

# Jute Market Report for April 2023

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3<sup>rd</sup> May 2023

## Bangladesh

**Raw Jute:** During the month under review, raw jute demand from major importing countries like Pakistan, India and Nepal increased compared to export figures back in March. Pakistan was in the market for long Jute Tossa 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 3.500 to 4.000 mtons. Indian buyers were in the market for lower quality grades of long Jute Tossa such as BTR BS, BTR NB KS, BTR NB CS and BTR SMR as well as Jute cuttings BTCA and BTCB and placed orders of about 5.500 to 6.000 mtons.

Demand from other importing countries like China, Vietnam, Russia, Tunisia and others continued to be sluggish during the month under review.

The market activities of local jute yarn and twine spinning mills as well as composite jute mills were on a regular level, during the month under review.

Raw Jute and Meshta export prices remained stable during the month under review.

Raw jute exports from July up to November, 2022 were 355.107 bales against 278.668 bales during the same period under review in the year 2021.

**New Crop:** Even though sowings of Meshta and White Jute in low land areas started already in the month of March, same are yet to be completed. The country faces a drought for the last 20 to 25 days, which made proper sowings next to impossible for the farmers. A lot of farmers were forced to collect water from local water pumps to continue the sowings, but the lack of rainfall in combination with an ongoing heat wave lead to desiccation of the plants in certain areas as well as decelerated growth of the plants.

Due to these adverse weather conditions, sowings of Tossa Jute were delayed and could start in areas in which irrigation facilities are available, only.

It is, of course, by far too early to predict the spillover effect of the current draught on the outcome of the forthcoming crop, but rainfall is badly needed during the next days and weeks. In case, the intense heat and the lack of rainfall would continue in the same manner, the outcome of the new crop may be less than expected.

**Weather:** As mentioned above, the entire country faces a less advantageous combination of high temperatures and lack of rainfall.

**Jute Yarn and Twine:** Export demand for both low and high quality grade jute yarns and twines from major markets such as Turkey and Iran was more or less on the same level as in March.

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Demand for both low and high quality grade jute yarns and twines from other international markets such as India, China, Vietnam, countries of the Middle East, African countries, Europe and USA, was on a regular level during the month under review.

Local demand for both Sacking and Hessian quality jute yarn and twine for packaging purposes was at a regular level during the month under review, too.

**Export price:** Export prices for both light and heavy count jute yarn and twine remained stable, during the month under review.

**Jute Goods:** During the month under review export demand for both Hessians and Sackings from buyers in Europe, USA and Australia increased. Demand for Sackings from African countries as well as from other importing countries such as Iran, China and Vietnam was more or less on a regular level. India was regularly in the market for unstitched Binola and B-Twill fabrics.

Jute CBC demand from the regular importing countries like Europe, UK and Japn slightly increased during the month under review.

Local demand for Hessians and Sackings for packaging purposes was observed on a regular level during the month under review.

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

Hessians:	increased by approx. 2-3%
Sacking:	increased by approx. 2%
CBC:	increased by approx.1 to 2%

**Miscellaneous:** The Ministry of Commerce has formed the "Jute Product Business Promotion Council (JPBPC)" to further expedite the development of the jute sector and exploit its potential. "It will work on the diversification of jute goods, boosting its exports, incorporation of modern technology, and enforcement of compliance," Commerce Minister said while inaugurating the council in a function at the Secretariat on 16<sup>th</sup> April 2023.

The council became operational by forming seven sector-wise councils. The Commerce minister said, "Due to the government's timely action, the golden fibres are now showing a golden dream. We have taken initiatives to increase the export of jute products to various countries including Europe by developing market management."

A draft Memorandum of Articles and a Memorandum of Association have been formed to make the Jute Products Business Promotion Council a non-profitable institution under the Company Act. It will be finalized through discussion with the businessmen concerned. The ministry decided to

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add eight jute and jute products sector-related associations to the Jute Products Business Promotion Council.

Export-import trade through Chattogram seaport shows an upturn on a month-on-month basis by official count, in what is seen a sign of economic pickup. The main seaport of Bangladesh, which handles over 90 per cent of the country's export-import operations, recorded a substantial rise in both the submission of bills of export and import and the volume of goods clearance in March last, said officials.

## 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 6.325 and TD-5 IRs 5.825 per 100 kgs, which represents slighter higher figures as the ones ruling last month. However, the jute minimum support price is increased by >6 per cent or IRs 300 to IRs 5.050 per quintal, for next jute season from July 2023.

**New crop:** According to local reports, jute sowing figures in North Bengal and Lower Assam are around 20 per cent higher than last year. However, figures we received for Semi Norther and South Bengal are 20 per cent respectively 10 per cent lower than last season. Altogether, it is indicated that the area of land brought under cultivations is going to be more or less same as last year.

Even though it was expected that the 6 per cent increase of the minimum support price (MSP) should induce farmers for sowing more jute, there is temptation of higher realisation from other crops.

Local supplies of raw jute to Indian jute mills were around 547,000 bales during the month under review (against 552,000 bales in March).

According to latest estimates the crop 2023/24 is expected to be about 8,7 mio. bales compared to 9,3 mio. bales in 2022/23. The carryover is estimated with around 2,2 mio bales.

**Jute Yarn and Twine:** Demand for jute yarns and twines continued to be negligible during the month under review.

**Jute Goods:** Situation during the month under review presented itself as follows: Prices for Hessians were slightly lower compared to February, ruling at IRs 128,000 per mton. Selective mills asking for premium of 7% against prices quoted by „standard“ mills. Export demand as well as local demand continued to be on a quite low level.

Market prices for Sackings slightly decreased, fluctuating between IRs 91.000 and 94.000 per mton, with selective mills asking for premium of 10 % against prices quoted by „standard“mills.

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**B-Twills:** The Indian Government placed orders of about 225.000 bales of B-Twill bags during the month under review. Order volume for May is expected to be to the tune of 200.000 bales. Contrary to earlier expectations demand from the Indian Government is encouragingly better in spite of dull season.

Orders for Jute Carpet Backing Cloth continued to be sluggish.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for March 2023 were 106.300 mtons in total of which 3.100 mtons were jute yarns/twines.

**Weather:** After an extended dry spell and an eight-day heat wave during middle of the month under review raised speculations that this April may be the hottest and driest in recent years, twin squalls on the last day of the month fixed April's low rain record for Kolkata. In Kolkata about 48 mm of precipitation over 3,2 days is quite typical for April. After a longterm deficient record, the thunderstorms in last three days of April made up for the deficiency in rain record, though. As a whole Bengal received slightly more rainfall than the normal average of 55 mm.

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