

## JUTE SECTOR

### 1. INDIAN JUTE – AT A GLANCE

1.	Average land area under raw jute & mesta cultivation (Average of last four years)	:	918 thousand hectares																
2.	Average production raw jute & mesta (Average of last four years)	:	10843 thousand bales																
3.	Number of composite jute mills	:	83																
4.	Statewise distribution of composite jute mills	:	<table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">West Bengal</td> <td style="text-align: right;">64</td> </tr> <tr> <td>Andhra Pradesh</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Bihar</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Uttar Pradesh</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Assam</td> <td style="text-align: right;">2</td> </tr> <tr> <td>Orissa</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Chhatisgarh</td> <td style="text-align: right;">2</td> </tr> <tr> <td>Tripura</td> <td style="text-align: right;">1</td> </tr> </table>	West Bengal	64	Andhra Pradesh	7	Bihar	3	Uttar Pradesh	3	Assam	2	Orissa	1	Chhatisgarh	2	Tripura	1
West Bengal	64																		
Andhra Pradesh	7																		
Bihar	3																		
Uttar Pradesh	3																		
Assam	2																		
Orissa	1																		
Chhatisgarh	2																		
Tripura	1																		
5.	Number of workers employed in composite jute mills (as in April, 2011) [Please see footnote]	:	2,06,713 approx.																
6.	Average production of jute goods in composite jute mills (Average of last four years)	:	1575 thousand tons per annum																
7.	Average export of jute goods (Average of last four years)	:	178 thousand tons, Rs.11456 million per annum.																
8.	Average domestic demand of jute goods (Average of last four years)	:	1384 thousand tons per annum.																
9.	Government of India – owned jute mills under control and management of National Jute Manufactures Corporation Ltd.	:	Alexander, Khardah, Kinnison, National, RBHM and Union																
10.	100% export oriented units (as in Jan., 2011)	:	<p>There are 4 (Four) 100% EOU in jute sector having altogether 37,609 MT installed capacity per annum for producing broadly high quality yarn / twine, jute decorative fabrics, fine hessian cloth, jute bags and blended fabrics.</p> <ol style="list-style-type: none"> <li>1. Champdany Industries Ltd.</li> <li>2. Libra Exporters Ltd.</li> <li>3. Kajaria Yarns and Twines Ltd.</li> <li>4. Cheviot Co. Ltd. (Falta SEZ)</li> </ol>																
11.	Installed looms in jute mills (as in Jan., 2011)	:	<table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 20px;">48235</td> <td style="padding-right: 20px;">Hessian</td> <td style="text-align: right;">21236</td> </tr> <tr> <td></td> <td>Sacking</td> <td style="text-align: right;">24666</td> </tr> </table>	48235	Hessian	21236		Sacking	24666										
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	Sacking	24666																	

		C B C	1139
		Others	1194
12.	Installed looms in 100% export-oriented units (as in Jan., 2011)	:	162 shutteless looms, out of which Sulzer – 111 & Domier - 51
13.	Installed spindles in jute mills other than 100% export-oriented units (as in Jan., 2011)	:	7,39,090
		Fine	6,26,234
		Coarse	1,12,856
14.	Installed spindles in 100% export-oriented units (as in Jan., 2011)	:	9088
		Fine	6580
		Coarse	2508
15.	Installed capacity of composite jute mills other than 100% export-oriented units. (on the basis of 305 working days per year & JMDC Productivity Norms)	:	2553 thousand tons per annum

## 2. THE JUTE AND JUTE TEXTILE INDUSTRY

The Jute industry occupies an important place in the national economy of India. It is one of the major industries in the eastern region, particularly in West Bengal. Jute, the golden fibre, meets all the standards for 'safe' packaging in view of being a natural, renewable, biodegradable and eco-friendly product. It is estimated that the jute industry provides direct employment to 0.37 million workers in organized mills and in diversified units including tertiary sector and allied activities and supports the livelihood of around 4.0 million farm families. In addition there are a large number of persons engaged in the trade of jute.

There are 84 composite jute mills in India. Out of the total 83 jute mills, 64 jute mills are located in West Bengal, 3 each in Bihar and U.P., 7 in Andhra Pradesh, 2 each in Assam, Odisha and Chattisgarh, and 1 in Tripura. Ownership-wise division is:- 6 mills are under Government of India's P.S.U., 1 mill (Tripura) is under State Government, 2 mills (Assam Co-op. & New Central) are in the Co-operative sector and 71 are privately owned mills.

As on 01-01-2012, total number of looms installed in jute industry stood at 49, 529 consisting of 21122 Hessian looms, 26663 sacking looms, 903 C.B.C looms and others at 841. The installed spindles in jute mills other than 100% export oriented units were 7,51,216 comprising 6,28,678 fine spindles and 1,22,538 coarse spindles. As on 01-12-2012, installed spindles in 100% export oriented units stood at 9088 with fine spindles at 6580 and coarse spindles at 2508. The maximum installed capacity in jute mills other than 100% export oriented units (on the basis of 305 working days per year) is estimated to be of 2.64 million tonnes per annum.

## 3. RAW JUTE SCENARIO

Raw jute crop is an important cash crop to the farmers. Cultivation of raw jute crop provides not only fibre which has industrial use, but jute stick which is used as fuel and building material by the farming community. Raw jute is produced mainly in the state of West Bengal, Bihar, Assam, Orissa, Andhra Pradesh, Tripura and Meghalaya. The following table will indicate the supply demand position of raw jute including mesta for the period from 2006-07 to 2012-13:-

(Quantity : In lakh bales of 180 KG of each bale)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>(A)SUPPLY</b>						
i) Opening stock	22.00	8.00	12.00	22.50	31.00	29.00
ii) Jute and Mesta crop	82.00	90.00	100.00	102.50	93.00	95.00
iii) Import	2.00	3.00	7.50	9.00	9.00	9.00
Total :	<b>106.00</b>	<b>101.00</b>	<b>119.50</b>	<b>134.00</b>	<b>133.00</b>	<b>133.00</b>
<b>(B)DISTRIBUTION</b>						
iv) Mill consumption	89.00	77.00	87.00	92.00	94.00	95.00
v) Domestic/industrial consumption	9.00	10.00	10.00	10.00	10.00	10.00
vi) Export	Neg	2.00	Nil	1.00	Nil	Nil
Total:	<b>98.00</b>	<b>89.00</b>	<b>97.00</b>	<b>103.00</b>	<b>104.00</b>	<b>105.00</b>
<b>(C)CLOSING STOCK</b>	8.00	12.00	22.50	31.00	29.00	28.00

Source: Jute Advisory Board

The current varieties/grade composition of National Raw Jute Production vis-à-vis the targeted grade composition are given below:

Grade/Variety wise break-up							
Grade	Target of TD Grade	Currently produced					
		Tossa (78%)	White (10%)	Grades	Mesta (7%)	Grades	Bimli (5%)
1&2	3%	2%	1%				
3	12%	9%	5%				
4	35%	25%	15%	M2	2%	SMID	2%
5	33%	33%	28%	M3	10%	MID	10%
6	12%	16%	34%	M4	38%	BOT	38%
7	4%	11%	12%	M5	45%	BBOT	45%
8	1%	4%	5%	M6	5%	XBOT	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>		<b>100%</b>

The above grade composition of raw jute is presently weighed in favour of grades lower than TD-4. With changing pattern of production of jute goods and greater emphasis on promotion of diversified jute products, production of grade 3 & 4 would need to be stepped up. For colour and quality of certain products, India still relies on imports from Bangladesh for production of diversified products.

