

Old rubber plantations wiping out profits of Harrisons Malayalam

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Restrictions on felling old rubber trees and absence of replanting seems to have made a dent on profitability of Harrisons Malayalam, the largest rubber producer in South India. Last year, the plantation company had posted a marginal profit of ₹1.33 crore due to a rise in tea production.

Though the Kerala government has allowed seniorage on rubber trees in October 2018, necessary orders are still awaited. The huge backlog of area due for replanting has led to a drop in production, productivity and job opportunities, said Venkitaraman Anand, the newly appointed Whole Time Director and Chief Executive - SBU (A), HML.

Replanting is an important process to rejuvenate plantations. However, in the case of rubber - being a tree and timber crop - the trees have economic value and restrictions were imposed on felling. Though replanting has been encouraged both by the government and commodity boards for all other crops, it was not allowed in rubber. Around 1,000 hectares with 2.5 lakh trees out of HML's total 6,000 hectares are lying without providing any yield, he said.

Coupled with these, low prices of both rubber and timber have resulted in a huge backlog in areas for replanting especially in ancillary occupations like loading, cutting, timber transport as well as plywood industry which depends on regular supply of trees.

The returns from timber extracted for one hectare accruing to the grower is estimated to be around ₹4 lakh whereas replantation cost per hectare is estimated to be ₹6 lakh, he said.

Santhosh Kumar, the company's Executive Director pointed out that repeated hurdles have forced many growers to shift to alternate cultivation. Rubber cultivation, which is already under intense competition from emerging geographies and policies favouring imports from low cost SE Asian nations would affect the local industry. It is expected that imports this year would touch a record six lakh tonnes (lt) whereas production would be around six lt. Other rubber cultivating States like Tripura, Assam, Odisha, Konkan region and Meghalaya have marked a significant increase in the production.

The total area under rubber in Kerala is to be around 13 lakh acres of which 93 per cent are small holdings.