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Tobacco Outlook

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Leaf Production Rebounds

During the second season since the termination of the program, U.S. tobacco production recovered, gaining nearly 100 million pounds. From a low point of 647.3 million pounds in 2005, production for 2006 is projected at 743.1 million as of September 1. Sharp post-buyout declines, caused by an exodus of producers, have been overtaken by growers expanding acreage in light of favorable prices and by some expansion in nontraditional growing areas. The crop is expected to be 15 percent above last season's. As of September 1, 2006, acreage is projected at 334,150 acres, compared with 298,080 acres last season. Cigarette leaf production is expected to account for 92 percent of U.S. leaf output in 2006, slightly higher than last season. Cigar types comprised 1 percent, while dark-fired and air-cured leaf made up 7 percent of the total crop.

Production for 2006-07 is higher, but beginning stocks slipped by 250 million pounds, resulting in lower supplies for 2006. Supplies of U.S.-grown tobacco in 2006 are expected to slip 7 percent from last season. With production expected at 743.1 million pounds and stocks of 1,214.6 million, supplies are set at 1,957.7 million pounds.

Disappearance (use) of U.S.-grown leaf is expected to decline 6 percent by the end of the 2005/06 marketing year to about 892 million pounds. The 60-million-pound loss is primarily due to a 100-million-pound decline in domestic use due to lower cigarette production and competition from foreign leaf. Export disappearance in 2006 advanced 40 million pounds, largely due to higher flue-cured shipments.

Cigarette output in calendar 2005 continued long-term trends, slipping by 12 billion pieces to end at 489 billion cigarettes. Taxable removals ended the year at 363 billion. Domestic consumption for 2005 slid 12 billion pieces to 376 billion. For 2006, production is estimated at 496 billion pieces, up 1.5 percent from 2005 and the first production increase in 10 years. Taxable removals are expected to be close to 370 billion cigarettes and consumption is projected at 372 billion cigarettes. Based on January-June trends, exports are set to increase (for the first time since 1996) by 10 percent, to end at 119 billion pieces.

Contents

[Tobacco Products](#)
[U.S. Exp. & Imp.](#)
[Tobacco Leaf](#)
[Flue-Cured](#)
[Burley](#)
[Maryland Tobacco](#)
[Fire-Cured](#)
[Dark Air-Cured](#)
[Cigar Tobacco](#)
[Contact & Links](#)

Tables

[Cigarettes](#)
[U.S. Leaf Imports](#)
[U.S. Leaf Exports](#)
[All Tobacco](#)
[Flue-Cured &
Burley S&U](#)

Web Sites

[WASDE](#)
[Tobacco Briefing
Room](#)

The next release is
April 2007

Approved by the
World Agricultural
Outlook Board.

Imports are projected to slip for the third year in a row, ending at 17 billion pieces. During 2006, 12 States raised cigarette excise taxes an average increase of 58 cents per pack. Per capita consumption (18 years old and over) slid to 1,691 cigarettes in 2006 compared with 1,716 cigarettes the previous year.

With no quotas in effect, most of this season's flue-cured production, 454.7 million pounds, is expected to be sold under contract to leaf dealers and manufacturers. In addition, Flue-cured Stabilization is operating nine marketing centers where producers can market their tobacco.

Beginning flue-cured stocks on July 1, 2006 were 604.0 million pounds, compared with 796.0 million pounds on July 1, 2005. The total reported supply of U.S.-grown flue-cured in 2006 is about 1,060 million pounds, 10 percent below the supply available at the beginning of the 2005 marketing year.

As of September 1, burley production in 2006 is estimated at 224.6 million pounds compared with 203.4 million pounds last season. Acreage is 103,700 acres, 3,550 acres greater than last season. The 10-percent increase in production is largely due to excellent yields in the burley belts. Smaller beginning stocks in October 2006 are expected to result in supplies of 626.7 million pounds, nine percent below the previous season's 688.0 million pounds. Expected disappearance during the 2005-06 crop year will be between 285 and 290 million pounds. Domestic use slipped nearly 14 million pounds and export disappearance lost 27 million pounds.

According to the September 1 crop production forecast, smaller crops are forecast for Maryland, dark fire-cured, and cigar tobacco. Dark air-cured leaf production advanced 36 percent due to a larger Kentucky crop.

Exports during the calendar year-to-date rebounded 16 percent to reach 212.0 million pounds (311.5 million pounds farm sales weight), the highest January-June level since 2001. Flue-cured shipments nearly doubled for the period, stems advanced, and burley shipments, already at high levels, declined. Flue-cured shipments were 81.9 million pounds and burley shipments were 94.0 million. Germany, Switzerland, the Netherlands, and China were the top destinations. Japan, normally a major buyer, took only 11 percent of last year's shipment. The Bureau of the Census reported 72 countries as destinations for U.S. tobacco leaf during January-June 2006.

Imports for consumption advanced 47 percent during January-June 2006 compared with January-June 2005. The 92-million-pound-gain was slightly larger than the 83-million-pound decline the previous year. The period ended at 289.4 million pounds, compared with 196.5 million pounds last year. Value was \$390.7 million, compared with \$306.1 million the previous year.

Tobacco Products

Cigarette Consumption Slides 1 Percent in 2006 to 372 Billion

U.S. cigarette consumption in 2006 is estimated at 372 billion pieces, 1.1 percent below 2005's 376 billion cigarettes, continuing a long-term declining trend. Output in 2005 totaled 489 billion pieces, which increased 1.5 percent in 2006 to reach 496.4 billion, the first gain in 10 years. From 363 billion in 2005, taxable removals are expected to advance 1 percent during 2006 to reach 368 billion. Per capita consumption (population 18 and older) was 1,691 cigarettes per person, compared with 1,716 in 2005. Cigarette exports during the first 6 months of 2006 reached 58.2 billion pieces, compared with 53.8 billion during the same 6-month period in 2005. Japan purchased 77 percent of U.S. cigarette exports (44.6 billion pieces) during the first 6 months of 2006. Saudi Arabia, Lebanon, and Iran all purchased more than a billion cigarettes. Hong Kong, United Arab Emirates, Israel, and Kuwait (in order of importance) were also major destinations. Imports for January-June 2006 totaled 7.2 billion cigarettes, 16 percent below the same 6-month period in 2005. Colombia, Canada, Brazil, and South Korea were major sources for U.S.-bound cigarettes. Cigarette imports are expected to decrease in 2006, for the fourth consecutive year.

During the 12 months ending June 30, 2006 (July 2005-June 2006), output was 494.4 billion cigarettes, 3 percent less than the previous 12-month period. Taxable removals were 366.1 billion, down 3.2 billion. During the same period exports increased (for the first time since 1996) by 10 percent to end at 117.6 billion pieces. Imports for July 2005-June 2006 slipped for the third year in a row, ending at 16.1 billion.

Cigarette Taxes

During 2006, four States have raised cigarette excise taxes (table 4). The average increase was 29 cents per pack. By the end of 2006, 20 states will have cigarette excise tax rates of \$1.00 or greater, and 5 States (Maine, Michigan, New Jersey, Rhode Island, and Washington) will have tax rates of over \$2.00 per pack. The projected consumption-weighted-average State cigarette excise tax rate for 2006 is 80.44 cents per pack of 20 cigarettes. For 2005, the revised consumption-weighted-average State cigarette excise tax rate is 78.59 cents per pack.

Wholesale Prices

Cigarette wholesale prices have not changed since they increased 12 cents per pack in April 2002. Including the Federal excise tax, the current wholesale price is \$2.374 per pack. The Federal excise tax has been 39 cents per pack since January 1, 2002. Although wholesale prices have not changed, manufacturers have changed the cost to wholesalers by adjusting discounts, rebates, and other programs to effectively change the wholesale price. These changes, however, are not easily quantified at an industry level.

CPI for Cigarettes and Tobacco Products Up

The Consumer Price Index (CPI) for tobacco products (cigarettes, cigars, chewing, snuff, and smoking tobacco) is projected to increase from 502.8 in 2005 to an

estimated 519.0 during 2006, based on 6 months of data. The CPI for cigarettes advanced from 203.5 in 2005 to an estimated 209.6 in 2006. For tobacco products other than cigarettes, the CPI ended 2005 at 151.1 and is projected to finish 2006 at 155.0.

Cigar Output Slips in 2005, but Expected To Regain Ground in 2006

During calendar 2005, cigar output slipped 17 percent from the previous year to reach 3,674 million cigars. During the same period, taxable removals gained 3 percent to 4,432 million cigars. Exports for calendar year 2005 were 301 million cigars, nearly double the previous year. Imports during 2005 were 445 million cigars, down 28 percent from the previous year.

For the 12 months ending June 30, 2006 (July 2005 - June 2006), cigar output slid 5 percent to 4,832 million cigars. Taxable removals advanced 5 percent to 4,562 million. Exports fell to less than half the level of the previous 12-month period to 166 million cigars. Canada, Turkey, China, and Japan were major destinations.

Calendar year 2006 cigar output is projected at 3,977 million pieces, 8 percent over 2005. Taxable removals showed a similar gain to 4,690 million. During the first 6 months of 2006, exports were half the level of the previous year and are projected at 150 million for the year. Projected imports are 334 million cigars, 25 percent below the previous year, again based on 6 months of data. Imports for January-June 2006 were 339 million cigars, compared with 347 million during the 6-month period a year earlier. The Dominican Republic, Honduras, Nicaragua, and India accounted for 94 percent of import volume. For the year ending June 2006, imports totaled 506 million cigars, 15 percent ahead of the same period a year earlier.

Small Cigars

Small cigars weigh less than 3 pounds per 1,000 cigars and must contain cigar-type wrapper and filler. Small cigar output in 2005 reached 4,665 million pieces, 39 percent above the previous year. Projected output in 2006 is 5,513 million, a gain of 18 percent. Taxable removals, as indicated by domestic invoices, reached 2,231 million pounds during 2005 and are projected to increase further to 2,690 million in 2006.

Exports of small cigars reached 110 thousand pieces during 2005 and are projected to continue increasing in 2006. Canada, Russia, and Japan were major destinations for small cigars. Imports were 198 thousand cigars during the same period. Trade accounts for a small part of U.S. small cigar disappearance. Imports for 2005 are expected to reach about 200 million pieces. India, Honduras, Brazil, Colombia, and the Netherlands were major sources for small cigars during the first half of 2006, accounting for 90 percent of U.S. imports.

Other Tobacco Products

Snuff output in 2005 continued long-term gains, ending nearly 10 percent higher at 84.5 million pounds. Taxable removals were 79.1 million pounds. During the first 6 months of 2006 output slipped 6 percent, the first half-year decline in over a decade. At this rate, year-end output is projected at 79.7 million pounds. Taxable

removals during the 6-month period gained 6 percent. During the past decade, snuff consumption has advanced 25 percent.

On a July-June basis, snuff output during the year ending June 30, 2006 slipped 2 percent from the previous 12-month period to end at 84.1 million pounds. During the same period, taxable removals advanced 4 percent, ending at 81.4 million pounds.

Chewing tobacco output in 2005 was nearly unchanged from the previous year at 39.2 million pounds, continuing long-term declines. During the first 6 months of 2006, chewing tobacco output slid 3 percent, less than in 2005. Output in 2006 is projected at 38.0 million pounds. Taxable removals in 2005 slipped less than 1 percent to end at 37.7 million pounds. For the year ending June 30, 2006 (July 2005 - June 2006, the latest full year of data available), output of chewing tobacco totaled 38.6 million pounds, 2 percent lower than a year earlier. Imports represent less than 1 percent of invoiced chewing tobacco. Exports are less than 1 percent of output.

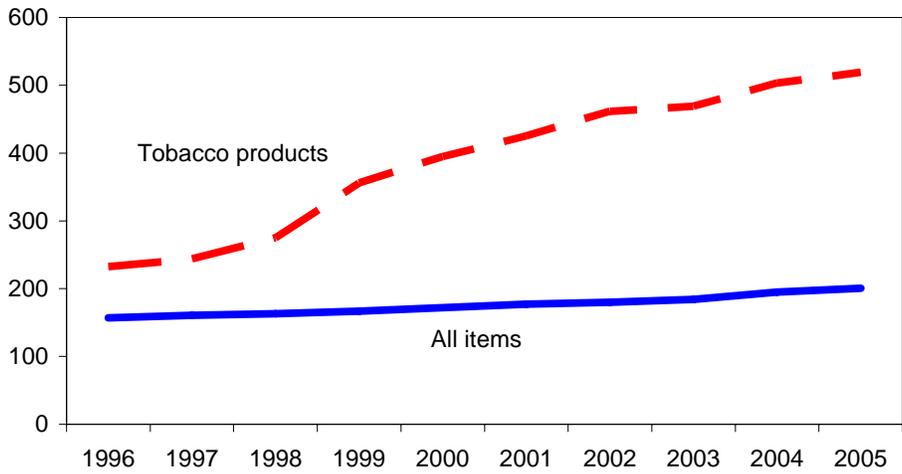
After declining to less than 5 million pounds in the mid-1990s, smoking tobacco output has increased 3 out of the past 5 years. Output for 2005 reached 17.4 million pounds, and is projected down 4 percent during 2006. Both pipe and cut smoking tobacco slipped. However, last year, cut smoking tobacco advanced about 2 million pounds. Cut tobacco, also known as cut rag, is predominately used in roll-your-own (RYO) cigarettes. Higher cigarette taxes continue to boost cut tobacco consumption because of the resurgence in the RYO market. Taxable removals of smoking tobacco totaled 16.4 million pounds in 2005 and are projected to slip to 16.2 pounds in 2006.

During the 12-month period ending June 30, 2006, smoking tobacco output advanced 8 percent to 17.0 million pounds compared with the previous July-June period. Cut tobacco gained 14 percent to 13.0 million pounds. Pipe tobacco slipped 9 percent to 4.0 million pounds. Taxable removals for July 2005-June 2006 were steady at 16.2 million pounds.

