

'We have to strike a balance between industry, growers'

V SAJEEV KUMAR
Kochi, June 15

Volatility in rubber prices seems to have assumed serious proportions, raising doubts over the future of the crop. Natural rubber prices, which rose to ₹240/kg in 2011 and plunged to ₹90/kg in November-December 2015, are now hovering at ₹135/kg. Amidst this crisis, A Ajith Kumar, the newly-appointed Chairman of the Rubber Board, is bullish in his outlook. The Kerala cadre IAS officer believes that the cash crop has wider linkages to all sectors of industry and can provide decent returns to growers. In an exclusive interview with *BusinessLine*, he shared his views. Edited Excerpts:

Can you give some details on the Board's roadmap to keep the momentum in the sector going?

The Board is promoting weekly tapping to reduce costs substantially compared to tapping on alternate days. To an extent, weekly tapping is a solution for labour shortage also. While adopting once a week tapping, it is necessary to apply a yield stimulant called Ethephon, a comparatively safe plant growth regulator. A campaign to promote this practice has already started in the traditional rubber-growing belt of

THE
BL
INTERVIEW

Kerala, Tamil Nadu and Karnataka and will be extended until July.

The Rubber Producers' Societies (RPS) will be rejuvenated by empowering them to be an organic platform of linkage between rubber growers and the Board.

We are incorporating a skill upgradation programme to improve the quality of the produce by identifying eight job roles in the plantation sector. It involves latex harvest technicians, plantation general workers, RSS processing technicians, etc. It is a long-term process and we will be trying to rope in Rubber Skill Development Council also.

To enhance the profitability of farms, group activity concept through RPS will be promoted by adopting new agricultural practices including multi-cropping like plantains, cocoa etc along with rubber. This will fetch additional income to grow-

ers. Today 20 per cent of the 5.49 million hectares of tappable area is still untapped due to lower prices. However, majority of the owners are not interested in keeping the land idle. The empowerment of RPS will offer them a platform to re-start agricultural services by providing adequate service of rubber tappers. We are planning to form these tapper banks in a number of RPSs to cater to the needs of small growers.

Plans are afoot to conduct in-

teractive workshops to identify the technology needs of the MSME sector. The Board would also like to have a stakeholder consultation in tyre manufacturing, which is presently lacking. This will help address the concern raised by consuming industries on quality and availability issues of natural rubber. The first stakeholder consultation will be conducted on June 21.

Even at this critical phase, there is good demand for natural rubber, which we are not able to meet with current supply. The outcome of research activities will be extended to new areas. We are going for an expansion of 75,000 hectares in Assam and in Tripura our focus will be on increasing production and productivity.

A new clone developed by Rubber Research Institute of India to suit the agro-climatic condition of the North-East will be released shortly.

What are the

ground realities for a price crash?

Rubber prices are controlled by many factors including the fall in the price of crude oil, continuing global recession, slowdown in the Chinese economy, fluctuation in currencies of other rubber exporting countries, etc. At present, the condition cannot be termed as that of a 'price crash'. Of late, the prices have started recovering to a certain extent and the process is gaining momentum. It is hoped that the price will rule in the range of ₹125 to ₹140 for some time.

What steps have you taken to improve the productivity, given the reports of under-utilised production capacity?

We have to strike a judicious balance between the industry demand and the concern of growers. Today, the consumption is 10 lakh tonnes against a production of nearly six lakh tonnes. There are areas that need improvement to fill this gap.

Firstly, farmers should use on-

ly the best planting materials available. The Board intends to bring about a certification programme to ensure the quality of planting materials produced by private nurseries.

Meanwhile, the Centre has selected Palakkad District to implement a crop insurance scheme for rubber on a pilot basis in order to address concerns on price and yield. It will be a major boost to rubber production.

Consuming industries questioned the Rubber Board data on production and stock. How do you view this?

A technical committee was formed to look into this matter and it has made certain modifications in the methodology in the case of sampling, projections, etc. Based on that, the data for the last two years were updated and it is hoped that it can be announced during this month.

Have you succeeded in getting a higher budgetary allocation for the Rubber Board?

There is a fund shortage to implement several schemes and we are trying for internal generation of resources and a cost effective approach in expenditure. All commodity boards are passing through a difficult phase. We will seek funds from the Centre in a need-based manner.



Of late, prices have started recovering ... and the process is gaining momentum. It is hoped that the price will rule in the ₹125-₹140/kg range for some time.

A AJITH KUMAR
Chairman, Rubber Board