

14.32 hrs.

Title: Regarding problems being faced by the jute growers in the country and steps taken by the Government in regard thereto moved by Shri Hannan Mollah.

SHRI HANNAN MOLLAH (ULUBERIA): Sir, I call the attention of Minister of Textiles to the following matter of urgent public importance and request that he may make a statement thereon:

"The problems being faced by the jute growers in the country and steps taken by the Government in regard thereto."

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): Mr. Chairman, Sir, in reply to the Calling Attention Motion given by the hon. Members of the House, I seek your permission to make the following statement.

Sir, jute is mainly grown in the State of West Bengal, Orissa, Tripura, Assam, Bihar, Andhra Pradesh and Meghalaya in approximately 10.70 lakh hectares of land (2002-03). Compared to the production last year, the production of raw jute this year is expected to be higher by about ten per cent and of the order of 115 lakh bales. The Government of India has announced a Minimum Support Price (MSP) of Rs. 850 per quintal for TD-5 variety Ex-Assam for the jute year 2002-03. Last year the Minimum Support Price for the same variety was Rs. 810 per quintal. This represents an increase of Rs. 40 per quintal this year. Prices for all other grades of raw jute have been announced separately by the Jute Commissioner.

14.33 hrs (Dr. Raghuvansh Prasad Singh *in the Chair*)

Sir, the Jute Corporation of India (JCI) is the nodal agency for purchase of raw jute under Minimum Support Price Scheme. Jute Corporation of India operates 171 centres in the jute growing areas and has also tied up MSP operations with co-operative societies of the State Governments concerned. The Government of India and Jute Corporation of India have also requested the Governments of jute growing states for involvement of maximum number of co-operative societies to act as agents for procurement of raw jute and *Mesta* under MSP operations.

Sir, Jute Corporation of India has been provided adequate financial support through a Government guarantee of Rs. 33 crore towards margin money thereby enabling them to avail of a credit of Rs. 100 crore. In addition, budgetary support has also been provided.

Sir, the jute crop has started arriving in the markets. The Jute Corporation of India has reported that they have already purchased 40,000 bales of raw jute from various jute growing areas. Most of this procurement has been done through its own purchase centres. As per reports received so far, the ruling price of raw jute in the market has generally remained above the MSP. The Government of India has not received any reports of any distress sale of raw jute so far.

I would like to assure this House that the Government of India has taken all possible steps to ensure that the jute farmers are not forced to sell their produce below the Minimum Support price. I am sure that with the co-operation of the various State Governments, we shall be able to ensure Minimum Support Price to jute growers.

SHRI HANNAN MOLLAH : Sir, the hon. Minister has given a general reply. As you know, Sir, jute is the main commercial product in the eastern region and some other parts of the country, such as, West Bengal, Bihar, Assam, Andhra Pradesh and Orissa. About 40 lakhs farmers are engaged in its cultivation. During the last several years, with the new methods of cultivation, the production of jute has increased. Lakhs of people live on jute cultivation and allied activities. Side by side, there are about 73 jute mills in our country in which 2,50,000 workers are engaged, a large number of them from Bihar also, as you know. Out of these, 59 are in West Bengal. The annual production of jute goods is about 16 lakh metric tonnes. Out of that, 12 lakh metric tonnes is used for jute packaging of foodgrains and sugar and the rest four lakhs is exported or used for other purposes. In early 80s, the production of jute and *mesta* was between 70 to 80 lakh bales, but now it has increased. This year we have seen that 115 lakh bales have been produced. So, with this increased production, the Government should come forward to help the farmers, ensure remunerative price and purchase the raw jute. Due to the increased production this year, the market price has been reduced by about Rs.100 per quintal in that region, specially in West Bengal.

