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FINAL MINUTES

Meeting of the Civil Dialogue Group Arable Crops Flax and Hemp sectors

Date: 08/12/2017

Chair ASPAR Jean-Michel

Organisations present: All Organisations were present, except Birdlife, CEPM, EBB, EFFAT, ELO, Fertilizers Europe, IFOAM, SACAR

1. Approval of the agenda (and of the minutes of previous meeting[1])

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

1. <u>Situation of the flax fibre and hemp market, 2016/17 and 2017/18 marketing years</u>

Flax: A COGECA representative presented the market situation. In 2016/17, flax area in Belgium, France and the Netherlands represented around 107,000 hectares. 144,000 tonnes of long fibres and 66,000 tonnes of short fibres were produced. Fibre production in 2016 was higher than in 2015 but the quality was poorer due to the climatic conditions. Prices were lower. Ending stocks for long and short fibres were lower compared with 2015. The figures were not yet available for 2017/2018. Two months into the 2017/18 marketing year, production of long fibres and sales were higher compared with 2015 but prices in € were lower due the €/$ exchange rate. Flax fibres were mainly processed in China, and yarns and fabrics were exported all over the world.

IFOAM requested data on organic flax and drew attention to the use of the word “eco-flax” which was misleading consumers. The response given was that demand for organic flax was non-existent. Flax is an ecological crop which does not require much PPP treatment or large quantities of fertilising products.

CELCAA requested information on the production of flax cake and flaxseed oil varieties. Fibre flax and flaxseed oil varieties are different industries. Seeds from fibre flax are harvested and used for sowing the following year.

Hemp: A COPA representative presented the situation of the sector based on hemp seed statistics. France was the main producing country.

[1] If not adopted by written procedure (CIRCABC)

2. Sector organisation: role of producer organisations and interbranch organisations in the sector's supply quality and in the sustainability of European production

A COPA representative informed DG AGRI about the existing interbranch organisations in the Member States and the role that a transnational interbranch organisation could play in terms of information and better tailoring supply to consumers' demands.

A DG AGRI representative presented the political agreement on OMNIBUS regarding POs, IBOs, value sharing and written contract clauses, and explained the derogations from competition law provided by certain provisions of the single CMO. It was made clear that an IBO could not get involved in marketing, processing or supply management. IBOs were allowed to promote and share non-sensitive information, but not actual figures. DG AGRI could provide an opinion on a draft IBO agreement regarding compliance with competition rules.

3. Data collection following the publication of Regulation (EU) No 2017/1185

A DG AGRI representative explained the rules. Around 80 businesses were operating in the sector. It was therefore impossible to make a link between the figures and operators.

4. European Confederation of Linen and Hemp

   a. *BE. Linen*
   b. *Post 2018 third country campaign: prospects and ambitions*

A CELC representative discussed the outcome of the promotional campaign in France and Italy, supported by the EC, and the other tools financed by the sector's additional own- resources. In 2018, the campaign "I love Linen" would be launched in London. The sector was looking at developing a promotional campaign in India or China. However, there were many obstacles and it was not easy to get the support of partners in those countries.

5. Amendment of Regulation 1308/2013 OMNIBUS OIB, sharing added value, explanation of the political agreement

This topic was covered by DG AGRI together with item 2.

6. AOB

A representative of Via Campesina, backed by the representative of the NL scutchers, wanted to alert DG AGRI to problems in relationships between farmers and land owners resulting from seasonal arable land contracts for flax production in certain regions, linked to the definition of "active farmer". A representative from Copa replied that the introduction of the new value sharing clause in the flax seasonal contract could resolve the issue.

4. Conclusions/recommendations/opinions

7. Situation of the flax fibre and hemp market, 2016/17 and 2017/18 marketing years

1.

- Need to promote flax consumption in third countries
- Need to legislate on hemp in the various sectors (pharmaceuticals/food/industrial uses)

2. Sector organisation: role of producer organisations and interbranch organisations in the sector's supply quality and in the sustainability of European production

- Copa and Cogeca representatives will reflect on the information provided by DG AGRI and will ask for a bilateral meeting in 2018

5. Next steps

6. Next meeting

- Provisional date: 1st June 2018. Flax and hemp will be combined with cotton in a half-day meeting

7. List of participants - Annex

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of participants– Minutes

Civil Dialogue Group Arable Crops - Flax. Hemp sectors
Date: 08/12/ 2017

	MEMBER ORGANISATION	NAME OF REPRESENTATIVES
1	EURAF	ARIAS MARTINEZ. M
2	CELCAA (president)	ASPAR .J-M
3	FoodDRINK Europe	BELZUNG. M-E
4	COPA	BRISSET.H
5	CEJA	CASTILLA BARO JM
6	COPA	DEJONCKEERE. D
7	COGECA	FEVRIER. CH
8	COGECA	GPMART;B
9	COPA	KASSE;D
10	EEB:BEE	PACAPE.J
11	ECVC	REZZI.M
12	EURAFA	RODRIGUEZ RIGUEIRO
13	EEB/BEE	SLABE.A
14	ECVC	TAILDEMAN.S
15	COGECA	VAN DE BILT.E