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COMMITTEE ON COMMODITY PROBLEMS

Sixty-fifth Session

Rome, 8-11 February 2005

REPORT OF THE JOINT MEETING OF THE THIRTY-SECOND SESSION OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES AND THE THIRTY-FOURTH SESSION OF THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES Salvador, Brazil, 8-11 July 2003

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I. INTRODUCTION

1. The Joint Meeting of the Thirty-second Session of the Intergovernmental Group on Hard Fibres and the Thirty-fourth Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres was held from 8 to 11 July 2003 in Salvador, Brazil. It was attended by delegates from the following member countries: Brazil, Ecuador, Egypt, Ghana, Germany, India, Malaysia, Philippines, Sri Lanka and Tanzania. Observers attended from the United Nations Industrial Development Organization (UNIDO), the International Jute Study Group (IJSG), the London Sisal Association and the Manila Hemp Association.
2. The Meeting was opened by Mr David Hallam, Chief, Raw Materials, Tropical and Horticultural Products Service, on behalf of the Director-General. He thanked the Brazilian organisers for providing the facilities necessary for the Groups to meet in Brazil.
3. The Meeting elected Mr W. Andrade (Brazil) as Chairperson, Mr R. Rüppell (Germany) as First Vice-Chairperson and Mr S. Bhargava (India) as Second Vice-Chairperson.
4. The Meeting adopted the Provisional Agenda CCP: HF 03/1-JU 03/1.
5. The Meeting decided that its report would be prepared by the Secretariat following the meeting and despatched to participants after being approved by the Chairman.

II. ECONOMIC AND POLICY ISSUES AND INTERGOVERNMENTAL ACTION ON HARD FIBRES AND JUTE

A. INFORMAL PRICE ARRANGEMENTS FOR SISAL, ABACA, JUTE AND KENAF

6. The meeting adopted the recommendations for sisal fibre and baler twine made by the Thirteenth Session of the Sub-Group on Sisal and Henequen Countries, held on 9 July 2003, as follows:
 - The indicative price for **Brazilian No. 3** fibre should be increased from the range US\$550 to US\$600 to the range **US\$605 to US\$660 per tonne c.i.f. European ports;**
 - The indicative price for **East African UG fibre** should be increased from the range US\$700 to US\$750 to the range **US\$840 to US\$900 per tonne, c.i.f. European ports;**
 - The indicative price for sisal and henequen baler twine should remain at **US\$19 per 18 kg bale of regular runnage c.i.f. United States and western Europe duty paid**, where applicable, if terms were cash against documents.
7. For jute, kenaf and abaca fibres, the Meeting made the following recommendations:
 - The indicative range of the **indicator price of abaca**, namely the average of S2, G and JK hand cleaned non Davao grades, **should remain at US\$128 to US\$185 per bale of 125 kg fob Manila port;**
 - The indicative price for **Bangladesh jute** should remain at **US\$450±US\$30 per metric tonne sight**, for BWD grade fibre fob Chittagong/Chalna;
 - The Meeting again set no indicative price for Thai kenaf, as exports from Thailand had virtually ceased. However, it requested the Secretariat to investigate the possibility of setting indicative prices for kenaf from another source such as India.

B. COMMODITY DEVELOPMENT ACTIVITIES: COMMON FUND FOR COMMODITIES (CFC) PROJECTS ON HARD FIBRES

8. The Meeting reviewed the progress of Common Fund for Commodities projects on hard fibres on the basis of document CCP: HF 03/2-JU 03/2 and with additional information provided by delegates and observers. It noted that the Intergovernmental Group on Hard Fibres, the International Commodity Body (ICB) for hard fibres under the rules of the CFC, was responsible for submitting proposals for commodity development projects to the CFC and for supervising the progress of these projects once implemented.

9. The Meeting adopted the conclusions of the Twelfth Session of the Sub-Group of Sisal and Henequen Producing Countries regarding the project, *Product and market development of sisal and henequen products*. It noted that the project which had commenced early in 1998, had made progress, but because of unavoidable delays critical activities would not be completed by the end of 2003, the scheduled completion date. In particular, the proposed market survey for pulp could not be undertaken until results from the variety trials and the hammer mill became available. Much of the potential benefit could be lost if activities were to be terminated prematurely, and thus the Meeting recommended that the CFC be requested to extend the project for one year, within the existing budget, in order to allow all activities to be completed and the full benefits of the project to be realized.

10. On the basis of recent information provided by the delegate of the Philippines, the Meeting noted that considerable progress had been made on the abaca project, *Improvement of fibre extraction and identification of higher yielding varieties* but in order to allow the completion of all activities the project had been extended to 31 October 2004. A hand stripping tool and a mechanical tuxying machine had been developed, with fabrication of the final model of the machine expected to be completed by November 2003. The meeting noted that activities on identification and evaluation of abaca varieties were in progress, but that work had been set back because of a delay in the arrival of equipment and a drought which inhibited the growth of trial plantings. The Meeting looked forward to the dissemination of results of the project through an international workshop and the subsequent dissemination of workshop proceedings.

