

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:179

ANSWERED ON:12.12.2003

MSP ON JUTE

AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;PRIYA RANJAN DASMUNSI

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government is aware of the problems of the jute growers in Orissa, West Bengal and other Eastern States;
- (b) whether the Jute growers are not getting remunerative prices of jute in the Eastern States particularly in Orissa and the Jute Corporation of India is not financially sound to provide support price to growers; and
- (c) if so, the steps taken by the Government to revise the Minimum Support Price to the jute growers?

Answer

THE MINISTER OF TEXTILES (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a),(b) and (c) OF LOK SABHA STARRED QUESTION NO. 179 ANSWER ON 12.12.2003 REGARDING MSP OPERATION ON JUTE.

(a) Yes, Sir. Government of India is aware of the problems of jute growers in Orissa, West Bengal and other Eastern States.

(b) Government of India has been declaring Minimum Support Prices (MSP) for jute/mesta for every jute season. The Commission for Agricultural Costs and Prices (CACP) recommends every year to the Government of India for fixing Minimum Support Price for TD-5 grades of raw jute Ex-Assam, keeping in view the emerging demand and supply situation, market prices, changes in input prices, cost of production, parity with other crops/jute products and other relevant factors. The recommendations of the CACP provide adequate returns over the cost of cultivation to the jute growers. The Jute Corporation of India (JCI) has been entrusted with the task of purchase of raw jute from jute growers without any limit. Thus the jute growers are able to get remunerative prices for their produce.

Government of India reimburses the entire losses to the JCI in its MSP operations in jute. Government is providing a Bank guarantee to JCI against which, it raises resources from the financial institutions. During the current Jute Season, Government of India has provided Bank Guarantee worth of Rs.33 crores to the JCI. The JCI, therefore, is financially equipped to carry out the MSP operations. The JCI has been procuring raw jute directly from the farmers through its 171 purchase centres, in addition to 82 Cooperative Societies, which act as agents of JCI in the jute growing states. Six purchase Centres of JCI are located in Orissa.

(c) It may be stated that the MSP price has undergone upward revision over the years. From 1997-98 to 2002-03 the MSP of jute (TD-5 Ex-Assam basis) has increased by Rs. 60, Rs. 80, Rs. 100, Rs. 35, Rs. 25 and Rs. 40 per quintal respectively. The Minimum Support Price for TD-5 ex-Assam has been increased from Rs.850/- per quintal during 2002-03 to Rs.860/- per quintal during 2003-04.