

No. 9/12/2015-Jute  
Government of India,  
Ministry of Textiles  
Udyog Bhawan

New Delhi, the 12<sup>th</sup> January, 2016

To  
Dr. Subrata Gupta,  
Jute Commissioner,  
Kolkata

Subject: Price of raw jute- effect on the price of jute bags.

Sir,

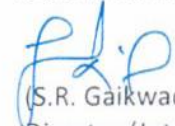
Please find enclosed the letter from the Ministry of Consumer Affairs, Food and Public Distribution regarding the effect on prices of raw jute and jute bags.

2. Under the reference, it has been stated that due to the present steep hike in the price of raw jute, the price of jute bags has also increased resulting in higher burden of subsidy to be given by the Central Government for purchase of jute bags. It has been noted that even after the drive by the State Government for de-hoarding of raw jute stock, the prices have further spiraled after November, 2015. Therefore, in order to check the possible price rise of jute bags and reduce the burden of subsidy on Central Government, it has been requested that the prices of raw- jute or B-Twill jute bags be capped at the level of average price of November, 2015.

3. In the above context, you may immediately withhold the notification of the price of B-Twill jute bags for January, 2016. In the interim period, the December, 2015 prices may be used for the purpose of supply of B-Twill Jute bags. You may also send your comments/proposal for capping the prices of raw jute/B-Twill jute bags, keeping in view the present situation in the jute industry, the supply of B-Twill sacking, the prices of raw-jute and the request from the Ministry of Consumer Affairs, Food and Public Distribution.

Encl: As above

Yours faithfully,

  
(S.R. Gaikwad)  
Director (Jute)

No. 15-6/2014-Py-III  
Government of India  
Ministry of Consumer Affairs, Food & Public Distribution  
Department of Food & Public Distribution

Krishi Bhavan, New Delhi,  
Dated the 11<sup>th</sup> January, 2016

To

The Joint Secretary (Jute),  
Ministry of Textiles,  
Udyog Bhawan,  
New Delhi.

Subject: Price of raw jute –effect on the price of jute bags – reg.

Sir,

I am directed to refer letter No. Jute(stat)/3/2002/Daily Price dated 04.01.2016 and Jute(stat)/3/2002/IV dated 04.01.2016 from the office of Jute Commissioner, Kolkata received through e-mail, on the above-mentioned subject.

2. It is observed from the aforesaid letter dated 4.1.2016 that the price of raw jute has increased substantially during the period from December, 2015 to January, 2016 (till date), which was already on the higher side earlier itself. Due to this steep hike in the price of raw jute material, the price of jute bags has also increased resulting in higher burden of subsidy to be given by the Central Government for the purchase of jute bags. Even after drive by the State Government for de-hoarding of raw jute stock, the further price rise of jute bags cannot be ruled out. It seems that looking at the bulk requirement of packaging of wheat in upcoming RMS 2016-17 (about 13.5 lakh bales), the prices have further spiralled up after November, 2015.

3. Hence, in order to check possible price rise of jute bags and to reduce the burden of subsidy on Central Government, the increasing price of raw jute can be capped to contain jute bags price. In view of the above, it is requested that the price of raw jute may please be capped by Ministry of Textiles at the level of average price in November, 2015 so that prices of gunny bags required for State agencies could be made stable/reasonable for smooth procurement of foodgrains. In case capping of prices of raw jute is not found feasible, the prices of B. Twill jute bags may be capped at the average level of November, 2015.

4. Early orders are solicited in the matter.

Yours faithfully,



(Manoj Kumar Gupta)  
Director (Py-III)  
Tele No. 2338 9436

Copy to:

1. Jute Commissioner of India, Kolkata
2. DG, DGS&D, Delhi