F.NO.2-1/2015-CC-ES
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture, Cooperation & Farmers Welfare
Directorate of Economics & Statistics
*********

Krishi Bhawan, New Delhi-110001
Dated the 1st March, 2016

Subject: Price Policy for Raw Jute for 2016-17 season - regarding.

Government of India has announced the Price Policy for Raw Jute for 2016-17 season. Decisions taken are as under:-

(i) The Minimum Support Price (MSP) of TDN₃ (equivalent to TD₅ of old grading) grade of Raw Jute for 2016-17 season has been fixed at Rs. 3200 per quintal for the entire country.

(ii) Corresponding Minimum Support Price for other varieties and grades of Raw Jute will be fixed keeping in view, apart from normal market price differentials, the aggregate scores assigned to different grades of raw jute.

(iii) The Jute Corporation of India will continue as Central Government Nodal Agency to undertake Price Support Operations and the losses incurred, if any, in the MSP operations, will be fully reimbursed by the Central Government.

(iv) Appropriate action may be taken by the concerned Ministries/Departments of the Government, State Governments and other agencies on non-price recommendations of the CACP.

2. In this connection, I am directed to request you to take appropriate action immediately on the above decisions under intimation to this office.

(S. Chandrasekar)
Adviser (CC)
Telefax: 011-23382244

To

1. Secretary,
   Ministry of Textiles
   Udyog Bhawan, New Delhi. 110011

2. Jute Commissioner
   Office of the Jute Commissioner
   Ministry of Textiles, Government of India
   CGO Complex, 3rd MSO Building, 4th Floor DF Block
   Sector-1, Salt Lake City, Kolkata-700 064
3. Chairman - cum - Managing Director  
   Jute Corporation of India Ltd  
   15 N, Nellie Sengupta Sarani, Kolkata-700 087

4. Secretary, Department of Food and Public Distribution  
   Krishi Bhavan, New Delhi 110001

5. Secretary & Director General,  
   Department of Agricultural Research & Education & ICAR  
   Krishi Bhavan, New Delhi-110001

6. Joint Secretary (Marketing Division)  
   Ministry of Agriculture and Farmers welfare  
   Krishi Bhawan, New Delhi

7. Joint Secretary (Trade Division)  
   Ministry of Agriculture and Farmers welfare  
   Krishi Bhawan, New Delhi

8. Joint Secretary (Crops Division)  
   Ministry of Agriculture and Farmers welfare  
   Krishi Bhawan, New Delhi

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Copy for information:

1. Secretary, Department of Economic Affairs  
   Ministry of Finance, North Block, New Delhi 110001

2. Secretary, Department of Expenditure  
   Ministry of Finance, North Block, New Delhi 110001

3. Chief Executive Officer, NITI Aayog  
   Yojana Bhavan, New Delhi 110001

4. Secretary, Department of Commerce  
   Ministry of Commerce and Industry, Udyog Bhawan, New Delhi-110011

5. Joint Secretary  
   Prime Minister's Office, South Block, New Delhi-110001

6. Member Secretary  
   Commission for Agricultural Costs & Prices, Krishi Bhawan, New Delhi-110001

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Copy for information and necessary action:

1. Chief Secretary  
   Government of Bihar  
   Main Secretariat Building, Patna-800 015

2. Chief Secretary  
   Government of Odisha  
   Odisha Secretariat, Bhubaneswar-751 001

3. Chief Secretary  
   Government of West Bengal  
   Writer's Building, Kolkata-700 001

4. Chief Secretary  
   Government of Assam  
   Assam Sachivalaya, Dispur, Guwahati-781 006

5. Chief Secretary  
   Government of Tripura  
   Secretariat, Agartala-799 001

6. Chief Secretary  
   Government of Andhra Pradesh  
   Hyderabad-500 002

7. Chief Secretary  
   Government of Telagana  
   C-Block, Hyderabad-500002

Copy for Information to:

1. Sr.PPS to Secretary, DAC&FW, Krishi Bhawan, New Delhi
2. Sr.PPS to Principal Adviser, DAC&FW, Krishi Bhawan, New Delhi
3. PS to ESA, DES, Krishi Bhawan, New Delhi
4. JS (Cooperation), DAC&FW, Krishi Bhawan, New Delhi
5. JS (Policy), DAC&FW, Krishi Bhawan, New Delhi
6. Adviser (FE), DES, Krishi Bhawan, New Delhi
7. Adviser (Coordination Division), DES, Krishi Bhawan, New Delhi
8. Technical Director, NIC, Room No. 341, Krishi Bhawan, New Delhi
   for uploading on DES website

(S. Chandrasekar) 1/3/16  
Adviser (CC)  
Telefax: 011-23382244
## Recommendations

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<td>1.</td>
<td>To augment returns from jute, greater emphasis needs to be laid on promotion of diversified jute products. For this, production of superior quality of fibre such as TDN₁ and TDN₂ needs to be stepped up. To improve the grade profile of raw jute, the Commission recommends development of new varieties of jute seeds with high cellulose content and lower level of lignin. It may be mentioned that jute produced in Bangladesh commands a high premium due to its superior quality. Also development of mechanical fibre extractor from jute plant acceptable to jute growers and new retting techniques should be encouraged. Given the limitations of farmers to make investment, the Commission recommends that Government formulate a Scheme under which retting tanks and decorticators could be provided on a large scale. This would improve working conditions of cultivators, cut down labour cost and would also improve fibre quality.</td>
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<td>2.</td>
<td>Grading of jute (TDN₁ to TDN₅) is done on the basis of hand and eye method which entails subjectivity. As prices depend upon grades, misclassification leads to discontentment among farmers. To develop a prototype instrument to scientifically measure the final grade of jute, NIRJAFT was sanctioned about Rs. 50 lakh. It developed and demonstrated the instrument to industry representatives about a year ago. Based on the feedback, NIRJAFT was required to give finality to the matter. The instrument is still not fully developed for use in Departmental Procurement Centres (DPCs). Given the fact that a large amount has been spent and considerable time has already elapsed, the Commission recommends that the Ministry of Textiles and Department of Agricultural Research and Education (DARE) take suitable steps to ensure that the instrument is fully operational for objective classification of grades of jute. It is recommended that the Ministry of Textiles move Bureau of Indian Standard (BIS) to publish new grades (TDN₁ to TDN₅) on priority. In the ultimate analysis, it will help jute farmers getting the ‘right price’.</td>
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<td>3.</td>
<td>At present, 90 percent of foodgrains and 20 percent of sugar is required to be compulsorily packed in jute bags. This provision does not encourage jute industry to develop and diversify their production line to high value products to accelerate its growth in medium to long run. In view of this, the Commission recommends reduction in compulsory packaging to 75 percent in case of foodgrains and total exemption in case of sugar sector.</td>
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<td>4.</td>
<td>Certain districts have significantly higher productivity levels compared to their respective state averages. These are Bongaigaon, Kisanganj and Hooghly in Assam, Bihar and West Bengal respectively. While these districts may have certain advantage in terms of natural endowment, they could be following better farming practices and applying better inputs which need to be explored separately. It is imperative to study these districts in greater details so as to propagate/replicate farming practices and inputs used in these districts to other districts. This will go a long way in augmenting productivity levels. With higher productivity, the same quantity of jute can be produced by using less land. The land thus saved can be utilized elsewhere for more productive purposes.</td>
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