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Summary

With damage from hurricane Floyd still unknown, U.S. tobacco production is forecast at 1.31 billion pounds. The September 1, 1999, forecast is 11 percent lower than last year because of an 8-percent decline in acreage and lower yields. Flue-cured auctions are currently underway with about half of marketings completed through September 14th. Grower prices have been higher than a year earlier.

The supply of U.S.-grown tobacco for 1999/2000 will likely change little as higher carryin is offset by decreased production. Carryin of U.S.-grown stocks (July 1 for flue-cured and cigar wrapper types, October 1 for all other types) is likely to increase about 4 percent from a year earlier due to lower cigarette production and exports. Total stocks of imported leaf fell 8 percent to 1.1 billion pounds on July 1, 1999, compared with July 1, 1998.

Estimated U.S.-grown leaf use declined about 1 percent, to 1.45 billion pounds in 1998/99, from 1.51 billion pounds in 1997/98. The slide in U.S.-grown leaf use stems from the fall in cigarette production and declining leaf exports. Imported leaf use fell in 1998/99. The proportion of foreign-grown leaf used in cigarette production is expected to decrease slightly. U.S. leaf tobacco exports in 1998/99 (July-June) fell 3 percent, reaching 462 million pounds, declared weight.

In 1998, U.S. cigarette production declined to 680 billion pieces, down 6 percent from a year ago. Cigarette consumption in 1998 fell 7 percent to 465 billion pieces. Per capita consumption declined from 2,422 cigarettes per person (18 years or older) to 2,320 cigarettes. Exports fell by 7 percent.

Price increases by manufacturers and impending tax increases will dampen future cigarette consumption. The Federal excise tax will increase by 10 cents per pack of 20 cigarettes in January 2000 and an additional 5 cents in January 2002. Manufacturers increased wholesale cigarette prices by 18 cents per pack in August 1999, the second-highest increase after the 45-cent increase in November 1998. July 1999 retail prices for tobacco products averaged 9.8 percent above July 1998.

As of September 1, the 1999 flue-cured crop was estimated at 700.5 million pounds, 17 percent below 1998. On-farm

carryover this year was about 48.2 million pounds. In spite of hurricane damage, available leaf may still approach the effective quota, resulting in increased carryover. Beginning stocks on July 1, 1999, were 1.23 billion pounds, 2 percent below 1998. The total 1999 supply of U.S.-grown flue-cured was 1.93 billion pounds, 6 percent below 1998. Use may decline this season from 1998/99's 834.1 million pounds because of lower cigarette production and exports. Flue-cured leaf exports were unchanged from 1997/98, when they dipped to their lowest level since 1942.

Flue-cured sales began July 2. By September 14, growers had sold 320.3 million pounds of leaf, with 17 percent of production going under loan. Quality fell slightly from last year. After 28 days of selling, flue-cured auction prices are 1.2 cents per pound higher than last season. Sales through September 14 averaged \$1.67 per pound. Lower marketings in 1999 will depress cash receipts for the season.

This year's burley crop is expected to be 8 percent below last season's because of reduced harvested acreage and lower yields. Due to continuing drought conditions, production and farm carryover will likely be substantially below the effective quota of 690 million pounds. Beginning stocks on October 1, 1999, are likely to be about 50 million pounds more than in 1998 due to reduced domestic use. Burley supplies on October 1 will be nearly unchanged as 1999 production falls and carryin advances.

A larger crop is forecast to decline as of September 1 for dark air-cured tobacco while Maryland, dark fire-cured, and cigar tobacco production is forecast to decline.

The national marketing quota for the 2000 flue-cured crop must be announced by December 15, 1999. Individual farm quotas and allotments will reflect undermarketings and overmarketings for the current crop. For burley, the marketing quota will be announced by February 1, 2000, and allotments for other types will be announced by March 1, 2000.

Price supports for 2000 flue-cured and burley tobaccos will be based on a 5-year moving average of market prices and changes in costs of production. For other types, changes in support will continue to be based on the average of the parity index during the previous 3 years compared with 1959.

Tobacco Products

Sharp Declines in Output, Domestic Consumption, and Exports for 1998

U.S. cigarette consumption in 1998 declined 3 percent, reaching 465 billion pieces. Taxable removals of 457.9 billion in 1998 fell by a similar proportion. Total U.S. cigarette production reached 679.7 billion pieces, down 5.5 percent from 1997, a 5.5 percent drop. On a July-June basis, 1998/99 cigarette output is estimated at 665 billion pieces, compared with 714 billion a year earlier. Consumption will likely fall by 30 billion pieces to 440 billion during the same period.

Wholesale cigarette prices increased five times in 1998, culminating with an increase of 45 cents per pack in November 1998, the largest in history. Wholesale prices were steady through late August 1999, when cigarette companies raised them by 18 cents per pack. As indicated by the Consumer Price Index (CPI) for cigarettes, retail prices in July 1999 were 32 percent higher than a year earlier. Prices in 1998 were 9.8 percent higher than 1997, using the CPI.

New Hampshire and Maryland increased cigarette taxes in 1998. Maryland boosted its excise tax by 30 cents per pack. The Federal excise tax was unchanged at 24 cents per pack through 1999. In January 2000, however, the Federal tax will increase 10 cents a pack to 34, the first increase since 1991. Part of the August 1999 wholesale cigarette price increase may have been in anticipation of the Federal tax increase. A further increase of 5 cents per pack is scheduled for January 2002. Both tax increases were included in legislation President Clinton signed in August 1997.

Per capita cigarette consumption continued to slide reflecting declines in total consumption and population increases. Per capita consumption was 2,233 cigarettes for the population 16 and over in 1998, compared with 2,331 in 1997. Based on a population 18 years and over, 1998 per capita consumption was 2,230 cigarettes.

Discount brands accounted for 27.8 percent of cigarette sales in 1998, about the same as the previous year. Promotions, rebates, and discounts on premium brands have limited expansion of the discount segment. Discount sales' share for the first half of 1999 is unchanged from the previous year. Discount sales peaked in 1993 and have been trending down since.

Cigarette exports in 1998 declined to 201.3 billion pieces from 217.0 billion in 1997. On a July-June basis, cigarette exports plummeted to 176.8 billion (1998/99) compared with 215.5 during 1997/98. July-June shipments to Japan fell slightly, but declines were sharper for shipments to the European Union (EU), Lebanon, Singapore, and Russia. January-June 1999 cigarette exports were 80.7 billion pieces compared with 105.2 billion during the same period last year. During the first 6 months of 1999, shipments to Japan were steady, but shipments to the EU, the former Soviet Union countries, and some Asian markets plummeted. Cigarette imports gained, reaching 4.3 billion, compared with 3.2 billion the previous year.

Continuing Declines Forecast for 1999

Preliminary estimates for 1999 show cigarette production will continue 1998's slide. The massive price increase of

Figure 1
Cigarettes Produced and Tobacco Used

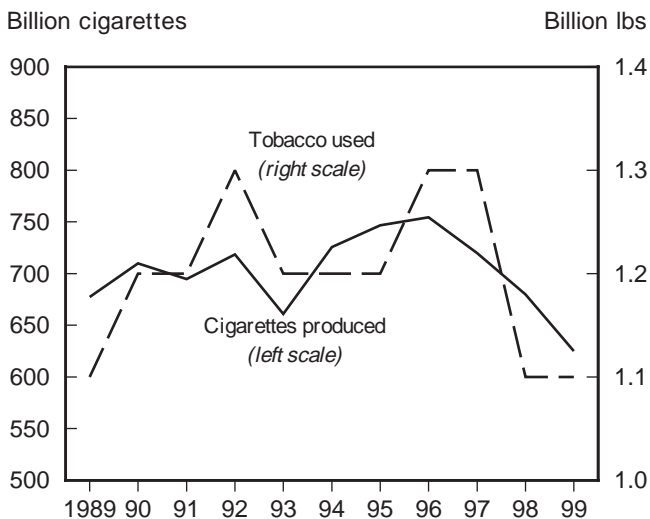
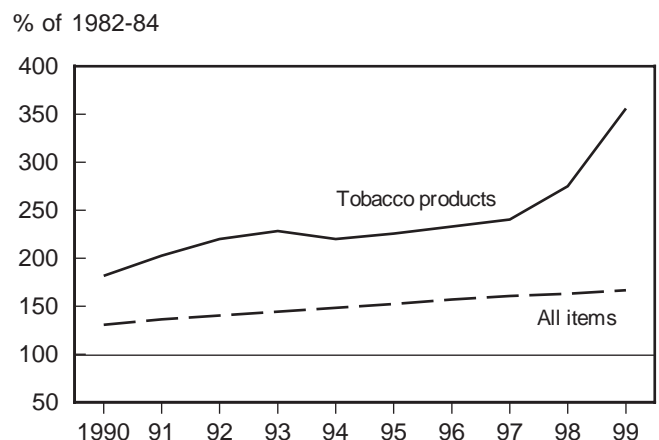


Figure 2
Consumer Price Index and Tobacco Product Prices



Source: Bureau of Labor Statistics.

Table 1--Cigarettes: U.S. output, removals, and consumption, 1990-99

Year	Output	Removals					Imports	Adjustment 2/	Total U.S. consumption 3/
		Taxable	Total	Tax-exempt					
				Exports	Miscellaneous Shipments 1/				
Billions									
1990	709.7	523.2	178.8	164.3	14.5	1.4	14.1	525.0	
1991	694.5	497.1	193.7	179.2	14.5	4/ 4.7	5/ 2.5	510.0	
1992	718.5	509.4	213.0	205.6	7.4	4/ 6.6	5/ 18.1	500.0	
1993	661.0	463.4	202.0	195.5	6.5	4/ 11.5	5/ 12.4	485.0	
1994	725.5	488.6	231.6	220.2	11.4	3.5	17.5	486.0	
1995	746.5	490.3	250.9	231.1	19.8	3.0	26.1	487.0	
1996	754.5	486.0	261.0	243.9	17.1	2.8	18.9	487.0	
1997	719.6	471.4	232.0	217.0	15.0	3.2	9.6	480.0	
1998	679.7	457.9	212.5	201.3	11.2	4.3	8.4	465.0	
1999 6/	625.0	420.0	175.0	170.0	5.0	7.5	7.5	425.0	
Year ending June 30									
1990	685.1	517.1	161.0	150.8	10.2	1.7	-3.0	532.0	
1991	706.5	512.9	188.6	178.8	9.8	4/ 2.1	5/ 5.4	518.0	
1992	684.5	498.0	178.0	173.3	4.7	4/ 6.0	5/ 9.6	506.0	
1993	713.4	493.1	219.0	210.9	8.1	4/ 8.6	5/ 8.5	494.0	
1994	668.8	467.7	205.0	198.4	6.6	4/ 8.7	-9.3	486.8	
1995	755.3	492.6	255.6	239.3	7.0	3.2	9.8	488.0	
1996	748.3	487.0	254.7	239.5	15.2	2.6	16.8	488.0	
1997	732.6	475.8	252.5	232.8	19.7	3.1	18.5	480.0	
1998	714.0	465.2	229.0	215.5	13.5	3.5	17.2	465.0	
1999 6/	665.0	433.2	200.0	176.8	13.2	6.0	22.4	430.0	

1/ Includes overseas armed forces, ship stores and small tax-exempt categories and shipments to Puerto Rico and other U.S. possessions. 2/ Inventory change and unaccounted for. 3/ Taxable removals, misc. shipments, inventory change, and imports. 4/ Includes imports from Canada, many of which were likely re-exported to Canada. 5/ Adjusted for re-exports to Canada. 6/ Estimated, subject to revision.

Table 2--Per capita consumption of tobacco products in the United States (including overseas forces), 1990-99

Year	Per capita 16 years and over	Per capita 18 years and over				Per male 18 years and over			
		Cigarettes 1/	Snuff 2/	All tobacco products	Large cigars and cigarillos	Smoking tobacco 2/	Chewing tobacco 2/		
								Number	Pounds
1990	2,737	2,834	4.9	0.28	5.62	26.40	0.43	0.20	0.80
1991	2,632	2,727	4.8	0.28	5.54	25.10	0.41	0.18	0.80
1992	2,555	2,647	4.6	0.29	5.30	24.50	0.40	0.18	0.75
1993	2,453	2,543	4.7	0.30	5.39	23.40	0.38	0.17	0.70
1994	2,435	2,524	4.2	0.32	4.90	25.27	0.41	0.16	0.67
1995	2,415	2,505	4.2	0.31	4.67	27.49	0.45	0.13	0.67
1996	2,391	2,482	4.2	0.31	4.70	32.66	0.54	0.12	0.64
1997	2,331	2,423	4.1	0.31	4.55	36.90	0.53	0.12	0.64
1998	2,233	2,320	3.9	0.32	4.49	37.80	0.53	0.12	0.64
1999 3/	2,056	2,136	3.6	0.32	4.19	39.00	0.53	0.12	0.64

1/ Unstemmed processing weight. 2/ Finished product weight. 3/ Preliminary.

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

Table 3--U.S. cigarette exports to leading destinations, 1998-99

Country	July 1998- June 1999	January-June	
		1998	1999 1/
Billions			
Azerbaijan	5.0	3.2	1.2
Belgium-Luxembourg	34.9	22.6	14.3
Cyprus	5.3	3.2	3.2
Hong Kong	3.2	2.2	1.7
Israel	4.4	1.8	2.2
Japan	70.6	35.9	35.6
Kuwait	1.7	1.0	0.9
Lebanon	8.9	5.4	3.4
Mexico	0.3	0.2	0.1
Morocco	1.2	1.0	0.4
Netherlands Antilles	0.2	1.1	0.1
Panama	0.6	0.6	0.3
Paraguay	1.5	1.3	0.5
Russia	3.0	6.0	0.1
Saudi Arabia	8.9	4.4	4.6
Singapore	4.6	3.2	2.0
South Korea	1.9	0.4	1.2
Taiwan	2.0	1.1	0.9
Turkey	0.1	0.6	*
Ukraine	1.4	2.1	0.2
United Arab Emirates	1.7	1.7	1.5
Other countries	20.4	9.4	7.5
Total	176.8	105.2	80.7

1/ Subject to revision. * indicates less than 50 million pieces

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

November 1998 set the stage for reduced domestic consumption. Output of cigarettes is expected to decline 7 percent to 655 billion pieces, mirroring declines in consumption and exports. Exports for the first 6 months of 1999 declined 23 percent compared with 1998. July-June (1998/99) cigarette exports slipped 18 percent to 176.8 billion pieces, compared with 215.5 billion the previous year. Imports are projected to increase slightly, primarily due to increased grey market shipments. Grey market shipments are cigarettes legally exported from the United States, which are shipped back to the United States for sale. Although

duties and taxes are paid for grey market cigarettes, they are still cheaper than cigarettes manufactured for sale in the United States because of their lower initial price.

Federal Government Drops Criminal Investigation Against Tobacco Companies—Pursues Civil Suit

On September 22, the Attorney General announced that the criminal investigation of the tobacco industry had ended and instead filed a wide-ranging civil suit against the largest tobacco companies. The suit alleges cigarette companies have conspired to defraud and mislead the public about the health affects of smoking. Seeking to recover expenses the Federal Government has incurred treating smoking-related diseases paid for by Medicare, Military veterans, and Federal employees, the suit will also attempt to force the industry to finance education and other anti-smoking programs.

Large Cigar Production and Consumption Gains Again in 1998

Consumption of large cigars (over 3 pounds per 1,000) in 1998 totaled 3.7 billion, 3 percent higher than 1997. Consumption growth slowed from 1997's gain of 16 percent to 2.8 billion, while imports declined to 507 million cigars, about 70 million less than 1997. Exports gained 56 percent to 158 million cigars. Consumption, which has increased steadily throughout much of the 1990's, is showing signs of leveling off at about 1.5 billion cigars above 1993, its lowest point. Consumption for July 1998-June 1999 is expected to decline slightly to 3.7 billion cigars after gaining 17 percent the previous year.

Output of small cigars (those weighing less than 3 pounds per 1,000 cigars) advanced 16 percent in 1998 to 1.7 billion pieces. However, taxable removals, a proxy for consumption, only gained 3 percent. Exports declined, but higher tax-exempt removals during 1988 may portend increased

Table 4--Tobacco demand factors, 1990-99

Year	Population July 1 1/ Millions	Disposable personal income, per capita 2/		Consumer price indexes 3/	
		Current prices	1992 prices	All items	Tobacco products
		-- Dollars --		-- Percent of 1982-84 --	
1990	185.8	16,205	17,941	130.7	181.5
1991	187.5	16,766	17,755	136.2	202.7
1992	189.3	17,636	18,062	140.3	219.8
1993	190.7	5/ 18,706	5/ 18,221	144.5	228.4
1994	192.5	5/ 19,381	5/ 18,431	148.2	220.0
1995	194.4	5/ 20,349	5/ 18,661	152.4	225.7
1996	196.1	5/ 21,117	5/ 19,116	156.9	232.8
1997	198.2	21,969	19,493	160.5	240.2
1998	200.4	22,304	19,790	163.0	274.8
1999 4/	202.7	23,034	20,173	166.7	346.2

1/ Eighteen years and older including forces overseas. 2/ Based on total population. 3/ All urban consumers. 4/ Subject to revision. Data through June.

5/ Revised.

Source: Bureau of the Census, Bureau of Labor Statistics

exports in 1999. For the year ending June 1999, small cigar output is estimated up by 18 percent to 1.9 billion cigars. Taxable removals are estimated at 1.7 billion pieces, 7 percent higher than the 12-month period ending June 1998.

