

The U.S. Tobacco Situation and Outlook: Trends in Product Markets

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Factors Depressing U.S. Cigarette Consumption

Higher prices

Higher taxes

Restrictions and regulations

Cigarette imports

Factors Depressing Demand for U.S. Leaf

Foreign competition in the domestic market

Foreign competition in the export market

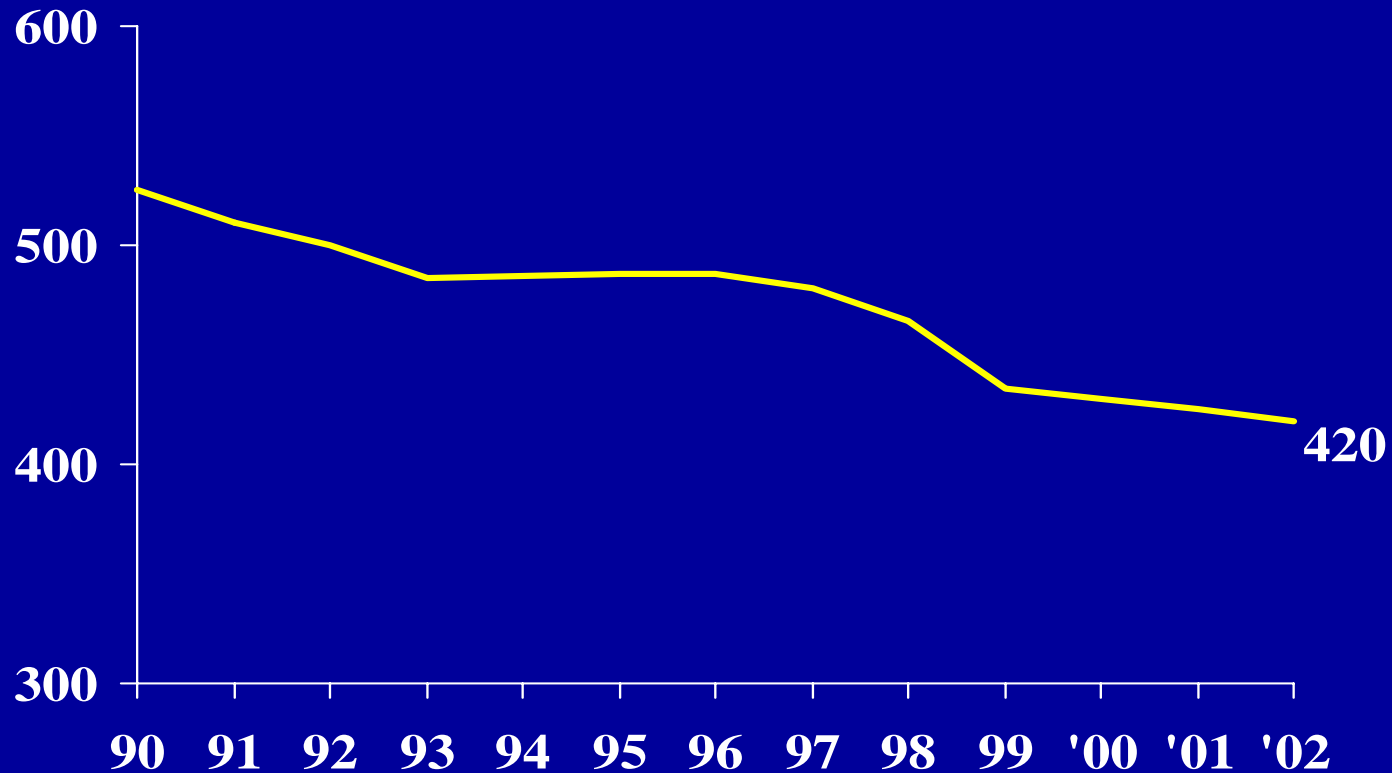
Declining U.S. cigarette consumption

Declining U.S. cigarette exports

Generic cigarettes?

