

FAIFA wants tobacco crop area raised

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As the crop size decreases and smuggling of cigarettes impacts sales, tobacco farmers have asked the Union Government to increase the crop size and promote export of the commodity.

The crop size is on the decline owing to health concerns. But the focus on finding suitable alternatives has not been commensurate with the fall in crop size, the Federation of All India Farmer Associations (FAIFA) has said.

The crop size in Andhra Pradesh is at 115 million kg this year, down from 135 mkg last year.

“The export opportunity for tobacco has been significantly reduced. The number of countries to which tobacco is exported has come down to 80 from 120, adversely impacting the business prospects,” Murali



Babu, General Secretary of FAIFA, told *BusinessLine*.

“Besides, the government has removed tobacco export incentives, making the country less competitive in the global market, while countries like Zimbabwe and Malawi are encouraging their tobacco farmers by providing incentives and subsidies,” he pointed out.

Citing the recent pruning of crop sizes by the Tobacco Board in Andhra Pradesh and Karnataka, he said, the per barn cost of production would remain unchanged,

while there would be no increase in the returns. Farmers spend about ₹1.20-1.30 lakh an acre per barn (which covers about 3.5 lakh acres of tobacco farm). “While the overheads remain the same, the returns would be less, leading to losses to the farmers,” he said.

The association appealed to the Government to involve the farmers while framing tobacco control regulations.

Javare Gowda, President of FAIFA, claimed that the Flue-Cured Virginia (FCV) farmers suffered a loss of over ₹6,000 crore as the output dropped to 210 mkg in 2019-20 from 325 mkg in 2014-15.

“This is primarily because of rising illicit cigarette trade in the country on account of higher and punitive taxation on cigarettes due to which legal cigarette volume sales have dropped significantly.”