



# A proposal for managing tobacco supply reduction in Ontario 2005 to 2030

Neil Collishaw

Physicians for a Smoke-Free Canada

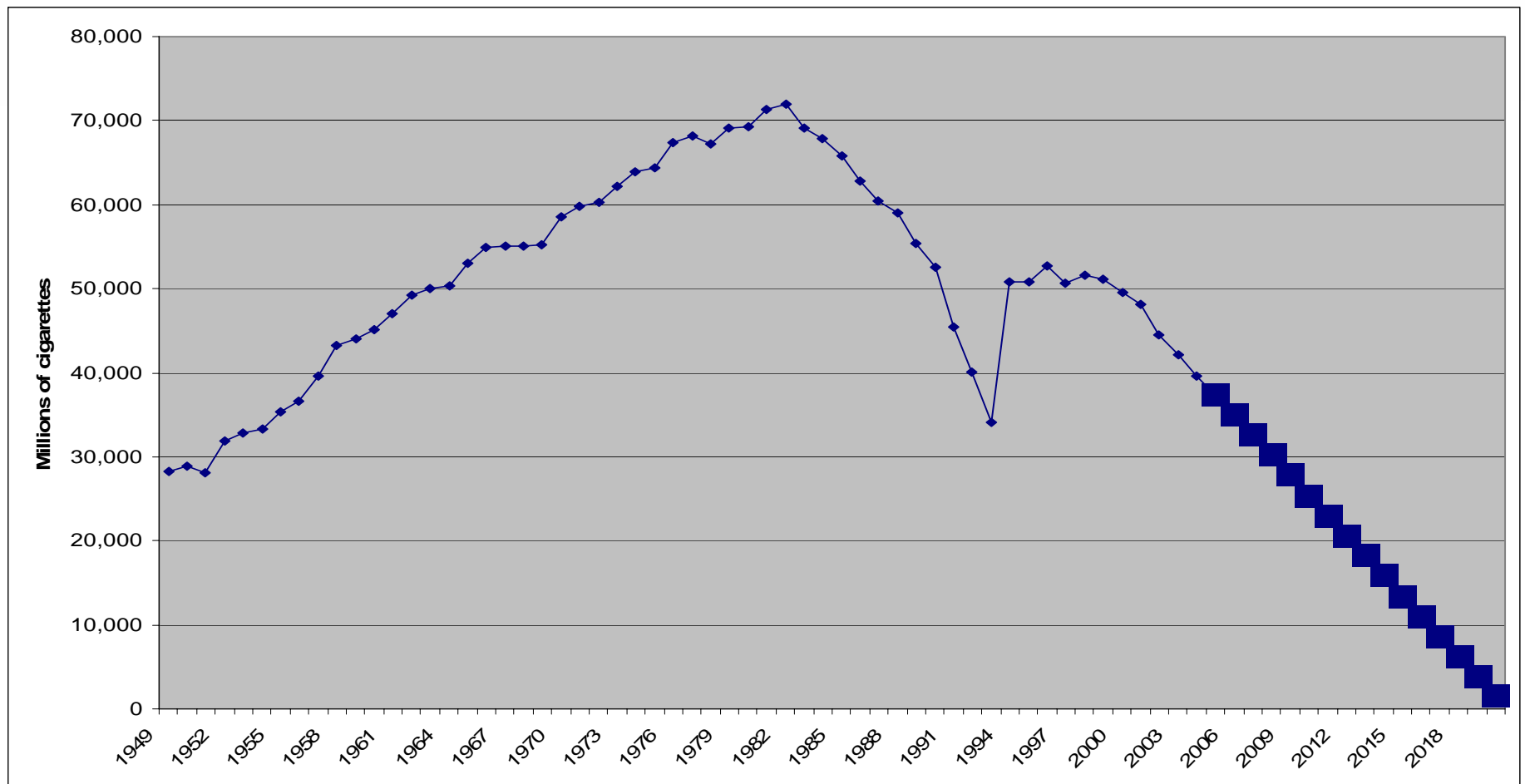
April 2005



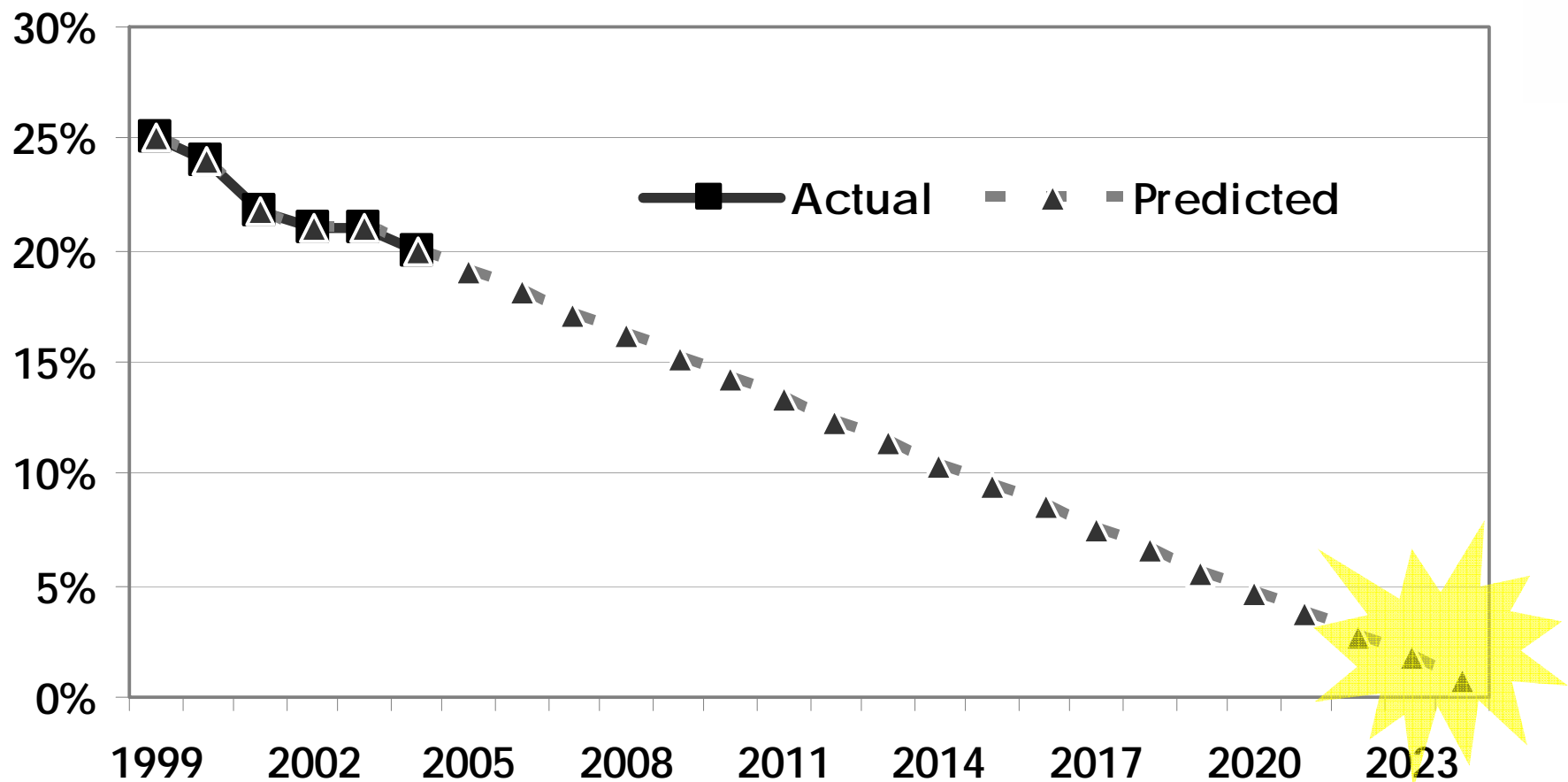
## The end is near...

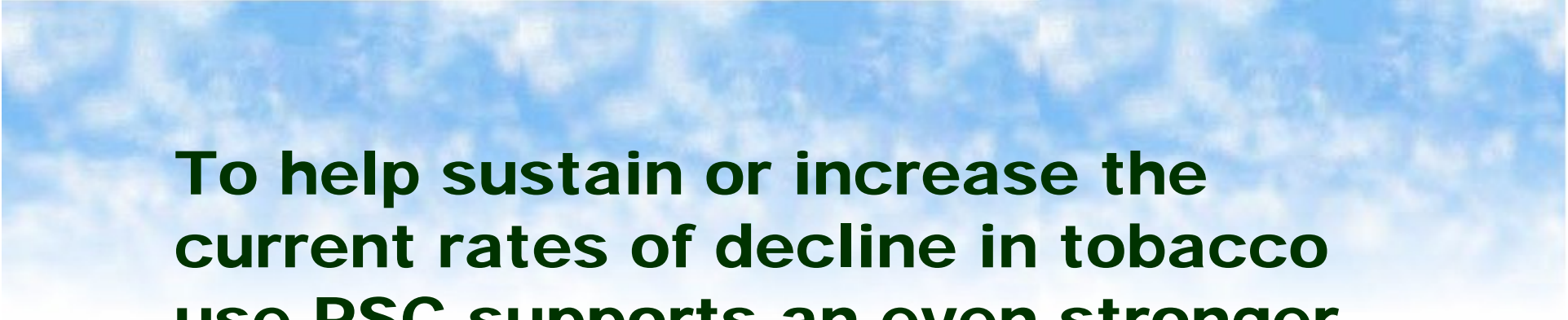
- ★ In 2004, 64% of young people aged 20-22 had never smoked, markedly up from 53% in 1999. The population of young adult never-smokers has never been higher since WW II.
- ★ At current rates of decline, cigarette consumption will disappear some time in the 2020s.