#### 4. MINIMUM SUPPORT PRICE (MSP) FOR RAW JUTE AND MESTA

Minimum Support Price for raw jute and mesta is fixed every year to protect the interest of farmers. While fixing prices of different grades, the issue of discouraging production of lower grade jute and encouraging production of higher grades jute are taken into consideration so as to motivate farmers to produce higher grade jute.

Jute Corporation of India (JCI) is the Price Support Agency of the Govt. of India for jute. It was set up in April 1971 primarily to protect the interest of the Jute Growers through procurement of Raw

Jute under the MSP fixed by the Govt. of India from time to time and also to stabilize the raw jute market for the benefit of the jute farmers and the jute economy as a whole. JCI is conducting MSP operation as and when required. Raw jute is transacted in over 500 centres countywide. Presently, JCI is operating only at 171 Departmental Purchase Centres. Co-operatives operate at about 40 centres. JCI in turn purchases the jute procured by these Co-operatives. Raw jute purchased by JCI in association with the State Co-operatives during the last several years is given below:-

Year	Procurement of raw jute by JCI (Qty: In '000' Bales)		
	MSP	Commercial	Total
2007-08	756.0	0	756.0
2008-09	103.7	0	103.7
2009-10	0	0	0
2010-11	9.6	0	9.6
2011-12	132.9	0	132.9
2012-13	323.7	0	323.7
2013-14 (As on 9.12.2013)	136.7	0	136.7

The minimum support price is fixed by the Govt. on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP). As per CACP reports, 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.

CACP every year also conducts meetings of all stake holders to decide minimum support price. The MSP announced by Govt. of India during the last several years are given below:-

Year	MSP of TD-5 grade of raw jute Ex- Assam (Rs./Quintal)	%age increase over previous year
2007-08	1055	5.5
2008-09	1250	18.5
2009-10	1375	10.0
2010-11	1575	14.5
2011-12	1675	6.3
2012-13	2200	31.3
2013-14	2300	4.5

The procurement of jute under MSP is contingent upon the prices prevailing in the market for raw jute at any point of time. In addition, it is often seen that it may be more remunerative for farmers to sell directly to traders/manufacturers as the price of raw jute is not just determined by input costs but also by demand for it. The market prices are much higher than the remunerative MSP. The comparison between MSP and market prices (TD-5 variety) is given below:

	2010-11		2011-12		2012-13		2013-14	
	MSP	Market Price	MSP	Market Price	MSP	Market Price	MSP	Market Price
July	1575	3005	1675	2447	2200	2661	2300	2636
Aug		2786		2386		2726		2526
Sept.		3206		2438		2661		2589
Oct.		3335		2195		2469		2650
Nov.		3377		2079		2393		2627
Dec.		3364		1960		2354		
Jan.		3382		2138		2465		
Feb.		3298		2386		2685		
Mar.		3209		2422		2886		
Apr.		3204		2391		2901		
May		3217		2344		2808		
June		2724		2483		2638		

## 5. PRODUCTION OF JUTE GOODS

India is the leading jute goods producing country in the world, accounting for about 70% of estimated world production. Bulk of the manufactured jute goods is predominantly being used in packaging purposes in domestic market. The trend in production of jute goods from last few years and current year is given below:-

Qty: "000" M.T. Tonnes.

April-March	Hessian	Sacking	C.B.C.	Others	Total	% Change
2009-10	206.5	921.6	2.4	192.6	1323.1	-0.19
2010-11	244.4	1076.9	4.7	239.7	1565.7	0.18
2011-12	240	1165	4	174	1583	0.01
2012-13	220.2	1218.5	2.1	150.5	1591.3	0.01
2013-14 (Apr.-Sep.)	99.0	644.2	1.8	80.6	825.6	

## 6. DOMESTIC CONSUMPTION OF JUTE GOODS

India is the major producer of jute products in the world primarily due to its vast domestic market. Average domestic consumption out of total production has been around 90%. Trend in domestic consumption of jute goods for last few years and current year is given in the following Table:-

Qty: "000" M.T. Tonnes

April-March	Hessian	Sacking	C.B.C.	Others	Total
2009-10	182.6	879.8	1.2	141.9	1205.5
2010-11	182.3	1034.4	0.9	133.4	1351.5
2011-12	184.2	1079.7	0.1	117.9	1381.9
2012-13	167	1118.9	0	114.5	1400.4

## 7. EXPORT PERFORMANCE

The Exports trends during the year 2009-10 to 2012-13 and current year is as under:

(Quantity in '000' MT Value Rs. in Crores)

(Apr-Mar)>	2009-10		2010-11		2011-12		2012-13	
ITEM	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Hessian	15.70	318.46	37.90	740.47	75.00	978.81	51.20	313.21
Sacking	26.70	111.00	42.80	223.95	73.00	418.94	103.80	613.76
Yarn	33.40	144.20	85.40	530.96	54.70	282.01	51.40	258.76
JDP	0.00	230.83	0.00	269.75	0.00	378.00	0.00	349.76
Others	8.00	54.97	9.40	89.01	8.20	56.82	7.60	62.55
<b>TOTAL</b>	<b>83.80</b>	<b>859.46</b>	<b>175.5</b>	<b>1854.14</b>	<b>210.9</b>	<b>2114.58</b>	<b>214.0</b>	<b>1598.04</b>

ITEM	APRIL - SEPTEMBER					
	Quantity (in '000' MT)			Value (Rs. in Crores)		
	2012-13	2013-14	% change over last year	2012-13	2013-14	% change over last year
Hessian	24.1	22.6	<b>-6.2%</b>	135.3	157.2	<b>16.2%</b>
Sacking	48.9	50.5	<b>3.2%</b>	273.2	311.8	<b>14.1%</b>
Yarn	28.5	15.6	<b>-45.2%</b>	150.3	90.8	<b>-39.5%</b>
JDPs	-	-	-	176.9	193.0	<b>9.1%</b>
Others	3.3	4.3	<b>30.3%</b>	23.0	50.0	<b>117.4%</b>
Total	104.8	93.0	<b>-11.0%</b>	758.7	802.8	<b>5.8%</b>

Source: National Jute Board

## 8. IMPORT OF RAW JUTE AND JUTE GOODS

The Exports trends during the year 2009-10 to 2012-13 and current year is as under:

(Quantity in '000' MT/Value in Rs Crores)

(Apr-Mar)>	2009-10		2010-11		2011-12		2012-13	
ITEM	Qty	Value	Qty	Value	Qty	Value	Qty	Value
<b>Raw Jute</b>	82.9	197.42	87.12	317.2	183.21	452.11	160.09	384.1
<b>Jute Products</b>	112.8	453.2	87.14	406.79	117.9	519.63	141.87	655.50
<b>TOTAL</b>	<b>195.70</b>	<b>650.62</b>	174.26	723.99	<b>301.14</b>	<b>971.74</b>	<b>301.96</b>	<b>1039.6</b>

