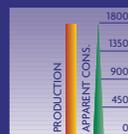
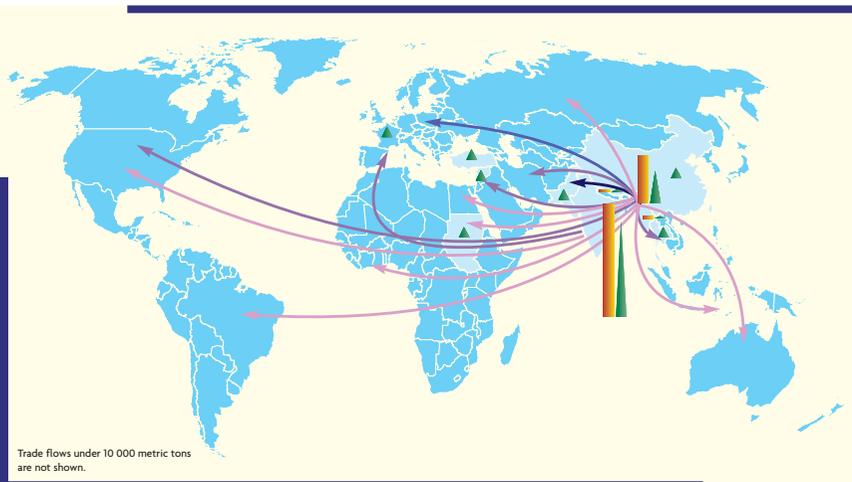
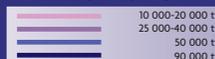


Thousand metric tons, situation in 2002.



Trade flows of jute in quantity, 2002.



Production, consumption and trade of raw jute.

The United Nations SITC (revision 2) defines jute as jute, other textile bast fibres, raw, processed but not spun SITC code 2640, jute products as fabrics, woven of jute or other textile bast fibres SITC code 654.5, and as bags, sacks of textile materials, for the packing of goods SITC code 658.1.

A vegetable fibre plant, jute is the most important fibre crop grown in the tropical regions of South Asia, including Bangladesh, China, India, Myanmar, Nepal and Thailand. Its cultivation requires a climate of intermittent rain and sunlight, and long hours of daylight are necessary for its rapid growth. As soon as the monsoon rains start, seeds are planted. The plants are harvested after 100 to 140 days. While jute is not a key export commodity for any of the producing countries, about 12 million families depend on it for their livelihood. Jute sacks are used for cocoa and coffee because the “breathing” of the fibre prevents humidity from concentrating and damaging the beans.

Jute leaves are used as vegetables and have both nutritional and medicinal values. Jute sticks are used for fuel and shelter in jute-growing rural areas, which has helped reduce the use of wood for these purposes. Jute products are biodegradable and ecologically friendly and cause no environmental pollution.

### Trading methods and systems

Normally, farmers sell jute in local markets, from which wholesalers and mills procure the jute they need. The Jute Corporation of India buys jute directly from farmers as part of a minimum support price scheme and as a commercial operation. Jute is normally sold in bales (with one bale equalling 180 kilograms). Jute is graded according to fibre characteristics.

The most important jute products are yarn, hessian and sacking, all of which are exported in containers. Hessian fabric is packed in rolls or bales.



Jute coloured yarn.

### Industry structure

The industry started with the setting up of a composite jute mills for producing yarn, sacking and hessian (jute canvas). Recently, new manufacturing facilities have been established that produce diversified jute products such as upholstery, jute carpets and jute composites. Currently, there are about 100 jute mills in Bangladesh and 73 in India. A number of stand-alone jute spinning mills have also been built.

### Environment

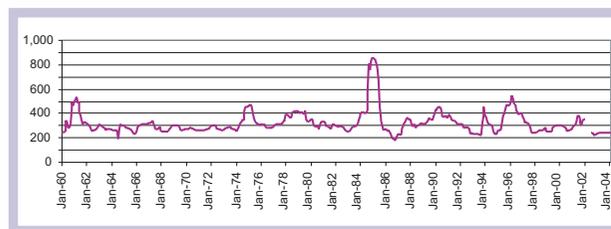
Jute is an annual crop; it occupies the fields for about four to five months and improves air quality by releasing oxygen and capturing carbon dioxide. An estimated 1.2 metric tons of carbon dioxide are removed from the atmosphere per ton of fibre produced. The roots of jute plants play a vital role in increasing the fertility of the soil.

### Prices

Jute faces competition from other fibres, especially polypropylene. While jute fibre is half the price of propylene, jute sacks are more than twice as expensive as polypropylene sacks. This price differential reduces jute’s competitiveness.

Jute prices are extremely volatile. Climatic conditions explain the variations in quantity and quality of supply.

Average price of jute BWD, Bangladesh, FOB Mongla, 1960–2003 (US\$/metric ton)



### New and diversified uses of jute

The traditional use of jute has been in packaging. With synthetic fibres now competing with traditional jute products, investments have been made in research and development to create new applications for jute and new products from jute fibre.

Significant potential for jute exists in the manufacture of technical textiles, primarily geotextiles and agrotextiles. While jute geotextiles have proved quite useful for soil conservation, rural road construction and mulching, large-scale commercial use has yet to be established. The jute plant can also be used quite successfully to make pulp and paper.

Because of jute’s superior properties as an insulating material, automobile companies are using jute fibre in cars and other motor vehicles. Efforts have also been made to woolenize jute, particularly for use in combination with acrylic.

Jute fibre can be mixed with synthetic material up to 40% to create plastics without changing their characteristics. This enables reduced use of petroleum products and lowers the costs of plastics production. Finally, jute fibre can be a good substitute for wood, with better performance in terms of insulation, fire resistance and useful life.

### International Jute Study Group (IJSG)

The International Jute Organisation, established in 1984 to administer the first International Agreement on Jute and Jute Products and renegotiated in 1989, ended in 2000 and was replaced by the International Jute Study Group (IJSG) in 2002. The role of the IJSG is to raise awareness of jute products; serve as a catalyst for international cooperation; promote the exchange of information, especially for the private sector; and analyse the policy and the economy of the jute sector.

### Processing chain and outputs

