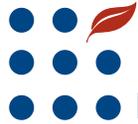




United States  
Department  
of Agriculture

TBS-259-01  
September 2005



Electronic Outlook Report from the Economic Research Service

[www.ers.usda.gov](http://www.ers.usda.gov)

# U. S. Tobacco Import Update 2003/04<sup>1</sup>

**Tom Capehart**

## Abstract

U.S. tobacco product manufacturers use foreign-produced leaf in items such as cigarettes, cigars, chewing tobacco, and pipe tobacco. Imports peaked in the mid-1990s, but remain at historically high levels. The popularity of generic cigarettes—which use cheaper imported leaf—and increases in domestic leaf prices were the chief reasons for heightened dependence on tobacco imports. Disappearance (use) of foreign-grown tobacco followed a similar upward trend. As tobacco exports and domestic sales of generic cigarettes advanced, imported leaf use rose. During the past year, use of imported tobacco advanced 14 percent. Imported flue-cured and burley use gained and Oriental leaf use was steady. Foreign-grown cigar leaf use advanced as domestic cigar production rose. Imports of flue-cured and burley tobacco continue to be regulated by a tariff-rate quota.

**Keywords:** Imports, arrivals, Oriental, flue-cured, burley, tariff-rate quota, TRQ.

## Acknowledgments

The author thanks John Love of the World Agricultural Outlook Board, USDA, and Norman Sharp of the Cigar Association for their comments. Finally, we appreciate the editorial assistance of Courtney Knauth and the design and layout skills of Wynnic Pointer-Napper, both of ERS.

<sup>1</sup>This article updates those published annually in the September 1992-2001 issues of the *Tobacco Situation and Outlook Report* and electronic outlook report published in February 2003 and February 2004, which can be accessed at <http://www.ers.usda.gov/publications/tbs/feb03/tbs200202/> and [www.ers.usda.gov/publications/tbs/feb04/tbs200301](http://www.ers.usda.gov/publications/tbs/feb04/tbs200301).

## Introduction

This article examines the role of foreign tobacco in the U.S. tobacco industry during the 2003/04 crop year. The discussion focuses on disappearance or use of imported tobacco and import activity under the tariff-rate quota (TRQ).<sup>2</sup>

## Background

In the 17th and 18th centuries, U.S. producers provided all the tobacco consumed globally. Foreign production began in the 19th century, but the United States was still the major supplier through the mid-20th century. As cigarette consumption expanded in the early 20th century, imports of Oriental or “Turkish” tobacco (a cigarette leaf not produced in the U.S.) began, but they were negligible compared with total use. By the early 1960s, imports accounted for only 10 percent of use (disappearance) and still consisted mostly of Oriental tobacco, along with some cigar leaf. Imports rose to about 30 percent of total use in the 1970s and 1980s as flue-cured and burley arrivals gradually increased. The increase occurred because foreign tobacco, while of lesser quality, was cheaper than domestic leaf. Further, new cigarette manufacturing technologies enabled more use of lower quality leaf in meeting blending requirements.

In the early 1990s, U.S. leaf imports surged due to the rising popularity in the United States and abroad of low-and mid-priced cigarette brands (discounts) and due to rapidly increasing U.S. cigarette exports, which boosted demand for lower priced foreign leaf. To meet this demand, manufacturers imported more foreign tobacco. U.S. leaf imports for consumption climbed from 413 million pounds in 1990 to more than 1 billion pounds in 1993. Imports accounted for 44 percent of leaf use in cigarette manufacture, prompting Congress to restrict imports by implementing the Domestic Marketing Assessment (DMA).

Under the DMA, which was in effect from January 1, 1994 to September 13, 1995, manufacturers were assessed a penalty if the foreign leaf content of U.S. cigarettes exceeded 25 percent. The DMA was enforced during calendar year 1994 only. It was eliminated on September 13, 1995 (retroactive to January 1, 1995), when a TRQ was proclaimed for cigarette leaf tobacco, mainly flue-cured and burley. Under this TRQ, which is still in effect, cigarette leaf imports that exceed predetermined quota levels are subject to an import duty of 350 percent ad valorem. However, a drawback provision allows most of the duty to be refunded if the same leaf is re-exported as product. The overall tariff-rate quota has never been more than 80-percent full.

## Recent Trends

General imports of foreign-grown leaf and stems fell from 580.0 million pounds (declared-weight) in 2002/03 (July-June) to 573.9 million pounds during 2003/04 ([appendix table 1](#)). Oriental, stemmed flue-cured, and cigar imports advanced. Burley and stem arrivals slipped. During the same period,

<sup>2</sup>Use is the quantity of leaf that is converted into product, otherwise consumed, or wasted. Imports are leaf that is recorded by U.S. Customs as it enters the United States.

imports for consumption of leaf and stems advanced 14 percent to reach 632 million pounds ([appendix table 2](#)).<sup>3</sup>

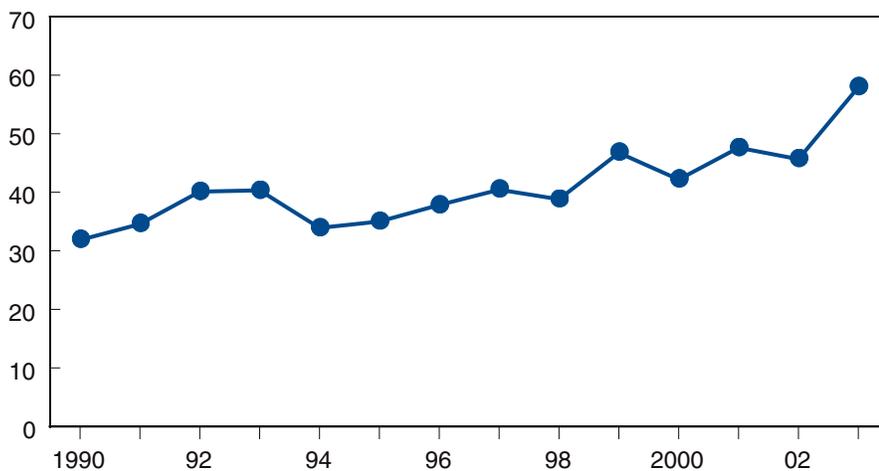
## Imported Share of Total Use Gains in 2003

During the past decade, the imported share of leaf used to manufacture tobacco products in the United States trended upward. Foreign-grown leaf use as a share of total use shrank in 2000/01, recovered in 2001/02, declined again in 2002/03, and advanced 27 percent in 2003/04 (fig. 1). For 2003/04, imported leaf use reached 58 percent of total U.S. leaf use, compared with 46 percent the previous year. On a farm-sales weight basis, use of foreign leaf totaled 619.6 million pounds in 2003/04 (fig. 2). Imported flue-cured

<sup>3</sup>General imports are arrivals held in bond. Imports for consumption are imports upon which duty has been paid.

