



Federal Trade Commission Smokeless Tobacco Report for 2018

ISSUED: 2019

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.² Commission staff prepared these tables using information collected, pursuant to compulsory process, 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.³

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 2018. Table 1B shows that the total amount of smokeless tobacco sold by manufacturers to wholesalers and retailers decreased from 130.91 million pounds in 2017 to 128.41 million pounds in 2018. Sales revenues received by the manufacturers from wholesalers and retailers rose from \$4.203 billion in 2017 to \$4.367 billion in 2018.⁴

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

² The data contained in the tables appended to this report are also in an electronic spreadsheet available at <https://www.ftc.gov/smokelesstobaccodata>.

³ Although the identity of the companies reporting smokeless tobacco data has varied during the over 30 years that the Commission has issued these reports, these five companies have been recipients of the Commission’s compulsory-process orders since 2010.

⁴ The sales revenue and advertising and promotional expenditure figures contained in this report are in nominal dollars and have not been adjusted for inflation.

The manufacturers spent a total of \$658.5 million on advertising and promotion in 2018, a decrease from the \$718.3 million spent in 2017.

Tables 2A and 2B show the number of units of smokeless tobacco the companies sold and gave away each year in packages of various sizes (*e.g.*, less than one ounce; one ounce to less than two ounces; two ounces to less than five ounces). In 2018—as in the previous years for which these data are available—more packages weighing one ounce to less than two ounces were sold than any other size package. However, more packages weighing two ounces to less than five ounces were given away in 2018 than any other size package.

III. SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL EXPENDITURES BY CATEGORY

Tables 3A through 3J show the annual expenditures on smokeless tobacco advertising and promotion for the years 1985 through 2018.⁵ They list the amounts spent on the different types of media advertising (*e.g.*, magazines) and sales promotion activities (*e.g.*, distribution of samples).⁶ Table 3I shows the companies' expenditures for 2014 through 2017 and Table 3J shows their expenditures for 2018.

The companies reported spending no money on newspaper advertising in 2018. The Commission did not report the amount spent on newspaper advertising in 2017 because only

⁵ 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. They do not include the costs of employing full-time company employees or any overhead expenses attributable to the activities of such company employees.

⁶ Detailed definitions of the 2018 expenditure categories appear in the Appendix to this report.

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.

one company reported spending in that category.⁷ Magazine advertising decreased from \$19.5 million in 2017 to \$13.6 million in 2018. Spending on outdoor advertising increased from \$145,000 to \$153,000 during the same period.⁸ Point-of-sale advertising increased from \$24.3 million in 2017 to \$25.3 million in 2018. In 2018, the companies reported spending \$5.2 million on direct-mail advertising, down from the \$6.6 million spent in 2017.

In 2018, the companies reported spending \$312.2 million on price discounts (payments made in order to reduce the price of smokeless tobacco to consumers) paid to retailers and \$101.1 million on price discounts paid to wholesalers. In 2017, expenditures in those categories were \$347.1 million and \$91.4 million, respectively. Retail and wholesale price discounts were the two largest expenditure categories in 2018, representing a combined 62.8 percent of total expenditures (47.4 percent and 15.4 percent, respectively).

Spending on promotional allowances (intended to facilitate the sale or placement of smokeless tobacco) paid to smokeless tobacco retailers increased from \$31.4 million in 2017 to \$33.2 million in 2018. Spending on promotional allowances paid to smokeless tobacco wholesalers increased from \$46.5 million in 2017 to \$47.1 million in 2018. The Commission is

⁷ If only one company reported spending money on a particular type of advertising or promotion in a year, that category is shown as “N/A” in the table; and the expenditures are included in the “Other” category, to avoid potential disclosure of individual company data.

⁸ 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.

Starting with its orders for 2014, the Commission ceased collecting 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.

not reporting the amount spent on promotional allowances paid to persons other than retailers in 2018 because only one company reported spending in that category. The companies reported spending \$17,000 on such promotional allowances in 2017.

When promotional allowances and price discounts paid to retailers and wholesalers are combined, they account for 75.0 percent of total 2018 spending, up from 71.9 percent of total 2017 spending.

The companies reported spending \$761,000 in 2018 to give smokeless tobacco samples to the public (“sampling”).⁹ In 2017, they reported spending \$615,000 on sampling.

The companies reported spending \$12.7 million on non-branded specialty-item distribution¹⁰ in 2018, a decrease from the \$16.3 million spent in 2017.

