

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

UNSTARRED QUESTION NO:3162  
ANSWERED ON:07.08.2015  
Purchase of Tobacco  
Kambhampati Dr. Hari Babu

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

- a) whether there is any proposal with Tobacco Board to cut down the crop size in Andhra Pradesh this year;
- b) if so, the details thereof; and
- c) the steps taken by the Government for the purchase of tobacco lying with farmers at a remunerative price?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a & b) FCV tobacco cultivation is regulated by Tobacco Board as per the mandate given by the Tobacco Board Act, 1975. Crop size for FCV tobacco Andhra Pradesh has been fixed at 120 million kgs for the year 2015-16 crop season.

(c) Price realisation to growers is a factor of market dynamics and international events including demand and supply. However, the Government has adopted multi-pronged strategy for purchase of tobacco lying with farmers at remunerative price:-

- i) The Ministry of Commerce & Industry has taken up with the Ministry of External Affairs requesting them to issue necessary instructions to certain Indian Embassies abroad to explore opportunities to export tobacco to those countries.
- ii) The Tobacco Board / Government has conducted a series of meetings with all concerned stakeholders resulting in some buoyancy in price realisations & quantities marketed in auction platforms lately.
- iii) Tobacco Board has led trade delegation to Egypt and China to promote export of tobacco from India.
- iv) Based upon RBI's circular dated 03.07.2015, a clarification has been issued to Tobacco Board to allow foreign buyers to participate in the auction process on cash & carry & retail basis in terms of the said circular.

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