



National and European support system to hemp and
flax industry

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Interchanvre



Presentation of Interchanvre

- Branch representative association of hemp in France
- Member of European Industrial Hemp Association
- Member of Confédération Européenne du Lin et du Chanvre
- Member of EU consultative committee of flax and hemp

- Lobby actor at national and European level
- Agronomic development
- Representation of branch, institutional communication, promotion of activity and defense of interests.
- Budget : around 450 KE / year paid by all French producers of hemp.



A bit of history about CAP :

Creation of European Economy
Community on 1957

- Italia
- France
- Germany
- Belgium
- Luxembourg
- Netherland

2013 : 28 countries

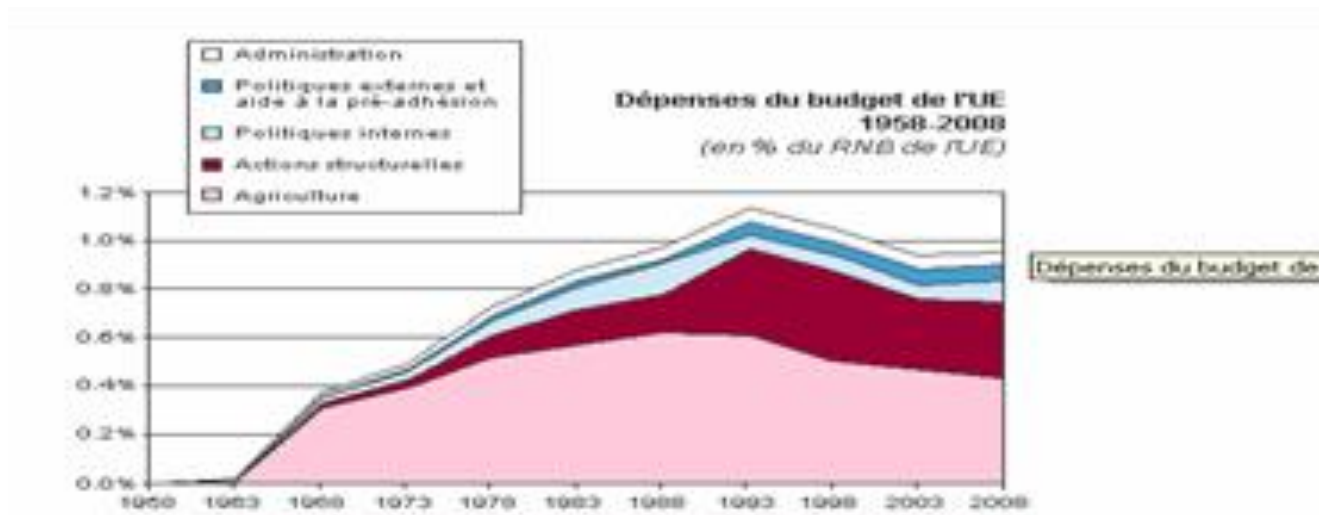
Starting of Common Agricultural Policy : 1962



1957



2013



Agriculture : biggest budget of the Union

- 80 % from 1962 to 1970
- 40 % now

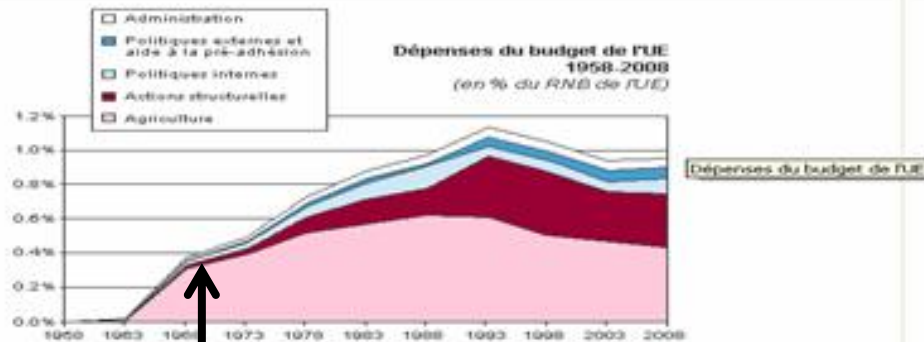
Budget of EU in 2011 : 140 billions of Euro (1 % of the sum of national incomes)

- Aim at beginning : to secure human feeding production by creation of a modern agricultural sector

1970

On 1970 starts a large range of new supports for a lot of products

- trough individual « Common Market Organizations »
 - -for flax and hemp :
 - Reg. (CE) n° 1308/70 in date of the 29th of June 1970
 - Reg. (CE) n° 619/71 of the 16th of June 1971
 - Reg. (Com) n° 1524/71 of the 16th of June 1971



