300 million pounds have accumulated in Rhodesia, the U.N. sanctions keep most of these stocks from world trade.

United Kingdom, the major U.S. export destination, increased its takings in 1967/68, but manufacturers may take less from the United States in 1968/69. It is still too early to tell if U.S. shipments to European Common Market countries will recover after last year's sharp drop in West German takings. Other countries have been stepping up shipments to these markets.

World tobacco exports (excluding Sino-Soviet countries) increased 7 percent in 1967 to 1.8 billion pounds. Trade in 1968 likely will show another gain as U.K. manufacturers apparently are rebuilding their low inventories and world cigarette output is gaining.

Another gain in U.S. imports of cigarette tobacco imports for consumption seems likely in this marketing year as manufacturers seek to stabilize leaf costs. Last year's imports totaled 172 million pounds (leaf and scrap), 26 million above the previous year. U.S. manufacturers' stocks of imported cigarette type tobaccos last July 1 totaled record large for that date and 9 percent above a year earlier. Use of foreign-grown cigar filler and scrap is surpassing domestic filler use and these imports are likely to grow further in the current marketing year.

Tobacco Programs

Flue-cured marketing quotas and acreage allotments for 1969 will be announced by December 1. Individual farm quotas will reflect overmarketings and undermarketings. The net effect of these adjustments on marketings will be relatively small in comparison with previous seasons.

Marketing quotas and acreage allotments for burley and other kinds of tobacco under support will be announced by next February 1. Growers of Connecticut binder and Ohio filler, Wisconsin binder types will vote in referendums for or against quotas on their next 3 crops.

Based on the formula required by law, 1969 price support levels for eligible tobaccos seem likely to increase 3-4 percent over 1968.

Flue-cured and Burley Developments

The supply of U.S. flue-cured tobacco—the leading kind for cigarettes and exports—is estimated at 3,359 million pounds, down 5 percent from last season.

The July 1 carryover was up 1 percent from 1967. The 1968 crop is currently indicated at 1,057 million pounds, down 16 percent. This reflects, in part, downward adjustments under the acreage poundage program for farms that overmarketed in 1967. Utilization may decline in 1968/69 but still probably will exceed production, so the carryover next July 1 will be down a little.

During the 1967/68 marketing year, exports of flue-cured (over four-fifths of total U.S. tobacco exports) were 9 percent below the unusually large shipments of the previous season; domestic use was unchanged.

Over half of the 1968 flue-cured tobacco crop had been marketed by September 20 and gross sales were 19 percent below the 1967 comparable period. Through that date, prices averaged 4 percent above a year earlier. Farmers placed 61 million pounds under Government loan. These placements were 9 percent of marketings, a smaller proportion than a year earlier.

The 1968/69 supply of U.S. burley tobacco—the second leading cigarette tobacco—is indicated 1 percent below a year earlier and 6 percent below the record in 1964/65. Carryover from 1967/68 is estimated down 4 percent. The crop is up an estimated 6 percent this year. During 1967/68 (October-September) estimated disappearance exceeds production. Domestic use for 1967/68 is estimated near the 544 million pounds a year earlier. Exports (about 9 percent of U.S. tobacco shipments) probably fell about one-fifth from the high level in 1966/67.
TS-125

Tobacco Disappearance of fire-cured, Maryland, dark air-cured, and cigar filler tobaccos in the year ending September 1968 are each estimated to be lower than the previous season's level. Cigar binder disappearance likely held steady. The estimated October 1 carryover for each of these types is smaller, primarily because of the reduced 1967 crop.

Combinations of reduced carryover and generally lower 1968 production will result in smaller supplies of fire-cured, Maryland, dark air-cured, cigar filler, cigar binder, and cigar wrapper.

TOBACCO PRODUCTS

CIGARETTES

Cigarette Production and Use Holding About Steady

Output and consumption of cigarettes this calendar year likely will be about the same as in 1967. Most people are of smoking age, and consumer incomes are at record levels. But retail prices are higher and shipments to overseas forces have leveled off. Apparently the proportion of smokers or cigarette use per smoker may be declining this year. As a result, no significant change in total U.S. consumption is likely this year but per capita use is declining. Cigarette consumption in 1969 may total about the same as that of 1968.

Cigarette consumption by U.S. smokers in the first half of 1968 was 27.1 billion, down 2 percent from a year earlier. Most of the decline was accounted for in U.S. consumption (taxable removals) although shipments to overseas forces were also lower. In the second half of 1968, consumption will likely total near the 27.2 billion of a year earlier. Retail prices will continue above a year earlier, but gains over 1967 may be smaller than earlier this year.

Cigarette output this year is estimated near the record 57.6 billion in 1967. (Table 1.) Exports, together with shipments to Puerto Rico and U.S. possessions, are expected to total about the same as last year.

Cigarette consumption per person 18 and older this year is estimated 2 percent below 1967 when 4,280 (214 packs) were used. This decline would be larger than last year when consumption fell 0.2 percent. (Table 2.) Health education programs, anti-cigarette commercials begun in late 1967, and publication of the "Second Surgeon General's Report" in mid-1967 apparently increased awareness of the smoking-health relationship and contributed to lower consumption per capita.

Retail prices of cigarettes in several States have continued to increase, primarily due to higher State and local taxes. Further increases in tobacco tax rates are likely next year.

Wholesale cigarette prices have been steady since June 1967. By June 1968, however retail cigarette prices (filter tip, king size) were 8 percent above a year earlier, and 4 percent above September 1967. Since the start of this year 8 States have increased cigarette tax rates. This compares with 10 States in all of 1967. The weighted average State cigarette tax was 8.9 cents per pack in mid-1968--up from...
Table 1.—Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Total output</th>
<th>Domestic consumption</th>
<th>Shipments to</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions</td>
<td>Millions</td>
<td>Millions</td>
<td>Millions</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1950-54</td>
<td>412.3</td>
<td>377.9</td>
<td>18.4</td>
<td>1.9</td>
</tr>
<tr>
<td>1955</td>
<td>424.2</td>
<td>409.4</td>
<td>13.7</td>
<td>2.1</td>
</tr>
<tr>
<td>1956</td>
<td>428.3</td>
<td>436.4</td>
<td>13.4</td>
<td>2.2</td>
</tr>
<tr>
<td>1957</td>
<td>432.3</td>
<td>453.7</td>
<td>13.7</td>
<td>2.5</td>
</tr>
<tr>
<td>1958</td>
<td>436.6</td>
<td>470.1</td>
<td>14.3</td>
<td>2.5</td>
</tr>
<tr>
<td>1959</td>
<td>440.9</td>
<td>473.7</td>
<td>13.7</td>
<td>2.5</td>
</tr>
<tr>
<td>1960</td>
<td>506.9</td>
<td>470.1</td>
<td>14.3</td>
<td>2.5</td>
</tr>
<tr>
<td>1961</td>
<td>528.3</td>
<td>468.1</td>
<td>14.0</td>
<td>2.6</td>
</tr>
<tr>
<td>1962</td>
<td>559.5</td>
<td>494.5</td>
<td>13.9</td>
<td>3.1</td>
</tr>
<tr>
<td>1963</td>
<td>566.6</td>
<td>502.6</td>
<td>14.3</td>
<td>3.2</td>
</tr>
<tr>
<td>1964</td>
<td>539.9</td>
<td>497.4</td>
<td>13.6</td>
<td>3.7</td>
</tr>
<tr>
<td>1965</td>
<td>556.6</td>
<td>511.5</td>
<td>17.2</td>
<td>3.9</td>
</tr>
<tr>
<td>1966</td>
<td>567.1</td>
<td>522.5</td>
<td>18.7</td>
<td>3.9</td>
</tr>
<tr>
<td>1967 3/</td>
<td>576.2</td>
<td>527.8</td>
<td>21.4</td>
<td>3.9</td>
</tr>
<tr>
<td>1968 4/</td>
<td>574.0</td>
<td>526.0</td>
<td>21.0</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Year ending June

<table>
<thead>
<tr>
<th>Year</th>
<th>Total output</th>
<th>Domestic consumption</th>
<th>Shipments to</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>535.0</td>
<td>495.1</td>
<td>13.6</td>
<td>3.5</td>
</tr>
<tr>
<td>1965</td>
<td>552.4</td>
<td>527.0</td>
<td>15.1</td>
<td>3.7</td>
</tr>
<tr>
<td>1966</td>
<td>562.7</td>
<td>516.1</td>
<td>19.7</td>
<td>4.1</td>
</tr>
<tr>
<td>1967</td>
<td>572.8</td>
<td>524.9</td>
<td>20.2</td>
<td>3.7</td>
</tr>
<tr>
<td>1968 3/</td>
<td>576.7</td>
<td>522.6</td>
<td>20.9</td>
<td>4.1</td>
</tr>
</tbody>
</table>

1/ Also includes ship stores and small tax-exempt categories. 2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 4/ Subject to revision. 6/ Preliminary estimate.

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

Table 2.—Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-68

<table>
<thead>
<tr>
<th>Year</th>
<th>Cigarettes 1/</th>
<th>All tobacco products 1/</th>
<th>Cigarettes 2/</th>
<th>All tobacco products 2/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Pounds</td>
<td>Pounds</td>
<td>(number)</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1925-29</td>
<td>1,365</td>
<td>3.56</td>
<td>9.68</td>
<td>33</td>
</tr>
<tr>
<td>1930-34</td>
<td>1,329</td>
<td>1.82</td>
<td>6.68</td>
<td>35</td>
</tr>
<tr>
<td>1935-39</td>
<td>1,779</td>
<td>4.81</td>
<td>9.22</td>
<td>45</td>
</tr>
<tr>
<td>1940-44</td>
<td>2,558</td>
<td>6.97</td>
<td>10.88</td>
<td>66</td>
</tr>
<tr>
<td>1945-49</td>
<td>3,459</td>
<td>9.38</td>
<td>12.46</td>
<td>88</td>
</tr>
<tr>
<td>1950</td>
<td>3,522</td>
<td>9.54</td>
<td>12.29</td>
<td>90</td>
</tr>
<tr>
<td>1951</td>
<td>3,742</td>
<td>9.04</td>
<td>12.60</td>
<td>95</td>
</tr>
<tr>
<td>1952</td>
<td>3,886</td>
<td>10.14</td>
<td>13.11</td>
<td>99</td>
</tr>
<tr>
<td>1953</td>
<td>3,778</td>
<td>10.37</td>
<td>12.95</td>
<td>96</td>
</tr>
<tr>
<td>1954</td>
<td>3,546</td>
<td>9.59</td>
<td>12.12</td>
<td>90</td>
</tr>
<tr>
<td>1955</td>
<td>3,597</td>
<td>9.49</td>
<td>11.99</td>
<td>92</td>
</tr>
<tr>
<td>1956</td>
<td>3,650</td>
<td>9.35</td>
<td>11.65</td>
<td>93</td>
</tr>
<tr>
<td>1957</td>
<td>3,753</td>
<td>9.21</td>
<td>11.44</td>
<td>96</td>
</tr>
<tr>
<td>1958</td>
<td>3,953</td>
<td>9.46</td>
<td>11.73</td>
<td>101</td>
</tr>
<tr>
<td>1959</td>
<td>4,073</td>
<td>9.44</td>
<td>11.73</td>
<td>104</td>
</tr>
<tr>
<td>1960</td>
<td>4,171</td>
<td>9.84</td>
<td>11.82</td>
<td>106</td>
</tr>
<tr>
<td>1961</td>
<td>4,266</td>
<td>8.84</td>
<td>12.00</td>
<td>109</td>
</tr>
<tr>
<td>1962</td>
<td>4,309</td>
<td>8.65</td>
<td>11.80</td>
<td>109</td>
</tr>
<tr>
<td>1963</td>
<td>4,365</td>
<td>9.70</td>
<td>11.78</td>
<td>111</td>
</tr>
<tr>
<td>1964</td>
<td>4,395</td>
<td>9.22</td>
<td>11.54</td>
<td>107</td>
</tr>
<tr>
<td>1965</td>
<td>4,259</td>
<td>9.37</td>
<td>11.51</td>
<td>108</td>
</tr>
<tr>
<td>1966</td>
<td>4,287</td>
<td>9.08</td>
<td>11.12</td>
<td>109</td>
</tr>
<tr>
<td>1967</td>
<td>4,280</td>
<td>8.85</td>
<td>10.80</td>
<td>109</td>
</tr>
<tr>
<td>1968 2/</td>
<td>4,195</td>
<td>8.85</td>
<td>10.77</td>
<td>107</td>
</tr>
</tbody>
</table>

1/ The weight represents the unstemmed processing-weight equivalent of the tobacco. 2/ Preliminary estimate.
Table 3.--Cigarette exports from the United States to leading destinations for specified periods

<table>
<thead>
<tr>
<th>Country</th>
<th>Calendar year average 1960-64</th>
<th>Fiscal year ending June 30</th>
<th>Jan.-July</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>1,917</td>
<td>2,405</td>
<td>2,435</td>
</tr>
<tr>
<td>Spain</td>
<td>987</td>
<td>2,071</td>
<td>1,888</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,073</td>
<td>930</td>
<td>1,322</td>
</tr>
<tr>
<td>Netherlands Antilles</td>
<td>1,036</td>
<td>1,303</td>
<td>1,251</td>
</tr>
<tr>
<td>Paraguay</td>
<td>260</td>
<td>1,227</td>
<td>1,259</td>
</tr>
<tr>
<td>France</td>
<td>1,418</td>
<td>978</td>
<td>861</td>
</tr>
<tr>
<td>West Germany</td>
<td>562</td>
<td>625</td>
<td>612</td>
</tr>
<tr>
<td>Italy</td>
<td>716</td>
<td>622</td>
<td>682</td>
</tr>
<tr>
<td>Ecuador</td>
<td>418</td>
<td>683</td>
<td>652</td>
</tr>
<tr>
<td>Panama 2/</td>
<td>629</td>
<td>648</td>
<td>634</td>
</tr>
<tr>
<td>Canary Islands</td>
<td>296</td>
<td>522</td>
<td>580</td>
</tr>
<tr>
<td>Lebanon</td>
<td>1,358</td>
<td>661</td>
<td>507</td>
</tr>
<tr>
<td>Other countries 3/</td>
<td>12,357</td>
<td>10,725</td>
<td>11,144</td>
</tr>
<tr>
<td>Total all countries</td>
<td>23,057</td>
<td>23,400</td>
<td>23,827</td>
</tr>
</tbody>
</table>

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

7.1 cents a year earlier. A small rise in the BLS cigarette price index by the end of the year is expected.

All States except North Carolina tax cigarettes. A substantial number of city and local governments also tax cigarettes. The Federal cigarette tax has been 8 cents per pack since 1951.

Taxes on cigarettes account for about half the retail cost and about 2 percent of government revenue. In the past decade, tobacco taxes, rose at an average annual rate of 5.5 percent, compared with 6.9 percent for governmental revenues generally and 5.9 percent for the gross national product.

Cigarettes Using Less Tobacco

Cigarette manufacturers used an estimated 1,191 million pounds of tobacco (unstemmed processing weight) in cigarettes in 1967. This was 1 percent less than the year before. Imported tobacco use—both leaf and scrap—gained domestic tobacco use declined. (Table 4.) Use of domestic tobacco this year likely will be near the 1967 level; imported tobacco may gain a little further.

Flue-cured tobacco accounts for about half the tobacco used in cigarettes, with burley, Maryland, and imported tobaccos accounting for the rest. Since the early 1950's the proportion of burley and imported tobacco has increased while those for flue-cured and Maryland have declined.

Manufacturers used an estimated 2,067 pounds of tobacco (unstemmed weight) per 1,000 cigarettes produced in 1967, or 2 1/2 percent below a year earlier. Since the mid-1950's the quantity has declined fairly steadily. (Table 5.) The continuing trend toward filter tips has been a factor. Most filter brands, until the recent introduction of 100 millimeter lengths had a shorter tobacco column than most nonfilter brands. Other factors contributing to the decline
Table 4.--Estimated leaf used for cigarettes by kinds of tobacco for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Farm-sales weight</th>
<th>Unstemmed-processing weight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Flue-cured</td>
<td>Burley</td>
</tr>
<tr>
<td></td>
<td>Mil.</td>
<td>Mil.</td>
</tr>
<tr>
<td></td>
<td>lb.</td>
<td>lb.</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1925-29</td>
<td>154</td>
<td>125</td>
</tr>
<tr>
<td>1930-34</td>
<td>192</td>
<td>126</td>
</tr>
<tr>
<td>1935-39</td>
<td>269</td>
<td>166</td>
</tr>
<tr>
<td>1940-44</td>
<td>468</td>
<td>248</td>
</tr>
<tr>
<td>1945-49</td>
<td>650</td>
<td>378</td>
</tr>
<tr>
<td>1950</td>
<td>698</td>
<td>405</td>
</tr>
<tr>
<td>1951</td>
<td>737</td>
<td>416</td>
</tr>
<tr>
<td>1952</td>
<td>775</td>
<td>435</td>
</tr>
<tr>
<td>1953</td>
<td>763</td>
<td>437</td>
</tr>
<tr>
<td>1954</td>
<td>707</td>
<td>411</td>
</tr>
<tr>
<td>1955</td>
<td>702</td>
<td>413</td>
</tr>
<tr>
<td>1956</td>
<td>688</td>
<td>418</td>
</tr>
<tr>
<td>1957</td>
<td>688</td>
<td>414</td>
</tr>
<tr>
<td>1958</td>
<td>712</td>
<td>420</td>
</tr>
<tr>
<td>1959</td>
<td>714</td>
<td>423</td>
</tr>
<tr>
<td>1960</td>
<td>731</td>
<td>437</td>
</tr>
<tr>
<td>1961</td>
<td>758</td>
<td>453</td>
</tr>
<tr>
<td>1962</td>
<td>745</td>
<td>462</td>
</tr>
<tr>
<td>1963</td>
<td>732</td>
<td>467</td>
</tr>
<tr>
<td>1964</td>
<td>725</td>
<td>455</td>
</tr>
<tr>
<td>1965</td>
<td>723</td>
<td>485</td>
</tr>
<tr>
<td>1966</td>
<td>686</td>
<td>487</td>
</tr>
<tr>
<td>1967</td>
<td>658</td>
<td>483</td>
</tr>
</tbody>
</table>

Percentage Distribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Flue-cured</th>
<th>Burley</th>
<th>Maryland</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1925-29</td>
<td>53.5</td>
<td>43.4</td>
<td>3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>1930-34</td>
<td>58.5</td>
<td>38.4</td>
<td>3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>1935-39</td>
<td>59.4</td>
<td>36.6</td>
<td>4.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1940-44</td>
<td>63.3</td>
<td>33.6</td>
<td>3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>1945-49</td>
<td>61.8</td>
<td>35.9</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>1950</td>
<td>61.9</td>
<td>36.0</td>
<td>2.1</td>
<td>100.0</td>
</tr>
<tr>
<td>1951</td>
<td>62.7</td>
<td>35.4</td>
<td>1.9</td>
<td>100.0</td>
</tr>
<tr>
<td>1952</td>
<td>62.8</td>
<td>35.2</td>
<td>2.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1953</td>
<td>62.3</td>
<td>35.7</td>
<td>2.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1954</td>
<td>62.0</td>
<td>36.1</td>
<td>1.9</td>
<td>100.0</td>
</tr>
<tr>
<td>1955</td>
<td>61.8</td>
<td>36.3</td>
<td>1.9</td>
<td>100.0</td>
</tr>
<tr>
<td>1956</td>
<td>60.9</td>
<td>37.0</td>
<td>2.1</td>
<td>100.0</td>
</tr>
<tr>
<td>1957</td>
<td>61.3</td>
<td>36.9</td>
<td>1.8</td>
<td>100.0</td>
</tr>
<tr>
<td>1958</td>
<td>61.9</td>
<td>36.5</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>1959</td>
<td>61.9</td>
<td>36.6</td>
<td>1.5</td>
<td>100.0</td>
</tr>
<tr>
<td>1960</td>
<td>61.7</td>
<td>36.9</td>
<td>1.4</td>
<td>100.0</td>
</tr>
<tr>
<td>1961</td>
<td>61.8</td>
<td>36.9</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td>1962</td>
<td>60.9</td>
<td>37.8</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td>1963</td>
<td>60.9</td>
<td>37.8</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td>1964</td>
<td>60.7</td>
<td>38.0</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td>1965</td>
<td>59.0</td>
<td>39.6</td>
<td>1.4</td>
<td>100.0</td>
</tr>
<tr>
<td>1966</td>
<td>57.6</td>
<td>40.8</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>1967</td>
<td>56.8</td>
<td>41.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 5.--Estimated leaf used per 1,000 cigarettes by kinds of tobacco for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Flue-cured</th>
<th>Burley</th>
<th>Maryland</th>
<th>Total domestic</th>
<th>Flue-cured</th>
<th>Burley</th>
<th>Maryland</th>
<th>Imported</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pounds</td>
<td>Pounds</td>
<td>Pounds</td>
<td>Pounds</td>
<td>Pounds</td>
<td>Pounds</td>
<td>Pounds</td>
<td>Pounds</td>
<td>Pounds</td>
</tr>
<tr>
<td>1925-29</td>
<td>1.434</td>
<td>1.164</td>
<td>.084</td>
<td>2.682</td>
<td>1.276</td>
<td>1.033</td>
<td>.084</td>
<td>.391</td>
<td>2.784</td>
</tr>
<tr>
<td>1930-34</td>
<td>1.616</td>
<td>1.061</td>
<td>.084</td>
<td>2.761</td>
<td>1.431</td>
<td>.934</td>
<td>.076</td>
<td>.303</td>
<td>2.744</td>
</tr>
<tr>
<td>1935-39</td>
<td>1.637</td>
<td>1.010</td>
<td>.110</td>
<td>2.757</td>
<td>1.449</td>
<td>.895</td>
<td>.103</td>
<td>.261</td>
<td>2.708</td>
</tr>
<tr>
<td>1940-44</td>
<td>1.822</td>
<td>.965</td>
<td>.090</td>
<td>2.877</td>
<td>1.608</td>
<td>.856</td>
<td>.086</td>
<td>.175</td>
<td>2.725</td>
</tr>
<tr>
<td>1945-49</td>
<td>1.782</td>
<td>1.037</td>
<td>.066</td>
<td>2.885</td>
<td>1.577</td>
<td>.919</td>
<td>.063</td>
<td>.153</td>
<td>2.712</td>
</tr>
<tr>
<td>1950</td>
<td>1.781</td>
<td>1.033</td>
<td>.061</td>
<td>2.875</td>
<td>1.577</td>
<td>.913</td>
<td>.056</td>
<td>.163</td>
<td>2.709</td>
</tr>
<tr>
<td>1951</td>
<td>1.760</td>
<td>.993</td>
<td>.053</td>
<td>2.806</td>
<td>1.557</td>
<td>.878</td>
<td>.048</td>
<td>.172</td>
<td>2.655</td>
</tr>
<tr>
<td>1952</td>
<td>1.780</td>
<td>.999</td>
<td>.057</td>
<td>2.836</td>
<td>1.575</td>
<td>.884</td>
<td>.053</td>
<td>.175</td>
<td>2.687</td>
</tr>
<tr>
<td>1953</td>
<td>1.803</td>
<td>1.033</td>
<td>.057</td>
<td>2.893</td>
<td>1.595</td>
<td>.915</td>
<td>.054</td>
<td>.182</td>
<td>2.746</td>
</tr>
<tr>
<td>1954</td>
<td>1.760</td>
<td>1.023</td>
<td>.055</td>
<td>2.837</td>
<td>1.555</td>
<td>.906</td>
<td>.052</td>
<td>.192</td>
<td>2.705</td>
</tr>
<tr>
<td>1955</td>
<td>1.703</td>
<td>1.002</td>
<td>.053</td>
<td>2.758</td>
<td>1.506</td>
<td>.888</td>
<td>.051</td>
<td>.194</td>
<td>2.639</td>
</tr>
<tr>
<td>1956</td>
<td>1.622</td>
<td>.985</td>
<td>.054</td>
<td>2.661</td>
<td>1.438</td>
<td>.874</td>
<td>.050</td>
<td>.200</td>
<td>2.562</td>
</tr>
<tr>
<td>1957</td>
<td>1.555</td>
<td>.937</td>
<td>.045</td>
<td>2.537</td>
<td>1.379</td>
<td>.832</td>
<td>.041</td>
<td>.199</td>
<td>2.451</td>
</tr>
<tr>
<td>1958</td>
<td>1.515</td>
<td>.893</td>
<td>.038</td>
<td>2.446</td>
<td>1.349</td>
<td>.796</td>
<td>.036</td>
<td>.212</td>
<td>2.393</td>
</tr>
<tr>
<td>1959</td>
<td>1.457</td>
<td>.863</td>
<td>.035</td>
<td>2.355</td>
<td>1.296</td>
<td>.768</td>
<td>.033</td>
<td>.222</td>
<td>2.319</td>
</tr>
<tr>
<td>1960</td>
<td>1.442</td>
<td>.862</td>
<td>.032</td>
<td>2.336</td>
<td>1.284</td>
<td>.767</td>
<td>.032</td>
<td>.229</td>
<td>2.312</td>
</tr>
<tr>
<td>1962</td>
<td>1.391</td>
<td>.863</td>
<td>.030</td>
<td>2.284</td>
<td>1.238</td>
<td>.768</td>
<td>.030</td>
<td>.235</td>
<td>2.271</td>
</tr>
<tr>
<td>1963</td>
<td>1.366</td>
<td>.848</td>
<td>.029</td>
<td>2.243</td>
<td>1.217</td>
<td>.756</td>
<td>.029</td>
<td>.231</td>
<td>2.232</td>
</tr>
<tr>
<td>1964</td>
<td>1.343</td>
<td>.842</td>
<td>.028</td>
<td>2.213</td>
<td>1.195</td>
<td>.750</td>
<td>.028</td>
<td>.224</td>
<td>2.197</td>
</tr>
<tr>
<td>1965</td>
<td>1.298</td>
<td>.871</td>
<td>.031</td>
<td>2.200</td>
<td>1.155</td>
<td>.778</td>
<td>.030</td>
<td>.237</td>
<td>2.200</td>
</tr>
<tr>
<td>1966</td>
<td>1.209</td>
<td>.858</td>
<td>.033</td>
<td>2.101</td>
<td>1.081</td>
<td>.767</td>
<td>.033</td>
<td>.238</td>
<td>2.119</td>
</tr>
<tr>
<td>1967</td>
<td>1.142</td>
<td>.838</td>
<td>.033</td>
<td>2.013</td>
<td>1.019</td>
<td>.748</td>
<td>.033</td>
<td>.267</td>
<td>2.067</td>
</tr>
</tbody>
</table>
in quantity of tobacco used per 1,000 cigarettes have been substantially greater use of processed stems (midribs of leaves), use of reconstituted tobacco sheet made from stems and small fragments of leaf, and other manufacturing efficiencies.

