

COVID-19 outbreak: Tobacco auction suspended

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The Tobacco Board has suspended auction of tobacco across all its 10 platforms in the State in the wake of the lockdown declared by the State government to combat the COVID-19 outbreak.

The suspension comes at the fag end of the auction season when barely two million kgs of tobacco is remaining to be auctioned.

The annual auction season of tobacco, which began in the second week of September 2019, was scheduled to end by the end of March. “We would have completed the auction of the entire tobacco by this weekend if it had not been for the lockdown”, said officials of the Tobacco Board.

Out of the 10 platforms, auction has been completed in 6 platforms. Except for the stock coming from the clusters earmarked for the platforms in Periyapatna and Chilkunda, the remaining tobacco has been auctioned.

Against the sanctioned crop size of 100 million kg for the year, a total of 102 million kg had already been purchased, said Tobacco Board officials. About four to five million kg of excess tobacco is attributed to cultivation of the crop by unauthorised growers and authorised farmers cultivating tobacco in excess of the sanctioned quantity.

Also, the suspension of auction comes at a time when the tobacco had just begun commanding a better price in view of non-availability of tobacco grown in China, said President of Federation of VFC Tobacco Growers’ Association of Karnataka Javare Gowda.

In view of the heavy rains last year, the yield of poor grade tobacco went up to a large extent, consequently bringing down its price. However, the farmers, who had refused to sell the tobacco in the earlier days of the auction, had begun realising a better price now. “Unfortunately, the farmers will not be able to delay the auction endlessly as it is a perishable commodity”, said Mr. Gowda.

He urged the Board to ensure that the auction is resumed as soon as the lockdown is lifted so that the farmers do not lose the tobacco.

While the price of bright grade tobacco was fetching ₹180 per kg, the price for poor grade tobacco ranged from ₹50 to ₹85. Though Tobacco Board officials admitted that there had been a marginal increase in the price of tobacco during the last few weeks, they said they were not ready to attribute the same to non-availability of tobacco from China.

Source: <https://www.thehindu.com/news/national/karnataka/covid-19-outbreak-tobacco-auction-suspended/article31144072.ece>