

16 December 2004



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Agricultura
y la
Alimentación

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COMMITTEE ON COMMODITY PROBLEMS

JOINT MEETING OF THE THIRTY-THIRD SESSION OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES AND THE THIRTY-FIFTH SESSION OF THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES

Rome, 14 and 16 December 2004

REPORT OF THE FOURTEENTH SESSION OF THE SUB-GROUP OF SISAL AND HENEQUEN PRODUCING COUNTRIES

I. INTRODUCTION

1. The Sub-Group of Sisal and Henequen Producing Countries held its Fourteenth Session in Rome on 14 and 16 December 2004. It was attended by delegates and observers from the following producing countries: Angola, Brazil, Colombia, Ecuador, Ghana, Mexico, United Republic of Tanzania and Venezuela. Observers from the United Nations Industrial Development Organization (UNIDO), the Common Fund for Commodities and the London Sisal Association also attended.
2. The Sub-Group adopted the agenda as presented in document CCP: HF/SP 04/1.
3. Mr Freddy Leal (Venezuela) was elected as Chairperson and Mr Odhiambo Wilson (United Republic of Tanzania) as Vice-Chairperson.

II. MATTERS FOR SUBMISSION TO THE GROUP

A. RECOMMENDATIONS REGARDING PRICES OF SISAL FIBRE AND HARVEST TWINE

4. The Sub-Group reviewed the short and long term market prospects for sisal and henequen. It noted that these fibres are increasingly entering a diverse range of markets, and agreed that their future prospects were sound.

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5. The Sub-Group decided to continue the practice initiated at its Twelfth Session of recommending ranges within which prices might move, rather than single values.

In the light of its assessment of market prospects it made the following recommendations:

- a) The indicative price range for Brazilian No. 3 fibre should remain unchanged at US\$605-660 per tonne c.i.f. European ports;
- b) The indicative price range for East African UG fibre should remain unchanged at US\$840-900 per tonne, c.i.f. European ports;
- c) The indicative price for sisal and henequen baler twine should be increased from US\$19 to US\$20 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.

B. SISAL AND HENEQUEN PROJECTS SUPPORTED BY THE COMMON FUND FOR COMMODITIES (CFC)

6. In order to support the IGG on Hard Fibres in its role as Supervisory Body of projects funded by the Common Fund for Commodities (CFC), the Sub-Group reviewed developments relating to completed, ongoing and proposed projects on the basis of document CCP: HF 04/2-JU 04/2. Delegates of countries in which projects are located provided additional information.

7. The Sub-Group commended the work undertaken on projects which had been completed and requested that the project outcomes be disseminated as widely as possible in sisal and henequen producing countries.

8. The Sub-Group noted that implementation of the project *Cleaner Integral Utilisation of Sisal Waste for Biogas and Bio-Fertilisers* had started. The Project Executing Agency (UNIDO) was in the process of selecting a contractor to design, build, install and commission a pilot demonstration facility to produce biogas from sisal leaf waste and a pilot system to use the gas for the generation and distribution of electricity, as well as producing bio-fertilisers.

9. The Sub-Group also noted that the project *Sisal Development: Sisal Fibre Replacing Asbestos in Cement Composites* had already been approved by the CFC for funding and implementation was scheduled to start as soon the legal documents were signed. It pointed to the need to ensure that past research on the subject is taken into consideration to avoid duplication.

10. The Sub-Group was informed that although the project *Sisal Agriculture Business Project in the North Eastern Region of Brazil: Use of Sisal in the Thermoplastic Composites* had already been endorsed in principle by the IGG, it was being developed further by the proponents, in consultation with the Secretariat, to meet the CFC requirements before being submitted.

11. The Sub-Group endorsed, in principle, two project proposals: the extension of the project *Product and Market Development for Sisal and Henequen Products* to complete the fibre extraction plant development and feasibility study and the *Programme for the Integrated and Sustainable Industrial Utilization of Agaves Species – Closing the Loops in the Agaves Sector: Economic and Social Impacts*. It urged that the Secretariat work with the parties involved in these proposals to ensure that they are fully formulated and presented to the CFC as soon as possible.

12. The representative of CFC informed the Sub-Group that, given its nature as a financial institution, his organisation did not have expertise in the various commodities for which it is responsible. It therefore relied heavily on the different International Commodity Bodies (The Intergovernmental Group on Hard Fibres in this case) for the technical assessment and evaluation of project proposals prior to their submission to the CFC for consideration.

III. DATE AND PLACE OF THE NEXT SESSION

13. The Sub-Group recommended that its Fifteenth Session be convened at the site of and immediately prior to the Thirty-fourth Session of the Intergovernmental Group on Hard Fibres.