



Centre permits farmers to sell excess tobacco without penalty

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The Centre has accorded permission for tobacco farmers to sell excess tobacco that had been cultivated in Karnataka during 2023-24 crop season without any penalties.

A statement from the Office of Regional Manager, Tobacco Board, Mysuru, said the Union Minister for Commerce and Industry Piyush Goyal has waived off penalties to be levied for sale of excess tobacco produced by registered growers and the unauthorised tobacco cultivated by unregistered growers for the crop season 2023-24 in view the drought conditions that prevailed during the season.

As a controlled crop, tobacco can be cultivated only by licensed growers upto a limit authorised by the Tobacco Board. The Board had permitted 100 million kg of tobacco in Karnataka for the crop season 2023-24 and fixed the quota per barn owner.

In the wake of the Centre's notification dated January 23, 2024, the Tobacco Board said the excess tobacco produced by registered growers and unauthorised tobacco cultivated by unregistered growers will be permitted for sale at the auction platforms of Tobacco Board at normal applicable service charges without any additional charges or penalties during 2023-24 crop season.

"Hence, all the registered growers, who have produced excess tobacco and the unregistered growers who have produced unauthorised tobacco are requested to submit the required declaration-cum-undertaking forms at the auction platform concerned for permitting sale of the excess/unauthorized tobacco," said a statement issued by the Tobacco Board's Regional Manager in Mysuru on Wednesday.

The auction of Flue Cured Virginia (FCV) tobacco in Karnataka for the crop season 2023-24 commenced on September 25, 2023. A total of 84 auction days had been completed on January 23, 2024, and a total of 63.44 million kg of leaf tobacco had been marketed at an average price of ₹ 249.78 per kg.

With the yield of tobacco estimated to be about 82.85 million kg this year, marketing of 76.57% of leaf tobacco has already been completed, the statement said.

While the average price for bright grade tobacco stood at ₹ 257.65 per kg, the medium grade tobacco's average price was ₹ 253.03 per kg. The low grade variety's average price was ₹ 237.55 per kg.

"When compared to the previous season, an increase of ₹ 17.59 per kg for bright trade tobacco and ₹ 20.65 for medium grade tobacco and ₹ 26.27 per kg for low grade was received during this year. Overall, the prices during the year were higher by ₹ 21.78 per kg when compared to the previous year due to buoyant market conditions," the statement said.

The statement pointed out that the prices for scrap and bits of tobacco were also very good during the ensuing auction season. A total of 2.9 million kgs of scrap and bits tobacco was marketed at an average price of ₹ 146 per kg, which is ₹ 38.57 per kg higher compared to previous year.

The Regional Manager of Tobacco Board has requested the growers to participate actively in the ongoing auctions while appealing to them to "liquidate their stock immediately as the market is buoyant and stable and to not further wait and fall in the trap of middlemen or commission agents by selling their stock illegally."

Source: <https://www.thehindu.com/news/national/karnataka/centre-permits-farmers-to-sell-excess-tobacco-without-penalty/article67772559.ece>