

Growth and Trends in Production and Marketing of Natural Rubber in Kerala: An Overview

Ampady Ajayan

School of Agribusiness & Rural Management, Dr. Rajendra Prasad Central Agricultural University, Pusa, Bihar

Corresponding author: ampady.ajayan35@gmail.com

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SUMMARY

India is the fourth largest producer of natural rubber in the world. The production of natural rubber in India during 2018-19 was 651000 tonnes. India stands first in terms of productivity of natural rubber in the world. The productivity of natural rubber in India during 2018-19 was 1,453 kg/ hectares. Kerala is the largest producer in India. Kerala accounts for 78% of the area and 90% of total rubber produced in India. The production of natural rubber in Kerala during 2018-19 was 518940 tonnes. The marketing of natural rubber in Kerala is commonly adopted by small holders and estate sectors. Small holders and estate sector sell natural rubber to traders or dealers through a marketing channel. Export of natural rubber from India rose from the low level of 6,995 tonnes in 2018 -19 to 75,905tonnes during 2016 - 17. But in 2004 05 export partially slide to 46,169 tonnes and the decrease in the quantity of export of natural rubber was due to the reduced rate of incentive and lesser price difference in the domestic and international market. The leading export market of Indian natural rubber is china, Malaysia, Indonesia, turkey, Srilanka, Spain and Nepal. In this paper an attempt is made to analyse the growth and trends in production and marketing of natural rubber in kerala. Compound annual growth rate (Cagr) is adopted to analyse the growth rate in area, production, productivity and export of natural rubber from India.

INTRODUCTION

Agriculture is man's single most important industrial raw material of plant origin as activity across the world. The progress in natural rubber. Processing and marketing of agriculture

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is normally regarded as a natural rubber as value added products can prerequisite to economic development. To ensure a remunerative price to the success of any agriculture activity has to be producers which can sustain their interest measured in terms of the net returns and faith in the industry. Nature has not provided any other provides the basic raw material to over 35,000 products from eraser to air craft tyre. India is the fourth largest producer and the second largest consumer of natural rubber. The rubber plantation occupies 0.4 per cent of the gross cropped area and contributes to 0.19 per cent to the national GDP. Natural rubber forms the back bone of commercial agricultural scenario of the state and rubber plantations have profound influence on the economic and social status of the people.

The following objectives were concentrated for this study, that includes to analyse the growth on area, production and productivity of natural rubber in Kerala. And also to examine the marketing of natural rubber by different levels of producers in Kerala. To examine the degree and direction of export of natural rubber from India. And how the cultivators benefit from growing and marketing rubber in Kerala, marketing models, trend analysis of rubber for 10 years some rubber farmers groups.

HOW THE CULTIVATORS BENEFIT FROM GROWING AND MARKETING RUBBER IN KERALA

In Kerala, which accounts for 80 per cent of the country's production, saw much better days only three years ago when rss-4 prices scaled Rs 240-250 levels. This cash crop spread from the three central Kerala districts to even non-traditional growing areas elsewhere in the state. From their lows of below Rs 20 per kg in the late 1990S, rubber prices rose gradually to embark on a bull run that took them to their Rs 250 peaks in 2011. It has been a slippery slope since — more so in the last one year. The impact of this can be gauged if one considers Kerala's annual rubber production of roughly 800,000 tonnes. A fall of Rs 100/kg translates into an income loss of Rs 8,000 crore for farmers, with obvious cascading effects on consumption and spending across the state. Almost 80 per cent deploying workers for tapping, whose wages too had spiraled along with rubber prices in the boom, but which haven't adjusted downwards along

with plunging rubber realizations. They remain in the Rs 2-3 per tree range, depending upon the availability of workers.

“Only farmers who tap the trees themselves can today engage in production, as it will at least save wages. But if prices go down further, even that wouldn’t be possible. They will then have to leave their trees idle and scout for other jobs, a 300-tree grower in Thodupuzha. It’s not growers alone who are affected. At Kanjirappally, a major plantation centre, many rubber growers constructed new houses, bought swanky cars, and enrolled children for professional courses at private institutions. As plantation real estate values soared and rubber prices crossed Rs 200, banks, too, rushed to give educational loans to children of cultivators.

Low rubber realizations have now left their imprint on banks, not just in terms of local deposits and credit offtake; in many cases, even repayment of educational loans availed during the boom isn’t happening, confirmed an official at a leading private sector bank’s Kanjirappally branch. The high prices enjoyed in the last few years attracted many new farmers into rubber cultivation. This was partly enabled by the price crisis in coconut during the previous decade. Hence, many farmers uprooted coconut trees and planted rubber. In non-traditional areas such as Kozhikode, Kannur, Kasaragod and Wayanad, where coconut, areca, cashew or spices were grown, rubber plantations sprung up.

