

A PERSPECTIVE ASSESSMENT OF THE RUBBER BOARD'S CONTRIBUTION TO THE EXPORT PROMOTION OF NATURAL RUBBER

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Abstract

In terms of export, NR is not a traditional item of Indian export. Despite this, the government has prioritised NR exports since 2001, when quantitative restrictions (QRs) on imports were lifted. The promotion of NR export is being promoted as a counter-strategies to the wild volatility in domestic NR price movements caused by the massive influx of NR imports into the country. The rubber-consuming industry in India has been importing NR in large quantities in recent years, taking advantage of the country's import duty structure. Even though the current demand-supply imbalance and deficit do not call for a robust export promotion strategy for natural resources, the Board will concentrate on export promotion in order to increase the sector's export competitiveness and capabilities so that exports can be made whenever the price environment is favourable. The Board is taking a number of actions to encourage exports and assist Indian exporters in surviving on the international market. The Board's responsibilities include promoting the NR brand, participating in trade shows, and offering training on natural rubber export management, export procedures, and import policy. Therefore, it has become necessary to assess the rubber board's effectiveness from the viewpoint of the rubber farmers in promoting natural rubber exports from India. This article makes an effort to assess the impact of rubber boards on India's exports of natural rubber.

Keywords: Rubber Board, Export, Natural Rubber

Introduction

Under the Rubber Act of 1947, the Government of India established the Rubber Board as a statutory body to promote the overall growth of the nation's rubber industry. The British were responsible for the introduction of natural rubber cultivation on a commercial scale in India, though early attempts to commercially cultivate rubber in India date back to 1873 at the Botanical Gardens in Calcutta. At Thattekadu, commercial plantations were first established in India in 1902.

Generally there are two kinds of agricultural activities existing in India; food crops and cash crops. As we all aware of the meaning of cash crops and food crops. Rubber is one of the most prominent cash crop in India. According to Rubber board of India The total production of Natural Rubber (NR) during 2018-19 is provisionally estimated at 648000 tonnes. The production of NR during April-May 2019 is provisionally estimated at 74000 tonnes. Which reveals the importance of rubber plantation in India. In India, especially in the state of Kerala, a large number of farmers depends rubber farming for their lively hoods. Therefore it is the responsibility of the government to protect the interest of the farmers from the unhealthy competition.

According to (Minstry of Commerce and Industry, n.d.) In recent years, both domestic and foreign markets have seen relatively low prices for natural rubber. The average price for the RSS4 grade in June 2019 was 150.29 per kg. However, rubber prices have started to rise in recent weeks. The prices of natural rubber are determined by market forces and a variety of factors, which include, among other things, economic growth trends in major consuming nations, oil and synthetic rubber price trends, climatic conditions, and market developments. The domestic NR market typically tracks the global market trend, with sporadic deviations brought on by region- and season-specific factors. According to WTO commitments, no quantitative limitations can be placed on the import of NR. The price of domestic NR is affected by NR import. Because of this, the government raised the duty on the import of dry rubber from "20% or Rs. 30 per kg whichever is lower" to "25% or Rs. 30 per kg whichever is lower" as of April 30, 2015, in order to control the import of NR. Additionally, the Government shortened the time frame for using imported dry rubber purchased under an advance licencing scheme in January 2015 from 18 to 6 months. Since January 20, 2016, the Director General of Foreign Trade (DGFT) has restricted the ports of entry for the import of natural rubber to Chennai and Nhava Sheva (Jawaharlal Nehru Port).

Review of Literature

(Uthaman, 2021) The association of planters in Kerala (APK) has expressed concern about the state's declining production shares over the past few decades. The production of natural rubber in the state was 6,68,000 tonnes in the fiscal year 2020 and 7,10,000 tonnes in the fiscal year 2019, according to the annual report of APK. From this, we can see that there has been a small decline of 5.91%. The proportion of Kerala in the national production has decreased from about 92% a decade ago to 69.66% today. The increase in area under cultivation in non-traditional regions like the North Eastern parts and Sindhudurg in Maharashtra was one of the reasons cited by the planters' body. The rubber board and the government decided to create some strategies and tools for the rubber cultivators to combat this, including an awareness campaign, technical assistance, price stability, and financial tools.