JCI is the agency which was constituted to purchase raw jute and was provided fund from the Central Government. Earlier they had more than 200 centres but now you know that the Government has reduced the number of centres. Almost 30 to 35 centres have been closed. Because of that, only in towns and city areas, there are centres, and the centres in the distant rural areas have been closed. This is creating problems for the peasants and the farmers to sell their produce. Now the Minister has said that they are giving some guarantee for the margin money, but with that, the JCI is not in full operation in the market. They are purchasing a very small quantity. They have said that direct purchase has been stopped and they have appointed agents. BENFED is one of the agents in West Bengal

and they have no money. If the JCI gives them some advance, then only they can purchase. Without advance, how can the small co-operatives purchase lakhs of bales of raw jute? Only the West Bengal Government has given some money but this is not a very huge amount. With that small amount, the BENFED also is not in a position to purchase huge quantity of jute and bring it to the JCI.

This is another problem. Over the years, the Government has systematically crippled and destroyed the JCI. Now the Jute Corporation of India has become a smaller organisation and now they have no Fund and they cannot directly enter into the market. This has created a problem for the jute growers and for the farmers to get remunerative price. This is one of the major problems. I demand that the Government should give adequate funds to the Jute Corporation of India so that it can directly enter into the market and purchase raw jute substantially. All the centres which have been closed should be re-opened so that people can go and sell their raw jute and ensure the remunerative price for the jute growers.

As you know, jute growers and the jute industry are related. Because of the above the jute industry is facing very serious problems. I would also like to raise certain questions here and I hope that the hon. Minister will be kind enough to reply to these points. The jute industry is now facing a serious problem because it has a sinking market. As you know, in 1987 the Government has enacted a law whereby 100 per cent of the packaging material for foodgrains and sugar are to be of jute products and only jute should be used for packaging these materials. It is because jute is environmental-friendly and it is cost effective and lakhs of people are engaged in this in all the regions of our country.

But now the Government is gradually diluting that order and slowly the foodgrains and sugar are being packed in synthetic bags. Because of this jute, has lost the market and, therefore, jute industry is facing serious crisis. The synthetic lobby is very strong. They have long hands in the Ministry and in the country and they have very closer links with Delhi. Jute is grown far away in the Eastern region and the synthetic lobby is encircling the capital. They have long hands and they are influencing the Ministry and the officials and they are pressurising. Gradually the Government is diluting the Jute Packaging Act. This is a serious problem.

I would like to submit that there was a study or survey conducted in this regard by MARKFED who conducted the survey in Punjab as to what is better for packaging the foodgrains – jute or synthetic – and which is better. This survey report shows that the HDPE bags are not suitable for packaging foodgrains. This is what they have opined. The FCI depots in Punjab, Haryana and Tamil Nadu also conducted evaluation studies and there it was proved that the jute bags are better because it has passed all the tests and it was found that it is effective, its performance is better and it is also cost effective. The Indian Institute of Technology at Kharagpur has also made a comprehensive study and they also said that from the point of view of packaging jute is better than poly bag.

But, Sir, this synthetic lobby is so powerful that they are trying to capture the jute market and if the jute market is sinking, then lakhs of jute growers and thousands of jute mill workers would be in troubles.

Therefore, I demand for the restoration of the 100 per cent packaging of foodgrains and sugar by jute products only. Secondly, we demand that you should stop large scale import of jute bags from Bangladesh under the liberalised tariff regime. We are currently importing from Bangladesh and our raw jute market is sinking. This is another problem.

Thirdly, I demand that this compulsory usage of jute for packaging should be extended to other edible commodities like potatoes, spices and other pulses so that the jute market grows and our jute industry survives and in that way we can protect this industry and help lakhs of people who are dependent on jute.

I hope, the Government will take it seriously. The Government has always shown a discriminatory attitude towards the Eastern Region. Jute is produced in that region and the jute growers are facing a severe problem. The jute workers in the Eastern Region are facing the same problems. We cannot draw the attention of the Centre here because it is not sympathetic to these jute growers and workers. It is because of this that the jute industry is in serious trouble.

I demand the Government should take a fair view, and jute should be made an important part of our economy. When you export jute goods, it helps our country in earning foreign exchange. Therefore, the Government should take a correct, balanced and fair view so that our jute growers get a fair price for the raw jute. The jute workers can survive when the problems being faced by the jute mills are solved. This is my demand.

