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Title: Shri H.D. Devegowda called the attention of the Minister of Commerce and Industry to the need to increase per barn quota for tobacco and to supply fertilizers at subsidized rates.

SHRI H.D. DEVEGOWDA (HASSAN): Mr. Deputy-Speaker, sir, I call the attention of the Minister of Commerce and Industry to the following matter of urgent public importance and request that he may make a statement thereon:

"Need to increase the per barn quota for excess production of tobacco in Karnataka and to supply fertilizers at subsidized rates to tobacco growers."

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): Mr. Deputy-Speaker, Sir, a detailed statement on the Calling Attention Motion raised by the hon. Member is laid on the Table of the House. I would not like to read from the statement, but, if you permit me, I would like to make a couple of observations on the Calling Attention Motion raised by the hon. Member. On the 12th of March, a delegation of tobacco growers from Andhra Pradesh and Karnataka, the two major tobacco growing States of the country, met me and I have spent over two hours with them.

MR. DEPUTY-SPEAKER: Mr. Minister, you can make these observations at the time of reply.

SHRI JAIRAM RAMESH: All right, Sir. A statement is laid on the Table of the House.

***1. Removal of penalties imposed on farmers:**

Every year, the Tobacco Board fixes a crop size after considering the domestic and international demand, left over stocks, the projected demand by traders and

* * This part of the Speech was laid on the Table.

exporters and the international production scenario. But, every year the growers are producing excess tobacco over and above the authorized quota resulting in fall in farm prices. This has led to repeated agitations by the farmers and the Government is forced to resort to levying penalty on excess crop produced in order to protect the interest of the law abiding farmers. India is also a signatory to Frame work Convention on Tobacco Control (FCTC) under the WHO and it is mandatory for India to fulfill the commitment by taking up appropriate measures to reduce the demand as well as supply of tobacco.

The penalty for excess production beyond authorized crop size is currently Rs.2 per kg and 15% service charges. This was fixed after lot of deliberation in 2005-06 when the Government came to view that the penalties imposed on marketing of excess/unauthorized crop will have a deterrent value if they are rather large and are announced alongside the authorized crop.

In this regard, the past experience of 2000-01 needs to be considered when a crop holiday had to be declared in AP because the prices crashed to their lowest owing to a large increase in unauthorized crop production in 1998-99 and 1999-2000. However, following "crop holiday in AP, the" unauthorized crop size again started increasing and reached 41.94 MKgs in 2004-05 in AP alone. Consequently, the Government had to hike penalty from Rs.1/- per kg and normal service charges of 1% to the current level. This resulted in a significant reduction in unauthorized crop in AP and Karnataka.

However, keeping in view the wishes of tobacco growers, the Government has sought views of Tobacco Board on the fact whether instead of reducing penalties, the crop size needs [to be](#) increased keeping in view the market demand. The higher crop size, if supported by market demand, would amount to lower overall penalties even with penalty rate remaining the same. The views of Tobacco Board are awaited.

On utilization of penalty amount, the Government has advised the Board to suggest innovative ways to utilize the surplus funds available with them for the benefit of tobacco farmers and for finding ways of increasing their income through alternative crops/ value added products. It has been decided in the meeting held to discuss the recommendations of Peer Review on Tobacco Board that the penalty amount may be ploughed back to tobacco farmers in the post-harvest phase and used for modernization of tobacco processing facilities.

2. Increasing barn quota and authorised crop size

One of the important functions of Tobacco Board is to regulate the production of FCV tobacco in order to ensure remunerative prices to growers and avoid market glut, due to excess production. This objective is sought to be achieved by fixing a crop size every year for Andhra Pradesh and Karnataka after taking into consideration the Export demand forecast estimates given by Trade (ITA), Global Production Scenario, Carryover stocks and Domestic requirements etc.

The Crop size fixed for Karnataka has increased substantially over the 7 years from 38.07 M.Kgs in 2001-02 to 95.00 M.Kgs in 2007-08. The following are the details of the crop size fixed and the actual production in Karnataka.

