

Jute Market Report for March 2024

-1/4-

2nd April 2024

Bangladesh

Raw Jute: During the month under review, raw jute demand from India as well as from Pakistan gradually increased. Indian buyers were in the market for high qualities of long jute like BTR HD, BTR NB, BTR CS and jute cuttings BTCB. They procured around 2.500 mtons. Buyers from Pakistan were in the market for various long Jute Tossa grades and long Meshta grades as well as Jute and Meshta cuttings such as BTCA, BTCB, OMC and SMC. In total, Pakistan placed orders of about 4.500 mtons. Nepal was in the market for BTR NB, BTR KS, BTR CS, as well as jute cuttings BTCB. They placed orders of around 2.000 mtons in total.

Export demand from other international buyers from importing countries such as China, Vietnam, Tunisia and Europe was observed to be sluggish during the month under review.

Local demand from jute yarn and twine spinning mills, composite jute mills as well as raw jute processors for both high and low quality raw jute was on a regular level.

Export prices for higher quality grades of raw jute fibre increased by USD 20,00 per mton, whereas prices for lower quality grades remained stable during the month under review.

Raw jute export during the period of July 2023 up to October 2023 of the (fiscal year 2023-2024) amounted to 358.609 bales against 283.139 bales during the same period in the fiscal year 2022-2023.

Next Crop: Since mid of the month under review sowing of Meshta and White Jute set in, mainly in low land areas such as Greater Mymensingh, Tangail, Sirajgonj, Netrokana, Madaripur and Sariatpur. Weather conditions have been favorable during the time of sowings. Sowing of Tossa Jute is yet to begin and is expected to take place sometime in April, subject to sufficient rainfall.

Weather: During the first half of the month under review, the entire country witnessed scorching sunshine. However, since mid/end of the month under review, rainfall was reported for the entire country which is beneficial for White Jute and Meshta sowing.

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 continued to be steady during the month under review. Same applies for demand from other international markets such as India, USA, African countries, Europe and countries of the Middle East. Demand from China as well as Vietnam was on quite a low level during the month under review.

Local demand for both Sacking and Hessian quality jute yarns and twines for packaging purposes was on a regular level during the month under review.

Export prices for both high and low quality of jute yarn and twine increased by around USD 20,00 to 40,00 per mton during the month under review.

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Jute Market Report for March 2024

-2/4-

2nd April 2024

It is reported that both big and medium size jute mills are now operating more or less in full swing, running on three shifts per day, according to their confirmed orders. Furthermore, some mills which remained closed due to financial difficulties for a certain period are now about to resume production.

Jute Goods: During the month under review export demand for both Hessians and Sackings from buyers in Europe, Australia, USA and Middle East countries increased. As container freight rates gradually started to decline, the business picked up a bit in comparison to the previous months.

Local demand for Hessians and Sackings for packaging purposes became less during the month under review.

Jute CBC demand from the regular importing countries like Europe, UK, and Japan and New Zealand was on a regular level during the month under review.

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

Hessians:	increased by about 3 %
Sacking:	increased by about 2-3 %
CBC:	increased by about 2 %

Miscellaneous: Prime Minister Sheikh Hasina stressed the need for diversifying jute products according to the demand of the international markets to unlock a huge export potential. "We've to pay attention to exploring new export markets for jutes, assess what type of goods has demand in different countries, and produce such products accordingly," she said.

The premier said this while opening six jute mills and the three-day multipurpose jute product fair-2024 at Bangabandhu International Conference Centre in the city on the occasion of the National Jute Day-2024.

The National Jute Day is observed on March 6th every year. This year, the day was celebrated with the theme of "Bangabandhur Sonar Desh, Smart Pat Shilper Bangladesh" (Bangabandhu's golden country to be Bangladesh with smart jute industries).

The prime minister said if Bangladesh can raise the production of jute and jute goods as much as possible, it will open the door of unlocking a huge export potential alongside enhancing the use of jute goods in the country.

Noting that jute is the golden fibre, the premier said these golden fibres may bring the golden days for Bangladesh. "So, we've to utilise it properly," Hasina said. "If we want to diversify our export basket, I think jute and jute goods can play one of the key roles here," she added.

