

Tobacco farmers worry over proposed hike in National Calamity Contingent Duty

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Farm workers are busy moving tobacco leaves for curing from a farm to a tobacco barn at Mangamoor, near Ongole. | Photo Credit: [Kommuri Srinivas](#)

‘Move will pave the way for smuggling of illegal cigarettes into the country’

Worried over the hike in the National Calamity Contingent Duty (NCCD) on cigarettes proposed in the Union Budget, flue-cured tobacco farmers on Friday urged the Centre to withdraw the NCCD and maintain tax stability to safeguard their livelihood.

Ahead of the e-auctions scheduled to begin in the auction platforms of Ongole I, Velampalli, Kondepi, Podili, Kanigiri and D.C.Pally from February 17, farmers at a meeting here pointed out that it was unfortunate that NCCD on tobacco products alone was continued at a time when all other taxes and surcharges were withdrawn under the new GST regime to avoid cascading of taxes.

The unimaginative taxation policy of the Centre paved the way for smuggling of illegal cigarettes into the country, which according to an international market research agency, was the fourth largest illegal cigarette market in the world and reduce the demand for locally-grown tobacco, they said.

‘Revenue loss’

Illicit cigarette trade, according to an estimate, had increased from 11.1 billion sticks in 2004 to 25.6 billion sticks in 2018, resulting in an annual revenue loss of ₹13,000 crore to the exchequer, they said.

Illegal trade thrived as a result of extremely high and constantly increasing tax rates on cigarettes and retailers pushed the sale of such cigarettes in view of higher trade margin, they explained. Moreover the smuggled cigarettes pushed by anti-social elements do not carry any pictorial warnings stipulated by the authorities defeating the very purpose of the tobacco control regime.

The farmers wanted the Tobacco Board and the Union Commerce Ministry to impress upon Union Finance Minister Nirmala Sitharaman to consider their demand sympathetically during the discussion on the Budget in Parliament as lakhs of farmers, farm labourers and workers are depended on the sector for livelihood, tobacco growers association leader in Ongole II auction platform V.V.Prasad said after the meeting.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/tobacco-farmers-worry-over-proposed-hike-in-national-calamity-contingent-duty/article30821825.ece>