

Performance Evaluation Of Jute Industry In India

***Krishne Gowda B S. Assistant Professor, Department of Commerce, Government College for Women, Chintamani-563125, Karnataka.**

Abstract: Jute known as the “golden fiber,” is a natural renewable, biodegradable, and eco-friendly product, meeting standards for safe packages. The jute industry is a significant part of India’s economy, providing employment, contributing to export earnings and supporting rural livelihoods with West Bengal being the primary production hub. The jute industry directly employs approximately 3.7 lakh workers and supports the livelihood of around 40 lakh farm families. Jute is a major revenue generating crop, contributing significantly to the agriculture sector’s GDP and supporting the economic stability of cultivated regions. India is leading exporter of jute products. The jute industry supports several sectors like gunny bags producing, carpets, ropes and tarpaulins, improving rural economies and industrial activities. This paper made an attempt to identify the performance evaluation of Jute industry in India in terms of production of jute and jute products, its consumption and export and imports. For this purpose the secondary data have been collected from various secondary sources such as books, magazines, journals, and other annual reports etc., and analyzed with the help of statistical tools like percentages, AGRs and CAGR, and presented in the tables.

Keywords: Jute Industry, production, consumption, imports, exports, India.

Introduction

Historical Background

The jute industry in India, a sector rooted in the “golden fiber,” boasts a history spanning over 150 years, with its origins in the year 1850s in Rishra, near Kolkata, and has played a significant role in the country’s economy and culture. Jute cultivation and its use in textiles in the Indian subcontinent have a long history, with the first jute mill established in 1855 at Rishra, near Kolkata, by George Acland. The British East India Company and Dundee Jute Barons played a vital role in establishing Jute mill in Bengal. The Jute Industry experienced rapid growth in the late 19th and early 20th centuries. The 1947 partition of India challenges for the industry, as the major jute-growing areas became part of East Pakistan (now Bangladesh), while the mills remained in India. The industry faced challenges due to competition from synthetic fibers and changes in global demand. Jute industry became a major contributor in Indian Textile.

It is estimated that, the jute industry provides direct employment to 0.37 million workers in organized mills and in diversified units including tertiary sector and allied activities and supports the livelihood of 4 million farm families. In addition there are a large number of persons engaged in the jute trade. The National Jute Board was framed by the Ministry of Textiles, Government of India, in 2008. The board works towards human resource development for innovation and explorations of new ideas. The Jute Product Development and Export Promotion Council (JPDEC) was created in 1958 to advocate the exports of jute and jute products in India with the aim of arrange fair and expositions, analyze the buyer-seller market, and act as a registration authority for exporters.

Review of Literature

Bhaadvaj. P., & Fenskey, J. (2010), in their study ‘Partition, Migration, and jute cultivation in India’ he concluded that, the cultivation of jute in India is concentrated in the Ganga delta region, including states like West Bengal, Bihar, Orissa, Assam, Tripura, Meghalaya, Andhra Pradesh and certain parts of South India.

Das. P & Bagchi. A K (2014), in their study, they found out that, in the period of European and North American industrialization, it was perhaps the leading packing material for grain, oilseeds and other bulky materials. They also found that, when Dundee Flax mills were converted into processing mills, leading to increased global demand for jute.

Bsg SN, Kumar UC, Pal AK (2016), in their study, 'Status and Scope of the Jute Industry in India in Comparison to other World Producers' they concluded that, the jute industry has become an important contributor to the economy of West Bengal as well as India. Also they found the challenges faced by the jute industry and suggested that, government cooperation, the owners of organizations, employees etc., is essential for future sustainability of the industry.

Objectives of the Study

The following are the objectives of the study

1. To know the historical background of the jute industry
2. To evaluate the production performance of jute industry in India
3. To study the export and import performance of jute industry in India
4. To give the suitable suggestions for the findings

Methodology

This study is analytical and descriptive in nature. This study is completely based on secondary data and the secondary data have been collected from the various secondary sources such as books, magazines, journals, previous literature and other concerned annual reports. The numerical data have been collected for the period of 10 years from the year 2006-07 to 2015-16. The collected data have been analyzed with the help of statistical tools like percentages, AGRs and CAGRs.

