

Changes in US and State Cigarette Sales Following Flavored Tobacco Sales Restrictions (2018-2023)

What's the Bottom Line?

- Cigarette sales declined substantially during the past 5 years, and declined more in states with comprehensive laws that prohibit the sale of most flavored tobacco products, including flavored e-cigarettes and menthol cigarettes.
- Cigarette sales declined in states with laws prohibiting the sale of flavored e-cigarettes, but these declines were more modest than the declines in states with comprehensive flavored tobacco restrictions.

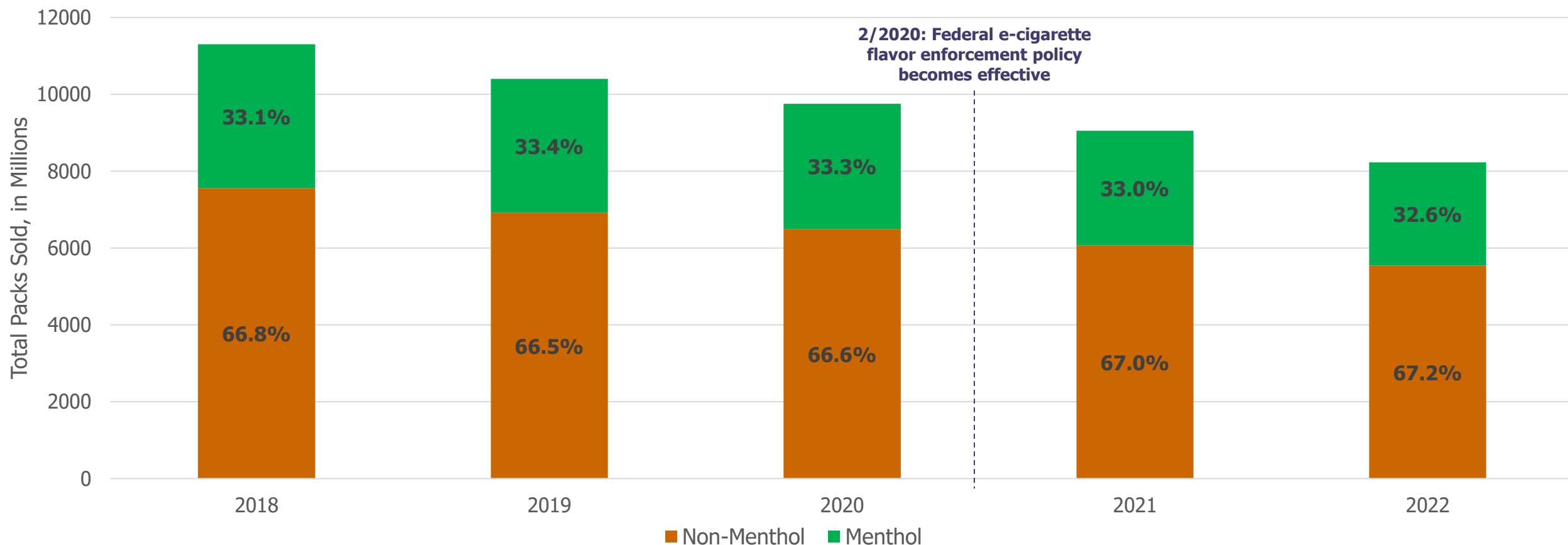
Background

- California and Massachusetts prohibit the sale of most non-tobacco flavored tobacco products, including menthol cigarettes and flavored e-cigarettes.
- Additional states, including New York and Rhode Island, have laws that prohibit the sale of flavored e-cigarettes, but do not apply to other flavored tobacco products.
- This brief describes cigarette sales trends in total U.S. and in states with flavored tobacco sales restrictions during the period before and after policy implementation.

Key Findings

- Sales of cigarettes consistently declined during 2018-2023 in the U.S. overall as well as in states with flavored tobacco sales restrictions.
- In Massachusetts and California, which have comprehensive flavor restrictions, cigarette sales declined more than the U.S. overall and more than New York and Rhode Island, which only prohibit the sale of flavored e-cigarettes.
- States that prohibited flavored e-cigarettes only did not experience any long-term increases in cigarette sales. In New York, cigarette sales declines were even greater in the years following a law prohibiting flavored e-cigarette sales than the year before. In Rhode Island, menthol cigarette sales increased temporarily during the first year after the flavored e-cigarette restriction, but sales have since resumed historic declines.

