

Emerging Products: A presentation to APPEAL

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Legacy Overview

- The American Legacy Foundation (Legacy) was created as the result of the Master Settlement Agreement (MSA)
- Mission is to build a world where young people reject tobacco and anyone can quit
- Restrictions of MSA – no lobbying
- Produces public education campaigns, *truth*® focusing on youth prevention, and *EX*® focusing on adult cessation
- Legacy seeks to partner with communities most impacted by the toll of tobacco



Little Cigars and Cigarillos

- Cigars are defined by the US government as “any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco”¹ that is not a cigarette

Size Comparison:

- Cigarette < 3 lbs per 1000
- Little Cigar < 3 lbs per 1000
- Large Cigar > 3 lbs per 1000
(includes cigarillos)



1. USC 5702. Available at: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+26USC5702

Cigarillos

- Often look like smaller versions of traditional stogie cigars.
- Come in a variety of flavors (cherry, apple, menthol, wine, etc.).



Cigarillos

- Sales of cigarillos increased by almost 150% between 1997 and 2007.¹
- Recent local data showing that among high school students, cigarillo/cigar use prevalence is as high or nearly as high cigarette smoking and among middle school students, cigar use prevalence is higher than cigarette use (Cuyahoga County, OH 2010 YRBS; LA 2009 YTS)
- Phillip Morris now owns Black & Mild, the most popular brands of cigarillos.

¹Maxwell JC. The Maxwell Report: Cigar Industry in 2007. Richmond, VA: John C. Maxwell, Jr. 2008

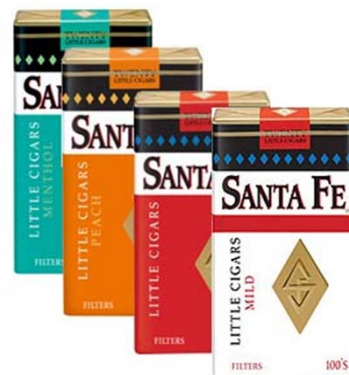
Little Cigars

Cigar



or Cigarette in Disguise?

- Flavored (vanilla, grape, watermelon, cherry, chocolate, menthol, etc) and may appeal to youth and young people.



Little Cigars

- Sales of little cigars increased by 240% between 1997-2007.¹
- Increase in consumption is frequently attributed to differences in tax rates between little cigars and cigarettes. Until recently, cigars were taxed at dramatically lower rates.

¹Maxwell JC. The Maxwell Report: Cigar Industry in 2007. Richmond, VA: John C. Maxwell, Jr. 2008.

Cigar Tax Rates

- New Federal tax rates as of April 1, 2009:
 - **Small cigars:** \$1.01 per pack of 20
 - Previous rate: \$.04/pack
 - **Large cigars:** 52.75% of manufacturer's price capped at \$.40 per cigar
 - Previous rate: 20.72% of manufacturer's price capped at \$.05 per cigar

Cigar Tax Rates



Pack on the left was purchased before the tax increase. Pack on the right was purchased after tax increase – despite being in different tax brackets now, the products are virtually indistinguishable.

Cigars and the Tobacco Control Act

- Cigars are not currently regulated under the Family Smoking Prevention and Tobacco Control Act (Tobacco Control Act)
 - Flavor ban does not apply to cigars
 - Larger warning label requirements do not apply to cigars
- FDA has indicated that it will begin the process to regulate cigars
 - Requires rulemaking via the regulatory process

Smokeless Products: Snus and Snuff

- Over the past several years, several national surveys have documented an increase in the use of STPs among young males.
- Several new and re-designed products have entered the market recently

Snus. A spitless tobacco packaged in small teabag-like pouches. Modeled after a Swedish product

Moist Snuff. Finely ground tobacco packaged in cans or pouches, sold moist (placed between the lower lip or cheek and gum)

