

FCV tobacco prices surge on export boom, farmers reap record gains

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[Sambasiva Rao M.](#) | September 30, 2025

The ongoing auctions of Flue Cured Virginia (FCV) tobacco in Andhra Pradesh have brought cheer to growers, with prices touching historic highs on the back of buoyant export demand.

The highest bid so far has reached ₹430 per kg, compared to last year's peak of ₹411, and market experts expect prices to climb further as premium-grade leaf enters the platforms in the coming weeks.

According to Tobacco Board of India Chairperson Yashwanth Kumar Chidipothu, the turnaround marks a watershed moment for the sector. "In the last five years, farmers' average earnings have more than doubled, thanks to strong global demand and a disciplined marketing system," he told The Hindu.



Tobacco Board Chairman Yashwanth Kumar Chidipothu inspecting the FCV tobacco auction procedure at a platform. File | Photo Credit: File

In 2019–20, the average auction price hovered at ₹124 per kg, but by 2023–24 it had surged to nearly ₹280. Farmers in Andhra Pradesh alone earned over ₹6,200 crore last season, reflecting unprecedented profitability at the farm level. Even in the current season, ongoing auctions are averaging more than ₹260 per kg, well above the floor price, ensuring robust returns.

The Chairperson said that the export story has been equally impressive. Volumes rose from 219 million kg in 2019–20 to over 315 million kg in 2023–24, and 365 million kg in 2024–25. Export earnings grew even more dramatically, from ₹6,408 crore to ₹16,728 crore in five years, a 160% jump.

India has now consolidated its position as a top global supplier of unmanufactured tobacco, competing strongly with Brazil and African producers, he added.

Mr. Yashwanth said that the buyers in 128 countries prize Indian FCV for its quality, residue control, and transparent auctioning. With exports surging and farm-level prices at record highs, FCV tobacco remains one of India's most resilient export success stories, delivering prosperity to growers while boosting the nation's trade balance.

Source: <https://www.thehindu.com/news/national/andhra-pradesh/fcv-tobacco-prices-surge-on-export-boom-farmers-reap-record-gains/article70112042.ece>