Jute Market Report for October 2026

 2nd November 2026

Bangladesh

Raw Jute: Bangladesh's jute production has been on a gradual decline over the past three years, raising concerns about a potential shortage of the key raw material and threatening the sustainability of the country's jute industry. Industry insiders said the closure of several jute mills, coupled with rising raw jute cultivation costs, has discouraged many farmers from growing the crop, prompting them to switch to alternative crops and other occupations. The declining profitability of jute farming, along with increasing production expenses, has further weakened farmers' interest in cultivation, creating uncertainty over the future supply of raw jute to local mills.

According to the Bangladesh Bureau of Statistics (BBS), the country's jute production reached a peak of 9.5 million bales in fiscal year 2024 (FY2024), before falling to 8.9 million bales in FY2025 and declining further to 8.7 million bales in FY2026. The continuous decline has raised concerns among industry stakeholders about the availability of raw jute, as domestic mills depend heavily on a steady supply of the natural fibre to maintain their operations.

Meanwhile, strong domestic demand and insufficient supply have pushed raw jute prices sharply higher, putting additional pressure on mill owners already facing rising production costs. Industry sources report that several small and medium-sized jute mills have suspended operations over the past month due to difficulties in securing sufficient quantities of raw jute at affordable prices. Many other mills are operating below capacity because of the shortage of this essential raw material. During the two weeks prior to this report, raw jute prices reportedly increased to Tk 5,000–5,800 per maund, significantly raising production costs and reducing millers' profit margins.

The combination of lower production, rising raw material prices and operational disruptions is putting further pressure on Bangladesh's jute industry. If raw jute supplies remain limited, mill owners may face additional difficulties maintaining production and fulfilling domestic and export orders. The situation also affects farmers, mill workers and others who depend on the sector for their livelihoods. Industry representatives have therefore called for measures to address rising cultivation costs, improve incentives for farmers and strengthen supply chains to ensure a more reliable supply of raw jute.

Against this background, the government has stressed the need to reduce dependence on raw jute exports and expand the production of higher-value-added products. In early October 2026, the Minister for Textiles and Jute highlighted efforts to promote processed jute products, including packaging materials, slivers and blended fibres, which can achieve considerably higher prices on international markets.

However, expanding value-added production will depend on a reliable supply of raw jute at prices domestic manufacturers can afford. Without measures to ease the current supply shortage and rising procurement costs, mills may struggle to maintain operations and benefit from growing opportunities in international markets. Ensuring fair returns for farmers, stabilising raw jute supplies and encouraging investment in modern processing facilities will be important steps towards

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supporting the sector. Reversing the decline in production and strengthening the domestic jute industry will be essential not only to protect rural livelihoods and industrial employment but also to maintain Bangladesh's position in the global jute market.

Local Demand: Despite continued demand for raw jute, particularly from domestic jute yarn and twine spinning mills, composite jute mills and raw jute processing units, sharply rising prices have limited the purchasing capacity of these industry stakeholders. As a result, many have been unable to procure raw jute regularly and in sufficient quantities to meet their production requirements and maintain continuous operations.

Local raw jute market situation: The raw jute market is showing a gradual recovery, with prices increasing across major producing areas. This is mainly supported by demand from domestic jute mills, traders and stockists, as well as lower arrivals of newly harvested jute in local markets. However, price developments vary considerably between districts, depending on fibre quality, local supply conditions and buying activity.

Farmers in several key producing areas are receiving better prices than at the beginning of the season, providing some relief after the relatively low prices earlier in the season. Nevertheless, rising cultivation, harvesting and transportation costs continue to put pressure on farmers' profit margins. Meanwhile, cautious purchasing by mills and uncertainty about future demand are slowing the pace of the recovery. Overall, the raw jute market remains cautiously firm. Further price developments will largely depend on seasonal supply, demand from mills and the availability of quality jute in the coming weeks.

