



TOBACCO BOARD News Letter



VOL - I | JANUARY 2012



Shri. Anand Sharma

Hon'ble Minister of Commerce & Industry, Govt. of India

I am glad to know that the Tobacco Board is launching a Newsletter from February, 2012 to establish regular communication with the farmers. Tobacco has the history of being a vibrant industry in India occupying a significant role in the agricultural exports. India is one of the largest producer and exporter of tobacco. Over 30 Million people are associated with this industry in our country.

Since its inception, Tobacco Board has been consistently working for the overall development of this industry as well as welfare of tobacco growers through its network of professionally qualified and hardworking officials. I am confident that through this quarterly Newsletter, the Tobacco Board will further strengthen its ties with farmers.

I wish all the farmers a very happy new year and great prosperity.

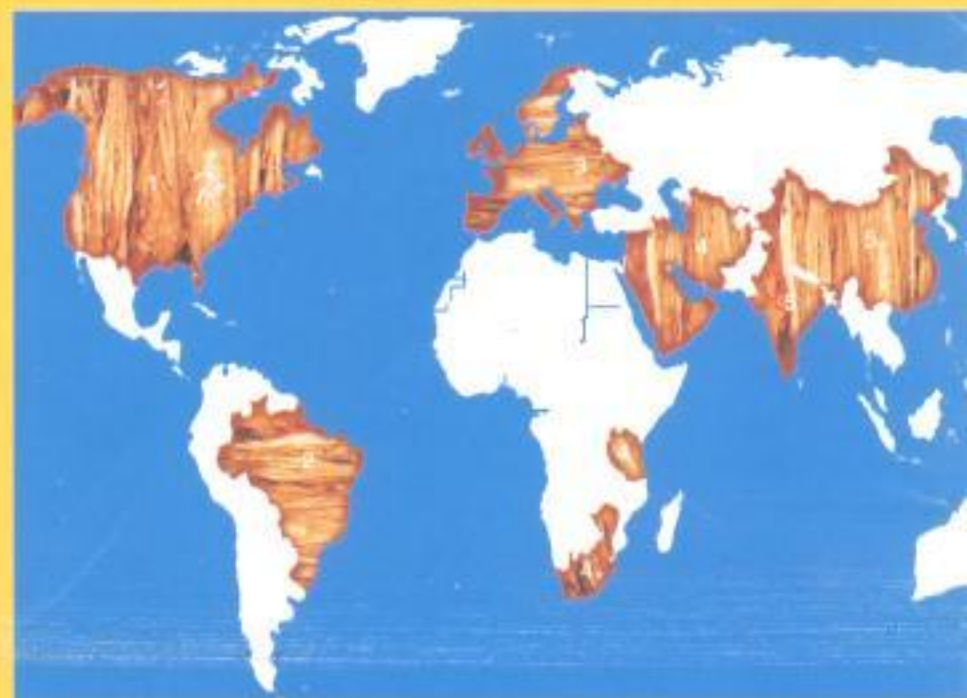
Anand Sharma

Minister of Commerce & Industry
Govt. of India

WORLD FLUE CURED OUTPUT – UP SLIGHTLY

The Global flue cured tobacco production in 2011 is forecast at 4655 M.Kgs. – a slight increase of 2% over the output of 4548 M.Kgs. in 2010, due to increased outputs in Brazil (+110 M.Kgs). Zimbabwe (+30 M.Kgs.) and Tanzania (+30 M.Kgs). Trends in the output continent wise are detailed hereunder.

Sl.No.	Continent	2011 (Estd)	2010
1	North & Central America + Caribbean	254	249
2	South America	810	682
3	Europe + CIS	133	152
4	Africa + Middle East	373	325
5	Asia + Oceania	3085	3140
	TOTAL	4655	4548



The production is down significantly in China (-115 M.Kgs), India(-50 M.Kgs) followed by marginal declines in some other countries. Although the production is up by 110 M.kgs in Brazil, it only rebounded to the levels recorded in 2009. In Zimbabwe well supported by the governmental efforts the flue cured production is registering significant increase.

