



World Tobacco Growers' Day: Ryots urge govt. to cut taxes on domestic products, curb smuggling

Demand slump led to lower production and loss of income for farmers and workers, says Federation of All India Farmer Associations

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The Federation of All India Farmer Associations (FAIFA), on behalf of FCV Tobacco farmers', appealed to the government to reduce the high taxation on domestic products and curb the sale of smuggled cigarettes.

At a programme held in connection with World Tobacco Growers' Day (WTGD) here on Saturday, October 28, FAIFA urged the Union government to enforce stringent regulations to curb smuggling of cigarettes. Low production of tobacco and lack of export incentives are among the problems of the FCV tobacco growers in the country, the federation said.

Executive committee member of FAIFA Mareddy Subrahmanyeswara Reddy, who is also a Member of the Tobacco Board, said that they had organised an awareness rally on their issues in Ongole. The federation, along with the International Tobacco Growers' Association (ITGA), is celebrating the day for the 12th consecutive year. "India has embraced this event since the beginning in order to promote a positive socio-economic impact of tobacco in our country. Tobacco provides direct and indirect employment to more than 45.7 million people, 70% of them in the agricultural sector," he said.

The studies conducted by the Central Tobacco Research Institute (CTRI), Rajamahendravaram, have shown that FCV tobacco is more remunerative than other crops grown in the region, and is difficult to substitute, he said.

Tobacco products generate tax revenues of more than ₹70,000 crore annually. In addition, foreign exchange earnings through the export of tobacco and tobacco products garner about ₹13,000 crore per annum, he said.

However, the demand for FCV tobacco has reduced considerably post 2013-14 due to a sharp decline in legal cigarette volumes on account of high taxes and growth of illegal cigarette trade. The earnings of FCV tobacco farmers have shrunk cumulatively by more than ₹7,500 crore and an estimated 35 million man-days of employment has been lost due to a fall in demand. The crop size reduced to 189 million kg in 2021-22 from 316 in 2013-14, he said.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/world-tobacco-growers-day-ryots-urge-govt-to-cut-taxes-on-domestic-products-curb-smuggling/article67470162.ece>