

# FCV tobacco to breach 240-million kg in AP

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Andhra Pradesh is poised to breach 240 million kg in Flue Cured Virginia (FCV) tobacco production this year, far exceeding the Tobacco Board's authorised crop size of 167 million kg.

Meanwhile, Karnataka's output is expected to remain within the 100 million kg limit with the Tobacco Board expecting about 85 million kg for the auctions.

In Karnataka, the board is conducting auctions on all 10 platforms beginning October 8. "We have auctioned about 200m kg of FCV tobacco so far in Andhra Pradesh. We are expecting 40 million kg more. The auction should be completed by the end of October in the State. But it is still on," Tobacco Board Chairman Yashwanth Chidipothu told *businessline*.

The prices are ruling around ₹261 a kg, compared with last year's average of



**REGULATION DEMAND.** Farmers who grow non-FCV varieties want the government to extend the regulation, as it will provide them protection similar to what their FCV peers are enjoying GIRI KVS

about ₹292. The Tobacco Board fixes the crop size at the beginning of every sowing season, limiting the total acreage under the FCV tobacco.

## ADDITIONAL CESS

However, in most cases, the area under FCV tobacco significantly exceeds the limit

and the board continues the auction process until the additional produce is auctioned. It charges an additional cess on the excess. From 0 to 10 per cent of the additional tobacco, the board doesn't charge any additional cess. It, however, collects a service fee of 2 per cent and ₹1 on every addi-

tional kg. If the output breaches the 20 per cent threshold, it will incur a service fee of 3 per cent plus an additional fee of ₹1 for every extra kg.

## TOBACCO WOES

The FCV tobacco, which is largely grown in Andhra Pradesh and to a lesser extent in Telangana, is regulated and monitored closely by the board.

The tobacco story in the country is much bigger than the FCV sector.

"The FCV tobacco output is about 320 million kg. This is about one-fourth of the total tobacco production of 1,100 million kg, which includes several tobacco variants like Black Burley. These are neither regulated nor monitored," Yashwanth said.

Farmers who grow non-FCV varieties now want the government to extend the regulation, as it would provide them with some protection similar to what their FCV peers are enjoying.