The companies reported spending \$4.0 million in 2018 on consumer engagement at retail locations open to underage individuals (*e.g.*, convenience stores). The Commission did not report the amount spent in 2017 because only one company reported spending in the category.

⁹ 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.”

The Commission’s compulsory-process orders for 2017 clarified that expenditures associated with coupons for free smokeless tobacco products distributed during consumer engagement should be reported as “sampling,” not consumer engagement.

¹⁰ 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.

Starting with its orders for 2016, the Commission stopped collecting data on spending on branded specialty items. The companies have not reported expenditures on branded specialty items since 2011; regulations promulgated by the Food and Drug Administration pursuant to the Family Smoking Prevention and Tobacco Control Act (“Tobacco Control Act”) prohibit the distribution of branded non-tobacco promotional items. *See* 21 C.F.R. § 1140.34(a).

The companies reported spending \$5.9 million on consumer engagement in adult-only facilities in 2018, a decrease from the \$15.6 million spent in 2017.

The Commission is not separately publishing the amount spent on public entertainment in adult-only facilities (*e.g.*, bar nights) in 2018 because, as in 2016 and 2017, only one company reported spending in that category. In 2016, the Commission clarified that such events must include actual entertainment, as opposed to simply consumer engagement.

As they have each year since 2011, the companies reported no spending in 2018 on general-audience public entertainment, endorsements and testimonials, or sponsorships.

The companies reported spending \$57.1 million in 2018 on coupons to reduce of the retail cost of smokeless tobacco products, a decrease from the \$76.9 million spent in 2017.¹¹

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 is distributed at retail when the smokeless tobacco is purchased. The retail-value-added category is broken into two subcategories—one in which the bonus is additional smokeless tobacco and one in which the bonus is something other than smokeless tobacco. In 2018, the companies reported spending \$5.0 million on retail-value-added expenditures for promotions involving free smokeless tobacco, up from the \$4.6 million spent in 2017.

Each year from 2012 until 2015, the companies reported spending no money on retail-value-added promotions involving non-smokeless tobacco items. In 2016, the Commission expanded the category to include discounts such as “buy two, save 20 cents per gallon of

¹¹ The Commission’s compulsory-process orders for 2017 clarified that expenditures associated with coupons that reduce the retail cost of smokeless tobacco products should be reported in the “coupon” category, regardless of how the coupons are distributed or redeemed.

gasoline.” The Commission is not separately reporting the amount spent in 2017 or 2018 because only one company reported spending in the category.

In 2018, the companies reported spending \$8.0 million for advertising on company websites and \$778,000 on Internet advertising other than on their own websites. In 2017, those figures were \$10.5 million and \$523,000, respectively.

As they have each year since 2008, the companies reported no spending in 2018 on telephone advertising¹² or audio-visual advertising.

The compulsory-process orders issued by the Commission since 2009 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 companies reported spending \$609,000 on social-media marketing in 2018, a decrease from the \$785,000 they spent in 2017.

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.¹³ 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.

¹² 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.

¹³ 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, 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 \$2.0 million in 2018. 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. The orders for 2016 then further clarified that the companies should also report "consumer engagement" on the grounds or lot of a sports facility.

The companies reported spending \$1.2 million in 2018 on ads directed to youth or their parents that were intended to reduce youth use of smokeless tobacco products.¹⁴ A portion of that amount was directed at reducing youth use of tobacco products of any kind.

Smokeless tobacco manufacturers reported that, in 2018, 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, television show, or video game, or paid money or any other form of compensation to anyone engaged in product placement in motion pictures, television shows, or video games. The companies also reported that neither they nor anyone working for them or on their behalf sought or solicited the appearance of any smokeless tobacco product or smokeless tobacco brand imagery in any motion picture, television show, or video game. One company reported that it did not object to the use of its brand imagery in a movie that streams on the Internet. Three companies reported having video advertising on

¹⁴ These expenditures are not included in the figures reported in Table 3J (advertising and promotional expenditures by category).

company-operated brand websites and one reported having posted video advertising through brand Instagram and YouTube accounts. The companies reported that otherwise 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, besides the above-mentioned streaming movie. With respect to social-media marketing, one company reported having a smokeless tobacco brand Facebook page; one reported having brand Instagram and YouTube accounts; and one reported allowing the posting of user-generated content on company-operated brand 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.