11. The Meeting recalled that it had originally been planned to undertake activities of this project in Ecuador, but it had not been possible to conclude appropriate arrangements. At the request of the delegate of Ecuador, the Meeting urged that arrangements be made for the benefits of the project to be shared with that country. In particular, it requested that the decorticator machine be tested in Ecuador, and that, if possible, further attempts be made to negotiate an exchange of genetic material between the Philippines and Ecuador.

12. Activities under the project, *Coir-based building and packaging material*, commenced early in the year 2000, with activities in the first phase located in the Netherlands and the Philippines. The Meeting noted that progress so far had been promising. It noted that the first phase of the project, laboratory-scale work in the Netherlands, had been completed early in the year 2002, in which a simple process was successfully used to produce a board from coconut husk, and its mechanical properties had been tested. The second phase of the project, to produce boards on a larger pilot scale, was under way in the Philippines. The meeting looked forward to the successful completion of the project, which would include the dissemination of results through a workshop, and it urged that assistance be requested from the CFC to allow experts from various countries in the region to participate in this event.

13. The Meeting noted that the new project, *Cleaner integral utilization of sisal waste for biogas*, was expected to commence in Tanzania in the second half of 2003.

14. The Meeting noted that a seminar on *Alternative applications for sisal and henequen* had been held on 13 December 2000 with the support of the CFC, and that the proceedings of the Seminar had been published as CFC Technical Paper No. 14. It noted that under another fast track project, the *International Symposium on Coir* was held in June 2002 in Colombo, Sri Lanka.

Support from the CFC had included assistance for participants from countries in the region to travel to the convention, and the proceedings had been published as CFC Technical Paper No 20. A third fast track project, *Composite applications using coir fibres in Sri Lanka*, with the objective of reviewing the technological and economic potential of coir-based composite products was reviewed. The meeting noted that the project was expected to result in the production of prototype products and to culminate in a workshop to disseminate results in Sri Lanka late in 2003. It urged that assistance be provided to allow participation from countries other than Sri Lanka, so that the benefits may be shared by as many coir-producing countries as possible.

15. The Meeting considered the progress of two proposals which it had endorsed in the past but which were still awaiting approval from the CFC. The first of these, the proposal on Sisal Agriculture Business Project in North Eastern Brazil was considered by the Sub-Group of Sisal and Henequen Producing countries at its 13th Session meeting on 9 July 2003. The Sub-Group had been disappointed that none of the three components of the proposal had yet been funded. The component on the use of sisal fibre in geotextiles had not been approved, although the Consultative Committee of the CFC had agreed to fund a fast-track study on *The comparative advantages of sisal, coir and jute in geotextiles*. The component on the use of sisal as reinforcement of thermoplastic composites had not been supported, and the component on the use of sisal composites for the building materials industry (now titled *Research and development for the use of sisal fibres in construction materials*), which had received "technical approval" from the Executive Board of the CFC, had been held for re-prioritisation at a later date. The Meeting endorsed the request of the Sub-Group that the component on thermoplastic composites be reviewed by its Chairperson and the Secretariat and be re-presented to the CFC for consideration at the earliest possible opportunity, and that the IGG urge the CFC to fund the project on the use of sisal fibres in construction materials as soon as possible.

16. The Meeting noted that the second "pipeline" proposal on improved coir processing technologies, from India and Sri Lanka had been reformulated by a CFC consultant, and now titled *Developing and demonstrating advanced biological, spinning and environmental technologies for small coir enterprises*, was under consideration by the Consultative Committee of the CFC in the same week as the Joint Meeting was held.

17. The Meeting considered a new fast-track proposal *Evaluation of fique and abaca fibres as an alternative to non-legal crops*, presented as document CCP: HF-JU 03/CRS2. It endorsed the proposal in principle and recommended that the Secretariat work with the proponents of this project to develop it further in order that it might be approved by the CFC as soon as possible.

18. The Meeting considered a request by the CFC that the IGG on Hard Fibres adopt ramie for the purposes of supporting and supervising projects on that fibre which would be funded by the CFC. However, it decided not to adopt ramie at this stage since the IGG already covers a diversity of hard fibres. Ramie has a markedly different set of uses to the fibres with which the Group is familiar, and obtaining funding for projects on those fibres already covered by the Group is difficult.

C. DIRECTORY OF RESEARCH ACTIVITIES

19. Document CCP: HF 03/3-JU 03/3 together with the information note CCP: HF-JU 03/CRS1 provided information on steps taken by the Secretariat to establish a data base, available through ECOPORT on the Internet, on research activities on jute, hard fibres and other natural fibres. The Meeting noted that although the system was in place it contained, at this stage, very little information. The Meeting urged delegates to assist by ensuring that information from research institutions and other bodies be provided to the Secretariat in order that this might become a useful source of information on research activities.