INDIAN EXPORT SCENARIO UPTO NOV-2011

Export performance of Tobacco & Tobacco Products

Item	April - November 2011			April - November 2010		
	Qty. (M.Tons)	Value		Qty. (M.Tons)	Value	
		Rs. Cr.	M.US\$		Rs. Cr.	M.US\$
Unmanufactured Tobacco	127742	1863.55	401.37	142573	2116.03	462.52
Tobacco Products	26429	659.59	142.06	24746	605.01	132.24
Total	154171	2523.14	543.43	167319	2721.04	594.76
Previous Year	-8	-7	-9	-5	-9	-5

Total exports of unmanufactured tobacco and tobacco products for the period April-November 2011 have decreased by 8%, 7% and 9% in quantity, value in rupee terms and dollar terms respectively. Exports of unmanufactured tobacco during April-November 2011 have decreased by 10%, 12% and 13% in quantity, value in rupees and in dollar terms respectively compared to the exports made during the same period of last year. As far as tobacco products are concerned, exports have increased by 7%, 9% and 7% in quantity, value in rupees and in dollar terms respectively for the period under report compared to the exports made during the same period last year.

INDIAN EXPORTS TO DIFFERENT COUNTRIES

Qty: Tons Value: Rs. Lakhs

Region	April - November 2011				April - November 2010			
	Qty	%	Value	%	Qty	%	Value	%
West Europe	46974	37	77553.96	42	49278	35	77260.52	37
East Europe	17725	14	27021.43	14	17169	12	25812.47	12
Middle East	8512	7	8124.68	4	9871	7	9362.13	4
South & South East Asia	24590	19	38042.30	20	31135	22	50682.48	24
Africa	17330	14	22019.20	12	23463	16	33211.77	16
North & South America	11224	9	10878.14	6	10168	7	13052.66	6
Australasia	1387	1	2715.34	1	1489	1	2220.25	1
Total	127742	100	186355.25	100	142573	100	211602.28	100

**Major Export markets for Un-manufactured Tobacco
(April - November 2011)**

DETAILS OF EXPORTS OF TOBACCO PRODUCTS

Item	Qty Exported in Tons	
	April - November 2011	April - November 2010
Cigarettes	5735	5750
Bidis	307	376
Hookah Tobacco Paste	5245	7002
Chewing Tobacco/Zarda	7822	7853
Cut Tobacco	7267	3710
Snuff	39	55
Cigars	14	0
Total	26429	24746

Country	Qty Tons
Belgium	22576
Egypt	8850
Netherlands	7802
Russia	6472
Indonesia	6200
U.S.A.	5383
Germany	5152
U.K.	4812
South Africa	4528
Yemen	4427
Nepal	4250
Korea	4004
Philippines	2488

MAJOR EXPORT HOUSES IN THE TRADE-MANUFACTURERS AND EXPORTERS

The traders in tobacco are required to register/renew their registration with the Board every year as per Sections 11A, 11B[i] and 12 of Tobacco Board Act. The traders registered category wise for 2011 calendar year as on 31.12.2011 are detailed here.

Category	No. of companies
Dealer in Tobacco	420
Exporter of Tobacco Products	170
Exporter of Tobacco	119
Commercial Grader	38
Packer of Tobacco	24
Manufacturer	16
Processor	7
TOTAL	794

TRADE DELEGATIONS ABROAD

One of the objectives of Tobacco Board is to strengthen the existing markets and search for new markets in order to increase exports. Tobacco board has participated in an exhibition at Dort Mund, Germany in Inter Tabac exhibition from 23-25 september 2011. Mrs. Manju Pillai, Director (Auctions) has attended the exhibition. Chairman has visited Tanzania during 24 - 25 October 2011 to participate in the 26th Annual General Meeting of the International Tobacco Growers Association (ITGA) held at Arusha. Sri C.V. Subba Rao, Executive Director, Sri. B.N. Mitra, Auction Superintendent and Sri G.V.S. Prasad, SGO have participated in World Tobacco Expo 2011, Munich-Germany during 8-10 November 2011. Tobacco Board has also participated in TAB EXPO, Prague 15-18th November 2011. Tobacco Board has installed a stall inaugurated by Indian Ambassador, Prague. Chairman, Manager (Production) and Assistant Manager (P&C) have participated in the exhibition. Chairman Tobacco Board has led a trade delegation to Kunming & Beijing, China during 26-29 september 2011. The delegation visited various tobacco companies/ establishments in Kunming and also visited Beijing and met the senior officials of State Monopoly Administration (STMA), the policy making body of tobacco industry in Peoples Republic of China. The team held discussions on the issues relating to tobacco leaf its quality and import requirements of China. The Chinese officials have positively responded and shown keen interest to strengthen the trade relations between China & India. As a step in this direction they have agreed to visit India to study the possibilities of importing more quantity of tobacco from India.



