

## Tobacco Farmers Get Record Prices in AP Auctions

A favourable demand-supply situation in the global market is ensuring higher prices to the farmers in the traditional tobacco growing areas in Andhra Pradesh. The low and medium grades of leaf tobacco are fetching premium prices at the auctions this year, bringing cheers to the farmers who had a tough time selling their produce during the pandemic-hit auctions last two years.

According to the reports, the buoyancy in the market this year is due to the lesser leaf supplies from the major tobacco growing countries in Africa such as Brazil, Zimbabwe etc. There is a shortage even in the domestic market as only 68.1 million kgs of tobacco was marketed in the drought-affected Karnataka during 2021-22. The Tobacco Board had authorized a crop limit of 97 million kgs for the state.

The market situation was completely different during the first wave of the Covid-19 pandemic in 2020 when the low-grade varieties of tobaccos had no buyers. In an attempt to bail out the distressed farmers, the State Government had to participate in tobacco auctions, regulated by the Tobacco Board under the Union Ministry of Commerce and Industry, for the first time with AP Markfed lifting the low-grade stock.

Even the second wave of the pandemic in 2021 led to disruptions in FCV tobacco auctioning in Andhra Pradesh for the second year in a row. Out of the authorized crop quota of 115 million kgs for the state, 112.74 million kgs were traded at an average price of Rs.147.30 in 2021.

A total of 74.63 million kgs of leaf has been marketed so far in Andhra Pradesh this year at an average price of Rs. 176.09 per kg (as on June 23, 2022). The auctions in the state started in the last week of March and is likely to draw to a close in July 2022. The Tobacco Board had set a crop size of 130 million kgs for the state this year.

### FCV Production and Average Prices

ANDHRA PRADESH			KARNATAKA		
Crop Season	FCV Production (Million Kgs)	Avg. Price (Rs./Kg)	Crop Season	FCV Production (Million Kgs)	Avg. Price (Rs./Kg)
2016-17	105.35	134.28	2016-17	98.72	134.58
2017-18	133.05	130.00	2017-18	106.89	139.30
2018-19	124.09	121.53	2018-19	85.08	142.28
2019-20	128.65	123.95	2019-20	106.18	124.14
2020-21	112.74	147.30	2020-21	88.42	119.87
2021-22*	74.63	176.09	2021-22	68.10	163.13

**Note:** Auction is in progress in Andhra Pradesh, the above status is as on June 23, 2022

**Source:** Tobacco Board, Ministry of Commerce, Govt. of India

Reacting to the favourable market condition this year, the Chairman of the Tobacco Board, Mr. Y. Raghunadha Babu, emphasized the need for the farmers to reduce their cost of cultivation and assured timely supply of green manure seeds and fertilizers for the new crop in view of the anticipated shortage of chemicals due to the ongoing Russia-Ukraine war.

The Chairman told S. Murali of The Hindu newspaper that the current bullish phase was because of crop shortage within the country and abroad. Every effort should be made to cut costs by the farmers to take advantage of the global market condition dominated by the big players, he said.

### Tobacco growers in State get record prices for low grade

The price of varieties that dropped to ₹50 a kg earlier, is now fetching ₹150



There were no takers for the low grade varieties of tobacco during the same period three years ago, leaving the Andhra Pradesh government then to make a five-of-kind arrangement, to the market regulated by the Union Commerce Ministry-led Tobacco Board.

Now auctions are back on varieties dipped up to ₹50 per kg, recalls a farmer N.V. Prasad. Now the very same varieties are fetching an attractive price of up to ₹150 a kg, adds Mr. Prasad after touring the produce in Ongole II auction platform.

Farmers through the four auction platforms in the Southern Black Soil (SBS) and four auction platforms in Southern Light Soil (SLS) region, bringing over 7000

Reserving the premium "bedroom bales" for sale at a later date, the farmers are having quiet hope that the prices for bright grade varieties will improve at least in the long run.

Average price Taking advantage of the present market situation, the farmers have so far marketed 52 million kg at an average price of ₹171 per kg, which

In the previous years, the auctions were extended by one or two months on the incidence of COVID-19 disrupted auctions. The farmers are still left with 18 million kg of produce with the medium grade varieties accounting for 7 million kg, bright grade varieties 6 million kg and low grade varieties five million kg.

Share report

### Bullish tobacco market cheers farmers in Andhra Pradesh

S. Murali  
ONGOLE April 24, 2022 18:49 IST

#### Traders lap up bright and medium grade varieties by offering premium prices during the ongoing auctions

Tobacco farmers in the traditional tobacco-growing areas in Andhra Pradesh are upbeat as the traders lapped up bright and medium grade varieties offering premium prices during the ongoing auctions, both in the Southern Light Soil (SLS)

### THE NEW INDIAN EXPRESS

### Tobacco fetches good prices at auctions centres in Andhra

The tobacco farmers of the district have expressed satisfaction over the price offered in the ongoing tobacco auctions at the Indian Tobacco Board auction platforms.

