

Tobacco growers hopeful of good days, better revenue

S. Murali | Ongole | March 17, 2022



Farmers bringing bright grade tobacco bales to the Ongole I auction platform for sale on Wednesday. | Photo Credit: KOMMURI SRINIVAS

Tobacco auctions began on a modest note at the seven auction platforms in Prakasam and Nellore districts raising hopes among farmers of getting a better average price for their produce at least during 2021-22 cropping season as COVID-induced economic crisis seemed to abate.

As the bright grade crop earned a premium price of more than ₹200 per kg in Mysuru in Karnataka during the auctions this year, the farmers coming under the southern light soil (SLS) and the southern bright soil (SBS) auction platforms in the two districts hoped for a similar price. However, the bright grade varieties fetched a premium price of ₹180 to ₹185 per kg. The growers in the southern black soil region marketed over 90,000 kg on Wednesday as eight players entered the market.

The farmers had a tough time marketing their produce in the last two years due to subdued demand for the commercial crop in the wake of economic uncertainties caused due to COVID-19 pandemic. But it is no longer so.

“We hope to make a kill this year, thanks to the lifting of pandemic restrictions. There are no logistic problems that were witnessed in the last two years when COVID cases were at peak,” said a group of farmers while waiting for buyers in Ongole I auction platform. Exporters have not entered the market yet due to the lack of confirmed orders from their counterparts overseas.

The Tobacco Board would impress upon the cigarette manufacturers and exporters to ensure a better average price of ₹160 to ₹170 per kg, said board member Mareddy Subramanyeswara Rao. The crop regulator would not allow the traders to drive down the prices for low and medium grade varieties, added the farmers’ representative in the board.

“The exporters are expected to enter the market during next week when the bales put for auction will be stepped up from the present 200 to 300 in each auction platform to 500 to 600,” SLS Regional Manager D. Venugopal assured the farmers, who were worried over non-participation in the auctions by all the registered traders.

The bright grade accounted for a lion's share of 50% this year, the medium grade varieties 20% and the low grade varieties 30%, according to Tobacco Board sources.

The export up to October quarter of this fiscal was 2,14,412.68 tonnes worth ₹4,062.54 crore (US Dollars 548.60 million) as against export of 2,14,412.68 tonnes worth ₹6,496.99 crore (USD 876.71 million) during 2020-21. This was when compared to export of 2,18,844.89 tonnes worth ₹6,408.15 crore (USD 897.78 million) in the previous year.

With a view to obtain more bright grade varieties, the crop regulator had hiked the crop size to 78.81 million kg. In view of excessive rainfall in November and again in January, the production came down to little over 68 million kg as the farmers were forced to go for replanting or gap filling in the early stage of cultivation and delaying curing as well.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/tobacco-growers-hopeful-of-good-days-better-revenue/article65231173.ece>