Jute Market Report
for July 2025

5th August 2025

Bangladesh

Raw Jute: During the month under review, raw jute demand from India as well as from Pakistan and Nepal declined further, mainly due to forthcoming arrival of new crop fibre. Both Indian as well as Pakistan buyers were monitoring the market and preferred to wait for market stabilisation.

Other international buyers from importing countries such as Nepal, China, Russia, Korea, Japan and Tunisia were in the market but for similar reasons they decided not to place larger orders and to continue covering short term demand only during the month under review.

Local jute yarn and twine spinning mills as well as composite jute mills and raw jute processing units remained actively in the market to cover their requirements.

In view of an increased local demand and scarce availability of fibre export prices for raw jute of higher grades increased further by about USD 70,00-80,00 per mton during the month under review.

Local prices for low – and medium grade raw jute were reaching a price level of BDT 4.100 to 4.200 per maund (=37,32 kg) from mid of June onwards, prices for higher grades were ruling around BDT 4.400 – BDT 4.500 per maund.

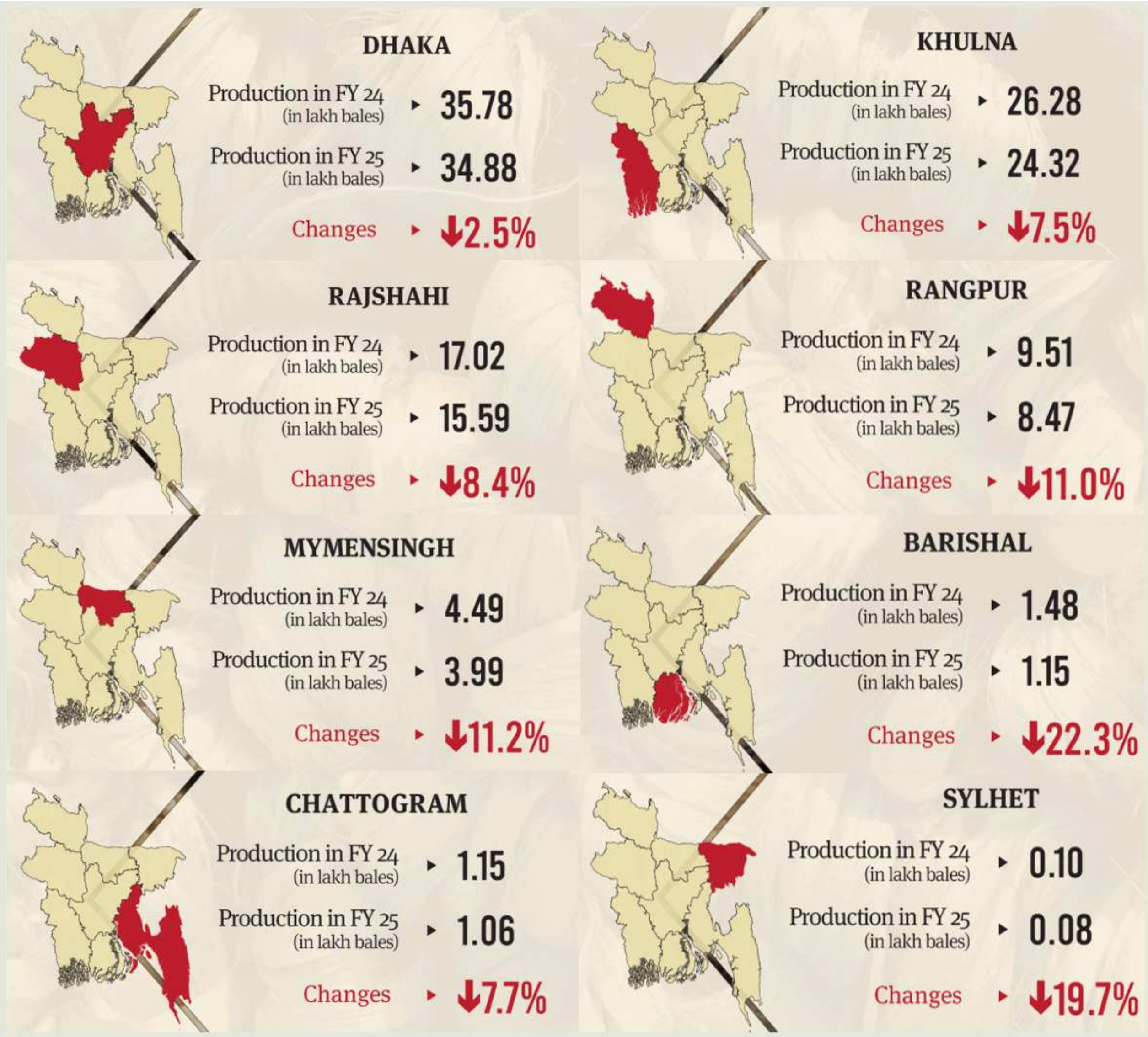
Raw jute exports from July 2024 to February 2025 amounted to 509.747 bales against 697.847 bales during the same period in 2023/24.

