

PROPOSED INITIAL USAGE OF SURPLUS CRS

		CURRENT G19 %	PROPOSED G19+CRS %		G19 %	CRS %	CRS USED 8-12 93	CRS USED 1st HALF 94	\$ SAVINGS (11 Mos.)
G411	VM85	11.00	13.25	=	11.06	2.19	6,924	7,521	\$17,767
G412	V100	11.00	13.25		11.06	2.19	25,728	26,480	\$64,215
G413	VUL85	15.00	18.00		15.03	2.97	20,293	20,107	\$49,692
	VUL 100	15.00	18.00		15.03	2.97	22,819	22,023	\$55,155
	VUL83C	15.00	18.00		15.03	2.97	5,614	7,300	\$15,885
	VUL100C	15.00	18.00		15.03	2.97	7,119	8,895	\$19,698
	CUL85	15.00	18.00		15.03	2.97	6,558	7,288	\$17,031
	CUL83C	15.00	18.00		15.03	2.97	3,518	4,238	\$9,540
G414	VM100	11.00	13.25		11.06	2.19	1,858	2,816	\$5,749
G354	WUL 85	15.00	18.00		15.03	2.97	17,086	21,126	\$47,001
	WUL83C	15.00	18.00		15.03	2.97	1,126	1,307	\$2,992
G355	WUL 100	15.00	18.00		15.03	2.97	19,581	22,180	\$51,366
	WUL100C	15.00	18.00		15.03	2.97	2,146	1,859	\$4,926
G359	SUL 85	8.00	9.50		7.93	1.57	13,275	15,614	\$35,534
	SUL 100	8.00	9.50		7.93	1.57	19,914	22,023	\$51,582
G343	ML100	11.50	13.75		11.48	2.27	1,571	1,595	\$3,894
G347	MLM100	11.00	13.25		11.06	2.19	1,187	1,202	\$2,939
G348	M120	11.00	13.25		11.06	2.19	16,987	20,778	\$46,451
	ML120	11.00	13.25		11.06	2.19	3,137	4,001	\$8,780
	MWL120	11.00	13.25		11.06	2.19	3,909	4,644	\$10,520
G349	MM120	11.00	13.25		11.06	2.19	17,457	20,807	\$47,064
	MLM120	11.00	13.25		11.06	2.19	2,484	3,054	\$6,811
	MWLM120	11.00	13.25		11.06	2.19	3,120	3,848	\$8,570
							223,411	250,705	\$583,163

** NEW G19 BLEND COMPRISED OF 83.5% G19-1 & 16.5% CRS

CRES MONTHLY REQUIREMENTS , GMAD FORECAST 1/11/93									
5.0 billion Russian Magna									
40 billion PL									
25.5 % in Winchester									
19.72 % in Canadian									
10.86 % in PL									
7.0 % in Doral									
~4.0 % in export 2nd, 3rd & 4th qtr									
REQUIREMENTS, 1993									
Month	Dom.	EXP	STR	Total	Total 113 Capacity	Canadian Shipment	Excess Inventory	Cumulative Inventory	
Jan-93	303	237	5	545	733	650	838	2338	
Feb-93	366	237	5	608	733	650	775	3113	
Mar-93	1016	279	7	1302	854	650	202	3315	
Apr-93	1129	492	59	1680	854	650	-176	3139	
May-93	1250	492	59	1801	854	650	-297	2842	
Jun-93	1348	609	74	2031	854	650	-527	2315	
Jul-93	1209	492	59	1760	854	650	-256	2059	
Aug-93	1404	492	59	1955	854	650	-451	1608	
Sep-93	1382	649	74	2105	854	650	-601	1007	
Oct-93	1157	492	59	1708	854	650	-204	803	
Nov-93	1356	492	59	1907	854	0	-1053	-250	
Dec-93	1438	649	74	2161	854	0	-1307	-1557	
TOTAL-93	13358	5612	593	19563	10006	6500			
50									

BREAKDOWN OF CRES COST/POUND						
CRES, RJR-McDONALD					DOMESTIC	EXPORT
CONVERSION COST					\$0.25	\$0.25
PKG MATERIALS					\$0.04	\$0.04
FREIGHT TO CANADA					\$0.07	\$0.07
FREIGHT TO WINSTON-SALEM					\$0.09	\$0.09
STEM COST					\$0.42	\$0.42
DUTY					\$0.33	
TOTAL					\$1.19	\$0.86
STANDARD COST					\$1.25	\$0.95
CRES, 113 SHED, 2 SHIFTS						
BASED ON 5.2 MM LBS, 10 MONTHS						
CONVERSION COST					\$0.27	\$0.27
STEM COST					\$0.42	\$0.42
TOTAL					\$0.69	\$0.69
					CONVERSION COST	
					GOE	\$880.00
					DEPRECIATION	(\$220.00)
						\$660.00
					VARIABLE LABOR	\$736.00
						\$1,396.00
					TOTAL POUNDS	5200
					\$/POUND	\$0.27

1.7 million lb.
59-842-8424
Rick Allen

CRES 1993 REQUIREMENTS SUMMARY									
		EXPORT		CRES	113	YEAR END	NEED FROM		
CIGARETTE PL		RUSSIAN	QTR	REQUIREMENTS	CAPACITY	INVENTORY	CANADA		
Sensitivity	billion			million lbs		1992		1993	
A.	191.8	28	4.5/4th	12.7	7.33	1.5		3.87	
B.	192.5	28	4.5/3rd	13.6	7.33	1.5		4.77	
C.	200.5	40	5.0/3rd	15.7	7.33	1.5		6.87	

508 exported
from Canada
- IN 1993

Floyd,

I have a meeting w/ Mike Landy on Wednesday.

