

Smokeless tobacco:

Markets are 'up to snuff'

By Jacques Cole

IN BRITAIN, IT IS never easy to get away from tradition. This can occasionally be used as an excuse to adhere to old-fashioned ways trying to ignore modern trends, but there are cases in certain industries where this has helped to maintain and improve the qualities of some products. Snuff is no doubt such a case.

Originally, the British mainly took to smoking tobacco while snuff taking was more popular in Spain and France and had also spread as far as Russia, Turkey and further East. It was thought, during the Great Plague in Britain in 1665, that pipesmoking offered some measure of security against the pestilence and that those citizens engaged in the making or selling of snuff appeared less affected by the scourge. Not only pipesmoking increased, but also snuff-taking which hitherto was desultory. While after the Great Fire a year later, snuff taking stayed with the people, the scale dropped again.

In 1702, Queen Anne came to the throne and in the same year the naval raid on Vigo in Spain by Admiral Sir George Rooke secured a 'prize' of some 100 tons of snuff. The crews of Rooke's ships set about selling their snuff which was distributed throughout the land, and the habit spread to all classes. Snuff takers had an ally in the Queen who liked it. It should be noted that the name 'S.P. Snuff', still used today may well have first been adopted at that time. Some authorities claim that the initials stand for 'Spanish Prize.'

Snuff taking found its way where smoking was forbidden, such as in the printing, tailoring and mining businesses, where it persists today, the 1702 haul having brought down the price at an acceptable level for the working classes. But it was also the start of the Golden

Age of snuff, coupled with the 'Elegant Age' remembered in history. This was the age of Beau Nash, Beau Brummel and the Prince Regent with its lace handkerchiefs and ornate snuff boxes. Queen Charlotte's passion for the powder earned her the nickname of 'Snuffy Charlotte.'

By the 19th century, pipesmoking returned into fashion and so did the use of cigars, followed by cigarettes after the Crimean War. One would be forgiven to think that by the middle of our 20th century, the days of snuff taking were all but numbered, but one would be wrong and the industry is showing good if steady signs of recovery.

THE MANUFACTURE OF snuff is basically simple since it consists simply of powdered tobacco with some additives following the same principles originally carried out.

Contrary to common myth, snuff is not made from scraps and waste of tobacco, but from selected leaves and origins. The leaf used comes mainly from the U.S.A., Canada and Malawi. The initial secret is the blending of the various types of leaf, which in some cases contain a percentage of tobacco stem. In some cases also follows a process of fermentation.

After a process of threshing, the pure tobacco is fed into grinding machines. The original machines were large pestles and mortars and the mixing machines drove large wooden paddles. Although between 100 and 200 years old, some of these machines are still in use in certain mills and still in good working order. Modern pulverisers, grinders and atomizers have now replaced the old equipment, but the ancient machines are still used when small quantities of very special blends are required.

Salts and moisture are added before the snuff is put through the sieving, or 'dressing' process, before being left to mature. In due course, the essential oils and flavors will also be added. The use of these ingredients is the

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final secret of the manufacturer and all snuff-makers will confirm that duplication is impossible. True, menthol, peppermint, camphor and eucalyptus can be identified, but essential oils are far more difficult to isolate.

Highly sophisticated modern packing machinery are naturally now in use and can fill and pack well over 50,000 boxes per day. Some of the smaller mills still find it expedient to use hand filling methods, their operators being extremely efficient.

Snuff on sale today consists of three main types:

- The **Moist Snuffs**, recommended to the accustomed snuff-taker, dark in color like Dendal Brown, Black and Brown Rapee and Princes.

- The **Medium or Dry Snuffs**, being by far the most popular kinds, generally golden brown in color and medium-ground, which offer the widest possible varieties. Indeed, in this type can be included the **Medicated Snuffs**, popular with the consumer who wants to clear the head or relieve nasal congestion, and the **Scented Snuffs**, said to be favored by women.

- The **High Dried Snuffs**, such as Irish and High Toast, finely ground, and pale biscuit in color and which are not recommended for beginners.

