Federal Trade Commission Smokeless Tobacco Report for 2015

ISSUED: 2017

I. INTRODUCTION

This report is the latest in a series on smokeless tobacco sales, advertising, and promotion that the Federal Trade Commission ("Commission") has prepared since 1987.[1]

The tables appended to this report provide information on domestic smokeless tobacco sales and advertising and promotional activities. Commission staff prepared these tables using information collected, pursuant to compulsory process orders, from the parent companies of the major manufacturers of smokeless tobacco products sold in the United States: Altria Group, Inc.; North Atlantic Trading Company, Inc.; Reynolds American, Inc.; Swedish Match North America, Inc.; and Swisher International Group, Inc.[2]

II. TOTAL SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES

Tables 1A and 1B show total smokeless tobacco sales and advertising expenditures from 1985 through 2015. Table 1B shows that the total amount of smokeless tobacco sold by manufacturers to wholesalers and retailers increased from 127.81 million pounds in 2014 to 129.36 million pounds in 2015. Sales revenues received by the manufacturers from wholesalers and retailers rose from $3.416 billion in 2014 to $3.68 billion in 2015.[3]

The manufacturers spent a total of $684.9 million on advertising and promotion in 2015, an increase from the $600.8 million spent in 2014.

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[1] Some 1985 data are included. The 1985 data are less detailed than those from 1986 forward because they were collected retrospectively and were meant to serve as baseline data.

[2] Although the identity of the companies reporting smokeless tobacco data has varied over the 30 years that the Commission has issued these reports, these five companies have been recipients of the Commission's compulsory process orders since 2010.

[3] The sales revenue and advertising and promotional expenditure figures contained in this report are in nominal dollars and have not been adjusted for inflation.

Tables 2A and 2B show the number of units of smokeless tobacco the companies sold and gave away in packages of various sizes (*e.g.*, less than 1 ounce; 1 ounce to less than 2 ounces; 2 ounces to less than 5 ounces). In 2015 – as in the previous years for which these data are available – more packages weighing 1 ounce to less than 2 ounces were sold than any other size package. However, more packages weighing 2 ounces to less than 5 ounces were given away in 2015 than any other size package.

III. SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY

Tables 3A through 3I show the amounts spent on smokeless tobacco advertising and promotion for the years 1985 through 2015.[4] They list the amounts spent on the different types of media advertising (*e.g.*, magazines) and sales promotion activities (*e.g.*, distribution of samples).[5] Table 3I shows the companies' expenditures for 2014 and 2015.

The Commission is not separately publishing the amount spent on newspaper advertising in 2015 because only one company reported spending in that category.

Magazine advertising increased from $18.9 million in 2014 to $23.1 million in 2015. Spending on outdoor advertising decreased from $1.1 million to $641,000 during the same

[4] The reported figures include all advertising and promotional expenditures related to smokeless tobacco, regardless of whether such expenditures would constitute "commercial speech" or would be protected from law enforcement action under the First Amendment.

[5] Detailed definitions of the expenditure categories appear in the Appendix to this report. If only one company reported spending money on a particular type of advertising or promotion, that category is shown as "N/A" and the expenditures are included in the "All Others" category, to avoid potential disclosure of individual company data. Since 2002, the Commission has permitted the companies to round expenditures to the nearest thousand dollars, and the Commission is reporting such expenditures rounded to the nearest thousand.

period.[6] The companies reported spending no money on audio-visual advertising, as they have each year since 2008.[7]

In 2015, the companies reported spending $7.3 million on direct mail advertising, up from the $6.7 million spent in 2014. Point-of-sale advertising increased from $33.0 million in 2014 to $33.4 million in 2015.

In 2015, the companies reported spending $350.0 million on price discounts (payments made in order to reduce the price of smokeless tobacco to consumers) to retailers and $78.9 million on price discounts to wholesalers. In 2014, expenditures in those categories were $257.3 million and $99.8 million, respectively. Retail and wholesale price discounts were the two largest expenditure categories in 2015, representing a combined 62.6 percent of total expenditures (51.1 percent and 11.5 percent, respectively).

Spending on promotional allowances (intended to facilitate the sale or placement of smokeless tobacco) paid to smokeless tobacco retailers decreased from $33.8 million in 2014 to $26.3 million in 2015. Spending on promotional allowances paid to smokeless tobacco wholesalers increased from $44.1 million in 2014 to $46.5 million in 2015. The companies also reported spending $16,000 on promotional allowances paid to persons other than retailers and wholesalers in 2015, down from $27,000 spent in 2014.

[6] The Commission's compulsory process orders for 2002 and the years since have defined "outdoor" advertising to mean: billboards; signs and placards in arenas, stadiums, and shopping malls (whether they are open air or enclosed); and any other ads placed outdoors, regardless of their size, including those on the property of smokeless tobacco retailers. Previously, "outdoor" advertising was not precisely defined. In particular, it was not clear that signs in arenas, stadiums, shopping malls, or on retailer property were to be reported in this category.

[7] The Commission's compulsory process orders for 2014 and 2015 did not collect data on transit advertising (advertising on or in vehicles, bus stops, taxi stands, or transportation facilities) because the recipients of the orders had never reported expenditures on transit advertising.

When promotional allowances and price discounts are combined, they account for 73.2 percent of total 2015 spending, up from 72.4 percent of total 2014 spending.

The companies reported spending $8.2 million in 2015 to give smokeless tobacco samples to the public ("sampling").[8] In 2014, they reported spending $8.0 million on sampling.

The specialty item distribution category[9] has two sub-categories: branded and non-branded. In 2014, $17.8 million was spent on non-branded items; that figure grew to $25.9 million in 2015. As they have since 2012, the companies reported no spending on branded specialty items in 2015.

Expenditures for public entertainment in adult-only facilities (*e.g.*, bar nights) declined from $8.5 million in 2014 to $6.9 million in 2015. As they have each year since 2011, the companies reported no spending on general-audience public entertainment, on endorsements and testimonials, or on sponsorships in 2015. As they have each year since 2008, the companies reported no spending on telephone advertising in 2015.[10]

The companies reported coupon expenditures of $41.5 million in 2015; in 2014, they spent $40.7 million on coupons.

Retail-value-added expenditures are the costs associated with offers such as "buy one, get one free" and "buy three, get a free T-shirt," where the bonus item is distributed at retail when

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[8] The Commission's definitions of "sampling" and "coupons" provide that when coupons are distributed for free smokeless tobacco products and no purchase is required to obtain the coupon or to redeem it for the smokeless tobacco, such activities are to be reported as "sampling."

[9] This expenditure category covers items (such as T-shirts, caps, key chains, and sporting goods) distributed through the mail, at promotional events, or by any means other than at the point of sale with the purchase of smokeless tobacco. Specialty items provided at retail with smokeless tobacco products (*e.g.*, "buy three, get a free key chain") are deemed retail-value-added.