Local price: Due to a significant shortage of high-quality Meshta and Tossa jute fibres, coupled with strong demand from local solvent mills, prices have fluctuated between Tk 5,000 and Tk 5,800 per maund, reaching as high as Tk 6,000 depending on fibre quality and market location. Meanwhile, White Jute has virtually disappeared from the local market.

Raw Jute exports figure: Export data have been unavailable since November 2025 due to government export restrictions introduced in September 2025, requiring prior approval for all raw jute shipments.

Weather Condition: Bangladesh experienced the seasonal transition from the southwest monsoon to the drier autumn period. Rainfall was forecast to be below normal, while temperatures were expected to remain slightly above seasonal averages.

Jute Yarn and Twine: During the month under review, export demand for jute yarns and twines of both higher and lower qualities generally increased from regular importing countries, including Turkey, European countries, Indonesia, Malaysia, Uzbekistan, China, Vietnam, the USA, and various countries in the Middle East.

However, this stronger demand did not result in a corresponding increase in confirmed orders. Due to volatile market conditions and uncertainty about future price developments, buyers remained cautious, mostly placing smaller orders rather than committing to larger volumes. Exporters continued to monitor market developments and maintain contact with overseas customers. Overall, while demand showed signs of improvement, cautious purchasing and ongoing market uncertainty continued to limit the growth of export business.

Export price: Due to the further increase in raw material costs, coupled with steady demand in international markets, mill prices for jute yarns and twines increased by approximately USD 130–150 per mton, depending on the count and quality of the product, during the month under review.

Local demand: During the month under review, increased demand was observed for Sacking and Hessian quality jute yarn and twine –primarily for packaging purposes– in the domestic market.

Situation of local mills: Due to the volatile situation in the local jute market, mills that have entered into forward sales commitments are facing significant challenges in procuring the required raw jute at their targeted prices. Furthermore, the high cost of raw materials has forced several mills to significantly reduce their production capacity. If this market trend continues, jute mills may face increasing financial difficulties in maintaining regular production, fulfilling their contractual obligations, and sustaining their overall business operations.

Jute Goods: During the month under review, regular export demand for both Hessians and Sackings was observed from buyers in Europe, Australia, the USA, and African countries. Demand from India, South Korea, the UAE, Indonesia, China, and Vietnam also remained steady. However, despite the continuation of export enquiries, a significant increase in jute prices and prevailing market volatility made buyers cautious, prompting them to refrain from placing larger orders.

Nevertheless, India continued to remain an active buyer, particularly for unstitched Binola and B-Twill fabrics, despite the substantial upward movement in prices.

Local demand for Hessian and sacking products, mainly used for packaging purposes, increased during the month under review.

Demand for Jute CBC (Carpet Backing Cloth) across key importing markets, including Europe, the USA, Australia, Japan, South Korea, and Turkey, remained at a regular and stable level during the month under review.

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

Hessians:	increased by approx. 13-14 %
Sacking:	increased by approx. 8 - 9 %
CBC:	increased by approx. 12-13 %

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Miscellaneous (1): Govt hands over unused machinery to MBSTU:

"The government has transferred the unused machinery from the Sonali Bag project to Mawlana Bhashani Science and Technology University (MBSTU) to prevent public assets from deteriorating and support further research into jute-based products and technologies.

A memorandum of understanding was signed on October 8 among the Bangladesh Jute Mills Corporation (BJMC), the Bangladesh Climate Change Trust and the university.

State Minister for Textiles and Jute Shariful Alam handed over the machinery to the university's vice-chancellor. The move comes after the much-anticipated Sonali Bag -- a biodegradable alternative to plastic, made from jute cellulose - failed to become commercially viable. According to a BJMC statement sent to The Daily Star, the Tk 100 crore project was scrapped on April 29, 2025, following a technical committee's recommendation.