Figure 1. National Sales of Cigarette Packs by Menthol Flavor, Annual Estimates during 2018-2022*



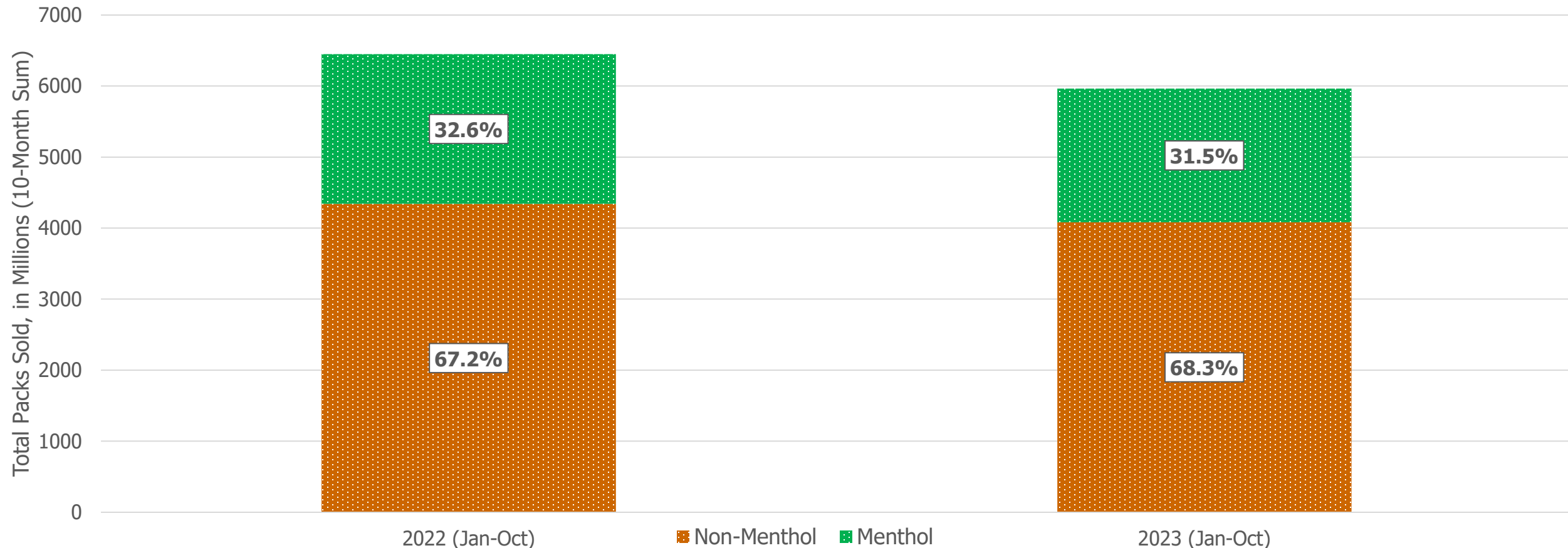
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure (<0.5% of pack sales) but included in all sales estimates.

Year (% change YOY)	2018-2019	2019-2020	2020-2021	2021-2022
Total Sales	-8.0%	-6.2%	-7.2%	-9.0%
• Menthol sales	-7.1%	-6.4%	-8.3%	-9.9%
• Non-menthol sales	-8.4%	-6.1%	-6.7%	-8.6%

Year over Year (YOY) Percentage Changes in Cigarette Pack Sales During 2018-2022

- Sales of cigarette packs consistently declined in total U.S. during 2018-2022.
- FDA’s flavor enforcement policy in 2020, which prohibited the sale of flavored prefilled cartridges (except for tobacco and menthol flavors), and state-level restrictions on flavored e-cigarettes did not stop the historical downward trend in cigarette sales. Overall, cigarette sales decreased by 6%-9% during 2018-2022
- Menthol cigarettes comprised approximately 33% of total cigarette pack sales during 2018-2022.

Figure 2. National Sales of Cigarette Packs by Menthol Flavor, 10-month Estimates (Jan-Oct) during 2022-2023*



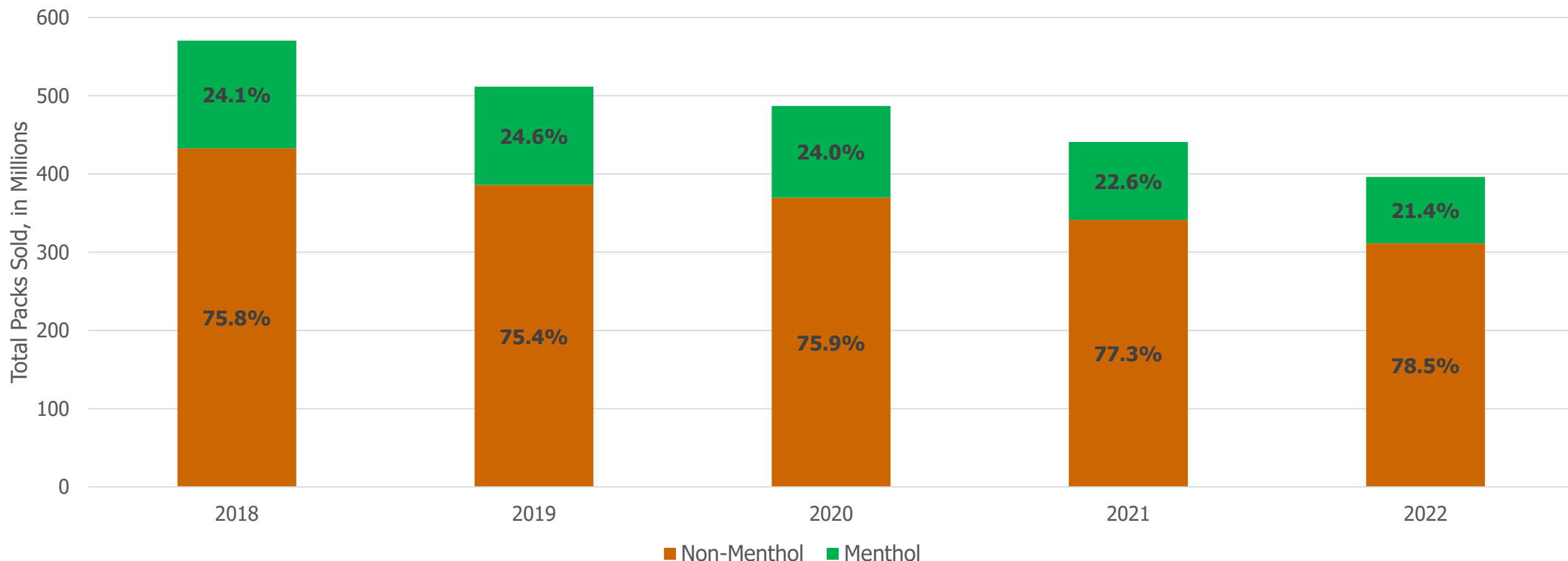
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales). 10-month estimates were utilized for comparability, as full year 2023 data are not yet available.

