

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

UNSTARRED QUESTION NO:6062
ANSWERED ON:14.05.2012
FCV TOBACCO
Vishwanath Shri Adagur H

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

- (a) whether tobacco farmers of Karnataka are not getting adequate incentives from the Government to increase productivity in cultivation of Flu Cured Virginia (FCV) tobacco;
- (b) whether adequate number of tobacco barns are not available in Karnataka;
- (c) if so, the reasons for the Tobacco Board for not increasing the number of tobacco barns in the State;
- (d) the details of fresh measures proposed to help tobacco farmers in Karnataka and other areas to compete with foreign tobacco growers;
- (e) the present status of FDI norms in the tobacco industry in the country; and
- (f) the steps taken to prevent clandestine account inflows in the guise of marketing services by subsidiaries or group of companies floated by global tobacco firms?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

- a) No Madam, the tobacco farmers are getting adequate incentives from Government to increase productivity in the cultivation of FCV tobacco.
- b) The existing barn capacity is adequate for curing the crop size authorized for production by the Tobacco Board.
- c) Does not arise.
- d) Several measures have been taken to help tobacco farmers in Karnataka and other areas to compete with foreign tobacco growers. These measures include introducing mechanization in certain operations of tobacco cultivation to help farmers overcome labour shortages and cut costs, introducing mechanical transplanters to help farmers overcome labour shortages, encouraging growers to use hybrid seeds for enhancing productivity and quality and educating growers on good agricultural practices in tobacco cultivation. The Tobacco Board arranges to supply pure and certified tobacco seeds, Bio/organic fertilizers, Yellow sticky traps, Cocopeat, Bio-organic/Bio-fungicides to the registered FCV tobacco growers free of cost or on subsidized rates to ensure better yields..
- e) As per Press Note No. 2 (2010) series issued by the department of Industrial Policy & Promotion, FDI is prohibited in manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.
- f) Department of Commerce has no such information. regarding clandestine account inflows in the guise of marketing services by subsidiaries or group of companies floated by global tobacco firms.