Chairman, Tobacco Board
with Mr. Zhang Benfu, President CTI Inc., China



Indian Delegation
with the officials of STMA, China



Sri V. Ashok, Indian Ambassador
inaugurating Tobacco Board Stall at Prague



Director (Auctions) at the stall of
Inter Tabac-2011, Dort Mund, Germany



Executive Director at the stall of
World Tobacco Expo-2011, Munich, Germany

2011-12 ANDHRA PRADESH FLUE CURED CROP ESTIMATES

The production from 2011-12 A.P. crop is estimated at 162 M.kgs as against 170 M.Kgs. in 2010-11. A decision to this effect was taken in the Board Meeting in light of the changing supply demand scenario in the world. The estimated percentage of grade-out turn of the crop in terms of bright, medium and low is at 51:31:18 as against 52:28:20 during 2009-10 crop seasons respectively. The crop estimates vis-a-vis the targets region wise at the end of March, 2012 as are detailed hereunder.

Soil region	Authorised crop (M.kg)	Estimated crop (M.Kgs.)
N.L.S	51.65	42.08
S.L.S	56.49	59.14
S.B.S.	46.20	54.40
N.B.S.	5.48	4.75
C.B.S	6.37	4.72
Total	166.19	165.09



Tobacco Board implemented various extension and developmental activities in two of the southern states - Andhra Pradesh & Karnataka to help growers of FCV tobacco:

Arranged inputs loans of Rs 59.20 Crs at simple rate of interest of 4.5% p.a. in A.P. and Rs 72.28 Crs at 4.75% p.a. in Karnataka.

Following inputs were supplied extending 33% to 50% subsidy:

Energy conservation - helped out the growers in the installation of 250 Venturi Furnaces extending subsidy of Rs.5500 to Rs.6500 per barn.

PHPM - assisted in the construction of 210 bulking sheds by allowing subsidy ranging from Rs.6500 to Rs.9500 per unit.

Implemented Model Project Area Scheme by undertaking a variety of programmes in One village selected in each auction platform in A.P. & Karnataka.

TRANSFER OF TECHNOLOGY

- Organized around 90 training programmes on seedbed preparation, tray nurseries, fertilizer application, irrigation, pest and diseases control, ripe leaf harvest curing, grading as well as PHPM in A.P and Karnataka.
- Carried out study tours including inter-state ones of the farmers to research stations / 'on-farm-trial-plots' / threshing plants covering around 500 growers to acquaint themselves with the best production technologies, educate on PHPM and elimination of NTRMs.
- Conducted 49 'on-farm-trials' to spread technology on new practices of crop production, trials with pipeline varieties & hybrid seeds and by conducting 'field days' at the trial plots.
- Yet another a novel programme 'field-friends' was successfully launched by constituting 6 teams comprising Tobacco Board officials, CTRI scientists and trade to cover each village in the APFs in Andhra Pradesh to give advices on improved package of practices on crop production, crop protection, reduction in usage of pesticides, topping & de-suckering, harvesting, curing, elimination of NTRMs, etc.



While implementing the above programmes at a total expenditure of Rs313.54 lakhs, the Board had extended a subsidy of Rs139.22lakhs to growers in A.P. and Rs126.78 lakhs in Karnataka.

MODIFIED PERSONAL ACCIDENT INSURANCE SCHEME [MPAIS]

The Govt. of India introduced this specific scheme covering the growers in the sectors of tea, coffee, rubber and tobacco having plantations up to 4 hectares only. The other advantage in this scheme is coverage of the permanent plantation workers working in this plantation sector including tobacco.

Entry fees: The registered grower of tobacco with the Board has to pay Rs.100/- for availing the benefits under this scheme.