Year (Jan-Oct)	2022-2023 (% change)	2022-2023 (Δ million packs)
Total Sales	-7.5%	-484.5
• Menthol sales	-10.7%	-226.0
• Non-menthol sales	-6.0%	-259.4

Trends of Cigarette Pack Sales During 2022-2023

- During January-October 2023, 6.0 billion cigarette packs were sold in total U.S., a 7.5% decline from the same period in 2022.
- The percentage decrease in menthol sales was greater than non-menthol sales (10.7% vs. 6.0%).
- Unit share of menthol cigarettes was 32.6% in 2022 and 31.5% in 2023.

Figure 3. California Sales of Cigarette Packs by Menthol Flavor, Annual Estimates during 2018-2022*



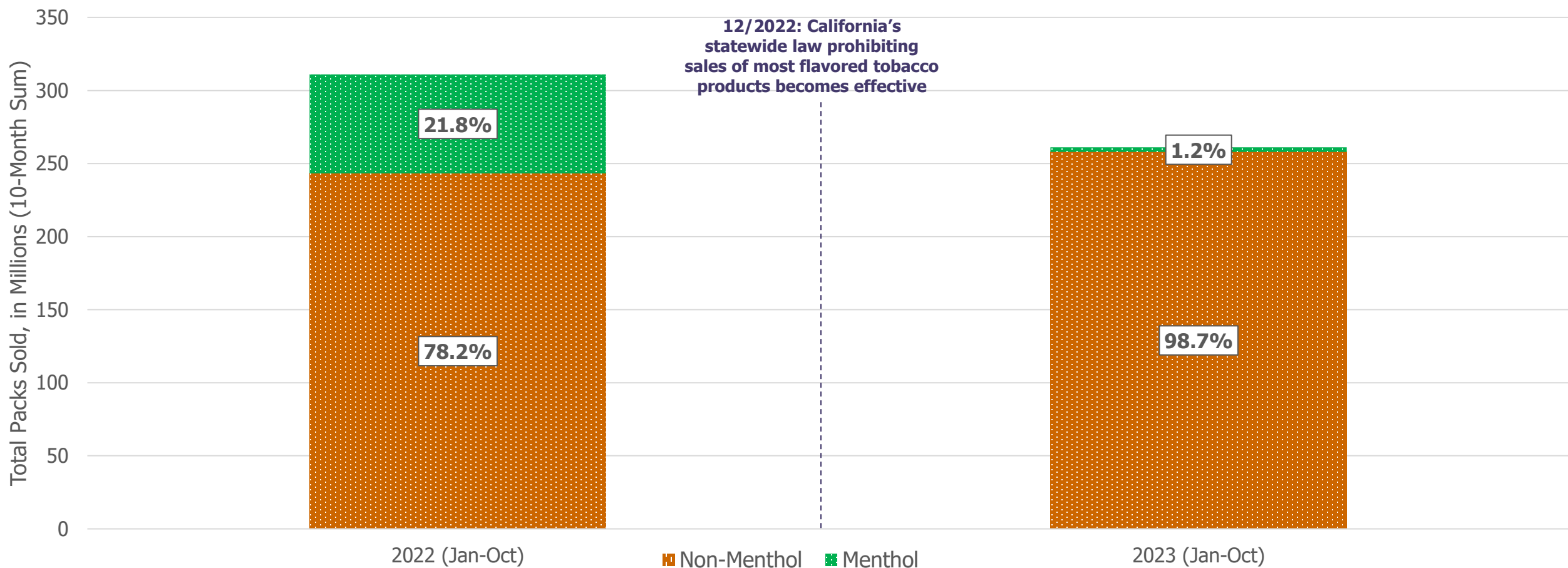
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure (<0.5% of pack sales) but included in all sales estimates.