[10] This expenditure category includes costs associated with telemarketing calls or the operation of incoming telephone lines for consumers to participate in promotions or hear pre-recorded product messages.

the smokeless tobacco is purchased. The retail-value-added category is broken into two subcategories – one in which the bonus item is additional smokeless tobacco and one in which the bonus item is something other than smokeless tobacco. The Commission is not separately publishing the amounts spent on either retail-value-added category in 2015 because only one company reported spending in each category.

In 2014, the companies reported spending $6.4 million for advertising on their websites and $259,000 on Internet advertising other than on their own websites. In 2015, those figures were $8.4 million and $1.3 million, respectively.

The compulsory process orders issued by the Commission for 2009 and subsequent data have asked the companies to report spending on "social media marketing on Web sites or other online services or communities, including but not limited to social networking sites, microblogging sites, content-sharing sites, and blogs." The Commission is not separately publishing the amount reported for 2015, because — as in 2014 — only one company reported spending in that category.

The Commission also requires the manufacturers to report the total amount of money they spent on advertising and promotion in connection with sports and sporting events.[11] This question is separate from, and duplicative of, the reporting of the individual advertising and promotion categories. For example, money spent on sponsorship of a sports team would be reported under the "sponsorship" category and as "sports and sporting events" expenditures.

[11] This includes expenditures for: (1) the sponsoring, advertising, or promotion of sports or sporting events; support of an individual, group, or sports team; and purchase of or support for equipment, uniforms, sports facilities, and/or training facilities; (2) advertising in the name of the smokeless tobacco company or any of its brands in a sports facility, on a scoreboard, or in conjunction with the reporting of sports results; and (3) functional promotional items (clothing, hats, etc.) connected with a sporting event.

These expenditures are counted only once, however, in computing the companies' total advertising and promotional expenditures. Expenditures in connection with sports and sporting events, which had been as high as $26.6 million in 1998, were $3.5 million in 2015.[12]

The companies reported spending $1.3 million in 2015 on ads directed to youth or their parents that were intended to reduce youth use of smokeless tobacco products.[13] A portion of that amount was directed at reducing youth use of tobacco products of any kind.

Smokeless tobacco manufacturers reported that in 2015 neither they nor anyone working for them or on their behalf paid money or any other form of compensation in connection with the production or filming of any motion picture or television show, or paid money or any other form of compensation to anyone engaged in product placement in motion pictures or television shows. The companies also reported that neither they nor anyone working for them or on their behalf sought, solicited, granted approval, or otherwise gave permission for the appearance of any smokeless tobacco product or smokeless tobacco brand imagery in any motion picture or television show. Most of the companies reported that neither they nor anyone working for them or on their behalf sought, solicited, granted approval, or otherwise gave permission for the appearance of any smokeless tobacco product or smokeless tobacco brand imagery in any video appearing on the Internet. Two companies reported having video advertising on company-operated websites. Most of the companies reported that neither they nor anyone working for or

[12] In 2014, the companies reported $1.2 million in expenditures advertising and promoting sports and sporting events. The Commission's compulsory process orders for 2015 clarified that the companies should report all advertising and promotional expenditures "connected with or related to" sports or sporting events, including smokeless tobacco sampling in an adult-only facility on the grounds or in the parking lot of a sports facility.

[13] These expenditures are not included in the figures reported in Table 3I (advertising and promotional expenditures by category).

on their behalf engaged in social media marketing that promoted any smokeless tobacco brand or variety or used smokeless tobacco brand imagery. One company reported having a Facebook page and to having advertised on a blog site. Another company reported allowing the posting of user-generated content on company-operated websites.

IV. SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE

The Commission historically has reported sales and advertising expenditures for several different types of smokeless tobacco products, including dry snuff, moist snuff, plug/twist, and loose leaf chewing tobacco. Since 2008, the Commission also has required the companies to provide data for snus and dissolvable smokeless tobacco products. Tables 4A through 4F present details on sales and advertising and promotional expenditures by type of smokeless tobacco, including snus (Table 4E) and dissolvables (Table 4F).

The number of pounds of loose leaf chewing tobacco, plug/twist chewing tobacco, and scotch/dry snuff sold all fell from 2014 to 2015, continuing the declines seen in recent years. Snus sales increased from 2014 to 2015. Moist snuff sales have risen every year since the Commission first issued its smokeless tobacco reports, and in 2015, the number of pounds of moist snuff sold again exceeded the combined sales of all other kinds of smokeless tobacco. The Commission is not reporting the sales of dissolvable smokeless tobacco products in 2015 because only one company reported selling such products.

Moist snuff also continued to generate more revenue than any other type of smokeless tobacco. In 2015, sales of moist stuff were $3.253 billion, representing 88.4 percent of total smokeless tobacco sales.

Tables 4A through 4F also indicate that moist snuff continued to receive the greatest advertising and promotional support. In 2015, the companies spent $605.9 million promoting

moist snuff, compared to $10.5 million for loose leaf chewing tobacco, $195,000 for plug/twist chewing tobacco, $216,000 for scotch/dry snuff, and $40.8 million for snus.[14]

Tables 5A through 5F present details about the number of units sold in packages of various sizes for each type of smokeless tobacco product. For plug/twist chewing tobacco, scotch/dry snuff, and moist snuff, more packages weighing 1 ounce to less than 2 ounces were sold in 2015 than any other size. For loose leaf chewing tobacco, more packages weighing 2 ounces to less than 5 ounces were sold in 2015 than any other size. More packages of snus weighing less than 1 ounce were sold in 2015 than any other size.

[14] The companies also spend money advertising and promoting smokeless tobacco brands that encompass more than one type of product (*e.g.*, moist snuff and snus) or on non-brand specific smokeless tobacco advertising. Such advertising and promotional expenditures are included in the totals set forth in Tables 1A and 1B, but might not be included in Tables 4A through 4F. The Commission's compulsory process orders for 2015 data provided that advertising and promotional expenditures for brands having more than one product type but with a dominant product type representing 95% or more of brand sales should be reported under the brand's dominant product type. In prior years, some companies could have also reported some of their brands under those brands' dominant varieties.

