

## Prakasam tobacco farmers' hopes soar

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E-auctioning of tobacco, the principal commercial crop in Prakasam district, began on a positive note for farmers in the Southern Black Soil (SBS) auction platforms.

Bright grade tobacco attracted buyers at an average price of ₹160 per kg in the region comprising Ongole I, Ongole II, Tangutur I, Tangutur II, Kondepi and Vellampalli as farmers brought a limited number of bales to start with.

In Kondepi, an attractive price of ₹162 per kg was offered to a tobacco grower as fellow farmers were glued to the LED screen which displayed the trades clinched. Traders completed the bidding process in less than five seconds for each bale with the Hand-Held Terminals (HHTs) after ascertaining the colour, texture, aroma, flavour and size of the leaves.



Market dynamics: Tobacco farmers at the Ongole II auction platform. | Photo Credit: [KommuriSrinivas](#)

Taking time to talk to The Hindu, a group of farmers in Ongole II auction platform wanted the Tobacco Board to impress upon the traders to offer a more remunerative price of ₹175 per kg for bright grade taking into account the additional expenses of about ₹8,000 to ₹10,000 incurred to provide live-saving irrigation following a prolonged dry spell.

They expected the commodity board to ensure an average price of about ₹135 per kg. Low grade tobacco should be brought at a price not less than ₹100 per kg for them to break even, their leader V.V. Prasad explained.

Overseeing the e-auctions, SBS Regional Manager G. Umamaheswara Rao expressed the hope that the prices for various grades of tobacco would go northwards once major exporters turned up at the auction floors probably during the next week or so.

A positive feature this year is that overseas traders could directly source tobacco offered by the ryots. With e-auctions reaching the fag-end in Karnataka, traders' participation is expected to pick up in the auction platforms in Prakasam district in the next 10 to 15 days.

### RBI decision

The grade out-turn this year was highly encouraging this year, another farmer leader P. Venkateswulu said. The bright grade variety accounted for 50% of the total production, the medium grade accounted for 30% and the low grade the rest. A majority of the fields were free of the dreaded parasitic weed *Orabanche cernua* this year, he added.

The Reserve Bank of India's decision to allow global tobacco traders to take part in the auctions was sure to have a positive impact on the market, Mr. Venkateswarlu felt.

**Source:** <http://www.thehindu.com/news/national/andhra-pradesh/prakasam-tobacco-farmers-hopes-soar/article23306232.ece>