

# *Jute Market Report for March 2025*

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## **Bangladesh**

**Raw Jute:** During the month under review, raw jute demand from India as well as from Pakistan and Nepal remained relatively stable. Pakistan placed orders of about 1.500 to 2.000 mtons of all grades of Long Tossa Jute and Long Meshta fibre, as well as Tossa cuttings BTCA and BTCB and Meshta cuttings OMC. India was in the market for BTR NB KS, BTR NB CS and BTR BS, as well as jute cuttings BTCA and BTCB and placed orders in the range of 2.000 to 2.500 mtons.

International buyers from importing countries such as China, Vietnam, Russia and Nepal were in the market but as observed in previous month s, buyers did not place bigger orders in view of the high market prices during the month under review.

During the month under review, local jute yarn and twine spinning mills as well as composite jute mills and raw jute processing units were in the market to cover their regular requirements. However, especially small and medium size mills struggled to cover their demand, due to financial constraints.

Export prices of raw jute increased by about USD 50,00 per mtons high level during the month under review.

Raw jute exports from July to October 2024 amounted to 237.031 bales against 358.609 bales during the same period in 2023.

**New Crop:** Sowings of both Meshta and White Jute started from the second half of the month under review. Especially in lowland areas such as Greater Mymensingh, Tangail, Sirganj, Netrokona, Madaripur and Sariatpur, farmers were actively putting seeds into the ground. Tossa Jute sowings are expected to begin from mid-April, depending on sufficient rainfall at that time.

**Weather:** During the first half of the month under review, the country enjoyed sunshine with moderate temperatures. Since mid - March, rainfall was reported across the country, which is beneficial for White Jute and Meshta sowings.

**Jute Yarn and Twine:** Export demand for both high- and low-quality grade jute yarns and twines from regular importing countries like Turkey and Iran increased during the month under review. Same applies for demand from India, China, Indonesia, Thailand, Malaysia, Uzbekistan, Vietnam, Europe, African countries, USA as well as countries of the Middle East.

Local demand for both Sacking and Hessian quality jute yarns and twines for packaging purposes continued to remain stable during the month under review.

During the month under review export prices for both high and low quality of jute yarn and twine increased by about USD 50,00 to 80,00 per mton.

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Medium sized mills as well as the larger ones operated on two to three shifts per day, depending on the number of orders placed prior Eid-holidays. The shortage of fibre as well as the upward market price trend caused significant delays of production, especially with small and medium size mills, which may continue after re-opening of mills after Eid.

**Jute Goods:** During the month under review, export demand for Hessians and Sackings from importing countries such as Europe, USA and Australia increased in comparison to February.

India maintained a steady demand for unsewn Binola and BTwill fabrics, contributing to stable market conditions for these products. Same applies for demand for Jute CBC (Carpet Backing Cloth) from major importing countries such as Europe, UK, New Zealand and Japan.

Local demand for hessians and sackings for packaging purposes increased during the month under review.

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

Hessians:	increased by approx. 1-2%
Sacking:	increased by approx. 3-4%
CBC:	increased by approx. 2%

**Maritime Transport:** A recent study has revealed that global container schedule reliability reached 54.9 per cent in February 2025, marking an increase from the previous month and representing its highest level since May 2024. This enhancement occurred in parallel with significant transformations in the liner alliance landscape, including the establishment of Gemini Cooperation and Premier Alliance, and the discontinuation of 2M and THE Alliance. Gemini Cooperation (Hapag + Maersk) demonstrated 94 per cent reliability, surpassing MSC (79.6 per cent) and Premier Alliance (60.4 per cent). Ocean Alliance recorded 54.1 per cent, while THE Alliance and 2M recorded 45.3 per cent and 44.2 per cent, respectively. In the recent survey of carrier reliability, Maersk was found to be the most reliable major carrier, with an impressive 60.2% rating. It was closely followed by MSC (57.4%) and Hapag-Lloyd (57.3%) for global lanes.

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Chattogram Port is facing a severe shortage of lighter vessels, with over 400 privately owned vessels remaining idle at the outer anchorage, causing significant disruptions to the supply chain. This shortage, when viewed in conjunction with the severe container congestion currently experienced at the country's busiest port, is further exacerbating operational challenges and resulting in financial losses for stakeholders.

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According to the Chattogram Port Authority, the port handles approximately 3,000 privately owned lighter vessels, oil tankers and industrial cargo ships. It is estimated that around 1,800 privately owned lighter vessels are frequently used by importers as floating warehouses, which may contribute to delays. SM Nazer Hossain, vice president of the Consumers Association of Bangladesh (CAB), shared insights with The Business Standard, underscoring the need for collective responsibility in addressing these challenges. He added that the government needs to be more stringent in monitoring to prevent supply shortages in the market.

Previously, three lighter vessels were allocated daily to unload goods from a single mother vessel, but this has now dropped to one vessel per day or a maximum of two in three days, reducing the daily allocation by 50%. According to the Bangladesh Water Transport Workers Federation, the lighter vessels carry between 1,200 and 5,000 tonnes of cargo, with an average capacity of 3,000 tonnes per vessel. It is estimated that 12 lakh tonnes of essential goods, including edible oil, sugar, lentils, maize, coal, stone, cement clinker, gypsum and urea fly ash, remain on these vessels. This has led to a delay in mother vessels being able to leave on time, which has resulted in increased congestion at the outer anchorage. Vessels that remain in the area beyond their scheduled time are incurring daily fines ranging from \$15,000 to \$20,000, depending on their size. Container congestion apart from the lighter vessel shortage, there has also been an increase in container congestion, particularly with increased imports ahead of Ramadan. Over the last month, the number of imported containers at the port's yard has surged by 4,000 TEUs (Twenty-Foot Equivalent Unit). Railway container transport has more than doubled, which is putting additional pressure on the port's logistics. In an effort to address these challenges, the Chattogram Port Authority has engaged in constructive dialogue with Bangladesh Railway and other relevant stakeholders. A press conference has been scheduled for today to outline potential solutions. It is understood that vessel owners are experiencing financial losses, with lighter vessel owners facing significant challenges due to delays.

