

## FCV tobacco prices up at new high in Karnataka auctions in India

March 25, 2024 | Bengaluru

*13 per cent gain in rates in the recently-concluded season; growers preparing nurseries for this season*

BY VISHWANATH KULKARNI



FCV tobacco, mainly grown in the Mysuru region, has good export demand as it can be blended with any other tobacco in the world and has less nicotine, less tar and less sugar | Photo Credit: M A Sriram

Prices of tobacco at auctions in Karnataka continued to increase on robust demand from overseas markets. The average price for flue-cured virginia (FCV) tobacco at the auctions in Karnataka touched a new high of ₹257.46 per kg during the recently concluded 2023-24 season. Prices in the 2023-24 season were up by 13 per cent at ₹29.46 against ₹228.01 kg in the previous season.

Average prices of tobacco in Karnataka, which plunged to a six-year low of ₹119.87 per kg during 2020-21, have been on an upward trend over the past four years, scaling new highs annually over the last two years, per the Tobacco Board data.

In Karnataka, the highest bid recorded during 2023-24 season touched a new high at ₹290 per kg against ₹271 the previous year, Tobacco Board officials said. FCV tobacco, mainly grown in the Mysuru region, has good export demand as it can be blended with any other tobacco in the world and has less nicotine, less tar and less sugar.

### Same crop size

The total estimated production of tobacco in Karnataka during 2023-24 season stood at 82.85 million kgs against an authorised crop size of 100 million kgs. Of the total production, the estimated production by authorised registered growers was 71.34

million kgs. Excess production by registered growers was 3.02 million kgs and the unauthorised production by unregistered growers was estimated at 8.49 m kgs.

For the 2024-25 season, the Tobacco Board has fixed the crop size at 100 million kgs for Karnataka, similar to last years.

As per the Commerce Ministry's quick estimates, India's tobacco exports during the April-February period of the current financial year, have registered an increase of 18.16 per cent to touch \$1.33 billion against \$1.12 billion. During February, exports were up 58 per cent at \$111.86 million.

### **Competition from ginger**

“Growers who are happy with the last year's record prices have already started preparing the nurseries for production of seedlings, even as the pre-monsoon rains are yet to arrive in the key producing regions around Mysuru. The high prices of ginger in the region, a competing crop, is likely to attract the attention of a section of farmers in the forthcoming season,” said B V Javare Gowda, President of the Federation of Karnataka Virginia Tobacco Growers Association.

Gowda said the decline in global output mainly from African producers is keeping the prices firm. According to reports, the El Nino has impacted the tobacco output in Africa's top producer Zimbabwe this year.

*Source: <https://www.thehindubusinessline.com/economy/agri-business/fcv-tobacco-prices-up-at-new-high-in-karnataka-auctions-in-india/article67991235.ece>*