Figure 1  
**Foreign-grown tobacco share of total U.S. use**

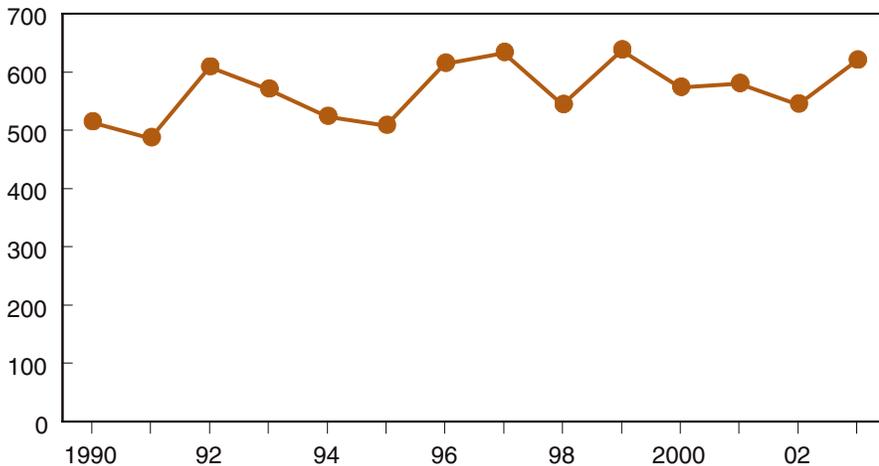
Percent



Source: USDA, Economic Research Service.

Figure 2  
**Foreign-grown tobacco disappearance in the U.S.**

Mil. lbs

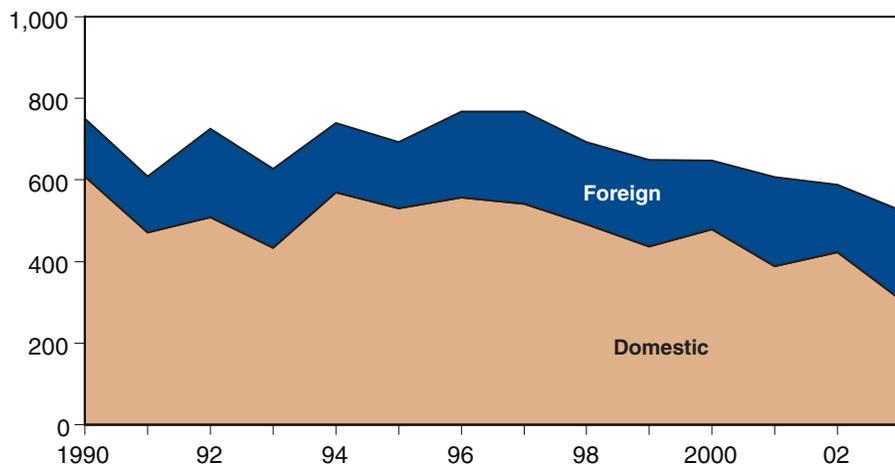


Source: USDA, Economic Research Service.

Figure 3

**Flue-cured disappearance**

Mil. lbs

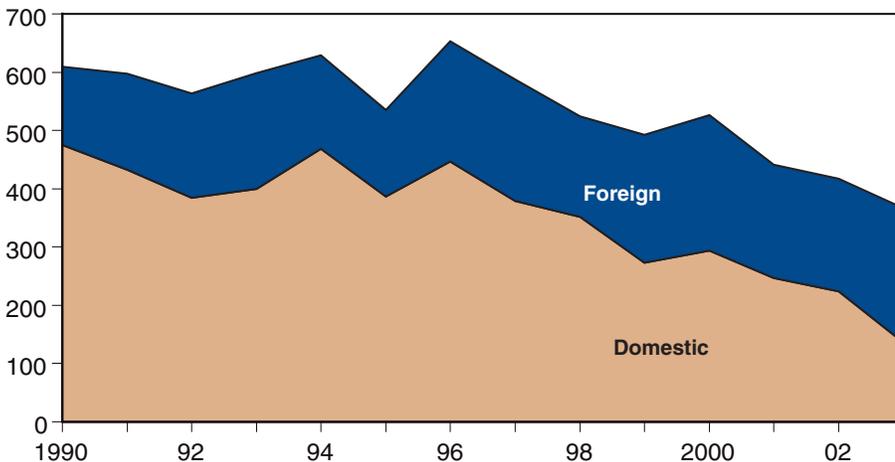


Source: USDA, Economic Research Service.

Figure 4

**Burley disappearance**

Mil. lbs



Source: USDA, Economic Research Service.

use advanced 32 percent, or 54 million pounds, to 218.3 million pounds, while estimated burley use gained by 10 percent to 230.2 million pounds (tables 1 and 2, figs. 3 and 4). During the same period, foreign-grown flue-cured stocks held by U.S. tobacco dealers, cooperatives, and manufacturers rose by about 3 percent. Imported burley stocks slipped 15 percent (table 3). Cigarettes manufactured in the United States continue to contain large amounts of foreign leaf; tobacco leaf, although a small part of the final cost of cigarettes, is one area in which cigarette manufacturers can cut costs.

Based on arrival data (July-June general imports adjusted for stock changes), Oriental leaf use rose less than 1 percent in 2003/04, to 171.1 million pounds, after a gain of less than 2 percent the previous year (table 2). Stocks on hand advanced 6 percent from July 1, 2003, to July 1, 2004

