

SUMMARY

LA CHANVRIERE DE L'AUBE

presents

INDUSTRIAL HEMP NETWORK IN FRANCE

23/10/03

4. Production of seeds (for sowing) in France

5. French professional organisation

6. French position

- a. Subsidies system : comparison Flax/ Hemp
- b. Why it is necessary to defend fibres 7.5 – 25%
- c. Standpoint regarding decriminalization

7. Proposal for an European Organisation

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1. History of hemp in France

2. French operators

3. Use of hemp products

3A. HEMP FIBRES

- market of natural fibres
- use of hemp fibres

3B. HEMP HURDS

- segment of market

3C. POWDER (DUST)

3D. HEMP SEEDS

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History of hemp in France

1338 : Paper mill in Troyes

1850 : 185.000 ha

Before 1939 : 1000-1500 ha (Sarthe)

After 1950 : Sarthe et Aube

WHY ?

Requirement from Paper industry

Sarthe : SWM group

Aube : BOLLORE group

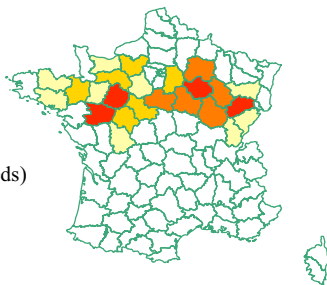
1973: Creation of LCDA (1000 ha)

2003 : 9000 – 10.000 ha in France

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Industrial Hemp in France

9000 ha in 2003 (+around 800 ha for sowing seeds)



Three industrial-sized processors :

Papeteries de Mauduit (SWM group) in Spay (72) : 1500 ha
all fibres destined to their factories

Eurochanvre (Interval coop group) in Arc les Gray: 1200 ha
fibres mainly destined to the paper industries
hurds to the animal bedding sector

LCDA : 6200 ha same destination as Eurochanvre

other small operators : Cannabreizh, Chanvrière du Belon

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Use of Hemp products : FIBRES

Estimated 2002/2003	Hemp	Flax	Other	Total	Hemp market share
Paper pulp	19 200	30 000	5 000	54 200	35 %
Other applications (insulation, automotive, plastics,...)	5 000	5 000	25 000	35 000	14.3%
Total	24 200	35 000	30 000	89 200	27%
Of which France	18-20.000	35000			

95% of the hemp is used by European paper industry is coming from France

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Use of hemp products : HURDS

Different use	Volume in %	Competition with
Animal bedding - Horses - Pet - Poultry	93% 71% 12% 10%	Straw, wood shavings, flax hurds, paper, mineral bedding
Building	3%	Glassfiber wool, rockwool
Others (Mulching,etc)	4%	
	100%	

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Use of hemp products : POWDER (DUST)

Mainly → Organic enrichment
Animal bedding
Rubbish tip

A french soil improver ORGABIOSE obtained the European ECOLABEL

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Use of hemp products : HEMP SEEDS

France seems to be the main european supplier of the European market (which is estimated to +/- 8.000 tons)

Competition with import from China

Sales to bird feed operators and oil manufacturers

Official agreement in 2001 for selling hemp oil as human food

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Production of sowing seeds in France

FNPC is achieving hemp varieties for 70 years

3 directions : disappearance of THC

earliness

seed yield

15 registered varieties

Annual volume: > 600 tons/years

Customers all over the world

Competitors : Institute of Gluckow (Ukraine)

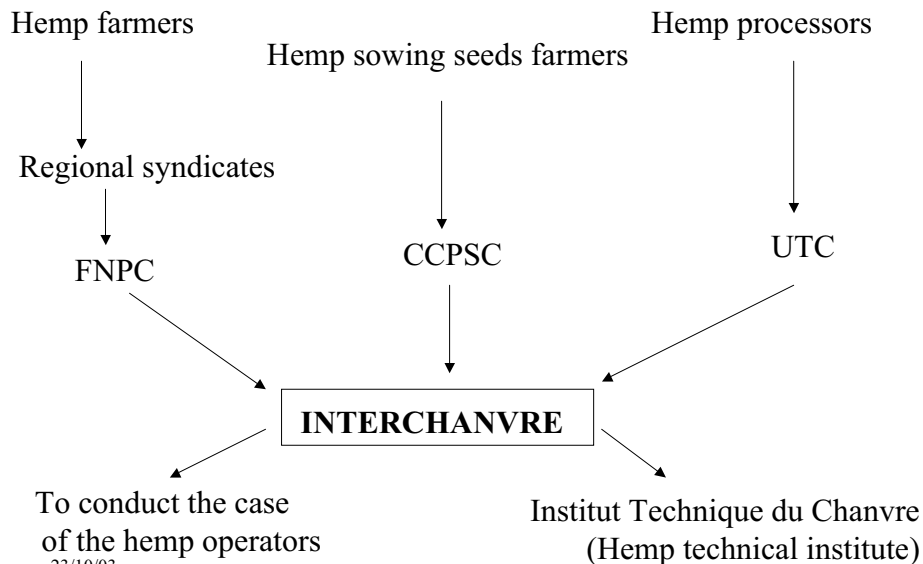
Institute of Novy Sad (Serbia)

