

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

LOK SABHA
UNSTARRED QUESTION NO. 362
TO BE ANSWERED ON 03rd FEBRUARY, 2021

NATURAL RUBBER FARMERS

362. SHRI KODIKUNNIL SURESH:

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

- (a) whether the Government has taken any decision to help the small scale domestic Natural Rubber farmers in the country and if so, the details thereof and action taken by the Government in this matter;
- (b) whether the Government has proposed to hike the import duty of Natural Rubber and if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government is aware that small scale rubber farmers and workers are enduring crises affecting their survival due to decreased price of Natural Rubber in the open market;
- (d) if so, the details thereof and action taken by the Government in this regard;
- (e) whether the Government has any plan to provide support price to Natural Rubber and declare moratorium on their Bank loans; and
- (f) if so, the details thereof and if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री हरदीप सिंह पुरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI HARDEEP SINGH PURI)

(a) To support the Natural Rubber (NR) sector and help farmers, Government through the Rubber Board is implementing the Sustainable and Inclusive Development of Natural Rubber Sector scheme. The scheme provides for financial and technical assistance for planting, supply of quality planting materials, support for grower forums, training and skill development programme. Activities also include generation and distribution of quality planting materials; promoting grower forums such as Rubber Producers Societies (RPS); promoting Group Processing Centres (GPCs); assistance for processing; training for tappers; contact programmes and seminars; welfare

measures for plantation workers; skill development programmes under Prime Ministers Kaushal Vikas Yojana (PMKVY) etc.

(b) The WTO bound custom duty rate is 25% for all dry forms of NR (HS 400121, 400122 and 400129). For latex (HS 400110) it is unbound. Current applied custom duty rate on dry forms of NR is 25% or Rs. 30 per kg., whichever is lower and that on latex is 70% or Rs. 49 per kg., whichever is lower. As the import duty on dry forms of NR is already equal to bound rate of 25%, it cannot be raised further. Import duty on latex is at the significant level of 70%.

(c) & (d) NR prices are determined by market forces 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 futures markets. The domestic NR market generally follows the trend in the world market with some divergence due to region specific and domestic factors. Rubber prices have increased in the country in the recent past and the average price for the RSS4 grade in December, 2020 was 158.42 per kg.

(e) & (f) Natural Rubber is not included in the items for which Minimum Support Price(MSP) is notified. However, the Government /Reserve Bank of India (RBI), have taken various policy measures to ease the financial stress caused by the COVID 19 pandemic, by providing relief on debt servicing and improving access to working capital. RBI vide its circular dated 17th April 2020, had permitted all commercial banks, to grant a moratorium till 31st August 2020, on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans). The repayment schedule for such loans as also the residual tenor, has been allowed to be shifted across the board. In respect of working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions were permitted to allow a deferment till 31st August 2020, on recovery of interest applied in respect of all such facilities. This facility is applicable to all loans to agriculture and allied activities including rubber sector.