Table 1

**Estimated U.S. imports of flue-cured and burley tobacco, and domestic use: 1969-2003 (farm-sales weight)**

Year beginning July 1	Flue-cured				Burley			
	Imports <sup>1</sup>	Domestic disappearance	Total use	Imports share of total	Imports <sup>1</sup>	Domestic disappearance <sup>2</sup>	Total use	Imports share of total
	Million pounds			Percent	Million pounds			Percent
1969	5.7	645.9	651.6	0.9	3.3	507.1	510.4	0.6
1970	10.6	640.1	650.7	1.6	3.2	503.0	506.2	0.6
1971	11.2	662.5	673.7	1.7	4.6	515.2	519.8	0.9
1972	12.7	664.2	676.9	1.9	8.9	534.5	543.4	1.6
1973	20.4	703.4	723.8	2.8	30.7	533.1	563.8	5.4
1974	23.1	652.3	675.4	3.4	47.7	518.8	566.5	8.4
1975	24.4	670.6	695.0	3.5	46.7	510.1	556.8	8.4
1976	30.8	634.0	664.8	4.6	37.9	489.6	527.5	7.2
1977	55.0	608.2	663.2	8.3	85.4	494.8	580.2	14.7
1978	60.1	584.1	644.2	9.3	89.1	502.8	591.9	15.1
1979	84.8	563.1	647.9	13.1	113.6	498.5	612.1	18.6
1980	72.7	529.4	602.1	11.7	136.9	477.6	614.5	22.3
1981	63.3	488.8	552.1	11.5	109.7	463.9	573.6	19.1
1982	103.1	478.5	581.6	17.7	141.3	444.1	585.4	24.1
1983	94.4 <sup>3</sup>	441.6	536.0	17.6	135.0 <sup>3</sup>	388.7	523.7	25.8
1984	120.1 <sup>3</sup>	454.2	574.3	20.9	163.8 <sup>3</sup>	402.6	566.4	28.9
1985	151.0 <sup>4</sup>	476.5	627.5	24.1	137.8 <sup>4</sup>	425.0	562.8	24.5
1986	176.6 <sup>4</sup>	479.6	656.2	26.9	120.4 <sup>4</sup>	401.7	522.1	23.1
1987	209.7 <sup>4</sup>	537.3	747.0	28.1	162.4 <sup>4</sup>	478.1	640.5	25.4
1988	146.5 <sup>4</sup>	522.1	668.6	21.9	117.9 <sup>4</sup>	14.3	532.2	22.2
1989	109.0 <sup>4</sup>	566.7	675.6	16.1	139.9 <sup>4</sup>	445.7	585.6	23.9
1990	141.2 <sup>4</sup>	609.0	750.2	18.8	134.9 <sup>4</sup>	474.9	609.8	22.1
1991	137.6 <sup>4</sup>	471.2	608.8	22.6	165.6 <sup>4</sup>	432.2	597.9	27.7
1992	217.3 <sup>4</sup>	508.7	726.0	29.9	178.8 <sup>4</sup>	384.8	563.6	31.7
1993	193.3 <sup>4</sup>	433.4	626.7	30.5	199.6 <sup>4</sup>	399.4	599.0	33.3
1994	170.5 <sup>4</sup>	569.3	739.8	23.0	161.0 <sup>4</sup>	468.1	629.1	25.6
1995	162.5 <sup>4</sup>	530.6	693.1	23.4	148.6 <sup>4</sup>	386.1	534.7	27.8
1996	211.5 <sup>4</sup>	556.1	767.6	27.6	206.4 <sup>4</sup>	446.3	652.7	31.6
1997	226.5 <sup>4</sup>	541.0	767.5	29.5	207.9 <sup>4</sup>	379.2	608.9	34.1
1998	200.5 <sup>4</sup>	492.1	692.6	28.9	172.6 <sup>4</sup>	351.6	524.2	32.9
1999	211.6 <sup>4</sup>	436.9	648.5	32.6	219.1 <sup>4</sup>	273.3	492.4	4.5
2000	168.6 <sup>4</sup>	479.2	647.8	26.0	232.9 <sup>4</sup>	294.0	526.9	44.2
2001	217.4 <sup>4</sup>	388.9	606.3	35.9	194.7 <sup>4</sup>	245.4	440.1	44.2
2002	164.8 <sup>4</sup>	423.4	588.2	28.0	209.4 <sup>4</sup>	220.9	430.3	48.7
2003 <sup>5</sup>	218.3 <sup>4</sup>	307.0	525.3	1.6	230.2 <sup>4</sup>	136.2	366.4	62.8

<sup>1</sup>Imports for consumption (duty paid) of leaf, scrap, and manufactured or unmanufactured (beginning 1980), prorated according to reported stocks of imported flue-cured and burley.

<sup>2</sup>Marketing year beginning October 1.

<sup>3</sup>General imports adjusted for stocks change.

<sup>4</sup>Volume inspected by Agricultural Marketing Service adjusted for stock change.

<sup>5</sup>Subject to change.

Source: Compiled from Bureau of Census and Agricultural Marketing Service Reports.

