

Jute Market Report for April 2024

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2nd May 2024

Bangladesh

Raw Jute: During the month under review, raw jute demand from India as well as from Pakistan was ruling on a regular level. Indian buyers were in the market for high qualities of long jute like BTR HD, BTR NB CS and BTR CS. They procured around 5.000 mtons. Buyers from Pakistan were in the market for various long Jute Tossa grades and long Meshta grades as well as Jute and Meshta cuttings such as BTCA, BTCB and OMC. In total, Pakistan placed orders of about 3.000 mtons. Nepal was in the market for BTR NB, BTR KS, BTE CS, as well as jute cuttings BTCB. They placed orders of around 2.500 to 3.000 mtons in total.

Export demand from other international buyers from importing countries such as China, Vietnam, Tunisia and Europe continued to be sluggish during the month under review.

Local demand from jute yarn and twine spinning mills, composite jute mills as well as raw jute processors for both high and low quality raw jute was on a regular level.

Export prices for higher quality grades of raw jute fibre increased by USD 30,00 to 40,000 per mton, prices for lower quality grades were on an upward trend as well and increased by USD 20,00 per mton during the month under review.

Raw jute export during the period of July 2023 up to November 2023 of the (fiscal year 2023-2024) amounted to 418.713 bales against 355.107 bales during the same period in the fiscal year 2022-2023.

Next Crop: An intense heatwave which brought temperatures of above 40°C to the country, delayed sowings of White Jute and Meshta/Kenaf fibre, even though same commenced in March, already. Bangladesh faced a drought of some 25 to 30 days, which is unsuitable for jute sowings, as natural rain is needed to execute the sowings properly. Many farmers were forced to collect water from local water pumps, enabling them to continue sowings. The combination of missing rainfall and high temperatures led to desiccation of plants in certain areas. Also growth of the plants is badly affected by the ruling weather conditions. Sowings of Tossa Jute could only start in areas where irrigation facilities are available. It is much too early though to predict the spillover effect of the current draught on the outcome of the forthcoming crop. Never the less, rainfall is badly needed during the coming days and weeks.

Weather: As mentioned above, the entire country witnessed an extreme heat wave with temperatures much higher than the country's average of 33°C in April. During the second half of April, Dhaka recorded a maximum temperature of 40,4°C other cities like Jessore or Mongla were facing temperatures of 42,6°C respectively 41,7°C.

The severe heat wave lead to school closures, disrupted agriculture and increased the risk of heat strokes for the population. Hospitals in Dhaka reported a surge in patients from all over the country, presenting symptoms ranging from colds and coughs to fever and vomiting.

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According to the climatologist and senior scientific officer at Bangladesh Rice Research Institute (BRRI), the duration of heatwave in 1961 was seven days while comfortable days were 80 while in 2020, the duration of heatwave was 21 days while comfortable days were 66 days.

Jute Yarn and Twine: Export demand for both high and low quality grade jute yarns and twines from regular importing countries like Turkey, Europe and Iran continued to be steady during the month under review. Same applies for demand from other international markets such as India, China, Vietnam, Indonesia, Malaysia, Thailand, Uzbekistan, USA, African countries, Europe and countries of the Middle East.

Local demand for both Sacking and Hessian quality jute yarns and twines for packaging purposes was on a regular level during the month under review.

Export prices for both high and low quality of jute yarn and twine increased by around USD 30,00 per mton during the month under review.

It is reported that financially solvent big and medium size jute mills are fully booked with their advanced sales, whereas many small and medium size mills are struggling to cover their raw jute demand and are in consequence unable to sell much in advance.

Jute Goods: During the month under review export demand for both Hessians and Sackings from buyers in Europe, Australia and USA increased again. Export demand from other importing countries such as India, South Korea, Indonesia, Iran, China and Vietnam was on a regular level. Buyers from African countries were mainly in the market for Sackings. India, as usual, bought unstitched Binola and B-Twill fabrics.

Local demand for Hessians and Sackings for packaging purposes returned to a regular level during the month under review.

Jute CBC demand from the regular importing countries like Europe, UK, and Japan and New Zealand slightly increased during the month under review.

