COMMITTEE ON COMMODITY PROBLEMS

Seventy-sixth Session

Rome, 11-13 September 2024


Executive Summary

The Joint Meeting of the 41st Session of the Intergovernmental Group on Hard Fibres (IGG) and the 43rd Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres was held in Salvador, Bahia, the Federative Republic of Brazil, from 27 May to 29 May 2024 and addressed the following matters:

1. Current market situation and medium-term outlook for jute, abaca, coir, kenaf, sisal and allied fibres (JACKS+)
2. Market developments in selected JACKS+ producing and consuming countries
3. Price trends for sisal, abaca, jute and kenaf
4. Review of statistical issues
5. Climate change, trade and natural fibres
6. The role of Sustainability Management in unlocking new market opportunities for the global JACKS+ fibres sector as the world transitions towards a bioeconomy
7. Reports from the Chairs of the Working Groups
8. Report of the 22nd Session of the Subgroup of Sisal and Henequen Producing Countries

Suggested action by the Committee

The Committee is invited to endorse the Report of the Joint Meeting of the 41st Session of the Intergovernmental Group on Hard Fibres and the 43rd Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres, and the Report of the 22nd Session of the Subgroup of Sisal and Henequen Producing Countries (attached as Annex 1), and provide guidance as deemed appropriate.
Queries on the substantive content of the document may be addressed to:

Secretariat of the Committee on Commodity Problems (CCP)
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I. ORGANIZATIONAL MATTERS

1. The Joint Meeting (JM) of the 41st Session of the Intergovernmental Group on Hard Fibres and the 43rd Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres (IGG HF/JU) was held in Salvador, Bahia, the Federative Republic of Brazil, from 27 to 29 May 2024. It was attended by 52 delegates and observers. The list of participants is available at https://www.fao.org/markets-and-trade/commodities/jute-and-hard-fibres/jute2024/en/.

   A. ELECTION OF THE CHAIRPERSON AND VICE-CHAIRPERSONS

2. The JM elected Mr Wilson Andrade (the Federative Republic of Brazil) as Chairperson, Mr Chunsheng Hou (the People's Republic of China) as First Vice-Chairperson, and Mr Dickson Kibata (Kenya) as Second Vice-Chairperson.

   B. ADOPTION OF THE PROVISIONAL AGENDA AND TIMETABLE

3. The Groups adopted the Provisional Agenda (CCP: HF/JU 24/1) and the Provisional Timetable (CCP: HF/JU 24/INF.1) for the Session.

   C. OPENING STATEMENT BY THE DIRECTOR-GENERAL

4. The Director-General, Dr QU Dongyu, delivered a statement to the JM via video message.

   D. OFFICIAL STATEMENTS

5. Statements were delivered by Mr Carlos Henrique Passos, President of the Federation of Industries of the State of Bahia (FIEB), Mr Humberto Miranda, President of the Federation of Agriculture and Livestock of the State of Bahia (FAEB), Mr Alderi Emídio de Araújo, Executive Director, Governance and Management of the Brazilian Research Corporation (EMBRAPA), Mr Eduardo Salles, President of the Commission of Infrastructure, Economic Development and Tourism of the Legislative Assembly of the State of Bahia (ALBA) and Mr Claudemir Nonato de Santana, Superintendency of Agricultural Policy of the State of Bahia (SEAGRI/BA).

II. ECONOMIC AND EMERGING ISSUES

A. CURRENT MARKET SITUATION AND MEDIUM-TERM OUTLOOK

6. The Groups reviewed and assessed the current market situation and medium-term outlook with the assistance of documents CCP: HF/JU 24/2 and CCP: HF/JU 24/INF/4, including tables on production, trade and prices that were prepared from the statistics provided by the Members of the IGG on Hard Fibres and the IGG on Jute, Kenaf and Allied Fibres.

7. The JM welcomed the Secretariat's report on the market situation and medium-term outlook for jute, abaca, coir, kenaf, sisal and allied fibres (JACKS+) and reviewed the data and information contained therein.

8. The Groups expressed appreciation for FAO’s market monitoring, assessment and outlook for JACKS+ fibres and support to Members in this regard, in order to contribute to achieving the Sustainable Development Goals (SDGs), namely SDG 1 and SDG 2.

