

# Jute Market Report for April 2019

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2<sup>nd</sup> May 2019

## Bangladesh

**Raw Jute:** During the month under review the overall demand from international markets for Raw Jute was less than during previous months. India as well as Pakistan were regularly in the market, but not many orders have been placed. India was in the market for both high and low quality of raw jute, such as BTE HD, BTE CS, BTE KS and raw jute cuttings like BTCA and BTCB. Pakistan was in the market for Tossa Jute such as BTE BS, BTE CS, BTE KS and jute cuttings BTCA and BTCB. The demand from international markets such as China, Nepal, Vietnam, Russia and Brazil was quite poor during the month under review.

There was a certain local demand for both high and low quality of long jute from private jute yarn and twine spinning mills, composite jute mills and raw jute processors, but since the availability of high quality fibre is limited, the mills were unable to cover their entire demand.

Bangladesh Jute Mills Corporation (BJMC) were in the local market, however their purchasing activities were limited reportedly, due to lack of finance.

The Bangladesh Ministry of Finance is reluctant towards approving any fund for the Bangladesh Jute Mills Corporation (BJMC) in order to pay off the outstanding wages of workers in 26 state owned jute mills, even though the Bangladesh Ministry of Jute and Textiles has urgently sought Tk (Bangladesh Taka) 500 Mio to this end, top officials at the ministry said. Officials at the Finance Ministry said they had yet to make a decision over the Jute Ministry's request. "We have received a letter from the Ministry of Jute and Textiles seeking emergency funds. But no decision has yet been made in this regard", Sheikh Md Salimullah Khan, additional secretary at the Finance Division, told the Dhaka Tribune on April 30<sup>th</sup>.

Raw jute prices increased by about USD 10,00 - USD 15,00 per mton for high quality fibres. The raw jute prices for lower grades remained stable during the month under review.

Raw jute export figures from the period of July 2018 up to March 2019 were 473,066 bales against 660,539 bales during the same period under review in the year 2017-2018.

**New Crop:** Sowings for Meshta and White Jute have been completed during the month under review and as per local reports the plants have already grown up to 1 foot and more. Favourable weather conditions with regular rainfalls and sufficient sunshine have been reported. In case the weather will continue to be favourable the outcome of the crop is expected to be quantity - and quality wise much better than in previous years.

The "Financial Express" published an article about the completion of sowings in Rangpur on April 26<sup>th</sup>. It is stated that the enthusiastic farmers are continuing cultivation of jute in full swing as seed sowing process of the crop is nearing completion in all five districts of Rangpur agriculture region.

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Officials of the Department of Agriculture Extension (DAE) said a target of producing over 0,67 million bales of jute fibre has been fixed from 58,250 hectares of land in the region this season.

The farmers already completed sowing of jute seed by Tuesday April 23<sup>rd</sup> on 31,274 hectares of land, around 53,70 percent of the fixed cultivation target of the crop.

The fixed target includes 0,64 million bales of Tossa Jute from 54,400 hectares of land, 30,192 bales of Deshi Jute from 3,400 hectares and 3,726 bales of Meshta Fibre from 450 hectares of land in the region.

The deputy director of the DAE at its regional office Md. Moniruzzaman said jute cultivation became popular again among farmers after the government declared jute as the national agricultural product and made use of jute sacks mandatory in various sectors.

Furthermore the Bangladesh Agriculture Development Corporation, other recommended government and non-government organisations and dealers supplied high quality jute seed to farmers this season.

Deputy Director of the DAE Dr. Sarwarul Haque said the present government has taken adequate steps and the field level agriculture officials are assisting farmers to make the jute cultivation programme successful in the region this season.

### **Bangladesh crop statistics 2018-19:**

Estimated production of crop year 2018-2019:	approx. 5 Mio bales
Estimated exported bales up to February, 2019:	approx. 618.071 bales
Estimated exported bales up to June, 2019:	approx. 900.000 bales
Estimated local consumption up to June, 2019:	approx. 3 Mio to 3,5 Mio bales
Estimated carryover of crop year 2018-2019:	approx. 700.000 bales

**Jute Yarn and Twine:** During the month under review export demand for high quality Jute Yarn and Twine from the major importing countries such as Turkey and Iran increased compared to previous months. Furthermore a satisfactory demand for low and high quality Jute Yarn and Twine from markets like Uzbekistan, Indonesia, Malaysia, India and China was observed during the month under review. Demand from African countries, USA and Europe was rather slow during the month of April. There was regular demand from the local market for jute yarns/twines of Sacking and Hessian qualities for packaging purposes. The prices for jute yarn/twine export prices increased about USD 30,00 - USD 40,00 per mton for both high and low quality of Jute yarn and twine. Jute yarn and twine spinning mills in Bangladesh have well filled order books which keep them busy up to June, 2019.

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**Jute Goods:** Regular export demand for finished goods for Hessians and Sackings has been observed from international markets like Africa, Europe, Australia, USA, China and Vietnam. The demand for sackings and hessians from the local market remained stable during the month under review.

**CBC:** Same as during the previous month, there was less export demand for jute CBC from the regular importing countries like Europe, UK and Japan.

During the month under review export prices appreciated:

Hessian: Price increased approx. 4 %  
Sacking: Price increased approx. 2 %  
CBC: Price remained unchanged

## India

**Raw Jute:** The price tendency of the market during the month under review was again showing a downward trend. JBA quotations at the end of the month under review: TD-4 IRs 4.575 and TD-5 IRs 4.375,00 per 100 kg. The estimated carry forward is now indicated with 1,6 Mio bales. This year's estimation for jute growing areas is 494,150 hectares compared to 653,740 hectares in 2018. The minimum support price (MSP) for next season has been increased from IRs 3.700 per 100 kgs in 2018/19 to IRs 3.950 per 100 kgs in 2019/20.

**New Crop:** Sowings in Assam and North Bengal are almost completed. Sowings in South Bengal continues and as per local reports 60-65% is completed. Rainfalls are badly needed since the weather is quite hot with 40-44 °C at the moment.

**Jute Yarn and Twine:** Market continued to be absolutely dull during the month under review.

**Jute Goods:** During the month under review the Indian Jute Mills again reduced their production of hessian during the month under review, mainly because of less orders. The market prices for Hessians remained unchanged with selective mills offering around 7% higher than the market level. With sufficient orders jute CBC production booked up to June 2019 shipment.

With sufficient orders for Sackings in their books and a positive outlook for the next season, the mills feel comfortable. The prices of Sackings during the month under review ruled firm but unchanged.

Government orders for April 2019 are about 180.000 bales of B-Twill bags. For May one expects orders of about 100.000 bales. By end of April the backlog in supply is around 250.000 bales.



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Jute goods production of IJMA jute mills and jute mills reporting to IJMA in March 2019 amounted to 85.100 mtons of which 3.600 mtons were jute yarns/twines.

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**WILHELM G. CLASEN GmbH & Co. KG**  
Burchardstraße 17  
20095 Hamburg  
Deutschland

Tel. +49 40 323295-0 · Fax +49 40 321916  
info@wgc.de · www.wgc.de  
Amtsgericht Hamburg  
HRA 120531

USt-ID-Nr. DE307976040

Deutsche Bank AG (BIC DEUTDEHH)  
IBAN DE10 2007 0000 0010 9520 00

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Persönlich haftende Gesellschafterin: Wilhelm G. Clasen Services GmbH, Sitz Hamburg · Amtsgericht Hamburg HRB 92992  
Geschäftsführender Gesellschafter: Peter Clasen · Geschäftsführer: Oliver Reimer-Wollenweber