



Discover Natural Fibres Initiative

Report of the Annual Meeting

Wednesday, January 9, 2019

3:00 PM to 5:30 PM

Office of Industrieverband Veredlung-Garne-Gewebe-Technische-Textilien e.V. (IVGT)
Frankfurt, Germany (during Heimtextil)

Participants:

Edgar Blum, Head Application Engineering Consulting

Flavio Carraro, Executive CTO

Peter Clasen, Wilhelm G. Clasen GmbH & Co. KG

Jochen Haueissen, Consulting Textile Engineer

Elke Hortmeyer, Director of International Relations and Communications, Bremen Cotton Exchange

Christian Schindler, Director General, International Textile Manufacturers Federation (ITMF)

Stefan Schmidt, Industrieverband Veredlung-Garne-Gewebe-Technische-Textilien e.V. (IVGT)

Terry Townsend, Consultant, Cotton Analytics

Dalena White, International Wool Textile Organization

Olivier Zieschank, Economist, ITMF

Malgorzata Zimniewska, Institute of Natural Fibers and Medicinal Plants (via web conference)

Next Meetings:

Mid-Year Meetings:

1. Venice, Italy, in **April 2019**, adjacent to the IWTO 2019 Congress. Specific date to be determined.
2. Porto, Portugal, **1-3 July 2019**, during the 4th International Conference on Natural Fibers (ICNF). DNFI will conduct a 2-hour session on natural fiber market developments.
3. Porto, Portugal, in **October 2019**, adjacent to the ITMF Annual Conference. Specific date to be determined.

The next Annual Steering Committee Meeting of DNFI will be held on **Wednesday 8 January 2020** in Frankfurt during Heimtextil beginning at 3:00 PM in the office of IVGT.

Report of the Meeting

Short Reports on Fibre Supply and Use:

Overview: Terry Townsend reported that preliminary estimates indicate that world production of all fibres rose to approximately 111 million metric tons in 2018, a one-year increase of 4 million tons, and a rise over the past decade of 35 million tons. Of the world total, natural fibres accounted for 32 million tons of production during 2018, an increase

of less than 2 million tons in ten years. The share of natural fibres in world fibre production fell from 41% in 2008 to less than 30% in 2018.

Townsend noted that the world production of synthetic filament rose to 50 million tons; of this polyester filament alone was about 45 million tons. Synthetic staple production rose to 22 million tons, and production of cellulosic fibres rose to 7 million tons.

Among the natural fibres, cotton production accounted for 26 million tons in 2018. Production of jute, kenaf and allied fibres fell to less than 3 million tons because of poor weather in the Ganges River Delta of India and Bangladesh. Production of wool fell in 2018 because of drought in sheep-raising areas of the Southern Hemisphere. (Attachment 1).

Cotton: The International Cotton Advisory Committee provided a report. World production of cotton is falling during the 2018/19 season (August 2018 to July 2019) because of poor weather in some countries. However, at 26 million tons, cotton production will still be 3 million tons greater than two seasons ago. Cotton prices remain above the long run average as world stocks, including stocks held by the Government of China in a State Reserve, are being reduced. (Attachment 2)

Jute: Peter Clasen reported that the Jute markets in Bangladesh and India showed increases in value and decreases in volumes during 2018. He said that decreased jute production caused by poor weather meant that consumption exceeds production, and stocks are being reduced. Mr. Clasen suggested that prices could continue to increase during 2019. However, he lamented that increased variability in weather is resulting in an increase in the range of error around estimates of production. As a result, market predictions are highly unreliable. (Attachment 3)

Sisal: Peter Clasen presented a report that had been prepared by Oliver Reimer-Wollenweber: While smaller in volume than jute, sisal is important in the regions of production, mostly in North-East Brazil and East Africa where dry conditions are not suitable for other agricultural products. Sisal exports have grown over the past 20 years with demand from Chinese customers. As in the case of jute, weather patterns have become more variable in sisal production regions in recent years, resulting in greater year-to-year variation in production. (Attachment 4)

