

A Brief Survey of the Palghat Tobacco Market *

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Introduction Among the various uses to which tobacco is put to, chewing occupies a major place and 25 per cent of the area and production of tobacco in this province is under chewing varieties. It has been recently estimated that consumption of chewing tobacco is at the maximum in the States of Cochin and Travancore and in British Malabar. Palghat is the most important centre for the assembling and wholesale distribution of chewing tobacco grown in the Coimbatore and adjacent districts. The Palghat market buys outright the produce from these districts and processes them to meet the tastes of the West Coast consumers.

The following is the result of an enquiry conducted at the Palghat tobacco market with the idea of studying the systems of assemblage, curing, trade and distribution from Palghat, and the scope for improvement in the system of marketing is suggested.

Palghat as an assembling centre Palghat has grown into importance in this trade for over a century due to the enterprise of certain merchants, mainly the Muslim Rowthers—who had dealings with the Tamil districts in other commodities. Apart from its commanding geographic position as the gateway between the Tamil districts and the West Coast it has gained in importance in this trade on account of the spirit of enterprise of the expert commission agents and the assembling middlemen. Palghat has the advantage of high humidity of the atmosphere due to the copious rainfall of 85 inches per year both during the South West and the North East monsoons, just in these months when most of the tobacco from producing districts is imported, which facilitates easier handling and processing of the produce. This cannot be done in the drier districts where the tobacco is grown and where the preliminary curing after the harvest of the leaves, is done.

Chewing tobacco is of many grades varying in taste and flavour. The consumers of the various parts of the Kerala territory require different grades of tobacco and as the consumers cannot go about the growing districts to select their particular speciality, all the varieties are assembled, processed and kept at Palghat for inspection, selection and final sale.

Besides this, the growers are badly in need of money. They are financed by the commission agents who are adepts in the business. Again, the grower is not an expert in processing and sorting the cured stuff to suit the different markets in the West Coast. It is said that in olden times some growers used to bring curing experts from Palghat for curing tobacco on their own farms, but it is no longer in vogue. Thus gradually this town

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has gained in importance in assembling, sorting and distributing, the cured commodity to the different parts of the West Coast.

Sources of supply It has been computed that annually about 25,000 to 30,000 candies (of 500 lb. each) of cured leaves are imported into Palghat from the districts of Coimbatore, Trichinopoly and Madura (vide *Report on the Marketing of Tobacco in Madras.*)

TABLE I Imports and exports of chewing tobacco in the Palghat tobacco market in bales of 125 lb. each

Years—	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43
Imports	150,260	165,300	149,060	135,000	135,200	135,150
Exports	111,650	123,060	106,210	101,490	101,390	101,370

About 76 per cent of the imports is from the Coimbatore District, 16 per cent from the Madura District and 8 per cent from the Trichinopoly District. Satyamangalam, Puliampatti, Gobichettipalayam, Erode, Chithode, Avanashi, Adiyoor, Pollachi, Udumalpet, Dharapuram, Palladam and Kangayam in the Coimbatore District, Karur in the Trichinopoly District and Palni and Oddanchatram in the Madura District are the main centres from which chewing tobacco is supplied to Palghat.

Supply season In the Coimbatore District transplanting is done in October—November, harvesting in January—February and curing up to March. The supply season begins by the third week of March and goes on up to the end of August. In the Madura and the Trichinopoly Districts sowing and transplanting are two months later and harvesting is in February-March, and the supply season starts by May and ends with July. So the period of supply extends from March to August.

Varieties There are mainly two varieties coming into the wholesale market, viz. Meenampalayam and Thenmukham (or Udumalpet). The latter is inferior in quality and is grown in the vicinity of Pollachi and Udumalpet. The other variety is grown in other parts of Coimbatore and in the Madura and the Trichinopoly Districts. There are more than two grades in each of these varieties.