FTC Recommends Ban on Cigarette Commercials


The FTC recommended a complete ban on cigarette advertising on television and radio. As an alternative, FTC recommended that advertising on radio and television be limited as to hours, extent and type of programs on which it might appear.

FTC and HEW both reiterated their 1967 recommendations: (1) The warning label on cigarette packages should read: "Warning: Cigarette Smoking is Dangerous to Health and May Cause Death from Cancer and Other Diseases"; and (2) this warning, and a statement of the tar and nicotine content of cigarette smoke, should be required in all cigarette advertising as well as on cigarette packages. HEW also recommended that the warning be placed on cigarette vending machines. FTC recommended increased HEW spending for public education on health hazards of smoking, and for National Institute of Health research to develop less hazardous cigarettes.

On August 16 several of these measures and other affecting cigarette smoking were also recommended in a report of a special Task Force for Smoking and Health to the Surgeon General. The Surgeon General appointed this task force last November.

The FTC also reported the effectiveness of cigarette labeling, described current practices and methods of cigarette advertising and promotion and recommended new legislation. The Commission felt the warning statement [required on cigarette packages since January 1966] had not had any significant effect on cigarette sales. But the report cited the slight decrease in 1967 per capita consumption and FTC surveys showing more persons affected by the warning as potentially related.

Based on data FTC collected from industry, cigarette advertising and promotional expenditures totaled $312 million in 1967 with about 73 percent spent for television. Also 95 percent of total cigarette advertising expenditures were for filter cigarettes.

The new FTC report includes the results of "tar" and nicotine tests first reported last November. The FTC laboratory tested 59 brands in November and 68 more in June. Tar content is reported to the nearest 1/10 milligram and nicotine content to the nearest 1/100 milligram. Tar and nicotine content vary widely among the 127 brands tested, but the characteristics appear partly related.

The 1968 HEW report includes a Public Health Service study summarizing studies that became available after the 1967 report. The new report presents findings from an American Cancer Society study relating cigarette smoking and life expectancy among "heavy" and "light" smokers. It also cites and discusses studies about smoking, cardiovascular and bronchopulmonary diseases and cancer.

The 3-year moratorium that the 1965 Act imposed on the regulation of cigarette advertising will expire next July. Several bills to amend the Act have been introduced in Congress.

CIGARS AND CIGARILLOS

A gain in cigar consumption is likely this year. After 3 years of declines from the unusually high peak of 1964, consumption by U.S. smokers and forces overseas may total 1 percent above the 8.1 billion cigars smoked last year. (Table 6.) Consumption may show another small gain next year. For the past 4 years about one-fourth of the cigar total was cigarillo size (averaging less than half the weight of a full-size cigar).

An estimated 130 cigars and cigarillos this year are being consumed on the average.
### Table 6. Large cigars and cigarillos: Output and consumption for specified periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Factories in the United States</th>
<th>From</th>
<th>Imports for United States</th>
<th>Export Consumption</th>
<th>Total Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total from</td>
<td>Taxable</td>
<td>Tax-exempt</td>
<td>Total</td>
<td>From</td>
</tr>
<tr>
<td></td>
<td>Million</td>
<td>Million</td>
<td>Million</td>
<td>Million</td>
<td>Million</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1950-54</td>
<td>5,902</td>
<td>5,818</td>
<td>83</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>1955</td>
<td>6,004</td>
<td>5,935</td>
<td>82</td>
<td>84</td>
<td>20</td>
</tr>
<tr>
<td>1956</td>
<td>5,983</td>
<td>5,883</td>
<td>72</td>
<td>93</td>
<td>23</td>
</tr>
<tr>
<td>1957</td>
<td>6,145</td>
<td>5,995</td>
<td>79</td>
<td>124</td>
<td>26</td>
</tr>
<tr>
<td>1958</td>
<td>6,169</td>
<td>6,260</td>
<td>87</td>
<td>137</td>
<td>28</td>
</tr>
<tr>
<td>1959</td>
<td>6,857</td>
<td>6,717</td>
<td>103</td>
<td>148</td>
<td>32</td>
</tr>
<tr>
<td>1960</td>
<td>6,991</td>
<td>6,728</td>
<td>105</td>
<td>91</td>
<td>30</td>
</tr>
<tr>
<td>1961</td>
<td>6,642</td>
<td>6,558</td>
<td>118</td>
<td>354</td>
<td>24</td>
</tr>
<tr>
<td>1962</td>
<td>6,684</td>
<td>6,442</td>
<td>126</td>
<td>483</td>
<td>23</td>
</tr>
<tr>
<td>1963</td>
<td>6,716</td>
<td>6,603</td>
<td>144</td>
<td>596</td>
<td>24</td>
</tr>
<tr>
<td>1964</td>
<td>8,736</td>
<td>8,106</td>
<td>193</td>
<td>809</td>
<td>28</td>
</tr>
<tr>
<td>1965</td>
<td>7,899</td>
<td>7,577</td>
<td>180</td>
<td>911</td>
<td>25</td>
</tr>
<tr>
<td>1966</td>
<td>7,155</td>
<td>7,076</td>
<td>193</td>
<td>1,075</td>
<td>25</td>
</tr>
<tr>
<td>1967</td>
<td>6,857</td>
<td>6,684</td>
<td>197</td>
<td>1,099</td>
<td>30</td>
</tr>
<tr>
<td>1968 1/</td>
<td>7,300</td>
<td>6,900</td>
<td>200</td>
<td>1,140</td>
<td>40</td>
</tr>
</tbody>
</table>

**Fiscal year**

<table>
<thead>
<tr>
<th>Year ending June</th>
<th>Plugs</th>
<th>Twist</th>
<th>Fine-cut</th>
<th>Scrap</th>
<th>Total</th>
<th>Snuff</th>
<th>Small cigars 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td>7,774</td>
<td>7,143</td>
<td>170</td>
<td>641</td>
<td>30</td>
<td>15</td>
<td>39</td>
</tr>
<tr>
<td>1965</td>
<td>8,445</td>
<td>7,912</td>
<td>176</td>
<td>850</td>
<td>25</td>
<td>10</td>
<td>45</td>
</tr>
<tr>
<td>1966</td>
<td>7,517</td>
<td>7,332</td>
<td>210</td>
<td>1,034</td>
<td>25</td>
<td>9</td>
<td>70</td>
</tr>
<tr>
<td>1967</td>
<td>6,893</td>
<td>6,854</td>
<td>183</td>
<td>1,072</td>
<td>25</td>
<td>9</td>
<td>76</td>
</tr>
<tr>
<td>1968 1/</td>
<td>7,234</td>
<td>6,886</td>
<td>192</td>
<td>1,114</td>
<td>35</td>
<td>10</td>
<td>77</td>
</tr>
</tbody>
</table>

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

Basic data compiled from reports of the Internal Revenue Service and the Bureau of the Census.

### Table 7. Chewing tobacco, snuff, and small cigars: Output for specified periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Chewing Tobacco</th>
<th>Snuff</th>
<th>Small cigars 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plugs</td>
<td>Twist</td>
<td>Fine-cut</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1950-54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>36.5</td>
<td>4.9</td>
<td>2.8</td>
</tr>
<tr>
<td>1956</td>
<td>33.0</td>
<td>4.3</td>
<td>2.9</td>
</tr>
<tr>
<td>1957</td>
<td>31.6</td>
<td>4.0</td>
<td>2.8</td>
</tr>
<tr>
<td>1958</td>
<td>29.6</td>
<td>3.8</td>
<td>2.9</td>
</tr>
<tr>
<td>1959</td>
<td>28.6</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>1960</td>
<td>26.4</td>
<td>3.4</td>
<td>3.1</td>
</tr>
<tr>
<td>1961</td>
<td>25.9</td>
<td>2.8</td>
<td>3.7</td>
</tr>
<tr>
<td>1962</td>
<td>24.3</td>
<td>2.7</td>
<td>3.9</td>
</tr>
<tr>
<td>1963</td>
<td>23.7</td>
<td>2.6</td>
<td>4.1</td>
</tr>
<tr>
<td>1964</td>
<td>23.0</td>
<td>2.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Fiscal year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year ending June</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td>24.7</td>
<td>2.8</td>
<td>3.7</td>
</tr>
<tr>
<td>1966</td>
<td>24.3</td>
<td>2.7</td>
<td>3.9</td>
</tr>
<tr>
<td>1967</td>
<td>23.7</td>
<td>2.6</td>
<td>4.1</td>
</tr>
<tr>
<td>1968 1/</td>
<td>23.0</td>
<td>2.6</td>
<td>4.2</td>
</tr>
</tbody>
</table>

1/ Weigh not more than 3 pounds per thousand (about cigarette size). 2/ Subject to revision. 3/ Preliminary estimates.

Basic data compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

- 11 -
per male 18 and older in 1968. This is the same as 1967, but 15 percent below the 25-year high of 1964. However, it is about 6 percent higher than the 1959-63 average. (Table 8.)

More cigars are being produced this year both in U.S. and Puerto Rican factories. Cigars from Puerto Rico account for about one-eighth of U.S. consumption. Imports, though only about 0.5 percent of total consumption, have risen in recent months. The increase is largely in cigars from the Netherlands and the Canary Islands.

Details of taxable removals (domestic consumption) of cigars by revenue class for this year, through June, show a gain for the largest selling Class C:

<table>
<thead>
<tr>
<th>Revenue Class and retail price</th>
<th>Change from 1967</th>
</tr>
</thead>
<tbody>
<tr>
<td>A and B (up to 4¢)</td>
<td>-16.3</td>
</tr>
<tr>
<td>C (over 4 to 6¢)</td>
<td>+ 8.9</td>
</tr>
<tr>
<td>D (over 6 to 8¢)</td>
<td>+ 3.6</td>
</tr>
<tr>
<td>E (over 8 to 15¢)</td>
<td>- 5.3</td>
</tr>
<tr>
<td>F and G (over 15¢)</td>
<td>+ 2.7</td>
</tr>
<tr>
<td>Total removals</td>
<td>+ 1.1</td>
</tr>
</tbody>
</table>

Price changes earlier this year shifted some brands from Class B to Class C.

Exports of cigars (less than 1 percent of output) have been about the same so far this year as last. During the first 7 months of 1968, Canada remained the leading destination. Other sizable destinations include the United Kingdom, Japan, Republic of South Africa, the Bahamas, Portugal, Panama, Bahrein, Iceland, and Kuwait.

SMOKING TOBACCO

Smoking Tobacco Use Rising

Production of smoking tobacco for pipes and roll-your-own cigarettes this year is expected to total about 5 percent above the long-time low of 65 million pounds last year. (Table 9.) A further increase is expected in 1969. Except for the 1964 upsurge associated with that year's release of the smoking-health report, output trended downward until the second half of 1967. The estimated output for 1968 is still 6 percent below the 1959-63 average. The gain for smoking tobacco output this year is associated with a leveling off of cigarette output.

Domestic use of smoking tobacco in the first half of this year totaled 35.3 million pounds, 8 percent above a year earlier. Rising U.S. manufacturers' sales as well as increased imports contributed to the gain. For all of this year, U.S. smoking tobacco consumption may total around 6 percent above last year's longtime low of 67 million pounds.

Imports, mostly from the Netherlands and the United Kingdom, have increased almost steadily in recent years and may reach about 5 million pounds this year—one-third above the previous year. They now account for about 7 percent of U.S. smoking tobacco consumption. Despite their higher retail price than U.S. products, imports may rise further next year due to rising incomes and increased preference.

Consumption of domestic and imported smoking tobacco per male 18 and older is estimated about 1.1 pounds in 1968—about 5 percent more than 1967, but 11 percent less than 10 years ago.

Exports are only a small portion of U.S. smoking tobacco output. For January-July 1968, they were above a year earlier. Major foreign destinations for exports in packages in 1967, in order of importance, were Japan, Canada, Panama, Iceland, and Denmark. These countries accounted for half of our exports.

Bulk Smoking Tobacco Exports Gain

Exports of smoking tobacco in bulk have trended upwards for several years. This year they are expected to gain about 1 million pounds above the 16 million pounds in 1967. This export category includes specially prepared cigarette tobacco, cut and granulated tobacco, partially processed blended tobacco, and shredded tobacco. It also includes processed sheet tobacco and "blended strips" consisting of more than one
Table 8.--Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Consumption per male 18 years and over</th>
<th>Per person 18 years and over</th>
</tr>
</thead>
</table>
|              | Large cigars and cigarillos / /        | Sm. smoking tobacco / /      | Chewing tobacco / / | Sm. Snuff / /
|              | Number | Pounds | Pounds | Pounds | Pounds | Pounds |
| Average:     |        |        |        |        |        |        |
| 1925-29      | 177.4  | 4.10   | 4.15   | 5.03   | 0.52   |
| 1930-34      | 125.2  | 2.96   | 4.40   | 3.15   | 0.46   |
| 1935-39      | 120.9  | 2.89   | 4.39   | 2.48   | 0.42   |
| 1940-44      | 118.9  | 2.87   | 3.67   | 2.34   | 0.43   |
| 1945-49      | 113.7  | 2.74   | 2.35   | 2.01   | 0.41   |
| 1950         | 107.8  | 2.53   | 2.03   | 1.67   | 0.38   |
| 1951         | 110.8  | 2.55   | 1.89   | 1.62   | 0.37   |
| 1952         | 115.1  | 2.72   | 1.80   | 1.58   | 0.36   |
| 1953         | 115.5  | 2.72   | 1.62   | 1.55   | 0.36   |
| 1954         | 112.8  | 2.64   | 1.55   | 1.48   | 0.35   |
| 1955         | 112.8  | 2.60   | 1.47   | 1.44   | 0.35   |
| 1956         | 110.8  | 2.41   | 1.30   | 1.36   | 0.34   |
| 1957         | 113.0  | 2.37   | 1.27   | 1.29   | 0.32   |
| 1958         | 117.3  | 2.45   | 1.37   | 1.23   | 0.31   |
| 1959         | 124.9  | 2.55   | 1.31   | 1.20   | 0.29   |
| 1960         | 124.7  | 2.42   | 1.30   | 1.13   | 0.30   |
| 1961         | 122.9  | 2.43   | 1.30   | 1.13   | 0.29   |
| 1962         | 121.9  | 2.40   | 1.24   | 1.10   | 0.28   |
| 1963         | 124.6  | 2.39   | 1.22   | 1.11   | 0.27   |
| 1964         | 124.4  | 2.39   | 1.22   | 1.12   | 0.27   |
| 1965         | 133.9  | 2.58   | 1.29   | 1.07   | 0.24   |
| 1966         | 136.1  | 2.41   | 1.33   | 1.05   | 0.23   |
| 1967         | 130.7  | 2.28   | 1.08   | 1.04   | 0.23   |
| 1968 z/      | 130.5  | 2.22   | 1.13   | 1.03   | 0.21   |
| Average:     |        |        |        |        |        |        |
| 1957-59-100  |        |        |        |        |        |        |
| 1925-29      | 150    | 167    | 316    | 406    | 168    |
| 1930-34      | 106    | 120    | 334    | 294    | 150    |
| 1935-39      | 102    | 117    | 333    | 200    | 138    |
| 1940-44      | 100    | 117    | 279    | 189    | 140    |
| 1945-49      | 96     | 112    | 179    | 162    | 132    |
| 1950         | 92     | 103    | 154    | 134    | 125    |
| 1951         | 94     | 104    | 164    | 131    | 121    |
| 1952         | 97     | 111    | 137    | 128    | 118    |
| 1953         | 98     | 111    | 123    | 125    | 117    |
| 1954         | 95     | 107    | 118    | 120    | 115    |
| 1955         | 95     | 106    | 112    | 116    | 115    |
| 1956         | 94     | 98     | 99     | 110    | 110    |
| 1957         | 95     | 97     | 97     | 104    | 105    |
| 1958         | 99     | 100    | 104    | 99     | 100    |
| 1959         | 105    | 104    | 99     | 97     | 95     |
| 1960         | 105    | 98     | 99     | 91     | 97     |
| 1961         | 104    | 99     | 99     | 91     | 93     |
| 1962         | 103    | 97     | 94     | 89     | 91     |
| 1963         | 105    | 97     | 93     | 89     | 86     |
| 1964         | 130    | 105    | 108    | 90     | 84     |
| 1965         | 122    | 105    | 90     | 86     | 78     |
| 1966         | 115    | 98     | 86     | 85     | 75     |
| 1967         | 110    | 93     | 82     | 84     | 75     |
| 1968 z/      | 110    | 90     | 86     | 83     | 68     |

1/ Unstemmed weight equivalent for cigars and finished-product weight for all others.
2/ Preliminary estimate.
Table 9.--Smoking tobacco: Output, removals, foreign trade, and consumption, for specified periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Output</th>
<th>Removals 1/</th>
<th>Imports</th>
<th>Exports: Total consumption 3/</th>
<th>Exports, smoking tobacco 4/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
</tr>
<tr>
<td>1950-54</td>
<td>95.2</td>
<td>92.0 3.2</td>
<td>0.1</td>
<td>0.6</td>
<td>94.7 3.0</td>
</tr>
<tr>
<td>1955</td>
<td>80.0</td>
<td>77.5 2.3</td>
<td>.1</td>
<td>.5</td>
<td>79.4 6.2</td>
</tr>
<tr>
<td>1956</td>
<td>71.5</td>
<td>69.9 1.7</td>
<td>.1</td>
<td>.6</td>
<td>71.1 5.7</td>
</tr>
<tr>
<td>1957</td>
<td>70.5</td>
<td>68.6 1.7</td>
<td>.2</td>
<td>.6</td>
<td>70.0 4.4</td>
</tr>
<tr>
<td>1958</td>
<td>76.0</td>
<td>74.0 2.0</td>
<td>.4</td>
<td>.7</td>
<td>75.7 6.9</td>
</tr>
<tr>
<td>1959</td>
<td>73.2</td>
<td>71.2 1.9</td>
<td>.7</td>
<td>.7</td>
<td>73.1 8.5</td>
</tr>
<tr>
<td>1960</td>
<td>73.8</td>
<td>71.3 2.3</td>
<td>.9</td>
<td>.9</td>
<td>73.6 7.7</td>
</tr>
<tr>
<td>1961</td>
<td>74.2</td>
<td>71.4 2.5</td>
<td>1.3</td>
<td>.8</td>
<td>74.4 9.0</td>
</tr>
<tr>
<td>1962</td>
<td>70.9</td>
<td>68.3 2.6</td>
<td>1.5</td>
<td>.9</td>
<td>71.5 8.6</td>
</tr>
<tr>
<td>1963</td>
<td>70.4</td>
<td>68.0 2.2</td>
<td>1.6</td>
<td>.9</td>
<td>70.9 9.8</td>
</tr>
<tr>
<td>1964</td>
<td>82.4</td>
<td>79.0 3.4</td>
<td>2.7</td>
<td>1.4</td>
<td>83.7 12.3</td>
</tr>
<tr>
<td>1965</td>
<td>71.8</td>
<td>67.3 3.0</td>
<td>2.5</td>
<td>1.0</td>
<td>71.8 13.6</td>
</tr>
<tr>
<td>1966</td>
<td>67.3</td>
<td>65.3 1.5</td>
<td>3.3</td>
<td>.9</td>
<td>69.2 14.8</td>
</tr>
<tr>
<td>1967 5/</td>
<td>64.8</td>
<td>62.7 2.0</td>
<td>3.7</td>
<td>1.3</td>
<td>67.1 15.9</td>
</tr>
<tr>
<td>1968 6/</td>
<td>68.0</td>
<td>65.5 2.0</td>
<td>5.0</td>
<td>1.5</td>
<td>71.0 17.0</td>
</tr>
</tbody>
</table>

**Fiscal year**

<table>
<thead>
<tr>
<th>Year ending June</th>
<th>Mil.</th>
<th>Mil. lb.</th>
<th>Mil. lb.</th>
<th>Mil. lb.</th>
<th>Mil. lb.</th>
<th>Mil. lb.</th>
<th>Mil. lb.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>80.7</td>
<td>77.4 2.9</td>
<td>2.1</td>
<td>1.2</td>
<td>81.3</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td>74.1</td>
<td>71.4 3.0</td>
<td>2.5</td>
<td>1.1</td>
<td>75.8</td>
<td>13.2</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>69.8</td>
<td>65.4 2.4</td>
<td>2.8</td>
<td>1.0</td>
<td>69.6</td>
<td>13.9</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>64.3</td>
<td>62.3 1.8</td>
<td>3.2</td>
<td>1.1</td>
<td>66.2</td>
<td>15.7</td>
<td></td>
</tr>
<tr>
<td>1968 6/</td>
<td>66.9</td>
<td>64.6 1.9</td>
<td>4.6</td>
<td>1.4</td>
<td>69.7</td>
<td>18.3</td>
<td></td>
</tr>
</tbody>
</table>

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

Basic data compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.
kind--principally blended flue-cured and burley. Bulk smoking tobacco exports have gained due to growing popularity overseas of American-type blended cigarettes.

In the first 7 months of 1968 exports of smoking tobacco in bulk were 11.0 million pounds compared with 9.8 million a year earlier. Among the 5 leading export destinations in 1967, increased exports so far in 1968 have gone to Italy, Spain, and the Netherlands, about the same amount to the Dominican Republic, and smaller shipments to Peru.

CHEWING TOBACCO AND SNUFF

Production of chewing tobacco in 1968 may be about the same as the 64½ million pounds of 1967. Scrap chewing output may be near year-earlier levels while plug chewing output may be down somewhat. Scrap chewing tobacco uses substantial quantities of Wisconsin binder and Pennsylvania filler, while plug chewing mainly uses dark air-cured and burley.

Output of chewing tobacco since 1960 has remained fairly stable after prior declines. Increases in scrap and fine-cut chewing have about offset decreases in plug and twist.

Consumption of chewing tobacco per male 18 and older is estimated about 1 pound this year, about the same as 1967, but one-fifth less than 10 years ago.

Most chewing tobacco is consumed domestically. Exports, mainly twist and plug, declined in the past decade to 318,000 pounds by 1967. In the first 7 months of 1968, these exports were 179,000 pounds compared with 194,000 pounds a year earlier. Exports to Australia were up appreciably. But more than offsetting were declines in shipments to French Pacific Islands and Panama, the largest destination last year.

SNUFF Output Lower

Production of snuff is estimated about 4 percent less than in 1967 and 28 percent below the 1950-54 average. Snuff output was relatively stable prior to 1956, but has since trended downward. The downward trend is expected to continue.

Virtually all U.S. snuff output is consumed domestically, mainly in the South and Northwest, and in industries where smoking is hazardous or inconvenient. Snuff is the principal domestic outlet for the fire-cured types. Snuff consumption per capita has been declining for many years.

FOREIGN TRADE

U.S. Leaf Tobacco

Exports of unmanufactured tobacco through July were above last year's but during the rest of 1968 they may be somewhat below. Adverse influences are higher tobacco taxes, and changes in foreign manufacturing production methods and higher U.S. prices. Helping U.S. exports are the U.N. sanctions against Rhodesian tobacco, the U.S. export payment program, and the quality of recent flue-cured crops. Exports will likely hold above the 1961-65 average.

U.S. leaf tobacco exports in January-July 1968 totaled 2 percent above a year earlier. (Table 10.) A gain in exports of flue-cured—the principal export class—account for most of the gain. Cigar wrapper and binder were higher; other types were lower. Foreign shipments of burley were only two-thirds of last year's.

Gains in U.K. takings offset a January-July decline in exports to West Germany—the second largest importer of U.S. tobacco. Other gains were made by Japan, Denmark, and Portugal. Last year's exports to West Germany were unusually high due to a U.S. dock strike in late 1966 and German tax changes that took effect January 1, 1968. But last year's cigarette sales were down due to higher retail prices. Sales have recovered in 1968. Several other European countries have taken smaller shipments so far this year.