TABLE 1A
TOTAL SMOKELESS TOBACCO SALES
AND ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR 1985 – 2008

Year	Sales in Pounds	Sales in Dollars	Advertising and Promotional Expenditures
1985	121,449,115	$730,618,970	$80,068,229
1986	118,778,334	$797,777,885	$76,676,706
1987	116,540,281	$852,717,347	$67,777,044
1988	114,433,782	$901,654,382	$68,223,671
1989	116,440,365	$981,637,304	$81,200,611
1990	117,415,326	$1,091,170,201	$90,101,327
1991	120,110,686	$1,237,961,670	$104,004,040
1992	118,372,693	$1,361,360,729	$115,346,708
1993	115,888,785	$1,475,460,518	$119,230,826
1994	115,495,201	$1,612,098,989	$125,972,408
1995	116,387,464	$1,735,840,489	$127,323,282
1996	116,404,222	$1,790,406,160	$123,877,458
1997	113,975,148	$1,817,508,055	$150,426,310
1998	110,036,380	$1,886,328,217	$145,486,899
1999	109,401,055	$1,940,736,017	$170,213,761
2000	111,741,335	$1,988,875,535	$224,582,757
2001	112,193,550	$2,127,520,387	$236,676,917
2002	112,148,366	$2,362,166,931	$234,645,000
2003	112,924,505	$2,489,501,857	$242,514,000
2004	116,768,672	$2,617,388,686	$231,084,000
2005	116,197,005	$2,611,292,547	$250,792,000
2006	115,818,739	$2,593,436,592	$354,123,000
2007	118,234,763	$2,695,462,138	$411,309,000
2008	119,915,125	$2,757,087,244	$547,873,000

TABLE 1B
TOTAL SMOKELESS TOBACCO SALES
AND ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR 2009 – 2015

Year	Sales in Pounds	Sales in Dollars	Advertising and Promotional Expenditures
2009	117,693,273	$2,611,908,686	$493,071,000
2010	120,522,070	$2,780,437,133	$444,494,000
2011	122,735,863	$2,936,852,337	$451,985,000
2012	125,496,642	$3,077,403,248	$435,927,000
2013	128,043,919	$3,263,105,347	$503,161,000
2014	127,810,528	$3,415,702,358	$600,786,000
2015	129,363,158	$3,680,195,446	$684,938,000

TABLE 2A
NUMBER OF UNITS SOLD AND GIVEN AWAY – BY PACKAGE SIZE
FOR 2002 – 2012

		Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	sold	25,394,260	887,095,347	216,169,305	6,628,408	15,735	36,200
	given away	915,205	22,123,561	3,792,001	0	0	0
2003	sold	37,883,014	918,733,530	203,567,697	7,848,051	15,936	353,436
	given away	2,663,753	14,474,790	2,352,034	0	0	0
2004	sold	42,705,741	959,223,302	191,040,358	8,645,329	15,456	2,118,017
	given away	7,422,914	15,859,744	2,247,914	0	0	24
2005	sold	47,107,372	980,089,404	175,013,057	7,902,121	14,064	2,275,388
	given away	5,952,331	17,059,852	1,983,417	48	0	0
2006	sold	49,584,382	994,410,045	161,133,012	7,136,052	14,575	2,552,377
	given away	4,699,963	19,699,034	9,632,177	0	0	2,280
2007	sold	63,590,228	1,056,392,109	158,097,486	1,679,601	6,350	2,687,159
	given away	6,746,905	10,922,306	9,489,740	72	0	5,616
2008	sold	77,241,248	1,072,780,163	138,515,458	5,740,339	53,012	2,826,765
	given away	6,580,518	15,120,663	9,962,337	12	750	5,626
2009	sold	121,886,357	1,098,116,188	125,774,684	4,696,041	511,174	2,917,282
	given away	5,670,008	12,050,068	9,903,059	252	9,726	1,012
2010	sold	165,174,728	1,148,099,256	111,399,859	4,791,115	1,193,327	3,087,246
	given away	4,195,615	5,991,661	9,985,116	144	10,794	246
2011	sold	167,129,086	1,188,545,083	101,448,909	4,632,388	1,618,546	3,125,666
	given away	1,007,789	753,278	9,243,150	245	1,560	72
2012	sold	198,158,371	1,219,926,468	93,005,883	4,115,671	2,544,526	3,383,934
	given away	503,943	214,357	8,342,400	48	612	48

TABLE 2B
NUMBER OF UNITS SOLD AND GIVEN AWAY – BY PACKAGE SIZE
FOR 2013 – 2015

		Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2013	sold	206,426,798	1,239,286,872	88,294,800	4,090,247	3,505,261	3,284,546
	given away	418,302	201,641	7,977,717	48	576	158
2014	sold	224,364,145	1,234,089,681	81,688,529	4,025,337	4,077,255	3,304,393
	given away	388,078	192,211	8,459,652	0	864	77
2015	sold	250,978,524	1,248,306,671	75,439,482	3,896,359	4,443,748	3,275,510
	given away	317,437	177,171	8,319,437	48	852	147

TABLE 3A

SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 1985

Television & Radio Advertising	$26,584,731
Total Print	$8,719,379
All Other	$44,764,119
Total	**$80,068,229**

TABLE 3B

SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 1986 AND 1987

	1986	**1987**
Newspapers	$626,979	$1,452,710
Magazines	$6,226,654	$9,237,988
Outdoor	$2,722,557	$8,321,315
Television & Radio*	$16,067,211	$0
Audio, Visual	$2,579,268	$0
Transit	$0	$0
Point-of-Sale	$4,234,207	$5,789,436
Promotional Allowances	$8,231,580	$7,554,592
Sampling	$13,699,156	$13,877,923
Distribution Bearing Names	$2,353,816	$4,312,094
Direct Mail	$20,844	$48,979
Public Entertainment	$13,823,266	$14,844,425
Endorsements	$435,710	$245,105
All Other	$5,655,458	$2,092,477
TOTAL	**$76,676,706**	**$67,777,044**

* Expenditures allocated for television and radio advertising on electronic media subject to Federal Communications Commission ("FCC") regulations cover approximately six months of 1986 because the statutory broadcast ban became effective on August 28, 1986.

TABLE 3C

SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 1988 - 1991

	1988	1989	1990	1991
Newspapers	$940,256	$449,918	$880,629	$1,109,503
Magazines	$5,778,582	$6,410,401	$10,214,280	$9,652,958
Outdoor	$4,801,955	$2,913,074	$2,650,471	$1,644,287
Audio, Visual	$0	$0	$0	$0
Transit	$0	$0	$0	$0
Point-of-Sale	$7,436,270	$9,693,996	$10,320,657	$10,749,602
Promotional Allowances	$6,360,041	$8,327,225	$9,936,022	$14,771,597
Sampling	$12,345,180	$15,019,174	$13,461,932	$13,959,101
Distribution Bearing Names	$4,055,180	$4,611,457	$2,854,289	$3,866,263
Direct Mail	$623,731	$935,370	$78,000	$893,000
Public Entertainment	$17,501,791	$19,638,397	$20,272,355	$21,116,095
Endorsements	$260,539	$292,290	$264,484	$344,000
Coupons & Retail-value-added[*]	$4,655,429	$9,689,049	$16,438,440	$23,306,499
All Other	$3,463,919	$3,220,210	$2,729,768	$2,591,135
TOTAL	**$68,223,671**	**$81,200,611**	**$90,101,327**	**$104,004,040**

[*] One company reported no expenditures for this category because its accounting records were not maintained to allow calculation of these expenditures. Instead, these expenditures were reported to the Commission in the Point-of-Sale or Promotional Allowances categories.

