

## Tobacco auctions to begin in Karnataka on Sept 30

Samdani MN | TNN | Sep 22, 2020

**Guntur:** The Tobacco Board has decided to launch the first phase of auctions in Karnataka from September 30.

<p>➤ Auctions PHASE-I to commence on September 30</p>	<p>➤ Purchases will kick-start at Chilkunda and Periyapatna-II platforms</p>	<p>➤ Purchases will simultaneously begin at HD Kote, Hunsur-I, Hunsur-II, Hunsur-III, Kampalapura, Periyapatna-I, Periyapatna-III, Ramanthapura-I and Ramanthapura-II platforms</p>
<p>➤ Second phase will commence on October 7 on all the remaining platforms</p>		<p>➤ Board has sent a detailed SOP to the auction platform managers to</p>



The board has authorized a crop size of 99 million kg for Karnataka for the current crop season which is 1 million kg less than the previous year's crop size.

Given the gloomy global markets, it has to be seen how the traders are going to respond to pick up the stocks from the Karnataka platforms as they have not displayed keenness to pick the stocks from Andhra growers.

Although the Karnataka leaf is considered to be high-quality when compared to the Andhra produce, the poor global demand due to Covid-19 is likely to influence the overall market.

Chief minister Y S Jaganmohan Reddy's decision to purchase the stocks by pressing the state marketing agency, Markfed, to bailout the Andhra growers is likely to act as litmus test for the BJP government in Karnataka.

Yadlapati Raghunatha Babu, chairman, Tobacco Board, a BJP functionary, will be under pressure as he could do little in getting the Centre's support to provide relief to the growers in AP.

After seeing the poor response from the traders to pick up the stocks, Jagan had pushed AP Markfed into service and started purchase of stocks. This is the first time in the history for the state government to purchase tobacco through its own marketing agency. In the past, the state governments used to look towards the Centre for the assistance as the tobacco is a Centre's regulated crop and entire revenues from tobacco exports are going into the Centre's kitty.

The entry of Markfed had changed the situation to some extent as the low-grade varieties were finally purchased by the government and traders.

**Source:** <https://timesofindia.indiatimes.com/city/vijayawada/tobacco-auctions-to-begin-in-karnataka-on-sept-30/articleshow/78241637.cms>

# Tobacco auction to begin in Karnataka from September 30

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The Tobacco Board has announced that the auction of tobacco will start in Karnataka from September 30.

Board chairman Y. Raghunadha Babu said this in a statement on Wednesday, days after he met tobacco growers at Chilkunda auction platform in Mysuru and assured them that the auctions will start by the end of the month.

To begin with, auctions will commence at the platforms in Periyapatna and Chilkunda. The process of auction will start in the remaining nine auction platforms from October 7.

Regional Manager of Tobacco Board, Mysuru, Manjunath said the SOPs will be in place during the auction process.

In Karnataka, the auction season for tobacco starts in September-October every year and continues till February-March by when all the produce is exhausted. Earlier this year, auction of tobacco was suspended abruptly in March following the outbreak of COVID-19 even though more than 2.5 million kgs of the produce remained unsold.

However, auctions resumed towards end of May, after the lockdown was lifted, and the remaining tobacco was sold.

More than 80% of the tobacco grown in about one lakh hectares of Mysuru and parts of adjoining Hassan district is classified as superior Flue Cured Virginia (FCV) variety that is exported to various cigarette manufacturing companies abroad.

In view of an anticipated dip in global demand for tobacco due to COVID-19, the Tobacco Board, earlier this year, had reduced the crop size from 99 million kg to 88 million kg. The reduction in crop size had also correspondingly reduced the ceiling for each of the estimated 56,000 licensed tobacco farmers from the earlier 1,700 kg to 1,552 kg.

Tobacco is grown in around one lakh hectares in Karnataka, mostly in Periyapatna, Hunsur, K R Nagar and H D Kote taluks of Mysuru district, besides Arkalgud and Holenarsipur in neighbouring Hassan district.

Tobacco output almost always outstrips the ceiling fixed by the Tobacco Board forcing the farmers to cough up a penalty for cultivating unauthorised or excess crop. Tobacco cultivated in excess of the authorised limit for each licensed farmer as well as the tobacco grown by unlicensed farmers is considered as unauthorised and excess tobacco for which a penalty has to be paid.

**Source:** <https://www.thehindu.com/news/national/karnataka/tobacco-auction-to-begin-in-karnataka-from-september-30/article32633692.ece>