

CHAPTER-II

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In the present chapter an attempt is made to study the background of the agitation in the light of exploitation of tobacco growers.

EXPLOITATION OF TOBACCO GROWERS :

Tobacco has been cultivated in the Nipani region since near about a hundred years and the trade or business of tobacco has been going on since last ninety years. Tobacco traders are middlemen or serve as a link between the tobacco growers and bidi manufacturers or bidi industrialists in the country. The tobacco growers of the Nipani region are among the most neglected section of agriculturists in Karnataka. They are faced with two constant problems.¹ One is that of dry farming and low productivity and the other is that there are near about 35 to 40 thousand tobacco growers but only 52 traders of which five are major traders. Due to the first problem, whenever tobacco prices went up in the previous years, the advantages of it went mainly to those who had protective irrigation.² The second factor has introduced feudal characteristics in the tobacco market.

Because of the small number the traders have chances to communicate with each other. Often the leaders in the business play the role of price leader and thus collusive action by the traders is an obvious phenomenon in the market. Today the tobacco growers, 80% of whom grow on small holdings are at the mercy of traders and merchants who buy tobacco from the farmers at the rate ranging from Rs. 2-00 to Rs. 8-00 per kg.³

Tobacco being a cash crop the waiting power of the producer is limited. Besides, the possibility of product deterioration if not processed sooner and urgency of money force the grower to sell his produce immediately after harvesting often at an unfavourable price. Absence of scientific gradation, inadequate storage facilities, unjust market practices and lack of market information make the private trader ^{win} ~~with~~ over the producer-seller in the market.

Generally, the producer sells his produce in the primary market. Due to small quantity of produce, imperfect knowledge of market conditions, indebtedness etc. the farmer is exploited by the traders. The small tobacco producer has a very little say in quoting the price of his produce and has to sell his produce at the price the trader deems fit. The tobacco growers rarely get the benefits of fluctuations in market prices. In a year of good harvest

the prices fall to such an extent that inspite of high yields the growers are at a loss. They have been the victims of the operations of the middle men. AS there was no co-operative marketing system for tobacco, no organized market, the tobacco growers had to sell the produce to the traders at a very low price.⁴ On one pretext or other tobacco merchants try to scale down the prices. Sometimes they declare that there is bumper crop, hence they don't want tobacco. Sometimes when the market shows a steady rise in the tobacco rates, these purchasers unanimously boycott the market. They try to create artificial scarcity and try to keep the prices as low as possible.⁵

A memorandum submitted to the Government of Karnataka and the Central Government of India by the Tobacco Growers Action Committee (TGAC) listed the methods employed by the purchasers for exploiting the tobacco growers. They were as follows :

i) Nipani tobacco market has no uniform and standard method of weighment. In some towns and villages tobacco is sold and purchased on kilograms, while at other places (and they are many) it is sold and purchased in maunds. This maund too, is not standard. Its weight varies from 18 kgs. to 24 kgs. from a town to a town and a village to a village.

Weighment of consignment in the godowns of the traders was an opportunity to exploit the producer-seller. Weighment was done by the clerk of the traders in absence of the representatives of the APMC. The weighment clerks of the traders very systematically and deliberately under-weighed the weight of bodhs so that a clear-cut margin of atleast one kg. per bodh was enjoyed by the traders. The practice of one kg. on entire consignment known as 'Kata Soot', Kalam Soot or 'Labh Soot' was also not uncommon.

ii) No trader or purchaser enters into a written agreement as soon as the bargain is struck. Section 77 of the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 provide that as soon as sales are effected the agreements (known as Kabulayat) in triplicate are to be prepared by the respective commission agents in the market yard and by the respective traders in the remaining market area, a copy of which is to be given to the seller and the APMC each for information and record. Arrivals, sales, purchases, stocks etc. were not strictly supervised by the APMC and hence unjustified profits were made by the traders very systematically keeping their profits intact within the frame work of the law.

iii) There is no scientific method of gradation of tobacco. Gradation of tobacco was being done haphazardly on the basis of smoking test to judge the aroma, observation

of colour, thickness of leaves and smelling test to know the flavour. Gradation is done arbitrarily without any laboratory tests. It is left entirely to the diwanji (tobacco taster) who decides the grades. The diwanji is often in the pay of the trader and deliberately downgrades the quality of tobacco to bring down the prices.

iv) Market fee was another source of exploitation of the producers. According to the rules of APMC market fees are to be paid by the traders on aggregate net value of the commodity at the rate of Rs. 1/- per Rs. 100/- of value. But the traders realise from the growers 2% market cess and 2% entry tax. On the face of it, it seems that buyer-trader paid the market fees but in reality more often he deducted the market fees from the sale proceeds of the seller and thus passed the incidence to the latter.

v) Each area has its peculiar practices. Certain deductions are made in the purchase of tobacco. They are popularly known as 'cuts' and they vary from area to area. These cuts are -

1) Weightment of gunny bags - (Bardan soot) - It is a cut for the weightment of gunny bags. 3 to 4 kgs. are cut for the weightment of gunny bags.

