

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**STARRED QUESTION NO. 128**  
**TO BE ANSWERED ON 05<sup>th</sup> MARCH,2018**

**NEW RUBBER POLICY**

\*128. ADV. JOICE GEORGE:

SHRI MULLAPPALLY RAMACHANDRAN:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री ) be pleased to state:

- (a) whether the Government is planning a new Rubber Policy which will ensure remunerative prices for natural rubber and if so, the details thereof;
- (b) whether the Government has prepared draft of the proposal and invited comments thereon and if so, the details thereof;
- (c) whether the Government has recently conducted any meeting in this regard;
- (d) if so, the details thereof indicating the venue of the meeting, the number of participants and discussions held therein; and
- (e) whether the proposed new Rubber policy is likely to address the price fall issues faced by the rubber farmers and if so, the details thereof along with the steps being considered to ensure Minimum Support Price for Rubber thereunder?

**ANSWER**

वाणिज्य एवं उद्योग मंत्री ( श्री सुरेश प्रभु )

THE MINISTER OF COMMERCE AND INDUSTRY  
(SHRI SURESH PRABHU)

a) to e): A Statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA**  
**STARRED QUESTION NO. 128 FOR ANSWER ON 05<sup>th</sup> MARCH, 2018**  
**REGARDING “NEW RUBBER POLICY”.**

(a) to (d): A Stakeholders Meeting was held on 11<sup>th</sup> February, 2018 at Rubber Board, Kottayam presided over by Hon’ble Minister of State for Tourism for discussing several issues pertaining to the Natural Rubber (NR) Sector. Two Members of Parliament from Kerala, 2 officials from the Department of Commerce, Representatives of 16 stakeholder Associations, Board Members and officials of Rubber Board participated in the meeting. Several issues were discussed which inter-alia includes, Minimum Support Price for NR, restrictions on import of NR, Minimum Import Price of NR, categorisation of NR as an agricultural product, issue of import of cup lumps, safeguard duty on NR import, formulation of Rubber policy, increased budget allocation to the Rubber Board etc.

With a view to address the concerns expressed by various stakeholders in the rubber sector including the formulation of National Policy on Rubber, the Government has decided to constitute a Task Force on Rubber comprising representatives of the State and Central Government for finding out short term solutions and formulating long term strategies to tackle the problems faced in rubber sector and the effort will be to work towards a Rubber Policy in consultation with the State Government.

(e): The Natural Rubber prices are determined by market fundamentals and a range of factors which inter-alia include trends in economic growth in major consuming countries, oil/synthetic rubber prices, weather conditions and developments in future markets. Domestic NR market generally follows the trends in world market with occasional divergences due to region specific and seasonal factors. To regulate the import of NR, the Government has increased the duty on import of dry rubber from “20% or Rs. 30 per kg whichever is lower” to “25% or Rs. 30 per kg whichever is lower” w.e.f 30.4.2015 in order to create demand for locally produced rubber. The Government has also reduced the period of utilization of imported dry rubber under advance licensing scheme from 18 months to 6 months. Director General of Foreign Trade (DGFT) has imposed port restriction on the import of Natural Rubber by restricting the port of entry to Chennai and Nhava Sheva (Jawaharlal Nehru Port) since 20<sup>th</sup> January, 2016.

Moreover, “Rubber Production Incentive Scheme” is under implementation in the major rubber growing State of Kerala for providing financial support to rubber growers under which the difference between the Scheme Reference Price of Rs 150 per kg and the daily market price is credited to the bank account of the farmer directly on the basis of purchase bills.

The Commission of Agricultural Costs and Prices (CACP) under the Ministry of Agriculture & Farmers Welfare is mandated to recommend Minimum Support Price (MSP) for certain agricultural commodities. Natural Rubber is currently not under the purview of CACP.

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