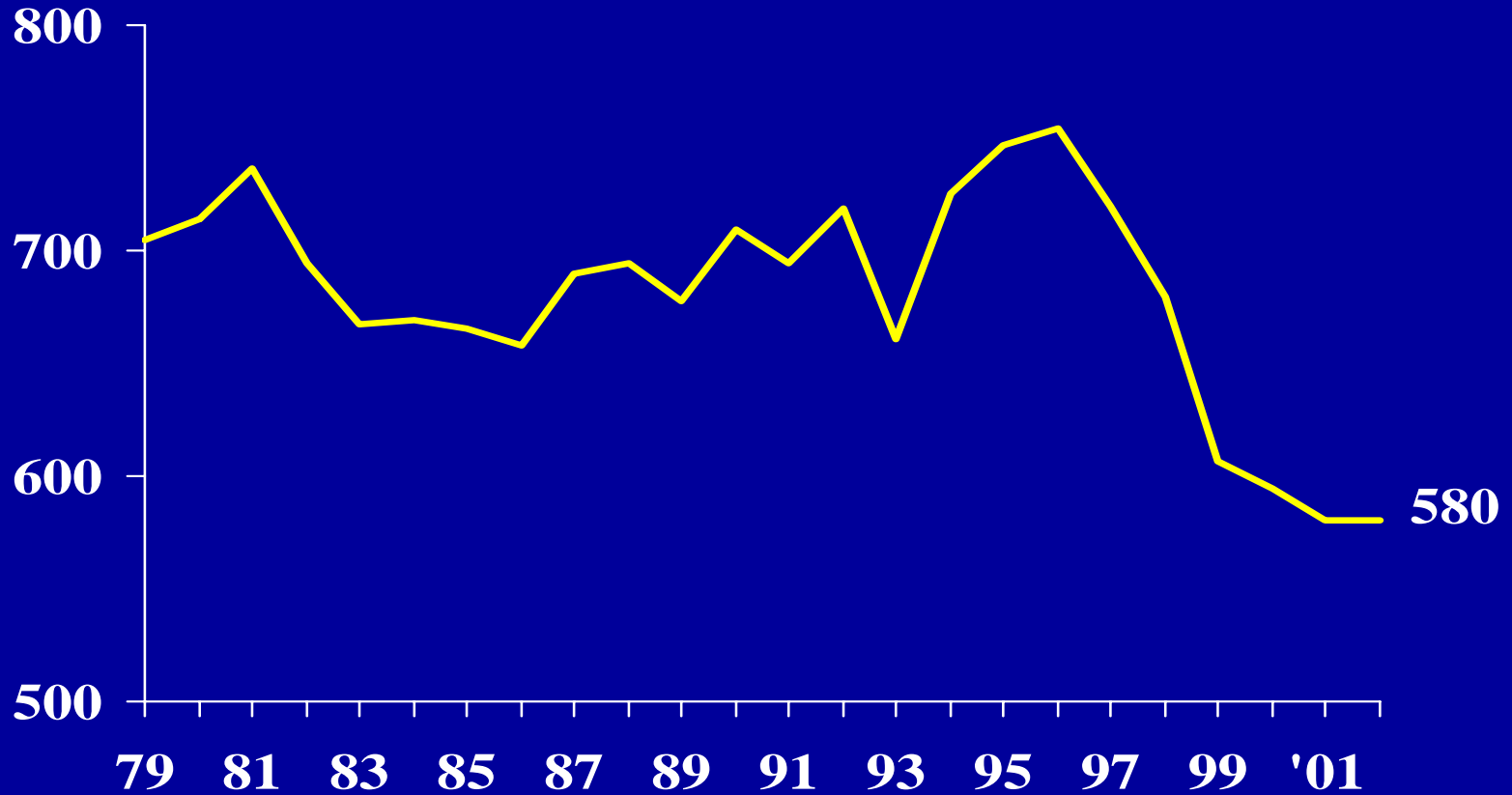
U.S. Cigarette Consumption 1990-2002

Billion Pieces



U.S. Cigarette Output 1979-2002

Billion Pieces



U.S. Cigarette Exports 1979-2002

Billions



Per Pack Wholesale Cigarette Price Increases -- Including Fed Excise Tax

