

# Jute Market Report for December 2025

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5<sup>th</sup> January 2026

## Bangladesh

**Raw Jute:** In September 2025, the Government imposed restrictions on the export of raw jute, following recommendations from the Ministry of Textiles and Jute. These restrictions remain in force and made raw jute exports conditional, with the objective of ensuring adequate domestic supply for jute mills, containing rising production costs, and stabilizing the domestic jute market amid increasing price volatility.

The Government maintains that the conditional export policy is necessary to protect the domestic jute mill industry. According to the sources, rising local prices of raw jute and concerns over supply shortages have increased production costs for mills, threatening the sector's sustainability. The restrictions are intended to curb excessive price increases, prevent supply imbalances, and ensure uninterrupted availability of raw jute for domestic processing.

On the other hand, the Bangladesh Jute Association (BJA) has challenged the Government's decision, arguing that similar restrictions and bans in the past resulted in significant financial losses for traders and exporters. The Association warns that any move toward a full export ban would negatively affect not only traders but also farmers, who rely on export demand for fair pricing. BJA contends that export restrictions disrupt normal market dynamics and harm the overall jute trade.

The local jute industry has raised serious concerns regarding the behavior of certain raw jute traders and stockists. Industry representatives allege that middlemen and warehouse operators are deliberately hoarding raw jute in anticipation of higher prices. This practice, they argue, has created an artificial shortage of fibers in the market, leading to a sharp rise in prices.

According to mill owners, these inflated raw jute prices have significantly increased production costs. As a result, many jute mills are facing mounting financial losses, particularly because a large portion of their customers are unwilling to absorb or accept the higher prices driven by the current market situation.

The combination of rising fiber prices, restricted exports, and alleged market manipulation has placed considerable pressure on the domestic jute industry. Mills report declining profitability and operational strain, while uncertainty in raw material availability continues to disrupt production planning. Industry stakeholders emphasize that without effective market monitoring and enforcement against illegal hoarding, export restrictions alone may not resolve the underlying problems.

The ongoing raw jute export restrictions reflect the Government's attempt to balance domestic industrial needs with market stability. However, opposition from exporters and growing losses within the domestic jute industry highlight the complexity of the issue. Addressing alleged hoarding practices, ensuring transparent market operations, and maintaining a fair balance between domestic supply and export demand remain critical to achieving long-term stability in the jute sector.

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**Local Demand:** Throughout the month under review, solvent local jute yarn and twine spinning mills as well as composite jute mills were active in the market. However, due to the upward trend in prices as well as a limited supply of fibre in the local market, particularly higher quality grades, most parties were facing difficulties.

**Local raw jute market situation:** Due to stockpiling by traders who purchased significant quantities, raw jute of higher qualities was heavily stocked at the beginning of the peak season. Currently, Tossa and Meshta of higher qualities have already disappeared from the local market.

Local prices of raw jute consequently increased further by about USD 50.00 to 60.00 per mton during the month under review.

Raw jute exports in July 2025 of the fiscal year 2025-2026 were 18,447 bales against 45,526 bales during the same period under review in the year 2024. This represents a notable decline in export volume, largely attributed to the government's conditional export restrictions and tight domestic availability.

**Weather condition:** Since beginning of the month under review, the entire country witnessed decreasing temperatures.

**Jute Yarn and Twine:** Export demand from key markets such as Turkey, Uzbekistan, and Iran for jute yarns and twines of both higher and lower qualities remained at a regular level up to mid-December.

Likewise, export demand from other international markets, including India, China, Vietnam, Indonesia, Malaysia, Japan, and Middle Eastern countries, continued at a regular and stable level during the same period. However, during 2nd half of December, demand showed a gradual decline. While buyers from Europe and the United States remained active in the market, order volumes were constrained by the festive season.

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

**Situation of Local Mills:** The situation of local jute yarn and twine spinning mills is precarious, especially small and medium-sized jute mills are facing financial difficulties and struggle to operate their mills.

As a result of the rise of raw jute market prices, export prices for both high and low quality of jute yarn and twine increased by about USD 40,00-50,00 per mton during the month under review.