Figure 1

Consumer Price Index and tobacco products

% of 1982-84

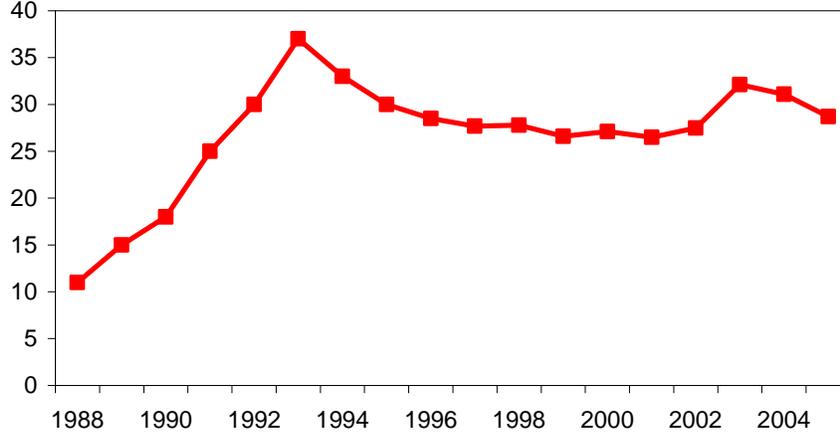


Source: Bureau of Labor Statistics.

Figure 2

Discount cigarette share of U.S. cigarette consumption

Percent



Source: Economic Research Service, USDA.

Table 1--Cigarettes: U.S. output, removals, and consumption, 1996-2006

Year	Removals							Total U.S. consumption 3/
	Total output	Taxable	Tax-exempt			Imports	Adjustment 2/	
			Total	Exports	Miscellaneous shipments 1/			
<i>Billions</i>								
1996	754.5	486.0	261.0	243.9	17.1	2.8	18.9	487.0
1997	722.8	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	611.5	434.5	165.6	151.4	14.1	8.7	17.6	435.0
2000	594.1	422.5	153.6	148.3	5.4	11.3	10.0	430.0
2001	562.8	412.1	144.6	133.9	10.7	14.7	12.5	425.0
2002	532.0	395.2	136.3	127.4	2.6	20.8	3.3	415.0
2003	499.4	376.7	126.6	121.5	5.1	23.1	4.9	400.0
2004	493.5	375.6	114.3	118.6	3.2	22.7	6.0	388.0
2005	489.0	363.0	123.5	113.3	10.2	18.1	15.3	376.0
2006 4/	496.4	368.4	120.0	119.0	1.0	16.3	13.8	372.0
<i>Year ending June 30</i>								
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	713.2	465.2	229.0	215.5	13.5	3.5	17.2	465.0
1999	637.2	437.5	190.3	176.8	13.5	6.1	22.1	435.0
2000	605.3	432.3	159.3	142.6	16.7	9.9	28.9	430.0
2001	579.6	418.1	150.5	133.9	16.6	12.2	22.0	425.0
2002	556.5	408.3	140.0	132.1	7.9	17.9	14.1	420.0
2003	530.1	381.4	130.5	123.4	7.1	23.1	6.6	405.0
2004	492.6	373.1	121.2	122.6	2.4	22.7	10.2	388.0
2005	482.0	369.3	114.8	107.0	7.8	18.1	17.2	378.0
2006 5/	494.4	366.1	123.6	117.6	6.0	17.0	16.1	373.0

1/ Includes overseas armed forces, ship stores, 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, adjustment, and imports.

4/ Estimate. 5/ Subject to revision.

Sources: Alcohol and Tobacco Tax and Trade Bureau, *Monthly Statistical Release - Tobacco Products*, Bureau of the Census, Reports EM545 and IM146.

Table 2--Per capita consumption of tobacco products in the United States (including overseas forces), 1996-2006

Year	Per capita	Per capita 18 years and over				Per male 18 years and over			
	16 years and over	Cigarettes 1/		Snuff 2/	All tobacco products	Large cigars & cigarillos		Smoking tobacco 2/	Chewing tobacco 2/
	<i>Number</i>	<i>Number</i>	<i>Pounds</i>	<i>Pounds</i>		<i>Number</i>	<i>Pounds</i>		
1996	2,355	2,445	4.1	0.31	4.83	31.9	0.52	0.12	0.63
1997	2,290	2,422	4.1	0.31	4.85	37.3	0.61	0.11	0.60
1998	2,190	2,275	3.6	0.31	4.32	37.1	0.61	0.12	0.53
1999	2,022	2,101	3.5	0.32	4.23	38.5	0.63	0.13	0.51
2000	1,974	2,049	3.4	0.33	4.10	38.0	0.62	0.13	0.48
2001	1,976	2,051	3.5	0.34	4.30	41.2	0.68	0.15	0.47
2002	1,909	1,982	3.4	0.34	4.16	41.8	0.68	0.16	0.43
2003	1,820	1,890	3.2	0.35	3.97	44.5	0.73	0.16	0.40
2004	1,747	1,814	3.1	0.36	3.87	47.9	0.79	0.15	0.37
2005	1,675	1,716	2.9	0.36	3.69	46.9	0.77	0.16	0.36
2006 3/	1,650	1,691	2.9	0.38	3.69	47.8	0.78	0.15	0.37

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

Sources: Alcohol and Tobacco Tax and Trade Bureau, *Monthly Statistical Release - Tobacco Products*, Bureau of the Census, *Population Estimates*.

<http://www.census.gov/population/projections/nation/summary/>.

Table 3--U.S. cigarette exports to leading destinations, 2005-2006

Country	July 2005-	January-June	
	June 2006	2005	2006 1/
<i>Billions</i>			
Japan	89.0	38.7	44.6
Saudi Arabia	8.2	5.1	4.0
Lebanon	4.1	2.0	2.2
Iran	3.9	1.7	1.6
Hong Kong	1.8	1.0	0.7
United Arab Emirates	1.7	0.8	0.9
Israel	1.6	0.6	0.5
Kuwait	1.4	1.2	0.9
Taiwan	1.4	0.7	0.6
Singapore	0.9	0.4	0.1
Morocco	0.7	0.2	0.3
Netherlands	0.5	0.2	0.3
Uruguay	0.5	*	*
Qatar	0.4	0.2	0.2
Oman	0.3	0.2	0.2
Bahrain	0.3	0.2	0.2
Belgium	0.1	*	*
Australia	0.1	0.1	*
Bermuda	0.1	*	*
Yemen	0.1	*	*
Micronesia	0.1	*	*
Other countries	0.6	0.5	0.9
Total	117.6	53.8	58.2

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

Sources: Compiled from Bureau of the Census, Reports *EM545* and *IM146*.

Table 4--State cigarette tax increases, 2002-06

State:	<i>Per pack of 20 cigarettes</i>		
	Increase	New rate	Effective date
Washington	\$0.60	\$1.42	01/01/02
Connecticut	\$0.61	\$1.11	04/03/02
New York State	\$0.39	\$1.50	04/03/02
Rhode Island	\$0.32	\$1.32	05/01/02
Utah	\$0.18	\$0.70	05/06/02
Illinois	\$0.40	\$0.98	07/01/02
Indiana	\$0.40	\$0.56	07/01/02
Kansas	\$0.46	\$0.70	07/01/02
Maryland	\$0.34	\$1.00	07/01/02
New Jersey	\$0.70	\$1.50	07/01/02
Ohio	\$0.31	\$0.55	07/01/02
Vermont	\$0.49	\$0.93	07/01/02
New York City	\$1.42	\$1.50	07/02/02
Pennsylvania	\$0.69	\$1.00	07/15/02
Tennessee	\$0.07	\$0.20	07/15/02
Massachusetts	\$0.75	\$1.51	07/25/02
Louisiana	\$0.12	\$0.36	08/01/02
Michigan	\$0.50	\$1.25	08/01/02
Hawaii	\$0.20	\$1.20	10/01/02
Nebraska	\$0.30	\$0.64	10/01/02
Oregon	\$0.60	\$1.28	11/01/02
Arizona	\$0.58	\$1.18	11/25/02
District of Columbia	\$0.35	\$1.00	01/01/03
Connecticut	\$0.40	\$1.51	03/15/03
South Dakota	\$0.20	\$0.53	03/18/03
Montana	\$0.52	\$0.70	05/01/03
West Virginia	\$0.38	\$0.55	05/01/03
Idaho	\$0.29	\$0.57	06/01/03
Georgia	\$0.25	\$0.37	07/01/03
Hawaii	\$0.10	\$1.30	07/01/03
Kansas	\$0.09	\$0.79	07/01/03
New Jersey	\$0.55	\$2.05	07/01/03
New Mexico	\$0.70	\$0.91	07/01/03
Vermont	\$0.26	\$1.19	07/01/03
Wyoming	\$0.48	\$0.60	07/01/03
Delaware	\$0.31	\$0.55	08/01/03
Alabama	\$0.26	\$0.43	05/06/04
Hawaii	\$0.10	\$1.40	07/01/04
Michigan	\$0.75	\$2.00	07/01/04
New Jersey	\$0.35	\$2.40	07/01/04
Rhode Island	\$0.75	\$2.46	07/01/04
Virginia	\$0.18	\$0.20	09/01/04
Alaska	\$0.60	\$2.00	01/01/05
Montana	\$1.00	\$1.70	01/01/05
Oklahoma	\$0.80	\$1.03	01/01/05
Colorado	\$0.64	\$0.84	01/01/05
Kentucky	\$0.27	\$0.30	06/01/05
Maine	\$1.00	\$2.00	07/01/05
Ohio	\$0.70	\$2.25	07/01/05
Washington	\$0.60	\$2.03	07/01/05
New Hampshire	\$0.28	\$0.80	07/01/05
Virginia	\$0.10	\$0.30	07/01/05
Minnesota	\$0.75	\$1.23	09/01/05
North Carolina	\$0.25	\$0.30	09/01/05
Vermont	\$0.60	\$1.76	07/01/06
Texas	\$0.20	\$61.0	07/01/06
Hawaii	\$0.20	\$1.60	07/01/06
New Jersey	\$0.18	\$2.58	07/01/06
Vermont	\$0.20	\$1.96	06/01/07

Source: Orzechowski & Walker - *Tax Burden on Tobacco*.

Table 5--Tobacco demand factors, 1996-2006

Year	Population July 1 1/ <i>Millions</i>	Disposable personal income, per capita 2/		Consumer Price Indexes 3/		
		Current prices <i>Dollars</i>	1996 prices	All items <i>-- Percent of 1982-84 --</i>	Tobacco products	Cigarettes 4/ <i>% of 1997</i>
1996	196.1	21,117	21,385	156.9	232.8	--
1997	198.2	21,969	21,838	160.5	240.2	100.0
1998	200.4	23,359	22,672	163.0	274.8	109.8
1999	202.5	24,314	23,191	166.6	355.8	143.8
2000	209.1	25,237	23,501	172.2	394.9	159.9
2001	207.2	26,237	23,692	177.1	425.2	172.5
2002	209.4	27,157	24,463	179.9	461.5	187.7
2003	211.6	28,062	24,669	184.0	469.0	190.4
2004	213.9	29,477	25,902	188.9	478.0	193.5
2005	216.1	30,437	25,747	195.3	502.8	203.5
2006 5/	213.9	31,135 6/	26,337 6/	200.6	519.0	209.6

1/ Eighteen years and older including forces overseas. 2/ Based on total population. 3/ All urban consumers. 4/ Bureau of Labor Statistics began to publish cigarette and other tobacco product CPI in January 1998. 5/ Subject to revision. 6/ Data through March.

Source: Bureau of the Census *Population Estimates*, <http://www.census.gov/population/projections/nation/summary/>, Bureau of Labor Statistics CPI, www.bls.gov/home.htm.

Table 6--Wholesale premium brand cigarette price revisions, 1990-current 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
<i>Dollars</i>								
June-1990	51.15	52.65	51.15	52.65	43.15	44.65	43.15	44.65
Dec.-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
Mar.-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
Nov.-1991	61.00	62.50	61.00	62.50	51.00	52.50	51.00	52.50
Apr.-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
Nov.-1992	69.00	70.50	69.00	70.50	59.00	60.50	59.00	60.50
Jan.-1993 4/	71.10	72.60	71.10	72.60	59.10	60.60	59.10	60.60
Mar. 1993	72.10	73.60	72.10	73.60	60.10	61.60	60.10	61.60
Aug. 1993	53.95	53.95	53.95	53.95	41.95	41.95	41.95	41.95
Nov.-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
Mar.-1997	61.95	61.95	61.95	61.95	49.95	49.95	49.95	49.95
Sep.-1997	65.45	65.45	65.45	65.45	53.45	53.45	53.45	53.45
Jan.-1998	66.70	66.70	66.70	66.70	54.70	54.70	54.70	54.70
Apr.-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	106.20	106.20	106.20	106.20	94.20	94.20	94.20	94.20
Jan.- 2000 6/	112.70	112.70	112.70	112.70	95.70	95.70	95.70	95.70
July-2000	115.70	115.70	115.70	115.70	98.70	98.70	98.70	98.70
Dec.-2000	122.70	122.70	122.70	122.70	105.70	105.70	105.70	105.70
Apr.-2001	129.70	129.70	129.70	129.70	112.70	112.70	112.70	112.70
Oct.-2001	132.20	132.20	132.20	132.20	115.20	115.20	115.20	115.20
Jan.-2002 7/	132.20	132.20	132.20	132.20	112.70	112.70	112.70	112.70
Apr.-2002 8/	138.20	138.20	138.20	138.20	118.70	118.70	118.70	118.70

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-243, April 1999. 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/ Effective Jan. 1, 2000, Federal excise tax increased to \$17 per 1,000 cigarettes. 7/ Effective January 1, 2002, Federal excise tax increased to \$19.50 per 1,000 cigarettes. 8/ Last price change.

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.

Sources: News reports and miscellaneous sources.

Table 7--Wholesale nonbrand cigarette price revisions, 1990-current 1/

Approximate date of change	Net price per 1,000			
	Discounts		Deep discounts	
	Regular	100s	Regular	100s
	<i>Dollars</i>			
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
Jan.-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 2/	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	63.20	65.45	57.70	57.70
November 1998	85.70	87.95	80.20	80.20
August 1999	94.70	96.95	89.20	89.20
January 2000	106.20	108.45	100.70	100.70
July 2000 2/	109.20	111.45	103.70	103.70
December 2000	116.20	118.45	110.70	110.70
April 2001	123.20	125.45	117.70	117.70
October-2001	125.70	127.95	120.20	120.20
January 2002	125.70	127.95	120.20	120.20
April 2002 3/	131.70	133.95	126.20	126.20

1/ Typical prices. Prices for some brands higher and some lower. Includes Federal excise tax. 2/ No change in 1994. 3/ Last price change.

