Jute Market Report
for August 2026

 1st September 2026

Bangladesh

Raw Jute: During the month under review, the discussion surrounding Bangladesh's restrictions on raw jute exports continued to be a major topic within the domestic jute industry.

The Bangladesh Jute Association (BJA), representing raw jute traders and exporters, has requested the Government to withdraw the existing restrictions on raw jute exports. While acknowledging the Government's objective of safeguarding sufficient raw material availability for the domestic industry, the Association pointed out that prolonged restrictions are increasingly affecting farmers, traders, exporters and other stakeholders throughout the raw jute supply chain.

According to the BJA, raw jute remains an important traditional export commodity for Bangladesh, generating foreign exchange earnings and supporting a large network of farmers, traders, transporters, workers and exporters. The Association therefore advocates a return to normal raw jute exports, subject to appropriate monitoring of domestic supply and market conditions.

At the same time, representatives of the domestic jute manufacturing industry continue to express concerns regarding the availability of sufficient quantities of quality raw jute. Consequently, the question of raw jute exports remains subject to conflicting interests between exporters and domestic processors.

New crop: The outlook for the 2026/27 jute crop remains mixed. According to the Department of Agricultural Extension (DAE), the Government initially targeted jute cultivation on approximately 708,000 hectares, with an expected production of around 8.52 million bales. Other recent government and industry assessments indicate a production target of approximately 9.0 million bales.

However, preliminary figures suggest that the actual cultivated area may remain below these targets. Furthermore, adverse weather conditions and rising production costs are expected to negatively affect overall yields.

In several major jute-growing regions, farmers expanded cultivation following the attractive raw jute prices achieved during the previous season. Initially, the increase in acreage created expectations of improved overall production.

However, weather conditions during the early development of the crop proved challenging. A prolonged dry spell following sowing caused moisture stress and affected the development of young jute plants. This period was subsequently followed by heavy rainfall, further disrupting plant growth during a critical stage.

As a consequence, plants in several growing areas remained significantly shorter than usual. Field reports indicate reductions in plant height of approximately 2 to 5 feet in some affected areas, resulting in fibre yield losses estimated at around 40 to 60 kg per bigha.

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Despite comparatively attractive market prices and increased cultivation in certain regions, actual fibre yields therefore remained below expectations.

The development once again demonstrates the strong dependency of jute production on favourable weather conditions. Attractive raw jute prices may encourage farmers to increase acreage, but cannot compensate for adverse climatic conditions and rising production costs.

Local Demand: The local raw jute market showed a firm to bullish trend throughout August. Strong buying activity was observed from stockists, large jute yarn and twine spinning mills, composite jute mills and raw jute processors. Buyers remained particularly interested in securing premium and superior-quality fibres.

Stockists continued to build positions, while major spinning mills actively covered their raw material requirements in order to secure uninterrupted production and maintain adequate inventory levels.

Demand remained active across both higher and lower grades, although buying interest was clearly concentrated on premium-quality fibres.

Local raw jute market situation: Premium-quality raw jute and Meshta prices showed a further upward movement during the month under review.

High-grade Meshta, White Jute and other superior-quality fibres remained particularly sought after and continued to command significant premiums compared with ordinary qualities.

Although arrivals from the new crop continued during August, availability of consistently high-quality fibre remained relatively limited.

As a consequence, the market continued to show a clear differentiation between ordinary and premium grades, with fibre quality remaining the principal factor determining prices.

Overall, the local raw jute market remained firm to bullish, supported by active stockist accumulation, continued procurement by major spinning mills and comparatively limited availability of premium-quality fibres.

Should the present buying momentum continue, prices for superior qualities are expected to remain well supported in the near term.

Local price: Strong and sustained demand from domestic jute yarn mills and stockists, particularly for premium-quality fibre, resulted in a further increase in raw jute prices of approximately BDT 300 to 400 per 40 kg during the month under review.

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At the beginning of the harvesting season, raw jute prices in major producing districts were reported at approximately BDT 3,800 to 4,000 per 40 kg. During August, prices increased to around BDT 4,000 to 4,200 per 40 kg depending on quality.

In certain areas close to the Indian border, considerably higher prices of up to approximately BDT 5,000 per 40 kg were reported.

Raw Jute exports Figure: Official raw jute export figures have not been regularly available since November 2025 due to the Government-imposed restrictions on raw jute exports.

