

**COMMISSION FOR AGRICULTURAL COSTS AND PRICES
REPORT ON PRICE POLICY FOR RAW JUTE
FOR THE 2010-11 SEASON**

In this report, the Commission for Agricultural Costs and Prices presents its views on price policy for raw jute for the 2010-11 season. Considering all the relevant factors, including the overall demand-supply situation, market prices, both domestic and international, status of the jute economy, cost of production of jute and after consultation with various stakeholders, the Commission recommends that:

- i) the minimum support price of TD-5 grade of jute ex-Assam for the 2010-11 season be fixed at Rs. 1575/- per quintal. The Commission further recommends that the corresponding minimum support price for other varieties and grades of raw jute across locations be fixed keeping in view, apart from normal market price differentials, the aggregate scores assigned to different grades. (Para 46)**
- ii) the Government should endeavour to announce the MSP of raw jute well before the sowing season, so that the farmers would be in a position to take well-informed decisions with regard to the cultivation of jute. (Para 2)**
- iii) every effort should be made to raise the yield level for jute cultivation in the country, especially in the States that are currently lagging in productivity, through accelerated efforts at research and extension services. (Para 7)**
- iv) the Government should form and vigorously implement programmes for multiplication of certified/quality jute seeds and their proper distribution and timely availability to the jute growers at reasonable price. The number of sources for providing certified seeds should be increased, and JCI may be enabled to distribute certified seeds at subsidized rates with provision for compensating losses, if any. (Para 8)**
- v) the Government should bring in suitable programmes to promote mechanization in jute production, with stress on small scale tools,**

implements and equipment that would also tone up the quality and productivity of jute production. (Para 9)

vi) the production of grades TD3 & TD4 should be increased from the existing 35 percent to 50-60 percent through concerted efforts of research and extension, improved cultivation practices, enhanced growth of jute in those areas that produce high quality fibre like North Bengal and Assam. (Para 11)

vii) the Government should bring in implementable action plans under appropriate schemes-existing or newly formed, to adopt and popularize the farmer-friendly and cost-effective retting techniques, for the betterment of farmers, with adequate financial allocation and physical targets. Simultaneously, there should be endeavours to properly service and clean up the available retting tanks and ditches, for which the provisions under NREGA could be an appropriate option. (Para 12)

viii) the programmes under Macro Management Mode which is basically intended to elevate the critical aspects of productivity and quality of jute cultivation, need further thrust and emphasis through increased allocation and their effective implementation by the concerned State Governments. (Para 13)

ix) the capacity and capability of JCI need to be further strengthened to enhance their scale of procurement operations. Also, effective arrangements should be brought in to associate appropriate grassroot level entities such as cooperative and other village level service societies and particularly SHGs that are properly set up and functional, to procure raw jute on behalf of JCI on a commission basis, and thereby extend the benefits of MSP to the needy farmers in a hassle-free manner. (Para 20)

- x) **the storage facilities available with JCI should be further strengthened and increased on an urgent basis, so that they are enabled to discharge their market interventions in a more effective manner. (Para 20)**
- xi) **the Government should have a consistent policy in relation to the use of jute as a packaging material, drive home the benefits of jute as an eco-friendly packaging, and accordingly promote the production of jute products. Along with retaining the statutory provisions for compulsory packaging of bulk commodities in jute bags, the jute industry may be equipped to be self-reliant and withstand competition from rival products, through supportive measures aimed at facilitating modernization and enhancing cost-effectiveness. (Para 25)**
- xii) **considering the potential of diversified jute products (DJP) for growth and expansion in the coming times, the Government should bring in action plans for further growth of the DJP segment through greater encouragement for entrepreneurship development as well as its export promotion especially in newer markets like Australia and Latin America. (Para 28)**
- xiii) **the Government of India should provide the requisite policy support to enhance price competitiveness of Indian jute products in the world market. (Para 29)**

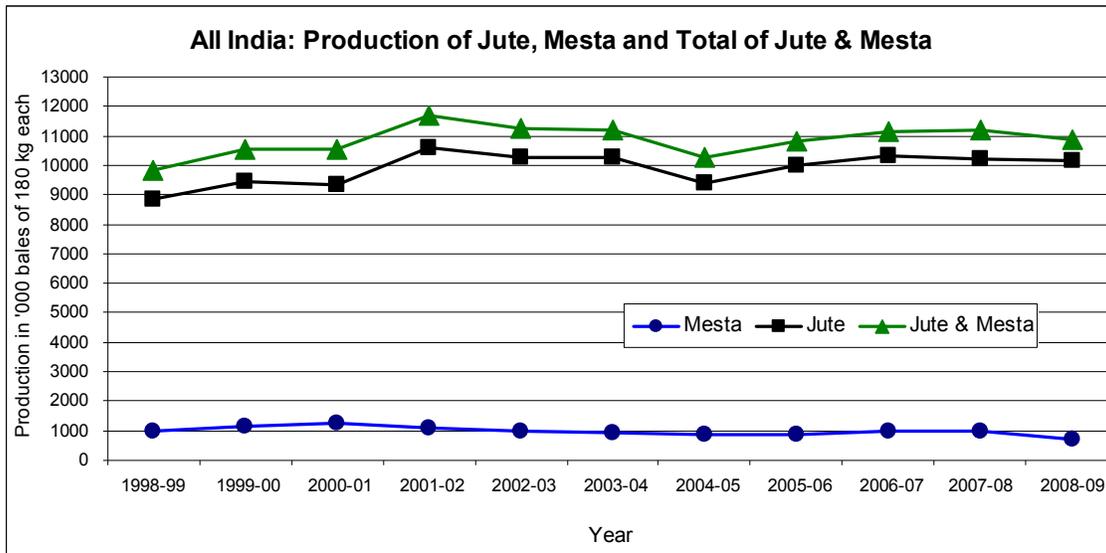
2. The Commission had submitted its report on price policy of raw jute for the year 2009-10 on October 15, 2008, recommending a Minimum Support Price (MSP) of Rs. 1375/- per quintal for TD-5 grade of raw jute ex-Assam. The Government announced the support price for raw jute on June 25, 2009, fixing the MSP as recommended by the Commission. Based on this, the Jute Commissioner of India notified the MSP for all grades of jute/mesta for up-country markets for various jute/mesta growing states on 8th July, 2009. It is unfortunate that after an improvement in the time of announcement of MSP for raw jute, i.e., in the month of January (2008) for 2008-09, there was undue delay in that announcement for 2009-10 season, till June (2009). Since sowing for the crop generally commences in the

month of March, the Government should announce the price policy for raw jute latest by February. This undue delay dents the MSP of its intended role as a price signal to the farmers in taking timely decisions regarding the allocation of land and other related resources towards jute vis-à-vis alternative crops. Accordingly, the Commission recommends that **the Government should endeavour to announce the MSP of raw jute well before the sowing season, so that the farmers would be in a position to take well-informed decisions with regard to the cultivation of jute.**

3. Jute is the second most important natural fibre after cotton based on its availability, production and usage. In India, more than 40 lakh people derive their livelihood from jute cultivation and its processing. Being a natural fibre, jute is biodegradable and hence environment-friendly. It meets the requirement of raw material for several items and activities including textiles, non-textiles, packaging, and construction. Globally, a predominant portion of jute cultivation is contributed by the Ganges delta, comprising portions of Bangladesh and India. Countries like People's Republic of China, Thailand, Myanmar, Pakistan, Nepal, and Bhutan also share in jute cultivation, but not to any significant extent. In respect of area and production of jute, India stands first in the world.

