Plantation Crops

Coffee

8.21 Coffee is cultivated in about 3.4 lakh ha in India, mainly spread over 3 Southern States namely Karnataka (56.5 per cent), Kerala (24.7 per cent) and Tamil Nadu (9.0 per cent). Arabica and Robusta are the two varieties grown comprising of 41 per cent and 59 per cent of the area respectively. Production, export and consumption of coffee is shown in Table 8.8.

8.22 Coffee is a freely exportable commodity. About 80 per cent of coffee produced is exported. The major buyers of Indian coffee are Italy, Germany, Russian Federation, USA, Spain, Belgium, Poland, Netherlands, Slovenia and Japan. Domestic prices of coffee are higher than the international prices. The recent sharp fall in international coffee prices due to surplus coffee supply, has adversely affected the Indian coffee exporters. Table 8.9 gives a comparative statement of coffee prices, domestic and international, during the last 5 years and depicts the trend of international prices of coffee in recent years.

Tea

8.23 India is the largest producer and consumer of tea in the world and accounts for about 29 per cent of world production. India's share in world trade was about 16 per cent in 1999. Tea production, consumption and export during the last five years is listed in Table 8.10.

8.24 There is no restriction on export of tea. Although import of tea is under the restricted list, it is freely importable from SAARC countries with effect from 1.8.1998. Imports against licence is allowed subject to the condition of re-export with blending and positive value addition.

8.25 Tea auctions in the North fetched Rs. 80.56 per kg in 1999 but in South India auction price was a low Rs. 57.10 per kg as against Rs. 68.78 per kg in the preceding year. Low prices of South India Tea has been a source of concern and the Government operated a Price Subsidy Scheme during the current year to compensate small growers of tea for the low price realization at the auctions.

Natural Rubber

8.26 India ranks fourth in world production of natural rubber. A large chunk of its domestic demand (nearly 97 per cent) is met from domestic production. The consumption, production, and yield of rubber in India for the last five years is given in Table 8.11. The total area under rubber cultivation is about 5.63 lakh ha, located mainly in Kerala and Kanyakumari district of Tamilnadu. Some non-traditional areas in Karnataka, A. P., Orissa, Tripura and Manipur are also suitable for rubber cultivation and developmental activities are in process in these areas.

8.27 The year 1999 experienced a decline in domestic prices of natural rubber mainly due to significant decline in consumption by the tyre industry, which consumes around 60 per cent of domestic consumption. In order to stabilize the declining prices of natural rubber, the Government of India, through STC, has undertaken market intervention since September 1997 by procuring natural rubber on Government account. The quantity procured was 49,427 tonnes of natural rubber in three phases which was sold to Advance Licence Holders (ALHs). The fourth phase of procuring additional 20,000 tonnes is continuing against indents placed by ALHs with STC. Import against Advance Licence has been suspended since February 1999 to prop up domestic prices. According to the Exim Policy, there are no restrictions on export of natural rubber. However, in view of the comparatively lower

TABLE 8.8

Production and Export of Coffee

(Lakh Tonnes)

Year	Production	Export Quantity	Export Value (Millon $)	Domestic Consu-mption
1990-91	1.70	0.86	140.6	0.54
1996-97	2.05	1.63	401.9	0.50
1997-98	2.28	1.60	456.4	0.50
1998-99	2.65	1.94	410.7	0.55
1999-2000	2.92	1.65	314.8	0.55
2000-2001*	2.95	1.55**	N.A	0.55

Provisional** *(April-December, 2000).**

prices of natural rubber prevailing in the international market, the quantity of rubber exported during the last few years has been insignificant.

TABLE 8.9

Domestic and International Price of Coffee (Bean)

(Rs./Kg.)

Year	International Coffee Price		Domestic Price	
	Arabica	Robusta	Arabica	Robusta
1996	83	54	104	74
1997	138	54	153	76
1998	107	64	130	83
1999	84	52	115	79
2000				
Jan.	94	41	107	71
Apr.	73	35	99	49
July	75	35	95	48
Oct.	75	37	94	51
Dec.	62	32	80	47

TABLE 8.10

Production, Export and Consumption of Tea

(Million Kgs)

Year	Production	Export	Value (Rs. crore)	Domestic Consumption
1996	780	162	1108	618
1997	811	203	1774	633
1998	870	210	2309	645
1999	806	190	1818	655
2000 (Jan.-Nov.)	784	178	1532	NA

TABLE 8.11

Natural Rubber—Consumption and Production

(Lakh Tonnes)

Year	Consumption	Production	Yield (Kgs/Hec.)
1996-97	5.6	5.5	1503
1997-98	5.7	5.8	1549
1998-99	5.9	6.1	1563
1999-2000(E)	6.3	6.2	1576
2000-01(P)	6.6	6.4	1600

E - Estimated **P - Provisional**