ITEM	APRIL - OCTOBER					
	Quantity (in '000' MT)			Value (Rs. in Crores)		
	2012-13	2013-14	% change over last year	2012-13	2013-14	% change over last year
Raw Jute	83.2	47.8	<b>-42.5%</b>	188.4	128.5	<b>-31.8%</b>
Jute Products	69.3	59.8	<b>-13.7%</b>	310.8	272.1	<b>-12.4%</b>
Total	152.5	107.6	<b>-29.4%</b>	499.2	400.6	<b>-19.7%</b>

Source: National Jute Board

## 9. REGULATORY ORGANISATIONS IN JUTE SECTOR

### (a) Subordinate Office under Ministry of Textiles

#### (i) Office of Jute Commissioner

The function and activities of the office of jute commissioner relate to (i) furnishing technical advice to the Ministry regarding policy matter formulation pertaining to jute industry including machinery development (ii) implementation of developmental activities through jute-related bodies of the Ministry of Textiles like National Jute Board (NJB) particularly for promotion of jute handicraft and jute hand-loom in decentralized sector and entrepreneurial skill in such sector and R&D programmes through Indian Jute Industries' Research Association (IJIRA) and other Textile Research Associations, (iii) monitoring price behavior of both raw jute and jute goods and implementing Minimum Support Price (MSP) operation through Jute Corporation of India to ensure MSP prices to jute and mesta growers and (iv) market promotion, particularly for exploring markets of jute goods both in domestic and export market. Efforts are also being made to encourage/promote jute related activities in jute growing areas where such activities are inadequate and in non-jute growing states, including North East States. In exercise of the power vested under Section 4 of the Jute and Jute Textile Control Order, 2000, the Jute Commissioner issues Production Control Order (PCO) to jute mills for supply of B.Twill bags on DGS&D account. These bags are required for packaging food grains procured under MSP by different State food grain procuring agencies including FCI for distribution through PDS. The Jute Commissioner also keeps the Ministry informed of the problems and status of the jute sector on a regular and timely basis.

Following the promulgation of RTI Act 2005, this office has appointed a Central Public Information Officer. The Jute Commissioner is the Appellate Authority. Various information are provided to different applicants under RTI Act. As per guidelines of the Department of Administrative Reforms and Public Grievances, an officer has been deputed to handle the /public/staff grievances in the office of the Jute Commissioner.

**(b) Advisory Boards under Ministry of Textiles**

**(i) Jute Advisory Board**

The Jute Advisory Board headed by Secretary (Textiles) advises the government generally on matters pertaining to jute falling within the purview of Jute and Jute Textiles Control Order-2000 including production estimates of jute and mesta. The Board was reconstituted on 08-06-2012 for a period of two years.

**(c) Statutory Bodies under Ministry of Textiles**

**(i) National Jute Board**

National Jute Board (NJB) has been constituted, as per National Jute Board Act, 2008 (12 of 2009), effective on and from 1<sup>st</sup> April, 2010 and erstwhile Jute Manufactures Development Council and National Centre for Jute Diversification got subsumed into National Jute Board (NJB). In exercise of the powers conferred by sub-section (3) of Section 1 of the National Jute Board Act, 2008 (12 of 2009), the Government of India, Ministry of Textiles (Jute Division), vide Notification: F. No.3/6/2007-Jute dated 30<sup>th</sup> March, 2010 has appointed the 1<sup>st</sup> April, 2010 as the date on and from which the provisions of the National Jute Board Act, 2008 (12 of 2009) shall come into force.

The NJB is statutorily mandated to undertake measures to:-

- evolve an integrated approach to jute cultivation in the matters of formulation of schemes, extension work, implementation and evaluation of schemes aimed at increasing the yield of jute and improving the quality thereon ;
- promote production of better quality raw jute;
- enhance productivity of raw jute;
- promote or undertake arrangements for better marketing and stabilisation of the prices of raw jute;
- promote standardization of raw jute and jute products;
- suggest norms of efficiency for jute industry with a view to eliminating waste, obtaining optimum production, improving quality and reducing costs;
- propagate information useful to the growers of raw jute and manufacturers of jute products;
- promote and undertake measures for quality control or raw jute and jute products;
- assist and encourage studies and research for improvement of processing, quality, techniques of grading and packaging; of raw jute;
- promote or undertake surveys or studies aimed at collection and formulation of statistics regarding raw jute and jute products;
- promote standardization of jute manufactures;
- promote the development of production of jute manufactures by increasing the efficiency and productivity of the jute industry;
- sponsor, assist, coordinate, encourage or undertake scientific, technological, economic and marketing research pertaining to the jute sector;



- maintain and improve existing markets and to develop new markets within the country and outside for jute manufactures and to devise marketing strategies in consonance with the demand for such manufactures in the domestic and international markets;
- sponsor, assist, coordinate or encourage scientific, technological and economic research in the matters related to materials, equipment, methods of production, product development including discovery and development of new materials, equipment and methods and improvements in those already in use in the jute industry;
- provide and create necessary infrastructural facilities and conditions conducive to the development of diversified jute products by way of assisting the entrepreneurs, artisans, craftsman, designers, manufacturers, exporters, non-Governmental agencies in the following manner, namely :--
  - transfer of technology from research and development institutions and other organisations in India and abroad;
  - providing support services to the entrepreneurs for the implementation of their projects including technical guidance and training;
  - organizing entrepreneurial development programmes;
  - planning and executing market promotion strategies including exhibitions, demonstrations, media campaigns in India and abroad;
  - providing financial assistance by way of subsidy or seed capital;
  - providing a forum to the people engaged or interested in diversified jute products for interacting with various national and international agencies, engaged in the jute and jute textile sector;
- organize workshops, conferences, lectures, seminars, refresher courses and set up study groups and conduct training programmes for the purpose of promotion and development of jute and jute products;
- undertake research on jute seed to improve quality and to shorten the gestation period of jute crop;
- incorporate measure for sustainable Human Resource Development of the jute sector and to provide necessary funds for the same;
- modernization of jute sector and technology development;
- take steps to protect the interests of jute growers and workers and to promote their welfare by improving their livelihood avenues;
- secure better working conditions and provisions and improvement of amenities and incentives for workers engaged in the jute industry;
- register jute growers and manufacturers on optional basis;
- collect statistics with regard to jute and jute products for compilation and publication;
- subscribe to the share capital of or enter into any arrangement (whether by way of partnership, joint venture or any other manner) with any other body corporate for the purpose of promoting the jute sector or for promotion and marketing of jute and jute products in India and abroad.

