

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1247**  
TO BE ANSWERED ON THE 30<sup>TH</sup> JULY, 2024

**MSP FOR NATURAL RUBBER**

1247. SHRI K C VENUGOPAL:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the details of action taken by the Government to protect natural rubber farmers, particularly in safeguarding the price of natural rubber against imports;
- (b) whether the Government is ready to provide Minimum Support Price (MSP) to natural rubber;
- (c) whether the Government has any plans to frame a National Rubber Policy to safeguard the interests of small and medium farmers; and
- (d) whether there is any plan to include natural rubber in the proposed Livelihood Security Box and recategorize it as an agricultural commodity in the World Trade Organization agreements and various Free Trade Agreements (FTAs) and Regional Trade Agreements(RTAs)?

**ANSWER**

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): The price of natural rubber is determined in the open market based on demand and supply. The International rubber prices also influence the domestic prices. The Government, with the objective to regulate the import of natural rubber, had increased the duty on import of dry rubber from “20% or Rs. 30 per kg whichever is lower” to bound rate of “25% or Rs. 30 per kg whichever is lower” w.e.f 30.4.2015. The Government had also reduced the period of utilization of imported dry rubber under advance licensing scheme from 18 months to 6 months in January 2015. The Port of entry for import of Natural Rubber had also been restricted to ports at Chennai and NhavaSheva in January 2016. Further, in the Union Budget 2023-24, the rate of custom duty on compound rubber was increased from 10% to 25%.

(b): Government fixes Minimum Support Prices (MSP) for 22 mandated agricultural crops and Fair & Remunerative Price (FRP) for sugarcane on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries / Departments concerned and other relevant factors. CACP also holds consultations with all the stakeholders and seeks suggestions for both price and non-price recommendations. Suggestions/ representations from State Governments and various farmer organizations are also received from time to time for the coverage of crops under MSP. The inclusion of crops under MSP framework is however, dependent on several factors which include essential for food security, relatively large shelf life, widely grown, item of mass consumption, among others.

(c): The Department of Commerce had brought out the National Rubber Policy in March 2019, which inter alia covers new planting and replanting of rubber, support for growers, processing and marketing of natural rubber, labour shortage, grower forums, external trade, Centre-State integrated strategies, research, training, rubber product manufacturing and export, climate change concerns & carbon market.

(d): Natural Rubber cannot be treated as an agricultural product. Though, the Natural Rubber cultivation may be treated as an agricultural activity, the income from its post-cultivation practices may not be treated as an agricultural income as it is exclusively used as a raw material for industrial purpose. However, in majority of existing Free Trade Agreements (FTAs) and Regional Trade Agreements (RTAs), Natural Rubber is included in exclusion lists to protect the interest of rubber growers.

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