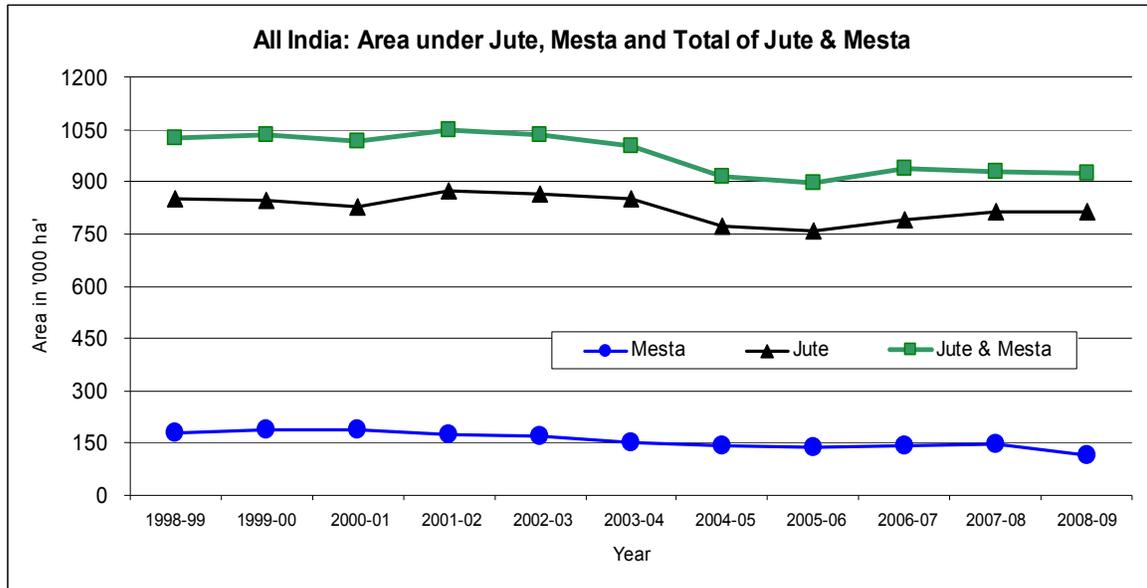
4. Production of jute and allied fibres in the country has not exhibited any consistent trend. Instead, the production profile has been distinguished by fluctuations. During the period since 1998-99, initially there were increases, and the peak level of production of 116.78 lakh bales (of 180 kgs each) was attained in the year 2001-02. Thereafter, the output was marked by declines, sliding down to 102.72 lakh bales in 2004-05. This was followed by improvements for a couple of years, then a marginal dip when the production became 112.11 lakh bales in 2007-08. However, in the year 2008-09, this gave way to a sharp deterioration when the production recorded was 104.07 lakh bales (4th Advance Estimates, Directorate of Economics & Statistics, Ministry of Agriculture). Mainly, this has been attributed to the curtailment of area under jute cultivation caused by shift to competing crops and adverse weather conditions in the jute growing states. The trends in production of jute were identical to the aforesaid movements. The trends in the output of mesta

also reflected these, barring a few years, particularly 2001-02. The production trends of jute, mesta and total of jute & mesta over the period are given in the Chart- 1.



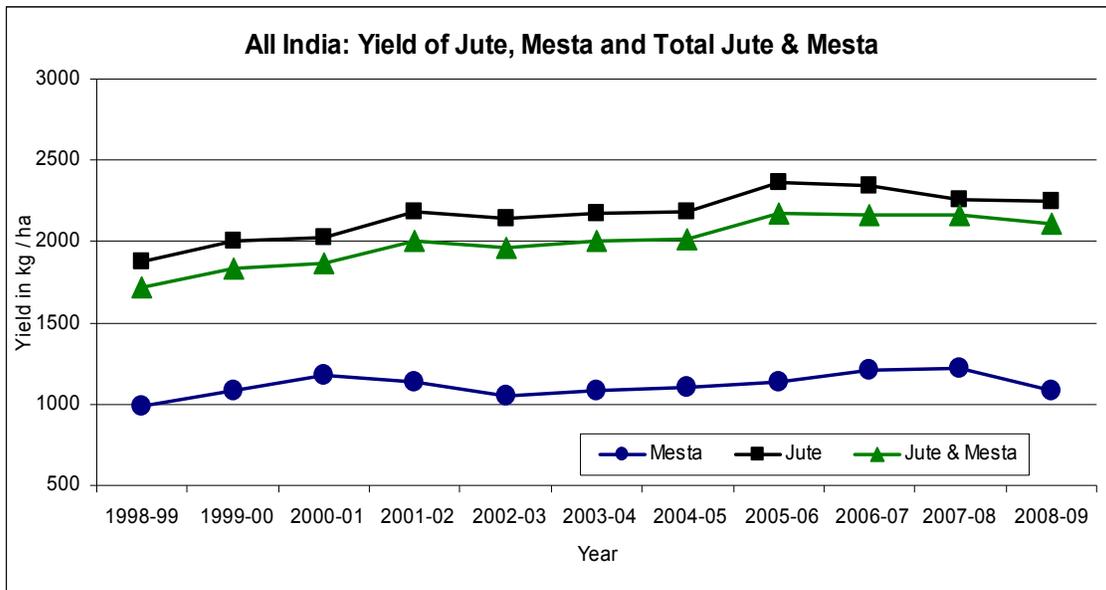
5. During this period of analysis, the area coverage under cultivation of jute and allied fibres was also characterised by fluctuations. After the initial ups and downs, the peak area under cultivation of 10.47 lakh ha was recorded in the year 2001-02. Thereafter, it entered into a declining phase, till the trough of 8.98 lakh ha was registered in the year 2005-06. Improvements followed this for a few years, when the area under cultivation became 9.60 lakh ha in 2007-08. However, the year 2008-09 gave way to a decline and the area decreased to 9.26 lakh ha. The area coverage is influenced by factors such as the prevalent weather conditions at the time of sowing, price levels, price and availability of seeds, and also earning expectations from other competing crops. As regards jute, during the initial years of this period, the area under cultivation recorded declines. However, during the year 2001-02, there was a sharp increase in area to 8.73 lakh ha which still remains as the peak. The following years delivered declines till the trough was hit in 2005-06 of 7.60 lakh ha. Improvements in area under cultivation were registered during the subsequent two years and the coverage got elevated to 8.14 lakh ha in 2007-08. During the year 2008-09, the area under jute dropped slightly to 8.12 lakh ha because of the low level of price before sowing coupled with aberrant weather during the sowing season. In respect of mesta, the trends were broadly same, except for the initial years of this period. It was steady increase from the year 1998-99 till the peak of

1.90 lakh ha was attained in 2000-01. Thereafter, the area coverage began to come down, and reached the lowest level of 1.38 lakh ha in 2005-06. As in the case of jute, subsequently, the area under mesta looked up and became 1.46 lakh ha in the year 2007-08. However, in 2008-09, there was a decline to 1.14 lakh ha, as in the case of jute. The trends in area under jute, mesta and total of jute & mesta over the years are given in the Chart- 2.



