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Press Release

FAIFA appeals to Government to Roll Back on 5% GST imposed on Raw Tobacco.

Amaravathi, 12th June 2017: Federation of All India Farmer Associations (FAIFA), a non-profit organization representing the cause of millions of farmers and farm workers of commercial crops across the States of Andhra Pradesh, Telangana, Karnataka, Gujarat etc. Today, Tobacco Farmers across Andhra Pradesh, who have grown tobacco much against odds after a bad cropping season in the last two years, on Friday stalled auctions in all platforms on Monday fearing steep fall in the market in the wake of the Centre imposing GST on tobacco leaves and unmanufactured tobacco. Farmers' further appealed to the Government of India to Roll Back on 5% GST imposed on Raw Tobacco. Farmers appealed to Government that such unrealistic imposition of GST on Raw Tobacco will severely endanger their livelihoods. **Farmers' demanded Government to treat the tobacco crop like any other agricultural crop.**

Gadde Seshagiri Rao, Vice President of FAIFA said "we, Farmers from different auction platforms in the SBS region, in a display of protest took stock of the situation arising out of 5% GST on reverse basis on tobacco leaves and 28% on unmanufactured tobacco, and decided not to bring our produce to the market.

Mr. Rao reminded that "Tobacco industry including Growers faced huge difficulties in Central Excise regime. On careful consideration of all issues and difficulties of growers and trade, Charan Singh Government removed the Central Excise on Raw Tobacco and Unmanufactured Tobacco. Imposition of GST now would bring a similar chaotic situation.

Another FAIFA member and president of NLS Virginia Farmers Association, Parimi Rambabu stated that, "GST is Threatening the market and livelihood of millions of farmers and farm workers. He further stated that tobacco crop should be treated like any other agricultural commodity. Such unrealistic imposition of 5% GST on raw tobacco will only endanger the lives of farmers' whose one and only livelihood is tobacco crop."

Karatam Reddy Naidu, Honorary president of FAIFA pointed out that "by imposing 5% on tobacco leaves, is not correct as some of tobacco crops used for bidis and other products are not brought to tobacco auction floors or APMCs but are sold in local mandies and villages in an unorganized manner. Achieving GST compliance in remote villages where non-FCV tobacco is bought may not be possible like any other agricultural commodity".

Karuturi Srinivas, executive member of FAIFA explained that "Imposing GST on tobacco leaves and unmanufactured tobacco would make the tobacco sector of India uncompetetive and will only result in further diminishing the livelihoods of tobacco farmers. The flue-cured virginia tobacco production is already well-regulated, accounting for every kg of FCV crop produced and no further curbs are required" he further added.

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" We will step up the stir till the Centre and the State agencies intervene in scrapping down this 5% GST on raw tobacco, millions of farmers' and farm workers lives are at stake", stated, Achanta Gopala Krishna, another executive member of FAIFA stated.

Members of FAIFA expressed their disbelief and disappointment as they expected raw tobacco among the commodities that received GST relief at GST-Review meeting held on 11th of June 2017. Tobacco farmers' demand the Government to roll back 5% GST on Raw Tobacco in the upcoming GST-Review meeting to be held on 18th of June 2017. All the farmers' requested the Government not to endanger their livelihoods by imposing 5% GST on Raw Tobacco and it is imperative that Government should value the sentiments and hardships of tobacco farmers' and maintain Status Quo to sustain the livelihoods of Tobacco Farmers' by treating the Tobacco crop on par with other Agricultural Crops and save Tobacco Growers and agricultural laborers who are dependant on this crop.

For Further Information- Please contact

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