Smoking Tobacco Output and Removals Reverse Long Decline

Smoking tobacco output in 1998 was 3 percent above the previous year, reversing a decade of declines. Taxable removals (domestic invoices) were up 25 percent. The turnaround may be attributable to increased roll-your-own use resulting from higher cigarette prices. For the 12 months ending June 30, 1999, smoking tobacco production and taxable removals declined. Output advanced 19 percent and taxable removals advanced 17 percent.

Smokeless Tobacco: Snuff Advances as Chewing Slips Further

Snuff output gained 2 percent in 1998 due to continued increases in moist snuff output. Taxable removals (invoiced for domestic consumption) rose 3 percent. Some former smokers may be using moist snuff as an alternative to cigarettes. During July 1998-June 1999, snuff output and removals (Invoiced for Domestic Consumption) were nearly steady. Chewing tobacco output fell 8 percent in 1998. Domestic invoices fell by 5 percent. Moist chewing and firm (plug) tobacco declined more than twist and leaf chewing tobacco. Leaf chewing tobacco accounted for 93 percent of total chewing tobacco production by weight. For July 1998-June 1999, chewing output fell by 8 percent and domestic invoices declined 5 percent. Chewing tobacco use peaked in 1995.

Table 5--Wholesale premium brand cigarette price revisions, 1990-2000 1/

Approximate date of change 2/	Net price per 1,000				Net price per 1,000 excluding Federal excise tax			
	Standard	King size	Filter tips	100 millimeter	Standard	King size	Filter tips	100 millimeter
	Dollars							
June 1990	51.15	52.65	51.15	52.65	43.15	44.65	43.15	44.65
December 1990	53.65	55.15	53.65	55.15	45.65	47.15	45.65	47.15
Jan.-Feb.1991 3/	55.75	57.25	55.75	57.25	45.75	47.25	45.75	47.25
March 1991	56.50	58.00	56.50	58.00	46.50	48.00	46.50	48.00
June 1991	58.25	59.75	58.25	59.75	48.25	49.75	48.25	49.75
November 1991	61.00	62.50	61.00	62.50	51.00	52.50	51.00	52.50
April 1992	63.75	65.25	63.75	65.25	53.75	55.25	53.75	55.25
July 1992	66.25	67.75	66.25	67.75	56.25	57.75	56.25	57.75
November 1992	69.00	70.50	69.00	70.50	59.00	60.50	59.00	60.50
January 1993 4/	71.10	72.60	71.10	72.60	59.10	60.60	59.10	60.60
March 1993	72.10	73.60	72.10	73.60	60.10	61.60	60.10	61.60
August 1993	53.95	53.95	53.95	53.95	41.95	41.95	41.95	41.95
November 1993	55.95	55.95	55.95	55.95	43.95	43.95	43.95	43.95
May 1995 5/	57.45	57.45	57.45	57.45	45.45	45.45	45.45	45.45
May 1996	59.45	59.45	59.45	59.45	47.45	47.45	47.45	47.45
March 1997	61.95	61.95	61.95	61.95	49.95	49.95	49.95	49.95
September 1997	65.45	65.45	65.45	65.45	53.45	53.45	53.45	53.45
January 1998	66.70	66.70	66.70	66.70	54.70	54.70	54.70	54.70
April 1998	69.20	69.20	69.20	69.20	57.20	57.20	57.20	57.20
May 1998	71.70	71.70	71.70	71.70	59.70	59.70	59.70	59.70
Aug 1998	74.70	74.70	74.70	74.70	62.70	62.70	62.70	62.70
Nov 1998	97.20	97.20	97.20	97.20	85.20	85.20	85.20	85.20
Aug 1999 6/	106.20	106.20	106.20	106.20	94.20	94.20	94.20	94.20
Jan 2000 7/	111.20	111.20	111.20	111.20	94.20	94.20	94.20	94.20

1/ Includes leading brands. A 3-percent discount is made for payment within 10 days or 2 percent within 14 days. 2/ For 1980-89 see TBS-238, April 1997. 3/ Effective January 1, 1991, the Federal excise tax increased to \$10.00 per 1,000 cigarettes. 4/ Effective January 1, 1993, the Federal excise tax increased to \$12.00 per 1,000 cigarettes. 5/ No changes in 1994. 6/ Last price change. 7/ Effective Jan 1, 2000, Federal excise tax increases to \$17 per pack.

Note: The prices in this table apply to cigarettes manufactured for domestic sales by U.S. manufacturers only. Cigarettes manufactured for export are not included. These prices do not include rebates, discounts, and other adjustments to the wholesale list price.

Source: News reports and miscellaneous sources.

Table 6--Wholesale nonbrand cigarette price revisions, 1990-99 1/

Approximate date of change	Net price per 1,000			
	Discounts		Deep discounts	
	Regular	100s	Regular	100s
	Dollars			
June 1990	39.25	40.50	24.50	25.75
December 1990	41.75	43.00	27.00	28.25
Jan.-Feb. 1991	43.85	45.10	29.10	30.35
March 1991	46.35	47.60	29.10	30.35
June 1991	50.35	51.60	30.35	31.60
November 1991	53.10	54.35	31.60	32.85
April 1992	57.10	58.35	26.60	27.87
July-August 1992	46.60	47.85	28.60	29.87
November 1992	49.35	50.60	30.60	31.87
January 1993	51.45	52.70	32.70	33.97
February 1993	51.45	52.70	36.70	37.95
March 1993	52.45	53.70	39.20	40.45
August 1993	52.45	53.70	40.45	40.45
November 1993	52.45	53.70	42.45	42.45
May 1995	52.45	53.70	43.95	43.95
April 1996	52.45	53.70	45.95	45.95
September 1997	55.95	57.20	49.45	49.45
January 1998	57.20	58.45	50.70	50.70
April 1998	58.70	59.95	52.20	52.20
May 1998	61.20	62.45	54.70	54.70
August 1998 2/	63.20	65.45	57.70	57.70
November 1998 2/	85.70	87.95	80.20	80.20
August 1999 2/	94.70	96.95	89.20	89.20

1/ Typical prices. Prices for some brands higher and some lower. Includes Federal excise tax. 2/ Last price change.

Source: News reports and miscellaneous sources.

Table 7--Cigars and smoking tobacco: Output, removals, and consumption, 1996-99

Year and item	Output	Removals		Imports	Exports	Total U.S. consump- tion 2/
		Taxable 1/	Tax-exempt			
Million						
Large cigars and cigarillos:						
1996	2,413	2,720	98	320	84	3,054
1997	2,324	2,966	110	576	136	3,517
1998	2,751	3,185	122	507	158	3,655
1999 3/	3,255	3,420	148	420	272	3,716
Year ending June 30						
1996	2,195	2,950	111	169	94	3,136
1997	2,709	3,252	130	448	120	3,710
1998	2,793	3,205	134	582	97	3,824
1999 3/	2,707	3,164	135	463	86	3,677
Million pounds						
Smoking tobacco:						
1996	12.0	11.3	0.6	4/ 4.2	0.7	5/ 15.5
1997	11.4	10.9	0.9	4/ 4.3	0.8	5/ 15.2
1998	11.7	11.3	0.4	4/ 4.3	1.1	5/ 14.9
1999 4/	15.5	14.1	1.4	4/ 4.5	1.1	5/ 18.9
Year ending June 30						
1996	11.8	11.5	0.5	4/ 4.6	0.3	5/ 16.3
1997	11.4	10.8	0.5	4/ 4.8	1.0	5/ 15.0
1998	13.5	12.6	0.9	4/ 4.8	0.4	5/ 17.9
1999 3/	18.0	15.6	2.4	4/ 4.9	0.4	22.5

1/ Includes United States and Puerto Rico combined. 2/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports minus exports. 3/ Estimated. 4/ Total imports including re-exports to Canada. 5/ Adjusted to reflect estimated re-exports to Canada.

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

Table 8--Tobacco products: Output by category, 1990-99

Period	Chewing tobacco					Snuff dry	Snuff moist	Small cigars 2/	Smoking tobacco in bulk (exports)
	Plug-firm	Plug-moist	Twist	Loose leaf	Total 1/				
Million pounds							Millions	Million pounds	
1990	5.1	2.3	1.2	64.3	72.9	6.8	46.3	1,253	58.0
1991	4.6	2.1	1.2	64.3	72.2	6.3	48.0	1,325	63.2
1992	4.0	1.9	1.2	61.6	68.7	6.6	50.9	1,310	59.1
1993	3.8	1.5	1.1	58.0	64.4	5.9	53.2	1,280	62.5
1994	3.3	1.3	1.1	56.8	62.5	5.6	53.9	1,410	77.0
1995	2.9	1.2	1.1	57.4	62.6	5.6	54.6	1,430	91.8
1996	2.9	1.0	1.1	56.0	61.1	4.0	57.5	1,503	110.4
1997	2.6	0.9	1.0	53.7	58.1	4.4	59.9	1,476	118.2
1998	2.3	7.0	1.0	49.2	53.3	4.3	61.2	1,710	142.5
1999 4/	2.1	0.6	0.9	47.1	50.7	3.9	62.9	1,800	145.0
Year ending June 30									
1990	5.3	2.7	1.3	62.9	72.2	7.0	44.4	1,190	59.4
1991	4.8	2.3	1.2	64.5	72.8	6.5	47.2	1,277	58.8
1992	4.3	2.0	1.2	64.3	71.8	6.1	49.4	1,337	62.4
1993	3.8	1.6	1.2	57.3	63.9	6.4	52.8	1,274	56.2
1994	3.5	1.4	1.1	59.2	65.2	5.5	53.3	1,368	71.4
1995	3.1	1.3	1.1	58.8	64.3	5.9	54.5	1,450	84.1
1996	3.0	1.1	1.1	55.0	60.3	4.9	55.4	1,433	102.0
1997	2.8	1.0	1.0	54.4	59.2	4.1	58.6	1,587	118.4
1998	2.4	0.8	1.0	52.5	56.7	4.3	60.9	1,815	131.6
1999 4/	2.2	0.7	0.9	48.1	51.9	4.1	62.0	1,862	134.6

1/ Detail may not add to total due to rounding. 2/ Weight not more than 3 pounds per thousand. 3/ Estimated.

Source: Agricultural Marketing Service.

U.S. Exports and Imports

Leaf Trade

July-June (1998/99) shipments of unmanufactured tobacco increased slightly, reaching 462 million pounds, about 12 million pounds higher than the previous year. Shipments to the Netherlands, Switzerland, and Turkey advanced while shipments to most Asian destinations fell. July-June value was \$1.43 billion, less than \$1 million below the previous year. Lower production in many tobacco-producing nations provided a more favorable market for U.S. exporters. However, during January-June 1999 unmanufactured tobacco exports fell 2 percent compared with the previous year, reaching 270 million pounds for the 6-month period. Shipments to the Netherlands surged but were offset by reduced shipments to Germany, Japan, and other countries.

Marketing year (July-June) shipments of flue-cured declined by less than a million pounds. Shipments during the 6-month period were steady to most major destinations. Burley exports for the marketing year to date (October-June) declined 11 percent. Total burley exports were 98 million pounds for the 9-month period. Shipments to the Netherlands surged, as with flue-cured, but those to Belgium, Germany, Japan, and Turkey all declined slightly. Burley exports for October 1998-September 1999 are expected to be about the same as 1997/98. Demand for burley tends to be somewhat more robust than flue-cured because more is needed to produce American-blend cigarettes.

World Cigarette Production and Trade

The United States is the world's leading exporter of cigarettes and second in production only to China. In 1998, China produced 30 percent of the world's cigarettes. The United States, however, exported 21 percent of the cigarettes shipped worldwide. The United Kingdom and the Netherlands were the next largest exporters with quantity shipped at about half that of the United States. World cigarette output declined 3 percent to 5,497 billion pieces. China's cigarette production slid by 10 billion pieces. Production in Germany, the United Kingdom, and Brazil slid in 1998, while production in Russia increased slightly.

Cigarette production in China has been trending downward since the early 1990's. China has imposed production quotas on manufacturers for nearly a decade to reduce stocks and limit consumption.

Export Prospects

The value of U.S. tobacco leaf and product exports reached \$5.7 billion in 1998/99 (July-June). Cigarette volume decreased, accounting for most of the decline. After peaking in 1996, cigarette exports have declined. Cigarette and prod-

uct export value is expected to decline further in the upcoming year as major importing nations continue to reduce consumption in the face of unsettled economies. Leaf export value was nearly steady in 1998/99, on slightly lower prices. Prospects for leaf exports have brightened as production in some major producing nations, especially Brazil, declines.

Brazil vies with the United States as the largest exporter of leaf. However, in recent years, Brazil has seen its production affected by weather and export prospects dimmed by uncer-

Table 9--U.S. imports of unmanufactured and other tobacco: Quantity and average value, by kinds, 1998/99 1/

Kind	Quantity	Change from	Value per
	1998/99	1997/98	pound
	Million	Percent	Dollars
	pounds		
Imports for consumption			
Cigarette 2/			
Flue-cured leaf	7.8	0	0.95
Burley leaf	0.6	200	1.10
Other	0.6	*	*
Oriental leaf	156.5	4	2.25
Stemmed leaf			
Flue-cured	118.0	4	1.61
NSPF	80.9	-30	1.68
Scrap	*	*	*
Manufactured or not mfd., NSPF	4.8	17	1.68
Cigar			
Leaf	55.9	-34	2.14
Scrap	0.7	-22	1.30
Stems	98.5	-3	0.21
Total	527.3	-9	1.59
General imports			
Cigarette 2/			
Flue-cured leaf	7.4	-5	0.97
Burley leaf	3.5	218	1.07
Other	*	*	0.00
Oriental leaf	114.5	-3	2.11
Stemmed leaf			
Flue-cured	84.7	-28	1.44
NSPF	95.5	375	1.56
Scrap	*	*	*
Manufactured or not mfd., NSPF	4.7	-15	1.72
Cigar			
Leaf	55.9	-34	2.04
Scrap	0.7	-22	1.30
Stems	98.5	-9	0.19
Total 3/	466.8	0	1.44

1/ Year ending June 30, 1999. 2/ Includes minor quantities for smoking tobacco, chewing tobacco, and snuff. 3/ Includes other stemmed and unstemmed leaf. * = negligible.

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

tain currency markets. However, volume in 1999 is expected to recover with a reduction in quality. Export prospects are also enhanced by favorable exchange rate fluctuations.

Leaf Imports

Unmanufactured tobacco imports fell 6 percent, reaching 357.9 million pounds during July 1998-June 1999. Lower cigarette production was the main cause of the decline. Imports from Brazil declined about 1 million pounds during the same period. Brazil still accounted for 24 percent of U.S. imports. Shipments from Zimbabwe nearly doubled, reaching 16 million pounds. However, shipments from Malawi slid nearly 20 million pounds. Shipments from Thailand also declined sharply. Imports from Turkey gained less than 1 million pounds. Total cigarette leaf shipments fell 21 million pounds. Oriental leaf shipments gained about 10 million pounds. Unstemmed flue-cured and stems gained about 4 and 2 million pounds, respectively. Other stemmed leaf (NSPF), mostly burley) declined by 30 percent to 81 million pounds.

U.S. cigar and cigarette manufacturers use imported leaf in their blends. During 1998, cigarettes and other products, and semi-processed tobacco using cigarette leaf and stems, contained about 43.4 percent foreign tobacco, compared with 44.8 percent in 1997. U.S. cigarette leaf imports for consumption (January-June) averaged \$1.77 per pound, excluding ocean freight and duty, compared with \$1.97 during the same period last year.

Tobacco Trade Balance

The value of U.S. tobacco leaf and product exports in 1998/99 (July-June) was \$5.7 billion compared with \$6.5 billion the previous year. Imports were valued at \$1.2 billion, resulting in a tobacco trade balance of \$4.5 billion. Unmanufactured tobacco export value totaled \$1.4 billion, about the same as 1997/98 while product exports slipped nearly half a billion dollars to \$4.3 billion. Unmanufactured tobacco imports were \$372 million, about 23 percent below the previous year. Lower cigarette exports were the main factor in the balance of trade shift.

