

Not Your Grandfather's Cigar

A New Generation of Cheap & Sweet Cigars Threatens a New Generation of Kids

EXECUTIVE SUMMARY

An explosion of cheap, flavored cigars in recent years has driven a two-fold increase in annual sales of cigars in the United States – from 6 billion cigars to more than 13 billion in the last 12 years – and changed the demographics of cigar smoking. Cheap, flavored, small cigars that appeal to young people are marketed aggressively and have resulted in high school kids and young adults being twice as likely as their older counterparts to be cigar smokers.

These trends come at a time when some in Congress want to prohibit the Food and Drug Administration (FDA) from regulating certain kinds of cigars rather than pushing it to do so. A 2009 federal law, the Family Smoking Prevention and Tobacco Control Act (the Tobacco Control Act), gave the FDA immediate authority to regulate cigarettes, smokeless tobacco, and roll-your-own tobacco, and authorized the agency to extend its jurisdiction to all other tobacco products, including cigars. The FDA has announced its intention to do so, but has yet to act.

In the absence of FDA regulation of cigars, cigarette manufacturers have manipulated some cigarette brands to qualify as small or even large cigars. By doing so, they have evaded a ban on flavored cigarettes and other regulations intended to prevent kids from using tobacco products and protect public health. In addition, to avoid higher federal taxes and keep their products cheap, some cigarette and small cigar manufacturers have manipulated the weight of their products to qualify for lower tax rates charged on large cigars. Both actions make these manipulated products more appealing and more affordable to our nation's kids.

This report documents how the proliferation of new cigar products and their marketing has changed the market in ways that threaten our kids and establishes the need for common-sense regulation of cigars. It also explains how tobacco tax policy should be reformed to help prevent kids from falling prey to the lure of cheap, sweet cigars.

The Cigar Landscape

- Cigars today are no longer the “big stogies” that our grandfathers used to smoke. Instead, the cigar category consists of products that vary widely in sizes, shapes, flavors, and price points, making them appealing to a broader audience, including kids.
- The common terms used to describe today's products – “premium cigars,” “cigarillos,” “blunts,” and “little” or “small cigars” – are not mutually exclusive because there is a lot of overlap in the characteristics of different products that allow some to fall in multiple, or in between, categories.

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- Annual cigar sales have more than doubled in the past decade. This has been driven by a dramatic increase in the number and types of small cigar products that are flavored, packaged, placed, promoted, and priced to appeal to young people.
- High school students are about twice as likely (13.1 percent v. 6.6 percent) as adults to report smoking a cigar in the past month, and young adults (18-24 year olds) are even more likely (15.9 percent) to do so. Every state that reports cigar use data for youth shows a higher cigar smoking rate for high school kids than for adults.
- Each day, about 3,050 kids under age 18 try cigar smoking for the first time – compared to about 3,650 who try cigarettes. In at least six states – Florida, Georgia, Maryland, Massachusetts, Rhode Island, and Wisconsin – youth cigar smoking now equals or surpasses cigarette smoking.
- Flavored cigars are the most popular among youth and young adults. One state survey showed that nearly three-fourths of its high school cigar smokers smoked flavored cigars.
- Today's cigar market is dominated not by large, traditional cigars hand-rolled in whole tobacco leaf, but by an ever-expanding variety of products of all sizes that include filters, flavors and names (e.g. "Da Bomb Blueberry," "Pinkberry") with obvious appeal to kids.
- The most popular cigar brands among youth come in a dizzying array of candy and fruit flavors that underscore how different these products are from your grandfather's cigar. Swisher Sweets flavors include peach, strawberry, chocolate, grape, and blueberry. White Owl flavors include grape, strawberry, wild apple, pineapple, peach, and watermelon.
- A lack of regulation of cigars by the FDA enables manufacturers to modify cigarettes to evade the ban on flavored cigarettes and to aggressively market cheap, sweet cigar products that appeal to youth. In addition to being flavored and packaged attractively, they are displayed prominently and sold cheaply.
- Between 2001 and 2008, the sale of cigars increased by 87 percent. However, that was driven almost entirely by the sale of small cigars, which increased by 158 percent, while large cigar sales increased by only 46 percent.
- Cigar sales continued to increase between 2008 and 2011. While technically this appears to be driven by an increase in sales of cigars classified as "large," in actuality it was because small cigar makers slightly increased the weight of their products to meet the definition of large cigars and avoid a higher federal tax on small cigars implemented in 2009 (these "large cigars" continue to be of similar size and shape as cigarettes). Other data sources show that sales of so-called premium large cigars actually declined during this time period.

