

# Jute Market Report for May 2026

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## Bangladesh

**Raw Jute:** The Government of Bangladesh has conditionally approved the export of 6,377 mt of raw jute through 18 companies, following applications submitted to the Ministry of Commerce via the Bangladesh Jute Association (BJA). In response to this approval, suppliers have already initiated shipments to international markets.

However, the decision comes amid significant unrest in the sector. On May 19, jute workers staged a protest in Khulna, blocking the Khulna-Jashore highway for approximately one-hour, demanding payment of overdue wages and the withdrawal of export restrictions on raw jute.

This demonstration reflects a broader crisis that emerged after the government imposed an export ban on September 8, 2025. Labour leaders report that the policy has left thousands of workers unemployed for nearly nine months and have warned of intensified protests if their demands are not addressed. According to the BJA, approximately 40 jute press houses have shut down, resulting in the loss of employment for over 100,000 workers and a substantial decline in foreign exchange earnings.

While Bangladesh typically exports between 800,000 and one million bales of raw jute annually, generating BDT 1,500–2,000 crore (≈ BDT 15–20 billion or USD 130–175 million), only 86,367 bales were exported by November of the 2025–26 fiscal year, generating export earnings of BDT 147.34 crore (≈ BDT 1.47 billion or USD 12.5–13.5 million).

The association further noted that the restrictions have disrupted operations across key jute-producing regions, including Khulna, Narayanganj, Faridpur, and northern districts, leading to mounting financial losses and increasing bank liabilities for exporters. The BJA has announced additional protest programs, including human chains and demonstrations beginning May 20, and plans to submit a memorandum to the Prime Minister if their demands remain unmet.

**New crop:** Timely summer rainfall across Bangladesh in May 2026 has significantly boosted jute germination and early plant growth. While the initial sowing period faced heat waves and drought, subsequent showers provided the ideal soil moisture needed to support a strong crop yield. According to the sources, the new crop of Jute, Kenaf, and Meshta is showing excellent growth. Favorable weather, early rainfall, and timely distribution of high-yielding seeds have positioned farmers across Bangladesh for a promising season.

According to the Department of Agricultural Extension (DAE), the government has increased the target for jute cultivation in fiscal year 2026–2027. The DAE has finalized an ambitious monsoon-season crop production programme for FY27, targeting 83.215 million bales of jute to be achieved across 7.083 million hectares of land. This represents an increase from the previous year's target of 7.05 million hectares.



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**Local Demand:** At the beginning of the month under review, demand for raw jute —comprising both higher and lower grade varieties— in the domestic market weakened due to subdued market conditions and lower consumption.

However, demand picked up from the second week onward among jute yarn and twine spinning mills, composite jute mills, and raw jute processors, resulting in a modest increase in overall local demand during the month under review.

**Local price:** Due to increase of local demand, prices of raw jute increased by about USD 30.00 to 40.00 per mton during the month under review.

**Raw Jute exports Figure:** Because of the export ban on raw jute, export data has not been available since November 2025.

**Weather Condition:** Hot and humid conditions prevailed through the month under review, with temperatures of 32–38°C and increasing rainfall, marking the transition into the monsoon season.

**Jute Yarn and Twine:** Export demand from key importing markets such as Turkey, several European countries, China, Vietnam, Indonesia, Malaysia, Thailand, Uzbekistan, the USA, Africa, and the Middle East for jute yarns and twines of both higher and lower qualities remained steady during the month under review.

However, buyers were cautious and largely staying on the sidelines, as they expect the arrival of the new jute crop to put downward pressure on prices in the coming days. As a result, only buyers with urgent requirements are placing orders. A similar trend is being observed across most international markets, while India remains relatively active, continuing to place orders based on immediate needs.

On the supply side, mills are reportedly willing to sell at lower or heavily reduced prices in order to clear stocks, with prices hovering near lower levels.

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

**Export price:** Despite a recent increase in raw jute prices, export prices for jute yarns and twines of both higher and lower qualities have remained stable. Market participants report that mills have largely absorbed the cost pressure without passing it on, likely due to moderate demand conditions and competitive pricing among producers.

