

Tobacco growers in state reap rich gains

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GUNTUR: Virginia tobacco growers in the state are on a high. Five days ago, traders offered a record ₹254 per kg at Gopalapuram (West Godavari) platform. This is considered to be the highest price in the history of tobacco auctions.

Average prices on all auction platforms in Northern Light Soils (NLS) region are hovering around ₹230-₹240 per kg throughout the season. The stocks from NLS region (tobacco grown in East and West Godavari districts) always command high prices due to its superior quality and flavour of leaf.

Average prices even in the Southern Black Soil (SBS) and Southern Light Soil (SLS) regions too have fetched reasonably good prices during the season. While SBS region farmers gained

around ₹196 per kg, SLS farmers got around ₹197 per kg. These prices were not anticipated by growers at the commencement of the season.

The farmers from SLS and SBS regions mostly from Prakasam and Nellore districts have been demanding for payment of at least ₹200 per kg for the past several years. However, the growers have realized only around ₹140-₹150 per kg in the past while their peers from NLS used to around ₹200 per kg. The leaf produced in Southern Soils is considered to be a filler and not of superior in quality. However, the traders competed with each other even to pick up the filler leaf keeping in view of the increased export orders from India.

Almost all exporters jumped into action to pick up stocks resulting in shooting up of price. Prices on Ongole-I and Ongole-II auction platforms shot up to ₹240 per kg on some days during the last week when there was brisk purchases.

"Low grade varieties fetched around ₹192 per kg against ₹147 per kg received last year. This shows the traders rush to pick up all varieties of the stocks available in the platforms," said a senior official of the Tobacco Board.

While the bright grades got around ₹201 per kg average price, medium grades got ₹199 per kg. The low grade leaf which is around 25 per cent of the total production, emerged as the biggest beneficiary. The low grade leaf gained a profit of ₹40 over the last year's price while other grades got around ₹15-20 per kg.