

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:76
ANSWERED ON:25.02.2011
PLIGHT OF HANDLOOM WEAVERS
Chauhan Shri Sanjay Singh;Tirkey Shri Manohar

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government is aware of the plight of the handloom weavers due to the shortage of raw material, lack of credit facilities, inadequate labour welfare measures and increase in the prices of cotton yarn;
- (b) if so, the details thereof; and
- (c) the remedial measures taken by the Government to ensure adequate availability of cotton yarn at affordable prices to the weavers and also to improve handloom clusters and extending health insurance cover for them?

Answer

MINISTER OF TEXTILES(SHRI DAYANIDHI MARAN)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.76 FOR ANSWER ON 25.02.2011

(a) to (c): The Government of India is aware about the problems being faced by handloom weavers due to increase in the prices of cotton yarn and choking of credit lines. The factors responsible for increase in cotton prices are the delay in the market arrivals of the crop due to heavy rains and extending cold waves condition, low domestic stocks, low global stocks, uptrend in world cotton prices, increase in global consumption and good economic recovery globally. To address the issue of increase in cotton and cotton yarn prices and to restore domestic supply lines, the Government of India has initiated multipronged actions which include:

1. Capping of cotton exports for cotton season 2010-11 (October to September);
2. Hank Yarn Obligation expanded from 40s counts to 80s counts w.e.f. 31.03.2010;
3. Stringent checking of Hank Yarn Obligations on spinning mills;
4. Withdrawal of DEPB incentive of 7.67% on cotton exports w.e.f. 21.4.2010
5. Withdrawal of duty drawback on yarn w.e.f. 29.4.2010;
6. Constitution of a Cotton Yarn Advisory Board to monitor domestic and international prices of cotton yarn; and
7. Capping cotton yarn export for financial year 2010-11.

In order to ensure uninterrupted and timely supply of yarn at reasonable prices to handloom weavers, the Government of India is implementing Mill Gate Price Scheme (MGPS) since 1992-93 throughout the country. Under the scheme, the expenditure for transportation of yarn from the Mill Gate to the godown of the handloom agencies as well as expenditure on depot operations are being reimbursed by the Government of India. 3512.3 lakh kg yarn worth Rs 3274.57 crore has been supplied during 11th plan period so far.

The Government of India is implementing Integrated Handlooms Development Scheme which provides need based inputs to clusters of 300 – 500 handlooms or Groups of 10 – 100 weavers for making them self sustainable by providing them financial assistance for margin money, new looms and accessories, skill upgradation, marketing opportunities and for construction of worksheds etc. So far, 510 cluster projects and 1500 Group approach projects have been sanctioned during the 11th Five Year Plan. In addition, Comprehensive Handloom Cluster Development Scheme (CHCDS) has been introduced in 2008-09 with an objective to empower handloom weavers and build their capacity to enhance competitiveness of their products in the domestic as well as global market in a sustainable and reliant manner. The scheme covers clearly identifiable geographical locations with at least 25,000 looms in which Government of India's financial support would be up to Rs.70 crore. Four such Mega Handloom Clusters have been sanctioned so far at Varanasi (Uttar Pradesh), Sivasagar (Assam), Virudhunagar (Tamilnadu) and Murshidabad (West Bengal).

The Government of India is concerned about the welfare measures of the Handloom weavers and is implementing Handloom

Weavers Comprehensive Welfare Scheme, which includes Health Insurance Scheme for providing Health Insurance cover to the Handloom weavers. 16.11 lac families of handloom weavers and workers were covered during the policy period of 2009-10. During the policy period of 2010-11, it is proposed to cover 18.56 lac families of handloom weavers and workers.