

## CHAPTER X

### RAW JUTE—OTHER RECOMMENDATIONS

In the preceding chapters we have examined the prevailing marketing practices and have recommended improvements necessary to ensure a fair return to the grower. In order to enhance this return and improve the yield and quality, it is essential to examine how his costs of cultivation could be reduced. The extent to which benefit can be derived by narrowing the price spread that now exists from the cultivator to the mills is also examined.

Research  
station.

As regards improvements in production, the Expert Committee have given a lead as to the most worthwhile methods and the Government of India have already addressed the State Governments on the matter of implementing the recommendations suitably. The Centre which supports the I.C.J.C. is extending a full measure of assistance to the jute growing States in maintaining the staff for the jute development work. State Governments as well as representatives of growers have contended that the size and scope of the development organisation are not yet sufficient for its advisory service, guidance and assistance to cover fully even the more important jute growing areas. Particularly, for demonstrating the results of research in the use of better seed, fertilizers and improved methods of cultivation, a demand has been made for the establishment of jute farms and research demonstration stations in the States of Orissa, Bihar and Assam on the lines of the I.C.J.C. Research Station at Nilgunj, West Bengal and the State Governments farm at Krishnagar. We fully support the demand and suggest that these questions should be sympathetically considered by the Government concerned.

manure.

The Director of Research, I.C.J.C., explained to us the results that had been achieved by the use of different types of fertilizers for the production of jute. Experimental cultivation at Nilgunj has shown that ammonium sulphate yields the highest increase. Although the field research

centres where agricultural operations have been costed by the I.C.J.C. show some expenditure on manure, including artificial fertilizers, our enquiries show that in the bulk of the jute growing areas fertilizers are at present hardly used. Particularly in the areas in Bihar and Assam, where better jute, which can replace Pakistan jute, is grown, the use of fertilizers would improve the size of the crop as well as the quality of the fibre. Growers' Associations have complained that the benefit of *taccavi* loans is not admissible for non-food crops like jute. In view of the present fall in jute prices and the relatively high cost of fertilizer at the point it reaches the cultivator, they have asked for either *subsidised* issue of fertilizers or assurance of cheap credit. Since the Centre has now advised the State Governments to give proper credit facilities, to jute growers for the purchase of fertilisers, we presume that there would be no difficulty in the matter of granting such assistance. In as much as the endeavour now in terms of the "Grow more jute campaign" will be to concentrate jute cultivation in lands most suitable for jute of good quality, without merely expanding acreage, and State Governments have been asked to make a survey of the areas, the implementation of the above recommendation would be in the overall interests of rural economy.

Moreover, it is relevant to mention that any increase in jute acreage has to be on a planned basis and unless the yield is also stepped up in relation to the acreage, the cost of raw jute cannot be brought down. The all-India average yield for jute is still only 2.6 bales per acre. This is below the Pakistan average of over 3 bales. In the anxiety to implement the drive for growing more jute the expansion of acreage has perhaps proceeded without sufficient regard to the yield and the costs. If the target fixed by the Planning Commission for 1955-56 is to be achieved *viz.*, 54 lakhs bales, the endeavour should be to grow the jute required in the minimum area. As against 2 million acres now required to produce this jute, by raising of the yield from 2.6 to 3 bales per acre the crop could be obtained from 1.75 million acres. With the use of fertilizers the yield can conceivably increase and the acreage readjusted in a way that would allow greater scope for additional crops also.

Another field in which research in jute can be extended further is the use of improved seed. To grow the best crop in a smaller area and prevent diversion of land from

Increased  
yield.

Use of  
improved  
seed.