   B. MARKET DEVELOPMENTS IN SELECTED COUNTRIES

9. The Groups appreciated the interventions by the Members, which provided detailed insights on current developments and challenges in the JACKS+ fibres sector. The JM highlighted the
importance of supporting the JACKS+ industry, and particularly smallholder farmers, given the current challenges faced by the sector.

10. The Groups discussed some of the major drivers underpinning the sector, including the recent global economic downturn, geopolitical tensions, the surge in shipping costs and insurance, the effects of climate change, and the lack of investment in technology and innovation. The Groups also underlined the importance of value addition and innovation to capture new markets and raise export earnings.

C. PRICE TRENDS FOR SISAL, ABACA, JUTE AND KENAF

11. The JM reviewed the document prepared by the Secretariat on price trends and prospects for JACKS+ fibres. It took note of the price evolution and appreciated the data and information presented in the document.

D. REVIEW OF STATISTICAL ISSUES

12. The Secretariat made a presentation on issues and challenges pertaining to the current data collection process and the support by Members in this regard. The Groups suggested that more information on JACKS+ products be collected and requested the cooperation of Members in this task. The JM highlighted the importance of data quality and harmonization in the data collection and reporting processes, as well as the need for countries to use a standard methodology so that data are comparable.

III. INTERGOVERNMENTAL ACTION

A. CLIMATE CHANGE, TRADE AND NATURAL FIBRES

13. The Groups expressed appreciation for the study presented by the Secretariat on the interlinkages between climate change and agricultural trade, and the specific role of natural plant fibres as potential carbon sinks. The JM discussed global and national climate change policies and actions (assessment, mitigation and adaptation), the opportunities and the challenges for the sector, and how these policies link to the IGG Action Plan.

14. The Groups reiterated the need to boost investment in technologies for sustainable development and innovation to reduce greenhouse gas emissions, and to focus on solutions and not on barriers. The JM underlined the importance of transparency and of striving for a full circular economy in the natural plant fibres sector. Delegates also provided inputs on climate change policies and actions in their respective countries.

B. THE ROLE OF SUSTAINABILITY MANAGEMENT IN UNLOCKING NEW MARKET OPPORTUNITIES FOR THE GLOBAL JACKS+ FIBRES SECTOR AS THE WORLD TRANSITIONS TOWARDS A BIOECONOMY

15. The Groups expressed appreciation for the presentation delivered by the Secretariat examining the role of Sustainability Management in unlocking new market opportunities for JACKS+ fibres with the assistance of document CCP: HF/JU 24/4. The JM was informed about various policies, the rationale and the approaches for the implementation of sustainability management strategies.

16. The Groups agreed and underlined the complexity of policies related to sustainability and expressed the need to be cautious when implementing sustainable practices and policies, as they need to be specific and relevant to the JACKS+ fibres sector. The JM noted that concerns about sustainability are concrete and that appropriate policy interventions to effectively and inclusively promote social, economic and environmentally sustainable practices are needed.
17. To supplement the analysis provided by the Secretariat, Professor Alcides Lopes Leão of the State University of São Paulo, presented a study regarding the use of natural fibres in the automotive sector, highlighting the advantages and challenges in using natural fibres in industrial applications. He also provided insights into strategies and approaches needed for a sustainable and circular bioeconomy.

C. REPORTS OF THE WORKING GROUPS

18. At the last JM held in Beijing, the People’s Republic of China, on 22-24 October 2019, Members agreed to develop an Action Plan to guide the future work of the Groups. Due to the COVID-19 pandemic, virtual meetings were held to develop the Action Plan.

19. At the Intersessional meeting of the IGG on Hard Fibers and the IGG on Jute, Kenaf and Allied Fibers, the Groups discussed and endorsed document IGG:HF/JU ISM 21/3, presenting the Action Plan. Since then, the Chairs of the working groups (WGs) have been working towards the implementation of the various activities of the Action Plan, despite several challenges, notably the lack of financial resources.

20. A core objective of the Action Plan is the establishment of an independent knowledge sharing centre. The WGs will explore the possibility of creating this centre in Changsha, Hunan Province, the People’s Republic of China. The WGs recognized the importance of a knowledge sharing centre open to, and inclusive of, all JACKS+ fibre producing countries. The JM will be updated on the progress at the next Session of the Joint Meeting of the IGG HF/JU.

