

High taxes, stringent regulations crippling tobacco farming: FAIFA

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Guntur: Federation of All India Farmer Associations (FAIFA), which represents millions of tobacco farmers and farm workers, has urged the Centre to take a relook at the high taxation and stringent regulations as they were crippling farming sector.

The association said that low production of the crop, lack of export incentives and non-stop smuggling of illegal/contraband stocks also need close monitoring by the Centre to bail out the tobacco farmers from the red.

The FAIFA celebrated World Tobacco Growers' Day on Friday in the presence of scores of tobacco farmers. Tobacco board member Mareddy Subrahmanyeswara Reddy said that Flue-Cured Virginia (FCV) farming community has faced losses of over ₹6,000 crore, with a drop in FCV tobacco production from 325 million kg in 2014-15 to 180



million kg in 2020-21. "Rising illicit cigarette trade has become rampant due to the high taxes being imposed by the Centre," said Reddy.

He explained that India is the fourth largest and fastest growing illegal cigarette market in the world. The illicit cigarette market in India has doubled from a level of 13.5 billion sticks in 2006 to 30 billion sticks in 2021. "As smuggled cigarettes do not use Indian tobacco, the off-take of tobacco for manufacture of legal cigarettes in India is declining. As a result, FCV cultivation is reducing and farmers are incurring a loss in excess of ₹1,300 crore every year. We demand immediate and strict regulations to curb

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rising illicit cigarette markets so that Indian farmers can benefit," said G Seshagiri Rao, vice-president of FAIFA.

Rao said that tobacco is providing direct and indirect employment to over 47.5 million people, around 70% of whom are in farm sector.

FAIFA general secretary PS Murali Babu said WHO's Framework Convention on Tobacco Control recommended the need to balance socio-economic dependence of tobacco cultivation and tobacco control activities. However, anti-tobacco activists in India are pushing policy makers to work against the growers. He urged policy makers to take steps which will not precipitate the crisis going forward.