The industry's controlling body is the Society of Snuff Grinders, Blenders and Purveyors. This organization has twelve members who are the snuff makers and purveyors in Great

FOR MORE THAN SIX years now, the snuff industry has been freed from the burden of taxation which still weighs heavily upon other tobacco products. This situation has no doubt helped the manufacturers—and users—who are now in a better position to concentrate on such activities as promotions and improvements in packaging and presentation.

It has also meant that they can concentrate on vital export markets. All makers report increases in sales on all fronts, as reflected by the volume of sales for the recession period years 1982 and 1983: In 1982, domestic sales totaled 273,742 pounds and export sales 233,893 pounds, for an annual volume of 507,635 pounds. In 1983, total sales volume rose to 530,914 pounds, 268,376 pounds domestic and 262,538 pounds export, according to the Society.

The very slight fall in the home figures is attributed by one source to heavier purchases by retailers towards the end of 1983, which carried stocks over into the next year. Significant however is the 10 percent increase in exports where the interest in traditional British snuff is growing, and where British quality is appreciated. The United States and Canada have always been fair customers, so has Australia; but Europe, Africa and the Middle East have become more important and even some Iron Curtain countries, where for the user, British snuff is considered superior to local products.

The UK snuff market is worth something in the neighborhood of £3.8 million a year, according to our best assessment of latest industry reports.

There are many varieties of containers, ranging from plastic to metal, including 'flip-top' types. Prices vary from manufacturer to manufacturer with figures starting around 20 pence (\$ 0.30) and going up to the 60 to 70 pence marks. Some makers produce half- and one-ounce jars and there is still a good market for loose snuff, perhaps starting around 40 pence per ounce, with some top prices in the more sophisticated varieties. The most expensive in 1983, which is also listed in the Guinness Book of Record, was Cafe Royale at £1.94 (\$ 2.90) per ounce from G. Smith & Son of London's Charing Cross Road. Indeed, Smith's told us that in spite of its high price, it was fast becoming one of their best sellers.

FROM TWELVE suppliers, the varieties seem at first glance to be out of proportion. We traced nearly 300 varieties which, although sold under house brands, had each its own separate name. Quite a choice for the consumer. In actual sales, however, a small

Free from the burden of taxation which weighs heavily upon other tobacco products, the British snuff industry is in a better position to concentrate on marketing—at home and abroad.

Britain. There are some other nine companies who supply snuff, but who have their product custom-made by one of the twelve.

The present Society, founded in 1963, thus showing its confidence in the future of the industry, has done a great deal to promote the product and activities have included snuff-taking competitions and public relations operations, leading to many appearances on current affairs programs on television. Its president, Mr. H.E.A. Albin, now retired from business, was for a number of years the highly respected director of Fribourg & Treyer, the famous store in London's Haymarket, alas now closed.

number account for the bulk. Since various makers also claim to hold the lion's share of the market, it is not easy to separate them. Probably the largest sales are covered by J & H Wilson Ltd (part of Imperial Tobacco), their S.P. No. 1 being one of the most popular. At the same time, Hedge's L260, Dr. Rumney's, the various top brands from Kendal and the other Wilson must not be discounted.

(The other Wilson? Yes, very traditional is the snuff industry. There was a single Wilson back in 1746 at Sharrow Mill, Sheffield. The firm prospered, but came the time when management became top heavy with Wilsons and a friendly split had to be made. Two of them set up at Westbrook Mill and to this day the addresses are still Sharrow and Westbrook Mill's respectively.)

The Westmorland Town of Kendal (now in the county of Cumbria) is another place with a long history of snuff making, also going back to the 1740s, and the name Gawith first appears later in the same century. There exists a similar situation as in Sheffield with two firms that include the same name and family. The difference in Kendal was that there was also a Hoggarth and a John Illingworth connected with the same original business. The result is that Kendal, which considers itself as the 'Home of Snuff' has three manufacturers: Samuel Gawith & Co. Ltd, Gawith, Hoggarth & Co. Ltd, and Illingworth's Tobacco Ltd. The reason for Kendal's importance is that not only is it an old town—with remains of a Roman

in the snuff producer's chart.