The number of pounds of loose-leaf chewing tobacco, plug/twist chewing tobacco, and scotch/dry snuff sold all fell from 2017 to 2018, continuing the declines seen in recent years. Snus sales increased from 2017 to 2018. Moist snuff sales, which had risen every year since the Commission first issued its smokeless tobacco reports, declined for the first time in 2018. Nevertheless, the number of pounds of moist snuff sold again exceeded the combined sales of all other kinds of smokeless tobacco. The companies reported that they had no sales of dissolvable smokeless tobacco products in 2018.

Moist snuff also continued to generate more revenue than any other type of smokeless tobacco. In 2018, sales of moist snuff were \$3.920 billion, representing 89.8 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 2018, the companies spent \$615.7 million promoting moist snuff, compared to \$7.4 million for loose-leaf chewing tobacco, \$292,000 for plug/twist chewing tobacco, \$442,000 for scotch/dry snuff, and \$24.8 million for snus.¹⁵

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 one ounce to less than two ounces were sold in 2018 than any other size. For loose-leaf chewing tobacco, more packages weighing two ounces to less than five ounces were sold in 2018 than any other size. More packages of snus weighing less than one ounce were sold in 2018 than any other size.

¹⁵ 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.

Beginning with the orders for 2015 data, the Commission's compulsory-process orders have 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 earlier years, some companies could have also reported some of their brands' advertising and promotional expenditures 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	\$411,239,000
2008	119,915,125	\$2,757,087,244	\$547,873,000

TABLE 1B
TOTAL SMOKELESS TOBACCO SALES
AND ADVERTISING AND PROMOTIONAL EXPENDITURES
FOR 2009–2018

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
2016	131,433,651	\$3,981,902,822	\$759,348,000
2017	130,910,581	\$4,202,999,689	\$718,323,000
2018	128,405,325	\$4,367,000,467	\$658,526,000

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 2013–2018

		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
2016	sold	281,224,911	1,266,087,487	71,173,377	3,439,501	4,792,078	3,212,926
	given away	441,634	99,476	7,578,154	264	912	418
2017	sold	294,016,949	1,257,596,469	66,182,652	3,107,034	5,173,096	3,346,688
	given away	222,702	75,699	6,604,575	96	840	427
2018	sold	304,833,292	1,226,454,958	62,417,369	2,573,842	5,588,352	3,190,743
	given away	51,369	72,578	5,471,422	72	948	566

