

1. 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.

Jute, the golden fibre, meets all the standards for 'safe' packaging in view of being a natural, renewable, biodegradable and eco-friendly product. The principal varieties of jute in India are tossa (*Corchorus Olitorious*) and white jute (*Corchorus Capsularis*). Though jute plant is known principally for its versatile fibre, every part of the plant has its use. The tender leaves are cooked and consumed as vegetables. The leaves which fall off the plant enrich the soil, about 1 MT of dry matter is put back into the soil and about 3 MT of roots remain per acre of land. The stick which remains after jute fibre is extracted is used as a domestic fuel and also as a cheap building material. The plant itself has a very high carbon dioxide assimilation ability; in the 120 days of its growing period, an acre of jute absorbs about 6 MT of carbon dioxide from atmosphere and releases 4.4 MT of oxygen; several times higher than trees. Apart from the versatility of the jute plant, the plant compares very favourably in terms of its ecological footprint when compared with synthetic packaging materials.

As on date, there are 94 composite jute mills out of which the state of West Bengal has 70 jute mills with Andhra Pradesh having 10 mills, Uttar Pradesh 3 mills, Bihar 3 mills, Orissa 3 mills, Assam 2 mills, Chhattisgarh 2 mills and Tripura 1 Jute Mill. As on 31.08.2015, 26 mills are closed. According to the closure notices issued by the managements, the principal reasons for the closure of mills are labour indiscipline, absenteeism and trade unionism.

The total number of looms installed in jute industry stood at 51374 consisting of 17990 Hessian looms, 28381 Sacking looms, 919 Carpet Backing Cloth (CBC) and others at 4084. The installed spindles in jute mills other than 100 % export oriented units were 772058 comprising of 632914 fine spindles & 139144 coarse spindles. 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 2789 thousand tonnes per annum.

2. 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.

There is always significant fluctuation in the area under jute cultivation in India. The year to year fluctuations arise out of three factors namely, (i) fluctuation in rainfall during the sowing season, (ii) the average raw jute prices realized during the previous jute season, and (iii) the returns realized from competing crops during the previous season. A significant area under jute competes with paddy during the same season. Hence, year to year fluctuations in the prices of jute relative to the prices of paddy would generally influence the relative allocation of land between the two crops.

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 2014-15 to 2015-16 (Estimated):-

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

	2014-15	2015-16 (Estimated)
(A)SUPPLY		
i) Opening stock	24.00	15.00
ii) Jute and Mesta crop	72.00	80.00
iii) Import	1.00	5.00
Total :	97.00	100.00
(B)DISTRIBUTION		
iv) Mill consumption	70.00	80.00
v) Domestic/industrial consumption	12.00	20.00
vi) Export	NIL	NIL
Total:	82.00	100.00
(C)CLOSING STOCK	15.00	0.00

Source: Jute Advisory Board

The current varieties/grade composition of National Raw Jute Production vis-a-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%
Total	100%	100%	100%		100%		100%

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.

3. 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 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. Government of India provides a subsidy of approximately Rs.55 crores per year to enable JCI to maintain the infrastructure and manpower for meeting the requirements of MSP operations. Raw jute purchased by JCI in association with the State Co-operatives during the last several years is given below:-

Year	Commercial Procurement		MSP Procurement		Total	
	Lakh Bales	Rs. Crore	Lakh Bales	Rs. Crore	Lakh Bales	Rs. Crore
2010-11	0.34	19.93	-	-	0.34	19.93
2011-12	0.25	9.72	1.31	37.98	1.56	47.70
2012-13	0.44	20.00	3.19	120.18	3.63	140.18
2013-14	0.52	24.50	1.38	53.91	1.90	78.41
2014-15	0.377		0.155		0.532	

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 three years are given below:-

Year	MSP of TD-5 grade of raw jute Ex- Assam (Rs./Quintal)	%age increase over previous year
2013-14	2300	4.5
2014-15	2400	4.3
2015-16	2700	12.5

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:

	2012-13		2013-14		2014-15		2015-16	
	MSP	Market Price	MSP	Market Price	MSP	Market Price	MSP	Market Price
July	2200	2661	2300	2636	2400	2636	2700	4180
Aug		2726		2526		2696		4034
Sept.		2661		2589		2709		
Oct.		2469		2650		2857		
Nov.		2393		2627		3011		
Dec.		2354		2897		3071		
Jan.		2465		2881		3158		
Feb.		2685		2820		3248		
Mar.		2886		2816		3252		
Apr.		2901		2964		3305		
May		2808		3139		3454		
June		2638		3035		4047		

4. 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 production of jute goods last year and current year is given below:-

(In '000' M.T.)

