

Jute

1. Background

- a) Brief about the commodity such as sample picture, lifecycle and various varieties/grade of the commodity found in India

Jute is a natural fibre popularly known as the golden fibre. It is one of the cheapest and the strongest of all natural fibres and considered as fibre of the future. It is a long, soft, shiny fibre that can be spun into coarse, strong threads. Jute plant is generally 6 to 12 feet in length. The jute plants fibres lie beneath the bank and surround the woody central part of the stem. Jute is second only to cotton in world's production of textile fibres. India is the leading country in jute production in the world followed by Bangladesh and China.



Jute is a rainy season crop, sown between month of March to May, according to rainfall and type of land. It is a 100-120 days crop and is harvested from July to September depending upon timings of sowings.

India is the largest producer of jute goods in the world, while Bangladesh is the largest cultivator of raw jute. The cultivation of Jute in India is mainly confined to the eastern region states such as West Bengal, Bihar, Assam, Tripura, Meghalaya,

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Odisha and Uttar Pradesh. Nearly 50% of total raw jute production in India alone figures in West Bengal.

The Jute industry occupies an important place in the national economy of India. It is one of the major industries in the eastern region, particularly in West Bengal. Jute, the golden fibre, meets all the standards for 'safe' packaging in view of being a natural, renewable, biodegradable and eco-friendly product. It is estimated that that the jute industry provides direct employment to 0.37 million workers in organized mills and in diversified units including tertiary sector and allied activities and supports the livelihood of around 4.0 million farm families. In addition there are a large number of persons engaged in the trade of jute.

As on 1st Jan'18, there are 97 composite jute mills out of which the state of West Bengal has 71 jute mills with Andhra Pradesh having 12 mills, Uttar Pradesh 3 mills, Bihar 3 mills, Orissa 3 mills, Assam 2 mills, Chhattisgarh 2 mills and Tripura 1 Jute Mill. The first Jute Mill was established at Rishra, on the River Hooghly near Kolkata, in 1855 by Mr. Gerge Acland. Mr. George Acland brought jute spinning machinery from Dundee (U.K).

Regarding pricing issue, Minimum Support Price (MSP) for raw jute is fixed every year to protect the interest of farmers. Jute Corporation of India (JCI) is the Price Support Agency of the Govt. of India for jute. While fixing prices of different grades, the issue of discouraging production of lower grade jute and encouraging production of higher grades jute are taken into consideration so as to motivate farmers to produce higher grade jute. As per 4th estimate, India's total raw jute production has been pegged at 96.28 lacs bales during the 2017-18.

- b) Commodity fundamentals and balance sheet as per the following format (to be prepared based on publicly available information on best effort basis):

Table - Fundamentals & Balance sheet (quantity)

Global Scenario (Lakh MT)	2016-17	2017-18
Opening Stocks	NA	NA
Production	NA	NA
Others (if any)	NA	NA
Consumption	NA	NA
Closing Stocks	NA	NA

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Indian Scenario (lakh bales)	2016-17	2017-18
Opening Stocks	6	22
Production	92	85
Imports	4	5
Total Supply	102	112
Exports	0	0
Domestic Consumption	85	85
Closing Stocks	22	27

Source: Jute Board

Top 10 Major Producing Countries (Lakh tons)	2018	2019
India	17.2638	17.0946
Bangladesh	16.13762	16.00474
China	0.2711	0.29934
China, mainland	0.2711	0.29934
Uzbekistan	0.15647	0.15233
Nepal	0.11159	0.10578
South Sudan	0.035	0.03515
Zimbabwe	0.02698	0.0273
Egypt	0.02234	0.02237

*Only Jute crops in MT, source: FAO

Top 10 Major Consuming Countries	2018	2019
India	21 Lakh tons	NA
Bangladesh	14 lakh tons	NA
Pakistan	.91 lakh tons	NA

