

Backgrounder

Facts About Native Tobacco Sales

If all the native tax free tobacco were consumed only by Status Indians, every man, woman and youth over 14 would be smoking 1 ½ cigarettes every hour (even when sleeping), or 33 cigarettes a day.

Native Tobacco sales have grown from 5.6% of all tobacco sold in 2001 to 13.3% of all tobacco in 2012, the Status Indians make up just 1.5% of the Nova Scotia population.

Breakdown of tobacco of tax-free tobacco sales:

Total number of tax-exempt cigarettes sold on reserve in 2011-12: 98,434,600

Amount of tax-exempt uncut tobacco sold on reserves in 2011-12: 32,787,240 grams or the equivalent of 39,344,688 cigarette sticks.

(Note: there are approximately 0.8 grams of tobacco in one cigarette, reference [HERE](#))

Total amount of tax-free tobacco sold to reserves: 137,779,288 equivalent cigarette sticks.

Data on Status Indians in Nova Scotia

Total number of Status Indians in Nova Scotia: 14,958 (Reference: [HERE](#))

Number of Status Indians over the age of 14: 11,317

Number of Status Indians over the age of 19: 9,098

(Note: number of Status Indians by age is the percentage for Atlantic Canada, assuming Nova Scotia percentage is the same, you can find the link [HERE](#))

In Theory: If all tax-free tobacco sold on reserve was consumed by all Status Indians in Nova Scotia

Total per-capita annual consumption of tobacco (combined uncut tobacco and cigarettes) for every Status Indian man, woman and youth over the age of 14 per year (2011-12): 12,174 cigarettes (equivalent). For over the age of 19: 15,144 cigarettes.

Total per-capita consumption of tobacco for every man, woman and youth over the age of 14 per day (2011-12): 33 cigarettes (equivalent) **in other words almost 1 1/2 half cigarettes every hour.**

For over the age of 19: 41.5 cigarettes.

In Theory: If all tax-free tobacco sold on reserve was consumed by all Status Indian smokers in Nova Scotia

A study from the *First Nations Information Governance Centre*, published in June 2011, shows that in Canada 56.9% of adult aboriginals classify themselves as daily or occasional smokers, while 33.2% of youth (ages 12-17) say they smoke either daily or occasionally. (Reference: [HERE](#) page 80 & 38)

Assuming that the same percentages hold true in Nova Scotia, we can estimate the consumption of youth and adult aboriginal smokers if all cigarettes in issue are consumed by people on reserve.

Total number of status Indian smokers over the age of 10: 6,548

Total yearly (2011-12) consumption for each Status Indian smoker over the age of 10: 21,041 cigarette sticks (equivalent), or 57 cigarettes per day

Value of tax-exempt tobacco relative to total tax collected in Nova Scotia

2001: Total tobacco tax collected in Nova Scotia: \$75,577,000

Value of tax-exempt tobacco sold on reserve: \$4,477,340 = 5.6%

2006: Total tobacco tax collected in Nova Scotia: \$163,617,000

Value of tax-exempt tobacco sold on reserve: \$17,554,124 = 9.7%

2012: Total tobacco tax collected in Nova Scotia: \$208,361,000

Value of tax-exempt tobacco sold on reserve: \$27,740,574 = 13.3%

(Reference: Total tax collected from tobacco is from Nova Scotia Public Accounts)

Status Indians make up 1.5% of the Nova Scotia population. But account for 13.3% of the total tobacco tax in 2011-12.

Technical Note:

The amount of tobacco product is regulated by a formula set out in an agreement between the provincial government and native bands across the province. This agreement sets a quota each and every year for how much tax-free tobacco can be sold. One of the components in the formula is population.

The numbers for tax-exempt tobacco are from wholesalers' shipments to reserves. The government knows how much tobacco is going to the reserves because wholesalers remit the information with their taxes.