

LOK SABHA
UNSTARRED QUESTION NO. 2078
TO BE ANSWERED ON 23.09.2020

MEASURES TO MODERNISE JUTE MILLS

2078. DR. MOHAMMAD JAWED:
MS. RAMYA HARIDAS:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state :

- (a) whether jute cultivation has declined over past decades due to low price of jute and lack of jute mills in the country and if so, the details thereof, State/UTwise, particularly Bihar;
- (b) whether the Government proposes to fix MSP for jute and open new jute mills in the jute growing areas of the country, if so, the details thereof, State/UT-wise including Bihar and West Bengal and if not, the reasons therefor;
- (c) whether the Government has proposed to reopen the defunct jute mills in the country, if so, the details thereof, State-wise particularly in Bihar and West Bengal and if not, the reasons therefor;
- (d) whether it is a fact that not a single new jute goods manufacturing unit has been set up during the last five years and the current year and if so, the reasons therefor;
- (e) whether the jute industry is not able to fully utilize its production capacity due to lack of demand of jute in the country and if so, the details thereof; and
- (f) whether it is also a fact that there is an urgent need to modernise the jute mills set up in the country and if so, the details thereof along with the steps taken/ being taken by the Government in this regard and if not, the reasons therefor?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति ज़ूबिन इरानी)
MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a): The price of raw jute has mostly been ruling over the Minimum Support Price, therefore, price of jute and demand by the jute mills may not be a factor in the decline in cultivated area of jute. The slight decline in the cultivation area has been compensated by the increased productivity with the use of modern agronomic practices introduced by Government. Also, Jute Corporation of India has been mandated to purchase raw jute from the farmers at Minimum Support Price (MSP) whenever the price of raw jute goes below the MSP.

(b) & (c): MSP for raw jute is fixed by Government every year to protect the interest of the jute farmers. The MSP of raw jute in year 2012-13 was Rs. 2200 per quintal which has now increased to Rs. 4225 in year 2020-21. The opening and closing of jute mills is a cyclical process which depends on various factors of production such as productivity, trade unionism, raw material supply etc. The jute mills are in private control. The Government is however ensuring that there is sufficient demand of jute bags by mandating 100% reservation for packaging of foodgrains in jute bags thereby creating a conducive environment for opening up of new jute mills in the country.

(d) & (e): Several jute manufacturing units including one composite jute mill have come up in different parts of the country as a result of the conducive environment being provided by the Government. With the provision of 100% mandatory packaging of foodgrains in jute bags, there is no dearth in the demand of jute bags. In fact, the demand of jute bags is more than the capacity of jute mills due to which the Government has to resort to dilution in the provision of 100% mandatory reservation of jute bags for packaging of foodgrains.

(f): To modernise the jute mills, the Government is already implementing the Incentive Scheme for Acquisition of Plant & Machinery (ISAPM). Under the scheme, efforts are being made to increase the productivity of the jute mills by providing capital subsidy to replace the old machines with new and technologically advanced machines. During 2014-15 to 2018-19, capital subsidy amounting to Rs. 49.71 crores has been released to modernise jute mills and JDP units.