**(d) Public Sector Undertakings under Ministry of Textiles**

**(i) Jute Corporation of India (JCI) Ltd, Kolkata**

JCI is a GoI enterprise set up in 1971. JCI is the official agency of the Ministry of Textiles (MoT) responsible for implementing the MSP policy for jute producers and serves as a stabilising agency in the raw jute market. JCI also undertakes commercial operations, procuring jute at prices above the MSP on commercial consideration to generate profits. JCI's price support operations involve procuring raw jute from small and marginal farmers at MSP without any quantitative limit as and when the prevailing market price of jute falls below the MSP. These operations help create a notional buffer in the market by siphoning off excess supply, in order to arrest inter-seasonal and intra-seasonal fluctuations in raw jute prices. JCI's Departmental Purchase Centres (DPCs), which are situated in rural areas, purchases raw jute directly from the farmers. JCI has around 171 DPC's of which 101 are in West Bengal, 26 in Assam, 20 in Bihar and the rest in the three other jute growing states of Andhra Pradesh, Orissa and Tripura.

The authorized and paid up capital of the Corporation is ` 5 Cr & the net worth is ` 76.50 Cr. as on 31.03.2013. The entire authorized capital has been subscribed by the Government of India.

**Mission/Vision**

To act as the Price Support Agency of the Govt. of India and to undertake Minimum Support Price (MSP) Operation to provide remunerative price of raw jute to the jute growers and gradually increase its market share in the domestic trade.

**Main Functions**

1. To take up Price Support Operation on behalf of the Government as and when the raw jute prices touch the level of the Minimum Support Price fixed by the Government of India without any quantitative limit.
2. To undertake commercial operations for jute mills of NJMC on for other purpose as and when required.
3. To undertake distribution of certified jute seeds under subsidy scheme of NJB and gradually increase the quantity with an objectives to make available certified jut seeds to farmers.
4. To conduct other extension activities like, demonstration of new retting techniques and display of daily market rate by allocating centres under JTM MM III and NJB schemes for the benefit of the jute growers.
5. To carry out the role of the implementing Agency for Mini Mission III and also provide necessary support on activities of Mini Mission IV and other Mini Mission of the Jute Technology Mission.
6. To plan and implement schemes under Corporate Social Responsibility.

Performance of Jute Corporation of India Ltd is highlighted below:

<b>Particulars</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Projected</b>
<b>Quantitative (Bales/Lakh):</b>				<b>2013-14</b>
Procurement of Raw Jute	0.34	1.56	3.63	2.11
Sales of Raw Jute	0.10	1.34	2.39	1.10
Closing Stock	0.26	0.47	1.74	0.44

<b>Financial (Rs./Lakh)</b>				
Sale of Raw Jute	566.08	5599.39	11135.57	10050.00
Sale-Jute Seed	625.09	546.42	132.65	350.00

**(ii) National Jute Manufactures Corporation Ltd. (NJMC), Kolkata**

National Jute Manufactures Corporation Ltd. (N.J.M.C.) was registered and / or incorporated on 3<sup>rd</sup>. June, 1980 as a wholly owned undertaking of the Government of India comprising of following 6 (six) Jute Mills viz National, Kinnison, Khardah, Alexandra, Union in West Bengal and Unit RBHM in Katihar, Bihar. The main objectives of the Company are to carry on business of manufacturing of Jute Goods (Sacking) for supply to food processing agencies of the Government. The Company was referred to BIFR in the year 1992 due to its continuous loss since inception and erosion of net worth. The operations of these mills were suspended in the year 2003-04. However, at the intervention of the Ministry of Textiles BIFR has finally approved the revival proposal of the company in its meeting held on 31.03.2011 to run its three mills ( Kinnison, Khardah in West Bengal and Unit:RBHM in Katihar, Bihar) by NJMC itself out of six jute mills in view of cabinet decision on March, 19<sup>th</sup> 2010 and 25<sup>th</sup> November 2010. The operations of these mills were suspended in the year 2003-04 and all the workers and staff was given VRS as per the sanctioned scheme prior to this year. Full efforts were taken to restore HT power line, repair of Factory sheds, godowns, offices and repair and renovation plant & machineries and other infrastructure to start production during the year by engagement of contract labour and it is happy to note that regular production has been started in all the above three mills during the year. The NJMC is procuring raw jute from JCI and manufactures Sackings (Jute Bags) which are being supplied to food procuring agencies of the Governments against the PCOs time to time issued by office of the Jute Commissioner. More than 2000 contract workers are getting the employment where in their wages are time to time fixed, based on production and productivity, in consultation with representatives of all the unions and paid through contractor in transparent manner with PF, ESI and other benefits.

**Saction of Revival Scheme by BIFR**

Board for Industrial and Financial Reconstruction (BIFR) on March 31, 2011 sanctioned the Revival Scheme of the company after prolonged hearing. The salient features of the Scheme are :-

- i) NJMC shall run 3 mills (Kinnison & Khardah in W.B. and RBHM in Bihar) by itself and close 3 mills ( National, Alexandra & Union in W.B.) at a total cost of Rs 1562.98 Cr. comprising of payment of VRS and arrear liability to all employees Rs.645.07 Cr. , payment of liabilities and provisions for funds for implementation of Rs. 702.21 Cr. and Modernizations and start up Expenses of Rs 215.70 Cr.
- ii) NJMC will get fresh interest free loan of Rs. 483.60 Cr. from GOI, to be refunded through sale of assets of 3 (three) mills of NJMC (National, Union & Alexandra) and surplus assets of Kinnison & Khardah and RBHM the three revival mills.
- iii) The installed capacity will be 305 MT/day after complete modernization at a cost of Rs 215.70 Cr.
- iv) Net worth is expected to be positive in the 6th year i.e. 2015-16.
- v) Settlement of Officers' VRS under composite package.
- vi) Engagement of workforce under contract basis initially till the modernisation is complete.

The average production is gradually increasing in all 3 Revival Mills which is restarted after a

gap of 8 years. The present level of employment would rise with the increase in production and modernization as per the revival scheme.

<b>PARTICULARS</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Production (MT)	714	4886	9380
	Rs. in Cr.	Rs. in Cr.	Rs. in Cr.
Sales	--	15.76	49.73
Other Income	18.66	16.42	17.67
Total	18.66	32.18	67.40
Accretion of stock	-4.06	-8.00	-1.51
Raw Material & Stores	6.08	18.56	29.27
Power & Fuel	2.00	2.89	4.71
Wages through contractor	1.69	7.37	20.75
Salaries & benefits	80.32	15.31	1.09
VRS Expenditure	40.68	2.07	0.00
Other Expenses	20.94	31.60	25.20
Interest	0.30	0.30	0.30
Depreciation	0.15	0.29	0.57
<b>TOTAL</b>	<b>148.10</b>	<b>70.39</b>	<b>80.38</b>
Net Profit/Loss (-)	(-)129.44	(-) 38.21	(-)16.00
Cash Profit/Loss (-)	(-)129.29	(-) 37.92	(-) 15.70

**(iii) Birds Jute & Exports Ltd. (BJEL), a subsidiary of NJMC**

Birds Jute & Exports Ltd (BJEL) a processing unit of Jute fabric was a subsidiary of Bird & Co. established in 1904. Bharat Process & Mechanical Engineers Ltd.( BPMEL) under the Ministry of Heavy Industry took over the assets on nationalization in 1980 and became a holder of 58.94% of BJEL's equity shares.. Thereafter the GoI decided to transfer shares of BJEL to NJMC in 1986.

