

PACKAGING OF FOODGRAIN IN JUTE BAGS MADE MANDATORY

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The Centre has mandated the packaging of 100% of foodgrain and 20% of sugar in jute bags for 2018-19 but has also left the window open for the dilution of the order. This includes a stipulation on placing 10% of the orders through reverse auction on the government e-marketplace.

The order follows the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act (JPM), which was enacted in 1987 to protect the jute sector from the plastic packaging segment.

While West Bengal and Andhra Pradesh are the two largest jute goods producers, Punjab is the largest procuring State . It plans to initiate the procurement on a trial basis for 10% of the indents.

Gunny bags now account for about 63% of raw jute consumption, according to official statistics. The sector employs about 3.7 lakh mill workers directly besides supporting several lakh farmer families. Since 1987, the JPM Act has been mandating compulsory use of sacks in certain areas to bring buoyancy to the raw jute market.

Seepage issue

While initially there was reservation for sugar, cement, fertiliser and foodgrain packaging over time, certain sectors have been taken out of the ambit for various reasons, including market demand for alternative packaging as there was seepage of materials through gunny sacks.

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