TABLE 3D

SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 1992 - 1995

	1992	1993	1994	1995
Newspapers	$269,032	$274,738	$128,849	$142,562
Magazines	$9,258,297	$8,040,702	$10,261,201	$11,533,093
Outdoor	$694,388	$855,643	$1,112,524	$1,474,121
Audio, Visual	$0	$0	$0	$0
Transit	$0	$0	$0	$0
Point-of-Sale	$12,133,489	$13,465,302	$13,555,569	$15,170,713
Promotional Allowances	$11,397,882	$13,073,381	$10,244,241	$8,304,066
Sampling	$15,975,134	$15,794,391	$14,279,127	$15,748,393
Distribution Bearing Names	$2,609,348	$4,246,353	$10,368,596	$9,915,589
Direct Mail	$1,289,000	$1,099,000	$103,000	$253,000
Public Entertainment	$21,511,594	$22,912,765	$25,397,969	$26,749,679
Endorsements	$155,000	$215,000	$160,000	$160,000
Coupons & Retail-value-added*	$31,524,486	$32,297,431	$36,687,092	$33,701,379
All Other	$8,529,058	$6,956,120	$3,674,240	$4,170,687
TOTAL	**$115,346,708**	**$119,230,826**	**$125,972,408**	**$127,323,282**
Sports & Sporting Events	$20,970,580	$22,742,986	$24,521,715	$25,863,187

* One company reported no expenditures for this category because its accounting records were not maintained to allow calculation of these expenditures. Instead, these expenditures were reported to the Commission in the Point-of-Sale or Promotional Allowances categories.

TABLE 3E

SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 1996 - 2001

	1996	1997	1998	1999	2000	2001
Newspapers	$236,765	$1,642,347	$2,807,281	$3,306,548	$2,413,104	$1,825,748
Magazines	$13,362,100	$11,874,395	$18,389,758	$18,436,630	$13,890,399	$21,963,961
Outdoor	$3,544,994	$4,991,256	$2,228,381	$7,258	$6,987	$10,522
Audio, Visual	$0	$0	$0	$0	$0	$0
Transit	$0	$0	$0	$0	$0	$0
Point-of-Sale	$13,568,572	$14,712,560	$25,202,972	$26,092,942	$15,179,555	$17,412,893
Promotional Allowances	$12,722,615	$14,692,865	$14,959,694	$30,756,608	$45,393,210	$60,866,870
Sampling	$12,640,816	$11,155,411	$17,439,990	$17,884,888	$15,761,075	$17,888,963
Distribution Bearing Names	$11,728,976	$17,999,555	$3,768,161	$3,161,884	$347,124	$324,694
Direct Mail	$314,599	$808,247	$6,948,300	$5,620,844	$17,015,856	$16,340,203
Public Entertainment	$22,736,345	$28,940,337	$25,426,519	$22,136,453	$11,223,945	$18,063,522
Endorsements	$162,500	$165,000	$165,000	$130,000	$230,000	$255,000
Coupons	$3,446,225*	$3,447,124*	$10,965,387	$24,221,899	$32,746,769	$31,526,860
Retail-value-added	$22,390,838*	$34,938,115*	$11,204,800*	$11,135,604*	$64,883,152	$43,235,466
Internet	$0	$0	$0	$0	$155,405	$262,296
All Other	$4,397,683	$5,059,097	$5,980,656	$7,322,203	$5,336,176	$6,699,919
TOTAL	**$123,877,458**	**$150,426,310**	**$145,486,899**	**$170,213,761**	**$224,582,757**	**$236,676,917**
Sports & Sporting Events	$19,784,813	$25,751,503	$26,620,636	$23,401,714	$11,026,204	$17,866,620

* One company reported no expenditures for this category because its accounting records were not maintained to allow calculation of these expenditures. Instead, these expenditures were reported to the Commission in the Point-of-Sale or Promotional Allowances categories.

TABLE 3F

SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 2002 - 2005

	2002	2003	2004	2005
Newspapers	$722,000	$262,000	$285,000	$453,000
Magazines	$23,142,000	$22,838,000	$25,002,000	$20,996,000
Outdoor	$117,000	$101,000	$184,000	$207,000
Audio, Visual	$7,000	$139,000	$7,000	$119,000
Transit	$0	$0	$0	$0
Direct Mail	$7,073,000	$5,982,000	$5,670,000	$8,237,000
Point-of-Sale	$16,894,000	$20,874,000	$23,120,000	$20,748,000
Price Discounts	$99,000,000	$106,531,000	$86,977,000	$99,699,000
Promotional Allowances ─ Retailers	$3,245,000	$5,103,000	$4,285,000	$3,406,000
Promotional Allowances ─ Wholesalers	$16,755,000	$12,632,000	$11,222,000	$12,550,000
Promotional Allowances ─ Other	$41,000	$29,000	$9,000	$29,000
Sampling	$25,754,000	$22,483,000	$25,156,000	$28,180,000
Specialty Item Distribution ─ Branded	$419,000	$45,000	$22,000	$119,000
Specialty Item Distribution ─ Non-Branded	$0	$0	$0	$36,000
Public Entertainment ─ Adult Only	$0	$0	$7,000	$73,000
Public Entertainment ─ General Audience	$1,453,000	$1,640,000	$1,349,000	$215,000
Endorsements & Testimonials	$130,000	$355,000	$355,000	$355,000
Sponsorships	$8,864,000	$8,170,000	$9,018,000	$4,192,000
Coupons	$12,156,000	$11,524,000	$10,686,000	$28,622,000
Retail-value-added ─ Bonus Smokeless Tobacco Product	$13,686,000	$16,004,000	$14,950,000	$9,310,000
Retail-value-added ─ Non-Smokeless Tobacco Bonus	$466,000	$556,000	$2,650,000	$4,430,000
Company Websites	$18,000	$15,000	$877,000	$272,000
Internet ─ Other	$54,000	$25,000	$16,000	$413,000
Telephone	$169,000	$374,000	$231,000	$120,000
All Other	$4,480,000	$6,832,000	$9,006,000	$8,011,000
TOTAL	**$234,645,000**	**$242,514,000**	**$231,084,000**	**$250,792,000**
Sports & Sporting Events	$21,063,000	$16,942,000	$20,649,000	$15,749,000

