

PRICE VOLATILITY AND ITS IMPACT ON RUBBER CULTIVATION IN INDIA - AN ANALYSIS OF RECENT TRENDS

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Abstract

Natural rubber plays an important role in the industrial and economic development of any country as it is used as the basic raw material for a variety of industries. Presently, India occupies the sixth position in terms of natural rubber production. Price of natural rubber is a matter of concern for both producers and consumers. Making available cheap raw materials to the domestic industries without compromising the interest of cultivators for a fair price is really a challenging task as the price of natural rubber is influenced by various domestic and international factors. The price of natural rubber is a function of several factors like demand, supply, export, import, stock, international price, crude oil price, synthetic rubber price, global consumption etc. The price of natural rubber is showing a declining trend in India for the last couple of years irrespective of various policy measures taken by central and state Government. This paper tries to analyse various factors that cause instability in the price of natural rubber and evaluate its impacts on the performance of rubber economy in India.

Keywords: Rubber cultivation, Price instability, Economic development, Agricultural production, Global consumption, Market uncertainties

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