Old names have of course disappeared, Fribourg & Treyer being the last to go after two hundred years or more in the Haymarket. Although the shop is now closed, the brand survives, being handled by another London specialist.

IS THE INDUSTRY SECURE? On the face of it, it would appear so. There is a revival of interest in snuff on the home market, the makers can boast of exporting nearly half their production and the signals are set to fair for 1984. It is perhaps for that very reason that outside interests are looking at the British market in a different light. It may also be that, like one German firm, these interests are able to produce snuffs which are more akin to the varieties favored in Britain. German snuffs produced by Alois Pöschl at Landshut in Bavaria are now on the British market and that very firm has interests in one of the Kendal companies through which distribution is channeled. The impact has so far been minimal, but the presence is here and may encourage others.

At the same time, smokeless tobacco is now being imported from the U.S.A. and Sweden. Also called in Britain, 'wet snuff,' since it has to be placed in the mouth, it is hardly likely to be more than a novelty. The snuff-makers do not regard this as real snuff and reports so far tend to show that the majority of purchasers are American and Scandinavian visitors.

Whether snuff-taking is entering a new era or not remains to be seen, but the signs indicate more growth than deterioration. **m**

Revived interest in snuff has made the British market appealing to foreign firms eager to expand exports. Products from Germany, Sweden and the US are being sold, though with minimal impact.

castle—but ships used to discharge cargoes of tobacco at the Cumberland coast ports which handled a lot of business with the original thirteen states of the east coast of America.

The firms from Sheffield make a similar 'home' claim, but the rivalry is friendly, both knowing that both factions have been in the business for a long time.

Having already noted half the makers, it would be unfair not to mention the others. Gallaher is also in the snuff business. JIP Snuff Ltd operates from Nuneaton (Warwickshire), McChrystal's Ltd from Leicester and with Hedges (already noted) in Birmingham, the Midlands region of England has strong claims

Imperial buys Conwood SA

Certainly indications of growth in snuff sales for Imperial Tobacco can be seen on the horizon as the company has recently announced its purchase of Conwood SA, a Swiss-based holding company which owns Illingworth's Tobaccos in the U.K. and Wittmann GmbH in West Germany. The £3.3-million acquisition will strengthen I.T.L.'s domestic base and expand its sales reach into Europe.

Illingworth's will complement the U.K. activities of Imperial's snuff making subsidiary, Joseph & Henry Wilson Limited, which has 46 percent of the British snuff market, Imperial says. Illingworth's holds a 10 percent market share and exports 70 percent of its production to Wittmann. Wittmann holds about 20 percent of the West German snuff market and exports to a number of other European countries.



number of drug and grocery lines are making steady inroads but the 'no name' cigarette label has met with indifferent public response. It had some initial success in one of Canada's largest grocery chains, selling at approximately \$1.00 less per carton than regular brands, but has failed to hold its early progress.

There was a brief flurry of publicity about the propriety of drug stores handling cigarettes, but at the moment, this can probably be regarded as having been a 'tempest in a tea pot'; of late, little more has been heard about it.

Activities within the cigarette field have been somewhat sporadic, during the early months of 1984. Following a successful market test of *Export A Extra Light*, in Alberta and the Atlantic provinces, R. J. R. Macdonald is moving nationally with this newest addition to the *Export* family. It appears that it will rather quickly gain a full 1% market share - some of it, of course, at the expense of other *Export* trade marks.

Benson & Hedges (Philip Morris) has also been active. *Belvedere Light* recently went into wider distribution, after test marketing. It's a little early to draw firm conclusions but the brand appears to be getting a reasonable share of trial purchase and building a firm footing. B&H has also given its *Belvedere* line-up a refreshing face lift, incorporating the attractive design elements of the new *Light* version packaging across all *Belvedere* trade marks.

