

Rubber buyers set to feel flood after-effect

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RUBBER BUYERS MAY feel the pinch as the country's largest rubber-producing belt is battling floodwaters and landslides due to excessive rain. Kerala flood havoc could push up the prices, but aggravate the raw material scarcity for the tyre industry.

"The downpour was harsh on rubber plantations in July itself, making it difficult to tap the trees. In August, the situation has only worsened," says Rajiv Budhraj, director-general, Automotive Tyre Manufacturers Association (ATMA). "The gap between production and demand for rubber was already huge. In the first quarter of this financial year (April-June), more than 40% of the demand for natural rubber had to be met from imports. This situation could worsen," he told *FE*.

Rubber output in India, the world's sixth-biggest producer and second-largest consumer, is likely to fall 13.5% to 6,00,000 tonne in 2018-19 from a year ago.

Kottayam, Pathanamthitta and Idukki districts, where rubber economy has grown deep-roots, are among the areas, where lives, crops and livestock have been most devastated by the sweep and surge of Pampa, Periyar and Achankovil rivers.

"Top soil has been washed off in large scale. This would further impact the pro-



ductivity in the rubber market, in ways beyond imagination", says N Dharmaraj, CEO, Harrison Malayalam of RP Goenka group. While there would be temporary surge in price, growers would have little gain from the price surge, as the gargantuan crop losses cannot be matched enough.

A good many of the small-holding growers, who constitute the bulk of the rubber cultivators, are in the flood-relief camps, coming out of the ordeal, losing everything, except their lives. "At this juncture, we need to think of getting back to the damaged dwellings and start picking up pieces of life, before looking up whether the rubber trees are safe or fallen in the landslides," says Josekutty Antony, a rubber sapling dealer, portraying the acuteness of the crisis.