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.

Sources: News reports and miscellaneous sources.

Table 8--Cigars and smoking tobacco: Output, removals, and consumption, 2002-06

Year and item	Output	Removals		Imports	Exports	Total U.S. consumption 2/
		Taxable 1/	Tax-exempt			
<i>Millions</i>						
Large cigars and cigarillos:						
2002	3,819	3,706	80	500	123	4,206
2003	4,017	4,019	94	508	130	4,527
2004	4,407	4,319	114	616	171	4,935
2005	3,674	4,432	98	445	301	4,877
2006 3/	3,977	4,690	85	334	150	5,024
<i>Year ending June 30</i>						
2002	3,742	3,654	84	539	134	4,192
2003	3,211	3,889	90	498	106	4,387
2004	4,366	4,235	117	567	196	4,802
2005	4,038	4,326	97	438	366	4,765
2006	3,832	4,562	91	506	166	5,067
<i>Million pounds</i>						
Smoking tobacco:						
2002	15.5	15.9	0.6	2.1	7.1	18.0
2003	17.8	16.7	0.6	2.0	0.1	18.7
2004	16.1	15.4	0.6	1.5	0.2	17.0
2005	17.4	16.4	0.6	3.0	0.2	19.4
2006 3/	16.7	15.9	0.6	3.4	0.4	19.3
<i>Year ending June 30</i>						
2002	14.3	15.4	0.5	2.2	6.6	17.6
2003	17.1	16.6	0.5	2.1	3.5	18.7
2004	17.7	16.7	2.0	1.8	0.2	18.5
2005	15.8	14.9	2.0	2.0	0.2	16.9
2006	17.0	16.2	2.0	3.2	0.2	19.4

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.

Sources: Alcohol and Tobacco Tax and Trade Bureau, *Monthly Statistical Release - Tobacco Products*, Bureau of the Census, Reports EM545 and IM146, and Agricultural Marketing Service, USDA, *Tobacco Stocks Report*.

Table 9--Tobacco products: Output by category, 1997-2006

Period	Chewing tobacco					Snuff dry	Snuff moist	Smoking tobacco		
	Plug-firm	Plug-moist	Twist	Loose leaf	Total 1/			Small cigars 2/	in bulk (exports)	
	<i>Million pounds</i>							<i>Millions</i>	<i>Million pounds</i>	
1997	2.6	0.9	1.0	53.7	58.1	4.4	59.9	1,476	118.2	
1998	2.4	0.7	1.0	49.2	53.3	4.3	61.2	1,710	143.8	
1999	2.2	0.6	0.9	47.2	50.9	3.7	63.3	2,316	151.1	
2000	2.0	0.5	0.8	46.0	49.4	3.6	65.9	2,469	136.1	
2001	1.9	0.5	0.8	43.9	47.0	3.3	67.6	2,376	118.2	
2002	1.7	0.3	0.7	40.2	43.0	3.1	69.6	2,478	144.0	
2003	1.4	0.3	0.7	37.9	40.3	2.7	71.1	2,618	121.3	
2004	1.4	0.3	0.7	37.0	39.3	2.4	76.9	3,360	45.4	
2005	1.2	0.2	0.6	37.2	39.2	2.2	84.5	4,665	3.6	
2006 3/	1.1	0.2	0.5	36.1	38.0	2.1	79.7	5,178	0.7	
	<i>Year ending June 30</i>									
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	1,575	131.6	
1999	2.2	0.7	0.9	48.1	51.9	4.1	62.0	1,942	134.6	
2000	2.1	0.6	0.8	46.5	50.1	3.7	65.6	2,188	149.1	
2001	2.0	0.5	0.8	44.1	47.3	3.3	66.5	2,171	129.4	
2002	1.8	0.4	0.8	41.9	44.8	3.4	68.7	2,248	133.9	
2003	1.6	0.3	0.7	39.3	41.9	2.8	70.5	2,531	130.9	
2004	1.5	0.3	0.7	39.5	42.0	2.6	75.4	2,358	89.2	
2005	1.3	0.2	0.6	37.0	39.2	2.3	83.1	3,409	19.4	
2006	1.1	0.2	0.6	36.6	38.6	2.1	82.0	5,269	1.0	

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

Sources: Alcohol and Tobacco Tax and Trade Bureau, *Monthly Statistical Release - Tobacco Products*, Bureau of the Census, Reports *EM545* and *IM146*, and Agricultural Marketing Service, USDA, *Tobacco Stocks Report*.

Table 10--Tobacco products: Domestic invoices by category, 1997-2006

Period	Chewing tobacco					Snuff dry	Snuff moist	Smoking	Small cigars 2/
	Plug-firm	Plug-moist	Twist	Loose leaf	Total 1/			tobacco in bulk (exports)	
	<i>Million pounds</i>								<i>Millions</i>
1997	2.5	0.8	1.0	52.5	56.8	4.4	57.7	**	1,587
1998	2.3	0.7	1.0	48.6	52.5	4.1	59.9	**	1,638
1999	2.1	0.6	0.9	46.9	50.5	3.9	61.6	**	2,196
2000	2.0	0.5	0.9	45.1	48.5	3.8	64.8	**	2,243
2001	1.8	0.4	0.8	43.5	46.6	3.4	69.3	**	2,171
2002	1.7	0.3	0.8	40.2	43.0	3.1	68.6	**	2,248
2003	1.4	0.3	0.7	37.9	40.3	2.9	71.1	**	2,296
2004	1.3	0.2	0.7	35.7	37.9	2.6	74.7	**	2,702
2005	1.2	0.2	0.6	35.7	37.7	2.4	76.7	**	2,231
2006 3/	1.0	0.2	0.6	37.0	38.7	2.2	81.5	**	2,690
	<i>Year ending June 30</i>								
1997						4.1	58.6	**	1,625
1998	2.4	0.8	1.0	52.5	56.7	4.3	60.9	**	1,582
1999	2.2	0.7	0.9	48.1	51.9	4.1	62.0	**	1,840
2000	2.1	0.6	0.8	46.5	50.1	3.7	65.6	**	2,189
2001	1.9	0.5	0.8	45.0	48.3	3.3	66.5	**	2,217
2002	1.8	0.4	0.8	42.7	45.8	3.4	68.7	**	2,213
2003	1.6	0.3	0.7	40.8	43.4	2.8	70.5	**	2,270
2004	1.5	0.3	0.7	39.5	42.0	2.6	75.4	**	2,590
2005	1.3	0.2	0.6	37.0	39.2	2.3	83.1	**	3,043
2006	1.1	0.2	0.6	36.3	38.2	2.3	79.1	**	2,586

** not applicable. 1/ Detail may not add to total due to rounding. 2/ Weight not more than 3 pounds per thousand. Taxable removals for small cigars. 3/ Preliminary.

Sources: Alcohol and Tobacco Tax and Trade Bureau, *Monthly Statistical Release - Tobacco Products*, Bureau of the Census, Reports *EM545* and *IM146*, and Agricultural Marketing Service, USDA, *Tobacco Stocks Report*.

January-June 2006 Exports Advance 16 Percent

Exports during the calendar year to-date rebounded 16 percent to reach 212.0 million pounds (311.5 million pounds farm sales weight), the highest January-June level since 2001. Flue-cured shipments nearly doubled for the period, stems advanced, and burley shipments, already at high levels, declined. Flue-cured shipments were 81.9 million pounds and burley shipments were 94.0 million. Germany, Switzerland, the Netherlands, and China were the top destinations. Japan, normally a major buyer, took only 11 percent of last year's shipments. Switzerland purchased 4 times last year's volume during the 6-month period. Germany boosted its takings by 51 percent and the Netherlands more than doubled its import volume. The Bureau of the Census reported 72 countries as destinations for U.S. tobacco leaf during January-June 2006.

January-June 2006 leaf export value reached \$605.5 million compared with \$536.0 million during the same period in 2005. Burley export value reached \$289.7 million, \$23 million less than the previous year, and flue-cured export value increased by nearly \$100 million to end at \$240 million. Other leaf types generally declined in value. During the first 6 months of 2006, flue-cured and burley made up 88 percent of total export value, compared with 85 percent last year. Cigar wrapper accounted for \$16.8 billion, the value of stems and refuse shipments were \$7.0 billion, and dark fired (Kentucky-Tennessee) shipments reached \$6.7 billion.

July 2005-June 2006 Exports

For the 12 months ending June 2006, (July 2005-June 2006), unmanufactured export value advanced about 1 percent. Once again, exports just cleared the \$1 billion mark. Value for the 12-month period was \$1,055.3 million, compared with \$1,044.3 million during the previous July-June period. Flue-cured increased by nearly \$100 million but was offset by lower burley and "other leaf" values.

Total export volume from July 2005 through June 2006 was 367.7 million pounds (536.3 million pounds, farm sales weight). During the 12-month period, flue-cured shipments were 176.0 million pounds, with Germany, Switzerland, China, and the Netherlands the top destinations for flue-cured tobacco. Burley shipments of 127.4 million pounds were 24 million pounds slower, after high shipments last year. Top burley destinations were Germany, the Netherlands, Lithuania, the Ukraine, and Greece. Maryland and binder shipments advanced, while other types slowed during the 12-month period.

January-June Imports Regain Ground Lost Last Year

Imports for consumption advanced 47 percent during January-June 2006 compared with January-June 2005. The 92-million-pound gain was slightly larger than the 83-million-pound decline the previous year. The period ended at 289.4 million pounds, compared with 196.5 million pounds last year. Value was \$390.7 million, compared with \$306.1 million the previous year. For the 6-month period, Brazil Turkey, Argentina, Malawi, Indonesia, and Greece were the leading sources for leaf. Shipments from Brazil were 75.8 million pounds, compared with only 36.7 million pounds last year. Turkey and Greece ship Oriental tobacco, which is not

produced in the United States. Oriental leaf was the largest import category, edging out the “not specifically provided for” {NSPF} category by a few million pounds.

General imports (arrivals) for January-June 2006 were 239.5 million pounds valued at \$330.7 million, compared with 248.5 million pounds valued at \$363.1 million in 2005. Oriental leaf arrivals slipped 18 percent to end at 62.2 million pounds. Flue-cured (stemmed) arrivals gained 5.5 million pounds to end at 54.2 million pounds, while burley arrivals (other stemmed cigarette leaf) slipped 27 percent to end at 43.3 million pounds.

July-June Imports

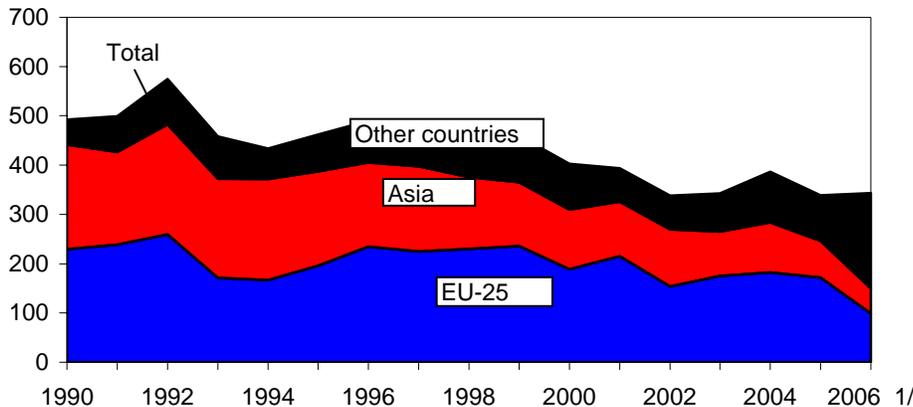
Leaf import volume (consumption) advanced 26 percent to 632.3 million pounds during July 2005-June 2006 after slipping 31 percent during the previous July-June period. Stemmed flue-cured and stems were the most active categories. Oriental and burley (other stemmed cigarette leaf NSPF) showed slight gains. During July 2005-June 2006, the value of unmanufactured leaf imports for consumption was \$752 million, compared with \$752 million a year earlier.

General imports (arrivals) during July 2005-June 2006 were within a million pounds of the previous period, ending at 568.0 million pounds, compared with 630.8 million pounds the previous year. The value of general imports was \$720 million, compared with \$712 million a year earlier.

Figure 3

Export markets for U.S. tobacco

Million pounds



1/ January-June 2006. Unmanufactured, declared weight, European Union (EU-25, formerly referred to as the European Community, EC, or EC-12).

Source: Bureau of the Census.

Tariff-Rate Quota Update

The Tariff-Rate Quota (TRQ) for 2005-06 on cigarette tobacco leaf imports (excluding Oriental) was 78 percent filled as of September 11, 2006 (with 1 day left in the TRQ year) at 258.6 million pounds. This is one of the highest fill rates since the implementation of the TRQ. Given the lower tobacco use by the domestic tobacco industry, tobacco imported under the TRQ is becoming a more significant source of leaf. The tobacco TRQ year begins on September 13 and runs through September 12 the following year. At this point last year, 235.7 million pounds, or 71 percent, of the quota had been filled. The total quantity allowed under the TRQ is 332.2 million pounds.

Table 11--U.S. imports of unmanufactured tobacco:
Quantity and average value, by kinds, 2005/06 1/

Kind	Quantity 2005/06	Change from 2004/05	Value per pound
	<i>Million pounds</i>	<i>Percent</i>	<i>Dollars</i>
Imports for consumption			
Cigarette: 2/			
Unstemmed leaf			
Flue-cured leaf	2.0	-53	0.9
Burley leaf	1.5	5	1.3
Other	*	*	*
Oriental leaf	113.1	-1	2.2
Stemmed leaf:			
Flue-cured	120.4	69	1.4
NSPF	138.7	53	1.4
Scrap	*	*	*
Manufactured or not mfd., NSPF	1.0	-51	2.0
Cigar:			
Leaf	73.4	4	1.2
Scrap	8.8	132	0.6
Other stemmed and unstemmed leaf			
Stems	6.6	18	1.6
Stems	136.8	90	0.2
Total	602.1	38	1.3
General imports			
Cigarette: 2/			
Unstemmed leaf			
Flue-cured leaf	0.5	-92	0.9
Burley leaf	1.4	-20	1.3
Other	*	*	*
Oriental leaf	105.6	-7	2.2
Stemmed leaf			
Flue-cured	108.5	-6	1.5
NSPF	141.0	-6	1.4
Scrap	*	*	*
Manufactured or not mfd., NSPF	1.1	-42	1.9
Cigar:			
Leaf	75.1	5	1.2
Scrap	8.8	132	0.6
Other stemmed and unstemmed leaf			
Stems	6.6	20	1.6
Stems	119.6	23	0.2
Total	568.0	0	1.3

1/ Year ending June 30, 2006. 2/ Includes minor quantities for smoking tobacco, chewing tobacco, and snuff. * = Negligible, less than 50,000 pounds.