D. REPORT ON SUBSIDIARY ACTIVITIES

i) Report of the Twenty-second Session of the Subgroup of Sisal and Henequen Producing Countries

21. The Subgroup met on 27 May 2024 and adopted its report, which is attached to this document as Annex 1.

IV. WORK PROGRAMME

A. FUTURE ACTION PLAN FOR THE INTERGOVERNMENTAL GROUPS ON HARD FIBRES AND ON JUTE, KENAF AND ALLIED FIBRES – PROPOSAL FOR FUTURE ACTIONS

22. The Groups discussed progress made on the implementation of the FAO IGG HF/JU Action Plan and proposed future actions.

23. The delegate from the People’s Republic of China informed the JM of the progress on the implementation of the Action Plan.

V. OTHER MATTERS

A. ANY OTHER BUSINESS

24. The Secretariat updated the JM on the implementation of the resolution "Natural Plant fibres and sustainable development”.

25. The Observer from the Discover Natural Fibers Initiative (DNFI) informed the Groups on the mandate and the activities of the DNFI.

26. On 20 December 2006 the United Nations General Assembly (UNGA) proclaimed 2009 the International Year of Natural Fibres (IYNF) and invited FAO to facilitate its observance, in collaboration with governments, regional and international organizations, non-governmental
organizations, the private sector and relevant organizations of the United Nations system. Delegates expressed their appreciation of the 15th anniversary of the IYNF and reiterated the contribution of its establishment to raise awareness of the importance and benefits of natural fibres.

B. DATE AND PLACE OF THE NEXT SESSION

27. The Groups noted with appreciation that the People’s Republic of China offered to host the next Session of the Joint Meeting of the IGG HF/JU to be held in 2026 in Changsha, Hunan Province.

28. Upon receipt of the official invitation letter from the Government of the People's Republic of China, the Director-General would decide the date and place of the next Session of the Joint Meeting of the IGG on Hard Fibres and the IGG on Jute, Kenaf and Allied Fibres, in consultation with the Chairperson.

VI. ADOPTION OF THE REPORT

29. The Report of the Joint Meeting of the 41st Session of the IGG on Hard Fibres and the 43rd Session of the IGG on Jute, Kenaf and Allied Fibres, and the Report of the 22nd Session of the Subgroup of Sisal and Henequen producing countries, were adopted by acclamation.
ANNEX 1

REPORT OF THE TWENTY-SECOND SESSION OF THE SUBGROUP OF SISAL AND HENEQUEN PRODUCING COUNTRIES

I. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON

1. The Subgroup of Sisal and Henequen producing countries held its twenty-second Session in Salvador, Bahia, the Federative Republic of Brazil on 27 May 2024. It was attended by delegates from Brazil and Kenya. Observers from the International Natural Fiber Organisation (INFO) and the London Sisal Association (LSA) also attended.

2. Mr Dickson Kibata (Kenya) was elected as Chairperson and Mr Wilson Andrade (the Federative Republic of Brazil) as First Vice-Chairperson.

II. ADOPTION OF THE PROVISIONAL AGENDA

3. The Subgroup adopted the provisional agenda as submitted by the Secretariat.

III. MATTERS FOR CONSIDERATION BY THE SUBGROUP AND SUBMISSION TO THE GROUP

4. The Subgroup expressed concern about the depressed sisal prices due to increased shipping costs owing to longer transit times in certain parts of the world. It also noted that sisal prices are dependent on sisal quality, which should be maintained within the official standard specifications, as this would ensure overall profitability for all players across the entire value chain.

5. The Group expressed appreciation to Kenya for maintaining the sisal inspection unit at the Mombasa port, which has been instrumental in maintaining standards, particularly of sisal produced by smallholders and destined for export.

6. The Subgroup noted that there have been many challenges since 2019 and that several producers within the sisal industry have not been observing quality standards, especially in the smallholder sector. This needs to be monitored in order to guarantee profitable sisal prices.

IV. TRENDS FOR SISAL FIBRE

7. Delegates reiterated the relevance of the Subgroup in supporting the sisal industry, as it provides an opportunity to discuss issues and challenges relevant to the sector.

V. ANY OTHER BUSINESS, INCLUDING DATE AND PLACE OF THE NEXT SESSION

8. The Subgroup recommended that its Twenty-third session be convened at the site and immediately prior to Joint Meeting of the Forty-second Session of the IGG on Hard Fibres and the Forty-fourth Session of the IGG on Jute, Kenaf and Allied Fibres in 2026.