Health Harms from Cigars

- 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).
- Cigar smoke contains the same toxins as cigarette smoke. Any difference in risks between cigars and cigarettes is likely attributable to differences in frequency of use and the fact that not all cigar smokers inhale. However, many new cigar products are more like cigarettes and therefore are more easily smoked and inhaled like cigarettes.
- Cheap, sweet cigars can serve as an entry product for kids to a lifetime of smoking.

Manipulation to Avoid Regulation and Taxation

- In recent years, tobacco companies have manipulated their products to avoid regulation and taxation. Federal and state laws distinguish between cigarettes and cigars based on the composition of the wrapper and the weight of the product, while the distinction between small and large cigars is determined by weight.
- To circumvent the FDA's ban on fruit- and candy-flavored cigarettes that appealed to kids, some cigarette makers have added tobacco to the wrapper and weight to their products so they meet the definition of small or large cigars, despite still being sold in packs of 20 like cigarettes. These products come in various flavors including wild berry, "Pinkberry," and lemonade.
- In addition to avoiding the ban on flavorings, these manipulated cigarettes have also escaped other FDA regulations, including a ban on deceptive terms like "light" and "low-tar" and a requirement that cigarettes be kept behind the counter and out of reach of kids.
- Some small cigars and cigarettes have added weight to their products to meet the legal definition of large cigars. As a result, they not only avoid the flavor ban, but are taxed at a lower rate. Some of these "large cigars" are still sold with 20 in a pack and with prices as low as 88 cents per pack.

The Need for Regulation of Cigars

- The Tobacco Control Act gave the FDA's Center for Tobacco Products the authority to regulate all tobacco products. It gave immediate jurisdiction to the Center to regulate cigarettes, smokeless tobacco, and roll-your-own (RYO) cigarette tobacco and established specific regulations for each (e.g., bans on flavored cigarettes and deceptive terms like "light" and "low-tar").

- The Tobacco Control Act also gave the FDA the authority to assert its jurisdiction over all tobacco products through a rule-making process. The FDA has announced its intention to regulate all tobacco products, but has yet to take action to do so.
- The law gives the FDA flexibility to determine what specific regulations to apply to each type of tobacco product. The FDA would not be required to impose the same regulations over cigars as cigarettes or to regulate all types of cigars in the same way. The agency would base its regulations on what is necessary to best protect the public health, taking into account the harms caused by different products, who uses the products, how the products are marketed, and other evidence-based criteria.
- Given their success in marketing their products to kids and young adults, it is not surprising that some in the cigar industry are aggressively pressuring Congress to exempt them from any regulation by the FDA. No tobacco product should be exempt from regulation. The FDA should be able to take actions to protect children and consumers from the harms caused by every tobacco product. Consumers should be informed about the contents and health consequences of all tobacco products, and the FDA should be able to prevent practices that appeal to kids, mislead consumers, and/or increase the addictiveness or harm of tobacco use.
- While supporters say these bills would exempt only so-called premium large cigars, their definitions could exempt some machine-made cigars from FDA oversight and would not prohibit flavored cigars from qualifying for an exemption. The bill also would create incentives for tobacco companies to further manipulate their products to escape regulation, as they have done in the past.