Table 10--U.S. exports of unmanufactured tobacco by types and to principal importing countries, 1995-99 (declared weight)

Type & country	1995	1996	1997	1998	January-June		Pct. change, 1998-99 Percent
					1998	1999 1/	
Type:							
Flue-cured	271.3	248.7	256.7	243.5	125.7	117.0	-7
Burley	103.9	115.1	125.2	110.5	77.8	85.6	10
Maryland	3.6	4.6	5.3	3.6	2.9	1.6	-45
Fire-cured, Ky. and Tenn.	9.7	11.7	14.9	14.3	8.8	7.3	-17
Virginia fire- & sun-cured	1.4	1.1	1.0	0.7	0.4	1.2	-67
Black Fat	3.0	0.6	1.1	*	*	*	*
Cigar wrapper	2.7	6.5	5.3	5.0	1.6	1.8	11
Cigar binder	0.2	*	0.4	0.1	0.4	0.0	*
Stems and refuse	42.8	74.9	54.8	59.7	39.7	39.5	-1
Other leaf	23.2	17.6	22.5	28.9	17.4	14.5	-17
Total	461.8	485.5	487.4	466.3	274.7	268.5	-2
Country of destination:							
Austria	0.5	1.0	0.2	0.1	0.1	*	*
Finland	1.5	0.2	1.8	1.0	0.8	0.9	13
Sweden	3.0	3.7	5.3	2.6	1.6	1.4	-13
Greece	0.8	0.5	1.0	0.5	0.3	0.4	*
United Kingdom	14.2	34.4	18.2	15.6	8.4	6.5	-23
France	3.9	3.2	7.0	6.6	4.5	2.9	-36
Belgium-Luxem.	17.9	39.7	38.9	25.2	13.5	14.1	4
Netherlands	39.2	40.4	30.2	43.9	29.9	54.9	84
Germany	70.7	60.1	72.2	84.6	49.3	40.0	-19
Denmark	14.6	15.1	15.5	14.8	6.6	7.3	11
Ireland	2.6	0.5	0.2	0.4	0.4	0.0	*
Italy	14.8	17.3	18.3	13.6	8.6	9.6	12
Portugal	0.2	*	*	3.2	*	0.2	*
Spain	11.8	18.0	15.6	17.5	13.1	8.4	-36
Total EU-15	195.6	234.1	224.4	229.6	137.1	146.6	7
Canada	0.8	2.9	3.6	1.0	0.7	0.6	-14
Switzerland	14.4	14.9	11.4	10.3	7.3	12.9	77
Norway	1.7	2.8	2.5	3.1	1.2	0.9	-25
Thailand	19.0	15.9	21.3	14.2	12.1	5.8	-52
South Korea	13.2	14.5	15.6	9.4	9.2	6.9	-25
Malaysia	11.1	14.7	19.5	10.8	5.4	5.7	6
Philippines	5.5	6.4	7.6	5.0	3.0	3.3	10
Taiwan	11.8	9.2	11.9	10.5	0.5	*	*
Japan	106.9	88.7	80.5	85.3	60.0	54.1	-10
Hong Kong	10.4	5.4	4.7	0.9	0.4	0.1	-75
Australia	4.8	5.6	4.2	5.0	3.2	2.5	-22
New Zealand	0.9	1.7	0.7	0.5	0.1	0.3	200
Egypt	6.0	0.7	0.4	0.1	0.1	0.7	600
Turkey	22.0	34.1	42.2	44.2	11.9	6.0	-50
Dominican Republic	4.2	5.8	9.1	8.2	3.7	3.3	-11
Singapore	8.2	7.5	3.8	2.4	1.9	0.7	-63
Nigeria	4.1	0.8	2.5	3.1	1.3	2.4	85
Other countries	9.4	19.8	21.5	22.7	15.6	15.7	22
Total	461.8	485.5	487.4	466.3	274.7	268.5	-2

* = Negligible.

1/ Preliminary. Data may not add to total due to rounding.

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

Table 11--U.S. imports of unmanufactured tobacco for consumption and general imports, principal categories, and countries of origin, 1997/98 (declared weight)

Item	Imports for consumption				General imports (arrivals)			
	July 1998- June 1999	January-June		Percentage change from 1998/99	July 1998- June 1999	January-June		Percentage change from 1998/99
		1998	1999 1/			1998	1999 1/	
	Million pounds			Percent	Million pounds			Percent
Cigarette tobacco Leaf (unstemmed):								
Oriental								
Turkey	106.2	65.9	45.0	-0.3	66.2	89.3	41.5	-0.5
Greece	17.2	7.1	6.4	0.3	8.4	14.2	7.8	-0.5
Macedonia	6.8	6.7	3.6	-0.5	11.8	4.2	9.5	1.3
Other countries	25.8	13.1	9.6	-31.0	28.1	8.9	11.5	0.3
Total Oriental	156.0	92.8	64.6	-31.9	114.5	116.6	70.3	-0.4
Flue-cured	7.8	7.6	7.1	72.7	7.4	7.6	7.1	-0.1
Burley	0.6	0.7	0.4	*	3.5	2.2	2.5	0.1
Other (unstemmed)	0.6	*	0.6	*	*	*	0.6	*
Total unstemmed leaf	165.0	101.1	72.7	-28.6	125.4	126.4	80.5	-0.4
Cigarette tobacco leaf (stemmed):								
Flue-cured--								
Brazil	78.8	10.8	56.8	-46.3	82.8	47.3	35.2	-0.3
Other countries	39.2	13.0	26.7	0.0	1.9	1.5	13.9	8.3
Total stemmed flue-cured	118.0	23.8	83.5	-50.5	84.7	48.8	49.1	0.0
NSPF--								
Guatemala	9.2	1.1	*	0.2	7.3	0.2	*	*
Brazil	7.8	5.0	6.5	0.3	25.2	9.3	8.3	-0.1
Argentina	5.4	1.6	1.8	0.1	6.2	1.4	2.0	0.4
Mexico	10.3	0.2	0.8	4.4	10.0	0.1	0.7	7.8
Italy	4.6	0.9	3.3	2.5	1.2	3.1	*	*
Zimbabwe	3.0	0.7	2.5	2.3	3.2	1.1	1.9	0.8
Thailand	8.5	0.4	3.3	6.5	11.0	1.3	5.5	3.2
Malawi	22.5	13.4	20.0	0.5	33.6	12.0	12.2	0.0
Other countries	9.7	1.0	3.4	-69.5	-2.2	1.2	0.2	-0.8
Total NSPF	80.9	24.4	41.6	-52.6	95.5	29.6	30.8	0.0
Total cigarette leaf	363.9	149.3	197.8	-38.1	305.6	204.8	160.4	-0.2
Manufactured or not manufactured categories 2/	4.8	2.5	2.8	316.7	4.7	2.1	1.9	-0.1
Scrap:								
Dominican Republic	*	*	*	*	*	*	*	*
Turkey	*	*	*	*	*	*	*	*
Other countries	*	*	*	*	*	*	*	*
Total scrap	*	*	*	*	*	*	*	*
Total cigarette tobacco	368.7	151.8	200.6	-37.2	310.3	206.9	162.3	-0.2
Cigar tobacco:								
Wrapper	6.8	1.4	1.0	-28.6	6.8	1.0	5.8	4.8
Filler (stemmed and unstemmed)								
Dominican Republic	11.4	10.5	8.2	-0.2	11.4	10.4	8.2	-0.2
Indonesia	8.2	7.5	2.1	-0.7	9.7	8.1	4.4	-0.5
Brazil	2.1	0.5	1.4	1.7	5.4	1.1	2.6	1.4
Philippines	4.7	2.3	3.0	0.3	4.7	3.0	3.0	0.0
Other countries	22.8	14.8	9.5	9.1	19.8	18.9	8.5	-0.5
Total filler	49.1	35.6	24.2	-11.4	51.0	37.2	26.7	-0.3
Cigar scrap:								
Honduras	0.2	*	*	-0.5	0.2	0.1	0.1	0.1
Dominican Republic	*	*	*	-100.0	*	*	*	*
Other countries	0.5	0.3	0.2		0.5	0.2	0.1	-0.5
Total cigar scrap	0.7	0.3	0.2	-25.0	0.7	0.3	0.2	-0.3
Total cigar tobacco	56.6	37.3	25.4	-12.1	58.5	38.5	32.7	-0.2
Other stemmed and unstemmed leaf	3.5	3.1	2.0	93.8	3.4	3.2	1.8	-0.4
Stems	98.5	53.3	49.0	41.4	94.6	54.4	30.8	-0.4
GRAND TOTAL	527.3	245.5	277.0	-24.1	466.8	303.0	227.6	-0.2

* = Negligible.

1/ Preliminary. 2/ Includes tobacco, manufactured or not manufactured, except smoking tobacco in retail packages, flue-cured, and tobacco, manufactured or not manufactured, not specially provided for (other).

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

Table 12--U.S. exports of unmanufactured tobacco by types, to principal importing countries, crop years 1996/97-1998/99 (declared weight) 1/

Importing country	1996/97	1997/98	1998/99 2/	Importing country	1996/97	1997/98	1998/99 2/
Million pounds				Thousand pounds			
Flue-cured, types 11-14				Va. fire & sun-cured, types 21 & 37			
United Kingdom	18.4	13.8	9.4	United Kingdom	642	*	*
Germany	45.7	40.5	38.9	Norway	678	42	*
Japan	58.6	51.1	53.4	Sweden	289	347	502
Netherlands	9.3	13.8	29.6	Germany			
Thailand	9.4	6.3	4.3	Other countries	10	40	963
Australia	3.2	3.9	4.0	Total	1,619	429	1,465
Italy	9.8	7.1	8.9				
Sweden	1.9	0.8	0.7	Binder, types 51-55			
Norway	1.8	1.8	2.0	Dominican Republic	321	24	1
Finland	0.4	0.2	*	Switzerland	4	*	*
Denmark	8.2	6.8	7.6	Italy	163	353	630
Ireland	0.5	0.3		Other countries	110	68	139
Belgium-Luxembourg	20.8	15.9	11.3	Total	598	445	770
Switzerland	3.7	4.5	8.7				
Republic of Korea	13.3	18.1	6.9	Cigar wrapper, types 61-62			
Philippines	3.2	1.4	1.4	United Kingdom	*	*	11
Spain	3.9	2.9	*	Germany	8	0	16
Malaysia	11.5	9.7	8.0	Canada	*	*	
Taiwan	10.4	10.2	9.0	Dominican Republic	3,144	4,649	4,080
Hong Kong	4.2	0.8	0.1	Netherlands	41	*	16
Turkey	22.1	9.7	19.0	Other countries	920	681	
Other countries	15.5	15.3	11.6	Total	4,113	5,330	5,145
Total	275.8	234.9	234.8				
				Blackfat			
Burley, type 31				Benin (Dahomey)			
Italy	6.7	3.4	3.6	Nigeria	201	*	*
Sweden	0.1	0.5	0.4	Other countries	910	909	*
Denmark	3.4	3.4	2.4	Total	46	-860	7
Belgium-Luxembourg	13.5	11.4	7.6		1,157	49	7
Netherlands	10.8	14.2	29.5				
Japan	27.0	18.7	13.1				
Germany	23.3	22.2	16.5				
Switzerland	3.7	3.9	3.8				
United Kingdom	1.3	0.3	0.5	Other leaf			
Thailand	9.7	8.7	3.5	Dominican Republic	4.6	4.4	2.5
Philippines	4.7	4.1	3.5	United Kingdom	3.7	0.1	0.2
Hong Kong	1.7	1.7	0.3	Netherlands	0.2	1.1	0.5
Turkey	16.5	8.5	9.6	Germany	*	0.1	0.1
Other countries	16.2	9.8	3.9	Spain	9.2	11.8	9.6
Total	138.6	110.8	98.2	France	0.3		
				Canada	0.8	*	*
Maryland, type 32				Other countries	7.0	10.9	7.7
Italy	1.6	1.1	0.5	Total	25.8	28.4	20.6
Germany	1.2	1.6	0.8				
Switzerland	0.6	0.5	0.4				
Other countries	1.2	1.5	0.7	Stems, trimmings, and scrap			
Total	3.6	4.5	2.1	Sweden	0.3	2.0	0.6
				Denmark	3.9	4.1	2.9
Ky.-Tenn. fire-cured, types 22-23				United Kingdom	3.6	2.9	2.3
Sweden	1.9	1.1	0.2	Germany	5.4	9.6	7.1
Netherlands	6.6	6.3	5.0	Japan	19.4	13.6	12.5
Belgium-Luxembourg	0.4	0.4	0.4	France	0.3	1.3	1.3
France	0.4	2.6	1.3	Spain	0.5	0.4	0.3
Switzerland	0.5	0.4	0.4	Switzerland	6.5	1.6	2.2
Italy	0.8	*	0.7	Turkey	5.9	2.6	2.6
Nigeria	0.4	0.9	0.6	Canada	0.4	0.2	*
Other countries	3.1	4.0	1.8	Other countries	21.1	21.2	18.8
Total	14.1	15.7	10.4	Total	67.3	59.5	50.6

* = Negligible. Data may not add to total because of rounding. 1/ July-June crop year for flue-cured and cigar wrapper; October-September crop year for all other types except October-June for 1998/99. 2/ Subject to revision.

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

U.S. Tobacco Leaf Situation and Outlook¹

During the past marketing year, about 63 percent of U.S.-produced tobacco was used for domestic manufacture and the remainder exported. Estimated use of U.S. leaf totaled 1.45 billion pounds, 4 percent below 1997/98.

Quotas declined substantially in 1999 as manufacturers lowered purchase intentions in response to declining cigarette consumption in the U.S. and lower export volume. Flue-cured basic quotas slipped 18 percent to 667.7 million pounds and burley quotas fell 29 percent to 450.6 million pounds. Effective quotas were reduced by 150 million pounds for flue-cured and by 177 million pounds for burley. For 1999, flue-cured acreage declined 53,000 acres from the previous year while burley acreage slid less than 2,000 acres. The September 1 production forecast for all tobacco is 1.31 billion pounds, 11 percent below last year.

Efforts To Eliminate Unauthorized Pesticide Use Continue

Pesticide use on U.S. tobacco has been restricted for many years. Furthermore, the Food Security Act of 1985 increased compliance standards. The act requires USDA to inspect domestic and imported flue-cured and burley tobacco to determine if pesticide residues exceed established limits.

Before selling their tobacco, growers must certify to the Farm Service Agency (FSA) that any pesticides used in production have been approved by the Environmental Protection Agency for use on tobacco, and that they were applied in accordance with labeled directions. Growers lose price support if they falsify the certification, fail to certify, or refuse to provide samples for testing. Growers who are found filing a false report will be required to refund any price support advances received on the current crop. Violators are also subject to a \$10,000 fine, 5 years imprisonment, or both.

To ensure the integrity of U.S.-grown tobacco, efforts to eliminate unauthorized pesticides include (1) tests of samples taken from auction warehouse floors, (2) efforts to educate growers about nonapproved pesticides, and (3) intensified monitoring of pesticide use and penalties for misuse.

Contract Tobacco Production

Prior to the 1999 marketing season, Philip Morris proposed a system of contract purchases for leaf tobacco. Philip

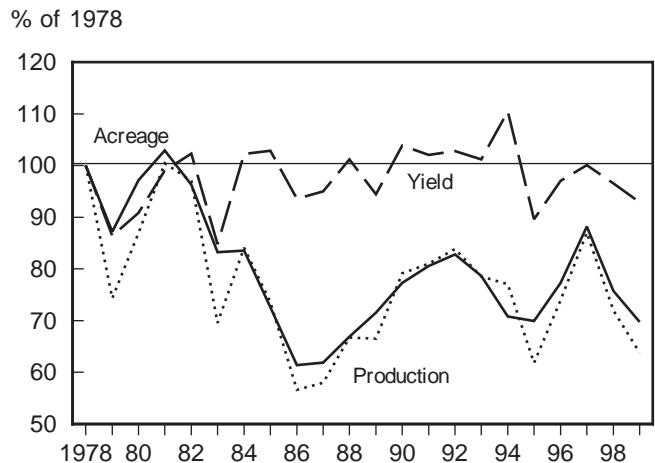
Morris presented the plan as a way to ensure the availability of U.S.-grown leaf of the type and quality it requires to manufacture cigarettes. It offered to buy all the tobacco a grower could produce for 3 years at a predetermined price based on stalk position, grade, and quality under a 3-year rolling agreement. Philip Morris would communicate with the grower regarding quality and ways to increase farm productivity. Included was a commitment to enter into contracts with large and small growers in all flue-cured and burley production areas. Warehouse owners would be compensated for receiving and processing tobacco.

The proposal was dropped after growers indicated a strong preference for the current auction marketing system. Given trends in other commodities, further consideration of contracting arrangements will be likely in the future.

U.S. Industry Buys 476 Million Pounds of Flue-Cured Tobacco During 1998/99 Marketing Year

U.S. cigarette manufacturers purchased 476.3 million pounds (farm sales weight) of flue-cured tobacco during the July 1998-June 1999 marketing year, 30.1 million pounds less than the previous year. Actual purchases were 105 percent of manufacturers purchase intentions of 454.0 million pounds. Legislation requires each major domestic cigarette manufacturer to purchase an amount equal to at least 90 percent of their stated purchase intentions to avoid the assessment of a penalty. Manufacturers purchased 454.6 million pounds of flue-cured tobacco during the 1998/99 marketing year.

Figure 3
Tobacco Acreage, Yield and Production



Source: National Agricultural Statistics Service, USDA.

¹ All quantities in this section are farm-sales weight, unless otherwise indicated.

Marketing Quota and Price Support in 2000

By December 15, 2000, USDA will announce the flue-cured poundage quota and matching acreage allotment for 2000. Individual farm quotas and acreage allotments for the next year will reflect this year's overmarketings and undermarketings. Despite Hurricane Floyd, marketings this year may still approach the effective quota.

By February 1, 2000, USDA will announce the 2000 burley poundage quota, and by March 1, it will announce the 2000 acreage allotments for other kinds of tobacco. Shortly after the announcements, growers of Virginia fire-cured and Kentucky-Tennessee fire-cured (types 21 and 22-23), and Kentucky-Tennessee dark air-cured (types 35-36) will vote in separate referenda for or against marketing quotas on their next three crops (2000, 2001, 2002).

Growers of flue-cured tobacco approved marketing quotas for the 1998, 1999, and 2000 marketing years in a referendum held January 12-15, 1998. In a referendum held February 23-27, 1998, burley growers voted to continue marketing quotas on a poundage basis for the 1998, 1999, and 2000 marketing years. Growers of Maryland, Pennsylvania filler, and Connecticut binder (types 51-52) have no price supports because they turned down marketing quotas in referenda held in March 1998.

Growers of Wisconsin and Ohio filler and binder voted in March 1999 to accept quotas for the next three crops (1999, 2000, and 2001). Growers of Virginia sun-cured (type 37) voted on March 23-26, 1998, to approve quotas for the 1998, 1999, and 2000 crop years.

