

Discover Natural Fibres Initiative

Report of the Annual Meeting

Monday, March 15, 2021

3:00 PM to 4:30 PM Central European Time

Virtual Meeting Conducted Via Zoom

Officers:

- Chair: Elke Hortmeyer, Director of International Relations and Communications, Bremen Cotton Exchange
- Vice Chair: Dalena White, International Wool Textile Organization
- Information Technology: Stefan Schmidt, Industrieverband Veredlung-Garne-Gewebe-Technische-Textilien e.V. (IVGT)
- Attendance totaled 42

Next Meeting:

The 15th Meeting of the DNFI is preliminarily scheduled for **Wednesday 12 January 2022** in Frankfurt during Heimtextil beginning at 3:00 PM in the office of IVGT. (Heimtextil is scheduled for 11-14 January 2022)

Report of the 14th Meeting

Short Reports on Fibre Supply and Use:

Overview: Terry Townsend reported that world production of natural fibres was approximately 33.4 million tonnes during 2019 and about 33 million during 2020. The value of natural fibre production at the producer level fell about US\$2 billion during 2020 to approximately \$55 billion. He noted that an estimated 40 million households earn their livelihoods from the production of natural fibres, and when seasonal employment is included, approximately 200 million people, or more than 2% of the world population, work in the agricultural segments of natural fibre value chains.

World cotton production is estimated at 25.8 million tons during calendar 2019 and 26.6 million during 2020. Jute production in 2020 was severely affected by a typhoon that struck producing areas in Bangladesh and India, resulting in a decline of approximately one million tonnes to an estimated 2 million tonnes, the lowest level of production since 1975. World production of flax, coir and wool are estimated at a little more than one million tonnes each in 2020. Abaca, hemp, ramie, sisal, silk, other bast fibres and luxury animal fibres accounted for the remaining 4% of world natural fibre production in 2020. (Attachment 1)

Townsend noted that estimates of world natural fibre production come from a variety of sources, including FAO, international organizations, national fibre bodies, and private sources. He thanked all those who collaborate in the collection of statistical information.

FAO: Mr. El Mamoun Amrouk, Economist with FAO, reported that meetings of the Intergovernmental Group on Hard Fibres and the Intergovernmental Group on Jute, Kenaf and Allied Fibres had been postponed during 2020 because of the pandemic. Nevertheless, the IGGs had met virtually and plans for long term market development were being discussed. He noted that the IGGs would meet in-person in 2022. It was noted that DNFI could be invited to attend the IGG meetings as an observer and participate in discussions. Mr. Amrouk agreed to interact with the officers of DNFI to make such arrangements.

Jute: Mr. Thomas Bressler, Wilhelm G. Clasen GmbH & Co. KG, reported that the 2020 jute crop in Bangladesh is estimated at just 1 million tonnes and the crop in India is estimated at just 900,000 tonnes. Normal requirements for domestic use and exports from the two countries are in the neighborhood of 3 million tonnes. As a consequence, market prices for jute had risen to record levels from late 2020 to early 2021, and many jute mills would have to curtail production or close completely until production from 2021 becomes available. (Attachment 2)

Cotton: Ms. Lihan Wei, Statistician, International Cotton Advisory Committee (ICAC), reported that consumption for 2020/21 had been revised to 24.5 million tonnes and production to 24.2 million tonnes. As a result, a slight decline in ending stocks was expected. She noted that with signs of economic recovery, cotton mill use was rising but the increase of 7% during 2020/21 would not fully restore consumption to its pre-pandemic level. Nevertheless, the ratio of world cotton ending stocks to world cotton mill use would decline from 0.94 in 2019/20 to 0.84 in 2020/21. She noted that the Cotlook A Index had risen steadily over the course of 2020/21 and this could lead to higher production during 2021/22. (Attachment 3)

Wool: Ms. Dalena White, International Wool Textile Organization (IWTO), reported that the scoring systems used in current textile rating tools available to retail buying managers exclude the use-phase of textiles. Microfibre pollution is ignored, and this linear system is directly opposed to the EU's drive for a circular economy. The European Union has targeted the textiles industry as a priority sector for establishing sustainability standards, in order to achieve climate neutrality and a true circular economy. They will soon be requiring clothing and textile products sold in the EU to carry labels displaying their environmental credentials – in the expectation that consumers will make the best choice for the planet in their purchasing decisions.

The EU's proposed Product Environmental Footprint (PEF) methodology has serious shortcomings, with attributes such as 'natural', 'renewable', 'recyclable' and 'biodegradable', either omitted from the PEF score or only minimally rewarded. By contrast, fossil fibres are not discounted for being nonrenewable and non-biodegradable, and their contribution to microplastic pollution is not even considered in the EU's system.

Products made from natural fibres are at significant risk of being rated poorly compared to synthetics, with the result that demand for wool and cotton will decline as brand purchasing managers are forced to look for alternative fibres with better ratings. (Attachment 4)

Sisal: Mr. Oliver Reimer-Wollenweber, Wilhelm G. Clasen GmbH & Co. KG reported that sisal exports from Kenya and Tanzania rose by 25% or more during 2020, and that exports from Brazil remained stable. He said that heavy rains in East Africa in early 2020 led to increased production, but prices had remained stable because demand had risen to match the larger supply. He noted that production in Brazil during 2021 is being negatively affected by worker's fears of Coronavirus infection. China accounts for about 65% of sisal exports from Brazil and 45% of exports from Tanzania. Exports of sisal to West Africa, North Africa and Saudi Arabia for use in the construction industry account for a majority of exports from Kenya. (Attachment 5)

DNFI Award

It was decided that the DNFI Innovation in Natural Fibres Award will be conducted again in 2021. An announcement of the award will be prepared by late March, with a closing date of mid-September.

DNFI expressed appreciation to Dr. Schindler and ITMF for sponsoring the award trophy and participating in the presentation of the award during the hybrid award ceremony

conducted in October 2020 in-person at Texas Tech University in Lubbock, Texas and virtually.

DNFI will suggest to the organizers of Heimtextil that the award ceremony in January 2022 might be more advantageously located in the lecture area of Hall 11.0. Heimtextile is scheduled for January 11-14, 2022.

Calendar of DNFI Activities for 2020-21

The next annual meeting of DNFI will be conducted on Wednesday, 12 January 2022 during Heimtextil.

Members noted that the use of a virtual platform makes the scheduling of additional meetings relatively convenient, and with rapid changes occurring in natural fibre industries and regulatory challenges multiplying, it would behoove members of DNFI to meet again in June 2021. The Officers will determine an appropriate date and time for such a meeting.

DNFI Website

Stefan Schmidt reported that the DNFI website is now in conformity with EU regulations regarding privacy and security. He noted that the website continues to receive thousands of visits each month. (Attachment 6)

Stefan received a sincere round of applause for his management of the web site.

Election of the Vice Chair; confirmation of the Chair:

Elke Hortmeyer, Director of International Relations and Communication, Bremen Cotton Exchange, was elected as Chair of DNFI for a two-year term beginning in January 2020. She confirmed her willingness to serve the second year of her term.

Dalena White was elected to a two-year term as Vice Chair in 2019. She confirmed her willingness to serve a second two-year term.

Terry Townsend, Immediate Past Chair, asked members if there were any other nominations or objections to the confirmation of Ms. Hortmeyer as Chair and election of Ms. White as Vice Chair.

There were no other nominations or objections. Accordingly, Ms. Hortmeyer and Ms. White were confirmed unanimously as Chair and Vice Chair of DNFI during 2021.

Adjourn

There being no other business, the meeting was adjourned at approximately 4:30 PM.