



# Mandatory Jute Bag Packaging

## Why in News

Recently, the **Cabinet Committee on Economic Affairs**, chaired by the Prime Minister, has approved that **100% of the foodgrains and 20% of the sugar** shall be **mandatorily packed in jute bags**.

- The decision will give an impetus to the diversification of the **jute** industry.

## Key Points

### ▪ Extended Norms:

- The decision mandates that **initially 10% of the orders of jute bags** for packing food grains would be placed through a reverse auction on the **GeM portal**, which will gradually help in a regime of price discovery.
  - In a **reverse auction**, the sellers compete to obtain business from the buyer and prices will typically decrease as the sellers underbid each other.
  - **Price discovery** is the process of determining the price of an asset in the marketplace through the interactions of buyers and sellers.

### ▪ Statutory Provision:

- Government has expanded the scope of mandatory packaging norms under the **Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987**, also known as the **JPM Act**.
  - Under it, the Government is **required to consider and provide for the compulsory use of jute packaging material** in the supply and distribution of certain commodities.

### ▪ Government Dependent Sector:

- The jute industry is **predominantly dependent on the 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.
- **Nearly 3.7 lakh workers and several lakh farm families are dependent** for their livelihood on the jute sectors so the government has been making **concerted efforts for the development of the jute sector by:**
  - Increasing the quality and productivity of raw jute.
  - Diversifying the jute sector.
  - Boosting and sustaining demand for jute products.

### ▪ Benefits:

- The move 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.

- The reservation norms in the 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 [Aatmanirbhar Bharat](#).

## Government Initiatives for Promoting Jute Industry

### ▪ Jute-Improved Cultivation and Advanced Retting Exercise:

- Jute ICARE aims to **improve the productivity and quality of raw jute**.
- Under it, the Government is **disseminating improved agronomic practices** such as line sowing using seed drills, distribution of quality certified seeds, etc.

### ▪ Jute SMART:

- It is an **e-govt 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.

### ▪ Definitive Anti-Dumping Duty:

- It has been **imposed on import of jute goods from Bangladesh and Nepal** with effect from 5<sup>th</sup> January 2017 to protect the domestic sector.

### ▪ Incentive Scheme for Acquisition of Plants and Machinery:

- Launched in **2013**, it aims to **facilitate modernisation in existing and new jute mills** and up-gradation of technology in existing jute mills.

### ▪ Collaboration between the National Jute Board and the National Institute of Design:

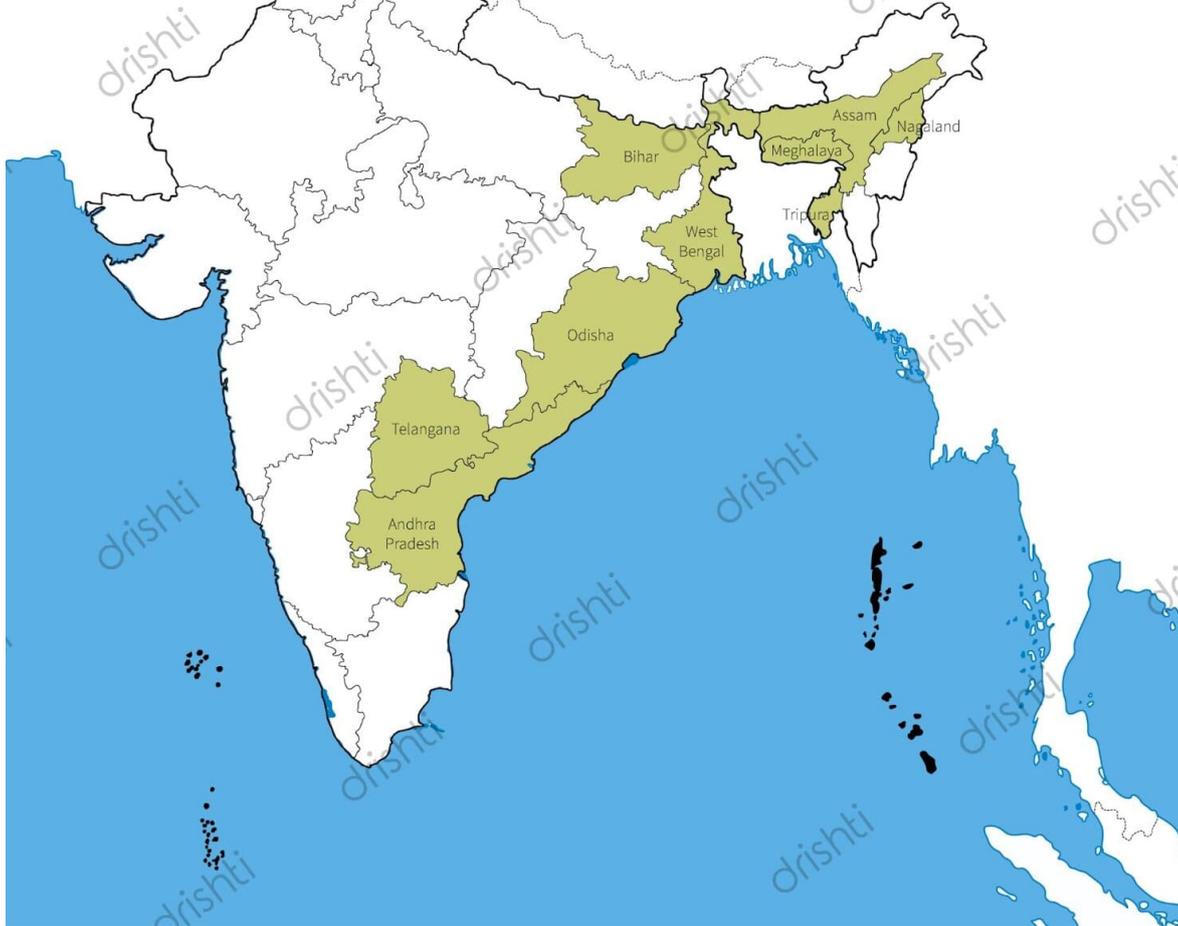
- It aims to support the diversification of the jute sector through a **Jute Design Cell**.
- **National Jute Board under the Ministry of Textiles, acts as the apex body** for the promotion of the products in India and abroad.

### ▪ Jute is included in the [Minimum Support Price](#) (MSP) regime of the country.

Jute

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# Major Jute Producing States



- **Temperature:** Between 25-35°C.
- **Rainfall:** Around 150-250 cm.
- **Soil Type:** Well-drained alluvial soil.
- **Top Jute Producing States:** West Bengal > Bihar > Assam > Andhra Pradesh > Odisha.
  - It is mainly concentrated in eastern India because of the rich alluvial soil of Ganga-Brahmaputra delta.
- The world's **largest jute producing countries** are **India, Bangladesh, China and Thailand**.
  - **India is the world's largest producer** of raw jute and jute goods, contributing to over 50% and 40% respectively of global production.
- It is known as the **golden fibre** because it is one of the longest and most used natural fibre for various textile applications.
- It is **used in making** gunny bags, mats, ropes, yarn, carpets and other artefacts.
- Due to its high cost, it is **losing market to synthetic fibres and packing materials**, particularly nylon.

**Source: PIB**

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