Year (% change YOY)	2018-2019	2019-2020	2020-2021	2021-2022
Total Sales	-10.3%	-4.8%	-9.5%	-10.1%
• Menthol sales	-8.7%	-6.9%	-14.9%	-15.0%
• Non-menthol sales	-10.8%	-4.1%	-7.7%	-8.7%

Year over Year (YOY) Percentage Changes in Cigarette Pack Sales During 2018-2022

- Sales of cigarette packs consistently declined in California during 2018-2022. The percentage decrease ranged from 4.8% to 10.3%.
- Unit share of menthol cigarettes ranged between 21.4% - 24.6% during 2018-2022.

Figure 4. California Sales of Cigarette Packs by Menthol Flavor, 10-month Estimates (Jan-Oct) during 2022-2023*



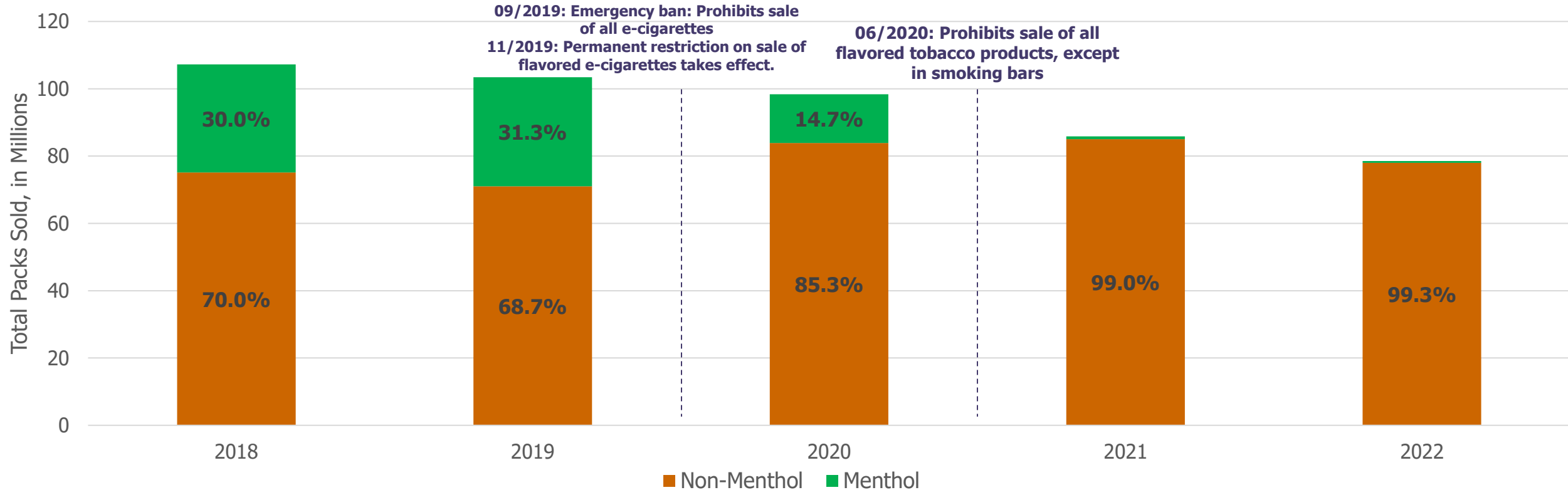
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales). 10-month estimates were utilized for comparability, as full year 2023 data are not yet available.

Year (Jan-Oct)	2022-2023 (% change)	2022-2023 (Δ million packs)
Total Sales	-16.0%	-49.9
• Menthol sales	-95.3%	-64.6
• Non-menthol sales	6.0%	14.7

Trends of Cigarette Pack Sales During 2022-2023

- Following California’s prohibition of most flavored tobacco sales (including menthol cigarettes) in December 2022, total cigarette pack sales decreased by 16.0% (49.9 million packs) during January-October 2023, compared to the same period in 2022. Menthol cigarette sales decreased by 95.3% (64.6 million packs) while non-menthol cigarette sales increased by 6.0% (14.7 million packs).
- Unit share of menthol cigarette sales was 1.2% in 2023. This does not include “non-menthol” cigarette products containing synthetic coolants that the industry has marketed as replacements for menthol smokers (e.g., Newport Non-Menthol Green and Camel Crisp Non-Menthol Green).

