

Green Marketing Of Jute and Jute Products: A Study on Bangladesh

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Abstract: *Jute is an ancient agricultural crop with a glorious history. Agro-climatic environment made Bangladesh a natural home for producing the best quality jute in the World. It has played a significant role in the economy and history of Bangladesh. Even today the decaying jute sector accounts for the third highest foreign currency earner after readymade garments and frozen foods in Bangladesh. Bangladesh controls 62% share of the total jute goods market of the world and earn Taka 20.125 billion by exporting jute goods. Bangladesh is the only exporter of raw jute. In recent year the country exported 2.4 million bales of raw jute valued at Taka 9.77million. Bangladesh's jute sector started to face a critical time since 1990s, as jute started to face increasing competitive pressure from synthetic substitutes, failure to follow modern marketing procedure and international trade practices, lack of significant efforts and required investment towards product development and diversification, inability to undertake the technological transformation undermined jutes prospects as fiber. All these had adverse impact on production & marketing.*

Keywords: *Jute, Jute products, Jute green marketing, Environment-friendly jute.*

I. Introduction

Bangladeshi jute and jute products are known world over as the best quality jute for its color, texture, luster, length and strength. Jute was the lone most important export item of Bangladesh till the end of the 1980s. Owing to environmental conditions, scarcity of land for cultivation, high input cost, high profitability of high-yielding variety (HYV) and hybrid crops, unfavorable jute-rice price ratio, low output prices and inadequate marketing support, extension services had a significant negative impact on jute cultivation and export earnings. Governments and private sectors in jute growing countries only lately have started to undertake initiatives to address the attendant concerns. This renewed emphasis has been spurred due to the resurgence of global demand for jute as an environment-friendly commodity. At present jute occupies the third position in the export-earnings of Bangladesh. Jute production is concentrated mainly in and around South and South-East Asian region. Other major producing countries are India, China, Thailand and Myanmar. Bangladesh is the leading exporter of raw jute globally. Traditionally, jute is used for ropes, twines, indigenous cloth and handicrafts. In certain parts of Bangladesh and India, jute leaves and roots are also used as a vegetable and medicine. Jute was first used as an industrial raw material for making packaging materials replacing flax and hemp grown of Europe. As a natural fiber, jute is second to cotton. After the extraction of fibers, the remaining jute sticks are usually used to make fences, fuel and raw materials. Bangladesh's jute sector started to face a critical time particularly since the 1990s, as jute started to face increasing competitive pressure from synthetic substitutes with technological developments leading to progressive replacement of natural raw materials. Lack of significant efforts and required investments towards product development and diversification as also an inability to undertake the technological transformation undermined jute's prospects as a fiber. Failure to follow modern marketing procedures and international trade practices led to the demise of jute as an important globally-traded commodity. All these had adverse impact on production, consumption and export performance of jute. Owing to environmental conditions, scarcity of land for cultivation, high input cost, high profitability of High-Yielding Variety (HYV) and hybrid crops, an unfavorable jute-rice price ratio, jute at present tends to be cultivated in less productive land. The consequence of lower productivity and low profit thus gave rise to a vicious cycle. Low output prices and inadequate marketing support and extension services had a significant negative impact on jute cultivation and export earnings (BJRI 2008).

Governments and private sectors in jute growing countries only lately have started to undertake initiatives to address the attendant concerns. This renewed emphasis has been spurred due to the resurgence of global demand for jute as an environment-friendly product. A number of technological breakthroughs favoring diversified uses of jute fiber have also helped. The present paper makes an attempt to analyze the challenges and opportunities in the world market for Bangladesh's export-oriented jute sector, in view of the recent developments some of which have been flagged above. As jute industry is economically an important industry of Bangladesh, any problem this industry should be studied carefully and should be removed as early as possible. As present, the industry faces some serious problem both in public and in private sector. Some of these problems are: ever-increasing need of subsidies and rise in cost of production, share increased in idle looms,

managerial vacuum, lack of effective operating policies, alleged gross mismanagement in procurement of raw jute, shortage of varied nature of orders received from the buyer, imbalance, obsolete and worn out equipment's and some other problems like these. All these problems have converted this industry into a heavily losing industry and hence needed generous subsidies from government. But it is being observed that recently different organizations organizing seminars, symposium etc. and publishing various articles in newspaper regarding present ailing situation on jute industries. All are concerned how to overcome this situation and salvage the jute industry. Searching for ideal products to represent Bangladesh with uniqueness, we have suggested jute. Jute is environment friendly alternatives in synthetic world. Use of biodegradable jute from traditional sacks to composite in automobile industry or geo-textile or deforestation paves the way to be substitutes for many synthetic products. Bangladesh has the natural advantage to produce best quality, which no other country can imitate. The integrated policy along with marketing and promotional campaign of jute can bring a positive Bangladesh worldwide.