Institute of Natural Fibres (Poland)

etc...

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French Hemp Organisation



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Position of the French Profession

Reminder : Cultivation and processing aids

Cultivation aid

Hemp cultivation, as other arable ones, generates an aid to the surface (aid SCOP) which is variable according to the regions (+/- 400€/ha for the LCDA's region)...NOW CHANGING with new CAP.

Processing aid for hemp

Hemp processors receive a processing aid :

90€/ton of fibres containing less than 7.5% hurds

Processing aid for flax

Aid for long fibres (textiles) : 160€/ton fibres

Aid for short fibres (tow) : 90€/ton fibres less than 7.5% hurds

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Evolution of the system :

1. For the sales campaign 2004/2005 :
 - Cancellation of aids to short fibres (90€/t) containing more than 7.5% of hemp/flax hurds
2. From the sales campaign 2006/2007 :
 - Cancellation of aids to all short fibres
 - Increasing of aids to flax long fibre, reaching €200/ton

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Comparison of flax/hemp aid systems (per ton of straw)

Flax	Aid	Total amount
1 ton gives : 182 kg long fibres + 118kg short fibres	0.16€/kg 0.09€/kg	29.12 10.62 39.74€/ton of straw
Hemp		
1 ton gives : 250 kg fibres	0.09€/kg	22.5 €/ton of straw

When we consider an average yield of 6.8t **flax** straw/ha, the aid is **€270/ha**

When we consider an average yield of 7t **hemp** straw/ha, the aid is **€157/ha**

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Position of French Organisation

Why to defend the current system ?

1. Flax and Hemp are submitted to the same regulation and the same CMO
2. Use of fibre > 7.5% concerns the main part of the hemp production
3. Disappearance of aids to the fibres > 7.5% beyond 2003 will drag the disappearance of aids to the fibres < 7.5% beyond 2006

→ DISAPPEARANCE OF HEMP

- except in case of an increasing of the fibres market price:
but competition with other fibres !
- except in case of a decreasing of the straw's purchasing price :
but farmers will leave hemp !

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Other requirements:

Possibility of tailoring (a factory is processing straw from an other one)

Self-governing management of the National Guaranteed Quantities
(Flax and Hemp separately)

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7- Proposal for an European organisation

Why and how ?

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Position of French Organisation

ABSOLUTE REJECT of everything which is closely or from afar
in favour of the CANNABIS decriminalization

Why ?

→ Risk of confusion

→ Good reason for cancelling the aids

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Notice:

1- Readability of the fibres' market is insufficient and sketchy

**2- Our paper customers purchase natural fibres
indiscriminately:**

flax, sisal, jute, kenaf, hemp, etc..

(Hemp = +/- 30% of the total volumes)

→ To know what our competitors are doing

3- Flax is more important than hemp in term of volume

4- Flax and hemp are in the same CMO

5- There are several organisation existing,

+/- political and +/-technical

CELC, COPA-COGECA, EIHA, FNPC, etc...

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PROPOSALS :

1- French hemp network think that we must rely on the existing and recognized organisations

2- French hemp network note the existence of **CELC**
(Confederation Européenne du Lin et du Chanvre)
recognized **for 50 years**

CELC is a professional organisation of

Farmers

Processors

Traders

Mill owners

and Weavers of FLAX

+ HEMP section (FNPC)

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3- Last CELC conference in Berlin 17-19 Oct. 2003

CELC is now opened to the other use of fibres (flax and hemp) as yarn

4- UTC (French processors) view to become a CELC member



French hemp profession proposes that other countries do the same.

5- For the technical part, we propose to create
a network between all European hemp operators

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THANK YOU
DANKE SCHÖN
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MERCII



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