TABLE 3A

**SMOKELESS TOBACCO ADVERTISING
AND PROMOTIONAL EXPENDITURES
BY CATEGORY
FOR 1985**

Television & Radio Advertising	\$26,584,731
Total Print	\$8,719,379
Other	<u>\$44,764,119</u>
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
Transit	\$0	\$0
Television & Radio*	\$16,067,211	\$0
Point-of-Sale	\$4,234,207	\$5,789,436
Direct Mail	\$20,844	\$48,979
Promotional Allowances	\$8,231,580	\$7,554,592
Sampling	\$13,699,156	\$13,877,923
Distribution Bearing Names	\$2,353,816	\$4,312,094
Public Entertainment	\$13,823,266	\$14,844,425
Endorsements	\$435,710	\$245,105
Audio, Visual	\$2,579,268	\$0
Other	<u>\$5,655,458</u>	<u>\$2,092,477</u>
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
Transit	\$0	\$0	\$0	\$0
Point-of-Sale	\$7,436,270	\$9,693,996	\$10,320,657	\$10,749,602
Direct Mail	\$623,731	\$935,370	\$78,000	\$893,000
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	\$4,055,978	\$4,611,457	\$2,854,289	\$3,866,263
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
Audio, Visual	\$0	\$0	\$0	\$0
Other	<u>\$3,463,919</u>	<u>\$3,220,210</u>	<u>\$2,729,768</u>	<u>\$2,591,135</u>
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
Transit	\$0	\$0	\$0	\$0
Point-of-Sale	\$12,133,489	\$13,465,302	\$13,555,569	\$15,170,713
Direct Mail	\$1,289,000	\$1,099,000	\$103,000	\$253,000
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
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
Audio, Visual	\$0	\$0	\$0	\$0
Other	<u>\$8,529,058</u>	<u>\$6,956,120</u>	<u>\$3,674,240</u>	<u>\$4,170,687</u>
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
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
Direct Mail	\$314,599	\$808,247	\$6,948,300	\$5,620,844	\$17,015,856	\$16,340,203
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
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
Audio, Visual	\$0	\$0	\$0	\$0	\$0	\$0
Other	<u>\$4,397,683</u>	<u>\$5,059,097</u>	<u>\$5,980,656</u>	<u>\$7,322,203</u>	<u>\$5,336,176</u>	<u>\$6,699,919</u>
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
Transit	\$0	\$0	\$0	\$0
Point-of-Sale	\$16,894,000	\$20,874,000	\$23,120,000	\$20,748,000
Direct Mail	\$7,073,000	\$5,982,000	\$5,670,000	\$8,237,000
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
Sponsorships	\$8,864,000	\$8,170,000	\$9,018,000	\$4,192,000
Endorsements & Testimonials	\$130,000	\$355,000	\$355,000	\$355,000
Coupons	\$12,156,000	\$11,524,000	\$10,686,000	\$28,622,000
Retail-Value-Added — Bonus Smokeless Tobacco	\$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
Audio-Visual	\$7,000	\$139,000	\$7,000	\$119,000
Other	<u>\$4,480,000</u>	<u>\$6,832,000</u>	<u>\$9,006,000</u>	<u>\$8,011,000</u>
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
Transit	\$0	\$0	\$0	\$0
Point-of-Sale	\$20,824,000	\$29,318,000	\$55,295,000	\$55,123,000
Direct Mail	\$9,574,000	\$12,205,000	\$7,579,000	\$9,607,000
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
Sponsorships	N/A	\$10,462,000	\$9,319,000	\$10,505,000
Endorsements & Testimonials	N/A	N/A	N/A	N/A
Coupons	\$16,133,000	\$15,452,000	\$29,474,000	\$31,222,000
Retail-Value-Added — Bonus Smokeless Tobacco	\$12,047,000	\$8,497,000	\$10,464,000	\$28,734,000
Retail-Value-Added — Non-Smokeless Tobacco Bonus	\$1,406,000	\$626,000	\$4,514,000	\$2,504,000
Company Websites	\$891,000	\$3,110,000	\$2,085,000	\$6,121,000
Internet — Other	\$944,000	\$2,050,000	\$2,538,000	\$2,290,000
Telephone	N/A	N/A	\$0	\$0
Audio-Visual	N/A	N/A	\$0	\$0
Social Media	—	—	—	\$0
Other	<u>\$16,920,000</u>	<u>\$12,917,000</u>	<u>\$11,803,000</u>	<u>\$36,752,000</u>
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 “Other” 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
Transit	\$0	\$0	\$0	\$0
Point-of-Sale	\$45,548,000	\$32,313,000	\$31,711,000	\$32,272,000
Direct Mail	\$8,892,000	\$7,536,000	\$8,596,000	\$9,114,000
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
Sponsorships	N/A	\$0	\$0	\$0
Endorsements & Testimonials	\$0	\$0	\$0	\$0
Coupons	\$34,491,000	\$37,547,000	\$36,969,000	\$32,192,000
Retail-Value-Added — Bonus Smokeless Tobacco	\$44,144,000	\$8,614,000	\$7,645,000	\$5,920,000
Retail-Value-Added — Non-Smokeless Tobacco Bonus	\$4,116,000	\$0	\$0	\$0
Company Websites	\$8,524,000	\$3,247,000	\$3,320,000	\$5,964,000
Internet — Other	\$1,344,000	\$2,415,000	\$669,000	\$1,761,000
Telephone	\$0	\$0	\$0	\$0
Audio-Visual	\$0	\$0	\$0	\$0
Social Media	\$0	\$0	N/A	N/A
Other	<u>\$38,367,000</u>	<u>\$30,058,000</u>	<u>\$19,420,000</u>	<u>\$17,892,000</u>
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 “Other” category to avoid potential disclosure of individual company data.

TABLE 3I
SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL
EXPENDITURES BY CATEGORY FOR 2014–2017*