D. REPORTS ON SUBSIDIARY ACTIVITIES

(i) *Report of the Intersessional Consultation on Fibres, London, United Kingdom, 26 November 2001*

20. The report of the Consultation was provided as document CCP: HF 03/4-JU 03/4. The Meeting agreed that this and other informal intersessional meetings which had been held in the past had been very useful, and requested the Secretariat, in consultation with the Chairman, to make arrangements for another consultation in the first part of the year 2004.

(ii) *Report of the Thirteenth Session of the Sub-Group of Sisal and Henequen Producing Countries*

21. The Meeting endorsed the Report of the Thirteenth Session of the Sub-Group of Sisal and Henequen Producing Countries, held in Salvador, Brazil, 9 and 11 July 2003, which was presented to it as document CCP: HF 03/5-JU 03/5.

(iii) *Report on the Consultation on Natural Fibres held in Salvador, Brazil, 8 and 9 July 2003*

22. The Meeting felt that the Consultation on Natural Fibres which preceded the meeting has provided a useful forum for the exchange of information and ideas, and it welcomed the expert presentations which had been made. It requested that the practice of holding such consultations in conjunction with formal meetings continue.

III. WORK PROGRAMME, MANDATE AND OPERATIONAL PROCEDURES

A. REVIEW OF THE STRATEGY OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES: PRIORITIES FOR FUTURE ACTIVITIES

23. The meeting reviewed the strategy of the IGG on Hard Fibres adopted in 1996 and contained in document CCP: HF 96/9. While it concluded that the priorities of this document remain broadly valid, some suggestions were made for additional areas that might be included. It particularly noted that the strategy had nothing to say on the manner in which the Group might address its priorities. The Meeting requested the Secretariat to begin formulating a broader strategy to include also environmental, trade and social issues, encompassing a broader range of natural fibres and particularly looking at mechanisms by which the Group might pursue its objectives. With respect to the latter, it suggested that lessons might be learnt by studying how international commodity organizations operate. The Secretariat undertook to seek feedback through the development of an interactive web site and through the next Intersessional Consultation, before presenting a draft document to the next Joint Meeting of the two Groups.

B. COOPERATION BETWEEN THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES AND THE INTERNATIONAL JUTE STUDY GROUP

24. The Meeting considered this item assisted by document CCP: HF 03/6-JU 03/6. It noted that the International Jute Study Group (IJSJ) had been established in 2002 as the successor of the former International Jute Organisation (IJO). The Meeting urged that the cooperation which had formerly existed between FAO and the IJO should continue, while continuing to guard against any duplication of activities. It recommended that an agreement, along the lines of the draft provided in the document, should be signed as the basis for such future cooperation.

IV. OTHER MATTERS

A. DATE AND PLACE OF THE NEXT SESSIONS OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES AND THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES

25. The Meeting agreed that the next Joint Meeting of the IGG on Hard Fibres and of the IGG on Jute, Kenaf and Allied Fibres should take place late in 2004, the exact date and venue to be determined by the Director-General in consultation with the Chairperson.

V.

LIST OF DOCUMENTS

CCP: HF/SP 03/1	Provisional agenda and timetable (13 th Session of the Sub-Group of Sisal and Henequen Producing Countries)
CCP: HF 03/1-JU 03/1	Provisional agenda and timetable (Joint Meeting of the 32nd Session of the IGG on Hard Fibres and the 34th Session of the IGG on Jute, Kenaf and Allied Fibres)
CCP: HF 03/2-JU 03/2	Commodity development projects financed by the Common Fund for Commodities
CCP: HF 03/3-JU 03/3	Directory of research activities on natural fibres
CCP: HF 03/4-JU 03/4	Report of the 4 th Intersessional Consultation on Fibres, London, United Kingdom, 26 November 2001
CCP: HF 03/5-JU 03/5	Report of the 13 th Session of the Sub-Group of Sisal and Henequen Producing Countries
CCP: HF 03/6-JU 03/6	Cooperation between the Intergovernmental Group on Jute, Kenaf and Allied Fibres and the International Jute Study Group

Information documents

CCP: HF/SP 03/Inf.1	List of delegates and observers (13 th Session of the Sub-Group of Sisal and Henequen Producing Countries)
CCP: HF-JU 03/Inf.1	Information note on arrangements
CCP: HF-JU 03/Inf.2	List of delegates and observers (Joint Meeting of the 32nd Session of the IGG on Hard Fibres and the 34th Session of the IGG on Jute, Kenaf and Allied Fibres)

Conference Room Series (CRS) documents

CCP: HF-JU 03/CRS.1	FAO electronic information on natural fibres
CCP: HF-JU 03/CRS.2	Common Fund project proposal: Evaluation of fique and abaca fibres as an alternative to non-legal crops