



## Jute Industry

**For Prelims:** Jute Sector, Climatic Conditions for Jute Production

**For Mains:** Potential of India's Jute Industry and related concerns

### Why in News?

West Bengal is experiencing a crisis that has led to the closure of several Jute Mills.

### What is the Issue?

#### ▪ High Rate of Procurement by Mills:

- Mills are **procuring raw jute at prices higher than** what they are selling them at after processing.
- Mills do not acquire their raw material directly from the farmers because:
  - **Farmers are far-off from the mills locations:**
    - Mills would have to go to multiple farmers to acquire the requisite quantity as no single farmer produces enough to fulfil the requirements of the entire mill.
  - **Procurement Process is Cumbersome:**
    - The procurement now flows through middlemen or traders.
    - As a standard practice, the middlemen charge mills for their services, which involves procuring jute from farmers, grading, bailing and then bringing the bales to the mills.

#### ▪ Hoarding:

- The government has a fixed **Minimum Support Price (MSP)** for raw jute procurement from farmers, which is Rs. 4,750 per quintal for the 2022-23 season.
- However, **this reaches the mill at Rs. 7,200 per quintal**, that is, Rs. 700 more than the Rs. 6,500 per quintal cap for the final product.

#### ▪ Impact of Cyclone:

- The situation particularly has **become worrisome recently** with the **occurrence of Cyclone Amphan in May 2020** and the subsequent rains in major jute producing States.
  - These events **led to lower acreage**, which in turn **led to lower production and yield** compared to previous years.
- Also, this **led to production of a lower quality of jute fibre in 2020-21** as water-logging in large fields resulted in farmers harvesting the crop prematurely.

### What are the Related Concerns?

- As the **jute sector provides direct employment to 3.70 lakh workers in the country** and supports the livelihood of around 40 lakh farm families, closure of the mills is a direct blow to workers and indirectly, to the farmers whose production is used in the mills.
  - **West Bengal, Bihar and Assam** account for almost 99% of India's total production.

