

Jute Market Report for February 2018

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6th March 2018

Bangladesh

Raw Jute: Raw jute market; both for high and low quality fibres was showing in upward trend. There was continuous export demand from Pakistan, India as well as Nepal. Pakistan was in the market for both high and low quality of long jute and jute cutting of all grades of Meshta, White and Tossa. Pakistan bought about 5.000 mtons during the month under review. Demand for long meshta and white remained strong but there was a lack of availability of such fibres in the local market and existing demand could not be fully met. India was also in the market for high and low quality of long jute like BTE HD, BTE BS, CS, KS and Jute Cuttings BTCA. India bought about 3.000 mtons. There was regular export demand from Vietnam, Russia and the other jute importing countries. China hardly showed up as buyer during the period under review because of Chinese New Year holidays.

There was regular local demand for both high and low quality of fibres from the private Jute yarn and Twine spinning mills, composite mills and raw jute processors. They were active buyers for procuring required raw material.

BJMC was regularly in the market and they were procuring raw material as per their sales requirements.

Raw Jute prices increased about USD 30 to 40 per mton both for high and low quality fibre. Raw jute exports from July 2017 up to November 2017 were 450,755 bales against 471,632 bales during the same period under review in the year 2016.

At the beginning of the month of February 2018, the weather was not favorable. Most of the country was facing low temperature and low visibility due to fog and haze. Highways, terminals were congested and blocked by transports because of low visibility on the roads and highways. The traffic congestion developed due to the four-lane work on the highway and poor visibility caused by heavy fog. The Daulatdia-Paturia ferry terminal was overcrowded with lined up trucks last week. The authority had to stop ferries to transport vehicles at night which added burden to this ongoing situation. The other days observed well with sufficient sunshine.

Jute Yarn and Twine: Demand of jute yarn and twine from the regular importing countries was rather sluggish since beginning of the month because of Chinese New year holiday. None the less, from the end of February demand started to increase from Near and Middle East countries as well as Egypt. There was demand too from India, China, Uzbekistan, Vietnam, Indonesia, Malaysia, Africa and USA. Demands from Europe were slow at the beginning of the month although it picked up at the end of the month. Demand for Sacking and Hessian yarns was a bit slow during the month under review. Export prices remained stable for both high and low quality of jute yarn.

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It is assumed that market will be in rising trend after holidays have come to an end. Regular importing countries as well as China will continue to be active in the market. Mills were fully booked with their existing orders.

Jute Goods: There was regular export demand of finish goods. Demands for Sackings increased from African countries. Besides Africa, there was a regular demand for Hessians and Sackings from Europe, Australia, USA, Iran, China and Vietnam. India continued to be in the market as buyer for unstitched Binola and B-Twill cloth. Demand for Jute CBC from the regular importing countries like EU, Australia and New Zealand continued though at modest level. Prices for Sackings, Hessians and CBC remained unchanged in comparison with prices ruling during the preceding month. Most of the composite jute mills were busy with execution of their running orders.

The BJMC signed a memorandum of understanding (MoU) with the Bangladesh Cold Storage Association (BCSA) for supplying 10,6 Mio pieces of Hessian sacks to the latter. Textile and Jute Ministry Joint Secretary and BCSA's first vice-president inked the agreement on behalf of their respective organizations at the Secretariat.

As per the agreement, the BJMC will supply these jute sacks to the BCSA by December 31st 2018. They also fixed the price of the sack at BDT 42 per piece.

"At least 285 jute items are now being marketed both at home and abroad. The Government has taken steps to increase exports to European countries after developing the inland market management," Secretary of the Textile and Jute Ministry told reporters after the signing of the agreement.

A total of 22 jute mills are now running under the BJMC, which has capacity to produce 700 tons of jute products a day.

India

Raw Jute: Prices more or less stabilized. JBA at the end of the month under review: TD-4 IRs 4.325 and TD-5 IRs 3.925, each per 100 kg / quintal. The raw jute procurement program of the Jute Corporation of India (JCI) to support the market continued almost unchanged during the month.

About Japanese rice seeds there is some trial. This is as an alternative to jute crop. Indian Government is also insisting on better quality of jute seeds so as to improve growth of quality fibre and to develop more diversified products (also see news clipping attached).

Jute Goods: Jute CBC market remained dull. Domestic and overseas demand for Hessians remained sluggish. So called selected mills demanded a premium of 9 percent compared to asking prices by "normal" mills. Bandladesh reportedly offered at 10 % below Indian asking

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prices. Prices of Indian Hessians for domestic consumption came down by 5 % while export prices of Hessians declined by 3 %.

With increased sacking production availability of other domestic items has improved and prices reacted by about 2 percent. Here too, so called selected mills demanded a premium of 5 % compared with asking prices quoted by "normal" mills. Against Government orders for B-Twill bags there were outstanding for January about 200.000 bales. Order for March, so far, is about 225.000 bales and some more likely.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA during January 2018 amounted to 96.600 mtos of which 3.500 mtos were jute yarns/twines.

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Irani roots for jute

A STAFF REPORTER

Calcutta: Union textiles minister Smriti Irani has called for the further diversification of jute goods and an improvement in the quality of raw jute. "We are the biggest producers of jute. But why shouldn't we compete at the same level with Bangladesh? If you look at the Bangladesh business model, they have diversified jute products," Irani said on Tuesday at an event organised by the Indian Chamber of Commerce.

Data from the Union textiles ministry show hessian and sacking constitute around 90 per cent of India's annual jute goods production, with diversified products constituting only a small amount. One of the key concerns of the industry is the quality of raw jute, which affects the quality of diversified products.

SMRITISPEAK

- Diversify beyond sacking and hessian
- Improve raw jute quality
- Tech upgrade programme ICARE on way
- Develop entire supply chain

However, Irani said the quality of raw jute is expected to improve through the Jute ICARE programme. The government plans to support close to one lakh jute farmers by disseminating improved agronomic practices such as line sowing using seed drills, weed management by using wheel-hoeing and nail-weeders, distribution of quality certified seeds and also providing microbial assisted retting.

"There has to be a composite development in the entire supply chain," she said. She added that the use of jute geotextiles is increasingly being considered for building roads, and projects in the Northeast were being identified. "While we look at jute being used for making bags for women or as card holders, we need to emphasise on jute use in making roads and river embankments," she said.

Irani on Wednesday applauded the low-cost jute based sanitary napkin developed by Indian Jute Industries Research Association (IJIRA) here. "I want IJIRA to make presentations to ministries like women empowerment and rural development to promote women entrepreneurship," Irani said at the inauguration of a technical seminar by IJIRA.