

FY25 tobacco exports to top ₹13,000 cr

FE BUREAU
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INDIA'S EXPORTS OF tobacco are expected to cross ₹13,000 crore this financial year, up from ₹12,005 crore last financial year, due to higher yields and prices, a senior official said on Wednesday.

In the last five years, tobacco exports have grown by 87% from ₹6,408.15 crore in 2019-20. During this period, the export volumes have increased from 218.84 million kg to 315.51 million kg. The output of flue-cured Virginia (FCV) tobacco, which accounts for 65% of the total tobacco exported from India, has grown to 304 million kg in the last financial year from 234.8 million kg in 2019-20. The price of FCV has gone up to ₹279.14 per kg last year from ₹124 per kg in 2019-20.

While FCV is the most traded tobacco from India, there are other varieties that are produced and exported from India. A combination of higher yields and prices led to the doubling of income of 83,000 tobacco farmers in Andhra Pradesh and Karnataka.

India is the second-largest pro-

GROWING SHIPMENTS

India's tobacco exports
Value (₹ crore)



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■ India has committed at the World Health Organization not to promote tobacco

ducer of tobacco in the world, after China. India is the fourth-largest producer of FCV tobacco in the world, after China, Brazil and Zimbabwe. India is the second-largest exporter of unmanufactured tobacco, in terms of quantity, after Brazil.

Despite the performance of the sector, the government is not encouraging the growth in acreage under tobacco or bringing more farmers to

take up its cultivation. No new farmers have been registered in the last 10 years. The reason for the freeze is that the world market for tobacco has been stagnant and India has committed at the World Health Organisation not to promote tobacco.

To promote other agriculture exports by ensuring adherence to international standards the government is also expanding the lab-

oratories under the Export Inspection Council (EIC). In the last 10 years, the number of labs have gone up to 78 from 21 in 2013-14.

The expansion of the network of labs with latest facilities had helped exporters. From September 2017, the labs of EIC started testing consignments of fish and fisheries products to the European Union (EU) for banned antibiotic residue. Since then the number of rejections per year has gone down to 3 in 2024 from 15 in 2017. Apart from fish, the EIC also tests exports of milk, eggs, honey, basmati and non-basmati rice, fruits and vegetables, poultry and processed meat, and meat.

Peanuts for the EU, Malaysia, Singapore; rapeseed and soybean meal for China; black pepper for the USA; and animal products are also tested. Voluntary certification scheme for non-notified food products requiring certification by importing countries also pass through EIC. The number of export establishments has increased to 1,446 in 2023-24 from 794 in 2013-14. The number of EIC's export certificate accepted by importing countries doubled to 120,000 from 61,000 in 2013-14.