Dissolvable Tobacco



Dissolvable Tobacco

- Dissolvable Tobacco is the latest smokeless product



Dissolvable Tobacco

- Finely milled tobacco
- Dissolves in the mouth
- Does not require spitting
- Very little information on health effects available
- Concern in the tobacco control community about dual use of these products with cigarettes

Dissolvable Tobacco

- Star Scientific began test marketing Ariva in 2001.
 - Aimed at smokers
- They began test marketing Stonewall in 2003
 - Aimed at smokeless users



Dissolvable Tobacco

• Camel

- First test marketed starting in 2009 in Portland, OR; Columbus, OH; and Indianapolis, IN
- Latest round of test marketing started earlier this year in Denver, CO and Charlotte, NC



Original packaging
and product info

Product information:

Camel Orbs

- Two styles: Fresh and Mellow
- 15 Orbs per package
- Last about 10 – 15 minutes
- 1 milligram nicotine per Orb

Camel Sticks

- One style: Mellow
- 10 Sticks per package
- Last about 20 – 30 minutes
- 3.1 milligrams of nicotine per Stick

Camel Strips

- One style: Fresh
- 20 Strips per package
- Last about 2 – 3 minutes
- .6 milligram of nicotine per strip



New packaging – easier
to open



Dissolvable Tobacco

- Marlboro and Skoal Sticks
 - Only test marketing in Kansas
 - First on market earlier this year

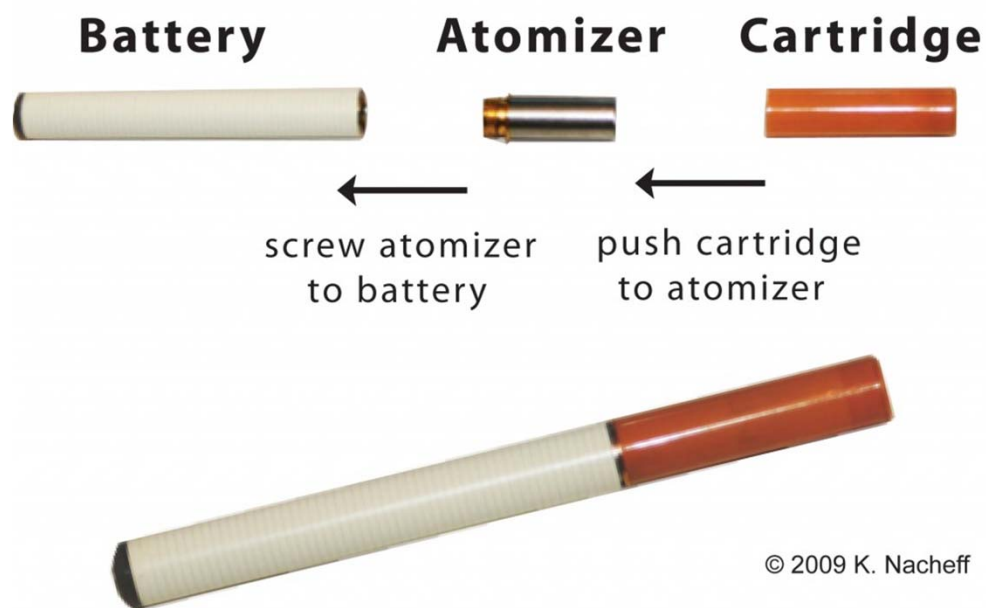


Smokeless and the Tobacco Control Act

- Smokeless products, which according to FDAs website can include dissolvable products, are subject to the Tobacco Control Act
 - New, larger warning labels
 - No free samples, except in adult only facilities
 - No sponsorship of sporting events
 - Similar marketing and advertising restrictions to cigareets

Other Tobacco Products

- Hookah and E-cigarettes



Conclusion

- While cigarettes are still by far the most popular tobacco product, these other products are seeing some increases in use or simply getting more attention.
- Need to monitor the use of these products in our communities