Figure 5. Massachusetts Sales of Cigarette Packs by Menthol Flavor, Annual Estimates during 2018-2022*



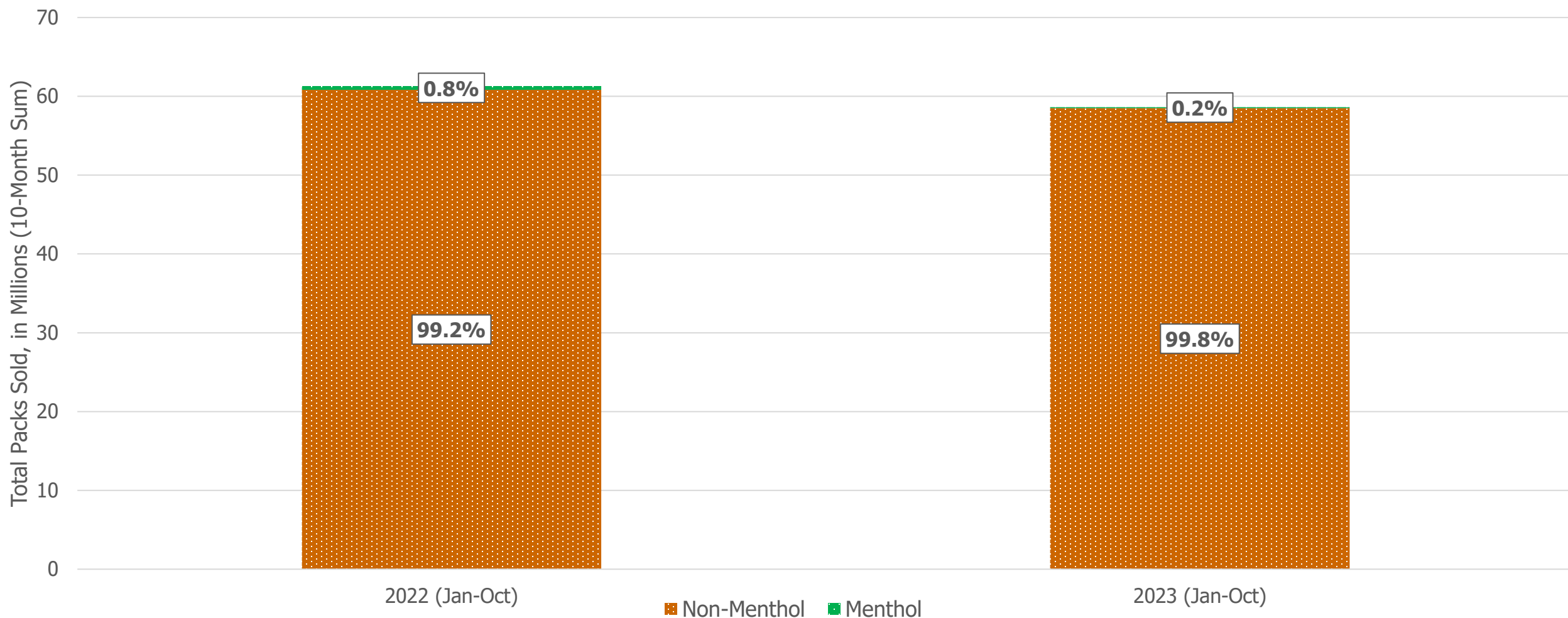
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales).

Year (% change YOY)	2018-2019	2019-2020	2020-2021	2021-2022
Total Sales	-3.6%	-4.9%	-12.7%	-8.5%
• Menthol sales	0.8%	-55.4%	-94.3%	-32.0%
• Non-menthol sales	-5.4%	18.1%	1.3%	-8.3%

Year over Year (YOY) Percentage Changes in Cigarette Pack Sales During 2018-2022

- Sales of cigarette packs consistently declined in Massachusetts during 2018-2022. This decline was greater after the prohibition of menthol cigarette sales in June 2020.
- During the 12-month period (July 2020-June 2021) following the prohibition of menthol cigarette sales, total cigarette sales decreased by 17.2% (18.5 million packs); menthol cigarette sales decreased by 97.3% (33.3 million packs) while non-menthol cigarette sales increased by 20.3% (14.9 million packs) (data not shown).
- Unit share of menthol cigarettes was 0.7% in 2022.

Figure 6. Massachusetts Sales of Cigarette Packs by Menthol Flavor, 10-month Estimates (Jan-Oct) during 2022-2023*