November '98 45 cents to \$1.94

August '99 18 cents to \$2.12

January '00 13 cents to \$2.25

July '00 6 cents to \$2.31

December '00 14 cents to \$2.45

April '01 14 cents to \$2.59

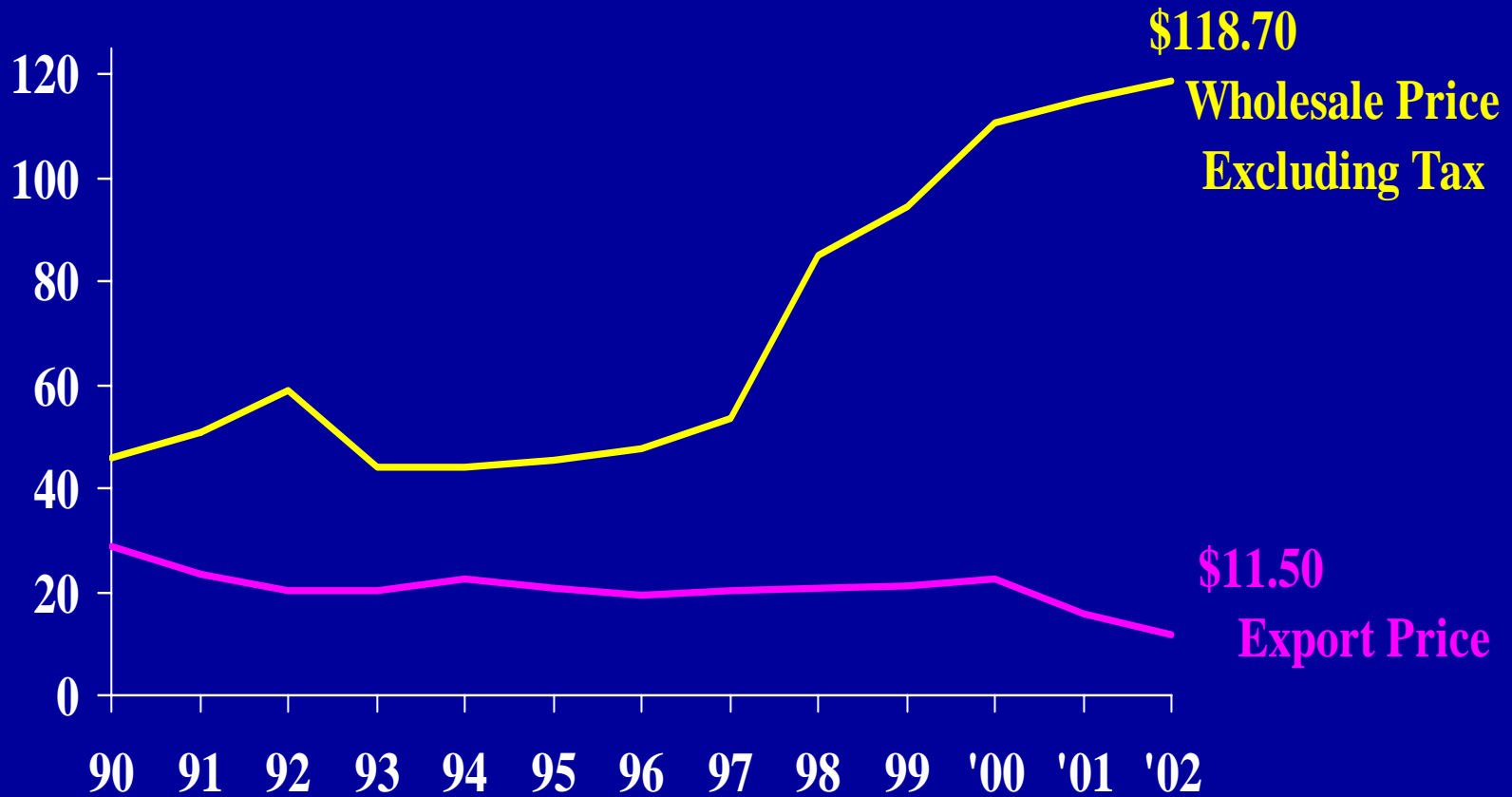
October '01 5 cents to \$2.64

April '02 12 cents to \$2.76

