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## MINUTES CDG

### *Meeting of the CDG on Agricultural markets - Fibres*

**17 May 2023**

Chair: AGRI.E.4

Following organisations were present: CEJA, COGECA, COPA, EIHA, EUROCOTON, Euroseeds, IFOAM Organics Europe

#### **1. Approval of the agenda and of the minutes of previous meeting**

The agenda was approved.

#### **2. Nature of the meeting**

The meeting was non-public.

#### **3. List of points discussed**

##### **3.1 Market Situation**

###### *a. EU statistics on hemp, flax and cotton*

The European Commission (DG AGRI) presented the EU statistics on hemp, flax, and cotton. The main EU producers for cotton are Greece, Spain, and Bulgaria. The EU cotton production is forecast to decrease in 2021/22 (-39 000 tonnes y-o-y) following the same trend with the area in 2021/22 (-19 200 hectares y-o-y) while average EU prices move upwards climbing at EUR 588 per tonne for the same marketing year 2021/22 (+EUR 198 per tonne y-o-y). Trade flows show that the EU cotton trade balance increased for four consecutive marketing years. The 3-year average EU exports (period 2019/20 to 2021/22) reached 369 640 tonnes while the 3-year average EU imports (for the same period 2019/20 to 2021/22) are less than the 1/3 of exports reaching 104 908 tonnes.

The main EU producers for flax are France, Belgium, and the Netherlands. The EU flax production is also decreasing for 2021/22 (-5 210 tonnes y-o-y) with the area following the same trend (-34 678 hectares y-o-y). Imports have dropped in 2021/22 by 12% y-o-y while EU exports have slightly increased at 3% in comparison with the previous year.

The EU area cultivated with hemp according to EUROSTAT and National statistical offices for 2022 is 33 000 hectares close to the 5-year EU average while figures for production are available for 2021 at 211 550 tonnes.

Further information on the content of the presentation is found in the dedicated Europa webpage: [Agricultural markets \(europa.eu\)](https://agriculturalmarkets.europa.eu)

*b. Sector presentation of the cotton, flax, and hemp markets*

The representative of COGECA (SPAIN) presented the cotton production in Spain for the campaign 2023/2024 where a drop in yields is expected due to decrease in irrigation allocation. The 2022/23 marketing year gave a production of 123 500 tonnes -29% y-o-y which in its majority (94%) is exported. The area cultivated with cotton in Spain is under integrated production with no use of plastics, with plant and soil condition monitoring, with reduced use of fertilisers by 32%, water use reduced by 40% and phytosanitary applications by 52%. Finally, the speaker mentioned that cotton is a crucial crop in Spain both socially and economically and many efforts are made in terms of environmental sustainability. However, the farmers face a lot of challenges due to the lack of water, increased production costs and the reduced availability of plant protection products. He stressed the need for a policy on water storage and New Breeding Techniques. Further information on the content of the presentation is found in the dedicated Europa webpage: [Agricultural markets \(europa.eu\)](https://agriculturalmarkets.europa.eu)

The representative of COGECA (GREECE) confirmed the statistics for cotton as presented by the Commission. As regards prices, the sector would expect those becoming better. Weather started well for the campaign; however, concerns were expressed regarding the rainfall that if continues, will have a negative effect on the development of the crops.

The representative of COPA (FRANCE) presented the market situation for flax (data on cultivated area and production). He also mentioned that the flax value chain is now structured by the co-dependency of fibre production in Europe that represents 72% of world production and their processing that is mostly performed in China, at a share of 82%. Europe's competitive advantages are the soil and climate together with the human expertise and technology while China's are the scale of industrial tools, lower labour cost and the government support for investments and energy. Information was also given on the market situation for the textiles sector. Demand is increasing while supply is not following. Priorities should be set to produce more in a better way. Since flax crops enhance biodiversity and arable land is needed, fallow land could be cultivated with flax as flax varieties also break the disease cycle. Further information on the content of the presentation is found in the dedicated Europa webpage: [Agricultural markets \(europa.eu\)](https://agriculturalmarkets.europa.eu)

The representative of COGECA (NETHERLANDS) stated that flax in EU is an organised crop with a good promotion strategy that developed a substantial demand for flax and both prices and sales have increased. She mentioned also that the sector needs to be secured and stressed the need for good conditions for farmers and the necessity of a legal framework for the use of the New Breeding Techniques.

The representative of EIHA gave some information on the land area cultivated with hemp that has increased from 44 000 ha in 2021 to 46 000 hectares in 2022. However, he mentioned that the available data for the sector is incomplete as Member States have difficulties in obtaining this information from the operators who are reluctant to

cooperate due to competitive reasons and requested the Commission to improve data collection.