Table 2

**Estimated disappearance of U.S.-grown and imported cigarette tobaccos, 1969-2003 (farm-sales weight)**

Year beginning July 1	Domestic				Foreign-grown				Total disappear- ance	Foreign- grown
	Flue- cured	Burley <sup>1</sup>	Maryland	Total	Flue- cured <sup>2</sup>	Burley <sup>2</sup>	Oriental <sup>3</sup>	Total		
<i>Million pounds</i>										<i>Percent</i>
1969	645.9	507.1	29.1	1,182.1	5.7	3.3	170.6	179.6	1,361.7	13.2
1970	640.1	503.0	27.6	1,170.7	10.6	3.2	189.3	203.1	1,373.8	14.8
1971	662.5	515.2	17.5	1,195.2	11.2	4.6	204.3	220.1	1,415.3	15.6
1972	664.2	534.5	13.4	1,212.1	12.7	8.9	187.0	208.6	1,420.7	14.7
1973	703.4	533.1	13.8	1,250.3	20.4	30.7	196.3	247.4	1,497.7	16.5
1974	652.3	518.8	25.0	1,196.1	23.1	47.7	196.6	267.4	1,463.5	18.3
1975	670.6	510.1	26.0	1,206.7	24.4	46.7	199.6	270.7	1,477.4	18.3
1976	634.0	489.6	17.4	1,141.0	30.8	37.9	185.1	253.8	1,394.8	18.2
1977	608.2	494.8	19.6	1,122.6	55.0	85.4	211.5	351.9	1,474.5	23.9
1978	584.1	502.8	21.1	1,108.0	60.1	89.1	207.8	357.0	1,465.0	24.4
1979	563.1	498.5	23.6	1,085.2	84.8	113.6	204.8	403.2	1,488.4	27.1
1980	529.4	477.6	18.6	1,025.6	72.7	136.9	202.6	412.2	1,437.8	28.7
1981	488.8	463.9	27.9	980.6	63.3	109.7	207.3	380.3	1,360.9	27.9
1982	478.5	444.1	26.0	948.6	103.1	141.3	207.9	452.3	1,400.9	32.3
1983	441.6	388.7	29.7	860.0	94.4 <sup>4</sup>	135.0 <sup>4</sup>	195.8	425.2	1,285.2	33.1
1984	454.2	402.6	28.7	885.5	120.1 <sup>4</sup>	163.8 <sup>4</sup>	196.9	480.8	1,366.3	35.2
1985	476.5	424.9	26.0	927.4	151.0 <sup>5</sup>	137.8 <sup>5</sup>	196.8	485.6	1,413.0	34.4
1986	479.6	401.8	23.9	905.3	176.6 <sup>5</sup>	120.4 <sup>5</sup>	227.4	524.4	1,429.7	36.7
1987	537.3	478.1	24.8	1,040.2	209.7 <sup>5</sup>	162.4 <sup>5</sup>	212.3	584.4	1,624.6	36.0
1988	522.1	414.3	21.4	957.8	146.5 <sup>5</sup>	117.9 <sup>5</sup>	192.0	456.4	1,414.2	32.3
1989	566.7	445.7	22.7	1,035.1	109.0 <sup>5</sup>	139.9 <sup>5</sup>	210.3	459.2	1,494.3	30.7
1990	609.0	474.9	16.8	1,098.2	141.2 <sup>5</sup>	134.9 <sup>5</sup>	237.6	513.7	1,611.9	31.9
1991	471.2	432.2	16.4	919.9	137.6 <sup>5</sup>	165.6 <sup>5</sup>	183.3 <sup>4</sup>	486.5	1,406.4	34.6
1992	508.7	384.8	13.9	907.4	217.3 <sup>5</sup>	178.8 <sup>5</sup>	212.2 <sup>4</sup>	608.3	1,515.7	40.1
1993	433.4	399.4	11.8	844.6	193.3 <sup>5</sup>	199.6 <sup>5</sup>	177.2 <sup>4</sup>	570.1	1,414.7	40.3
1994	569.3	468.1	12.7	1,021.8	170.5 <sup>5</sup>	161.0 <sup>5</sup>	191.8 <sup>4</sup>	523.3	1,545.1	33.9
1995	530.6	386.1	8.1	924.8	162.5 <sup>5</sup>	148.6 <sup>5</sup>	196.7 <sup>4</sup>	507.8	1,432.6	35.0
1996	556.1	446.3	6.6	1,009.0	211.5 <sup>5</sup>	206.4 <sup>5</sup>	196.5 <sup>4</sup>	614.4	1,623.4	37.8
1997	541.0	379.2	9.8	930.0	226.5 <sup>5</sup>	207.9 <sup>5</sup>	198.4 <sup>4</sup>	632.8	1,562.8	40.5
1998	492.1	351.6	13.8	857.6	200.5 <sup>5</sup>	172.6 <sup>5</sup>	170.4 <sup>4</sup>	543.5	1,401.1	38.8
1999	436.9	273.3	12.8	722.9	211.6 <sup>5</sup>	219.1 <sup>5</sup>	206.4 <sup>4</sup>	637.1	1,360.0	46.8
2000	479.2	294.0	12.7	785.9	168.6 <sup>5</sup>	232.9 <sup>5</sup>	171.7 <sup>4</sup>	573.2	1,359.1	42.2
2001	388.9	245.4	4.0	638.3	217.4 <sup>5</sup>	194.7 <sup>5</sup>	167.6 <sup>4</sup>	579.7	1,218.0	47.6
2002	423.4	220.9 <sup>6</sup>	3.5 <sup>6</sup>	647.8	164.8 <sup>5</sup>	209.4 <sup>5</sup>	170.1 <sup>4</sup>	544.3	1,192.1	45.7
2003 <sup>6</sup>	307.0	136.2 <sup>6</sup>	4.6 <sup>6</sup>	447.8	218.3 <sup>5</sup>	230.2 <sup>5</sup>	171.1 <sup>4</sup>	619.6	1,067.3	58.0

<sup>1</sup>Marketing year beginning October 1.<sup>2</sup>Imports for consumption (duty paid) of leaf, scrap, and manufactured and unmanufactured (beginning 1980) prorated according to reported stocks of imported flue-cured and burley.<sup>3</sup>July-June year. Imports for consumption of Oriental leaf converted to farm-sales weight.<sup>4</sup>General imports adjusted for stock change.<sup>5</sup>Volume inspected by Agricultural Marketing Service, adjusted for stock change.<sup>6</sup>Subject to change.

Source: Compiled from Bureau of Census and Agricultural Marketing Service Reports.

Table 3

**Imported foreign-grown cigarette leaf stocks, by quarters, 1986-2005**

Year	Jan. 1	April 1	July 1	Oct. 1	Jan. 1	April 1	July 1	Oct. 1
<i>Million pounds<sup>1</sup></i>								
----Foreign-grown flue-cured----				----Foreign-grown Oriental and aromatic----				
1986	231	217	258	251	346	391	375	340
1987	211	225	223	215	380	427	425	392
1988	193	199	196	212	400	376	349	296
1989	197	178	183	199	330	332	334	293
1990	181	170	188	202	325	348	339	296
1991	185	169	189	198	313	331	341	326
1992	194	191	231	269	396	405	401	356
1993	259	241	288	298	334	369	385	354
1994	277	276	296	287	350	330	349	352
1995	339	352	331	352	342	342	328	280
1996	364	391	391	406	308	428	332	306
1997	400	384	451	435	323	352	369	334
1998	434	406	416	395	335	356	352	339
1999	377	352	350	341	344	328	329	292
2000	352	302	300	303	295	271	261	241
2001	297	282	284	282	220	230	223	208
2002	281	261	265	282	204	216	214	199
2003	267	248	263	191	202	195	197	191
2004	262	251	270	271	194	205	208	200
2005	251				210			
----Foreign-grown burley----				----Total imported cigarette leaf----				
1986	258	248	251	250	835	856	884	841
1987	240	232	225	199	831	884	873	805
1988	195	175	168	159	787	750	713	667
1989	171	157	170	151	698	667	687	643
1990	153	154	148	167	659	672	675	664
1991	166	159	180	228	664	660	710	752
1992	235	224	230	247	825	820	862	872
1993	259	285	296	319	866	895	969	972
1994	295	281	292	295	922	887	936	934
1995	323	326	298	305	1,003	1,019	957	937
1996	312	298	290	311	998	1,128	1,024	1,032
1997	310	221	325	374	1,043	966	1,156	1,154
1998	368	325	300	325	1,149	1,097	1,079	1,070
1999	315	297	280	286	1,046	988	970	930
2000	303	281	269	283	959	866	840	837
2001	284	269	238	269	791	790	753	766
2002	308	282	251	275	801	767	737	763
2003	268	285	269	279	745	735	737	756
2004	300	276	249	236	773	738	736	716
2005	248				718			

<sup>1</sup>Farm-sales weight.

