

Farmers plead not to double tobacco cess

It will make our produce uncompetitive in the global market, they say

S. MURALI
ONGOLE

Farmers in the traditional tobacco growing areas in Prakasam and Nellore districts have urged the Centre not to hike the cess on tobacco crop from 2% to 4%.

Farmers, who met under the leadership of Tobacco Board member Mareddy Subrahmanyeswara Reddy on Wednesday, opined that the increase in cess proposed under the Tobacco Board (Amendment) Bill 2022 would make the produce uncompetitive in the global market. The proposal came as a big shock to the farmers as they were already struggling to raise the crop under adverse weather conditions and the rise in cost of



A file picture of tobacco auction in Ongole. Farmers wrote to Union Commerce Minister Piyush Goyal stating that any increase in cess would dent exports. ■ KOMMURI SRINIVAS

production year after year, he said.

In this context, the farmers from the Southern Black Soil (SBS) and Southern Light Soil (SLS) regions pointed out that their counterparts in countries like Brazil and Zimbabwe enjoyed incentives not only during crop production but also during export of their produce. Even if the cess was imposed only on the traders, they would have

to bear it, they said, urging the Centre to continue with 1% cess each on farmers and traders.

In a letter to Union Commerce Minister Piyush Goyal, they said any increase in cess would adversely affect the Union Government's target to increase tobacco exports by 30%.

New technologies
The Centre should consider

stepping up investments in new technologies and help farmers go for mechanisation as they were confronted by labour shortage of late. A crop insurance scheme to cover the climate risks and also a group health insurance scheme for them to meet any emergencies like the one witnessed during the COVID-19 pandemic were the need of the hour, they said.

The farmers also wanted the Centre to form special vigilance committees to curb illicit cigarettes which accounted for more than 25%. This indirectly hit the demand for their produce and hurt the legal cigarette industry which paid excise duty and other taxes. The farmers also pressed for supply of green manure seeds and fertilizers in time by the Tobacco Board.

They thanked the Centre for reducing the penalty to 5% on value and ₹1 per kg of tobacco in the larger interest of the farmers during last year.

