

Jute Market Report for February 2026

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2nd March 2026

Bangladesh

Raw Jute: The raw jute market in FY25 has experienced significant volatility, with prices skyrocketing to Tk 5,500-5,800 per maund. Despite existing government restrictions on raw jute exports intended to safeguard domestic supply, prices have continued to surge due to reduced production, conditional export approvals, and market concerns regarding possible stockpiling activities.

The current situation poses substantial risks to domestic jute mills, many of which are struggling with elevated input costs and the threat of operational disruptions. There is no credible indication that Bangladesh is lifting its restrictions on raw jute exports. On the contrary, the government has maintained strict export controls in response to a significant shortage of raw jute supplies for domestic mills.

Local mill owners have warned of potential production shutdowns if raw material shortages persist. In response, authorities have intensified monitoring and enforcement measures to curb irregular exports and ensure adequate supply for domestic factories. The primary objective of these actions is to stabilize the local jute industry and protect employment.

Both the Bangladesh Jute Mills Association (BJMA) and the Bangladesh Jute Spinners Association (BJSA) are currently facing a severe shortage of raw jute, bringing production activities at many affiliated mills nearly to a standstill. The inadequate supply of raw jute to a large number of the jute yarn and twine spinning mills and composite jute mills has led to increasing delays in contract fulfillment, and the situation is likely to worsen.

BJMA, representing approximately 200 jute mill owners, and BJSA, representing around 60 jute mills, have jointly submitted an official letter to the Ministry of Textiles and Jute. In their communication, the associations stated that the abnormal rise in raw jute prices has made procurement financially unviable for mills.

According to the two organizations, prices continue to rise due to supply falling short of demand. They allege that certain intermediaries are exploiting the situation by hoarding raw jute, thereby creating an artificial crisis in the market. The associations warned that prolonged mill closures would lead to increased unemployment, reduced foreign exchange earnings, and broader negative impacts on the national economy.

Local Demand: Throughout the month under review, local demand for raw jute remained robust, and solvent jute yarn and twine spinning mills as well as composite jute mills maintained active procurement in the market. However, ongoing supply shortages and sharply rising prices severely significantly disrupted market stability. As a result, most industry participants faced substantial challenges in securing adequate raw material at sustainable cost levels.



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The local raw jute market is experiencing another sharp decline in availability of Tossa and Meshta of higher qualities. The limited quantities that are available are being traded at prices beyond market regulation. Consequently, purchasers are compelled to procure these fibers at elevated costs, raising significant concern among industry stakeholders regarding supply stability and pricing trends.

Local prices of raw jute consequentially increased further by about USD 60.00 to 70.00 per mton during the month under review.

Raw jute exports from July 2025 up to September 2025 of the fiscal year 2025-2026 were 80,740 bales against 162,948 bales during the same period 2024-2025. This represents another notable decline in export volume, largely attributed to the government's conditional export restrictions and tight domestic availability.

Weather condition: During the first half of the month under review, the country experienced relatively low temperatures accompanied by foggy conditions. These weather patterns resulted in congested highways and significant traffic disruptions. In contrast, during the second half of February, weather conditions improved, with the entire country enjoying bright and sunny days.

Jute Yarn and Twine: Export demand from key markets such as Turkey, Uzbekistan, and other Middle Eastern countries for jute yarns and twines of both higher and lower qualities remained at a stable level during the month under review. However, high prices led to a slight slowdown in actual business from the Middle Eastern markets.

Likewise, export demand from other international markets, including India, African countries, and Europe, for jute yarns and twines of both higher and lower qualities remained steady during the same period. Meanwhile, demand from China and Vietnam was notably low during the month, primarily due to Chinese New Year celebrations.

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

According to the industry insiders, local jute yarn and twine spinning mills continue to struggle as raw jute remains scarce in local markets. Prices have surged abnormally, placing added financial pressure on manufacturers.

As a result of the continued rise of raw jute market prices, export prices for both high and low quality of jute yarn and twine increased on an average by about USD 60.00-90.00 per mton during the month under review.

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Jute Goods: Export demand for both Hessians and Sackings from buyers in Europe, Australia, and the USA for both Hessians and Sackings increased only slightly during the month under review, even though regular inquiries were received. However, due to significant price rises, buyers were showing less interest. Buyers from African countries were primarily in the market for Sackings.

Export demand from countries such as India, South Korea, the U.A.E., Indonesia, Iran, China, and Vietnam remained largely steady during the month under review. India, in particular, continued as an active buyer for unstitched Binola and B-Twill fabrics.