Table 13--All tobacco: Acreage, yield, and production, United States, 1965-99

Year	Acreage	Yield	Production
	harvested Thousand acres	per acre Pounds	
Average			Million pounds
1965-69	942	1,958	1,845
1970-74	886	2,053	1,819
1975-79	978	2,001	1,957
1980-84	878	2,046	1,800
1985-89	634	2,080	1,321
1990	733	2,218	1,626
1991	764	2,179	1,664
1992	785	2,195	1,722
1993	746	2,161	1,613
1994	671	2,359	1,583
1995	663	1,914	1,270
1996	733	2,072	1,519
1997	836	2,137	1,787
1998	718	2,061	1,479
1999 /1	661	1,984	1,311

/1 Indicated September 1, 1999.

Source: National Agricultural Statistics Service.

The quota law provides that flue-cured and burley quotas equal the sum of buying intentions of domestic cigarette manufacturers, the average of unmanufactured tobacco exports, and adjustments of loan association inventories needed to reach the reserve stock level. The Secretary of Agriculture may adjust this three-part total up to 3 percent.

Support levels for 1999 average \$1.632 per pound for flue-cured and \$1.789 for burley. Grade loan rates for flue-cured range from \$1.14 to \$1.85 per pound. And for burley, they range from \$1.09 per pound to \$1.98. Price supports for kinds other than flue-cured and burley average from \$1.212 per pound to \$1.681 in 1999.

For 2000, the flue-cured and burley price support will be the level for 1999 adjusted by changes in the 5-year moving average of prices (two-thirds weight) and changes in a cost of production index (one-third weight). Costs include general variable expenditures but exclude costs of land, quota, risk, overhead, management, marketing contributions, and other costs not directly related to tobacco production. The Secretary of Agriculture can set the price support between 65 and 100 percent of the calculated increase or decrease.

For other kinds, changes in price support will continue to be based on the average of the parity index during the 3 previous years compared with 1959. However, loan associations can request lower support levels if market conditions warrant.

Estimated flue-cured production costs for 1999 will be used by FSA in determining the cost component for the 2000 support level. The combined effect of price and cost changes will likely result in a slight increase in the flue-cured support level in 2000.

Table 14--Tobacco loan stocks, 1997-99 (farm-sales weight)

Type	July 1		
	1997	1998	1999
	Million pounds		
Actual:			
Flue-cured, 11-14	91.5	250.9	294.6
Burley, 31	140.9	183.9	226.6
Virginia, 21-37	0.1	0.0	0.1
Kentucky-Tennessee, 22-23	0.1	0.3	2.2
Kentucky-Tennessee, 35-36	0.0	0.0	
Wisconsin, 54	0.0	0.0	
Wisconsin, 55	0.0	0.0	0.5
Total	232.6	435.1	524.0
Uncommitted:			
Flue-cured, 11-14	0.0	182.7	1/ 156.8
Burley, 31	38.5	142.2	186.7

1/ Total unstemmed weight.

Compiled from records of the Tobacco and Peanuts Division, Farm Service Agency, USDA.

Growers of Maryland, Pennsylvania filler, and Connecticut binder tobacco turned down marketing quotas in their last referenda (1998), so government price support is not available for their 2000 crop. Pennsylvania filler has never had marketing quotas. For Maryland, quotas last applied to the 1965 crop, and Connecticut binder quotas last applied to the 1983 crop. Shade-grown wrapper tobacco (type 61) is not covered by marketing quota legislation.

Agricultural Act of 1938 Changed To Allow Release Of Tobacco Producer Information

Public Law 106-47, signed by President Clinton on August 13, 1999, amends the Agricultural Act of 1938 to allow USDA to release otherwise confidential tobacco production and producer marketing information to the State organizations overseeing distribution of a \$5.15 billion farm trust fund. The fund was set up by the four major cigarette companies for the benefit of persons involved in growing cigarette tobaccos (flue-cured, burley, and Maryland kinds).

Table 15--Tobacco: No-net-cost assessment, by kind, 1990-99 1/

Kind and type	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Cents per pound										
Flue-cured, types 11-14										
Producer	1.000	0.236	0.220	0.212	2.209	0.002	0.200	0.190	0.186	1.000
Buyer	1.000	0.236	0.220	2.212	4.209	1.002	1.000	0.190	0.186	1.000
Burley, type 31										
Producer	1.000	0.208	0.176	0.159	3.643	0.138	0.132	0.880	2.111	3.000
Buyer	1.000	0.208	0.176	2.659	3.743	0.138	0.132	0.880	2.111	3.000
Fire-cured, type 21	3.000	12.000	13.316	11.303	7.297	15.285	3.273	2.251	1.232	2.000
Fire-cured, types 22-23	2.000	0.831	1.290	0.768	1.259	1.214	1.222	0.189	0.160	2/ 0.000
Dark air-cured, types 35-36	7.000	1.317	0.892	0.873	1.364	2.348	2.331	0.301	0.275	3/ 1.000
								1.301	1.275	3/ 1.000
								2.301	2.275	4/ 3.000
Sun-cured, type 37	3.000	12.000	13.396	11.384	7.378	15.368	3.356	2.337	1.320	2.000
Cigar-filler, type 46	**	**	**	**	**	**	**	**	**	**
Cigar-filler & binder, types 42-44	96.200	101.400	105.400	107.400	108.400	110.100	112.000	116.900	121.200	123.800
type 54	0.000	0.000	0.000	0.000	0.458	0.450	0.440	0.416	0.394	2.000
type 55	0.000	0.000	0.000	0.000	13.958	0.450	0.440	0.416	0.394	6.000

** = Not applicable. 1 / Beginning in 1991, marketing assessments totaling 1 percent of the applicable price support level are divided equally between buyers and sellers for all tobacco under the price support program. See April 1995 Tobacco Situation, TBS-230, table 20 for rates.
2/ Eastern district. 3/ Western district. 4/ Stemming district.

Compiled from records of the Tobacco and Peanuts Division, Farm Service Agency, USDA.

Table 16--U.S. tobacco allotments, by kinds of tobacco, 1999

Kinds	Allotments	Acreage allotments	Poundage allotments	Average size of allotments
	Number	Acres	Million pounds	Acres
Flue-cured (11-14) 1/	40,894	--	671.5	2/ 16.4
Burley (31) 3/	241,391	**	690.1	2/ 28.6
Va. fire-cured (21)	1,378	1,685	**	1.22
Ky.-Tenn. fire-cured (22-23)	11,188	16,023	**	1.43
Dark air-cured (35-36)		5,543	**	0.29
Va. sun-cured (37)	80	120	**	1.59
Cigar filler and binder (42-44, 53-55)	3,837	2,186	**	0.57
Total	312,661	25,564	1,587.3	**

-- = Not available. ** = Not applicable. 1/ Acreage poundage with national average yield goal of 2,088 pounds per acre. 2/ Pounds. 3/ Poundage quota.

Compiled from records of the Tobacco and Peanuts Division, FSA, USDA.

Due to Hurricane Floyd, flue-cured tobacco sales were canceled for September 15 through 23. After the sixth week of sales, about 48 percent (348.5 million pounds) of the 1999 crop had been sold based on the effective quota. Loan receipts for the 1999 season through September 14 reached 55.5 million pounds or 17 percent of the estimated crop. At the same point last year, 62.1 million pounds, or 15.6 percent, had been placed under loan. Damage from Hurricane Floyd has not been adequately assessed at the time of publication. Most damage will likely stem from flooding in warehouses or barns or from interrupted power supplies to curing barns.

Flue-cured quality in 1999 suffered due to hot, dry weather conditions in much of the production area from the time of transplanting until early June. In addition, a third of the Georgia crop has been damaged by the tomato spotted wilt virus.

Through September 14, auction prices averaged \$ 1.6659 per pound, 1.2 cents above the average for the same number of sales days last season.

To receive price support in 1999, flue-cured tobacco growers must:

- ☒ Certify pesticide use and absence of nesting (hiding lower quality leaf or foreign matter in a sheet or bale of tobacco).
- ☒ Designate one or more warehouses within 100 miles of their county seat where they plan to sell their crop.
- ☒ Contribute to a no-net-cost account and a budget deficit marketing assessment that totals 1 cent for the producer and 1 cent for the purchaser for each pound of 1999-crop flue-cured tobacco that is marketed.

Under quota legislation, growers receive price support on marketings up to 103 percent of their farm poundage quotas. However, marketings above the poundage quota are deducted from the following year's quotas. For marketings above 103 percent, growers must pay a penalty of \$1.32 a pound (75 percent of the average market price for the preceding year).

Based on the September 1 USDA estimate, 1999 production will total about 700 million pounds. Growers carried over 48.2 million pounds of the 1998 crop. The effective quota is 671.5 million pounds, so carryover into 2000 could be 60 million pounds. Marketings are expected to total about 690 million pounds. Since 1988, lease and transfer of flue-cured quotas has applied under disaster conditions only.

Disappearance Lower in 1998/99

Last season, disappearance of flue-cured tobacco totaled 834 million pounds, about 30 million below the previous season.

Export disappearance remained about the same, but domestic disappearance declined by 8 percent due to lower cigarette production. Greater use of U.S. leaf may result in little change in domestic use for 1999/2000, in spite of further declines in cigarette production.

Flue-cured exports were nearly the same in 1998/99 as the previous season. Lower world production in 1998 helped maintain U.S. export levels. Declines in shipments to some Asian nations were offset by increased shipments to the European Union (EU).

Higher flue-cured production in 1999 will likely lead to more competition for U.S. leaf and lower exports in 2000, especially as the Brazilian crop rebounds from a poor year in 1998. U.S. leaf exports continue to be affected by high U.S. prices, stagnant or declining cigarette consumption in major importing countries, and reduced leaf use per cigarette.

Flue-Cured Supplies Decline

Smaller marketings and lower beginning stocks reduced flue-cured supplies for 1999. Flue-cured acreage for harvest fell 14 percent compared with the previous season, and little change in yields resulted in a similar decline in production. Yields were down in Georgia and Virginia and increased in other States. Less than 10 percent of 1999 marketings were produced in 1998.

The domestic flue-cured carryover held by manufacturers and dealers on July 1, 1999, totaled 940 million pounds, 6 percent lower than a year earlier. Flue-cured supply (indicated marketings plus carryover) was estimated at about 2.5 times prospective use, close to the traditional benchmark level. Marketings this year are likely to be less than use, and stocks will likely fall.

After loan takings of 82 million pounds in 1998, it appears loan takings this season could approach 100 million pounds. Through September 14, loan takings have accounted for 17 percent of net sales. Loan stocks were 2 percent lower than the previous season when the marketing season began. Unsold loan stocks on January 1, 2000, will likely exceed 300 million pounds.

Use of foreign-grown flue-cured leaf and stems declined in 1998/99. Stocks of foreign-grown flue-cured were 16 percent lower on July 1, 1999, than a year earlier. Stocks declined because cigarette manufacturers continued using foreign leaf for cigarette production and reduced cigarette leaf imports.

Table 17--Flue-cured tobacco auction markets: Gross sales, average price, loan receipts, sales dates, through Sept. 14, 1999, and a comparable number of sales days, 1998

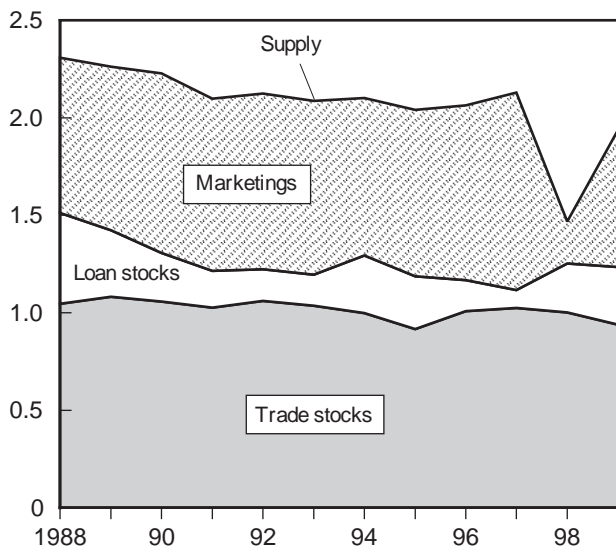
Type, belt	Gross sales		Average price per pound		Loan receipts Volume		Percent of sales 2/		Sales period	
	1998	1999	1998	1999	1998	1999	1998	1999	Opening date	Closing date
	Million pounds		Cents per pound		Million pounds		Percent		1999	1999
14, Ga.-Fla.	52.8	52.3	159.3	165.0	5.0	5.8	9.4	11.2	July 27 (July 21)	(Oct 27)
13, S.C.-Border, N.C.	91.5	71.2	163.7	164.2	22.4	19.9	24.5	29.9	July 28 (Aug 3)	(Oct 22)
12, Eastern N.C.	161.2	132.3	167.5	167.1	23.3	18.3	14.5	13.8	July 29 (Aug 4)	(Oct 29)
11, Old and Middle Belts N.C., Va.	79.5	92.7	167.3	168.5	9.5	11.5	11.9	12.4	Aug 4 (Aug 10)	(Nov 12)
All Belts 1/	385.1	348.5	165.4	166.6	60.2	55.5	16.8	15.9	(July 21)	(Nov 12)

1/ Computed from unrounded data. 2/ Percent of gross sales.

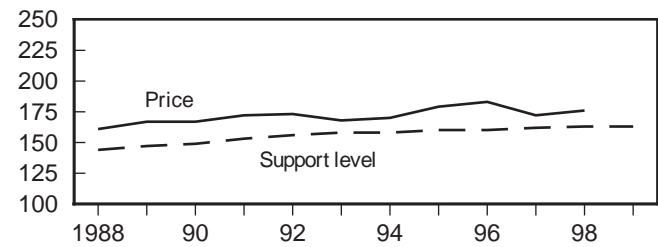
Compiled from reports of the Tobacco Division, Agricultural Marketing Service, USDA.

Figure 4
Flue-Cured Tobacco: Supply, Price, and Use

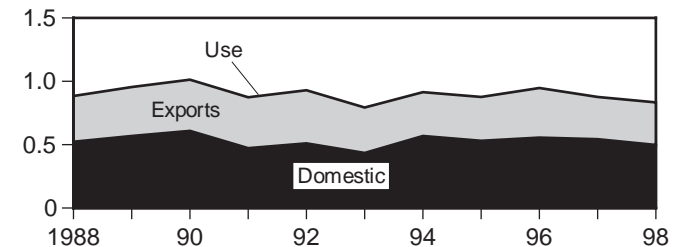
Billion lbs



Cents/lb



Billion lbs



Trade stocks include those of manufactures and dealers. Crop year beginning July 1. 1999 preliminary.

Source: National Agricultural Statistics Service, USDA.

Table 18--Flue-cured and burley tobacco: Marketing quota and marketings, 1973-99

Year 1/	Quota		Actual	Marketings		Effective	
	Basic	Effective		Over-quota	Under-quota	Under-quota 2/	Net carryover 3/
Million pounds Flue-cured, types 11-14							
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8
1977	1,116.5	1,197.3	1,124.2	42.6	115.2	106.9	64.3
1978	1,117.2	1,181.5	1,205.9	65.6	43.9	41.8	-26.4
1979	1,094.9	1,068.5	973.8	24.8	118.8	117.0	92.2
1980	1,094.4	1,186.5	1,086.1	36.0	137.9	135.1	99.1
1981	1,012.9	1,111.4	1,144.3	64.9	31.3	29.2	-35.6
1982	1,013.0	976.8	993.8	54.4	37.5	30.6	-23.8
1983	910.5	886.7	854.8	31.2	67.1	65.6	34.4
1984	804.3	831.7	849.6	42.6	32.8	31.5	-11.1
1985	775.0	758.0	789.4	51.1	24.8	16.4	-34.7
1986	728.5	699.4	666.9	10.5	45.3	43.8	33.3
1987	707.0	740.0	683.2	9.3	68.8	65.6	56.3
1988	754.3	811.8	796.1	13.4	28.4	25.0	11.6
1989	890.5	903.6	838.1	12.7	68.5	67.3	54.6
1990	877.7	936.1	920.2	15.0	30.6	28.6	13.6
1991	877.6	891.5	882.5	15.3	24.3	23.3	8.0
1992	891.8	899.0	901.0	15.7	14.2	13.5	-2.2
1993	892.0	889.6	891.7	16.2	13.1	12.5	-3.7
1994	802.6	798.5	806.8	16.7	8.2	7.7	-9.9
1995	934.6	924.9	854.2	9.7	80.1	79.5	69.8
1996	873.6	943.6	896.7	12.5	59.8	58.5	46.0
1997	973.8	1,019.8	1,013.5	16.3	22.4	22.0	5.7
1998 4/	814.3	819.6	814.9	12.9	17.3	16.7	3.8
1999 5/	667.7	671.5					
Burley, type 31							
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	726.4	663.6	33.1	96.2	82.3	49.2
1977	636.2	683.4	612.6	27.2	99.0	80.8	53.6
1978	614.2	667.8	614.2	31.5	88.2	67.6	36.1
1979	614.2	647.8	472.2	12.2	188.6	168.8	155.2
1980	614.4	768.9	557.5	11.6	224.3	200.1	181.8
1981	660.1	841.9	725.6	25.2	143.0	129.4	104.1
1982	680.3	777.8	776.7	46.8	50.9	41.2	-3.5
1983	646.6	641.0	526.7	13.7	132.4	127.6	113.9
1984	581.8	697.0	674.0	37.8	59.8	54.5	16.7
1985	524.4	541.7	541.9	37.2	36.4	31.9	5.3
1986	493.5	488.2	419.8	6.7	74.8	67.9	61.2
1987	463.9	524.8	427.5	5.2	101.6	91.2	86.0
1988	473.4	559.0	468.1	7.4	95.6	81.8	74.4
1989	586.9	660.7	498.3	6.1	165.2	146.4	140.3
1990	601.3	741.2	592.2	8.8	159.4	139.5	130.7
1991	724.1	846.1	657.0	7.6	197.3	175.4	167.8
1992	668.5	835.6	699.8	10.3	141.0	124.6	114.3
1993	601.9	717.9	626.6	9.8	93.1	83.3	73.4
1994	536.3	605.9	568.0	11.5	48.0	43.5	32.0
1995	546.5	577.9	480.4	5.9	100.3	93.9	88.0
1996	631.3	719.8	516.3	4.3	190.8	180.9	176.6
1997	704.5	879.8	628.8	5.3	253.5	236.3	231.0
1998 4/	635.4	867.5	588.0	4.6	280.2	245.1	240.5
1999 5/	451.4	691.5					

1/ For 1965-68 see TBS-229, December 1994. 2/ Underquota marketings less ineligible carryover. 3/ Effective underquota marketings less overquota marketings. 4/ Subject to revision. 5/ Preliminary.

