

Woes of tobacco growers

By Tahir Ali

TOBACCO growers in Khyber Pakhtunkhwa have suffered this year because of lower than expected price of their bumper crop and the devastation caused by the floods. They say they may reduce tobacco cultivation next year for want of right price.

According to Haji Niamat Shah Roghani, vice-president of Anjuman-e-Kashtkaran, KP, the estimated cost of tobacco production for the current year is Rs165 per kg while the weighted average price (Wap) of per kilogramme notified by the Pakistan Tobacco Board is Rs98.

"The price should have been around Rs200 per kg as cost of farm inputs has increased exorbitantly. Because of increase in production cost, the farmers are not getting good returns. Last year companies purchased tobacco from growers at Rs100 per kg as against the Wap of Rs82 per kg. This year, the Wap is Rs98 but companies are buying the commodity at Rs103-115/kg," he said.

"As per the law (MLO No.487), tobacco firms are bound to purchase the entire tobacco crop from growers. Companies often delay procurement. This hurts the

agents. Rather than purchasing through the middlemen, companies should buy tobacco directly from growers. The delay in payments to growers, on an average by six months, leaves them unable to prepare their fields for the next crop," Roghani added.

On an average 74.5 million kg tobacco is annually produced in the country. Khyber Pakhtunkhwa alone can produce 300 million kg annually provided the government and tobacco companies support the farmers through good prices, free or subsidised inputs and soft loans," he added.

Abdul Akbar Khan, senior president and chairman Kissan Board Pakistan, said due to less tobacco yield last year, tobacco companies had encouraged farmers to grow more tobacco. Farmers had a bumper crop this year but the companies did not offer good prices.

"While last year, the companies had extended price well over Rs18-20 per kg above the Wap, this year they only went above it for a few rupees. The cost of per hectare yield has gone up manifold but tobacco firms are not ready to offer competitive prices. Farmers will be left with no option but to reduce the crop production or bring down tobacco acreage next year," he added.

The companies' demand for this year

start of growing season each year, but illiteracy among farmers, lack of coordination among the growers and tobacco companies and PTB leaves them unaware to their advantage.

He said while the cost of per hectare production of tobacco was fixed on the basis of 3000kg per hectare yield, companies made purchase agreements with farmers on the basis of 21,000kg PHY which goes against the interest of growers.

Khan said the recent floods had damaged about one million kg tobacco crop in Charsadda alone inflicting Rs4.4 billion loss to farmers. The tobacco growers in the flood-hit areas must be compensated for their losses," he added.

He said lack of sound agriculture policy had made things worst for the farmers. It has often resulted in a problem of plenty or shortage. A sound agriculture policy would ensure that the extreme fluctuations in prices of the commodities are not experienced," he added.

"Two big tobacco companies are paying less prices to farmers. While smaller companies are offering competitive prices. Why this can't be done by big ones," Roaghni asked.

"Tobacco industry employs over three million people directly or indirectly. It contributes billions of rupees to the na-



Photo by the writer

farmers who don't have storage facility. Tobacco companies should start purchases in time. Also, they usually announce closure of purchase centres without procuring farmers' yield. This compels them to sell their produce at throw away price to companies or the middlemen," he said.

"Farmers are also being deprived of their possible gains by the commission

was 65-66 million kg. "They have purchased double that quantity but at the minimum price which is a great injustice to the farmers. While the companies sorted out the best tobacco leaves in the earlier stages, they left out the rest which is being purchased at lower rates by companies' agents

To a question he said, the companies do announce their demand before the

tional kitty in different taxes. It also saves dozens of billions by saving imports of cigarettes besides earning millions in exports.

"But the money is not being spent on the development of tobacco growing areas or on supporting the tobacco growers," said Roghani and urged a special fund for the development of tobacco specific areas of the province.