2) Straw and dust deduction - (Kadimati soot) - It is a cut in favour of straw and dust as the traders argue

that the tobacco brought by the cultivator is raw and it consists of straw and dust; and hence the deduction of in favour of it is necessary. The traders have adopted a practice of deducting 1 to 3 kgs. of tobacco and sometimes even more per bodh. Eventhough consignments were kept clean and without stalks and earth, such discounts were made. This discount was fully unjustified.

3) Air cut - This deduction is made because the traders argue that due to climatic changes the weight of tobacco differs, therefore, deduction is necessary. One kg. is normally deducted as 'air cut' per bodh.

4) Cash Discount - Besides these, the traders also take from the producer the cash discounts ranging from 5 to 10 rupees per hundred villagewise. This cut is known as 'concession cut'.

vi) The bills of the sold out tobacco were not paid to the producers in a single instalment or at one time, but in 5 to 6 instalments throughout the year barring the growers whose bills were moderate. No interest was paid upon the unpaid amount of the producer. On the contrary, interest was recovered from the producer-seller upon the amount which he had borrowed during the rainy season. The due dates of instalments mutually fixed were not adhered to by the traders. As a result, the farmer had unnecessarily to spend on transport for collection of the bills.

Besides this, some of the tobacco traders and merchants keep tobacco growers in perpetual indebtedness by advancing money for agricultural operations at usurious rates of interest, and whenever farmers tried to come together many times in the past, each time their attempts were defeated by the traders and merchants.

The tobacco producers of this area had a feeling that they were exploited in a bad way by the traders. It was possible for them because the business of tobacco was monopolized by a few traders and the producers were not united. Therefore, slowly and steadily the tobacco growers developed a feeling that there was no other way to change the situation but to fight unitedly by launching an agitation to end this exploitation. It was the feeling among the tobacco growers that their earlier attempts at amelioration of their conditions failed because of certain reasons.

THE BACKGROUND OF THE TOBACCO
GROWERS' MOVEMENT :

1) SLOW IMPLEMENTATION OF ESTABLISHMENT OF MARKET COMMITTEE :

The history of tobacco growers' movement dates back to 1956. The local leaders from many villages of this region had been demanding the establishment of Agricultural Produce Market Committee to regulate the transactions regarding

agricultural commodities and to eradicate indirect sales. They wanted to promote direct auctions. The APMC - Nipani with its headquarters was established in the year 1956. The whole area of Belgaum district was declared as its market area. Establishment of the market committee and regulation of marketing of principal agricultural commodities in this area was strongly opposed by the trading class and the action was challenged in the court of law. A legal clearance was obtained in December, 1968 and a notice was issued by the committee that it would regulate business in gur, groundnut, chillies and tobacco within the market area with effect from 7-12-1968. This move was again challenged by the traders in the court of law. Ultimately, the committee started functioning from 1972. Till then it was defunct. Thus for about 16 years since the statutory establishment of the APMC in 1956, market regulation could not be effected and the traditional system with its all drawbacks continued.⁶ The tobacco growers had no alternative but to accept all the illegal transactions and unfair practices while selling tobacco.

2) ESTABLISHMENT OF AKKOL YUVAK MANDAL :

It was in 1972, for the first time, that a group of young farmers formed an organization in Akkol, 7 km. away from Nipani. The name of the organization was "Akkol Yuvak Mandal". From an unpublished article - "Krantikari

Tambakhu Chalvalicha Paya" (The Foundations of the Revolutionary Tobacco Movement) by Niranjan Kamate, it becomes quite clear how the tobacco movement in the Nipani region began in the rural areas of the region. Akkol Yuvak Mandal had convened the first meeting of tobacco growers under the Presidentship of the late Shri Umarnikar Guruji in Akkol. The meeting was attended by only 20 to 25 farmers. Many of the tobacco farmers were living under the pressure of tobacco merchants of Nipani. They did not dare to come out in open against the traders. The main demands put forward by the tobacco farmers were that the different reductions or illegal 'cuts' like 'thread and dust cut' (Kadimati soot), gunny bag weight cut, (Barden soot), air cut (Hava soot) and concession cut per hundred (Shekada soot) imposed on farmers should be discontinued and the regulations of the market committee should be applied. The reaction of tobacco traders to the meeting of the tobacco peasants was that of opposition. As a result of it they made false propoganda against the meeting and refused to buy tobacco of activists of the organization. Boycotting the purchase of tobacco of a farmer was considered as some sort of punishment.

