

## State tobacco farmers seek concession on penalty levied on unauthorised crop

Special Correspondent | MYSURU , July 06, 2020



Tobacco farmers in Karnataka, who pay a penalty for unauthorised or excess crop every year, are looking forward to a concession from the Centre this year in view of a similar gesture extended to their counterparts in Andhra Pradesh.

While thousands in Karnataka grow the crop without licenses issued by the Tobacco Board, most licensed farmers also grow tobacco in addition to their authorised quota every year, coughing up crores of rupees in penalty. However, the farmers are hoping save a good portion of the penalty this year after the Union Ministry of Commerce and Industry decided to bring down the penalty as a gesture to the farmers of Andhra Pradesh, who had been hit hard by the fall in prices of tobacco due to COVID-19.

The penalty was brought down to 10% from the regular 15% levied on the proceeds of the sale of tobacco cultivated by unlicensed growers. The penalty levied on licensed growers for cultivating excess tobacco over and above the limit of 10% of their authorised quota has also been brought down to 10% from the regular 15% of the proceeds of the sale.

Also, the penalty levied on licensed growers for cultivating excess tobacco of upto 10% of their authorised quota had been brought down from 7.5% to 5% of the proceeds of the sale.

Though the Centre's notification, issued on June 26, 2020, specifically pertains to Andhra Pradesh, president of Virginia Flue Cured (VFC) Tobacco Growers' Federation of Karnataka Javare Gowda said the same concession has to be extended to tobacco growers in Karnataka too when the auction season here starts in September this year. The notification has been issued for Andhra Pradesh farmers now as their auction season is under way. "Now, Karnataka farmers too will have the right to claim the concession when our auction season starts here," he reasoned.

The concluding auction season in Karnataka saw tobacco crop surpassing the ceiling of 100 million kg fixed by the Tobacco Board by recording a sale of 106 million kg, making penalty applicable on

more than 6 million kg of tobacco that had been cultivated either in excess of the quota by licensed growers or grown by unlicensed tobacco.

Mr. Gowda estimates that the tobacco farmers of Karnataka coughed up anywhere between ₹25 to ₹30 crore during the concluding auction season. The penalty thus collected on the proceeds of the sale is contributed to the Tobacco Fund along with ₹2 for every kg of excess and unauthorized tobacco.

For 2020-21, the Tobacco Board had initially fixed a crop size of 99 million kg in Karnataka, but later brought it down to 88 million kg in view of the likely dip in global demand due to the pandemic. Each of the estimated 56,000 licensed tobacco growers in Karnataka are permitted to grow upto 1,552 kgs. Tobacco grown over and above the authorised quota of 1,552 kg by each licensed farmer can be sold only by payment of penalty.

Meanwhile, sources in the Tobacco Board in Karnataka confirmed that the concession is likely to be extended to farmers in Karnataka also. Mysuru MP Pratap Simha too had taken up the matter by writing to the officials in the Union Ministry of Commerce and Industry and Tobacco Board in New Delhi seeking concession to farmers in Karnataka.

**Source:** <https://www.thehindu.com/news/national/karnataka/state-tobacco-farmers-seek-concession-on-penalty-levied-on-unauthorised-crop/article31997286.ece>