



Government Approves One-Time Interest-Free Loan of ₹50,000 per Barn for FCV Tobacco Growers in Andhra Pradesh

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The Government of India has approved a one-time, interest-free loan of ₹50,000 per barn for FCV tobacco growers in Andhra Pradesh under the Interest-Free Working Capital Assistance Scheme, providing timely financial support to growers amid evolving global market conditions.

Auctions for the 2025–26 crop season in Andhra Pradesh commenced on 25 March 2026, with approximately 100 million kg of Flue-Cured Virginia (FCV) tobacco auctioned so far. FCV tobacco is predominantly cultivated in Andhra Pradesh and Karnataka.

The global tobacco market has witnessed changing demand patterns, geopolitical developments and evolving international trade dynamics, influencing procurement and marketing conditions. The Government is also undertaking coordinated measures to facilitate procurement, enhance market participation and promote exports. Continuous engagement with exporters, buyers, growers and other stakeholders is being undertaken to facilitate smooth marketing of the crop and strengthen the FCV tobacco sector.

As part of the proposed one-time intervention, interest-free working capital assistance of ₹50,000 per barn has been approved for FCV tobacco growers. The proposal covers approximately 44,000 growers with a financial intervention of about ₹220 crore. The assistance is proposed to be provided directly to farmers through DBT.

The proposed assistance is intended to provide immediate liquidity to growers, enable them to meet household requirements and repay institutional loans, purchase inputs for the ensuing crop season and reduce dependence on private borrowing. The initiative reaffirms the Government's commitment to the welfare of FCV tobacco growers by providing timely financial assistance and supporting their working capital needs.

Abhishek Dayal/Garima Singh/Anushka Pandey

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