Compiled from records of the Tobacco and Peanuts Division, FSA

Table 19--Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, marketings, carryover, supply, disappearance, season average price, and price support operations, 1988-99 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Marketings 2/	Beginning stocks 1/			Total supply
				Manufacturers and others	Under loan	Total	
				Million pounds			
Flue-cured, types 11-14							
1988	366.4	2,219	796.1	1,046.5	466.1	1,512.6	2,308.7
1989	390.7	2,069	838.1	1,082.4	341.6	1,424.0	2,262.1
1990	416.9	2,253	920.2	1,058.4	249.4	1,307.8	2,228.0
1991	402.6	2,265	882.5	1,026.5	189.1	1,215.6	2,098.1
1992	401.5	2,257	901.1	1,061.3	162.2	1,223.5	2,124.6
1993	400.1	2,217	891.7	1,037.4	158.2	1,195.6	2,087.3
1994	359.5	2,420	806.6	999.8	295.2	1,295.0	2,101.6
1995	386.2	1,933	854.2	915.6	271.2	1,186.8	2,041.0
1996	422.2	2,151	897.3	1,008.9	157.6	1,166.4	2,063.7
1997	458.3	2,285	1,013.5	1,025.1	91.5	1,116.5	2,130.0
1998	368.8	2,204	815.2	1,002.2	250.9	1,253.2	2,068.4
1999 3/	316.0	2,217	700.5	939.7	294.6	1,234.3	1,934.7
Burley, type 31							
1988	226.4	2,108	468.1	863.9	209.4	1,073.3	1,541.4
1989	244.4	1,975	498.3	792.7	170.4	963.1	1,461.4
1990	271.2	2,205	592.2	734.5	112.5	847.0	1,439.2
1991	312.0	2,110	657.0	686.9	78.4	765.3	1,422.3
1992	332.7	2,163	699.8	686.3	120.4	4/ 806.7	1,506.5
1993	299.7	2,115	626.6	758.2	180.7	938.9	4/ 1,565.5
1994	266.3	2,300	568.0	633.1	380.8	1,013.9	1,581.9
1995	234.2	1,863	482.5	637.3	321.5	958.8	1,441.3
1996	268.3	1,940	516.3	677.9	212.5	890.4	1,406.7
1997	335.3	1,934	628.2	645.4	105.6	751.0	1,379.2
1998	307.1	1,896	588.7	647.8	183.8	831.6	1,420.3
1999 3/	305.7	1,754	536.1	656.5	226.6	883.1	1,419.2
Disappearance				Placed under loan			
Total	Domestic	Exports	Average price per pound	Price support level	Quantity	% of crop	
Million pounds			Cents		Million pounds	Percent	
Flue-cured, types 11-14							
1988	884.7	521.9	362.8	161.3	144.2	15.2	1.9
1989	954.3	566.7	387.6	167.4	146.8	28.4	3.4
1990	1,012.4	609.0	403.4	167.3	5/ 148.8	74.1	8.1
1991	874.6	471.2	403.4	172.3	152.8	49.6	5.6
1992	929.1	508.7	420.4	172.6	156.0	81.3	9.0
1993	792.3	433.4	358.9	168.1	157.7	204.8	23.0
1994	914.8	569.3	345.5	169.8	158.3	97.7	12.1
1995	875.1	530.6	344.5	179.4	159.7	12.0	1.3
1996	947.2	556.0	391.2	183.4	160.1	1.8	0.2
1997	876.8	542.5	334.3	172.0	162.1	195.5	19.4
1998	6/ 834.1	6/ 498.2	6/ 335.9	175.5	162.8	82.4	10.2
1999					163.2		
Burley, type 31							
1988	578.3	414.3	164.0	161.0	150.0	14.6	3.2
1989	614.4	445.7	168.7	167.2	153.2	0.3	0.1
1990	673.9	474.9	199.0	175.3	5/ 155.8	0.0	0.0
1991	615.6	407.2	208.5	178.8	158.4	42.3	6.4
1992	567.8	384.8	183.0	181.5	164.9	142.7	20.4
1993	551.6	399.4	152.2	181.6	168.3	232.3	37.0
1994	623.1	468.1	155.0	184.1	171.4	54.7	9.5
1995	550.9	386.1	164.8	185.5	172.5	0.0	0.0
1996	655.7	446.3	209.4	192.2	173.7	0.0	0.0
1997	547.6	379.2	168.4	188.5	176.0	124.5	19.8
1998	6/ 530.0	6/ 350.0	6/ 180.0	190.3	177.8	73.2	12.4
1999					178.9		

1/ July 1 for flue-cured; October 1 for burley. 2/ Actual marketings in the marketing year. 3/ September Crop Report. Marketings include some farm carryover. 4/ The factor used to convert stemmed stocks to farm-sales weight has been changed from 1.55 to 1.6 based on processing yields from 1989 to 1992. 5/ Excludes Gramm-Rudman-Hollings adjustment. 6/ Estimated.

Sources: Agricultural Marketing Service; National Agricultural Statistics Service; Farm Service Agency, Foreign Agricultural Service, USDA.

Burley

Total burley tobacco use is likely to fall in 1998/99 (October-September marketing year). About 63 percent of the crop will be used for domestic cigarette production, 34 percent exported, and the remainder used for other products, primarily smoking tobacco.

Disappearance Falls

Domestic use of U.S. burley in 1998/99 is expected to slide about 8 percent from 1997/98 to about 350 million pounds, much less than the previous year's decline. Lower cigarette output and reduced leaf exports contributed to the decrease. Carryover of U.S.-grown burley is expected to rise about 6 percent because marketings will exceed use.

For the first 9 months of 1998/99, burley exports totaled 150.0 million pounds, farm sales weight, about 4 percent above a year earlier. For the 1998/99 marketing year, exports should total about 180 million pounds, short of the previous year's record 209.5 million pounds.

Production Down for 1999/2000

The September 1 forecast of the 1999 U.S. burley crop is 536.1 million pounds, about 9 percent less than last year. Quota cuts reduced planted acres. Yields are expected to be down slightly from last season due to extremely dry conditions during late July and August.

Marketings in 1999/2000 are forecast at about 536 million pounds, compared with 589 million pounds a year earlier. The effective quota of 690.1 million pounds will likely be underproduced by less than one-fourth, compared with a shortfall of nearly 40 percent last season. Since 1985, mar-

Table 20--Burley marketing quota, Kentucky, Tennessee, and other States, 1997-99

State	Carryover (net)	Basic quota	Effective quota
Million pounds			
1997			
Kentucky	78.9	477.8	551.7
Tennessee	54.6	122.8	177.4
Other States	49.8	99.9	149.7
1998			
Kentucky	102.4	434.3	536.7
Tennessee	77.0	110.8	187.8
Other States	52.7	90.3	143.0
1999			
Kentucky	105.6	308.9	414.5
Tennessee	61.5	95.7	157.2
Other States	72.4	46.0	118.4

Compiled from records and reports of Tobacco and Peanuts Division, FSA, USDA.

ketings have consistently fallen short of the effective quota, especially in Tennessee. Beginning in 1991, the quota law was changed to permit greater use of burley quota, including

Table 21--Sales of burley tobacco quotas, 1993/94-1997/98 1/

State & year	Sales (basic quota)
Indiana:	
1993/94	306
1994/95	250
1995/96	397
1996/97	275
1997/98	155
Kentucky:	
1993/94	4,118
1994/95	3,671
1995/96	5,295
1996/97	3,905
1997/98	3,676
North Carolina:	
1993/94	201
1994/95	179
1995/96	181
1996/97	183
1997/98	94
Ohio:	
1993/94	258
1994/95	271
1995/96	318
1996/97	233
1997/98	198
Tennessee:	
1993/94	963
1994/95	1,058
1995/96	1,293
1996/97	1,110
1997/98	782
Virginia:	
1993/94	199
1994/95	205
1995/96	220
1996/97	152
1997/98	156
Other States 2/:	
1993/94	88
1994/95	156
1995/96	133
1996/97	149
1997/98	70
All States:	
1993/94	6,133
1994/95	5,790
1995/96	7,837
1996/97	6,007
1997/98	5,131

1/ Year ending June 15. 2/ Primarily West Virginia and Missouri.

Compiled from records and reports of the Tobacco and Peanuts Division, Farm Service Agency, USDA.

belt-wide sales of burley quotas within counties, and lease and transfer of quotas across county lines in Tennessee. The projected marketings, combined with lower carryover, are likely to leave supplies unchanged. This is about 2.7 times the expected disappearance, somewhat higher than usual.

U.S. auction sales usually begin in late November. The 1998 crop sold for an average of \$1.903 per pound, 1.8 cent below a year earlier. In 1999, price supports will average \$1.789 per pound for all burley grades, of 1.1 cent. The no-net-cost fee is 3 cents per pound each for growers and purchasers. There is no budget deficit assessment in 1999.

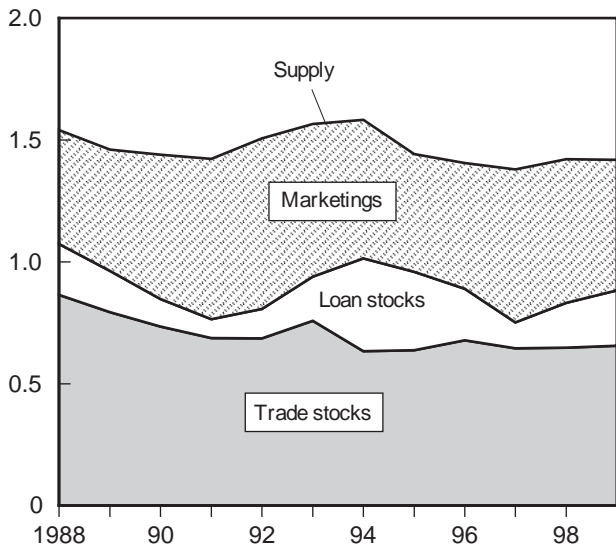
Table 22--Burley tobacco: Percentage of selected groups, quality, and color categories of total, 1989-98

Crop year	Mixed group	1,2,3, quality	Tan color
	Percent		
1989	16.2	40.7	43.8
1990	28.8	41.8	52.8
1991	30.6	41.2	54.9
1992	2.4	36.3	48.7
1993	1.5	35.8	61.6
1994	1.4	42.7	62.4
1995	3.7	26.2	65.5
1996	19.8	21.0	69.9
1997	6.2	22.8	70.5
1998	0.7	23.7	74.6

Compiled from reports of the Tobacco Division, AMS, USDA.

Figure 5
Burley Tobacco: Supply, Price, and Use

Billion lbs



Trade stocks include those of manufacturers and dealers. Crop year beginning October 1. 1999 preliminary. Source: National Agricultural Statistics Service, USDA.

Southern Maryland

Southern Maryland tobacco (type 32), a light air-cured tobacco, goes almost entirely into cigarette production. About 30 percent of the crop was exported in 1998.

Disappearance Falls

Maryland tobacco disappearance totaled 15.3 million pounds during October 1998-June 1999, 4.4 million pounds above a year earlier. Total use in 1998/99 is expected to increase compared with 1997/98, with less than half exported. Prices of 1998 Maryland tobacco increased, but much tobacco was not purchased, especially in Pennsylvania. By January 1, 2000, carryover should increase from last year's 20.6 million pounds.

Exports of Maryland tobacco slid nearly 50 percent to 2.5 million pounds during the first 9 months of the marketing year.

Production Down in 1999

The 1999 crop of Maryland tobacco is estimated at 13.7 million pounds, 11 percent below 1998. Production is expected to decline in both Maryland and Pennsylvania with the greater shortfall in Pennsylvania.

The 1981 farm act prohibits growing and marketing Maryland tobacco in quota areas. However, quotas are not applicable to Pennsylvania seedleaf tobacco, so with seedleaf's usually lower prices, some growers have changed to Maryland production. About 36 percent of total Maryland production will be grown in Pennsylvania in 1999.

Table 23--Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1988-99 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Supply		Disappearance		Avg. grower price per pound Cents		
			Production	Stocks following Jan. 1	Total	Total		Domestic	Exports
					Million pounds				
1988	12.5	1,476	18.4	2/ 37.6	56.0	26.5	21.4	5.1	150.8
1989	11.3	1,354	15.3	2/ 27.0	42.3	26.5	22.7	3.8	162.4
1990	10.7	1,525	16.3	2/ 19.3	35.6	23.5	16.8	6.7	181.1
1991	12.4	1,607	19.9	2/ 12.5	32.4	21.4	16.4	5.0	160.2
1992	13.5	1,390	18.8	2/ 9.4	28.2	21.5	13.9	7.6	147.0
1993	12.7	1,526	18.3	2/ 7.5	26.9	17.3	11.8	5.5	143.0
1994	12.1	1,634	19.8	2/ 8.4	28.2	17.7	12.7	5.0	147.0
1995	11.9	1,507	17.9	2/ 11.1	29.0	14.6	8.1	6.6	157.3
1996	11.5	1,436	16.1	2/ 15.0	31.1	12.6	6.6	6.0	191.9
1997	11.0	1,609	17.7	18.7	36.4	13.7	5.7	8.0	171.6
1998 2/	9.8	1,568	15.4	20.6	36.0	10.0	6.8	3.2	180.0
1999 3/	9.5	1,445	13.7	26.0					

1/ Year beginning October 1. 2/ Adjusted to reflect calendar 1987-1996 sales of tobacco produced in Pennsylvania. 3/ September crop report.

Sources: Agricultural Marketing Service; National Agricultural Statistics Service; Farm Service Agency, Foreign Agricultural Service, USDA.

Fire-Cured

Fire-cured tobacco is mainly used in making snuff and plug and twist chewing tobacco. About half the crop is usually exported. During the last four seasons, production and use have rebounded. Strong demand has boosted prices.

Disappearance Slides

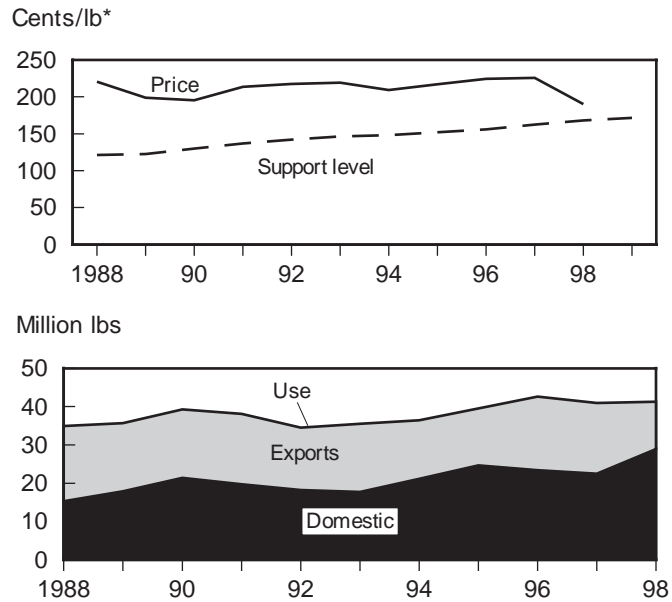
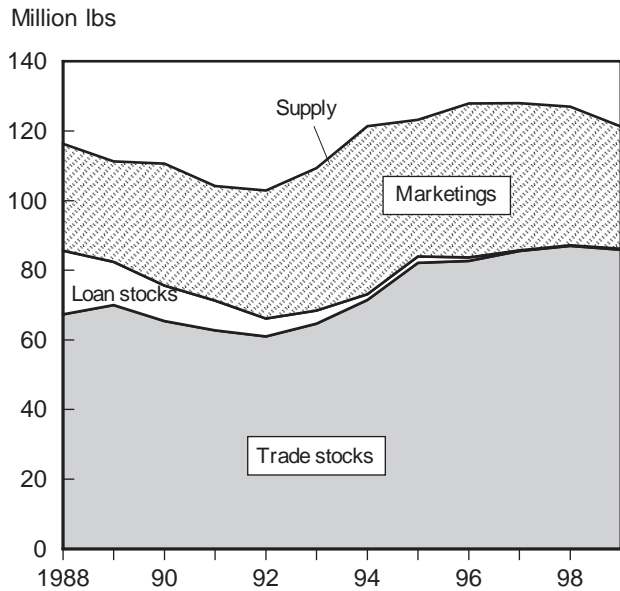
Disappearance of Kentucky-Tennessee fire-cured (types 22-23) during the first 9 months of the 1998/99 marketing year (beginning October 1, 1998) was unchanged at 29.9 million pounds. Higher domestic use caused most of the gain. Output of snuff, the major domestic use of fire-cured, has been increasing and exports fell. Total disappearance of types 22-23 for the entire marketing year (October 1998-September 1999) is estimated at 40 million pounds, about the

same as 1997. Carryover is expected to decline slightly. In 1999, Kentucky-Tennessee fire-cured production is expected to slide due to fewer planted acres and lower yields.