6. During this period, the level of yield was also featured by fluctuations. The lowest level of yield was recorded in the initial year 1998-99 of 1722 kg/ha. After that, increases were registered in yield till it became 2007 kg/ha in 2001-02. There was a decline in the year 2002-03 to 1960 kg/ha. However, improvements set in thereafter, and the yield level reached the peak of 2173 kg/ha in 2005-06. Subsequently, after marginal changes, the level of productivity during the year 2008-09 was 2024 kg/ha. When perceived separately for jute and mesta, it is observed that the trend under jute was more akin to that of the overall trend, while that of mesta, albeit broadly similar, was marked by deviations in certain years. The yield levels for both jute and mesta began with the trough level in the year 1998-99, but the yield of jute peaked in the year 2005-06 to 2362 kg/ha, whereas for mesta the peak of 1223 kg/ha was attained in 2008-09. The analysis reveals that, barring the year 2005-06, the substantial determinant of production of jute and allied fibres has been the extent of

area under cultivation rather than the level of yield. The trends in the yield under jute, mesta and total of jute & mesta over the years are given in the Chart- 3.



7. In all the three dimensions of jute cultivation, viz., production, area coverage, and yield, there have been considerable inter-state variations. During the year 2007-08, the latest year for which confirmed state-wise data are available, West Bengal continued to retain its leading position as the main jute producing state in the country, in respect of all the three aforesaid dimensions. This was followed by the states of Bihar, Assam, Andhra Pradesh, Orissa and Tripura. The favourable factors for West Bengal include the large number of water bodies available for retting, concentration of jute mills, and the dynamic cropping pattern adopted in the state. It contributed about 73.98 percent of total jute production in the country in the year 2007-08, followed by Bihar (13.07), Assam (6.10), and Andhra Pradesh (4.47) percent. The yield of jute in West Bengal also has been remarkably high. During the year 2007-08, it was 2425 kg/ha, which is way ahead of the yield attainments in all other states under jute cultivation. However, according to the Indian Council for Agricultural Research (ICAR), the currently realized yield of jute is much lower than the potential yield of 38 quintals per hectare realizable in the field demonstrations. In the light of this, the Commission recommends that **every effort should be made to raise the yield level for jute cultivation in the country, especially in the States**

that are currently lagging in productivity, through accelerated efforts at research and extension services. (Tables 6, 7 & 8)

8. The issues related to the jute sector are lingering for a long time. These have been repeatedly highlighted by the Commission, but are still awaiting desired results. One prominent issue is the limited availability of certified jute seed production in the country which even now meets only about 35 percent of the total demand. Since most of the jute cultivating areas in the country is multi-cropping with jute-paddy rotation, the land becomes unavailable for seed multiplication. Currently, the bulk of jute seed production is contributed by the States of Maharashtra and Andhra Pradesh that are geographically away from the major jute growing regions as well as research centres. With the result, jute farmers are facing issues emanating from not only inadequate availability but also distribution of quality seeds. Quite often, at the time of sowing the seed prices rise to unduly high levels, and the farmers get prompted for other crops. Another aspect of the issue is the lack of timely availability to the farmers of the high yielding varieties of seed developed by research institutions. There is an imperative need to enhance the availability of quality/high-yielding varieties of jute seeds under the jute development programmes alongwith appropriate arrangements for its timely and adequate distribution to the cultivators. The availability of certified seeds should increase to at least 50 percent as against the current availability of 35 percent. During the interactions of Commission with the stakeholders, it emerged that there is considerable mixing/adulteration of the certified seeds presently available in the market. Now the availability of certified seeds is dependent on a few sources. The stakeholders are of the view that these sources should be increased by considering even private sources for such certification in case they are able to meet the requirements for the purpose. With the limited supply base, since the country is also catering to the jute seed requirements of Bangladesh, it would be advisable to keep restrictions on such export. There have been attempts by the Jute Corporation of India (JCI) for distribution of certified seeds to farmers through their procurement centres. Keeping in view their readiness and the fact that JCI has a wide network across the jute-growing regions, it would be appropriate to consider the agency for distribution of certified seeds at subsidized rate. The Commission recommends that **the Government should form and**

vigorously implement programmes for multiplication of certified/quality jute seeds and their proper distribution and timely availability to the jute growers at reasonable price. The number of sources for providing certified seeds should be increased, and JCI may be enabled to distribute certified seeds at subsidized rates with provision for compensating losses, if any.

9. An issue that has been highlighted particularly by the officials of State Governments and farmer representatives is the emerging shortage and related increasing cost of labour required for jute production and processing. The problem has become more pronounced with the progress in the implementation of NREGA. There is a need to increasingly mechanize operations in the pre and post-harvest stages of jute production. This would curb the problems arising from labour shortage. At the same time it would reduce the cost of cultivation and improve the quality and productivity and thereby increase the net returns from jute cultivation. Accordingly, the Commission recommends that **the Government should bring in suitable programmes to promote mechanization in jute production, with stress on small scale tools, implements and equipment that would also tone up the quality and productivity of jute production.**

10. Several high value end products require jute with better fibre quality; the production of jute goods is also getting inclined towards development of diversified jute products. The requirements of the global market are also supportive of this. Whereas, Indian raw jute is dominated by medium to inferior grades of jute fibre. Currently, grades lower than TD4 dominate India's raw jute spectrum. Since the prices received by farmers on the quality fibre is discounted for lower grade of jute produced by them, the realization of farm income is reduced. It is unfortunate that the country continues to depend on Bangladesh for superior fibre grades. Any strategy for improving the jute sector should comprise initiatives for boosting the fibre quality and cost efficiency of production. The low quality jute is fit only for sacking production. Hence, the Indian jute industry depends mostly on sacking consumption, mainly domestic consumption to the extent of 95 percent of production.

11. All the efforts put in by the research organizations under centrally sponsored jute development programmes have not been able to dent the problem. One of the objectives of the Mini Mission III under the Jute Technology Mission launched by the Government in 2007-08 (discussed in details later), is to implement Technology Transfer Programme for improvement in fibre quality and adoption of improved retting techniques. In tandem with the increasing market for diversified jute products, indigenous and international, the production of grades TD3 & TD4 has to be stepped up. Areas such as North Bengal and Assam, that carry the potential for producing quality fibre, should be imparted greater encouragement for jute production. As already mentioned, another essential component of the strategy should be the adequate availability as well as effective distribution of quality seeds to the jute growers. The new varieties of jute seeds that are developed should be endowed with high cellulose content and lower level of lignin, to ensure improved fibre content in the product. Alongside, the instrument of MSP should promote the growth of high quality jute, by further enhancing the present grade difference between TD8 to TD2 in the range of Rs. 70/- to 145/- per quintal. These aspects have already been looked into and recommended by the Commission. Hence, it is reiterated that **the production of grades TD3 & TD4 should be increased from the existing 35 percent to 50-60 percent through concerted efforts of research and extension, improved cultivation practices, enhanced growth of jute in those areas that produce high quality fibre like North Bengal and Assam.**

