

# *In a first, AP Govt agency exports 120 tonnes of tobacco to the US*

## AP Markfed sets a wing to tap export opportunity

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Perhaps for the first time for a Government agency, the Andhra Pradesh Markfed has exported tobacco to the US, opening a new opportunity for farmers.

The agency procured about 1.3 million kg (mkg) of tobacco in 2020, following directions by the State Government.

Andhra Pradesh is a major tobacco producing State in the country. The Tobacco Board, an arm of the Ministry of Commerce that regulates tobacco production in the country, fixed the crop size at 130 mkg for Andhra Pradesh last year.



Though it is quite common for the Markfed to step in and procure a few commodities, it was the first time the agency procured tobacco. Private traders and tobacco companies buy the produce from the farmers and export it to a few international markets.

Public sector agencies always tried to stay away from exporting the produce, fearing they may make losses in the absence of proper processes and channels to facilitate exports.

“We have exported 120

tonnes of the tobacco produced in Andhra Pradesh to the US from the Chennai port. We processed the produce and packed it conforming to the international requirements,” a top official of AP Markfed told *BusinessLine*.

“We have sold three-fourths of it in the domestic market. We processed the rest and exported it to the US,” he said.

### **Separate wing**

After successfully completing the export orders, the Markfed has set up a separate agency to tap the opportunity abroad. “It is a kind of record for a government agency to procure a commodity and export the same in the first year itself,” he said.

After the US, the agency is now looking at exporting the commodity to the European Union.