

MP seeks licence for 11,000 unauthorised tobacco growers

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Pratap Simha, Mysuru Lok Sabha MP, has sought licences for 11,000 unauthorised tobacco growers in Mysuru, Chamarajanagar and Hassan districts.

Mr. Simha, who met Minister for Commerce Piyush Goyal in New Delhi, submitted a memorandum seeking licences to the cultivators, who end up paying a hefty penalty to the Tobacco Board. Unauthorised tobacco growers pay an additional 15% tax on the tobacco they sell, besides a penalty of ₹2 for every kg of tobacco.

There are 41,000 farmers who possess licences to cultivate tobacco in Karnataka. Each licensee is allowed to grow 1,750 kg of tobacco per barn. Farmers hold licences for single barn or double barn.

Meanwhile, the President of Virginia Flue Cured (VFC) Tobacco Growers Federation of Karnataka, Javare Gowda, said licenced tobacco growers will have no objection to issue licences to unauthorised growers as long as the Board does not reduce the quantum of tobacco permitted to each licence- holder.

The Board imposes a ceiling on the tobacco crop for each year and permits each licence-holder to grow 1,750 kg for every barn. If the number of licensees is increased, the ceiling on the tobacco crop should also be increased, Mr. Gowda said.

Mr. Simha, during his meeting with Mr. Goyal, also sought permission of shifting of tobacco barns between two growers. The Tobacco Board has presently imposed curbs on shifting of barns on the grounds that the practice would lead to regularisation of unauthorised tobacco.

After unauthorised tobacco growers purchase licences from existing licensees, the seller dismantles her or his barn while the purchaser sets up a barn in his field. The sale of tobacco licences is registered in the sub-registrar's office by paying the applicable stamp duty.

Mr. Gowda said the Board's fears on the score are unfounded. For, the quantum of tobacco will remain the same when the licences change hands. "Whatever the seller was growing will now be grown by the purchaser of the licence. How will there be any increase in the quantum of tobacco?" Mr. Gowda wondered.

However, the going rate for each single barn licence ranges from ₹1 to ₹1.5 lakh depending on the area, while the cost of a double barn is between ₹2.5 to ₹3 lakh, according to tobacco farmers. Despite the curbs, the Board has been issuing time-bound permission for sale of tobacco licences. "Normally, they give permission for one year and the same is renewed almost every year," a farmer said.

Source: <https://www.thehindu.com/news/national/karnataka/mp-seeks-licence-for-11000-unauthorised-tobacco-growers/article28419636.ece>