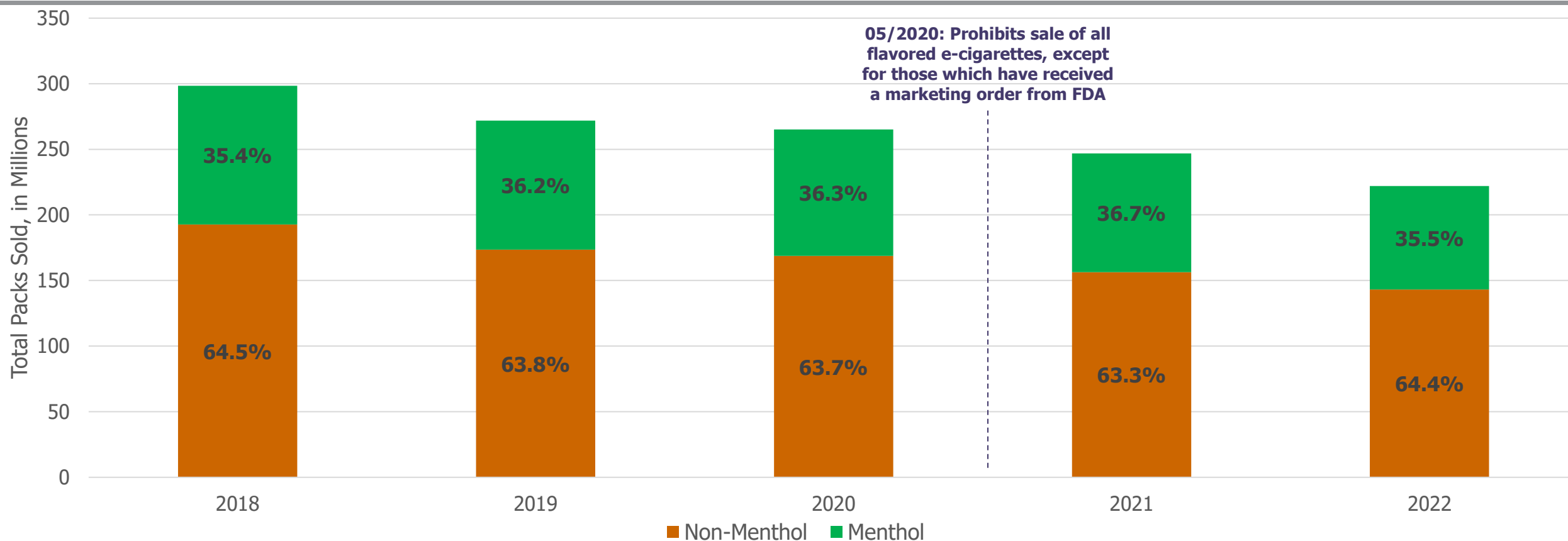
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales). 10-month estimates were utilized for comparability, as full year 2023 data are not yet available.

Year (Jan-Oct)	2022-2023 (% change)	2022-2023 (Δ million packs)
Total Sales	-4.4%	-2.7
• Menthol sales	-75.8%	-0.4
• Non-menthol sales	-3.8%	-2.3

Trends of Cigarette Pack Sales During 2022-2023

- During January-October 2023, 58.7 million cigarette packs were sold in Massachusetts, a 4.4% decline from the same period in 2022.
- Unit share of menthol cigarettes was 0.8% in 2022 and 0.2% in 2023.

Figure 9. New York Sales of Cigarette Packs by Menthol Flavor, Annual Estimates during 2018-2022*



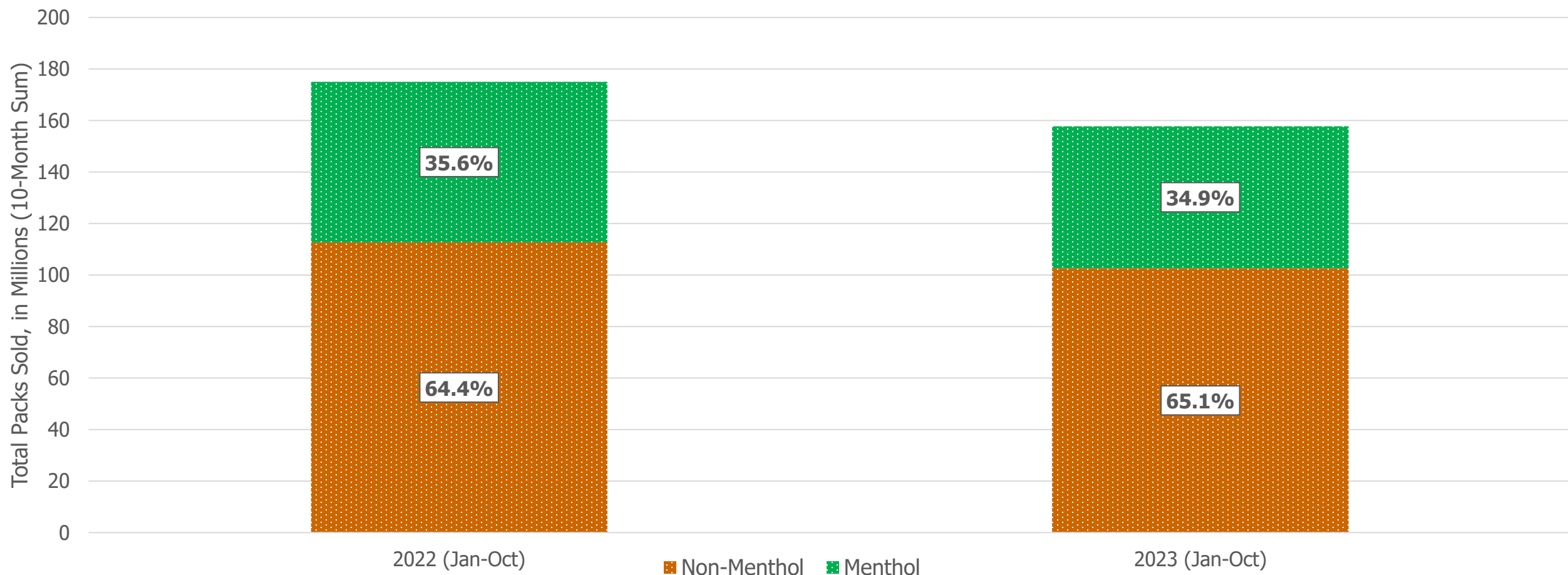
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales).

