

CHAPTER III

SUPPLY OF RAW JUTE—AREA AND PRODUCTION.

Before examining the tiers in jute marketing and the problem of securing fair prices to the grower, it is necessary to survey the trends in the size of the crop, the variability of the acreage yields and the effect of these inherent instabilities on the prices obtainable for raw jute from time to time. The significant changes that have been brought about in this situation by partition have to be studied in this background.

Cultivation of jute—changes during the War period and after partition.

The following Tables show the acreage and production of jute during the years 1939-40 to 1952-53 in different States:—

TABLE III

*Acreage under Jute in India during the years 1939-40 To 1952-53.
(000 Acres)*

	Assam	Bihar *	Orissa **	U.P. *	W.Bengal Including Cooch Bihar)	Tripura	Total
1	2	3	4	5	6	7	8
1939—40	281	266	22	..	207	13	789
1940—41	309	282	29	..	622	18	1260
1941—42	279	242	25	..	220	17	783
1942—43	256	233	24	..	319	15	847
1943—44	197	202	24	..	265	12	700
1944—45	169	163	24	..	214	10	580
1945—46	155	159	20	..	223	10	567
1946—47	179	145	24	..	179	10	537
1947—48	209	144	22	..	266	11	652
1948—49	218	218	36	..	350	12	834
1949—50	259	331	51	11	498	13	1163
1950—51	292	358	110	24	651	19	1454
1951—52	334	487	161	68	876	25	1951
1952—53@	317	460	117	80	836	24	1834

*Excluding merged territories.

**Excluding merged territories excepting in 1948—49. 1949—50, 1950—51, 1951—52 and 1952—53.

@—Final estimates.

TABLE IV

*Production of jute during the years 1939-40 to 1952-53,
(000 Bales)*

	Assam	Bihar *	Orissa **	U.P. *	W. Bengal (Includ- ing Cooch Behar)	Tripura	Total
I	2	3	4	5	6	7	8
1939—40	558	709	47	..	516	29	1859
1940—41	786	571	52	..	1321	43	2773
1941—42	593	414	59	..	546	34	1646
1942—43	413	340	56	..	796	32	1637
1943—44	320	411	66	..	641	25	1463
1944—45	267	230	49	..	598	20	1164
1945—46	495	274	44	..	621	25	1459
1946—47	456	251	58	..	530	25	1320
1947—48	536	403	44	..	649	26	1658
1948—49	599	457	65	..	907	27	2055
1949—50	717	723	147	24	1452	26	3089
1950—51	809	658	242	49	1496	48	3302
1951—52	840	956	387	103	2331	61	4678
1952—53 @	925	879	256	164	2413	58	4695

*Excluding merged territories.

**Excluding merged territories excepting in 1948—49, 1949—50, 1950—51, 1951—52, and 1952—53.

@Final estimates.

(Figures furnished by the Directorate of Economics and Statistics, Ministry of Food and Agriculture.)

Table V indicates production trends in other important agricultural crops since the War. As in the case of jute, Partition had involved a shrinkage in the production of cotton and rice and the relative efforts to make up the short fall will be observed from it.

TABLE V
Index of Production of Jute and certain other commodities

Average for 1936-37 to 1938-39=100

	1939— 40	1940— 41	1941— 42	1942— 43	1943— 44	1944— 45	1945— 46	1946— 47	1947— 48*	1948— 49*	1949— 50*	1950— 51	1951— 52	1952— 53P
Jute	99	132	82	87	77	62	78	66	83	99	149	159	225	226
Cotton	89	107	109	76	89	54	52	51	54	46	68	76	81	76
Groundnut	101	118	82	91	125	122	110	114	108	98	114	112	103	98
Rice	98	88	92	99	109	102	96	104	102	98	101	89	90	102
Sugarcane	90	113	83	100	114	106	102	110	131	109	111	126	136	118
GENERAL INDEX	99 ^{1/2}	98	95	102	106	101	94	96	100	95	100	94	94	102

*Revised. (Figures taken from the Quarterly bulletin of the *Eastern Economist*, Vol. 5, No. 1.)

P. Provisional.

Acreege
regions.

by The increase since 1947 is about 12.97 lakhs in the all-India acreage and 33.7 lakh bales in the output. The yield has also risen from the prewar figure of 2.5 to 2.6 bales per acre. The impressive rise in the size of the Indian crop is due both to addition of new areas not previously under jute cultivation and extension of jute cultivation in old areas. The State Governments have explained the changes in their areas.