(M Kannan, 2013) Variables in the production of natural rubber, such as export volume, stock, and domestic price, had a favourable and significant relationship with production. Although natural rubber imports are not significant, they have a detrimental impact on domestic production. The OLS model shows that among the five independent variables affecting natural rubber export, all but production are found to have a significant impact. These variables include stock, global market price, domestic price, and global population. Additionally, he suggests that the government might raise the cost of purchasing natural rubber at a suitable and reasonable rate. The quantity stock has a negative impact on India's natural rubber exports. Therefore, it is suggested and advised that the natural rubber stock be kept below a reasonable and prescribed level in order to increase Indian exports.

(Balasubramani & Swathi Lekshmi, 2001) It was investigated how rubber growers felt about the information technology-enabled Rubber Expert System. The majority of respondents (60.83%) were found to have a high level of perception of contemporary information and communication technologies, followed by 21.67% with a medium level of perception and the remaining 17.50% with a low level of perception. The study's finding that slightly fewer than three-fourths of the respondents said they were most satisfied with the diagnostic path that was sequential and logical in RUBEXS-04 could be used to defend the study's findings. The correct conclusion offered by the RUBEXS-04 satisfied the majority of respondents (81.67%) the most.

(Muthusamy, 2020) The performance of rubber exports from 2010–2011 to 2017–2018 is evaluated in this paper. The Board has been promoting the Indian Rubber export promotion strategy since 2011 with the aim of differentiating Indian rubber in the global market with its discerning quality features. The board is promoting export as a method of market intervention to correct market imbalances brought on by shady imports of rubber. From December 2016 to March 2017, when production is at its highest, exports are at their highest levels. From April to October 2018, India's rubber exports increased to 650 tonnes. Since December 2013, the price of natural rubber (NR) on the Indian market has dominated the prices on the global market.

(Kumar, 2022) According to a report, the Rubber Board wants to increase India's exports of rubber goods from their current level of 25,000 crore over the next 25 years. The Executive Director of the Board, K.N. Raghava, has stated. While opening the Advanced Analysis Laboratory for Rubber Products at the Rubber Research Institute of India, he stated that it was the responsibility of the Board to assist exporters, particularly those in the MSME sector, in any way possible.

Research gap:

Despite the fact that some studies have been conducted in connection with the rubber board's activities, the study that specifies the role of the rubber board in the export of natural rubber is severely lacking, particularly from the perspective of farmers.

Statement of the problem

Rubber board is a statutory body set up by the government of India to promote the rubber industry. Therefore it is essential to assess the performance of rubber board on their various activities for the betterment of their services in the present circumstances. Because there is strong fear among rubber farmers that the rubber board would be shut down or partially privatised. The NITI Aayog had recommended that the board is not essential and its functioning should be discontinued. As a result the board recently convened a gathering of farmers to get their feedback. The central government would make the final decision after weighing the NITI Aayog's observation and the Ministry of Commerce's position. The ministry thinks the board should continue. After the NITI Aayog observation, the ministry asked the board for a thorough report. The board responded to inquiries about, among other

things, the services it has provided thus far, import-export information, and farmer welfare (Balagopal, 2022)

Research question

Based on the research gap and statement of the problem, the researcher has identified the following research question:

- What is the perception of farmers on the rubber board about their export promotional activities?

Objectives

- ✓ To assess the perception of farmers on the role of rubber boards on the export of natural rubber in Kerala.

Hypothesis

- ✓ The perception of farmers on the role of rubber board on the promotion for export of the natural rubbers are the same with respect to the type of farmers.

Scope of the study

People who are engaged in the production of natural rubber are the only ones considered for the study. Farmers in Kerala State were polled for information. Farmers engaged in the production of natural rubber were classified into two groups based on the area of cultivation, such as small-scale and plantation farmers. Small-scale farmers are those who planted rubber on less than five acres of land, whereas plantation farmers are those who farm more than five acres of land for rubber cultivation.

Methodology

There are 150 farmers chosen to collect data equally from small scale farmers and plantation farmers. Primary data were collected by using a structured questionnaire, and secondary data were collected from all available sources. Five point Likert scale techniques were used for collecting the data. The researcher opted for a simple random sampling method for selecting the respondent.

According to the Shapiro-Wilk test, the data were normally distributed because the p value was greater than 0.05, so the researcher chose a parametric test to validate the hypothesis.

Data analysis

To compare rubber farmers' perceptions of the rubber board's activities for natural rubber export, data were collected from 150 farmers, 75 from both types of farmers, such as small-scale farmers and plantation farmers. Table 1.1 depicts the farmers' distribution by area of cultivation.

Table 1.1

Type of farmers

Type of farmers	No of respondent	Percent
Small scale farmers	75	50%
Plantation farmers	75	50%
Total	150	100%

Source: Primary data

According to table 1.1, 75 farmers are small-scale farmers, and the remaining are plantation farmers. There were equal distributions given to both types of farmers to assess their perceptions towards their rubber board.