April-March	Hessian	Sacking	C.B.C.	Others	Total
2014-15	211.3	901.8	3.0	151.2	1267.3
2015-16*	59.8	276.9	1.2	48.3	386.2

* upto April-July 2015

5. 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%. Domestic consumption of jute goods during last year and current year is given in the following table:-

Qty:"000" M.T. Tonnes

April-March	Hessian	Sacking	C.B.C.	Others	Total
2014-15	171.7	873.2	0.1	111.4	1156.2
2015-16*	56.0	252.5	0	34.2	342.7

* upto April-July 2015

6. EXPORT PERFORMANCE

The Exports trends during the year 2014-15 and current year is as under:

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

Apr-Mar	2014-15		2015-16*	
Item	Quantity	Value	Quantity	Value
Hessian	80.2	769.5	2.2	15.7
Sacking	46.9	296.6	1.1	6.9
Yarn	23.6	138.7	4.0	25.6
JDP	0	508.6	0	43.9
Others	7.7	100.4	0.4	4.5
Total	161.7	1813.8	7.7	96.6

Source: National Jute Board (*) upto April 2015

7. IMPORT OF RAW JUTE AND JUTE GOODS

The Exports trends during the year 2014-15 and current year is as under:

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

(Apr-Mar)	2014-15		2015-16*	
ITEM	Quantity	Value	Quantity	Value
Raw Jute	47.6	142.4	1.0	0.5
Jute Products	130.7	561.5	20.5	12.4
TOTAL	178.3	703.9	21.5	17.3

Source: National Jute Board (*) upto April-May 2015

8. IMPORTS OF JUTE GOODS FROM NEPAL AND BANGLADESH

It is reported that there is large scale import of cheap yarn, B-Twill fabric and sacking from Bangladesh and Nepal which is seriously distorting the Indian market. Bangladesh provides export incentives to its producer's which along with other factors such as low wages and power cost make their products significantly cheaper than Indian products in Indian market. Bangladesh Government offers a 7.5% cash subsidy on the export of jute bags, which coupled with cheaper labour, cheap power and low capital cost makes imported jute bags from Bangladesh cheaper than bags manufactured in the country.

Orders are issued from time to time under the JPM Act by the Government of India, Ministry of Textiles, stipulating that jute packaging material for reserved commodities should be manufactured in India from raw jute produced in India". For securing compliances of the Orders issued under the JPM Act, Notification bearing S.O. No. 698(E) dated 04-07-2002 had already been issued directing all manufacturers / importers / processors / traders to mark / print/ brand or stitch a jute cloth/eco-friendly cloth label printed with the words "Bag made in – Country of Origin". Customs authority has also been requested from time to time to ensure that import of jute goods takes place only after the directions in the above Notifications are complied with.

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 23-06-2014 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 1st 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 30th March, 2010 has appointed the 1st 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 Rs. 5 Crore & the net worth is Rs. 86.37 Crore as on 31.03.2014. 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 objective 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:

Particulars	2012-13	2013-14	2014-15
Quantitative (Bales/Lakh):			Provisional
Procurement of Raw Jute	3.63	1.90	0.74
Sales of Raw Jute	2.39	2.60	1.58
Closing Stock	1.74	1.06	0.20
Financial (Rs / Lakh)			
Sale of Raw Jute	11135.57	12331.00	8303
Net Profit after Tax	1336.77	987.10	550

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

National Jute Manufactures Corporation Ltd. (N.J.M.C.) was registered and / or incorporated on 3rd. 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, 19th 2010 and 25th 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.

Revival of Jute Mills under the National Jute Manufactures Corporation (NJMC)

- i) NJMC has six jute mills.