Sources: Compiled from Bureau of the Census, Reports *EM545* and *IM146*.

Table 12--U.S. imports of unmanufactured tobacco for consumption and general imports, principal categories, and countries of origin, 2005/2006 (declared-weight)

Item	Imports for consumption				General imports (arrivals)			
	July 2005- June 2006	January-June 2005 3/	2006 1/	Percentage change from 2005-06	July 2005- June 2006	January-June 2005	2006 1/	Percentage change from 2005-06
	Million pounds			Percent	Million pounds			Percent
Cigarette tobacco leaf (unstemmed):								
Oriental								
Turkey	78.1	38.2	51.1	34	70.4	46.9	41.2	-12
Bulgaria	16.4	10.7	9.5	-11	16.4	10.7	8.5	-21
Greece	13.2	15.0	9.8	-35	13.2	13.3	7.4	-44
Macedonia	2.9	4.5	2.9	-36	2.9	3.1	2.9	-6
China	1.8	1.6	1.5	-6	2.1	2.0	2.1	5
Other countries	0.7	0.3	0.2	-33	0.6	0.2	0.1	-50
Total Oriental	113.1	70.3	75.0	7	105.6	76.2	62.2	-18
Flue-cured	2.0	1.3	0.5	-62	0.5	2.9	0.5	-83
Burley	0.1	0.1	0.7	600	1.4	0.0	0.7	
Other (unstemmed)	*	*	*	*	*	*	*	*
Total unstemmed leaf	115.2	71.7	76.2	6	107.5	79.1	63.4	-20
Cigarette tobacco leaf (stemmed):								
Flue-cured--								
Brazil	76.5	16.5	28.0	70	72.1	30.7	32.9	7
Argentina	16.0	0.7	7.3		13.7	8.7	9.2	
Canada	6.4	0.9	3.5		6.4	1.0	3.5	
Other countries	43.9	7.1	20.4	187	36.4	18.0	21.3	18
Total stemmed flue-cured	120.4	23.6	48.4	105	108.5	48.7	54.2	11
NSPF--								
Brazil	50.6	13.6	23.0	69	47.7	13.6	18.6	37
Malawi	37.1	21.0	23.1	10	41.3	33.8	12.6	-63
Argentina	21.1	10.4	10.0	-4	25.1	5.8	6.6	14
Thailand	11.2	2.7	8.0	196	8.7	3.2	2.8	-13
Guatemala	7.3	0.4	5.6	1,300	7.3	0.4	0.0	
Other countries	11.4	2.6	3.6	38	10.9	2.3	2.7	17
Total NSPF	138.7	50.7	73.3	45	141.0	59.1	43.3	-27
Total cigarette leaf	374.3	146.0	197.9	36	357.0	186.9	160.9	-14
Manufactured or not manufactured categories 2/								
	1.0	0.8	0.3	-63	1.1	0.8	0.5	-38
Total cigarette tobacco	375.3	146.8	198.2	35	358.1	187.7	161.4	-14
Cigar tobacco:								
Wrapper								
	3.5	2.0	1.7	-15	3.5	2.0	1.7	-15
Filler (stemmed and unstemmed)								
Indonesia	15.7	5.1	5.1	0	16.1	4.8	6.5	35
Italy	12.1	4.7	2.6	-45	12.2	4.7	2.6	-45
Philippines	11.6	1.9	4.2	121	11.6	1.9	4.2	121
Argentina	7.3	4.0	6.5	63	7.3	4.0	6.5	63
Dominican Republic	6.9	1.8	3.7	106	6.9	1.8	3.7	106
Other countries	20.9	8.4	10.5	25	22.1	8.9	9.9	11
Total filler	67.6	24.1	28.9	20	69.3	24.3	29.7	22
Binder	2.3	0.2	1.5	650	2.3	0.2	1.5	650
Cigar scrap:								
Indonesia	6.2	0.9	6.2	*	6.2	0.9	6.2	*
India	0.6	0.6	0.3	*	0.6	0.6	0.2	*
Other countries	2.0	1.1	1.2	9	2.0	1.1	1.3	18
Total cigar scrap	8.8	2.6	7.7	196	8.8	2.6	7.7	196
Total cigar tobacco	82.2	28.9	39.8	38	83.9	33.2	33.2	0
Other stemmed and unstemmed leaf	5.6	3.1	1.8	-42	6.6	3.1	1.8	-42
Stems	136.8	17.8	43.6	145	119.6	28.6	35.8	25
GRAND TOTAL	602.1	196.5	289.4	47	568.0	248.5	239.5	-4

* = 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). 3/ January-June 2005 revised. Due to aggregation, rounding errors may occur.

Sources: Compiled from Bureau of the Census, Reports EM545 and IM146.

Table 13--U.S. exports of unmanufactured tobacco by types and to principal importing countries, 2001-06 (declared-weight)

Type & country	2001	2002	2003	2004	2005	January-June		Pct. change, 2005-06 Percent
						2005	2006 1/	
<i>Million pounds</i>								
Type:								
Flue-cured	190.2	196.7	160.6	155.0	137.7	43.4	81.9	89
Burley	83.0	90.9	90.9	91.6	134.4	100.2	94.0	-6
Maryland	3.2	2.7	2.4	1.0	1.4	0.6	0.9	50
Fire-cured, Ky. and Tenn.	16.5	17.5	11.5	12.1	6.3	3.6	2.7	-25
Virginia fire- & sun-cured	0.5	0.2	*	*	0.2	0.1	*	*
Black Fat	*	*	*	*	*	*	*	*
Cigar wrapper	4.1	3.3	2.2	2.2	2.6	1.0	1.2	20
Cigar binder	0.3	0.2	0.1	0.9	0.9	0.4	0.9	125
Stems and refuse	69.5	59.5	45.2	48.0	26.4	14.9	18.5	24
Other leaf	35.1	39.6	30.0	32.7	29.0	16.4	11.9	-27
Total 2/	402.4	410.7	338.2	343.3	339.0	180.5	212.0	17
Country of destination:								
Austria	1.4	0.9	0.5	0.9	5.1	3.0	2.2	-27
Belgium-Luxem.	23.2	49.7	29.4	61.7	12.7	11.4	7.8	-32
Denmark	15.7	12.2	13.6	13.5	8.4	4.4	4.1	-7
Finland	0.2	0.3	0.1	*	*	*	*	*
France	5.5	11.5	10.3	8.8	10.6	6.7	4.3	-36
Germany	86.1	94.8	59.5	55.8	55.3	25.2	38.1	51
Greece	0.5	0.5	1.2	0.8	9.0	3.4	3.0	*
Ireland	*	*	1.0	*	*	*	*	*
Italy	15.8	6.2	8.6	6.9	5.8	4.9	1.5	-69
Netherlands	19.7	21.6	10.3	9.8	25.4	10.7	21.8	104
Portugal	4.2	4.3	5.9	6.2	3.8	1.7	0.9	-47
Spain	9.5	7.9	6.3	4.7	6.7	4.6	2.3	-50
Sweden	3.5	3.6	1.2	1.6	0.7	0.5	0.5	0
United Kingdom	7.3	1.6	6.0	4.8	3.2	1.7	0.5	-71
Total EU-15	192.6	215.1	153.8	175.5	146.7	78.2	87.0	11
Japan	63.6	51.6	49.6	42.4	21.7	25.2	1.8	-93
Switzerland	9.5	14.4	27.3	34.8	15.6	6.3	25.2	300
Dominican Republic	12.0	5.9	9.2	8.9	12.7	3.5	4.1	17
Malaysia	14.2	7.0	15.1	6.4	7.5	3.2	2.8	-13
Turkey	26.9	15.8	0.3	0.4	7.0	2.4	2.7	13
Taiwan	5.8	7.9	8.1	7.9	6.6	3.3	5.7	73
South Korea	12.0	9.6	10.1	9.6	5.8	3.2	2.7	-16
Philippines	7.4	5.1	6.9	2.9	5.2	1.1	5.1	364
Nigeria	6.2	5.6	3.7	6.2	4.3	1.5	2.4	60
Thailand	7.3	7.7	12.6	3.6	4.1	4.1	3.0	-27
Australia	3.6	3.4	4.5	6.3	2.9	0.5	3.2	540
Egypt	1.2	0.9	1.8	1.1	1.5	0.1	0.6	500
Norway	2.0	3.3	2.0	2.1	1.3	0.6	0.5	-17
Canada	0.5	0.3	1.8	1.1	0.6	0.5	0.7	40
Bulgaria	*	0.2	0.7	0.2	0.3	*	0.2	*
Singapore	0.4	0.5	0.3	1.3	0.2	0.1	0.0	-100
New Zealand	0.7	0.1	0.5	0.1	0.1	0.1	0.0	*
Other countries	36.5	56.3	29.9	32.5	94.9	49.3	64.3	30
Total 2/	402.4	410.7	338.2	343.3	339.0	183.2	212.0	16

* = Negligible. 1/ Preliminary. 2/ Data may not add to total due to rounding.

Sources: Compiled from Bureau of the Census, Reports EM545 and IM146.

Table 14--U.S. exports of unmanufactured tobacco by types, to principal importing countries, crop years 2003/04-2005/06 (declared-weight) 1/

Importing country	2003/04	2004/05	2005/06 2/	Importing country	2003/04	2004/05	2005/06 2/
<i>Million pounds</i>				<i>1,000 pounds</i>			
Flue-cured, types 11-14:				Va. fire & sun-cured, types 21 & 37:			
Germany	28.7	28.1	41.7	Ukraine	*	123	*
Switzerland	6.2	5.2	21.7	Norway	*	110	*
China	1.0	6.0	18.4	Sweden	*	*	*
Netherlands	4.1	7.0	17.1	Germany	6	*	*
Republic of Korea	8.6	4.5	8.1	Other countries	36	65	12
Malaysia	5.5	6.6	6.0	Total 3/	42	298	12
Russia	2.1	4.6	6.0				
Philippines	*	1.5	5.9	Binder, types 51-55:			
Indonesia	5.1	3.4	5.0	Dominican Republic	1,391	567	588
Taiwan	1.3	3.3	4.9	Spain	53	126	*
Turkey	0.1	1.5	4.9	Honduras	1	160	378
Australia	1.3	2.5	4.8	Other countries	130	544	148
Poland	*	0.5	3.9	Total 3/	1,575	1,397	1,114
Denmark	5.7	4.1	3.4				
France	1.8	2.4	3.4	Cigar wrapper, types 61-62:			
Thailand	1.9	2.3	3.0	Dominican Republic	2,513	1,340	1,340
Portugal	3.7	1.3	2.1	Honduras	232	829	829
United Kingdom	2.8	3.1	2.0	Spain	19	0	0
Italy	2.9	1.2	2.0	Nicaragua	9	82	82
Lithuania	*	0.5	1.5	Other countries	17	10	526
Spain	5.3	2.7	1.2	Total 3/	2,790	2,261	2,777
Japan	19.7	17.5	*				
Other countries	39.1	19.1	9.0	Blackfat:			
Total 3/	146.9	128.9	176.0	Total	39	*	3
Burley, type 31:				<i>Million pounds</i>			
Netherlands	4.7	10.6	16.3	Other leaf:			
Germany	11.2	21.4	15.1	Dominican Republic	4.1	6.0	4.5
Lithuania	1.1	10.7	7.2	Japan	3.5	3.1	2.9
Ukraine	0.8	9.4	6.7	Nigeria	3.3	2.7	2.9
Belgium-Luxembourg	18.2	6.5	5.5	Brazil	1.0	1.7	1.3
Switzerland	3.3	7.2	5.5	Indonesia	4.1	2.5	1.2
Romania	5.0	10.1	5.0	Taiwan	0.5	0.9	0.6
Greece	1.5	9.0	4.6	Canada	0.4	0.4	0.5
Czech Republic	3.3	7.1	4.1	Germany	1.0	0.8	0.3
Russia	20.3	26.5	3.5	Honduras	0.8	0.7	0.2
Spain	3.0	5.2	2.1	Other countries	15.1	15.7	3.2
Turkey	*	2.3	1.8	Total 3/	33.8	34.5	17.6
Denmark	2.3	2.0	1.3				
Other countries	33.8	32.5	47.3	Stems, trimmings, and scrap:			
Total 3/	108.5	160.5	126.0	Germany	5.8	7.4	5.9
				Dominican Republic	0.3	*	4.8
Maryland, type 32:				France	10.7	3.8	3.4
Indonesia	0.3	0.5	0.8	Switzerland	1.2	2.8	3.1
Russia	*	*	0.3	Denmark	2.9	2.9	1.9
Israel	0.2	0.2	0.1	Belgium	8.3	1.4	1.4
Other countries	0.8	0.1	0.1	Mexico	1.0	3.3	0.8
Total 3/	1.3	0.8	1.3	Taiwan	*	*	0.8
				Australia	*	1.0	0.7
Ky.-Tenn. fire-cured, types 22-23:				Nigeria	*	0.1	0.3
Netherlands	3.4	2.5	1.1	Bangladesh	0.2	0.1	0.1
Sri Lanka	1.8	1.5	0.5	Sweden	0.7	0.1	0.1
Nigeria	0.4	0.5	0.5	Israel	0.5	0.8	0.1
Egypt	0.2	0.4	0.5	Other countries	9.0	11.1	0.4
Belgium	0.8	0.6	0.4	Total 3/	40.6	34.8	23.8
Indonesia	0.8	0.5	0.1				
Germany		0.1	0.1				
Other countries	3.2	1.3	2.0				
Total 3/	10.6	7.4	5.2				

* = Negligible. 1/ July-June crop year for flue-cured and cigar wrapper; October-September crop year for all other types except October-June for 2005/06.