The 11-member committee found that producing five tonnes of Sonali bags required 40 tonnes of chemicals, raising environmental concerns. Each bag would need to sell for Tk 25-40 to cover production costs, making it commercially unviable, the statement said.

Talking to The Daily Star, Shariful Alam said the government is working with the environment ministry and other institutions to develop environmentally friendly alternatives to polythene bags. Although the project had made technological progress, production costs could not be reduced to commercially acceptable levels, he said.

The state minister said the machinery will support research into jute cellulose, eco-friendly products and new technologies. Private researchers will also be able to access the facilities, while the ministry may use them for research and training.

Shariful Alam said reusable jute bags could offer long-term savings despite their higher initial cost. Dr Mubarak Ahmed Khan, who invented the Sonali Bag in 2016, said the project stalled because the government did not provide the necessary funding. He subsequently left the project, he said. Questioning the production-cost estimate, Khan said a feasibility study put the cost at Tk 500 per kilogramme, but he did not know how the figure had been calculated.

He argued that costs would fall as production increased and said he had presented his own calculations to officials.

Several local and foreign companies have since expressed interest in the technology, he said. "Different private companies, both local and foreign, want to take it forward. If that happens, Bangladesh may one day import Sonali Bags. I came from the US to brand this bag, but it did not happen," he said.

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The Sonali Bag factory was established at Latif Bawany Jute Mills in Demra in 2019 with Tk 10 crore from the Bangladesh Climate Trust Fund. Despite international recognition as a potential alternative to plastic, the bags have yet to reach commercial production."

Source: The Daily Star, Bangladesh, 13 October 2026.

Miscellaneous (2): Bangladesh steps up efforts to diversify its jute industry:

Bangladesh aims to modernise its jute industry and reduce its dependence on raw jute and yarn exports by expanding the production of higher-value-added and diversified products. Under a new cooperation agreement between the Jute Diversification Promotion Centre (JDPC) and China's Jiangnan University, both sides will work together to improve jute seeds and fibre quality, increase productivity and develop advanced fabrics through research, modern processing technologies and technical know-how. The cooperation also includes the establishment of joint research facilities and technology transfer to local manufacturers, particularly small and medium-sized enterprises, with the aim of strengthening the international competitiveness of Bangladesh's jute sector.

Sources: Bangladesh Sangbad Sangstha (BSS), 18 October 2026 and TextileToday, Bangladesh, 19 October 2026.

Miscellaneous (3): Bangladesh considers legal action against additional Indian duties on jute exports. Summary of an article from The Financial Express dd 25 October 2026:

India has decided to impose countervailing duties of US$ 101.54–140.04 per mton on Bangladeshi jute exports for a period of five years, in addition to the existing anti-dumping duties. The Bangladesh Trade and Tariff Commission (BTTC) has recommended appealing the decision, arguing that the measures raise important questions regarding WTO rules and the treatment of Bangladesh as a least-developed country. The appeal process could provide an opportunity for Bangladesh to further challenge the duties through Indian courts and, if necessary, the WTO dispute settlement mechanism.

Source: The Financial Express, 25 October 2026. Full article: Challenging countervailing duty on jute exports to India

Maritime Transport: The shipping situation in October remained challenging, with freight rates from Chattogram continuing to fluctuate depending on the carrier and service availability. Although the gradual resumption of services via the Suez Canal has provided some relief on Europe-bound routes, overall transit times remain inconsistent and schedule reliability continues to be a concern. At the same time, persistently high fuel prices and elevated inland transportation and container handling costs in Bangladesh continue to put pressure on exporters' logistics expenses. Overall, while the situation has shown some signs of stabilisation compared to the severe disruptions experienced in August, shipping costs remain above normal levels and continue to pose a challenge for Bangladesh's exporters.

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India

Raw Jute: Market prices quoted by the Jute Balers Association (JBA) further increased during the month under review. At the end of October, prices were ruling at approximately IRs 15,200 per 100 kg for TD-4 and IRs 14,700 per 100 kg for TD-5.