June 7, 2022  
By Express News Service

ONGOLE: The tobacco farmers of the district have expressed satisfaction over the price offered in the ongoing tobacco auctions at the Indian Tobacco Board auction platforms. The average price of tobacco is '165'-170 per kg. In all nine auction centres, traders offer good prices for tobacco from Southern Black Soil (SBS) and Southern Light Soil (SLS) regions, depending on the quality.

Up to date, around 51 million kgs of tobacco stocks were purchased by the Tobacco companies and exporters and another 20 million kgs from tobacco growers. The Tobacco board officials expect that the auctions will come to an end on June 20. The tobacco yield decreased this year following the untimely heavy rains, which in turn increased the demand for tobacco. This led to good prices for the bright and medium grade stocks. Traders and exporters are buying more stock due to the huge demand in the international market.

### Tobacco growers hopeful of good days, better revenue

S. Murali  
ONGOLE March 17, 2022 02:04 IST

#### Auctions begin on modest note in Prakasam and Nellore districts

Tobacco auctions began on a modest note at the seven auction platforms in Prakasam and Nellore districts raising hopes among farmers of getting a better average price for their produce at least during 2021-22 cropping season as COVID-induced economic crisis seemed to abate.

As the bright grade crop earned a premium price of more than ₹200 per kg in Mysuru in Karnataka during the auctions this year, the farmers coming under the

### Farmers happy as tobacco auctions pick up pace in Prakasam district

Though the tobacco yield is lower than estimated target, farmers are happy as the prices are good.

By IYWP Prasad Babu  
Express News Service

ONGOLE: The auctions initiated by the Tobacco Board for the present season are going on at a brisk pace. Auctions in Prakasam district tobacco auction platforms are picking up pace with good demand in the international market and decrease in production in the last two years due to the Covid pandemic. Till date, around 55% of the target purchase has been completed and the auctions are likely to be completed by month-end. The Tobacco Board auctions tobacco from Southern Black Soils (SBS) and Southern Light Soils (SLS) region limits at auction platforms at Ongole, Vellampalli, Tangutur, Kondepi, Baddi, Kandi, Kandukur and Kandi in Prakasam district.

### THE HINDU

### Bullish market brings cheer to tobacco farmers in Andhra Pradesh

S. Murali | Ongole, May 13 2022

#### Traders lap up medium and low grade varieties too by offering premium prices

Farmers in the traditional tobacco growing areas in Nellore and Prakasam districts are a happier lot as prices for various grades, including low and medium ones, have shot up, thanks to the favourable demand-supply situation in the global market.

Taking advantage of the situation, the farmers coming under the Southern Black Soil and Southern Light Soil regions have so far marketed 35 million kg, receiving an average price of ₹172 per kg, which was up by ₹17 per kg when compared with the

### Tobacco Farmers in Andhra Pradesh Happy After Receiving High Price

Despite the fact that the tobacco auctions began late in March, the farmers were able to sell 19.73 million kg of tobacco at an average price of 170 per kg.

Tobacco farmers in Andhra Pradesh's traditional tobacco-growing districts are optimistic, as merchants swooped up bright and medium grade varieties providing premium rates during ongoing auctions in the Southern Light Soil (SLS) and Southern Black Soil (SBS) regions.

During the 31-day auction in the platforms of Ongole I, Kondepi, Vellampalli, Podili, D.C. Palle, Kandukur I and Kandukur II, and 10-day auction in the second phase platforms of Ongole II, Tangutur, Kaligiri, and Kangiri in the districts of Nellore and Prakasam, bright grade varieties of F1 and F2 fetched a premium price of up to ₹185 per kg.

"Tobacco in all grades is on the way to the market. The traders pick up even ripe ones, as well as greens." After witnessing the performance of auctions in Kandukur, SLS regional manager D. Venugopal remarks, "There are no takers for the unripened and NOG types." He says that the reject rate is currently less than 10%.

**Price Range**  
The brilliant grade varieties obtained a price of 165 to 185 per kg, while the medium grade types garnered a price of 150 to 160 per kg.

**Related Links**

### Tobacco auctions fetch max avg price of Rs 185/kg

The Tangutur-I centre also received 27 bales and 26 of them were bought by exporters for similar prices.

By Express News Service

ONGOLE: Tobacco auctions at Ongole-II, Tangutur-I and Kanigiri centres in Prakasam and at Kaligiri in Nellore kicked off on Monday. S secretary of the tobacco board Madhusudana Rao took part in the inauguration, along with board member M Subba Reddy and tobacco growers' association representatives, at the auction centre in Ongole.

On Day 1, growers from Surveyreddy Palem, Vengamukka Palem and Pothavaram villages brought with them 27 tobacco bales to the Ongole centre for the auction, all of which were sold for an average maximum price of Rs 185 per kg.

The Tangutur-I centre also received 27 bales and 26 of them were bought by exporters for similar prices. At Kanigiri, 36 out of 37 bales were sold.

Madhusudana Rao and Ongole-II auction superintendent K Ramakrishna said tobacco exporters and agents were expected to offer prices during the second phase of auctions