Year (% change YOY)	2018-2019	2019-2020	2020-2021	2021-2022
Total Sales	-8.9%	-2.5%	-6.9%	-10.1%
• Menthol sales	-6.9%	-2.2%	-5.9%	-12.8%
• Non-menthol sales	-10.0%	-2.7%	-7.4%	-8.4%

Year over Year (YOY) Percentage Changes in Cigarette Pack Sales During 2018-2022

- Sales of cigarette packs consistently declined in New York during 2018-2022.
- During the 12-month period (June 2020-May 2021) following the prohibition of flavored e-cigarette sales in New York, total cigarette sales decreased by 3.0% (8.2 million packs); menthol cigarette sales decreased by 2.6% (2.5 million packs) and non-menthol cigarette sales decreased by 3.3% (5.7 million packs) (data not shown).
- Greater decreases in both menthol and non-menthol cigarette sales were observed in years after the flavor prohibition (2021 & 2022).
- Unit share of menthol cigarette sales ranged between 35.4%-36.7% during 2018-2022.

Figure 10. New York Sales of Cigarette Packs by Menthol Flavor, 10-month Estimates (Jan-Oct) during 2022-2023*



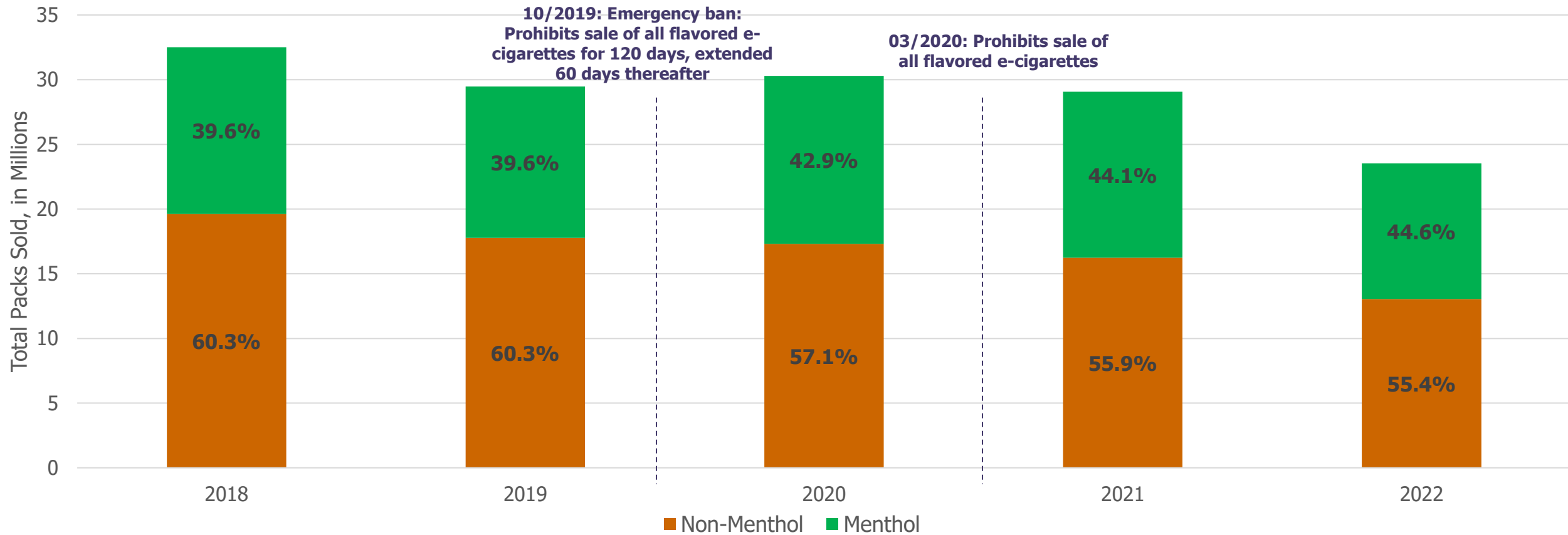
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales). 10-month estimates were utilized for comparability, as full year 2023 data are not yet available.

Year (Jan-Oct)	2022-2023 (% change)	2022-2023 (Δ million packs)
Total Sales	-9.9%	-17.3
• Menthol sales	-11.7%	-7.3
• Non-menthol sales	-8.9%	-10.0

Trends of Cigarette Pack Sales During 2022-2023

- During January-October 2023, 157.7 million cigarette packs were sold in New York, a 9.9% decline from the same period in 2022.
- Unit share of menthol cigarettes was 35.6% in 2022 and 34.9% in 2023.