2/ Subject to revision. 3/ Data may not add to total because of rounding.

Sources: Compiled from Bureau of the Census, Reports EM545 and IM146.

U.S. Tobacco Leaf Situation and Outlook^{1/}

U.S. tobacco production for the 2006 season was forecast at 743.1 million pounds as of September 1. The crop is expected to be 15 percent over last year's 647.3 million pounds. Acreage in 2006 is projected at 334,150 acres, 12 percent greater than in the 2005 season. Those producers remaining in tobacco production are expanding operations to create more favorable economies of scale and responding to favorable prices. Cigarette leaf production is expected to account for 92 percent of U.S. output in 2006. Cigarette leaf production advanced 100 million pounds to 681.5 million pounds. Cigar types accounted for 1 percent of U.S. production, while dark-fired and air-cured leaf accounted for 7 percent.

U.S. Leaf Supply Slips 7 percent in 2006

Although production is higher, beginning stocks slipped by 250 million pounds, resulting in lower supplies for 2006. Supplies of U.S.-grown tobacco in 2006 are expected to slip 7 percent from last season. Although production increased 15 percent, lower beginning stocks resulted in a 150-million-pound slide in supplies. With production expected at 743.1 million pounds and stocks of 1,214.6 million, supplies are set at 1,957.7 million pounds.

Disappearance Projected To Decline in 2005

Disappearance (use) of U.S.-grown leaf is expected to retreat about 6 percent by the end of the 2005-06 marketing year to reach about 892 million pounds. The 60-million-pound decline is due to a 100-million-pound decline estimated for domestic use, and an increase in exports, especially flue-cured. Domestic use is expected to end at 422 million pounds, and export use is expected to be about 470 million pounds.

Marketing Quota and Price Support in 2006

The Fair and Equitable Tobacco Transition Act of 2004 eliminates price supports and marketing quotas for all tobacco beginning with the 2005 crop year (July 2005 for flue-cured and October 2005 for other types). Mandatory inspection and grading of domestic leaf is also eliminated, and USDA market news reporting is terminated.

^{1/} All quantities in this section are in farm-sales weight unless otherwise noted. Years refer to marketing years; for instance, the 2000 crop year is July 2000-June 2001 for flue-cured and cigar wrapper (type 61) and October 2000-September 2001 for all other types.

Table 15--All tobacco: Acreage, yield, and production,
United States, 1965-2006

Year	Acreage harvested <i>Thousand acres</i>	Yield per acre <i>Pounds</i>	Production <i>Million pounds</i>
Average:			
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	1,625
1991	764	2,178	1,663
1992	785	2,194	1,722
1993	746	2,163	1,614
1994	671	2,358	1,583
1995	663	1,913	1,268
1996	733	2,071	1,517
1997	836	2,137	1,787
1998	718	2,061	1,479
1999	647	1,997	1,293
2000	472	2,229	1,053
2001	432	2,293	991
2002	427	2,039	871
2003	411	1,952	803
2004	408	2,161	882
2005	298	2,171	647
2006 1/	335	2,228	745

1/ Indicated September 1, 2006.

Source: National Agricultural Statistics Service, USDA, *Crop Production Report*.

Flue-Cured Acreage Up For 2006

According to the September 1 crop production estimate, flue-cured acreage increased by 32,600 acres to 208,100 acres. September 1 production estimates set flue-cured production at 454.7 million pounds, 72 million pounds greater than the previous year. The rebound in flue-cured production has been largely due to export prospects and grower adjustments to the post-buyout environment. Post buyout prices have been favorable to producers.

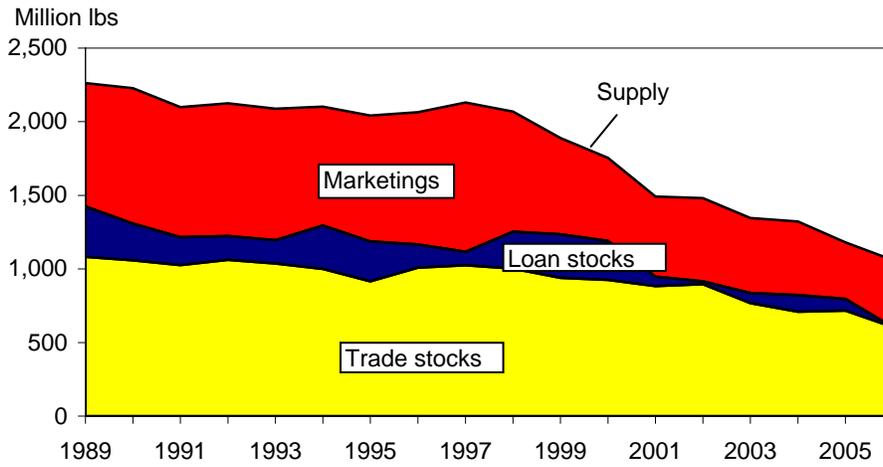
Beginning flue-cured stocks on July 1, 2006 were 604.0 million pounds, compared with 796.0 million pounds on July 1, 2005. The total reported supply of U.S.-grown flue-cured in 2006 is about 1.1 billion pounds, 10 percent below the supply available at the beginning of the 2005 marketing year.

Exports Spur Higher Disappearance in 2005

Disappearance of flue-cured tobacco in the 2005 marketing year (July 2005-June 2006) gained nearly 50 million pounds. Although domestic disappearance fell due to shrinking cigarette production and increased use of imported tobacco, exports were robust, advancing 70 million pounds. Germany, Switzerland, China, and the Netherlands, all major markets for flue-cured this season, increased purchases.

Figure 4

Flue-cured tobacco: Supply, price, and use



Trade stocks include those of manufactures and dealers.
 Source: Agricultural Marketing Service, USDA.

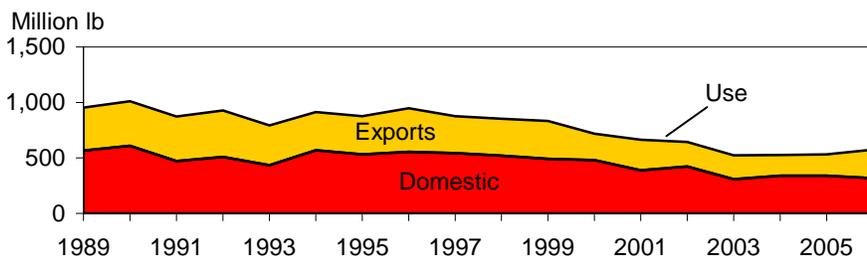
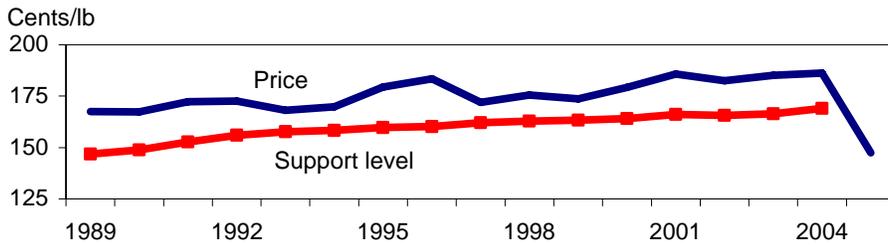


Table 16--Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, marketings, carryover, supply, disappearance, season average price, and price support operations, 1995-2006 (farm-sales weight)

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							
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	2,063.8
1997	458.3	2,285	1,013.5	1,025.1	91.5	1,116.5	2,130.0
1998	368.8	2,204	814.8	1,002.2	250.9	1,253.2	2,068.0
1999	303.8	2,162	653.9	939.7	294.6	1,234.3	1,888.2
2000	250.0	2,396	564.1	925.6	263.9	1,189.5	1,753.6
2001	238.1	2,432	544.4	936.2	100.2	1,036.4	1,580.8
2002	245.6	2,064	564.8	896.5	19.4	915.9	1,480.7
2003	233.4	1,957	507.7	766.8	70.9	837.7	1,345.3
2004	228.4	2,283	499.3	708.8	114.0	822.8	1,322.2
2005	175.5	2,182	383.0	716.9	79.0	796.0	1,178.9
2006 3/	208.1	2,185	454.7	604.0	0.0	604.0	1,058.8
Burley, type 31							
1995	234.2	1,863	482.5	637.3	321.5	958.8	1,441.3
1996	268.3	1,940	526.8	677.9	212.5	890.4	1,417.2
1997	335.3	1,934	628.2	645.4	105.6	751.0	1,379.2
1998	315.4	1,960	588.7	647.8	183.8	831.6	1,421.9
1999	300.6	1,829	551.2	737.1	164.3	901.4	1,452.6
2000	193.8	1,957	315.4	619.4	420.7	1,040.0	1,355.5
2001	167.6	2,033	343.7	570.2	119.3	689.5	1,033.1
2002	157.7	1,861	299.8	516.7	131.1	647.9	947.7
2003	152.3	1,850	271.7	442.4	135.7	578.2	849.9
2004	153.2	1,908	155.9	412.3	127.7	540.0	820.1
2005	100.2	2,031	203.4	413.9	78.7	492.6	696.0
2006 3/	103.7	2,166	224.6	400.5	0.0	400.5	625.0

	Disappearance			Average price per pound	Price support level 4/	Placed under loan	
	Total	Domestic	Exports			Quantity	% of crop
				----- Cents -----		Million pounds	Percent
Flue-cured, types 11-14							
1995	875.1	530.6	344.5	179.4	159.7	12.0	1.3
1996	946.6	555.4	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	833.7	492.1	341.6	175.5	162.8	82.4	10.2
1999	698.7	436.9	261.8	173.6	163.2	136.4	21.2
2000	717.2	479.2	238.0	179.3	164.0	27.4	4.6
2001	664.9	388.9	276.0	185.7	166.0	15.0	2.6
2002	643.0	423.4	219.6	182.5	165.6	24.8	4.8
2003	522.5	307.0	215.5	185.1	166.3	59.8	11.8
2004	526.2	337.6	188.6	184.5	169.0	94.9	18.5
2005	574.9	316.5	258.4	147.4	6/	6/	6/
Burley, type 31							
1995	550.9	386.1	164.8	185.5	172.5	0.0	0.0
1996	666.2	456.8	209.4	192.2	173.7	0.0	0.0
1997	547.6	379.2	168.4	188.5	176.0	124.5	0.2
1998	520.5	351.6	168.9	190.3	177.8	73.2	12.4
1999	412.5	503.8	139.3	189.8	178.9	230.6	42.0
2000	666.0	524.0	142.0	196.3	180.5	19.3	4.8
2001	385.2	245.4	139.8	197.3	182.6	12.4	3.5
2002	369.6	220.9	148.6	197.4	183.5	24.3	31.0
2003	309.8	136.2	173.7	197.7	184.9	40.2	14.8
2004	327.5	99.9	227.6	199.4	187.3	48.0	16.4
2005	295.5	95.2	200.4	156.4	6/	6/	6/

1/ July 1 for flue-cured; October 1 for burley. 2/ Actual marketings in the marketing year. 3/ September 1 Crop Production estimate used for acreage, yield, and marketings. 4/ 1999 loan forgiveness stocks included (230 million pounds burley, 78 million pounds flue-cured).

5/ Estimated. 6/ Price supports terminated beginning in 2005.

Sources: Agricultural Marketing Service, *Agricultural Prices Report*, various issues and *Tobacco Stocks Report*, various issues, and *Flue-cured and Burley Tobacco Market Reviews*, various issues; National Agricultural Statistics Service, *Crop Production Report*, various issues, Bureau of the Census, Reports EM545 and IM146.

Burley Tobacco

As of September 1, burley production in 2006 is estimated at 224.6 million pounds, compared with 203.4 million pounds last season. Acreage is 103,700 acres, only 3,550 acres more than last season. World demand for U.S. burley has been lower than expected. During the first 10 months of the marketing season, export shipments were down 12 percent.

With beginning stocks less than 500 million pounds for the first time in the post war period and production hovering above 200 million pounds, 2006 supplies of burley are at a record-low of 625.0 million pounds.

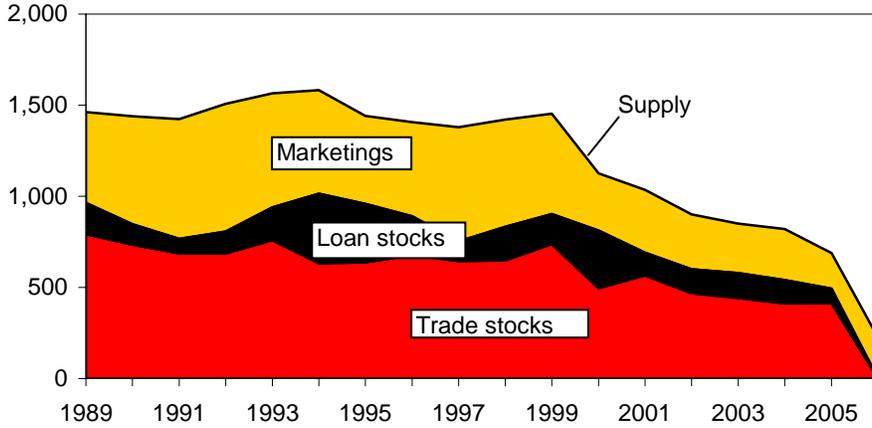
Disappearance in 2005-06 Expected To Slip 10 Percent

Based on 9 months of data, burley disappearance during the 2005-06 year (October 2005-September 2006) is expected to slip 10 percent. Exports during the first 9 months of the season are 12 percent below the previous year's level, after substantial gains the previous year. Expected disappearance will be between 285 and 290 million pounds. Domestic use slipped nearly 5 million pounds as export disappearance lost 27 million pounds.