Source: Agricultural Marketing Service, USDA.

(table 3). Oriental leaf use peaked in 1999 at 206.4 million pounds. The Oriental component in U.S.-manufactured cigarettes is about 14 percent.

Total U.S. leaf use during 2003/04 (both domestic and imported) slipped 10 percent to 1.1 billion pounds, although the decline is diminished slightly if burley use is calculated on the basis of July-June rather than October-September. At the same time, U.S. cigarette production increased 4 percent to 530.1 billion cigarettes. The amount of leaf used in the manufacture of cigarettes varies with the qualities of the leaf used and the type of cigarette being manufactured. Also, some burley leaf is used for products such as snuff and chewing tobacco.

## Tariff-Rate Quota Activity

For September 13, 2003 through September 12, 2004, representing the 12 months upon which the TRQ is calculated, U.S. flue-cured and burley imports (all cigarette leaf, excluding Oriental) were limited to 332.2 million pounds. At the end of the September 13, 2003-September 12, 2004 TRQ year, imports under the TRQ reached 70.9 percent of the limit, or 235.6 million pounds, compared with 74 percent during the previous period. For the current TRQ year-to-date (through May 16, 2005), the quota is 41 percent full (table 4). A duty drawback also allows tobacco leaf imports that are re-exported in the form of product to avoid counting toward the TRQ and any over-TRQ tariffs.

Under the TRQ, the volume of tobacco imports for consumption under nine harmonized tariff subheadings (primarily flue-cured and burley), during the period from September 13 in any year to September 12 of the following year, is restricted (table 4).

Table 4

### Imports under the tariff-rate quota for September 13, 2004 through May 16, 2005<sup>1</sup>

Country	2004/05 quota	2004/05 imports	TRQ used
	<i>Million pounds declared weight</i>		<i>Percent</i>
Argentina	23.7	6.6	100.0
Brazil	176.8	95.5	54.0
Chile	6.1	0.4	6.7
EU	22.0	<sup>3</sup>	<sup>4</sup>
Guatemala	22.0	3.6	16.5
Malawi	26.5	11.8	44.6
Philippines	6.6	0.4	6.4
Thailand	15.4	5.9	38.1
Zimbabwe	26.5	0.6	2.1
Other <sup>2</sup>	6.6	6.6	100.0
Total	32.2	131.7	40.7

<sup>1</sup>U.S. Tariff Schedule line items subject to the tariff-rate quota (TRQ) include flue-cured and light air-cured tobacco, including burley, used in the manufacture of cigarettes for consumption in the United States.

<sup>2</sup>A TRQ of 6.6 million pounds is available to all countries other than the nine designated quota recipient countries and is allocated on a first come/first served basis.

<sup>3</sup>Less than 50,000 pounds.

<sup>4</sup>Less than .1 percent.

Source: U.S. Customs Service.

## Foreign-Grown Cigar Leaf Use

Cigar leaf imports for consumption during 2003/04 (July-June) totaled 72.8 million pounds declared weight (141.1 million pounds farm-sales weight; see [appendix table 2](#)). Year-earlier imports were 67.6 million pounds declared weight (94.6 million pounds farm-sales weight). U.S. production during the 2003/04 crop year (October-September) reached 14.2 million pounds farm-sales weight, slightly above the 2004 total of 13.6 million pounds.

U.S. cigar leaf use in 2003/04 is estimated at 162.5 million pounds (table 5). Of that, 93 percent, or 150.4 million pounds, was grown overseas. Estimated total 2002/03 cigar leaf use was 109.7 million pounds, consisting of 87-percent foreign-grown leaf. Production of both large cigars (over 3 pounds per 1,000) and small cigars (under 3 pounds per 1,000) increased during July 2003-June 2004, compared with the previous 12 months, resulting in greater cigar leaf use. Large cigar output advanced 19 percent to 4.6 billion cigars, and small cigar output advanced 23 percent to 3.1 billion cigars. Some imported cigar leaf is also used in the production of chewing tobacco.

## Outlook for Imports

The high price of U.S. tobacco has encouraged cigarette manufacturers to use an increasing share of imported leaf in domestically produced cigarettes. This trend has been reinforced by increased sales of discount (generic) cigarettes—which require cheaper tobacco—and the establishment of many small discount cigarette manufacturers since the Master Settlement Agreement took effect.<sup>4</sup> Historically, the high price of U.S. leaf has been based partly on quality differentials and, increasingly, on the effects of the Federal price support program, which boosts domestic leaf prices. Beginning with the 2005 crop (July 1 for flue-cured and October 1 for other leaf types), marketing quotas and price supports will be terminated. The result will likely be an increase in demand for U.S. tobacco, both by domestic manufacturers and in global markets. The proportion of U.S. tobacco used is projected to increase after the market adjusts to diminished government intervention.

<sup>4</sup>See <http://www.ers.usda.gov/publications/tbs/oct01/tbs250-01/> for a detailed description of the MSA.

Table 5

**Estimated disappearance of U.S.-grown and imported cigar tobacco,  
1969-2003 (farm sales weight)**

Year beginning July 1 <sup>1</sup>	Domestic	Foreign- grown <sup>2</sup>	Total disappearance	Foreign- grown <sup>2</sup>
	<i>Million pounds</i>			<i>Percent</i>
1969	94.9	81.3	176.2	46.1
1970	84.8	92.8	177.6	52.3
1971	88.5	97.2	185.7	52.3
1972	77.1	103.8	180.9	57.4
1973	72.6	141.1	213.7	66.0
1974	62.8	107.3	170.1	63.1
1975	55.4	112.5	167.9	67.0
1976	53.7	117.2	170.9	68.6
1977	50.0	131.2	181.2	72.4
1978	53.2	67.8	121.0	56.0
1979	53.8	66.1	119.9	55.1
1980	52.5	79.3	131.8	60.2
1981	56.1	70.4	126.5	55.7
1982	47.3	65.6	112.9	58.1
1983	45.2	79.1	124.3	63.6
1984	42.5	69.5	112.0	62.1
1985	41.3	56.1	97.4	57.6
1986	47.2	47.2	94.4	50.0
1987	42.9	57.6	100.5	57.3
1988	31.4	39.5	70.9	55.7
1989	31.6	42.9	74.5	57.6
1990	31.5	51.4	83.3	61.7
1991	27.1	79.2	107.2	73.9
1992	25.9	82.9	109.1	76.0
1993	26.5	74.6	102.5	72.8
1994	26.4	76.5	104.2	73.4
1995	23.1	79.9	103.0	77.6
1996	24.7	80.0	106.7	75.0
1997	20.3	89.7	109.1	82.2
1998	17.6	69.9 <sup>3</sup>	109.0	64.1
1999	16.9	85.4 <sup>3</sup>	102.3	83.5
2000	8.0	100.4 <sup>3</sup>	108.4	92.6
2001	12.9	97.9 <sup>3</sup>	110.8	88.4
2002	14.3	95.4 <sup>3</sup>	109.7	87.0
2003 <sup>4</sup>	12.1	150.4 <sup>3</sup>	162.5	92.5

<sup>1</sup>Marketing year beginning July 1, except beginning October 1 for domestically grown filler and binder.