Leaf exports this calendar year may
### Table 10—United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

<table>
<thead>
<tr>
<th>Country and type</th>
<th>Year ending June 30</th>
<th>January-July 1968 as a percentage of 1967</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flue-cured</td>
<td>401.0</td>
<td>139.5</td>
</tr>
<tr>
<td>Burley</td>
<td>42.3</td>
<td>17.2</td>
</tr>
<tr>
<td>Maryland</td>
<td>11.2</td>
<td>10.3</td>
</tr>
<tr>
<td>Fire- and sun-cured</td>
<td>23.9</td>
<td>27.8</td>
</tr>
<tr>
<td>Green River</td>
<td>.7</td>
<td>.7</td>
</tr>
<tr>
<td>One Sucker</td>
<td>.5</td>
<td>.9</td>
</tr>
<tr>
<td>Black Fat, etc.</td>
<td>3.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Cigar wrapper</td>
<td>1.8</td>
<td>2.4</td>
</tr>
<tr>
<td>Cigar binder</td>
<td>.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Cigar filler</td>
<td>.2</td>
<td>.3</td>
</tr>
<tr>
<td>Perique</td>
<td>12.5</td>
<td>23.0</td>
</tr>
<tr>
<td>Stems, trimmings, and scrap</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>502.7</td>
<td>472.2</td>
</tr>
</tbody>
</table>

**Country of destination:**

| United Kingdom                  | 139.0    | 91.8  | 145.8 | 152.7 | 40.4  | 59.3  | 147   |
| France                         | 5.9      | 7.3   | 7.2   | 5.9   | 3.1   | 2.6   | 84    |
| Belgium                        | 17.3     | 17.2  | 21.3  | 19.1  | 9.3   | 11.2  | 120   |
| Netherlands                    | 32.4     | 35.8  | 37.0  | 39.6  | 22.5  | 22.9  | 102   |
| West Germany                   | 79.3     | 81.2  | 126.7 | 84.2  | 71.5  | 51.1  | 71    |
| Portugal                       | 6.9      | 3.1   | 4.2   | 6.9   | 2.4   | 3.9   | 162   |
| Denmark                        | 14.0     | 12.9  | 20.6  | 17.6  | 8.5   | 10.2  | 120   |
| Ireland                        | 15.2     | 7.8   | 18.0  | 13.2  | 8.1   | 7.0   | 86    |
| Switzerland                    | 12.8     | 15.2  | 21.2  | 19.3  | 12.8  | 12.4  | 97    |
| Finland                        | 7.8      | 4.6   | 6.7   | 5.0   | 3.7   | 2.7   | 73    |
| Norway                         | 7.2      | 6.2   | 10.8  | 10.7  | 1.3   | 5.9   | 137   |
| Sweden                         | 17.1     | 12.0  | 20.5  | 16.5  | 7.9   | 5.0   | 63    |
| Italy                          | 11.6     | 4.0   | 2.7   | 7.4   | 5.5   | 1.1   | 20    |
| Spain                          | 2.3      | 3.2   | 5.8   | 4.6   | 3.8   | 4.7   | 124   |
| Thailand                       | 10.2     | 14.8  | 21.5  | 19.6  | 13.8  | 14.3  | 104   |
| S. Vietnam                     | 5.8      | 9.5   | 15.4  | 10.8  | 6.8   | 3.7   | 54    |
| Malaysia 2/                    | 5.9      | 7.7   | 7.0   | 9.9   | 5.1   | 4.9   | 96    |
| Hong Kong                      | 6.8      | 5.9   | 5.0   | 6.0   | 3.0   | 3.0   | 100   |
| Japan                          | 25.0     | 42.1  | 40.6  | 36.0  | 14.0  | 12.9  | 322   |
| Australia                      | 17.3     | 16.5  | 20.4  | 12.4  | 8.9   | 8.6   | 97    |
| New Zealand                    | 4.4      | 3.9   | 5.0   | 4.7   | 2.0   | 2.9   | 115   |
| Egypt                          | 12.2     | 21.2  | 4.7   | 7.7   | 7.7   | 0     | ---   |
| Other countries                | 16.3     | 58.0  | 58.5  | 62.0  | 34.3  | 37.6  | 110   |
| **Total**                      | 502.7    | 472.2 | 626.6 | 564.8 | 282.4 | 287.9 | 102   |

1/ Subject to revision.
2/ Malaysia and Singapore.

Compiled from publications and reports of the Bureau of Census.

- 16 -
total slightly below the 572 million pounds (642 million farm-sales weight) of 1967, a longtime high. But they will still be the third largest since 1946 and some 10 percent above the 1961-65 average.

For the year ending next June 30, U.S. leaf tobacco exports may decline a little from the 565 million pounds (export weight) of 1967/68. The 1967/68 exports were 10 percent below the high level of 1966/67 but still the second largest since 1955/56. Quantity and value comparisons are:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Quantity Mil. lb.</th>
<th>Value Mil. dol.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966/67</td>
<td>626.6</td>
<td>549.7</td>
</tr>
<tr>
<td>1967/68</td>
<td>564.8</td>
<td>493.6</td>
</tr>
</tbody>
</table>

About two-thirds of the decline occurred in exports to West Germany but most other destinations also took smaller shipments. United Kingdom—long the principal U.S. leaf export market—increased takings slightly. The 1966/67 total included some delayed exports in anticipation of the export payment program.

As long as the economic sanctions are in effect against Rhodesia, U.S. tobacco exports are likely to be maintained even though competitive foreign production is rising. The quality of U.S. leaf is important, but many importing countries are obtaining an increasing share of their requirements from low-cost production areas that are expanding, such as the Far East, the Balkan countries, and certain areas of Africa. The EEC and U.K. prefential arrangements adversely affect the exports of third countries outside these groups. Economic activity abroad is relatively high and world cigarette consumption is increasing. But as in the United States, manufacturing changes and the trend toward filter cigarettes mean that leaf requirement does not increase proportionately.

United Kingdom's currency devaluation last year and duty change this year have increased their import costs. Retail prices have increased but small-sized cigarrette output is increasing. Tobacco use in 1968 could be about the same as in 1967. However, flue-cured purchases by U.K. buyers are likely to be smaller this season.

The proposed Common Agricultural Policy for the European Common Market for tobacco may become effective sometime in 1969. It could adversely affect U.S. exports. The EEC Commission has proposed uniform tobacco taxes and a higher tax on higher value tobaccos such as those from the United States than on low-priced tobacco.

### Government Tobacco Exports Decrease

U.S. tobacco exports under Government programs (Public Law 480 and AID) in 1967/68 totaled about 116 million pounds—valued at $105 million. The volume was the third largest fiscal or calendar year total since inception of P.L. 480 programs; the total under these programs was down 15 percent from the record of 1966/67. (Table 11.)

The amended Public Law 480 approved in July changes some of the provisions but these will probably not significantly change U.S. tobacco exports. The law has been extended for 2 years through December 31, 1970. The 1968 legislation further shifts emphasis from local currency sales to dollar sales by requiring assurance of convertibility of up to 50 percent of foreign currencies received and by requiring immediate payment of U.S. obligations. P.L. 480 barter for strategic materials is now limited to those from the country receiving the U.S. agricultural products. Persons or companies trading with North Vietnam are prohibited from receiving P.L. 480 export financing.

Tobacco exported for foreign currencies under Title I of the law gained 1 million pounds in 1967/68 despite the shift in emphasis toward dollar sales. About one-half of these exports for foreign currencies, or 10.8 million pounds, went to South Vietnam. Other destinations and quantities (million pounds) were: China (Taiwan), 6.7; Ghana, 0.8; India, 0.3; Israel, 0.2; and Pakistan, 3.1.

Title III, P.L. 480, and the CCC Chart-
### Table 11.--Tobacco exports under Government programs, average 1955-59, annual 1960-68, fiscal year

#### Quantity (export weight)

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Public Law 480</th>
<th>Mutual Security and A.I.D. programs</th>
<th>Total under Government programs</th>
<th>Exports under Government programs</th>
<th>Total manufactured tobacco exports as percentage of total exports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign currency sales</td>
<td>Long-term dollar credit sales</td>
<td>Title III, barter sales</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Million pounds</td>
<td>Million pounds</td>
<td>Million pounds</td>
<td>Million pounds</td>
<td>Million pounds</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1955-59</td>
<td>42.5</td>
<td>---</td>
<td>0.4</td>
<td>42.9</td>
<td>6.4</td>
</tr>
<tr>
<td>1960</td>
<td>41.0</td>
<td>29.4</td>
<td>71.3</td>
<td>23.2</td>
<td>94.5</td>
</tr>
<tr>
<td>1961</td>
<td>40.2</td>
<td>40.4</td>
<td>80.6</td>
<td>20.0</td>
<td>100.6</td>
</tr>
<tr>
<td>1962</td>
<td>26.1</td>
<td>77.4</td>
<td>103.5</td>
<td>2.8</td>
<td>106.3</td>
</tr>
<tr>
<td>1963</td>
<td>28.7</td>
<td>18.1</td>
<td>48.0</td>
<td>---</td>
<td>48.0</td>
</tr>
<tr>
<td>1964</td>
<td>35.5</td>
<td>15.4</td>
<td>54.7</td>
<td>.6</td>
<td>53.3</td>
</tr>
<tr>
<td>1965</td>
<td>21.2</td>
<td>18.8</td>
<td>44.5</td>
<td>5.1</td>
<td>49.6</td>
</tr>
<tr>
<td>1966</td>
<td>13.2</td>
<td>76.9</td>
<td>122.4</td>
<td>5.8</td>
<td>127.2</td>
</tr>
<tr>
<td>1967</td>
<td>21.3</td>
<td>106.3</td>
<td>121.6</td>
<td>3.0</td>
<td>135.9</td>
</tr>
<tr>
<td>1968 1/</td>
<td>22.1</td>
<td>82.0</td>
<td>115.0</td>
<td>.6</td>
<td>115.6</td>
</tr>
</tbody>
</table>

#### Value

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Public Law 480</th>
<th>Mutual Security and A.I.D. programs</th>
<th>Total under Government programs</th>
<th>Exports under Government programs</th>
<th>Total manufactured tobacco exports as percentage of total exports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million dollars</td>
<td>Million dollars</td>
<td>Million dollars</td>
<td>Million dollars</td>
<td>Million dollars</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1955-59</td>
<td>30.4</td>
<td>---</td>
<td>0.3</td>
<td>30.7</td>
<td>3.3</td>
</tr>
<tr>
<td>1960</td>
<td>39.8</td>
<td>19.6</td>
<td>50.4</td>
<td>18.4</td>
<td>68.8</td>
</tr>
<tr>
<td>1961</td>
<td>29.4</td>
<td>25.1</td>
<td>54.5</td>
<td>16.5</td>
<td>71.0</td>
</tr>
<tr>
<td>1962</td>
<td>19.6</td>
<td>65.9</td>
<td>81.5</td>
<td>1.8</td>
<td>67.7</td>
</tr>
<tr>
<td>1963</td>
<td>22.5</td>
<td>12.4</td>
<td>35.2</td>
<td>---</td>
<td>35.2</td>
</tr>
<tr>
<td>1964</td>
<td>23.8</td>
<td>8.5</td>
<td>32.3</td>
<td>.8</td>
<td>32.1</td>
</tr>
<tr>
<td>1965</td>
<td>14.9</td>
<td>13.1</td>
<td>26.6</td>
<td>2.8</td>
<td>29.4</td>
</tr>
<tr>
<td>1966</td>
<td>29.9</td>
<td>85.7</td>
<td>115.6</td>
<td>4.4</td>
<td>106.6</td>
</tr>
<tr>
<td>1967</td>
<td>15.6</td>
<td>104.2</td>
<td>119.8</td>
<td>2.4</td>
<td>107.2</td>
</tr>
<tr>
<td>1968 1/</td>
<td>20.2</td>
<td>75.3</td>
<td>95.5</td>
<td>.6</td>
<td>96.1</td>
</tr>
</tbody>
</table>

1/ Preliminary. Total unmanufactured tobacco exports include CCC credit sales (credits for relatively short periods) of (million pounds): 1964, 1.0; 1965, 0.3; 1966, 0; 1967, 17.0; 1968, 16.6.
modities for materials and services used by other U.S. Government agencies abroad. These transactions are considered equivalent to cash sales and contribute to the U.S. balance of payments. In 1967/68 tobacco barter exports were 82 million pounds or 24 million lower than the fiscal year high in 1966/67. About three-fourths of barter exports went to Western Europe, one-fifth went to the Far East and Pacific countries, and the remainder to other areas. The 12 leading countries and the quantity shipped to each in 1967/68 were:

<table>
<thead>
<tr>
<th>Country</th>
<th>Mil. lb.</th>
<th>Country</th>
<th>Mil. lb.</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>27.6</td>
<td>Singapore</td>
<td>3.5</td>
</tr>
<tr>
<td>Malaysia</td>
<td>7.3</td>
<td>Netherlands</td>
<td>2.8</td>
</tr>
<tr>
<td>Portugal</td>
<td>6.5</td>
<td>Japan</td>
<td>2.7</td>
</tr>
<tr>
<td>Spain</td>
<td>6.1</td>
<td>Peru</td>
<td>2.3</td>
</tr>
<tr>
<td>West Germany</td>
<td>6.1</td>
<td>Ireland</td>
<td>2.2</td>
</tr>
<tr>
<td>Finland</td>
<td>4.6</td>
<td>Italy</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Sales for long-term dollar credit totaled 10.9 million pounds in 1967/68, substantially above the preceding year. The Philippines and Congo (Kinshasa) received three-fourths of these exports; the remainder went to the Dominican Republic, Ghana, Iceland, and Sierra Leone.

Tobacco exports financed by Agency for International Development programs in the year ended last June were down from the preceding year. Virtually all went to Trinidad and Tobago.

U.S. Tobacco Imports Rising

U.S. tobacco imports for consumption (factory use of imports) during January-July 1968 were 135 million pounds, compared with 109 million a year earlier. (Table 12.) They are likely to continue to increase substantially from 197 million last year. Most of the gain is in oriental type cigarette leaf and scrap used in cigarettes. These gains are in tobacco from Turkey, Greece, and Yugoslavia. Other scrap is also gaining. Factory use of imports may rise further in 1969 due to record foreign leaf stocks in the United States, substantial exportable supplies overseas and U.S. price levels above those of most exporting countries.

The United States, the world's largest producer and exporter of tobacco, is the third largest importer (after the United Kingdom and West Germany), buying it mainly for blending with domestic types in the manufacture of cigarettes and cigars. Imports for consumption--merchandise released from Customs custody immediately upon arrival (direct entries), plus withdrawals from bonded warehouses—are a measure of manufacturers' use. This year these imports may account for about one-sixth of total U.S. consumption.

Many countries maintain and regulate imports through the use of monopolies, import quotas, import licenses, foreign exchange controls, mixing regulations, state trading, barter arrangements, or require advance deposits. But the United States has no non-tariff restrictions on imports of tobacco except from certain communist areas.

The U.S. permits duty-free imports of specified quantities of Philippine tobacco. This duty-free quantity is being reduced and will terminate after 1973:

<table>
<thead>
<tr>
<th>Years</th>
<th>Annual quantity Mil. lb.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965-67</td>
<td>3.9</td>
</tr>
<tr>
<td>1968-70</td>
<td>2.6</td>
</tr>
<tr>
<td>1971-73</td>
<td>1.3</td>
</tr>
</tbody>
</table>

 Practically all cigarette leaf tobacco imported into the United States are dutiable at the rate of 12.5 cents per pound. This was equivalent to 18 percent ad valorem on 1967/68 imports. Except for the duty-free quota and lower duties on Philippine entries, scrap tobacco imports are dutiable at 16.1 cents per pound.

January-July 1968 general imports of tobacco (total arrivals: direct entries plus those placed in bonded warehouses to be withdrawn for factory use later) were about the same as the comparatively high figure a year earlier. (Table 13.) Cigar filler tobacco gained with larger Dominican Republic arrivals. Cigarette leaf tobacco arrivals declined. Scrap tobacco gained--
Table 12.--United States imports for consumption of unmanufactured tobacco from principal supplying countries, for specified periods

<table>
<thead>
<tr>
<th>Classification and country of origin</th>
<th>Year ending</th>
<th>June 30</th>
<th>January-July</th>
<th>1967 as a percentage of 1966</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil.</td>
<td>Mil.</td>
<td>Mil.</td>
<td>Mil.</td>
</tr>
<tr>
<td></td>
<td>lb.</td>
<td>lb.</td>
<td>lb.</td>
<td>lb.</td>
</tr>
<tr>
<td></td>
<td>lb.</td>
<td>lb.</td>
<td>lb.</td>
<td>lb.</td>
</tr>
<tr>
<td>Cigarette leaf</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unstemmed:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>79.5</td>
<td>82.4</td>
<td>89.4</td>
<td>95.2</td>
</tr>
<tr>
<td>Greece</td>
<td>32.2</td>
<td>35.5</td>
<td>36.9</td>
<td>44.4</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>8.7</td>
<td>11.4</td>
<td>12.6</td>
<td>15.5</td>
</tr>
<tr>
<td>Italy</td>
<td>1.7</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Cyprus</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Syria</td>
<td>0.5</td>
<td>0.2</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Total 2/</td>
<td>126.1</td>
<td>133.7</td>
<td>144.1</td>
<td>152.7</td>
</tr>
<tr>
<td>Scrap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>1.0</td>
<td>1.4</td>
<td>1.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Greece</td>
<td>0.1</td>
<td>0</td>
<td>3/</td>
<td>1.3</td>
</tr>
<tr>
<td>Total 2/</td>
<td>1.4</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Cigar leaf (filler)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cuba</td>
<td>2.6</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Philippine Republic</td>
<td>2.7</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Stemed</td>
<td>2.3</td>
<td>3/</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Unstemmed</td>
<td>3.0</td>
<td>1</td>
<td>1</td>
<td>0.7</td>
</tr>
<tr>
<td>Philippines</td>
<td>6.3</td>
<td>1.7</td>
<td>1.0</td>
<td>5</td>
</tr>
<tr>
<td>Peru</td>
<td>11.9</td>
<td>14.2</td>
<td>16.2</td>
<td>18.3</td>
</tr>
<tr>
<td>Colombia</td>
<td>0.3</td>
<td>0.2</td>
<td>5</td>
<td>0.7</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>4.2</td>
<td>4.3</td>
<td>3.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.7</td>
<td>4.8</td>
<td>3.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.1</td>
<td>0.1</td>
<td>1</td>
<td>0.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.0</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Argentina</td>
<td>1.7</td>
<td>2.7</td>
<td>3.3</td>
<td>3.8</td>
</tr>
<tr>
<td>Paraguay</td>
<td>0.3</td>
<td>0.3</td>
<td>1</td>
<td>0.9</td>
</tr>
<tr>
<td>Total 2/</td>
<td>31.8</td>
<td>32.7</td>
<td>32.9</td>
<td>39.6</td>
</tr>
</tbody>
</table>

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

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

- 20 -
<table>
<thead>
<tr>
<th>Classification and country of origin</th>
<th>Calendar year average, 1961-65</th>
<th>Year ending June 30, 1966</th>
<th>Year ending June 30, 1967</th>
<th>Year ending June 30, 1968</th>
<th>January-July, 1968 as a percentage of calendar year average, 1961-65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarette leaf (unstemmed):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>88.8</td>
<td>126.6</td>
<td>122.4</td>
<td>108.3</td>
<td>100.9</td>
</tr>
<tr>
<td>Greece</td>
<td>37.4</td>
<td>35.5</td>
<td>40.9</td>
<td>52.2</td>
<td>37.9</td>
</tr>
<tr>
<td>Other countries</td>
<td>16.4</td>
<td>23.9</td>
<td>22.0</td>
<td>24.9</td>
<td>21.2</td>
</tr>
<tr>
<td>Total</td>
<td>142.8</td>
<td>185.0</td>
<td>185.3</td>
<td>185.4</td>
<td>150.0</td>
</tr>
<tr>
<td>Scrap:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>2.1</td>
<td>6.9</td>
<td>6.7</td>
<td>9.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Greece</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1/</td>
</tr>
<tr>
<td>Flue-cured and burley</td>
<td>.6</td>
<td>2.5</td>
<td>.7</td>
<td>8.1</td>
<td>.6</td>
</tr>
<tr>
<td>Cigar wrapper (unstemmed):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cuba 2/</td>
<td>.1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cameroon Republic</td>
<td>.1</td>
<td>.1</td>
<td>.2</td>
<td>.2</td>
<td>.1</td>
</tr>
<tr>
<td>Honduras</td>
<td>1/</td>
<td>1</td>
<td>1</td>
<td>1/</td>
<td>1/</td>
</tr>
<tr>
<td>Total 3/</td>
<td>.3</td>
<td>3</td>
<td>.7</td>
<td>.6</td>
<td>.6</td>
</tr>
<tr>
<td>Cigar filler (stemmed):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cuba 2/</td>
<td>1.4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Philippine Republic</td>
<td>1.2</td>
<td>.9</td>
<td>.1</td>
<td>.1</td>
<td>.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>.5</td>
<td>.5</td>
<td>.5</td>
<td>.3</td>
<td>.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>.3</td>
<td>.3</td>
<td>.3</td>
<td>.3</td>
<td>.3</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>.3</td>
<td>.2</td>
<td>.3</td>
<td>.9</td>
<td>.3</td>
</tr>
<tr>
<td>Honduras</td>
<td>.1</td>
<td>.3</td>
<td>.3</td>
<td>.7</td>
<td>.3</td>
</tr>
<tr>
<td>Total 3/</td>
<td>4.0</td>
<td>2.6</td>
<td>2.2</td>
<td>2.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Cigar filler (unstemmed):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cuba 2/</td>
<td>3.2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Philippine Republic</td>
<td>.5</td>
<td>.8</td>
<td>1.0</td>
<td>1.4</td>
<td>.4</td>
</tr>
<tr>
<td>Colombia</td>
<td>8.5</td>
<td>4.7</td>
<td>4.3</td>
<td>5.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Brazil</td>
<td>5.0</td>
<td>2.0</td>
<td>1.8</td>
<td>4.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Paraguay</td>
<td>1.3</td>
<td>.5</td>
<td>1.2</td>
<td>.9</td>
<td>.9</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2.7</td>
<td>1/</td>
<td>.1</td>
<td>.9</td>
<td>.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1/</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Peru</td>
<td>.5</td>
<td>.7</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Argentina</td>
<td>.5</td>
<td>.2</td>
<td>.1</td>
<td>1.6</td>
<td>1/</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.2</td>
<td>2.3</td>
<td>3.0</td>
<td>2.6</td>
<td>3</td>
</tr>
<tr>
<td>Jamaica</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
</tr>
<tr>
<td>Total 3/</td>
<td>33.1</td>
<td>13.3</td>
<td>16.7</td>
<td>29.3</td>
<td>12.9</td>
</tr>
<tr>
<td>Scrap:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cuba 2/</td>
<td>1.3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Philippine Republic</td>
<td>14.3</td>
<td>18.2</td>
<td>8.7</td>
<td>15.4</td>
<td>4.6</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>.6</td>
<td>.6</td>
<td>.4</td>
<td>1.3</td>
<td>.3</td>
</tr>
<tr>
<td>Colombia</td>
<td>1/</td>
<td>0</td>
<td>1/</td>
<td>3/</td>
<td>1/</td>
</tr>
<tr>
<td>Brazil</td>
<td>.3</td>
<td>.1</td>
<td>.2</td>
<td>.2</td>
<td>.2</td>
</tr>
<tr>
<td>Paraguay</td>
<td>.1</td>
<td>.5</td>
<td>1</td>
<td>0</td>
<td>.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>.1</td>
<td>1/</td>
<td>.7</td>
<td>0</td>
<td>.7</td>
</tr>
<tr>
<td>Netherlands</td>
<td>.1</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
</tr>
<tr>
<td>Argentina</td>
<td>.3</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
</tr>
<tr>
<td>Honduras</td>
<td>.3</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
<td>1/</td>
</tr>
<tr>
<td>Other countries</td>
<td>.6</td>
<td>1.0</td>
<td>1.8</td>
<td>2.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Total</td>
<td>17.8</td>
<td>20.5</td>
<td>12.0</td>
<td>19.8</td>
<td>7.5</td>
</tr>
<tr>
<td>Total cigar tobacco</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>55.2</td>
<td>36.7</td>
<td>31.7</td>
<td>52.5</td>
<td>22.4</td>
</tr>
<tr>
<td>Grand total 4/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ Less than 50,000 pounds. 2/ For 1961 (last pre-embargo year), imports were wrapper, 0.5 million pounds; stemmed filler, 5.9 million; unstemmed filler, 12.5 million, and scrap, 4.9 million. 3/ Includes quantities from other countries not separately listed. 4/ Includes stems not cut, ground, or pulverized. Detail may not add to total, due to rounding.

Note: General imports include all arrivals in the United States as distinguished from "imports for consumption".

- 21 -
both cigar types and the lower value oriental type.

Stocks of foreign-grown cigarette and smoking tobacco in the United States on July 1, 1968, were a new record for that date—442 million pounds (farm-sales weight), or 9 percent above a year earlier. The continuing stocks gain reflects rising imports. Foreign-grown cigar tobacco stocks by country of origin are shown on page 43.

1967/68 Import Summary

U.S. tobacco imports gained 34 million pounds in the year ended June 30, 1968, but average value per pound declined 4 cents because of sizable gains in lower value filler and scrap tobacco. (Table 15.)

The largest gain in imports for consumption was in cigarette leaf and scrap from Turkey, Greece, and Yugoslavia, the principal sources. Average value of oriental leaf declined. The increase in low value scrap also reduced the combined value of these imports.

Imports of cigar scrap also increased but were still below the relatively high level of 1964/65. Most of the gain was from the Philippines and the Dominican Republic, the leading sources.

Oriental leaf arrivals and value were about the same as the previous year. Arrivals from Greece and Turkey declined; those from Yugoslavia and other countries gained. Flue-cured and burley leaf and oriental scrap gained considerably.

