

SPECIAL REPORT
U.S. TOBACCO LEAF AND PRODUCTS TRADE
Calendar Years 1997 and 1998

The United States exported 221,917 metric tons of unmanufactured tobacco in 1998, valued at \$1.4 billion. This represents a 4-percent decrease in quantity and a nearly 6-percent decrease in value when compared to 1997. This drop is primarily due to competitive prices on the world market for flue-cured and burley tobacco and uncertainty from the tobacco settlement. On average, exports to Malaysia, Thailand, and Korea declined by 39 percent in 1998, while shipments of leaf tobacco to Japan and Turkey increased in 1998. The United States' leading unmanufactured tobacco export markets in 1998 were: the European Union, with sales of 104,349 tons (up 2.3 percent); Japan, 38,672 tons (up 5.9 percent); Turkey, 20,053 tons (up nearly 5 percent); Thailand, 6,443 tons (down 34 percent); Malaysia, 4,901 tons (down nearly 45 percent); Taiwan, 4,843 tons (down nearly 11 percent); and the Republic of Korea, 4,243 tons (down 40 percent).

Flue-cured and burley tobaccos, along with stems, accounted for nearly 90 percent of the U.S. unmanufactured tobacco exports. Flue-cured exports for 1998 reached 110,434 metric tons, valued at \$766 million, down 5 percent in quantity and 7 percent in value from 1997. Burley exports for 1998 totaled 50,166 metric tons, valued at \$410 million, down 12 percent in quantity and 10 percent in value from 1998. U.S. stem exports in 1998 totaled 27,100 metric tons, valued at \$15.8 million, up nearly 9 percent in quantity and down 33 percent in value.

U.S. cigarette exports in 1998 reached 201 billion pieces, valued at \$4.2 billion, down 7 percent in quantity and down 6 percent in value from 1997. The leading U.S. cigarette export markets in 1998 were: Japan, 70 billion pieces (up 9 percent from 1997); the European Union, 49 billion pieces (down 2.4 percent); Lebanon, 10.9 billion pieces (up 4.8 percent); Saudi Arabia, 8.7 billion pieces (down nearly 7 percent); the Russian Federation, 7.2 billion pieces (down 29 percent); and the Republic of Azerbaijan, 6.9 billion pieces (up nearly 8 and one-half fold).

Flue-cured, burley and oriental tobaccos (including stems) when combined account for nearly 68 percent of U.S. unmanufactured tobacco imports for consumption. U.S. imports of flue-cured tobacco totaled 30,175 tons, valued at \$101 million, down 53 percent in quantity and down nearly 63 percent in value from 1997. Burley imports in 1998 totaled 28,726 tons, valued at \$108 million, down 53 percent in quantity and down nearly 57 percent in value from 1997. U.S. imports of stems and scraps tobacco in 1998 totaled 46,206 tons, valued at \$22.5 million, up 20 percent in quantity and down 15 percent in value from 1997. The United States also imports a considerable amount of oriental tobaccos which along with flue-cured and burley account for most of the tobacco in the American-blend cigarette. Imports of oriental tobacco reached 85,551 tons, valued at \$417 million in 1997, down nearly 3 percent in quantity and up 4 percent in value when compared to 1997. The leading suppliers to the United States of unmanufactured tobacco imports for consumption in 1998 were: Turkey, 66,450 tons (down 15 percent); Brazil, 36,610 tons (down nearly 43 percent); Argentina, 10,775 tons (down nearly 58 percent); Malawi, 8,304 tons (down nearly 64 percent); and the European Union, 23,125 tons (down 3.5 percent).