TABLE 3G

SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 2006-2009*

	2006	2007	2008	2009
Newspapers	N/A	N/A	N/A	N/A
Magazines	$16,591,000	$13,913,000	$17,122,000	$7,866,000
Outdoor	$166,000	$334,000	$219,000	$980,000
Audio, Visual	N/A	N/A	$0	$0
Transit	$0	$0	$0	$0
Direct Mail	$9,574,000	$12,205,000	$7,579,000	$9,607,000
Point-of-Sale	$20,824,000	$29,318,000	$55,295,000	$55,123,000
Price Discounts	$203,692,000	$249,510,000	$324,647,000	$160,256,000
Promotional Allowances – Retailers	$3,731,000	$5,349,000	$6,416,000	$24,106,000
Promotional Allowances – Wholesalers	$9,047,000	$12,383,000	$18,578,000	$40,548,000
Promotional Allowances – Other	N/A	N/A	N/A	N/A
Sampling	$41,979,000	$35,113,000	$29,936,000	$40,687,000
Specialty Item Distribution – Branded	N/A	N/A	$509,000	N/A
Specialty Item Distribution – Non-Branded	$34,000	N/A	$3,079,000	$13,505,000
Public Entertainment – Adult Only	$0	N/A	$14,300,000	$22,263,000
Public Entertainment – General Audience	$144,000	N/A	N/A	N/A
Endorsements & Testimonials	N/A	N/A	N/A	N/A
Sponsorships	N/A	$10,462,000	$9,319,000	$10,505,000
Coupons	$16,133,000	$15,452,000	$29,474,000	$31,222,000
Retail-value-added – Bonus Smokeless Tobacco Product	$12,047,000	$8,497,000	$10,464,000	$28,734,000
Retail-value-added – Non-Smokeless Tobacco Bonus	$1,406,000	$626,000	$4,513,724	$2,504,000
Company Websites	$891,000	$3,110,000	$2,085,000	$6,121,000
Social Media	—	—	—	$0
Internet – Other	$944,000	$2,050,000	$2,538,000	$2,290,000
Telephone	N/A	N/A	$0	$0
All Others	$16,920,000	$12,917,000	$11,802,000	$36,752,000
TOTAL	**$354,123,000**	**$411,239,000**	**$547,873,000**	**$493,071,000**
Sports & Sporting Events	$16,912,000	$17,903,000	$14,648,000	$15,191,000

* Expenditures denoted "N/A" are included in the "All Others" category to avoid potential disclosure of individual company data.

TABLE 3H
SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 2010-2013*

	2010	2011	2012	2013
Newspapers	N/A	N/A	$229,000	$1,000,000
Magazines	$11,110,000	$4,858,000	$11,533,000	$7,748,000
Outdoor	$386,000	$545,000	$624,000	$590,000
Audio, Visual	$0	$0	$0	$0
Transit	$0	$0	$0	$0
Direct Mail	$8,892,000	$7,465,000	$8,596,000	$9,114,000
Point-of-Sale	$45,548,000	$32,313,000	$31,711,000	$32,272,000
Price Discounts	$94,994,000	$168,832,000	$212,058,000	$282,678,000
Promotional Allowances – Retailers	$41,488,000	$33,229,000	$22,334,000	$29,852,000
Promotional Allowances – Wholesalers	$51,252,000	$50,469,000	$41,493,000	$44,330,000
Promotional Allowances – Other	$55,000	$675,000	$69,000	$51,000
Sampling	$21,288,000	$7,610,000	$9,553,000	$6,369,000
Specialty Item Distribution – Branded	N/A	N/A	$0	$0
Specialty Item Distribution – Non-Branded	$6,062,000	$25,796,000	$7,746,000	$11,981,000
Public Entertainment – Adult Only	$32,432,000	$38,242,000	$21,959,000	$13,447,000
Public Entertainment – General Audience	N/A	$0	$0	$0
Endorsements & Testimonials	$0	$0	$0	$0
Sponsorships	N/A	$0	$0	$0
Coupons	$34,491,000	$37,547,000	$36,969,000	$32,192,000
Retail-value-added – Bonus Smokeless Tobacco Product	$44,144,000	$8,614,000	$7,645,000	$5,920,000
Retail-value-added – Non-Smokeless Tobacco Bonus	$4,116,000	N/A	$0	$0
Company Websites	$8,524,000	$3,247,000	$3,320,000	$5,964,000
Social Media	$0	$0	N/A	N/A
Internet – Other	$1,344,000	$2,415,000	$669,000	$1,761,000
Telephone	$0	$0	$0	$0
All Others	$38,367,000	$30,129,000	$19,420,000	$17,892,000
TOTAL	**$444,494,000**	**$451,985,000**	**$435,927,000**	**$503,161,000**
Sports & Sporting Events	$9,030,000	$3,443,000	$1,829,000	$2,077,000

* Expenditures denoted "N/A" are included in the "All Others" category to avoid potential disclosure of individual company data.

TABLE 3I
SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY FOR 2014-15*

	2014	2015
Newspapers	N/A	N/A
Magazines	$18,884,000	$23,116,000
Outdoor	$1,102,000	$641,000
Audio, Visual	$0	$0
Direct Mail	$6,656,000	$7,259,000
Point-of-Sale	$32,963,000	$33,363,000
Price Discounts ─ Retailers	$257,338,000	$349,964,000
Price Discounts ─ Wholesalers	$99,825,000	$78,872,000
Promotional Allowances ─ Retailers	$33,840,000	$26,272,000
Promotional Allowances ─ Wholesalers	$44,061,000	$46,486,000
Promotional Allowances ─ Other	$27,000	$16,000
Sampling	$8,030,000	$8,228,000
Specialty Item Distribution ─ Branded	$0	$0
Specialty Item Distribution ─ Non-Branded	$17,848,000	$25,911,000
Public Entertainment ─ Adult Only	$8,481,000	$6,872,000
Public Entertainment ─ General Audience	$0	$0
Endorsements & Testimonials	$0	$0
Sponsorships	$0	$0
Coupons	$40,737,000	$41,528,000
Retail-value-added ─ Bonus Smokeless Tobacco Product	N/A	N/A
Retail-value-added ─ Non-Smokeless Tobacco Bonus	$0	N/A
Company Websites	$6,408,000	$8,444,000
Social Media	N/A	N/A
Internet ─ Other	$259,000	$1,265,000
Telephone	$0	$0
All Others	$24,327,000	$26,703,000
TOTAL	**$600,786,000**	**$684,938,000**
Sports & Sporting Events	$1,182,000	$3,496,000

* Expenditures denoted "N/A" are included in the "All Others" category to avoid potential disclosure of individual company data.

TABLE 4A
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE FOR 1986-2015

LOOSE LEAF CHEWING TOBACCO

Year	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures
1986	65,697,634	$255,668,419	$32,249,750
1987	64,634,524	$267,766,776	$28,403,536
1988	60,648,126	$264,298,268	$26,198,078
1989	61,869,625	$281,701,402	$34,057,050
1990	60,896,991	$295,462,446	$35,194,561
1991	62,177,203	$321,458,416	$38,190,095
1992	58,850,933	$320,085,975	$42,820,544
1993	55,912,562	$319,672,867	$46,032,905
1994	54,242,322	$316,888,405	$44,807,716
1995	54,605,149	$323,156,639	$43,842,237
1996	54,204,655	$325,533,391	$36,387,774
1997	51,831,834	$330,903,053	$45,573,616
1998	46,887,918	$317,087,609	$26,780,236
1999	44,531,612	$278,670,311	$21,219,600
2000	44,077,019	$275,356,571	$15,592,978
2001	42,396,301	$278,982,298	$16,659,755
2002	40,703,148	$288,895,090	$17,211,000
2003	39,105,547	$294,705,352	$17,476,000
2004	39,183,779	$310,329,793	$18,218,000
2005	36,410,287	$307,026,071	$16,746,000
2006	34,692,990	$310,525,106	$18,910,000
2007	32,600,747	$310,662,579	$21,009,000
2008	30,128,176	$298,082,506	$24,024,000
2009	26,951,575	$298,444,031	$22,529,000
2010	24,700,060	$285,192,598	$21,425,000
2011	22,938,455	$278,921,115	$15,387,000
2012	21,545,211	$270,922,520	$13,115,000
2013	20,570,760	$271,491,004	$11,758,000
2014	19,273,865	$265,783,828	$11,315,000
2015	18,081,707	$261,476,302	$10,509,000