YEAR	No. of Growers	No. of barns	Crop size fixed (M.Kgs)	Crop size Including 10% nature bounty	Actual crop produced (in Mkgs)	QUOTA PER SIMPLEX BARN . (in Kgs)
2001-02	18751	25207	38.07	41.87	57.68	1500
2002-03	19351	25886	50.00	55.00	63.26.	1900
2003-04	19702	26330	53.00	58.30	73.69	1750
2004-05	39702	55425	67.00	73.70	90.34	1750
2005-06	40544	56630	76.56	84.21	82.91	1350
2006-07	40641	56531	84.00	92.00	96.98	1480
2007-08	40740	56514	95.00	95.00	87.66*	1675

*Even lower than the crop size fixed

It may be noted that the number of barns have increased during 2004-05 due to regularisation of unauthorized barns in Karnataka. A large number of barns were constructed unauthorisedly by growers between the years 1997 to 2004 and the growers took up cultivation of tobacco unauthorisedly. The issue of regularizations of these unauthorized barns was represented by growers, grower members, and peoples' representatives and the Government of Karnataka. Subsequently during 2004-05, the Government of India directed the Board to regularize 29,374 un-authorized barns and again another 1,247 un-authorized barns were regularized during 2005-06. With the regularization of these unauthorized barns the crop size was redistributed among all the barns and the per barn quota has come down from 1750 kgs to 1350 kgs. With the increase in crop size, now the quota per barn has increased to 1675 kgs during last season.

A unanimous view was taken during the meeting to discuss.- the recommendations of the Peer Review of the Tobacco Board on 13.12.07 and which was attended by the Chief Secretaries of AP and Karnataka, that the current procedure on fixing crop size by the Tobacco Board may continue. The Tobacco Board may fix a reasonable crop size, taking' into account the market demand.

It may be noted that during the year 2006-07, the actual production of tobacco was 96.98 M.kgs (maximum marketed quantity as yet in Karnataka) as against the actual crop size of 92.00 M.Kgs. Keeping in view the actual production, the Board in the subsequent year i.e. 2007-08 had increased the crop size to 95.00 M.kgs, which was nearer to the peak production. However, the actual production during 2007-08 was only 87.66 M.kgs, which is 7.34 M.kgs less than the crop size fixed. Thus it is evident

that the Board has fixed the crop size liberally for Karnataka. The actual crop size and quota authorized by the Board was not fully utilized. Still the Board in its meeting held on 15.03.08 at Bangalore has recommended a crop size of 100.00 M.kgs for Karnataka for the year 2008-09. This too has been made subject to a mid-term review. This is the highest crop size ever fixed for Karnataka and is also higher than the actual production ever recorded in Karnataka. The trade despite painting a very optimistic picture for future demand for FCV tobacco, is willing to offer a minimum guaranteed price this year in Karnataka of only Rs 50/ kg (and that too subject to many conditionalities) although, average realization in Karnataka last year itself was Rs 59.23/ kg. Thus the interest of Karnataka farmers has been fully taken into account.

In this connection, the Government of India commitments under FCTC have also to be kept in view. In spite of the commitment to FCTC, the interest of the farmers of Karnataka is protected by giving higher crop size year after year.

3. Subsidy on SOP:

Every year the Tobacco Board is supplying required fertilizers to the growers as per the recommendations of CTRI under tie-up loan arrangements with the banks at most competitive rates of interest.

Murate of Potash (MOP) is banned for use in tobacco cultivation since it has an adverse effect on quality of tobacco. Therefore, tobacco farmers have to use Sulphate of Potash (SOP) compulsorily. The cost of Sulphate of Potash (SOP) has increased steeply in the 2008-09 season. The price of SOP in 2007-08 season was Rs.16729/- per ton. The SOP is not manufactured in the country and the total requirements are met by imports. The total consumption of SOP in the country is at about 27000 MTs only. The Government of India is extending subsidy on Murate of Potash. Keeping in view the long standing demand from tobacco farmers for subsidy on SOP, I had written to the Minister of Chemicals & Fertilizers on 11.8.06 to provide subsidy on SOP on same scale as for MOP. The matter is now under consideration in the Department of Fertilizers which has to take a final view [*.R241](#)

SHRI H.D. DEVEGOWDA : Sir, I have gone through the statement laid on the Table of the House. The hon. Minister has stated that every year the growers are producing excess tobacco over and above the authorized quota resulting in fall in farm prices. Sir, at the same time, I have also gone through the resolution, passed by the Tobacco Board, to enhance the ceiling limit up to 100 million kgs. This is

contrary to each other. If the production is going to fall down every year, there is a need to take a decision to enhance the quota to 100 million kgs.