New Crop: During the reporting period, the availability of Meshta and White Jute fibres was constrained due to a decline in crop yield compared to the previous year. At the start of the new crop season, strong domestic demand, particularly for high-grade fibres, led to a surge in prices.

Early forecasts for both the Meshta and Tossa crops were optimistic, with favourable rainfall and ideal early growing conditions suggesting a high-quality harvest. However, a lack of rainfall during the harvest period in major Meshta growing regions created significant problems. A water crisis that has persisted has had a detrimental effect on the retting process, a critical step in the extraction of jute fibre, causing concern among farmers.

Despite the presence of mature jute fields, many farmers were hesitant to commence harvesting without sufficient water for retting. Consequently, there is likely to be an impact on both the quality and available quantity of fibre.

It is estimated that raw jute production in Bangladesh will decrease by 6.6% in the recently concluded fiscal year 2024–25 (FY25), reaching approximately 895,300 bales (one bale equals 180 kilograms), which is a decrease from 958,200 bales in FY2023–24.



Source: Bangladesh Bureau of Statistics (BBS)

A severe water shortage in the Rangpur region (including districts like Kurigram, Lalmonirhat, Gaibandha) has halted harvesting and retting of mature jute crops. Farmers have reported that local rainfall levels in June and early July were less than half of last year's, leaving ponds, canals, and ditches in a very dry state. This poses a significant challenge to the timely execution of harvests and the subsequent Aman paddy planting. On approximately 48,457 hectares of land dedicated to jute cultivation, significant yield losses could result without intervention. Despite the fact that this is typically the optimum period for jute harvesting, numerous farmers have encountered impediments, namely a paucity of water, thereby hindering their ability to proceed with the harvesting process. Those who have already harvested are observing the deterioration of their jute under the intense heat of the sun, unable to commence retting. It has been reported by numerous growers throughout the district that jute left in the fields is undergoing a transformation in colour, acquiring a reddish hue as a consequence of prolonged exposure to high temperatures. In a state of desperation, some have resorted to retting in dirty or stagnant water. This has resulted in lower-quality fibre with a darker colour. This, in turn, has further raised doubts over whether the crop will fetch fair prices, even with a good yield.

In Kurigram's Fulbari upazila, despite having ready fields, many farmers are unable to start harvesting due to insufficient water for retting. Those located in close proximity to major rivers (Dharla, Baromasia and Neelkamal) have initiated the retting process. However, other areas are confronted with the added challenges of higher labour costs and increased transportation expenses.

There has been a decline in cultivation in Khulna. In the context of Khulna district, jute cultivation has experienced a decline, primarily attributable to a lack of incentives and the closure of local jute mills. Farmers have cited rising losses and reduced support as key issues, with concerns that seed distribution, which was provided last year, will not be available in 2025. While limited incentives were offered in two upazilas, overall cultivation fell below target.

Weather: During the month under review, the country experienced favourable weather conditions, with a good mix of sunshine and moderate to heavy rainfall, which supported crop health and general agricultural conditions.

Jute Yarn and Twine: Export demand for jute yarns and twines of both higher and lower grades from regular importing countries like Turkey, China, India and Europe was ruling on a stable level, during the month under review. Same applies for demand from Vietnam, Indonesia, Malaysia, Uzbekistan, countries of the Middle East and the USA.

Local demand for both Sacking and Hessian quality jute yarns and twines for packaging purposes declined during the month under review.

As a result of the continuous rise of raw jute market prices, export prices for both high and low quality of jute yarn and twine increased further by about USD 50,00 to 70,00 per mton, during the month under review.

