

Tobacco exports double over the past 4 years, likely to top \$2 billion this fiscal

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Tobacco exports have doubled over the past four years in dollar terms on rising global demand and prices as production took a hit in countries such as Brazil and Zimbabwe.

India's shipments have increased in value from \$923 million in 2021-22 to over \$1,840 million till February in the current fiscal. They are likely to touch the \$2 billion mark by the end of March.

Per Commerce Ministry data, tobacco exports registered 38.59 per cent growth during April-February 2024-25 at \$1,840.70 million, compared with \$1,328.17 million a year ago.

Yashwanth Chidipothu, Chairman, Tobacco Board,

said, "The Covid-19 situation in 2021 was a boon for the tobacco industry in India. India's vaccination efforts ensured that agricultural activities, including tobacco farming, were not disrupted. Also, agriculture was given priority, and facilities were provided for the transportation of farmworkers and goods, considering foodgrains as essential commodities," he said.

However, the lack of vaccination in competing nations prevented them from properly growing, marketing and processing tobacco.

"This led to a situation where major global manufacturing companies' stock slowly depleted. During 2021-22, while the international market faced a critical situation, India continuously produced tobacco," Chidipothu said.

On a new high

Financial Year	In \$ million	In ₹ crore
2024-25 (April-Feb)	1,840.70	15,529.81
2023-24	1,449.54	12,005.89
2022-23	1,213.37	9,739.75
2021-22	923.4	6,880.21
2020-21	876.58	6,496.09
2019-20	897.78	6,408.15

Source: DGCIS, Tobacco Board

"This positive trend continued into 2023 and 2023-24. Andhra Pradesh achieved a record production of 215 million kg (mkg) for auction, against a target (crop fixation) of 142 mkg," the Tobacco Board Chairman said.

GLOBAL SHORTAGE

On the other hand, the international market faced shortages along with high demand.

In the previous year,

Brazil, which usually produces 700 mkg, saw its production limited to around 460-470 mkg due to excessive rainfall. Similarly, Zimbabwe also faced drought conditions triggered by El Nino conditions and its production fell from 300 mkg to 270-260 mkg.

"Indian farmers seized this opportunity and successfully sold 215 mkg of tobacco in the previous year. Almost no tobacco leaves were left with the farmers," Chidipothu said.

Vikram Urs, Secretary, Federation of Karnataka Virginia Tobacco Growers Association, said that the shortfall in output in Brazil and Zimbabwe over the last two years had fuelled the demand for Indian tobacco in overseas markets, resulting in higher prices for the growers here.