The other issue and as he has mentioned is that the quota is going to be reviewed year after year. As per the table in his statement, from 2001-02 to 2007-08, the number of growers has increased from 18,751 to 40,740. Every year it is increasing. The crop size is 95 million kgs. It started from 56 million kgs. I would like to know from the hon. Minister that apart from the reply that he has given what exactly is the problem of Karnataka growers who produce the best quality of tobacco and which has a demand in about 40 countries. I would like to know when they are earning so much of foreign exchange, why there is a restriction on the Karnataka growers.

The hon. Commerce Minister assured me in 2005 that this one rupee penalty is only a temporary measure, subject to return the same one rupee penalty. But today, the penalty has been increased to two rupees and the other cess, which has been levied, goes up to 15 per cent. Around a million households are dependent on this. I will read this out. Today, the FCV tobacco growers have been forced to shell out Rs.9.2 crore as penalty in crop year 2006-07 alone, besides the cess service charges and interest of over Rs.25 crore. Can there be a more cruel or hard decision on the farmers?

On the one side, the Government has come forward to give concessions to the farmers to the tune of Rs.60,000 crore and on the other side, the Government is penalizing those farmers who are helping the country to earn so much of foreign exchange and contributing to the kitty of the Union Government. I would like to know why there is such a harsh decision on the farmers of Karnataka. I am unable to understand this. I would request the Government to reconsider this decision.

12.58 hrs.

(Dr. Laxminarayan Pandeya *in the Chair*)

Sir, I am not making a complaint nor am I jealous about the benefits which the Andhra Pradesh farmers are getting. Let them enjoy the benefits, I do not want to come into their way. There the Government has given to them .4,500 kgs. per barn, whereas in Karnataka we have asked for 2,500 kgs. per barn. What exactly is the problem there to consider this request in interest of the

farming community?

I have gone through the statement where it has been admitted that the penalty for excess production beyond authorized crop size is currently Rs.2 per kg and 15 per cent service charges. This will come to Rs.25 crore as a penalty for 60,000 farmers of Karnataka.[\[r25\]](#)

13.00 hrs.

You also said that this penalty is going to be used for the change of crop to discourage the tobacco-growing farmers and to go for other crops. But, has anybody tested it? This land, this soil is not suitable for any other crop. This is the only crop, this FCV tobacco, which is fit for growing especially in these five or six talukas of the two districts. No other crop is possible. Why the people have been so much harassed? This issue was also raised by me in 2004-05 in the House itself. I do not want to go back to the details given by the same Commerce Minister. He was very sympathetic. I must be very plain. He has taken the decision to clear all the excess tobacco that is grown. Now the ceiling limit itself has been fixed by the Board up to 100 million kgs. If that is the case, why is this penalty? Please see that this penalty is waived. As you said, this Rs. 9 crore is going to be used for other activities. They are sucking the blood of the Karnataka farmers and using it for other activities. I do not know what other activities are. There is no scope for change of crop. The soil is not suitable for any other crop. This is my first point.

I asked for the subsidised fertilizers. Today, the reply given by the Government is that they have to import from abroad; they have to give Rs. 16,729 per tonne. Can you calculate the cost of production? The maximum rate last year was Rs. 59 per kg. Once you are going to admit yourself Rs. 16,729 per tonne SOP, please refund whatever the penalty that has been imposed.

In 2004, in the very same House, I raised this issue. The hon. Minister was kind enough to take a decision to clear the excess production and also to see that Re.1 penalty which has been levied, is refunded to the poor farmers.

So, I have got these two issues, one is increasing the size of the barn to 2,500 kgs, and the other is removing Rs. 9 crore penalty on the farmers.

