

## RECORD PRICES BRING CHEER TO AP FARMERS

Farmers in the traditional tobacco growing areas in Andhra Pradesh are rejoicing record high prices for their crop in the auctions this year. Importantly, tobacco farmers realized higher prices for almost all grades of tobacco owing to a surge in demand for the cured leaves in the international market.

“It was the medium-grade varieties that attracted the buyers at a high price of ₹207.05 per kg as major global players looked at India as a strategic source of supply, *The Hindu* reported on July 12 citing the Tobacco Board sources. According to the report, farmers had no difficulty in marketing medium-grade varieties as the exporters lifted medium-grades on par with premium grades this year.

Even, farmers did not face the problems they usually face for selling low-grade varieties this year. *The Hindu* reported that farmers got a record price of ₹195.77 per kg for the 25.16 million kgs brought to the auction floors in the wake of the drop in tobacco inventory with global players.

Besides higher global leaf demand, there is shortage in the domestic market as only 59.98 million kgs of tobacco was marketed in Karnataka due to heavy rains during 2022-23. The Tobacco Board had authorized a crop size of 97 million kgs for Karnataka.

A total of 181.02 million kgs of leaf has been marketed in Andhra Pradesh this year at an average price of Rs. 225.73 per kg. The auctions in the state started in February and were complete in August 2023.

### FCV Production and Average Prices

#### Andhra Pradesh

Crop Season	FCV Production (Million Kgs)	Avg. Price (Rs./Kg)
2016-17	105.35	134.28
2017-18	133.05	130.00
2018-19	124.09	121.53
2019-20	128.65	123.95
2020-21	112.74	147.30
2021-22	121.00	179.17
2022-23	181.02	225.73

#### Karnataka

Crop Season	FCV Production (Million Kgs)	Avg. Price (Rs./Kg)
2016-17	98.72	134.58
2017-18	106.89	139.30
2018-19	85.08	142.28
2019-20	106.18	124.14
2020-21	88.42	119.87
2021-22	68.14	163.13
2022-23	59.98	228.01

Source: Tobacco Board, Ministry of Commerce & Industry, Govt. of India

The Tobacco Board had set a crop size of 142 million kgs for the Andhra Pradesh in 2022-23 and has now retained it for the next year as well. Buoyed by remunerative prices this year, farmers, however, are demanding a higher crop size for the next year.

### Excess Sale Allowed

In view of the Mandous cyclone impact on the crop, the Ministry of Commerce and Industry, early in July, announced a penalty waiver on the sale of excess FCV tobacco in Andhra Pradesh through auctions conducted by the Tobacco Board. The Chief Minister of Andhra Pradesh, Shri YS Jagan Mohan Reddy requested the Union Commerce Minister, Shri Piyush Goyal, to relax the restrictions imposed by the Tobacco Board on sale of tobacco beyond the authorized limit. The CM argued that tobacco is one of the important commercial crops grown in Andhra Pradesh and more than half of the tobacco crop was badly damaged due to the cyclone.

Earlier, the Ministry approved disbursement of interest-free loans through the Tobacco Board, enabling farmers to bear the costs of replantation in cyclone-affected tobacco fields in Andhra Pradesh. Heavy rains caused by Cyclone Mandous in mid-December 2022 badly affected the FCV crop in the state. With a large portion of the standing tobacco crop being submerged in rainwater, farmers lost almost half of the crop in Prakasam district, necessitating replantation of the crop.

#### Tobacco farmers rejoice as surge in demand brings them good prices

The farmers also requested the ED to take steps for the standardisation of prices at all platforms.

**ONGOLE:** Auctions conducted by Tobacco Board in Prakasam district are going on at a brisk pace. The tobacco farmers under Tobacco Board's Southern Black Soil (SBS) and the Southern Light Soil (SLS) are happy over the prices offered by the buyers in the auctions.

"Earlier, we got very low prices for our produce and it led us to face huge losses for several years. But this year, due to the increased demand in the international market and the Tobacco Board's initiative, we have been getting good prices for our product," said Puli Ramachandra Rao, a farmer from Chinnakurthy mandal.

On Saturday, auction was conducted at Vellampalli with 1,000 bales, Ongole-I - 480 bales (Surap and Sals), Ongole - II - 600 (Surap and Sals) Tangutur - I - 470 bales (Surap and Sals), Kondepalle - 820 bales. A

#### Andhra Pradesh farmers upbeat as tobacco fetches record prices during e-auctions

Farmers here got a price of ₹203.39 per kg for 88.36 million kgs of produce marketed so far with the exporters vying with domestic cigarette manufacturers to quote higher during the e-auctions, say sources in Tobacco Board.

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Many farmers in this region endured losses as cyclone storm Mandous damaged at least 40% of the standing crop in 43,000 hectares in December 2022. Undaunted, many enterprising growers took a calculated risk and went the replanting and gap-filling. Those who grew chick pea also replanted tobacco to cope with the losses caused by the cyclonic storm. Now they are reaping their gains as the produce has fetched them a record price.