TABLE 4B
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE FOR 1986-2015

PLUG/TWIST CHEWING TOBACCO

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures
1986	8,835,200	$44,870,900	$896,821
1987	8,351,803	$44,267,561	$559,597
1988	7,282,206	$40,429,972	$868,954
1989	6,308,415	$35,132,105	$1,787,775
1990	6,557,216	$41,316,133	$1,655,886
1991	5,913,172	$42,379,173	$1,326,216
1992	5,389,336	$42,625,799	$1,722,361
1993	4,778,107	$40,702,849	$1,367,877
1994	4,410,333	$39,102,541	$936,993
1995	4,156,158	$37,996,428	$1,032,856
1996	3,096,708	$29,469,575	$653,511
1997	2,800,859	$27,434,794	$682,887
1998	3,180,093	$33,610,369	$1,216,474
1999	2,824,198	$30,733,775	$1,583,271
2000	2,718,653	$26,905,139	$1,164,235
2001	2,543,800	$26,775,821	$1,284,627
2002	2,191,910	$28,178,852	$1,159,000
2003	2,023,068	$27,044,811	$179,000
2004	1,876,461	$27,059,654	$121,000
2005	1,712,921	$25,970,711	$72,000
2006	1,488,380	$24,830,985	$4,000
2007	1,371,114	$24,352,589	$8,000
2008	1,322,324	$24,122,598	$2,000
2009	1,037,946	$22,435,650	$516,000
2010	912,443	$20,978,572	$501,000
2011	821,222	$20,082,358	$474,000
2012	725,112	$18,846,534	$292,000
2013	659,542	$18,434,750	$234,000
2014	579,205	$17,476,141	$219,000
2015	512,930	$16,633,660	$195,000

TABLE 4C
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE FOR 1986-2015

SCOTCH/DRY SNUFF

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures
1986	8,110,168	$58,951,001	$181,977
1987	7,255,296	$56,709,742	$263,482
1988	7,069,754	$57,221,662	$501,543
1989	7,244,911	$62,155,826	$654,591
1990	6,185,410	$56,601,390	$472,404
1991	5,833,210	$56,881,288	$517,145
1992	5,623,404	$57,657,911	$354,774
1993	4,996,957	$54,302,829	$313,659
1994	4,814,130	$55,574,320	$272,038
1995	4,490,094	$53,885,040	$486,280
1996	4,218,705	$53,858,106	$437,339
1997	4,063,630	$54,725,929	$522,260
1998	3,781,891	$53,292,750	$155,484
1999	3,572,339	$53,229,345	$61,516
2000	3,463,705	$54,205,273	$54,878
2001	3,364,601	$56,339,020	$68,552
2002	3,077,100	$56,344,777	$79,000
2003	2,853,516	$56,087,685	$69,000
2004	2,656,336	$54,672,024	$125,000
2005	2,402,904	$52,986,545	$103,000
2006	2,170,341	$51,895,254	$191,000
2007	2,003,974	$50,423,814	$174,000
2008	4,280,152	$48,712,026	$179,000
2009	1,635,448	$48,481,932	$977,000
2010	1,498,125	$47,588,846	$1,000,000
2011	1,367,000	$46,480,123	$954,000
2012	1,222,041	$43,624,856	$610,000
2013	1,137,567	$43,807,928	$485,000
2014	1,045,169	$43,349,669	$492,000
2015	949,469	$42,353,993	$216,000

TABLE 4D
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE FOR 1986 – 2015

MOIST SNUFF

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures
1986	36,135,332	$438,287,565	$43,348,158
1987	36,298,658	$483,973,268	$38,550,429
1988	39,433,696	$539,704,480	$40,655,096
1989	41,017,414	$602,647,971	$44,701,195
1990	43,775,709	$697,790,232	$52,778,476
1991	46,187,101	$817,242,793	$63,970,584
1992	48,509,020	$940,991,044	$70,449,029
1993	50,201,159	$1,060,781,973	$71,516,385
1994	52,028,416	$1,200,533,723	$79,955,661
1995	53,136,063	$1,320,802,382	$81,961,909
1996	54,884,154	$1,381,544,888	$86,398,835
1997	55,278,825	$1,404,444,279	$103,647,547
1998	56,186,478	$1,482,337,489	$117,334,705
1999	58,472,906	$1,578,102,586	$147,349,374
2000	61,481,958	$1,632,408,551	$207,770,666
2001	63,888,848	$1,765,423,249	$218,663,983
2002	66,176,208	$1,988,748,212	$209,278,000
2003	68,942,374	$2,111,664,009	$211,070,000
2004	73,052,096	$2,225,327,215	$194,396,000
2005	75,670,894	$2,225,309,220	$210,430,000
2006	77,437,057	$2,206,085,179	$308,456,000
2007	82,236,628	$2,306,606,093	$350,621,000
2008	84,014,810	$2,377,001,759	$287,315,000
2009	87,582,722	$2,192,418,669	$313,711,000
2010	92,591,210	$2,344,536,640	$257,872,000
2011	96,555,072	$2,513,178,807	$305,791,000
2012	100,711,669	$2,644,719,348	$345,420,000
2013	104,483,081	$2,844,764,226	$410,895,000
2014	105,681,317	$2,996,051,491	$497,143,000
2015	108,443,334	$3,252,841,636	$605,886,000

TABLE 4E
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE FOR 2008-2015

SNUS

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures
2008	170,527	$9,148,659	$58,763,000
2009	482,909	$49,807,528	$106,415,000
2010	818,913	$81,786,519	$57,394,000
2011	1,052,675	$77,999,446	$13,703,000
2012	1,291,182	$99,104,325	$55,593,000
2013	1,192,881	$84,594,698	$51,163,000
2014	1,230,967	$93,040,562	$47,392,000
2015	1,375,678	$106,883,288	$40,812,000

TABLE 4F
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES BY TOBACCO TYPE FOR 2011-2015

DISSOLVABLE

	Pounds Sold	Dollar Sales	Advertising and Promotional Expenditures[†]
2011	1,439	$190,489	$0
2012	1,427	$185,665	$0
2013	89	$12,741	$0
2014	N/A	N/A	N/A
2015	N/A	N/A	N/A

[†] All dissolvable smokeless tobacco brand styles were part of brands with multiple tobacco types.

