



## REGULATING PACKAGE SIZE AND SETTING A MINIMUM PRICE WILL HELP REDUCE CIGAR USE AMONG KIDS: RESPONSES TO MISLEADING NATO/SWEDISH MATCH ARGUMENTS

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Public health efforts to protect youth from the tobacco industry in the point-of-sale environment are gaining momentum nationwide. The tobacco industry is organizing to oppose these efforts. For example, the National Association of Tobacco Outlets (NATO) and cigar and smokeless tobacco company Swedish Match recently launched a website for retailers with misleading arguments and information on the impact of local ordinances targeting the point of sale. The website is called Tobacco Ordinances – Take Another Look (TOTAL) and addresses policies related to price, flavored products, legal minimum sale age of 21, and others.

Tobacco companies spend the vast majority of their total marketing expenditures (92%) on price-related strategies in the retail environment.<sup>1</sup> Tobacco companies know that higher prices are likely to deter youth from starting or continuing to smoke. They also know that a higher legal sale age and restrictions on the flavored tobacco products favored by youth will help deter youth from smoking. Since the industry needs to recruit new smokers to keep the tobacco business profitable, it is desperate to protect its ability to attract youth at the point of sale, regardless of the impact on the health and welfare of young people.

Cigars today are made and sold in ways that make them more attractive to kids than ever before. In recent years, there has been a dramatic increase in the number and types of cigar products that are smaller, flavored, packaged, placed, promoted, and priced to appeal to young people.

Requiring larger package sizes and setting minimum prices are critical to counter the explosion of new, small cheap cigars that clearly target young people around the country. These policies will counteract the tobacco industry's efforts to make their products attractive and accessible to youth.

The industry's arguments do not withstand scrutiny. Below, we provide responses to each of its false claims.

**The Large Majority of Cigars Sold Today are Cheap and Flavored – Making Them More Accessible and Appealing to Kids.** Cigars today are no longer the “big stogies” that our grandfathers used to smoke. Today, cigars vary widely in sizes, shapes, flavors, and price points, making them appealing and affordable to a broader audience, including kids.

- Cigars can look like cigarettes or just slightly larger.
- In 2015, 98% of cigars sold in the U.S. cost less than 76 cents per cigar at wholesale.<sup>2</sup>
- To keep prices low, package sizes of cigars have gotten smaller, with more cigars being sold in pouches containing two or three cigars.
- More than half of cigars sold in convenience stores in 2014 came in flavors.<sup>3</sup>

One convenience store manager recently stated, “What I have seen is a definite change over the years in the typical cigar customer. The typical customer has definitely gotten younger, with the majority of sales of the single or two-pack variety as compared to the larger-pack sales. Most of the younger customers are looking for the cheaper two-for-99-cent deals.”<sup>4</sup>

**Youth are Using Cheap, Flavored Cigars.** Each day, more than 2,100 kids under 18 years old try cigar smoking for the first time.<sup>5</sup> One in ten high school students currently smoke cigars.<sup>6</sup> Cigar smoking by high school boys equals or surpasses cigarette smoking in most states (29 states).<sup>7</sup>

Nearly two-thirds (63.5%) of high school and middle school cigar smokers used a flavored cigar in the prior 30 days, for a total of 910,000 youth nationwide<sup>8</sup> and nearly three-quarters of youth cigar smokers say they smoked cigars “because they come in flavors I like.”<sup>9</sup>

Cheap, sweet cigars can serve as an entry product for kids to a lifetime of smoking.

**Cigar Smoking Harms Health.** Cigar smoke is composed of the same toxic and carcinogenic constituents found in cigarette smoke. According to the National Cancer Institute and the U.S. Surgeon General, regular cigar smoking causes cancer, heart disease, and chronic obstructive pulmonary disease (COPD).<sup>10</sup>

**Higher Cigar Prices Reduce Youth Use.** Decades of research on price and tobacco use show that the lower the price of tobacco products, the higher the prevalence of tobacco usage.<sup>11</sup> Youth are even more sensitive to changes in price compared to adults.<sup>12</sup>

Setting a minimum price and package size would effectively increase the prices of these harmful and addictive products, making them less accessible to youth.

**Minimum Price and Pack Size Provisions Are Not a Sales Ban.** Even with a minimum price or package size requirement, cigars will still be available in all retail outlets. Regulating the package size and setting a minimum price for cigars will make these products less accessible, appealing, and affordable to kids and help reduce cigar use among kids.

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<sup>1</sup> U.S. Federal Trade Commission (FTC). *Cigarette Report for 2014*, 2016, [https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2014-federal-trade-commission-smokeless-tobacco-report/ftc\\_cigarette\\_report\\_2014.pdf](https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2014-federal-trade-commission-smokeless-tobacco-report/ftc_cigarette_report_2014.pdf); FTC, *Smokeless Tobacco Report for 2014*, 2016, [https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2014-federal-trade-commission-smokeless-tobacco-report/ftc\\_smokeless\\_tobacco\\_report\\_2014.pdf](https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2014-federal-trade-commission-smokeless-tobacco-report/ftc_smokeless_tobacco_report_2014.pdf) [Data for top 5 manufacturers only].

<sup>2</sup> U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB), Tobacco Statistics. Includes large cigars, cigarillos, and small cigars)

<sup>3</sup> Viola, AS, et al., "A cigar by any other name would taste as sweet," *Tobacco Control*, published online October 1, 2015.

<sup>4</sup> Riell, H, "Cigars Lighting Up Sales," *Convenience Store Decisions*, September 2016, <http://www.csdecisions-digital.com/#&pageSet=38>.

<sup>5</sup> Substance Abuse and Mental Health Services Administration (SAMHSA), HHS, *Results from the 2015 National Survey on Drug Use and Health, NSDUH: Detailed Tables*, 2016. <http://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabs-2015/NSDUH-DetTabs-2015/NSDUH-DetTabs-2015.pdf>. Cigars are defined as cigars, cigarillos or little cigars.

<sup>6</sup> CDC, *MMWR* 65(SS-6), June 10, 2016.

<sup>7</sup> The 29 states are: Alabama, Arizona, California, Delaware, Florida, Idaho, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, New York, North Dakota, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, and Wyoming. CDC, *MMWR* 65(SS-6), June 10, 2016. 2015 Florida Youth Tobacco Survey, <http://www.floridahealth.gov/statistics-and-data/survey-data/fl-youth-tobacco-survey/documents/2015-state/index.html>.

<sup>8</sup> CDC, "Flavored Tobacco Product Use Among Middle and High School Students — United States, 2014," *MMWR* 64(38):1066-1070, October 2, 2015.

<sup>9</sup> Ambrose, BK, et al., "Flavored Tobacco Product Use Among US Youth Aged 12-17 Years, 2013-2014," *Journal of the American Medical Association*, published online October 26, 2015.

<sup>10</sup> NCI, *Cigars: Health Effects and Trends*, 1998.

<sup>11</sup> HHS, *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General*, 2012, <http://www.surgeongeneral.gov/library/reports/preventing-youth-tobacco-use/full-report.pdf>.

<sup>12</sup> HHS, *The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General*, 2014, <http://www.surgeongeneral.gov/library/reports/50-years-of-progress/>.