In Assam the increase in acreage has occurred mainly in hill areas in which there was no jute cultivation before, e.g., Garro Hills, Mikir Hills and Naga Hills, where newly reclaimed soils have been brought under jute. An increase of 50 per cent. in acreage and 38 per cent. in yield has been claimed as effected through the 'Grow More Jute' campaign, but it is admitted that the price factor also played an important part in the extension of jute cultivation. It has been stated that in some areas like Kamrup, Golpara, Durrang, Nawgong, Sibsagar, Lakhimpur and Cachar some paddy lands were diverted to jute cultivation, while 75 per cent. of the jute areas are stated to have been brought under food crops by double cropping. In West Bengal, the main increase in the acreage has occurred in 24 parganas, Nadia, Murshidabad, Hooghly, Jalpaiguri, Malda, West Dinajpur and Cooch Behar. In Orissa the peak production was during 1951-52 season, there being a slight fall in 1952-53 due to the fall in prices. Increase in acreage in the earlier year has mainly been in Cuttack, and Balasore Districts. In Bhadrak, subdivisions of Balasore, and in Keonjhar and Mayurbhanj districts the acreage has increased even at a time when it fell in Cuttack District. Aus paddy was the alternative crop in most of the additional areas brought under jute. In Bihar the largest increase took place in Purnea and Saharsa Districts, which were traditionally jute growing areas (*vide* Annexure II). Most of the area brought under jute is by way of double cropping, the alternative crops being maize, paddy, oilseeds and pulses.

'Grow more
jute'—an
assessment.

The conclusion to be drawn is that since partition, as a result of the drive to grow more jute, production of the Indian Union has risen from 13 lakh bales to 47 lakh bales in 1952-53 and both the acreage and the crop targets fixed by the Planning Commission have been reached. Before partition and before the war the endeavour was one to regulate and keep down the acreage under jute so

as to avoid an undue glut. After partition, as the demand of the Indian mills has remained on the present basis of working at about 56 lakh bales per year, there was a considerable shortage which could only be met by imports from Pakistan. In spite of trade agreements (*vide* Table VI below) there were numerous difficulties in regard to imports which necessitated the 'Grow More Jute' campaign. They have now been overcome and the main incentive during this period for jute production has remained the price factor, the prices since decontrol in 1951 being the highest on record. The sagging of prices since the 1952-53 season has however affected the acreage for the current season, final forecasts for which are 1.19 million acres (*i.e.* a fall of 34 per cent.) while the crop is estimated at 31 lakh bales (excluding mesta) *i.e.* a fall of 32 per cent. below the peak year.

TABLE VI

Imports of Pakistan Jute into India under Indo-Pakistan Trade Agreements

Year of agreement	Quantity provided for India (lakh bales)	Period	Quantity imported during the period (lakh bales)
1948	50	1st July 1948 to 30th June 1949.	40
1949	40	1st July 1949 to 30th June 1950.	*17
1950	8	1st April 1950 to July, 1950.	9.1 (April to September).
1951	10	March to June 1951	7
1952	25	July 1951 to June 1952.	18
1953	18	3 years. July 1953 to June 1956.	9 (July 1953 to December 1953).

(Figures taken from I. J. M. A. reports).

*Due to trade deadlok after devaluation in September 1949, the agreement was not operative after September, 1949.

When jute prices were the highest on record and were much more also in relation to other crops like paddy (*vide* Table VII), a certain amount of diversion undoubtedly occurred from food crops to jute cultivation. Cultivation also increased in relatively remote areas where transport and marketing facilities have been poor, Price factor limits diversion of cultivation and extension to marginal lands.

e.g. in the interior districts of Bihar, Assam, U.P. and the merged States areas in Orissa. Cultivation of poor quality of jute also increased, as in the *mesta* or *bimli* areas of Orissa and Andhra. These new areas naturally received the first impact of the fall in prices early in 1953.

TABLE VII

Economic Adviser's Index number of price of Certain Commodities including Jute & Jute Manufactures

Base Aug. 1939 = 100

Balendar Year	Raw Jute	Raw Cotton	Rice	Groundnut	Sugar	Jute manufactures
1947 . . .	420	291	334	481	215	474
1948 . . .	492	377	468	549	350	504
1949 . . .	491	416	495	641	303	509
1950 . . .	486	450	514	732	279	561
1951 . . .	815	501	547	765	297	803
1952 . . .	497	424	527	558	294	506
1953 . . .	378	450	514	702	272	398

Self-sufficiency as a goal.