12. A crucial stage in the process of raw jute production is retting which basically determines the fibre quality and cost dimensions of jute cultivation. In the water or microbial retting that is traditionally and widely followed in the country for extracting fibre, the availability of adequate water, particularly flowing water, goes a long way in deciding the levels of yield and quality of jute. However, as against Bangladesh, the scarcity of free flowing water is telling upon retting process in the country. At present, the existing water sources available to the farmers for retting are minor flowing tributaries of delta, water bodies, and roadside ditches. These retting facilities are either defective and remain uncleaned or not adequate to meet the requirements. Further, the majority of farmers are endowed with small size holdings and meagre resources that disable them to invest and set up their own retting tanks. A number of

retting techniques have been developed by the Jute Research Institutions. As mentioned in the earlier Report of the Commission, the National Institute of Research in Jute and Allied Fibre Technology (NIRJAFT) had developed an alternative process of retting, a chemi-microbial process, by which the requirement of water would get reduced from 1:20 to 1:2.5. This process that transforms the concept of conventional retting, assures fibre quality, ensures reduction of time required, and is environment-friendly. The Institute has also proposed the concept of centralised retteries equipped with all sorts of retting technologies and facilities. Effective actions are still awaited to transfer these success stories in the research centres to the farmers' field. There are provisions under the Jute Technology Mission, Mini Missions II & III, for construction of mini retting tanks to improve the quality of raw jute with proper new modern retting techniques developed by various research institutions. A perusal of the allocation and targets that have been laid down, indicates their inadequacy in the face of outstanding requirements. A substantial enhancement on both the fronts is necessary. There should also be greater stress on demonstration of new retting technology among jute growers. Therefore, the Commission recommends that **the Government should bring in implementable action plans under appropriate schemes-existing or newly formed, to adopt and popularize the farmer-friendly and cost-effective retting techniques, for the betterment of farmers, with adequate financial allocation and physical targets. Simultaneously, there should be endeavours to properly service and clean up the available retting tanks and ditches, for which the provisions under NREGA could be an appropriate option.**

13. Since October, 2000, the Macro Management Mode of Agriculture has subsumed the Special Jute Development Programme (SJDP) which has been in operation since 1987-88. The Scheme that was originally aimed at improving the productivity and quality of fibre is now implemented by the State Governments with greater flexibility for adjustments according to their regional priorities and requirements. Currently, thrust of the programme is on seed distribution, distribution of fungal culture, excavation of retting tanks, organization of production and retting technology demonstration / training etc. It is appreciable that a few jute growing States that were not giving participation during the earlier years, are now

implementing the programme. However, the allocation under this during the past two years since 2008-09, has come down vis-à-vis the earlier years. It is recommended that **the programmes under Macro Management Mode which is basically intended to elevate the critical aspects of productivity and quality of jute cultivation, need further thrust and emphasis through increased allocation and their effective implementation by the concerned State Governments.**

(Table 9)

14. Jute prices are significantly featured by high inter and intra seasonal fluctuations. Prices go down during the months of September - October when the market arrivals remain at their peak. This is since, as a practice, the private mills do not procure at a time quantity in excess of their requirement for a month or two. The procurement operations by JCI are limited vis-à-vis the requirements. The market dynamics being like this, the price of jute enters into a depressed state in the face of heavy arrivals in the market.

15. During the period since 1998-99, the annual wholesale price index (WPI 1993-94 base = 100) of raw jute registered its lowest level of 107.9 in the year 1998-99. Thereafter, the Index drastically increased and reached 177.3 in 2001-02. This was followed by ups and downs for several years, and the index reached its peak during 2008-09 at 210.8. During the months of July-August, 2009, the Index maintained the same level of 210.8. (Source: Office of the Economic Advisor, Ministry of Commerce & Industry).

(Table 11)

16. The month-end wholesale price of TD-5 jute ex-Kolkata which was only in the range of Rs. 750-935 per quintal during 2003-04, came in the higher price range of Rs.900-1500 during the year 2004-05. In the subsequent years of 2005-06 and 2006-07, this price level remained in the range of Rs. 1130-1480 and Rs.1150-1435, respectively. However, during the year 2007-08, the prices got subdued and the range remained as Rs.1070-1450. But the price levels took a sharp upturn during 2008-09 when the price range became Rs. 1390-2800. It was mainly due to the large availability of raw jute that the market sentiment remained dull during the initial period of 2007-08 season. However, during the season 2008-09, the northward movement of prices commenced from July, 2008. The sentiment of short crop and

huge demand of around 21.40 lakh bales of B.Twill jute bags on Government account must have boosted this rise in prices of raw jute. There have also been reports of hoarding of jute at various levels. (Tables 12 & 12A)

17. Futures trading is expected to provide useful price signals to growers through price discovery besides hedging their products against future price volatility. The benefits of futures trading include (a) price stabilization, (b) nationally integrated price structure, (c) balance in supply and demand, and (d) encouraging competition in a well functioning futures market. The growers could decide between various alternative crops that can be grown and the one that is most remunerative to them, by perceiving the price trends delivered by the futures market. Pursuant to the notification issued by the Government of India in April, 2003, four associations have been recognised to regulate forward trading in raw jute and jute goods, viz, The East India Jute and Hessian Exchange Ltd., Kolkata, The National Commodities & Derivatives Exchange Ltd., Mumbai, Multi-Commodity Exchange Ltd., Mumbai, and National Multi Commodities Exchange, Ahmedabad. During 2006-07, the futures trading volume was 10.66 lakh MTs valued at Rs. 1426.49 crore and during 2007-08 the volume was 16.38 lakh MTs valued at Rs. 2164.88 crore, thus recording an increase of 5.72 lakh tonnes in physical terms and Rs.738.39 crore in value over the previous year. The MCX futures price of raw jute on January 31, 2009 for March, 2009 closed at Rs.2139 per quintal. It is generally held that both MSP and futures trade should co-exist, as the entities together would greatly fulfil the market requirements expected out of pricing. MSP would provide the floor price, and futures trading would become effective to hedge the risk of price volatility above MSP. However, in respect of jute, while interacting with the Commission; several stakeholders expressed the view that futures market for jute is not serving the intended purpose. Instead, it is encouraging speculation. According to them, the futures contracts in jute are not leading to physical delivery. In fact, the Indian Jute Mills Association (IJMA) has observed that it is the unbridled trading in futures that has caused the uptrend in jute prices. In the light of these, it would be appropriate that the Government may sponsor a study on the futures trading in jute to ascertain the extent of speculation involved, and accordingly take corrective measures as warranted.