SHRI JAIRAM RAMESH: I share the concern of the hon. Member, but I do want to explain why is it that we impose production ceilings in the case of tobacco. First, India is a signatory to the Framework Convention on Tobacco Control of the World Health Organization, and we are committed to an agreement that is pledged to phasing out tobacco over the long term. However, that is not the main reason why we fix crop size. The only reason now that we use crop size is to protect the interest of farmers. It is because, we have seen in the past repeatedly, and the hon. Member knows this, both in the States of Andhra Pradesh and Karnataka, which are the two predominant tobacco growing States of the country, in the past, when we have not had production ceilings, we have had excess production, prices have fallen and farmers have been put to great distress. It is precisely because we want to end the distress of farmers that we had introduced production ceilings. These production ceilings are reviewed on a year-to-year basis and there is absolutely no discrimination between Andhra Pradesh and Karnataka. These production ceilings are fixed based on market demand, based on soil quality and based on previous production trends. I have been meeting delegations of tobacco growers from time to time.[\[r26\]](#)

I have visited the tobacco growing districts personally. On the 12th of March, 2008 a delegation of tobacco growers from Karnataka met me. I listened to whatever they had to say very patiently. The issues that they raised are precisely the issues that the hon. Member has raised in the Calling Attention motion.

Let me tackle the fertilizer subsidy issue first because that is somewhat simpler than the production ceiling issue. On the fertilizer subsidy issue, the tobacco growers have demanded a subsidy on Sulphate of Potash which is used in tobacco cultivation. Unfortunately, Sir, as the hon. Member is aware, the other potassic fertilizer which is MOP, which is Murate of Potash, cannot be used for tobacco cultivation because of the toxic potassium chloride, and hence Sulphate of Potash is used. Now, Sir, it is a fact that for the last many decades in the past and in the future, India will continue to import potassic fertilizers. We make nitrogenous fertilizers at home; we make phosphatic fertilizers at home but we have no sources of potassic fertilizer in India and, therefore, hundred per cent of potassic fertilizer is imported. Sulphate of Potash is imported. The total subsidy which will be required is this. About 50,000 tonnes of Sulphate of Potash are used, out of which, roughly 27,000 tonnes are for tobacco growers. Our calculations show that the total subsidy that would be required to sell Sulphate of Potash to tobacco farmers at Rs. 5/- per kilogram would be something like Rs. 1,200 crore per year. I have written to the hon. Minister for Chemicals and Fertilizers last August pleading for complete subsidy on Sulphate of Potash. The tobacco growers are well aware of this issue. I have reviewed this matter just day before yesterday with the Department of Fertilizers, and I am pleased to inform the hon. Member that the Department of Fertilizers is in the process of finalizing a Cabinet Note for bringing Sulphate of Potash under the subsidy regime.

Now, the hon. Member had been the Prime Minister of the Country. He knows that there is a process of consultations before we go to the Cabinet. I have been assured by my colleagues in the Department of Fertilizers that in the next two to three months this process would be complete. Let me reiterate, Sir, that the proposal that I have made to the Department of Fertilizers, which has been accepted, is to bring all of Sulphate of Potash under the fertilizer subsidy regime. The total subsidy that would be required for this is Rs. 1,200 crore. The hon. Member should be aware that in the forthcoming year, that is, in the year 2008-09, the fertilizer subsidy bill alone is expected to touch Rs. 90,000 crore.

Now, I do not think that a charge can be levelled that this is a Government that is bleeding the farmer or harassing the farmer if the total fertilizer subsidy bill alone is Rs.90,000 crore in the forthcoming year. However, Sir, because I have made an assurance to the tobacco growers, I stand by that commitment and I reiterate that on the floor of the House that our proposal is that all of Sulphate of Potash should be subsidized and the total subsidy bill should be borne by the Government of India. This proposal has been forwarded to the Department of Fertilizers. It has been accepted by the Department of Fertilizers. It is now being processed for Cabinet approval.

Sir, the second issue that the hon. Member has raised is the issue of production ceiling. Now, by circumstance or coincidence, the Union Health Minister is also present and sitting behind me. The Union Health Minister is breathing down my neck everyday to say, "Why are you encouraging tobacco cultivation?" Now, luckily for us, tobacco is not cultivated in Tamil Nadu. Otherwise, he would not have raised that question. Since tobacco is not cultivated in Tamil Nadu, he is at liberty to say why tobacco is being encouraged. Now, I have to listen to my distinguished colleague, the Union Health Minister, and I also have to listen to my own constituents from Andhra Pradesh, who are tobacco growers. [\[h27\]](#)

I have to listen to people of my own State from Karnataka. They are also tobacco growers. So, I am caught between three different cross fires. But nevertheless let me assure the hon. Member if he sees my statement that has been given and circulated and which is in front of him, the production ceiling for Karnataka for 2007-08 was fixed at 95 million kgs. The actual production is about 88 million kgs. Production ceiling is 95 million kgs. The actual production is about 88 million kgs. Actual production is lower than the production ceiling. However, in spite of this, I have requested the Tobacco Board. The Tobacco Board is considering fixing a higher production ceiling for 2008-09 at 100 million kgs for Karnataka.