Figure 5

Burley tobacco: Supply, price, and use

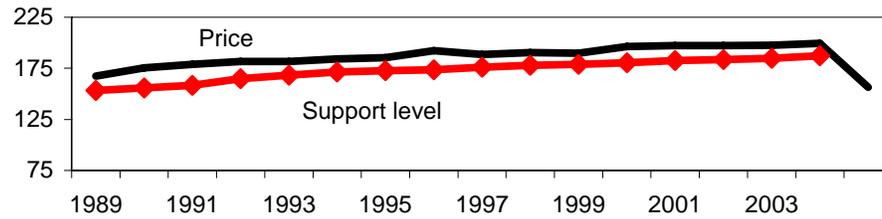
Million lbs



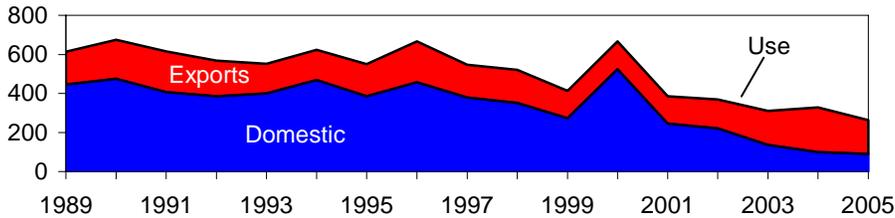
Trade stocks include those of manufacturers and dealers.

Source: Agricultural Marketing Service, USDA.

Cents/lb



Million lbs



Maryland Tobacco

Maryland tobacco production is estimated at 2.2 million pounds for the 2006 crop year, not including production in the State of Maryland, where data is no longer being collected. With the demise of the tobacco program, producers in Pennsylvania are free to grow any type of tobacco and many have switched to burley production. Burley production in Pennsylvania is estimated at 12.1 million pounds for 2006, up from 4.8 million pounds in 2005.

Beginning stocks of Maryland leaf on January 1, 2006 were 2.6 million pounds, compared with 5.0 million pounds last season. Combined with this season's marketings, the 2006 supply should be about 4.7 million pounds, compared with 5.6 million pounds last season. Ending stocks (January 1, 2007) are likely to be lower again due to lower production and greater export use.

Maryland-type leaf disappearance through June 2006 slipped 17 percent compared with the same 9-month period last season. Continuance of that trend would result in a 2005-06 disappearance of 3.1 million pounds, compared with 8.2 million the previous season. Year-end disappearance is likely to be slightly higher.

Table 17--Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season-average price, 1995-2006 (farm-sales weight)

Marketing year 1/	Acreage harvested	Yield per acre	Supply		Disappearance		Avg. grower price per pound		
			Production	Stocks following Jan. 1 2/	Total	Total		Domestic	Exports
	1,000 acres	Pounds			--- Million pounds ---		Cents		
1995	12.0	1,518	18.2	11.7	29.6	14.6	8.1	6.6	157.3
1996	11.4	1,451	16.5	15.0	31.6	12.9	6.4	6.4	185.6
1997	11.2	1,629	18.2	18.7	36.9	16.3	9.8	6.5	158.5
1998	9.8	1,568	15.4	20.6	36.0	20.0	13.8	6.2	129.1
1999	9.5	1,511	14.4	16.0	30.4	17.0	12.8	4.2	134.5
2000	8.4	1,595	13.4	13.4	26.8	17.1	12.7	4.4	138.7
2001	3.3	1,620	5.3	9.7	15.0	6.8	4.1	2.7	155.4
2002	2.5	1,682	4.2	8.2	12.4	5.2	3.5	1.8	125.0
2003	2.4	1,748	4.2	7.2	11.4	6.4	4.6	1.8	130.0
2004	3.3	1,767	5.8	5.0	10.8	8.2	6.9	1.3	125.0
2005	1.5	2,000	3.0	2.6	5.6	3.1	1.5	1.6	135.0
2006 3/	1.1	2,000	2.2						

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

Sources: Agricultural Marketing Service, *Agricultural Prices Report*, various issues and *Tobacco Stocks Report*, various issues, and *Burley Tobacco Market Review*, various issues; National Agricultural Statistics Service, *Crop Production Report*, various issues, Bureau of the Census, Reports *EM545* and *IM146*.

Fire-Cured Tobacco

Fire-cured tobacco is mainly used in making snuff, plug chewing tobacco, and twist chewing tobacco. About half of the crop is usually exported. Production of fire-cured leaf in 2006-07 is projected at 37.2 million pounds based on September 1 estimates, about 0.4 million pounds short of last season. Acreage was set at 11,250 acres, compared with 11,840 the previous year. Yields improved over last season. Production of Kentucky-Tennessee fire-cured leaf (types 22-23) as of September 1 (2006 crop) is estimated at 36.4 million pounds compared with 36.9 million pounds in 2005. Production of Virginia fire-cured tobacco is estimated at 0.7 million pounds, 6 percent higher than the 2005 season.

Fire-Cured Exports Fall

Shipments of Kentucky-Tennessee fire-cured (types 22-23) slipped by 28 percent during the first 10 months of the 2005 crop year (October 2005-July 2006), losing a greater percentage than during the same period last year. Total year-end disappearance is projected at 40.8 million pounds. Domestic use advanced 36 percent during the first 9 months of the crop year and exports of types 22-23 slipped by 28 percent. Domestic disappearance is projected at 34.5 million pounds, while export use is expected to reach 6.3 million.

Virginia dark-fired tobacco disappearance is likely to increase by 1.3 million pounds as domestic use rises. Year-end disappearance is expected to reach 2.1 million pounds.

Table 18--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, 1995-2006 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Beginning stocks					
			Production	Manufacturers		Total	Total supply	
				and others	Under loan			
			----- Million pounds -----					
<i>Kentucky-Tennessee fire-cured, types 22-23</i>								
1995	15.8	2,386	37.7	79.5	1.0	80.5	118.1	
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	15.3	2,444	37.5	84.6	0.2	84.8	122.3	
1999	15.0	2,365	35.4	86.7	0.0	86.7	122.1	
2000	16.2	3,023	49.1	87.8	0.0	87.8	136.9	
2001	13.4	3,211	43.1	89.8	4.0	93.8	136.9	
2002	10.2	3,265	33.4	90.8	8.7	99.5	132.9	
2003	10.7	3,147	33.7	93.2	4.4	97.6	131.2	
2004	11.0	3,249	35.8	94.3	4.5	98.8	134.6	
2005	17.0	3,209	36.9	98.4	2.1	100.5	137.4	
2006 2/	14.0	3,343	36.4	96.6	0.0	96.6	133.1	
<i>Virginia fire-cured, type 21</i>								
1995	1.1	1,400	1.5	2.6	0.9	3.5	5.1	
1996	1.1	1,580	1.7	3.4	0.1	3.5	5.2	
1997	1.2	1,640	2.0	2.3	0.1	2.4	4.4	
1998	1.5	1,560	2.3	2.4	0.0	2.4	4.7	
1999	1.6	1,670	2.7	2.6	0.0	2.7	5.3	
2000	1.3	1,700	2.5	3.0	0.4	3.4	6.0	
2001	1.2	1,835	2.2	3.9	0.3	4.2	6.4	
2002	0.7	2,015	1.5	3.9	0.9	4.8	6.3	
2003	0.6	1,525	0.8	4.3	0.0	4.3	5.1	
2004	0.7	1,895	1.3	3.8	0.0	3.8	5.1	
2005	0.3	2,150	0.7	4.2	0.1	4.3	5.1	
2006 2/	0.4	2,050	0.7	2.8	0.0	2.8	3.5	
			Disappearance		Price per	Support	Placed under loan	
	Total	Domestic	Exports	pound	level	Quantity	% of crop	
	----- Million pounds -----			----- Cents -----		Thousand pounds	Percent	
<i>Kentucky-Tennessee fire-cured, types 22-23</i>								
1995	37.9	23.8	14.1	217.2	151.8	238	0.6	
1996	39.4	22.1	17.2	224.5	155.7	71	0.2	
1997	38.9	21.2	17.7	225.6	162.3	368	0.9	
1998	35.5	20.4	15.2	222.5	168.1	218	0.6	
1999	34.3	13.4	21.0	229.8	171.6	28	0.1	
2000	7 43.1	7 17.8	7 25.3	216.3	171.6	4,850	9.9	
2001	7 37.4	7 21.2	7 16.2	214.9	173.6	6,904	16.0	
2002	7 35.3	7 24.7	7 10.7	237.8	176.7	488	1.5	
2003	7 32.4	19.2	13.2	245.5	181.7	14	0.0	
2004	7 34.1	25.3	8.8	251.3	186.3	28	0.1	
2005	7 40.8	3/ 34.5	3/ 6.3	3/ 237.7	4/ 186.3	4/ 28	4/ 0.1	
<i>Virginia fire-cured, type 21</i>								
1995	1.6	0.8	0.8	162.5	143.0	75.0	4.9	
1996	2.8	0.3	2.5	179.0	145.5	27.0	1.6	
1997	2.0	1.4	0.6	212.5	149.8	0.0	0.0	
1998	2.0	1.5	0.6	193.6	153.6	153.0	6.5	
1999	1.9	0.9	1.0	181.9	155.9	407.0	15.2	
2000	1.8	0.8	1.0	163.7	155.9	607.0	23.8	
2001	1.6	1.4	0.2	175.8	157.2	495.0	22.5	
2002	2.0	1.9	0.1	188.4	160.3	18.2	1.2	
2003	1.4	1.3	0.1	164.1	163.6	35.2	4.2	
2004	0.8	0.3	0.5	179.8	163.6	268.5	20.0	
2005	2.2 3/	2.1 3/	0.1 3/	197.4	4/ 163.6	4/ 268.5	4/ 20.0	

1/ Marketing year beginning October 1. 2/ September 1 Crop Production estimate used for acreage, yield, and marketings.. 3/ Estimate.

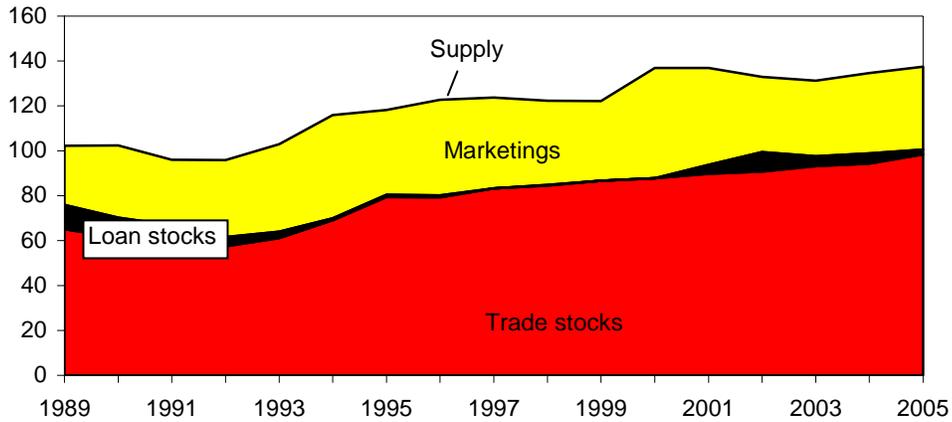
4/ Price supports terminated beginning in 2005.

Sources: Agricultural Marketing Service, *Agricultural Prices Report*, various issues and *Tobacco Stocks Report*, various issues, and *Fire-cured and Dark air-cured Tobacco Market Review*, various issues, National Agricultural Statistics Service, *Crop Production Report*, various issues, Bureau of the Census, Reports EM545 and IM146.

Figure 6

Fire-cured tobacco: Supply, price, and use

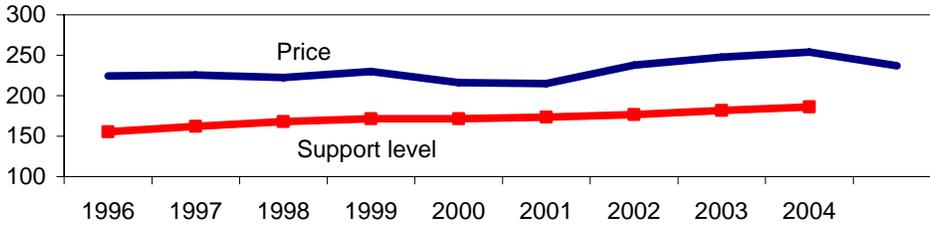
Million lbs



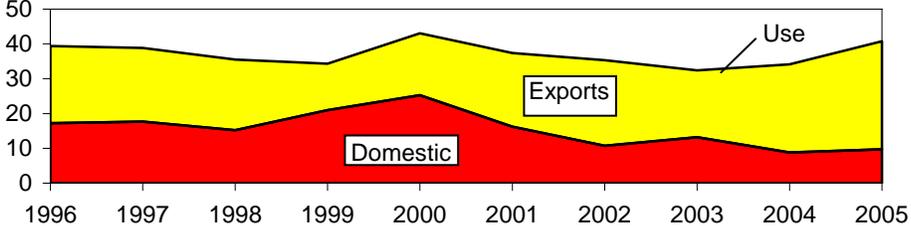
Trade stocks include those of manufacturers and dealers. Crop years beginning July 1. 2001 and 2002 are preliminary.

Source: Agricultural Marketing Service, USDA.

Cents/lb



Million lb



Dark Air-Cured (Types 35-37)

Dark air-cured tobacco (types 35-37) is used in plug and twist chewing tobacco, snuff, and, to some extent, in smoking tobacco. Production and use have declined by more than 50 percent over the last two decades. Exports traditionally account for 10-20 percent of total use, but have declined in the past decade as cigarettes have displaced traditional tobacco products in many countries that purchased dark air-cured leaf. The marketing year for dark air-cured tobacco runs from October to September. Acreage, yield, and production data is no longer collected for type 37, Virginia sun-cured tobacco.

Acreage Gains in 2006

Dark air-cured tobacco (types 35 and 36) acreage increased nearly 1,000 acres to 5,100 acres in 2006, a 23-percent gain from 4,150 acres in 2005. Yields are 3,076 pounds per acre, nearly 300 pounds greater than last season. Production of dark air-cured leaf is estimated at 15.7 million pounds, 36 percent greater than last season's 11.5 million pounds. For the 2005 crop year, beginning stocks advanced almost 3.4 million pounds, resulting in supplies of 49.1 million pounds. For 2006, beginning supplies (as of October 1, 2006) are expected to be about 50.8 million pounds, greater by almost 2 million pounds than this time last season.

2005 Disappearance Falls

Air-cured disappearance for the first 9 months of the marketing year (October 2005-June 2006) slipped 1 percent to 9.0 million pounds. Based on past marketing patterns, total disappearance during the crop year is expected to be about 11.5 million pounds.