No price increase so far in 2003

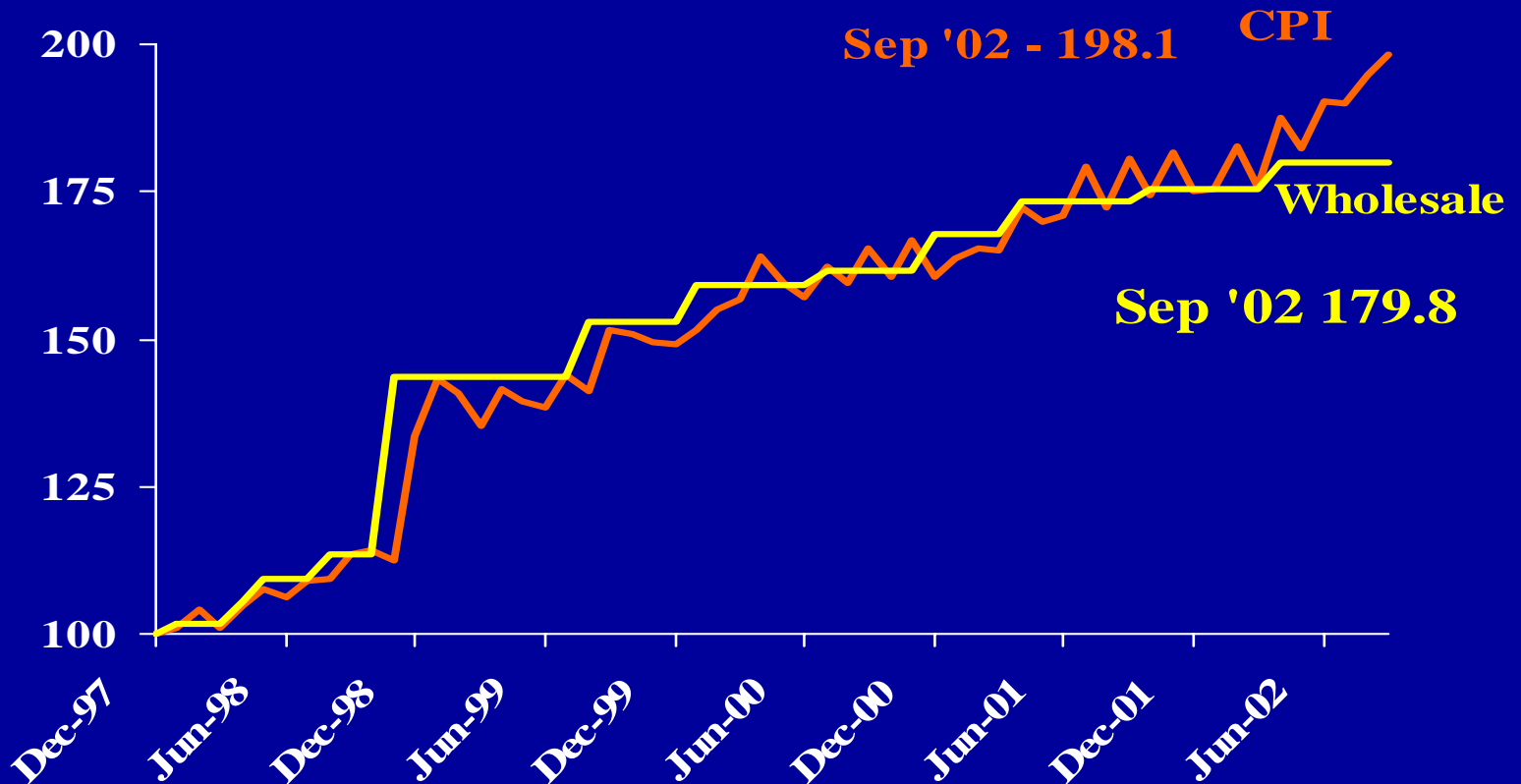
Cigarette Prices 1990-2002

\$ per 1,000 Pieces



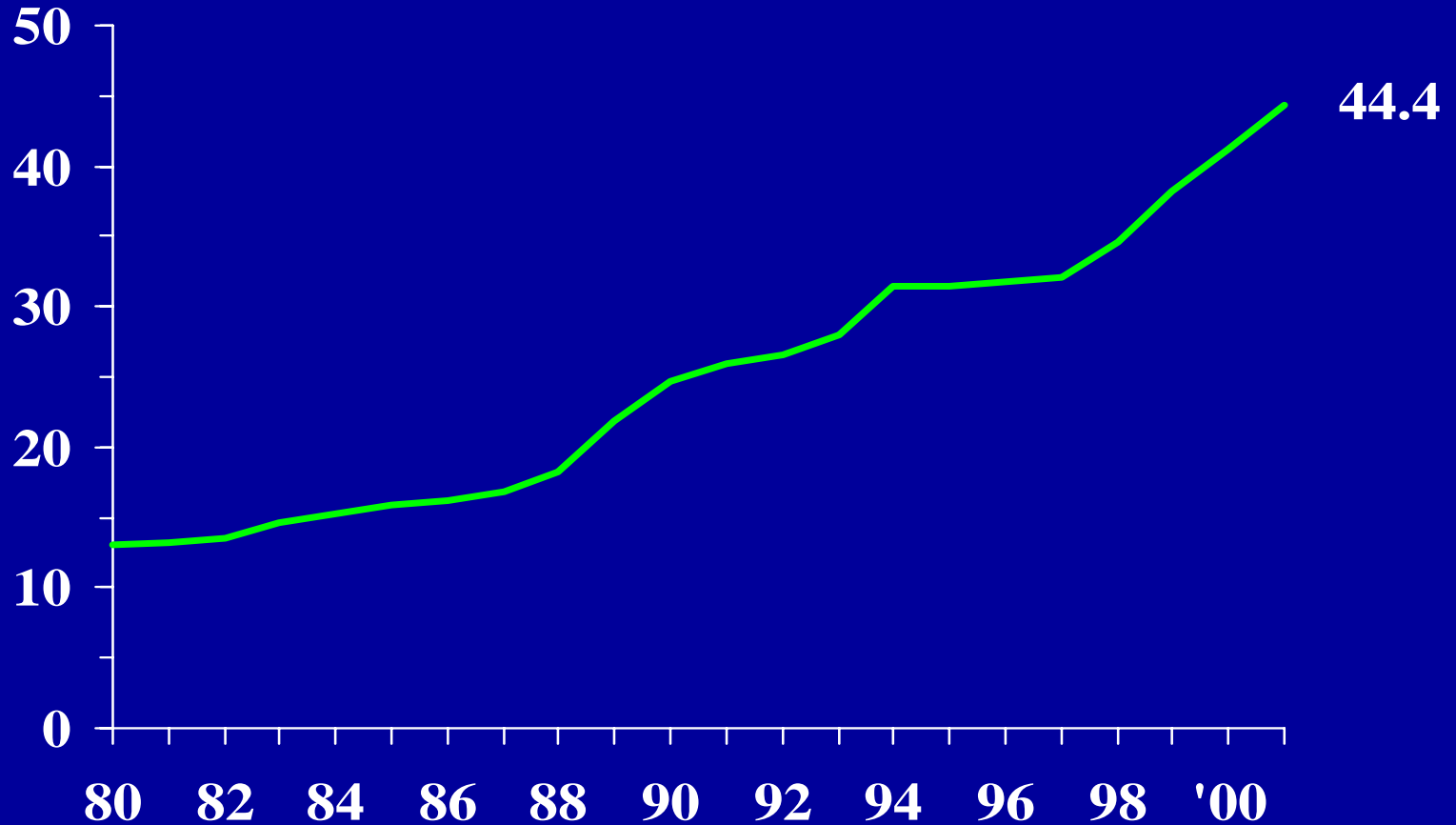
Cigarette Price Indices 1998-2002

Dec 1997 = 100



Weighted Average State Tax Rate for Cigarettes

Cents per pack



