



Tobacco growers in Andhra Pradesh make hay as export demand spikes, seek higher crop cap

Global shortage of 400 million kg of tobacco spurs export demand for the crop; premium leaves fetch farmers in Prakasam and Nellore districts a record ₹210 a kg during e-auctions

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Farmers arrange harvested tobacco leaves for curing near a farm at N.G. Padu in Prakasam district. | Photo Credit: SRINIVAS KOMMURI

Farmers in the traditional tobacco growing region in south coastal Andhra Pradesh have pitched for a higher quota during the coming Rabi season. The demand came after premium leaves fetched a record price of over ₹210 a kg during the ongoing e-auctions in Prakasam and Nellore districts.

The huge demand for the cured leaves globally has led to the market going northwards. Not satisfied with the crop size of 142 million kg fixed by the Tobacco Board, the farmers, through ruling party MPs, have requested the Union Commerce Ministry to increase the cultivation quota to 170 million kg, according to a group of farmers in Ongole. Acceding to the farmers' plea, the Centre waived penalty on excess tobacco with registered growers.

"Officials from the Ministry are considering the demand of the farmers for a higher crop size in view of the export demand," said Ongole MP Magunta Srinivasulu Reddy, who was part of the MPs delegation.

Tobacco sold so far

Farmers coming under the auction platforms in the Southern Light Soil (SLS) region have so far marketed 52.51 million kg at an average price of ₹210.11 a kg whereas their counterparts in the Southern Black Soil (SBS) region got an average price of ₹210.29 a kg for the 56.85 million kg, according to a report compiled by the crop regulator.

In contrast, farmers had realised only an average price of ₹172 a kg for 76 million kg marketed during the previous year.

The fancy prices, even for the low-grade varieties, were due to a shortage of the crop to the tune of 400 million kg at global level, according to Indian Tobacco Association sources.

Despite early losses due to cyclonic storm, enterprising farmers in the two districts took a calculated risk and went for replanting and gap filling. They even grew tobacco on fields where they had planted chickpea earlier to offset the losses. Now, they are raking in the mullah.

For the first time, all varieties of tobacco, including 'green and browns' were lapped up by exporters along with the premium varieties of F1 and F2 as the global players considered India, especially Andhra Pradesh, as a "strategic source of supply".

Meanwhile, sounding a note of caution, a farmer leader Ch. Ravi Babu said farmers should prefer a lesser crop size as they stand to gain only when the demand outstrips supply.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/tobacco-growers-in-andhra-pradesh-press-for-higher-crop-size-as-export-demand-spikes/article67154303.ece>