

Bullish market brings cheer to tobacco farmers in Andhra Pradesh

S. Murli | Ongole, May 13 2022



Tobacco auctions in progress at the Kandukur auction platform in Nellore district.

[Traders lap up medium and low grade varieties too by offering premium prices](#)

Farmers in the traditional tobacco growing areas in Nellore and Prakasam districts are a happier lot as prices for various grades, including low and medium ones, have shot up, thanks to the favourable demand-supply situation in the global market.

Taking advantage of the situation, the farmers coming under the Southern Black Soil and Southern Light Soil regions have so far marketed 35 million kg, receiving an average price of ₹172 per kg, which was up by ₹17 per kg when compared with the previous year's price, said Tobacco Board Chairman Y. Raghunatha Babu after visiting some of the auction platforms in Prakasam district.

The crop production was only 69 million kg this rabi against 80 million kg fixed by the Tobacco Board. Traders lapped up even medium and low grade varieties offering premium prices, explained Tobacco Board Regional Manager D. Venugopal.

"All grades of tobacco are being brought to the market. But for the 'NOG' variety, all grades are lapped up by the traders during the auctions," he said. After 48 days of auctions, the farmers still have 34 million kg of the produce.

"There is a good demand even for greens and browns this time," explained Tobacco Board member Mareddy Subramanyeswara Rao after overseeing the auctions

The farmers were happy that the auctions were going on smoothly this year. Curbs imposed to combat coronavirus had led to suspension of auctions last year, he recalled.

Average price

The average price realised for low grade varieties was ₹133 per kg when compared to less than ₹100 per kg the previous years, leading to market intervention by the State government.

The medium grade varieties attracted buyers fetching an average price of up to ₹170 per kg. The bright grade varieties attracted buyers who offered a price of ₹180 to ₹185 per kg.

“Going by the trend, the farmers are expected to get an average price of at least ₹170 per kg by the time auctions are over,” he said.

“The current phase is because of crop shortage within the country and abroad. Therefore, every effort should be made to cut costs and make the most of the global market condition”

*Y. Raghunatha Babu
Chairman, Tobacco Board*

Sounding a note of caution, Mr. Raghunatha Babu said the current bullish phase was because of crop shortage within the country and abroad. Every effort should be made to cut costs by the farmers to take advantage of the global market condition dominated by the big players, he said.

Referring to the pleas of the farmers, he said the Tobacco Board, on its own or through the State government, would make available green manure seeds as also fertilizers through the farmers' committees well in advance for the new crop anticipating shortage of chemicals in the wake of the

Russia-Ukraine conflict.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/bullish-market-brings-cheer-to-tobacco-farmers/article65410683.ece>