SHRI ADHIR CHOWDHARY (BERHAMPORE, WEST BENGAL): Every day, here in this House, we are discussing the deteriorating situation of the farming sector. There is no gainsaying that a gloomy scenario is prevailing over the agricultural sector in India. As far as jute is concerned, West Bengal is very much synonymous with jute. The Minister in his Statement has assured us that JCI is purchasing jute and there is no distress sale of jute so far. I think, the Minister is taking up the issue in a very casual manner. He has not been properly reported upon as to

what is the ground reality insofar as jute is concerned.

In West Bengal, harvesting of jute and fibre extraction have already started, and the farmers are in desperate need to earn remunerative prices. Here, in his Statement, the Minister has said: "The Government of India has announced a Minimum Support Price of Rs. 850 per quintal for TD-5 variety Ex-Assam for the jute year 2002-2003." May I enlighten the Ministry that in Bengal, a jute farmer has to bear the expenditure of more than Rs. 1,000 for producing one quintal of jute? Here, you are fixing Rs. 850 per quintal, but inclusive of all agricultural inputs, one farmer has to pay more than Rs. 1,000 for producing one quintal of jute. Now, the middlemen appear in the scene, and the market price of jute in Bengal is now Rs. 790 for TD-5 variety.

In my District Murshidabad, I am very much acquainted with the jute growers. Murshidabad is the largest jute-producing District in West Bengal.

Sir, this year jute production in the State of West Bengal is estimated to be around 88 lakh bales. In my district Murshidabad alone jute production, this year, is estimated to be 28 lakh quintals. The Jute Corporation of India is purchasing from the 15 DPC and they have fixed the quota of their purchase at 250 quintals per day from Monday to Friday. An individual grower is not allowed to sell more than 15 quintals of jute. This kind of a restriction has been put on the farmers by JCI. But the total production of jute, as estimated, is 28 lakh quintals in my district of Murshidabad. How would then the farmers sell their jute to the JCI if they purchase only 250 quintals of jute everyday? That is the problem.

Sir, my first demand to the Government is that the Minimum Support Price of jute must be enhanced to at least Rs. 1200 per Quintal and no restriction should be imposed on purchasing any amount of jute. So far as my knowledge goes, the JCI till now has procured 7735 bales of jute in West Bengal. But if you compare the volume of jute produced to the amount of jute that is procured, then you would see that the procurement is very modicum and under the circumstances the farmers would be compelled to sell their produce for a song.

Sir, the entire jute industry in the State of West Bengal is in shambles today. Out of 59 jute mills, 33 have already been referred to the BIFR. No modernisation and technological upgradation have so far been undertaken in any of the jute mills in the State. The 'fly by night' operators are siphoning off crores of rupees. The Jute mill owners are even depriving the workers of their money that was deposited in their Provident Fund accounts. They are looting the money.

Sir, the paddy farmers in the State of West Bengal has already been compelled to sell their produce for a song because the West Bengal Government had not been able to provide for a Minimum Support Price for the produce of the paddy farmers. The Government had fixed a price of Rs. 530 per quintal. The second onslaught on the jute-growing farmers is the next thing to happen because jute is also not being sold at the desired price.

Sir, therefore, I would like to request the Government to evolve a Plan of Action relating to the jute-growing farmers in Bengal in general and for the jute-growing framers of Murshidabad in particular. The Minimum Support Price for jute should be raised to Rs. 1200/- per Quintal.

SHRI SWADESH CHAKRABORTY (HOWRAH): Sir, I associate myself with the views expressed by Shri Hannan Mollah on this issue. But while associating with his views, I would also like to make a few points.

Sir, the JCI is the Government procuring agency for jute. NJMC is also a Government organisation. But NJMC owes a sum of Rs. 50 crore to the JCI. If NJMC pays all its dues to the JCI, then JCI would not have to ask for money from the Government for procuring jute in much more quantities from the market. What is the thinking of the Government on this?

Secondly, the NJMC mills have gone sick mainly because of bad management. Is the Government attempting to revive those mills? Is the Government thinking of punishing the officers responsible for the mills running into losses of crores of rupees? Jute is an eco-friendly material. In spite of serious attempts by the Government to curtail the market for jute, there is enough market for jute products in the national and international markets.