Subsidized Premium: During the year 2011-12, the premium for the policy to be issued for every individual would be Rs. 22.06 per annum (including Service Tax) and this would be subsidized by PSF Trust @ 50% of the premium. However the share of premium to be collected from the growers & workers @ Rs. 11.00 per person.

Sum insured: The insurance coverage will be upto Rs.1.00 lakh per person.

Progress of coverage: 21413 Tobacco growers and 27949 workers from the states of Andhra Pradesh and Karnataka had joined the scheme during 2011-12 (upto 29-12-2011)



2011 - ANDHRA PRADESH AUCTIONS

The auction sales of tobacco in A.P. for 2011 auction season were commenced on 24/02/2011. The arrivals of bales to the auction platforms were not brisk as the exporters were not actively participating to purchase their due share. The Chairman, Tobacco Board held several meetings with the trade and requested them to pay better prices, maintain consistency in pricing and to participate actively and purchase tobacco. The Tobacco Growers Joint Action Committee met the Hon'ble Chief Minister of A.P. on 01/06/2011 and requested him to direct APTG co-operative union and the Guntur District Tobacco Growers & Curers Co-operative Marketing Society Ltd to purchase tobacco at the auction platforms, allotting funds. Accordingly, the Government of A.P. sanctioned a working capital of Rs. 10 crores each to APTG co-operative union and the Guntur District Tobacco Growers & Curers Co-operative Marketing Society Ltd.

The quantity marketed for the season 2010-11 in AP was 173.25 M.Kgs with an average price of Rs. 87.64 per kg for a total value of Rs. 1518.22 crores.

2011 ANDHRA PRADESH AUCTIONS (FINAL)

S.No.	Grade	Qty. (M.kgs)	Share (%)	Average Price (Rs./kg)	Value (in Rs.Crores)
1.	Bright	80.26	46.33	101.82	817.21
2.	Medium	63.93	36.90	87.43	558.94
3.	Low	29.06	16.77	48.89	142.07
	TOTAL	173.25	100.00	87.64	1518.22

2011 KARNATAKA AUCTIONS (upto December, 2011)

S.No.	Grade	Qty. (M.kgs)	Share (%)	Average Price (Rs./kg)	Value (in Rs.Crores)
1.	Bright	14.35	23.89	118.87	170.58
2.	Medium	33.69	56.09	102.16	344.18
3.	Low	12.02	20.02	62.75	75.43
	TOTAL	60.06	100.00	98.26	590.19



The manufacturers picked up 53 percent of the crop, the exporters and others [speculators and suppliers to manufacturers and exporters] picked up 34 percent and 13 percent respectively.

EXTENSION ACTIVITIES :

FIELD FRIEND TEAMS IN KARNATAKA:

Tobacco Board had constituted four Field Friend Teams consisting of CTTRI Scientists, M/s.ITC, M/s.GPI and Board's Executive. The teams are intended to visit the villages/tobacco areas regularly in each auction platform and give timely advices/suggestions starting from raising of quality seedlings to grading and baling of tobacco.

FERTILIZER DISTRIBUTION IN KARNATAKA:

Total quantity of 34658 Mts. of different fertilizers viz., DAP (8154 M.tons), SOP (16077 M. tons) and CAN (10427 M. tons) has been supplied to tobacco growers of Karnataka during the crop season.

SEED INDENT FOR 2011-12 ANDHRA PRADESH CROP SEASON:

The Board had arranged seed supply from CTTRI, Rajahmundry and ITC Ltd., Rajahmundry for a quantity of 2044 Kgs for different varieties of seed viz, Siri-1431 kgs, Hema-450 kgs, N98-158kgs and NLS4-5 kgs and also the Board had placed indent on ITC, Rajahmundry for NLS area to supply a total quantity of 1080 kgs for different varieties, ITC special-950 kgs, LV6 Hybrid – 60 kgs and LV7 Hybrid-70 kgs.

INPUT LOAN BANKS :

The Board had designated both State Bank of India and State Bank of Hyderabad as the input loan banks for arranging input loans for various inputs at 4% simple interest per annum for 2011-12 season.

