

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**UNSTARRED QUESTION NO. 12**  
**TO BE ANSWERED ON 17<sup>th</sup> JULY, 2017**

**TOBACCO PRODUCTION**

**12. SHRI Y.V. SUBBA REDDY:**

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of the permission given by the Tobacco Board for production of tobacco in the last three seasons and the current season, season-wise and districtwise, in Andhra Pradesh (AP) along with the total production of tobacco by farmers during the said period;
- (b) whether it is true that Tobacco Board started procuring tobacco from 15th March of this year and if so, the details thereof;
- (c) whether the rate of tobacco has been brought down by traders and other procuring agencies which results in great loss to tobacco farmers in Prakasam and Nellore districts of AP and if so, the details thereof and the reasons therefor; and
- (d) whether any requests have been made for intervention and purchase of low and medium grade tobacco leaves by giving farmers a better price and if so, the action taken by the Government in this regard so far?

**ANSWER**

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)

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

(a): The details of the permission given by the Tobacco Board for production of tobacco in the season-wise and district-wise, in Andhra Pradesh (AP) along with the total production of tobacco by farmers during 2013-14, 2014-15, 2015-16 and 2016-17 (current season) are as under:-

Name of the District	2013-14		2014-15		2015-16		2016-17 (current season)	
	Crop size fixed	Production	Crop size fixed	Production	Crop size fixed	Production	Crop size fixed	Production*
West Godavari	56.426	64.050	56.897	59.720	32.564	36.684	38.887	42.921
East Godavari	6.191	5.200	6.139	5.330	3.522	3.373	4.592	3.630
Khammam	3.276	3.516	3.366	3.240	1.776	2.040	2.355	2.202
Vijayanagaram	0.018	0.020	0.017	0.010	0.005	0.008	0.007	0.009
Rayagada(Odisha)	0.299	0.270	0.281	0.250	0.133	0.135	0.159	0.156
Krishna	0.520	0.000	<b>FCV Tobacco cultivation has been closed</b>				-	-
Guntur	1.642	1.130	1.688	1.120	1.017	0.977	1.056	0.500
Prakasam	88.978	123.984	89.222	104.670	69.763	65.523	71.704	48.312
Sri Pottisiramulu Nellore	14.650	15.760	14.390	15.710	11.220	9.500	11.240	6.270
<b>Total</b>	<b>172.00</b>	<b>213.930</b>	<b>172.00</b>	<b>190.050</b>	<b>120.00</b>	<b>118.240</b>	<b>130.00</b>	<b>104.00</b>

(\*Estimated; During 2016-17 Andhra Pradesh Auctions are in progress. Source: (Tobacco Board)

(b): Tobacco Board has commenced the auctions for sale of 2016-17 FCV tobacco in Andhra Pradesh in two phases. In the first phase, auctions were commenced at 17 Auction Platforms on 15/03/2017 and in second phase auctions commenced at one Auction Platform on 06/04/2017.

(c) to (d): No Madam. Considering the average prices being realized during current auction season in Andhra Pradesh, the medium grade tobacco is being marketed at a higher rate of Rs.14/- to Rs.24/- per kg and low grade tobacco at Rs.10/- per kg than the last year. Soil region wise average prices realized for bright, medium and low grades during current season and last year are given as under:

Name of the district	Soil Region	Bright grades		Medium grades		Low grades		Total grades	
		2016 (final)	2017*	2016 (final)	2017*	2016 (final)	2017*	2016 (final)	2017*
East Godavari	Northern Black Soil	122.24	156.22	96.16	114.80	62.35	75.88	99.28	135.91
West Godavari	Northern Light Soil	157.59	161.56	129.95	140.11	86.49	118.23	132.53	151.55
Prakasam & Nellore	Southern Light Soil	136.09	161.89	114.99	139.36	68.73	79.27	109.12	126.63
	Southern Black Soil	137.88	162.06	112.72	127.26	73.56	83.69	107.35	131.42
<b>TOTAL</b>		<b>143.59</b>	<b>161.54</b>	<b>120.48</b>	<b>135.82</b>	<b>74.74</b>	<b>84.08</b>	<b>116.09</b>	<b>136.94</b>

**2017\* as on 06/07/2017**

As could be seen from the above table, the prices realized all the bright, medium and low grade tobaccos are higher than the last year prices for these grades of tobacco.

However, this Department had received a representation from one of the public representatives for intervention and purchase of low and medium grade of tobacco leaves by giving farmers a better price. In this connection, it is stated that though the average prices being realized are higher than the last year prices, farmers under Prakasam and Nellore districts had requested to the Tobacco Board for better prices for medium and low grades to reduce the losses which may arise due to lower productivity on account of drought conditions/ adversity of climate, Orobancha (a root parasite in Prakasam and Nellore districts) incidence. To address the concern of tobacco farmers, the Tobacco Board coordinated with M/s ITC Ltd and other trade members to procure medium and low grades of tobacco at a remunerative price. The companies have responded positively and the volumes are picking up. Out of the total estimated production of 104 million kg in the current season, as on 06/07/2017, a quantity of 64.51 million kg was marketed and the average price of Rs.136.94 per kg which is higher by Rs.14/- per kg for the corresponding volume marketed during the last year.

No such requests for intervention and purchase of low and medium grade tea leaves have been received.

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