BJEL operated as a processing unit for bleaching, dyeing & printing of jute and blended fabrics. It was declared sick by BIFR u/s 3(1)(0) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) in the year 1999 due to continuous losses and negative net worth. Of late IDBI Bank Ltd. was appointed as operating agency for preparation Rehabilitation Scheme under section 17(3) of the said Act.

The proposal for revival of BJEL prepared by IDBI was considered by BRPSE on April, 2008 and granted in principle approval with certain observation. Accordingly IDBI revised the revival proposal. A draft cabinet note was also circulated by the MOT in view of comment raised by the ministry of Finance. MOT decided to place the updated revival scheme to BRPSE for its recommendation. Accordingly, BJEL resubmitted the revised revival proposal with a total Cost of Scheme of Rs.137.88 Crore to be financed mainly from sale of surplus land of the BJEL and interest free GOI loan .The entire GOI loan and holding company loan together with accrued interest at a normal rate has been proposed to be refunded from sale of surplus land of BJEL. The proposals also include modernization & renovation of its existing plant with capital expenditure including working capital of Rs. 30.57 Crore. The above proposal was forwarded to BIFR. BIFR accepted the revised DRS of BJEL with in principal approval from Ministry of Textiles to provide start up expense

amounting to Rs 21.20 crore as bridge loan and directed to circulate to the stake holder on 3.11.2011.

The production activity of the company has been suspended from October, 2002 and the company has given VRS to all its workmen and staffs in the year 2003 and 2004. The Financial performance for the year 2010-11, 2011-12 and 2012-13 is tabulated below:-

<b>Physical</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Production	----	----	----
<b>FINANCIAL RESULT</b>	<b>(Rs.in Lac)</b>	<b>(Rs.in Lac)</b>	<b>(Rs.in Lac)</b>
Other Income	8.38	8.61	8.76
<b>Total</b>	<b>8.38</b>	<b>8.61</b>	<b>8.76</b>
Salary & Wages	13.02	191.98	-
VRS Expenditure	----	--	-
Administrative & other Overheads	42.65	57.46	75.02
Interest on GOI & NJMC loan	726.46	815.30	778.72
Depreciation	1.26	1.17	1.09
<b>Total</b>	<b>783.39</b>	<b>1065.91</b>	<b>854.83</b>
Net Loss	775.01	1057.30	846.07
Loss before Tax	771.41	1109.00	865.57
Cumulative Net Loss	8633.76	9742.76	10608.33

**(e) Other Organisations supported by Ministry of Textiles in Jute Sector**

**(i) Indian Jute Industries Research Association (IJIRA), Kolkata**

Indian Jute Industries Research Association [IJIRA] was established in 1937, the first co-operative R & D organisation rendering services to the Indian Jute Industry and Government Agencies who are promoting Indian Jute in export and domestic market. Beginning as Indian Jute Mills' Association Research Institution (IJMARI) in 1937, the institute has grown over the years and moved to its current imposing premises in 1952. In the year 1966, IJMARI was renamed IJIRA and registered under the West Bengal Societies Registration Act, 1961 as an autonomous cooperative research organization. IJIRA is one of its only kinds of research associations in India dealing with a fibre grown only in this part of the world and by virtue of this, it is unique.

IJIRA is headquartered in Kolkata, with its regional centres being at Cherthala (Kerala), Vizianagram (Andhra Pradesh) and Guwahati (Assam). Guwahati Regional Centre also has the Powerloom Service Centre co-located with it. There is a Testing Laboratory too at Shantipur (West Bengal). Since its inception, IJIRA has, over the years, grown into a world class research institute on jute.

**Major Areas of Research are:**

- Development of an eco-friendly substitute of JBO for jute processing.
- Light fast bleached & dyed jute product development.
- Jute Bamboo composites.

- Development of Technical Textiles such as wider braided jute fabric.
- Jute-Ramie blended finer yarns and fabric development.
- Energy efficient green sizing technology for jute yarns.
- Development of Aroma based home textiles.
- Multifunctional ceramic based nano-finishing outdoor textiles by sol-gel-methods.
- Development of Low Cost Jute Bags for Foodgrains and Sugar.
- Quality Assurance for food grade jute products.

In addition to rendering various technical services to Jute Sector, IJIRA is presently involved in Jute Technology Mission Projects DDS 7.1 and DDS 6.4 projects, promotion and techno-marketing of jute geo-textiles in association with National Jute Board, quality assurance of food grade jute products and consultancy.

**(ii) International Jute Study Group (IJSJG)**

The International Jute Study Group (IJSJG) is an intergovernmental body set up under the aegis of UNCTAD to function as the International Commodity Body (ICB) for Jute, Kenaf and other Allied Fibres.

The IJSJG was set-up to succeed the erstwhile International Jute Organisation (IJO), which entered into the liquidation mode in the year 2000. It formally entered into force on and from 27 April 2002 with the completion of the process of Definitive Acceptance/Acceptance by Governments of Bangladesh, India, Switzerland, and the European Community representing its 27 member countries and representing over 60% jute trade (import and export). The IJSJG administers the provisions of the successor Agreement on Jute and Jute products, 2002 adopted by the United Nations. The objectives of the Group are:

- (a) To provide an effective framework for international cooperation, consultation and policy development among members with regard to all relevant aspects of the world of jute economy;
- (b) To promote the expansion of international trade in jute and jute products by maintaining existing markets and by developing new markets, including the introduction of new jute products and the development of new end-uses;
- (c) To provide a forum for the active participation of the private sector in the development of the jute sector;
- (d) To address the issues of poverty alleviation, employment and development of human resources, particularly women, in the jute sector;
- (e) To facilitate the improvement of structural conditions in the jute sector through improvement of productivity and quality, and promotion of the application of new processes and technologies;
- (f) To create and increase awareness of the beneficial effects of the use of jute as an environmentally friendly, renewable and biodegradable natural fibre;
- (g) To improve market intelligence with a view to ensuring greater transparency in the international jute market in collaboration with other organizations, including the Food and Agricultural Organization of the United Nations (FAO).

Since its inception, three officers from Government of India have been elected as Secretary General of the Organisation. Shri T. Nandakumar, was elected as its first Secretary-General in 2002 and Shri Sudripta Roy was elected in 2007, and thereafter, the Council of the IJSG in its Eleventh meeting held on May 2-3, 2010, appointed Shri Bhupendra Singh, as Secretary General, IJSG with effect from October 1, 2010.

**(iii) Institute of Jute Technology (IJT), Kolkata**

The Institute of Jute Technology (IJT), established in 1947 and jointly founded by University of Calcutta and Indian Jute Mills' Association with the main object of imparting knowledge of jute technology and training of students, has since been running as an autonomous educational institute. The Institute at present offers a regular 4-year B.Tech (Jute & Fiber Technology) Degree Course in line with the all India pattern for engineering degree courses. The degree is being awarded by the University of Calcutta. Institute has recently introduced a regular 4 semesters M.Tech. Course in Textile Technology (Technical Textiles) under the University of Calcutta. The institute also offers two regular courses, popularly known as Junior Level Supervisory (JLS) courses, one on spinning and other on weaving, each with a duration of 3 months. These courses are meant for the persons working in jute mills in supervisory capacity for a long time but do not have any formal technical education.

