

## Special Report

### **U.S. LEAF TOBACCO AND PRODUCTS TRADE Calendar Years 1998 Through 2000**

#### **Leaf Exports**

Total U.S. leaf tobacco exports continued to slide in 2000. U.S. leaf exports totaled 182,517 metric tons, valued at \$1.2 billion dollars, down nearly 5 percent in quantity and 6.8 percent in value in 2000. The United States' leading unmanufactured tobacco export markets in 2000 were: the European Union, with sales of 87,286 tons (down nearly 14 percent); Japan, 28,868 tons (up nearly 6 percent); Turkey, 12,218 tons (down 5 percent); the Russian Federation, 9,252 tons (up 14 percent); Malaysia, 6,423 tons (up nearly 19 percent); and the Dominican Republic, 5,457 tons (up nearly 11 percent). Flue-cured and burley tobaccos along with stems accounted for nearly 90 percent of U.S. leaf exports. Flue-cured exports were down slightly in 2000 at 86,274 metric tons. Leading markets for U.S. flue-cured leaf in 2000 were: the European Union, 39,921 tons (down 3 percent); Japan, 18,916 tons (up nearly 12 percent); Turkey, 6,655 tons (up 13 percent); Korea, 5,130 tons (down 9 percent); and Malaysia, 3,438 tons (down 13 percent). Burley exports for 2000 totaled 37,646 tons, a nearly 24- percent drop. Top markets for U.S. burley were: the European Union, 19,359 tons (down 41 percent); Japan, (up 7 percent); Turkey, 4,125 tons (up 19 percent); Philippines, 2,651 tons (up 23 percent); and Malaysia, 2,445 tons (up double-fold). U.S. stem exports in 2000 reached 31,525 tons valued at \$20 million, up 4 percent in quantity and 10 percent in value.

A number of factors were to blame for the decline in U.S. leaf exports. Competitive prices from world suppliers, aggressive anti-smoking campaigns, a global oversupply situation, and lower United States tobacco production have all impacted U.S. sales abroad. Countries that once bought solely American leaf found more competitive prices and good quality leaf with competitors such as Brazil and Zimbabwe. For 2001, exports will continue to be dampened by competitively price leaf abroad, but improved prospects in China, along with greater production levels in the U.S., may help stabilize leaf exports.

#### **Cigarettes**

U.S. cigarette exports in 2000 reached 148 billion pieces, valued at \$3.2 billion, down 2 percent in quantity and up 2.5 percent in value from 1999. Cigarette sales continue to decline because of increased cigarette production by U.S. manufacturers overseas and a growing health awareness that has dampened cigarette consumption in many markets. The leading U.S. cigarette export markets were: Japan (up 7 percent); the European Union (down 40 percent); Saudi Arabia (up 4 percent); Cyprus (up 15 percent) and Korea (up 68 percent).

## **Leaf Imports**

Flue-cured, burley and oriental tobacco (including stems) when combined accounted for nearly 68 percent of U.S. unmanufactured tobacco imports for consumption. U.S. imports of flue-cured tobacco totaled 46,699 metric tons and valued \$134 million dollars, down 21 percent in quantity and 31 percent in value. Burley imports in 2000 reached 51,615 tons valued at \$172 million dollars. U.S. imports of stems and scraps totaled 39,047 tons and valued \$18 million dollars, up nearly 7 percent in quantity and nearly 3 percent in value. 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 47,357 tons, down 13 percent in 2000. A drop in U.S. cigarette production and reduced domestic consumption and exports are the primary reasons for the decrease in oriental tobacco imports. Likewise, general imports dropped by nearly 28 percent to total 196,596 metric tons.