Source : The Business Standard, 6<sup>th</sup> March, 2025

**Miscellaneous:** Textiles and Jute Adviser Sk Bashir Uddin has said while the jute industry held significant potential post-COVID, the uncontrolled prices of raw jute led to Bangladesh losing international buyers, with the influence of small hoarders growing during that period.

"They [hoarders] are driving the jute industry into uncertainty"; he said today (6 March) while inaugurating the Multi-Purpose Jute Products and Handloom Fabrics Fair-2025 at the Jute Diversification Promotion Centre in the capital's Monipuripara. The fair, organized by the Department of Jute and the Jute Diversification Promotion Centre, is being held today to mark National Jute Day and will run for 20 days.

Bashir Uddin further added, "Post-COVID, we had crossed the \$1 billion mark in jute exports. At that time, the price of raw jute had risen from Tk2,000 to over Tk7,000. This exorbitant price led to broken promises with international buyers, and they started distancing themselves from us.

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The effects of this have been felt by our industrialists for the last two to three years, and farmers still haven't been receiving proper prices for their jute". He added, "Due to these limitations, unfortunately, the growth of jute exports is stagnating. If we had the potential for \$5 billion in exports, it has now dropped to below \$1 billion. We want to bring it back to at least \$2 billion."

The adviser urged entrepreneurs to focus on real opportunities, not just theoretical ones. He also noted that there is the Mandatory Jute Packaging Act, which mandates the use of jute packaging for certain products. If we can produce jute bags for the market, it could create a market worth hundreds of crores of taka, which would open many possibilities for entrepreneurs.

Source : The Business Standard, 6<sup>th</sup> March, 2025

### **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 6.750 and TD-5 IRs 6.250 per 100 kgs, representing a slight increase of raw jute prices. The Indian government has announced a 6% increase in the MSP for jute for the new season well in advance of the sowing season. This shows that Govt. is keen to support and encourage raw jute cultivation, farmers and labourers. Minimum support price for season 2025-26 will accordingly be ruling around IRs 5.650 per 100kg.

Local supplies of raw jute to Indian jute mills were ruling around 500.000 bales during the month of February (against 489.000 bales in January). At the end of February, raw jute stock with jute mills were 932.000 bales. In view of a heightened level of consumption, there has been a decline in the available inventory with the mills, notwithstanding a rise in deliveries to said mills.

The market fears that some farmers may switch to alternate, more rewarding crops. In case this will happen, the earlier expected area to be brought under cultivation in season 2024/25 may be less than the earlier reported 600.000 hectares. These 600.000 hectares already represent a decline of about 15 per cent in comparison with season 2023/24. The carry forward continues to be estimated with 3 to 3,5 Mio bales.

The ongoing demand for sacking bags from the government is expected to contribute to the stability of market prices. It is anticipated that financially weaker mills will be compelled to continue purchasing at any prevailing price levels in order to ensure that they can meet governmental order supplies.

**Weather:** Following the heavy rainfall in February, March's precipitation in the form of Skelton rains is beneficial for soil preparation and sowing. The likelihood of northerly showers in the near future is also beneficial.

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

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Prices for Hessians presented themselves almost unchanged at IRs 135,000 per mton at the time when this report was published. Selective mills are asking for premium of 2,5 per cent against prices quoted by „standard“ mills.

Price of Sackings is prevailing at IRs 107.000 per mton with selective mills asking for premium of 2 per cent for exports against prices quoted by „standard“ mills.

**B-Twills:** The Indian government ordered around 475,000 bales of B-twill sacks during the month under review. Order volume for April is expected to be significantly lower at about 250,000 bales per month. The Jute Commissioner has issued a directive for the requisition of the entire production of sacking for supply in accordance with the stipulated government order, accompanied by a stern warning against any violations, with the exception of export orders. Notwithstanding the substantial inventory levels, the current scenario is characterised by a backlog, with the expectation that mills will be able to manage orders and deliveries until May 2025.

Even though the overall demand for Jute Carpet Backing Cloth was very erratic but existent and according to local reports mills are sold out until March. Most of the mills produce carpet backing cloth with tuck-in selvedge these days, though certain buyers still insisting on CBC with both sides real selvedge.

**Miscellaneous:** The recent decision of the Indian government to eliminate all restrictions on rice exports is indicative of a broader strategic economic initiative aimed at doubling agricultural shipments by the close of the decade and thereby catalysing substantial economic growth. As the world's leading rice exporter, India's recent decision to open the export market for all rice varieties is likely to exert pressure on competing producers. Consequently, the price of a metric ton of Thai white rice (the standard for benchmarking) has decreased from USD 669 in January 2024 to USD 405. The Indian government's decision to lift these export restrictions is driven by the objective of enhancing farmers' income and earnings. It is estimated that the Indian agricultural sector supports more than 42 per cent of the Indian population.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for January 2025 were 90.000 mtons in total of which 3.300 mtons were jute yarns/twines.

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