II. Objectives

The broad objective of the article is to evaluate the marketing process of jute production in Bangladesh. To attain this basic objective, following specific objectives are set:

- ❖ To identify local sales and foreign sales for both BJMC and BJMA.
- ❖ To find out the production capacity and efficiency.
- ❖ To introduce the present scenario of jute and jute product's export in Bangladesh.
- ❖ To provide the recommendations of jute production and jute marketing as environment friendly in Bangladesh.
- ❖ To conduct the analysis of impacts of jute on export in Bangladesh.

III. Methodology

This article is an analytical one. Data have been collected from secondary sources. Secondary data were collected from annual reports of Bangladesh Jute Mills Corporation & Bangladesh Jute Mills Association, Statistical year book, Bangladesh Economic Review, Study on jute and cotton textile (Vol. 1), various books and journals.

IV. Limitations

This article has some limitations. Jute industry is a very large industrial sector, so it was not possible to discuss the all area of jute marketing. Others limitations are lack of current data, lack of testing the reliability of secondary data.

V. Environment-Friendly Jute

At present, eco-friendly products and services are highly demandable in the world. The level of greenhouse gas emission, melting of ices in arctic and other zones, global warming is a concern for global political economic policymakers worldwide. As a result, use of natural fiber is promoting through events like international year of Natural Fiber 2009 which is organized by UN. Now the world is looking to reduce the conflict between the expanding world population and the limited natural resources available to it on the one hand and between the daily deterioration of the environment and the exploitation of natural resources for industrialization. On the other, it is now realized that promotion of a fiber other than natural cotton and synthetic cellulose has become very important. It is estimated that the demand for fibers for clothing alone will rise from the current 60 million tons up to 130 million ton per year in the year 2050, not mentioning the fiber consumption for various other purposes. Though many problems of using synthetic fibers has brought us uncountable benefits in our daily life, but many of the problems of using synthetics have begun to change our attitude toward them. Jute and jute products have brought the ecological balance from the environmental pollution caused by synthetics. Following causes are to be noted that which bring ecological balance:

- Jute cultivation consumes large quantities of CO₂.
- Modest amount of fertilizer and pesticides are required for jute cultivation.
- Jute improves the soil condition and erosion for its leaves & roots.
- Jute has high biological efficiency and also reduces deforestation.
- Wide ecological adaptability for growing jute is in the marginal lands like lands with unfavorable/ stress conditions such as drought, salt, flooding, low pH and low fertility.
- Diversified jute products are used in the alteration of petrochemical products.

VI. Green Marketing Of Jute And Jute Products

Environmentally-responsible or “Green Marketing” is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Green marketing campaigns highlight the superior environmental protection characteristics of a company’s products and services. A Jute and jute product marketing is green marketing because it’s an eco-friendly product. Bangladesh is very rich in bio-diversity. A wide range of flora is found here. Though Bangladesh is famous for jute and allied fibers, garments industries swept in and have developed due to relative advantage & cheap labor cost. As there is the multifibre concept of blending jute with other natural and synthetic fibers, jute has bright future for using them in the various textile areas. Taking in view the prospects, the govt. of Bangladesh has started the diversification of jute uses with its limited resources. It needs wide support for production and marketing of such diversified products. Consequently the govt. of Bangladesh initiated policy program for the production of diversified jute goods through private sector. To execute this program, Jute Diversification Promotion Centre (JDPC) was established in 2002. The objective of JDPC is to provide extension services to private sector for establishing industry for the production of high value added diversified jute products. The most basic and essential jute products fabricated in Bangladesh jute mills are:

- **Canvas:** This is the unique jute commodities, woven with highly premium grades of fiber. Jute canvas and screen lamination along with paper polythene is widely used in mines and for getting protection against weather.
- **Sacking Cloths:** Sacking cloth is loosely woven heavy cloth used for packing sugar, food grains, cement etc. which is made up low quality jute fibers.
- **Bags:** Bags are usually fabricated from sacking or hessian cloths which are mainly used for shopping. They are often decorated with varied artistic designs and with straps, chains and handles in several dimensions and shapes. Other categories of bags are promotional bags which are prepared for promote items for sale.
- **Hessian Cloth:** This type of goods is a superior quality of plain woven jute fabric, weighing between 5 and 12 ozs, a yard.
- **Hydrocarbon free Jute Cloth:** This cloth is fabricated by treating jute with vegetable oil. It is a hessian fabric, hydrocarbon free cloth, widely used for packing different food materials, cocoa, coffee, peanut beans etc.
- **Geo-Textile:** It is a jute cloth laid along the river embankment sides and hill slopes to prevent soil erosion and landslides.
- **D.W. Tarpaulin:** This product is majorly used for coverings on a very high multidimensional scale.
- **Serim Cloth:** This is a light weight hessian cloth, used in felt industry for reinforcing the non woven fabric and for strengthening paper with lamination.
- **Tobacco Sheets:** This item is used for wrapping tobacco leaves, tobacco sheets are made up of hessian cloth.
- **Decorative Items:** Diversified decorative products are made up of jute fabrics like wall hangings, toys, table lamps, paper, decorative bags, furniture and many more.
- **Hessian Tapes and Gaps:** These are made up with hessian cloth, woven with gapes at regular intervals and the cloths cut between the gaps to make small width taps.
- **Raw Jute:** The number of importers of raw jute is limited due to the limited number of jute spinning mills or jute felt manufacturing companies. Spinning companies in the UK use brokers for the import of their raw jute, whereas continental spinners buy directly from the origin countries. The import of raw jute for the UK is mainly used for the spinning companies in the Dundee area. The raw jute for the continent is to large extent cuttings for the cable industry and felt industry. Raw jute is used in the local industry of Bangladesh.

Major jute items that were exported included-raw jute, jute yarn and twine jute carpet, jute ropes and other jute items. Share of jute export & growth performance scenario has shown in the below table-1 & 2:

Table 1

Year	Value (Million USD)	Share (%)
FY 1972-73	313.1	89.9
FY 1980-81	487.3	68.6
FY 1990-91	394.6	23.0
FY 2000-01	297.5	4.6
FY 2004-05	334.9	4.0
FY 2007-08	483.4	3.4
FY 2008-09	417.0	2.7
FY 2009-10	736.4	4.5

Table 2

Item	FY1973-1981	FY1981-1991	FY1991-2001	FY2001-2010
Raw Jute	1.0	-1.2	-1.2	-0.4
Jute Goods	9.7	-1.5	-1.4	0.7
Total Raw Jute & Jute Goods	6.8	-1.4	-1.4	0.4
Total Export from Bangladesh	10.3	9.9	13.6	10.9

Source: Export Promotion Bureau (EPB) Year Book

Distribution Channel of Raw Jute:

Jute Producer/Grower.....Faria.....Bepari/Govt. Purchase Centres.....Mohajan.....Jute Mills/Exporter

Jute Producer/Grower: Jute has been traditionally cultivated in the Bengal delta for many years and has a strong cultural relevance to the marginal and smallholder farmers that cultivate the crop. Whilst annual variation is anticipated, according to recent reports, the country is home to 4 million farmers, who tend to approximately cover 1.2 million acres of land. Around 33% of all jute comes from Bangladesh, making it the world's second largest jute producer. Production of jute is highly labor-intensive, creating seasonal employment for 48000 women 108,000 men on the land and 187000 men and women in the mills.

Faria: Faria refers village level trader. Often jute is collected by a Faria who sells it to the local trader/purchase centre who sell it to the jute mills or raw jute exporter.

Bepari: Bepari refers the people who buy the jute from the village farmers. Sometimes they buy jute from Faria. They sell jute to Govt. purchase centers, Mohajons, Private Jute mills and exporter.

Govt. Purchase Centers: Government of Bangladesh purchase jute to protect farmers and for the govt. jute mills.

Mohajan: Mohajon are the intermediaries in jute marketing process of Bangladesh who purchase jute from Faria, Bepari and sell them to Public Jute Mills and Private Jute Mills.

Public Jute Mills: These types of jute mills provide great level of production of jute product in Bangladeshi jute market as well as international market.

Private Jute Mills: Some private sector jute mills those also dominate the marketing of jute in Bangladesh.

Exporter: Exporter exports jute products as well as raw jute in the global market.