Farmers here got a price of ₹203.39 per kg for 88.36 million kgs of produce marketed so far with the exporters vying with domestic cigarette manufacturers to quote higher during the e-auctions that reached the top end, said sources in the Tobacco Board.

Farmers had got only an average price of ₹102 per kg for 76 million kgs of produce sold during the previous season. The market witnessed a short supply of the raw leaves to the tune of 400 million kg at the global level, according to Indian

#### Tobacco growers in Prakasam district bag record price of Rs 277 per kg in auction

The average price of tobacco sold in the Rs.211-Rs.212 range in the competition among tobacco exporters spiked alarmingly.

**ONGOLE:** The tobacco farmers of the combined Prakasam district taking under the southern black soil (SBS) region and southern light soil (SLS) regions of the Tobacco Board are expressing joy as most of them got the best price for their produce.

Shortage of stocks in the global tobacco market and rise in demand has increased the price of tobacco produce, which reached a staggering price of Rs 277 per kg on Tuesday. The average price of tobacco continued in the Rs 211-to-212 range as the competition among tobacco exporters spiked alarmingly. It is for the first time in the state's history that the tobacco price has touched Rs 277 per kg for the best quality tobacco stocks in the market.

Due to the covid pandemic impact, large-scale tobacco cultivating countries decreased their crop extent continuously and it became a key factor in increasing demand for tobacco stocks resulting in record-level offering prices for the growers. Meanwhile, the Tobacco Board authorities are planning to close the

#### 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 ₹214 kg during e-auctions



Farmers in the traditional tobacco-growing region in south coastal Andhra Pradesh have picked for a higher quota during the coming Rabi season. The demand came after premium leaves fetched a record price of over ₹200 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. According to the farmers' plea, the Centre waived penalty on excess tobacco with regulated growers.

#### Tobacco growers look for better prices with bright-grade boom

Tobacco farmers hope for at least a 30% increase in the price of cured leaf this year; first phase auction to begin on February 04



Although cyclone Mandous wreaked havoc on the tobacco plantations in south coastal Andhra Pradesh during the early phase of 2023, the enterprising tobacco growers, undaunted, went for replantation in over 30,000 of the 33,000 hectares of the standing crop. As a result, the crop coverage reached 82,000 hectares this year as against over 60,000 hectares last year.

Now the farmers in Prakasam and SPER Nellore districts are hoping against hope for the average price for the cured leaf to go up by at least 30% as the auctions are set to begin in two phases.

"The traders should take into account the Mandous effect on the crop and offer an average price of ₹200 per kg this year," said a

#### Buoyant tobacco market brings cheer to farmers

Major cigarette manufacturers and export exporters have vied to buy the bright grade varieties in the price range of ₹200 to ₹200 per kg in the first phase of the auction



Over regions should guard against the risk of about 50 days for them to get a price, cigarette farmers, IITM and other sources.

Thanks to favourable global and local tobacco markets, tobacco auctioneers have witnessed a spectacular rally in the first platform in the Prakasam district.

The major cigarette manufacturers and export exporters have vied to buy the bright grade varieties in the price range of ₹200 to ₹200 per kg in Ongole I, Vellampalli and Kondepalle in the Southern Black Soil (SBS) region and Prathali in the Southern Light Soil (SLS) region.

"The farmers have realized an average of ₹203 per kg for the 100% better marketed 100% standing. The auctioneers are being held in four platforms," said Mr. Krishna Reddy, chief of the Tobacco Board, Southern Black Soil (SBS) and Southern Light Soil (SLS) regions. Farmers brought 800 to 900 bales per day to each of the auction platforms.

**No takers for medium-grade**

However, the traders showed no inclination to pick up the medium grade variety and the ungraded tobacco. There was no taker for the 'loose and lumpy leaf tobacco' either.

He expressed the Andhra One International and Sustainable collective market bidding to the auction

#### 119 million kg of tobacco sold in Board auctions in Andhra Pradesh

In this season, the Tobacco Board has achieved 11.94 million kg of production, however, 120.11 million kg of yield was produced

By NTF Press Note  
Newspaper Content

**ONGOLE:** The tobacco auctions being conducted by the Tobacco Board are in the concluding phase as the stocks of the present season are almost sold out, surpassing the expected target set of 142 million. The authorities are expecting that the auctions will be concluded by the end of the month.

It is to be noted that out of 11 tobacco auction platforms in the combined Prakasam and Nellore districts under the Southern Black Soil (SBS) and the Southern Light Soil (SLS) regions, five auctions were completed and one closed. Farmers in the region have been reaping as the auction has fetched high prices.

Farmers have sold their produce for around Rs 39-Rs 100 per kg to all categories.

To date, 115.05 million kg of tobacco stocks were purchased by the buyers. For this season, the Tobacco Board has authorized 87.34 million kg of production, however, 120.11 million kg of yield was produced.