Restrictions and Regulations

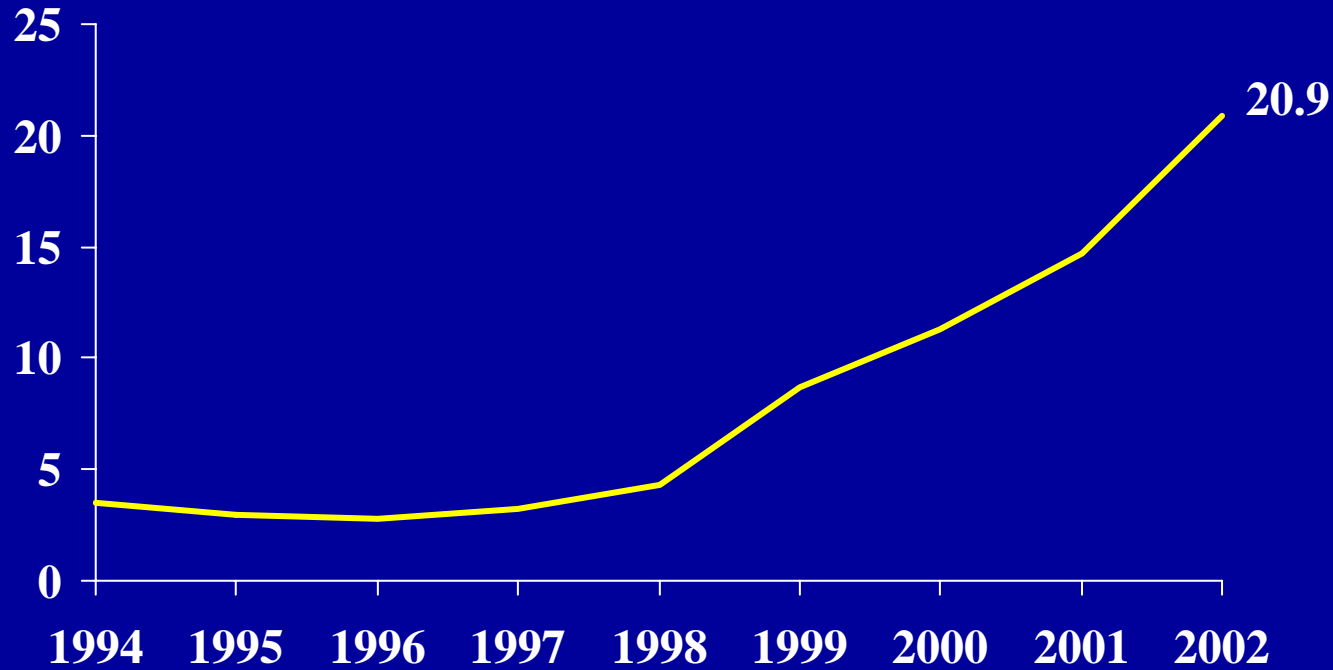
Restaurant and bar

Place of employment

Public places

U.S. Cigarette Imports 1994-2002

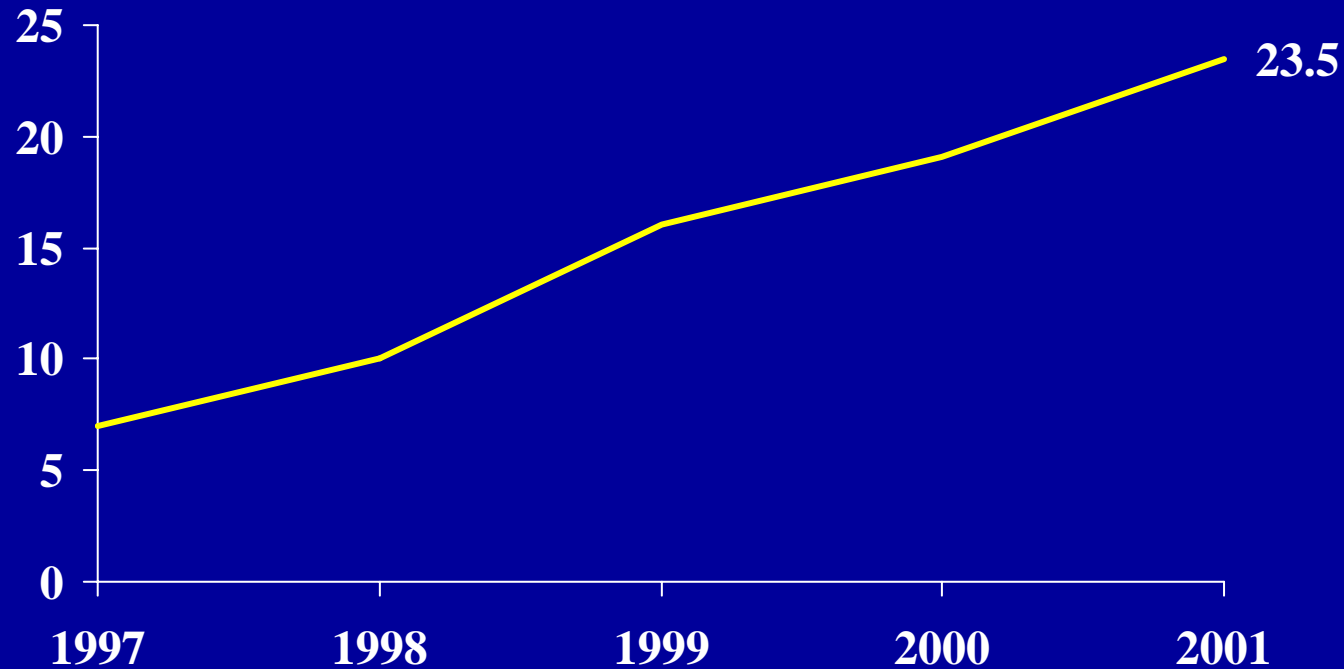
Billion cigarettes



Imports and Small Manufacturers-- U.S. Sales

