



**Government of India
Ministry of Textiles**

OFFICE OF THE JUTE COMMISSIONER
CGO Complex, 3rd MSO Building, E & F Wings, DF BLOCK,
4th Floor, Sector-I, Salt Lake City, Kolkata – 700064

No.Jute(Mktg)/135/2020-Rabi:21-22

Date: 26 -02-2021

To
All Jute Mills.

Sub: Policy for B-Twill allocation of jute bags in an effort to timely supply of jute bags.

Sir,

You are aware that Department of Food & Public Distribution has time and again expressed their serious concern over the unsatisfactory supply performance of jute bags in the past seasons which has lead to disruption in procurement and bagging of foodgrains in different mundies of different States due to erratic supply performance of a section of jute mills. It is felt that such conduct on the part of the mills defaulting on delivery need to be corrected through an appropriate incentive/disincentive mechanism/policy to be implemented in the next Kharif: 2021-22 season and thereafter based on supply performance during Rabi: 2021-22 season, in Rabi: 2022-23 based on Kharif: 2021-22 & so on so forth. A copy of the Policy is **enclosed** for your information and necessary action.

Yours faithfully,


26/02/2021
(Moloy Chandan Chakraborty)
Jute Commissioner

Copy to:

The Chairman, Indian Jute Mills Association, 6, N.S.Road, Kolkata- 1.

Policy for B-Twill allocation of jute bags for the next Kharif: 2021-22 season:

The state food procurement agencies have often made demands that the delivery of B-Twill sacking may be made at the time of foodgrains procurement and advance delivery as we currently do. For procurement of jute bags in advance burdens them with additional interest cost as well as cost of warehousing. It is, therefore, necessary that orders placed by the state procurement agencies for B-Twill sacking are promptly produced and despatched to the indenting agencies.

2. The industry will appreciate that the Department of Food Consumer Affairs & Public Distribution is the largest consumer in the industry. It is disappointing to note that after issue of Production Control Orders (PCO) there are often large backlogs on the part of the industry which in most cases are contributed by a certain number of mills. It has also been observed that such backlogs appear to have a nexus with the prevailing market price of B-Twill sacking. Apart from disrupting the plan, such backlogs also require cancellation of the orders and re-allocation of the same to other mills with implications of higher cost to the procurement agencies in case raw material prices increase in subsequent months. Such events always delay delivery of sacking to the state procurement agencies. It is felt that such conduct on the part of the mills defaulting on delivery need to be corrected through an appropriate incentive/disincentive mechanism to be implemented in the next Kharif: 2021-22 season and thereafter based on supply performance during Rabi: 2021-22 season, in Rabi: 2022-23 based on Kharif: 2021-22 & so on so forth. Following steps are proposed:

| Total Backlog against Rabi:21-22 allocation at the end of the season | Allocation norms for the next Kharif: 2021-22 based on normal/reduced percentage share of allocation. |
|---|--|
| Upto 0% | Normal share |
| Upto 10% | 80% of usual share |
| 11% to 30% | 60% of usual share |
| 31% to 50% | 40% of usual share |
| Above 50% | No allocation |

3. In the event of closure / lockout / suspension of work/natural calamities/Act of God/any other force majeure events, the affected period will be considered appropriately in determining the supply performance. This policy of allocation will be applicable for the next Kharif: 2021-22 season based on supply performance during the current Rabi: 2021-22 season. However, this will be reviewed from time to time after considering the market price vis-à-vis govt. price and other factors.

4. Mills who have 30% or more backlog in the entire season will not be given clearance to supply to any other Government agencies/ or Govt. funded agencies like NAFED etc during the entire season immediately succeeding the season of default.

5. The above policy is proposed to be implemented after reviewing the supply position vis-à-vis total allocation in the Rabi: 2021-22 season at the beginning of the new season i.e. Kharif: 2021-22.

6. This is however, without prejudice to other penal measures for non-supply that the jute Commissioner is authorized to take under provisions of the Jute & Jute Textiles Control Order, 2016 & any subsequent amendments as and when such amendments take place.

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