Disappearance of Virginia fire-cured (type 21) is projected to increase in 1998/99 partly because of higher snuff production. Production of Virginia fire-cured (type 21) in 1999 is expected to increase, reaching 2.5 million pounds.

Kentucky-Tennessee tobacco (types 22-23) exports reached 10.4 million pounds (farm sales weight) during the first 9 months of the 1998/99 marketing year, slightly below last season. Export demand for Virginia fire-cured has been lower this season.

Figure 6
Fire-Cured Tobacco: Supply, Price, and Use



Trade stocks include those of manufactures and dealers. Crop year beginning October 1. 1999 preliminary. * Types 22-23 only.
Source: National Agricultural Statistics Service, USDA.

Table 24--Fire-cured tobacco, Kentucky-Tennessee, types 22-23, and Virginia fire-cured, type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1989-99 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Production	Beginning stocks			Total supply
				Manu- facturers and others	Under loan	Total	
				Million pounds			
Kentucky-Tennessee fire-cured, types 22-23							
1989	13.1	2,019	26.4	65.1	10.8	75.9	102.3
1990	13.3	2,415	32.2	61.3	8.9	70.2	102.4
1991	13.5	2,169	29.3	59.2	7.5	66.7	96.0
1992	14.3	2,400	34.2	57.4	4.2	61.6	95.8
1993	15.5	2,527	39.0	61.1	2.9	64.0	103.0
1994	16.7	2,564	45.9	69.1	0.8	69.7	115.6
1995	15.8	2,386	37.7	79.5	1.0	80.5	118.2
1996	15.5	2,745	42.5	79.3	0.9	80.2	122.7
1997	15.4	2,625	40.3	83.2	0.1	83.3	123.6
1998	15.4	2,444	37.5	84.6	0.2	84.8	122.3
1999 2/	14.7	2,222	32.6	83.3	0.2	83.5	116.1
Virginia fire-cured, type 21							
1989	2.0	1,240	2.5	4.9	1.6	6.5	9.0
1990	2.1	1,315	2.8	4.1	1.3	5.4	8.2
1991	2.5	1,425	3.6	3.5	1.1	4.6	8.2
1992	1.7	1,510	2.6	3.6	0.9	4.5	7.1
1993	1.2	1,560	1.9	3.6	0.8	4.4	6.3
1994	1.4	1,780	2.4	2.4	0.8	3.2	5.6
1995	1.1	1,400	1.5	2.6	0.9	3.5	5.3
1996	1.1	1,580	1.7	3.4	0.1	3.5	5.5
1997	1.2	1,640	2.0	2.3	0.1	2.4	4.3
1998	1.5	1,560	2.3	2.4	0.0	2.4	4.7
1999 2/	1.5	1,650	2.5	2.6	0.1	2.7	5.1

Total	Disappearance		Average price per pound	Price support level	Placed under loan		
	Domestic	Exports			Quantity	% of crop	
Million pounds		Cents		Million pounds	Percent		
Kentucky-Tennessee fire-cured, types 22-23							
1989	32.0	17	14.8	199.0	122.6	0.2	0.6
1990	35.7	21	15.0	195.2	129.7	0.4	1.1
1991	34.4	19	15.4	213.4	136.7	* 3/	0.1
1992	31.8	16	15.4	217.3	142.1	* 4/	0.1
1993	33.4	17	15.5	219.4	146.4	0.1	0.1
1994	35.1	20	13.9	209.2	148.3	1.1	2.7
1995	37.9	24	14.1	217.2	151.8	0.7	4.9
1996	39.4	23	16.7	224.5	155.7	0.7	3.5
1997	38.9	21	17.7	225.6	162.3	0.4	4.5
1998	7/ 39.0	7/ 28	7/ 10.6	203.7	168.1	0.2	0.5
1999					171.6		
Virginia fire-cured, type 21							
1989	3.7	1	3.0	153.7	119.1	*	0.4
1990	3.5	1	2.9	160.2	126.2	* 5/	0.2
1991	3.7	1	3.0	152.6	133.2	0.5	14.6
1992	2.7	2	0.9	161.5	136.7	0.4	14.9
1993	3.0	1	2.3	171.9	139.5	* 6/	0.6
1994	2.1	1	1.4	161.2	140.7	0.5	22.3
1995	1.6	1	0.8	164.0	143.0	0.8	4.5
1996	3.2	1	2.5	179.0	145.5	0.3	1.5
1997	2.0	1	0.7	212.5	149.8	0.0	0.0
1998	7/ 2.3	7/ 1	7/ 1.8	7/ 212.5	153.6	0.2	0.8
1999					155.9		

* = negligible. 1/ Marketing year beginning October 1. 2/ September estimate. 3/ About 38,000 pounds. 4/ About 32,200 pounds.

5/ About 7,000 pounds. 6/ About 12,000 pounds. 7/ Estimate.

Sources: Agricultural Marketing Service; National Agricultural Statistics Service; Farm Service Agency, Foreign Agricultural Service, USDA.

Dark Air-Cured

Dark air-cured (types 35-37) is used in plug and twist chewing tobacco, snuff, and to some extent, smoking tobacco. Production and use have declined by more than half over the last 2 decades. Exports usually account for 10 to 20 percent of total use.

Disappearance Falls

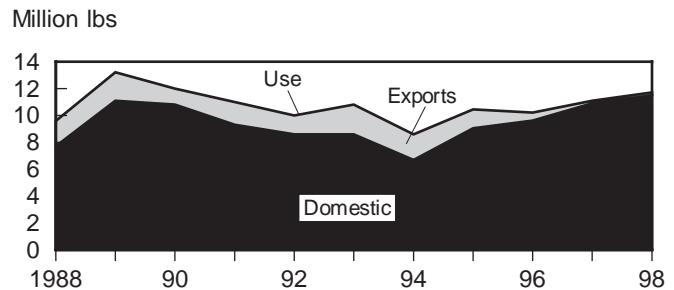
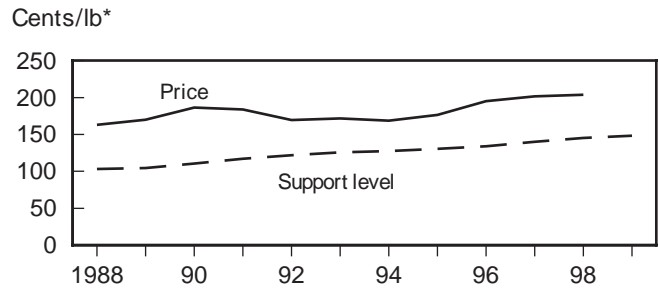
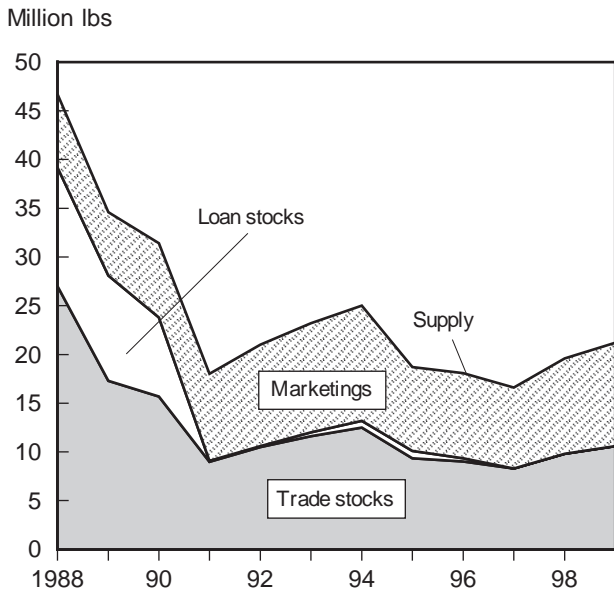
Disappearance of dark air-cured (types 35-36) tobacco totaled 6.0 million pounds during October-June, 36 percent below 1998/99. Advances in domestic use more than offset declines in exports as dark air-cured leaf is used in snuff production.

By the end of the 1998/99 marketing season, total disappearance of types 35-36 is expected to increase, perhaps reaching 11.6 million pounds. Higher marketings are expected to increase supplies for 1999. Disappearance of sun-cured tobacco (type 37) is about the same as last year at 100,000 pounds.

Production Gains

The September 1 estimate of 1999-2000 dark air-cured (types 35-37) tobacco production is 10.4 million pounds, 7 percent above last season. Next season's supplies represent about 2.8 times this season's estimated use.

Figure 7
Dark Air-Cured Tobacco: Supply, Price, and Use



Trade stocks include those of manufacturers and dealers. Crop year beginning October 1. 1999 preliminary. *Types 35-36 only
 Source: National Agricultural Statistics Service, USDA.

Table 25--Dark air-cured tobacco, types 35-36, and sun-cured tobacco, type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1989-99 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Marketings 2/	Beginning stocks			Total supply	
				Manu- facturers and others	Under loan	Total		
				Million pounds				
Dark air-cured, types 35-36								
1989	3.5	1,863	6.4	26.0	10.6	36.6	43.0	
1990	3.4	2,219	7.5	21.9	8.0	29.9	37.4	
1991	4.3	2,029	8.7	25.5	0.0	25.5	34.2	
1992	4.6	2,222	10.3	23.6	0.0	23.6	33.9	
1993	4.8	2,322	11.1	23.9	0.3	24.2	35.3	
1994	4.6	2,527	11.7	24.1	0.6	24.7	36.4	
1995	4.1	2,084	8.5	26.6	0.7	27.3	35.8	
1996	3.8	2,262	8.6	25.1	0.3	25.4	34.0	
1997	3.6	2,258	8.2	23.8	0.0	23.8	32.0	
1998	4.3	2,229	9.7	22.5	0.0	22.5	32.1	
1999 2/	4.9	2,135	10.4	25.9	0.0	25.9	36.3	
Sun-cured, type 37								
1989	0.1	1,155	0.1	0.5	0.2	0.7	0.8	
1990	0.1	1,275	0.1	0.5	0.1	0.6	0.7	
1991	0.1	1,560	0.2	0.5	0.1	0.6	0.8	
1992	0.1	1,240	0.1	0.3	0.1	0.4	0.5	
1993	0.1	1,040	0.1	0.1	0.1	0.2	0.3	
1994	0.1	1,770	0.1	*	0.1	0.1	0.2	
1995	0.1	1,125	0.1	*	0.1	0.1	0.2	
1996	0.1	1,600	0.1	*	*	*	0.1	
1997	0.1	1,490	0.1	*	*	*	0.1	
1998	0.1	1,220	0.1	*	*	*	0.1	
1999 2/	0.1	1,600	0.2	*	*	*	0.2	
Disappearance				Average	Price	Placed under loan		
Total	Domestic	Exports		price per pound	support level	Quantity	% of crop	
Million pounds			Cents		Million pounds			Percent
Dark air-cured, types 35-36								
1989	13.1	11.1	2.0	170.1	104.4	0.1	0.7	
1990	11.9	10.8	1.1	186.3	110.7	* 3/	0.2	
1991	10.6	9.0	1.6	184.0	116.9	0.1	0.8	
1992	9.7	8.4	1.3	169.7	121.7	0.5	4.8	
1993	10.6	8.5	2.1	171.5	125.5	0.7	7.2	
1994	9.1	6.7	1.8	168.5	127.3	0.6	5.7	
1995	10.3	9.0	1.3	176.2	130.4	0.1	1.7	
1996	10.1	9.6	0.5	195.2	133.9	0.2	0.5	
1997	11.0	10.9	0.1	201.7	139.8	0.0	0.0	
1998	5/ 11.6	5/ 11.5	5/ 0.1	203.9	145.0	0.1	1.0	
1999					148.1			
Sun-cured, type 37								
1989	0.1	*	0.1	135.1	105.2	4/ 7.0	7.1	
1990	0.1	*	0.1	145.6	111.5	4/ 0.0	0.0	
1991	0.4	0.3	0.1	143.4	117.7	4/ 17.0	10.9	
1992	0.3	0.2	0.1	138.0	120.8	4/ 19.0	15.3	
1993	0.2	0.1	0.1	152.1	123.3	4/ 0.0	0.0	
1994	0.1	*	0.1	147.6	124.5	4/ 27.0	24.1	
1995	0.1	*	0.1	174.5	126.5	0.0	0.0	
1996	0.1	*	0.1	197.9	128.8	0.0	0.0	
1997	0.1	*	0.1	203.4	132.6	0.0	0.0	
1998	5/ 0.1	5/ *	5/ 0.1	6/ 170.9	136.0	8.7	8.2	
1999					138.0			

* = Negligible.

1/ Marketing year beginning October 1. 2/ September estimate. 3/ About 17,000 pounds. 4/ Quantity placed under loan in thousands of pounds. 5/ Estimate.

Sources: Agricultural Marketing Service; National Agricultural Statistics Service; Farm Service Agency, Foreign Agricultural Service, USDA.

Cigar Tobacco

Cigar leaf (types 41-61) is classified according to its traditional use: filler, binder, and wrapper. Most cigar wrapper is exported, but loose leaf chewing tobacco takes most of the filler and binder. Exports of filler and binder are negligible.

Cigar Leaf Use Down For 1998/99

During the first 9 months of the marketing year for filler and binder types and the entire marketing year for wrapper, total cigar leaf disappearance declined 7 percent. Disappearance for all types declined except Connecticut Valley Broadleaf binder and wrapper. Cigar leaf disappearance for the entire 1998/99 marketing year (October-September for filler and binder, July-June for wrapper) is expected to fall below 1997/98's 25.1 million pounds to about 23.4 million pounds.

For 1998/99, filler supplies are down, but binder and wrapper supplies are up. As of July 1, 1999, no cigar filler or binder was held by cooperatives.

Supplies for 1999 Expected to Fall

Cigar tobacco production in 1999/2000 is expected to fall to 15.6 million pounds from 1998/99's 19.9 million pounds. Lower production and carryin will result in reduced supplies.

During July 1998-June 1999, imports of cigar leaf and cigar scrap both rose. Total cigar leaf imports declined 29 percent, after gaining the previous year. About 23.3 million pounds were used domestically for cigar and loose leaf chewing tobacco production. For 1998/99, imports accounted for about 80 percent of total domestic use, slightly less than a year earlier.

Filler

For the first 9 months of 1998/99 (October-June), disappearance of U.S. cigar filler tobacco (types 41-46) totaled 6.1 million pounds, 6 percent below the previous year. After gaining in 1997/98, disappearance is expected to reach 10.4 million pounds for the entire 1998/99 marketing year (October-September), a drop of 600,000 pounds.

As of September 1, the 1999/2000 Pennsylvania filler crop was indicated at 5.6 million pounds, about 40 percent less than 1998. The new crop, plus estimated carryover, will provide a supply that is about 4 million pounds below last season. Production of Ohio filler has ceased because of high

no-net-cost assessments. Puerto Rican filler is no longer included in the program, as production has ended.

Binder

Cigar binder disappearance (Wisconsin and Connecticut) is expected to decline by 20 percent in 1998/99 as supply falls. Production in 1998 declined and carryin was lower. For Wisconsin binder tobacco (types 54-55), loose leaf chewing is the major outlet. Output of loose leaf chewing, the major use for binder tobacco, is expected to fall 4 percent in 1999. Total binder production is expected to fall to 6.9 million pounds in 1999. Disappearance of Wisconsin binder tobacco will again exceed production, resulting in lower beginning stocks in 1999/2000.

Production of Connecticut Valley binder (type 51) increased by 16 percent in 1998/99. Disappearance is expected to decrease in 1998/99 due to reduced cigar production. Disappearance of Connecticut Valley binder is expected to be short of production, resulting in higher beginning stocks in 1999/2000.

Wisconsin binder production is expected to fall by 26 percent to 2.8 million pounds in 1999/2000. Acreage planted was reduced and yields increased. Carryover is expected to continue to decline as use exceeds production. As of September 1, 1999, Wisconsin binder production is projected at 2.8 million pounds, down 34 percent from 1998.

Wrapper

For the June 1998-July 1999 marketing year, shade-grown cigar wrapper (type 61) disappearance increased again, reaching 3.2 million pounds, compared with 2.3 million pounds the previous season. Production in 1998 was unchanged at 2.4 million pounds. Much of the shade-grown cigar wrapper is shipped overseas for processing, either to foreign buyers or to subsidiaries of U.S. firms in the Dominican Republic.

Acreage of Connecticut Valley wrapper is expected to be up in 1999 with production estimated at 3.0 million pounds, 541,000 pounds higher than the previous year due to higher acreage and better yields. Supply will likely decrease in 1999 due to higher disappearance. Disappearance is expected to continue the upward trend due to strong demand for premium cigars.