New strains

food crops, use of high quality seed is important. To withstand competition the cost of production can be brought down by improving the yield per acre. During the last three decades the Agriculture Department of Bengal had popularised the use of two important strains, D,154 (*Capsularis*) and Chinsura green (*Oiltorius*). A number of better strains with 25 per cent. higher yield have since been evolved by the I.C.J.C. As some of these mature earlier they will prove useful for double cropping with jute and paddy in low and midland areas. These varieties in particular, and the double cropping system, hold out in the future greater scope for bringing down the cost of cultivation and increasing the yield. It is however noticed that the areas brought under these improved varieties are insignificant. In most areas it is customary for growers to produce and preserve seed for their next crop. Before the war this was as much as 60 per cent. and although undivided Bengal grew 86 per cent. of the crop it imported most of its seed from outside the State. We heard complaints in Bihar that the seed sold by Government was available only very late in the season. Elsewhere also we heard complaints that the Government seed was costlier than the seed sold in the bazar. At the West Bengal Seed Farm we were told that the issue price was Rs. 70 per maund and it barely covered the costs. On the other hand, cultivators are accustomed to buy their seed at about 4 annas per seer. We also found that the seed produced by the Government Farm was not being sold fast enough. It would appear that for a long time, good jute seed has been grown with Government patronage in Bihar. The Uttar Pradesh Government Farm at Gograghat also produces seed. But in the main growing areas we have visited preference is naturally extended to the better triedout seeds either of local production or obtained from established sources in Bengal and Bihar. Since the present output of improved seed from State Government Farms and the I.C.J.C.'s Jute Agriculture Research Institute is barely 3,000 maunds, which will suffice only for 30,000 acres, and nearly 2 lakh maunds of seed will be required to grow current acreage of about 20 lakhs, the Expert Committee have made special recommendations for compelling the use of improved seed in selected areas with the incentive of a subsidy to the grower. They have recommended the setting up of 8 State Farms, three each in West Bengal and Bihar and one each in Uttar Pradesh and Orissa, and one farm for

nuclear seed to be run by the I.C.J.C. While the State Governments are to be assisted with loans for setting up their farms the I.C.J.C. farm will be receiving support from the Centre. With the issue of good seed at low rates it is to be hoped that the quality and yield of jute will improve in a manner sufficient to bring down costs.

The I.C.J.C. have evolved a seed drill which enables seed to be planted in rows, and a wheel hoe. From the use of these implements it is claimed that a 50 per cent. saving in the cost of seed will be achieved over the broad-cast method, and the cost of weeding, which is one of the expensive operations in jute cultivation, will also be brought down. It was however contended before us that because of their high cost and heavy hire charges, their use by the cultivator is practically unknown. This disability should be removed. The Central Government have accepted the recommendation of the Expert Committee regarding assistance to the State Governments in the matter of purchase of these implements to be maintained and leased out by the latter.

Better implement and methods of cultivation.

The jute plant is liable to attack by certain pests. Government are already meeting the cost of plant protection measures for destroying such pests.

Plant protection.

As has been explained, the quality of the fibre depends mainly on the proper technique employed and the use of good retting water. The Expert Committee have made comprehensive recommendations in the matter of improving retting facilities in growing areas by suggesting subsidies for the excavation of new tanks. The Central Government have advised State Governments to encourage the re-excavation of old tanks, which have silted up, desilting of roadside ditches, burrow pits and channels. During the course of our tour we noticed that although work other than excavation of new tanks did not involve large capital outlay, there was a disappointing disinclination on the part of growers to put in voluntary labour or to contribute towards the cost of such simple measures. As Government assistance can only extend to small and selected areas, we consider that intensive propaganda should be made in community project areas, in Gram Panchayats and co-operatives should be set up to overcome the resistance to even feasible measures of self-help.

Retting water facilities.

Price spread of jute from cultivator to the mills. We referred above to the benefit that could accrue by narrowing down the price spread from the cultivator to the mill. We received from State Governments information on the subject which we have examined in detail here.

The Director of Agriculture, West Bengal, has stated that the price difference between what the grower got immediately after price decontrol in March 1951 and the Calcutta price was in the range of Rs. 11-4-0 to Rs. 14-9-0. The Director of Agriculture, Bihar, has stated that actually the difference between the Orissa mofussil price and Calcutta price is between Rs. 5 and Rs. 6 out of which Rs. 3-8-0 to Rs. 4 will represent storage, freight, and miscellaneous charge. The Director of Agriculture and Food production, Orissa has stated about Rs. 7-5-0 is the difference between Calcutta and Orissa mofussil prices excluding transport charges, of which 20 per cent. would be towards storage, bandling, insurance, interest and other charges. The Director of Agriculture, Assam, has stated that it is difficult to estimate the margin between Calcutta and Assam mofussil prices as the differences vary from Rs. 3 to Rs. 10 but he says that between Rs. 4 and Rs. 5 is the average expenditure which the dealers have to incur in grading, baling, storage and transport from Assam. The Director of Agriculture, Uttar Pradesh, has estimated the variation to be from Rs. 2-6-0 to Rs. 4-5-0 including transport charges.