NJMC mills are going sick because the officers posted in those mills are siphoning off Government money for their own benefit as a result of which the mills are running into losses. I want to know from the Government whether there is any scheme of the Government, whether there is any formulation of the Government to get hold of the officers and give specific responsibilities to them saying, "You are appointed as the Manager of this mill. Your duty is to revive the unit and increase its production and make it a profitable one." The inefficiency of NJMC management is one of the major reasons why jute-growers in the country are suffering. If NJMC mills can be revived, much more jute will be consumed by the Government mills themselves.

The biggest jute mill in the world is located in my Constituency, that is, the National unit of NJMC. From my long experience with the mill, I have seen that the corporate management of the units is primarily responsible for the

present sickness of the mills. Has the Government drawn up any programme in this regard? There is no necessity of having one management for JCI, one management for NJMC, one for corporate sector, for plant sector, for middle management sector, etc. There is no necessity to maintain these many levels. In the mills run by private management, there is only one General Manager for running a similar mill. There are 18 officers now in place of one General Manager, all of who are enjoying Government perks, bungalows, cars, telephones for themselves, for wives, etc., etc.

What is the situation of the mills? Workers in NJMC mills in my Constituency, that is National, have got their last salary on 13th of April. Thirteenth of April was the last date on which payment was made to the workers. Since then nobody has got his dues. They are at the mercy of the Government and the management. I want that NJMC mills are revived. There is enough market for jute. Jute is an eco-friendly material. The Government must come with a strong formulation to make jute much more popular in our country so that eco-hazardous materials do not take over the market.

I want to know from the Minister as to what is the exact plan of Government to revive the NJMC mills and to make the payment of salaries regularly. What is more, the workers who are getting retired from service are not getting their ESI and PF dues. Government is siphoning off even the Provident Fund money of the workers. We say that the private mill owners are siphoning off funds of employees and workers. But this is a concrete case in the NJMC itself that Provident Fund amounting to about Rs.25 crore has not been paid to workers who retired from the service.

15.00 hrs.

Sir, the retirement dues are not being paid to the workers by this Government.

So, Sir, I want to draw the attention of the Government in this regard and request that all the NJMC mills should be revived in their full capacity with efficient management. The workers should get their salaries and other allowances regularly. Also, the dues of provident fund which now amount to more than Rs. 100 crore should be paid to them immediately.

Thank you.

श्री चन्द्रनाथ सिंह (मछलीशहर) : सभापति महोदय, हम भी बोलना चाहते हैं।¹ (व्यवधान) हमें दो मिनट का समय दे दीजिए।² (व्यवधान)

सभापति महोदय : आप केवल एक प्रश्न पूछ सकते हैं।

श्री चन्द्रनाथ सिंह : इन्टरनेशनल लेबर आर्गनाइजेशन (आई एल ओ) द्वारा यह कहा गया कि सौ किलो का कोई भी बोरा न बनाया जाए। लेकिन अभी भी सौ किलो के जूट के बोरे बन रहे हैं। पहले लोग घी खाते थे, दूध पीते थे, आप उस परिवार से हैं, आप जानते हैं कि लोग तगड़े होते थे, सौ किलो नहीं दो सौ किलो का बोरा उठा लेते थे।³ (व्यवधान) मैं मंत्री से बहुत महत्वपूर्ण बात जानना चाहता हूँ।⁴ (व्यवधान) सौ किलो का बोरा क्यों बन रहा है, मेरा यह प्रश्न है। जूट के जो बोरे चीनी और खाद्यान में इस्तेमाल किए जाते हैं, जूट के बोरे में जूट बैचिंग तेल इस्तेमाल किया जाता है जो हमारे शरीर के लिए हानिकारक है।