Rothmans and Imperial have been concentrating their efforts on established entries. Both companies appear to be well covered up and down the tar and nicotine ladder and for the present are battling for their respective market shares, with what they have going.

Player's Special Blend, introduced last year by Imperial and featuring 'A little US Flavor in a Lot of Canadian Cigarette', is meeting with modest acceptance in the crowded marketplace. Although probably not doing quite as well as anticipated, it has achieved an 0.5% market share. At present the company is testing a lighter version in four cities across the country. Expectations are, that given time, *Player's Special Blend* will prove itself a further sound extension of this world-famous trade mark.

Overall, the industry picture reflects the same on-going story of Canada's

WORLD TOBACCO HAS MOVED

The offices of World Tobacco, the World Tobacco Directory and the World Tobacco Consultancy Service at 21 John Adam Street, London WC2, have moved to new locations.

Michael F. Barford, Editor of the journal and the Directory and director of the Consultancy Service, has moved to another address in London, at:

26 Little Portland Street, London W1
Telephone: 01-636 4744 and 01-636 4745

All other operations, including the Advertisement Department of World Tobacco and its Directory, and the editorial offices of Tobacco and its Directory, are now at the headquarters location of International Trade Publications Ltd at:

Queensway House, 2 Queensway, Redhill, Surrey RH1 1QS
Telephone: Redhill 68611 Telex: 948669 Topjnl

trying economic situation, with some 1.5m unemployed, oppressive tobacco taxes and continuing anti-smoking publicity.

That excessive taxation is at the root of the problem is borne out by declining beer and liquor sales: both these commodities are victims of over-burdened excise levies. Couple such tax problems with the persistent pressure of one-sided health publicity by groups of well-organised abolitionists and, understandably, the tobacco industry is hurting. Within it all, the story of moderation, simple enjoyment and relaxation seems to be forgotten. The prohibitionists are riding the band wagon and such extremists are never satisfied. Meanwhile the voice of the moderates is little heard.

SWEDEN NEW PRESIDENT

The Swedish Tobacco Company has a new president, Mr Klaus Unger, who has been executive vice president since 1981.

Much of Mr Unger's early service with the Swedish Tobacco Co was in the marketing field; he has also been much involved in international questions.



AUSTRALIA HUGE TAX INCREASE

The 20% increase in federal excise duty on cigarettes is believed to have been the main cause of a 2% decline in the cigarette market last year. And since the duty was not increased until August, there must be concern that this year will see a much steeper decline.

Philip Morris (Australia) Ltd chair-

man, Mr W. R. M. Irvine, recently accused state governments of increasing licence fees on tobacco with the aim of bleeding the industry dry. He said that excise and licence fee increases had been made within three months, disjuncting the market as consumers and traders purchased in anticipation of the changes. He also expressed concern that some politicians were 'pandering' to anti-smoking groups.

BRITAIN A LITTLE LOWER

Official figures of tobacco products consumption in Britain last year are broadly in line with trade estimates: both show a depressing situation. Consumption of cigarettes was 101,600m compared with 102,000m the year before, although a higher proportion of large sizes is implied in the manufactured weight having risen slightly. Filter cigarettes accounted for 95% of the market (94½% in 1982).

Sales of pipe tobacco were a little lower at 3.3m kg (7.3m lb) as were sales of hand-rolling tobacco, at 5.8m kg (12.8m lb). Cigar production faltered slightly, with consumption fractionally lower at 1,445m; snuff consumption was little changed.

□ Carreras Rothmans Ltd, a British associate of the Rothmans International Group, has changed its name to Rothmans (UK) Ltd. The change takes account of Rothmans's current structure, but will not affect its operations of the company.

□ Robert Fletcher & Son's tobacco industry papers sales team is now located at the company's Greenfield Mill where it has a new, separate telephone number: Saddleworth (0477) 5721. The address is Greenfield Paper Mill, Greenfield, Oldham OL7 7NG, England; and the telex number is 669016 FLTCHR G.