The combination of rising raw jute prices and increasing labour costs has had a negative impact on local mills. Several financially weaker mills remained closed following the Eid holidays, unable to resume operations. Medium-sized factories are also struggling to maintain production levels. Presently, only the financially stable, larger mills are operating at full capacity.

Jute Goods: Export demand for both hessians and sackings from buyers in African countries, Europe, Australia and the USA remained stable. Same actually applied for markets across the Middle East and Asia.

India maintained a steady demand for unstitched Binola and B-Twill fabrics.

Demand for Jute CBC (carpet backing cloth) from major importing countries such as Europe, the UK, New Zealand and Japan remained consistent during the month under review.

Local demand for hessians and sackings for packaging purposes remained stable as well during the month under review.

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

Hessians:	increased by approx. 5 %
Sacking:	increased by approx. 6 %
CBC:	increased by approx. 5 %

Miscellaneous: The FAO has committed to providing support to the jute sector. On 23 July, the FAO expressed strong support for the revitalisation of Bangladesh's jute sector. Discussions with Bangladesh's commerce advisers centred on expanding seed production, diversifying jute-based products, and enhancing global market presence. The FAO has reaffirmed its commitment to capacity building and technical support.

Maritime Transport: The resolution of customs disputes in the aftermath of the protracted cessation of work by National Board of Revenue (NBR) officials in late June, port operations underwent a gradual resumption. By early July, full clearance at customs had been reinstated, thereby facilitating the resumption of normal cargo flows.

Notwithstanding the various disruptions that occurred during the period under review, FY25 saw a record 3.296 million TEUs handled at Chattogram Port, marking the port's highest operational year to date.

As the month of July reached its conclusion, congestion levels had deteriorated once more. Yard occupancy attained 77% (approximately 41,128 TEUs of the 53,518 capacity), with approximately 21 ships remaining anchored and experiencing delays ranging from 4 to 11 days.

A contentious issue that has given rise to debate is that of vessel caps. The Chattogram Port Authority (CPA) has proposed a reduction in the approved fleet size from 118 to approximately 100 vessels, with the objective of alleviating congestion.

This proposal has been met with opposition from shipping agents, who have cited infrastructure and logistical failures, rather than vessel volume, as the underlying causes of the problem.

As of late July, into August, a backlog persisted at the outer anchorage. As was documented, there was a persistence of delays in vessels being unable to dock for periods of up to nine days as of 30th July, with only negligible improvement in the early part of August.

It was asserted by shipping agents that there had been a marked deterioration in port productivity, with chronic breakdowns of gantry cranes, insufficient trailer numbers, and constraints in yard space being cited as key factors. This situation was further compounded by a number of exogenous factors, including Eid holidays, customs outages, and transport strikes.

India

Raw Jute: Market prices quoted by the Jute Balers Association (JBA) end of last month were fixed as follows: TD-4 IRs 8.250 and TD-5 IRs 7.750 per 100 kgs, representing another increase of raw jute prices. The minimum support price for season (2025-26) so far remains at about plus 6 % to IRs 5.650 per 100 kgs.

Local supplies of raw jute to Indian jute mills were ruling around 372.000 bales during the month of June (against 521.000 bales in May). At the end of June, raw jute stock with jute mills were 738.000 bales.

Crop: Latest information continue to indicate that the expected area to be brought under cultivation in season 2024/25 may be representing a decline of 30 per cent. However, the reliability of that figure is still questionable and more clarity about the overall crop figures will come after a couple of weeks, only. -- First indications for the area of land being brought under cultivation for next season are likely to be lower by 20 per cent or so.

The carry forward estimates were again revised to now 1,5 Mio. bales. Latest information on crop size for 2025/26 are vaguely indicating 5,5 to 7,0 Mio. bales in total. The plants growth is reported as normal, meanwhile reaching heights of 8ft to 13ft. We have received reports about some early harvesting activities ongoing in certain regions.

Weather: Throughout the month under review regular rainfalls were reported, while certain districts were suffering from heavy rainfalls, which may have an impact on quality of the plants. Furthermore, a sufficient amount of sunshine has been reported for the growing areas. However, July 2025 recorded an unprecedented 669 mm of rainfall, the wettest in a decade and the second-highest July total in two decades. Rain occurred on 28 of 31 days, far exceeding the seasonal average.