	2014	2015	2016	2017
Newspapers	N/A	N/A	N/A	N/A
Magazines	\$18,884,000	\$23,116,000	\$20,601,000	\$19,543,000
Outdoor	\$1,102,000	\$641,000	\$497,000	\$145,000
Point-of-Sale	\$32,963,000	\$33,363,000	\$24,777,000	\$24,321,000
Direct Mail	\$6,656,000	\$7,259,000	\$11,272,000	\$6,557,000
Price Discounts — Retailers	\$257,338,000	\$349,964,000	\$382,336,000	\$347,104,000
Price Discounts — Wholesalers	\$99,825,000	\$78,872,000	\$85,473,000	\$91,416,000
Promotional Allowances — Retailers	\$33,840,000	\$26,272,000	\$28,687,000	\$31,387,000
Promotional Allowances — Wholesalers	\$44,061,000	\$46,486,000	\$47,469,000	\$46,512,000
Promotional Allowances — Other	\$27,000	\$16,000	\$6,000	\$17,000
Sampling	\$8,030,000	\$8,228,000	\$7,388,000	\$615,000
Specialty-Item Distribution — Branded	\$0	\$0		
Specialty-Item Distribution — Non-Branded	\$17,848,000	\$25,962,000	\$32,962,000	\$16,282,000
Consumer Engagement — Retail			\$1,800,000	N/A
Consumer Engagement — Adult-Only			\$15,657,000	\$15,637,000
Public Entertainment — Adult-Only	\$8,481,000	\$6,872,000	N/A	N/A
Public Entertainment — General Audience	\$0	\$0	\$0	\$0
Sponsorships	\$0	\$0	\$0	\$0
Endorsements & Testimonials	\$0	\$0	\$0	\$0
Coupons	\$40,737,000	\$41,528,000	\$56,245,000	\$76,853,000
Retail-Value-Added — Bonus Smokeless Tobacco	N/A	N/A	\$6,451,000	\$4,553,000
Retail-Value-Added — Non-Smokeless Tobacco Bonus	\$0	\$0	\$168,000	N/A
Company Websites	\$6,408,000	\$8,444,000	\$10,440,000	\$10,471,000
Internet — Other	\$259,000	\$1,265,000	\$931,000	\$523,000
Telephone	\$0	\$0	\$0	\$0
Audio-Visual	\$0	\$0	\$0	\$0
Social Media	N/A	N/A	N/A	\$785,000
Other	<u>\$24,327,000</u>	<u>\$26,628,000</u>	<u>\$26,190,000</u>	<u>\$25,603,000</u>
TOTAL	\$600,786,000	\$684,938,000	\$759,348,000	\$718,323,000
Sports & Sporting Events	\$1,182,000	\$3,496,000	\$4,646,000	\$3,823,000

* Expenditures denoted “N/A” are included in the “Other” category to avoid potential disclosure of individual company data.

TABLE 3J
SMOKELESS TOBACCO ADVERTISING AND PROMOTIONAL
EXPENDITURES BY CATEGORY FOR 2018*

	2018
Newspapers	\$0
Magazines	\$13,621,000
Outdoor	\$153,000
Point-of-Sale	\$25,265,000
Direct Mail	\$5,193,000
Price Discounts — Retailers	\$312,150,000
Price Discounts — Wholesalers	\$101,087,000
Promotional Allowances — Retailers	\$33,240,000
Promotional Allowances — Wholesalers	\$47,120,000
Promotional Allowances — Other	N/A
Sampling	\$761,000
Specialty-Item Distribution — Non-Branded	\$12,682,000
Consumer Engagement — Retail	\$4,025,000
Consumer Engagement — Adult-Only	\$5,928,000
Public Entertainment — Adult-Only	N/A
Public Entertainment — General Audience	\$0
Sponsorships	\$0
Endorsements & Testimonials	\$0
Coupons	\$57,080,000
Retail-Value-Added — Bonus Smokeless Tobacco	\$5,028,000
Retail-Value-Added — Non-Smokeless Tobacco Bonus	N/A
Company Websites	\$7,970,000
Internet — Other	\$778,000
Telephone	\$0
Audio-Visual	\$0
Social Media	\$609,000
Other	<u>\$25,834,000</u>
TOTAL	\$658,526,000
Sports & Sporting Events	\$2,015,000

* Expenditures denoted “N/A” are included in the “Other” category to avoid potential disclosure of individual company data.

