

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:4112

ANSWERED ON:19.12.2011

IMPORT EXPORT OF JUTE PRODUCTS

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Will the Minister of TEXTILES be pleased to state:

- (a) whether high production cost of jute and low Minimum Support Price (MSP) has led to hardship for jute growers and their impact on its production;
- (b) if so, the details thereof alongwith steps taken by the Government to increase the MSP and to purchase jute directly from the jute growers to eliminate the middlemen;
- (c) whether the Government has any plan to increase the import duty on jute in order to check import of cheap raw jute from neighbouring countries particularly from Bangladesh;
- (d) if so, the details thereof alongwith the details of import and export of jute products during the last three years and the current year; and
- (e) the concrete steps taken by the Government to augment the production and procurement the jute in the country and also to compensate the jute producing States including West bengal who are incurring heavy losses on procurement of jute at MSP from jute growers?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAANKA LAKSHMI)

(a): Minimum Support Price (MSP) for raw jute is fixed every year to protect the interest of farmers. The minimum support price is fixed by the Government on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP). While formulating the agricultural price policy, CACP takes into account various factors such as cost of production, overall demand/supply situation, domestic and international prices and effect of minimum support price on general price level. The cost of production considered by the CACP and the MSP of raw jute during the last four years is given below:-

(Rs. per quintal)

Year	Cost of Production as per CACP	Production decrease	%age increase/ increase/decrease	MSP	%age
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2008-09	1089	8.95%	1250	18.48%
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2009-10	1193	9.55%	1375	10.00%
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2010-11	1301	9.05%	1575	14.54%
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2011-12	1496	14.98%	1675	6.34%
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Source: CACP

(b): The Jute Corporation of India (JCI) is the nodal agency of the Ministry of Textiles, Government of India for procurement of raw jute through its 171 purchase centres and State operative bodies in all major jute growing states at MSP declared by the Govt. of India. The Jute Corporation of India started Minimum Support Price (MSP) operations from 12-10-2011. Till 12-12-2011, 1,20,438 quintals of different grades of jute have been procured from farmers. Due to the mechanism in place of procurement of raw jute by JCI directly from the farmers, the prices are not allowed to fall below MSP so as to avoid hardship to the farmers as well as eliminate the middlemen.

(c): No, Madam.

(d): The exports of jute products during the last three years and current year are as under:

Year	Quantity	Value
	(in thousand MT)	(Rs. in crore)

2008-09	199.8	1216.16
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2009-10	110.5	859.49
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2010-11	199.3	1363.29
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2011-12	76.1	575.53
(April-August)		

Source: National Jute Board

The imports of jute products during the last three years and current year are as under:

Year	Quantity	Value
	(in thousand MT)	(Rs. in crore)

2007-08	57.68	138.09
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2008-09	70.94	202.99
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2009-10	112.8	453.2
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2010-11	48.7	215.4
(April-August)		

Source: National Jute Board

(e): Government has taken various steps from time to time to augment the production and procurement the jute in the country. Some of important steps are as under:-

(i) Jute Technology Mission (JTM) with an outlay of Rs.355 crore is being implemented during the 11th Five Year Plan. Under the JTM, several schemes are operational under the Mini Mission I, II & III which benefit jute growers and encourage them for jute production. Mini Mission-I aims towards strengthening agriculture research and development in jute sector for improving the yield and quality. Mini Mission-II is targeted towards transfer of improved technology and agronomic practices in production and post harvesting phase. Under Mini-Mission-III, market linkage of raw jute is provided in all jute growing states.

(ii) National Jute Board and Jute Corporation of India are working on projects with National Institute of Research on Jute & Allied Fibre Technology (NIRJAFT) and Central Research Institute for Jute and Allied Fibres (CRIJAF) to develop better jute seeds and to improve agronomical practices for jute cultivation.

(ii) Minimum Support Price for raw jute and mesta is fixed every year to encourage farmers to grow more jute.

(iii) Jute Corporation of India and National Jute Board has been distributing certified seeds to farmers for increasing productivity.

(iv) In order to encourage jute production, Government has continued the policy for compulsory packaging of foodgrains & Sugar in jute bags.