Foreign Flue-cured Situation

Flue-cured tobacco is the leading kind entering international trade. World tobacco trade is still affected by sanctions against Rhodesia tobacco. Among 3 major producers and exporters of flue-cured tobacco, harvest in 1968 is expected to be about the same as 1967 in Canada and India but reduced in Rhodesia:

<table>
<thead>
<tr>
<th>Year of harvest</th>
<th>Country</th>
<th>Canada</th>
<th>India</th>
<th>Rhodesia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td>159</td>
<td>209</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>224</td>
<td>172</td>
<td>244</td>
<td></td>
</tr>
<tr>
<td>1967 (Prel.)</td>
<td>204</td>
<td>200</td>
<td>190</td>
<td></td>
</tr>
<tr>
<td>1968 (Prel.)</td>
<td>202</td>
<td>198</td>
<td>132</td>
<td></td>
</tr>
</tbody>
</table>

The 1968 flue-cured crop in Canada is expected to be slightly smaller than last year. In Ontario, where most of the crop is grown, acreage planted was cut below 1967. The 1967 average yield was the lowest in 8 years.

Canada exported 16 million pounds of flue-cured tobacco in January-April 1968—nearly 2 million more than a year earlier. Over 88 percent was shipped to the United Kingdom. Other destinations included other Commonwealth countries, United States, Denmark and Belgium.

India's 1968 flue-cured crop is indicated about 1 percent less than last year. Present policy gives top priority to food crops, so flue-cured tobacco output is still below the 1964 peak. In January-April 1968 flue-cured exports of 30 million pounds were up 2 million from a year earlier reflecting the larger 1967 crop. Most of these exports went to the United Kingdom, which took nearly 50 percent more than a year earlier. Receiving less this year were the Soviet Bloc and several African countries. U.K. buyers have been trying to replace Rhodesian tobacco with Commonwealth sources because it enters at a lower rate of duty.

Rhodesia—the largest tobacco exporter after the United States until 1966—is diversifying its agriculture and moving away from the dependence on tobacco. The Rhodesia crop harvested in earlier 1968—some 30 percent below 1967—was the first crop produced to meet conditions resulting from the U.N. sanctions. Growers have reportedly stopped producing those grades normally sold for the British market and are emphasizing production
Table 14.—United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Imports 1/</th>
<th>Gross clearances from bond 4/</th>
<th>Exports of manufactured tobacco</th>
<th>Re-exports of unmanufactured tobacco</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>From U. S. 2/</td>
<td>From Commonwealth countries 2/</td>
<td>Stocks Dec. 31 3/</td>
</tr>
<tr>
<td>1950</td>
<td>306</td>
<td>144</td>
<td>146</td>
<td>1445</td>
</tr>
<tr>
<td>1951</td>
<td>355</td>
<td>212</td>
<td>131</td>
<td>1498</td>
</tr>
<tr>
<td>1952</td>
<td>224</td>
<td>67</td>
<td>143</td>
<td>1430</td>
</tr>
<tr>
<td>1953</td>
<td>316</td>
<td>174</td>
<td>127</td>
<td>1452</td>
</tr>
<tr>
<td>1954</td>
<td>312</td>
<td>160</td>
<td>139</td>
<td>1468</td>
</tr>
<tr>
<td>1955</td>
<td>344</td>
<td>179</td>
<td>149</td>
<td>1507</td>
</tr>
<tr>
<td>1956</td>
<td>318</td>
<td>160</td>
<td>146</td>
<td>1523</td>
</tr>
<tr>
<td>1957</td>
<td>319</td>
<td>168</td>
<td>141</td>
<td>1599</td>
</tr>
<tr>
<td>1958</td>
<td>316</td>
<td>164</td>
<td>145</td>
<td>1589</td>
</tr>
<tr>
<td>1959</td>
<td>300</td>
<td>140</td>
<td>155</td>
<td>1509</td>
</tr>
<tr>
<td>1960</td>
<td>365</td>
<td>178</td>
<td>180</td>
<td>1538</td>
</tr>
<tr>
<td>1961</td>
<td>345</td>
<td>157</td>
<td>182</td>
<td>1563</td>
</tr>
<tr>
<td>1962</td>
<td>280</td>
<td>106</td>
<td>168</td>
<td>1540</td>
</tr>
<tr>
<td>1963</td>
<td>325</td>
<td>145</td>
<td>174</td>
<td>1536</td>
</tr>
<tr>
<td>1964</td>
<td>331</td>
<td>123</td>
<td>181</td>
<td>1511</td>
</tr>
<tr>
<td>1965</td>
<td>284</td>
<td>91</td>
<td>184</td>
<td>1520</td>
</tr>
<tr>
<td>1966</td>
<td>262</td>
<td>133</td>
<td>110</td>
<td>1464</td>
</tr>
<tr>
<td>1967 2/</td>
<td>280</td>
<td>133</td>
<td>125</td>
<td>1435</td>
</tr>
</tbody>
</table>

Jan.-July:

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan.-June</th>
<th>Jan.-July</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>123</td>
<td>32</td>
</tr>
<tr>
<td>1965</td>
<td>131</td>
<td>35</td>
</tr>
<tr>
<td>1966</td>
<td>115</td>
<td>49</td>
</tr>
<tr>
<td>1967</td>
<td>146</td>
<td>49</td>
</tr>
<tr>
<td>1968</td>
<td>174</td>
<td>76</td>
</tr>
</tbody>
</table>

1/ Unmanufactured tobacco. 2/ The full duty rate on tobacco from the United States and other non-preferential areas is about 2 percent above the preferential rate on tobacco from Commonwealth areas. 3/ Beginning with 1957, stocks not strictly comparable with prior years. 4/ Largely withdrawals for manufactures for home use and export. 5/ Subject to revision. 6/ Stocks as of June 30. *Jan.-June. **December 1967 and June 1968 estimated. n.a.—not available.

Compiled from official United Kingdom sources.
Table 15.--U.S. imports of unmanufactured tobacco: Quantity and average value, by kinds, 1967/68

<table>
<thead>
<tr>
<th>Kind</th>
<th>Quantity</th>
<th>Change</th>
<th>Value per pound</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarette leaf</td>
<td>165.8</td>
<td>+21.1</td>
<td>70.2</td>
<td>-3.4</td>
</tr>
<tr>
<td>Scrap (oriental)</td>
<td>6.7</td>
<td>+5.0</td>
<td>11.6</td>
<td>+4.5</td>
</tr>
<tr>
<td>Cigar leaf</td>
<td>6.2</td>
<td>+.7</td>
<td>126.6</td>
<td>+11.1</td>
</tr>
<tr>
<td>Scrap</td>
<td>39.6</td>
<td>+6.7</td>
<td>42.0</td>
<td>+1.8</td>
</tr>
<tr>
<td>Total 1/</td>
<td>219.0</td>
<td>+34.0</td>
<td>64.7</td>
<td>-3.5</td>
</tr>
</tbody>
</table>

Imports for consumption

<table>
<thead>
<tr>
<th>Kind</th>
<th>Quantity</th>
<th>Change</th>
<th>Value per pound</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarette leaf</td>
<td>185.4</td>
<td>+0.1</td>
<td>67.9</td>
<td>0</td>
</tr>
<tr>
<td>Flue-cured and burley leaf</td>
<td>8.1</td>
<td>+7.4</td>
<td>31.2</td>
<td>+3.0</td>
</tr>
<tr>
<td>Scrap (oriental)</td>
<td>11.7</td>
<td>+5.0</td>
<td>8.3</td>
<td>+1.0</td>
</tr>
<tr>
<td>Cigar wrapper</td>
<td>0.6</td>
<td>- .1</td>
<td>420.0</td>
<td>+64.7</td>
</tr>
<tr>
<td>Filler</td>
<td>32.1</td>
<td>+13.2</td>
<td>41.6</td>
<td>-2.5</td>
</tr>
<tr>
<td>Scrap</td>
<td>19.8</td>
<td>+7.8</td>
<td>29.1</td>
<td>+2.4</td>
</tr>
<tr>
<td>Total 1/</td>
<td>258.1</td>
<td>+33.5</td>
<td>58.5</td>
<td>-4.1</td>
</tr>
</tbody>
</table>

General imports

<table>
<thead>
<tr>
<th>Kind</th>
<th>Quantity</th>
<th>Change</th>
<th>Value per pound</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarette leaf</td>
<td>185.4</td>
<td>+0.1</td>
<td>67.9</td>
<td>0</td>
</tr>
<tr>
<td>Flue-cured and burley leaf</td>
<td>8.1</td>
<td>+7.4</td>
<td>31.2</td>
<td>+3.0</td>
</tr>
<tr>
<td>Scrap (oriental)</td>
<td>11.7</td>
<td>+5.0</td>
<td>8.3</td>
<td>+1.0</td>
</tr>
<tr>
<td>Cigar wrapper</td>
<td>0.6</td>
<td>- .1</td>
<td>420.0</td>
<td>+64.7</td>
</tr>
<tr>
<td>Filler</td>
<td>32.1</td>
<td>+13.2</td>
<td>41.6</td>
<td>-2.5</td>
</tr>
<tr>
<td>Scrap</td>
<td>19.8</td>
<td>+7.8</td>
<td>29.1</td>
<td>+2.4</td>
</tr>
<tr>
<td>Total 1/</td>
<td>258.1</td>
<td>+33.5</td>
<td>58.5</td>
<td>-4.1</td>
</tr>
</tbody>
</table>

1/Includes stems.

Table 16.--U.S. marketing quotas, by kinds of tobacco, 1968

<table>
<thead>
<tr>
<th>Kind 1/</th>
<th>Quota 2/</th>
<th>Acreage yield goal per acre</th>
<th>Acreage allotment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil. lbs.</td>
<td>Lbs.</td>
<td>Acres</td>
</tr>
<tr>
<td>Flue-cured (11-14)</td>
<td>1,126.5</td>
<td>1,854</td>
<td>607,605</td>
</tr>
<tr>
<td>Burley (31)</td>
<td>556.8</td>
<td>---</td>
<td>249,686</td>
</tr>
<tr>
<td>Va. fire-cured (21)</td>
<td>11.2</td>
<td>---</td>
<td>9,404</td>
</tr>
<tr>
<td>Ky.-Tenn. fire-cured (22-23)</td>
<td>48.4</td>
<td>---</td>
<td>26,949</td>
</tr>
<tr>
<td>Dark air-cured (35-36)</td>
<td>22.9</td>
<td>---</td>
<td>12,666</td>
</tr>
<tr>
<td>Va. sun-cured (37)</td>
<td>2.7</td>
<td>---</td>
<td>2,667</td>
</tr>
<tr>
<td>Cigar binder (51-52)</td>
<td>8.5</td>
<td>---</td>
<td>4,218</td>
</tr>
<tr>
<td>Cigar filler and binder (62-64, 53-55)</td>
<td>33.7</td>
<td>---</td>
<td>19,435</td>
</tr>
</tbody>
</table>

1/Type numbers in parentheses. 2/Flue-cured is acreage-poundage; other are acreage allotments.
of low nicotine content leaf salable in other markets. The flue-cured crop was sold secretly this spring with a guaranteed grower return equivalent to 33 U.S. cents per pound. The output target for the flue-cured crop to be harvested in early 1969 is the same as the 1968 target, but the average price guarantee has been reduced to 29 cents.

In Zambia, production increased this year but fell short of production goals. The 1970 flue-cured output goal is 25-30 million pounds and British buyers have agreed to maintain their historic share of purchases. The 1966-68 Lusaka sales comparisons are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Mil. lb.)</th>
<th>Average price (U.S. cents lb.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>13.8</td>
<td>42.5</td>
</tr>
<tr>
<td>1967</td>
<td>10.1</td>
<td>61.4</td>
</tr>
<tr>
<td>1968</td>
<td>13.7</td>
<td>43.2</td>
</tr>
</tbody>
</table>

The larger 1968 crop, effects of drought on quality, and devaluation of British currency may account for the lower price this year.

Other countries which have increased exports as a result of the Rhodesian sanctions are Korea, Thailand, and Mainland China:

<table>
<thead>
<tr>
<th>Year</th>
<th>Oriental (Million pounds)</th>
<th>Burley (Million pounds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>5</td>
<td>1.2</td>
</tr>
<tr>
<td>1965</td>
<td>267</td>
<td>291</td>
</tr>
<tr>
<td>1966</td>
<td>267</td>
<td>361</td>
</tr>
<tr>
<td>1967</td>
<td>402</td>
<td>13.2</td>
</tr>
<tr>
<td>1968</td>
<td>24.9</td>
<td>21.9</td>
</tr>
</tbody>
</table>

Smaller crops are primarily due to reduced acreage which was necessary because of overproduction and stock buildup in earlier years. In Turkey, the government changed its price policy to discourage low quality production. Legislation enacted last year in Greece, reinstates area allotments. Both countries are attempting to sell large tobacco stocks by offering price discounts.

Turkey's unmanufactured tobacco exports in January-May 1968 were 77 million pounds--26 million less than a year earlier. This was mainly because of smaller exports to the United States and EEC Eastern European shipments were maintained.

In Greece unmanufactured tobacco exports in January-June 1968 (from 1966 and prior crops) at 60 million pounds were about three-tenths less than a year earlier. Most markets took less including the United States, Russia, and the European Economic Community.
the leading destinations. This reduction was in part due to the reduced 1966 Greek crop.

British Tobacco


U.K. tobacco imports and manufactures have been affected for several years by increasing tobacco duties. The proportion of leaf imports in unstripped form continues to decline. Manufacturers have introduced cheaper tipped brands of cigarettes with smaller tobacco content that do not carry gift coupons. The filter tip proportion reached 66 percent of sales in 1967. The U.K. Government bans cigarette advertising on television, so promotion with gift coupons is important. Cigars are exempt from the television curb and their sales have increased sharply but they account for only a small fraction of total consumption.

The main import duty on unmanufactured tobacco entering the United Kingdom from non-Commonwealth sources is equivalent to $11.00 per pound. Commonwealth sources, which include the major flue-cured producers and exporters, India and Canada, receive a preferential rate equivalent to $10.82—a margin of preference equal to 18.2 cents a pound.

Devaluation of British currency and the cutting off of Rhodesian supplies are having a marked effect on manufacturers' costs. So far in 1968 the import gains have come in U.S. arrivals as well as from several non-traditional sources such as Pakistan, Tanzania, Malawi, and South Africa. (Table 1b.)

Gross clearances of tobacco from bond—an approximate measure of U.K. domestic use and exports—were 158 million pounds in the first half of 1968, a gain of 4 percent from a year earlier. The 1968 gross clearances of flue-cured were as follows:

| Source             | January-June 1968 | Change from 1967
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
</tr>
<tr>
<td>United States</td>
<td>71.5</td>
<td>+ 5.8</td>
</tr>
<tr>
<td>Rhodesia</td>
<td>13.7</td>
<td>-11.0</td>
</tr>
<tr>
<td>Canada</td>
<td>23.1</td>
<td>- 0.5</td>
</tr>
<tr>
<td>India</td>
<td>21.4</td>
<td>+ 1.8</td>
</tr>
<tr>
<td>Other countries</td>
<td>12.5</td>
<td>+ 5.7</td>
</tr>
<tr>
<td>Total</td>
<td>142.2</td>
<td>- 2.2</td>
</tr>
</tbody>
</table>

U.S. flue-cured made up 50 percent of gross clearances compared with 46 percent a year earlier and 42 percent 2 years earlier. During January-June 1968, net clearances from bond (U.K. domestic consumption) were 1.7 percent above a year earlier.

In 1967, British consumers spent the equivalent of $4.2 billion on tobacco products, about the same as 1966. This was about 6 percent of total consumer spending in both years.

U.K. cigarette exports rose further in the first 7 months of 1968, to 10 percent above a year earlier. Both Commonwealth and non-Commonwealth countries increased their takings. However, Kuwait, the largest single market, had only a negligible rise.

United Kingdom imported 305 million pounds of unmanufactured tobacco in the year ended last June—7 percent more than a year earlier. Larger quantities were received from the United States, as well as from Commonwealth suppliers. Imports from the United States made up 50 percent of total U.K. imports for 1967/68, compared with 51 percent a year earlier and 33 percent in 1965/66.

Despite the 1967/68 gain in imports, U.K. manufacturers' leaf tobacco stocks at the end of June 1968, declined a little further from the low level a year earlier. Flue-cured stocks, at 381 million pounds, were down 1 percent. The decline in flue-cured stocks since 1965 has slowed as holdings from the United States, Canada, India, and other countries, gained to partly offset the decline in Rhodesian holdings.
Despite expanding worldwide cigarette sales, U.S. leaf sales have not gained accordingly. U.S. manufacturers use less tobacco per cigarette now because an increasing share is filter tipped, and manufacturers use more reconstituted sheet tobacco and stems and more of the less expensive imported scrap and leaf of tobacco. Tobacco sheet production is not reported, but quarterly stock data suggests the rate of gain in sheet output has slowed considerably.

Many overseas users prefer the taste, flavor, and aroma of U.S. tobacco, but higher wages, production controls and price support mean higher U.S. prices. Many other exporting countries have lower wage rates and no production controls. Also, the direct import controls of other governments have limited U.S. tobacco exports.

Manufacturers in foreign countries have been economizing in the use of leaf tobacco, but they are buying more tobacco from other areas at prices considerably below the U.S. prices. However, average quality of these tobaccos is also well below that of U.S. leaf. The demand for high quality tobacco is shown by the sales of cigarette brands containing high proportions of U.S. tobacco, but the relative sales of brands containing lower priced leaf continues to rise.
For Puerto Rico filler, the Commonwealth Government of Puerto Rico has set quotas for many years.

Maryland tobacco growers have disapproved marketing quotas in the last 3 annual referendums, so no quota and allotment will be announced for 1969 unless at least a fourth of the growers petition USDA before November 10. Marketing quotas have never been in effect on Pennsylvania filler. Government price support cannot be made available on any crop of tobacco for which growers have disapproved marketing quotas. The cigar wrapper, types 61-62, are not covered by marketing quota legislation.

1969 Price Support Levels

The overall price support for eligible 1969 tobacco crops seem likely to rise 3-4 percent above the 1968 price support levels—some 15 percent above the 1959 base. This estimate is based on changes in the parity index. The 1969 price support adjustment will be based on the average of the parity index in 1966, 1967, and 1968 compared with 1959.

Where marketing quotas are in effect, the Agricultural Act of 1949 requires USDA to compute the support level for the current tobacco crops by adjusting the 1959 level to reflect the relative change in the parity index, using the average of the 3 most recent calendar years. The parity index measures changes in prices paid by farmers including interest, taxes, and wage rates.

Before 1960 price support levels for major tobaccos were set at 90 percent of parity prices. The 1960 amendment to the 1949 law set 1960 crop support prices at the 1959 level and provided for the parity index adjustment beginning in 1961. As a result of the adjustment factor, the increase in the support level has averaged 1.3 percent annually for 1961 through 1968, but the 3 percent increase in 1968 was the largest since the 7 percent increase for flue-cured and burley tobacco in 1958. This amendment dampened the rate of increase in price supports compared with the rise that would have occurred under the old formula.

FLUE-CURED

Flue-cured tobacco (types 11-14) makes up 60 percent of U.S. production and about three-fourths of U.S. tobacco exports. It accounts for half of the tobacco used in U.S. cigarettes. In the United Kingdom cigarettes are made with virtually 100 percent flue-cured tobacco but other foreign cigarettes are made of several kinds of tobacco.

1968 Auction Season Prices Higher

Flue-cured tobacco sold at auction markets this season through September 20 averaged 67.7 cents per pound, 2.4 cents above the average for the similar period last season. About 60 percent of the 1968 crop had been marketed, but marketings were 19 percent below last year. Overall quality is better and most grade average prices are higher.

The overall level of price support for the 1968 crop is 61.6 cents per pound, about 3 percent above 1967. This year with price support available on untied tobacco of all grades for the entire season in types 11-13 markets, only a small quantity of tied tobacco is being sold. The quantity of tobacco going under Government loan is smaller than last year. Although the loan take was higher in August, the September loan volume is less. Apparently buyers shifted their buying practices in 1968. Again this season USDA is offering a loan program for tobacco stored on farms.

The 1968 season got underway on July 31. With the smaller crop this year, the final sale could come before last year's closing. Data by types are shown below (1967 data in parentheses):

<table>
<thead>
<tr>
<th>Types</th>
<th>Opening date</th>
<th>Closing date</th>
</tr>
</thead>
<tbody>
<tr>
<td>14, Georgia-</td>
<td>July 31</td>
<td>Aug. 29</td>
</tr>
<tr>
<td>Florida</td>
<td>(July 26)</td>
<td>(Sept. 1)</td>
</tr>
<tr>
<td>13, South Carolina</td>
<td>July 31</td>
<td>(Nov. 8)</td>
</tr>
<tr>
<td>Border North Carolina</td>
<td>(Aug. 3)</td>
<td>(Dec. 12)</td>
</tr>
<tr>
<td>12, Eastern</td>
<td>Aug. 26</td>
<td>(Nov. 8)</td>
</tr>
<tr>
<td>North Carolina</td>
<td>(Aug. 24)</td>
<td>(Dec. 12)</td>
</tr>
<tr>
<td>1lb, Middle</td>
<td>Sept. 3</td>
<td>(Dec. 19)</td>
</tr>
<tr>
<td>Belt, N.C., Va.</td>
<td>(Sept. 7)</td>
<td>(Jan. 17)</td>
</tr>
<tr>
<td>1la, Old</td>
<td>Sept. 3</td>
<td>(Jan. 17)</td>
</tr>
<tr>
<td>Belt, N.C., Va.</td>
<td>(Sept. 25)</td>
<td>(Jan. 17)</td>
</tr>
</tbody>
</table>
Sales and averages through September 20 and comparable 1967 data are:

<table>
<thead>
<tr>
<th>Types</th>
<th>1967</th>
<th>1968</th>
<th>1967</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales Million pounds</td>
<td>--- cents ---</td>
<td>--- cents ---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>224</td>
<td>163</td>
<td>65.6</td>
<td>68.3</td>
</tr>
<tr>
<td>13</td>
<td>256</td>
<td>243</td>
<td>66.4</td>
<td>67.3</td>
</tr>
<tr>
<td>12</td>
<td>166</td>
<td>166</td>
<td>65.4</td>
<td>67.7</td>
</tr>
<tr>
<td>11b</td>
<td>64</td>
<td>45</td>
<td>63.9</td>
<td>66.5</td>
</tr>
<tr>
<td>11a</td>
<td>105</td>
<td>42</td>
<td>62.9</td>
<td>69.2</td>
</tr>
<tr>
<td>Total</td>
<td>815</td>
<td>659</td>
<td>65.3</td>
<td>67.7</td>
</tr>
</tbody>
</table>

For all Belts combined, loan receipts through September 20 and last year's comparison were:

<table>
<thead>
<tr>
<th>Volume</th>
<th>Percent of gross sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mil. lb.</td>
<td>Percent</td>
</tr>
<tr>
<td>1967</td>
<td>94.6</td>
</tr>
<tr>
<td>1968</td>
<td>61.1</td>
</tr>
</tbody>
</table>

For the year ended last June 30, disappearance of flue-cured tobacco was 1,221 million pounds, 4 percent below the previous year. (Table 17.) The decline was due to smaller exports as domestic disappearance was unchanged. The 1967/68 total was equal to the average for the 1957-66 crop years, although last year's exports were above average while domestic disappearance was below average.

Both flue-cured domestic disappearance and cigarette production steadied in 1967/68 after manufacturers dropped leaf use 9 percent in 1966/67. Use during 1968/69 is likely to be near the 1967/68 level. However, more filter tip cigarettes, more cigarette tobacco imports, and a little more tobacco sheet use could reduce the total.

Flue-cured exports last season were 9 percent below the unusually high level a year earlier. But otherwise, they were the largest since 1955/56. Exports this year are expected to continue well above the average of recent years, but probably not as high as in 1967/68.

Major destinations of the past season with comparisons of previous years are:

<table>
<thead>
<tr>
<th>Country</th>
<th>1966</th>
<th>1967</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>80</td>
<td>119</td>
<td>121</td>
</tr>
<tr>
<td>West Germany</td>
<td>66</td>
<td>106</td>
<td>68</td>
</tr>
<tr>
<td>Japan</td>
<td>42</td>
<td>40</td>
<td>35</td>
</tr>
<tr>
<td>Netherlands</td>
<td>23</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>Thailand</td>
<td>12</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Belgium</td>
<td>11</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Denmark</td>
<td>8</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Ireland</td>
<td>7</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Australia</td>
<td>14</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>South Vietnam</td>
<td>8</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>All others</td>
<td>78</td>
<td>99</td>
<td>103</td>
</tr>
<tr>
<td>Total*</td>
<td>350</td>
<td>482</td>
<td>428</td>
</tr>
</tbody>
</table>

* Based on unrounded data.

