

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1510
ANSWERED ON:03.12.2012
PRODUCTION AND SALE OF JUTE PRODUCTS
Baske Shri Pulin Bihar;Gorakhnath Shri

Will the Minister of TEXTILES be pleased to state:

- (a) the details of schemes being implemented by the Government to increase the production and export of jute in the country;
- (b) whether the jute industries in the country particularly in West Bengal are facing problems due to decrease in the use of jute bags by the recent instruction of Union Government;
- (c) if so, the details thereof;
- (d) whether the jute mills owners are not agree to buy jute from the jute producers of the country with a Minimum Support Price (MSP);
- (e) if so, the details thereof along with the steps taken by the Government to address the problem of the growers and measures taken to provide MSP to the jute growers in the country;
- (f) whether the State Government of West Bengal has requested the Union Government in this regard and if so, the details thereof; and
- (g) the details of jute mills which have been modernised by the Government during the last three years and the current year, State-wise and mill-wise?

Answer

(a): Government are implementing various schemes to increase the production and export of jute in the country. Some of the important schemes are as under:-

(i) Government of India has launched the Jute Technology Mission (JTM) as a major initiative for overall development of the jute industry and growth of the jute sector with a total outlay of Rs. 355.55 crores. Under the JTM, several schemes are operational under the Mini Mission I, II, III & IV for the overall growth of jute sector. 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. Mini Mission-IV provides for modernization of jute industry, upgradation of skills, market promotion and exports which helps to increase demand of raw jute.

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

(iii) In order to encourage jute production, Government provides for compulsory packaging of certain percentage of foodgrains & Sugar in jute under Jute Packaging Material (Compulsory use in packaging commodities), 1987.

There is no scheme for promoting export of raw jute.

(b) & (c): The Ministry of Textiles, vide Order dated 31-10-2012 has stipulated that a minimum of 90% of the production of foodgrains and 40% of sugar would be packed in jute packaging material. It means that if there is sufficient availability of jute bags, more than 90% of foodgrains and 40% of sugar can be packed in jute bags.

However, the jute industry is not facing any difficulty on this account. For the coming Rabi: 2013-14 season, different foodgrains procuring agencies have projected their requirements at 20.00 lakh bales of jute bags during November, 2012 to May, 2013. Against the projected indent, Jute industry has expressed that they will be able to supply a total quantity of around 16.00 lakh bales, which is 80% of the demand.

(d) & (e): The jute mill owners are not liable to buy jute from the jute producers at Minimum Support Price (MSP). However, the millers are free to buy raw jute from the producers as well as other parties as per market price. In order to protect the interest of the jute growers and to ensure that the raw jute producers receive Minimum Support Price, The Jute Corporation of India (JCI), a PSU under the Ministry of Textiles has been mandated to undertake support price operations for raw jute from farmers at MSP. This year the Jute Corporation of (381,412 quintals) of raw jute from farmers through 171 Departmental Purchase Centers (DPCs) under Minimum Support Price operations so far.

(f): Requests from the Government of West Bengal have been received for increase in purchase of raw jute under Minimum Support

Price (MSP) by Jute Corporation of India. Steps have been taken by the Jute Corporation of India (JCI) to ensure that jute growers do not suffer by distress sale and whatever quantity or quality of raw jute is offered by them is purchased at MSP by 171 Departmental Purchase Centers located in different jute growing areas.

(g): The Government of India has taken up revival/modernization programme for three jute mills under the National Jute Manufactures Corporation Limited (NJMC). These are:-

- i) Khardah (West Bengal)
- ii) Kinnison (West Bengal)
- iii) RBHM (Bihar)

Besides, under the scheme: "Modernisation and Upgradation of Technology in Jute Mills – Capital Subsidy (Scheme No.6.4 under Mini Mission IV of JTM)", subsidy is released for modernization and/or upgradation effected in jute mills / units producing jute diversified products. Since inception (1st March, 2007), 297 claims were settled and subsidy of Rs.73.74 crore has been released against investment for modernization of Rs.363.09 crore all over India. All over India, total 99 units have received subsidy under the scheme. Around 75.93% of the investments have been for Mill- side machinery meant for processes preparatory to spinning/winding. 17.74% of the investments have been for weaving to finishing processes of manufacturing. Remaining 6.33% was for Material handling and other miscellaneous machinery. State-wise status – West Bengal 67 units, Andhra Pradesh 16 units, Bihar 2 units, Haryana 3 units, Chhattisgarh 1 unit, Kerala 1 unit, Orissa 2 units Gujarat 1 unit and NER (Assam) 6 units availed of the benefits.