इसलिए मंत्री जी जनहित में इस पर ध्यान दें। आप किसानों के लिए दे रहे हैं। मैं मांग करता हूँ कि प्रतापगढ़ में भी अनुसंधान केन्द्र है। केवल वेस्ट बंगाल के जूट उत्पादकों को फायदा दिया जा रहा है, उत्तर प्रदेश में तमाम उत्पादन हो रहा है, वे बेचारे रस्सी बनाते हैं, चारपाई में वह इस्तेमाल होता है, जूट बोरा महंगा है और खाद्यान एवं चीनी खाने वालों के लिए हानिकारक है, बहुत से लोग उससे मरने की स्थिति में हो जाते हैं। जब इन्टरनेशनल लेबर आर्गनाइजेशन ने पास कर दिया कि सौ किलो का बोरा नहीं रहेगा तो पचास किलो का सारा जूट का बोरा क्यों नहीं बनाया जा रहा है।

श्री चन्द्रनाथ सिंह : आपको बहुत-बहुत धन्यवाद कि आपने वेस्ट बंगाल के पटसन के किसानों को अनुदान दिया। मैं यह जानना चाहता हूँ कि क्या आप उत्तर प्रदेश के किसानों को भी अनुदान देंगे या नहीं, क्योंकि मेरे क्षेत्र प्रतापगढ़ में भी पटसन पैदा होती है ?

SHRI KASHIRAM RANA : The Government has taken some good steps to take care of the jute industry and to enhance export of jute products. The Government has announced some schemes in this regard. I would like to mention them here in the House.

With the approval of Government, JMDC announced a modernisation scheme for the jute industry wherein a 15 per cent capital subsidy is proposed to be provided for investment in machinery for the modernisation and technology upgradation of jute mills.

Our jute industry is suffering much because of very-very old machinery and old technology. So, the Government has taken steps to modernise our jute industry and jute mills.

Secondly, the Government has announced DEPB rates for the first time for export of jute products. DEPB rates of yarn and geo-textiles – 2 per cent hessian cloth, sacking cloth and sacking and hessian bags – 6 per cent.

To promote jute diversified products, the Jute Entrepreneurs Assistance Scheme targeted at the small and medium level industries wanting to take up jute diversification programme is proposed to be converted from interest free loan scheme to a direct subsidy scheme.

The Government of India does not levy any excise duty on jute products. Not only that, there is a budgetary support

of Rs.35 crore provided in the Budget for the JCI.

Sir, I would request the hon. Members, who are very interested in the jute industry, to impress upon the West Bengal Government to remove one per cent agricultural fee as also the other two per cent purchase tax which is levied there. Not only that, there is nearly four per cent sales tax on jute goods. That should also be removed. Sir, our intention is to protect jute industry and jute growers.

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Sir, before the hon. Minister replies, I have only one question.

What is the present policy of the Government of India to strengthen the Jute Corporation of India's network in terms of their purchasing power? What is the final approach of the Government on the NJMC, biggest of the national jute mills, both in terms of clearance of the backlog wages and future viability? Thank you.

SHRI KASHI RAM RANA: Sir, I am very thankful to all the Members who have participated in the discussion on the Calling Attention given by Shri Hannan Mollah and other hon. Members.

Sir, I have already assured this august House that the Government will definitely protect the interests of our jute growers. Not only that, the Government will also protect the jute industry.

Several issues have been raised by the hon. Members. Firstly, I would try to reply to the questions raised by the hon. Member, Shri Hannan Mollah. So far as the MSP of raw jute is concerned, till now, the Government has not received any complaint from any institution of West Bengal or other jute growing areas.

Apart from this, my Ministry has also written letters to the Chief Secretaries of West Bengal and other States concerned. We have mentioned in our letter that suppose there is some complaint, immediately they may inform the Monitoring Cell of JCI or the Government of India. Till now, not a single complaint has been received from West Bengal.

I want to make the position of the Government of India clear, so far as MSP is concerned, which was raised by Shri Adhir Chowdhary. I have with me, the list of market price, which is the latest one. So far as TD-5 variety is concerned, the MSP is Rs.850 and the ruling price in the market is Rs.860.

SHRI ADHIR CHOWDHARY : No. It is Rs.790.

SHRI KASHIRAM RANA: You are not correct. You have mentioned that the prevailing rate in the market is Rs.790. So far as MSP of TD-5 variety in Assam and Meghalaya is concerned, it is Rs.850 and the prevailing price in the market is Rs.860. ...(*Interruptions*) Please bear with me. The MSP of North Bengal category is Rs.875-Rs.888 and the prevailing rate in the market is Rs.920-Rs.960.