18. The year 2008-09 began with an opening stock of 22 lakh bales of jute and allied fibre. As assessed by the Jute Advisory Board, the production of jute and mesta for the year is 82 lakh bales. With an estimated import of 2 lakh bales for the year, the total availability of raw jute in the country is likely to be of the order of 106 lakh bales. Against this, the total consumption of jute is estimated at 98 lakh bales, leaving a closing stock of raw jute of 8 lakh bales at the end of the year. The opening stock position may not suffice the requirement of more than a month of the year 2009-10. Keeping in view the low estimated production because of area decline under jute cultivation and the market anticipation of shortage alongwith an estimated steady demand, the price levels in the market may come under pressure during the 2009-10 season, barring perhaps the peak arrival days. (Table 10)

19. Devoid of adequate number of purchase centres across the jute growing States, the procurement operations of JCI which is the procurement agency for raw jute, have always remained inadequate vis-à-vis the requirements. They are having only 171 purchase centres. During the years 2000-01 to 2008-09, the procurement operations have been less than 16 percent of the market arrivals. The inadequacies have been more expressed in far-flung and remote areas. With this limited scale of operations, it could be appreciated the extent to which the MSP could be defended by the procurement agency, particularly during peak harvesting times and heavy market arrivals. For enhancing their procurement coverage, JCI has entered into tie-ups with Apex Cooperative Societies of the jute growing states as their agents for procurement of raw jute. In addition, JCI has formulated a scheme for involvement of Village Level Service Societies who would procure raw jute directly from the growers and deliver it to the nearest JCI/Cooperative centres. Another proposal of JCI has been that self-help groups (SHGs) working in villages may be involved to purchase raw jute from growers under MSP on behalf of JCI like Cooperative Societies. The District Administration and DRDA are already having working arrangements with SHGs, and their association could greatly assist in eliminating the market imperfections currently prevalent in the raw jute market.

20. The limitations in procurement presence deny the farmers of MSP benefits, especially those who are remotely located and more vulnerable to marketing issues. Therefore, the Commission recommends that **the capacity and capability of JCI need to be further strengthened to enhance their scale of procurement operations. Also, effective arrangements should be brought in to associate appropriate grassroot level entities such as cooperative and other village level service societies and particularly SHGs that are properly set up and functional, to procure raw jute on behalf of JCI on a commission basis, and thereby extend the benefits of MSP to the needy farmers in a hassle-free manner.** Another issue awaiting resolution is the limited storage space for raw jute available with JCI. This also tells upon their potential for procurement operations. Therefore, **the storage facilities available with JCI should be further strengthened and increased on an urgent basis, so that they are enabled to discharge their market interventions in a more effective manner.** (Table 13)

21. As in the case of several products, the pricing of basic raw material, viz., raw jute, greatly influences the demand-supply position of jute products- Hessian and Sacking (B.Twill). An analysis of the month-end average prices of these representative varieties of jute goods, reveals that the average price of Hessian has, by and large, improved over the years. In fact, it has sharply risen during the latter half of 2008-09. As against Rs.830-931 per 100 metres during the year 2003-04, the price range was Rs.1057-1152 in 2007-08. In the year 2008-09, the corresponding price range got elevated to Rs.1175-1512. For sacking, as against Rs. 20441 - 23964 per tonne during the year 2003-04, the price range became Rs.25930-29150 in 2007-08. But the year 2008-09 has witnessed a sharp increase of the price range to Rs.28545-40305. For sacking, generally, the rise has not been high, mainly because of the ongoing decline in the demand for jute products. The jute products are to confront the competition and related problems from plastic goods, in spite of the Government interventions in favour of jute items and discouragement of synthetic products. (Table 14)

22. The price rise during 2008-09 has been unprecedented, mainly because of the crop and raw jute shortage. In fact, because of rising prices in raw jute from

September, 2008, the market price of B.Twill bags rose sharply overtaking the price set by Government. This prompted many mills to supply to the open market rather than to the Government agencies. However, as rightly brought out by the National Jute Policy, 2005, stability of raw jute prices should be the appropriate state that the sector should be looking forward to. Supported by price stability, indigenously the mills could fulfill their commitment of supplying B.Twill bags against Government orders within the given time limits, and externally this could lead to export promotion of jute goods.

23. The production of jute goods in India continues to be dominated by packaging materials, viz., Hessian and Sacking. During the decade since 2000-01 to 2009-10 (till July, 2009), the share of these two product items together remained in the range of 81-84 percent of the total production of jute goods. Except for the sharp dip and remarkable increase in production during the years 2006-07 and 2007-08 respectively, the average production of India's jute goods has been around 16 lakh metric tonnes during this period. About 85 percent of this goes for domestic consumption, and the remainder finds its way for export. India used to have an edge over Bangladesh in the traditional export items such as Hessian, Sacking and yarn. However, because of price disadvantage, the country is currently finding itself as a residual seller before Bangladesh.

24. Indigenously also, the demand for jute as a packaging material is getting depressed since jute is losing ground to polypropylene which is distinguished by declining prices and higher demand elasticity. It seems the relative advantages of jute as a biodegradable and eco-friendly product has not been driven home forcefully to influence the choice of buyers. In this regard, the promotional initiatives and propaganda by the Government could go a long way, to enhance the prospects for jute products. Unlike plastic industry, which consumes the country's oil reserves and depletes the earth of its resources, jute is a natural product that makes nature richer by virtue of it being a natural fertilizer and helps grow other things as well. Jute is an annually renewable crop. Leaves that fall off a jute plant are an excellent source of fertilizer for the next year's crop, thus reducing the cost for fertilizer needed. Here, it may be observed that the UN General Assembly in 2006 has declared 2009 as the

International Year of Natural Fibres. In this year devoted to natural fibres and being the largest producer of jute in the world, India in association with the International Jute Study Group should take action for raising global awareness about the benefits of using jute in the context of climate change, and stimulate its demand.

25. The Central Government introduced the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act 1987, as a temporary measure to help the jute industry against the synthetic sack industry. The Act that initially made it mandatory to pack several bulk commodities in jute sacks, is now limited to the compulsory packing for foodgrains and sugar. It has been observed that dilution of the Act may adversely affect the interest of jute growers, by curtailing the demand for raw jute which forms the raw material for sacks. According to IJMA, the sugar industry placed large orders for supply of synthetic bags violating this mandatory order. The Ministry of Textiles issued an order in March, 2009 permitting purchase of 20 percent synthetic bags (which has since been reversed). As brought out by them, such practices are demoralizing for the jute industry. Considering all these, the Commission recommends that **the Government should have a consistent policy in relation to the use of jute as a packaging material, drive home the benefits of jute as an eco-friendly packaging, and accordingly promote the production of jute products. Alongwith retaining the statutory provisions for compulsory packaging of bulk commodities in jute bags, the jute industry may be equipped to be self-reliant and withstand competition from rival products, through supportive measures aimed at facilitating modernization and enhancing cost-effectiveness.**

26. It is true that at present the jute goods production in the country is dominated by packaging items. However, the emerging trends, indigenous and international, indicate that in future times the diversification of jute products would be having an increasingly important role. Among the categories of diversified jute products (DJPs), many new non-conventional products have hit the market to match with the modern life style of home textiles and furnishings, mats and mattings and novel products of handicrafts, wall decorations, wall hangings, giveaway promotional bags, etc. Within these, the major thrust has been on value-added DJPs such as jute handlooms and

handicrafts, non-woven and industrial application, jute rigid packaging, and decorative products. It should also be noted that India, because of its research and development edge over Bangladesh, could score over that country in the production and export of these diversified products.

