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Tobacco Cultivation in India

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India grows one of the world’s biggest tobacco crops, then prints some of the world’s strictest warnings on the pack. This article covers both sides of that contradiction.



Tobacco drying in a field in Nellore district, Andhra Pradesh, part of India’s Flue-Cured Virginia belt. Photo: PJeganathan, Wikimedia Commons (CC BY-SA 4.0).

At a glance

Tobacco in India, in four facts

01
World Rank

India is the world’s second-largest tobacco producer, after China.

02
Top State

Gujarat leads overall, at about 45% of national output.

03
FCV Leader

Andhra Pradesh leads in cigarette-grade FCV tobacco specifically.

04
Pack Warning

85% of a pack’s surface must carry health warnings.

FCV tobacco Flue-Cured Virginia, the higher-value, cigarette-grade type grown mainly in Andhra Pradesh.
COTPAThe Cigarettes and Other Tobacco Products Act, 2003, India’s main tobacco-control law.
Tobacco Board The regulator set up in 1976, based in Guntur, Andhra Pradesh.
GATSGlobal Adult Tobacco Survey, India’s national survey tracking tobacco-use rates.

A major crop, a major regulator

Must Know

Second in the world, on both counts

India is the world's second-largest tobacco producer, behind only China. It is also the world's second-largest exporter of unmanufactured tobacco, after Brazil.

One regulator since 1976

The **Tobacco Board** has overseen the crop since 1976, under the Tobacco Board Act. It is based in Guntur, Andhra Pradesh, right in the middle of the country's main FCV belt.

> **Quick check 1.** Q1. True or False: India is the world's second-largest tobacco producer, behind only China. *(True or False?)*
>
> See answer ↓

Two different tobacco belts

Must Know

Gujarat leads overall, Andhra Pradesh leads in FCV

Gujarat produces about 45% of India's total tobacco, more than any other state. That output is mostly chewing and bidi tobacco. Andhra Pradesh leads specifically in **Flue-Cured Virginia (FCV) tobacco**, the cigarette-grade type that drives most of India's tobacco exports. Karnataka and Uttar Pradesh are also significant producers.

One law covers both belts

COTPA, the Cigarettes and Other Tobacco Products Act of 2003, restricts tobacco advertising and public smoking across the country. It also underpins India's 85% pack-warning rule.

The 85% warning, and how the FCV auction works

Good to Know

60% pictures, 25% text

Since 2016, pictorial-and-text health warnings covering 85% of a tobacco pack's main display area have been mandatory. The rule breaks down as 60% pictorial coverage plus 25% text coverage, among the strictest such rules anywhere in the world.

Bidding in rupee-one steps

The Tobacco Board introduced e-auctions for FCV tobacco in 2012. Buyers bid in ₹1 increments on Hand-Held Terminals, while growers watch the live bidding on floor-side electronic displays. Once a lot sells, payment reaches the farmer's bank account by RTGS or NEFT within nine days.

Worth remembering: that nine-day payment window is a real, verifiable transparency reform over the old open-outcry auction system, where payment delays and disputes were common.

> **Quick check 2.** Q2. True or False: A tobacco pack's health warning must cover 85% pictorial coverage and 60% text coverage. *(True or False?)* See answer ↓

A crop taxed and exported at once

Great to Know

Two ministries, two goals

Trade and commerce ministries value tobacco's export earnings. Health policy, at the same time, actively discourages its consumption. Rising GST and a new per-stick excise duty now function as both a revenue tool and a health lever, pulling in the same direction for once.

A policy framework that's unevenly applied

Great to Know

A committee that mostly exists on paper

India has state-level guidelines against tobacco-industry interference in 22 states and union territories. These follow a WHO framework called FCTC Article 5.3. But a July 2026 WHO report found only 6 of the states it studied actually had an active committee. India ranked 43rd on the 2023 Global Tobacco Industry Interference Index. That's a real gap between having a policy and enforcing it.

Usage fell, but the data is old

India's national tobacco-use survey, GATS, found overall adult use at 34.6% in 2009-10. By the second round in 2016-17, it had fallen to 28.6%, a genuine six-point drop after COTPA and the pack-warning rules took hold. No GATS-3 has been conducted since. The most recent nationally representative figure is now about nine years old.

Watch for this trap: an industry body funded by major cigarette makers claims illicit cigarettes make up about 25-26% of the market, costing the exchequer ₹18,500-21,000 crore a year. The only independent, peer-reviewed study, a retail-pack survey across 8 cities, found the real illicit share was just 2.73% nationally, and called the industry figure's credibility doubtful. Always name the source when citing either number.

> **Quick check 3.** Q3. True or False: India's most recent nationally representative tobacco-use survey (GATS) was conducted within the past two years. *(True or False?)* See answer ↓

Exam Edge

"Top Producer" versus "Top FCV Producer"

These papers like to test whether you can tell apart a state's overall lead from its lead in one specific tobacco type. Gujarat's overall lead comes mostly from chewing and bidi tobacco. Andhra Pradesh leads in FCV, the higher-value, cigarette-grade type that actually drives most exports. Don't assume the top overall producer is also the top exporter's supplier.