According to rubber board statistics, the country’s overall area under the crop rose by nearly a third, from 5.84 lakh hectares to 7.76 lakh hectares, between 2004-05 and 2013-14. Much of this was in Kerala. Rubber also became a source of valuable real estate. Even in remote north Kerala villages, an acre of rubber plantation began commanding a price of rs 40 lakh. These have turned into idle investments, as there is no tapping, and nobody to buy the land even if one wants to sell,” a real estate broker at Puthuppaddy in Kozhikode. “if prices had stayed at Rs 200, more land in Kerala would have been turned into rubber plantations. The fall in prices has changed that trend. The crash in the rubber market has also hit the subsidiary business of rearing rubber saplings. The rate of saplings that was Rs 140 a year back, has fallen to Rs 40 this season. Kerala has around a thousand rubber nurseries that together prepared one crore saplings annually. This year, we could sell only half of them. The unsold saplings had to be destroyed.

Many rubber farmers blame the free import policy of the congress government for their crisis. In the last six years, rubber imports have quadrupled to 325,000 tonnes even as domestic output has hovered around 900,000 tonnes.

The Kerala government, for now, has decided to give growers an additional Rs 5 over the rubber board's indicative market price. This support, through procurement by agencies such as Kerala state co-operative rubber marketing federation (rubber mark) and market fed, will continue until the market price reaches a target level of Rs 176 per kg.

MONTHLY TRENDS IN PRODUCTION, CONSUMPTION, IMPORT, EXPORT AND AVERAGE PRICES OF NATURAL RUBBER IN INDIA

	Production (tonne)		Consumption (tonne)		Import (tonne)		Export (tonne)		Average price of Rss-4 at Kottayam (Rs/100 kg)	
	2017-18	2018-19P	2017-18	2018-19P	2017-18	2018-19P	2017-18	2018-19P	2017-18	2018-19
April	48000	40000	89000	98500	24289	38055	2240	329	14339	12012
May	50000	42000	88700	103000	37256	47393	1247	24	13073	12419
June	45000	44000	86680	102550	33437	43910	134	178	12238	12646
July	58000	46000	89500	105490	35560	39627	301	202	13300	12919
Aug.	58000	40000	88400	101500	44787	59588	262	417	13063	13267
Sep.	61000	65000	86680	103000	49844	70887	24	694	13424	13048
Oct.	62000	67000	89000	102560	38048	71142	479	202	13060	12780
Nov.	64000	65000	96500	99860	33964	51576	284	1157	12587	12156
Dec.	78000	81000	99600	105480	36136	42618	20	517	13082	12196
Jan.	73000	78000	99350	98000	42018	43481	29	8	12746	12466
Feb.	52000	50000	95800	92000	45722	36883	33	218	12413	12433
Mar.	45000	33000	103000	100000	48699	37191	19	605	12438	12802
Year	694000	651000	1112210	1211940	469760	582351	5072	4551	12980	12595

Source -Rubber Board Kottayam

Production of natural rubber (NR) in india during January 2020 increased by 10.3% to 86,000 tonne from 78,000 tonne produced during January 2019. The total NR production during the ten months ended January 2020 was also increased by 10.4% to 627,000 tonne from the same period a year ago. The production preliminarily estimated for February 2020 is 53,000 tonne.

The country consumed 102,000 tonne of NR during January 2020 showing a slight increase of 1.5% from the month of December 2019. The cumulative consumption during April 2019 to January 2020 was 955,620 tonne, down by 6.3% from the same period a year ago. According to preliminary estimate, the country has consumed 102,500 tonne of NR during February 2020. India imported 30,994 tonne of NR during January 2020 making the total volume landed in the country during April to January 2020 at 400,762 tonne compared to 508,277.

CONCLUSION

The analysis of growth trends of area in Kerala revealed cropping pattern change from food crops to rubber. This is due to farmers' decisions. There are determinants which motivated farmers and area response and yield response models were used to analyse it in terms of lagged area, lagged yield, expected price of the crop, expected price of the competing crop, expected yield risk and price risk, average annual rainfall, Tappable area, etc. The result revealed that price variable (expected price and expected price of competing crop) is the major determining factor in addition to tapped area for area decision. In the yield response decision, past years yield and rainfall were the significant variables. The area response and yield response of rubber shows that area under rubber was price responsive. Future expectations about price are the dominating factor governing the acreage decision of rubber in Kerala. Rubber is an agro-industry based product in which ten lakh farmers are directly involved. There is a scarcity of 2 lakh tonne natural rubber in the world market today. The farmers in Kerala are facing many problems due to price volatility; so a scheme that guarantee minimum support price of Rs. 150 per kilogram for natural rubber sheets produced should be implemented and government should provide more incentives to protect the small rubber growers and also stop the import of natural rubber; otherwise there is a shift from rubber to other crops.

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