Mill with Location	Total Land (Acres)	Status
National—Sankrail, Howrah	63.34	closed
Alexandra—Jagaddal, North 24-Parganas	52.68	closed
Union—Sealdah, Kolkata	14.13	closed
Khardah—Titagarh, North 24-Parganas	86.56; Saleble-23.62	Under preparatory maintenance
Kinnison—Titagarh, North 24-Parganas	52.63; Saleable-2.43	Functional : under production contract
RBHM—Katihar, Bihar	55.05: Saleable-30.35	Functional : under production contract

- ii) In terms of the revival scheme approved by the CCEA in November 2010, NJMC has given VRS to its employees of all the six mills, at a cost of Rs.536 crores and has repaid its other liabilities of Rs. 811 crores. Therefore, the advantage of NJMC is that it has no employees on its rolls. At present, two of the three mills identified (Kinnison and RBHM) are running on production contracts but have not reached the break-even point.
- iii) A sum of Rs. 141 crores approved to meet the cash losses during the early years of its revival period has been used up. Therefore, there is no scope for incurring further losses. The NJMC revival plan approved by the Cabinet shall now depend upon the successful operation of the 3 running mills (Kinnison, RBHM and Khardah) on the licensing model, on payment of licence fees by the licensee. As mentioned earlier, an EOI has been called for operation on the licensing model.
- iv) The option of diversifying the production line from jute B Twill sacking to Jute diversified products will require investment and managerial strength and is fraught with risk as it is an emerging area.
- v) Further, utilization of assets of the remaining three closed mills namely (Union, National and Alexandra mill) where land measuring 130 acres in all requires to be developed into feasible productive use such as a Textile Hub, Apparel Park or a Food Processing Park for which a Transaction Advisor has been appointed (M/s Price Water House Coopers Ltd.) for preparing the road-map. This option is being resorted to as the existing land use of the three closed mills is ‘industrial’ which is required to be changed to ‘commercial or residential’, by the Government of West Bengal, without which it may not be possible to sell land for alternate use.
- vi) In all this, the support of Government of West Bengal for the development options of the three closed mills is essential for expediting the process and also facilitating the sale of surplus assets including land.

- vii) The matter is being pursued with Government of West Bengal for support on the sale of surplus assets including land and with Ministry of Labour for formal closure of the Mills. In interim period, options are being explored to operate the running mills with profitability and for identifying appropriate modules for monetizing the land assets.

(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. Bird Jute & Exports Ltd. (BJEL), a subsidiary of National Jute Manufacturers Corporation (NJMC) was referred to BIFR in June, 2004.

The company has a huge land asset measuring approximately 49 acres in one of the prime locations in Kolkata. Initially it was decided that the total surplus land would be sold off and the revenue generated from this would be utilized for the revival of the organization. However the BIFR objected to this idea and directed the company to identify the minimum area of land that would be sufficient to generate the fund required (Rs. 137.88 crore) for revival and setting up of a Dying & Bleaching Plant. After a detailed survey it was found out that the required fund for revival could be generated by selling only 8.2 acres of land provided the land use is changed from industrial to commercial land. However the Government of West Bengal is not allowing the change of land use.

The area where the land is located is infested with the anti-social elements and encroachments of mill land are a regular affair. The local municipality is the main perpetrator of such incidents of illegal encroachment of government land. The company has filed suit against the encroachers and Ms. Fox & Mandal, the solicitor firm, is representing BJEL.

BIFR has directed BJEL to include the state representative in the Assets Sale Committee for sale of any asset including the scraps. Moreover land can only be sold after changing its nature from industrial to commercial use as per the direction of BIFR. Both the issues fall within the domain of Government of West Bengal. So far the state government has not responded in either of the issues. The matter is being pursued with Government of West Bengal and BIFR.

(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) 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.

(iii) 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.

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

NIRJFT 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) 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.

For the jute year 2014-15, Ministry of Textiles issued Notification S.O. 527(E) dated 13.02.2015 stipulating that minimum of 90% of foodgrain and minimum of 20% of sugar to be compulsorily packed in jute packaging materials for the Jute year 2014-15, valid upto 30th June, 2015, which has been extended upto 31st December, 2015.