Diversified Products of Jute: The invention of alternating products from petrochemical such as polypropylene, its wide availability and low cost have affected the use of jute products particularly in jute carpet backing in USA and later in Europe. Also lack of significant efforts for product developments or diversification in keeping with the modern technology or following modern marketing procedures and international trade practices, were apparently responsible for the decline in the home consumption and export trade. Bangladesh Jute Research Institute (BJRI) is the premier institution on conducting all kind of technical research on jute. So far they have developed Blanket, Apparel, Handbags, Sacking, Micro-cellulose, Jutton (Jute and Cotton blend), Home textile and Nursery Pots based on jute. They also provide technical support for jute agriculture and identified 220 different jute products and their production process.

Marketing and Promotional Activity of Jute: The most important constraint that was identified from the qualitative survey is lack of marketing and promotional activities for jute, BJRC(Bangladesh Jute Research Council) is particularly pessimistic in this regard. They have repeatedly questioned the lack of government initiative to use their technology in commercial purpose and opine that if government makes a policy, for example, to use jute blanket in all the defense sectors and hospitals, it will create enormous market locally and thus would help to run the jute mills smoothly. JDPC is created from the government to improve the sociological condition those who are related directly and indirectly to this sector by diversification and increased used of jute products. JDPC is involved in implementing projects on small scale entrepreneurship development in diversified jute products. They also arrange training in skill development and design workshop, participate in International Trade Fair, organize seminar, create link with local and international universities, research organizations and industries. International Jute Study Group (IJSJG) is making strong efforts for initiating

various projects for developing required technologies and quality of products for the overall growth of jute sector. It has been also found that some of the small scale entrepreneurs can able to meet demand of the buyers due to capacity and inadequacy of fund.

Jute Market Development and Promotion

- The environmental friendliness of jute can only be used when there are no doubts what so ever about the validity of these arguments. Only then the ‘natural’ character of jute goods may be used for generic market promotion.
- A Marketing Intelligence System (MIS) has to be developed. A customer orientated MIS should be able to provide governments, international organizations as well as individual companies, both in the producer as well as in the consumer countries, with relevant information. The MIS should be preceded by a feasibility-study on the various possibilities for implementation.
- A jute bulletin should, in conjunction with the MIS, be used as a vehicle for extension of present relations and the establishment of new (semi commercial) relations.
- Political lobby is desirable regarding the position of jute goods in light on new regulations on reduction of packaging waste materials and the allowable environmental impact of durable consumer goods.
- For carpets, the prejudice regarding the quality of jute yarns should be taken away by the enhancement of the intrinsic product pluses. The consumer awareness of the quality of jute as a component of carpets should be increased and the green character of jute should be more elaborated.
- Trade fairs where IJO staffed stands are more in accordance with those of the other fair-participants are (potentially) more successful if product innovations can be shown.
- By addressing the final consumers in the EC a demand-pull effect for jute products can be achieved through cooperation with large retail-chains or through editorials in interior-decorating magazines.
- Specific actions in individual countries will be used for the further establishment of a sound market position of jute in the EC markets.

Challenges of Jute Marketing

- ✓ The cultivable land is decreasing due to increase of population day by day.
- ✓ To meet the demand farmers motivate to take up high earning agricultural activities resulting in decreased jute production.
- ✓ Water is necessary for jute retting. Scarcity of water will threat jute retting in future resulting motivate farmers to take up other agricultural activities.
- ✓ Other countries have successfully established a favorable image of their jute diversified products in the international market.
- ✓ Indian, Chinese and Vietnamese jute diversified goods are more popular because of their product range and depth, colors, designs and quality.
- ✓ Extensive governmental support in the jute sector by neighboring countries made their jute products more competitive in international markets.
- ✓

VII. Conclusion

Jute manufacturing sector of Bangladesh is passing through a critical juncture in the course of its long track record of development. The sector faced both opportunities and challenges. The sector has inherent weaknesses but it has also demonstrated strengths. Bangladesh can claim as a country of jute as everywhere in this country jute and allied fibers can be grown. Bangladesh has got relative advantage on the production of best quality jute fiber. Though uses of traditional jute products are declining jute has versatile intrinsic and extrinsic properties. So a wide range of diversified jute products can be produced by exploring these properties. These diversified products are biodegradable, photo biodegradable, non toxic, non plastic, acidic, hydrophilic, high absorption of UV capacity & moisture, eco-friendly and easy disposability. These products not only preserve environment but also help to protect environment from degradation. Typically jute marketing involves multiple intermediary levels. In Bangladesh, jute marketing process remains a traditional trend that is why it needs to develop jute product marketing process. Global marketing of jute is increasing day by day, so it should also develop jute marketing in accordance with global marketing process. A huge potential market of these products is created in the developed countries. To convert this potential market into real market, comprehensive market promotional activity is highly needed.

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