Table 26--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season average prices, 1989-99 (farm-sales weight)

Crop year 1/	Acreage harvested	Yield per acre	Supply			Disappearance			Avg. price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	1,000 acres	Pounds	Million pounds						Cents
Pennsylvania seedleaf filler (type 41)									
1989	5.5	1,950	10.7	24.3	35.0	12.1	12.1	*	127.0
1990	6.4	2,050	13.1	22.9	36.0	13.0	13.0	*	139.0
1991	6.7	2,050	13.7	23.0	36.7	12.1	12.1	*	143.0
1992	7.0	2,000	14.0	24.6	38.6	13.1	13.1	*	115.0
1993	5.8	2,100	12.2	25.5	37.7	13.7	13.7	*	95.0
1994	5.4	2,100	11.3	24.0	35.3	14.9	14.8	*	100.0
1995	4.5	2,050	9.2	20.5	29.7	11.8	11.4	*	145.0
1996	4.8	2,140	10.3	17.9	27.3	15.0	14.1	*	155.0
1997	4.9	2,200	10.8	13.2	22.9	11.0	11.0	*	160.0
1998	4.5	2,100	9.5	13.0	22.1	10.5	10.5	*	130.0
1999 2/	3.2	1,780	5.7	12.0	17.7				
Ohio, Miami Valley filler (types 42-44)									
1989	*	**	*	4.1	4.1	3.4	3.4	*	**
1990	*	**	*	0.7	0.7	0.7	0.7	*	**
1991 5/	*	**	*	*	*	*	*	*	**
Puerto Rico filler (type 46)									
1989	*	**	*	3.4	3.4	0.1	0.1	*	**
1990	*	**	*	3.3	3.3	0.7	0.7	*	**
1991	*	**	*	2.6	2.6	0.5	0.5	*	**
1992	*	**	*	2.1	2.1	0.9	0.9	*	**
1993	*	**	*	1.2	1.2	1.1	1.1	*	**
1994	*	**	*	0.1	0.1	0.1	0.1	*	**
1995 5/	*	**	*	*	*	*	*	*	**
Total cigar filler (types 41-46)									
1989	5.5	1,950	10.7	31.8	42.5	15.6	15.6	*	127.0
1990	6.4	2,050	13.1	26.9	40.0	14.3	14.3	*	139.0
1991	6.7	2,050	13.7	25.6	39.3	12.6	12.6	*	143.0
1992	7.0	2,000	14.0	26.7	40.7	14.0	14.0	*	115.0
1993	5.8	2,100	12.2	26.7	38.9	14.8	14.8	*	95.0
1994	5.4	2,100	11.3	24.1	35.4	15.0	14.9	*	100.0
1995	4.5	2,050	9.2	20.5	29.7	11.8	11.4	*	145.0
1996	4.8	2,140	10.3	17.9	27.3	15.0	14.1	*	155.0
1997	4.9	2,200	10.8	13.2	22.9	11.0	11.0	*	160.0
1998	4.5	2,100	9.5	13.0	22.1	10.5	10.5	*	130.0
1999 2/	3.2								
Connecticut Valley binder (types 51-52)									
1989	0.7	1,721	1.3	4.9	6.2	2.3	2.2	0.1	180.0
1990	0.7	1,758	1.2	3.9	5.1	2.6	2.6	*	250.0
1991	0.8	1,791	1.4	2.5	3.9	2.2	2.2	*	260.0
1992	0.8	1,810	1.5	1.6	3.1	1.2	1.2	*	280.0
1993	0.9	1,914	1.7	1.9	3.6	2.0	2.0	*	300.0
1994	1.0	1,893	1.8	1.6	3.4	2.0	2.0	*	306.0
1995	1.2	1,969	2.4	1.4	3.8	2.2	1.8	*	389.0
1996	1.6	1,780	2.9	1.6	4.5	3.3	3.3	*	628.0
1997	2.0	1,783	3.6	1.2	4.8	2.7	2.7	*	7.3
1998	2.4	1,539	3.6	2.1	5.7	2.2	2.2	*	5.5
1999 2/	0.2	1,768	4.2	3.5	7.7				
Southern Wisconsin binder (type 54)									
1989	3.5	2,185	7.6	4/	--	--	--	--	150.0
1990	4.1	2,275	9.3	4/	--	--	--	--	150.0
1991	4.1	2,390	9.8	4/	--	--	--	--	155.0
1992	4.0	2,115	8.5	4/	--	--	--	--	153.0
1993	2.8	1,675	4.7	4/	--	--	--	--	145.0
1994	1.9	2,200	4.2	4/	--	--	--	--	145.0
1995	1.9	2,370	4.5	4/	--	--	--	--	145.0
1996	1.9	1,900	3.6	4/	--	--	--	--	148.0
1997	1.8	2,330	4.2	4/	--	--	--	--	150.0
1998	1.5	1,735	3.2	4/	--	--	--	--	150.0
1999 2/	0.9	2,200	2.1						

See footnotes at end of table.

Continued--

Table 26--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season average prices, 1989-99 (farm-sales weight)--Continued

Crop year 1/	Acreage harvested	Yield per acre	Supply			Disappearance			Avg. price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	1,000 acres	Pounds			Million pounds				Cents
Northern Wisconsin binder (type 55)									
1989	2.0	1,800	3.6	4/	--	--	--	--	150.0
1990	2.8	1,435	4.0	4/	--	--	--	--	150.0
1991	3.2	1,685	5.4	4/	--	--	--	--	155.0
1992	3.2	1,450	4.6	4/	--	--	--	--	141.0
1993	1.8	1,085	2.0	4/	--	--	--	--	139.0
1994	1.0	1,775	1.7	4/	--	--	--	--	145.0
1995	0.9	1,985	1.7	4/	--	--	--	--	145.0
1996	1.0	1,600	1.6	4/	--	--	--	--	150.0
1997	0.8	1,995	1.5	4/	--	--	--	--	152.0
1998	0.6	1,565	1.1	4/	--	--	--	--	149.0
1999 2/	0.4	1,900	0.7						
Total Wisconsin binder (types 54-55)									
1989	5.5	2,045	11.2	29.6	40.8	13.7	13.7	*	150.0
1990	6.9	1,934	13.3	27.1	40.4	14.3	14.3	*	150.0
1991	7.3	2,081	15.2	26.1	41.3	12.8	12.8	*	155.0
1992	7.2	1,819	13.1	28.5	41.6	10.8	10.8	*	148.7
1993	4.6	1,444	6.6	30.8	37.4	9.5	9.5	*	143.2
1994	2.9	2,058	5.9	27.9	33.8	9.3	9.3	*	145.0
1995	2.8	2,247	6.2	24.6	30.8	9.0	9.1	*	145.0
1996	2.9	1,793	5.2	21.7	26.9	9.1	8.9	0.2	149.0
1997	2.6	2,235	5.7	17.8	23.9	7.3	9.6	0.4	150.5
1998	2.1	2,000	4.2	16.2	20.4	5.3	9.6	0.4	149.7
1999 2/	1.3	2,154	2.8	14.3	17.1				
Total Cigar binder (types 51-55)									
1989	6.2	2,007	12.5	34.5	47.0	16.0	15.9	0.1	153.0
1990	7.6	1,919	14.5	31.0	45.5	16.9	16.9	*	158.0
1991	8.1	2,052	16.6	28.6	45.3	14.2	14.2	*	164.1
1992	8.0	1,818	14.6	30.1	44.7	12.0	12.0	*	162.1
1993	5.5	1,520	8.3	32.7	41.0	11.4	11.4	*	175.1
1994	3.9	2,017	7.7	29.6	37.3	11.4	11.3	*	181.1
1995	4.0	2,161	8.6	25.9	34.6	11.3	11.3	*	213.7
1996	4.5	2,161	8.1	23.3	31.4	12.4	12.2	*	321.1
1997	4.6	1,948	9.3	19.0	28.7	10.0	12.3	*	375.4
1998	4.5	1,733	7.8	18.3	26.1	7.5	11.8	*	352.4
1999 2/	1.5	4,545	7.0	17.8	24.8				
Connecticut Valley shade-grown (type 61)									
1989	1.5	1,543	2.3	1.7	4.0	1.9	0.1	1.8	2,170.0
1990	1.6	1,627	2.7	2.1	4.8	2.8	0.2	2.6	2,100.0
1991	1.5	1,537	2.2	2.0	4.2	3.0	0.3	2.7	1,800.0
1992	1.0	1,484	1.5	1.2	2.7	1.2	0.2	1.0	1,700.0
1993	1.1	1,460	1.6	1.5	3.1	1.1	0.2	1.0	1,700.0
1994	1.2	1,400	1.7	2.0	3.7	2.0	0.2	1.3	1,780.0
1995	1.3	1,580	2.0	2.1	4.1	2.2	0.4	1.4	3/
1996	1.4	1,473	2.1	2.3	4.4	2.4	0.2	2.2	3/
1997	1.7	1,431	2.4	2.0	4.4	2.3	0.5	1.8	3/
1998	1.7	1,413	2.4	2.0	4.5	2.8	0.4	2.3	3/
1999 2/	1.9	1,540	3.0	1.3	4.3				
Grand total cigar tobacco (types 41-61)									
1989	13.2	1,931	25.5	68.0	93.5	33.5	31.6	1.9	322.6
1990	15.6	1,942	30.3	60.0	90.3	34.1	31.5	2.6	319.9
1991	16.3	2,005	32.6	56.2	88.8	30.8	28.1	2.7	267.0
1992	16.0	1,876	30.1	58.0	88.1	27.2	26.2	1.0	217.6
1993	12.4	1,787	22.1	55.6	82.9	27.3	26.4	1.0	239.8
1994	10.5	1,989	20.7	55.6	76.3	27.8	26.4	1.3	265.7
1995	9.8	2,037	19.8	48.5	68.3	24.9	23.1	1.4	4/ 182.0
1996	10.7	1,850	20.5	43.5	63.1	29.8	26.5	2.2	4/ 178.0
1997	11.2	2,018	22.5	34.2	55.2	22.0	19.4	2.5	4/ 259.9
1998	10.7	1,841	19.1	33.3	52.3	21.2	17.8	3.4	4/ 226.0
1999 2/	8.8	1,774	15.6	31.1	46.7				

* = Negligible. ** = Not applicable. -- = Not available. 1/ October 1 for types 41-55; July 1 for type 61. 2/ September 1 crop estimate.

3/ Growers of type 61 no longer provide price information. 4/ Does not include type 61. 5/ Subsequent years negligible.

Sources: Agricultural Marketing Service; National Agricultural Statistics Service; Farm Service Agency, USDA, Foreign Agricultural Service.

Table 27--Cigarettes: Estimated world output and exports, specified countries, annual 1990-99 1/

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	% change
										1997-98
	Billions									Percent
Production:										
China	1,645.0	1,599.7	1,644.0	1,675.0	1,710.0	1,735.0	1,700.0	1,684.0	1,674.7	-1
United States	709.7	694.5	718.5	661.0	725.6	746.5	758	719.6	679.7	-6
United Kingdom	126.0	127.2	126.5	116.8	114.9	156.0	170.3	171.0	163.5	-4
Germany	204.7	221.1	222.4	207.7	221.1	221.0	193.3	182.0	178.0	-2
France	55.5	50.3	53.3	47.9	48.2	46.4	46.9	45.0	43.3	-4
Italy	61.7	57.6	53.7	54.9	55.1	50.2	51.5	51.9	50.7	-2
Other EU	251.0	263.5	263.0	250.3	283.9	286.6	295.7	309.5	315.6	2
Total European Union 2/	698.9	719.7	718.9	677.6	723.2	760.2	757.7	759.4	751.1	-1
USSR 3/	299.5	286.8	271.7	280.6	271.8	276.2	297.1	330.0	331.9	1
Japan	270.1	285.4	296.6	289.3	268.9	262.8	271.0	254.6	188.1	-26
Brazil	174.0	176.4	153.7	149.1	163.9	173.7	182.3	182.8	170.0	-7
Other	1,621.3	1,588.6	1,559.1	1,566.1	1,613.6	1,624.6	1,714.8	1,700.7	1,701.7	0
Total	5,418.5	5,351.1	5,362.5	5,299.2	5,477.0	5,579.0	5,680.9	5,631.1	5,497.2	-2
Exports:										
United States	164.3	179.4	205.6	195.5	220.2	231.1	243.9	217.0	203.0	-6
Bulgaria	61.2	60.6	39.1	22.6	40.1	60.9	40.1	25.7	15.4	-40
United Kingdom	41.4	46.1	55.5	48.5	310.4	84.8	136.7	108.1	125.5	16
Switzerland	15.4	16.9	18.2	17.8	24.1	26.6	27.1	23.3	23.4	0
Germany	54.3	86.9	77.6	71.0	83.5	85.0	81.6	69.7	65.0	-7
Netherlands	69.3	76.5	74.1	73.1	79.9	82.2	116.0	118.0	103.7	-12
Belgium-Luxembourg	13.4	12.5	14.2	3.2	11.3	11.6	14.9	14.1	14.0	-1
Hong Kong	65.7	58.3	90.4	77.9	82.3	74.3	79.6	45.9	35.2	-23
Singapore	29.5	32.4	36.4	53.8	54.4	50.2	59.3	70.1	53.3	-24
Other	109.1	142.6	193.3	216.7	249.6	280.1	312.3	307.0	305.3	-1
Total	623.6	712.2	804.4	780.1	1,155.8	986.8	1,111.5	998.9	943.8	-6

1/ Estimates included in absence of reasonable data. 1997 preliminary. 2/ Excludes Austria, Sweden, and Finland--new members effective January 1, 1995.

3/ Former Soviet Union. Includes Papyrosa.

Compiled from USDA, FAS, Foreign Agriculture Circular, FT 8-98, August 1998.

Table 28--Estimated leaf used for cigarettes by kinds of tobacco, 1970-74, 1975-79, 1980-98

Calendar year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
Million pounds									
1970-74	623	459	19	1,101	556	410	19	186	1,171
1975-79	594	464	21	1,079	529	414	21	268	1,232
1980	537	456	22	1,015	479	407	22	350	1,258
1981	500	451	20	971	446	403	20	383	1,252
1982	473	435	28	936	422	388	28	360	1,198
1983	451	411	27	889	402	367	27	388	1,184
1984	439	369	29	837	392	329	29	391	1,141
1985	455	374	28	862	406	334	28	396	1,164
1986	426	365	26	817	380	326	26	418	1,150
1987	446	368	24	838	398	329	24	435	1,186
1988	474	406	24	904	423	363	24	392	1,202
1989	481	362	22	865	430	324	22	368	1,144
1990	532	397	21	950	475	354	21	378	1,228
1991	484	408	16	908	432	364	16	422	1,234
1992	463	348	16	827	413	310	16	520	1,259
1993	416	331	13	760	371	296	13	549	1,229
1994	434	353	12	799	391	317	12	447	1,218
1995	475	369	12	856	427	333	12	467	1,238
1996	464	313	12	789	418	282	12	547	1,258
1997 1/	453	317	13	783	408	286	12	573	1,278
1998 1/	417	268	7	692	375	241	6	477	1,100
Per 1,000 cigarettes									
Pounds									
1970-74	1.026	0.755	0.031	1.812	0.916	0.674	0.031	0.305	1.926
1975-79	0.871	0.680	0.031	1.582	0.777	0.607	0.030	0.392	1.806
1980	0.752	0.639	0.031	1.421	0.671	0.570	0.031	0.490	1.762
1981	0.679	0.612	0.027	1.318	0.606	0.547	0.027	0.520	1.700
1982	0.681	0.627	0.040	1.348	0.608	0.559	0.040	0.519	1.726
1983	0.676	0.616	0.040	1.332	0.603	0.550	0.040	0.582	1.774
1984	0.657	0.552	0.043	1.252	0.587	0.492	0.043	0.585	1.708
1985	0.684	0.562	0.042	1.288	0.610	0.502	0.042	0.595	1.750
1986	0.647	0.555	0.040	1.242	0.578	0.495	0.040	0.635	1.748
1987	0.647	0.534	0.035	1.216	0.578	0.477	0.035	0.631	1.720
1988	0.683	0.585	0.350	1.303	0.608	0.522	0.035	0.564	1.729
1989	0.710	0.535	0.032	1.272	0.635	0.478	0.032	0.543	1.689
1990	0.750	0.559	0.030	1.339	0.670	0.499	0.030	0.533	1.732
1991	0.697	0.587	0.023	1.306	0.622	0.522	0.023	0.608	1.777
1992	0.641	0.484	0.022	1.147	0.575	0.431	0.022	0.723	1.751
1993	0.629	0.501	0.020	1.150	0.561	0.448	0.020	0.831	1.859
1994	0.670	0.502	0.017	1.188	0.598	0.448	0.017	0.616	1.679
1995	0.636	0.495	0.016	1.147	0.572	0.445	0.016	0.625	1.659
1996	0.615	0.415	0.016	1.046	0.554	0.373	0.016	0.725	1.668
1997 1/	0.629	0.441	0.018	1.088	0.567	0.397	0.160	0.796	1.776
1998 1/	0.604	0.389	0.010	1.003	0.544	0.350	0.009	0.691	1.594

See footnotes at end of table.

Continued--

Table 28--Estimated leaf used for cigarettes by kinds of tobacco, 1970-74, 1975-79, 1980-98--Continued

Calendar year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Percent distribution								
	Percent								
1970-74	56.6	41.7	1.7	100.0	47.6	35.0	1.6	15.8	100.0
1975-79	55.0	43.0	2.0	100.0	43.0	33.6	1.7	21.7	100.0
1980	52.9	44.9	2.2	100.0	38.1	32.3	1.8	27.8	100.0
1981	51.5	46.4	2.1	100.0	35.6	32.2	1.6	30.6	100.0
1982	50.4	46.6	3.0	100.0	35.1	32.6	2.3	30.0	100.0
1983	50.8	46.2	2.9	100.0	34.0	31.0	2.2	32.8	100.0
1984	52.5	44.1	3.4	100.0	34.4	28.7	2.6	34.3	100.0
1985	52.8	44.0	3.2	100.0	34.8	28.9	2.4	33.9	100.0
1986	52.1	44.7	3.2	100.0	33.0	28.3	2.3	36.4	100.0
1987	53.2	43.9	2.9	100.0	33.6	27.7	2.0	36.7	100.0
1988	52.4	44.9	2.7	100.0	35.2	30.2	2.0	32.6	100.0
1989	55.8	41.7	2.5	100.0	37.7	28.2	1.9	32.2	100.0
1990	56.0	41.7	2.2	100.0	38.7	28.8	1.7	30.8	100.0
1991	53.3	44.9	1.8	100.0	35.0	29.4	1.4	34.2	100.0
1992	55.9	42.2	1.9	100.0	32.8	24.6	1.2	41.3	100.0
1993	54.7	43.6	1.7	100.0	30.2	24.1	1.0	44.7	100.0
1994	56.4	42.2	1.4	100.0	35.6	26.7	1.0	36.7	100.0
1995	55.4	43.2	1.4	100.0	34.5	26.9	1.0	37.7	100.0
1996	58.8	39.7	1.5	100.0	33.2	22.4	1.0	43.5	100.0
1997 1/	57.8	40.5	1.7	100.0	31.9	22.3	0.9	44.8	100.0
1998 1/	60.3	38.8	1.0	100.0	34.1	21.9	0.6	43.4	100.0

1/ Subject to revision.

