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## Press Release

### **Increase FCV Tobacco Production to Compete in the Global Market: FAIFA Appeals to Government on World Tobacco Growers Day**

- *FCV Tobacco Growers facing loss in excess of Rs 1300 crore every year because rising smuggled and illicit cigarettes*
- *India is the 4<sup>th</sup> largest and fastest growing cigarette market in the world – Illegal cigarette sales have increased from 13.5 billion sticks in 2006 to 28 billion in 2019*
- *More than Rs 6,000 crore loss to the FCV Tobacco Farming community in the last 7 years*
- *Appeals to the government to develop a consultative approach and include tobacco farmers while framing tobacco control regulations*

**New Delhi, 28 October, 2020:** Federation of All India Farmer Associations (FAIFA), a non-profit organization representing the cause of millions of farmers and farm workers of commercial crops across the states of Andhra Pradesh, Telangana, Karnataka, Gujarat etc., on the occasion of World Tobacco Growers Day appeals / appealed to the government to include Tobacco in Remission of Duties or Taxes on Export Product (RoDTEP) scheme and encourage exports through aggressive promotion schemes. Indian government has removed tobacco export incentives, making India a less competitor in the global market, whereas other countries like Zimbabwe, Malawi, etc. are encouraging their tobacco farmers by providing incentives and subsidies.

FAIFA organized gathering of farmers in various tobacco growing locations of Andhra Pradesh and Karnataka while following all the COVID-19 guidelines of social distancing. It also appealed government to adopt consultative approach and include tobacco farmers while framing tobacco control regulations.

**Speaking on the occasion, Mr Javare Gowda, President, Federation of All India Farmer Associations (FAIFA),** said, *“FCV farming community has faced business losses of over Rs 6,000 crore, with a drop in Flue-Cured Virginia (FCV) tobacco production from 325 million kg in 2014-15 to 210 million kg in 2019-20. This is primarily because of rising illicit cigarette trade in India on account of higher and punitive taxation on cigarettes due to which legal cigarette volumes sales have dropped significantly.”*

Presently, India is the 4th largest and fastest growing illegal cigarette market in the world. The illicit cigarette market in India has doubled from a level of 13.5 billion sticks in 2006 to 28 billion sticks in 2019.

*As smuggled cigarettes do not use Indian tobacco, the offtake of tobacco for manufacture of legal cigarettes in India is declining. As a result, FCV cultivation is reducing and farmers are incurring a loss in excess of Rs 1300 crore every year. We demand immediate and strict regulations to curb rising illicit cigarette markets so that Indian farmers can benefit. – Mr. Gowda added*

**Mr Gadde Seshagiri Rao, Vice President, Federation of All India Farmer Associations (FAIFA)** stated *“Tobacco provides direct and indirect employment to more than 45.7 million people, around 70% of whom are in the agricultural sector. Tobacco is a highly remunerative crop providing economic/social benefits to farmers in the tobacco growing regions. Studies conducted by the Central Tobacco Research Institute (CTRI) have also shown*

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*that there is no other equally remunerative crop in the tobacco growing regions. Hence, it is important that Government of India extends the required support to FCV growers in meeting international standards”.*

**Mr. Murali Babu, General Secretary, Federation of All India Farmer Associations (FAIFA)**, said, *“Framework Convention on Tobacco Control (FCTC) recommends the need to balance socio-economic dependence of tobacco cultivation and tobacco control activities. However, anti-tobacco activists in India are pushing policy makers to take extreme decisions citing FCTC without giving due regard to the recommended stance of calibrated approach to the cultivation and the needs of tobacco farming community.”*

**Yashwanth Chidipothu, National Spokesperson, Federation of All India Farmer Associations (FAIFA)**, said, *“The farming community is shocked to know that Central Tobacco Research Institute (CTRI) mandate and focus is being diluted based on the recommendation of a committee constituted by Indian Council of Agricultural Research (ICAR). We have heard that a committee on rechristening and broadening the mandate of ICAR - CTRI has been formed by Director General ICAR and a proposal needs to be reorganized and revised. We request the concerned policy makers to advise concerned officials of ICAR to stop the proposal of change and advise ICAR to strengthen the CTRI mandate to support Andhra Pradesh & Karnataka farming community.”*

We urge the policy makers to pay attention to the extreme pain and injury that is being faced by the tobacco farmers and take steps which will not precipitate the crisis going forward.

Yours Sincerely,

For Federation of All India Farmers' Association [FAIFA]

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