

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2928  
ANSWERED ON:07.12.2001  
LOW STATUTORY PRICE FOR RUBBER  
K. FRANCIS GEORGE

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

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(a) whether the Government had taken into consideration the actual cost of production of rubber as on date while declaring the statutory minimum price for RSS 4 and RSS 5 at Rs.32.09 and Rs.30.79 respectively; (

(b) if so, the details thereof and if not, the reasons therefor; (

(c) whether the Government are aware that consequent to the declaration of low statutory minimum price, trading in rubber has stopped causing unbearable hardship to the rubber farmers and allied workers in the country; and (

(d) if so, the details of the steps contemplated by the Government to mitigate the suffering of the farming community?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI RAJIV PRATAP RUDY )

(a) & (b) : No, Sir. Government has fixed minimum price for RSS 4 and RSS 5 grades of natural rubber on the basis of an import parity price keeping in view the international prices under the Quantitative Restrictions free regime. Any price fixed not taking into consideration the international price would have led to surge in imports thereby causing undue hardship to the rubber growers.

(c) & (d) : Initially rubber dealers had some misapprehensions about the minimum price but after discussions with the trading community, the market has since settled and normal trading is taking place. At the same time it should be stated that there is an overall demand recession for rubber based products in the domestic as well as international markets which has affected off-take of natural rubber.