INPUT COMMITTEE FOR ANDHRA PRADESH

The input committee met on 30.08.2011 for negotiating and finalized the prices of fertilizers and curometers intended for supply to the growers in Andhra Pradesh for 2011-12 crop season. Further the said committee met on 21.9.2011 for selecting an agency for distribution of fertilizers to the growers in the Andhra Pradesh.

VIGILANCE SQUAD EFFORTS:

The Vigilance squads constituted to curb illegal purchases of tobacco out side auction platforms have booked a number of cases. The vigilance cases booked so far in A.P. are 51 and the bales seized are 884 which amounted to a quantity of 1,02,549 kgs., valued at Rs. 59,33,385.00 and in Karnataka they are in order of 10 cases, 1442 bales, 71,716 kgs., and Rs. 17,51,040.00 value.



TRAININGS

- Mr. P. Gangadhara Prasad, Secretary, attended to the training programme on "Results Frame Works Document" [RFDS], conducted in New Delhi on 22.02.2011.
- Mr. P. Gangadhara Prasad, Secretary, and Mr. G.Appa Rao, Assistant Manager [P&C] participated in a work-shop on "Right To Information Act" [RTI] organized in New Delhi on February 25th and 26th, 2011.
- A two-phase in-service training was imparted to 62 members of the accounts staff of the Tobacco Board on "Cash and accounts" in Guntur by ISTM, New Delhi from February 7 to 11 and from February 21 to 25, 2011.
- Mr. P.Gangadhara Prasad, Secretary attended the training programme "MDP on E-Governance strategies" in New Delhi organised by IIFT on 3rd & 4th August 2011.
- A two phase training programme attended by SGO/FO/SFA/FA on "Integrated Pest Management" in Hyderabad organised by National Institute of Plant Health Management from 17-24th August and 7-14 September 2011.
- AS/SGO/FO attended to the training programme on "Extension Approaches and Methodologies" in Hyderabad organised by MANAGE from 31st Oct to 4th November 2011.
- Inhouse training on "RTI Act" was imparted to 55 members of GROUP 'A' Officers in Guntur by ITPR, New Delhi from 13-16th December 2011.



Chairman participated in Interaction Programme with Tobacco Growers

POSTINGS & TRANSFERS



Sri. Asith Tripathi IAS, working as Chairman, APEDA has taken charge as the Joint Secretary (Agri) in the Ministry of Commerce. He will be looking after the issues related to Tobacco Board.

Sri. P. Manoj Reddy, Auction Superintendent working at Head Office is transferred and posted to APF No.18, J.R.Gudem.

Sri. B. Manju Raju, Auction Superintendent working at Hunsur-II is transferred and posted to APF No.62, Kampalapura.

Sri. K. Narsimaiah, Auction Superintendent working at APF No.62, Kampalapura is transferred and posted to APF No.64, Hunsur-III.

Sri. D. Venugopal, Field Officer working at APF No.19, Vellampalli is transferred and posted to APF No. 24, Tangutur-I

Sri. Madda Ravikanth, Field Officer working at APF No.05, Periyapatna-II is transferred and posted to APF No.28, Kaligiri.

Sri. Kovi Ramakrishna, Field Officer working at APF No. 07, R.N.Pura-I is transferred and posted to APF No. 27, Kandukur-II.

Sri. V. Sarath Babu, LDC working at APF No. 26, Kandukur-I is transferred and posted to APF No. 27, Kandukur-II

Sri. K. Sarath Kumar, Computer Operator working at APF No. 20, Ongole-I is transferred and posted to Head Office, Guntur.

Sri. S.K. Mothilal Kondalu, Field Assistant working at APF No. 29, DC Palli is transferred and posted to APF No. 18, J.R. Gudem-I.