Methods of transport Transport is as a rule by means of bullock carts. In olden times bales were brought on bullocks' back and it was done on a co-operative basis among the importers or assembling middlemen with a view to escape the highway robbery prevalent in those days. Even now way-side pilfering is not uncommon; so transporting is done by a number of carts (25 or 50) plying together between the centres of production and Palghat. Bullock cart transport is resorted to up to a maximum distance of 80 miles. About 25 per cent of the imports is by rail, a negligible percentage is by lorries and the rest by bullock carts. Transport by rail is very common from Oddanchatram and Palni in Madura, but is rare from the Coimbatore District. But if there is any trouble on the road due to high winds, heavy rains or floods, the produce is sent to Mettupalayam (from certain parts of the Coimbatore District) and thence to Palghat by rail.

A bullock cart holds 12 to 16 bales of 125 lb. each and the transport rates during normal times in two specific instances are given below.

TABLE II Rates for transport by bullock carts.

From	To	Distance	Rate per bale of 125 lb.	Bales per cart	Rate per bale per mile run
Satyamangalam	Palghat	75 miles	Rs. 1-8-0	16	3.80 pies
Pollachi	Do.	35 miles	Rs. 0-10-0	12	3.43 pies

Freight charges are met by the assembling merchants as stipulated for in their contracts, or are borne by producer cum curers who sell the produce to these assembling middlemen.

Curing for the market Sun and pit curing are the two methods generally adopted to cure chewing tobacco. But only the sun-cured tobacco is sent to the Palghat market. A brief account of the method is detailed below:—

1. The crop is harvested in the evenings and are left in the field itself.
2. Two or three days after the harvest plants are hung up on poles fixed horizontally inside *pandals* erected in the field. They are left in the shade for 15 to 20 days, until the midrib turns yellow. During this period once in every four days the plants are disturbed in the morning so as to expose fresh surface to the action of the air. If weather be dry, the floor is moistened with water.
3. About the 20th day after hanging on the poles by which time the leaves turn completely yellow, the plants are removed and heaped in bulk, square or rectangular—locally termed *Ambarams*. This is disturbed once in three or four days and again reheaped to slow down the fermentation. Sometimes it is weighted with stones and allowed to ferment for a further period of two to three weeks.
4. After this stage the leaves develop a strong aroma. The leaves are now stripped, sorted and tied into hanks of 6 to 12 leaves, locally called *Kanni* or *Mothai*. They are then baled and kept in store.
5. If the tobacco does not develop aroma, the heap is left undisturbed for a week or more. And in some cases when the quality is low, the hanks are dipped in a solution of palmyra jaggery in brackish water got from the specific wells called 'tobacco wells'. Such wells are of great renown in the Coimbatore District.

There is practically no curing done at Palghat, and only in some cases are curing experts taken from Palghat to the producing centres. Carelessly cured or low quality stuff gets a treatment with palmyra jaggery solution in brackish water. For this purpose, merchants usually procure water from the renowned 'tobacco wells' of Coimbatore, as they believe that this water improves taste, flavour and aroma of low grade tobacco. The most important operations of processing at Palghat are repeated bulking, heaping and lying.

There is a wrong notion that tobacco brought from the Tamil districts is treated at Palghat with horse's urine to increase aroma and flavour. For the matter of that, any decomposing organic matter gives off ammonia, and the pungency of ammonia combined with that of nicotine in the tobacco emits a strong odour, and this might have misled the people into thinking otherwise.

Packing materials The material used for packing is mat made of the leaves of the date palm or the sago palm, the latter growing luxuriantly in Malabar. Mats are got from the Mysore State also. The ropes used for binding are from the fibre of the stem of (*kytha*—Mal., *thazhai*—Tamil) *Pandanus* Sp. growing wild in the coastal regions of Malabar. Two mats of dimensions 5 ft. 6 in. by 4 ft. are required to pack a bundle of 125 lb. of tobacco (both the mats together weigh about 5 lb.). Each mat costs 2 annas and about 2 annas worth of fibre is required to tie each bundle (6 annas per bale—pre-war rates). The cost of packing materials is borne by the assembling party.