Mills continued to purchase raw jute regularly to meet production requirements for government orders and replenish their stocks. This steady demand has kept raw jute prices firm, and the upward trend is likely to continue until mills have built up inventories of more than 500,000 bales. However, the pace of price increases may slow down from next month onwards as mills gradually reach their stock targets.
The Minimum Support Price (MSP) for raw jute for the 2026/27 season is IRs 5,925 per 100 kg.

Due to prevailing market prices being substantially above the MSP level, no significant price-support purchases by the Jute Corporation of India (JCI) were reported during the month under review.

Crop 2026/27: As mentioned in our previous report, early industry estimates had put India's jute crop for the 2026/27 season at around 9–10 million bales of 180 kg each. However, these estimates have now been revised slightly downwards to 8.5–9 million bales (equivalent to around 1,53–1,62 million mtons), mainly due to slower-than-expected arrivals and firm raw jute prices. Official production figures have not yet been released, and the revised figures should therefore still be regarded as industry estimates.

According to an early estimate, the total area under jute cultivation is expected to exceed 600,000 hectares in the current season. While this points towards a significant expansion in acreage compared with the previous season and could support improved raw jute availability, the estimate remains preliminary and should therefore be treated with some caution at this stage.

Nevertheless, the final crop size and, in particular, the availability of higher-quality fibre will depend on actual yields as well as weather and retting conditions during the harvesting period. These factors will therefore have to be closely monitored over the coming weeks.

Harvesting of the new crop is nearing completion, and raw jute arrivals continued to increase.

Raw jute arrivals reached 735,000 bales in September, compared with 597,000 bales in August 2026.

Total deliveries to Indian jute mills amounted to 745,000 bales in September, including 10,000 imported bales, compared with 618,000 bales in August, of which 21,000 bales were imported.

At the end of September, raw jute stocks held by IJMA mills stood at approximately 383,000 bales.

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Carry-forward stocks are still estimated at approximately 115,000 bales.

Weather: The 2026 monsoon season brought 8% above-normal rainfall to South Bengal, while North Bengal recorded a 13% rainfall deficit. Kolkata experienced a particularly wet season, with rainfall 28% above normal, supported by several depressions and low-pressure systems over the Bay of Bengal. The contrasting rainfall patterns may affect agricultural conditions across the state, although overall rainfall in West Bengal remained close to normal at 101% of the long-period average.

Source: **Times of India** dd 16 October 2026 - Full article: S-Bengal got 8% more rain this monsoon, North 13% less

Jute Goods: Prices for Hessians sharply increased to approximately IRs 230,000 per metric ton. Selective mills were asking for premiums of around 1.5 % over prices quoted by standard mills.

Prices for Sackings also increased to approximately IRs 180,000 per metric ton at the time when this report was published, with selective mills asking for premiums of around 3 %. There were only few domestic buyers for Sackings except for mandatory government orders during the month under review.

B-Twills: Government orders for B-Twill bags amounted to approximately 250,000 bales for October, significantly lower then the expected 340,000 bales. Order volume for November is expected also to be 250,000 bales.

The delivery backlog is estimated at below 100,000 bales.

CBC: The market for Jute Carpet Backing Cloth (JCBC) remained quiet during the month under review, with no significant new orders reported.

Market assessment: As expected, production at Indian jute mills reached 102,500 mt in September, one of the highest levels recorded over the past eleven months. Production is expected to be somewhat lower in October due to festival holidays. However, supported by sufficient Government orders, mills continue to purchase raw jute regularly at prevailing market prices. As anticipated, the Durga Puja festival did not lead to any significant selling pressure in the raw jute market.

Bangladesh imports: Demand for imported Sacking cut cloth from Bangladesh reportedly has weakened during the month under review, with little to no buying activity in the market.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for September 2026 were 102,500 mtons in total of which 3,600 mtons were jute yarns/twines. ■

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