



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
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Organization
of
the
United
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Organisation
des
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Unies
pour
l'alimentation
et
l'agriculture

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

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, Italy, 14-17 December 2004

REPORT OF THE FIFTH INTERSESSIONAL CONSULTATION ON FIBRES ROME, ITALY, 26 MARCH 2004

I. BACKGROUND

1. The Intergovernmental Groups on Jute and Hard Fibres meet approximately every two years. Intersessional consultations have been held between those meetings to review the market situation, Common Fund projects, and any other matters which may arise. The Fourth Consultation was held in London in November 2001. The Fifth Intersessional Consultation was held at FAO headquarters in Rome on Friday 26 March 2004.
2. The Consultation elected Mr Odhiambo Wilson, Director General, Tanzania Sisal Board as Chairperson. The provisional agenda was adopted.

II. MARKET SITUATION AND PROSPECTS FOR JUTE, SISAL, ABACA, AND COIR

3. The Consultation discussed the current market and short-term prospects for the different fibres. It was noted that **jute** fibre export prices increased slightly during the 2003/04 marketing year due to reduced production in Bangladesh and relatively stronger import demand, especially in Asia. However, Indian domestic prices continued to be pressured by an increase in stock accumulation.
4. With **sisal**, it was noted that the global market continued to tighten, particularly for the African fibre, thus leading to a notable recovery in prices. Increased demand, especially from

China, had also contributed to the improved market outlook. **Abaca** prices have also shown an upward trend due to increased demand, but there were fears that this recovery might be temporary. With **coir**, the Secretariat expressed concern about the variability of the coir price information it received and how difficult it was to discern a clear trend. It was suggested by the Philippines that exports of coir manufactures be disaggregated into its constituent items and also by country. It was also suggested to compare prices in the major producing and exporting countries. Participants agreed to send relevant information/statistics to the Secretariat.

5. The issue of freight costs and shipping practices, especially for Brazil, attracted considerable discussion as the increased demand for containers due to expanded exports of various other products was bound to affect trade in fibres. The Consultation was concerned that increased shipping costs could lead to an accelerated switch from natural fibres to synthetic substitutes. The Secretariat was asked to study the implications of freight rates and other barriers to trade associated with shipping, and to present the findings to the next Session of the IGG.

6. The Consultation expressed the need to make an effort to involve representatives from China to such meetings given their major role in fibre markets.

III. REVIEW OF COMMON FUND PROJECT ACTIVITIES

7. The Consultation was briefly informed of the progress of a number of projects being undertaken with funding from the Common Fund for Commodities. It was noted that the three major ongoing projects would close this year.

8. The ongoing projects include:

- a) **Product and market development of sisal and henequen products (Kenya / Tanzania)** - The Consultation was informed that, in general, project implementation was progressing satisfactorily. Variety trials on the estates were continuing and results are expected in June. It was also reported that there was an increased interest from farmers for the new varieties. The CFC representative informed the Consultation that the remaining work must be implemented as scheduled given that the project will be concluded in December 2004 (final project workshop in November 2004) considering that two extensions have already been granted.
- b) **Abaca: improvement of fibre extraction and identification of higher yielding varieties (the Philippines)** - The Consultation was informed that the decortication machine that has been developed might be less suitable for those end uses of abaca fibre where porosity is essential (such as tea bags). It was also noted that the machine has been tested on extraction of various fibres and it seemed to work very well with sisal. The prototype machine was now to be shipped to Ecuador to be tested and adapted for use there.
- c) **Coir-based building and packaging material (the Philippines / the Netherlands)** - The Consultation was advised that promising results had been obtained, and samples of the boards produced were shown to participants. A workshop had been held in December 2003, and the project was extended until June 2004 to allow final commercial-scale testing and demonstration of the process.

9. The Consultation was also informed that two fast-track projects were nearing completion. The fast-track projects include:

- d) **Use of Coir in Composites (Sri Lanka)** – Preliminary results show that coir can successfully be used in the composite applications. Participants were provided with a copy of the draft report of this project.
- e) **Study on the Comparative Advantages of Sisal, Coir and Jute in Geo-textiles** - The study has been undertaken by a consultant and the report is being finalised for distribution.

10. It was reported that the finalisation of project documents for two approved projects was underway and that the projects could start this year. The two projects are:
- f) **Cleaner Integral Utilisation of Sisal Waste for Biogas and Biofertilisers (Tanzania)** - This project had been approved by the CFC in 2002, and had been delayed for a long time pending agreement over operational details with the proposed PEA, UNIDO. The Consultation requested that the Secretariat write to the CFC urging that arrangements be made for the project to be implemented as soon as possible.
 - g) **Sisal development: Sisal fibre replacing asbestos in cement composites (Brazil)**
11. On the pipeline projects, the Consultation was informed that the project proposal on *Pilot Facility for Efficient Coir Processing and Quality Control (Sri Lanka)* had been under development for some time. It had been approved by the Consultative Committee of the CFC, and was expected to be considered by the Executive Board at its meeting in April.
12. The Consultation agreed that a one-day workshop be organised in conjunction with the next IGG meeting to consider results of the various CFC projects.

IV. COMMODITY DEVELOPMENT STRATEGY

13. The Consultation engaged in a rather wide-ranging debate on this issue. There was general agreement with the priorities which had already been identified, both in the original strategy document and from the meeting in Brazil in July 2003. To a considerable extent, the discussion concentrated on the potential use of natural fibres in composites, which was identified as one of the most promising future markets for most natural fibres. At the same time, however, the Consultation recognised the continuing importance of some traditional products, particularly, in the case of sisal, baler twine.
14. In order to better understand the potential for the use of fibres in composites and to assist in directing efforts in the most promising areas, the Consultation agreed that a review should be conducted, covering research and development, as well as information on the current use of fibres in these applications. A proposal is to be developed and submitted to the CFC for consideration for financing.
15. The Consultation did not make much progress towards transforming the existing list of priorities into a strategic plan, with time-bound objectives with allocated responsibilities. It did, however, stress the importance of developing partnerships between fibre producers and the industries which use, or potentially might use, natural fibres.
16. It also agreed that the strategy must take account of the different issues facing each of the various fibres.
17. Among the additional elements suggested for inclusion in the strategy were:
- Consolidation of industries in each country;
 - Strengthen the institutional capabilities of the developing countries so as to be able to undertake their own research and development;
 - Increase farm productivity without necessarily using chemical fertilisers;
 - Increase the flow of market information.

V. FUTURE MEETINGS

18. The Consultation was advised that the next Joint Meeting of the IGGs on Jute and Allied Fibres and on Hard Fibres was likely to be held in Rome in December 2004. It expressed a wish for another Intersessional Consultation to be held in 2005.

ANNEX I
LIST OF PARTICIPANTS

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