TABLE 5A

NUMBER OF UNITS SOLD – BY PACKAGE SIZE FOR 2002-2015

LOOSE LEAF CHEWING TOBACCO

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	0	699,115	203,476,178	5,426,568	0	2,800
2003	0	658,495	191,761,704	6,750,937	0	286,274
2004	0	542,335	180,401,587	7,586,542	0	2,002,084
2005	0	448,644	165,667,992	6,859,556	0	2,157,700
2006	0	376,297	156,832,421	6,163,226	684	2,507,750
2007	365,706	317,120	150,399,964	5,039,908	164	2,615,539
2008	265,853	259,488	134,883,519	4,896,761	(1,440)	2,783,493
2009	0	237,408	119,369,974	3,967,490	0	2,884,625
2010	0	229,811	105,990,232	4,161,772	0	3,073,317
2011	0	206,628	96,674,759	4,073,250	0	3,125,682
2012	0	171,483	88,422,555	3,868,324	0	3,383,938
2013	0	160,992	84,014,098	3,612,208	0	3,284,546
2014	0	147,600	77,905,391	3,382,547	0	3,304,393
2015	360	131,436	72,272,672	3,029,598	0	3,275,510

TABLE 5B

NUMBER OF UNITS SOLD – BY PACKAGE SIZE FOR 2002-2015

PLUG/TWIST CHEWING TOBACCO

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	0	9,789,738	8,013,482	0	0	0
2003	3,960	9,057,230	7,417,331	0	0	1,184
2004	172,596	8,121,211	6,825,354	0	0	7,591
2005	229,638	7,388,766	6,041,214	0	0	7,848
2006	219,732	6,382,398	1,275,303	0	0	1,518
2007	0	6,113,798	1,107,983	0	0	3,991
2008	(2,976)	5,723,997	1,093,135	0	0	3,353
2009	170,808	4,623,964	3,599,939	0	0	2,001
2010	37,932	4,080,855	3,150,940	0	0	616
2011	0	3,652,275	2,847,632	0	0	0
2012	0	3,303,543	2,461,582	0	0	0
2013	0	3,042,595	2,226,817	0	0	0
2014	0	2,637,007	1,954,549	0	0	0
2015	0	2,482,787	1,609,244	0	0	0

TABLE 5C

NUMBER OF UNITS SOLD – BY PACKAGE SIZE FOR 2002-2015

SCOTCH/DRY SNUFF

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	833,184	17,320,899	4,679,645	1,201,840	15,735	33,400
2003	800,640	16,092,214	4,388,662	1,097,114	15,936	34,994
2004	764,064	15,023,756	3,813,417	1,058,787	15,456	49,512
2005	734,976	13,637,790	3,303,851	1,042,565	14,064	47,134
2006	655,712	12,376,413	3,025,288	972,826	13,891	16,356
2007	1,676,174	10,804,273	2,531,367	697,253	0	23,213
2008	598,464	10,557,468	2,538,033	844,505	0	21,147
2009	535,212	9,470,599	2,254,555	728,551	(1)	18,411
2010	245,548	8,927,259	2,116,879	629,343	0	9,955
2011	(799)	8,400,578	1,964,342	559,138	0	(16)
2012	0	7,919,271	1,958,110	247,347	0	(4)
2013	0	7,438,306	1,899,643	152,538	0	0
2014	0	6,922,729	1,721,405	141,020	0	0
2015	0	6,355,018	1,548,028	127,868	0	0

TABLE 5D

NUMBER OF UNITS SOLD – BY PACKAGE SIZE FOR 2002-2015

MOIST SNUFF

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz. to less than 5 oz.	5 oz. to less than 10 oz.	10 oz. to less than 15 oz.	15 oz. or more
2002	24,561,076	859,285,595	0	0	0	0
2003	37,078,414	892,925,591	0	0	0	30,984
2004	41,769,081	935,536,000	0	0	0	58,830
2005	46,142,758	958,614,204	0	0	0	62,706
2006	48,576,464	975,274,937	0	0	0	26,753
2007	60,274,128	1,039,156,919	612	0	6,186	44,416
2008	71,986,220	1,056,217,422	771	0	54,452	18,772
2009	89,001,023	1,083,725,965	550,216	0	511,175	12,245
2010	103,531,063	1,134,785,681	141,808	0	1,193,327	3,358
2011	121,589,821	1,176,205,839	(37,824)	0	1,618,546	0
2012	140,723,199	1,208,434,824	163,636	0	2,544,526	0
2013	162,500,285	1,228,602,023	154,242	325,501	3,505,261	0
2014	181,561,165	1,224,327,539	107,184	501,770	4,077,255	0
2015	204,008,337	1,239,287,768	9,538	738,893	4,443,748	0

TABLE 5E

NUMBER OF UNITS SOLD – BY PACKAGE SIZE FOR 2008-2015

SNUS

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz to less than 5 oz.	5 oz. to less than 10 oz.	10 oz to less than 15 oz.	15 oz. or more
2008	4,385,317	21,788	0	0	0	0
2009	31,838,153	58,252	0	0	0	0
2010	61,204,305	75,650	0	0	0	0
2011	45,384,110	79,763	0	0	0	0
2012	57,288,162	97,347	0	0	0	0
2013	43,916,293	42,956	0	0	0	0
2014	42,802,484	54,806	0	0	0	0
2015	46,965,737	49,662	0	0	0	0

TABLE 5F

NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2011-2015

DISSOLVABLE

	Less than 1 oz.	1 oz. to less than 2 oz.	2 oz to less than 5 oz.	5 oz. to less than 10 oz.	10 oz to less than 15 oz.	15 oz. or more
2011	155,964	0	0	0	0	0
2012	143,224	0	0	0	0	0
2013	10,220	0	0	0	0	0
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A

APPENDIX

2015 Advertising and Promotional Expenditure Categories

Newspapers: Newspaper advertising; but excluding expenditures in connection with sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Magazines: Magazine advertising; but excluding expenditures in connection with sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Outdoor: Billboards; signs and placards in arenas, stadiums, and shopping malls, whether they are open air or enclosed; and any other advertisements placed outdoors, regardless of their size, including those on smokeless tobacco retailer property; but excluding expenditures in connection with sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Audio-visual: Audio-visual or video advertising on any medium of electronic communication not subject to the Federal Communications Commission's jurisdiction, including screens at motion picture theaters, video cassettes or DVDs, and monitors in stores; but excluding expenditures in connection with Internet advertising.

Direct Mail: Direct mail advertising; but excluding expenditures in connection with sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, retail-value-added, and Internet advertising.

Point-of-Sale: Point-of-sale advertisements; but excluding expenditures in connection with outdoor advertising, sampling, specialty item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Price Discounts – Retail: Price discounts paid to smokeless tobacco retailers in order to reduce the price of smokeless tobacco to consumers, including off-invoice discounts, buy-downs, voluntary price reductions, and trade programs; but excluding retail-value-added expenditures for promotions involving free smokeless tobacco and expenditures involving coupons.