27. There has been considerable increase in the production of DJPs, over the years. As a percentage of total jute production, it enhanced from 8.81 percent in 2003-04 to 13.85 percent in 2006-07, even though took a drop in 2007-08 to 12.65 percent, and again a marginal decline in 2008-09 to 12.52 percent. This is against 4.5 per cent during 1995-96. Similar increase could be observed in the value of export of DJPs also. It increased to Rs. 147.64 crore in 2004-05 from Rs.41.53 crore during 1994-95. This further increased to Rs.256.5 crore (2006-07), Rs.298.6 crore (2007-08), and Rs. 234.2 crore (2008-09, till December, 08). The growth in the value of DJPs has been led by Floor Coverings and Shopping/Hand bags, followed by other categories of jute products. The composition of export basket has also followed a similar pattern.

28. Since the jute industry is mostly depending on sacking production, diversification to other products like shopping bags, value added yarn, geo textiles can help the industry to lower its risk of being overly dependent on sacking. Moreover, by moving into other products, India can improve its performance in the export market. As the largest producer of jute, India should take a leading position in world export market with DJPs. The DJPs are brought out mainly by tiny and small producing units functioning across the country. This wider base of entrepreneurship should be further encouraged and promoted. The National Jute Policy, 2005 also emphasizes the need for diversification of jute products. Accordingly, the National Centre for Jute Diversification (NCJD) which is providing infrastructural facilities by way of assisting entrepreneurs, artisans, designers, manufacturers, and NGOs should further expand their scope and scale of activities. The Commission recommends that **considering the potential of diversified jute products (DJPs) for growth and expansion in the coming times, the Government should bring in action plans for further growth of the DJP segment through greater encouragement for entrepreneurship development as well as its export**

promotion especially in newer markets like Australia and Latin America. The CST on jute goods has since been reduced from 3 percent to 2 percent with effect from 01-06-2008. However, VAT on main categories of jute goods, namely, sacks, bags, cloth and yarn is 4 percent but that on jute carpet, mats and mattings, non-wovens, etc. is 12 percent, which needs to be reviewed and brought down. This will help in promotion of DJPs.

29. The world production of jute, kenaf and allied fibres in 2007-08 is estimated as 29.97 lakh tonnes compared to 30.21 lakh tonnes in 2006-07, a decline of 0.79 percent. The world export of jute, kenaf and allied fibres increased to 5.23 lakh tonnes in 2007-08 from 4.67 lakh tonnes in 2006-07 (Source: FAO). During the year 2006, Bangladesh exported 59.5 percent of the total jute goods, while India shared 26 percent. Bangladesh continues to dominate the international trade of jute. It is the largest jute exporter in the world because its domestic consumption is very low compared to the large domestic requirement of India. Besides Bangladesh government extends a subsidy of 7.5 percent to export of its traditional products in order to retain its status of predominant exporter in the world market. At the same time, jute goods of Bangladesh are given special treatment under the GSPs of several developed countries including USA. Supported by their price and non-price advantages, Bangladesh is catering to about 90 per cent of the world demand for raw jute and 60 per cent of jute products. In fact, India's entry in the global market is only as a residual seller, after Bangladesh. Considering these facts and position, **the Government of India should provide the requisite policy support to enhance price competitiveness of Indian jute products in the world market.**

30. As discussed above, despite being the largest producer of jute in the world, India is not equally advantaged in its export. Currently, about 85 percent of the total production is consumed domestically and only 15 percent is devoted for sales abroad. The traditional export items include Hessian, sacking and yarn. Export during 2008-09 which is currently estimated at about Rs.10660 million is lower by about 6.8 percent in value terms as compared to 2007-08. In terms of quantity, export during 2008-09 is to the tune of 199.8 thousand tonnes which is lower by 2.2 percent as compared to the same period of 2007-08. The decrease in both value

and quantitative terms is mainly attributable to the fall in exports of Hessian, yarn and DJPs. For exports in general, India is losing grounds to Bangladesh mainly because of price disadvantage. Another aspect of India's export profile is the changing composition of jute exports in respect of DJPs, yarn and Hessian. In 2006-07, these items constituted 39 per cent, 28 per cent and 20 per cent, respectively. This composition turned out to be 36, 24 and 18 percent respectively in 2008-09. The export of items like sacking, and CBC has been eroded by the price competitive exports from Bangladesh, especially in the European and the US markets. In the context of increasing importance of DJPs in the export basket of the country, the major DJP exports are floor coverings, shopping bags, wall hangings, gift items, blankets and decorative fabrics, catering to the markets of USA, Turkey, Belgium, UK, Germany, Middle East and Japan. India is really endowed with some technical and quality edge over Bangladesh in respect of DJPs. The Commission is of the view that it is in the interests of the country to further pursue and promote the export of DJPs that are having greater market potential internationally. The industry also must set its sights on further diversification of jute products as well as newer country markets in their export endeavours.

31. The basic custom duty on import of raw jute and jute goods remains at 5 per cent and 10 per cent, respectively. The preferential rates of basic duty on import of raw jute and jute goods from SAARC countries (including Bangladesh) have been 2.5 per cent and 4 per cent respectively. However, with effect from 01-01-2008, the import duty on raw jute and jute goods from Bangladesh, Bhutan, Maldives and Nepal has been totally withdrawn. In view of the lower rate and now zero rate of custom duty, there has been increase in import of raw jute and jute goods into India from Bangladesh. The present scenario makes import of jute items from Bangladesh which is already having cost advantages over India, a more attractive proposition, to the detriment of the interests of indigenous jute industry. The import of raw jute from Bangladesh has increased from 3.37 lakh bales in 2004-05 to 6.27 lakh bales in 2007-08, even though in the year 2008-09, it greatly declined to 2.35 lakh bales. Similarly, import of jute goods increased from 45441 MT in 2004-05 to 76145 MT in 2008-09 (source: IJMA). It is the import of jute goods that is currently looking up. The Commission has been repeatedly recommending for corrective measures with

regard to the duty structure, and the Government's attention is again drawn in this regard.

32. The Jute Technology Mission (JTM) has been launched by the Government of India in 2007-08 as a time-bound programme in mission mode approach spanning a period of 5 years, during the XI Plan period, with an outlay of Rs. 355.5 crore. The major objectives of the Mission include improvement in productivity and quality of jute, developing efficient market linkages for raw jute, ensuring product engineering involving machinery updating, better management and maintenance practices, encouraging R&D, and making jute products more competitive in the indigenous and international markets. The Mission has been divided into four Mini Missions tasked to look after these various objectives. The Mini Missions are functioning under the aegis of different organizations of the Government, viz., ICAR, Directorate of Jute Development under the Department of Agriculture & Cooperation, and Jute Corporation of India and Jute Manufactures Development Council under the Ministry of Textiles. As already observed by the Commission, the functional allocation of the Mini Missions under different administrative set-up in the Government, necessitates effective coordination among the implementers for attaining the intended targets and results. In this context, it has been reported by the jute industry that there is provision for 20 percent subsidy on the investment for modernization through new machinery installation with a cap of Rs.75 lakh. The industry finds this cap as far too low as against their requirements. In their view, the industry is not capable of raising the rest of fund required.