Data Analysis

Table No 1: Production of Jute Goods during the year from 2006-07 to 2015-16
(Qty: in 000 M. Tons)

Year	Hessian	Sacking	CBC	Others	Total
2006-07	250.3	874.7	2.9	228.4	1356.3
2007-08	350.3	1143	6	297.7	1776
2008-09	297.8	1071.4	4.5	260	1633.7
2009-10	206.5	921.6	2.4	192.6	1323.3
2010-11	244.4	1076.9	4.7	239.7	1565.7
2011-12	239.9	1165.1	3.6	173.8	1582.4
2012-13	210	1218.2	2.9	160.2	1591.3
2013-14	202.5	1150.4	3.3	171.5	1527.7
2014-15	211.3	901.8	3.6	150.5	1267.2
2015-16	196.5	891.9	0.9	127.8	1217.1
CAGR	-2.65%	0.22%	-12.9	-6.5	----

Source: Ministry of Textiles, GOI.

Interpretation: The above table no 1 reveals that the production of jute goods during the year 2006-07 to 2015-16. It is observed that, during the ten years study period, jute goods production performance is showing negative trend. It is clearly observed that, only sacking jute goods are in positive position out of ten years study period. Hessian goods, CBC and others are showing negative production trend for ten years study period. The CAGR of hessian production is registered negatively as -2.65 per cent for ten years study period. Again CBC production and others production of CAGR also registered negatively as -12.9 and -6.5 respectively. Sacking goods production is somewhat better comparatively hessian, CBC and others goods of production. The highest

production of hessian goods were achieved in the year 2007-08 that is 350.3 thousand million tons. In case of sacking goods, the highest production achieved in the year 2012-13 that is 1218.2 thousand million tons. It is observed that, the highest production including all four types of goods, is recorded in the year 2007-08 as 1776 thousand million tons. Fortunately, sacking goods production was registered positive trend.

Table No 2: Domestic consumption of Jute Goods during the year 1006-07 to 2015-16
(Qty: in 000 M. Tons)

Year	Hessian	Sacking	CBC	Others	Total
2006-07	209.1	854.4	0.5	152.7	1216.2
2007-08	271.4	1102	1.2	168.2	1542.7
2008-09	249.8	1043	0.3	142.5	1435.6
2009-10	182.3	879.8	1.2	141.9	1205.5
2010-11	182.3	1034.4	0.9	133.9	1351.5
2011-12	184.2	1079.7	0.1	117.9	1381.9
2012-13	165.8	1118.7	0.8	113.9	1399
2013-14	157.6	1043.1	0.4	126.4	1327.5
2014-15	171.9	870.4	0	111.3	1153.6
2015-16	164.2	889.1	0	90.2	1143.5
CAGR	-2.65%	0.44%	NIL	-5.68	---

Source: Ministry of Textiles, GOI.

Interpretation: The above table no 2 gives the detailed information about the domestic consumption of jute goods during the ten years study period from 2006-07 to 2015-16. It can be observed that, the domestic consumption of hessian goods are declined from 209.1 thousand million tons to 164 thousand million tons from the year 2006-07 to 2015-16. Again in case of sacking goods the domestic consumption has increased from 854.4 thousand million tons to 889.1 thousand million tons from the year 2006-07 to 2015-16. Thanks to sacking goods consumers. The others goods consumption also declined rapidly and its CAGR is registered negatively as -5.68 for ten years study period. The highest consumption achieved in the year 2007-08 including all types of jute goods during the ten years study period.