SHRI AMAR ROY PRADHAN (COOCHBEHAR): It is totally false.

SHRI KASHIRAM RANA: It is correct. Whatever information you have is not correct. ...(*Interruptions*) I have with me, the list of the market price.

SHRI ADHIR CHOWDHARY : I beg to differ with you. You may again send your officers to collect the correct information.

समापति महोदय : श्री अधीर रंजन चौधरी, कृपा कर माननीय मंत्री का उत्तर पहले सुन लें, ज्यादा अधीर न हों।

SHRI KASHIRAM RANA: So far as South Bengal category is concerned, the MSP is Rs.900-Rs.913 and the prevailing price is Rs.910-Rs.920. This is the price at which it is available.

SHRI ADHIR CHOWDHARY : It is nothing but an exaggeration. Please listen to us.

SHRI KASHIRAM RANA: My friend also demanded that we increase the MSP to Rs.1200 per quintal. We all know that MSP is being fixed on the basis of the recommendation of CACP, which is an independent body, under the Ministry of Agriculture. Just now, the Government of India has increased Rs.40, that is, from Rs. 810 to Rs.850 per quintal. The Government assesses the situation and tries to increase MSP.

Another issue has been raised by Shri Hannan Mollah, which was about the import of jute from Bangladesh. The Government is taking some very harsh steps to check the import of jute from Bangladesh. My friend will be pleased to know that import of jute bags from Bangladesh has been very small and it is only 1084 metric tonnes during April-May 2002. This is the position. We are aware of it and we do not want to import raw jute from Bangladesh because we have ample quantity of raw jute. So, we are interested to check the import from Bangladesh.

SHRI HANNAN MOLLAH : But you are importing jute products. You have imported 50,000 metric tonnes of jute

products which is creating a problem in the jute market.

SHRI KASHIRAM RANA: Whatever it is, we try to check the import from Bangladesh.

The Government is purchasing raw jute from nearly 171 purchase centres. In addition, there are 72 cooperative centres either of West Bengal or of other States. The Government is purchasing raw jute from them. Whenever we feel the requirement, we open new temporary centres. We always try to open such centres to purchase raw jute from the jute growers and there is no complaint in this regard.

Another issue was raised by Shri Swadesh Chakraborty.

श्री चन्द्रनाथ सिंह : हमारे प्रश्न का भी जवाब दे दें।

श्री काशीराम राणा : आपके प्रश्न का उत्तर मैं बाद में दूंगा। आपका सवाल 100 के.जी. बैग का है। चक्रवर्ती जी ने एन.जे.एम.सी. के बारे में कहा है कि ठीक ढंग से मैनेजमेंट नहीं है। अभी एन.जे.एम.सी. का पूरा मामला बी.आई.एफ.आर. के पास है। जब यह मामला अंतिम निर्णय होकर आएगा, तब हम उस पर कार्यवाही करेंगे। जहां तक 100 के.जी. जूट बैग का प्रश्न है, इसके बारे में हम कोशिश करेंगे और जो शिकायत है, उसको देखेंगे। सरकार चाहती है कि इस बारे में कोई कदम उठाया जाए।

SHRI ADHIR CHOWDHARY : An individual grower cannot sell his produce more than 15 quintals of white jute and 12 quintals of Mesta jute. Why are you imposing a restriction?

SHRI KASHIRAM RANA: Sir, I will look into the matter. I assure the hon. Members and the august House that the Government is very keenly interested to protect our jute industry and jute growers, particularly the poor jute growers...*(Interruptions)*

सभापति महोदय : मॉडरनाइजेशन की बात बता दी है कि मॉडरनाइजेशन की स्कीम है।

श्री हन्नान मोल्लाह : मंत्री जी, आप एनजेएमसी के मॉडरनाइजेशन की बात तो करें।

श्री काशीराम राणा : जहां तक एनजेएमसी का सवाल है, यह बीआईएफआर के पास है और बीआईएफआर जो भी हमें कहेगा, उसी के अनुसार होगा।