DG AGRI took note of this request.

### **3.2. EU Policies**

#### *a. Eco-design for the textiles sector*

The European Commission (DG ENV) presented the Eco-design for Sustainable Products Regulation (ESPR). This is a framework Regulation, has no direct impact on the textiles sector and specific product requirements will be set at a second stage. The scope of the Regulation extends to a wide range of products, - textiles are included – introduces possibilities to set new requirements, allows for a horizontal approach in addition to product-specific requirements and increases the focus on product information. Reference was made to other tools provided by the ESPR such as the mandatory Green Public Procurement, the prevention of destruction of unsold consumer goods, market surveillance and customs controls. The members of the Civil Dialogue Group were informed of the new Eco-design aspects. The Open Public Consultation indicated textiles as a priority product for ESPR.

The key points for the EU Strategy for Sustainable and Circular Textiles were mentioned. It presents a vision where ‘fast fashion is out of fashion’, and where circular rather than throw away clothes have become the norm. Reference was made also at the key actions of the EU strategy with links to ESRP identified as the new design requirements for textiles, the addressing of destruction of unsold textiles, the action to address the unintentional release of microplastics from synthetic textiles and the clearer information on textiles and a Digital Product Passport (DPP). The Eco-design requirements for textiles will be determined through the preparatory study by JRC and an impact assessment. Further information on the content of the presentation is found in the dedicated Europa webpage: [Agricultural markets \(europa.eu\)](https://agricultural-markets.europa.eu)

The representative of EIHA questioned whether the economic impact was assessed and mentioned that the Green Deal has an impact on farmers and processors.

The representative of COGECA (NETHERLANDS) mentioned that the existing flax chains should be enlarged and made stronger. There are already studies in Belgium, the Netherlands and France on carbon footprint but the information should be better exchanged. The Commission has to bear in mind the multiple constraints already imposed on farmers.

The representative of IFOAM requested more efforts to be made on data collection for organic production. Hemp shall also be included within the scope of the Regulation (EU) 2018/848 on organic production and labelling of organic products. For the Eco-design, organic should be part of the existing productions. Finally, he mentioned that organic farming is part of the EU Farm to Fork Strategy.

The representative of EUROCOTTON questioned the provisions taken to secure the incoming goods in EU to satisfy all the requirements arising from this strategy.

DG ENV representative informed the members of the Civil Dialogue Group that the economic impact will also be assessed. As regards imported goods, the Commission will ensure a level playing field in order to comply with the requirements set. He reminded

the members of the group that the market surveillance is Member States' competence. In this context the Commission provides the tools for the effective control of the EU market.

The representative of IFOAM thanked in the chat the Commission for the updating on the revision of the Textile Labelling Regulation in relation to organic textile labelling. IFOAM Organics Europe are closely involved in this. Organic certification of farm produced fibre and of the processing of those fibres into organic textiles represents an approach to harmonise and provide a level playing field.

Another IFOAM representative mentioned in the chat that they look with great concern towards the product parameters, specifying the performance requirements. They understand that they will be adapted to the textile sector following an impact assessment. For a comprehensive ecological evaluation of textile products, these parameters need to be clearly defined and importantly, also reward the efforts of organic operators. This includes aspects including soil health, Eco-toxicity, and the effect of farming on biodiversity, among others. She added they are happy to liaise with the Commission to add more input on how to make sure that the ESPR on textile will cover the relevant aspects. Of course, it must be recognized that organic production goes well beyond ecological factors as well, including animal welfare and social aspects. In the draft ESPR, the information does not include the type of farming, for example, which would be an important pillar to fight greenwashing and the misuse of the term 'organic' applied to textile.

DG ENV invited the stakeholder to share this expertise in the context of the preparatory study by JRC. As part of this study a number of consultations will be organised. Stakeholders can register for this on: [Project plan | Product Bureau \(europa.eu\)](#).

#### *b. Monitoring CAP & Objectives*

The European Commission (DG AGRI) presented an overview of the monitoring of CAP implementation and of its contribution to the established objectives. The first step towards delivering on objectives is the establishment of a strategy by objective, based on needs assessment, for which context indicators were used by Member States. Member States developed in the CAP plans an intervention logic to address these needs, implying the planning of output indicators by intervention and of result indicators by purpose (to set the ambition). CAP plans were approved by the Commission. These indicators will be reported annually (February) to the Commission in the Annual Performance Report. To ensure that Member States progress as planned in the implementation of the CAP, performance review (comparison of planned and realised result indicators) is foreseen for 2025, 2026 and 2027 with potential need to implement an action plan. The financial suspension mechanism can only be triggered in 2025 and 2027. In the end, evaluation will assess the contribution of the CAP to its objectives, using impact indicators.