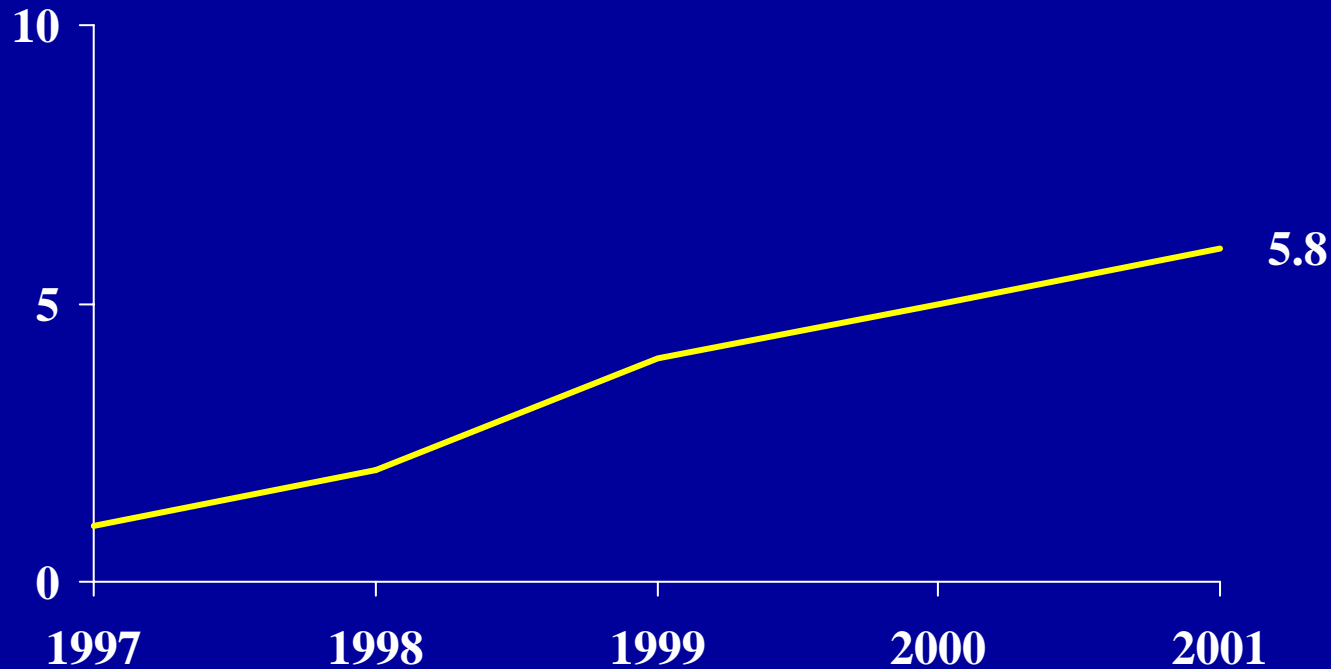
Billion cigarettes

1997-2001



Imports and Small Manufacturers-- U.S. Sales 1997-2001

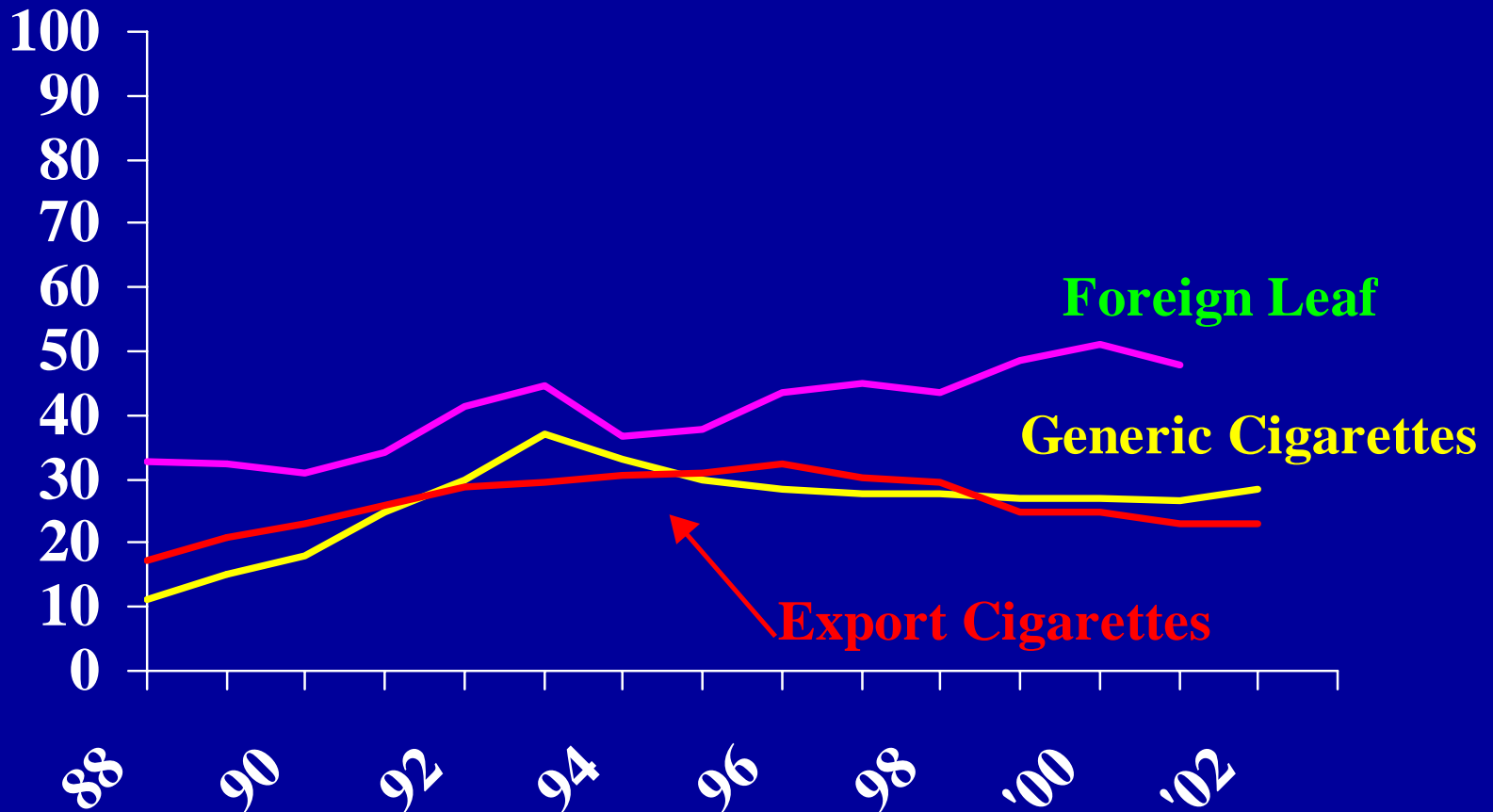
Percent



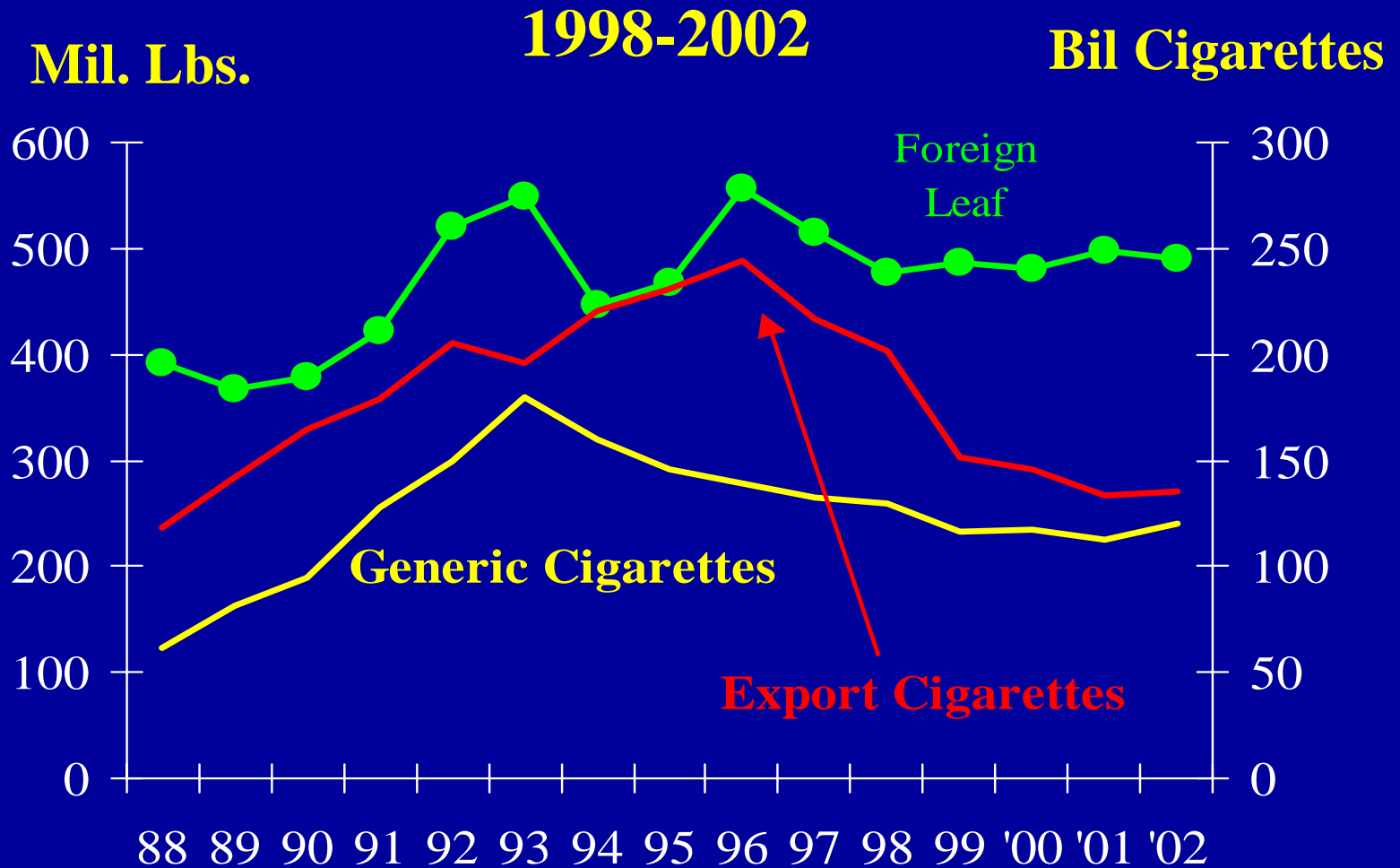
Percent of Generic and Export Cigarette Production and Foreign Leaf Content

