

ASSOCHAM-TARI Study Highlights Huge Economic Value of Tobacco in India

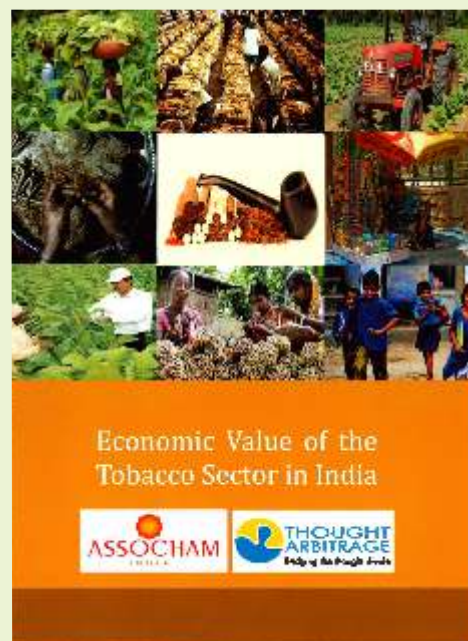
A new ASSOCHAM study has estimated that the Tobacco Sector in India provides livelihood to 45.7 million people and contributes a whopping Rs. 11,79,498 crores to the country's economy. The study has arrived at these figures by measuring the total cumulative intrinsic economic value generated by the Tobacco sector in India over the years.

According to the study, tobacco contributes a significant percentage of the total value of commercial crops in India generating huge socio-economic benefits in terms of agricultural employment, farm incomes, revenue generation and foreign exchange earnings.

Identifying the Stakeholders

This study uses the stakeholder approach for estimating the value of the Tobacco Sector across the entire value chain. It has identified the following stakeholders in the sector:

- » Farmers and farm labourers
- » Bidi rollers and contractors
- » Tribals engaged in Tendu leaf collection
- » Registered tobacco enterprises
- » Unregistered tobacco enterprises
- » Wholesale dealers and Retailers
- » Exporters of unmanufactured tobacco
- » Government
- » Household sector
- » Various forward and backward linked sectors of the economy
- » Other stakeholders such as auction houses, aggregators etc.



A Labour Intensive & Remunerative Crop

According to the study, conducted by Thought Arbitrage Research Institute (TARI), most farmers involved in tobacco production are in the worst farming belts of the country with poor soil quality unfit to grow many other crops. “Tobacco growing is highly labour intensive yet remunerative compared to food crops. It can grow on soil of poor fertility and can withstand variations in weather conditions better than other crops, especially in the states of Andhra Pradesh, Karnataka and Gujarat,” it notes. “Problems of pests and diseases are much less severe in tobacco than in alternative crops such as cotton, chilies and groundnuts,” the study points out.

“Tobacco growers in India are of the view that tobacco cultivation has improved their situation, raised their levels of income and ultimately helped them to increase household food security when compared to growing other crops,” the study observes.