RETIREMENTS



Mr. Y. Jaya Ram
Accountant,
(VRS on 10-01-2011)



Mr. N. T. Srikantaiah
SGO,
(31-01-2011)



Mr. Abdul Hameed
Regional Manager,
(31-05-2011)



Mr. Kumara Swamy
Record Keeper,
(31-05-2011)



Mr. K. Rama Chandra Prasad
Auction Superintendent,
(31-05-2011)



Mr. K.Ch. Nagaiah
Watchman,
(30-06-2011)



Mr. K. Anjaneyulu
Sr. Grading Officer,
(30-06-2011)



Mr. K. Guru Murthy
Field Assistant,
(31-07-2011)



Mr. P. Sambasiva Prasad Rao
Auction Superintendent,
(31-08-2011)



Mr. D. Rambabu
Auction Superintendent,
(31-08-2011)



Mr. M. Venkateshwara Rao
Record Keeper,
(31-08-2011)

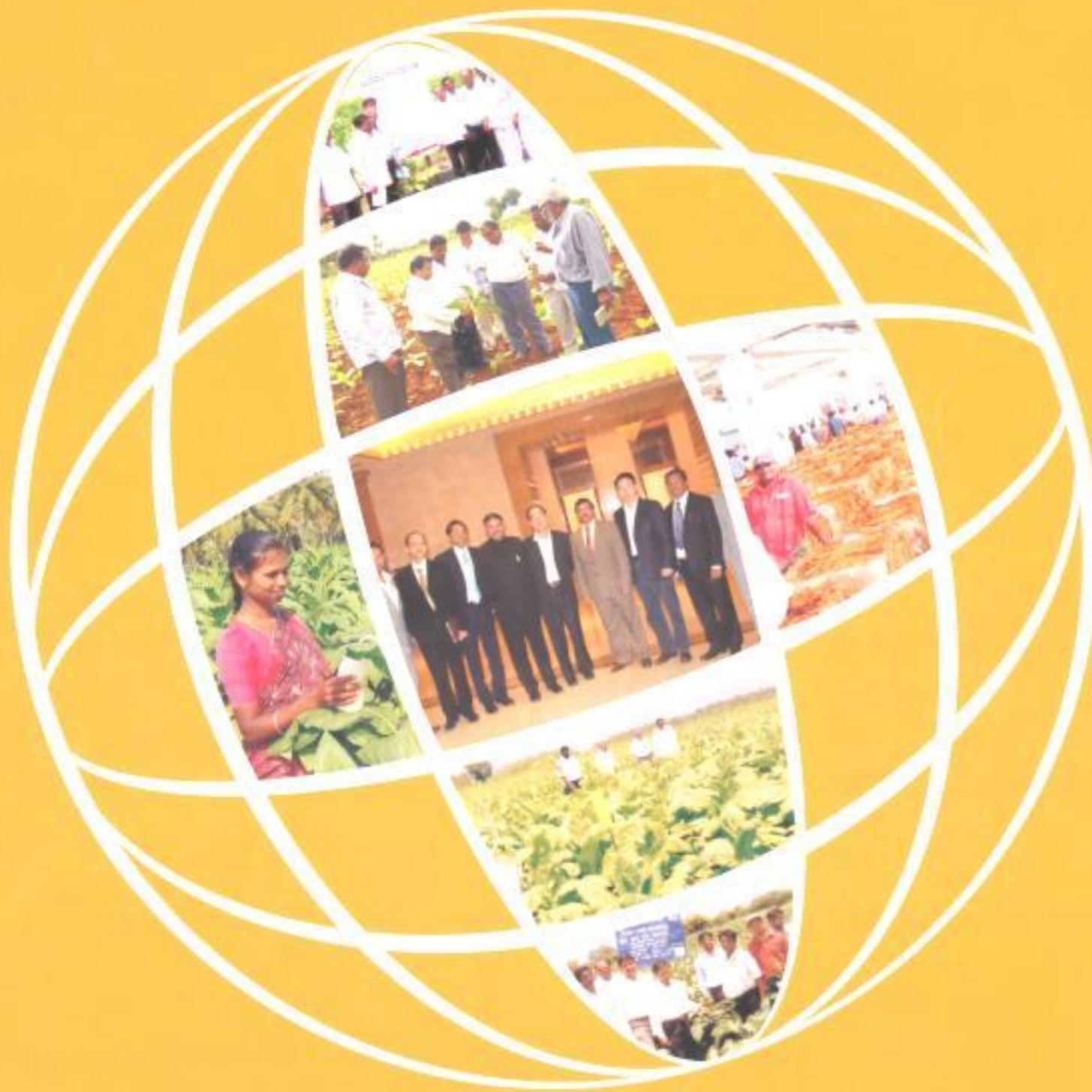


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