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**Situation of local mills:** Since the Eid-ul-Fitr holidays, several jute yarn and twine mills have not yet resumed operations, and the shutdown has continued since then. According to sources, with the Eid-ul-Adha holidays, this closure trend may continue for another couple of weeks. However, a few financially stronger mills reportedly resumed or maintained full production even before the holidays.

**Jute Goods:** During the month under review, steady demand was observed for both Hessians and Sackings, with buyers from Europe, Australia, and the USA showing increased activity. Although regular inquiries were received from African countries for sacking-quality, business concluded at a slightly slower pace compared to previous months. The same trend was observed in other importing countries such as Iran, China, and Vietnam during the month under review.

As usual, India continued as an active buyer for unstitched Binola and B-Twill fabrics.

Local demand for Hessians and Sackings for packaging purposes was sluggish throughout the month under review.

Demand for Jute CBC (carpet backing cloth) was sluggish from major importing markets, including Europe, Japan, New Zealand, and USA during the month under review, reflecting subdued buying interest in key regions.

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

Hessians:	decreased by approx. 2 %
Sacking:	decreased by approx. 1-2 %
CBC:	decreased by approx. 2 %

**Miscellaneous:** The Bangladesh Government aims to transform the jute sector into \$7 billion industry. We quote from Bangladesh Sangbad Sangstha (BSS) dd May 19, 2026:

„Commerce, Industries and Textiles and Jute Minister Khandakar Abdul Muktedir today said that the government has set an ambitious target to transform Bangladesh's traditional jute sector into a US\$5 billion to \$7 billion export-oriented industry.

Through modernization, research, diversified products, and stronger private sector participation this target can be reached Muktedir hopes.

"The country's golden fiber sector has the potential to regain a prominent position in the global market through planned reforms and technological advancement," Muktedir said.



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The Minister made the remarks while speaking as the chief guest at the inauguration of the "Diversified Jute Products Fair-2026" at the Jute Diversification Promotion Center (JDPC) in the city. Muktadir said that Bangladesh currently earns around \$1 billion annually from jute and jute goods exports, but the sector could grow several-fold with meticulous planning, modern technology, intensive research, quality seed production and expansion of diversified jute products.

Recalling the sector's historical contribution, the Minister noted that jute and jute goods accounted for nearly 90 percent of the country's export earnings in fiscal year 1972-73. Despite national exports now reaching around \$50-55 billion, he said, the jute sector's export contribution has remained almost stagnant. To reverse the trend, he said, the government has already adopted a time-bound action plan focusing on productivity enhancement and market diversification. Under the plan, he noted, the government aims to achieve self-sufficiency in quality jute seed production to reduce dependence on imports, as Bangladesh currently imports nearly 6,000 tonnes of jute seed annually.

The Minister also announced plans for joint ventures with leading Chinese universities to improve jute productivity, develop advanced seed varieties and create internationally competitive product designs. He said state-owned jute mills are gradually being shifted toward private management systems to ensure modernization, higher efficiency, increased production and commercially sustainable operations. Emphasizing innovation, Muktadir said, the government would increase investment in research and technology to expand Bangladesh's access to high-value global markets through diversified jute products.

The Minister added that a comprehensive roadmap is being prepared in coordination with the JDPC and private sector stakeholders to restore the sector's competitiveness. He also mentioned that Prime Minister Tarique Rahman is personally committed to reviving the lost glory of the jute industry and will regularly monitor progress of the sector's reform initiatives.

Speaking as special guest, State Minister for Textiles and Jute Md. Shariful Alam also shared views on the need for a collective socio-economic transformation in the industry to improve the livelihoods of farmers and create new employment opportunities in both rural and urban areas. Textiles and Jute Secretary Abdun Naser Khan presided over the event. After inaugurating the fair, the ministers visited different stalls and exchanged views with entrepreneurs regarding market expansion opportunities and existing challenges in the sector.

