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‘No-bid’ rejections hit Prakasam tobacco ryots

Farmers say cyclones damaged barns, exposed bales to moisture



Traders attributed the slowdown in purchases and lower prices to logistics and storage problems caused by cyclones Express Photo

IVNP Prasad Babu | 16 Nov 2026

ONGOLE: Tobacco growers in the combined Prakasam are facing falling prices and an increase in “no-bid” rejections at auction platforms, adding to their woes after cyclone-related losses.

Farmers allege that traders are offering around Rs 90 per kg for low-grade tobacco despite Chief Minister N Chandrababu Naidu’s direction to procure all grades at a minimum of Rs 110 per kg and pay up to Rs 250 per kg for top-grade produce.

Under the Tobacco Board’s Southern Black Soils (SBS) and Southern Light Soils (SLS) regions, 11 auction platforms are operating for the 2025-26 season. While the Board authorised production of 90.20 million kg, farmers are estimated to have produced nearly 140 million kg, creating a surplus of around 60 million kg.

After procuring the authorised quota, the Tobacco Board began facilitating purchases of excess stocks through all 11 auction platforms three weeks ago. As of Saturday, traders had purchased around 107 million kg of tobacco, while nearly 40 million kg remained unsold with farmers.

Traders attributed the slowdown in purchases and lower prices to logistics and storage problems caused by cyclones Arnab and Murasu. Farmers, however, said they too suffered losses due to the cyclones, which damaged barns and exposed tobacco bales to moisture.

“We are losing nearly 2 kg per bale. Prices have fallen sharply, and no-bid rejections have increased. Transporting rejected bales back and bringing them again to auction platforms is a major financial burden,” tobacco growers Venkata Reddy and Srinivasa Rao of Chimakurthy mandal told TNIE.

Speaking to TNIE, Tobacco Board Regional Manager GLK Prasad acknowledged the decline in procurement and prices. “It is true that purchases and prices have fallen significantly in recent days.

Some company stock points were damaged during cyclones, creating logistics issues. We expect the situation to return to normal in coming days,” he said.

Source: *https://www.newindianexpress.com/states/andhra-pradesh/2026/Nov/16/no-bid-rejections-hit-prakasam-tobacco-ryots*