The level of reservation recommended by the Government since January 2014 has been as follows:-

Mandatory Jute Packaging Orders issued under JPM Act, 1987			
Order date	Year	Sugar	Foodgrains
31.01.2014	2013-14	20%	90%

Ministry of Textiles vide Order No. 1620(E) dated 16.06.2015 has delegated powers under Section 6,7 & 8 of the JPM Act to amongst others, District Magistrate or Collector or Deputy Commissioner of concerned District and Sub-Divisional Magistrates or Sub-Divisional Officers of concerned Sub-Division for an effective implementation of the Orders issued under the JPM Act stipulating that certain percentage of foodgrains and sugar are required to be packed compulsorily in jute bags.

(b) New Initiatives:-

- Possibilities are being explored for large scale use of jute in making paper and composites.
- The use of Jute Geo-textiles is being promoted.
- R&D is being promoted for the use of jute in different sectors like automobiles, roads, construction etc.
- New retting technology have been developed and trials of the same is being done.
- Efforts are being done to modernize the jute industry.
- Efforts are being done to explore new uses of jute fibre on mass scale through National Institute of Design (NID).
- The Jute Diversified Products (JDPs) are being promoted for domestic consumption as well as for exports.

(c) Jute Technology Mission:

The Jute Technology Mission has been 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.

Subsequently, the Cabinet Committee on Economic Affairs (CCEA) has approved the 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).

Since inception of the scheme, 11 market yards developed and 28 Departmental Purchase Centre (DPC) & 43 Retting Tanks were constructed. A total investment of Rs.518.61 crore for Modernization and Upgradation of Technology in Jute Mills was made under the Capital Subsidy Scheme in 120 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 (WSHG) 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. Four Jute Parks were established with 27 manufacturing units.

(d) Jute Diversified Products

The jute industry is predominantly leaning on jute sacking to the detriment of the industry as is evident from the long-standing absence of diversification and modernization. There is a need for enabling the jute sector to develop of various other diversified products. While there has been a drop in the overall export of Jute products by 15% during the year 2014-15, there has been a growth of 5% in the Jute Diversified Products (JDPs), indicating a rising global demand for such products. It is necessary to produce and market different JDPs such as jute shopping bags, Jute floor coverings, Jute based home furnishings & wall coverings, and Jute based handicrafts. The promotion of diversification will help in making the jute industry less dependent on state support and will also ensure that the industry becomes competitive and self-sustaining so that the opportunities prevailing in the global and domestic markets are tapped successfully.

Steps have been taken for promoting better agronomic practices in jute farming, promotion of the Jute Diversified Products (JDPs) and their marketing, support for technological up-gradation of jute mills, etc. Steps have also been taken to promote JDP clusters operated by Women Self Help Groups at block level formed under the National Rural Livelihood Mission (NRLM) by providing them support on forward and backward linkages – such as design, training, raw material and common facility infrastructure. In pursuance of this, the Ministry has signed an MOU with the National Institute of Design (NID) for facilitating design of Jute Diversified Products. Also, Jute Common Facility Centres (CFCs) scheme has been launched on 1.9.2015 for providing avenues for value addition, production, quality assurance through construction facility, direct support to members, integrated design, product development, training and market development etc. Five Common Facility Centre (CFC) are sanctioned at the five locations in West Bengal (3), Assam (1) and Bihar (1) in major jute growing district. An amount of Rs.10 crores has been allocated for 2015-16. Operation of the CFC shall be transferred to a Cooperative Society or Women Self Help Groups (WSHGs) in due course.

For promotion of large scale use of Jute Geotextiles for control of erosion, road construction, river embankments and in slope stabilization, major Government Departments and State Governments are advised to promote use of jute as geo-textiles. Special scheme for promotion of Geo-Textiles has been launched in the North Eastern States on 24.3.2015 with outlay of Rs.427 crores.

(e) Project Jute-ICARE (Jute: Improved Cultivation and Advanced Retting Exercise)

The project Jute-ICARE (Jute: Improved Cultivation and Advanced Retting Exercise) has been launched to support the small and marginal jute growers with adequate pre and post harvesting operations in select blocks, where jute cultivation is popular with a view to improving the income of farmers through improvement in yield and the quality of the fibres. Under this project jute growers will be provided with 100% certified seeds. The Jute Corporation of India (JCI), Central Research Institute for jute and Allied Fibres (CRIJAF), an R&D organization under the Ministry of Agriculture

and National Jute Board (NJB) are jointly implementing the project on a pilot basis. Training and Seed Distribution work have been started in three blocks in West Bengal.

f) Schemes for the welfare of the Jute Mills workers

National Jute Board (NJB) implements the following schemes for the welfare of the Jute Mills workers:-

i) **Workers’ Welfare Scheme - Sanitation facilities for Mill Sector**

This is a **Non-Plan Scheme** implemented through cess funds of the National Jute Board. The scheme provides 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 reimburses 90% of the costs subject to a maximum reimbursement of Rs 40.00 lakh. **37 Toilet blocks** in 30 jute mills were constructed.

