

Rubber production up 4% in June

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While the production of natural rubber rose by 4.1 per cent in June, consumption lagged behind at 0.6 per cent. Hence, the gap between production and consumption continued to widen at over 21,000 tonnes. Sources in the Rubber Board said that any crisis in the rubber markets is quite unlikely as there is a buffer stock of 2,47,442 tonnes.

They pointed out that rubber production has been consistently growing in the recent past, mainly on account of growth in the tapped area.

And this growth is likely to continue, as incremental areas that were brought under rubber cultivation in the last six to seven years will begin yielding in the years to come.

Driven by the prevailing higher prices, the tapping intensity is said to have increased last month. This also contributed to the growth in

production. The extent of rain guarding is said to have remained stable and not had much of an impact on the growth curve.

Although the intermittent nature of the rains last month would have helped production, sources said that the climate was not very different in June last year either.

Production for the April-June quarter was up 5.4 per cent to 1,75,700 tonnes as against 1,66,750 tonnes last year.

Mr N Radhakrishnan, Advisor to the Cochin Rubber Merchants Association (CRMA), said that enquiries for rubber from upcountry buyers have been poor this week. He attributed this to increased imports.

The quoting price of good quality crump rubber in foreign markets was Rs 198 against Rs 214 for Indian sheet rubber, and several Indian buyers were in the process of importing their raw material. Bulk purchase and

imports would always command a lower price, he pointed out.

IMPORTS

Malaysia, Indonesia and Thailand were the three countries from where crump rubber was being imported into India.

Of these, countries like Indonesia offer bargain prices since they consume only around 20 per cent of their total rubber production.

On the contrary, Malaysian rubber industries have been expanding rapidly and consume a significant portion of their own production, Mr Radhakrishnan said.

Imports increased by close to 60 per cent in June, compared with the same month last year.

This is expected to continue this month as well. The growth in imports for the April-June period is also evident as it has almost doubled to 38,233 tonnes from 19,118 tonnes last year.