Figure 11. Rhode Island Sales of Cigarette Packs by Menthol Flavor, Annual Estimates during 2018-2022*



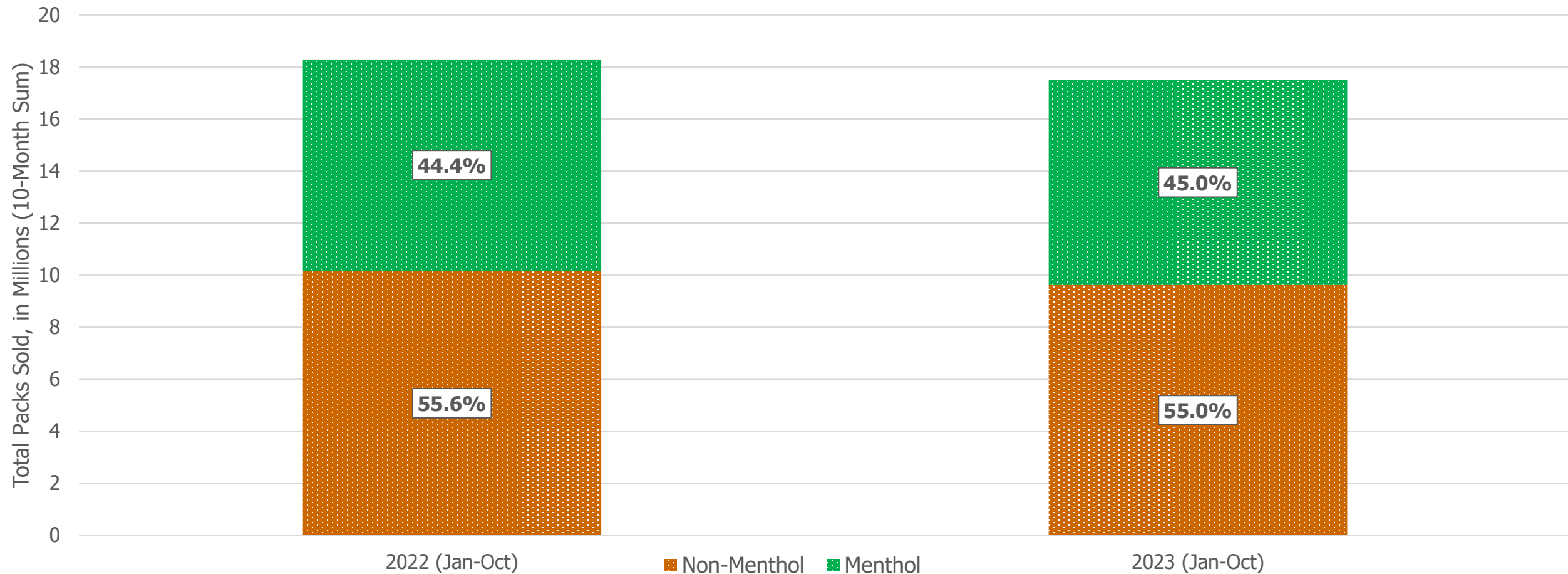
*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales).

Year (% change YOY)	2018-2019	2019-2020	2020-2021	2021-2022
Total Sales (% change YOY)	-9.3%	2.8%	-4.1%	-19.0%
• Menthol sales	-9.3%	11.1%	-1.3%	-18.2%
• Non-menthol sales	-9.3%	-2.7%	-6.1%	-19.7%

Year over Year (YOY) Percentage Changes in Cigarette Pack Sales During 2018-2022

- During the 12-month period (November 2019-October 2020) following the prohibition of flavored e-cigarette sales in Rhode Island, total cigarette sales increased by 9.3% (2.6 million packs); menthol cigarette sales increased by 15.0% (1.6 million packs) while non-menthol cigarette sales decreased by 5.6% (0.9 million packs) (data not shown).
- Since then, both menthol and non-menthol cigarette sales have been decreasing in Rhode Island. In 2021, total sales decreased by 4.1%, and in 2022, total sales decreased by 19.0%.
- Unit share of menthol cigarette sales ranged between 39.6%- 44.6% during 2018-2022.

Figure 12. Rhode Island Sales of Cigarette Packs by Menthol Flavor, 10-month Estimates (Jan-Oct) during 2022-2023*



*Menthol flavor status as labeled in Circana (formerly IRI) data. Unknown flavors are excluded from this figure but included in all sales estimates (<0.5% of pack sales). 10-month estimates were utilized for comparability, as full year 2023 data are not yet available.

Year (Jan-Oct)	2022-2023 (% change)	2022-2023 (Δ million packs)
Total Sales	-4.3%	-0.8
• Menthol sales	-3.0%	-0.2
• Non-menthol sales	-5.3%	-0.5

Trends of Cigarette Pack Sales During 2022-2023

- During January-October 2023, 17.5 million cigarette packs were sold in Rhode Island, a 4.3% decline from the same period in 2022.
- Unit share of menthol cigarettes was 44.4% in 2022 and 45.0% in 2023.