The objective of 'Grow More Jute' policy will depend greatly on the extent of the mill demand for raw jute (see Part II for a detailed assessment). On the present pattern of working of mills, the requirement is estimated at 56 lakh bales of which taking availability of Indian jute and *mesta* at 45 lakh bales, the imports from Pakistan will have to be about 11 lakh bales. Production on a 48 hour week will raise the requirements to 62 lakh bales. Under the present system of regulation of production of jute goods the mills in the membership of the I.J.M.A., except those with less than 220 looms, work only 42½ hours per week and have 12½ per cent. of the hessian looms sealed. Restrictions of this type date back to a period before the partition and existed before the World War I when there was a glut in production of raw jute (see Appendix IV). In the context of the attenuated indigenous supplies after partition and the need to supplement it by import from Pakistan, the agreement has assumed a new significance. The I.J.M.A. rightly contend that "by sustaining the prices of jute goods the system has secured raw jute against a slump in price and has thereby substantially assisted the promotion of the Government of India's grow more jute campaign".

Governments of the main States growing jute have emphasised the need for self-sufficiency and for stepping up both the quantum and the quality of production in their respective areas. The Bihar Government have stated that by reclaiming lands now laid waste by the Kosi river, good quality jute can be grown which can help to obviate imports from Pakistan. It has been claimed that good quality jute from Assam and North Bengal, as well as from certain areas in Bihar (Sirpur in Purnea District) can equal Pakistan grades and they could be improved still further with a proper price incentive. There is also unanimity among the main trade associations and mill interests on the desirability of this aim of self-sufficiency. The Bharat Chamber have drawn attention to the fact that climatically, and in the matter of soil, and retting advantages Dhubri, Nabadwip, and Bongaong where migrants from East Pakistan have settled down for jute cultivation, offer prospects for production of quality jute to the extent required. If the recommendations of the Expert Committee, particularly in the matter of better seed and retting facilities, are implemented, they would lead to intensive cultivation, resulting in self-sufficiency both in quantity and quality. On the other hand, both the Director Economic Research, I.C.J.C. and the Director of Statistics, Food and Agriculture Ministry have drawn attention to the time lag that is inevitable, in reaching this goal, and the need to rest satisfied with merely 'relative self-sufficiency' by keeping down the import requirements from Pakistan. Some witnesses had also pointed out that as stability in supply of raw jute is essential for the industry, and due to various reasons Indian production is unstable, purchase from Pakistan was necessary as a measure of insurance. Others have advised that in view of the conflicting interests of the two countries India should plan for self-sufficiency and eliminate imports from Pakistan.

Having weighed the opposing points of view, we consider that the object of the grow more jute campaign should be a more restricted one namely attainment of relative rather than absolute self-sufficiency. The development of cultivation should be both in quantity and in quality only upto the amount that can be consumed and for which a fair price can be paid by the Indian mills, since they are now the sole consumers. The

Need for continued importation of quality jute from Pakistan.

short-fall in supply of indigenous jute will have for some time to be met by imports of Pakistan jute.

In the context of the depressed prices that prevailed a year ago, following the previous two years' boom, complaints have been made that the importation of Pakistan jute was neither necessary nor in the interests of Indian economy. It has been alleged that only a small part of the imported jute from Pakistan is of the high quality that cannot be grown here and that the bulk of the imports by mills during this period have been made with the object of getting the maximum profit from the lower prices in Pakistan, and further that this has prejudicially affected the interests of the jute grower in India. The charge does not appear to us to be unfounded. An analysis of the qualities imported from Pakistan shows that the importers and mills have taken full advantage of the price factor and imported large quantities of cross bottoms and cuttings instead of confining their purchase to the superior qualities.

We understood from the Chairman, I.J.M.A., that the mills are using now more Indian jute; the quantity used in 1952-53 was as high as 79 per cent. Indian jute. He was also of the opinion that Indian jute could be improved to a very great extent but self-sufficiency in this respect could be achieved only in a period of years. He explained that for the economy of the industry, the importation of even cuttings from Pakistan was justified as with the stoppage of baling activity in Calcutta, cuttings are scarce and Pakistan cuttings from good quality jute were valuable for bringing down the cost of production of sacking. While there is some force in this contention, we are strongly of the opinion that in the long term interests of jute growing in India and of the jute industry, the import of jute from Pakistan should be restricted to grades which are not yet available in the required quantity in India and that in order to achieve the objective which Mr. Gardner has mentioned, the possibility of getting even low quality fibre at comparable prices in India should be explored. Mr. Kennedy who has special knowledge of Indian jute agriculture, is also of the view that continued imports of low quality jute from Pakistan would retard the progress in growing quality jute in India.

Effect of prices on areas sown.