The restrictions, originally introduced in September 2025, require prior government approval for raw jute shipments.

Consequently, current export statistics are not directly comparable with previous unrestricted periods.

Weather Condition: Bangladesh experienced typical monsoon conditions throughout the month under review, characterised by high temperatures, high humidity, frequent rainfall and thunderstorms. Several regions experienced periods of heavy rainfall, resulting locally in temporary flooding and rising river levels. Overall, weather conditions remained warm, wet and humid throughout August.

Jute Yarn and Twine: Export demand for both higher and lower qualities of jute yarns and twines from key international markets such as Turkey and Iran remained at a regular level during the month under review. Demand from other important importing markets, including China, Vietnam, Indonesia, Malaysia, Uzbekistan, the USA, Europe and countries across the Middle East, remained broadly stable as well. Market activity was mainly driven by buyers covering their immediate requirements. Most importers continued to place orders according to their current consumption and inventory positions rather than building substantial forward positions.

Overall, international demand for jute yarns and twines therefore remained stable during August.

Export price: Due to the further increase in raw material costs, combined with steady international demand, mill prices for jute yarns and twines increased by approximately USD 40 to 80 per metric ton, depending on count and quality, during the month under review.

Local demand: Local demand for Sacking and Hessian quality jute yarns and twines remained comparatively weak during August.

Situation of local mills: Demand for carded jute fibres from major importing markets, particularly India, Pakistan and China, as well as from other international destinations, continued to support production activity.

Consequently, most mills continued operating irrespective of their individual financial position. This applies both to financially sound producers and to mills currently facing financial difficulties.

However, the continued increase in raw jute prices and concerns regarding the future availability of suitable raw materials are putting growing pressure on production costs and margins.

Jute Goods: During the month under review, export demand for Hessians and Sackings from the principal overseas markets, particularly Europe, Australia and the USA, remained broadly stable.

Buying interest from other importing regions, including African countries, Iran, China and Vietnam, also remained at regular levels.

As in previous months, India continued to actively purchase unstitched Binola and B-Twill fabrics.

Overall, the export market for conventional jute goods maintained a steady demand pattern, with no significant changes in buying activity across the major importing markets.

Local demand for Hessian and Sacking products, mainly used for packaging purposes, remained subdued during the month under review.

Demand for Jute CBC (Carpet Backing Cloth) from major importing countries, particularly Europe, the UK and Japan, remained at a regular and stable level during August.

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

Hessians:	increased by approx. 1%
Sacking:	remained unchanged
CBC:	remained unchanged %

Miscellaneous (1): Raw Material Availability Remains a Major Concern

The availability of sufficient raw jute is increasingly becoming one of the major concerns for Bangladesh's domestic jute industry.

According to data published by the Bangladesh Bureau of Statistics (BBS), national jute production reached approximately 9.5 million bales in FY2024 before declining to approximately 8.9 million bales in FY2025 and around 8.7 million bales in FY2026.

Preliminary statistics indicate that actual jute cultivation during the current season may have covered approximately 0.66 million hectares, below the Government's original acreage target.

Industry representatives attribute this development to several factors, including rising cultivation costs, labour shortages, adverse weather conditions and the closure of numerous jute mills during recent years. These factors have encouraged some farmers to shift towards alternative crops or other economic activities.

At the same time, the combination of lower yields and increasing raw jute prices is creating considerable pressure throughout the value chain.

According to representatives of the Bangladesh Jute Spinners Association, domestic factories require approximately 6.5 to 7.0 million bales of suitable quality raw jute per year, whereas current availability of appropriate qualities is estimated to be below 6.0 million bales.

This imbalance is increasingly creating concerns regarding future raw material availability for domestic spinning and manufacturing operations.

The situation is further complicated by the difference of interests between raw jute exporters and domestic processors. While exporters are requesting the removal of existing export restrictions, representatives of the domestic manufacturing industry are calling for continued restrictions in order to safeguard sufficient raw material availability for local production.

Reports of informal cross-border movements into India, encouraged by higher prices in certain border regions, have added further pressure to the discussion. On 22 August, jute growers and traders in Kurigram reportedly called for stronger measures against such cross-border movements while simultaneously demanding better prices for locally produced jute.

The development of the new crop and the availability of higher-quality fibres will therefore remain decisive factors for the market during the coming months.