Now, why is this? Now, people may say the hon. Member has got interest in this issue because elections are forthcoming. I do not want to ascribe any such political motives. But there is a demand for Indian tobacco in world markets. Whether Dr. Anbumani Ramadoss likes it or not, there are countries which are wanting to buy Indian tobacco. Zimbabwe's crop has left the international market. The United States is phasing out its tobacco production, and as the hon. Member said, the tobacco that is cultivated in Karnataka has a particular premium in international markets.

Recently, the hon. Prime Minister was in China and I am pleased to inform the hon. Member that after a long gap of 14 years, India and China have signed an agreement for the export of 10 million kgs of tobacco from India to China every year. China is the largest and fastest growing tobacco market in the world. This agreement would greatly benefit the farmers of Andhra Pradesh and Karnataka.

Now, it is in this background, the loss of Zimbabwe, the phasing out of the American tobacco crop, the growth of international tobacco consumption, particularly in China, has prompted us in the Ministry of Commerce to request the Tobacco Board to fix a higher production ceiling because of the potential for selling more tobacco.

Sir, this year, 2007-08, we earned about 410 million dollars from tobacco exports. Our estimate is that we would have earned about 410 million dollars from tobacco exports and as the hon. Member knows about roughly 60,000 to 67,000 farmers in Andhra Pradesh and anywhere between 45,000 and 50,000 farmers in Karnataka have contributed to this export performance. So, it is in this background that we have fixed a higher production ceiling this year, and I am sympathetic to the issue that has been raised by the hon. Member about the penalty charge. The penalty was increased initially from one per cent to two per cent and then it was increased steeply to 15 per cent basically to discourage excess production which would cause undue distress to farmers.

I have personally taken this matter up with the Tobacco Board to examine how soon we can reduce the penalties from 15 per cent. The tobacco growers themselves want a penalty of no more than five per cent. They agree that there should be a penalty. So, it is in this background that I want to assure the hon. Member that we have not only increased the crop size but we have also taken steps to review the penalty.

In the next meeting of the Tobacco Board, we are going to take a decision and I think the hon. Member should be under no doubt....(*Interruptions*)

MR. CHAIRMAN : No question please. Please be seated. No question is allowed.

SHRI JAIRAM RAMESH: If I can just finish, I would be glad to respond to the hon. Member as well.

MR. CHAIRMAN: No, the rule does not permit this.

SHRI JAIRAM RAMESH: We are examining both the options. We are increasing the crop size and reducing the penalty. Both issues are being discussed in the Tobacco Board and it is our intention to extend every form of assistance to tobacco growers in the country.[\[m28\]](#)

Sir, I will just make one or two very brief comments because the hon. Member has raised some larger issues on tobacco. Sir, tobacco is a crop that is criticised because it causes cancer. But tobacco is also a crop that is very hardy and that is the only crop that can grow on these soils in these districts of Karnataka and Andhra Pradesh. That is why, you will be pleased to know that we have taken up, the Commerce Ministry and the Tobacco Board has taken up a special project with the Ministry of Science and Technology to develop non-carcinogenic uses of tobacco. So far, we have seen tobacco only in the cancer perspective. But, there is a lot of research that is now being done to extract chemicals from tobacco and the pharmaceutical and the nutraceutical values of tobacco crop are now being increasingly recognised. I believe that in the next five to ten years, tobacco will be grown not just for cigarettes but would also be grown for extracting valuable chemicals, for nutraceuticals and pharmaceuticals.

Finally, our Government is also thinking of providing incentives to farmers to diversify away from tobacco. Now, it stands to reason when irrigation is provided, farmers will automatically move away from tobacco to paddy or some other crop. But where irrigation is not provided, where the soils are poor quality, tobacco remains the best options. However, we are thinking of introducing incentives to diversify area away from tobacco over the next five to ten years into things like agro-forestry, into things like medicinal plants, into things like subabul, depending on the local agronomic conditions. But nothing is going to be done without the participation of farmers. Nothing is going to be done without the full involvement of farmers in the Tobacco Board and in the Ministry of Commerce.