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Top 10 Major Exporting Countries	2018	2019
Bangladesh	229 Thousand tons	
India	14 Thousand tons	
Tanzania	12.71 Thousand Tons	
Belgium	10	
Kenya	8.78	

Top 10 Major importing Countries	2018	2019
Paistan	91 K	
India	64 K	
Nepal	41 K	
China	31 K	
Germany	8.1	
UK	6.1	
Cote d ivore	5.7	
Brazil	5.5	
South Krea	4.45	

Top 10 Major Producing States in India	2018	2019
West Bengal		
Bihar		
Assam		
Andhra Pradesh		
Orissa		
Meghalaya		
Nagaland		
Tripura		
Uttar Pradesh		

- c) Major changes in the policies governing trade in the spot markets of the commodity

Abolition of Jute Advisory board by central govt.

- d) Geo political issues in the commodity and its impact on Indian scenario.

2. Trading related parameter

- a) Monthly and Annual traded volume (quantity in appropriate units)
Nil

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- b) Annual traded volume as proportion of total deliverable supply (quantity in appropriate units)
Nil
- c) Annual traded volume as proportion of total annual production (quantity in appropriate units)
Nil
- d) Annual average Open interest as proportion of total production
Nil
- e) Annual average Open interest as proportion of total deliverable supply
Nil
- f) Monthly and Annual value of trade (in Rs. Crores)
Nil
- g) Monthly and Annual quantity of delivery (in appropriate units)
Nil
- h) Monthly and Annual value of delivery (in Rs. Crores)
Nil
- i) Monthly and Annual Average Open Interest (OI) (in appropriate units)
Nil
- j) Annual average volume to open interest ratio
Nil
- k) Total number of unique members and clients who have traded during the financial year
Nil
- l) Ratio of open interest by FPOs/farmers/Hedge/VCP positions to total open interest (Annual average as well as maximum daily value)
Nil
- m) Number of unique FPOs / farmers and VCPs/hedgers who traded in the financial year
Nil
- n) Algorithmic trading as percentage of total trading: Not Applicable
- o) Delivery defaults : Nil
 - i) Number of instances
 - ii) Quantity involved
 - iii) Value involved

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3. Price movements

- a) Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international futures price (wherever relevant comparable are available).
Not Applicable
- b) Comparison, correlation and ratio of standard deviation of Exchange futures price vis - à - vis international spot price (wherever relevant comparable are available) and domestic spot price (exchange polled price).
Not Available
- c) Correlation between exchange futures & domestic spot prices along with ratio of standard deviation.
Not Applicable
- d) Correlation between international futures & international spot prices along with ratio of standard deviation (wherever relevant comparable are available).
Not Applicable
- e) Comparison of Exchange polled price and mandi price (in case of agricultural commodities) / other relevant price (in case non - agricultural commodities) at basis centre.
Not available
- f) Maximum & Minimum value of daily futures price volatility and spot price volatility along with disclosure of methodology adopted for computing the volatility.
Futures: Not available

Spot:

Commodity	Maximum spot price volatility	Minimum spot price volatility
JUTE	3.19%	-2.4%

- g) Number of times the futures contract was in backwardation/contango by more than 4% for the near month contract in the period under review
Nil

4. Other parameters

- a) Qualitative and quantitative measure for Hedge effectiveness ratio and basis Risk (Volatility of Basis) along with disclosure of methodology adopted for such calculations.
Not applicable
- b) Details about major physical markets of the commodity vis - à - vis market reach in terms of availability of delivery centres (information to be provided state - wise and UT - wise).
- c) Details about major physical markets of the commodity and average Open Interest for each month generated from those regions.
- d) Details, such as number and target audience, of stakeholders' awareness programmes carried out by the exchange.

Nil

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- e) Steps taken / to be undertaken to improve hedging effectiveness of the contracts as well as to improve the performance of illiquid contracts.
Not any.
- f) Any other information to be disclosed as deemed important by the exchange or as suggested by the PAC: The contract be closed for the trading.

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