Considering the combination of lower-than-expected yields, strong domestic procurement, limited availability of premium qualities and rising raw material prices, the raw jute market is expected to remain firm in the short term.

Further price increases cannot be ruled out, particularly for superior Tossa, White Jute and Meshta qualities, should current procurement activity continue.

Source: The Financial Express, Bangladesh, 24 August 2026.

Miscellaneous (2): Jute cultivation is returning to its heyday in Barishal this year as favourable weather, improved varieties and proper agricultural guidance have helped farmers achieve higher yields and better profits. Farmers across the district are pleased with the performance of the eco-friendly golden fiber, particularly as market prices have risen significantly compared to last year. The improved returns have renewed their interest in jute cultivation after several years of losses caused by low prices. Jalil Chowkidar of Rafiyadi village in Babuganj upazila has cultivated jute as usual this year. He harvested around 50 maunds of jute from his fields and said he was happy with the yield achieved at relatively low production costs. "Last year, jute was sold at Taka 1,700 to Taka 1,900 per maund. This year, the price has risen to Taka 3,200 to Taka 4,000," Jalil told BSS (...)

Agricultural officials said the increased demand for jute and jute products, including jute bags, along with the government's measures to discourage the use of plastic products, has helped create favorable market conditions for the crop. According to Department of Agricultural Extension (DAE), jute has been cultivated on 12,511 hectares of land in the district this year against a target of 12,591 hectares. Of the cultivated land, jute has so far been harvested from 12,203 hectares of land. (...)

This year, farmers have cultivated improved varieties of jute as well as the high-yielding variety BINA Toshapat-1, developed by the Bangladesh Institute of Nuclear Agriculture (BINA). Agricultural officials have stated that favourable weather and timely rainfall helped farmers avoid a situation where they would have had to rush to harvest their crops. As a result, the jute fiber has developed a bright color and achieved good quality. (...)

Source: BSS News, 30 August 2026

Miscellaneous (3): The harvesting of Jute, the main cash crop in the district, is going on in full swing, expecting bumper production, the Department of Agriculture Extension (DAE) sources said today. The Department of Agriculture Extension sources said they had set a target of cultivation of Jute on 3576 hectares of land with a production target of 13,473 metric tons of Jute fiber in all the seven upazilas in the district during the current season. Of the total, 2,755 hectares of land was fixed for cultivation of Tosha, 821 hectares of land was fixed for cultivation of local varieties, 18 hectares of land was fixed for cultivation of Mesta and 5 hectares was fixed for cultivation of Kenaf. (…)
The Department of Agriculture Extension sources said more than sixty percent of Jute harvesting has already been completed and harvesting of Jute will be completed by the first week of September.

Source: BSS News, 27 August 2026

Miscellaneous (4): What Bangladesh's golden fibre needs to become a climate-era export 'Global regulation is finally moving toward properties jute already has: renewable, biodegradable, single-fibre, low-input, grown where the delta floods.'

Bangladesh has spent five decades protecting the reputation of one raw commodity: our golden fibre, jute. But what it has not built is the industrial ecosystem that could turn that commodity into commercial products the world demands as environmentally friendly alternatives to various synthetic goods. While on July 15, Faridpur Jute received the Geographical Indication (GI) status, which the Agriculture Secretary Dr Rafiqul I Mohamed said would help establish the fibre's identity abroad, it must be noted that a GI protects a name; it does not build a factory. (…)

However, the argument for boosting jute production is regulatory because European product law is being rewritten in ways that favour exactly the properties jute already has. The Ecodesign for Sustainable Products Regulation, which aims to make products sold in the EU more durable, repairable, recyclable, and transparent, came into force in 2024. Between 2026 and 2030, product-specific laws will be rolled out. (…)

Buried in the same architecture is a Digital Product Passport demanding batch-level data on fibre origin, plus a producer responsibility fee expected to reward simple, single-fibre garments over blended ones. A biodegradable crop spun into one fibre fits that system well. However, Bangladesh's commercial pathways appear to be moving towards blended fabric such as jute-cotton and jute-viscose, exactly what this fee structure discourages. We cannot claim the regulatory upside while pursuing a blending strategy without deciding, honestly, which market we are building our strategy for. Moreover, a wider shift is taking place beyond the EU. Industries that use carbon-intensive composites and synthetics are under pressure to find alternatives. For example, aircraft makers such as Airbus and Boeing are now being pushed to account for the emission created while making the materials that go into an airplane, not just the fuel burned during a flight. Besides, a large share of the world's synthetic and composite fibre inputs still route through Chinese supply chains, which leaves buyers exposed to costs and geopolitical issues. A natural, biodegradable fibre grown at scale in Bangladesh offers companies another option for diversifying their sources of fibre. Bangladesh has not really made the pitch related to this fibre option anywhere yet. (...)

