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Farmers are more than happy as prices of tobacco products have exceeded their best expectations this year. | Photo Credit: File photo

Tobacco is fetching the farmers a record price across auction platforms in Karnataka; thanks to a substantial decline in its production on account of heavy rainfall this year.

Sources in the Tobacco Board told The Hindu that the tobacco crop is expected to be in the region of 62 million kg even though the crop size for the year 2022-23 was fixed at 100 million kg. "But, the farmers are more than happy. The prices have exceeded their best expectations. Against an average price of ₹163 per kg they received last year, the farmers have got ₹225 per kg so far this year," said sources in the Tobacco Board.

In view of the dip in production, the competition among buyers particularly the exporters is at an all-time high, said B.V. Javare Gowda, President of Federation of Flue Cured Virginia (FCV) Tobacco Growers' Associations of Karnataka. "The demand for tobacco is high in the global market as the productivity has dipped even in Brazil and Zimbabwe, which are the two countries known for producing large quantities of tobacco in the world."

Auctions begin

The auctions at the ten platforms in the State, including eight in Mysuru district alone, began in October this year and are expected to continue till February 2023. The harvested tobacco is cured and graded by the growers in their barns before it is taken to the auction platforms.

Even after rains destroyed a substantial portion of the crop this year, the farmers had more than made up for the loss in volumes from the “historic” high prices, pointed out officials in the Tobacco Board.

The prices of superior grade tobacco were reigning around ₹265 to ₹270 per kg. “Some farmers were holding back their produce in the hope that the prices will breach the ₹300 mark,” Mr. Gowda said.

Anti-tobacco crusade

This development comes even as the anti-tobacco crusaders were campaigning for a shift away from tobacco cultivation by bringing pressure on the authorities to convince the farmers to take up cultivation of alternative crops.

Tobacco is cultivated on an estimated 75,000 hectares of land in Karnataka, mostly in Periyapatna, Hunsur and HD Kote taluks of Mysuru district. More than 80% of VFC tobacco grown in Mysuru region is export quality that attracts buyers from across the world for its low nicotine and tar content.

Last year, tobacco farmers had realised an average price of ₹163 per kg when the production surpassed the crop size of 97 million kg to reach 104 million kg.

Source: <https://www.thehindu.com/news/national/karnataka/dip-in-tobacco-production-sparks-competition-among-buyers-prices-reach-a-historic-high/article66125027.ece>