Fund utilisation & budget: (Rs. Lakhs):-

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 (BE)
73.79	100.07	198.56	305.84	386.53	400.00

ii) **Scheme to provide Incentives to successful girls students of Jute Mill workers in Secondary & Higher Secondary level through Bank A/c**

For providing better working conditions and provisions and improvement of amenities and incentives for workers engaged in the jute industry and to extend support to the workers’ family towards education of their girl children, a scholarship scheme for educational support has been introduced (non- plan scheme), which will not only motivate the family for acquiring higher stages of education by their girl children but also have an impact on the economy of the industry. Scholarships to the qualified girl children are paid as follows:

- On qualifying Secondary Education : Rs. 5,000/-
- On qualifying Higher Secondary Education : Rs.10,000/-

The scheme is applicable to all jute goods manufacturing units throughout the country paying cess. Support has been provided to 2963 girl students of Jute Mill workers for being successful in secondary and higher secondary examinations.

From 2015-16, the following scholarships will also be extended:-

On qualifying Graduation (for boys & girls)	Rs. 15,000/-
On qualifying Post Graduation	Rs. 20,000/-

For pursuing Professional (Engg, Technical, Medical, Management, CA, CS, ICWAI courses) in Govt. Institutions	Annual Tuition fees
For pursuing Professional courses like Jute / Textile Engg / Technology (from Private Inst.)	Annual Tuition fees

Fund utilisation & budget: (Rs. lakhs)

2013-14	2014-15	2015-16 (BE)
122.30	144.55	200.00

11. Issues taken up with Other Ministries/Departments and State Governments through various communications.

- (a) As the jute industry is predominantly located in West Bengal, through various communications, the Ministry of Textiles has taken up the following issues with the Chief Secretary/Chief Minister of Government of West Bengal:
- Effective implementation of Jute Packaging Material Act, 1987 (JPM Act) for the packaging of rice and paddy in Bengal to generate additional demand for jute products. Introduce mandatory packing of potatoes and other vegetables in the state in jute hessian bags.
 - Promote use of jute as geo-textiles in Pradhan Mantri Gram Sadak Yojana (PMGSY) roads, district roads and State Highways, in river embankments and in slop stabilization.
 - Evolve better agronomic practices in cultivation of jute.
 - Extend support from Government of West Bengal for support on the sale of surplus assets including land and with Ministry of Labour for formal closure of the Mills. In interim period, option are being explored to operate the running mills with profitability and for identifying appropriate modules for monetizing the land assets.
 - Extend support of the Government of West Bengal for implementation of the revival scheme, changing land use nature from industrial to commercial as per the direction of BIFR. So far the state government has not responded in either of the issues. The matter is being pursued with Government of West Bengal and BIFR.
- (b) Railway Board has been requested to consider using jute geo-textile on larger scale for the stabilization of slopes and other uses in the railway construction.
- (c) All State Governments has been requested to promote use of jute as geo-textiles in Pradhan Mantri Gram Sadak Yojana (PMGSY) roads, district roads and State Highways, in river embankments and in slop stabilization.
- (d) Ministry of Home Affairs, Ministry of Water Resources and Ministry of Rural Development has been requested to organize a workshop on use of jute as geo-textiles in various projects under their respective Ministries. Ministry of Water Resource has informed that Central Board of Irrigation and Power has organized workshop/training on use of geo-textiles materials in infrastructural project and have come up with a compendium on geo-textiles and geo-synthetics.
- (e) Several review meetings at the level of Hon'ble Minister of State for Textiles (I/C) and Secretary (Textiles) were held for the development and promotion of jute industry.

Several communications have also been sent to the State Government of West Bengal to pursue the above issues.

(Data Source : Jute Section, Updated as on 30.09.2015)