<sup>2</sup>Imports for consumption (leaf and scrap).

<sup>3</sup>Actual disappearance.

<sup>4</sup>Subject to change.

Source: Compiled from Bureau of Census and Agricultural Marketing Service Reports, USDA.

Appendix table 1

**U.S. imports of unmanufactured tobacco: General imports, by principal categories and countries of origin, 1999-2003 (declared weight)**

Item	General imports					Percentage change from 2002-03
	July 1999- June 2000	July 2000- June 2001	July 2001- June 2002	July 2002- June 2003	July 2003- June 2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigarette tobacco leaf (unstemmed):						
Oriental						
Bulgaria	8.1	10.1	10.3	12.1	6.8	-43.8
China	5.2	1.1	0.0	1.0	0.3	-70.0
Greece	17.2	13.7	12.3	12.2	16.5	35.0
Lebanon	8.1	6.2	7.6	9.8	2.5	-74.5
Macedonia	5.2	6.3	6.7	6.0	7.2	20.0
Turkey	82.0	70.2	86.6	73.9	90.5	22.5
Other countries	0.1	4.1	1.1	1.8	0.2	-89.3
Total Oriental	125.9	111.7	124.6	116.8	124.0	6.1
Flue-cured	5.0	7.5	7.2	7.6	4.9	-35.5
Burley	5.0	6.8	5.1	2.9	2.4	-17.2
Other (unstemmed)	*	*	*	*	*	
Total unstemmed leaf	135.9	126.0	136.9	127.3	131.3	3.1
Cigarette tobacco leaf (stemmed):						
Flue-cured--						
Brazil	82.8	65.9	85.3	88.4	93.9	6.2
Other countries	33.0	28.3	44.4	35.8	50.0	39.7
Total stemmed flue-cured	115.8	94.2	129.7	124.2	143.9	15.9
NSPF: <sup>2</sup>						
Argentina	6.2	10.5	12.1	19.4	8.7	-55.2
Brazil	25.2	40.6	46.4	52.3	34.7	-33.7
China	4.0	1.4	1.9	2.6	2.3	-11.5
Guatemala	7.3	4.8	6.7	7.1	7.2	1.4
Italy	1.2	1.6	3.4	2.4	2.2	-8.3
Malawi	33.6	25.9	40.3	31.5	37.4	18.7
Mexico	10.0	5.4	4.2	6.3	5.5	-12.7
Thailand	11.0	12.9	13.0	11.4	12.8	12.3
Zimbabwe	3.2	2.4	2.8	1.3	1.0	-23.1
Other countries	13.1	4.5	6.4	3.6	5.7	58.3
Total NSPF	114.8	110.0	137.2	137.9	117.5	-14.8
Total cigarette leaf	366.5	330.2	403.8	389.4	392.7	0.8
Manufactured or not manufactured categories <sup>3</sup>	6.8	3.5	3.6	3.4	2.1	-38.2
Total cigarette tobacco	373.3	333.7	407.4	392.8	394.8	0.5

See footnotes at end of table.

Continued—

**U.S. imports of unmanufactured tobacco: General imports, by principal categories and countries of origin, 1999-2003 (declared weight)—Continued**

Item	General imports					Percentage change from 2002-03
	July 1999- June 2000	July 2000- June 2001	July 2001- June 2002	July 2002- June 2003	July 2003- June 2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigar tobacco:						
Wrapper	6.8	2.7	3.4	2.7	3.1	14.8
Filler (stemmed and unstemmed)						
Argentina	6.4	4.4	4.6	5.6	4.0	-28.6
Dominican Republic	6.0	14.5	5.6	7.5	6.5	-13.3
Indonesia	14.7	11.9	13.8	15.3	16.0	4.6
Italy	6.5	12.9	5.9	11.9	13.9	16.8
Philippines	4.0	7.6	6.2	6.0	6.5	8.3
Other countries	14.3	24.1	19.1	18.5	19.6	5.9
Total filler	53.9	75.4	55.2	64.8	66.5	2.6
Binder	0.2	1.7	0.7	0.9	0.8	-11.1
Cigar scrap:						
Argentina	*	*	*	*	2.2	*
Dominican Republic	0.1	0.3	0.3	0.4	0.1	-75.0
Honduras	0.1	0.6	0.3	0.2	0.2	0.0
India	*	0.2	0.4	0.3	0.4	33.3
Indonesia	0.1	1.5	0.3	*	1.0	*
Other countries	1.3	0.1	0.8	0.4	1.6	300.0
Total cigar scrap	1.7	3.3	2.4	1.3	6.5	400.0
Total cigar tobacco	57.4	69.1	61.7	69.7	76.9	10.3
Other stemmed and unstemmed leaf :	2.4	3.8	3.4	3.7	5.7	54.1
Stems	85.7	60.7	114.5	113.7	93.0	-18.2
<b>GRAND TOTAL</b>	<b>516.4</b>	<b>467.3</b>	<b>587.0</b>	<b>580.0</b>	<b>573.9</b>	<b>-1.1</b>

See footnotes at end of table.