It is further argued that the various commissions and inspectors sent by the State as well as the Central Government to study the problems of the tobacco growers had never contacted the peasants who were living in the villages.

Those who were the members of the commission enjoyed the hospitality of merchants and as a result submitted the reports that favoured the interests of the merchants. The big farmers and elected representatives such as MLAs and MPs had good relations with the merchants. Because of their economic influence politics of the region was controlled by tobacco traders. Hence, the political power was serving the interests of the economic power represented by the traders.⁷

3) ESTABLISHMENT OF THE AKKOL CO-OPERATIVE SOCIETY :

The next phase of the tobacco movement began with the establishment of the first cooperative society in 1976 at Akkol for the purchase of tobacco - under the inspiring guidance and leadership of Shri S.K. Patil - then the Managing Director of "Kolhapur Tambakhu Kharedivikri Sangh". The name of the society was and is "The Akkol Tobacco Growers' Co-operative Society Limited, Galtaga". The peasant leader and one of the members of Action Committee of 1981's agitation from Galtaga Shri S.T. Chougule was made the Chief Promoter of the society. The activities of the Akkol Yuvak Mandal had to face many difficulties to get their society registered. Though the big farmers were benefitted by the society, their attitude towards the society was not positive. The society had to suffer a big loss only in the

second year of its functioning, but it could manage somehow with the help of Kolhapur Co-operative Society.⁸

'RASTA ROKO' OF 1978 :

The year 1978 proved to be important in the tobacco movement as a big rally of about 5000 tobacco peasants was organized at Nipani under the Presidentship of Datta Pangam and Pune-Bangalore Highway was blocked for some (two to three) hours. It is significant that 'Rasta Roko' - the popular technique of today's peasant movement led by Shri Sharad Joshi in Maharashtra - was employed by the tobacco growers in 1978. The background of 1978's agitation was that there was a bumper crop of tobacco. The tobacco growers felt that they would be underpaid for their produce for one reason or other. Besides, the previous agitations had antagonised tobacco merchants. Therefore, the main demand of the agitation was that the tobacco purchase should be taken over by the Government and services of the middlemen - tobacco traders - should be discontinued. The peasants hoped that their demands would be granted because there was Janata Government at the Centre and Shri Mohan Dharra from Nipani was the Union Commerce and Civil Supplies Minister. To discuss the demands the meeting was convened by the Central Government in Delhi. Shri B.D. Killedar, Ex-MLA of the peasants and workers party, from Akkol represented peasants. Tobacco traders and bidi manufacturers

were also invited for discussion. The Central Government accepted the demand that the purchase of tobacco should be taken over through Federation like NAFED but declared that the rate of tobacco per kg. would be Re. 1/- to 1.50. The peasants were forced to withdraw their agitation because the rate of tobacco per kg. was much higher - Rs. 4/- to Rs. 6/- in the open market than the Government's declared rate of Re. 1/- to Rs. 1.50 per kg.⁹

MAY DAY MEETING :

The next stage of development of the tobacco growers' movement was the celebration of 1st May, 1980 as May day or Workers' Day. On that day, a joint rally of tobacco farmers from the Nipani region and women bidi workers was organized. At 1-00 p.m. in the afternoon a large gathering was addressed by many leaders and a joint procession was taken out along the main roads of the town Nipani after the meeting was over. At night on the very day a public meeting of peasants and workers was addressed by Prof. Subhash Joshi - the leader of bidi workers' union - and by others. As a result of these popular actions - a demonstrations, the meetings and morchas; the tobacco traders discontinued different illegal 'cuts' and other unfair practices for some time. But as soon as the agitation lost tempo the traders restored the cuts and deductions with impunity.¹⁰

The tobacco growers were continuously exploited by the traders because they were not properly organised and the State and Central Governments were unwilling to jeopardize the interests of rich businessmen. The earlier agitations failed because of the lack of proper leadership and lack of proper organizational structure. Though the earlier attempts failed to redress the grievances of farmers they were educative in the sense that the tobacco growers learnt some important lessons from these agitations and they saw that in the future agitation the same mistakes would not be committed. The tobacco growers' agitation of 1981 was based on the earlier experiences of peasant agitations and the efforts of activists who took part in anti-traders agitation.

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