# Cigarette Consumption Canada 1949-2020



# Smoking prevalence will be near 0 during the 2020s





To help sustain or increase the current rates of decline in tobacco use PSC supports an even stronger Bill 164. We support:

- ★ 100% smoke-free workplaces and public places  
– no exceptions
- ★ Ban on retail display of tobacco products
- ★ Severely restricted POS tobacco advertising  
(Manitoba regulations are recommended.)
- ★ And...



PSC also supports...

- ★ the dignified, orderly and complete phase-out of tobacco growing in Ontario over 25 years, as part of a comprehensive approach to tobacco control.

## Fair to farmers, good for public health

- ★ A fair plan that treats farmers with dignity and respect and provides for an orderly phase-out of tobacco with a minimum of economic dislocation and hardship.
- ★ A plan that supports public health objectives of reducing tobacco supply and demand, and that meets agreed-upon targets for reduction in production by specified dates.



# Cooperation between farmers and public health

- ★ A plan entered into in good faith by tobacco growers and public health agencies to achieve sustainable management of planned reductions in tobacco leaf supply.
- ★ A cooperative made-in-Canada solution for a unique Canadian problem.

# Make Big Tobacco pay

- ★ A plan that is paid for by an increase tobacco taxes, preferably through a new surtax on tobacco company profits, thereby involving no new cost to ordinary Canadian taxpayers.

## Decent exit payments for farmers

- ★ Every tobacco farm owner-operator who owned quota in March 2005, and who exits the business between now and 2030 would receive \$3.00 per pound, adjusted for inflation, base year 2005, for basic production quota

# Conditions of exit for tobacco farmers

- They will no longer grow tobacco or engage in paid employment on a tobacco farm.
- Tobacco will not be grown on their land, ever again.

## Other conditions

- ★ No government or Marketing Board participation in tobacco trade missions.
- ★ Total tobacco grown in Ontario must be reduced by at least 3.5 million pounds per year and must reach 0 by 2030 or earlier.



## Economic development

- ★ Federal and provincial governments would contribute \$130 million between now and 2030 for excellent community economic development strategies in the tobacco-growing region.

## What's it cost?

- ★ Total cost, 2005 -2030
  - **\$1.08 billion**
- ★ Most of the costs would be incurred in the first ten years when most farmers would take advantage of the exit payments.

## Who pays?

- ★ Big Tobacco has contributed to creating the problem by paying make-up payments of \$60-\$100 million per year for decades.
- ★ Through new profit surtaxes, or other tobacco taxes, Big Tobacco would henceforth be obliged to pay \$80 million per year to solve the problem they helped create.



# Contraband control

- ★ Canada Customs and Revenue Agency, the RCMP, the Department of the Solicitor General and Justice Canada have \$55 million for the period 2001-2006 to control cigarette contraband.
- ★ Health agencies and tobacco farmers would join together in pressing for funding for continued tobacco contraband surveillance and enforcement beyond 2006, and the effective use of these funds.

# Program management

- ★ The program would be governed by an MOU among the participating parties – tobacco farmers' organizations, federal and provincial government departments and participating non-governmental health agencies. All would be represented on the oversight committee.



## How it will end...

- ★ At current rates of decline, all cigarettes will be extinguished in Canada in 20-30 years.
- ★ Tobacco farmers will feel the squeeze first. They already are feeling it.



## The bad end...

- ★ It is pointless and bad long-term policy to try to prop up tobacco growing by weakening public health policy and proposing half-hearted buyout programs that insult farmers, and that end up being back-door taxpayers' subsidies to continued tobacco growing.

## The good end...

- ★ A strong no-nonsense public health oriented tobacco control policy that will phase out tobacco use as quickly as possible, combined with a tobacco tax-financed long term exit plan for farmers that allows them to exit the tobacco business with dignity and a good head start on the rest of their lives.



## Getting to the good end...

- ★ Tobacco farmers and public health workers need to work together to garner public and political support for a comprehensive tobacco control plan that phases out tobacco growing completely, in a way that treats tobacco farmers with fairness and dignity.

THE END