Table No 3: Export performance During the Year from 2011-12 to 2015-16
(Qty. in '000 Tonnes; Value in Rs.Crore)

April March	2011-12		2012-13		2013-14		2014-15		2015-16	
	Qty	Value								
Hessian	75.5	978.81	66.2	903.28	50.1	861.03	29.7	769.58	30.1	827.32
Sacking	73	418.81	67.7	416.47	84.6	527	46.4	296.56	37.9	307.51
Yarn	54.7	282.01	43.8	221.16	25	143.58	23.6	138.73	16.9	118.56
CBC	0	0.40	0	0.17	0	0.26	0	0.17	--	0.40
Others	9.1	414.8	7.7	450.72	6	590.08	7	608.77	--	638.54
Total	212.3	2094.83	185.4	1991.80	165.7	2121.95	106.7	1813.81	84.9	1892.33

Source: National Jute Board

Interpretation: The above table no 3 provides the details of the exports of jute goods quantity as well as its value from the year 2011-12 to 2015-16. It is observed that, during the year 2011-12 the highest exports achieved and its total of all goods quantity was 212.3 thousand tons and its value is Rs. 2094.83 Crore. The least total exports quantity of all goods registered in the year 2015-16 as 84.9 thousand tons and its value is Rs.1892.33 Crore. Again the second highest total goods quantity of exports were made in the year 2012-13 as 185.4 thousand tons and its value was Rs.1991.80 crore. During the 5 years exports, the highest value of exports achieved in the year Rs.2121.95 crore. It can also observed that, the total quantity of exports decreased from 212.3 thousand tons to 84.9 thousand tons from the year 2011-12 to 2015-16.

Table No: 4 Imports of Jute and Jute Products during the year from 2011-12 to 2015-16
(Qty in '000 Tonnes; Value in Rs. Crore)

April-March	2011-12		2012-13		2013-14		2014-15		2015-16	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Raw Jute	183.21	452.11	160.09	384.1	64.10	180.61	47.55	142.5	87.61	364.04
Jute Product	117.93	519.63	141.87	655.5	97.72	445.11	130.68	561.48	158.11	933.36
Total	301.14	971.74	301.96	1,039.6	161.82	625.72	178.23	703.98	245.72	1,297.40

Source: National Jute Board

Interpretation: The above table no 4 gives the information about the imports of jute goods for 5 years period from the year 2011-12 to 2015-16 which including Raw Jute and Jute Products. It is observed that the highest quantity of imports of Raw Jute and Jute Products total recorded in the year 2012-13 as 301.96 thousand tons and its value is Rs.1,039.6 Crore. The least quantity of imports of Raw Jute and Jute Products registered in the year 2013-14 as 161.82 thousand tones and its value is Rs.625.72 Crore. The remarkable feature is that the total imports decreased from 301.14 thousand tones to 245.72 thousand tons from the year 2011-12 to 2015-16.

Conclusion

During the study period it is found that, there is always significant fluctuation in the area under jute cultivation in India. Based on the study it is concluded that, the production performance of jute goods during the study period is not satisfactory and showing down fall in production of jute goods except sacking good. Simultaneously, the domestic consumption of jute goods also declined unfortunately. But somewhat tolerable in case of sacking goods consumption. In case of export performance of jute goods also not satisfactory, because during the five yeas exports period the exports are declined. At the same time there is a stability in import of raw jute and jute product during five years study period. The overall performance of jute industry is very poor and the factor may be year to year fluctuations in rainfall and changes in environmental conditions and other competitive crops. It is suggested that the government and concerned authorities should concentrate towards the sustainable development of jute industry and effective supervision and regular performance appraisal is essential to development of jute industry.

References

1. Bhaadvaj. P., & Fenskey, J. (2010), Partition, Migration, and jute cultivation in India. University of California San Diego.
2. Das. P & Bagchi. A K (2014), Indian Jute Manufacturers: adaption and survival in a 'Sunset' industry, International Journal of Management concepts and Philosophy, p 181-195.
3. Bsg SN, Kumar UC, Pal AK (2016), Staus and Scope of the Jute Industry in India in Comparison to other World Producers. FIBRES & TEXTILES in Eastern Europe 2016; 24, 6 (120):19-25, DOI: 10.5604/12303666, 1221732.
4. Annual report2014-15, Ministry of Textiles, Government of India.
5. Annual report2015-16, Ministry of Textiles, Government of India.
6. Annual report2016-17, Ministry of Textiles, Government of India.