The National Agricultural Statistics Service no longer collects production data on Virginia sun-cured tobacco (type 37) because production has ended. In 2004, production had declined to 70 acres, producing 126,000 pounds. Disappearance during 2005-06 from remaining stocks is estimated to be 17,000 pounds, with virtually all going to the domestic market.

Table 19--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, 1995-2006 (farm-sales weight)

Marketing year 1/	Acreage harvested 1,000 acres	Yield per acre Pounds	Beginning stocks					Total supply
			Production	Manufacturers		Total	Total supply	
				and others	Under loan			
			----- Million pounds -----					
Dark air-cured, types 35-36								
1995	4.1	2,065.2	8.5	26.6	0.7	27.3	35.8	
1996	3.8	2,261.9	8.6	25.1	0.3	25.4	34.0	
1997	3.6	2,257.9	8.2	23.8	0.0	23.8	32.0	
1998	4.3	2,229.1	9.7	22.5	0.0	22.5	32.1	
1999	5.0	2,328.0	11.6	24.0	0.0	24.0	35.7	
2000	5.5	2,900.7	15.9	26.6	0.0	26.6	42.5	
2001	5.0	2,806.6	13.9	32.2	0.5	32.7	46.6	
2002	3.8	2,811.2	10.6	35.1	3.1	38.3	48.8	
2003	4.1	2,745.7	11.2	36.2	1.1	37.3	48.5	
2004	4.2	2,815.8	11.8	37.3	0.0	37.3	49.1	
2005	4.2	2,778.0	11.5	37.5	0.0	37.5	49.1	
2006 2/	5.1	3,076.0	15.7	37.6	0.0	37.6	53.3	
Sun-cured, type 37								
1995	0.1	1,130.0	0.1	*	0.1	0.11	0.19	
1996	0.1	1,600.0	0.1	0.0	*	0.05	0.10	
1997	0.1	1,490.0	0.1	0.0	*	0.02	0.14	
1998	0.1	1,220.0	0.1	0.0	*	0.05	0.17	
1999	0.1	1,550.0	0.2	0.1	*	0.07	0.23	
2000	0.1	1,650.0	0.2	0.1	*	0.09	0.25	
2001	0.1	1,540.0	0.2	0.2	*	0.18	0.34	
2002	0.1	1,655.0	0.1	0.1	*	0.11	0.23	
2003	0.1	1,400.0	0.1	0.1	0.0	0.10	0.18	
2004	0.1	1,770.0	0.1	0.1	0.0	0.11	0.23	
2005 5/				0.1	0.0	0.05	0.05	
Disappearance			Exports	Avg. price per pound	Avg. support level	Placed under loan		
Total		Domestic				Quantity	% of crop	
----- Million pounds -----				----- Cents -----		Thousand pounds	Percent	
Dark air-cured, types 35-36								
1995	10.3	9.1	1.3	176.2	130.4	110.0	1.3	
1996	10.1	10.1	0.0	191.1	133.9	20.0	0.2	
1997	9.6	9.6	0.0	201.7	139.8	14.0	0.2	
1998	8.1	8.1	0.0	195.5	145.0	73.0	0.8	
1999	9.0	7.7	1.3	203.9	148.1	48.0	0.4	
2000	9.8	8.8	1.0	197.1	148.1	810.0	5.1	
2001	8.4	8.3	0.1	182.9	149.9	1615.0	11.6	
2002	11.5	11.4	0.1	210.1	152.6	151.3	1.4	
2003	11.2	11.1	0.1	215.4	157.1	182.5	1.6	
2004	11.5	11.5	0.1	218.7	161.2	293.9	2.5	
2005	11.5 3/	11.4 3/	0.1 3/	213.7	4/	4/	4/	
Sun-cured, type 37								
1995	0.14	*	0.14	155.50	126.50	0.00	0.00	
1996	0.08	*	0.05	178.20	128.80	0.00	0.00	
1997	0.10	*	0.05	190.80	132.60	0.00	0.00	
1998	0.10	0.06	0.04	170.90	136.00	8.70	7.13	
1999	0.14	0.10	0.04	159.00	138.00	21.60	13.94	
2000	0.07	0.02	0.05	180.00	138.00	4.00	2.42	
2001	0.22	0.22	0.00	182.20	139.20	38.00	24.68	
2002	0.13	0.13	0.00	206.10	142.90	1.20	1.03	
2003	0.08	0.08	0.00	208.60	145.80	1.24	1.47	
2004	0.18	0.18	0.00	210.20	145.80	25.99	20.64	
2005	0.02 3/	0.02 3/	0.00 3/	5/	4/	4/	4/	

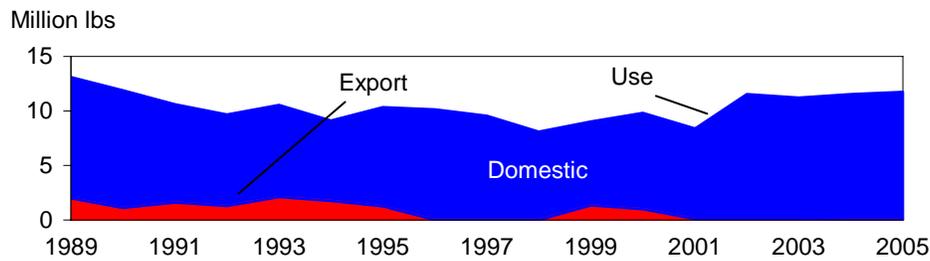
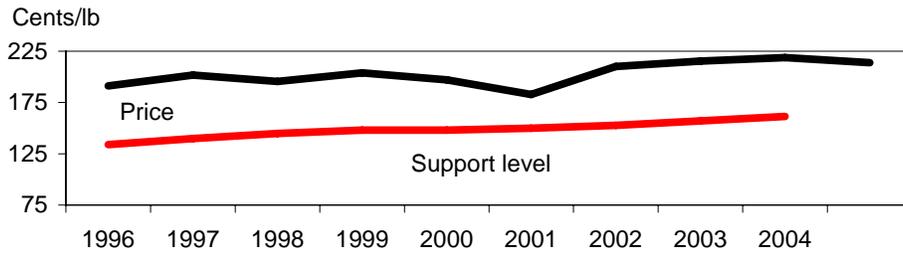
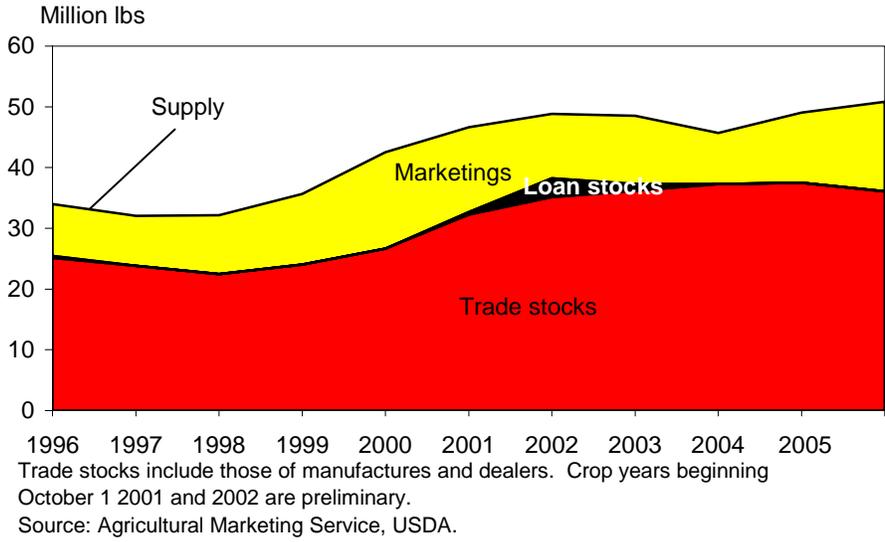
* = Negligible. 1/ Marketing year beginning October 1. 2/ September 1 Crop Production estimate used for acreage, yield, and marketings.. 3/ Estimate.

4/ Price supports terminated beginning in 2005. 5/ No Virginia sun-cured produced beginning in 2005.

Sources: Agricultural Marketing Service, *Agricultural Prices Report*, various issues; and *Tobacco Stocks Report*, various issues, and *Fire-cured and Dark air-cured Tobacco Market Review*, various issues, National Agricultural Statistics Service, *Crop Production Report*, various issues, Bureau of the Census, Reports *EM545* and *IM146*.

Figure 7

Dark air-cured tobacco: Supply, price, and use



Cigar Tobacco

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

Cigar Leaf Production Slips in 2006

Cigar leaf production in 2006 (September 1 crop estimate) is projected at 8.7 million pounds, about 50,000 pounds below last season. At 4,900 acres, cigar acreage is down slightly. Yield projections are within a few pounds of those from last season. Wrapper acreage slid by 220 acres down to 1,000 acres. Production is projected at 1.5 million pounds, about 0.3 million pounds below last season. Supplies of wrapper leaf are expected to reach 2.2 million pounds, about 200,000 pounds below last year's supply. Filler tobacco remained steady at 2,000 acres, although lower yields this season will reduce production, by close to a quarter-million pounds. Even more growers of seedleaf filler in Pennsylvania have switched to burley this season, and filler production is expected to be about 2.6 million pounds. Connecticut Valley Binder acreage, which was up by 180 acres, increased this season to 2,600 acres. Expected higher yields should result in a crop of about 4.6 million pounds. Supplies are expected to be up by 0.6 million pounds, reaching 5.9 million.

Filler Disappearance Projected To Advance in 2005

During the first 9 months of the marketing year (October 2005-June 2006), disappearance of filler tobacco reached 0.6 million pounds, compared with 3.5 million during the same period last season. Stocks in July 2006 were at relatively high levels but are expected to be partially drawn down by year's end, resulting in season disappearance of about 2.0 million pounds.

Binder Disappearance Advances in 2005

During the first 9 months of the 2005 season (October 2005-June 2006), disappearance of binder leaf is projected to gain 13 percent compared with last season. Both Connecticut Valley Binder and Wisconsin Binder disappearance decreased. For the 2005 season, disappearance of binder leaf is expected to exceed 4.5 million pounds. Connecticut Binder usually accounts for about a third of total binder disappearance. Production data for Wisconsin binder is no longer collected and is not included in the disappearance estimate.

Wrapper Disappearance Recovers

Estimated year-end disappearance for 2005 (July 2005-June 2006) is projected at 1.7 million pounds, 141,000 pounds up from the previous season. Export disappearance slipped, while domestic disappearance advanced nearly 200,000 pounds.

Table 20--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season-average prices, 1995-2006 (farm-sales weight)

Crop year 1/	Acreage	Yield	Supply			Disappearance			Avg. price per pound to growers
	harvested	per acre	Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	1,000 acres	Pounds	Million pounds						Cents
Pennsylvania seedleaf filler (type 41)									
1995	4.8	2,150	10.3	20.5	30.8	12.8	12.8	*	145.0
1996	4.8	2,140	10.3	17.9	28.2	15.0	15.0	*	155.0
1997	4.9	2,200	10.8	13.2	24.0	11.0	11.0	*	160.0
1998	4.5	2,100	9.5	13.0	22.1	10.7	10.7	*	130.0
1999	3.2	1,850	5.9	11.4	17.3	7.8	7.8	*	130.0
2000	2.4	2,100	5.0	9.5	14.6	2.5	2.5	*	na
2001	2.0	2,060	4.1	12.1	16.2	4.0	4.0	*	165.0
2002	2.1	2,100	4.4	12.3	16.7	6.0	6.0	*	145.0
2003	2.4	2,200	5.3	10.7	15.9	6.2	6.2	*	140.0
2004	1.8	2,300	4.1	9.7	13.9	4.0	4.0	*	145.0
2005 2/	1.3	2,200	2.9	9.9	12.8	0.7	0.7	*	145.0
2006 3/	1.3	2,000	2.6						
Connecticut Valley binder (types 51-52)									
1995	1.2	1,429	2.4	1.4	3.8	2.2	2.2	*	389.0
1996	1.6	1,780	2.9	1.6	4.5	3.3	2.9	0.4	628.0
1997	2.0	1,783	3.6	1.2	4.8	2.8	2.2	0.6	741.4
1998	2.4	1,539	3.7	2.1	5.7	2.2	1.4	0.8	549.9
1999	2.5	1,668	4.2	3.5	7.7	4.9	4.6	0.3	473.7
2000	0.9	1,283	1.2	2.8	3.9	1.6	1.3	0.3	491.6
2001	2.2	1,786	4.0	2.3	6.3	4.5	4.3	0.2	558.9
2002	2.2	1,828	4.0	1.8	5.8	3.8	2.4	1.4	537.2
2003	2.4	1,429	3.4	2.1	5.5	3.9	2.7	1.2	358.4
2004	2.4	1,557	3.8	1.6	5.3	4.1	3.5	0.6	530.9
2005 2/	2.4	1,701	4.1	1.2	5.3	4.0	3.3	0.7	564.5
2006 3/	2.6	1,781	4.6						
Southern Wisconsin binder (type 54)									
1995	1.9	2,375	4.5	--	--	--	--	--	145.0
1996	1.9	1,900	3.6	--	--	--	--	--	148.0
1997	1.8	2,330	4.2	--	--	--	--	--	150.0
1998	1.5	2,180	3.3	--	--	--	--	--	149.0
1999	0.9	2,530	2.3	--	--	--	--	--	148.0
2000	0.7	2,500	1.8	--	--	--	--	--	150.0
2001	1.2	2,535	3.0	--	--	--	--	--	165.0
2002	1.2	2,740	3.2	--	--	--	--	--	175.0
2003	1.4	2,480	3.5	--	--	--	--	--	175.0
2004 2/	1.4	1,960	2.7	--	--	--	--	--	175.0
2005 8/									
Northern Wisconsin binder (type 55)									
1995	0.9	1,985	1.7	--	--	--	--	--	145.0
1996	1.0	1,600	1.6	--	--	--	--	--	150.0
1997	0.8	1,995	1.5	--	--	--	--	--	152.0
1998	0.6	1,745	1.0	--	--	--	--	--	149.0
1999	0.3	1,952	0.6	--	--	--	--	--	145.0
2000	0.2	1,865	0.4	--	--	--	--	--	150.0
2001	0.3	1,860	0.6	--	--	--	--	--	152.0
2002	0.3	2,145	0.7	--	--	--	--	--	175.0
2003	0.4	1,865	0.8	--	--	--	--	--	173.0
2004 2/	0.4	1,950	0.8	--	--	--	--	--	175.0
2005 8/									
Total Wisconsin binder (types 54-55)									
1995	2.8	2,254	6.2	24.6	30.8	9.0	9.0	0.0	145.0
1996	2.9	1,799	5.2	21.7	26.9	9.1	8.9	0.2	148.6
1997	2.6	2,231	5.7	17.8	23.5	7.3	6.9	0.4	150.5
1998	2.1	2,063	4.2	16.2	20.4	6.1	5.0	1.1	149.8
1999	1.2	2,388	2.8	14.3	17.1	4.4	3.4	1.0	149.0
2000	0.9	2,399	2.3	12.7	14.9	5.2	4.2	1.0	155.0
2001	1.5	2,397	3.6	9.7	13.3	4.6	4.4	0.2	165.0
2002	1.5	2,632	3.8	8.7	12.5	4.4	4.3	0.1	175.0
2003	1.8	2,338	4.3	8.1	12.4	3.8	1.3	2.5	175.0
2004 2/	1.8	1,956	3.5	8.6	12.2	0.3	-0.2	0.4	174.6
2005 3/	0.0	0	0.0	11.9	11.9				

See footnotes at end of table.

