

Business Standard

AP tobacco growers seek compensation package from Centre

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Tobacco growers of Andhra Pradesh Tuesday urged Union Commerce Minister Piyush Goyal to extend a compensation package of Rs 20 per kilo on low-quality tobacco to help reduce the farmers' misery.

A delegation of tobacco growers, led by Rajya Sabha member G V L Narasimha Rao, met the Union Minister and submitted a memorandum in this regard.

The MP informed the Minister, on behalf of the farmers that the tobacco growers were in distress because of drought in the last five years.

Low rainfall had resulted in production of large quantity of low quality tobacco, particularly in backward districts like Prakasam.

"I have visited some tobacco auction platforms in Prakasam district last week and witnessed the agony of the farmers. The price has fallen from Rs 100 to Rs 80 since the auctions began two months ago. In a meeting of the Tobacco Board, attended by the traders and exporters, I raised the concerns of the farmers," Narasimha Rao said.

In a similar situation in 2015, the Centre had given a compensation package of Rs 20 a kilo, he recalled.

The MP pointed out that the Tobacco Board was earning a revenue of over Rs 40 crore by levying a 15 per cent penalty on excess production of tobacco.

"Even as the overall production in the state is less than the authorised quantity, the penalty is being charged to the farmers. There is a government policy to encourage tobacco farmers to shift to alternative crops. But there is a good potential for export earnings from tobacco from new markets like China," the Rajya Sabha member said.

A stable, long-term policy would help secure the future of tobacco farmers, he added.

Rao wanted the Centre to completely waive or lower the penalty on excess production and also extend a suitable compensation package of Rs 5-10 lakh per barn to enable tobacco growers to switch to alternative crops.

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