Jute composites are already used in automotive interior panels, and every tonne of fibre produces about 2.5 tonnes of jute stick, mostly burnt today. These sticks can be processed into activated carbon and particle board. (…)

The Ministry of Foreign Affairs, in collaboration with the Ministry of Textiles, has launched an initiative to promote jute as a Bangladeshi product abroad. In this regard, they could include the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the garment houses already supplying major international buyers. Our RMG exporters have spent years building the relationships and compliance history that luxury and mass-market buyers' demand. Adding jute as a product through those same channels would be an upsell to buyers who already have a running business relationship. A single meeting between the relevant ministries, BGMEA, and existing buyers could open a door that five decades of GI applications never have done. In addition, Bangladesh can arrive at COP31 in Türkiye on November 9 with a natural-fibre proposition, ideally alongside India, Kenya, and the Philippines, thus pushing for recognition of biogenic fibres in procurement standards. However, there is one point of caution that we must heed. The carbon numbers floating around jute vary wildly. Depending on whether a study measures gross uptake or net exchange, estimates for jute plants' carbon dioxide consumption range from 1.5 tonnes per hectare a year to even 15 tonnes. Bangladesh has no nationally verified life cycle assessment of its own for the plant. Publishing figures we cannot defend under audit would do more damage than publishing none. Commissioning the assessment to the Bangladesh Jute Research Institute and an accredited European verifier would therefore be the highest-return option. Jute is not only compelling because it is our region's heritage. It is also compelling because global regulation is finally moving towards properties jute already has: renewable, biodegradable, single-fibre, low-input, and grown where the delta floods. But flax, hemp, and engineered cellulosic are building certification and traceability infrastructure faster than Bangladesh's jute is. (…)

Source: The Daily Star, Bangladesh, 23 August 2026.

Maritime Transport: Exporters in Bangladesh are facing a significant shortage of container space as major shipping lines have reduced booking allocations from Chattogram.

Freight rates have more than doubled within one month. Rates to the USA increased from approximately USD 4,500–5,000 to more than USD 11,000 per container, while freight to Hamburg rose from around USD 2,500 to nearly USD 6,000 per container. At the same time, shipment lead times have increased by up to two to three weeks.

Shipping lines attribute the disruption mainly to ongoing tensions in the Middle East and Red Sea as well as exceptionally strong demand from China, where carriers are currently allocating more vessel capacity due to higher commercial returns.

Bangladesh is particularly affected because most export containers are transported via feeder vessels to transhipment hubs such as Colombo, Port Klang and Singapore before being loaded onto mother vessels.

Maritime Transport (2): In 2026, Sea Legend launched its China–Europe Arctic Express (CAX)**,** a seasonal container service connecting China with Northern Europe via the Northern Sea Route (NSR). Following a first trial voyage in 2025, the service is planned to operate with eight sailings between August and early October 2026, offering a transit time of approximately 20 days from China to Northern European ports, including Hamburg, Rotterdam and Felixstowe. The CAX is positioned as a faster alternative to traditional China–Europe routes via the Suez Canal, particularly for time-sensitive cargo. However, the service remains seasonal and subject to weather, ice conditions, regulatory requirements and geopolitical factors.

Sources: PWL Shipping (Sea Legend agent in Germany), *China-Europe Arctic Express (CAX)*, 2026; *China Daily*, 30 June 2026.

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India

Raw Jute: Market prices quoted by the Jute Balers Association (JBA) increased sharply during the month under review. At the end of August, prices were ruling at approximately IRs 13,300 per 100 kg for TD-4 and IRs 12,900 per 100 kg for TD-5.

The price increase was considerably stronger than previously expected. Ready buyers remained in the market for practically all quantities and qualities offered, while mills continued to build inventories. Available quantities were therefore quickly absorbed.

The market is expected to remain firm in the near term, particularly as mills continue building stocks and substantial Government orders for jute bags provide additional demand.

