

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2660  
ANSWERED ON:16.03.2007  
POPPY CULTIVATION  
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government proposes to open opium processing to private players;
- (b) if so, the details and reasons therefor;
- (c) whether the Government has reduced the area of poppy cultivation in the country; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a): Yes, Sir.

(b): The Narcotic Drugs and Psychotropic Substances Rules, 1985 have been amended to allow the manufacture of specified opium alkaloids/ active pharmaceutical ingredients by persons or entities other than Government Opium & Alkaloid Factories, after obtaining license. The Government has determined that it is in public interest to license two Indian companies for this purpose. Expressions of Interest from interested and eligible Indian pharmaceutical companies in the public sector, private sector or joint sector having an annual turn over of at least Rs.50 crores during each of the past three years; having a strong record of compliance with law subject to their not being marketing agents of any foreign supplier/buyer of narcotic materials have been invited.

The reasons to allow the manufacture of opium alkaloids/ active pharmaceutical ingredients in private sector are:

- (i) to increase the domestic licit consumption of raw opium and thereby liquidate/ reduce the large stocks of opium lying in the Government Opium and Alkaloid Works, Neemuch and Ghazipur;
- (ii) to increase the indigenous manufacture of codeine phosphate/opium alkaloids/ and active pharmaceutical ingredients so as to meet the present shortfall and the growing future demand for these ingredients;
- (iii) to gradually reduce the need for imports of codeine phosphate and other alkaloids undertaken by the Chief Controller of Factories;
- (iv) to open avenues for export of opium alkaloids/ active pharmaceutical ingredients;
- (v) to protect the livelihood of opium cultivators by way of continued traditional cultivation of opium; and
- (vi) to improve the socio-economic condition of our opium cultivators through more remunerative price for their produce.

(c): Yes, Sir.

(d): The details of the area (harvested in hectares) of poppy cultivation undertaken by licensed cultivators under the supervision of Central Bureau of Narcotics, in the tracts notified by the Central Government in the last three crop years in the States of Madhya Pradesh, Rajasthan and Uttar Pradesh are as under :

State	Crop Year	Crop Year	Crop Year
	2003-04	2004-05	2005-06
	(Provisional)		

Madhya Pradesh	8565	3876	3500
Rajasthan	8461	3918	3411
Uttar Pradesh	1565	39	65
Total	18,591	7,833	6,976