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

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. 8-10 %
Sacking:	increased by approx. 10 %
CBC:	increased by approx. 8 %

Miscellaneous: 23 jute mills in Khulna have suspended their production due to shortage of raw jute. We quote from The Financial Express dd 1st February 2026:

“Production at 23 private jute mills in Khulna region will be suspended from today (Sunday) due to an acute shortage of raw jute. The crisis was created after excessive rainfall disrupted jute cultivation in Shariatpur, Madaripur and Gopalganj, resulting in lower-than-expected output, jute mill owners said.

To protect domestic mills, the government imposed a ban on jute exports from September 8 but millers say the restriction has failed to stabilize supplies. According to the Jute Mill Owners Association, mills are struggling to maintain normal operations as raw jute has become scarce and prices in local markets have surged abnormally.

The association has decided to shut down production at 23 mills in Khulna from Sunday.

Millers said excessive rainfall during May and June hampered jute production in the southern region. Although the jute season began on July 1, the expected inflow of jute did not reach major trading hubs in Daulatpur, Khulna and Narayanganj.



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The situation worsened after India imposed a ban on jute export to protect its farmers, leaving Khulna-based exporters in trouble, it said. Taking advantage of the supply crunch, traders allegedly hoarded jute illegally in local markets. With no export opportunities, jute prices rose sharply in markets such as Chuknagar, Kapilmuni, Terokhada, Jhaudanga, Tala, Kalaroa and Parulia, further limiting mills' ability to procure raw materials.

Mills set to halt production include Daulatpur Jute Mill, Khalishpur Jute Mill, Star Jute Mill, Sagar Jute, Jute Textile, Joy Jute, Habib Agro Jute, Ayan Jute, Jessore Jute, Nomani Jute, Ohab Jute, Faruk Jute, Web Jute, Super Jute, FR Jute, Quality Jute and Yasin Jute, among others.

In a letter to the government, the association said raw material shortages are pushing mills toward operational disruption while abnormal price hikes driven by middlemen have created an artificial crisis.”

Source: The Financial Express dd 1st February 2026

India

Raw Jute: Market prices quoted by the Jute Balers Association (JBA) end of last month were fixed as follows: TD-4 IRs 15,300 and TD-5 IRs 14,800 per 100 kgs. These numbers reflect yet another sharp jump in raw jute prices and is a new historic peak.

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

As expected, prices continued to rise steadily and are now climbing sharply as supply remains tight and stocks are decreasing.

Local supplies of raw jute to Indian jute mills were ruling around 406,000 bales during the month of January (compared to 374,000 bales in December). At the end of January, raw jute stock with jute mills were 608,000 bales.

Crop 2025/26: Information continue to indicate that the area brought under cultivation in season 2025/26 is around 480,000 hectares.

The overall crop volume estimates still vary significantly. As reported before, 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.

Weather: Spring is currently in a transitional phase, and the days are gradually becoming warmer. From midnight until the early morning hours, however, the weather remains pleasantly mild.

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

Prices for Hessians presented themselves almost unchanged at IRs 195,000 per mton at the time when this report was published. Selective mills are asking for a premium of 7,5 % to the prices quoted by "standard mills".

Price of Sackings increased and is now at IRs 175,000 per mton, with selective mills asking for a premium of 3 % for exports to the prices quoted by "standard mills".

B-Twills: The Indian government ordered around 185,000 bales of B-twill sacks during the month under review. Order volume for March is expected to be at about 200.000 bales.

As mentioned in previous reports, there is still a backlog of deliveries from mills for orders placed through November, caused by unworkable prices. The total quantity impacted is still not known exactly but estimated to be around 250,000 bales.

CBC: There is no specific news at this time. However, reports indicate a decline in new orders, as offers from Bangladesh are more than 15% lower, thereby gaining a competitive advantage.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for January 2026 were 64,400 mtons in total of which 1,900 mtons were jute yarns/twines.

Miscellaneous / Latest news: Bangladesh and India have agreed to work towards boosting bilateral trade. We quote from The Financial Express dd 2nd March 2026:

"Bangladesh and India have agreed to work towards expanding bilateral trade, Commerce Minister Khandakar Abdul Muktadir said on Monday. Trade between the two countries has faced various obstacles due to some mutual decisions. Both sides have drawn each other's attention to reviewing decisions such as the closure of several Indian land ports, border haats and the cancellation of trans-shipment facilities," he said.

The commerce adviser made the remarks while talking to reporters after a meeting with Indian High Commissioner Pranay Verma at his office at the Bangladesh Secretariat.

The minister said the high commissioner primarily came as part of a courtesy call to welcome the new government but discussions also covered various aspects of increasing trade between the two countries."

Source: The Financial Express dd 2nd March 2026

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