

Federation of All India Farmers Associations

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Press Release

Farmers Call for Uniform Regulation Across All Tobacco Types Amidst Market Imbalances

- *Vested interests and MNCs promoting tobacco farming in India by falsely showing global demand and offering high prices*
- *Farmers face threats to income and livelihood due to excess supply and backing out by MNCs*
- *Indian farmers faced ₹500 crore loss in 2025 due to the overproduction of non-FCV tobacco varieties.*

New Delhi, 09 October 2025: A seminar dedicated to safeguarding farmers' interests, organised by the Federation of All India Farmer Associations (FAIFA), a non-profit uplifting the cause of millions of farmers and farm workers involved in commercial crop cultivation in states such as Uttar Pradesh, Gujarat, Maharashtra, Andhra Pradesh, Telangana, and Karnataka, emphasised the urgent need for a comprehensive regulation of all varieties of tobacco.

The seminar with the theme '*All India Consultation of Tobacco Farmer Leaders*', held at the Constitution Club of India, New Delhi, brought together farmer leaders from across India, scientists, policymakers, and industry experts. The consultation deliberated on urgent reforms required to protect the livelihood of India's 60 lakh tobacco-growing families, particularly those engaged in non-FCV tobacco varieties, who remain outside the regulatory structure of the Tobacco Board.

During the seminar, farmers and participants raised alarms over the influence of foreign companies, as they are allegedly seen as manoeuvring the market to serve their own vested interests by promoting tobacco cultivation for nicotine extraction, citing global demand and high prices. This has led to overproduction of non-FCV tobacco varieties, resulting in a total loss of around ₹500 crores for the Indian farming community.

Mr. Murali Babu, General Secretary, Federation of All India Farmer Associations (FAIFA), said, *"Vested interests, particularly multinational corporations, are allegedly exploiting tobacco farmers by offering attractive prices initially, only to trap them into long-term dependence. Once farmers become reliant, they're often left vulnerable to unfair practices and price manipulation. This is hurting farmer livelihoods and creating instability in the sector. To address this, we urgently need a unified strategy across states and among farmer leaders. We must reinforce the importance of aligning production with actual demand and take concrete steps to curb overproduction. Only then can we ensure sustainable incomes and protect the long-term interests of our farming communities."*

Experts at the seminar highlighted that misleading promises by multinational corporations have led to a serious misalignment between demand and supply, leaving non-Virginia tobacco farmers burdened with unsold stock and financial distress. Non-Virginia tobacco, which accounts for the bulk of India's tobacco

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production, is largely sold directly by farmers to manufacturers without any regulatory oversight. India produces more than 600 million kilograms of non-Virginia tobacco annually, which is primarily used in products like bidis, chewing tobacco, and gutka. Unlike FCV tobacco, these varieties are not subject to any capping or formal sales mechanism, leaving the trade unregulated and farmers vulnerable to price exploitation and market volatility.

“We are not seeking subsidies; we are seeking systems. Every tobacco farmer, whether FCV or non-FCV, deserves a transparent market and a stable income. So we request the Government of India to evolve a National Tobacco Crop Regulatory Framework that brings all tobacco varieties under a single umbrella for planning, production, and pricing—ensuring one policy, one platform, one protection.” – Mr. Murali Babu added

Another key concern raised at the seminar was the increasing shift by multinational tobacco companies toward novel and emerging products such as e-cigarettes and nicotine pouches, which is gradually undermining the demand for traditional leaf tobacco, the backbone of India’s tobacco farming economy. While these companies continue to profit from newer product lines, farmers are left in the dark about the future demand for their crops. Every decline in legal cigarette production, or the introduction of products that bypass traditional tobacco, directly threatens millions of man-days of rural employment and the livelihoods of farming communities.

As these new-age gateway devices rely less on leaf tobacco and often use smaller quantities of processed tobacco or synthetic nicotine, the demand for raw leaf is shrinking. Hence, participants in the seminar stressed that regulating non-FCV tobaccos in the same manner as FCV tobaccos by bringing them under an appropriate platform or government body like the Tobacco Board would avoid market imbalances, help bring transparency to the trade and ensure better price realisation for the farmers.

In the seminar, **Mr. Ch. Yashwant Kumar, Chairman of the Tobacco Board**, announced a pilot plan for Non-FCV Regulation and proposed a policy roadmap for a mechanism to regulate non-FCV tobaccos under a legal and institutional framework.

Mr. Kumar said, “Our FCV auction model is a global benchmark in transparency. The time has come to design a non-FCV regulation model that ensures fair prices, planned production, and farmer dignity. It needs to be highlighted that the recent over-production of HDBRG, Rustica and Lal Chopadia non-FCV tobacco varieties in the country has resulted in a total loss of around Rs.500 crores to the farming community in 2025. A mechanism to monitor supply and demand would have helped avoid such over-production and associated losses.”

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The seminar was attended by several distinguished experts and key stakeholders, including Mr. Ch. Yashwant Kumar, Chairman, Tobacco Board, Dr. U. Sreedhar (Senior Scientist, CTRI), and Mr. Vipinchandra R. Patel, President, Consortium of Indian Farmers Associations (CIFA), Mr. Shankar Narayan Reddy and Mr. Vikramraj Urs, Farmer Leaders from Karnataka.

Yours Sincerely,

For Federation of All India Farmers' Associations [FAIFA]

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