Price Discounts – Wholesale: Price discounts paid to smokeless tobacco wholesalers in order to reduce the price of smokeless tobacco to consumers, including off-invoice discounts, buy-downs, voluntary price reductions, and trade programs; but excluding retail-value-added expenditures for promotions involving free smokeless tobacco and expenditures involving coupons.

Promotional Allowances – Retail: Promotional allowances paid to smokeless tobacco retailers in order to facilitate the sale or placement of any smokeless tobacco product, including payments for stocking, shelving, displaying and merchandising brands, volume rebates, incentive payments, and the cost of smokeless tobacco product given for free to retailers for subsequent sale to consumers; but excluding expenditures in connection with newspapers, magazines, outdoor, audio-visual, direct mail, point-of-sale, and price discounts.

Promotional Allowances – Wholesale: Promotional allowances paid to smokeless tobacco wholesalers in order to facilitate the sale or placement of any smokeless tobacco product, including payments for volume rebates, incentive payments, value added services, promotional execution and satisfaction of reporting requirements; but excluding expenditures in connection with newspapers, magazines, outdoor, audio-visual, direct mail, point-of-sale, price discounts, and retail promotional allowances.

Promotional Allowances – Other: Promotional allowances paid to any persons other than retailers, wholesalers, and full-time company employees who are involved in the smokeless tobacco distribution and sales process in order to facilitate the sale or placement of any smokeless tobacco product; but excluding expenditures in connection with newspapers, magazines, outdoor, audio-visual, direct mail, point-of-sale, price discounts, and retail and wholesale promotional allowances.

Sampling: Sampling of smokeless tobacco products, including the cost of the smokeless tobacco, all associated excise taxes, and the costs of organizing, promoting, and conducting sampling. Sampling includes the distribution of smokeless tobacco products for consumer testing or evaluation when consumers are able to use the smokeless tobacco outside of a facility owned or operated by the Company, but not the cost of actual clinical testing or market research associated with such smokeless tobacco distributions. Sampling also includes the distribution of coupons for free smokeless tobacco, when no purchase or payment is required to obtain the coupons or the smokeless tobacco product.

Specialty Item Distribution – Branded: All costs of distributing any item (other than smokeless tobacco products, items the sole function of which is to advertise or promote smokeless tobacco products, or written or electronic publications), whether distributed by sale, redemption of coupons, or otherwise, that bears the name, logo, or an image of any portion of the package of any brand or variety of smokeless tobacco product, including the cost of the items distributed but subtracting any payments received for the item. The costs associated with distributing non-smokeless tobacco items in connection with sampling or retail-value-added programs are reported in those categories, not as specialty item distribution.

Specialty Item Distribution – Non-Branded: All costs of distributing any item (other than smokeless tobacco products, items the sole function of which is to advertise or promote smokeless tobacco products, or written or electronic publications), whether distributed by sale, redemption of coupons, or otherwise, that does not bear the name, logo, or an image of any portion of the package of any brand or variety of smokeless tobacco product, including the cost of the items distributed but subtracting any payments received for the item. The costs associated with distributing non-smokeless tobacco items in connection with sampling or retail-value-added programs are reported in those categories, not as specialty item distribution.

Public Entertainment – Adult-Only: Public entertainment events bearing or otherwise displaying the name or logo or an image of any portion of the package of any of the Company's smokeless tobacco products or otherwise referring or relating to smokeless tobacco, which take place in an adult-only facility, including all expenditures made by the Company in promoting and/or sponsoring such events.

Public Entertainment – General-Audience: Public entertainment events bearing or otherwise displaying the name or logo or an image of any portion of the package of any of the Company's smokeless tobacco products or otherwise referring or relating to smokeless tobacco, which do not take place in an adult-only facility, including all expenditures made by the Company in promoting and/or sponsoring such events.

Endorsements & Testimonials: Endorsements, testimonials, and product placement.

Sponsorships: Sponsorships of sports teams or individual athletes, but excluding endorsements.

Coupons: All costs associated with coupons for the reduction of the retail cost of smokeless tobacco products, whether redeemed at the point of sale or by mail, including all costs associated with advertising or promotion, design, printing, distribution, and redemption. However, when coupons are distributed for free smokeless tobacco and no purchase or payment is required to obtain the coupons or the smokeless tobacco, these activities are considered to be sampling and not couponing.

Retail-value-added – Bonus Smokeless Tobacco: Retail-value-added expenditures for promotions involving free smokeless tobacco products (*e.g.*, buy two, get one free), whether or not the free smokeless tobacco products are physically bundled together with the purchased smokeless tobacco products, including all expenditures and costs associated with the value added to the purchase of smokeless tobacco products (*e.g.*, excise taxes paid for the free smokeless tobacco product).

Retail-value-added – Non-Smokeless Tobacco Bonus: Retail-value-added expenditures for promotions involving free non-smokeless tobacco items (*e.g.*, buy two packs, get free key chain), including all expenditures and costs associated with the value added to the purchase of smokeless tobacco products.

Company Website: All expenditures associated with advertising on any company Internet website that can be accessed by computers located in the United States.

Internet – Other: Internet advertising other than on the Company's own Internet website, including on the World Wide Web, on commercial on-line services, and through electronic mail messages; but excluding social media marketing.

Telephone: Telephone advertising, including costs associated with the placement of telemarketing calls or the operation of incoming telephone lines that allow consumers to participate in any promotion or hear pre-recorded product messages; but excluding costs associated with having customer service representatives available for responding to consumer complaints or questions.

Social Media Marketing: All expenditures for social media marketing on Web sites or other online services or communities, including but not limited to social networking sites, microblogging sites, content-sharing sites, and blogs.

All Other: Advertising and promotional expenditures not covered by another category.

Sports and Sporting Events: All advertising and promotional expenditures connected with or related to sports or sporting events, including but not limited to: (i) the sponsoring, advertising, or promotion of sports or sporting events, support of an individual, group, or sports team, and purchase of or support for sports equipment, uniforms, sports facilities and or training facilities; (ii) all expenditures for advertising in the name of the Company or any of its smokeless tobacco product brands in a sports facility, on a scoreboard or in conjunction with the reporting of sports results; (iii) all expenditures connected with functional promotional items (*e.g.*, hats or posters) provided at or in connection with a sporting event; and (iv) all expenditures associated with smokeless tobacco product sampling in connection with a sporting event, including sampling in an adult-only facility in the grounds or parking lot of a sports facility. "Sports and sporting events" includes, but is not limited to, football, basketball, baseball, hockey, tennis, wrestling, karate, judo, weight lifting, volleyball, skiing, skating, sailing, boating, equestrian, rodeo, automobile, race car, funny car, motorcycle, bicycle, truck, monster truck, tractor-pull, fishing, and hunting events, competitions, tournaments, and races. This category is duplicative of expenditures for other categories.