TABLE 4A
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986–2018
LOOSE-LEAF CHEWING TOBACCO

	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
2016	17,069,432	\$253,905,080	\$10,216,000
2017	16,165,560	\$244,957,513	\$9,040,000
2018	15,293,967	\$235,779,995	\$7,388,000

TABLE 4B
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986–2018

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
2016	470,319	\$16,159,907	\$190,000
2017	426,424	\$15,622,855	\$183,000
2018	374,686	\$14,851,887	\$292,000

TABLE 4C
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986–2018

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
2016	868,874	\$42,165,065	\$249,000
2017	784,647	\$42,223,383	\$466,000
2018	710,026	\$41,533,878	\$442,000

**TABLE 4D
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 1986–2018**

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
2016	111,504,328	\$3,545,006,638	\$678,662,000
2017	111,922,862	\$3,760,123,055	\$662,471,000
2018	110,314,593	\$3,919,724,350	\$615,674,000

TABLE 4E
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 2008–2018

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
2016	1,520,576	\$124,657,085	\$39,530,000
2017	1,611,087	\$140,072,884	\$33,008,000
2018	1,712,052	\$155,110,378	\$24,759,000

TABLE 4F
SMOKELESS TOBACCO SALES AND ADVERTISING AND PROMOTIONAL EXPENDITURES
BY TOBACCO TYPE FOR 2011–2018

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
2016	N/A	N/A	\$0
2017	0	\$0	\$0
2018	0	N/A	N/A

TABLE 5A
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002–2018

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
2016	0	118,368	75,525,669	2,759,408	0	3,207,272
2017	0	103,806	69,676,377	2,546,595	0	3,276,987
2018	0	99,026	65,569,010	2,149,368	0	3,116,172

TABLE 5B
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002–2018

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
2016	0	2,140,596	1,590,848	0	0	0
2017	0	1,878,031	1,486,017	0	0	0
2018	0	1,738,129	1,238,407	0	0	0

TABLE 5C
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002–2018

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
2016	0	5,861,197	1,408,764	114,298	0	0
2017	0	5,368,265	1,260,834	97,605	0	0
2018	0	4,896,491	1,140,331	82,297	0	0

TABLE 5D
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2002–2018

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
2016	230,557,286	1,258,020,977	226,250	566,059	4,792,990	6,072
2017	240,404,414	1,250,319,743	363,999	462,930	5,173,936	70,128
2018	248,503,857	1,219,800,593	(58,957)	342,249	5,589,300	75,137

TABLE 5E
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2008–2018

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
2016	51,105,870	45,826	0	0	0	0
2017	53,835,237	2,323	0	0	0	0
2018	56,380,814	(6,703)	0	0	0	0

TABLE 5F
NUMBER OF UNITS SOLD – BY PACKAGE SIZE
FOR 2011–2018

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	0	0	0	0	0
2015	N/A	0	0	0	0	0
2016	N/A	0	0	0	0	0
2017	0	0	0	0	0	0
2018	N/A	0	0	0	0	0

APPENDIX

2018 Advertising and Promotional Expenditure Categories

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

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

Point-of-Sale: Point-of-sale advertisements, that is, materials displayed or distributed at a retail location; but excluding expenditures in connection with outdoor advertising, sampling, consumer engagement, specialty-item distribution, public entertainment, endorsements, sponsorships, coupons, and retail-value-added.

Direct Mail: Direct-mail advertising; but excluding expenditures in connection with sampling, consumer engagement, specialty-item distribution, public entertainment, endorsements, sponsorships, coupons, retail-value-added, and Internet advertising not on the company website.

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, and price discounts.

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, and price discounts.

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 – Non-Branded: All costs of distributing any items (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 do 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.

Consumer Engagement – Retail: All costs of consumer engagement at smokeless tobacco-product retail locations open to underage individuals, including any third-party agency fees, but excluding the cost of coupons distributed in the course of consumer-engagement activities.

Consumer Engagement – Adult-Only: All costs of consumer engagement of smokers in adult-only facilities, including any third-party agency fees, but excluding the cost of coupons distributed in the course of consumer-engagement activities.

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 or sponsoring such events; but excluding expenditures in connection with adult-only consumer engagement. Such events must include entertainment, as opposed to simply consumer engagement.

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 or sponsoring such events. Such events must include entertainment, as opposed to simply consumer engagement.

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

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

Coupons: All costs associated with coupons for the reduction of the retail cost of smokeless tobacco products, regardless of how they are distributed or redeemed, 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 or discounted non-smokeless tobacco product (*e.g.*, buy two packs, get free key chain or buy two, save 20 cents per gallon of gasoline), 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 websites or other online services or communities, including but not limited to social-networking sites, microblogging sites, content-sharing sites, and blogs.

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.

Other: Advertising and promotional expenditures not covered by another category. To the extent that third-party agency fees relating to smokeless tobacco advertising, merchandising, or promotion cannot be divided based on the materials to which they relate, they should be reported in this 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, 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 or consumer engagement in connection with a sporting event, including sampling or consumer engagement 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.