

Jute Market Report for January 2026

-1/5-

2nd February 2026

Bangladesh

Raw Jute: The restriction on raw jute exports from Bangladesh remains in force, though it is not an absolute or indefinite ban. The Bangladesh Jute Association (BJA) has challenged the restriction in court, and after reviewing submitted documents, the court has scheduled the next hearing for 17 February 2026.

According to reports from late 2025 and January 2026, the government has imposed export controls rather than a complete ban. However, the issue has become highly contentious as domestic jute mills are facing an acute shortage of raw jute.

Despite the restrictions, both the Bangladesh Jute Mills Association (BJMA) and the Bangladesh Jute Spinners Association (BJS) report severe shortages, alleging that permitted exports and widespread hoarding by traders have created an artificial crisis in the market. They claim that supply remains far below demand, pushing raw jute prices to record levels.

Due to the scarcity and soaring prices, jute mill owners have warned that mills across the country **may shut down from 1st February 2026** unless the government takes effective action against hoarding and ensures a steady supply of raw materials. In a joint letter to the adviser of the Ministry of Textiles and Jute, BJMA and BJS cautioned that mill closures would lead to rising unemployment, deterioration of law and order, loss of foreign exchange earnings, and broader negative impacts on the national economy.

BJS has also urged the government to take strong measures against hoarders and to issue directives ensuring that raw jute stockpiled in warehouses owned by BJA-affiliated traders is released to mills at reasonable prices.

Export data from the Export Promotion Bureau (EPB) shows a steady decline in jute and jute goods exports since FY22. Export earnings stood at US\$ 1.16 billion in FY21, declining to US\$ 1.13 billion in FY22, US\$ 911.51 million in FY23, US\$ 855.23 million in FY24, and US\$ 820.16 million in FY25.

Industry sources say that since the end of FY25 (= FY2024-25), normal production at jute mills has been severely disrupted due to the raw jute shortage. The sharp rise in prices, driven largely by exports and hoarding, has made it difficult for mills to procure sufficient raw materials, preventing them from meeting orders from foreign buyers.

The government had earlier imposed export restrictions to promote domestic processing but later allowed limited shipments that had been stranded at ports. The BJA has consistently opposed such restrictions, arguing that limiting exports harms farmers and traders and leads to financial losses — a position that has previously resulted in legal challenges.

Jute Market Report for January 2026

-2/5-

2nd February 2026

Local Demand: Throughout the month under review, local demand for raw jute remained strong, and solvent jute yarn and twine spinning mills as well as composite jute mills maintained active procurement in the market. However, limited supply of fibre in the local market and sharply escalating prices significantly disrupted market operations. As a result, most industry participants faced substantial challenges in securing adequate raw material at sustainable cost levels.

The local raw jute market is experiencing a sharp decline in fibre availability as a result of widespread hoarding. Market sources confirm that supplies of Tossa and Meshta of higher qualities have almost vanished, causing growing concern among industry stakeholders.

Local prices of raw jute consequentially increased further by about USD 70,00 to 80,00 per mton during the month under review.

Raw jute exports from July 2025 up to August 2025 of the fiscal year 2025-2026 were 54.370 bales against 86.025 bales during the same period 2024-2025. This represents a notable decline in export volume, largely attributed to the government's conditional export restrictions and tight domestic availability.

Weather condition: During the first half of the month under review, the entire country experienced decreasing temperatures accompanied by foggy conditions. These weather patterns resulted in congested highways and significant traffic disruptions. In the second half of the month, temperatures gradually began to increase, leading to an improvement in overall weather conditions.

Jute Yarn and Twine: Export demand from key markets such as Turkey, Uzbekistan, Iran, and Middle Eastern countries for jute yarns and twines of both higher and lower qualities remained at a regular level during the month under review. However, amid the unstable political situation, business flows from Middle Eastern countries showed a slight slowdown.

Likewise, export demand from other international markets, including India, China, Vietnam, Indonesia, Malaysia, and Japan, remained at a regular and stable level during the same period. Nevertheless, due to a significant rise in prices, actual business activity was comparatively lower.

Buyers from Europe and the United States remained active in the market, although fewer orders were placed, particularly during the first half of the month under review due to the festive season. Since mid-January, demand from the US and Europe has picked up.

Local demand for Sacking and Hessian quality jute yarn and twine, primarily for packaging purposes, remained on a regular level during the month under review.

Jute Market Report for January 2026

-3/5-

2nd February 2026

The situation of local jute yarn and twine spinning mills is precarious as they are facing a severe shortage of raw jute, bringing production to a near halt. Bangladesh Jute Mills Association (BJMA) and Bangladesh Jute Spinners Association (BJSA) have indicated that continued shortages could force a complete shutdown of all jute mills in the country.

As a result of the continued rise of raw jute market prices, export prices for both high and low quality of jute yarn and twine increased by about USD 90,00-100,00 per mton during the month under review.

Jute Goods: During the month under review, export demand for both Hessians and Sackings from buyers in African countries and the Middle East increased. There was a similar rise in export demand from the USA, Australia, China, Vietnam, and Europe during the second half of the month. India continued as an active buyer, particularly for unstitched Binola and B-Twill fabrics.

Local demand for Hessians and Sackings for packaging purposes remained steady throughout the month under review.

