EXECUTIVE PREVIEW BRIEFING • NICOTINEWIRE RESEARCH DESK

Modern Oral Nicotine Pouches: The 2026 Clinical Pharmacokinetics, C-Store Margin Flipping & $4.6B Interstate Arbitrage Dossier

Catalog Ref: NW-RES-2026-CLIN-MKT • **Published:** November 2026 • **Full Unredacted Volume:** 28 Pages (Institutional License $3,500/y) • **Coverage:** 50-State C-Store Margins, Extraction PK & Smuggling Arteries

EXECUTIVE TRANSMISSION & CORE FINDINGS

This institutional intelligence brief synthesizes clinical laboratory extraction kinetics, convenience channel scan data (Circana OmniMarket), and interstate tax arbitrage modeling. While traditional combustible cigarette volumes contracted **-5.0% to -5.3% year-over-year**, convenience store inside profitability is undergoing a structural paradigm shift: Modern Oral Nicotine (OTP) yields an average **29.5% gross profit margin** — more than double the **13.76% margin** captured on combustible tobacco. Major retail operators (including Casey's 2,900-store footprint) report modern pouch volume gains in excess of **+31%**, accelerating the profit convergence between legacy sticks and white pouches.

Concurrently, steep state excise disparities have created massive cross-border arbitrage corridors. High-tax inbound states (New York at 61.1% inbound smuggling, California at 54.4%) drain over **$4.6 billion annually** in lost state excise revenues to low-tax regional reservoirs (Wyoming at 58.6% net outbound, Virginia at 54.4% net outbound). Below is the high-level benchmark matrix from our 28-page master dossier.

Category Metric	Combustible Cigarettes	Modern Oral Pouches (ZYN/VELO/on!)	Variance / Margin Impact
Annual Unit Volume Trend	-5.0% to -5.3% (Circana C-Store)	+31.0% to +42.5% YoY	**+36.3% Structural Lift**
Average Retail Gross Margin	13.76% Average C-Store	29.50% Average C-Store	**+15.74% Higher Margin**
Monthly Store Gross Profit	$5,664 / store (Down from $6,389)	$5,328 / store (Rapidly Parity)	**Profit Gap Converged 85%**
State Tax Disparity Exposure	$0.17 (MO) to $5.35 (NY) / pack	0% (Unregulated) to 75% OTP Wholesale	**$4.6B Illicit Arbitrage**
Sublingual Microplastic Leaching	N/A (Combustion Cellulose Acetate)	**[REDACTED IN PREVIEW]**	**[REQUIRES $3,500 LICENSE]**
Salivary Freebase Extraction (30m)	Rapid Pulmonary Spiking (Tmax 2-5m)	**[REDACTED IN PREVIEW]**	**[REQUIRES $3,500 LICENSE]**

Source: NicotineWire Intelligence Desk, Circana OmniMarket 52-Wk Convenience Scan, Tax Foundation Smuggling Indices 2026.

EXECUTIVE PREVIEW • REDACTED
INSTITUTIONAL LICENSE REQUIRED ($3,500/YR)

SECTION 1: THE $4.6B ARBITRAGE ARTERY & IMPORT TARIFF DRAWBACKS

Disparities in state excise tax structures create profound economic arbitrage incentives across regional transport corridors. High-tax jurisdictions suffer severe revenue leakage to illicit cross-border substitution:

Jurisdiction Tier	Representative States	Smuggling Inbound/Outbound %	Annual Tax Revenue Impact
Primary Inbound Destinations	New York, California, Massachusetts	61.1% (NY), 54.4% (CA) of total consumption	**-$1.2B (NY) / -$1.4B (CA) Deficit**
Primary Outbound Suppliers	Wyoming, Virginia, Missouri	58.6% (WY), 54.4% (VA) exported illicitly	**High Volume Outbound Inflow**
Border Sensitivity Index	New Jersey vs. New York ($1.00 tax gap expansion)	Outbound rate jumped from 2.5% to 13.3%	Direct elasticity to border price differentials
Federal Drawback Arbitrage	2015 Double-Drawback (BAT, JTI vs. Altria)	**[REDACTED IN EXECUTIVE PREVIEW]**	**[REDACTED — $12B LOOPHOLE AUDIT]**

SECTION 2: CLINICAL PHARMACOKINETICS & EXTRACTABLE FREEBASE RATIOS

Commercial modern oral pouches exhibit extreme divergence between total declared label strength (e.g., 6mg, 9mg, 11mg) and biologically active freebase nicotine (FBN). Buccal absorption through non-keratinized oral mucosa occurs almost exclusively via unprotonated nicotine. Formulations utilizing sodium carbonate or sodium bicarbonate buffers drive pouch salivary pH toward 7.8–8.6, maximizing freebase availability to over 80%.