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

Prices for Hessians presented themselves at IRs 140,000 per mton at the time when this report was published. Selective mills are asking for premium of 4 per cent against prices quoted by „standard mills". Price of Sackings is prevailing at IRs 113.000 per mton with selective mills asking for premium of 5 per cent for exports against prices quoted by „standard mills".

B-Twills: The Indian government ordered around 250,000 bales of B-twill sacks during the month under review. Order volume for August is expected to be at about 350,000 bales.

Orders for Jute Carpet Backing Cloth were slow and not consistent.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for June 2025 were 94.500 mtons in total of which 3.300 mtons were jute yarns/twines.

Maritime Transport: In the April–June 2025 quarter (Q1 FY 26), Port of Kolkata (Syama Prasad Mookerjee Port, SMPK) processed 17.18 million metric tonnes of cargo—a 21.2% year-on-year increase over Q1 FY 25. Container handling also surged to 234,270 TEUs, marking a 29% growth over the same period. The port's April cargo throughput jumped 45.3% year-on-year, reaching 5.967 million tonnes, led by strong container traffic growth of 31.2% (75,716 TEUs) across both Haldia and Kolkata docks. Throughout July, port operations continued to benefit from this momentum, albeit with seasonal disruptions caused by intense rains (details below).

On July 8, 2025, JSW Infrastructure was awarded a 30-year PPP concession to rebuild and mechanize Berths 7 and 8 at the Netaji Subhas Dock. The project is expected to boost container capacity significantly and supports JSW's expansion across Indian ports.

SMPK's modernization efforts continue, with a strategy centred around capacity enhancement and operational efficiency through public-private partnership initiatives.

Cultural and urban development initiatives included a Memorandum of Understanding between SMPK and the Adani Group to redevelop Kumartuli Ghat, and a separate MoU for revamping Nimtala Ghat—both aimed at sustainable, heritage-sensitive waterfront enhancement.

The persistent monsoon led to waterlogging and traffic disruptions, particularly affecting roads in the port vicinity such as Coal Berth Road and BB Hall Road, which remain in poor condition due to drainage issues and pending repairs. However, the heavy rains had a positive environmental effect: more than 80% of July days recorded 'Good' air quality, with significantly reduced PM levels. Experts pointed out that these gains could be reversed unless roads are repaired quickly when the monsoon ends.

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Global shipping capacity expanded by approximately 6%, outpacing demand growth of around 3%. This has created downward pressure on rates, with an estimated 15–17 % year-on-year decline predicted. The Drewry World Container Index saw a slight decrease (for example, to $2,499 per 40ft by the end of July), and Xeneta reported significant declines across key lanes. This reflects the current oversupply of freight.

- From the end of June to the present, Far East to US West Coast spot rates have fallen by approximately 18 %, standing at around $2,673 per FEU (40-foot equivalent unit).
- The cost of shipping a 40-foot equivalent unit (FEU) from the Far East to the US East Coast has decreased by approximately 27 %, amounting to around $5,151.
- In early July, Asia – North Europe experienced an increase of approximately 18 %, followed by a period of stabilisation.
- Asia – Mediterranean rates fell by around 5 %.

U.S. tariffs and trade uncertainty (including a looming tariff pause and potential tariff hikes) have led to demand volatility and route realignments. In response to these challenges, carriers have taken measures such as cancelling or "blanking" sailings to manage overcapacity, which has led to delays in shipments and increased fuel costs. Continued Red Sea security risks prompted rerouting around the Cape of Good Hope, extending transit times but helping to absorb excess vessel capacity.

Importers in the U.S. brought in goods in advance of the August tariff deadlines, leading to a surge in early-July volumes. This was followed by a predicted decline in second-half 2025 volumes. It is evident that shippers are increasingly adopting China plus one sourcing strategies. This involves shifting volumes to Taiwan and Southeast Asia, tightening intra-Asia capacity and dampening China-centric demand.

Despite robust post-Covid profitability, the industry faces risks from excess vessel orders, low scrapping rates, and reliance on disruption-driven pricing to sustain margins. Analysts project that rates will continue to decline through H2 2025, barring any significant uptick in demand or a substantial reduction in capacity.

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