The five-day Diversified Jute Products Fair-2026 will remain open to visitors every day from 10 am to 9 pm till May 23."

Source: Bangladesh Sangbad Sangstha (BSS) dd May 19, 2026

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## India

**Raw Jute:** Following the directive from the Jute Commissioner to liquidate stocks by 5 May 2026, there is currently no open trading. As a result, the Jute Balers Association (JBA) is not publishing official market prices.

Therefore, only indicative price levels are available: For the TD-5 variety, a notional price of around IRs 18,000 per 100 kg is being quoted. For the upcoming crop, unofficial indicative prices are reported at around IRs 17,000 per 100 kg for June to early July delivery.

It was expected that prices might react as a result of stock liquidations. However, it has since emerged that no hidden stocks existed; consequently, prices remained more or less firm.

The minimum support price for season 2026-27 is IRs 5,925 per 100 kgs.

Local supplies of raw jute to Indian jute mills were ruling around 237,000 bales during the month of April (compared to 329,000 bales in March). At the end of April, raw jute stock with jute mills were 402,000 bales.

**Crop 2025/26:** In our last report, based on available statistics, the total crop volume was estimated at 6.0 to 6.5 million bales. Based on the end-April stock level, the crop is probably significantly lower and may be around 5.8 million bales.

**New Crop:** Sowing reports are positive, with seed distribution reportedly up by 20 % to 25 %. Overall, early indications suggest that the area under cultivation could increase by approximately 30% in the new season.

No definitive reports on plant growth are yet available. In April, plant height was around 3 to 3.5 feet in Assam and 2 to 2.5 feet in North Bengal. During the month under review, the ideal levels would be of above 5 feet (Assam) and around 4 feet (North Bengal). In South Bengal, sowing is almost complete, with plants currently around 1 foot high.

**Weather:** India's 2026 monsoon outlook has become less favourable. The India Meteorological Department (IMD) recently lowered its monsoon forecast and now expects monsoon rainfall during June–September to reach around 90% of the long-term average. The weaker outlook is linked to the expected development of El Niño conditions. In addition, the onset of the southwest monsoon in Kerala has been delayed, adding further uncertainty at the start of the growing season. The absence of nor'wester showers this month has also led to higher temperatures.

El Niño is often associated with lower monsoon rainfall in India, although the impact can vary from year to year. In previous weak monsoon seasons, Kharif crop production in some regions fell by

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more than 10% due to insufficient and uneven rainfall. Major Kharif crops (summer crops, autumn harvest) include rice, sugar cane, maize, groundnuts, soybeans and cotton. Notably, India has become the world's largest producer of rice, with production of around 154 mt in the 2025/26 crop year.

A weaker and delayed monsoon could reduce crop yields, put upward pressure on food prices and affect the supply of some agricultural commodities. Monsoon developments will therefore remain an important factor to watch during the 2026 season.

Sources: India Meteorological Department (IMD), Times of India, India Today, May/June 2026.

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

Prices for Hessians increased further and are now at IRs 219,000 per mton at the time when this report was published. Selective mills are asking for a premium of 2 % to the prices quoted by "standard mills".

Price of Sackings also increased and is now at IRs 220,000 per mton. Price from selective mills is the same, as there were no domestic buyers for Sackings except for mandatory government orders during the month under review.

**B-Twills:** The Indian government ordered around 200,000 bales of B-twill sacks during the month under review, far better than expected. Order volume for June is expected to be 300.000 bales.

**CBC:** There is no specific news at this time and apparently also no new orders worth mentioning.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for April 2026 were 72,400 mtons in total of which 1,700 mtons were jute yarns/twines.

**Currency:** The Indian rupee remained under pressure in recent weeks, weighed down by higher crude oil prices, foreign capital outflows and geopolitical tensions in the Middle East. The Reserve Bank of India (RBI) intervened repeatedly in the foreign exchange market to limit further depreciation of the currency. As a result, India's foreign exchange reserves have declined from recent record highs, although they remain at comfortable levels.

Source: Reuters, June 2026. ■