Changes in quality and quantity during storage As regards the changes in quantity, cured tobacco fresh from the curing place is not completely rid of the moisture and so storing results in a loss of weight. This loss is more during the first few weeks after curing. It has been noted at Palghat godowns that the bales brought during the beginning of the season, i. e., April—May decrease in weight by five to six lb. per bale during the first week and one or two lb. per week during the next two weeks, and thereafter the loss in weight is almost negligible. But a consignment received during later months, i. e., July—August, does not lose weight so significantly, due to the high humidity and slow evaporation. Quality, flavour, taste and aroma improve by aging, i. e., in storage with repeated bulking for a long period of one or two years. Acting on this principle, there is, in parts of Malabar a practice of storing inferior tobacco under paddy in wooden bins, called *Pathayam*, to improve its quality. The produce, when it once leaves Palghat for the coastal areas, improves in quality. This is attributed to the tobacco absorbing the sea breeze laden with moisture, containing traces of mineral salts. Thus it is believed that tobacco of the Ponnani Taluk is better than that of the Palghat Taluk markets, the former being nearer the coast.

Pests and diseases in storage The tobacco borer beetle—*Lasioderma sericornis*, fam. *Anobeidae*, is a serious pest of tobacco in godowns, where produce two or three years old is kept. The grub, the larva of the beetle and the adult are voracious feeders of the stored produce. But fortunately, this does not turn out to be a pest on produce fresh from the curing shed. A mould like a bird's eye with a dot in the middle with a tendency for perforation is a serious disease of freshly stored tobacco. This is as much dreaded as small pox in human beings. Incidence of this is common during all seasons and is at the maximum this year.

Grading At the place of curing, after stripping, the leaves are graded and then only tied into *kannies*. Grades are designated according to the colour differences, and colour mainly denotes quality.

Chewing Tobacco Grades

	Meenampalayam	Thenmukham (Udumalpet)
Grade I	Bright—good texture, body and aroma.	Bright—good texture, body and aroma.
.. II	Light Brown—Medium texture, body and aroma.	Light Brown—Medium texture body and aroma.
.. III	Light Dark and Heavy Dark—Tough, heavy body and low aroma	Light Dark—Medium texture body and aroma.
.. IV	...	Heavy Brown—Tough, heavy body and low aroma.
.. V	...	Heavy Dark—Tough, heavy body and low aroma.

The brightest tobacco indicates maximum aroma, flavour, taste, nicotine content and good texture. There is a deterioration in quality with the fading of colour. The consumers of the Kerala territory require different qualities with different percentages of nicotine content. It is denoted by the colour of the leaves, the bright ones contain the maximum and the heavy dark ones the minimum. There is no strict specification or standardisation fixed for sorting the cured produce; and there is no legislative provision for this such as the Commercial Produce Grading and Marketing Act. Superior quality Bright bales often contain various other grades in the same *kanni*, such as inferior Heavy Dark, and slender leaves, or diseased and aphid-infested leaves. In the interest of honest business strict grading is necessary.

Assembling Tobacco grown in the Tamil districts is drawn to Palghat by a system of financing the cultivators in advance to aid cultivation. The rich Rowthers and some of the Hundi merchants belonging to the Brahmin community are interested in the business and they or their agents tour the centres of production and finance the cultivators. Some of them lend money at or below 12 per cent interest to their agents, who distribute smaller loans in turn to the producers, at rates ranging from 12 to 25 per cent. These agents are assembling merchants who are responsible for drawing the produce to the market at Palghat. Those cultivators who are in need of money receive the loan and enter into contract to sell the produce to their creditors at stipulated prices which are definitely lower than the prevailing market price, while impecunious *ryots* are so tied to those who advance loans. The well-to-do *ryots*, especially the rich Gounders of the Coimbatore District demand of the merchants an advance of 10 per cent of the price fixed and ask them to enter into a contract to buy the produce not later than one month from the date of transaction after which they forfeit the right to purchase. In the agreement which is sometimes unwritten the price specified is that ruling at the producing centre and the ruling prices are Rs. 150 to 200 per bharam for the Meenampalayam and Rs. 80 to 100 per Bharam of 500 lb. for the Thenmukham variety. It is only in rare cases that the *ryot* deals directly with the commission agent

at Palghat. Brokers play a very important part in distributing loans and getting the produce to the market.

