Jute Market Report for July 2026

3rd August 2026

Bangladesh

Raw Jute: The ongoing restriction on raw jute exports has become one of the most debated issues in Bangladesh's jute sector. While domestic jute mills support export restrictions to ensure an uninterrupted supply of raw jute for local industries, raw jute traders, balers, exporters, and the Bangladesh Jute Association (BJA) strongly oppose the policy, arguing that it is adversely affecting farmers, traders, and the country's export earnings.

According to the Bangladesh Jute Association, the raw jute trade has suffered significantly due to repeated government decisions to restrict or ban raw jute exports. The association states that similar export bans were imposed in 1984, 2010, 2015, 2016, 2017, and most recently in 2025, creating uncertainty in the market and forcing many traders and exporters to close their businesses. The repeated policy changes have also weakened the confidence of international buyers, many of whom have shifted to alternative sources.

Bangladesh produces approximately 7-8 million bales of raw jute annually, whereas the country's jute spinning mills consume only about 4-5 million bales. According to BJA, this indicates that a considerable surplus remains available for export without affecting the domestic industry's raw material requirements. The association believes that allowing the export of surplus raw jute would help stabilize the market, increase foreign exchange earnings, and ensure fair prices for farmers.

BJA further argues that although raw jute exporters contribute significantly to the country's foreign exchange earnings, they do not receive any government subsidy or policy support comparable to that provided to value-added jute products. The association has therefore urged the government to adopt a stable and long-term export policy instead of imposing repeated restrictions that disrupt trade and damage Bangladesh's reputation in the international market.

On the other hand, domestic jute millers maintain that unrestricted exports could create shortages of quality raw jute and increase procurement costs, affecting the competitiveness of Bangladesh's jute manufacturing sector. They continue to advocate for export controls to safeguard the availability of raw materials for local industries.

The current situation highlights the need for a balanced policy that protects the interests of farmers, traders, exporters, and domestic manufacturers alike. A sustainable and predictable export policy, based on actual production, domestic consumption, and surplus availability, would help strengthen Bangladesh's jute sector while maintaining its position in the global market.

New crop: The early and intense flooding has had a direct impact on harvesting patterns. Over the past two weeks, farmers have been forced to bring forward their harvest schedules in an attempt to salvage crops before further inundation. This premature harvesting has affected both yield and fiber maturity.

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As a result, market participants are now revising earlier production estimates downward, with expectations that total output will fall below initial projections made at the start of the season.

During the month under review, arrivals of new crop Meshta and White Jute fibers remained limited. Supply volumes were constrained due to both delayed field operations and reduced harvesting efficiency caused by waterlogged conditions. Trading activity in these varieties has been relatively subdued, with buyers exercising caution amid uncertainty over quality consistency and future availability.

Meanwhile, the harvesting of Tossa Jute has commenced, and small quantities have started to enter the market toward the end of the reporting period. Early market feedback suggests that the quality of Tossa Jute fiber is likely to be strong this season.

In the Khulna region, farmers expect a good jute season after expanding cultivation because of strong prices in previous years. In the Rangpur region, the cultivated area exceeded the official target, and local authorities initially expected a bumper harvest due to favourable crop development. In Faridpur and Rajshahi, farmers also reported bumper harvests and benefited from strong market prices, while calling for fair prices to ensure sustainable returns. Similar positive reports came from Sariakandi (Bogra), where jute cultivation increased significantly as many farmers returned to the crop after last year's profitable season. Favorable rainfall distribution prior to the peak flooding phase and generally supportive weather conditions have contributed to good fiber development in many regions.

Although jute acreage increased across Bangladesh, heavy rainfall after an early dry spell reduced yields in several major producing areas, meaning that larger cultivation areas did not always result in higher production. The regional reports mainly reflected local conditions and early harvest expectations, while the later nationwide assessment incorporates the impact of adverse weather on overall production.

These weather-related challenges are also reflected in the outlook for Tossa Jute production. Despite the encouraging outlook on quality, overall production volume for Tossa Jute is expected to decline compared with earlier forecast. The forced early harvesting has limited crop maturity in several areas, while prolonged flooding may further damage standing crops that have yet to be harvested.

Local Demand: During the month under review, local demand for raw jute (both higher and lower grade varieties) from jute yarn and twine spinning mills, composite jute mills, and raw jute processing units remained on a regular level. These industries continued to actively place orders in line with their operational requirements.

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Local raw jute market situation: Despite active participation from local jute industries, the domestic raw jute market has been experiencing a gradual decline. This trend appears to be driven primarily by the limited involvement of stockiest, who have not yet become fully active and are likely adopting a cautious, wait-and-see approach. Although mills remained active in the market, their purchasing activity continues to be largely driven by immediate needs rather then strategic stock building. As a result, overall buying volume remained relatively limited compared to the available local supply, creating an imbalance between supply and demand. This oversupply situation is contributing to the continued softening trend observed in the domestic raw jute market.