Continued--

Table 20--Cigar tobacco, types 41-61: Domestic supplies, disappearance, and season-average prices, 1995-2006 (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
Total Cigar binder (types 51-55)									
1995	4.0	3,683	8.7	25.9	34.6	11.3	11.3	*	534.0
1996	4.5	3,579	8.1	23.3	31.4	12.4	11.8	*	776.6
1997	4.6	4,014	9.3	19.0	28.3	10.1	9.1	*	891.9
1998	4.4	3,602	7.9	18.3	26.1	8.4	6.5	*	699.7
1999	3.7	4,056	7.0	17.8	24.8	9.3	8.1	*	622.7
2000	1.8	3,682	3.4	15.4	18.9	6.8	5.5	*	646.6
2001	3.7	4,183	7.6	12.0	19.6	9.1	8.7	*	723.9
2002	3.7	4,460	7.8	10.5	18.4	8.1	6.7	*	712.2
2003	4.2	3,767	7.6	10.2	17.9	7.6	3.9	*	533.4
2004	4.2	3,513	7.3	10.2	17.5	4.4	3.4	*	358.4
2005 2/	2.4	1,701	4.1	12.3	16.5	4.1	3.4	*	564.5
2006 3/	2.6	1,781	4.6						
Connecticut Valley shade-grown (type 61)									
1995	1.3	1,164	2.0	2.1	4.1	1.8	0.4	1.4	4/
1996	1.4	1,473	2.1	2.3	4.4	2.4	0.2	2.0	4/
1997	1.7	1,431	2.4	2.0	4.4	2.3	0.2	2.1	4/
1998	1.7	1,413	2.4	2.0	4.5	3.2	0.5	2.7	4/
1999	1.9	1,951	3.6	1.3	4.9	4.1	1.1	3.0	4/
2000	1.3	1,437	1.8	0.8	2.6	1.5	0.2	1.3	2,530.0
2001	1.3	1,327	1.7	1.1	2.8	1.0	0.2	0.8	2,300.0
2002	1.0	1,201	1.2	1.8	2.9	2.2	1.5	0.8	4/
2003	1.1	1,164	1.2	0.7	1.9	1.6	1.1	0.5	2,600.0
2004	1.2	1,540	1.8	0.4	2.2	1.6	0.8	0.8	2,530.0
2005 2/	1.2	1,481	1.8	0.6	2.4	1.7	1.0	0.8	4/
2006 3/	1.0	1,500	1.5						
Grand total cigar tobacco (types 41-61)									
1995	10.1	2,085	21.0	48.5	68.4	24.9	23.1	1.8	178.3 6/
1996	10.7	1,905	20.4	43.5	63.1	28.9	24.7	4.2	231.7 6/
1997	11.2	2,015	22.5	34.1	55.5	23.4	20.3	3.1	266.9 6/
1998	10.6	1,857	19.8	33.3	52.7	22.3	17.7	4.6	222.9 6/
1999	8.7	1,892	16.5	30.4	47.0	21.2	16.9	4.3	245.1 6/
2000	5.5	1,865	10.3	25.8	36.0	10.7	8.1	2.6	1,070.8
2001	7.0	1,913	13.4	25.3	38.7	14.1	12.9	1.2	559.7 6/
2002	6.7	1,997	13.4	24.6	38.0	16.4	14.3	2.1	452.4 6/
2003	7.7	1,850	14.2	21.6	35.7	15.4	12.5	3.0	417.1 6/
2004	7.2	1,840	13.3	20.3	33.6	9.9	8.1	1.8	589.3
2005 2/	4.9	1,778	8.8	22.9	31.7	6.9	4.8	2.1	311.8 6/
2006 3/	4.9	1,782	8.7						

* = Negligible. ** = Not applicable. -- = Not available. 1/ October 1 for types 41-55; July 1 for type 61. 2/ Subject to change. 3/ August 1 Crop Production Report.

4/ Growers of type 61 no longer provide price information. 5/ Subsequent years negligible. 6/ Does not include type 61. 7/ Ohio filler type 41 price not available as there is no production and stocks negligible. 8/ Data no longer reported in Crop Production Report.

Sources: Agricultural Marketing Service, *Agricultural Prices Report*, various issues and *Tobacco Stocks Report*, various issues, and

Fire-cured and Dark air-cured Tobacco Market Review, various issues, National Agricultural Statistics Service, *Crop Production Report*, various issues,

Bureau of the Census, Reports *EM545* and *IM146*.

Table 21--Cigarettes: Estimated world output and exports, specified countries, annual 1996-2005 1/

Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	% change
											2004-5
Billions											
Percent											
Production:											
China	1,700.3	1,683.6	1,683.5	1,674.7	1,698.5	1,701.0	1,709.5	1,793.0	1,793.0	1,792.5	0
United States	758.0	719.6	679.7	606.6	594.6	562.8	532.0	499.4	493.5	489.0	-1
United Kingdom	170.3	170.2	163.5	155.0	126.1	126.1	133.0	107.9	105.0	102.0	-3
Germany	193.3	182.0	181.9	204.8	206.8	213.8	212.5	205.2	185.0	182.2	-2
France	46.4	45.0	43.3	42.4	44.2	44.7	38.0	40.8	29.0	38.7	33
Italy	51.5	51.9	50.7	45.1	38.2	37.7	39.4	40.8	29.0	29.1	0
Other EU	296.2	310.3	315.5	447.3	320.7	311.1	322.1	282.6	272.5	252.8	-7
Total European Union 2/	757.7	759.4	755.0	763.9	736.0	733.5	745.0	677.3	620.5	604.8	-3
Russia	356.2	390.5	394.0	423.5	377.0	374.0	390.0	385.0	380.0	395.0	4
Japan	271.0	254.6	267.1	263.2	258.0	256.2	229.0	219.0	215.9	233.9	8
Brazil	182.3	182.8	170.0	111.4	104.9	109.4	106.7	96.7	96.7	96.8	0
Other	1,655.4	1,660.1	1,631.4	1,711.2	1,840.1	1,905.9	1,890.3	1,991.9	1,930.9	2,000.7	4
Total	5,680.9	5,650.6	5,580.8	5,554.4	5,609.1	5,642.8	5,602.5	5,662.3	5,530.5	5,612.7	1
Exports:											
United States	243.9	217.0	201.3	151.4	148.3	133.9	127.4	121.5	118.7	94.6	-20
Bulgaria	40.1	25.7	15.4	11.0	8.7	8.7	7.6	2.4	3.2	3.3	3
United Kingdom	136.7	108.1	125.5	100.3	111.0	100.5	72.4	68.1	65.0	62.0	-5
Switzerland	27.1	23.3	23.4	23.4	23.4	23.4	23.4	23.4	23.4	22.0	-6
Germany	81.6	69.7	69.4	85.2	90.7	105.8	105.2	105.6	90.0	106.3	18
Netherlands	116.0	118.0	103.7	105.1	101.6	137.6	135.0	104.8	100.0	99.8	0
Belgium-Luxembourg	14.9	14.1	14.0	11.8	9.8	8.2	8.2	8.2	8.2	7.7	-7
Hong Kong	79.6	45.9	35.2	25.3	28.2	27.8	28.5	28.1	29.0	29.0	0
Singapore	59.3	70.1	53.3	58.7	58.7	58.7	58.7	55.0	55.0	14.2	-74
Other	295.1	290.6	307.6	260.4	262.2	215.6	237.8	341.3	268.7	306.6	14
Total	1,094.3	982.5	948.7	832.7	842.6	820.3	804.3	858.5	761.2	745.5	-2

1/ Estimates included in absence of reasonable data. 2005 preliminary. 2/ Prior to 1996, excludes Austria, Sweden, and Finland--new members effective January 1, 1995. For 2005 onward, EU-25.

Compiled from USDA, FAS, *World Tobacco Circular*, FT 8-00, August, various issues. 2005 from Tobacco Merchants Association (TMA), *World Cigarette Production and Consumption Report - 2005 Edition* and TMA, *World Cigarette Guide*.

Table 22--Estimated leaf used for cigarettes by kinds of tobacco, 1960-2005

Calendar year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
<i>Million pounds</i>									
1960-64	742	455	16	1,213	661	404	16	123	1,204
1965-69	666	477	21	1,164	594	426	21	150	1,191
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
1980-84	480	424	25	930	428	379	25	374	1,207
1985-89	457	375	24	856	408	336	24	403	1,171
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	368	12	855	427	331	12	467	1,237
1996	464	314	12	790	418	282	12	545	1,257
1997	452	317	13	783	407	286	12	563	1,267
1998	403	268	7	677	362	241	6	477	1,087
1999	344	223	6	572	309	200	5	487	1,002
2000	348	177	6	530	313	159	5	455	933
2001	338	188	4	530	304	169	4	490	967
2002	287	136	4	427	259	123	3	528	912
2003	268	108	5	381	241	97	4	447	790
2004	281	94	7	382	253	85	6	514	857
2005 1/	318	126	2	446	286	114	1	448	849
<i>Pounds per 1,000 cigarettes</i>									
1960-64	1.396	.854	.030	2.280	1.242	.761	.030	.231	2.264
1965-69	1.174	.840	.037	2.051	1.048	.751	.036	.264	2.098
1970-74	1.026	.755	.031	1.812	.916	.674	.031	.305	1.926
1975-79	.871	.680	.031	1.582	.777	.607	.030	.392	1.806
1980-84	.689	.609	.036	1.334	.615	.544	.036	.539	1.734
1985-89	.672	.552	.036	1.258	.600	.493	.036	.593	1.722
1990	.750	.559	.030	1.339	.670	.499	.030	.533	1.732
1991	.697	.587	.023	1.306	.622	.522	.023	.608	1.777
1992	.641	.484	.022	1.147	.575	.431	.022	.723	1.751
1993	.629	.501	.020	1.150	.561	.448	.020	.831	1.859
1994	.670	.502	.017	1.188	.598	.448	.017	.616	1.679
1995	.636	.493	.016	1.145	.572	.444	.016	.626	1.658
1996	.615	.416	.016	1.047	.554	.374	.016	.722	1.666
1997	.626	.439	.018	1.083	.563	.395	.016	.779	1.753
1998	.583	.389	.010	.982	.525	.350	.009	.691	1.575
1999	.567	.367	.010	.944	.510	.330	.009	.804	1.653
2000	.584	.297	.010	.892	.526	.268	.009	.765	1.568
2001	.601	.334	.007	.943	.541	.301	.006	.871	1.719
2002	.540	.256	.007	.803	.486	.230	.006	.992	1.714
2003	.536	.217	.009	.762	.483	.195	.008	.896	1.582
2004	.478	.160	.012	.649	.430	.144	.011	.875	1.459
2005 1/	.650	.258	.003	.911	.585	.232	.003	.916	1.736
<i>Percent distribution</i>									
1960-64	61.2	37.5	1.3	100	54.9	33.6	1.3	10.2	100
1965-69	57.2	41.0	1.8	100	49.9	35.8	1.8	12.6	100
1970-74	56.6	41.7	1.7	100	47.6	35.0	1.6	15.8	100
1975-79	55.0	43.0	2.0	100	43.0	33.6	1.7	21.7	100
1980-84	51.6	45.6	2.7	100	35.4	31.4	2.1	31.1	100
1985-89	53.4	43.8	2.8	100	34.9	28.6	2.1	34.5	100
1990	56.0	41.7	2.2	100	38.7	28.8	1.7	30.8	100
1991	53.3	44.9	1.8	100	35.0	29.4	1.4	34.2	100
1992	55.9	42.2	1.9	100	32.8	24.6	1.2	41.3	100
1993	54.7	43.6	1.7	100	30.2	24.1	1.0	44.7	100
1994	56.4	42.2	1.4	100	35.6	26.7	1.0	36.7	100
1995	55.5	43.1	1.4	100	34.5	26.8	1.0	37.7	100
1996	58.8	39.7	1.5	100	33.2	22.5	1.0	43.4	100
1997	57.8	40.5	1.7	100	32.1	22.5	0.9	44.4	100
1998	59.4	39.6	1.0	100	33.3	22.2	0.6	43.9	100
1999	60.0	38.9	1.1	100	30.9	20.0	0.5	48.6	100
2000	65.5	33.3	1.1	100	33.5	17.1	0.6	48.8	100
2001	63.8	35.5	0.8	100	31.5	17.5	0.4	50.6	100
2002	67.3	31.9	0.8	100	28.4	13.4	0.3	57.8	100
2003	70.4	28.4	1.2	100	30.5	12.3	0.5	56.6	100
2004	73.6	24.6	1.8	100	29.5	9.9	0.7	59.9	100
2005 1/	71.3	28.3	0.3	100	33.7	13.4	0.2	52.8	100

1/ Subject to revision.

Sources: Alcohol and Tobacco Tax and Trade Bureau, *Monthly Statistical Release - Tobacco Products*, Bureau of the Census, Reports EM545 and IM146.

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