

# CONTEMPORARY DYNAMICS OF NATURAL RUBBER: PERFORMANCE, TRENDS AND SUPPORT MEASURES IN KEY PRODUCING NATIONS

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The livelihood of millions of families in major rubber-producing countries depends on natural rubber (NR) cultivation. Early 21<sup>st</sup> century's high NR prices gave way to a sharp decline in the following decade, leading to abandonment of plantations, new planting and replanting of NR thereby reducing yield in many traditional NR producing nations. The declining enthusiasm in NR farming poses serious challenges for ensuring sustainable NR supply against growing demand. Institutional support play a pivotal role in sustaining NR production during price downturns. This paper examined trends and patterns in NR cultivation, production and consumption in major producing countries using time series data from 2001 to 2022. Additionally, it analyzed the support measures implemented during the period of price fall by the major NR producing countries. The study revealed diverse patterns and highlighted the need for robust support measures. Direct price support mechanisms, specifically those implemented in India, Malaysia and Thailand guaranteeing a minimum price for NR, have gained significant traction and endorsement. While these measures provide short-term relief to farmers, their long-term sustainability and financial feasibility warrant careful consideration. This study suggested that as global demand for NR rises, strategic interventions are imperative to navigate price volatility and ensure the resilience of NR cultivation.

**Keywords:** Natural Rubber, NR production, Price support, Rubber cultivation, Sustainable supply

## INTRODUCTION

The livelihood of millions of families in major rubber-producing countries is dependent on natural rubber (NR) cultivation. The early 21<sup>st</sup> century saw a surge in NR prices, fueling optimism in major NR-producing nations. However, the subsequent decade witnessed a sharp decline and volatility in prices, shattering those hopes.

This instability triggered the abandonment of rubber plantations and a significant shift towards alternative crops. Furthermore, it led to a decrease in both yield and new planting/replanting in traditional producing regions. Over the course of a decade, from 2014 to 2023, the productivity of NR in key producing nations namely, Thailand, Indonesia, China, India, Sri Lanka and