

Tobacco auctions in AP yet to gain momentum



Guntur, May 25 Virginia tobacco auctions, which began in Andhra Pradesh in March, have not yet gathered steam and till date only 26 million kg of the crop has been sold on the floors at an average price of Rs 144.29 a kg.

According to Tobacco Board sources, the board has fixed a crop size of 136 mkg for Andhra Pradesh this season. However, the actual production may only be around 125 mkg. In Karnataka, the other major tobacco-producing State, auctions have come to a close and 106 mkg was sold on the floors at an average price of Rs 139 a kg.

Farmers on many floors are worried that the low-grade tobacco is fetching only Rs 80-90 per kg and they cannot even recover the cost of cultivation at such low rates. They want the trade to participate briskly in the auctions and pay more.

It is expected that in a week or ten days, trade participation on the floors may improve and the auctions may pick up speed.

Source: <https://www.thehindubusinessline.com/economy/agri-business/tobacco-auctions-in-ap-yet-to-gain-momentum/article23989805.ece>