Continued—

Appendix table 1

**U.S. imports of unmanufactured tobacco for consumption, by principal categories and countries of origin, 1999-2003 (declared weight)—Continued**

Item	Imports for consumption					Percentage change from 2002-03
	July 1999- June 2000	July 2000- June 2001	July 2001- June 2002	July 2002- June 2003	July 2003- June 2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigarette tobacco leaf (unstemmed):						
Oriental						
Bulgaria	11.6	10.5	12.0	13.0	5.9	-54.6
China	2.0	2.7	1.1	1.0	0.3	-70.0
Greece	11.3	21.7	9.2	14.6	17.8	21.9
Lebanon	7.2	6.9	7.6	9.6	2.5	-74.0
Macedonia	9.9	6.1	7.4	6.5	7.2	10.8
Turkey	77.7	71.9	88.9	72.3	87.8	21.4
Other countries	1.7	3.3	2.3	1.8	0.4	-80.2
Total Oriental	121.4	123.1	128.5	118.8	121.9	2.6
Flue-cured	4.6	7.5	7.1	7.6	7.2	-5.3
Burley	0.4	5.7	7.2	2.8	2.5	-10.7
Other (unstemmed)	0.0	*	*	*	*	
Total unstemmed leaf	126.4	136.3	142.8	129.2	131.6	1.8
Cigarette tobacco leaf (stemmed):						
Flue-cured--						
Brazil	52.0	52.9	75.7	79.6	123.0	54.5
Other countries	51.6	30.0	40.5	44.0	60.1	36.6
Total stemmed flue-cured	103.6	82.9	116.2	123.6	183.1	48.1
NSPF: <sup>2</sup>						
Argentina	13.3	11.1	8.5	13.9	11.6	-16.5
Brazil	34.3	28.9	46.6	40.4	50.6	25.2
China	2.9	1.0	1.4	2.2	2.4	9.1
Guatemala	7.0	4.6	6.5	7.3	7.3	0.0
Italy	3.5	4.2	3.1	1.6	3.3	106.3
Malawi	23.8	30.3	31.5	25.8	37.0	43.4
Mexico	6.0	5.6	4.9	6.3	5.2	-17.5
Thailand	13.3	13.8	13.2	8.6	16.9	96.5
Zimbabwe	0.8	2.0	1.5	1.9	1.7	-10.5
Other countries	12.0	6.1	11.7	5.9	5.6	-5.1
Total NSPF	116.9	107.6	128.9	113.9	141.6	24.3
Total cigarette leaf	346.9	326.8	387.9	366.7	456.3	24.4
Manufactured or not manufactured categories <sup>3</sup>	5.1	4.2	4.7	3.9	2.2	-43.6
Total cigarette tobacco	352.0	331.0	392.6	370.6	458.5	23.7

See footnotes at end of table.

Continued—

Appendix table 1

**U.S. imports of unmanufactured tobacco for consumption, by principal categories and countries of origin, 1999-2003 (declared weight)—Continued**

Item	Imports for consumption					Percentage change from 2002-03
	July 1999- June 2000	July 2000- June 2001	July 2001- June 2002	July 2002- June 2003	July 2003- June 2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigar tobacco:						
Wrapper	6.8	2.7	3.4	2.7	3.1	14.8
Filler (stemmed and unstemmed)						
Argentina	6.4	4.4	4.6	6.6	4.0	-39.4
Dominican Republic	8.1	14.4	5.6	7.5	6.5	-13.3
Indonesia	15.7	15.7	14.2	15.4	16.0	3.9
Italy	6.4	12.4	5.9	11.9	13.9	16.8
Philippines	4.0	7.6	6.2	5.9	6.5	10.2
Other countries	12.9	19.0	13.2	15.6	15.5	-0.6
Total filler	53.5	73.5	49.7	62.9	62.4	-0.8
Binder	0.2	1.7	0.7	0.9	0.8	-11.1
Cigar scrap:						
Argentina	*	*	*	*	2.2	*
Dominican Republic	0.1	0.3	0.4	0.4	0.1	-75.0
Honduras	0.2	0.6	0.3	0.2	0.3	50.0
India	*	0.2	0.4	0.3	0.4	33.3
Indonesia	0.1	1.5	0.3	*	1.0	*
Other countries	1.2	0.1	0.7	0.4	1.5	275.0
Total cigar scrap	1.7	3.4	2.4	1.3	6.5	400.0
Total cigar tobacco	57.0	67.1	56.2	67.8	72.8	7.4
Other stemmed and unstemmed leaf :	2.5	4.0	3.4	3.5	5.8	65.7
Stems	76.3	59.3	119.9	111.6	95.3	-14.6
<b>GRAND TOTAL</b>	<b>485.3</b>	<b>461.4</b>	<b>572.1</b>	<b>553.4</b>	<b>632.3</b>	<b>14.3</b>

Note: Due to aggregation, rounding errors may occur.

\* = Negligible.

<sup>1</sup>Preliminary.

<sup>2</sup> Not specifically provided for.

<sup>3</sup>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).

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

**U.S. imports of unmanufactured tobacco: General imports, by principal categories and countries of origin, calendar 2000-04 (declared weight)**

Item <sup>2</sup>	General imports					Change 2003-04
	2000	2001	2002	2003	2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigarette tobacco leaf (unstemmed):						
Bulgaria	8.4	9.1	11.2	9.3	10.1	8.6
Greece	4.0	11.2	13.8	17.4	9.9	-43.1
Turkey	55.3	98.0	70.0	77.7	62.8	-19.2
Other countries	17.9	21.4	15.8	14.4	7.1	-50.7
Total Oriental	85.6	139.7	110.8	118.8	89.9	-24.3
Flue-cured	5.4	8.0	7.2	6.6	7.7	16.7
Burley	4.6	5.3	5.6	4.0	1.8	-55.0
Other (unstemmed)	5.2	*	*	*	*	--
Subtotal	100.8	153.0	123.7	129.4	99.4	-23.2
Leaf (stemmed):						
Flue-cured--						
Argentina	6.7	8.5	11.2	11.7	7.5	-35.9
Brazil	63.2	72.1	91.8	96.6	60.5	-37.4
China				0.5	3.8	660.0
Other countries	21.6	33.2	30.1	26.9	23.6	-12.3
Total flue-cured	92.9	113.8	133.1	135.7	95.4	-29.7
NSPF: <sup>3</sup>						
Argentina	10.5	13.9	17.2	9.4	2.2	-76.6
Brazil	29.6	34.3	56.0	49.7	29.6	-40.4
China	1.6	1.5	14.8	4.0	0.4	-90.0
Guatemala	6.7	4.6	8.4	5.1	3.4	-33.3
Italy	2.7	4.1	2.3	2.4	0.1	-95.8
Malawi	35.1	37.7	35.2	32.8	8.4	-74.4
Mexico	5.1	4.2	7.1	5.1	0.5	-90.2
Thailand	13.9	15.2	8.7	15.2	3.5	-77.0
Zimbabwe	1.1	2.1	2.2	1.3	1.1	-15.4
Other countries	-2.4	5.2	-8.2	3.6	4.6	27.8
Total NSPF	103.9	122.8	143.7	128.6	53.8	-58.2
Subtotal	297.6	389.5	400.5	393.7	248.6	-36.9
Manufactured or not manufactured categories <sup>4</sup>	6.3	2.6	3.9	3.2	1.1	-65.6
Scrap:						
Subtotal	0.0	*	*	*	*	--
Total cigarette tobacco	303.9	392.2	404.4	396.9	249.7	-37.1

See footnotes at end of table.