The United Kingdom maintained its takings last season but indications are that U.K. buyers will take less of the 1968
Table 17.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, July 1</th>
<th>Supply</th>
<th>Total</th>
<th>Domestic</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>1,463</td>
<td>2,056</td>
<td>3,539</td>
<td>1,281</td>
<td>728</td>
<td>553</td>
</tr>
<tr>
<td>1956</td>
<td>1,423</td>
<td>2,258</td>
<td>3,681</td>
<td>1,170</td>
<td>705</td>
<td>465</td>
</tr>
<tr>
<td>1957</td>
<td>975</td>
<td>2,511</td>
<td>3,486</td>
<td>1,178</td>
<td>737</td>
<td>441</td>
</tr>
<tr>
<td>1958</td>
<td>1,081</td>
<td>2,308</td>
<td>3,389</td>
<td>1,179</td>
<td>736</td>
<td>443</td>
</tr>
<tr>
<td>1959</td>
<td>1,081</td>
<td>2,210</td>
<td>3,291</td>
<td>1,185</td>
<td>766</td>
<td>419</td>
</tr>
<tr>
<td>1960</td>
<td>1,251</td>
<td>2,106</td>
<td>3,357</td>
<td>1,267</td>
<td>792</td>
<td>475</td>
</tr>
<tr>
<td>1961</td>
<td>1,258</td>
<td>2,090</td>
<td>3,348</td>
<td>1,267</td>
<td>782</td>
<td>485</td>
</tr>
<tr>
<td>1962</td>
<td>1,408</td>
<td>2,081</td>
<td>3,489</td>
<td>1,208</td>
<td>777</td>
<td>431</td>
</tr>
<tr>
<td>1963</td>
<td>1,371</td>
<td>2,282</td>
<td>3,653</td>
<td>1,267</td>
<td>769</td>
<td>498</td>
</tr>
<tr>
<td>1964</td>
<td>1,388</td>
<td>2,386</td>
<td>3,774</td>
<td>1,219</td>
<td>775</td>
<td>444</td>
</tr>
<tr>
<td>1965</td>
<td>1,059</td>
<td>2,555</td>
<td>3,614</td>
<td>1,175</td>
<td>752</td>
<td>423</td>
</tr>
<tr>
<td>1966</td>
<td>1,108</td>
<td>2,439</td>
<td>3,547</td>
<td>1,274</td>
<td>687</td>
<td>587</td>
</tr>
<tr>
<td>1967</td>
<td>2/1,250</td>
<td>2,273</td>
<td>3,523</td>
<td>1,221</td>
<td>687</td>
<td>534</td>
</tr>
<tr>
<td>1968 2/</td>
<td>1,057</td>
<td>2,302</td>
<td>3,359</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average price per pound</th>
<th>Price support level</th>
<th>Placed under Government loan</th>
<th>Remaining in Government loan stocks on August 31, 1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>52.7</td>
<td>48.3</td>
<td>298.9</td>
<td>20.2</td>
</tr>
<tr>
<td>1956</td>
<td>51.5</td>
<td>48.9</td>
<td>319.9</td>
<td>22.5</td>
</tr>
<tr>
<td>1957</td>
<td>55.4</td>
<td>50.8</td>
<td>107.8</td>
<td>11.1</td>
</tr>
<tr>
<td>1958</td>
<td>58.2</td>
<td>54.6</td>
<td>144.8</td>
<td>13.4</td>
</tr>
<tr>
<td>1959</td>
<td>58.3</td>
<td>55.5</td>
<td>55.3</td>
<td>5.1</td>
</tr>
<tr>
<td>1960</td>
<td>60.4</td>
<td>55.5</td>
<td>51.8</td>
<td>4.1</td>
</tr>
<tr>
<td>1961</td>
<td>64.2</td>
<td>55.5</td>
<td>70.3</td>
<td>5.6</td>
</tr>
<tr>
<td>1962</td>
<td>60.1</td>
<td>56.1</td>
<td>237.2</td>
<td>16.8</td>
</tr>
<tr>
<td>1963</td>
<td>58.0</td>
<td>56.6</td>
<td>277.2</td>
<td>20.2</td>
</tr>
<tr>
<td>1964</td>
<td>58.5</td>
<td>57.2</td>
<td>285.6</td>
<td>20.7</td>
</tr>
<tr>
<td>1965</td>
<td>64.6</td>
<td>57.7</td>
<td>71.5</td>
<td>6.8</td>
</tr>
<tr>
<td>1966</td>
<td>66.9</td>
<td>58.8</td>
<td>74.6</td>
<td>6.8</td>
</tr>
<tr>
<td>1967</td>
<td>64.2</td>
<td>59.9</td>
<td>282.1</td>
<td>22.6</td>
</tr>
<tr>
<td>1968</td>
<td>61.6</td>
<td>59.9</td>
<td>282.1</td>
<td>22.6</td>
</tr>
</tbody>
</table>

2/ Year beginning July 1. 2/ Sales. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than their farm-sales weight figures. 6/ By September 20, 61 million pounds, 9 percent of deliveries, were placed under loan.

2,277.0
718.0
crop. The 1966/67 total included delayed exports in anticipation of the export pay-
ment program, but many countries increased their takings from other sources in 1967/68. Supplies from non-traditional sources are increasing further in 1968/69.

The proportion of U.S. flue-cured tobacco exported in stemmed or threshed form has risen substantially since 1960. This means reduced costs of processing, transportation, and storage. This is particularly true of the flue-cured going to the United Kingdom. On an unstemmed equivalent basis, the shares of U.S. flue-cured exports shipped in stemmed form have been as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>United Kingdom</th>
<th>Other countries</th>
<th>All</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>11.3</td>
<td>4.2</td>
<td>6.8</td>
<td></td>
</tr>
<tr>
<td>1962</td>
<td>17.3</td>
<td>6.3</td>
<td>20.6</td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td>46.8</td>
<td>10.6</td>
<td>57.4</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>89.3</td>
<td>12.6</td>
<td>102.0</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>89.9</td>
<td>14.0</td>
<td>103.9</td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>94.9</td>
<td>21.0</td>
<td>115.9</td>
<td></td>
</tr>
</tbody>
</table>

1968/69 Supplies Lower

Flue-cured carryover last July 1 totaled 2,302 million pounds. This was 29 million pounds above a year earlier, but 253 million lower than 1965's record high.

Estimated flue-cured tobacco acreage for harvest this year is 10 percent below 1967. This reflects, in part, adjustments under the acreage-poundage program for the substantial overmarketing in the 1967 season. Decreases in acreage were greater in Georgia-Florida (type 14) and South Carolina-Border North Carolina (type 13). Also, per acre yields are below last season. The September 1 forecast for flue-cured production was 1,057 million pounds--15 percent below sales in 1967.

The supply--production plus carryover--is about 5 percent below the 3,523 million pounds in 1967/68 and 10 percent less than the record high for 1964/65. Based on last year's disappearance, current supplies would last 2 3/4 years. The desired supply based on legislative formula is 2 1/2 years. But with a reduced supply this year, with domestic use about like last season and with exports off only moder-
ately, carryover next July 1 will likely total below the July 1, 1968 level.

By September 1, Government loan stocks of 1961-67 flue-cured tobacco--a component of the carryover and supply estimates above--totaled 718 million pounds (farm-sales weight). In addition Stabilization had 34 million pounds of 1968 crop. The flue-cured Tobacco Cooperative Stabilization Corporation--the growers' organization handling Government loans for price support--sold 37 million pounds of old crop tobacco to the trade in July and August, substantially above the same period a year earlier. Stabili-
zation sold 73 million pounds in the year ended last June, only one-fourth of the previous year's total. This season's sales will likely gain because both the current crop and trade stocks are lower.

BURLEY

Disappearance of burley tobacco (type 31) is running ahead of production for the third consecutive crop year, so October 1 stocks are probably 4 percent below year-earlier levels. With this year's gain in production, however, dis-
appearance will need to be maintained in 1968/69, or carryover may increase next fall.

Although domestic use in the year now ending is below the 1964/65 peak, manufacturers have increased the burley proportion in their cigarette blends. None-
theless, changes in cigarette manufacturing techniques as well as a leveling of ciga-
rette sales are limiting domestic burley use.

Growing popularity of American-type blended cigarettes abroad has increased world demand for burley. However, U.S. burley faces increased competition, since lower-cost foreign production continues to rise sharply. Japan, Italy, South Korea, Mexico, and Greece are among the countries that have increased exports. These areas plus Malawi, Zambia, and Bulgaria are plan-
ing further increases.
Table 18.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Total</td>
</tr>
<tr>
<td>1955</td>
<td>470</td>
<td>1,347</td>
<td>1,817</td>
<td>518</td>
</tr>
<tr>
<td>1956</td>
<td>506</td>
<td>1,299</td>
<td>1,805</td>
<td>510</td>
</tr>
<tr>
<td>1957</td>
<td>488</td>
<td>1,295</td>
<td>1,783</td>
<td>506</td>
</tr>
<tr>
<td>1958</td>
<td>465</td>
<td>1,277</td>
<td>1,742</td>
<td>518</td>
</tr>
<tr>
<td>1959</td>
<td>502</td>
<td>1,224</td>
<td>1,726</td>
<td>535</td>
</tr>
<tr>
<td>1960</td>
<td>485</td>
<td>1,191</td>
<td>1,676</td>
<td>549</td>
</tr>
<tr>
<td>1961</td>
<td>580</td>
<td>1,127</td>
<td>1,707</td>
<td>570</td>
</tr>
<tr>
<td>1962</td>
<td>575</td>
<td>1,137</td>
<td>1,812</td>
<td>586</td>
</tr>
<tr>
<td>1963</td>
<td>755</td>
<td>1,228</td>
<td>1,983</td>
<td>571</td>
</tr>
<tr>
<td>1964</td>
<td>620</td>
<td>1,412</td>
<td>2,032</td>
<td>616</td>
</tr>
<tr>
<td>1965</td>
<td>586</td>
<td>1,416</td>
<td>2,002</td>
<td>607</td>
</tr>
<tr>
<td>1966</td>
<td>587</td>
<td>1,395</td>
<td>1,982</td>
<td>600</td>
</tr>
<tr>
<td>1967</td>
<td>511</td>
<td>1,382</td>
<td>1,923</td>
<td>*585</td>
</tr>
<tr>
<td>1968 2/</td>
<td>567</td>
<td>*1,338</td>
<td>*1,905</td>
<td></td>
</tr>
</tbody>
</table>

Average price per pound: Price support level 3/; Placed under Government loan; Remaining in Government loan stocks on August 31, 1968

<table>
<thead>
<tr>
<th>Year</th>
<th>Average price</th>
<th>Price support</th>
<th>Place under Government loan</th>
<th>Percentage of crop</th>
<th>Remaining in Government loan stocks on August 31, 1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>58.6</td>
<td>46.2</td>
<td>73.1</td>
<td>15.6</td>
<td>0</td>
</tr>
<tr>
<td>1956</td>
<td>63.6</td>
<td>48.1</td>
<td>6.0</td>
<td>1.2</td>
<td>0</td>
</tr>
<tr>
<td>1957</td>
<td>60.3</td>
<td>51.7</td>
<td>16.6</td>
<td>3.4</td>
<td>0</td>
</tr>
<tr>
<td>1958</td>
<td>66.1</td>
<td>55.4</td>
<td>11.2</td>
<td>2.4</td>
<td>0</td>
</tr>
<tr>
<td>1959</td>
<td>66.6</td>
<td>57.2</td>
<td>13.2</td>
<td>2.6</td>
<td>0</td>
</tr>
<tr>
<td>1960</td>
<td>64.3</td>
<td>57.2</td>
<td>8.4</td>
<td>1.7</td>
<td>0</td>
</tr>
<tr>
<td>1961</td>
<td>66.5</td>
<td>57.2</td>
<td>10.3</td>
<td>1.8</td>
<td>0</td>
</tr>
<tr>
<td>1962</td>
<td>58.6</td>
<td>57.8</td>
<td>63.5</td>
<td>9.4</td>
<td>19.3</td>
</tr>
<tr>
<td>1963</td>
<td>59.2</td>
<td>58.3</td>
<td>202.3</td>
<td>26.8</td>
<td>79.6</td>
</tr>
<tr>
<td>1964</td>
<td>60.3</td>
<td>58.9</td>
<td>110.4</td>
<td>17.8</td>
<td>68.4</td>
</tr>
<tr>
<td>1965</td>
<td>67.0</td>
<td>59.5</td>
<td>42.2</td>
<td>7.2</td>
<td>39.2</td>
</tr>
<tr>
<td>1966</td>
<td>66.9</td>
<td>60.6</td>
<td>62.5</td>
<td>10.6</td>
<td>55.8</td>
</tr>
<tr>
<td>1967</td>
<td>71.8</td>
<td>61.8</td>
<td>64.2</td>
<td>11.9</td>
<td>64.1</td>
</tr>
<tr>
<td>1968</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>683.9</td>
<td></td>
<td>5/326.4</td>
</tr>
</tbody>
</table>

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 2/ About 1/4 million pounds of these holdings have been sold.

* Preliminary estimates.
**1967/68 Disappearance Reduced**

Domestic use of burley tobacco for the year now ending probably will total about the same as the 544 million pounds used in 1966/67. Exports may total one-fifth below the 56 million pounds last year. If so, this would be the least since 1961/62. Based on these prospects total disappearance would be 2-3 percent below the 600 million pounds in 1966/67. This leaves a carryover on October 1, 1968, about 3 percent below the 1,382 million pounds a year earlier—about 6 percent above the 1961-65 average.

Based on July 1 stocks, disappearance for the first 9 months of the marketing year was 442 million pounds, 14 million pounds smaller than in the same period a year earlier. Most of the decline was in exports but domestic use which totaled 408 million pounds was 4 million pounds below 1966/67. The indicated disappearance of burley would imply domestic manufacturers are maintaining their use in line with the steady cigarette output. Among the other outlets for burley, production of smoking tobacco is gaining, but plug chewing tobacco is declining.

For the first 10 months of 1967/68, burley exports (farm-sales weight) totaled 36 million pounds, 27 percent below those a year earlier. Exports to West Germany, the leading destination, were only about one-half the year-earlier level and exports were lower to most other areas. Among the other leading U.S. export destinations, Thailand, Sweden, the Netherlands, and Switzerland, Italy and Chile have been taking less. Larger exports than a year ago were made to Denmark, Belgium, Portugal, Hong Kong and the Phillipines.

The record high auction prices for 1967 crop burley and the gain in burley exports from other countries have reduced U.S. exports in 1967/68 and will make it harder for U.S. burley to compete in 1968/69. Greece has significantly increased exports especially to the EEC where Greek supplies enter duty-free. The Greek price is well below that of the U.S. and their quality is reported as improving.

**1968/69 Supplies Slightly Smaller**

The September estimate of the 1968 burley crop is 567 million pounds—5 percent above 1967. Acreage for harvest is about the same as last year, but average yield per acre may gain 5 percent.

The supply (indicated carryover plus the new crop) is about 1 percent below the 1,923 million pounds in 1967/68 and 4 percent below 2 years earlier. The prospective supply equals about 3\(\frac{1}{6}\) times probable disappearance or about the same ratio as in 1967/68 but down from the peak of 3\(\frac{1}{2}\) in 1963/64. The desirable ratio (based on legislative formula) is 2.8.

By August 31, Government loan stocks were 326 million pounds, compared with 282 million a year earlier. This increase was due to smaller sales from CCC loan stocks. Loan placements from the 1967 crop were about the same as in 1966.

Auction sales usually begin in late November. The 1967 crop sold for a record average of 71.8 cents per pound, with 12 percent of the crop placed under loan. The price support level for 1968 burley is 63.5 cents per pound, about 3 percent above 1967. Loan rates by grades range from 30 to 77 cents per pound.

**MARYLAND**

The chief outlet for Maryland tobacco (type 32) is in the manufacture of cigarettes. Some is also used as cigar filler depending upon availability and prices of certain grades. About one-third of the crop is exported. Disappearance since 1950 has varied irregularly between 31 million and 40 million pounds annually. Exports have gained while domestic use has declined.

Estimated use of Maryland tobacco in U.S. cigarettes is below the level of most of the 1950's. However, use of Maryland in 1965-67 steadied even though total leaf use in cigarettes has declined.

**1967/68 Use Down Slightly**

Disappearance of Maryland tobacco during the first 9 months of the marketing
year that began October 1, 1967, was 27 million pounds—about 2 percent below a year earlier. Exports were down, but domestic use was higher. Disappearance for the whole year is expected to be about 5 percent below the record 40.2 million pounds of the previous year (table 19). But domestic use is above 1966/67, and may attain the highest level since the mid-1950's. 

Exports of Maryland tobacco may be one-fourth below the previous year's 40-year high of 16.5 million pounds (farm sales-weight) but still above the 1961-65 average. In the first 10 months of the current marketing year, exports were down 19 percent due to the higher prices for the 1967 crop and possible uncertainty about the effects of a proposed Swiss tobacco tax law. Exports to Switzerland, the principal outlet, were down one-third and Spain and Portugal also took less. West Germany and Belgium increased their takings.

1968/69 Supplies Lower

Stocks next January 1 probably will fall further from this year's 86 million pounds because disappearance exceeds 1967 production. The September crop estimate is 36.3 million pounds. For the third year, acreage allotments are not in effect, since growers disapproved a marketing quota for the 1968 crop. This year's crop plus the estimated carryover will provide a 1968/69 supply about 3 percent less than for the year now ending.

Auction sales of the 1967 Maryland tobacco crop began April 16 and ended June 28. Quality of offerings was considerably higher than last year, and prices for most grades advanced. Wet prices averaged second only to the 1965 crop record, although volume was down.

<table>
<thead>
<tr>
<th>Producers' sales</th>
<th>Average price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mil. lbs.</td>
<td>Cents/lb.</td>
</tr>
<tr>
<td>1967</td>
<td>33.2</td>
</tr>
<tr>
<td>1968</td>
<td>31.3</td>
</tr>
</tbody>
</table>

Deliveries to the Baltimore hoghead market are additional to the auction volume. This year's deliveries have been considerably below the 2.6 million pounds last year.

FIRE-CURED

Fire-cured tobacco is used mainly for making snuff, and secondly for roll and plug chewing tobacco, cigars, and smoking tobacco. Since production of most of these products declined, the use of fire-cured tobacco has also fallen. In October 1967-June 1968, snuff output was 3 percent less than a year earlier. Exports—accounting for over half of total disappearance—have held up better over the past decade than domestic use because of steady foreign demand for products using fire-cured tobacco and its unavailability from other suppliers.

Disappearance Declines

Disappearance of fire-cured tobacco (types 21-23) during the first 9 months of the marketing year that began October 1, 1967 was 37.5 million pounds, about one-eighth below a year earlier. There are reductions for both Kentucky-Tennessee types and the Virginia type. Exports and domestic use were generally lower; Virginia domestic use gained.

For the year ending this September disappearance is down about 7 percent from last season's 54 million pounds. This means about 13 million pounds more have been used than were produced last year. Carryover stocks this October 1 are probably about 12 percent below the 106 million pounds last year.

Based on the indications through last June domestic use of Virginia fire-cured tobacco in the 1967/68 year is totaling above the unusually low 1966/67 level, but domestic use of the much larger-volume Kentucky-Tennessee types may decrease about one-fifth. (Tables 20 and 21.)

Exports of fire-cured tobacco in the season now ending may total a tenth below the previous year, and a little below the 1961-65 average. The decline is occurring in the Virginia type; these exports were unusually large in 1966/67 because some exports were held over from the previous
Table 12—Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price support operations for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Production following Jan. 1</th>
<th>Supply</th>
<th>Disappearance 2/</th>
<th>Stocks</th>
<th>Total Domestic Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>31.5</td>
<td>77.5</td>
<td>109.0</td>
<td>38.6</td>
<td>25.7</td>
</tr>
<tr>
<td>1956</td>
<td>36.5</td>
<td>69.7</td>
<td>106.2</td>
<td>34.9</td>
<td>21.4</td>
</tr>
<tr>
<td>1957</td>
<td>38.5</td>
<td>69.4</td>
<td>107.9</td>
<td>37.0</td>
<td>25.0</td>
</tr>
<tr>
<td>1958</td>
<td>31.1</td>
<td>70.9</td>
<td>102.0</td>
<td>39.4</td>
<td>24.1</td>
</tr>
<tr>
<td>1959</td>
<td>31.2</td>
<td>64.2</td>
<td>95.4</td>
<td>32.3</td>
<td>20.4</td>
</tr>
<tr>
<td>1960</td>
<td>34.7</td>
<td>61.7</td>
<td>95.4</td>
<td>35.6</td>
<td>23.6</td>
</tr>
<tr>
<td>1961</td>
<td>38.8</td>
<td>60.6</td>
<td>99.4</td>
<td>32.6</td>
<td>20.7</td>
</tr>
<tr>
<td>1962</td>
<td>40.6</td>
<td>67.3</td>
<td>107.9</td>
<td>30.7</td>
<td>19.5</td>
</tr>
<tr>
<td>1963</td>
<td>34.5</td>
<td>76.6</td>
<td>111.1</td>
<td>31.0</td>
<td>18.5</td>
</tr>
<tr>
<td>1964</td>
<td>42.3</td>
<td>82.0</td>
<td>124.3</td>
<td>32.9</td>
<td>23.3</td>
</tr>
<tr>
<td>1965</td>
<td>38.5</td>
<td>90.1</td>
<td>128.6</td>
<td>35.7</td>
<td>24.7</td>
</tr>
<tr>
<td>1966</td>
<td>36.0</td>
<td>89.7</td>
<td>125.7</td>
<td>40.2</td>
<td>23.7</td>
</tr>
<tr>
<td>1967</td>
<td>36.3</td>
<td>86.3</td>
<td>122.6</td>
<td>38.0</td>
<td>26.0</td>
</tr>
<tr>
<td>1968 3/</td>
<td>36.3</td>
<td>*611.0</td>
<td>*120.3</td>
<td>*26.0</td>
<td>*12.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average price per pound</th>
<th>Placed under Government loan price support level 4/</th>
<th>Remaining in Government loan stocks on August 31, 1968 5/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ct.</td>
<td>Ct.</td>
<td>Mil. lb.</td>
</tr>
<tr>
<td>1955</td>
<td>50.8</td>
<td>No price support</td>
<td>6/</td>
</tr>
<tr>
<td>1956</td>
<td>51.7</td>
<td>47.0</td>
<td>3.3</td>
</tr>
<tr>
<td>1957</td>
<td>44.9</td>
<td>48.0</td>
<td>5.9</td>
</tr>
<tr>
<td>1958</td>
<td>62.5</td>
<td>50.8</td>
<td>1.1</td>
</tr>
<tr>
<td>1959</td>
<td>61.6</td>
<td>No price support</td>
<td>6/</td>
</tr>
<tr>
<td>1960</td>
<td>63.8</td>
<td>50.8</td>
<td>1.6</td>
</tr>
<tr>
<td>1961</td>
<td>56.0</td>
<td>50.8</td>
<td>3.7</td>
</tr>
<tr>
<td>1962</td>
<td>55.8</td>
<td>51.3</td>
<td>6.0</td>
</tr>
<tr>
<td>1963</td>
<td>43.2</td>
<td>51.8</td>
<td>10.4</td>
</tr>
<tr>
<td>1964</td>
<td>62.0</td>
<td>52.3</td>
<td>4.2</td>
</tr>
<tr>
<td>1965</td>
<td>65.5</td>
<td>52.8</td>
<td>2.7</td>
</tr>
<tr>
<td>1966</td>
<td>*48.6</td>
<td>No price support</td>
<td>6/</td>
</tr>
<tr>
<td>1967</td>
<td>7/63.8</td>
<td>No price support</td>
<td>5/</td>
</tr>
<tr>
<td>1968</td>
<td></td>
<td>No price support</td>
<td>5/</td>
</tr>
</tbody>
</table>

| Year | Total                     | 38.9                                         | **10.2                                               |

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year—October 1 through September 30.
2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959—90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. 7/ Auction market average. * Preliminary estimates. ** About 8 million pounds of these holdings have been sold. # Less than 50,000 pounds.
Table 20.—Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance</th>
<th>Domestic</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>10.5</td>
<td>25.6</td>
<td>37.1</td>
<td>12.7</td>
<td>6.7</td>
<td>6.0</td>
</tr>
<tr>
<td>1956</td>
<td>10.7</td>
<td>24.4</td>
<td>35.1</td>
<td>10.3</td>
<td>4.8</td>
<td>5.5</td>
</tr>
<tr>
<td>1957</td>
<td>8.6</td>
<td>24.8</td>
<td>33.4</td>
<td>9.6</td>
<td>4.2</td>
<td>5.4</td>
</tr>
<tr>
<td>1958</td>
<td>9.4</td>
<td>23.8</td>
<td>33.2</td>
<td>10.7</td>
<td>5.3</td>
<td>5.4</td>
</tr>
<tr>
<td>1959</td>
<td>10.0</td>
<td>22.5</td>
<td>32.5</td>
<td>10.3</td>
<td>4.9</td>
<td>5.4</td>
</tr>
<tr>
<td>1960</td>
<td>8.9</td>
<td>22.2</td>
<td>31.1</td>
<td>10.2</td>
<td>4.0</td>
<td>6.2</td>
</tr>
<tr>
<td>1961</td>
<td>9.8</td>
<td>20.9</td>
<td>30.7</td>
<td>10.8</td>
<td>5.5</td>
<td>5.3</td>
</tr>
<tr>
<td>1962</td>
<td>9.5</td>
<td>19.9</td>
<td>29.4</td>
<td>9.2</td>
<td>4.1</td>
<td>5.1</td>
</tr>
<tr>
<td>1963</td>
<td>6.2</td>
<td>20.2</td>
<td>26.4</td>
<td>9.6</td>
<td>3.0</td>
<td>6.6</td>
</tr>
<tr>
<td>1964</td>
<td>9.1</td>
<td>16.8</td>
<td>25.9</td>
<td>10.3</td>
<td>4.0</td>
<td>6.3</td>
</tr>
<tr>
<td>1965</td>
<td>9.6</td>
<td>15.6</td>
<td>25.2</td>
<td>8.3</td>
<td>3.0</td>
<td>5.3</td>
</tr>
<tr>
<td>1966</td>
<td>7.5</td>
<td>16.9</td>
<td>24.4</td>
<td>9.6</td>
<td>2.3</td>
<td>7.3</td>
</tr>
<tr>
<td>1967</td>
<td>7.0</td>
<td>14.8</td>
<td>21.8</td>
<td>*9.5</td>
<td>*4.0</td>
<td>#5.5</td>
</tr>
<tr>
<td>1968</td>
<td>6.6</td>
<td>#12.3</td>
<td>#18.9</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average price per pound</th>
<th>Placed under Price support level</th>
<th>Remaining in Government loan stocks on August 31, 1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ct.</td>
<td>Ct.</td>
<td>Quantity</td>
</tr>
<tr>
<td>1955</td>
<td>31.3</td>
<td>34.6</td>
</tr>
<tr>
<td>1956</td>
<td>39.5</td>
<td>36.1</td>
</tr>
<tr>
<td>1957</td>
<td>38.7</td>
<td>38.8</td>
</tr>
<tr>
<td>1958</td>
<td>36.9</td>
<td>38.8</td>
</tr>
<tr>
<td>1959</td>
<td>37.6</td>
<td>38.8</td>
</tr>
<tr>
<td>1960</td>
<td>39.4</td>
<td>38.8</td>
</tr>
<tr>
<td>1961</td>
<td>38.8</td>
<td>38.8</td>
</tr>
<tr>
<td>1962</td>
<td>38.8</td>
<td>39.2</td>
</tr>
<tr>
<td>1963</td>
<td>35.5</td>
<td>39.6</td>
</tr>
<tr>
<td>1964</td>
<td>43.1</td>
<td>40.0</td>
</tr>
<tr>
<td>1965</td>
<td>39.9</td>
<td>40.4</td>
</tr>
<tr>
<td>1966</td>
<td>41.2</td>
<td>41.1</td>
</tr>
<tr>
<td>1967</td>
<td>40.9</td>
<td>41.9</td>
</tr>
<tr>
<td>1968</td>
<td>43.1</td>
<td>43.1</td>
</tr>
<tr>
<td>Total</td>
<td>---</td>
<td>12.9</td>
</tr>
</tbody>
</table>