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**Jute Goods:** During the month under review, export demand for both Hessians and Sackings from buyers in African countries, Europe, Australia, China, Vietnam, USA and other regular importing countries remained stable. India continued as an active buyer, particularly for unstitched Binola and B-Twill fabrics.

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. 4-5 %
Sacking:	increased by approx. 3-4 %
CBC:	increased by approx. 4 %

**Miscellaneous:** Textile and Jute Ministry Adviser Sheikh Bashir Uddin was speaking as the chief guest at a seminar titled "Resilience and Reinvention: Creating skilled professionals for the textile and apparel sector of Bangladesh," organised to mark National Textile Day on 4 December 2025. We quote from the BSS (Bangladesh Sangbad Sangstha) dd 4<sup>th</sup> December, 2025:

"Past jute sector mistakes won't be repeated in textile industry: Commerce, Textile and Jute Adviser Sk. Bashir Uddin said the government is determined to advance the textile sector by learning from the past failures of the jute industry, ensuring that similar mistakes are not repeated.

He made the remarks while addressing a seminar titled "Resilience and Reinvention: Creating Skilled Professionals for the Textile and Apparel Sector of Bangladesh" at the Jute Diversification Promotion Centre (JDPC) in Dhaka.

Bashir noted that inefficiency, mismanagement, and unrealistic promises had once pushed the jute industry to the brink of collapse. "In the past, the jute sector suffered due to incompetence, mismanagement, and systemic irregularities. Colorful dreams were shown without any grounding in reality," he said. "We will not let the textile industry fall into the same traps. Our decisions will be practical, not emotional."

The seminar was organized to mark National Textile Day 2025, observed this year under the theme "Growth of the Textile Industry, Economic Prosperity." Textile and Jute Secretary Bilkis Jahan Rimi presided over the event.

Highlighting the textile sector as the key driver of the national economy, the adviser noted its significant contributions to GDP growth and employment generation. "We aim to achieve US\$100 billion in exports. To meet this goal, industry, academia and policymakers must work collectively.

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Without capacity enhancement, Bangladesh risks losing competitiveness in the global market," he said.

The adviser emphasized the importance of skilled human resources for global competitiveness. "The Middle East has crude oil; we have 180 million people. If we can turn our population into skilled manpower, it will open new opportunities for the textile sector and the broader economy," he added.

On eco-friendly jute products, Bashir said the government has launched a major initiative under the Climate Fund, creating a revolving fund involving over 1,600 entrepreneurs. Products purchased through the fund are being resold to ensure affordable market prices. He also announced that one million jute bags will be sold at the forthcoming Dhaka International Trade Fair, with the objective of bringing traditional Bangladeshi jute bags back into mainstream use."

Source: Bangladesh Sangbad Sangstha dd 4<sup>th</sup> December, 2025

## India

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

TD-4 IRs 12,100 and TD-5 IRs 11,600 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.

Local supplies of raw jute to Indian jute mills were ruling around 474,000 bales during the month of November (compared to 617,000 bales in October). At the end of November, raw jute stock with jute mills were 683,000 bales.

Prices continue to rise and are now climbing sharply due to gradually reduced supply. Traders are offering on a PTF (Price to Follow) basis, meaning the final price will be determined later according to market rates, and even these offers are quickly picked up by mills.

**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.

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

Prices for Hessians presented themselves at IRs 185,000 per mton at the time when this report was published. Selective mills are asking for a premium of 3 % to the prices quoted by "standard mills".

Price of Sackings also increased and is now at IRs 143,000 per mton, with selective mills asking for a premium of 2 % 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 250,000 bales of B-twill sacks during the month under review. The government has removed the price ceiling for B-twill sacks from the December order, restoring the previous "cost-plus" pricing formula. This has allowed mills to achieve profitable prices, particularly in light of rising raw jute costs. For the December order, mills have indicated that they will deliver only 100,000 bales. There are concerns that production cuts may be necessary for many mills, with some potentially facing closure.

There is currently 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 bales.

**CBC:** Orders for Jute Carpet Backing Cloth remain slow and irregular. Mills are not taking new orders, and buyers are pushing for shipments under existing contracts.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for November 2025 were 98,000 mtons in total of which 2,300 mtons were jute yarns/twines. ■