The Minimum Support Price (MSP) for raw jute, TD-3 grade, for the 2026/27 season has been increased by approximately 5 % to IRs 5,925 per 100 kg, compared with IRs 5,650 during the previous season.

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: The outlook for the Indian jute crop 2026/27 has improved considerably compared with the previous season. Current trade estimates indicate a raw jute production of approximately 9.5–10.0 million bales of 180 kg each, equivalent to around 1.71–1.80 million metric tons. Official jute bodies have not yet published a final crop estimate, meaning that the current figures should still be considered industry estimates.

The considerably more optimistic crop outlook is supported by an expansion of the area under cultivation. Following the exceptionally tight raw jute situation during the 2025/26 season, farmers responded to the high price levels by increasing jute cultivation. Market expectations therefore point towards substantially better raw material availability during the current season.

Expectations of a substantially larger crop have already resulted in a noticeable change in market sentiment. In July, the Office of the Jute Commissioner withdrew the raw jute stock control measures which had been in force for more than nine months. The removal of these restrictions was made against the background of expectations for significantly improved supplies during the 2026/27 season.

The latest satellite-based assessment by the National Remote Sensing Centre (NRSC) estimates the total area under jute cultivation at approximately 582,000 hectares, representing an increase of around 21% compared with the previous year. The expansion in acreage has been particularly significant in the key jute-growing districts of Murshidabad and Nadia in West Bengal.

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Nevertheless, the final crop size and, particularly, 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.

Plant development has generally been reported as satisfactory, with average plant heights of approximately 10 to 12 feet. No major stem-related problems have been reported which could significantly affect overall crop volume.

However, excessive rainfall in parts of North Bengal may have negatively affected fibre quality. Harvesting of the new crop was in full swing during August. Regular rainfall, however, continued to cause some delays in crop preparation and deliveries.

Deliveries to Indian jute mills during July amounted to approximately 371,000 bales, including around 13,000 bales of imported raw jute, compared with approximately 295,000 bales during the preceding month. At the end of July, raw jute stocks held by IJMA mills amounted to approximately 132,000 bales. Carry-forward stocks are presently estimated at approximately 115,000 bales.

Weather: Despite improved rainfall during August, cumulative monsoon rainfall across India remained approximately 14% below normal by the end of the month. Rainfall distribution continued to vary considerably between regions.

In the important jute-growing region of West Bengal, conditions were comparatively favourable. Kolkata recorded approximately 19% above-normal rainfall in August and a seasonal rainfall surplus of around 10%.

However, rainfall remained unevenly distributed, with increasingly concentrated periods of heavy precipitation. Overall, rainfall conditions in West Bengal were sufficient, although excessive rain in certain areas may have affected fibre quality and caused some delays in harvesting, retting and new crop deliveries.

Jute Goods: Prices for Hessians increased sharply to approximately IRs 200,000 per metric ton. Selective mills were asking for premiums of around 2.5 % over prices quoted by standard mills.

Prices for Sackings remained unchanged at approximately IRs 170,000 per metric ton, with selective mills asking for premiums of around 3 %.

B-Twills: Government demand remained an important supporting factor for the Indian jute industry.

Government orders for B-Twill bags amounted to approximately 350,000 bales for August, exceeding earlier expectations of around 250,000 bales.

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A similar Government order volume of approximately 350,000 bales is expected for September.

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

The Indian raw jute market is expected to remain firm in the near term. Mills need to secure sufficient raw materials both to fulfil substantial Government bag orders and to rebuild their comparatively low inventories. A significant decline in raw jute prices therefore appears unlikely at present. Future price developments will largely depend on the volume and pace of new crop arrivals. With no major seasonal selling pressure expected in the immediate future, the market is likely to remain well supported.

Market assessment: Raw jute prices remain exceptionally firm, driven by mill inventory requirements and substantial Government demand for B-Twill bags. The combination of relatively low mill stocks and strong procurement requirements is expected to continue supporting prices until larger volumes of the new crop reach the market.

Bangladesh imports: Demand for imported Sacking Cuttings from Bangladesh reportedly declined during the month under review, while regular demand for jute yarn continued. Demand for imported jute sliver has largely come to an end.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for July 2026 were 68,500 mtons in total of which 2,600 mtons were jute yarns/twines. ■

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