

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2537
ANSWERED ON:09.12.2005
CLOSURE OF JUTE MILLS
Lahiri Shri Samik

Will the Minister of TEXTILES be pleased to state:

- (a) whether many jute mills are being closed due to high price of raw jute;
- (b) if so, the details thereof, mill-wise; and
- (c) the steps taken by the Government to supply raw jute to different jute mills to revive these mills?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a): No, Sir. As per the information furnished by Jute Commissioner's office, no composite Jute Mill has been closed in the country due to high price and shortage of raw jute.

(b): Does not arise.

(c): The government has taken several steps to make the raw jute available to different jute mills for manufacturing of B, Twill bags, used in the procurement of food grains and sugar by the Food Corporation of India and other State Government/Agencies. The Govt. has fixed the Minimum Support Price for 2005-06 for TD-5 Grade of Raw Jute (Ex Assam) at Rs. 910/- per quintal. The corresponding prices for other grades/ varieties of Jute and Mesta have been declared by the Jute Commissioner. The Jute Corporation of India (JCI), a Central Govt. PSU is the nodal agency to undertake Minimum Support Price(MSP) operations to procure raw jute from farmers. It operates in seven major jute growing States in India namely, Assam, Meghalaya, West Bengal, Bihar, Orissa, Andhra Pradesh and Tripura through its 171 regular Departmental Purchase Centres(DPC), in addition to around 250 Apex State Govt./Co-operative Societies. The JCI is also given a Bank Guarantee of Rs. 33 crores to undertake MSP operations smoothly. The Government of India compensates the MSP losses of JCI. The Jute Commissioner links the supply of raw jute by JCI to the Jute Mills against the indents placed by the procurement agencies through DGS&D.