33. The National Jute Policy, 2005 is under implementation by the Government. The broad intent of the Policy is the overall development of jute sector, through the following vision: (a) ensure remunerative price to the jute farmers in the country; (b) produce good quality fibre and products to meet the growing needs of the country and international buyers; (c) contribute increasingly towards providing sustainable employment and economic growth of the nation; and (d) compete with confidence for an increasing share of the global market. The highlights for operationalising the intent/vision of the Policy include creation of National Jute Board which will subsume, merge and integrate the functions of various institutions currently operating in the

jute sector for achieving better coordination, and the launch of Jute Technology Mission to make the jute sector an intrinsically competitive and integrated entity. As a follow-up of the Policy, the Jute Technology Mission has been launched in 2007-08. The National Jute Board Act, 2008 has also been passed and brought into effect on 12.02.2009. This Board while subsuming some of the offices currently operating for jute development, with a change of thrust from that of regulator to facilitator, for developing jute sector, should avoid duplication of establishments related to the same functions.

34. As discussed in the previous Report of the Commission, a focal area of concern among the stakeholders in the sector has been the price differentials in the raw jute of TD-5 grade grown in North Bengal and South Bengal. This price differential caused by higher market appreciation of that raw jute in North Bengal versus that in South Bengal, is resulting in a higher price of around Rs. 300/- per quintal for the TD-5 grade raw jute of North Bengal. Still, the growers in the North Bengal region are not able to realize that higher price, since the landing MSP fixed by the Ministry of Textiles at Kolkata is lower than that of South Bengal, due to the higher cost of freight for North Bengal jute. The basic MSP of raw jute presently fixed by the Government functions structurally to their disadvantage due to their distance from Kolkata which remains the hub of jute purchase/procurement and the attendant freight charges. It was also stated by the Commission in the earlier Report the eroded validity of associating raw jute of TD-5 grade with ex-Assam, keeping in view the extent of expansion of its cultivation to other areas in the country. Accordingly, it was recommended to constitute a Committee in the Ministry of Textiles to formulate appropriate calibration of price differentials, look into the quality aspects pertaining to price differentials, and recommending MSP for raw jute of TD-5 grade without reference to ex-Assam.

35. It is understood that a Committee has since been constituted to look into the matter. In this context, the Commission would reiterate that the association of TD-5 grade of raw jute with ex-Assam for arriving at MSP could have been because of historical reasons when the extent of its cultivation in and around Assam must have been substantially higher. In the recent times, the share of Assam in raw jute

production has come down to about 6 percent (2007-08). Hence it does not stand to reason to still correlate the declaration of MSP with Assam. In the changed scenario, it seems advisable to arrive at MSP, irrespective of any regional links, so that a single MSP would be there for the same grade of raw jute. This could also eliminate the aforesaid anomalies in MSP of North and Sough Bengal. However, as regards quality differentials of the TD-5 Grade raw jute of North Bengal, which is fetching a premium in the market, this distinction needs to be given weightage in the MSP. This may be arrived at by laying down definite and distinct quality parameters, so that the higher MSP that may be awarded could be on objective basis and would not be subject to abuse/misuse in the market. The task of fixing such parameters needs to be entrusted to a professional agency like B.I.S. It is expected that the Government will consider these aspects before taking a final view on the matter. However, till a decision in the matter is communicated, the Commission, as in the past, would continue to recommend the MSP of raw jute of TD-5 Grade (ex-Assam).

36. The cost of production is one of the factors in the determination of minimum support price for jute. Therefore, Commission reassesses the likely increase in the cost of cultivation/cost of production on account of increase in the cost of several inputs going into production of jute. Since the submission of the last report on Price Policy for raw jute for the year 2009-10 on 15th October, 2008, the Commission has received the cost estimates for raw jute for the year 2007-08 under the Comprehensive Scheme (CS) from the Directorate of Economics and Statistics, in respect of states of Assam, Bihar, Orissa and West Bengal. It is relevant to mention here that the CS cost estimates for Bihar are not amenable to any meaningful interpretation in comparison to other states because of the fact that the data collected from the sample holdings growing jute in this state relate to the standing green crop. Yield rate of jute for Bihar has been at a very high level of 41.10 quintals per hectare. Excluding the state of Bihar, the details of estimates of the states of Assam, Orissa and West Bengal for the year 2007-08 and those pertaining to the preceding year are given in the table 1.

Table 1: Cost estimates of Raw Jute

(In Rupee)

States	Years	A2+FL/ha	C2/ha	A2+FL /qtl	C2/qtl	C3/qtl	Yield qtl/ha	Implicit Price (per qtl)	MSP (qtl)
Assam	2007-08	16888	20105	837.79	1017.68	1140.28	17.56	957.67	1055
	2006-07	16778	20813	795.22	987.57	1136.36	19.86	1130.25	1000
Orissa	2007-08	17466	23842	806.10	1100.58	1281.82	19.33	1081.78	1055
	2006-07	15807	22021	898.39	1251.71	1376.88	15.94	1281.43	1000
West Bengal	2007-08	22334	31310	776.22	1093.30	1211.63	25.48	1147.79	1055
	2006-07	20519	30299	778.85	1152.29	1282.85	24.48	1376.70	1000

37. During the period 2006-07 to 2007-08, the per hectare paid out cost including family labour (A2+FL) has gone up by 10.49 percent for Orissa, 8.84 percent for West Bengal, and 0.66 percent for Assam. The yield performance was highest for West Bengal at 25.48 quintals per hectare, followed by Orissa at 19.33 quintals per hectare, and Assam at 17.56 quintals per hectare. In terms of growth in productivity, the yield level has gone up by 21.27 percent in Orissa and 4.08 percent for West Bengal during the year 2007-08, compared to the preceding year. Assam has suffered decline in yield by (-) 11.58 percent during 2007-08, as against the previous year. Since there has been some increase in yield performance for the states of Orissa and West Bengal for the year 2007-08, their respective overall costs of production per quintal have shown a decline by (-) 12.07 percent and (-) 5.12 percent respectively. On the contrary, the per quintal cost of production has increased by 3.05 percent for the state of Assam during this period as a result of drop in yield.

(Tables 17 & 18)

38. The per quintal implicit price as collected with the cost estimates generated by the Directorate of Economics and Statistics reveals that it ranges between Rs.957.67 for Assam and Rs.1147.79 for West Bengal during 2007-08. The actual C2 cost per quintal for the year 2007-08 ranges between Rs.1018 and Rs.1101 which is broadly in consonance with the range of corresponding implicit prices for the states.

39. The Commission held meeting at Kolkata during 6th and 7th October, 2009 to have an appreciation of the views of different stakeholders including farmers, mill

owners and other agencies including State Governments. The farming community in jute cultivation highlighted the persisting inadequate supply of certified seeds at an affordable price. Most of the farmers brought out the fact that apart from delayed monsoon rain it was both disproportionate costliness of the basic inputs like seeds and lack of its easily accessible supply channels that contributed to decline in acreage under jute cultivation. It was also pointed out by the Central Research Institute for Jute and Allied Fibres (CRIJAF) that even though the technical breakthrough in the development of new variety of jute seeds has been made, it has so far not been popularized due to lack of coordination with the seed marketing agencies engaged in the activity of multiplying and marketing seeds for use by the farmers at large.

