NOTIFICATION

Subject: Price Policy for Raw Jute for 2020-21 season – Announcement of Minimum Support Price (MSP) for raw jute for 2020-21 season

The Government of India has approved the Price Policy for raw jute for 2020-21 season and following decisions have been taken with respect to MSP of raw jute:

(i) The Minimum Support Price (MSP) for raw jute (TDN$ equivalent to TD5 grade) for 2020-21 season has been fixed at Rs 4225/- 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 the aggregate scores assigned to different grades of raw jute, apart from normal market price differentials.

(iii) The Jute Corporation of India (JCI) will continue as the Central Government Nodal Agency to undertake price support operations, and the losses incurred, if any, in such operations, will be fully reimbursed by the Central Government.

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

In this connection, concerned Ministries/Departments, State Governments and other agencies are requested to take appropriate action on the above decisions under intimation to this office.

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Tele: 23383658

For information and necessary action:

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. **Joint Secretary (Marketing),**  
Department of Agri. Coopn. & Farmers Welfare  
Krishi Bhawan, New Delhi.

5. **Joint Secretary (Crops),**  
Department of Agri. Coopn. & Farmers Welfare  
Krishi Bhawan, New Delhi.

6. **Joint Secretary (M &T),**  
Department of Agri. Coopn. & Farmers Welfare  
Krishi Bhawan, New Delhi.

7. **Joint Secretary (Credit),**  
Department of Agri. Coopn. & Farmers Welfare  
Krishi Bhawan, New Delhi.

8. **Director General, ICAR,**  
Krishi Bhawan, New Delhi.  
e- mail : dg.icar@nic.in.

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For information and necessary action:

1. **Secretary, Department of Expenditure,**  
Ministry of Finance,  
129-A, North Block, New Delhi-110001

2. **Secretary, Department of Economic Affairs,**  
Ministry of Finance, 130, North Block, New Delhi-110001

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3. Secretary, Department of Revenue, Ministry of Finance, 128-A, North Block, New Delhi-110001

4. Secretary, Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution Krishi Bhawan, New Delhi-110001

5. Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution Krishi Bhawan, New Delhi-110001

6. Secretary, Department of Commerce, Ministry of Commerce and Industry 143, Udyog Bhawan, New Delhi-110007

7. CEO, NITI Aayog NITI Bhawan, New Delhi-110001

8. Joint Secretary, Prime Minister’s Office South Block, New Delhi-110001

9. Director, Cabinet Secretariat Rashtrapati Bhawan, New Delhi-110001

For information and necessary action:

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

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

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

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

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Page 3 of 6
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, Hydrabad-500002

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Copy for Information to:

1. Sr. PPS to Secretary (Agri.C&FW), Krishi Bhavan, New Delhi
2. PPS to Principal Adviser, DAC&FW, Krishi Bhavan, New Delhi
3. PS to ESA, DES, Krishi Bhavan, New Delhi
4. Adviser (FE), DES, Krishi Bhavan, New Delhi.
5. Adviser (Coord.), DES, Krishi Bhavan, New Delhi
6. Technical Director, National Informatics Centre, 341, Krishi Bhavan, New Delhi - with request to upload the notification on the site of DES and DAC&FW.
NON-PRICE RECOMMENDATIONS MADE BY THE CACP IN ITS REPORT ON PRICE POLICY FOR RAW JUTE FOR 2020-21 SEASON.

<table>
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<tr>
<th>S. No.</th>
<th>Recommendations</th>
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<tr>
<td>1.</td>
<td>The accurate and reliable estimates are required to make sound business and policy decisions including MSP determination. However, there is large divergence between estimates of jute production reported by the Ministry of Agriculture and Farmers Welfare and Jute Advisory Board. The reasons for divergence in estimates of production need to be identified and the issue should be addressed on priority.</td>
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<td>2.</td>
<td>Jute yields in India are higher than the world average and in Bangladesh but much below potential yield. India has great scope of opportunities for diversification of jute industry due to rising demand for high-value jute goods but availability of quality fibre is a major constraint. Concerted efforts for strengthening research and development towards improving yield and quality of raw jute, and production of value-added jute goods are needed.</td>
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<td>3.</td>
<td>At present, 100 percent of food grains and 20 percent of sugar is to be compulsorily packed in jute bags under the Jute Packaging Material (Compulsory use in Packing Commodities) Act, 1987. The JPM Act has been a major impediment to modernization, technological advancements and products diversification. There is a need for concerted push, in partnership with the jute industry, towards value-additions and diversification to high value jute bags. Timely availability of quality seed, adoption of scientific cultivation practices, and retting and extraction technologies will help in achieving the goal. The Commission recommends that the JPM Act should be reviewed and mandatory packaging requirements for food grains and sugar should be reduced in a phased manner.</td>
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<td>4.</td>
<td>Government reduced the number of grades of jute for eight (TD1-TD8) to five (TDN1-TDN5) from the crop year 2015-16 and TDN3 as the basis for MSP recommendations. Bureau of Indian Standards (BIS) has not yet notified new grading system and jute is still traded in old TD grades. The Commission recommends that BIS should notify the new grading standards for better implementation by jute growers and traders. Scientific instrument based method in place of traditional hand and eye method should be used for assessment of fibre quality parameters. A public awareness campaign educating farmers about different grades of jute</td>
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should be launched and encourage them to produce high-grade jute fibre.

5. Jute sticks are used as material for fuel, fencing and thatching in rural areas. However, with more push towards clean cooking fuel under Pradhan Mantri Ujjwala Yojana, disposal of jute sticks will become a problem in coming years. Therefore, research and development should be directed towards commercial utilizations of jute sticks for industrial purpose, such as in the manufacture of pulp and paper, activated carbon, rayon, cellulose derivatives, chemicals, etc.

6. The properties of jute fibre are strongly affected by moisture content and there is no standard scientific method for measuring moisture in jute. The product brought by farmers to market generally does not meet prescribed moisture content norms and are forced to sell their produce to traders at discounted price. Drying facilities should be provided to farmers at village/panchayat level or at procurement centres and scientific instrument based standard method for measurement of moisture content in jute fibre should be used.

7. The Jute Corporation of India (JCI) has limited presence in remote jute growing areas due to shortage of staff and other infrastructural constraints. The JCI has taken some initiatives to expand procurement operations but more concerted efforts are needed to involve State Governments and other agencies/organizations as well as possibility of mobile purchase centres to expand procurement operations. Farmers should be encouraged to form Farmers Producer Organizations (FPOs) to aggregate their produce and to leverage their collective marketing power and receive remunerative price for the produce.

8. The demand for jute bags and cloth and other value-added products is increasingly rising in domestic and world markets. The Goods & Services Tax (GST) rate on value added jute products such as handbags, shopping bags, goods of jute fibres etc. is high. The Commission recommends that the GST rate on jute diversified goods should be reduced to encourage use of jute products to protect environment and human health.