Demand for Jute CBC (carpet backing cloth) from major importing markets like Europe, USA, New Zealand and Japan remained on a regular level during the month under review.

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

Hessians:	increased by approx. 12-14 %
Sacking:	increased by approx. 10-12 %
CBC:	increased by approx. 12 %

Miscellaneous: Bangladesh's jute millers have warned of a countrywide shutdown from 1st February 2026 if the government fails to resolve an acute shortage of raw jute, which they say has already disrupted production and forced several mills to close. We quote from The Daily Star:

"The Bangladesh Jute Mills Association (BJMA) in a press release yesterday said its member mills are facing severe difficulties towards the end of the current 2025-26 fiscal year as they are unable to procure adequate raw jute amid a sharp and abnormal rise in prices.

BJMA and Bangladesh Jute Spinners Association (BJSA) jointly wrote to the adviser to the Ministry of Textiles and Jute on January 26, urging government intervention to release stockpiled raw jute at reasonable prices, curb hoarding, and ensure sufficient supply to mills. Without prompt action, they said, mill shutdowns would be inevitable.

Raw jute is now selling at Tk 5,000 to Tk 5,500 per Maund, depending on quality, putting it beyond the purchasing capacity of many mills. During the peak harvesting season in July-August 2025,

Jute Market Report for January 2026

-4/5-

2nd February 2026

raw jute was trading between Tk 2,200 and Tk 2,400 per Maund. The current price represents a more than 120 percent increase in just six months.

According to the association, prices began rising steadily from September to November 2025 due to a supply-demand mismatch, made worse by continued exports of raw jute, and alleged hoarding by a section of traders and exporters.

BJMA claimed that a handful of middlemen have stockpiled raw jute in warehouses, creating an artificial crisis in the domestic market. The millers said they had earlier raised the issue with the commerce ministry.

In September 2025, the Ministry of Commerce amended the Export Policy 2024-27 to move raw jute onto the “conditional export” list, requiring prior approval for all shipments. However, the ministry subsequently issued circulars allowing 12 firms to export nearly 3,000 tones of raw jute in October alone.

BJMA and BJS said that these approvals, granted while local prices were already skyrocketing, depleted the domestic stock and emboldened hoarders. Following meetings with representatives of BJMA and BJS in August and September last year, the ministry issued a circular allowing the conditional export of raw jute. However, the measure failed to stabilize the market, the association said.

Several jute mills have already suspended operations due to the shortage, and the remaining ones may follow suit if the situation persists, the release adds.”

Source: The Daily Star dd 28 January 2026

India

Raw Jute: Market prices quoted by the Jute Balers Association (JBA) end of last month were fixed as follows:

TD-4 IRs 13,700 and TD-5 IRs 13,200 per 100 kgs, which reflects yet another sharp jump in raw jute prices. The minimum support price for season 2025-26 remains at IRs 5,650 per 100 kgs.

As expected, prices continue to rise and are now climbing sharply due to gradually reduced supply. At the peak, increased market offerings led to a temporary correction. However, as the offered quantities were quickly absorbed by mills, prices firmed again.

Local supplies of raw jute to Indian jute mills were ruling around 374,000 bales during the month of December (compared to 474,000 bales in November). At the end of December, raw jute stock with jute mills were 560,000 bales.

Jute Market Report for January 2026

-5/5-

2nd February 2026

Crop 2025/26: Information continue to indicate that the expected area brought under cultivation in season 2025/26 is around 480,000 hectares.

The overall crop volume estimates vary significantly. JCI projects a crop of approximately 7.5 million bales based on land under cultivation, whereas Indian Jute Mills Association (IJMA) estimates 6.5 million bales, and Jute Balers Association (JBA) indicates 5.5 million bales. Price trends imply that actual production could be lower than the lowest estimate.

The carry forward estimates remained around 1.5 Mio. bales including mills and traders.

Weather: Winter is in a transitional phase, with occasional fog and limited sunshine. Good sunshine is generally observed for three to four hours from early noon. Overall, conditions are pleasant.

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

Prices for Hessians presented themselves at IRs 195,000 per mton at the time when this report was published. Selective mills are asking for a premium of 6 % to the prices quoted by "standard mills".

Price of Sackings sharply increased and is now at IRs 170,000 per mton, with selective mills asking for a premium of 7 % for exports to the prices quoted by "standard mills".

A definite report could not be obtained, but it is understood that due to the rise in Bangladesh prices and a firm USD, prices for sacking cloth, hessian, and yarn are becoming less attractive.

B-Twills: The Indian government ordered around 200,000 bales of B-twill sacks during the month under review. Order volume for February is also expected to be at about 200,000 bales.

However, there is still a backlog of deliveries from mills for orders placed through November, caused by unworkable prices. The total quantity impacted is not known exactly but estimated to be around 200,000 or even 250,000 bales.

For government orders, mills have been instructed to increase production of government bags. IJMA has reportedly indicated deliveries of around 100,000 bales for February, however, requirements are estimated at 200,000 bales or more. Weak demand for hessian and other items amid high prices has led mills to concentrate on government bags and twine.

CBC: Orders for Jute Carpet Backing Cloth remain slow, however it was reported that mills took new orders from Australia and New Zealand.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for December 2025 were 96,400 mtons in total of which 2,500 mtons were jute yarns/twines. ■