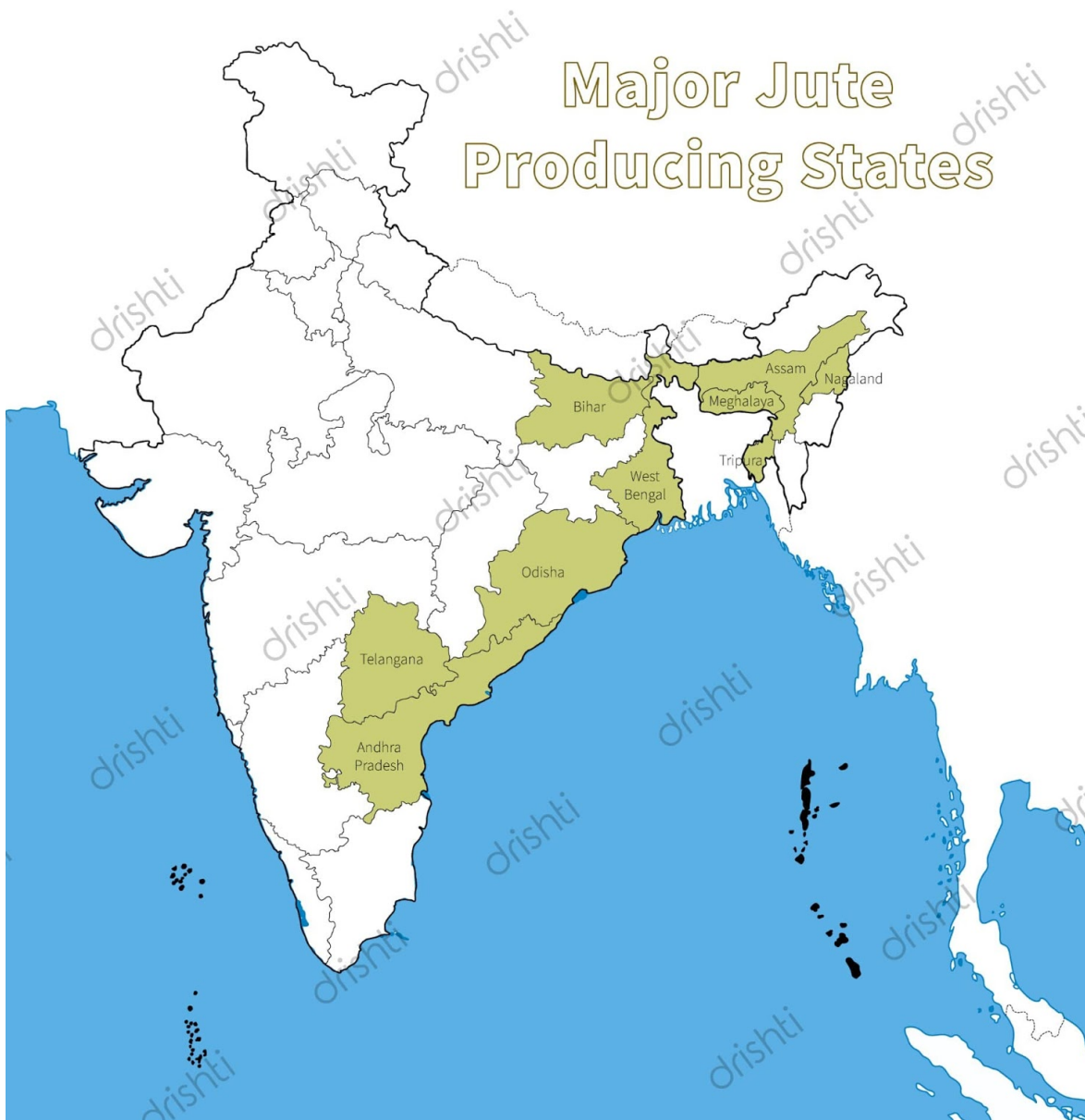
## What are the Related Initiatives for the Jute Sector?

- **Golden Fibre Revolution and Technology Mission** on Jute and Mesta are two of the government initiatives to boost jute production in India.
  - **Due to its high cost**, it is losing market to synthetic fibres and packing materials, particularly nylon.
- **Jute Packaging Materials Act, 1987:**
  - Through the [Jute Packaging Materials \(JPM\) Act](#), the Government is protecting the interests of about 4 lakh workers and 40 lakh farm families.
    - The Act provides 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.
- **Jute Geo-Textiles (JGT):**
  - The [Cabinet Committee on Economic Affairs \(CCEA\)](#) has approved a [Technical Textiles Mission](#) which includes Jute [Geo-Textiles](#).
  - JGT is **one of the most important diversified jute products**. It can be applied in many fields like civil engineering, soil erosion control, road pavement construction and protection of river banks.
- **Jute SMART:**
  - It is an **e-government initiative** which was launched in December 2016 to promote transparency in the jute sector.
  - It **provides an integrated platform for procurement of sacking** by Government agencies.

## What are the key Highlights about Jute?

- **Temperature:** Between 25-35°C
- **Rainfall:** Around 150-250 cm
- **Soil Type:** Well drained alluvial soil.
- **Production:**
  - India is the **largest producer of jute followed by Bangladesh and China**.
    - However, in terms of acreage and trade, **Bangladesh takes the lead accounting for three-fourth of the global jute exports** in comparison to India's 7%.
  - It is mainly concentrated in eastern India because of the rich alluvial soil of Ganga-Brahmaputra delta.
  - **Major jute producing states include** West Bengal, Bihar, Odisha, Assam, Andhra Pradesh, Meghalaya and Tripura.
- **Uses:**
  - It is known as the **golden fibre**. It is used in making gunny bags, mats, ropes, yarn, carpets and other artefacts.

# Major Jute Producing States



**Source: TH**

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