Further information on the content of the presentation (the evaluation set-up, general principles, context and impact, result and output indicators together with useful links) is found in the dedicated Europa webpage: [CMEF \(europa.eu\)](#).

The representative of EUROCOTTON mentioned that the National Strategic Plans should reflect the ambition of the Green Deal. The most important Strategies are the Farm to Fork initiative and the Biodiversity Strategy. Farmers need to have sufficient time to adapt, and proper funding is needed. There is also the need to avoid asymmetries of demand to farmers in relation to the imported goods. He questioned consequently how the Member States are evaluated in achieving the Farm to Fork targets and whether these

targets will be set at sectoral or general level since cotton is produced for several years in an integrated way and there is no room for further improvements.

DG AGRI representative responded that CAP funding is here to help farmers in this transition to more sustainable production. Green Deal targets are set at EU level. It is not foreseen to set targets for specific sectors, but for the agricultural sector as a whole where relevant (e.g., for Green House Gas emissions). Some directives (like on air quality in link to ammonia emissions, due to agriculture) might set targets by Member States. In this case, needs and the starting point of each Member State are particularly important and taken into account.

### **3.3. Developments in the sector**

#### *a. Hemp4Circularity – Interreg project on the development of hemp in the circular economy*

The representative of EIHA (Valbiom) presented the Hemp4Circularity project. The aim of the project is to establish hemp as a driver in the textile industry, to lay out a circular value chain, to integrate and match all actors and optimise all the stages of production and processing. The means to be used are pilot actions, trainings, recycling solutions and eco-designed prototypes. The project has a three-year duration, a budget of around 3 800 000 EUR (ERDF of 2 280 000 EUR) and partners from Belgium, France, the Netherlands, and Germany. Finally, the work packages, which the project will realise, were presented in detail. Further information on the content of the presentation is found in the dedicated Europa webpage: [Agricultural markets \(europa.eu\)](https://agricultural-markets.europa.eu)

#### *b. Cotton promotion as part of 'Enjoy it is from Europe'*

The representative of EUROCOTTON presented the EUCOTTON project managed by the European Cotton Alliance (ECA). The objectives of ECA are to promote cotton production in the EU, to develop and establish a cotton trademark for the identification and use of European cotton and to create awareness for the use of European cotton as a quality cotton among professionals and consumers in the EU and internationally. The EUCOTTON promotion project has a duration of three years, a budget of around 2 200 000 EUR and the markets to which it is targeted are Greece, Spain, Germany France, and Italy. The objectives of the project were presented and an overview of the implemented activities for 2022/23 was given. The key message is the high quality and responsible production of the European cotton. The next steps of the project will include publicity actions, social media, advertising, promotional tools, sponsorships, and the organisation of meetings and working groups with fashion brands. Further information on the content of the presentation is found in the dedicated Europa webpage: [Agricultural markets \(europa.eu\)](https://agricultural-markets.europa.eu)

In response to a question raised by the CEJA representative regarding the possibility of inclusion of cotton produced with New Breeding Techniques at the time they will be allowed and regulated the representative of EUROCOTTON provided the following reply: New breeding techniques in cotton production refer to the use of Genetically Modified Seeds that it is not allowed by the European regulation in contrary with the common practice in most of the cotton producing countries. Additionally, there is no provision of using GMOs in the upcoming Common Agricultural Policy that is getting greener and more environmentally friendly. Worthwhile mentioning that the use of non-GMOs is included as a critical factor for the certified organic cotton production. In accordance with the European rules and regulations emphasis is given to the

environmental protection and biodiversity in contrast to productivity and low cost of production. The use of non-GMO seeds is the core message of the Eucotton campaign, acknowledged as a differentiating factor by the targeted markets. “High quality, responsibly produced from non-GMO seeds” is the moto of the campaign that is highly appreciated both by the consumers and other market participants.

The EIHA representative mentioned that this project is a great initiative. The farmers and manufacturers should be empowered, and this group could be the channel of further discussions not only for the textile and the construction sector, but also to emphasise how fibres contribute to the Green Deal and all EU policies.

#### **4. Next meeting**

The date of the next meeting in 2024 is not known yet.

#### **5. List of participants**

See in annex.

(e-signed)

Oliver SITAR p.p. Pierre BASCOU

List of participants– Minutes

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ORGANISATIONS REPRESENTED
CEJA
COGECA
COPA
EIHA
EUROCOTON
Euroseeds
IFOAM Organics Europe