

Auctions Heat Up, Bumper Returns for Prakasam Tobacco Growers

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Tobacco growers in Prakasam district are rejoicing as their produce has been fetching exceptionally good earnings at the ongoing tobacco auctions. (Image: Wikipedia)

Tirupati: Tobacco growers in Prakasam district are rejoicing as their produce has been fetching exceptionally good earnings at the ongoing tobacco auctions.

The auctions are facilitated by the Tobacco Board across its southern light soils (SLS) and southern black soils (SBS) regions.

For nearly 10 days now, premium bright varieties have been commanding firm prices above Rs 300 per kg, while brown varieties are trading between Rs 260 and Rs 270 per kg. Even inferior red grades, which had subdued demand and fetched around Rs 205 per kg previously, have staged a resurgence.

Over the past 4-5 days, these varieties too have witnessed a surge in off-take, with prices escalating back to the Rs 225-230 per kg range.

On May 18, tobacco growers fetched a low of Rs 252.88 at the Ongole-1 auction platform and a high of Rs 319.68 at Gopalapuram, with the average price standing at Rs 282.55 - one of the highest ever recorded in the southern regions.

Prices have been ascending from Rs 230 per kg since the season's inception, reaching a peak in the current market.

Thus far, around 67 million kg of tobacco has been procured at the southern auction platforms at an average rate of Rs 254.53 per kg.

The rise in prices has intensified competition among buyers for prized lots, maintaining farmer interest and suggesting the potential for higher yields. If this trend continues, trade experts believe the season's average price might exceed Rs 270 per kg.

"It's been an exceptionally good season with stable high prices. Strong buying from companies is keeping the market active," noted a Gopalapuram trader.

Farmers are upbeat. "We were worried when low-grade prices weren't encouraging. But the tide has turned, and we're extremely pleased with returns this year. Due to high international demand, competition among exporters and buyers is intense, resulting in the best-ever prices for growers," said a Prakasam farmer.

For the current auction season, the tobacco board sanctioned 88.61 million kg under SBS and SLS, with some 30,000 growers registering a production of over 2.44 lakh bales in the two regions after cultivating 72,000 hectares.

The buoyant sentiment is anticipated to bolster acreage by 10-15 per cent across southern growing regions for the next season as farmers capitalise on this year's lucrative cash crop cultivation.

Source: <https://www.deccanchronicle.com/nation/in-other-news/auctions-heat-up-bumper-returns-for-prakasam-tobacco-growers-894895>