1988-2002

Percent



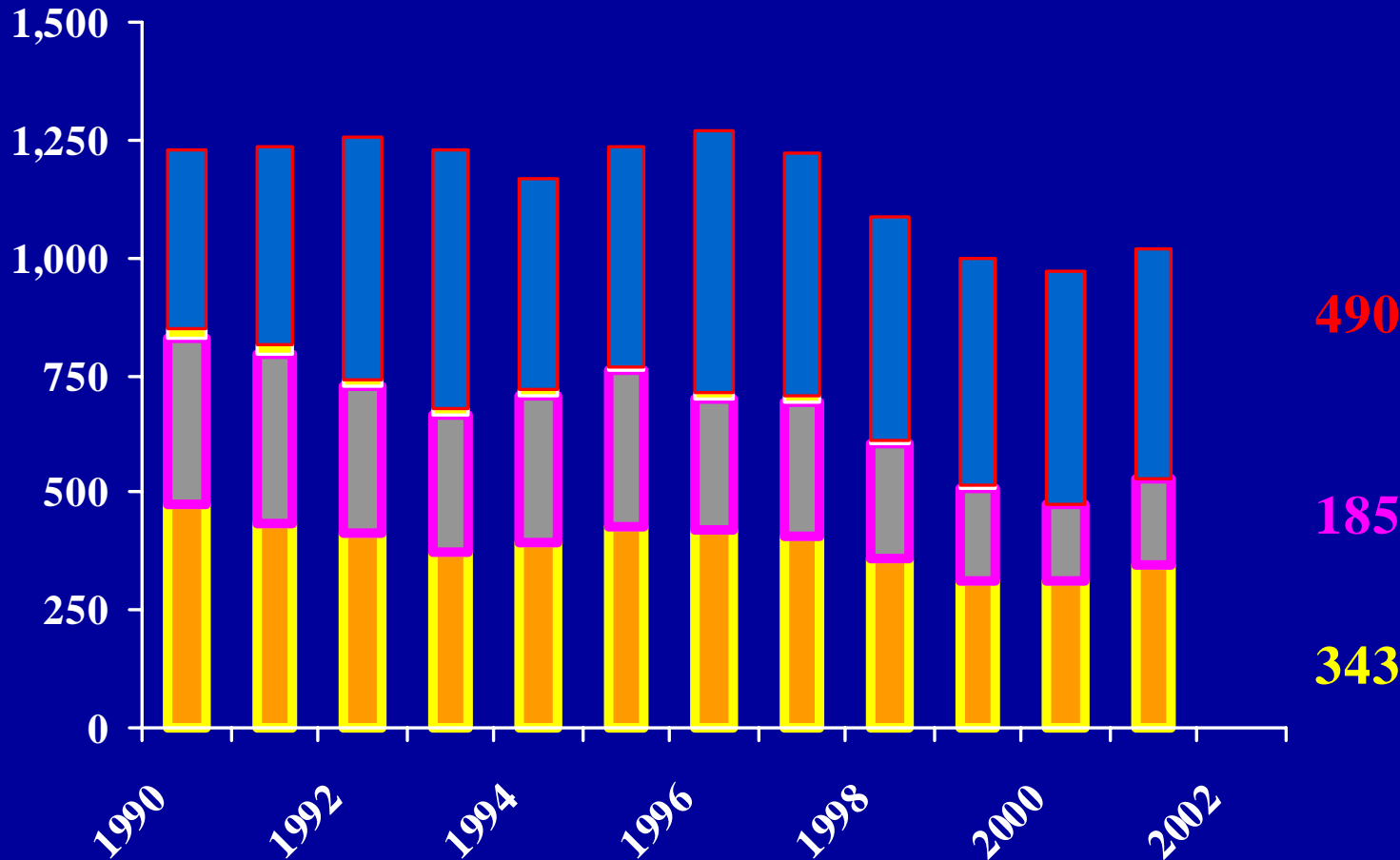
Volume of Generic and Export Cigarette Production and Foreign Leaf Use



Tobacco Used for Cigarettes

1990-2001

Million Lbs.