According to the figures furnished by jute dealers, balers, and brokers Associations, the margin between the mofussil price and the Calcutta price varies from Rs. 1-14-0 to Rs. 2-12-0 excluding freight to Calcutta as per details given in Annexure No. X.

Export of jute. The demand for export of raw jute began to be made from the time prices began to fall steeply below the peak levels of 1951-52 season. When the export demand had fallen and mills which had tried to work 48 hours had to revert to 42½ hours and were not buying enough jute through the season, because their own stocks of finished goods had been rising, the demand for allowing exports came to be pressed both in Parliament and outside. Government had explained the dangers and difficulties latent in allowing exports. It would be a very short-term remedy for immediate accumulation of raw jute, as the policy of export could not be maintained because of various

economic factors. Pakistan has great inherent advantages for jute production and produces fibre of better quality, which is more fancied by buyers. The temporary advantage which India might derive from the lower exchange rate of the rupee and the higher level of Pakistan export duty would be removed if competition between the two countries in the raw jute market was allowed to develop. Also there is no surplus of good quality jute in India and allowing free exports would affect the competitive capacity of Indian jute goods by raising again the cost of their raw material and affording to their overseas competitors the advantage of cheaper jute for sacking manufacture. These arguments apply more strongly to *mesta* and *bimli* which are low quality fibres, at present used to a considerable extent in manufacture of gunnies. While the I.J.M.A. are not in favour of raw jute exports, certain trade interests in Calcutta have represented that export should be allowed as a means of preventing local prices being unduly depressed by the mills who are the sole purchasers. The Calcutta Hydraulic Press Association whose activities have been crippled by the stoppage of exports have pressed for the revival of export on a token scale so as to give a spurt to prices which will favour the cultivator. The representatives of the Vijayanagaram and Srikakulam Jute Growers Associations in supporting exports contended that the lot of the *bimli* and *mesta* cultivators is bad because prices are depressed in relation to jute, due to mill preference for the latter. The high price of jute and jute goods has already influenced the growth of cultivation of jute and other alternative fibres like *kenaf*, *resella*, *urrena lobata* in foreign countries, with suitable climatic conditions. The policy of allowing exports would not only have the consequences explained by Government, but would run counter to the experience of the inter-War years, when the expansion of jute exports was mainly responsible for the growth of the industry in other countries and the excess production of the fibre in India calling in turn for restrictions on its cultivation.

The Bharat Jute Sellers Association demand that mills should make their purchases of ready jute regularly at the Cossipore market. They contended that this will ensure stability of prices in the Calcutta market. A Statement showing arrivals of jute at Cossipore and Sham Bazar markets is appended (Annexure No. XI).

Mill ready purchase to be increased.

Subsidy to  
seller.

The Bharat Chamber of Commerce, while in favour of free competition and opposed to fixation of minimum prices to growers, has suggested that the growers will benefit if some sort of guarantee is given to the last sellers of jute to the mills as at that stage it will maintain the price of raw jute at the desired level. The guarantee will be like a subsidy to the seller when he has to sell to the mills below the guarantee price. This scheme is unworkable. While not ensuring any advantage to the cultivator against high margins accruing to intermediaries in trade, it will also not be advantageous to the dealer at the last stage as he is normally expected to have regular contracts on a firm basis with mills.

Zonal dis-  
tribution.

To meet difficulties in marketing, the Governments of Uttar Pradesh and Bihar have suggested zonal distribution or zonal allocation of raw jute supplies to mills. The latter Government have gone further and suggested that the Indian jute mills should be compelled to take a more direct interest in the support of the grower and buy extensively on the basis of a zonal allocation of areas to each mill. The Chairman, I.J.M.A. and Shri M. P. Birla consider that this scheme will not only be impracticable but also will not serve the best interests of the cultivator whom it is designed to benefit. As the costs of production of jute vary widely and there are great variations in quality and grade which are used to best advantage in mills, a rigid zonal allocation is not considered advisable from the point of view of the industry. We do not favour any Government allocation at this stage. Instead, we consider that mills should follow an enlightened policy of supporting prices of raw jute. They should arrange to have regular and orderly offtake *throughout* the season in order that prices are not allowed to be depressed to the extent of affecting future supplies of raw jute. This is one of the matters which should be constantly kept in view by the Jute Board whose constitution we have recommended.