It is also essential that the acreage under jute necessary to produce the requirements of the industry is not affected by price variations. The effects of changes in prices of raw jute on the areas sown over a period of years may be

judged from the annexed statement (vide Annexure III). It will be observed that as sowing takes place in March-April, the effect of the prices prevailing in the previous season, particularly the highest prices has a significant influence on the variation in acreage. Despite lack of education the Indian agriculturist is traditionally shrewd and can evaluate the benefit of price trends. When high prices prevail towards the end of a season before sowing time, he is naturally inclined to be optimistic and increases his sowings for the ensuing season. Equally the failure to get his due share in a price increase is reflected in the fall in acreage. The figure for 1949-50 shows an increasing trend. During the control period, there was stability in acreage and there was a steep rise in acreage immediately following the soaring prices after decontrol, and again a fall was registered as a result of the slump in prices in 1952-53.

The concensus of opinion is that prices of raw jute since 1947 have been uneconomic to the cultivator only in the 1952-53 season and have been responsible for the fall in acreage during 1953-54. Peak prices for raw jute prevailed in the 1951-52 season, soon after decontrol. The total acreage increased from about 5 lakh to about 19 lakh and the output from about 13 lakh to about 47 lakh bales. When prices began falling in 1952, it was mainly after the sowing season, so that the acreage was not materially affected, and the yield also proved to be even higher than in the year previous. Since then, the raw jute market has felt the full impact of the slump in the jute goods market. The latter affected seriously prices of hessian as well as sacking, and not even the drastic reductions in the export duty from time to time could suffice to boost up the prices. During this period of decline, prices of raw jute fell to the lowest levels, touching in the beginning of the 1952 season, Rs. 10 to Rs. 15 in the interior of U.P., Rs. 13 in the interior of Bihar, Rs. 12 to Rs. 13 in Orissa and even lower figures for *bimli* and *mesta*. Though prices began to recover before the end of the 1952-53 jute season, the psychological effect of the earlier fall was accentuated to the same degree as in the converse experience of the boom at the beginning of the 1951-52 season. The drop in acreage for 1953-54 estimated to be 34 per cent. less than the 1952-53 acreage, may mean a drop in the output to about 31 lakhs. In view of the carry forward from last season the availability position will however be still comfortable for this season. These steep fluctuations in the price trends have

Effect of recent fall in jute prices.

largely been responsible for affecting the acreage. The price trends that prevailed were not engineered by speculation but were chiefly the result of changes which coincided with the slackening of demand that had been raised to a high tempo by the Korean War situation. The decline was aggravated by the countries which had stockpiled earlier now keeping off the market.

We have supported the view that even with the drive to grow more jute, the endeavour should be in favour of intensive cultivation and improvement in quality rather than to offer inducements for jute cultivation on a widely dispersed basis. The return from jute to food crops or other alternative crops on marginal land, which had come under jute, would not be ultimately disadvantageous.

Mesta.

What we have said about jute applies even more forcibly to *mesta* and *bimli*, which are both being extensively mixed with jute for manufacture of different types of goods. The production of *mesta* and *bimli* was about 7.5 lakh bales in 1951-52 and 6 lakh bales in 1952-53. In the important *mesta* area of Visakhapatnam and Srikakulam Districts of Andhra, a good portion of the crop is already being utilised by local mills and carry-over from the previous season was not heavy. We were told that mills in Andhra use large quantities of *bimli* for lack of better jute. Since the marketability of jute goods has not been affected in any way by the admixture of *bimli*, we see no occasion for stepping up demand for jute which has been so replaced.

Some of the experts consulted have told us that *mesta* and *bimli*, though belonging to a different botanical species, have the same hardwearing qualities as jute, that in the matter of cultivation as well as in retting they possess certain economic advantages, and that in proper admixture, they do not in any way affect the quality of the fabric and the degree of admixture would be almost indistinguishable. It has also been mentioned that *kenaf* which has been grown as a serious potential rival for jute in the Western hemisphere is only an equivalent of *mesta*. If even the highly selective U.S.A. market could rest satisfied with fabrics with *mesta* admixture, there should be no risk in the utilisation of *bimli* or *mesta* in the Indian mill production. This suggestion for the continued production of *bimli* or *mesta* to the extent it can be marketed in certain traditional growing areas, is however not to be considered as a wider recommendation in the favour of extension of cultivation of this low quality fibre.