In order to study the perception of farmers towards the export promotion schemes of the rubber board, the following independent variables are used in statement form:

1. The procedure for issuing a Registration and Membership Certificate (RCMC) is simple.
2. Fees for issuing a Registration-cum-Membership Certificate (RCMC) are moderate.
3. The procedure for issuing a Certificate of Origin (CoO) is simple.
4. The fees for issuing a Certificate of Origin (CoO) are moderate.
5. Participation of rubber board in international trade fairs
6. Rubber board organises and takes part in exhibitions.
7. Gives Indian natural rubber international exposure.
8. Conduct training programmes in export management and procedures.
9. Provide technical assistance for export value-added activities.

10. Financial assistance can be used to protect exporters from competitors.
11. Conducting awareness programmes about the procedure and benefits of exporting natural rubber.

Are farmers' perspectives on the aforementioned independent variables consistent? Or which variable is the most important? To find an answer to this question, one sample t test was used, and the results are shown in table 1.2.

Table 1.2

One sample t test for the farmers' perception on the role of rubber board on the export of natural rubber.

Export promotion support on	N	Mean	Std. Deviation	Std. Error Mean	t value	P value
Procedure for issuing Registration-cum-Membership Certificate (RCMC) is simple.	150	3.72	.547	.0445	87.446	.000
Fee for issuing Registration-cum-Membership Certificate (RCMC) are moderate	150	3.61	.654	.053	67.508	.000
Procedure for issuing Certificate of Origin (CoO) is simple.	150	3.85	.560	.046	81.258	.000
Fee for issuing Certificate of Origin (CoO) are moderate.	150	3.61	.654	.053	67.508	.000
Rubber board participating in international trade fairs	150	3.73	.490	.040	93.123	.000
Rubber board conduct and participate in exhibitions	150	3.71	.560	.046	81.258	.000
Provides international publicity to Indian Natural Rubber.	150	3.81	.460	.038	102.507	.000

Conduct training programmes in export management and procedures	150	3.85	.483	.039	96.676	.000
Provide technical assistance for the value added activities for exports	150	3.99	.331	.017	144.197	.000
Support exporters from competitors through financial assistances.	150	3.91	.335	.027	142.947	.000
Conducting awareness programmes about the procedure and benefits of exporting natural rubber	150	3.71	.538	.044	84.415	.000
Perception of farmers	150	3.86	.23	.020	223.18	.000

Source: primary data

A one-sample t test was used to determine farmers' perceptions of the rubber board's export promotional assistance. Based on the mean score, it is evident that farmers have a high perception of statements such as "Procedure for issuing a Certificate of Origin (CoO) is simple," "Conduct training programmes in export management and procedures," "Provide technical assistance for the value-added activities for exports," "Support exporters from competitors through financial assistance," and "Conduct awareness programmes about the procedure and benefits of exporting natural rubber."

Because the mean value of all the independent variables is greater than three, it can be concluded that rubber farmers have a moderate perception of the rubber board's export promotion assistance.

However, one question remains unanswered. Is this the same for both farmers, such as small-scale farmers and plantation farmers? Or is there any difference in any of the independent or dependent variables as a whole with respect to small-scale and plantation farmers? In order to find an answer to this question, the following null hypothesis was developed:

H₀: The perception of farmers on the role of rubber board on the promotion for export of the natural rubbers are the same with respect to the type of farmers.

To check the null hypothesis, the independent sample t test was opted by the researcher and the test results are shown in table 1.3

Table 1.3

Independent sample t test for the perception of rubber farmers

Perception of rubber farmers.	Type of farmers	Mean	Std. Deviation	t value	P value
Procedure for issuing Registration-cum-Membership Certificate (RCMC) is simple.	Plantation Farmers	3.98	.361	2.293	.023*
	Small scale farmers	3.78	.621		
Fee for issuing Registration-cum-Membership Certificate (RCMC) are moderate	Plantation Farmers	3.79	.475	2.960	.004**
	Small scale farmers	3.51	.827		
Procedure for issuing Certificate of Origin (CoO) is simple.	Plantation Farmers	3.75	.389	1.021	.309
	Small scale farmers	3.68	.522		
Fee for issuing Certificate of Origin (CoO) are moderate.	Plantation Farmers	3.72	.508	2.147	.033*
	Small scale farmers	3.49	.760		
Rubber board participating in international trade fairs	Plantation Farmers	3.83	.381	2.544	.012*
	Small scale farmers	3.63	.564		
Rubber board conduct and participate in exhibitions	Plantation Farmers	3.85	.392	2.625	.010**
	Small scale farmers	3.64	.584		

