

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

LOK SABHA  
UNSTARRED QUESTION NO. 2613  
TO BE ANSWERED ON 14<sup>TH</sup> MARCH, 2016

**MSP OF TOBACCO**

**2613. SHRI Y.V. SUBBA REDDY:**

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

- (a) whether Minimum Support Price (MSP) for tobacco has not been announced after 2008-09;
- (b) if so, the details thereof along with the reasons therefor;
- (c) whether tobacco growers have been demanding MSP for tobacco;
- (d) if so, whether the Government would consider fixing MSP for tobacco from the current season; and
- (e) if so, the details thereof and if not, the reasons therefor?

**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) to (e) Yes Madam. The Government of India has not notified the MSPs for FCV (Flue Cured Virginia) Tobacco since 2008-09. Government of India, based on the recommendations of the Commission for Agriculture Costs and Prices (CACP), had been notifying Minimum Support prices (MSP) for various Agricultural crops including Flue Cured Virginia Tobacco (F2 and L2 grades only) every year before commencement of the season. While recommending price policy of various commodities, the Commission keeps in mind the various factors like demand and supply, cost of production, price trends in the market both domestic and international, inter-crop price parity, likely implications of MSP on consumers of that product etc.

It was observed that the average price realized by farmers taking all grades of tobacco together was much higher than the cost of cultivation and hence the need to fix MSP for tobacco was not felt.

In addition, with the exception of Andhra Pradesh marketing Crop-Season 2014-15 prices have been by & large much higher and hence no MSP has been declared. Moreover, due to concerted effort of the Government, tobacco farmers are getting remunerative prices for Karnataka crop season 2015-16.

In view of the above, there is no proposal to fix the MSP of Tobacco in the current year.

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