Warehouse and commission agents The tobacco thus assembled is stored in the warehouses owned by the commission agents. There are thirty commission agents at Palghat. Twenty are first class agents with provision for storing more than two thousand bales; the rest are agents who have no facilities for such large storage and who cannot finance the grower on any considerable scale. The main function of the commission agent is one of financing the grower, the assembling merchant, and the wholesale purchaser. The total investment in the tobacco trade in Palghat is estimated to be about ten lakhs of Rupees per annum, and the entire capital is found locally.

According to the Madras Tobacco Taxation Act of 1939, the commission agents have to pay a tax varying on the annual turnover—Rs. 6 for sales up to Rs. 200, Rs. 12 from Rs. 200 to Rs. 400, and above Rs. 400, 3 per cent for the first Rs. 400 and 10 per cent for the rest of the turnover value. But this has been repealed by the Tobacco Duty Excise Act of 1943 of the Government of India. The tax is now levied not on turnover, but on the quantity of tobacco stored for sale. (A licence fee of Rs. 5 for a maximum of 500 maunds of stored tobacco, Rs. 50 up to a maximum of 2000 maunds, and a maximum of Rs. 100 above 2000 maunds.) Further, according to the Act an excise duty of one anna on every pound of tobacco has to be paid before dealing in the commodity and storing it in private warehouses. If the duty is not paid the commodity has to be kept under the direct supervision of the Excise Department. Such warehouses are called 'Bonded warehouses.'

Disposal of the produce The wholesale merchants from the different parts (mentioned in Table No. VII) visit frequently the assembling market and select and purchase their requirements from the commission agent. The assembling merchant at whose risk the whole produce is stored and sold is seldom present when the deal is made, but depends on the commission agent who gets a percentage as commission. The sale is in most cases on a credit system. The purchaser enters into a contract with the commission agent to buy a certain amount of produce at a certain rate and to pay the money within forty-five days from the date of the transaction, in default of which he undertakes to pay interest on the sale price at 12 to 25 per cent. The commission agent gets a commission of 9 pies per rupee of the sale price. The risk of the assembling merchant is now over and the commission agent credits the sale price to the account of the former and takes the responsibility of collecting the money and the right to collect the interest by dealing directly with the purchaser.

Finance and financing Practically all the finance amounting to 10 lakhs of rupees comes from the Rowther community and the Hundi merchants of the Brahmin community. By virtue of their monopoly and long experience gained in the trade they are able to forecast the trend of prices and demand in the market, and to estimate the yield and probable value of the

crop in the field. They take advantage of the indebtedness of the producer and thrust money on him as though to oblige him in times of need, while he really is obliged to sell his produce to the creditors at a rate lower than the prevailing market price. This system is attended by the evils of forced sale of produce, under-rated prices and extortionate rates of interest ranging from 12 to 25 per cent; and in some cases there is a bad practice of immature harvesting to expedite sale of produce and to satisfy the pressing demand of the money lender. This reduces the quality and value of the produce and this is detrimental to the *ryots'* interest. With all the glaring disadvantages of the present system the *ryot* is attracted and tied firmly to these money lenders. This is due to their readiness and elasticity in dealings as contrasted with co-operative and other joint stock organizations, although co-operation in its application to agricultural marketing no doubt possesses certain merits over the present system.

The commission agents take little or no risk as tobacco commands a good sale as it is not grown in the West Coast. In addition the assembling merchants bear the risk of market vagaries, minimising thereby the risk to the commission agent. The commission agent is also responsible for financing the wholesale purchaser. Though the market vagaries and financial stability of the *ryots* do not affect him, he has sometimes to meet with arrears and insolvency of wholesale purchasers. There are not wanting instances of this kind.

Fixing prices Prices are fixed by negotiating a rate for the day or week for I grade Meenampalayam No. 1, and lower grades are sold at correspondingly lower rates. In fixing prices there is no public bidding or even open bargaining. The commission agent and the wholesale dealer negotiate the price secretly by bringing their palms under cover of a cloth and denoting the prices each desires to fix with his fingers, to avoid a second person knowing it. So the price varies from customer to customer.