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957—75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

* Preliminary estimates.
Table 21--Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price, and price support operations for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>54.7</td>
<td>110.5</td>
<td>165.2</td>
<td>52.0</td>
</tr>
<tr>
<td>1956</td>
<td>59.9</td>
<td>113.2</td>
<td>173.1</td>
<td>52.3</td>
</tr>
<tr>
<td>1957</td>
<td>41.9</td>
<td>120.8</td>
<td>162.7</td>
<td>53.3</td>
</tr>
<tr>
<td>1958</td>
<td>33.9</td>
<td>109.4</td>
<td>143.3</td>
<td>44.1</td>
</tr>
<tr>
<td>1959</td>
<td>43.1</td>
<td>99.2</td>
<td>142.3</td>
<td>41.1</td>
</tr>
<tr>
<td>1960</td>
<td>36.5</td>
<td>101.2</td>
<td>137.7</td>
<td>44.9</td>
</tr>
<tr>
<td>1961</td>
<td>43.3</td>
<td>92.8</td>
<td>136.1</td>
<td>46.7</td>
</tr>
<tr>
<td>1962</td>
<td>44.6</td>
<td>89.4</td>
<td>134.0</td>
<td>40.8</td>
</tr>
<tr>
<td>1963</td>
<td>49.7</td>
<td>93.2</td>
<td>142.9</td>
<td>41.4</td>
</tr>
<tr>
<td>1964</td>
<td>46.0</td>
<td>101.5</td>
<td>147.5</td>
<td>42.7</td>
</tr>
<tr>
<td>1965</td>
<td>36.6</td>
<td>104.8</td>
<td>141.4</td>
<td>45.6</td>
</tr>
<tr>
<td>1966</td>
<td>40.2</td>
<td>95.8</td>
<td>136.0</td>
<td>44.7</td>
</tr>
<tr>
<td>1967</td>
<td>29.5</td>
<td>91.3</td>
<td>120.8</td>
<td>#1.0</td>
</tr>
<tr>
<td>1968 2/</td>
<td>31.7</td>
<td>#79.8</td>
<td>#111.5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average price per pound</th>
<th>Price support level 3/</th>
<th>Placed under Government loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>38.4</td>
<td>34.6</td>
<td>7.9</td>
</tr>
<tr>
<td>1956</td>
<td>36.1</td>
<td>36.1</td>
<td>18.6</td>
</tr>
<tr>
<td>1957</td>
<td>36.4</td>
<td>38.8</td>
<td>13.9</td>
</tr>
<tr>
<td>1958</td>
<td>38.1</td>
<td>38.8</td>
<td>4.4</td>
</tr>
<tr>
<td>1959</td>
<td>38.3</td>
<td>38.8</td>
<td>5.3</td>
</tr>
<tr>
<td>1960</td>
<td>43.3</td>
<td>38.8</td>
<td>3.2</td>
</tr>
<tr>
<td>1961</td>
<td>40.2</td>
<td>38.8</td>
<td>5.1</td>
</tr>
<tr>
<td>1962</td>
<td>38.7</td>
<td>39.2</td>
<td>8.6</td>
</tr>
<tr>
<td>1963</td>
<td>36.9</td>
<td>39.5</td>
<td>13.0</td>
</tr>
<tr>
<td>1964</td>
<td>41.0</td>
<td>40.0</td>
<td>7.2</td>
</tr>
<tr>
<td>1965</td>
<td>43.6</td>
<td>40.4</td>
<td>2.3</td>
</tr>
<tr>
<td>1966</td>
<td>42.2</td>
<td>41.1</td>
<td>6.3</td>
</tr>
<tr>
<td>1967</td>
<td>46.2</td>
<td>41.9</td>
<td>.8</td>
</tr>
<tr>
<td>1968</td>
<td>43.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|      | Total | --- | 96.6 | --- | 24.1 |

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

* Preliminary estimates.
year. The 1967/68 exports of Kentucky-Tennessee types may total about the same. Exports of 18.6 million pounds (farm sales weight) of Kentucky-Tennessee types during October 1967-July 1968 were the same as a year earlier. The Netherlands--first ranking outlet--increased takings because of a rising demand for chewing and smoking tobacco. But other leading outlets, France, Sweden, Belgium, and Switzerland took less.

Virginia fire-cured exports of 4.9 million pounds in October 1967-July 1968 were sharply below the 6.7 million a year earlier, but about the same as the 1961-65 average for the period. Exports to Norway, the leading destination, were reduced 6 percent. Other decreases were recorded for Sweden and South Vietnam. Exports to the United Kingdom and West Germany gained.

1968/69 Supplies

The September estimate of fire-cured production was 38.3 million pounds, 5 percent larger than last year. This would still be about 11 million pounds below the estimated disappearance during the current marketing year. Acreage for harvest is about the same. Average yield per acre is indicated to be moderately above last year when Kentucky-Tennessee yields fell.

Combined supplies of the fire-cured types for 1968/69--estimated carryover and production--are 8-9 percent below the 142 million pounds a year earlier and 17 percent below 2 years earlier. Carryover on October 1, 1969, will show a further decline from the current level.

The average support level for 1968 fire-cured is 43.1 cents per pound, an increase of 3 percent over 1967 levels. Last season's average price was a record 45.2 cents--7 percent above the preceding year.

Loans placements of 1967-crop fire-cured tobacco (4 percent of the crop) were the lowest on record and substantially less than in 1966. By August 31, stocks under loan were down to 27 million pounds, 7 million under a year earlier.

In Malawi, the chief fire-cured exporter besides the United States, 1968 production was down about one-fourth, 6 million pounds, from 1967. Prices at the Limbe auctions this season were substantially above last year. Malawi has a new program aimed at limiting production and improving quality.

DARK AIR-CURED

Dark air-cured tobacco (types 35-37) is mainly used in manufacture of plug, twist, and fine-cut chewing tobacco, and snuff, and also to some extent for smoking tobacco and cigars. Production and disappearance have declined about half in the past 2 decades. The decline has been proportionately greater for exports than domestic use. Exports now account for about one-fifth of annual disappearance. In most recent years, over half of the dark air-cured exports has been in the form of Black Fat, a semi-processed product intended especially for sale abroad.

Disappearance Trails

Previous Year

Disappearance of dark air-cured tobacco during the first 9 months of the current marketing year was 15 million pounds, about 3 million below a year earlier. Both domestic use and exports declined.

For the year ending September 30, 1968, total disappearance is expected to be 2-10 percent below the 23 million pounds last year. This would mean a carryover down 6-7 percent from the 65 million pounds last October 1. (Tables 22 and 23.)

The 1967/68 domestic use of dark air-cured, types 35-36, may be below the 1966/67 total; but domestic use of Virginia sun-cured, type 37, may be unchanged. In October 1967-June 1968, the manufacture of plug, twist, and fine-cut chewing tobacco was slightly less than a year earlier.

Exports of dark air- and sun-cured including Black Fat in 1967/68 are probably totaling a little below the 4.8 million pounds (farm-sales weight) of a year earlier.
Table 22.—Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Total</th>
<th>Domestic</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>27.8</td>
<td>76.6</td>
<td>104.4</td>
<td>23.6</td>
<td>18.4</td>
<td>5.2</td>
</tr>
<tr>
<td>1956</td>
<td>30.7</td>
<td>80.8</td>
<td>111.5</td>
<td>34.0</td>
<td>23.4</td>
<td>10.6</td>
</tr>
<tr>
<td>1957</td>
<td>19.8</td>
<td>77.5</td>
<td>97.3</td>
<td>24.8</td>
<td>16.5</td>
<td>6.3</td>
</tr>
<tr>
<td>1958</td>
<td>16.1</td>
<td>72.5</td>
<td>88.6</td>
<td>25.0</td>
<td>17.5</td>
<td>7.5</td>
</tr>
<tr>
<td>1959</td>
<td>19.3</td>
<td>63.6</td>
<td>82.9</td>
<td>21.9</td>
<td>16.4</td>
<td>5.5</td>
</tr>
<tr>
<td>1960</td>
<td>18.2</td>
<td>61.0</td>
<td>79.2</td>
<td>22.0</td>
<td>17.3</td>
<td>4.7</td>
</tr>
<tr>
<td>1961</td>
<td>20.6</td>
<td>57.2</td>
<td>77.8</td>
<td>22.6</td>
<td>17.9</td>
<td>4.7</td>
</tr>
<tr>
<td>1962</td>
<td>22.5</td>
<td>55.2</td>
<td>77.7</td>
<td>19.5</td>
<td>16.5</td>
<td>3.0</td>
</tr>
<tr>
<td>1963</td>
<td>24.2</td>
<td>58.2</td>
<td>82.4</td>
<td>21.2</td>
<td>18.1</td>
<td>3.1</td>
</tr>
<tr>
<td>1964</td>
<td>22.7</td>
<td>61.2</td>
<td>83.9</td>
<td>22.0</td>
<td>18.0</td>
<td>4.0</td>
</tr>
<tr>
<td>1965</td>
<td>18.5</td>
<td>61.9</td>
<td>80.4</td>
<td>19.8</td>
<td>16.2</td>
<td>3.6</td>
</tr>
<tr>
<td>1966</td>
<td>21.3</td>
<td>60.6</td>
<td>81.9</td>
<td>21.4</td>
<td>17.0</td>
<td>4.4</td>
</tr>
<tr>
<td>1967</td>
<td>15.5</td>
<td>60.5</td>
<td>76.0</td>
<td>19.5</td>
<td>16.3</td>
<td>3.2</td>
</tr>
<tr>
<td>1968</td>
<td>17.4</td>
<td>*56.5</td>
<td>*73.9</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average price per pound</th>
<th>Price support level</th>
<th>Placed under Government loan</th>
<th>Remaining in Government loan stocks on August 31, 1968</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ct.</td>
<td>Ct.</td>
<td>Mil. lb.</td>
<td>Percentage of crop</td>
</tr>
<tr>
<td>1955</td>
<td>31.8</td>
<td>30.8</td>
<td>6.3</td>
<td>22.7</td>
</tr>
<tr>
<td>1956</td>
<td>34.0</td>
<td>32.1</td>
<td>6.6</td>
<td>21.5</td>
</tr>
<tr>
<td>1957</td>
<td>36.1</td>
<td>34.5</td>
<td>3.0</td>
<td>15.2</td>
</tr>
<tr>
<td>1958</td>
<td>38.4</td>
<td>34.5</td>
<td>5.5</td>
<td>2.7</td>
</tr>
<tr>
<td>1959</td>
<td>34.5</td>
<td>34.5</td>
<td>3.7</td>
<td>19.2</td>
</tr>
<tr>
<td>1960</td>
<td>37.4</td>
<td>34.5</td>
<td>2.2</td>
<td>12.2</td>
</tr>
<tr>
<td>1961</td>
<td>37.8</td>
<td>34.5</td>
<td>1.9</td>
<td>9.2</td>
</tr>
<tr>
<td>1962</td>
<td>36.2</td>
<td>34.8</td>
<td>4.1</td>
<td>18.2</td>
</tr>
<tr>
<td>1963</td>
<td>33.3</td>
<td>35.2</td>
<td>8.3</td>
<td>34.3</td>
</tr>
<tr>
<td>1964</td>
<td>37.0</td>
<td>35.5</td>
<td>3.7</td>
<td>16.3</td>
</tr>
<tr>
<td>1965</td>
<td>37.0</td>
<td>35.9</td>
<td>3.2</td>
<td>17.3</td>
</tr>
<tr>
<td>1966</td>
<td>37.3</td>
<td>36.6</td>
<td>4.7</td>
<td>22.1</td>
</tr>
<tr>
<td>1967</td>
<td>40.8</td>
<td>37.3</td>
<td>1.4</td>
<td>9.1</td>
</tr>
<tr>
<td>1968</td>
<td>38.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total | --- | --- | 49.6 | --- | 18.1 |

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957—66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

* Preliminary estimates.
Table 23.—Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>3.3</td>
<td>4.2</td>
<td>7.5</td>
<td>2.9</td>
</tr>
<tr>
<td>1956</td>
<td>3.2</td>
<td>4.6</td>
<td>7.8</td>
<td>2.5</td>
</tr>
<tr>
<td>1957</td>
<td>2.7</td>
<td>5.1</td>
<td>7.8</td>
<td>2.5</td>
</tr>
<tr>
<td>1958</td>
<td>1.9</td>
<td>5.5</td>
<td>7.4</td>
<td>2.5</td>
</tr>
<tr>
<td>1959</td>
<td>2.2</td>
<td>4.9</td>
<td>7.1</td>
<td>1.9</td>
</tr>
<tr>
<td>1960</td>
<td>1.8</td>
<td>5.2</td>
<td>7.0</td>
<td>2.0</td>
</tr>
<tr>
<td>1961</td>
<td>2.2</td>
<td>5.0</td>
<td>7.2</td>
<td>2.1</td>
</tr>
<tr>
<td>1962</td>
<td>2.3</td>
<td>5.1</td>
<td>7.4</td>
<td>2.3</td>
</tr>
<tr>
<td>1963</td>
<td>1.1</td>
<td>5.1</td>
<td>6.2</td>
<td>2.0</td>
</tr>
<tr>
<td>1964</td>
<td>1.8</td>
<td>4.2</td>
<td>6.0</td>
<td>1.7</td>
</tr>
<tr>
<td>1965</td>
<td>2.0</td>
<td>4.3</td>
<td>6.3</td>
<td>2.0</td>
</tr>
<tr>
<td>1966</td>
<td>1.5</td>
<td>4.3</td>
<td>5.8</td>
<td>1.6</td>
</tr>
<tr>
<td>1967</td>
<td>1.3</td>
<td>4.2</td>
<td>5.5</td>
<td>1.5</td>
</tr>
<tr>
<td>1968 2/</td>
<td>1.2</td>
<td>34.0</td>
<td>5.2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average price per pound</th>
<th>Price support level 3/</th>
<th>Placed under Government loan</th>
<th>Remaining in Government loan stocks on August 31, 1968</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ct.</td>
<td>Ct.</td>
<td>1,000 lb.</td>
<td>Pct. 1,000 lb.</td>
</tr>
<tr>
<td>1955</td>
<td>25.3</td>
<td>30.8</td>
<td>72</td>
<td>2.2 0</td>
</tr>
<tr>
<td>1956</td>
<td>35.7</td>
<td>32.1</td>
<td>103</td>
<td>3.2 0</td>
</tr>
<tr>
<td>1957</td>
<td>34.0</td>
<td>34.5</td>
<td>11</td>
<td>1.4 0</td>
</tr>
<tr>
<td>1958</td>
<td>36.8</td>
<td>34.5</td>
<td>29</td>
<td>1.5 0</td>
</tr>
<tr>
<td>1959</td>
<td>34.4</td>
<td>34.5</td>
<td>24</td>
<td>1.1 0</td>
</tr>
<tr>
<td>1960</td>
<td>37.9</td>
<td>34.5</td>
<td>5</td>
<td>3 0</td>
</tr>
<tr>
<td>1961</td>
<td>39.8</td>
<td>34.5</td>
<td>7</td>
<td>3 0</td>
</tr>
<tr>
<td>1962</td>
<td>37.4</td>
<td>34.8</td>
<td>59</td>
<td>2.6 0</td>
</tr>
<tr>
<td>1963</td>
<td>31.4</td>
<td>35.2</td>
<td>92</td>
<td>8.1 0</td>
</tr>
<tr>
<td>1964</td>
<td>41.2</td>
<td>35.5</td>
<td>16</td>
<td>.9 0</td>
</tr>
<tr>
<td>1965</td>
<td>39.2</td>
<td>35.9</td>
<td>75</td>
<td>3.8 0</td>
</tr>
<tr>
<td>1966</td>
<td>42.3</td>
<td>36.6</td>
<td>26</td>
<td>1.7 0</td>
</tr>
<tr>
<td>1967</td>
<td>45.2</td>
<td>37.3</td>
<td>25</td>
<td>1.9 0</td>
</tr>
<tr>
<td>1968</td>
<td>38.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: --- --- 544 lb. --- 0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957—66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

* Preliminary estimates.
Exports of Black Fat were 2.4 million pounds in October 1967-July 1968, 0.8 million below a year earlier. Exports to Nigeria, the principal outlet in 1967, dropped sharply this year. Other African areas--Spanish Africa, Cameroon Republic, and Togo--took more than a year ago.

During October 1967-July 1968, exports of One Sucker leaf were below a year earlier primarily because none was reported exported to Tunisia and South Vietnam which took 0.5 million pounds in the like period of 1966/67. Belgium, the second ranked destination, cut its takings one-fifth. Exports of Green River leaf in October 1967-July 1968 were 0.3 million pounds below a year earlier, even though the United Kingdom, the leading destination, maintained its takings.

1968/69 Supplies To Decline

The September estimate of this year's crop is 18.6 million pounds--11 percent above last year's record low. Acreage for harvest of dark air-cured, types 35-36, is estimated to be near last year's level; average yield per acre is indicated to be up after last year's decline. Type 37 acreage is below last year, but the indicated yield is about unchanged.

Despite the possible gain in this year's crop, the lower October 1 carryover means total 1968/69 supplies are estimated 3 percent below the 81.5 million pounds in 1967/68. Most of the decline is in types 35-36.

The average support level for the 1968 dark air-cured crop is 38.3 cents per pound, 3 percent above 1967. Last season the crop averaged a record high 41.2 cents per pound--10 percent above 1966. On a lower sales volume, most grade prices were higher, but the quality of the Kentucky-Tennessee type was not as good; Virginia sun-cured improved.

Loan receipts of 1.4 million pounds last season--9 percent of sales--were sharply below the 1966 season and the lowest since 1958. Mid-1968 loan holdings were the lowest since 1962.

CIGAR TOBACCO

Cigar Filler Supply and Disappearance Lower

Cigar filler (types 41-46) is used mainly in cigar manufacture, and secondarily in scrap chewing tobacco. In the past few years, filler tobacco has been used in reconstituted tobacco sheet. U. S. and Puerto Rico production has been declining since the early 1960's while imports of filler leaf and cigar scrap have risen.

For the first 9 months of the 1967/68 marketing year, total disappearance of U. S. cigar filler tobacco was 50 million pounds, down 9 1/2 million from a year earlier. The decline was in Pennsylvania filler; Puerto Rican and Ohio types gained. In the same period cigar tobacco imports gained enough to more than offset lower U. S. supplies.

During October 1967-July 1968, filler exports--a relatively small part of total disappearance--were 0.6 million pounds compared with 1.3 million a year earlier. South Vietnam, which accounted for half of the filler exports in 1966/67, has not taken any filler this season. Canada and France have accounted for almost all the shipments.

The 1967/68 filler disappearance may be about 11 million pounds below the 84 million pounds a year earlier. Disappearance of Ohio and Puerto Rican types will likely be about the same as 1966/67, with Pennsylvania type 41 accounting for the anticipated decline. (Table 24.)

By July 1, 1968, cigar filler stocks were 20 million pounds below a year earlier. Since filler disappearance may exceed 1967/68 production by nearly 20 million pounds, carryover on October 1, 1968, may total around 150 million pounds--lowest on record.

Imports Supplementing Lower U. S. Supplies

U. S. and Puerto Rico cigar filler supplies have been declining since 1964/65. Cigar imports for the year ending September
Table 24.—Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
<th>Average price per pound</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
</tr>
</tbody>
</table>

**Pennsylvania Seedleaf (type 41)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>41.2</td>
<td>105.3</td>
<td>116.5</td>
<td>42.8</td>
<td>42.7</td>
<td>0.1</td>
<td>20.5</td>
</tr>
<tr>
<td>1958</td>
<td>51.0</td>
<td>103.7</td>
<td>154.7</td>
<td>50.4</td>
<td>50.1</td>
<td>.3</td>
<td>28.0</td>
</tr>
<tr>
<td>1959</td>
<td>53.5</td>
<td>104.3</td>
<td>157.8</td>
<td>48.1</td>
<td>48.0</td>
<td>.1</td>
<td>31.5</td>
</tr>
<tr>
<td>1960</td>
<td>52.7</td>
<td>109.7</td>
<td>162.4</td>
<td>47.5</td>
<td>47.4</td>
<td>.1</td>
<td>28.0</td>
</tr>
<tr>
<td>1961</td>
<td>53.5</td>
<td>114.9</td>
<td>168.4</td>
<td>45.5</td>
<td>45.4</td>
<td>.1</td>
<td>27.0</td>
</tr>
<tr>
<td>1962</td>
<td>60.0</td>
<td>122.9</td>
<td>182.9</td>
<td>2/52.0</td>
<td>2/51.7</td>
<td>.3</td>
<td>23.5</td>
</tr>
<tr>
<td>1963</td>
<td>51.8</td>
<td>128.0</td>
<td>179.8</td>
<td>2/44.7</td>
<td>44.2</td>
<td>.5</td>
<td>21.0</td>
</tr>
<tr>
<td>1964</td>
<td>45.9</td>
<td>138.1</td>
<td>184.0</td>
<td>54.6</td>
<td>54.1</td>
<td>.5</td>
<td>27.0</td>
</tr>
<tr>
<td>1965</td>
<td>51.3</td>
<td>129.4</td>
<td>180.7</td>
<td>53.0</td>
<td>51.2</td>
<td>1.8</td>
<td>24.0</td>
</tr>
<tr>
<td>1966</td>
<td>38.5</td>
<td>127.7</td>
<td>166.2</td>
<td>53.9</td>
<td>52.1</td>
<td>1.5</td>
<td>25.0</td>
</tr>
<tr>
<td>1967</td>
<td>38.8</td>
<td>112.3</td>
<td>151.1</td>
<td>41.0</td>
<td>41.0</td>
<td>29.0</td>
<td>28.0</td>
</tr>
<tr>
<td>1968 3/</td>
<td>36.0</td>
<td>110.1</td>
<td>146.1</td>
<td>41.0</td>
<td>41.0</td>
<td>29.0</td>
<td>28.0</td>
</tr>
</tbody>
</table>

**Ohio, Miami Valley (types 42-44)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>4.6</td>
<td>23.1</td>
<td>27.7</td>
<td>7.2</td>
<td>7.2</td>
<td>22.8</td>
<td>22.8</td>
</tr>
<tr>
<td>1958</td>
<td>2.5</td>
<td>20.5</td>
<td>23.0</td>
<td>5.9</td>
<td>5.9</td>
<td>24.2</td>
<td>24.2</td>
</tr>
<tr>
<td>1959</td>
<td>6.9</td>
<td>17.1</td>
<td>24.0</td>
<td>6.5</td>
<td>6.5</td>
<td>27.3</td>
<td>27.3</td>
</tr>
<tr>
<td>1960</td>
<td>6.6</td>
<td>17.5</td>
<td>24.1</td>
<td>6.5</td>
<td>6.5</td>
<td>28.1</td>
<td>28.1</td>
</tr>
<tr>
<td>1961</td>
<td>7.7</td>
<td>17.6</td>
<td>25.3</td>
<td>5.1</td>
<td>5.1</td>
<td>28.3</td>
<td>28.3</td>
</tr>
<tr>
<td>1962</td>
<td>7.5</td>
<td>20.2</td>
<td>27.7</td>
<td>6.6</td>
<td>6.6</td>
<td>28.2</td>
<td>28.2</td>
</tr>
<tr>
<td>1963</td>
<td>6.8</td>
<td>21.1</td>
<td>27.9</td>
<td>8.7</td>
<td>8.7</td>
<td>27.1</td>
<td>27.1</td>
</tr>
<tr>
<td>1964</td>
<td>5.8</td>
<td>19.2</td>
<td>25.0</td>
<td>8.0</td>
<td>8.0</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td>1965</td>
<td>5.4</td>
<td>17.0</td>
<td>22.4</td>
<td>6.2</td>
<td>6.2</td>
<td>26.2</td>
<td>26.2</td>
</tr>
<tr>
<td>1966</td>
<td>6.0</td>
<td>16.2</td>
<td>22.2</td>
<td>6.7</td>
<td>6.7</td>
<td>28.0</td>
<td>28.0</td>
</tr>
<tr>
<td>1967</td>
<td>3.6</td>
<td>15.5</td>
<td>19.1</td>
<td>6.7</td>
<td>6.7</td>
<td>29.0</td>
<td>29.0</td>
</tr>
<tr>
<td>1968 3/</td>
<td>3.6</td>
<td>12.4</td>
<td>16.0</td>
<td>6.7</td>
<td>6.7</td>
<td>29.0</td>
<td>29.0</td>
</tr>
</tbody>
</table>

**Puerto Rico (type 46) 4/**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>26.7</td>
<td>50.3</td>
<td>77.0</td>
<td>27.4</td>
<td>27.3</td>
<td>.1</td>
<td>27.5</td>
</tr>
<tr>
<td>1958</td>
<td>25.6</td>
<td>49.6</td>
<td>75.2</td>
<td>32.8</td>
<td>31.6</td>
<td>1.2</td>
<td>30.0</td>
</tr>
<tr>
<td>1959</td>
<td>28.1</td>
<td>42.4</td>
<td>70.5</td>
<td>26.7</td>
<td>26.2</td>
<td>.5</td>
<td>31.6</td>
</tr>
<tr>
<td>1960</td>
<td>27.5</td>
<td>43.9</td>
<td>71.3</td>
<td>28.0</td>
<td>27.9</td>
<td>.1</td>
<td>33.7</td>
</tr>
<tr>
<td>1961</td>
<td>30.7</td>
<td>43.3</td>
<td>74.0</td>
<td>32.4</td>
<td>32.3</td>
<td>.1</td>
<td>36.8</td>
</tr>
<tr>
<td>1962</td>
<td>35.6</td>
<td>41.6</td>
<td>77.2</td>
<td>28.0</td>
<td>28.0</td>
<td>---</td>
<td>38.0</td>
</tr>
<tr>
<td>1963</td>
<td>32.0</td>
<td>49.2</td>
<td>81.2</td>
<td>39.8</td>
<td>29.6</td>
<td>.2</td>
<td>40.8</td>
</tr>
<tr>
<td>1964</td>
<td>37.9</td>
<td>51.4</td>
<td>89.3</td>
<td>25.7</td>
<td>25.7</td>
<td>---</td>
<td>37.2</td>
</tr>
<tr>
<td>1965</td>
<td>16.2</td>
<td>62.6</td>
<td>78.8</td>
<td>27.0</td>
<td>27.0</td>
<td>---</td>
<td>5/32.1</td>
</tr>
<tr>
<td>1966</td>
<td>12.0</td>
<td>51.8</td>
<td>63.8</td>
<td>23.3</td>
<td>23.3</td>
<td>---</td>
<td>5/31.3</td>
</tr>
<tr>
<td>1967</td>
<td>17.0</td>
<td>40.5</td>
<td>58.5</td>
<td>25.0</td>
<td>25.0</td>
<td>---</td>
<td>5/32.7</td>
</tr>
<tr>
<td>1968 3/</td>
<td>17.0</td>
<td>26.5</td>
<td>43.5</td>
<td>25.0</td>
<td>25.0</td>
<td>---</td>
<td>5/32.7</td>
</tr>
</tbody>
</table>

1/ Year beginning October 1. 2/ Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year. 3/ Subject to revision. 4/ Puerto Rican planting occurs late in calendar year. 5/ Excludes 6 cents per pound payment by Puerto Rican Government, 1965 and 1966; 8 cents in 1967. *Preliminary estimates.