The hon. Member should know that in the State of Karnataka, between 2004 and 2007, almost 24,000 unauthorised growers were regularised. So, far from causing distress we have actually gone out of our way to help farmers much to the consternation of the Union Health Ministry. We have not only taken on board tobacco production, we have regularised 24,000 unauthorised growers who have actually not had the permission to grow tobacco from the Tobacco Board.

Sir, I want to finally reassure the hon. Member that we will take steps to ensure that the production ceilings are reasonable, the penalties are reasonable and that all steps will be taken to ensure that the interests of tobacco growers in Andhra Pradesh and Karnataka are fully protected. There should not be any doubt on this score on the part of the hon. Member. . â€¦ (Interruptions)

SHRI H.D. DEVEGOWDA : Sir, please allow me. Normally, I am not going to interfere unnecessarily. You have been watching. I am the last person to do so.

MR. CHAIRMAN : Kindly be brief. You have put your questions. Please seek clarifications.

SHRI H.D. DEVEGOWDA : Please bear with me for two minutes. It is not because of the election purpose.

MR. CHAIRMAN : No.

SHRI H.D. DEVEGOWDA : In the year 2005, I raised a Calling Attention motion. I would like to draw the attention of the hon. Minister to this because he thinks that for the purpose of election benefit that I have made this exercise. In the year 2005 I have raised a Calling Attention motion. The hon. Minister was also holding the Commerce portfolio at that time. The reply was given. It is here.

It is not a question of election. I am not bothered about the results of the election. When the farmers are suffering so badly, it is my duty as a farmer to raise the issue. Sir, the hon. Minister has made certain exercise. I must even compliment the hon. Prime Minister. When you have achieved every year 10 million kgs. of tobacco to be exported to China, the question is now making all the farmers or discourage the farmers to reduce the growing of tobacco. I do not think that the question of growing tobacco is going to convince me. However, you said â€¦ (Interruptions)

MR. CHAIRMAN: The hon. Minister has explained the position very well.

SHRI H.D. DEVEGOWDA : Yes, he has done it very well, and I must compliment him for having gone to China with the Prime Minister. Now, the quota to sell to China every year is going to be increased to 10,000 million kgs. This is an understanding

between China and India so far as the Trade Agreement is concerned. In this context, he also says that we have increased the size of the quantity up to 100 million kgs. If that is the case, then it is not only going to benefit the farmers, but it is going to benefit the coffers of the Union Government by getting sufficient foreign exchange reserves for it.

You just now mentioned that we are thinking to reduce to five per cent penalty. In your own explanation you have said it. May I draw your kind attention to this point? Please bear with me for a few minutes.

MR. CHAIRMAN: Kindly put a straight Question to the hon. Minister.

SHRI H.D. DEVEGOWDA : It is mentioned that the penalty amount may be ploughed back to tobacco farmers in the post-harvest phase and used for modernization of tobacco processing facilities. I am also a farmer. They are growing tobacco in my home Constituency. What type of modernization process has taken place? Please tell me about it.

Secondly, I have asked a simple Question. Kindly allow 2,500 kgs. per barn instead of 1,675 kgs. per barn. It is 4,500 kgs. per barn allowed for Andhra Pradesh, but it is only 1,675 kgs. per barn for Karnataka. Why is it so? Is it so difficult for you even to consider doing this? Please tell me about it. Why is it so? What exactly is the reason for not doing it?

I do not want to make charges against Andhra Pradesh. The Board is in Andhra Pradesh. How many people are representing Karnataka? Fortunately, the Minister is from Karnataka, and I must compliment you.

SHRI JAIRAM RAMESH : I represent Andhra Pradesh.

SHRI H.D. DEVEGOWDA : I know it. But, how many people are there in the Board? In the last 10 years, I am here except barring about 18 months. Normally, I do not take up other issues, and I only keep quiet and that too in the last benches. They also met you when the problem issue of farmers came up. What is the relief given to them? If Rs. 90,000 crore is the farmer subsidy, it is not for the tobacco farmers. The total subsidy component may be Rs. 90,000 crore for the whole country. But the 60,000 farmers of my own home State have been penalized. ...(*Interruptions*)

SHRI BADIGA RAMAKRISHNA (MACHILIPATNAM): The Board has recommended it. ...(*Interruptions*)

MR. CHAIRMAN: Please sit down.

