

Andhra Pradesh: Board increases tobacco crop size as global demand up

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AMARAVATI: In a surprising development, the Tobacco Board has increased the crop size for Andhra Pradesh from 130 million kg to 142 million kg for the upcoming crop season. Notwithstanding the Centre's commitment to reduce the tobacco consumption in the domestic market, the board looked hopeful of gaining from the global demand.

Traders are reported to have exerted pressure on the board to increase the crop size for the

current year keeping in view of the global demand. The Tobacco Board, which has trimmed the crop size to 115 mkg in 2020- 21 season, is slowly increasing the production size citing the demands from the growers and the traders. Although the crop size remained constant around 130 mkg in the last two years, the board has decided to give permission for a jump by nearly 10mkg in one go for the next season.

The crop size for AP is used to be around 170 mkg before 2014-15 keeping in view of the huge demand for the leaf in the international markets. However, AP tobacco growers suffered heavy losses in the subsequent years following the dip in the global demand. The big tobacco companies started procuring the stocks from the leaf from new markets and cheap varieties available in China to compensate the Indian stock. This led to the crisis in the Indian tobacco market.

The tobacco growers led an agitation by going for complete crop holiday during 2009-10 season leaving the Indian traders in totters. Subsequent to the crop holiday, the traders struggled with huge losses and accepted to pick up the stocks from the growers at reasonable remunerative prices. This once again set the trend for the board to increase the crop size to 172mkg by 2014-15.

However, the market slump during 2018-19 pushed the board backward to fix the crop size at just 136 mkg by 2019-20. The board had taken up an aggressive campaign to appeal to the farmers to go for alternative crops to bring down the production.

"We have taken the overall global demand, indents from the trade and requests of the growers in mind to fix the crop size," said the board chairman Yadlapati Raghunatha Babu.

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