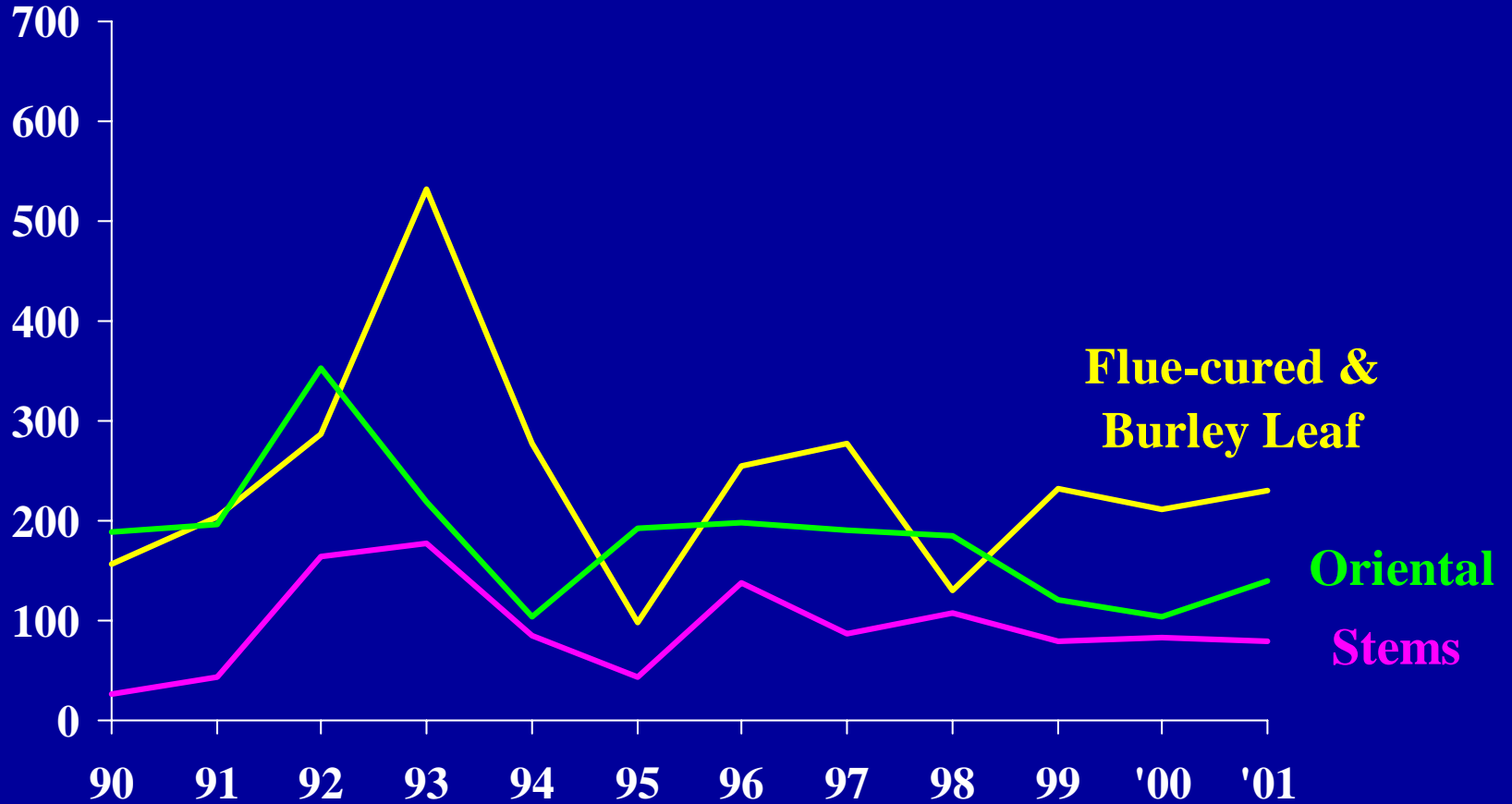


Flue-cured Burley Maryland Imported

U.S. Cigarette Leaf Imports for Consumption--Declared Weight

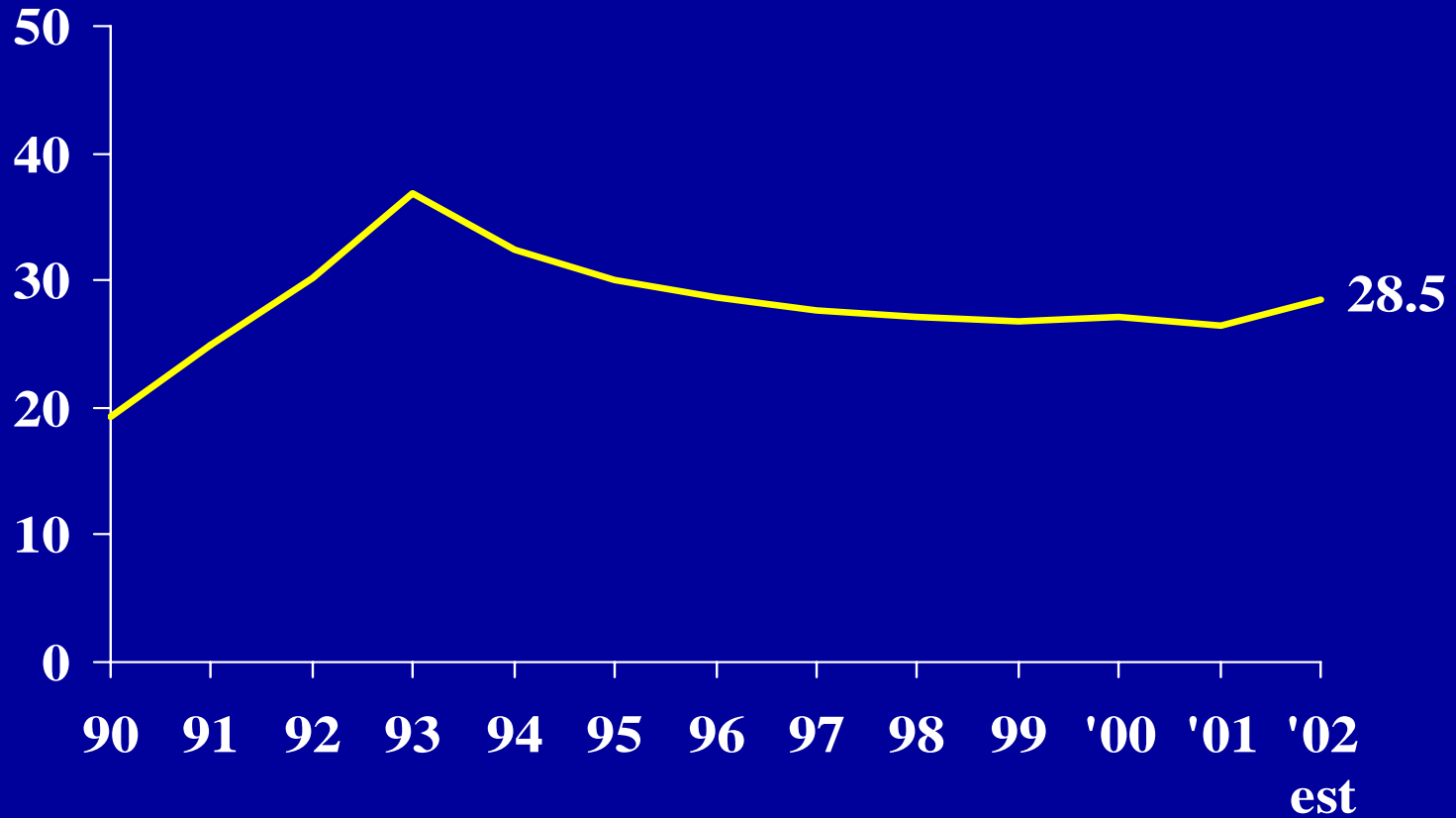
1990-2001

Mil. Lbs.



U.S. Output of Generic Cigarettes 1990-2002

Percent



End

U.S. Cigarette Output 1979-2002

Billion Pieces