Sale season Unlike in many other commodities the demand for tobacco at the Palghat market is at the maximum during the importing months. From September to February there is a lull in the trade and price.

TABLE III Yearly average prices per Bharam of 500 lb. (wholesale) and retail per lb. of Meenampalayam No. 1 and Thenmukham (Udumalpet). No. 1 chewing tobaccos at the Palghat Tobacco Market

Year:		1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943 May
Meenam- palayam No. 1	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.
Wholesale	207 8	213 8	189 2	227 4	268 13	297 9	400 0	
Retail	7 as.	7 as. 3 ps.	6 as.	8 as.	8 as. 6 ps.	9 as. 3 ps.	14 as. to 1 Re.	
Then- mukham No. 1	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs.	
Wholesale	103 10	96 11	105 6	126 2	144 7	174 12	250	
Retail	3 as. 3 ps.	3 as.	3 as. 6 ps.	3 as. 9 ps.	4 as. 9 ps.	5 as. 10 ps.	8 as.	

TABLE IV Monthly average prices of chewing tobacco (per Bharam of 500 lb.) at the Palghat Tobacco Market

Month	Meenampalayam No. 1				Thenmukham No. 1			
	Average for 5 years ending with 1941-42		Average for 5 years ending with 1942-43		Average for 5 years ending with 1941-42		Average for 5 years ending with 1942-43	
	Rs.	as.	Rs.	as.	Rs.	as.	Rs.	as.
April	220	2	296	14	117	11	176	13
May	223	9	304	10	117	13	177	2
June	226	5	305	1	118	14	180	1
July	231	4	298	15	118	6	179	11
August	229	5	297	6	118	11	178	11
September	226	13	296	13	113	9	173	0
October	221	6	295	14	113	2	172	13
November	219	15	294	11	113	14	171	14
December	214	4	293	15	112	12	172	6
January	213	14	294	9	112	10	171	11
February	213	8	295	12	112	9	171	8
March	214	11	296	1	113	9	171	1
Average	221	4	297	9	115	4	174	12

Prices fluctuate very much as the above tables indicate. The present price of first quality bright Meenampalayam is Rs. 400 per bharam of 520 lb. and that of Thenmukham No. 1 is Rs. 250 per bharam. The price of tobacco in this market has not been shooting up as high as that of other commodities in spite of the war. At present (May 1943) prices are tending to rise. This is perhaps due to the decreased supply of tobacco consequent on the *ryots'* preference for cotton, which gives a better return now. The pressing need to grow more food crops is another reason for the shrinkage in the area under tobacco. In future cultivation of tobacco is to be taken up under the direct supervision of the Excise Department and illiterate *ryots* never want to take the risk so long as at least the cotten crop will fetch a decent remuneration. So speculating on this, merchants have begun to store the produce to meet the demand during the next year.

The prices of tobacco vary from month to month though not sharply as may be seen from table IV. The price is very low during December, January and February and increases from May onwards.

Marketing services and their remuneration 1. *Melal or Dhellal commission* Brokers who bring purchasers to the wholesale market receive a commission of 4 as per bale from both the parties (i. e. buyer and seller).

2. *Thorakumandi commission* For the sales effected the commission agent gets a commission of 9 pies per rupee of sales. This is paid by the seller merchant.

3. *Vandimothai* The servants and cart drivers get a pound of low quality tobacco as remuneration for their labour. This is borne by the seller.

4. *Theenpukayila* The purchaser gets about a pound of tobacco as specimen for chewing. This is also borne by the seller.

5. *Tying and weighing charges—Kettucooly.* The purchaser pays the servants at the rate of 1 anna 6 ps. per bale for tying and weighing the bundles, and also one to two annas worth of low quality tobacco stripped from

the hanks. This is called *Oorupukayila* which means cast-off tobacco. If the bales have to be repacked and rearranged they have to be paid an additional remuneration excluding the cost of mats and ropes at the wholesale purchaser's cost.