During the month under review, export prices developed as follows:

Hessians:	increased by about 3 %
Sacking:	increased by about 2 %
CBC:	increased by about 2 %

Miscellaneous: Textiles and Jute Minister Jahangir Kabir Nanak on Wednesday said the government will form a jute council for the development of the jute industries and the jute sector.



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"Jute council will play an important role in the development of jute industries and the jute sector," he said while speaking as the chief guest at the annual general meeting of Bangladesh Jute Mills Association (BJMA) at Samson H Chowdhury Centre at Dhaka Club, reports BSS.

Nanak said Prime Minister Sheikh Hasina directed the Textiles and Jute Ministry to develop the jute industries as she wants the jute sector to earn huge foreign currencies. The government is giving all-out support to the jute sector following the footsteps of Father of the Nation Bangabandhu Sheikh Mujibur Rahman who worked for the development of the jute sector, he said.

Prime Minister Sheikh Hasina has already taken different initiatives for the development of the jute industries, he added. Mentioning that the Textiles and Jute Ministry is working for the development of the jute sector and jute mills, Nanak said, "I have directed the Deputy Commissioners (DC) to stop the use of polythene bags of 50 kg. We have initiated to make big jute bags and we want to export those to foreign markets." He urged the BJMA leaders to help stop the use of polythene bags in the country.

At the meeting, the BJMA leaders discussed about various problems of jute mills in the meeting. Chairman of BJMA Md Abul Hossain presided over the meeting, while Kazi Nabil Ahmed, MP, FBCCI vice-president Shomi Kaiser, and former chairman of BJMA Syed Ali, among others, spoke in the discussion.

Source: The Financial Express, April 24th, 2024.

India

Raw Jute: The ruling market prices quoted by the Jute Balers Association (JBA) end of last month were fixed as follows: TD-4 IRs 6.350 and TD-5 IRs 5.850 per 100 kgs. This increase of raw jute prices are due to unfavourable weather conditions and an expected delay in sowing.

Local supplies of raw jute to Indian jute mills were ruling around 466,000 bales during the month under review (against 555,000 bales in March). At the end of March, raw jute stock with jute mills were 824,000 bales.

Since mills are regularly in the market these days, prices for raw jute are on the rise and likely to remain firm and rise further.

New crop: As already reported last month, harvest of new crop fibre is completed in all jute growing areas. The crop yield of 2023/24 is expected to be about 8,0 Mio. bales compared to 9,3 Mio. bales in 2022/23. The carryover is estimated with around 2,5 Mio. bales. Official figures concerning sowings and area under jute cultivation for 2024/25 jute crop are yet to be published.

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Due to severe heat, sowing is very slow and already delayed. There is fear that plants of early sowing may not sustain heat for want of water. Sowing is almost complete in lower Assam as well as in North Bengal, however slow in other areas. Some rains are expected for the first half of May and when it comes to the sequel of jute sowing much will depend on availability of water. Early estimates of crop indicate a delay of at least one month with less crop volume, but as stated for Bangladesh, it is too early to predict the outcome of the crop.

Weather: During the month under review, India, same as Bangladesh, was tortured by and extreme heat wave. On April 29th, the highest April temperature in 44 years was recorded at 41,7°C in Kolkata. According to Regional Meteorological Centre (RMC) head Somenath Dutta, a thunderstorm is required to break the prolonged heat wave. Monsoon arrival however is not yet announced. Much will depend on timely rainfalls for jute and other crops.

Jute Yarn and Twine: Demand for jute yarns made in India during the month under review continued to remain poor.

Jute Goods: Situation during the month under review presented itself as follows:

No change in the market situation of Hessians compared to the preceding month, with prices for Hessians having been slightly on the rise ruling at IRs 121,000 per mton at the time when this report was published. Selective mills are asking for premium of 5 % against prices quoted by „standard“ mills.

Price of Sackings is prevailing at IRs 85.000 per mton with selective mills asking for premium of 7% for exports against prices quoted by „standard“ mills.

B-Twills: The Indian Government placed orders of about 225.000 bales of B-Twill bags during the month under review, which is slightly more than expected. Order volume for April is expected to range somewhere around 375.000 bales.

No reports about orders of Jute Carpet Backing Cloth were published for the month under review, which indicates that demand should be rather poor.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for March 2024 were 194.100 mtons in total of which 2.900 mtons were jute yarns/twines.

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