Topic Page: Tobacco

Definition: **tobacco** from *Collins English Dictionary*

n pl **-cos** or **-coes**

1 any of numerous solanaceous plants of the genus *Nicotiana,* having mildly narcotic properties, tapering hairy leaves, and tubular or funnel-shaped fragrant flowers. The species *N. tabacum* is cultivated as the chief source of commercial tobacco

2 the leaves of certain of these plants dried and prepared for snuff, chewing, or smoking

[C16: from Spanish *tabaco,* perhaps from Taino: leaves rolled for smoking, assumed by the Spaniards to be the name of the plant]

› to'baccoless *adj*

Image from: **Tobacco is produced mainly from the plant...** in *Philip's Encyclopedia*

Summary Article: **Tobacco**
From *Encyclopedia of Environment and Society*

TOBACCO IS INDIGENOUS to the Americas and was unknown to Europeans until the late 16th century. Its use among Native American peoples was widespread by this time; it was consumed largely for medicinal and religious purposes. Successfully grown by early settlers and exported to Europe, the plant (*Nicotiana spp., L.*) became a crucial crop for the pre-revolutionary American colonies, which relied heavily on slave labor in cultivation and processing.

Today, tobacco is grown in more than 100 countries and most tobacco is used for smoking. Tobacco is an essential ingredient for cigarettes, pipes, cigars, hand-rolling tobacco, bidis, and *kretek* cigarettes. Cigarettes account for the largest share of manufactured tobacco products in the world—96 percent of total sales. Except for chewing tobacco in India, and possibly *kreteks* in Indonesia, cigarettes are the most common method of consuming tobacco.

China is the world's leading producer. According to data provided by the World Health Organization (WHO), worldwide over 15 billion cigarettes are smoked every day. The global tobacco industry is dominated by three large multinationals: Altria Group (formerly Philip Morris) based in the United States, Japan Tobacco, which is government-owned and controls 75 percent of the Japanese market, and British American Tobacco (BAT) based in the United Kingdom. Tobacco is one of the United States's oldest and most profitable industries, but the tobacco market has been hit by price increases, higher state taxes, increased consumer awareness of health risks, and hefty litigation costs. Smoking has been linked to many types of cancer by medical research institutions. For years, the tobacco industry presented studies of its own in attempts to counter growing scientific knowledge about the additives and adverse health effects of cigarettes. Efforts to curtail tobacco use have increased throughout the world as many countries continue to tax tobacco heavily and restrict its use in public facilities.

Employment in the tobacco industry has been declining in developed countries as a result of the introduction of new technologies and national and international tobacco control policies. In developing countries, on the other hand, tobacco consumption and employment in the tobacco industry have been on the rise.

In some developed countries, consumers spend more on tobacco than they do on alcoholic beverages; however, the popularity of smoking is in decline. The main factors driving the long-term decline include: Concerns relating to the impact of smoking on health, the increasing view that smoking is an anti-social habit, growing restrictions governing where individuals can smoke and how companies can market their products, and the rising cost of legally bought tobacco. Consumers are increasingly turning to economy brands and smuggled tobacco—contraband products and those legally bought abroad account for 31 percent of sales—in response to taxation increases. Cigarettes are a legal, but controversial product.

Several Western European countries have increased taxes on cigarettes far more aggressively than the United States to discourage smoking, and they have imposed greater restrictions on cigarette advertising, but have been less aggressive in prohibiting smoking from workplaces and restaurants.

Only in the United States has litigation against tobacco companies become an important feature of national tobacco control efforts. The U.S. Department of Justice is pursuing a case against the industry, citing 50 years of evidence it claims points to a cover-up of the health risks associated with smoking. Smokers stricken with cancer and other smoking-related health problems have also tried to pool their complaints together in large class-action lawsuits. Often, the courts frown upon such tactics; however, individuals have fared much better, but face lengthy appeals from the tobacco giants.