- 42 -
30 seem likely to exceed use from domestic supplies for the first time on record. With domestic supplies declining further in 1968/69, manufacturers may draw even more heavily on foreign leaf.

During October 1967-June 1968, 54 million pounds (farm-sales equivalent) of cigar tobacco were imported for consumption, or 10 million above a year earlier.

Imports from both major and minor suppliers were higher:

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Change of</th>
<th>(\text{Million pounds} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\text{Dominican Rep.} )</td>
<td></td>
<td>5.2 - 8.0 +2.8</td>
</tr>
<tr>
<td>(\text{Brazil} )</td>
<td></td>
<td>4.6 - 6.0 +1.4</td>
</tr>
<tr>
<td>(\text{Colombia} )</td>
<td></td>
<td>4.1 - 5.7 +1.6</td>
</tr>
<tr>
<td>(\text{All others} )</td>
<td></td>
<td>11.8 - 13.6 +1.8</td>
</tr>
<tr>
<td>(\text{Total} )</td>
<td></td>
<td>43.9 - 54.2 +10.3</td>
</tr>
</tbody>
</table>

Foreign grown cigar leaf stocks in the United States on July 1 reached 98 million pounds, up 6 million from a year earlier. Philippine tobacco accounted for most of the April-June gain, but Dominican Republic tobacco—the second ranked holding—had the largest gain from 1967:

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>July 1 --</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\text{Philippines} )</td>
<td>45.3 : 31.3 : 36.9</td>
</tr>
<tr>
<td>(\text{Dominican Republic} )</td>
<td>12.3 : 11.5 : 19.4</td>
</tr>
<tr>
<td>(\text{Colombia} )</td>
<td>13.8 : 13.9 : 11.4</td>
</tr>
<tr>
<td>(\text{Brazil} )</td>
<td>14.0 : 12.5 : 10.2</td>
</tr>
<tr>
<td>(\text{Indonesia} )</td>
<td>6.0 : 5.0 : 3.7</td>
</tr>
<tr>
<td>(\text{Cuba} )</td>
<td>6.8 : 4.2 : 2.5</td>
</tr>
<tr>
<td>(\text{Paraguay} )</td>
<td>4.1 : 2.0 : 1.9</td>
</tr>
<tr>
<td>(\text{Other} )</td>
<td>11.4 : 11.3 : 11.8</td>
</tr>
<tr>
<td>(\text{Total} * )</td>
<td>113.7 : 91.7 : 97.9</td>
</tr>
</tbody>
</table>

*Based on unrounded data.

Cigar Binder Disappearance Steady

Cigar binder disappearance for October 1967-June 1968 was 19 million pounds, about 2 million above a year earlier. For Connecticut Valley binder (types 51-52), domestic use and exports gained while Wisconsin binder (types 54-55) held at year-earlier levels. The major outlet for Wisconsin tobacco is chewing tobacco; production has remained stable in the 1960's.

The 1967/68 disappearance of Connecticut Valley binder tobacco is estimated somewhat above the 6.8 million pounds of the previous season. (Table 25.) Carryover on October 1, 1968, is expected to drop to a new low—same 5 million pounds below the 16.3 million a year earlier.

During the first 10 months of the current marketing year, exports of Connecticut Valley binder were 2.1 million pounds (farm sales weight) compared with 1.6 million a year earlier. Spain, the leading destination, increased its takings. Exports to West Germany this year have gained following a decline last year. No exports were reported going to East Germany during October 1967-July 1968 after a sizable shipment last year.

Disappearance of Wisconsin tobacco will likely be about the same as the 16.8 million pounds in 1966/67. (Table 26.) This would leave stocks near the 50 million pounds of October 1, 1967.

During the first 10 months of the current marketing year, exports of Wisconsin tobacco were 220,000 pounds (farm sales weight) compared with 240,000 a year earlier. Less was shipped to the Netherlands but more went to West Germany.

Cigar Wrapper Disappearance Declines

The disappearance of shade-grown cigar wrapper (types 61-62) in the year ended last June 30 was 19.5 million pounds, 1.3 million below a year earlier. (Table 27.) Exports were higher but domestic use was down. The 1967 crop was smaller and prices averaged one-fourth higher than for
Table 25.—Cigar binder tobacco, types 51-52: Domestic supplies, disappearance and season average prices, for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
<th>Average price per pound</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>5.1</td>
<td>25.5</td>
<td>30.6</td>
<td>8.4</td>
<td>7.7</td>
</tr>
<tr>
<td>1958</td>
<td>3.6</td>
<td>22.2</td>
<td>25.8</td>
<td>5.8</td>
<td>5.6</td>
</tr>
<tr>
<td>1959</td>
<td>4.5</td>
<td>20.0</td>
<td>24.5</td>
<td>4.1</td>
<td>3.9</td>
</tr>
<tr>
<td>1960</td>
<td>3.6</td>
<td>20.4</td>
<td>24.0</td>
<td>4.6</td>
<td>4.3</td>
</tr>
<tr>
<td>1961</td>
<td>3.1</td>
<td>19.4</td>
<td>22.5</td>
<td>3.7</td>
<td>3.6</td>
</tr>
<tr>
<td>1962</td>
<td>2.9</td>
<td>18.8</td>
<td>21.7</td>
<td>6.2</td>
<td>6.0</td>
</tr>
<tr>
<td>1963</td>
<td>3.7</td>
<td>15.5</td>
<td>19.2</td>
<td>4.6</td>
<td>4.3</td>
</tr>
<tr>
<td>1964</td>
<td>3.8</td>
<td>14.6</td>
<td>18.4</td>
<td>3.7</td>
<td>2/</td>
</tr>
<tr>
<td>1965</td>
<td>3.5</td>
<td>14.7</td>
<td>18.2</td>
<td>4.3</td>
<td>2/</td>
</tr>
<tr>
<td>1966</td>
<td>2.7</td>
<td>13.9</td>
<td>16.6</td>
<td>4.8</td>
<td>2/</td>
</tr>
<tr>
<td>1967</td>
<td>1.9</td>
<td>11.8</td>
<td>13.7</td>
<td>5/0</td>
<td>2/</td>
</tr>
<tr>
<td>1968</td>
<td>2.1</td>
<td>*8.7</td>
<td>*10.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Connecticut Valley Broadleaf (type 51):**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
<th>Average price per pound</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>3.2</td>
<td>20.2</td>
<td>23.4</td>
<td>7.5</td>
<td>6.3</td>
</tr>
<tr>
<td>1958</td>
<td>1.8</td>
<td>15.9</td>
<td>17.7</td>
<td>3.2</td>
<td>2.6</td>
</tr>
<tr>
<td>1959</td>
<td>3.2</td>
<td>14.5</td>
<td>17.7</td>
<td>4.9</td>
<td>4.2</td>
</tr>
<tr>
<td>1960</td>
<td>3.2</td>
<td>12.8</td>
<td>16.0</td>
<td>4.2</td>
<td>2.4</td>
</tr>
<tr>
<td>1961</td>
<td>2.4</td>
<td>11.8</td>
<td>14.2</td>
<td>3.2</td>
<td>2.1</td>
</tr>
<tr>
<td>1962</td>
<td>2.4</td>
<td>11.0</td>
<td>13.4</td>
<td>3.3</td>
<td>2.6</td>
</tr>
<tr>
<td>1963</td>
<td>2.3</td>
<td>10.1</td>
<td>12.4</td>
<td>4.1</td>
<td>2.8</td>
</tr>
<tr>
<td>1964</td>
<td>1.9</td>
<td>8.3</td>
<td>10.2</td>
<td>3.6</td>
<td>2/</td>
</tr>
<tr>
<td>1965</td>
<td>1.5</td>
<td>6.6</td>
<td>8.1</td>
<td>2.7</td>
<td>2/</td>
</tr>
<tr>
<td>1966</td>
<td>1.1</td>
<td>5.4</td>
<td>6.5</td>
<td>2.0</td>
<td>2/</td>
</tr>
<tr>
<td>1967</td>
<td>.7</td>
<td>*4.5</td>
<td>*5.2</td>
<td>*2.5</td>
<td>2/</td>
</tr>
<tr>
<td>1968</td>
<td>.7</td>
<td>*2.7</td>
<td>*3.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Connecticut Valley Havana Seed (type 52):**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
<th>Average price per pound</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>8.3</td>
<td>45.7</td>
<td>54.0</td>
<td>15.9</td>
<td>14.0</td>
</tr>
<tr>
<td>1958</td>
<td>5.4</td>
<td>38.1</td>
<td>43.5</td>
<td>9.0</td>
<td>8.2</td>
</tr>
<tr>
<td>1959</td>
<td>7.7</td>
<td>34.5</td>
<td>42.2</td>
<td>9.0</td>
<td>8.1</td>
</tr>
<tr>
<td>1960</td>
<td>6.8</td>
<td>33.2</td>
<td>40.0</td>
<td>8.8</td>
<td>6.5</td>
</tr>
<tr>
<td>1961</td>
<td>5.5</td>
<td>31.2</td>
<td>36.7</td>
<td>6.9</td>
<td>5.7</td>
</tr>
<tr>
<td>1962</td>
<td>5.3</td>
<td>29.8</td>
<td>35.1</td>
<td>9.5</td>
<td>8.6</td>
</tr>
<tr>
<td>1963</td>
<td>6.0</td>
<td>25.6</td>
<td>31.6</td>
<td>8.7</td>
<td>7.1</td>
</tr>
<tr>
<td>1964</td>
<td>5.7</td>
<td>22.9</td>
<td>28.6</td>
<td>7.3</td>
<td>5.2</td>
</tr>
<tr>
<td>1965</td>
<td>5.0</td>
<td>21.3</td>
<td>26.3</td>
<td>7.0</td>
<td>4.9</td>
</tr>
<tr>
<td>1966</td>
<td>3.8</td>
<td>19.3</td>
<td>23.1</td>
<td>6.8</td>
<td>5.2</td>
</tr>
<tr>
<td>1967</td>
<td>2.6</td>
<td>16.3</td>
<td>18.9</td>
<td>*7.5</td>
<td>*5.0</td>
</tr>
<tr>
<td>1968</td>
<td>2.8</td>
<td>*11.4</td>
<td>*14.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

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

* Preliminary estimates.
Table 26.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Production Stocks, October 1</th>
<th>Supply</th>
<th>Disappearance 1/</th>
<th>Average price per pound</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Total</td>
</tr>
<tr>
<td>Southern Wisconsin (type 54)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>7.6</td>
<td>21.0</td>
<td>28.6</td>
<td>8.6</td>
</tr>
<tr>
<td>1958</td>
<td>8.8</td>
<td>20.0</td>
<td>28.8</td>
<td>8.0</td>
</tr>
<tr>
<td>1959</td>
<td>9.2</td>
<td>20.9</td>
<td>30.1</td>
<td>8.0</td>
</tr>
<tr>
<td>1960</td>
<td>8.6</td>
<td>22.2</td>
<td>30.8</td>
<td>7.5</td>
</tr>
<tr>
<td>1961</td>
<td>9.0</td>
<td>23.3</td>
<td>32.3</td>
<td>9.0</td>
</tr>
<tr>
<td>1962</td>
<td>8.7</td>
<td>23.3</td>
<td>32.0</td>
<td>7.7</td>
</tr>
<tr>
<td>1963</td>
<td>8.3</td>
<td>24.3</td>
<td>32.6</td>
<td>9.7</td>
</tr>
<tr>
<td>1964</td>
<td>8.7</td>
<td>22.9</td>
<td>31.6</td>
<td>8.9</td>
</tr>
<tr>
<td>1965</td>
<td>8.5</td>
<td>22.7</td>
<td>31.2</td>
<td>8.8</td>
</tr>
<tr>
<td>1966</td>
<td>7.4</td>
<td>22.4</td>
<td>29.8</td>
<td>9.1</td>
</tr>
<tr>
<td>1967</td>
<td>7.2</td>
<td>20.7</td>
<td>27.9</td>
<td>*8.4</td>
</tr>
<tr>
<td>1968 1/</td>
<td>7.0</td>
<td>*19.5</td>
<td>*26.5</td>
<td></td>
</tr>
</tbody>
</table>

Northern Wisconsin (type 55) |        |          |          |        |          |         |               |
| 1957       | 12.2      | 31.6     | 43.8     | 17.2   | 15.1     | 2.1     | 33.5         |
| 1958       | 13.0      | 26.6     | 39.6     | 14.4   | 12.1     | 2.3     | 35.2         |
| 1959       | 11.6      | 25.3     | 36.9     | 12.4   | 11.5     | .9      | 37.1         |
| 1960       | 12.3      | 24.4     | 36.7     | 11.3   | 10.9     | .4      | 30.6         |
| 1961       | 13.4      | 25.4     | 38.8     | 11.0   | 10.6     | .2      | 29.6         |
| 1962       | 10.9      | 27.8     | 38.7     | 11.1   | 10.9     | .2      | 29.1         |
| 1963       | 9.7       | 27.6     | 37.3     | 12.5   | 12.5     | 2/      | 31.6         |
| 1964       | 11.2      | 24.8     | 36.0     | 9.2    | 3/       | 3/      | 35.8         |
| 1965       | 10.8      | 26.8     | 37.6     | 9.4    | 3/       | 3/      | 28.9         |
| 1966       | 8.8       | 28.2     | 37.0     | 7.7    | 2/       | 2/      | 32.4         |
| 1967       | 8.9       | 29.3     | 38.2     | *8.4   | 2/       | 2/      | 34.1         |
| 1968 1/    | 8.0       | *29.8    | *37.8    |        |          |         |               |

Total Wisconsin (types 54-55) |        |          |          |        |          |         |               |
| 1957       | 19.8      | 52.6     | 72.4     | 25.8   | 23.3     | 2.5     | 32.6         |
| 1958       | 21.8      | 46.6     | 68.4     | 22.4   | 19.7     | 2.7     | 35.0         |
| 1959       | 20.8      | 46.2     | 67.0     | 20.4   | 19.2     | 1.2     | 33.7         |
| 1960       | 20.9      | 46.6     | 67.5     | 18.8   | 18.2     | .6      | 29.5         |
| 1961       | 22.4      | 48.7     | 71.1     | 20.0   | 19.5     | .5      | 28.2         |
| 1962       | 19.6      | 51.1     | 70.7     | 18.5   | 18.6     | .3      | 29.2         |
| 1963       | 18.0      | 51.9     | 69.9     | 22.2   | 22.2     | 2/      | 30.9         |
| 1964       | 19.9      | 47.7     | 67.6     | 18.1   | 17.5     | .6      | 34.2         |
| 1965       | 19.3      | 49.5     | 68.8     | 18.2   | 17.9     | .3      | 29.3         |
| 1966       | 16.2      | 50.6     | 66.8     | 16.8   | 16.5     | .3      | 33.3         |
| 1967       | 16.1      | 50.0     | 66.1     | *16.8  | *16.5    | *3      | 34.2         |
| 1968 1/    | 15.0      | *49.3    | *64.3    |        |          |         |               |

1/ Year beginning October 1.
2/ Negligible.
3/ Breakdown between domestic use and exports not available for individual types of Wisconsin tobacco.
4/ Subject to revision.
5/ Preliminary estimates.
Table 27.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Stocks, July 1</th>
<th>Supply</th>
<th>Disappearance</th>
<th>Average price per pound</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td>Mil. lb.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>11.8</td>
<td>11.4</td>
<td>23.2</td>
<td>10.1</td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>10.5</td>
<td>13.1</td>
<td>23.3</td>
<td>10.3</td>
<td>6.9</td>
</tr>
<tr>
<td>1959</td>
<td>10.7</td>
<td>13.0</td>
<td>23.7</td>
<td>8.6</td>
<td>6.1</td>
</tr>
<tr>
<td>1960</td>
<td>12.0</td>
<td>16.2</td>
<td>28.2</td>
<td>11.3</td>
<td>8.8</td>
</tr>
<tr>
<td>1961</td>
<td>10.3</td>
<td>16.9</td>
<td>27.2</td>
<td>12.0</td>
<td>8.7</td>
</tr>
<tr>
<td>1962</td>
<td>11.9</td>
<td>15.2</td>
<td>27.1</td>
<td>11.1</td>
<td>8.3</td>
</tr>
<tr>
<td>1963</td>
<td>12.0</td>
<td>16.0</td>
<td>28.0</td>
<td>14.1</td>
<td>10.0</td>
</tr>
<tr>
<td>1964</td>
<td>13.5</td>
<td>13.9</td>
<td>27.4</td>
<td>13.1</td>
<td>10.0</td>
</tr>
<tr>
<td>1965</td>
<td>14.6</td>
<td>14.3</td>
<td>28.9</td>
<td>12.6</td>
<td>9.3</td>
</tr>
<tr>
<td>1966</td>
<td>13.7</td>
<td>16.3</td>
<td>30.0</td>
<td>14.0</td>
<td>10.5</td>
</tr>
<tr>
<td>1967</td>
<td>9.6</td>
<td>16.0</td>
<td>25.6</td>
<td>12.9</td>
<td>9.7</td>
</tr>
<tr>
<td>1968 2/</td>
<td>11.0</td>
<td>12.7</td>
<td>23.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Connecticut Valley Shade-grown (type 61)

Georgia-Florida Shade-grown (type 62)

Total Shade-grown (types 61-62)

1/ Year beginning July 1.
2/ Subject to revision.
1966. Carryover stocks last July 1 were about 2 million below a year earlier.

Cigar wrapper exports for 1967/68 were 4.8 million pounds, or 0.6 million above a year earlier. Connecticut Valley wrapper exports were down 0.3 million pounds, but exports of Georgia-Florida wrapper were up 0.9 million.

West Germany, the leading cigar wrapper destination in 1967/68, substantially increased its takings. The United Kingdom took about the same as last year, while the Canary Islands took more and Canada less. Both West Germany and Canary Islands took more Georgia-Florida wrapper and a little less of Connecticut Valley.

U. S. and Puerto Rican Supplies To Decline

Supplies of U. S. Puerto Rican cigar tobacco will decline from 1967/68, continuing the postwar trend. October 1, 1968, carryover is down and 1968/69 production is expected to be lower. Most of the decline is occurring in cigar filler, although cigar binder and wrapper supplies are also lower:

<table>
<thead>
<tr>
<th>Type</th>
<th>1966</th>
<th>1967</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million pounds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohio, types 42-44</td>
<td>.2</td>
<td>.2</td>
<td>.4</td>
</tr>
<tr>
<td>Puerto Rican, type 46</td>
<td>1.7</td>
<td>1.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Conn. Valley, type 51:1.0</td>
<td>1.2</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Conn. Valley, type 52:2.2</td>
<td>1.3</td>
<td>1.3</td>
<td>.9</td>
</tr>
<tr>
<td>Southern Wis. type 54:6</td>
<td>.7</td>
<td>.7</td>
<td>.2</td>
</tr>
<tr>
<td>Northern Wis. type 55:3.5</td>
<td>6.3</td>
<td>6.3</td>
<td>5.2</td>
</tr>
<tr>
<td>Total</td>
<td>7.5</td>
<td>11.9</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Filler: Pennsylvania filler acreage is down an estimated 5 percent from 1967. As of September 1, the crop was indicated at 36 million pounds—7 percent below 1967. This would be the smallest crop since the 1930's. The crop plus the reduced carryover will provide a supply about 3 percent below the 151 million pounds of the past season and the least in 11 years.

Ohio filler acreage is estimated to be lowest on record, some 17 percent below 1967 but yields are improved. As of September 1, the crop was expected to be about 3.6 million pounds, or about the same as last year. The crop, plus the lower carryover, will provide a total Ohio filler supply about 3 million pounds below last year and the smallest on record.

The carryover of Puerto Rican filler on October 1 is estimated about 13 million pounds below a year earlier and probably a new low. Puerto Rico filler is planted late in the year and harvested in the early months of the following year. The Puerto Rican Government has announced a quota of 22½ million pounds—about 11½ million pounds more than the extremely small harvest early this year. Production has been considerably below the announced...
quota for the past 3 seasons, but the 1969 harvest could be a little larger than this year's. The 1968/69 supply seems likely to fall some 8 million pounds to another record low.

Binder: Cigar binder acreage in the Connecticut Valley is estimated about the same as last year after a sharp drop from 1966 to 1967. As of September 1, production was indicated at 2.8 million pounds, a little above last year's record low. Carryover of both Broadleaf and Havana Seed are likely at new lows. For both types, supplies will be lowest on record, totaling some 4-5 million pounds below 1967/68.

Acreages of both Southern Wisconsin and Northern Wisconsin binder types are estimated to be down from 1967. As of September 1, Wisconsin production is indicated at 15 million pounds, off 7 percent from last year. This would be the second lowest on record. Reduction in output is indicated for both types but most of the decline may be in type 55. Carryover is estimated about the same as a year ago. The supply of both types may be down some 2 million in total from 1967/68.

Wraper: Acreage of Connecticut Valley wrapper is estimated the same as in 1967. As of September 1, production was indicated at 11.0 million pounds--1½ million above last year's reduced level. Carryover on July 1 at 13 million pounds was the lowest since 1957. The supply of Connecticut Valley wrapper at 23.7 million pounds, is about 2 million below 1967/68 and the smallest in a decade.

Acreage of Georgia-Florida wrapper is estimated to be down 2 percent to a 15-year low. As of September 1, production was an indicated 8.0 million pounds, the same as last year. Carryover on July 1, at 10.1 million pounds, was up 1½ million from a year earlier. The supply, at 18.1 million pounds, is about 1½ million above 1967/68 and the largest in several years.

Annual Outlook Conference Scheduled for February

The National Agricultural Outlook Conference, which has been held in mid-November in recent years, has been scheduled for February 17 to 20, 1969. The Conference will give more emphasis to the general economic situation with limited time devoted to the Commodity Sessions.

