

Cabinet Committee on Economic Affairs (CCEA)

Cabinet approves Extension of Norms for Mandatory Packaging in Jute Materials

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The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has approved that 100% of the foodgrains and 20% of the sugar shall be mandatorily packed in diversified jute bags.

The decision to pack sugar in diversified jute bags will give an impetus to the diversification of the jute industry. Further, the decision also mandates that initially 10% of the indents of jute bags for packing foodgrains would be placed through reverse auction on the Gem portal. This will gradually usher in a regime of price discovery. The Government has expanded the scope of mandatory packaging norms under the Jute Packaging Material (JPM) Act, 1987.

In case of any shortage or disruption in supply of jute packaging material or in other contingency/exigency, the Ministry of Textiles may, in consultation with the user Ministries concerned, relax these provisions further, up to a maximum of 30% of the production of foodgrains over and above the provisions.

Considering that nearly 3.7 lakh workers and several lakh farm families are dependent for their livelihood on the jute sectors, the government has been making concerted efforts for the development of jute sector; increasing the quality and productivity of raw jute, diversification of jute sector and also boosting and sustaining demand for jute products.

Benefits :

The approval will benefit farmers and workers located in the Eastern and North Eastern regions of the country particularly in the states of West Bengal, Bihar, Odisha, Assam, Andhra Pradesh, Meghalaya and Tripura.

Under the Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 (hereinafter “the JPM Act”), the Government is required to consider and provide for the compulsory use of jute packaging material in the supply and distribution of certain commodities in the interest of production of raw jute and jute packaging material and of persons engaged in the production thereof. Therefore, the reservation norms in present proposal would further the interest of domestic production of raw jute and jute packaging material in India, thereby, making India self-reliant in consonance with **Aatma Nirbhar Bharat**.

The jute industry is predominantly dependent on Government sector which purchases jute bags of value of more than Rs. 7,500 crore every year for packing foodgrains. This is done in order to sustain the core demand for the jute sector and to support the livelihood of the workers and farmers dependent on the sector.

Other Support provided to the Jute Sector:

In order to improve the productivity and quality of raw jute through a carefully designed intervention, called the Jute ICARE, the Government has been supporting close to approx. two lakh jute farmers by disseminating improved agronomic practices such as line sowing using seed drills, weed management by using wheel-hoeing and nail-weeders, distribution of quality certified seeds and also providing microbial assisted retting. These interventions have resulted in enhancing the quality and productivity of raw jute and increasing income of jute farmers by Rs. 10,000 per hectare.

Recently, the Jute Corporation of India has entered into MoU with National Seeds Corporation for distribution of 10,000 quintals of certified seeds on commercial basis also. The intervention of Technology up-gradation and distribution of certified seeds would increase the productivity and quality of jute crops and also increase the income of the farmers.

With a view to support diversification of jute sector, the National Jute Board has collaborated with National Institute of Design and a Jute Design Cell has been opened at Gandhinagar. Further, promotion of Jute Geo Textiles and Agro-Textiles has been taken up with the State Governments particularly those in the North Eastern region and also with departments such as Ministry of Road Transport and Ministry of Water Resources.

With a view to boost demand in the jute sector, Government of India has imposed Definitive Anti-Dumping Duty on import of jute goods from Bangladesh and Nepal with effect from 5th January, 2017.

With a view to promoting transparency in jute sector, Jute SMART, an e-govt initiative was launched in December, 2016, providing an integrated platform for procurement of B-Twill sacking by Government agencies. Further, the JCI is transferring 100% funds to jute farmers online for jute procurement under MSP and commercial operations.

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