A $3 billion California award against Philip Morris in 2001 was among the top 10 jury verdicts in the country. However, the U.S. Department of Justice’s case against the industry has weakened permanently, and awaits appeals (elimination of a $280 billion disgorgement claim). Other significant triumphs for big tobacco occurred in late 2005, when the Illinois Supreme Court dismissed the appeal of the Price “lights” class-action case. The third major problem, the review of the $145 billion Engle verdict, resulted in a dismissal by the Florida Supreme Court in July 2006.

Since late 1998, when cigarette manufacturers raised prices sharply as a consequence of the Master Settlement Agreement (MSA), deep-discount cigarette producers saw their market share increase from about two percent in 1998, to over 13 percent in 2003, with about a 45 percent price discount to premium brands. Increasing cigarette prices also encouraged purchase of cigarettes over the internet, sacrificing convenience for cost savings. Federal lawmakers contended that these internet stores were clear tax evasions: The Jenkins Act requires that both the retailer and consumer report online purchases to aid in tax collection. State governments aware of the loss in tax revenue, and retailers feeling the competition, have pushed for stricter regulation and greater enforcement.

The U.S. market is dominated by four main manufacturers known as Big Tobacco: Altria Group, which sells approximately half of the nearly 500 billion cigarettes sold in the United States, Reynolds American Inc., Loews subsidiary Lorillard Tobacco Company (a subsidiary of the Carolina Group), and Vector Group’s Liggett unit. In the United States, people are quitting smoking in great numbers, while restrictions on advertising impede manufacturers’ ability to attract new smokers.

Philip Morris

Philip Morris was a tobacconist who ran a business in Bond Street, London, selling Havana cigars (known in those days as “seegars”) and pipe tobacco from Virginia. Many British gentlemen took snuff, and Philip Morris ran a discrete business until the Crimean War of 1854–56. During the war, many British soldiers had been based in Turkey and came across cigarettes there; they began asking Morris for them. Philip Morris started producing his own cigarettes, which he called Oxford and Cambridge Blues, and later called another brand the Oxford Ovals. However, the production of cigarettes was slow with no more than 1,500 or 2,000 produced by a single roller each day. Philip Morris stressed in his advertisements that he only used the best paper, the cleanest factory conditions, and the "purest aromatic tobacco," with a fine cork tip to prevent the cigarette from sticking to the mouth.

Philip Morris died in 1873 at the age of 37, and his widow Margaret continued running the business along with Philip's younger brother Leopold. The business grew with the patronage of Prince Albert, and Leopold bought out his sister-in-law in 1880, running it with Joseph Grunebaum. When the company was floated on the stock market soon afterwards for £60,000, the public offering was oversubscribed six times. In 1894, however, owing to Leopold Morris running up large debts, the company was in the hands of creditors and was then sold to another company that, in 1901, helped form Imperial Tobacco. Philip Morris, which in 2003 changed its name to Altria Group, Inc., is now one of the largest tobacco companies in the world.

China, with some 25 percent of the world's 1.2 billion smokers, is the big prize. Governmentowned China National Tobacco, the world's largest tobacco producer, primarily operates in the domestic market. The major tobacco companies have signed licensing agreements with Chinese partners to distribute their brands in the Chinese market. A country with a largely restricted market and laws against tobacco advertising, China still has 300 million smokers and four times the consumption rate of the number two world market, the United States, and is just about the only major international market that is growing. Tobacco contributes a tenth of all tax revenues in China.

Despite the health problems, lawsuits, and rising prices associated with cigarettes, tobacco companies still make profits. Altria Group, the U.S. and global tobacco leader, grew revenues by 17 percent in 2003 as economies in the United States and abroad grew. BAT, number two in the world, also held its own with about 15 percent growth in sales. Tobacco manufacturers are increasingly focusing activities on developing countries, which tend to have less stringent health and advertising regulations, and where the potential for brand development remains significant.

SEE ALSO:
Cash Crop; China; Disease; Drugs; Smoking.

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