

Buoyancy returns to market

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Uncertainty ends: Ongole II auction platform bustling with activity on Thursday. | Photo Credit: [KommuriSrinivas](#)

Tobacco traders extract assurance from officials on GST

Farmers heaved a sigh of relief as e-auctioning of tobacco resumed in the traditional growing areas with the exporters entering the market in a big way along with the cigarette manufacturers to lap up the produce. The e-auctions were stalled on Wednesday over imposition of higher GST on cured tobacco lying with the traders.

The Tobacco Board officials swung into action and took the matter with their higher-ups in New Delhi.

Overseas orders

The traders returned to the market following an assurance that no further notices would be served for payment of higher GST.

Only 5% GST is collected on tobacco leaves. But 28% is charged on unmanufactured tobacco lying with the traders after processing.

Thanks to confirmation of orders from their overseas buyers, the exporters purchased low-grade and green variety of tobacco offering ₹10 to ₹15 more than the rate prevailing last fortnight, Southern Light Soil (SLS) regional manager G. Ratnasagar said. Happy over quick resolution of the imbroglio, farmers' association secretary in Ongole II auction platform V.V. Prasad said, "We hope to make good the losses on account of additional expenses incurred to provide life-saving irrigation in the wake of severe drought this rabi." A group of farmers in Ongole I auction platform expressed satisfaction that the rejection rate, which was 15% during last fortnight, came down to a mere 3 to 4%. Low-grade varieties fetched up to ₹100 per kg on Thursday. But there was no change in the price offered for the bright grade tobacco, which attracted buyers at ₹162 per kg.

While the farmers in the Southern Black Soil (SBS) sold 0.20 million kg of tobacco getting an average price of ₹111.67 per kg on Thursday, their counterparts in the SLS region marketed 0.17 million kg to realise an average price of ₹113.26, Tobacco Board officials here said.

Farmers in the SBS region had so far marketed 32.33 million kg, getting an average price of ₹128.27 kg, and those in the SLS region sold 28.65 million kg to get a relatively better price of ₹132.04 per kg.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/buoyancy-returns-to-market/article24524115.ece>