The Institute not only organizes training programmes for Jute Mill Sector but also caters to the need for HRD of the decentralized jute sector which is gradually occupying an important role in the area of jute diversification. The Institute of also offers testing, inspection and technical services both to the centralised and decentralized sectors of the jute and allied Industries. The faculty members of the institute also carry out in-house and sponsored applied research projects.

**(iv) Central Research Institute for Jute Allied Fibres (CRIJAF)**

The following are the mandate of CRIJAF:

- Improvement of jute (*C. capsularis* and *C. olitorius*) and allied fibre crops like mesta (*H. cannabinus* and *H. sabdariffa*), sunnhemp, (*Crotalaria juncea*), rame (*Boehmeria nivea*) sisal (*Agave sisalana*) and flax (*Linum usitatissimum*) for yield and quality.
- Improvement of jute and allied fibre crops for biotic and abiotic stresses.
- Development of economically viable and sustainable production technology and cropping systems with jute and allied fibre crops.
- Transfer of technology and human resource development in relation to jute and allied fibre crops.
- Development of proper post-harvest technology for improving the quality of fibre.

**(v) National Institute for Research in Jute and Fibre Technology (NIRJFT)**

NIRJAFT is under ICAR, Government of India devoted to technological research on jute & allied fibres. There are four full fledged divisions in the institute, namely, Quality Evaluation and Improvement Division, Mechanical Processing Division, Chemical & Biochemical processing division and Transfer of Technology Division.

## **10. INCENTIVES TO JUTE SECTOR**

### **(a) National Jute Policy - 2005:**

National Jute Policy - 2005: Government of India recognized the significance of jute in India's economy which provides sustenance to more than 4 million people including jute farmers, workmen, labourers and self employed artisans and weavers, especially in Eastern and North-Eastern part of the country, where it is the mainstay of agro based industries. World over it has been recognized that jute and allied fibres occupy a unique position as eco-friendly, bio-degradable, renewable natural fibres with substantial value addition at each stage of processing. Taking note of the new opportunities presented by the changing global environment of integration in the development of natural fibres, the strength and weaknesses of the jute sector in India and acknowledging the growing demand for diversified and innovative jute product in the world market, GOI announced the "National Jute Policy – 2005" to redefine the goals and objectives, focus on thrust areas and sharpen strategy in tune with the times with a view to give the jute industry in India a fresh impetus in all respect.

The main objective of the policy is to facilitate the jute sector in India to attain and sustain a pre-eminent global standing in the manufacture and export of jute products by enabling the jute industry to build world-class state-of-the art manufacturing capabilities in conformity with environmental standards. The policy seeks to strengthen R&D activities in agricultural practices with public-private partnership with a vision to ensure remunerative prices to millions of jute farmers by enabling them to produce better quality jute fibre for value added diversified jute products and enhance per hectare yield of raw jute.

### **(b) Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987**

Jute Packaging Material ( Compulsory Use in Packaging Commodities ) Act, 1987 (JPM Act) has been enacted to provide for the compulsory use of jute packaging material in the supply and distribution of certain commodities in the interests of production of raw jute and jute packaging material, and of persons engaged in the production thereof, and for matters connected therewith .Clause 4 (1) of the Jute Packaging Material (Compulsory Use in Packaging Commodities) Act, 1987 empowers the Central Government to constitute Standing Advisory Committee consisting of such persons as have, in the opinion of that Government, the necessary expertise to give advice in the matter of determining the commodity or class of commodities or percentages thereof in respect of which jute packaging material shall be used in their packing.

Central Government after considering the recommendations of SAC, may from time to time, issue orders under section 3(1) of the JPM Act for compulsory use of jute packaging material or certain commodity or class of commodities or percentages thereof, if it is satisfied that it is necessary to do so in the interest of production of raw jute and jute packaging material. Based upon the demand & supply position of raw jute and jute Goods, the Government prescribes reservation of commodities to be packed in Jute. The Government attempts to provide as much reservation as possible to utilize the jute crop that is produced in the country, without creating the bottle-neck in the supply-distribution chain of the commodities.

Ministry of Textiles had issued an Order under JPM Act, 1987 bearing S.O. No. 2094(E) dated 31-10-2012. Detail is as under:



“The following commodities may be reserved for jute packaging for the Jute Year 2012-13 ((1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2013), to the extent mentioned below –

Commodity	Minimum percentage to be reserved for packaging in Jute
Foodgrains	90% of the production [of the remaining production after providing for foodgrains to be packed in 3.5 lakh bales of HDPE/PP bags]
Sugar	40% of the production

Following exemptions may be allowed in the Order under the JPM Act.:

- (i) Sugar packed for export but which could not be exported may be exempted from the operation of the Order on the basis of an assessment by and request of the Department of Food and Public Distribution. For such exemptions, separate guidelines may be prepared.
- (ii) Following may be out of the purview of the reservation:
  - a. Sugar fortified with Vitamins
  - b. Packaging for export of the commodities
  - c. Small consumer packs of 25 Kgs and below
  - d. Bulk Packaging of more than 100 Kgs
- (iii) In case of any shortage or disruption in supply of jute packaging material or in other contingency/exigency, the Ministry of Textiles may, in consultation with the user Ministries concerned, relax these provisions further, up to a maximum of 30% of the production of foodgrains and sugar.”

The said Order, expiring on 30<sup>th</sup> June, 2013 has been extended vide Notification S.O.1788(E) dated 20.06.2013 for a period of three months (upto 30<sup>th</sup> September, 2013). Further, validity of principal order has been extended for a period of two months (upto 30<sup>th</sup> November, 2013) from the date of its expiry or till a fresh order is issued, whichever is earlier.

The level of reservation recommended by the Government in the past few years has been as follows:-

Mandatory Jute Packaging Orders issued under JPM Act, 1987			
Order date	Year	Sugar	Foodgrains
24-07-2006	2006-07	100%	100%
09-08-2007	2007-08	100%	100%
01-09-2008	2008-09	100%	100%
22-09-2009	2009-10	100%	100%
27-08-2010	2010-11	100%	100%
17-01-2012	2011-12	100%	100%

Due to the inability of jute mills to supply the required quantity of jute bags in the current jute year, relaxation in using HDPE/PP bags was allowed by the government for packing foodgrains. The detailed relaxation allowed in the Kharif: 2012-13 and Rabi: 2013-14 season is given below:

**Kharif: 2012-13 (May, 12 to Oct, 12)**

S.L.	Order No. & Date	Quantity exempted (In bales)	Agencies to use such bags (In Lakh bales)	Remarks
1	S.O. No. 1524 (E) Dated 09-07-2012	<b>350,000</b>	Punjab- 1.81 Har- 0.25 FCI - 0.20 U.P. - 0.38 C'Garh- 0.76 M.P. - 0.10	The exemption was valid upto 30-09-2012
	S.O. No. 2511 (E) Dated 17-10-2012			The period of exemption (order dated 09-07-2012) was extended upto 15-11-2012 for a total quantity of 2.188 lakh bales (Pun- 1.81 and U.P. - 0.38)
	<b>Total&gt;</b>	<b>350,000</b>		