Provides international publicity to Indian Natural Rubber.	Plantation Farmers	3.88	.401	.888	.376
	Small scale farmers	3.81	.512		
Conduct training programmes in export management and procedures	Plantation Farmers	3.81	.512	.808	0.396
	Small scale farmers	3.83	.456		
Provide technical assistance for the value added activities for exports	Plantation Farmers	3.85	.392	-1.487	.139
	Small scale farmers	3.93	.251		
Support exporters from competitors through financial assistances.	Plantation Farmers	3.83	.446	-3.005	.003**
	Small scale farmers	3.99	.115		
Conducting awareness programmes about the procedure and benefits of exporting natural rubber	Plantation Farmers	3.69	.545	-.303	.763
	Small scale farmers	3.72	.534		
Perception of farmers	Plantation Farmers	3.99	.115	3.005	.003**
	Small scale farmers	3.83	.446		

Source: Primary data

** At 5 percent significance level*

*** At 1 percent significance level*

The independent sample t test was used to check whether there is any significant difference in the perception of farmers towards the schemes of rubber board. The null hypothesis is rejected

because the p value is less than 0.01 at the 1% significance level for statements such as "fees for issuing Registration and Membership Certificates (RCMC) are moderate," "Rubber Board conducts and participates in exhibitions," "Supports exporters from competitors through financial assistance," and "overall perception of farmers." This means that there is a significant difference in the perception of the rubber board among plantation and small-scale rubber farmers, such as the "fee for issuing registration/membership certificates (RCMC) is moderate," the "rubber board conducts and participates in exhibitions," the "support exporters from competitors through financial assistance," and the "overall perception of farmers." According to the mean and standard deviation, plantation farmers have more positive perceptions than small-scale farmers based on statements such as "fees for issuing Registration/Membership Certificate (RCMC) are moderate," "Rubber board conducts and participates in exhibitions," and "overall perception of farmers." Small-scale farmers are more optimistic about "protecting exporters from competitors through financial assistance."

Since the p value is less than 0.05 at the 5 percent significance level, the null hypothesis is rejected for statements such as "Procedure for issuing a Registration-Cum-Membership Certificate (RCMC) is simple," "Fees for issuing a Certificate of Origin (CoO) are moderate," and "Rubber board participating in international trade fairs." Based on the mean and standard deviation, it can be inferred that plantation farmers have a more positive perception of the variables "procedure for issuing a registration/membership certificate (RCMC) is simple," "fees for issuing a certificate of origin (CoO) are moderate," and "Rubber board participating in international trade fairs" than small-scale farmers.

Findings

1. Farmers have a positive attitude towards various schemes adopted by the Rubber Board.
2. Farmers have a positive perception of the procedure for issuing a Registration and Membership Certificate (RCMC).
3. Farmers have a positive perception of the procedure for issuing a Certificate of Origin (CoO).
4. The fee for getting a Registration and Commitment Certificate (RCMC) is affordable.
5. The cost of obtaining a Certificate of Origin is reasonable.
6. Plantation farmers have more perceptions about the following aspects of the rubber board than small-scale farmers:

- Fees for issuing registration/membership certificates (RCMC) are moderate
- Rubber boards conduct and participate in exhibitions
- Support exporters from competitors through financial assistance
- Procedure for issuing registration/membership certificates (RCMC) is simple.
- Fees for issuing certificates of origin (CoO) are moderate, and
- Overall perception of farmers".

Conclusion

Rubber Board is one of the statutory bodies of the government of India for protecting the interests of rubber farmers. It should be noted that the Rubber Board helps to stabilise functions related to the rubber industry. But the current situation raises questions about the rubber board and its functions. Recently, the NITI Aayog questioned the activities of rubber boards. According to NITI Aayog, the Rubber Board is now insignificant in the marketing of natural rubber; hence, it should be wound up or partially privatized, even though the Ministry of Commerce is opposed to it. Hence, the study was carried out to address the importance of rubber board, especially in the exporting of natural rubber. The study was conducted from the perspective of farmers. The study concludes that the Rubber Board plays a dominant role in the export of natural rubber by helping and supporting farmers through licensure and providing proper training and development programmes. As a result, it is clear that the rubber board plays an essential role in the operation of the rubber industry, and it must be operational in order to protect the interests of farmers as well as the government.

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