As mentioned earlier, Government had set up another Committee of experts to go into the problems of improving quality and yield of jute. We refer to the report of the Expert Committee on the quality of jute, under the Chairmanship of Shri K. R. Damle, Vice-Chairman, Indian Council of Agricultural Research. This Committee was appointed when the crash in the jute market and the fall in raw jute prices had caused great concern and were the subjects of debate in Parliament. Though as a result of various measures taken for the expansion of the cultivation of jute, satisfactory progress had been made since 1949, it had been achieved to some extent by bringing under cultivation large tracts of marginal land capable of producing only jute of poor quality and low yield. The Expert Committee was therefore required to inquire into the possibility of expanding acreage and zones, where superior qualities of jute can be grown, and curtailing acreage where crop was inferior, and assessing methods and cost of improving the quality of jute grown. The report of this Committee, which was submitted in September 1953, has received the general approval of Government. States interested in the growing of jute have been advised to implement their recommendations.

Committee
on quality
jute.

The major conditions, which influence the quality of jute are natural factors like soil and climate, and controllable factors like quality of seed, inter-cultural practices, use of good retting water and preparation of the fibre. The experts hold that the best type of fibre can be grown in loamy soils and the most satisfactory results obtained by a proper selection of areas where suitable soils exist. Retting is regarded as the most important operation in the preparation of fibre. For this, clear and slow running waters, as in the Brahmaputra basin, are regarded as superior to the waters of the Ganges or the Mahanadi, which being liable to be muddy, are likely to affect the smoothness and colour of the fibre. The advantages of East Bengal in the production of jute are ascribed to the facilities for water, as well as the traditional skill in retting technique among the jute growers of that area. In the greater part of the growing areas in India in tracts subject to inundation, or distant from river banks, rain or flood water stored in tanks, ponds and ditches have to be depended on. Repeated steeping in stagnant water imparts a dark colour to the fibre produced. Lack of enough water in the tanks after cutting of jute (July-September) is reported to be a serious handicap in most areas. The Expert Committee therefore recommended steps for the provision of better retting facilities in these

Their re-
commenda-
tions on
growing of
jute ret-
ting and
stripping.

areas such as excavation of new tanks, desilting of old tanks and improvement of roadside ditches. Some financial assistance towards the cost of new tanks was also recommended by them.

And use of
better seeds. They also emphasised the advantages in the use of better seed. The strains developed in the research farms of the I.C.J.C. and the State farms, need to be multiplied on a large scale and a specific scheme for multiplication of nuclear-seeds by growers themselves on a subsidised basis has also been recommended by the Committee. The importance of the use of manures and fertilisers for jute cultivation which is not usually understood by growers now, has also been stressed, as also improvement in the way of sowing jute, line sowing with seed drills instead of by scattered sowing which is expected considerably to reduce both the seed rate and the cost of inter-cultural operations like weeding. In their evidence before us Mr. I. G. Kennedy, Shri K. D. Jalan and Shri M. P. Birla have emphasised the use of improved seed as the most vital need of the jute growers so that yield per acre can be stepped up.

Rational
restriction
of area. On the question of reduction of acreage or extension of cultivation, we found support for our views in the findings of the Expert Committee also. The precipitate fall in jute prices since the end of 1952, has resulted in a large reduction in jute acreage in the current year. It is as well that the reduction has taken place mostly in marginal lands, where the yield is low and the fibre of poor quality. We have been told that in the new areas in U.P. Terai, for instance, only a portion of the acreage (50 to 70 per cent.) normally survives weather conditions. The yield as well as the quality of the fibre vary greatly in different States and growing areas within the States themselves. The adequacy of the retting facilities as well as the skill of the labour employed are also important factors. To some extent, in Assam and Bihar the production of high quality jute is attributed to the retting technique and skill of Muslim settlers or refugees from areas now in East Pakistan. We draw attention later to the handicaps to the grower in the matter of high transport costs and handling charges where his crop is to be moved to a distant rail head. The category of marginal lands should, for the purpose of determining suitability for growing of jute, be deemed to include not merely areas of relatively lower fertility but also areas unsuitable because of difficulties of transport. In regard to the *bimli* growing areas in Andhra, in particular, we were

informed by the Director of Agriculture, Andhra, that the State was not interested in expanding the acreage and output of *bimli* because it has to be expanded either at the expense of foodgrains like paddy, or commercial crops like groundnut or *til*. On these considerations, we would support the view of the Expert Committee that in U.P. as well as other States a cautious policy of re-examining the areas under jute cultivation should be pursued, and the cultivation restricted only to places where good retting water is *freely* available and other serious handicaps like transport difficulties are not great. We agree, therefore, with the conclusion of the Expert Committee that "as the drive for quality and higher yield rates gathers momentum those cultivators who are still producing jute on marginal lands will gradually shift their efforts to intensive cultivation of better lands as a result of propaganda demonstration and the measure of success achieved by their fellow cultivators".