

AS INTRODUCED IN THE RAJYA SABHA  
ON THE 5TH AUGUST, 2016

**Bill No. XLI of 2016**

THE JUTE GROWERS (REMUNERATIVE PRICE AND WELFARE)  
BILL, 2016

A

BILL

*to provide for payment of remunerative price for raw jute to the jute growers, insurance of jute crop free of cost and for overall welfare of jute growers and for matters connected therewith and incidental thereto.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Jute Growers (Remunerative Price and Welfare) Act, 2016.

Short title,  
extent and  
commencement.

5 (2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "fund" means the Jute Growers Welfare Fund constituted under section 5;

(b) "jute grower" means any person who cultivate jute and obtains fibre therefrom; and

(c) "prescribed" means prescribed by rules made under this Act.

Procurement of raw jute and fixation of its remunerative price. **3. (1) The Central Government shall procure the entire jute crop fibre from jute growers through such agency as may be prescribed.** 5

**(2) The Central Government shall fix remunerative price of raw jute every year after taking into consideration—**

**(a) increase in the price of jute seeds, pesticides, fertilizers and other inputs;**

**(b) total investment made by the jute growers; and**

**(c) such other factors, as may be prescribed.** 10

Insurance of jute crop. **4. The entire Jute produced by the jute growers shall be compulsorily insured free of cost by the Central Government against natural calamities, fall in the yield of jute, fall in the price of jute and such other eventualities as may be prescribed.**

Establishment of Jute Growers Welfare Fund. **5. (1) The Central Government, shall, by notification in the official Gazette establish the Jute Growers and Workers Welfare Fund for the purposes of this Act with initial corpus of rupee one thousand crore to be provided by the Central Government by due appropriation made by law by Parliament in this behalf and thereafter the Central and concerned State Government shall contribute to the Fund to such extent and in such manner, as may be prescribed.** 15

**(2) The Fund may also a receive moneys from corporate houses, financial institutions, individuals and bodies in the form of contributions or donations.** 20

Utilisation of Fund. **6. The Fund shall be utilized,—**

**(a) to provide financial assistance to jute growers for purchasing jute seeds, pesticides and fertilizers and in cases of low yields of jute or loss of their crops due to rains, storms, floods, hailstorms or drought;** 25

**(b) to pay compensation to the next of kin of jute growers in the event of their death;**

**(c) to provide free health facilities of jute growers and their families;**

**(e) to provide assistance to the jute growers in the event of disability; and**

**(f) for such other purposes as may be prescribed by the Central Government.** 30

Central Government to provide funds. **7. The Central Government shall provide, from time to time, after due appropriation made by Parliament by law in this behalf requisite funds for carrying out the Provisions of this Act.**

Power to make rules. **8. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purpose of this Act.**

**(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.** 35 40

#### STATEMENT OF OBJECTS AND REASONS

Jute fibre, also known as golden fibre, used to hold a glorious position in our country, Jute is one of the main commercial crops of our country. Jute fibre as an industrial product is used to prepare bio-degradable, eco-friendly cheap bags. But of late, jute growers in the country are facing problems as they are not getting remunerative price for their produce. Jute cultivation is turning out to be a non-profitable venture for the farmers due to increase in the prices of jute seeds, fertilizers, pesticides and other inputs. Due to high investment involved in the cultivation of jute, farmers have to go for loans and on account of being unable to repay the loans, they are living under great distress. Being a cash crop, insurance facility is also not available to the jute farmers. Growing use of synthetic fibre is adding to the woes of jute growers.

The condition of jute growers in the leading jute producing State of West Bengal and Bihar is pitiable. Farmers of these States are getting into debt trap and in many cases, their financial condition is compelling them to take the extreme step of committing suicide. Therefore, it is the responsibility of the Central Government to fix the remunerative price of jute; provide for free and compulsory insurance of jute crops; and constitute a Jute Growers Welfare Fund to meet various needs of jute growers.

Hence this Bill.

VIVEK GUPTA

## FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for procurement of entire jute produced in the country and also fixation of remunerative price of jute by the Central Government. Clause 4 provides for compulsory insurance of jute crop free of cost against natural calamities, fall in the yield of jute and such other eventualities. Clause 5 provides for the constitution of a Jute Growers Welfare Fund with initial corpus of one thousand crore rupees. Clause 7 provides for the Central Government to provide requisite funds for carrying out the provisions of the Bill. The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. It is estimated that a recurring expenditure of about rupee three thousand crore may be involved per annum from the Consolidated Fund of India.

A non-recurring expenditure of about rupee one thousand crore is also likely to be involved.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 8 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

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*(Shri Vivek Gupta, M.P.)*