Sources: Agricultural Marketing Service; National Agricultural Statistics Service; Farm Service Agency, Foreign Agricultural Service, USDA.

Table 29--Expenditures for tobacco products and disposable personal income, 1988-98 1/

Year	Total	Cigarettes	Cigars 2/	Other 3/	Disposable personal income	Disposable personal income spent on tobacco products						
						All	Cigarettes	Cigars 2/	Other 3/			
	Million dollars				Billion dollars				Percent			
1988	36,825	34,700	640	1,485	3,479	1.06	1.00	0.02	0.04			
1989	39,675	37,400	675	1,600	3,789	1.05	0.99	0.02	0.04			
1990	41,920	39,500	695	1,725	4,051	1.04	0.98	0.02	0.04			
1991	45,305	42,850	705	1,840	4,231	1.08	1.02	0.02	0.04			
1992	48,470	45,790	715	1,965	4,500	1.08	1.02	0.02	0.04			
1993	48,955	46,150	730	2,075	4,789	1.04	0.98	0.02	0.04			
1994	47,297	44,544	766	1,987	5,022	0.96	0.90	0.02	0.04			
1995	48,692	45,793	846	2,053	5,356	0.92	0.86	0.02	0.04			
1996 4/	50,319	47,233	979	2,107	5,608	0.90	0.85	0.02	0.04			
1997 4/	52,167	48,734	1,229	2,205	5,795	0.90	0.84	0.02	0.04			
1998 5/	57,273	53,236	1,607	2,430	6,027	0.95	0.88	0.03	0.04			

1/ Expenditures exclude sales tax. 2/ Includes small cigars (cigarette-size). 3/ Smoking tobacco, chewing tobacco, and snuff. 4/ Subject to revision. 5/ Estimated.

Compiled from reports of Department of Commerce, Bureau of Economic Analysis.

Table 30--Governmental revenues from tobacco products, 1987/88-1997/98

	Excise taxes			Total excise tax	State sales tax
	Federal	State	Local		
	Million dollars				
1987/88	4,522	4,879	195	9,596	--
1988/89	4,290	5,114	192	9,596	1,417
1989/90	4,123	5,594	192	9,909	1,508
1990/91	4,816	5,958	198	10,972	1,469
1991/92	5,110	6,132	194	11,436	1,996
1992/93	5,602	6,272	188	12,062	2,042
1993/94	5,714	6,778	185	12,623	2,005
1994/95	5,833	7,250	182	13,342	1,995
1995/96	5,795	7,608	181	13,584	1,983
1996/97	5,873	7,676	177	13,726	2,004
1997/98	5,607	7,975	196	13,779	1,977

-- = Not available.

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

Table 31--Cash receipts from farm marketings and tobacco, 1988-97

Period	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Million dollars				Percent	
1988	79,640	71,603	151,243	2,069	2.89	1.37
1989	83,918	76,892	160,810	2,410	3.13	1.50
1990	89,193	80,256	169,449	2,733	3.41	1.61
1991	85,750	82,001	167,751	2,881	3.51	1.72
1992	85,596	85,662	171,346	2,962	3.46	1.73
1993	90,036	87,102	177,617	2,949	3.39	1.66
1994	88,107	91,562	180,775	2,645	2.89	1.46
1995	86,844	98,906	185,750	2,594	2.62	1.40
1996	93,005	106,575	199,579	2,796	2.62	1.40
1997 1/	96,568	112,097	208,664	2,886	2.57	1.38

1/ Preliminary. Calendar year sales.

Source: National Agricultural Statistics Service.

Table 32--Tobacco: U.S. Department of Agriculture price support loan and program operations and other expenditures, 1994-98

Item	Year ending September 30				
	1994	1995	1996	1997	1998 1/
New loans made	851.4	160.9	27.3	162.1	618.6
Repayments	130.7	425.4	495.4	286.8	212.5
Other receipts and outlays	*	*	3.0	0.0	0.0
Marketing assessments	-28.1	-33.7	27.9	31.5	29.7
Net additions	692.7	-298.2	-437.2	-93.2	435.9
Loans outstanding:					
Value	1,402.4	1,294.4	345.5	252.3	688.2
Quantity (mil. lb.)	649.6	540.2	104.2	239.0	449.7
Net CCC losses or gains 3/	-28.1	-33.4	-27.9	-31.5	-29.7
			Other expenditures		
Crop insurance, total 5/	31.3	29.4	79.8	64.2	61.9
Disaster payments	5.1	1.4	0.0	0.0	0.0
Administration of quota program	14.7	15.3	14.3	14.8	16.1
Inspection, grading 6/	0.0	0.0	0.2	0.2	0.2
Market news	0.9	1.0	0.9	0.9	0.9
Research and extension: 7/					
Production and marketing	6.9	3.2	0.8	1.8	0.0
Health related	0.6	0.0	0.0	0.0	0.0
Economics and statistics 8/	0.7	0.5	0.5	0.5	0.5
Foreign market development	0.0	0.0	0.0	0.0	0.0
Total direct outlays	60.2	51.0	97.1	83.0	79.6

* = Negligible.

1/ Subject to revision. 2/ Negative numbers denote receipts. 3/ From price support program. 4/ Losses on tobacco loans made prior to the No-Net-Cost Program Act of 1982. The No-Net-Cost Act precludes net USDA expenditures for operating the tobacco price support-production control program.

5/ Indemnities less producer-paid premiums plus administrative expenses for delivery of crop insurance by companies. 6/ User fees cover most costs of inspection and grading. 7/ Includes Agricultural Research Service (no tobacco funding after 1995), Cooperative State Research Service and Extension Service. 8/ Includes Economic Research Service, National Agricultural Statistics Service, and Foreign Agricultural Service economic and statistical analyses.

Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, annual issues, 1993-94, CCC Estimates, FSA Financial

Table 33--Flue-cured tobacco production costs and returns, 1997-98

Item	1997	1998	1997	1998
	Dollars per acre		Cents per pound	
Gross value of production	3,930.20	3,870.22	172.00	175.60
Cash expenses:				
Seed and plant bed 1/ 2/	57.65	59.10	2.53	2.69
Fertilizer	290.73	304.39	12.75	13.85
Chemicals	218.38	220.18	9.58	10.02
Custom operations	9.88	8.00	0.43	0.36
Fuel, lube, and electricity 3/	71.74	59.56	3.15	2.71
Curing fuel	301.50	290.67	13.22	13.22
Repairs 4/	109.74	110.67	4.81	5.03
Hired labor 5/	491.96	554.12	21.57	25.21
Marketing expenses 6/	148.98	145.95	6.53	6.64
Other variable cash expenses 7/	4.12	3.96	0.18	0.18
Total, variable cash expenses	1,704.68	1,756.60	74.75	79.91
General farm overhead	149.71	181.75	6.57	8.27
Taxes and insurance	122.91	140.61	5.39	6.40
Interest	142.47	169.37	6.25	7.71
Total, fixed cash expenses	415.09	491.73	18.21	22.38
Total, cash expenses	1,810.43	1,621.89	79.04	73.31
Economic (full ownership) costs:				
Variable cash expenses	1,704.68	1,756.60	74.75	79.91
General farm overhead	149.71	181.75	6.57	8.27
Taxes and insurance	122.91	140.61	5.39	6.40
Capital replacement	273.03	283.70	11.97	12.91
Operating capital	44.55	42.60	1.95	1.94
Other nonland capital	84.40	80.10	3.70	3.64
Land and quota 8/	777.44	798.94	34.09	36.35
Unpaid labor 9/	199.62	224.84	8.75	10.23
Total, economic (full ownership) costs	3,356.34	3,509.14	147.17	159.65
Residual returns to management and risk	573.86	361.08	24.83	15.95
Price (dollars/lb. and cwt.)	1.72	1.76	172.35	175.36
Yield (lb. and cwt./acre)	2,285.00	2,204.00	22.80	21.98

1/ Includes seed, purchased plants, fiber, plastic and/or canvas covers, potting soil, trays, tubes, wood, etc.

2/ Excludes chemicals, fertilizers, fuels, lubricants, and utilities.

3/ Includes cost of LP gas, gasoline, diesel fuels, and lubricants used for tractors, trucks, machinery, and irrigation equipment.

4/ Includes costs of repairs for machinery, equipment, irrigation, and flue-cured tobacco related buildings.

5/ Includes hired and contract labor expenses as reported by surveyed growers, including cash and noncash benefits.

6/ Includes marketing assessments and fees, no-net-cost, inspection, and grading.

7/ Includes items such as sticks, twine, grading boxes, baling supplies.

8/ Weighted average of cash and share rented quota.

9/ Includes operator, partner, and family unpaid labor valued at prevailing hired wage rates as reported by NASS.

Statistical Summary

Item	Unit or base period	1998		1999			Last data as percentage of a year earlier
		July	August	June	July	August	
Average price to growers							
Flue-cured	Ct. per lb.	163.0	162.6	closed	149.7	164.0	99
Burley	Ct. per lb.	closed	closed	closed	closed	closed	**
Maryland	Ct. per lb.	closed	closed	closed	closed	closed	**
Virginia fire-cured	Ct. per lb.	closed	closed	closed	closed	closed	**
Ky.-Tenn. fire-cured	Ct. per lb.	closed	closed	closed	closed	closed	**
Ky.-Tenn. dark air-cured	Ct. per lb.	closed	closed	closed	closed	closed	**
Virginia sun-cured	Ct. per lb.	closed	closed	closed	closed	closed	**
Price support level 1/							
Flue-cured	Ct. per lb.	162.8			163.2		100
Burley	Ct. per lb.	177.8			178.9		99
Virginia fire-cured	Ct. per lb.	153.6			155.9		99
Ky.-Tenn. fire-cured	Ct. per lb.	168.1			171.6		98
Ky.-Tenn. dark air-cured	Ct. per lb.	145.0			148.1		98
Virginia sun-cured	Ct. per lb.	136.0			138.0		99
Wisc. binder and Ohio filler	Ct. per lb.	121.2			123.8		
Parity index 2/	1910-14=100	1,550	1,541	1,552	1,546	1,544	100
Industrial production index 3/	1992=100	130.5	132.4	134.2	135.1	--	--
Employment-Civilian	Millions	131.2	131.3	133.4	133.3	133.4	98
Personal income 4/	Bil. dol.	7,133.7	7,164.1	7,487.1	7,504.4	--	--
1997-98							
		December		January		November	
		December		December		January	
Taxable removals							
Cigarettes	Billions	36.7	35.9	39.6	29.1	31.2	87
Cigars and cigarillos	Millions	318.7	260.8	253.1	257.8	229.2	88
Accumulated from Jan. 1							
Cigarettes	Billions	72.6	35.9	428.7	457.8	31.2	87
Cigars and cigarillos	Millions	579.5	260.8	2,927.0	3,184.8	229.2	88
Tax-exempt removals							
Cigarettes	Billions	18.1	16.8	13.0	13.5	14.5	86
Exports	Billions	15.8	16.4	12.8	13.3	14.3	87
Cigars and cigarillos	Millions	10.6	12.6	9.0	12.4	8.9	71
Accumulated from Jan. 1							
Cigarettes	Billions	34.9	16.8	199.0	212.5	14.5	86
Exports	Billions	32.1	16.4	195.9	209.2	14.3	87
Cigars and cigarillos	Millions	23.2	12.6	122.0	134.4	8.9	71
1998							
		May		June		April	
		May		May		June	
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Million lb.		5.2			6.3	121
Chewing tobacco	Million lb.		25.9			25.4	98
Snuff	Million lb.		31.5			31.9	101
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Million lb.		0.5			1.0	200
Chewing tobacco	Million lb.		2.0			1.1	55
Snuff	Million lb.		0.6			0.9	150
Producer price indexes 5/							
Tobacco products	1982=100	278.4	278.7	363.4	363.4	363.6	130
Cigarettes (filtertip, king size)	1982=100	303.8	303.2	412.0	412.0	412.3	136
Cigars	1982=100	225.9	225.7	239.7	140.0	245.0	109
Smoking tobacco	1982=100	233.9	233.9	256.5	256.5	256.5	110
Snuff	1982=100	349.8	349.8	381.5	381.5	381.5	109
Consumer price index (urban)							
Tobacco products	1982-84=100	270.0	266.9	349.9	345.5	343.2	129
Imports of tobacco (for consumption) 6/							
Cigarette leaf	Million lb.	7.0	5.2	20.8	10.0	64.6	*
Cigar tobacco (leaf and scrap)	Million lb.	6.0	4.7	2.3	4.5	9.6	*
Other tobacco (leaf, scrap, & stems)	Million lb.	10.3		11.2	2.9	29.5	*
Accumulated from Jan. 1 6/							
Cigarette leaf	Million lb.	143.6	148.8	118.1	128.1	192.7	*
Cigar tobacco (leaf and scrap)	Million lb.	32.7	36.7	15.8	20.3	29.9	*
Other tobacco (leaf, scrap, & stems)	Million lb.	42.6	56.7	22.0	24.9	54.4	*

See footnotes at end of table.

Statistical Summary--Continued

Item	Unit or base period	1998		1999		Last data as percentage of a year earlier	
		May	June	April	May		June
Exports of leaf tobacco (farm-sales weight):							
Flue-cured 7/	Mil. lb.	26.1	21.0	20.0	19.4	10.4	50
Burley 7/	Mil. lb.	34.2	20.0	45.8	56.6	24.8	124
Maryland	Mil. lb.	1.9	1.7	1.0	0.9	0.7	41
Virginia fire- & sun-cured	Mil. lb.	*	*	0.8	*	1.3	**
Ky.-Tenn. fire-cured 8/	Mil. lb.	4.4	1.4	2.5	1.2	1.8	129
Ky.-Tenn. dark air-cured 9/	Mil. lb.	*	*	*	*	*	**
Cigar wrapper	Mil. lb.	0.4	0.5	0.4	0.4	0.5	100
Cigar binder	Mil. lb.	*	**	**	**	**	**
Accumulated from beginning of marketing year 10/:							
Flue-cured 7/	Mil. lb.	214.8	184.4	195.4	215.4	234.8	127
Burley 7/	Mil. lb.	57.4	156.7	0.8	46.6	103.2	66
Maryland	Mil. lb.	2.6	0.4	1.7	2.7	3.6	900
Virginia fire- & sun-cured	Mil. lb.	0.7	0.6	0.7	1.5	1.5	250
Ky.-Tenn. fire-cured 8/	Mil. lb.	7.9	1.0	6.7	9.2	10.4	1,083
Ky.-Tenn. dark air-cured 9/	Mil. lb.	*	*	*	*	*	**
Cigar wrapper	Mil. lb.	3.5	1.8	3.1	3.5	3.9	217
Cigar binder	Mil. lb.	*	0.6	0.5	0.5	0.5	83
Exports of manufactured tobacco in bulk and not elsewhere classified 11/:							
Accumulated from Jan. 1	Mil. lb.	199.1	187.0	204.1	167.4	206.5	110
	Mil. lb.	977.5	11,164.5	740.2	907.6	1,114.1	10

Quarterly data

		1998		1998		
		Apr-June	July-Sept	Apr-June	July-Sept	
Stocks of tobacco--1st of quarter (farm-sales weight) 12/ :						
Domestic types--						
Flue-cured	Mil. lb.	1,428	1,253	1,234	1,234	99
Burley	Mil. lb.	944	881	1,434	1,002	114
Maryland	Mil. lb.	21	26	22	19	73
Fire-cured	Mil. lb.	101	96	98	92	96
Dark air- and sun-cured	Mil. lb.	27	23	28	26	114
Cigar filler	Mil. lb.	16	14	16	13	94
Cigar binder	Mil. lb.	23	20	20	19	95
Cigar wrapper	Mil. lb.	2	2	2	1	65
Under Government loan 13/:	Mil. lb.	321	423	507	552	131
Foreign types--						
Cigarette and smoking	Mil. lb.	1,097	1,079	986	970	90
Oriental	Mil. lb.	356	352	128	329	94
Flue-cured	Mil. lb.	406	416	352	350	84
Burley	Mil. lb.	325	300	297	180	60
Other	Mil. lb.	10	11	11	10	91
Cigar	Mil. lb.	120	97	116	110	113

-- = Not available. * = Negligible. ** = Not applicable.

1/ 1995 and 1996 crops, respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted.

4/ Seasonally adjusted, annual rate. 5/ Federal and applicable State and local taxes included. 6/ Declared weight.

7/ Not adjusted for re-exports of foreign-grown leaf. 8/ Includes blackfat share. 9/ Blackfat share only. 10/ July 1 for flue-cured and cigar

wrapper and October 1 for others. 11/ Includes smoking tobacco in packages, smoking tobacco in bulk and other manufactured products.

12/ Holdings of manufacturers and dealers, including grower cooperatives. 13/ Reported by grower cooperatives.

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