

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

LOK SABHA
UNSTARRED QUESTION NO. 1960
TO BE ANSWERED ON 30th JULY, 2018

RUBBER PRICE CRASH

1960. ADV. JOICE GEORGE:

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

- (a) whether the Government has noticed that rubber price crash has affected extensively poor farmers for the past years;
- (b) if so the details thereof along with the reaction of the Government thereto;
- (c) whether the Government has taken steps in this regard and if so, the details thereof;
- (d) whether the Government is planning to introduce a floor price to support the rubber farming community; and
- (e) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) & (b): Natural Rubber (NR) prices have been at relatively low levels during the recent years in domestic and international markets. The Natural Rubber (NR) 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.

(c): The domestic NR prices are highly sensitive to import of NR. Hence, 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 NhavaSheva (Jawaharlal Nehru Port) since 20th January, 2016.

(d) to (e): No, Madam. However, “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.