Wool: Dalena White said the biggest threat to wool textiles is the current uncertainty in world economics, due to Brexit, trade issues between the USA and China and instability in European politics. The IMF predicts a global economic slowdown, specifically in China, and this will have a serious implication for wool textile sales. The ongoing drought in the Southern Hemisphere remains the main reason for the low production figures, sheep numbers are now the lowest in the past 100 years. High prices for fine wools have been welcomed by farmers, but manufacturers are reporting a resistance from retail, and we suspect much more blending of wool with man-made textiles will happen during the next 12 months. (Attachment 5)

DNFI Award

Terry Townsend noted that the 2018 winner, Velener Textil, was unable to attend the meeting, but he had spoken with Mr. Grimmelt, Managing Director, about his experience with the award. Mr. Grimmelt reported that he heard about the award through IVGT, and he was motivated to participate because of the category for innovative processes. He said that he did not know anything about DNFI, but he had applied on the recommendation of Mr. Schmidt.

Mr. Grimmelt said that winning the 2018 Innovation in Natural Fibres Award has resulted in positive public recognition for the WECYCLED product, and Mr. Grimmelt mentions the award in his presentations. He encouraged DNFI to continue to present the award at each annual ITMF convention in order to reach a significant audience.

After discussion, it was decided to conduct the Innovation award again in 2019. The award will be announced no later than **early February**, and the closing date for nominations will be **September 10**. The judging/voting process will take place during the remaining three weeks of September. Mr. Schindler agreed that the award may be presented to the winner during the ITMF meeting in Porto in **October 2019**.

Calendar of DNFI Activities for 2019

DNFI conducted within-year meetings for the first time in 2018. Meetings were held on the margins of a cotton conference in Bremen in March, an industrial hemp congress in Cologne in June, and a sustainability conference in Chemnitz in September. There was agreement that these meetings are constructive in enhancing discussion of natural fibre issues.

It was decided that three within-year meetings will be conducted again during 2019. The specific dates and agenda themes are to be decided in consultation with IWTO for the meeting in April in Venice, the organizers of the 4th ICNF in Porto in July and with ITMF for the meeting in October.

Regarding the DNFI session during the 4th ICNF in July, Greg Holt from the United States, Dalena White of IWTO, Małgorzata Zimniewska from Poznan and representatives of the Gdynica Cotton Association have offered to participate.

DNFI Web site

Stefan Schmidt reported that the DNFI website is compliant with the General Data Protection Regulations of the EU (GDPR). He said that during December 2018, 88 people per day on average went to the site and opened between 100 and 200 pages. Google remains the highest driver, with Yahoo second and a Chinese search engine third. The plant fibre fact sheet is the document most often downloaded. The monthly jute reports provided by Mr. Clasen are popular as well. General page navigation on the site is now good on a mobile screen. In the news and events page, we have the latest fibre news. There is an archive available as well.

Stefan urged members to log in at least twice a year to maintain their contact information and update passwords. There is a firewall, and virus protection is active and efficient.

NaDiF: A concept for global digitalization system for all natural fibres

Natural and Digital Fibres (NaDiF) is an initiative developed in Switzerland. The initiative currently has four members: Dr. Edgar Blum has 20 years of experience developing software for the Swiss stock exchange; Mr. Flavio Carraro has 13 years of experience with Uster Technologies; Dr. Anton Gunzinger is president and owner of Super

Computing Systems AG; and Mr. Jochen Haueissen has 20 years of engineering in the textile industry.

Dr. Blum, Mr. Carraro and Mr. Haueissen gave a short presentation on their idea to create a unified natural fibre database on a bale-by-bale basis with information on quality and location. Data will be purchased from fibre producers and sold to traders and textile mills. With the creation of NaDiF, fibre quality data will itself become a commodity that is sold and bought.

The presenters emphasized that they are not trying to replace traders. They realize that it will be difficult to access data for jute, sisal and other fibres produced primarily in developing countries.

Despite some concerns associated with the logistics of this project, members of DNFI agreed that the creation of such a database would be beneficial. Members of DNFI will assist the developers in facilitating small scale trials as a first step.

Election of a Vice Chair; confirmation of the Chair:

Terry Townsend was elected to a two-year term as Chair in January 2018. He was confirmed as Chair during 2019.

Dalena White volunteered to serve a two-year term as Vice Chair, and her offer of service was welcomed by all.

The meeting was adjourned at approximately 5:45 PM.