

Centre, Andhra Pradesh announce relief package for tobacco farmers

Interest-free loans of ₹50,000 for about 45,000 farmers, State incentive for low-grade tobacco and assured minimum purchase prices to take effect from August 3

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Union Minister of State for Communications and Rural Development Pemmasani Chandra Sekhar on Sunday announced a relief package comprising credit and price support for tobacco farmers, following consultations involving the Tobacco Board, buyers and exporters. The measures will come into effect from August 3.

Addressing the media in New Delhi, Mr. Chandra Sekhar said the Union government would provide interest-free loans of ₹50,000 each to about 45,000 tobacco farmers. The loans, repayable over two years, would involve an outlay of around ₹250 crore.

He said the Andhra Pradesh government would provide an incentive of ₹10 per kg for low and off-style varieties of tobacco, with the amount to be credited directly to the beneficiaries' bank accounts.

Mr. Chandra Sekhar said exporters had agreed to pay a minimum purchase price of ₹230 per kg for the bright variety, ₹190 per kg for the medium variety, ₹130 per kg for the off-style variety and ₹110 per kg for the low variety.

He said the Tobacco Board had been directed to auction at least two million kg of tobacco a day so that the marketing process could be completed before the arrival of the crop from other States.

The Minister said the Tobacco Board had approved production of 140 million kg of Flue-Cured Virginia (FCV) tobacco for the 2025-26 season. However, production exceeded the target by about 90 million to 100 million kg. Coupled with the impact of global conflicts on exports, the excess production led to a steep fall in prices, causing hardship to farmers.

He said the interest-free loans and price support announced by the Union and State governments would provide much-needed relief to the farming community.

Mr. Chandra Sekhar also alleged that the previous YSR Congress Party government had procured tobacco only once during its five-year tenure, spending ₹105 crore. In contrast, he said, the present coalition government had procured black burley tobacco worth ₹146 crore through AP-Markfed last year.



Union Minister of State for Communications and Rural Development Pemmasani Chandra Sekhar | Photo Credit: File photo

Source: <https://www.thehindu.com/news/national/andhra-pradesh/centre-andhra-pradesh-announce-relief-package-for-tobacco-farmers/article71298082.ece>