The Tobacco Situation is published March, June, September and December. The next issue is scheduled for release December 30, 1968.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-54</td>
<td>1,040.0</td>
<td>433.7</td>
<td>49.6</td>
<td>9.9</td>
<td>40.0</td>
<td>23.1</td>
<td>3.6</td>
<td>30.2</td>
<td>5.5</td>
<td>37.9</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Average:

| 1955 | 990.7 | 310.6 | 47.0 | 9.1 | 39.1 | 20.0 | 4.2 | 28.5 | 4.4 | 36.1 | 13.4 | 12.3 | 12.9 | 1,531.5 |
| 1956 | 676.3 | 302.6 | 45.3 | 6.5 | 38.7 | 19.0 | 3.1 | 28.0 | 4.9 | 36.3 | 7.2 | 11.8 | 13.3 | 1,169.8 |
| 1957 | 660.7 | 305.6 | 37.0 | 6.9 | 29.7 | 18.2 | 2.6 | 28.0 | 3.6 | 26.5 | 4.3 | 11.6 | 13.1 | 1,104.3 |
| 1958 | 639.4 | 297.1 | 31.0 | 6.8 | 28.3 | 12.7 | 1.6 | 30.0 | 3.0 | 28.2 | 2.9 | 13.0 | 12.9 | 1,102.1 |
| 1959 | 629.4 | 301.0 | 40.0 | 7.6 | 27.6 | 13.2 | 2.1 | 31.0 | 3.9 | 28.3 | 4.5 | 14.4 | 14.0 | 1,171.3 |
| 1960 | 619.3 | 295.7 | 37.5 | 7.3 | 26.9 | 13.0 | 1.8 | 31.0 | 4.3 | 28.5 | 3.8 | 14.6 | 14.6 | 1,170.0 |
| 1961 | 606.5 | 310.9 | 40.0 | 7.5 | 27.6 | 13.5 | 2.1 | 31.0 | 4.6 | 27.0 | 2.9 | 13.7 | 11.4 | 1,281.1 |
| 1962 | 629.8 | 338.6 | 41.0 | 7.6 | 26.5 | 13.9 | 2.2 | 30.0 | 4.2 | 28.5 | 2.6 | 12.1 | 13.2 | 1,252.6 |
| 1963 | 606.5 | 330.5 | 31.5 | 6.6 | 27.7 | 13.0 | 1.5 | 28.0 | 3.9 | 30.0 | 2.8 | 10.7 | 12.9 | 1,205.7 |
| 1964 | 627.6 | 356.5 | 39.0 | 7.3 | 26.0 | 12.4 | 1.7 | 27.0 | 3.7 | 27.0 | 2.8 | 10.9 | 13.8 | 1,195.6 |

Average:

| 1955 | 586.3 | 271.1 | 33.5 | 7.6 | 23.2 | 11.4 | 1.8 | 27.0 | 3.7 | 27.0 | 2.6 | 10.9 | 13.5 | 939.9 |
| 1956 | 699.2 | 286.7 | 35.0 | 6.0 | 22.0 | 10.7 | 1.4 | 23.0 | 3.2 | 23.0 | 1.8 | 9.3 | 14.6 | 928.9 |
| 1957 | 616.3 | 237.7 | 35.0 | 5.4 | 17.3 | 9.5 | 1.2 | 21.0 | 2.3 | 21.0 | 8.5 | 1.5 | 8.3 | 13.6 | 969.8 |
| 1958 | 550.5 | 237.9 | 33.0 | 5.3 | 17.1 | 8.1 | 1.1 | 20.0 | 1.9 | 311/2 | 1.5 | 7.9 | 13.5 | 910.5 |

Total includes burley--type 72--and in 1959-52, type 53. Preliminary. Approximation based on increase in quota.
Table 29.--Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1966 and 1967

<table>
<thead>
<tr>
<th>State</th>
<th>Tobacco as:</th>
<th>Percentage of all crops</th>
<th>Tobacco as:</th>
<th>Percentage of all crops</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million</td>
<td>Percent</td>
<td>Million</td>
<td>Percent</td>
</tr>
<tr>
<td>North Carolina</td>
<td>519</td>
<td>66.8</td>
<td>525</td>
<td>64.5</td>
</tr>
<tr>
<td>Kentucky</td>
<td>380</td>
<td>73.8</td>
<td>343</td>
<td>77.9</td>
</tr>
<tr>
<td>South Carolina</td>
<td>88</td>
<td>31.6</td>
<td>107</td>
<td>38.1</td>
</tr>
<tr>
<td>Georgia</td>
<td>72</td>
<td>13.8</td>
<td>101</td>
<td>22.1</td>
</tr>
<tr>
<td>Virginia</td>
<td>51</td>
<td>36.9</td>
<td>83</td>
<td>34.6</td>
</tr>
<tr>
<td>Tennessee</td>
<td>77</td>
<td>30.1</td>
<td>83</td>
<td>34.2</td>
</tr>
<tr>
<td>Florida</td>
<td>26</td>
<td>5.6</td>
<td>32</td>
<td>4.4</td>
</tr>
<tr>
<td>Connecticut</td>
<td>22</td>
<td>4.3</td>
<td>30</td>
<td>4.5</td>
</tr>
<tr>
<td>Maryland</td>
<td>25</td>
<td>23.4</td>
<td>17</td>
<td>15.7</td>
</tr>
<tr>
<td>Ohio</td>
<td>12</td>
<td>2.2</td>
<td>16</td>
<td>3.0</td>
</tr>
<tr>
<td>Indiana</td>
<td>8</td>
<td>1.3</td>
<td>12</td>
<td>1.9</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>11</td>
<td>14.9</td>
<td>11</td>
<td>16.0</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>12</td>
<td>4.3</td>
<td>10</td>
<td>4.3</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>6</td>
<td>3.0</td>
<td>5</td>
<td>2.4</td>
</tr>
<tr>
<td>Missouri</td>
<td>3</td>
<td>1.7</td>
<td>3</td>
<td>1.7</td>
</tr>
<tr>
<td>West Virginia</td>
<td>2</td>
<td>10.7</td>
<td>3</td>
<td>1.4</td>
</tr>
<tr>
<td>United States</td>
<td>1,211</td>
<td>6.7</td>
<td>1,392</td>
<td>7.6</td>
</tr>
</tbody>
</table>

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

Table 30.—Total expenditures for tobacco products, 1946-67

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Cigarettes</th>
<th>Cigars</th>
<th>Other 1/</th>
<th>Total</th>
<th>Cigarettes</th>
<th>Cigars</th>
<th>Other 1/</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>3,478</td>
<td>2,656</td>
<td>512</td>
<td>280</td>
<td>1956</td>
<td>5,842</td>
<td>4,681</td>
<td>556</td>
</tr>
<tr>
<td>1947</td>
<td>3,869</td>
<td>3,044</td>
<td>547</td>
<td>278</td>
<td>1957</td>
<td>5,877</td>
<td>5,072</td>
<td>562</td>
</tr>
<tr>
<td>1949</td>
<td>4,214</td>
<td>3,493</td>
<td>500</td>
<td>289</td>
<td>1959</td>
<td>6,786</td>
<td>5,784</td>
<td>689</td>
</tr>
<tr>
<td>1950</td>
<td>4,728</td>
<td>3,575</td>
<td>574</td>
<td>266</td>
<td>1960</td>
<td>7,127</td>
<td>5,982</td>
<td>699</td>
</tr>
<tr>
<td>1951</td>
<td>4,665</td>
<td>3,976</td>
<td>526</td>
<td>285</td>
<td>1961</td>
<td>7,472</td>
<td>6,592</td>
<td>631</td>
</tr>
<tr>
<td>1952</td>
<td>5,079</td>
<td>4,246</td>
<td>595</td>
<td>282</td>
<td>1962</td>
<td>7,608</td>
<td>6,675</td>
<td>634</td>
</tr>
<tr>
<td>1953</td>
<td>5,268</td>
<td>4,436</td>
<td>560</td>
<td>268</td>
<td>1963</td>
<td>7,987</td>
<td>6,955</td>
<td>698</td>
</tr>
<tr>
<td>1954</td>
<td>5,104</td>
<td>4,292</td>
<td>552</td>
<td>260</td>
<td>1964</td>
<td>8,113</td>
<td>7,024</td>
<td>765</td>
</tr>
<tr>
<td>1955</td>
<td>5,219</td>
<td>4,489</td>
<td>550</td>
<td>258</td>
<td>1965</td>
<td>8,651</td>
<td>7,669</td>
<td>734</td>
</tr>
<tr>
<td>1956</td>
<td>5,166</td>
<td>4,368</td>
<td>547</td>
<td>260</td>
<td>1966</td>
<td>8,852</td>
<td>7,673</td>
<td>741</td>
</tr>
<tr>
<td>1957</td>
<td>5,194</td>
<td>4,391</td>
<td>540</td>
<td>267</td>
<td>1967</td>
<td>9,083</td>
<td>7,727</td>
<td>770</td>
</tr>
</tbody>
</table>

1/ Smoking, chewing, and snuff. 2/ Revised. 3/ Subject to revision.

Table 31.—Federal, State, and local tax revenues from tobacco products for specified periods

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Cigarettes</th>
<th>Cigars</th>
<th>Smoking, totaling, and all 1/ products</th>
<th>Total Federal and Local Governments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1950-54</td>
<td>1,462</td>
<td>45</td>
<td>30</td>
<td>1,497</td>
</tr>
<tr>
<td>1955</td>
<td>1,590</td>
<td>46</td>
<td>20</td>
<td>1,671</td>
</tr>
<tr>
<td>1956</td>
<td>1,549</td>
<td>45</td>
<td>19</td>
<td>1,613</td>
</tr>
<tr>
<td>1957</td>
<td>1,611</td>
<td>45</td>
<td>18</td>
<td>1,674</td>
</tr>
<tr>
<td>1958</td>
<td>1,665</td>
<td>47</td>
<td>18</td>
<td>1,734</td>
</tr>
<tr>
<td>1959</td>
<td>1,738</td>
<td>52</td>
<td>17</td>
<td>1,837</td>
</tr>
<tr>
<td>1960</td>
<td>1,806</td>
<td>50</td>
<td>17</td>
<td>1,922</td>
</tr>
<tr>
<td>1961</td>
<td>1,924</td>
<td>50</td>
<td>17</td>
<td>1,991</td>
</tr>
<tr>
<td>1962</td>
<td>1,977</td>
<td>50</td>
<td>17</td>
<td>2,066</td>
</tr>
<tr>
<td>1963</td>
<td>2,031</td>
<td>50</td>
<td>16</td>
<td>2,079</td>
</tr>
<tr>
<td>1964</td>
<td>2,077</td>
<td>56</td>
<td>17</td>
<td>2,053</td>
</tr>
<tr>
<td>1965</td>
<td>2,084</td>
<td>51</td>
<td>17</td>
<td>2,149</td>
</tr>
<tr>
<td>1966</td>
<td>2,005</td>
<td>58</td>
<td>9</td>
<td>2,074</td>
</tr>
<tr>
<td>1967</td>
<td>2,023</td>
<td>56</td>
<td>9</td>
<td>2,080</td>
</tr>
<tr>
<td>1968 2/</td>
<td>2,018</td>
<td>56</td>
<td>9</td>
<td>2,085</td>
</tr>
</tbody>
</table>

1/ Includes large cigarettes. 2/ Includes small cigars and amounts on cigars from Puerto Rico covered into the Treasury of Puerto Rico. 2/ Includes cigarette papers and tubes, floor taxes, penalties, etc. 2/ Federal excise tax on chewing, smoking, and snuff repealed effective January 1, 1965. 2/ Local government collections not yet available. 2/ Preliminary estimate.

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit or base</th>
<th>July 1967</th>
<th>August 1967</th>
<th>June 1968</th>
<th>July 1968</th>
<th>Aug. 1968</th>
<th>Last data as percentage of year earlier</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average price at auctions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flue-cured</td>
<td>Ct. per lb.</td>
<td>66.4</td>
<td>67.0</td>
<td>Closed</td>
<td>68.0</td>
<td>68.5</td>
<td>102</td>
</tr>
<tr>
<td>Burley</td>
<td>Ct. per lb.</td>
<td>61.8</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Maryland</td>
<td>Ct. per lb.</td>
<td>61.5</td>
<td>62.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. dark air-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia sun-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Flue-cured support</td>
<td>Ct. per lb.</td>
<td>59.9</td>
<td>61.1</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Burley</td>
<td>Ct. per lb.</td>
<td>61.8</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Maryland</td>
<td>Ct. per lb.</td>
<td>61.5</td>
<td>62.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. dark air-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia sun-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td><strong>Support price 2/</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flue-cured</td>
<td>Ct. per lb.</td>
<td>59.9</td>
<td>61.1</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Burley</td>
<td>Ct. per lb.</td>
<td>61.8</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Maryland</td>
<td>Ct. per lb.</td>
<td>61.5</td>
<td>62.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. dark air-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia sun-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td><strong>Support price 2/</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flue-cured</td>
<td>Ct. per lb.</td>
<td>61.8</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Burley</td>
<td>Ct. per lb.</td>
<td>61.5</td>
<td>62.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Maryland</td>
<td>Ct. per lb.</td>
<td>61.5</td>
<td>62.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. fire-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Ky.-Tenn. dark air-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>Virginia sun-cured</td>
<td>Ct. per lb.</td>
<td>62.5</td>
<td>63.5</td>
<td></td>
<td></td>
<td></td>
<td>103</td>
</tr>
</tbody>
</table>

### Industrial production index 3/ | | | | | | | |

| 1957-59=100 | | | | | | | |
| Employment | MIl. | 76.2 | 76.2 | 77.3 | 77.7 | 77.4 | 104 |
| Personal income 2/ | Bil. dol. | 629.8 | 634.2 | 683.7 | 689.2 | 694.3 | 109 |

### Tax-paid removals

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>1967</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td>BIL.</td>
<td>48.1</td>
<td>41.4</td>
</tr>
<tr>
<td>Cigars and cigarillos</td>
<td>MIl.</td>
<td>614.8</td>
<td>572.9</td>
</tr>
<tr>
<td>Accumulated from Jan. 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cigarettes</td>
<td>BIL.</td>
<td>265.2</td>
<td>206.5</td>
</tr>
<tr>
<td>Cigars and cigarillos</td>
<td>MIl.</td>
<td>3874.1</td>
<td>3474.0</td>
</tr>
</tbody>
</table>

### Invoiced to domestic customers

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>1967</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smoking tobacco</td>
<td>MIl. lb.</td>
<td>30.4</td>
<td>32.3</td>
</tr>
<tr>
<td>Chewing tobacco</td>
<td>MIl. lb.</td>
<td>32.3</td>
<td>32.3</td>
</tr>
<tr>
<td>Snuff</td>
<td>MIl. lb.</td>
<td>15.0</td>
<td>14.3</td>
</tr>
</tbody>
</table>

### Tax-free removals

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>1967</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td>BIL.</td>
<td>5.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Cigars and cigarillos</td>
<td>MIl.</td>
<td>214.8</td>
<td>197.9</td>
</tr>
<tr>
<td>Accumulated from Jan. 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cigarettes</td>
<td>BIL.</td>
<td>25.5</td>
<td>29.7</td>
</tr>
<tr>
<td>Cigars and cigarillos</td>
<td>MIl.</td>
<td>100.6</td>
<td>113.1</td>
</tr>
</tbody>
</table>

### Invoiced for export

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>1967</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smoking tobacco</td>
<td>MIl. lb.</td>
<td>.6</td>
<td>.5</td>
</tr>
<tr>
<td>Chewing tobacco</td>
<td>MIl. lb.</td>
<td>.3</td>
<td>.3</td>
</tr>
</tbody>
</table>

### Wholesale price indexes 5/ Cigarettes (reg. nonfilter)

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>1957-59=100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td>BIL.</td>
<td>119.9</td>
</tr>
<tr>
<td>Cigars</td>
<td>MIl.</td>
<td>100.7</td>
</tr>
<tr>
<td>Smoking tobacco</td>
<td>MIl.</td>
<td>130.2</td>
</tr>
<tr>
<td>Plug chewing tobacco</td>
<td>MIl.</td>
<td>133.3</td>
</tr>
<tr>
<td>Snuff</td>
<td>MIl.</td>
<td>127.3</td>
</tr>
</tbody>
</table>

### Consumer price indexes (urban) 6/ Cigarettes (reg. nonfilter)

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>1957-59=100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarettes</td>
<td>BIL.</td>
<td>133.5</td>
</tr>
<tr>
<td>Cigarettes (filter tip king)</td>
<td>MIl.</td>
<td>127.4</td>
</tr>
<tr>
<td>Cigars (domestic reg. size)</td>
<td>MIl.</td>
<td>102.9</td>
</tr>
</tbody>
</table>

### Imports of tobacco

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>1967-59=100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cigarette leaf</td>
<td>MIl. lb.</td>
<td>15.2</td>
</tr>
<tr>
<td>Cigarette tobacco 7/</td>
<td>MIl. lb.</td>
<td>6.2</td>
</tr>
<tr>
<td>Accrued from Jan. 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tobacco leaf</td>
<td>MIl. lb.</td>
<td>75.2</td>
</tr>
</tbody>
</table>

### See footnotes at end of table.
### Exports of Leaf Tobacco

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit or base</th>
<th>1967</th>
<th>1968</th>
<th>Last data as percentage of year earlier</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>June</td>
<td>July</td>
<td>May</td>
</tr>
<tr>
<td>Exports of leaf tobacco</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(farm-sales weight)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flue-cured</td>
<td>Million lb.</td>
<td>35.9</td>
<td>23.9</td>
<td>40.8</td>
</tr>
<tr>
<td>Burley</td>
<td>Million lb.</td>
<td>3.2</td>
<td>6.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Maryland</td>
<td>Million lb.</td>
<td>.2</td>
<td>.9</td>
<td>.3</td>
</tr>
<tr>
<td>Virginia fire- &amp; sun-cured</td>
<td>Million lb.</td>
<td>.1</td>
<td>.2</td>
<td>.1</td>
</tr>
<tr>
<td>Ky.-Tenn. fire-cured</td>
<td>Million lb.</td>
<td>1.0</td>
<td>1.6</td>
<td>2.1</td>
</tr>
<tr>
<td>Ky.-Tenn. dark air-cured</td>
<td>Million lb.</td>
<td>.8</td>
<td>.1</td>
<td>.1</td>
</tr>
<tr>
<td>Black Fat</td>
<td>Million lb.</td>
<td>.2</td>
<td>.3</td>
<td>.1</td>
</tr>
<tr>
<td>Cigar wrapper</td>
<td>Million lb.</td>
<td>.8</td>
<td>.4</td>
<td>.2</td>
</tr>
<tr>
<td>Wisconsin binder</td>
<td>Million lb.</td>
<td>.6</td>
<td>*</td>
<td>1.4</td>
</tr>
<tr>
<td>Connecticut binder</td>
<td>Million lb.</td>
<td>0</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Accumulated from beginning of marketing year 3/</td>
<td>Million lb.</td>
<td>587.1</td>
<td>488.8</td>
<td>533.5</td>
</tr>
<tr>
<td>Flue-cured</td>
<td>Million lb.</td>
<td>43.6</td>
<td>49.7</td>
<td>31.4</td>
</tr>
<tr>
<td>Burley</td>
<td>Million lb.</td>
<td>12.5</td>
<td>13.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Maryland</td>
<td>Million lb.</td>
<td>6.5</td>
<td>6.7</td>
<td>4.2</td>
</tr>
<tr>
<td>Virginia fire- &amp; sun-cured</td>
<td>Million lb.</td>
<td>17.0</td>
<td>18.6</td>
<td>14.3</td>
</tr>
<tr>
<td>Ky.-Tenn. fire-cured</td>
<td>Million lb.</td>
<td>2.1</td>
<td>2.2</td>
<td>.9</td>
</tr>
<tr>
<td>Ky.-Tenn. dark air-cured</td>
<td>Million lb.</td>
<td>2.8</td>
<td>3.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Cigar wrapper</td>
<td>Million lb.</td>
<td>4.2</td>
<td>4.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Connecticut binder</td>
<td>Million lb.</td>
<td>1.5</td>
<td>1.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Wisconsin binder</td>
<td>Million lb.</td>
<td>.2</td>
<td>.2</td>
<td>.2</td>
</tr>
<tr>
<td>Cigar filler</td>
<td>Million lb.</td>
<td>1.3</td>
<td>1.3</td>
<td>.5</td>
</tr>
</tbody>
</table>

### Exports of Manufactured Tobacco

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit or base</th>
<th>1967</th>
<th>1968</th>
<th>Last data as percentage of year earlier</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>May</td>
<td>June</td>
<td>July</td>
</tr>
<tr>
<td>in bulk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Million lb.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated from Jan. 1</td>
<td>Million lb.</td>
<td>7.1</td>
<td>9.8</td>
<td>7.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit or base</th>
<th>1967</th>
<th>1968</th>
<th>Last data as percentage of year earlier</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>May</td>
<td>June</td>
<td>July</td>
</tr>
<tr>
<td>Tobacco sheet 11/</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cigarette types</td>
<td>Million lb.</td>
<td>17.3</td>
<td>18.8</td>
<td>21.9</td>
</tr>
<tr>
<td>Cigar types</td>
<td>Million lb.</td>
<td>2.6</td>
<td>2.4</td>
<td>3.3</td>
</tr>
<tr>
<td>Foreign types (farm-sales weight)</td>
<td>Million lb.</td>
<td>392</td>
<td>405</td>
<td>459</td>
</tr>
<tr>
<td>Tobacco outlets 12/</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Million lb.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Million lb.</td>
<td>908</td>
<td>952</td>
<td>812</td>
</tr>
<tr>
<td>Flue-cured</td>
<td>Million lb.</td>
<td>129</td>
<td>144</td>
<td>134</td>
</tr>
</tbody>
</table>

1/ 1967 and 1968 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including 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. **Of the quantity, approximately 35 million pounds had been sold.
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cigarettes: Total output, domestic consumption, shipments and exports for specified periods</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Cigarette exports from the United States to leading destinations for specified periods</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-68</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Estimated leaf used for cigarettes by kinds of tobacco for specified periods</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>Estimated leaf used per 1,000 cigarettes by kinds of tobacco for specified periods</td>
<td>9</td>
</tr>
<tr>
<td>6</td>
<td>Large cigars and cigarillos: Output and consumption for specified periods</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>Chewing tobacco, snuff and small cigars: Output by category for specified periods</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods</td>
<td>13</td>
</tr>
<tr>
<td>9</td>
<td>Smoking tobacco: Output, removals, foreign trade, and consumption for specified periods</td>
<td>14</td>
</tr>
<tr>
<td>10</td>
<td>United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods</td>
<td>16</td>
</tr>
<tr>
<td>11</td>
<td>Tobacco exports under Government programs, fiscal year 1955-68</td>
<td>18</td>
</tr>
<tr>
<td>12</td>
<td>United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods</td>
<td>20</td>
</tr>
<tr>
<td>13</td>
<td>United States general imports of tobacco, from principal supplying countries for specified periods</td>
<td>21</td>
</tr>
<tr>
<td>14</td>
<td>United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods</td>
<td>23</td>
</tr>
<tr>
<td>16</td>
<td>U.S. marketing quotas, by kinds of tobacco, 1968</td>
<td>24</td>
</tr>
<tr>
<td>17</td>
<td>Flue-cured tobacco, types 11-14: Domestic supplies, disappearances, season average price, and price support operations for specified periods</td>
<td>30</td>
</tr>
<tr>
<td>18</td>
<td>Burley tobacco, type 31: Domestic supplies, disappearance, season average price and price support operations for specified periods</td>
<td>32</td>
</tr>
</tbody>
</table>
### LIST OF TABLES--Continued

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Maryland tobacco, type 32: Domestic supplies, disappearance, season</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>average price and price support operations for specified periods</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Fire-cured tobacco, type 21: Domestic supplies, disappearance, season</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>average price and price support operations for specified periods</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Fire-cured tobacco, types 22-23: Domestic supplies, disappearance,</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>season average price and price support operations for specified</td>
<td></td>
</tr>
<tr>
<td></td>
<td>periods</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance,</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>season average price and price support operations for specified</td>
<td></td>
</tr>
<tr>
<td></td>
<td>periods</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Sun-cured tobacco, type 37: Domestic supplies, disappearance, season</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>average price and price support operations for specified periods</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Cigar filler tobacco, types 41-46: Domestic supplies, disappearance,</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>season average price and price, for specified periods</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Cigar binder tobacco, types 51-52: Domestic supplies, disappearance,</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>season average price and price, for specified periods</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Cigar binder tobacco, types 54-55: Domestic supplies, disappearance,</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>season average price and price, for specified periods</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Cigar wrapper, tobacco, types 61-62: Domestic supplies, disappearance,</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>season average price and price, for specified periods</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Tobacco: Acreage and yield per acre in the U.S., by types, for specified periods</td>
<td>49</td>
</tr>
<tr>
<td>29</td>
<td>Cash receipts from tobacco and as percentage of cash receipts from crops</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>and all farm commodities, by States, 1966 and 1967</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Total expenditures for tobacco products, 1946-67</td>
<td>50</td>
</tr>
<tr>
<td>31</td>
<td>Federal, State and local tax revenues from tobacco products, for specified periods</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Statistical Summary</td>
<td>51</td>
</tr>
</tbody>
</table>

### LIST OF CHARTS

Export markets for U.S. tobacco .................................................. Cover

Tobacco outlets--recent trends .............................................. 2

- Cigarettes
- Cigars and cigarillos
- Smoking tobacco
- Chewing tobacco
- Snuff
- Leaf exports

- 54 -