A new tax structure, and a decade of export growth

Current Affairs

Tobacco moves to the 40% slab

Since 1 February 2026, tobacco products sit on a new 40% GST slab. This came in under a wider tax overhaul called “GST 2.0.” A new per-stick excise duty applies too, and it varies by cigarette length. Short unfiltered cigarettes carry a duty of ₹2,050 per 1,000 sticks. The longest premium filtered cigarettes, over 75mm, carry up to ₹8,500 per 1,000 sticks. This new structure replaced the old 28% GST-plus-cess regime. That switch happened once Covid-era cess loans were fully repaid, on 31 January 2026. The government says the total tax burden stays roughly unchanged. See GST Council and Rate Rationalisation for the wider GST 2.0 overhaul.

Exports up 166% in a decade

On 10 July 2026, a Commerce Ministry team reviewed Andhra Pradesh’s FCV tobacco season in Hyderabad. They discussed Tobacco Board restructuring, a Growers’ Welfare Fund, and AI-based grading. The same official returned on 26 July 2026. He met Chief Minister N. Chandrababu Naidu and visited the Tobacco Board’s auction platform at Vellampalli.

A 28 July 2026 Lok Sabha reply gave fresh export numbers. Total tobacco exports reached 368.85 million kg, worth ₹17,192.04 crore. That’s up 166.51% in value and 53.10% in quantity over the past decade. FCV farmer prices reached ₹251.14 per kg, up 86.82% from ₹134.43 per kg a decade earlier.

Quick Q&A

Which state produces the most tobacco overall in India?

Gujarat, at about 45% of national output, mostly chewing and bidi tobacco.

Which state leads in FCV, the cigarette-grade tobacco?

Andhra Pradesh, home to the Tobacco Board, headquartered in Guntur.

How much of a tobacco pack must carry health warnings?

85% of the main display area: 60% pictorial coverage plus 25% text coverage, since 2016.

Is the industry's illicit-cigarette figure reliable?

No. The only independent, peer-reviewed study found the real illicit share was just 2.73%, far below the industry-funded claim of 25-26%.

What changed for tobacco taxation on 1 February 2026?

Tobacco moved to the new 40% GST slab plus a per-stick excise duty, replacing the old 28% GST-plus-cess regime.

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Practice MCQs

1. In which year was the Tobacco Board established, and where is it headquartered?

A. 1965, Mumbai

B. 2003, New Delhi

C. 1976, Guntur

D. 1991, Chennai

See answer ↓

2. Which state produces the largest overall share of India's tobacco?

A. Andhra Pradesh

B. Uttar Pradesh

C. Gujarat

D. Karnataka

See answer ↓

3. Which state leads India specifically in Flue-Cured Virginia (FCV) tobacco, the type used mainly in cigarettes?

A. Punjab

B. Gujarat

C. Rajasthan

D. Andhra Pradesh

See answer ↓

4. Since 2016, at least what percentage of the principal display area of a tobacco pack must carry health warnings in India?

A. 85%

B. 50%

C. 65%

D. 100%

See answer ↓

5. Which law is India's main tobacco-control legislation, restricting advertising and public smoking?

A. The Food Safety and Standards Act

B. The Consumer Protection Act

C. The Drugs and Cosmetics Act

D. The Cigarettes and Other Tobacco Products Act (COTPA)

See answer ↓

6. On 10 July 2026, a Ministry of Commerce and Industry team reviewed which state's FCV Tobacco Marketing Season 2025-26?

A. Uttar Pradesh

B. Gujarat

C. Andhra Pradesh

D. Karnataka

See answer ↓

7. The July 2026 review of Andhra Pradesh's FCV tobacco sector covered which initiative, alongside restructuring the Tobacco Board?

A. Banning FCV tobacco exports temporarily

B. Introducing AI-based grading

C. Merging the Tobacco Board with the Spices Board

D. Privatising the Tobacco Board entirely

See answer ↓

8. On his 26 July 2026 follow-up visit to Andhra Pradesh, which official met directly with CM N. Chandrababu Naidu over the FCV tobacco market?

A. Rajesh Kumar Singh

B. Piyush Goyal

C. Nitin Kumar Yadav

D. Sunil Barthwal

See answer ↓

Answer Key

1. **C.** The Tobacco Board was set up in 1976 under the Tobacco Board Act, and is based in Guntur, Andhra Pradesh. ↑ Q1
2. **C.** Gujarat produces about 45% of India's total tobacco, more than any other state, though most of it isn't cigarette-grade FCV tobacco. ↑ Q2
3. **D.** Andhra Pradesh leads in FCV tobacco production, even though Gujarat leads in total tobacco output across all types. ↑ Q3
4. **A.** Since 2016, health warnings must cover at least 85% of the principal display area of a tobacco pack. Within that area, 60% is the pictorial warning. The other 25% is the textual warning. These are among the strictest rules worldwide. ↑ Q4
5. **D.** The Cigarettes and Other Tobacco Products Act, 2003 (COTPA) is India's main tobacco-control law. ↑ Q5
6. **C.** The team reviewed the Andhra Pradesh FCV Tobacco Marketing Season 2025-26, in Hyderabad. ↑ Q6
7. **B.** The review covered Tobacco Board restructuring, Growers' Welfare Fund enhancement, simplified registration, and AI-based grading. ↑ Q7
8. **C.** Additional Secretary Nitin Kumar Yadav, who had led an earlier 10 July review, returned to Andhra Pradesh and met CM Chandrababu Naidu directly. ↑ Q8

Quick-check answers

1. **True.** ↑ 1
2. **False.** ↑ 2
3. **False.** ↑ 3

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