

## Markfed enters tobacco market to stabilise prices

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Ministers K. Kannababu, Balineni Srinivasa Reddy and A. Suresh at an auction platform in Ongole on Thursday. | Photo Credit: [Kommuri Srinivas](#)

### Intervention will continue till the last bale is sold: Agriculture Minister

In keeping with Chief Minister Y.S. Jagan Mohan Reddy's assurance to the lockdown-hit tobacco growers, the Markfed has begun purchasing tobacco directly from them to create buoyancy in the market.

"The farmer-friendly government will stay in the market till the last tobacco bale is sold," Agriculture Minister K. Kannababu asserted while overseeing, along with his Cabinet colleagues Balineni Srinivasa Reddy and A. Suresh, the market intervention by Markfed in the Ongole II auction platform on Thursday.

The Markfed entered the market to arrest the fall in prices of various grades of tobacco in the wake of COVID-induced global economic downturn.

From now onwards, the State government would actively participate in the auctions, which had been severely hit during the lockdown period, to ensure the farmers did not suffer at the hands of the traders, Mr. Kannababu told a group of farmers.

### Prices fixed

A minimum price of ₹130 to ₹140 per kg was fixed for F3; ₹100 per kg for F4; and ₹85 per kg for the low grade varieties of F5 and F8.

"If the traders do not come forward to purchase at these rates, the government marketing agency will lift the stock as promised by the Chief Minister," he said, and assured the farmers that the prices for various grades would go up.

Tobacco Board Chairman Y. Raghunatha Babu said the State government's decision augured well for the farmers who could now expect the market to go northwards.

### **Farmers' plea**

Farmers, led by former Tobacco Board member P. Bhadri Reddy, demanded that the government ensured a minimum price of ₹100 per kg for the low grade varieties and an average price of ₹150 per kg for them to at least break even this year.

“They will have no option but to incur a loss of up to ₹3 lakh per barn if the market remains depressed,” farmers' leader V.V. Prasad said.

“The Markfed will be active in all the auction floors in the traditional tobacco growing areas from Monday and ensure that the growers do not resort to distress sale,” Markfed Managing Director P.S. Pradyumna said.

On a suggestion from Ongole MP Magunta Srinivasulu Reddy for floating a separate trading body to explore markets abroad, Mr. Kannababu said he would take up the matter with the Chief Minister and work out the modalities during the next marketing season.

The Minister said the government would do its best to bring down the crop size by about 20% during the coming rabi season by showing alternative crops to the farmers so that they could take advantage of the demand-supply situation.

Mr. Srinivasa Reddy said, in keeping with the poll promise, the government ensured nine hours of power supply to the farmers during day time.

**Source:** <https://www.thehindu.com/news/national/andhra-pradesh/markfed-enters-tobacco-market-to-stabilise-prices/article31974003.ece>