Continued—

**U.S. imports of unmanufactured tobacco: General imports, by principal categories and countries of origin, calendar 2000-04 (declared weight)—Continued**

Item <sup>2</sup>	General imports					Change 2003-04
	2000	2001	2002	2003	2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigar tobacco:						
Wrapper	2.5	3.0	3.1	2.7	2.0	-25.9
Filler (stemmed and unstemmed):						
Dominican Republic	11.7	8.7	5.4	7.7	7.7	0.0
Indonesia	14.1	-9.8	-7.5	-9.1	-2.6	472.1
Italy		1.9	1.0	1.3	7.1	446.2
Other countries	34.5	60.6	55.9	73.1	33.2	-54.6
Total filler	60.3	61.5	54.8	73.0	45.4	-37.8
Binder	0.9	0.4	0.9	1.2	0.3	-75.0
Scrap:						
Dominican Republic	*	0.5	0.2	0.4	0.1	-75.0
Other countries	2.7	1.7	1.5	1.6	5.6	250.0
Subtotal	2.7	2.2	1.7	2.0	5.7	185.0
Total cigar tobacco	66.4	67.0	60.5	78.9	53.4	-32.3
Other stemmed and unstemmed	4.6	3.4	3.4	4.3	3.8	-11.6
Stems	66.5	100.5	117.2	98.7	42.2	-57.2
<b>GRAND TOTAL</b>	<b>441.4</b>	<b>563.1</b>	<b>585.6</b>	<b>578.8</b>	<b>349.1</b>	<b>-39.7</b>

See footnotes at end of table.

Continued—

**U.S. imports of unmanufactured tobacco for consumption, by principal categories and countries of origin, calendar 2000-04 (declared weight)—Continued**

Item <sup>2</sup>	Imports for consumption					Change 2003-04
	2000	2001	2002	2003	2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigarette tobacco leaf (unstemmed):						
Oriental						
Bulgaria	16.7	12.1	13.1	9.3	16.8	80.6
Greece	4.3	12.1	13.8	16.5	10.7	-35.2
Turkey	64.5	92.8	81.6	74.8	83.0	11.0
Other countries	18.9	21.6	17.0	16.2	7.7	-52.5
Total Oriental	104.4	138.6	125.5	116.8	118.2	1.2
Flue-cured						
Burley	4.6	6.6	4.0	1.8	2.4	33.3
Other (unstemmed)	4.8	*	*	*	*	--
Subtotal	118.8	153.2	136.6	125.2	130.7	4.4
Leaf (stemmed):						
Flue-cured--						
Argentina	9.7	8.6	11.9	13.1	10.9	-16.8
Brazil	60.8	61.7	79.6	124.2	79.9	-35.7
China				3.1	6.9	122.6
Other countries	23.1	33.0	29.8	32.3	33.8	4.6
Total flue-cured	98.0	103.3	121.3	172.7	131.5	-23.9
NSPF: <sup>3</sup>						
Argentina	10.4	10.9	13.1	15.6	12.0	-23.1
Brazil	31.6	33.4	51.8	51.6	48.6	-5.8
China	1.7	1.5	1.8	2.1	1.7	-19.0
Guatemala	6.7	3.3	9.6	5.1	6.9	35.3
Italy	2.6	4.5	1.7	2.6	2.0	-23.1
Malawi	35.1	28.5	31.8	33.9	29.5	-13.0
Mexico	4.6	4.3	6.6	6.4	4.6	-28.1
Thailand	11.0	14.1	7.3	19.0	11.7	-38.4
Zimbabwe	0.7	2.8	1.3	2.5	0.8	-68.0
Other countries	4.7	9.2	7.8	4.4	5.3	20.5
Total NSPF	109.1	112.5	132.8	143.2	123.1	-14.0
Subtotal	325.9	369.0	390.7	441.1	385.3	-12.7
Manufactured or not manufactured categories <sup>4</sup>						
	4.6	3.2	5.2	3.3	1.9	-42.4
Scrap:						
Subtotal	*	*	*	*	*	--
Total cigarette tobacco	330.5	372.2	395.9	444.4	387.2	-12.9

See footnotes at end of table.

Continued—

Appendix table 2

**U.S. imports of unmanufactured tobacco for consumption, by principal categories and countries of origin, calendar 2000-04 (declared weight)—Continued**

Item <sup>2</sup>	Imports for consumption					Change 2003-04
	2000	2001	2002	2003	2004 <sup>1</sup>	
	<i>Million pounds</i>					<i>Percent</i>
Cigar tobacco:						
Wrapper	2.5	3.0	3.1	2.7	3.0	11.1
Filler (stemmed and unstemmed):						
Dominican Republic	11.7	8.7	5.4	7.7	8.1	5.2
Indonesia	15.3	-11.7	-8.5	5.5	1.6	-36.4
Italy				15.9	12.7	-20.1
Other countries	32.8	58.8	55.4	41.4	46.9	13.3
Total filler	59.8	55.8	52.3	70.5	69.3	-1.7
Binder	0.9	0.4	0.9	1.2	0.5	-58.3
Scrap:						
Dominican Republic	*	0.5	0.2	0.4	0.3	--
Other countries	2.7	1.7	1.5	1.6	6.2	287.5
Subtotal	2.7	2.2	1.7	2.0	6.5	225.0
Total cigar tobacco	65.9	61.4	58.0	76.4	79.3	3.8
Other stemmed and unstemmed	4.9	3.5	3.3	4.3	6.2	44.2
Stems	83.4	79.9	121.6	113.2	88.7	-21.6
<b>GRAND TOTAL</b>	<b>484.7</b>	<b>516.8</b>	<b>578.9</b>	<b>638.2</b>	<b>561.4</b>	<b>-12.0</b>

\* = Negligible.

-- = not available.

<sup>1</sup>Preliminary.<sup>2</sup>Details may not add to total due to rounding.<sup>3</sup>Not specifically provided for.<sup>4</sup>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).

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