**Rabi: 2013-14 (Nov, 12 to May, 13):**

S.L.	Order No. & Date	Quantity exempted (In bales)	Agencies to use such bags (In Lakh bales)	Remarks
1	MOF letters dtd 27-11-12 & 07-01-12 against MOT Order S. O 2659(E) dtd 31-10-12 (against 10%)>	<b>356,000</b>	Punjab- 1.94 Har- 1.31 FCI - 0.63 U.P. - 0.51	The exemption was valid upto 31-03-2013.
2	MOT vide Order S.O 26(E) Dtd 02-01-13 (against 30%)>	<b>348,000</b>	C'Garh- 0.00 M.P. - 2.54 Bihar- 0.11	Subsequently, delivery period of 2.30 lakh bales and 1.40 lakh bales have been extended upto 15-04-2013 and 30-04-2013 respectively.
3	MOT vide Order S.O 399 (E) Dtd 18-02-13 (against 30%)>	<b>44,000</b>	FCI- 1968 Bihar-960 M.P.- 2990 Pun- 13000 Har- 7000	
4	MOT vide Order S.O 504 (E) Dtd 04-03-13 (against 30%)>	<b>113,000</b>	Pun- 0.48 FCI- 0.55 M.P. 0.10	
	<b>Total</b>	<b>861,000</b>	<b>8.61</b>	

**(c) Technology Upgradation Fund Scheme:**

The objective of the scheme is to sustain and improve the competitiveness of the textiles/jute industry and overall long term viability through technology upgradation. The cumulative position of sanction and disbursement under TUF as on 31-03-2010 is given below in the following table:-

(Rs. in crores)

As on	No. of applications received	Total cost of projects	Amount of loan required	Sanctioned		Disbursed	
				No. of applications	Amount	No. of applications	Amount
31-12-2007	35	285.11	146.96	32	139.34	30	128.60
31-01-2008	35	285.11	146.96	32	139.34	30	128.60
31-03-2009	46	456.43	348.29	-	343.29	46	333.49
31-03-2010	53	535.62	405.89	53	400.88	53	390.69
30-06-2010*	56	542.20	410.85	56	405.84	56	395.48

\*There was no offtake for the jute industry after 30-6-2010

**(d) Duty Entitlement Drawback Pass Book (DEPB) Scheme by DGFT:**

Duty Drawback Pass Book (DEPB) Scheme for jute products was introduced with effect from 09-07-2002. The DEPB rates of jute products are as follows:-

Product Code : 90

S. No.	Description	DEPB Rate (%)	Value cap for DEPB entitlement
24.	Jute Soil Saver	5.0	
25.	Jute Yarn / Jute Twine	4.0	
26.	a. Hessian Cloth	5.0	Rs. 40/Kg
	b. Hessian made-up	5.0	Rs.55/Kg
27.	a. Sacking cloth	6.0	Rs.30/Kg
	b. Sacking made-up	6.0	Rs.40/Kg

Product Code: 63

Sl. No.	Description	DEPB Rate (%)	Value cap for DEPB entitlement
34	Hessian Bags with LDPE/HDPE/PP liner/lamination and with/without Zipper/ Handle	3.0	Rs.175/Kg.
37	Jute Bags with HDPE/LDPE / PP liner/lamination with/without Zipper/ Handle	3.0	Rs. 175/Kg.
83	PVC Fabricated Bags (made from PVC leather cloth backed jute and polypropylene)	5.0	-
116	Poly Jute Bags	3.0	Rs. 40 / Kg
589	Textile Machinery	7.0	Rs. 7.0 lakh
519	Sewing Machinery	4.0	-

(e) **Technical Textiles**

On the recommendation of an expert committee report and Government of India has recently set up a Steering Committee for Growth & Development of Technical Textiles (SCGDTT) wherein jute is expected to play an important role. A core committee has also been set up for development and promotion of jute based technical textiles. The following groups of technical textiles have been identified as having good potential for development in the jute sector:-

- 1) **Agrotech** (Nursery bags, cloth for Weed control and Agro mulching),
- 2) **Buildtech** (Intermediates for composites, Hessian for construction sector, composite for acoustic management)
- 3) **Geotech** (Jute geo textiles)
- 4) **Oekotech** ( Food grade jute products, Garbage disposal bags / garbage covers),
- 5) **Packtech** ( New generation packaging)
- 6) **Protech** (personal and property protection)
- 7) **Indutech** ( filter fabric, gloves, aprons and shoe uppers)

The study report of expert committee on technical textiles estimated that the global market size of technical textiles in 2005 was to the tune of US\$ 106899 mn. However, the percentage of natural fibre technical textiles was estimated to be about 20% only. Compared to this the Indian market size in the year 2003-04 was Rs 27377 Crore.

**Development and application of potentially important Jute Geo-textile:**

An international project on ‘Development and application of potentially important Jute Geo-textiles in rural road construction and erosion control’ has recently been launched. The project was mooted by the International Jute Study Group (IJSG), Bangladesh with Common Fund for Commodities (CFC) providing 51.60% of the project cost (US\$ 3,962,826) as grant. The project will cover India and Bangladesh and several European countries. The objectives of the project would be –

- (i) Development of potentially important Jute Geotextiles (JGT) suitable for use in the two identified end-uses viz. soil erosion control and rural road construction.
- (ii) Standardization of potentially important JGT, evolving design methodologies based on simulation studies & field applications.

The purpose of the project is to expand domestic and international market, especially in European countries, of JGT in the two specific areas of application through international accreditation. One of the major components of the project is to assess market needs for the two specific applications and to analyze the supply chain. A total of 26 field trials will be conducted for this purpose (16 in India and 10 in Bangladesh). National Jute Board is the Principal Executing Agency (PEA) of the project.

Other project features:

- Duration : 60 months
- Estimated Project Cost : US \$ 3,962,826
- Contribution from CFC : US \$ 2,045,000 (51.60% of the project cost)

Govt. of India and Bangladesh will make contribution in kind by bearing the cost of the field trials.

**(f) Jute Technology Mission:**

The Jute Technology Mission is a major component of the National Jute Policy and is the vehicle for implementation of multifarious programmes in the jute sector, both present and future. Pursuant to the National Jute Policy, 2005, the CCEA approved the Jute Technology Mission (2006-07 to 2010-11) in its meeting held on 02.6.2006 with a total outlay of Rs.355.55 crore. The Jute Technology Mission comprised four Mini Missions, to be completed during 2006-07 to 2010-11. However, the Mission could not be completed within the scheduled time on account of multiple reasons.

Subsequently, the Cabinet Committee on Economic Affairs (CCEA) has approved the following in its meeting held on 26th April, 2012:

- i) Extension of the implementation period of the “Jute Technology Mission (2006-07 to 2010-11)” by two years beyond 2010-11(i.e. 2006-07 to 2012-13).
- ii) Reallocation of funds among the Missions while maintaining the overall grants at the same level as was approved by the CCEA vide its meeting held on 02.6.2006.

