

Plantation Crops

Tea

8.18 India is the world's largest producer of tea but exports just about 24 per cent of its annual output and hence ranks fourth in export volume (Table 8.9). Sri Lanka exports 95 per

Countries	Production	Export	Per cent of Export
India	870	210	24
China	625	217	35
Kenya	294	263	89
Sri Lanka	280	265	95
Indonesia	166	70	42

cent of its production and ranks first with 265 million kgs export followed by Kenya exporting 89 per cent of its production. China occupies third rank with 35 per cent of its annual output being exported. Even Indonesia, a relatively smaller producer, exports about one-fifth of its annual production.

8.19 Production, consumption and exports of tea by India during the last three years and the current year is listed in Table 8.10.

Year	Production	Export	Domestic
			Consumption
1995	753.9	167.9	595
1996	780.0	161.7	618
1997	810.6	203.0	633
1998	870.4	210.3	645
1999	749.4*	166.1 @	N.A.

* Anticipated. @ January-November

8.20 There was a dry spell during the first quarter of 1999 followed subsequently by floods which affected the production of tea considerably in the North-East region. It is expected that the production could be lower by 60-65 million kgs during the current year. Because of lower volume of export from 189.36 million kgs in January-November 1998, to 166.1 million kgs in January-November 1999, the decline in this year's production has resulted in evening out availability/supply/ shortfall in the domestic market. The prices of tea therefore remained steady till April though some uptrend was seen thereafter.

Coffee

8.21 India ranks sixth in world coffee production with an annual production of about 3 lakh tonnes. Arabica and Robusta are two main varieties grown comprising 47 per cent and 53 per cent of area respectively. Karnataka is the largest coffee producing state and accounts for about 56 per cent of the total coffee output. In 1998-99, coffee output was 2.65 lakh tonnes. In 1999-2000, output is likely to be 2.82 lakh tonnes (Table 8.11). Nearly eighty per cent of coffee produced is exported. Coffee export trade was totally deregulated in 1996.

Year	Production	Export		Domestic Consumption
		Quantity	Value (Rs. crore)	
1990-91	1.70	0.87	252	0.54
1995-96	2.23	1.56	1503	0.50
1996-97	2.05	1.63	1426	0.55
1997-98	2.28	1.60	1696	0.55
1998-99	2.65	1.90	1703	0.50
1999-2000**	2.82	1.03*	870*	0.50

*Provisional (April-November,1999). ** Estimated.

8.22 Coffee has emerged as an export oriented commodity. The major buyers of Indian coffee are Russia, Italy, Germany, USA, Japan, Middle East countries, Poland, Netherlands, Spain, Slovenia and Belgium. Out of 2.65 lakh tonnes output during 1998-99, over 70 per cent was exported, valued at Rs. 1703 crore. The estimated domestic consumption during 1998-99 was 50,000 tonnes. High domestic prices of coffee appear to have priced out coffee from middle class household consumption in northern states.

Natural Rubber

8.23 India is the world's fourth largest producer of rubber and 97 per cent of demand for natural rubber is met by indigenous production. Kerala produces more than 90 per cent of natural rubber and accounts for around 85 per cent of the area under cultivation. As against production of 6.05 lakh tonnes and consumption of 5.92 lakh tonnes in 1998-99, the production and consumption during 1999-2000 is estimated to be 6.25 lakh tonnes and 6.28 lakh tonnes respectively. Annual production and productivity of natural rubber for the past few years is listed in Table 8.12.

TABLE 8.12			
Natural Rubber—Production and Consumption			
<i>(Lakh Tonnes)</i>			
Year	Consumption	Production	Yield (Kgs/Hec.)
1994-95	4.86	4.72	1362
1995-96	5.25	5.07	1422
1996-97	5.62	5.49	1503
1997-98	5.72	5.84	1549
1998-99	5.92	6.05	1563
1999-2000*	6.28	6.25	1588
* Estimated			

8.24 In order to arrest the decline in the domestic prices of natural rubber, State Trading Corporation was authorised in 1997 and 1998 to procure a total of 30,000 tonnes of raw rubber on Government account and export/ sell it to Advance Licence Holders. The procurement operations were completed in October 1999. Presently STC is under orders to purchase natural rubber for supply to Advance Licence Holders against indents placed by them.