40. Most of the farmers observed that the prices of raw jute fluctuate at relatively higher frequency. It is well known that the jute being a marginal and small holders' cultivation, the entire produce of raw jute grown in West Bengal, Bihar, Orissa and Assam is disposed of by them as soon as it is harvested. And when prices peak in the market the benefits of higher prices do not percolate to the farmers because of large scale hoarding and speculation in jute trade. Since farmers do not have adequate storage capacity with them they have no other option but to sell their produce at the available price just after harvest. It also came up in the discussion that the farmers are shifting mostly to paddy cultivation and to groundnut, sesamum, etc., from jute in view of their expected higher per hectare return.

41. The mill owners were of the view that minimum support price for raw jute for the year 2010-11 might have to be enhanced for the benefit of the farmers and jute sector, and that the futures in jute which are speculative in nature and not supported by actual stock in trade distorts the market. According to them, jute industry as a whole ranging from farmers through trade to production of jute goods moves in an environment where there is substantial linkage between how much industry demands for raw jute and how much farmers could grow jute in response to its demands.

42. The jute being a labour intensive crop, human labour component constitutes about 70 to 75 percent of the total input cost. Based on the statistics of average

daily wage rates for agricultural labour from Labour Bureau, Shimla, the average wage rate was Rs.94.80 for West Bengal, Rs.86.60 for Orissa, Rs.86.71 for Bihar, and Rs.90.86 for Assam during August, 2009. The increase in the level of wage rate for agricultural labour during the period September, 2008 to August, 2009 varied between 10 percent and 29 percent, with Assam, West Bengal recording increase by about 10 percent, Bihar by about 24 percent and Orissa by about 29 percent. As far as prices of farm inputs are concerned, the prices of fertilizers measured in terms of Wholesale Price Index (WPI) with base year 1993-94 have decreased by (-) 1.70 percent, electricity for irrigation purposes by (-) 4.50 percent, lubricants by (-) 3.09 percent, diesel oil (HSDO) by (-) 5.88 percent, diesel oil (LDO) by (-) 27.35 percent, and non-electrical machinery by (-) 0.51 percent. The farm inputs like pesticides, tractors, fodder and cattle feed have registered increase by 18.88 percent, 2.94 percent, 10.86 percent, and 1.08 percent respectively. (Tables 19 & 20)

43. In undertaking the exercise for estimating the cost of production for the ensuing jute season 2010-11 the Commission used the cost estimates for raw jute furnished by the Directorate of Economics and Statistics for the states of Assam, Bihar, Orissa and West Bengal for the year 2007-08. The cost estimates for Bihar for the year 2007-08 could not be used due to reasons discussed above. Therefore, the cost estimate for Bihar for 2007-08 was not taken into exercise of projecting the cost for the year 2010-11 both at the state level and for the country as a whole. In accordance with the trends of price movements for different farm inputs, the variable input price indices have been constructed for the states of Assam, West Bengal and Orissa. It has been observed that composite variable input prices as measured by weighted aggregation of individual input price indices is likely to increase by 18.09 percent for West Bengal, 18.34 percent for Orissa, and 19.91 percent for Assam in the projection year of 2010-11, over the actual price level of 2007-08. Accordingly, per quintal paid out cost including family labour (A2+FL) is projected for the year 2010-11 at Rs.1080 per quintal for Assam, Rs.996 per quintal for Orissa and Rs.976 per quintal for West Bengal. The all India weighted average A2+FL cost is estimated at Rs.983 per quintal. The estimated overall C2 cost is Rs.1260 per quintal for Assam, Rs.1322 per quintal for Orissa, and Rs.1304 per quintal for West Bengal. The overall C2 cost at all India level is estimated at Rs.1301 per quintal. The

estimated C2 cost of production for the year 2009-10 was around Rs.1193 per quintal against which the estimated C2 cost for 2010-11 works out to about Rs.1301 per quintal. It is likely that the increase in overall C2 cost would be around 9 percent in the year 2010-11, over the last year. Given the estimated increase in C2 cost by about 9 percent there is some rationale for appropriate rise in minimum support price for raw jute of TD-5 grade. The inter crop price parity between jute and other kharif crops, particularly paddy is more relevant as the jute farmers are switching over to the paddy cultivation. In this regard, it is noted that at the level of MSP for both paddy and jute, the estimated net returns for paddy is higher by about 200 percent at all India level than on jute for the two consecutive years of 2008-09 and 2009-10.

(Tables 21 & 22)

44. The Commission has received the cost estimates from the states of Assam, Orissa, West Bengal and Bihar. The cost of cultivation estimates furnished by Orissa stand at Rs.32727 per hectare for the year 2009-10 and, converted into cost of production with yield rate of 18.24 quintal per hectare, the cost of production stands at Rs.1794 per quintal. Compared to this, the CS estimates of cost of cultivation per hectare for 2007-08 stands at Rs.23842 and of cost of production at Rs.1101 per quintal. In regard to West Bengal, the cost of cultivation as reported under CS estimates is higher at Rs.31310 per hectare than given in the state reply at Rs.29900 per hectare. But cost of production given in CS estimates for West Bengal is lower at Rs.1093 per quintal than given in the state reply at Rs.1300 per quintal. This is due to lower yield of 43 quintal per hectare given in the state reply, compared to yield in the CS estimates at 25.48 quintals per hectare. Cost of production estimates given in CS estimates for Assam for the year 2007-08 stand at Rs.1018 per quintal, compared to Rs.773 per quintal in the state reply of 2009-10.

45. In spite of Government having given approval for including crop insurance premium paid by the farmers, marketing and transportation cost incurred by them, as part of input cost of production to arrive at the overall cost of production, a proper methodological approach to collecting data at farm holding level has not yet been formulated. However, the Directorate of Economics and Statistics has already initiated the groundwork for redesigning the schedules of enquiry to capture such information and for changing the old FARMAP software to a more user friendly

inclusive software. Until such time as would enable the Directorate to scientifically collect and disseminate the information on aforesaid inputs, the Commission would continue to rely on ad-hoc information being supplied by the state Governments in their replies. With the information available from the states of Orissa and West Bengal, the weighted average crop insurance premium at all India level is put at Rs.10.02 per quintal, and the weighted average transportation cost, at Rs.1.00 per quintal. Since jute growing states have not furnished marketing charges, this has not been taken into account. Therefore, total cost inclusive of charges of cop premium and transportation comes to Rs.1311.99 approx. (Rs.1312) per quintal.

46. Considering all the relevant factors, including the overall demand-supply situation, market prices, both domestic and international, status of the jute economy, cost of production of jute and after consultation with various stakeholders, the Commission recommends that **the minimum support price of TD-5 grade of jute ex-Assam for the 2010-11 season be fixed at Rs. 1575/- per quintal. The Commission further recommends that the corresponding minimum support price for other varieties and grades of raw jute across locations be fixed keeping in view, apart from normal market price differentials, the aggregate scores assigned to different grades.**

(S. MAHENDRA DEV)

CHAIRMAN

(R. VISWANATHAN)

MEMBER

(RAJ VIR SINGH)

MEMBER

(K. G. RADHAKRISHNAN)

MEMBER SECRETARY

October 16, 2009