

Special auction of low-grade tobacco held for first time in AP

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Auction for the sale of low-grade tobacco through the Ongole-2 tobacco auction centre on Saturday

By Express News Service

ONGOLE: As a pilot project, the Tobacco Board conducted an auction for the sale of low-grade quality yield called 'Pandugulla' or 'Jutti' (meaning fully exposed discoloured tobacco leaves) through the Ongole-2 tobacco auction centre on Saturday.

The decision comes as a relief for farmers as they had been demanding authorities to conduct an auction of low-grade tobacco for a long time.

"We have 400 kg of Pandugulla and the total stock was sold out during the special auction on Saturday at an average price of Rs 68 per kg. If the Tobacco Board had not taken this initiative, we would have had to sell the yield at a low price," Ch Ramanjaneyulu, a tobacco farmer from Maddipadu Mandal, told TNIE on Sunday.

On Saturday, the Ongole-2 Tobacco auction platform received a total of 387 bales under the scrap and bits category. Of the total, 200 bales were Pandugulla variety. Only one buyer took part and purchased over 150 bales of Pandugulla variety. While min price was Rs 65 per kg, max price was Rs 86 per kg which is more than the private market price of Rs 45 to Rs 55 per kg.

"As farmers from Karnataka and AP have fewer volumes, the demand is high. Buyers are coming forward to purchase it at considerable price margins. We want to enhance the confidence by taking up an auction for Pandugulla as they can rake in good profits on low-grade tobacco too," regional manager for Southern Black Soil (SBS) and Southern Light Soil (SLS) M Lakshmana Rao said.

Source: <https://www.newindianexpress.com/states/andhra-pradesh/2023/may/01/specialauction-of-low-grade-tobacco-held-for-firsttime-in-ap-2570971.html#:~:text=The%20decision%20comes%20as%20a,of%20Rs%2068%20per%20kg>