The details of four Mini Missions and the implementing agencies of each Mission are as under:-

<b>Mission</b>	<b>Implementing Agencies</b>	<b>Fund Allotted (Rs. in Crore)</b>
Mini Mission-I	Ministry of Agriculture(ICAR)	7.05
Mini Mission-II	Ministry of Agriculture (DARE)	49.90
Mini Mission-III	Ministry of Textiles (JCI)	64.58
Mini Mission-IV	Ministry of Textiles (NJB)	234.02
<b>Total</b>		<b>355.55</b>

Since inception of the scheme (upto 31.03.2013), 9 market yards developed and 25 Departmental Purchase Centre (DPC) & 39 Retting Tank were constructed. A total investment of Rs.373.70 crore for Modernization and Upgradation of Technology in Jute Mills was made under the Capital Subsidy Scheme in 102 units all over India. Productivity improvement & TQM facilitation exercises were undertaken and implemented in 12 mills as processes for good governance. 21 markets driven R&D Studies for development of new processes and new diversified products were conducted by reputed institutions of India. Training was imparted to 24131 workers in 39 jute mills for sustainable human resource development. Under schemes for assisting NGOs and Women Self Help Groups (WSHGs) in developing jute diversified products, 57 NGOs in 428 clusters involving 2106 Women Self Help Groups in 121 districts of 19 States benefitted 28,170 artisans. Moreover, 1971 training programmes benefiting 37750 artisans were organized and 828 JDP-SHG units were setup. The setting up of 4 Jute Parks are also in progress.

**(g) Research and Development for the Textiles Industry including Jute**

During the 12<sup>th</sup> Plan, the jute sector will focus on Research & Development (R&D) and It is necessary to sustain R&D initiatives in the Jute sector through continuing innovations and market oriented research, as well as developmental programmes to reap the benefits that have arisen from the initiatives in the past. Therefore, a new scheme namely ‘Research and Development for the Textiles

Industry including Jute' with an allocation of Rs. 80 crore is being formulated. Under this scheme, the objective is to promote R&D efforts for increasing the use of jute in more diversified applications, specifically where the jute will be used in bulk. Use of jute for jute-geo-textiles, jute-agrotextiles, technical textiles, for making paper pulp, for developing jute composites for use in automobiles and other sectors, for developing jute particle boards, etc. will be the thrust of the R&D efforts during the XIIth Plan. Some of the technological and engineering developments (such as woolenisation, blends, fine yarn, aromatic fabrics, fire retardant and water proof fabrics, etc.) already achieved in other textiles applications will be duly re-engineered through further R&D efforts for adaptation in Jute.

### **Status of Implementation of Schemes under the Non-Plan Funding**

#### **(h) Subsidy Scheme for Distribution of Certified Seeds**

With intensive interaction had with the farmers in the matter of distribution of certified seeds – during 2009-10, total 4375.80 quintals of certified seeds were distributed at a subsidy of Rs.40/- per KG under the scheme. During the year 2010-11, the target was fixed at 13,600 quintals against similar subsidy. Out of the target for distribution fixed, till date 6,600 quintals of certified seeds were distributed at a subsidy of Rs.40/- per KG under the scheme. The network of the Jute Corporation of India is being utilized for implementation of the scheme.

#### **(i) Scheme for Jute Farmers' Information and Testing Centres**

Identification and setting up of 50 Farmers' Information Centres, imparting training to 80 groups of 50 farmers each, organization of 2 Farmers' School to encourage and educate the latest technological advancements in seed production and farming practices have been planned in 2010-11 under non-plan for promoting raw jute supply stability.

#### **(j) Scheme for Support Supply Chain and Bulk Supply of JDPs**

Financial assistance is extended to jute entrepreneurs to ensure supply chain and bulk supply of JDPs for selective and mass consumptions. This assistance is aimed at meeting increasing demand for jute shopping bags and other JDP's arising mainly due to restrictions on the use of plastic, and thereby supporting the cause of health of environment. Till date, 53 applications for opening of retail outlets have been received from 31 jute entrepreneurs. NJB has accorded approval to opening of 10 retail outlets at Bangalore, Chennai, Agra, Bhubaneshwar and Kolkata.

#### **(k) Fast Track Schemes for Export Market Development of JDPs.**

Marketing assistance is extended to the exporters for participation in different promotional events of the National Jute board under Fast Track Export Market Development scheme. During 2010-11, NJB received 180 EMDA applications from 58 exporters, settled 99 applications and released Rs.140.64 lakhs to 44 exporters for their participation in 42 events. During 2011-12, NJB has received 100 applications from 64 exporters for participation in 36 events and disbursed (till 30th September, 2011) Rs.42.85 lakh to 28 exporters against 35 applications for participation in 10 events.

## **(I) Schemes for Workers' Welfare in Jute Sector.**

National Jute Board [NJB] provides assistance for the welfare of workers in jute-producing units both in jute mills and in small units producing JDPs. NJB utilise non-Plan funds to improve :-

- (a) the sanitation, health facilities and working conditions in the mill sector and
- (b) provide incentives to the small and medium JDP units for compliance with prescribed working conditions.

This Workers' Welfare Scheme therefore has 2 broad sub-schemes, one for the mills and one for the small sector. In both cases, proposals from mills or JDP units are prepared by the management in consultation with the accredited unions.

### **Component I – Mill Sector**

Sanitation facilities – A Scheme to provide hygienic sanitary facilities for mill workers and their families, first in the mill quarters and in the second stage in the working areas. Sanitary facilities include designed sanitary blocks with toilet facilities for men and women, wash basins, sewage, etc. In order to speed up the process of construction are allotted to third-party tie-up with M/s Sulabh International or such other reputed organizations especially those agencies which may have a government dispensation exempting them from participation in tender. The concerned mill first incurs the expenditure and National Jute Board thereafter reimburse 90% of the costs subject to a maximum reimbursement of Rs. 20.00 lakh, subject to submission of claim along with accounts and vouchers and physical verification of the facility.

### **Component II – JDP / small & medium sector**

Incentive for Social Audit – All authentic international, multi-national and national big stores require, as per respective country-law, audit certificate before or for placing orders on the manufacturers of lifestyle jute products which are manufactured by the MSEs in the Informal Sector of Jute. Hence export oriented MSEs in the Informal Sector of jute shall conduct such Social Audits. Social audit is undertaken annually by the Firms like SGS, SEDEX, INTERTEK, STR LABs and the ISO certifying firms mainly under the following major heads:-

1. Child Labour.
2. Minimum Wages.
3. Social Security – ESI/P.F./Gratuity.
4. Working Hours.
5. Occupational Safety & Health Care.
6. Waste Disposal.
7. Non-discrimination.
8. Freedom of negotiation and formation of group or union.

NJB provides 50% of the cost of annual compliance audit for each registered unit subject to a maximum of Rs. 1,00,000/- per unit per year.

**(Data Source: Jute Section, Updated on 13-12-2013)**