

Rubber prices shrink, growers cry for import clamp

■ Want commerce ministry to hike import duty on all natural rubber products

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With price of natural rubber (NR) shrinking to two-thirds of last year's rates, growers have pressed the panic button against the rising imports, which they say is eating into the market viability of rubber cultivation.

The Indian Rubber Growers Association (IRGA) has urged the commerce ministry to temporarily suspend NR imports under advance licence till prices improve.



The memorandum that IRGA has submitted to the commerce ministry on Wednesday also demanded an increase in import duty on all goods manufactured out of NR, including tyres, to 8%.

In the last one year, rubber prices have fallen from ₹242 per kilo to ₹160 a kilo. Domestic prices are fluctuating and the gap with inter-

national pricing is widening. Prices of RSS IV, which was ₹201 a kg in April, has come down to ₹160 in December.

The price of crumb rubber also declined from ₹198.50 to ₹159 during the same period.

IRGA points out in its memorandum that during 2010-11, 1.91 lakh MTs and 2.14 lakh MTs of natural

PRICE STRETCHES PATIENCE

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■ India produces 9.3 lakh metric tonnes of rubber and consumes 10 lakh MTs. The requirement by 2020 will be 15 lakh MTS, said IRGA, which is now pushing for a complete ban on its imports

rubber was imported to India in 2011-12, in which 71% and 70% were under the advance licence of duty free import. Sibi Monipally, general secretary, IRGA, said that the cost of production of rubber has gone up so much that any further fall in the price will drive farmers away from rubber cultivation.

India produces 9.3 lakh MTs and consume 10 lakh MTs of rubber, according to IRGA statistics.

The requirement by 2020 will be 15 lakh MTS. To get this target, winning the confidence of farmers is vital, said Monipally.

Meanwhile, Rubbermark (the Kerala State Cooperative Rubber Marketing Federation) has sought export subsidy for rubber, besides steps to impose a complete ban on rubber imports.

In Kerala and North East, about 11 lakhs growers are directly and 50 lakh indirectly involved in this agri-business.

India produces 9.3 lakh tonne of

natural rubber, where 93% is produced by 90% of small growers.

Rubber has changed the face of Kerala and North East, particularly in Tripura and growing areas of Assam, Meghalaya and Nagaland.

Rubber contributed to the upliftment of tribals in Andhra Pradesh and Orissa.

The rubber board's focus is now in the Naxalite hit areas of AP, Orissa, Jharkhand and Chhattisgarh. "When the prices were ruling high, rubber growers extended wage hike and other benefits to workers," said TH Musthafa, president, Rubbermark.

"However, it is not possible to reduce these benefits while the price realisation has come down. Moreover, the increase in fertiliser costs also added to the woes of rubber growers. It is significant to note that when the price of rubber was going down, prices of tyres have not declined and in turn, they had gone up."