Local price: Due to subdued local demand, prices of raw jute (both higher and lower qualities) declined by approximately USD 50.00-60.00 per mton during the month under review.

Raw Jute exports Figure: Due to the government-imposed restrictions on raw jute exports, export data has not been available since November 2025 to date. The export ban, introduced in September 2025, requires prior approval for shipments and has significantly limited regular export reporting.

Weather Condition: In July 2026, Bangladesh experienced typical monsoon-season weather, with high temperatures, heavy humidity, and frequent rainfall. Many areas saw regular thunderstorms and periods of intense rain, while some regions —especially in the southeast— faced severe flooding and waterlogging due to heavy downpours. Overall, the month was hot, humid, and very wet, with occasional extreme weather events.

Jute Yarn and Twine: Export demand from key importing markets such as Turkey, several European countries, China, Vietnam, Indonesia, Malaysia, Thailand, Uzbekistan, the USA, African countries, and the Middle East for jute yarns and twines of both higher and lower qualities remained steady during the month under review. *However*, actual business has remained relatively limited. This is primarily because buyers expect that market prices may decline further in the coming weeks due to the arrival of the new crop.

Export price: Due to reduced purchasing activity from international buyers, export prices for jute yarns and twines have decreased by approximately USD 50.00-80.00 per mton during the month under review, depending on the count of jute yarn and twine.

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

Situation of local mills: In response to the steadily increasing demand for carded fibres — particularly from India, Pakistan, and China— most mills, regardless of their financial condition, whether solvent or insolvent, have continued to operate.

Jute Goods: During the month under review, steady inquiries were observed for both Hessians and Sackings from buyers in Europe, Australia, the USA, and various African countries, particularly for sacking-quality materials. However, actual business transactions progressed at a slower pace.

A similar trend was evident in other importing markets, including Iran, China, and Vietnam.

India, as usual, continued its purchases of unstitched Binola and B-Twill fabrics.

Buyers generally anticipate a downward market trend in the coming weeks, as the new crop becomes fully available in the local market.

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

During the month under review, demand for Jute CBC (carpet backing cloth) remained weak across major importing markets such as Europe, Japan, New Zealand, and USA during the month under review, reflecting weak buying interest in these key regions.

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

Hessians:	decreased by approx. 2-3 %
Sacking:	decreased by approx. 3-4 %
CBC:	decreased by approx. 2-3 %

Miscellaneous (1): The Bangladesh government aims to facilitate private sector participation to encourage fresh investments, accelerate employment generation, and ensure the better utilization of state assets, according to an article from *Bangladesh Sangbad Sangstha* dd 9th July 2026:

“DHAKA, July 9, 2026 (BSS) - Commerce, Industries and Textiles and Jute Minister Khandakar Abdul Muktadir today said the government will facilitate the private sector to encourage fresh investments and accelerate employment generation across the country. "Government-run business entities often face operational limitations, while private entrepreneurs generally demonstrate greater efficiency in management and production. In this context, the government is encouraging private sector participation to ensure better utilization of state assets, expand industrial activities and create more jobs," he said.

The minister made the remarks while addressing as the chief guest an agreement signing ceremony at the conference room of the Ministry of Textiles and Jute at the Bangladesh Secretariat in the city. On the occasion, a lease agreement was signed between the Bangladesh Jute Mills Corporation (BJMC) and Bangladesh Jute Alliance Limited for leasing 14.80 acres of land in Narsingdi.

State Minister for Textiles and Jute Md Shariful Alam said the government's objective is to ensure the maximum and effective use of state resources by attracting private investment to the closed BJMC mills and reviving industrial production. He said 20 of the 25 closed BJMC mills were selected for leasing, of which 14 lease agreements have already been signed. Nine of the leased mills have resumed production, creating employment for around 9,500 people while producing nearly 160 metric tonnes of jute products daily, he added. Shariful Alam said Bangladesh Jute Alliance Limited, which had earlier leased 34.50 acres of land and created employment for about 3,200 people, will now invest an additional Tk 1,050 crore under the new lease agreement.

The new investment is expected to generate annual production worth around Tk 3,000 crore and create employment opportunities for another 3,000 people, he added. The state minister said such investments would play a significant role in accelerating industrialization, boosting exports and generating employment in line with the government's development goals.

Cabinet Secretary Dr Nasimul Gani, Finance Secretary Dr. Khairuzzaman Chowdhury and senior officials of the Ministry of Textiles and Jute were present at the event."