My Recommendations to him:

- (a) we set inventory target at ~ one month (1.5mm lb.)
Since USDA test has been taking 2-4 weeks.
- (b) we not extend Canada beyond September 1993
unless later data suggests we do so.

A

CRES MONTHLY REQUIREMENTS, 1993					with 192 billion cigarettes 4.5 billion Russian Magna 28 billion PL				
25.5 % in Winchester 19.72 % in Canadian					10.86 % in PL 7.0 % in Doral ~4.0 % in export 4th qtr				
REQUIREMENTS, 1993									
Month	VCF Dom.	VCF EXP	VCF STR	VCF Total	Total 113 Capacity	Canadian Shipment	Excess Inventory	Cumulative Inventory	
Jan-93	199	170	5	374	0	650	276	1776	
Feb-93	236	170	5	411	0	650	239	2015	
Mar-93	640	212	7	859	733	650	524	2539	
Apr-93	820	172	5	997	733	650	386	2925	
May-93	893	172	5	1070	733	650	313	3238	
Jun-93	956	215	7	1178	733	650	205	3443	
Jul-93	875	172	5	1052	733	650	331	3774	
Aug-93	991	172	5	1168	733	650	215	3989	
Sep-93	971	215	7	1193	733	650	190	4179	
Oct-93	830	425	59	1314	733	0	-581	3598	
Nov-93	951	425	59	1435	733	0	-702	2896	
Dec-93	1002	582	74	1658	733	0	-925	1971	
TOTAL-93	9364	3102	243	12709	7330	5850			

B

CRES MONTHLY REQUIREMENTS, 1993							with 192 billion cigarettes 4.5 billion Russian Magna 28 billion PL		

A

			CRES MONTHLY REQUIREMENTS, 1993				with 192 billion cigarettes 4.5 billion Russian Magna 28 billion PL					
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B

			CRES MONTHLY REQUIREMENTS, 1993				with 192 billion cigarettes 4.5 billion Russian Magna 28 billion PL						
		25.5 % in Winchester 19.72 % in Canadian		10.86 % in PL 7.0 % in Doral									
			REQUIREMENTS, 1993										
	Month		VCF Dom.	VCF EXP	VCF STR	VCF Total	Total 113 Capacity	Canadian Shipment	Excess Inventory		Cumulative Inventory		
	Jan-93		199	170	5	374	0	650	276		1776		
	Feb-93		236	170	5	411	0	650	239		2015		
	Mar-93		640	212	7	859	733	650	524		2539		
	Apr-93		820	172	5	997	733	650	386		2925		
	May-93		893	172	5	1070	733	650	313		3238		
	Jun-93		956	215	7	1178	733	650	205		3443		
	Jul-93		875	425	5	1305	733	650	78		3521		
	Aug-93		991	425	5	1421	733	650	-38		3483		
	Sep-93		971	582	7	1560	733	650	-177		3306		
	Oct-93		830	425	59	1314	733	0	-581		2725		
	Nov-93		951	425	59	1435	733	0	-702		2023		
	Dec-93		1002	582	74	1658	733	0	-925		1098		
	TOTAL-93		9364	3975	243	13582	7330	5850					

CRES MONTHLY REQUIREMENTS, with 200.5 billion cigarettes			
			5.0 billion Russian Magna
			40 billion PL

25.5 % in Winchester	10.86 % in PL	-4.0 % in export 3rd & 4th qtr		
19.72 % in Canadian	7.0 % in Doral			

		REQUIREMENTS, 1993				Total 113 Capacity	Canadian Shipment	Excess Inventory	Cumulative Inventory
Month		VCF Dom.	VCF EXP	VCF STR	VCF Total				
	Jan-93	359	187	5	551	0	650	99	1599
	Feb-93	396	187	5	588	0	650	62	1661
	Mar-93	800	229	7	1036	733	650	347	2008
	Apr-93	980	189	5	1174	733	650	209	2217
	May-93	1053	189	5	1247	733	650	136	2353
	Jun-93	1116	232	7	1355	733	650	28	2381
	Jul-93	1035	442	5	1482	733	650	-99	2282
	Aug-93	1151	442	5	1598	733	650	-215	2067
	Sep-93	1131	599	7	1737	733	650	-354	1713
	Oct-93	990	442	59	1491	733	0	-758	955
	Nov-93	1111	442	59	1612	733	0	-879	76
	Dec-93	1162	599	74	1835	733	0	-1102	-1026
	TOTAL-93	11284	4179	243	15708	7330	5850		