

Tobacco farmers welcome bailout announced by CM

S. Murali | ONGOLE, June 19, 2020



Tobacco farmers offering thanks to Chief Minister Y.S. Jagan Mohan Reddy after the government announced a bailout for the sector, in Ongole on Friday. | Photo Credit: [Kommuri Srinivas](#)

Tobacco growers on Friday welcomed Chief Minister Y.S. Jagan Mohan Reddy's 'bold and historic' decision to bail out the sector through market intervention.

The tobacco sector has been among the hardest-hit in the wake of the lockdown, coupled with a decline in demand owing to a global economic downturn.

Leading tobacco farmers in offering a 'Palabhishekam' to a portrait of the Chief Minister here, Andhra Pradesh Tobacco Growers' Cooperative Union chairman V. Basivi Reddy said that the marketing wing of the State Government would purchase whatever tobacco stocks not purchased by traders, and export the same as and when demand picks up.

The Chief Minister had assured the growers to allot whatever amount required, and said the government was ready to bear any losses during the market intervention operation, said YSRCP farmers' wing (Prakasam district) president Mareddy Subba Reddy. The Chief Minister had also promised to opt for a crop holiday as sought by a section of farmers during the next cropping season if necessary, in order to facilitate liquidation of this year's stocks that were lying unsold, he said.

Former Tobacco Board member P. Bhadri Reddy said the erstwhile NTR and YSR Governments had advanced interest-free loans to the union for market intervention. However, the present Chief Minister went a step further to earmark up to ₹1,300 crore to purchase the unsold tobacco, he said.

Farmers' Welfare Association president in Ongole II auction platform V.V. Prasad wanted the government to ensure a minimum price of ₹190 per kg for bright grade, at least ₹150 per kg for medium grade, and not less than ₹100 for low grade.

It was a double whammy for farmers as after untimely rains, the prolonged lockdown coinciding with the peak of marketing season led to a fall of over 30% in the prices for various grades prevailing before the lockdown. Farmers in the State were saddled with an unsold stock of over 80 million kg of tobacco with traders picking up less than 30% of the produce so far.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/tobacco-farmers-welcome-bailout-announced-by-cm/article31872910.ece>