Source: BD Sangbad Sangstha dd July 9, 2026, read full article: "*Govt to facilitate private sector to spur investment, employment*"

Miscellaneous (2): Heavy rain and rough sea conditions have disrupted operations at Chattogram Port since 5 July 2026. More than 60 vessels were waiting at the outer anchorage, causing delays in cargo handling and inland transportation. The disruptions affected both import and export supply chains, including ready-made garment shipments. Flooding also damaged import and export containers stored at inland container depots. Port operations were gradually improving but remained below normal levels as of 12 July 2026.

Source: The Business Standard dd July 12, 2026, read full article: "*Heavy rain, rough sea disrupt Ctg Port services, supply chain*"

Following the floods, the Chittagong Port Authority formally denied liability for damage to cargo stored within the port, describing the flooding as an "Act of God" under existing regulations. This decision was criticised by business organisations and port users, who argued that the authority should bear responsibility for cargo under its custody and called for better flood protection and compensation mechanisms.

Source: The Daily Star dd July 12, 2026, read full article: "*Ctg port's liability denial over flood damage draws flak*"

Maritime Transport: Maersk has announced a gradual return to the Suez Canal and Red Sea route, with the *Maersk Majestic* set to become its first vessel to transit the corridor since the outbreak of the Middle East conflict. The company said the decision followed a thorough security assessment and reflected improved conditions after the recent ceasefire, although it stressed that the process would be gradual. Alliance partner Hapag-Lloyd also described the move as reversible, underlining that security risks remain. A wider return of container shipping to the shorter Asia–Europe route could increase transport capacity and put downward pressure on freight rates. At the same time, the security situation in the Red Sea remains fragile, with reports of a further attack on a cargo vessel in an area under Houthi control.

Source: Financial Times dd July 7, 2026, read full article: "*Maersk to send first cargo through Suez Canal since start of Iran war*"

India

Raw Jute: Jute prices have seen a sharp correction recently, with JBA quotations declining as sellers moved to secure current price levels following the previous rally.

Market prices quoted by the Jute Balers Association (JBA) end of last month were fixed as follows: TD-4 IRs 9,100 and TD-5 IRs 8,600 per 100 kgs.

Following the recent sharp price correction, the market is expected to remain under pressure in the short term. Further price developments will largely depend on harvest progress and the volume of new crop arrivals, which continue to be influenced by ongoing rainfall.

However, the underlying market remains tight, as mill demand continues to absorb available arrivals quickly despite higher moisture levels being accepted. With supply still lagging behind demand, market participants expect prices to recover during the month, potentially by 15–20%.

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

Local supplies of raw jute to Indian jute mills totalled around 295,000 bales in June (of which 241,000 bales were imported), compared to 192,000 bales in May. At the end of June, raw jute stock with jute mills were 109,000 bales.

Crop 2026/27: Early estimates for the new crop range between 9.0 and 10.0 million bales. Overall, the area under cultivation is expected to exceed 600,000 hectares.

Plant growth across the main growing regions is very satisfactory and appears ready for harvest.

In Assam and North Bengal, plants have reportedly reached average heights of more than 12 feet. However, flooding in Assam and persistent rainfall in North Bengal are disrupting harvest activities and slowing the flow of new crop arrivals. In South Bengal, crop conditions are also reported to be favourable, with harvesting gradually getting underway.

Harvesting has already begun but remains slow due to persistent rainfall. As weather conditions improve, harvest activities are expected to reach full pace by mid-August.

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Weather: India's monsoon outlook remains a key market factor, with the IMD forecasting below-normal rainfall during August and September as El Niño conditions are expected to strengthen.

However, rainfall patterns have been highly irregular so far, with periods of heavy precipitation followed by dry spells, making the overall impact on crops difficult to assess. While cumulative rainfall has remained relatively supportive in several regions, uncertainty around the distribution and consistency of rainfall continues to raise concerns. Market participants are closely monitoring further weather developments, as uneven monsoon performance could influence crop yield expectations and overall supply prospects for the upcoming season.

Source: Times of India, July 14 – August 1, 2026.

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

Prices for Hessians decreased and are now at IRs 180,000 per mton at the time when this report was published. Selective mills are asking for a premium of 5 % to the prices quoted by "standard mills".

Prices of Sackings also decreased and are now at IRs 170,000 per mton at the time when this report was published. Price from selective mills is the same, as there were no domestic buyers for Sackings at these prices during the month under review except for mandatory government orders.

B-Twills: The Indian government ordered around 250,000 bales of B-twill sacks during the month of June (i.e. not 280,000 bales as previously estimated). The order volume for July was 190.000 bales (less then anticipated). Order volume for August is expected to be at 250.000 bales.

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

Bangladesh imports: Demand for sacking cut cloth remains firm, while jute yarn prices have declined sharply. The recent increase in demand for jute sliver following the export ban on raw jute is expected to be temporary and may ease in the coming weeks.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for June 2026 were 59,400 mtons in total of which 1,800 mtons were jute yarns/twines. ■

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