[INSTITUTIONAL LICENSE REQUIRED FOR COMPLETE CLINICAL LAB TABLES]

The unredacted 28-page dossier contains 14 proprietary clinical and laboratory data matrices, including:

- **BAT Multicenter Clinical Trial:** VELO Freeze 11mg & 20mg Tmax, Cmax, and subjective craving curves vs. reference combustible sticks.
- **FDA CTP Freebase pH Audit:** Complete unprotonated nicotine fractions across 48 commercial pouch SKUs (ZYN, Rogue, on!, Fre, White Fox).
- **Polymer Fleece Microplastic Shedding Test:** Sublingual fiber dissolution under mastication simulated saliva testing (July 2026 audit).
- **Excipient Sweetener Toxicology:** Acesulfame-K, sucralose, and maltitol thermal degradation profiles in mucosal tissue.

Corporate Access: Order an institutional license ($3,500/yr) for instant teamwide PDF and raw CSV dataset distribution.

EXECUTIVE PREVIEW - REDACTED
INSTITUTIONAL LICENSE REQUIRED ($3,500/YR)

INSTITUTIONAL RESEARCH LICENSE • ORDER SPECIFICATION

Acquire the Complete Unredacted 28-Page 2026 Master Research Dossier

NicotineWire™ publishes independent, institutional-grade market telemetry and regulatory intelligence for tobacco and modern oral nicotine executives, brand owners, investment bankers, and compliance counsel. The full 28-page research dossier delivers unmatched depth, proprietary laboratory testing data, and 50-state tax matrices.

Deliverable Specification	Executive Preview (This Document)	Full Master Research Dossier
Document Length	3 Pages (Summary Briefing)	**28 Pages (Exhaustive Institutional Monograph)**
Circana 52-Wk C-Store Sales & Margin Data	High-Level Summary Only	**Full SKU Breakdown across Cigarettes, OTP & Pouches**
State-by-State Smuggling & Tax Arbitrage Matrix	Top 5 Inbound/Outbound States	**Complete 50-State Tax Rate & Smuggling Elasticity Table**
Clinical Freebase & PK Datasets	Redacted	**Full Tmax, Cmax, and pH extraction tables for 48 SKUs**
Raw Data Attachments	None	**Excel / CSV Databook + State Delisting Feeds Included**
Corporate Redistribution Rights	Single-reader view only	**Teamwide Enterprise Distribution License Included**
Investment / Licensing Fee	Free Executive Preview	**$3,500 / year (Direct Invoice or Corporate Amex)**

EXECUTIVE PREVIEW • INSTITUTIONAL LICENSE REQUIRED

HOW TO ACQUIRE YOUR INSTITUTIONAL LICENSE

1. Instant Digital Checkout via Corporate Card:
Visit **https://www.nicotinewire.com/reports** and click **Acquire Institutional License ($3,500/y)**. Upon successful Stripe checkout, you will receive immediate automated download access to the unredacted 28-page PDF, raw CSV databooks, and your corporate license receipt.

2. Enterprise Invoicing & Wire Transfer:
If your organization requires a W-9, vendor onboarding questionnaire, or ACH/wire invoice, email our institutional research desk directly at **enterprise@nicotinewire.com** with reference code NW-RES-2026-CLIN-MKT.

LEGAL & EDITORIAL NOTICE: NicotineWire™ Research Dossiers are prepared by Half Radiation, LLC for institutional subscribers, corporate compliance officers, and financial analysts (MCC 2741). Nothing herein constitutes legal counsel, medical diagnosis, or investment advice. All trademarks (ZYN, VELO, Rogue, on!, General, Marlboro, Newport) belong to their respective corporate owners. Copyright © 2026 Half Radiation, LLC. All rights reserved.