

# Tobacco back in flavour as farmers get record prices

Average price jumps by over ₹30 per kg; global shortfall in output boosts demand

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Tobacco farming is back in favour of farmers in the traditional growing areas in Prakasam and Nellore districts, thanks to soaring prices for various grades of leaf.

The low-grade varieties, which had fetched below ₹50 per kg three years ago forcing the State government to intervene in the market, have attracted buyers at a record price of over ₹150 per kg, thanks to the increase in the overseas demand.

Exporters, who used to shy away from the market following non-confirmation of orders from their counterparts abroad during most years in the past, have lapped up whatever leftover quantity of these varieties of tobacco brought by the farmers to the auction platforms in the Southern Light Soil (SLS) and Southern Black Soil (SBS) regions with COVID-19 completely receding.

Truncated auctions were witnessed in the previous two years in the wake of coronavirus-induced curbs and disease prevalence among 'hamalis and also Tobacco Board staff.

For the first time in several years, the auctions are set to close within 100 days, a



Farmers loading tobacco bales at Gundlapalli village, near Maddipadu, in Prakasam district. ■ KOMMURI SRINIVAS

main demand of the farmers to avoid loss of weight and discolouring of tobacco. The flow of leaf has been heavy so that the tobacco Board auction floors are piled up with uncleared tobacco stocks by traders.

A global shortfall in tobacco output had boosted demand for the Indian leaf, pushing up prices in the domestic market to new high, explained Tobacco Board member M. Subrahmanyeswara Reddy.

Thanks to market buoyancy, the rent for barn, the primary processing unit of tobacco, for the upcoming season went up from ₹50,000 to ₹90,000. Similarly, the lease rent for the new cropping season also went up by ₹4,000 per acre to ₹19,000 per acre, a group of farmers coming under the Ongole II auction platform told *The Hindu*.

The absence of pesticide and fungicide residue in the crop grown by the farmers is set to be one of the reasons for the prices for different

varieties soaring.

## Green manure

Most of the farmers had switched over to pheromone traps and green manure in a big way, said a progressive farmer, V.V. Prasad. Farmers have been pressing for an average price of ₹160 per kg this time.

"We could see some good gains this time with the average per-kg price crossing the ₹170 mark, an increase of more than ₹30 per kg when compared the previous year," added another farmer, B. Ramanjaneyulu.

With auctions reaching the fag end, the growers got an average price of ₹172.06 per kg for 73.66 million kg marketed so far against ₹141 per kg realised the previous year.

Low-grade varieties, for the first time in about a decade, fetched a highly attractive price of ₹150.61 per kg, the medium grade ₹176.70 per kg, and the bright grade ₹183.49 per kg, SLS Regional Manager D. Venugopal said.