...(*Interruptions*)

SHRI BADIGA RAMAKRISHNA : Now, you have to consider the penalty. ...(*Interruptions*)

MR. CHAIRMAN: Now, it will not go on record.

(*Interruptions*)

SHRI H.D. DEVEGOWDA : Karnataka had hardly got two MPs when Rupee 1 was imposed as penalty. I know as to how this House is going to function. I have got some experience about it.

MR. CHAIRMAN: There are some Rules mentioned in the books.

SHRI H.D. DEVEGOWDA : I do agree to it, and that is why I have been keeping quiet. ...(*Interruptions*)

MR. CHAIRMAN: I have to follow the Rules.

...(*Interruptions*)

SHRI H.D. DEVEGOWDA : Sir, have you ever seen me violating the direction given by the Speaker or the Chair? No, under no circumstance have I done it. Therefore, please bear with me.

At that time, even for Rupee 1 penalty that has been imposed, the hon. Minister said that it is because Andhra Pradesh has 25 or 28 MPs. ...(*Interruptions*)

SHRI JAIRAM RAMESH : Sir, I categorically reject this. There is absolutely no politics in the fixation of crop size. There is no politics in it. The fixation of crop size does not proceed on the basis of MPs. This charge is completely unfounded.

MR. CHAIRMAN: Please bear with him for some time.

SHRI H.D. DEVEGOWDA : Shall I send all the papers to you?

SHRI JAIRAM RAMESH : Sir, this charge is completely unfounded.

SHRI H.D. DEVEGOWDA : You do not know about it. I am not going to make

* Not recorded

the charges. I will place what I have written to the present Prime Minister in 2005 and shall place it on the Table of the House.[\[r29\]](#) The papers show how Karnataka has been treated in a step-motherly fashion. Your own Minister called me and tried to persuade me ...*(Interruptions)*

SHRI JAIRAM RAMESH: Sir, the hon. Member is trying to make a political statement. There is no discrimination against Karnataka. There is absolutely no discrimination against Karnataka.

SHRI H.D. DEVEGOWDA : You can refute it. What is the penalty imposed in respect of Andhra Pradesh?

SHRI JAIRAM RAMESH: Sir, the penalty is the same for Andhra Pradesh and Karnataka.

MR. CHAIRMAN : Mr. Devegowda, rules do not permit this.

SHRI H.D. DEVEGOWDA : The tobacco produced in Karnataka is the only best quality of tobacco which is exported. Can you tell whether tobacco produced in Guntur is being exported? Can you say that? Why are you saying like this? Why are you misleading the House?

SHRI JAIRAM RAMESH: I am not misleading the House. The hon. Member's facts are completely wrong.

MR. CHAIRMAN: This is not the proper way.

SHRI JAIRAM RAMESH: Sir, 62 per cent of tobacco produced in Karnataka is exported, while 58 per cent of the tobacco produced in Andhra Pradesh is exported.

SHRI H.D. DEVEGOWDA : For having produced such best quality tobacco, do you want to penalize Karnataka?

MR. CHAIRMAN: Mr. Devegowda, please sit down. Hon. Minister, do you want to say something?

SHRI JAIRAM RAMESH: Sir, I want to reiterate that there is absolutely no politics in fixing of the crop size or on the per unit barn crop size. There is no discrimination in the issue of penalty. The latest figures are, since the hon. Member feels that we are discriminating against Karnataka, in 2007-08, roughly 62 per cent of Karnataka's crop was exported, and roughly 58 per cent of Andhra Pradesh's crop was exported. The Karnataka tobacco has got a premium in the international markets. We are doing everything to promote. It is unfortunate that the hon. Member is trying to ascribe political motives.

[Placed in Library See No. LT 8433/08]

MR. CHAIRMAN: House stands adjourned to meet again at 2.30 p.m.

13.27 hrs.

*The Lok Sabha then adjourned till Thirty Minutes
past Fourteen of the Clock.[\[r30\]](#)*

14.34 hrs.

The Lok Sabha re-assembled after Lunch at

Thirty-Four Minutes past Fourteen of the Clock.

(Mr. Deputy-Speaker *in the Chair*)

MR. DEPUTY-SPEAKER: The House shall now take up Matters under Rule 377.