6. *Vaida* or *Thavanai* The seller allows the wholesale buyer a period of 45 days from the date of transaction to pay the purchase price. Thereafter interest is charged at from 12 to 25 per cent. But in case the purchase money is paid at once or before the lapse of the period of grace, the seller gives a rebate being the interest on the purchase price for the period not lapsed. This is said to promote cash payments being made in some cases. This is known as *vaida* interest. *Vaida* means period and it is usually 45 days.

TABLE V. Trade Commissions etc. at the Palghat Tobacco Market.

Particulars	Paid by Seller		Paid by Buyer		Unit charged for
	Rate	To whom paid	Rate	To whom paid	
1. <i>Melal</i> or <i>Dhellal</i> commission	4 ns.	Broker	4 as.	Broker	Per bale of 125 lb.
2. <i>Tharakumandi</i> commission	9 ps.	Commission agent	...	...	Per rupee of sale price
3. <i>Thesn pukayila</i>	One <i>kanni</i> or hank of 6 to 12 leaves tobacco	Buyer	...	...	Per bale of 125 lb.
4. <i>Vandi-mothai</i>	Do. (inferior quality)	Menials & servants	...	...	Do.
5. <i>Kettucooly</i> —Tying and weighing charges	Do.	...	1½ as to 3 as.	Servants	Per bale of 125 lb higher rate if rebulked and repacked.
6. <i>Oorupukayila</i>	...	...	1 or 1½ as. worth of inferior tobacco	Do.	Cast-off tobacco for remunerating servants for their labour in addition to wages
7. <i>Vaida</i> (interest)	12 to 25 per cent as per purchase terms	Buyer	...	...	...

Retail sales of tobacco in Palghat In addition to the commission agents there are a number of wholesale merchants and retail merchants who deal in tobacco within the town. The retailers get their supply from the wholesalers. In addition to it they receive from the servants and others at a low cost the cast-off or inferior quality stuff earned by the latter as presents or wages in kind. This is the kind of stuff which meets the demand of the working classes and other poor consumers in the town.

Distribution and centres of consumption Merchants from Cochin, Travancore, Cannanore, Tellicherry, Calicut, Tirur, Madras, Madura and Mangalore visit the market and purchase their requirements. Tables VI & VII show the particulars of the grades purchased by the various centres and their percentage distribution. Every year about 85 per cent of the imported produce is sold away and the rest is carried over till the end of the second or the third year, and then sold off

TABLE VI Distribution of different Grades of tobacco and consuming centres of Palghat chewing Tobacco

	Meenampalayam	Thenmukham
Grade I	Palghat, Cochin State, Mangalore, Madura, and Madras	Cochin State
Grade II	Cochin State, Travancore, Tirur, Chowghat and Edapal	Travancore
Grade III	Calicut and Cannanore	Tirur, Tellicherry, Wynad, Edapal and Chowghat
Grade IV		Calicut
Grade V		Cannanore

TABLE VII Centres of consumption and percentage of distribution

Centres of Consumption	Percentage of distribution
1. Travancore State	26.0
2. Cochin State	24.0
3. Cannanore	8.4
4. Calicut	8.4
5. Tellicherry	4.2
6. Tirur	2.7
7. Madura, Mangalore, Madras etc.	1.3
8. Local consumption including shandies & retailers in the taluk	25.0
	Total 100.0

The Palghat Leaf Tobacco Merchants Association This is an association organised to protect the interests of the commission agents. They assemble and discuss matters of common interest mainly about the financial stability, solvency or otherwise, regularity in dealings and reliability of the various assembling agents, wholesale purchasers and brokers. Thus they determine the limit to which every individual could be financed without risk. This prudent policy prevents dealings with insolvent merchants and beyond their capacity to repay. Over and above this the association functions as an organ to represent their grievances to the Government and railway authorities.

The Tobacco Excise Duty Act 1943 The various clauses of the Act restrict the cultivation of tobacco as an excise crop like ganja or opium subject to licencing and supervision of the Excise Department; and an excise duty of one anna per lb. of cured tobacco is to be paid by those who deal in tobacco (and not the cultivator). This year even during the heaviest season i. e. from April onwards the dealing has been considerably curtailed.