Jute Market Report for March 2024

-3/4-

2nd April 2024

The prime minister urged the authorities of jute mills leased out by Bangladesh Jute Mills Corporation (BJMC) to be sincere to produce new goods, explore new markets, and boost export of jute products. Describing jute as environment-friendly goods, she said there is a huge potential market of jute products in the world.

The prime minister said unfortunately, jute neither enjoys the facilities as an agro-product nor as an export-oriented good, adding: "But we've taken a decision that we'll ensure incentives for jute as agro-product and export goods".

At the function, the prime minister handed over honorary crests to 11 individuals and organizations under 11 categories as well as 9 jute related associations for their contributions to the jute sector.

Textiles and Jute Minister Jahangir Kabir Nanak chaired the event, while Chairman of the Parliamentary Standing Committee on Textiles and Jute Ministry Golam Dastagir Gazi and President of Bangladesh Jute Mills Association (BJMA) Abul Hossain spoke on the occasion. Textiles and Jute Secretary Abdur Rauf delivered the introductory speech.

The newly opened six jute mills, which were leased out by BJMC but now are run under private ventures are KFD Jute Mills Ltd. at Rangunia in Chittagong, Bangladesh Jute Mills at Ghorashal in Narsingdi, Jatiya Jute Mills Ltd. at Raipur in Sirajganj, Jessore Jute Industries Ltd. and Carpeting Jute Mills Ltd. at Rajghat in Jessore and Daulatpur Jute Mills Ltd. at Shahor Khalishpur in Khulna.

Source: The Dhaka Tribune, March 14th, 2024.

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 5.775 and TD-5 IRs 5.275 per 100 kgs. Raw jute prices are still under pressure. However, as prices have come down to the lowest level, further decline is expected to be rather unlikely.

New crop: As already reported last month, harvest of new crop fibre is completed in all jute growing areas. The crop yield of 2023/24 is expected to be about 8,0 Mio. bales compared to 9,3 Mio. bales in 2022/23. The carryover is estimated with around 2,5 Mio. bales.

Official figures concerning sowings and area under jute cultivation for 2024/25 jute crop are yet to be published. Except for skelton sowings in lower Assam, no sowing reports were received from other areas so far. There have been some Norwester rains but due to the heat, soil has become so dry that it is unsuitable for sowing.

Local supplies of raw jute to Indian jute mills were ruling around 555,000 bales during the month under review (against 594,000 bales in February).

Jute Market Report for March 2024

-4/4-

2nd April 2024

Weather: During the month under review, the weather remained warm with both the maximum and minimum temperatures above normal. Rainfall in March was also above normal, but without lasting relief and insufficient for soil preparation. Humidity dropped sharply – now from 93% to 75%.

The weather in April is expected to remain hot and a heatwave warning has been issued in many parts of the country. However, normal norwester rains are expected this month.

According to IMD and WMO, the weather is likely to continue until mid-May in most parts of the country except the northeastern and western parts.

Such weather conditions may continue until the arrival of the monsoon. So far, there is no schedule for the arrival and quantity of monsoon rains. According to the WMO, El Niño is gradually weakening, but India will be affected. According to unconfirmed reports, monsoon rainfall will be slightly lower this year.

Jute Yarn and Twine: Demand for jute yarns made in India during the month under review was poor while demand for imported jute yarn from Bangladesh continued to be brisk.

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

No change in the market situation of Hessians compared to the preceding month, with prices for Hessians still ruling at IRs 116,000 per mton at the time when this report was published. Selective mills are asking for premium of 5 % against prices quoted by „standard“ mills.

Price of Sackings is prevailing at IRs 85.000 per mton with selective mills asking for premium of 6% for exports against prices quoted by „standard“ mills.

B-Twills: The Indian Government placed orders of about 275.000 bales of B-Twill bags during the month under review, which is only slightly less than expected. Order volume for April is expected to range somewhere around 200.000 bales.

No orders of Jute Carpet Backing Cloth were reported for the month under review.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for February 2024 were 100.300 mtons in total of which 2.900 mtons were jute yarns/twines.

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