

## Tobacco price crash: Crop size reduced to 90 million kg for Karnataka during 2026-27

*The reduction in crop size comes in the wake of the drop in prices of tobacco.*

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*Union Minister for Heavy Industries and Steel H.D. Kumaraswamy, Minister for Animal Husbandry and Sericulture K. Venkatesh, Yaduveer Krishnadatta Chamaraja Wadiyar, MP, and MLA for Hunsur Harish Gowda taking part in a meeting of the Tobacco Board in Mysuru on Monday. | Photo Credit: M.A. Sriram*

The Tobacco Board has reduced the crop size for Karnataka from 100 million kg during 2025-26 to 90 million kg for 2026-27. The reduction in crop size comes in the wake of the drop in prices of tobacco.

Tobacco Board chairman Yashwanth Kumar, who participated in the board's meeting held in Mysuru on Monday, said the crop size had been reduced not only in view of subdued demand, but also to ensure that the current crop is marketed at a remunerative price.

Even though the crop size for 2025-26 was fixed at 100 million kg, the production is estimated to be only 87.97 million kg.

Tobacco farmers in Karnataka had resorted to an agitation after the prices of bright grade varieties fell from a peak of ₹320 to ₹270–280 last month.

The traders, who scaled down procurement, blamed the reduced demand for cigarettes on its higher price after the Union Budget levied Excise duty and increased the GST on tobacco products from 28 to 40%.

During the meeting, Indian Tobacco Association (ITA) secretary Y.A. Chowdary said production had gone up in countries like Brazil and Zimbabwe, which is also impacting prices.

Besides, Mr. Chowdary said the shipping of tobacco to foreign destinations too had been disrupted owing to the conflict in West Asia and its implications in West Asian countries.

Responding to demands from elected representatives on options for farmers to shift from tobacco cultivation, Mr. Kumar said Niti Aayog is promoting crop diversification to replace tobacco with alternative crops like sandalwood.

Alternative crops like sandalwood, bamboo and fruits have been promoted by Niti Aayog to boost farmer income and sustainability.

Minister for Animal Husbandry and Sericulture K. Venkatesh and A. Manju, JD(S) MLA, who represent tobacco growing regions of Periyapatna and Arkalgud in the Legislative Assembly, also sought a compensation for farmers, who come forward to give up their tobacco cultivation licence.

Source: <https://www.thehindu.com/news/national/karnataka/tobacco-price-crash-crop-size-reduced-to-90-million-kg-for-karnataka-during-2026-27/article70695404.ece>