Though tobacco could be stored in bonded warehouses (and duty paid at the time of sale) merchants do not want to take the risk of penalisation, for tobacco loses in weight considerably and this sometimes out-runs the limits provided in the Act under 'Loss in weight' as the excise duty increases the price of every pound of tobacco by one anna, payment in kind is withheld for certain items of services (mentioned in table V.); for, those who store in bonded warehouses cannot at all utilise the tobacco for payment in kind. This directly tells upon the poor servants and menials who used to get three to four annas worth of tobacco per day. These have tended to raise the rates of interest on which money is lent for assembling and purchasing purposes.

Importance of Specialists As stated above the commission agents are experts in financing cultivation, in assembling the cured produce directly or through deputies, processing, curing, grading, sorting and identifying the grades. They play an equally important role in financing wholesale purchasers who buy the commodity on a credit basis. In short, these are important functionaries in all the stages from production in the field to consumption. They have been enjoying a monopoly in this trade for over a century. But for them the consumers of tobacco in the Kerala territory might have to go without chewing tobacco suited to their tastes.

Conclusion It is a matter for some satisfaction that the grower gets 55 to 65 per cent of the consumer's price in spite of the toll collected by so many middlemen. It is hoped that the market can be better organised and improved by the application to tobacco of the Commercial Crops Marketing Act followed by standardisation of units and weights, licencing the hosts of middlemen and restricting their control on the *ryots*, making provision for warehouses and regulation of the trade commission and other charges.

There is no co-operative loan and sale organisation at present. Such an organisation is bound to improve the present system of financing and marketing. But considering the long distance between the centres of production and consumption and the difficulty of judging the quality of different kinds of tobacco and the heavy sums involved in financing the cultivator and the wholesale purchaser it would be too optimistic to think of achieving a perfect co-operative organisation in the near future. However a stage has reached when the State should undertake to reorganize and minimise the evils of this system of financing the producer.

It may be said that tobacco is, after all, a luxury, but it has also become a habit, a second nature and a necessity with the consumers. The practice of chewing is on the decline with the younger generation, its place being taken up by other forms of tobacco, especially cigarettes. Let not jurists grudge the working classes, especially in rural areas, this little luxury.

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India Must Grow More Food

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It is almost an year since we met last for a similar purpose. As you are all aware, we have turned the corner and started pounding the Axis. Last week, Italy dropped her pilot and Mussolini left the scene. While we are happy and hopeful about the outcome of the War, our living conditions have been causing much concern to the public at large and the Government. We have had a year of famine. Our food production had been insufficient to meet the demands. At the same time, unscrupulous people hoarding the grains without consideration for the starvation around them, have created difficulties by reducing the supplies in the market.

The cry for food is great. The responsibilities of the Agricultural Department have become heavy and we are striving our best to increase the food supplies. We are trying to expand cultivation by bringing uncultivated lands under the plough. The ryots are permitted to grow grain crops on these lands free of assessment. Favourable terms for food cultivation as, free cultivation of tank beds with vegetables and certain dry crops when there is no water in the tanks, the cultivation of railway lands under reasonable rental, and free cultivation of backyards with dry food crops and vegetables, have been offered. We are offering free seeds and manures to poor ryots. We have opened our purse wide and are granting loans for sinking new wells or repairing old ones and making them fit for use. Government have granted remission of assessment for three years for the cultivation of food crops under such wells and have said that ryots may begin repaying the loan from the fourth year onwards. We are granting loans free of interest for purchase of manures and improved seeds up to a maximum of Rs. 50 in each case. With such a large number of concessions, Government have put before you the opportunity for growing more food crops and feeding the hungry people.

To understand properly the need for increased food production, it is necessary to know something about the peacetime situation. The principal food grains in our country are rice, wheat, *jonna*, *sajja* and grams, which

* Lecture delivered on 1-8-'43 at Anantapur, during the inauguration of the 'Tree Planting cum Grow More Food' week.