IN FOCUS

COVID-19: FCV Farmers Fear Huge Losses due to Auction Disruptions

Flue Cured Virginia (FCV) tobacco farmers in the country are staring at shrinkage in their earnings this year due to severe disruptions in auctions in the wake of lockdowns imposed by the Government to combat the spread of COVID-19 pandemic in India.

The Tobacco Board, under the Ministry of Commerce and Industry, Government of India, initially suspended ongoing auctions in both the FCV tobacco growing states of Andhra Pradesh and Karnataka in the third week of March 2020 and allowed gradual resumption of auctions only towards the end of April 2020.

This left the farmers with huge unsold stocks amidst fears of crop damage owing to prolonged storage in open fields and crash in prices due to the delayed auctioning of the perishable crop.

The sudden suspension of auctions in the State of Karnataka came just a few days before the scheduled March 2020 closure of the annual tobacco auction season in the state which began in the second week of September 2019. This left the tobacco farmers in the State with unsold stock of around 3 million kilograms amidst fears of crop damage and crash in prices due to the delayed auctions.

On the other hand, tobacco auctioning in Andhra Pradesh was suspended only a month after the state’s annual auction season commenced in mid-February 2020. This certainly added to the woes of farmers who faced a setback in production as unseasonal rains lashed many tobacco growing regions in the State in January 2020.

Even before the closure of various auction platforms in the State, the trade was lacklustre with lesser participation of overseas players and lower offtake by the few making the purchases amid novel coronavirus outbreak globally.

With the suspension of auctions and farmers lacking storage facilities at farm premises led to loss of quality and damage to the harvested crop. Deterioration of quality of tobacco will adversely impact price realization and cause loss to farmers’ incomes.

After gradual resumption of auctions, the trade has remained sluggish with lower turnout of buyers amid pandemic-linked travel restrictions. Moreover, anticipating drop in global demand, the Tobacco Board has reduced the crop size for the next year’s crop in Karnataka from 99 million kgs fixed before COVID-19 to 88 million kgs now. The Board may reduce the crop size for next year’s crop in Andhra Pradesh also in view of the massive disruptions in trade.

With reduced crop size, farmers will be left with huge unutilized land areas having no equally remunerative substitute crops to grow thus further reducing their farm earnings.

In view of the uncertainty over sale of their produce, aggrieved tobacco farmers are seeking a bailout package from the Government to mitigate the immense hardships posed by the deadly novel coronavirus.
**ANDHRA PRADESH**

**Tobacco farmers on a warpath**

Stocks pile up due to lockdown, they say

Farmers led by YSR Congress Party farmers wing Prakasam district president Sivapra Pushpa staged a demonstration in front of the Tobacco Board regional office here on Tuesday in protest against lackluster market for the export-oriented crop.

Crop held up

Leading the protest,Undavalli Venkata Ramalan, president of the farmers’ group, said stocks were piling up in the district following the lockdown due to a lack of demand from overseas market. The farmers are facing difficulties in selling their produce. Tobacco is not a seasonal crop and stocks can be stored for a long time. The farmers feel that the lockdown has been taking a toll on their crop.

The protest was attended by about 200 farmers who placed their demand on paper and handed it to the Tobacco Board official. The farmers demanded that the Tobacco Board purchase tobacco at the current market rate. The farmers hoped that their demands would be met soon.

**3 million kg tobacco unsold, says Vishwanath**

Addressing the press after distributing ration kits to the needful, the former minister and BP leader A. V. Vishwanath demanded compensation for tobacco farmers and said, “Nearly, three million kilogram of tobacco remains unsold in Mysuru and Hassan districts.”

**THE HINDU**

**COVID-19 outbreak: Tobacco auction suspended**

**MYSURU: MARCH 23, 2020**

The Tobacco Board has suspended auction of tobacco across all its 10 platforms in the State in wake of the lockdown declared by the State government to combat the COVID-19 outbreak.

The suspension comes at the final and the auction season when barely two million kg of tobacco is expected to be sold. The tobacco auction, which started on the 1st of September, had auctioned 75 per cent of smoke grade ‘B’ and 60 per cent of smoke grade ‘A’.

**THE TIMES OF INDIA**

**Nellore: Lockdown holding up tobacco auction process**

**P.V. Prasad**

**12 April 2020 10.29 PM IST**

**Highlights**

The lockdown in Nellore district this year has affected the auction process.

The tobacco auction centre in Nellore currently has 5000 to 6000 acres under cultivation. However, due to lockdown, only 1500 acres of tobacco have been cleared for auction.

The farmers and labourers are facing difficulties in selling their tobacco due to the lockdown.

**THE INDIAN EXPRESS**

**Displeased over not getting minimum support price, farmers burn tobacco bales, stall auction**

Later, union leaders met tobacco board chairman Y. Jogeshmna Reddy at the regional manager’s office and expressed their anger for the low prices being offered for their produce.

**Tobacco growers face huge losses in Guntur**

**TNN | Apr 9, 2020, 04:45 AMIST**

GUNTUR: With auctions being cancelled as part of containment measures to prevent the spread of Covid-19, tobacco farmers fear that most of their quality leaf bales are likely to get spoiled resulting in huge losses.

Growers of Flue Cured Virginia (FCV) variety in the state are on the verge of facing unremovable damage as they were unable to sell their harvest. It is the tobacco growers, labourers and the traders who are in dire straits.

**THE HINDU**

**Lockdown pushes Prakasam tobacco ryots to the brink**

**S. Murali | ONGOLE, APRIL 12, 2020**

Uncertainty looms large for the farmers in the traditional tobacco growing areas of Andhra Pradesh as the lockdown to fight against novel coronavirus has coincided with the marketing season for their produce.