

Tobacco farmers receiving better prices this year

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Average price ₹154 per kg, compared to ₹119 during last year's auction season

Tobacco appears to be commanding a better price at the auction platforms across Karnataka during the ensuing season than last year.

Out of the estimated 5 million kg of tobacco auctioned so far since the markets began on September 24, the average price has been ₹ 154 per kg, compared to ₹119 per kg averaged during last year's auction season.

Though the crop size for the year has been fixed at 97 million kg, sources in the tobacco industry estimate a shortfall of about 20 million kg this year on account of less than optimum rainfall.

President of Federation of Flue Cured Variety (FCV) Tobacco Growers Associations of Karnataka Javare Gowda said the quality of tobacco harvested this year was substantially better than last year. The proportion of bright grade variety had increased significantly this year even though the volumes had dipped.

Farmers had complained against the poor prices offered last year after a bulk of the produce turned out to be low grade. However, the quantum of bright grade variety has improved this year. "The increase in bright grade variety and the decrease in yield should ensure a better price this year", Mr. Gowda said.

For the first time in the last four years, tobacco farmers of Mysuru are expecting the prices to improve. The average price of tobacco had been witnessing a decline since the last three years, said sources in the Tobacco Board. It dipped from ₹136 during 2018-19 to ₹ 124 during 2019-20 before reaching ₹119.87 during 2020-21.

The start of auction season on September 24 had led to farmers gheraoing people's representatives complaining against the poor prices.

The auction season is expected to continue upto February-March 2022 till the harvested tobacco is auctioned.

Meanwhile, tobacco farmers have urged the Tobacco Board to reduce the penalty on unauthorised tobacco. Sharing a copy of a circular issued by Tobacco Board reducing the penalty in Andhra Pradesh, Mr. Gowda said the farmers from Karnataka too are expecting concessions.

The Tobacco Board imposes penalty for not only tobacco cultivated by growers who do not possessing licence, but also the licensed growers for cultivating tobacco in excess of the sanctioned quota. This year, the Board has fixed a ceiling of 1,750 kg per barn.

Mr. Gowda has urged the Board to reduce the penalty to a flat ₹2 per kg and 5 per cent of the value of the proceeds of the unauthorised tobacco grown by both licensed as well as unlicensed farmers.

Source: <https://www.thehindu.com/news/national/karnataka/tobacco-farmers-receiving-better-prices-this-year/article37194041.ece>