

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3205  
ANSWERED ON:08.12.2000  
TOBACCO GROWERS OF A.P.  
SULTAN SALAHUDDIN OWAISI

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether Andhra Pradesh is the largest producer of virginia tobacco in the country contributing about Rs. 6000 crore of excise revenue and 100 crore of foreign exchange to the public exchequer;
- (b) if so, whether Andhra Pradesh Government has requested to give due share of their production to tobacco growers;
- (c) if so, the action taken or being taken in this regard;
- (d) whether the Government have taken short term and long term measures to help the tobacco growers in Andhra Pradesh, if so, the details thereof;
- (e) whether State Government has also suggested some short-term and long-terms measure in this regard; and
- (f) if so, the details thereof and decision taken in the matter?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) : Yes, Sir. Excise revenues on tobacco products of all varieties in the country during 1999-2000 have been to the tune of Rs. 7415.71 crores and foreign exchange earnings on tobacco and tobacco products during the same year are 1050.22 crores.

(b), (c), (e) & (f) : The Chief Minister of Andhra Pradesh has suggested various measures to ensure remunerative prices to the growers. Some of the suggestions are listed in Annexure 'A'.

In pursuance of the above suggestions, following steps have already been taken:-

- i) Declared crop holiday for Andhra Pradesh and Maharashtra for 2000-2001 crop season.
- ii) STC has been asked to enter the market with a view to liquidating the surplus stock.
- iii) Various delegations have been sent to foreign countries for exploring the possibilities of exporting tobacco.

Other measures suggested by CM are under consideration of the Government.

(d) : Various steps taken to help the tobacco growers in Andhra Pradesh are detailed at Annexure 'B'.

ANNEXURE 'A' & 'B' OF LOK SABHA UNSTARRED QUESTION NO. 3205, FOR ANSWER ON 8TH DECEMBER, ;  
REGARDING TOBACCO GROWERS OF A.P.

ANNEXURE 'A'  
SUGGESTIONS MADE BY CHIEF MINISTER OF ANDHRA PRADESH:

- i) Declaration of crop holiday all over the country for the next season i.e., 2000-2001.
- ii) Liquidating the surplus stocks to the extent of 103.00 M.Kgs, . indented by the traders, exporters and manufacturers.
- iii) Purchase of the remaining excess tobacco by STC and
- iv) Exploring the possibilities for exporting Indian tobacco to other countries like Russia.

LONG TERM MEASURES SUGGESTED BY CM, ANDHRA PRADESH:

- a) Creation of price stabilization agency in the Board itself.
- b) Creation of revolving fund by collecting 1% cess on the sale value of cigarettes and using the same funds for stabilizing the market.
- c) Allow foreign direct investment in cigarette industry.
- d) Allowing foreign buyers to participate in the tobacco auctions directly.
- e) Power of fixing minimum support price may be given to the Board.
- f) No. of farmers representatives need to be increased in the Board.

- g) Promoting cultivation of alternate crops in the tobacco growing areas by offering certain constructions and incentives to growers.
- h) Introducing different punishment against the unauthorized growers and to give adequate powers to the Board for enforcing the crop regulations.

#### **ANNEXURE 'B'**

##### **MEASURES TAKEN BY THE GOVT. TO HELP TOBACCO GROWERS OF A.P:**

- a) Under the Tobacco Board Act, 1975 the Board fixes the crop size of tobacco keeping in view the international demand and supply position, domestic demand, carry over stocks, if any, and authorises the registered growers to grow tobacco with a view to ensure remunerative prices to the farmers.
- b) Board arranges timely supply of inputs such as fertiliser and coal at reasonable prices.
- c) Helps farmers in obtaining crop loans and short terms loans from banks.
- d) Analyses soil and water samples to test the suitability of land and water and recommends right type of fertilisers.
- e) Helps in setting up tobacco curing barns.
- f) Fixes minimum Guaranteed Price (MGP) for tobacco grown in different soil regions each year.
- g) Arranges sale of FCV tobacco in auction platforms.