1970



1970 - 1986



- 1970 : Fix support for flax and hemp everywhere in European Community in aim to maintain the production
 - 100 % paid to farmer for hemp
 - 50 % paid to farmer and 50 % paid to processor for flax
- Private storage for owners of European fibers, to help to regulate the market in case of crises
- Very important level of subsidies, up to 800 E / Ha (1997)
 - EVERYWHERE in Europe
- 1986 : 12 countries in Europe, entry of Spain and Portugal with a system of support for rotation crops (wheat, barley, sunflower...) based on « dry cereal yield » but not for flax and hemp



1986 - 1995



- After a transitive period (1986 to 1995) Spain (and Portugal) become « regular members » of the CAP
- Unfair competition between traditional crops (cereals) and flax and hemp (subsidies five time upper)

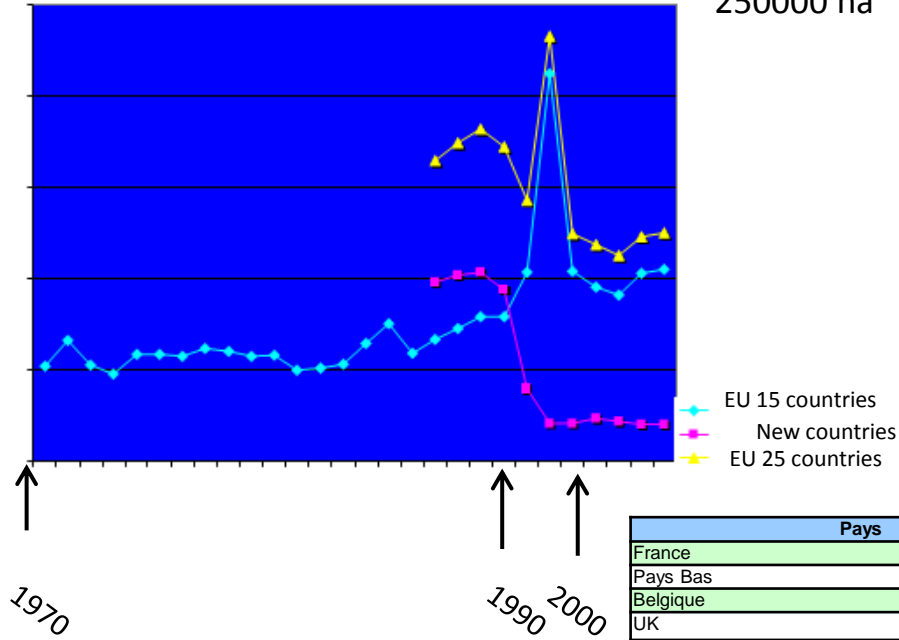
- Creation of an subsidies hunting situation implemented in
 - Spain (flax and hemp)
 - UK (flax and hemp)
 - At lower level everywhere in EU



FLAX



250000 ha



Source : ANDI and DG AGRI

UK
Spain

Pays	1999	2000	2001	2002	2003	2004
France	49 129	55 680	67 961	68 476	76 664	80 534
Pays Bas	3 568	4 076	4 428	4 053	4 616	4 517
Belgique	12 198	13 355	16 887	15 316	19 309	19 822
UK	14 163	11 816	3 238	0	0	0
Allemagne	569	402	147	303	224	193
Espagne	126 226	13 895	571	0	0	0
Italie	-	-	-	6	20	-
Danemark	32	45	19	2	0	0
Autriche	336	450	160	160	142	109
Irlande	0	0	0	0	0	0
Finlande	604	1 016	405	192	97	67
Portugal	4 430	3 522	83	0	0	0
Suède	1 327	21	54	0	0	0
UE à 15	212 582	104 218	93 953	88 508	101 072	105 242
Pologne	3 109	3 576	4 259	4 473	2 927	6 345
Hongrie	-	-	-	-	-	-
Lituanie	8 600	8 600	9 600	9 300	9 600	5 500
Estonie	-	100	100	-	-	-
Lettonie	2 000	1 600	1 400	1 600	1 800	2 400
République Tchèque	5 232	5 911	6 560	5 825	5 953	5 372
République Slovaque	1 595	581	915	538	520	158
Slovénie	-	-	-	-	-	-
Chypre	-	-	-	-	-	-
Malte	-	-	-	-	-	-
Total Nouveaux Etats membres	20 536	20 368	22 834	21 736	20 800	19 775
UE à 25	233 118	124 586	116 787	110 244	121 872	125 017

- This crops where « virtual » in Spain and UK

EN : Yield of straw : 1,32 T / ha

ES : Yield of straw : 0,6 T / ha

FR : Yield of straw : 7 T / ha

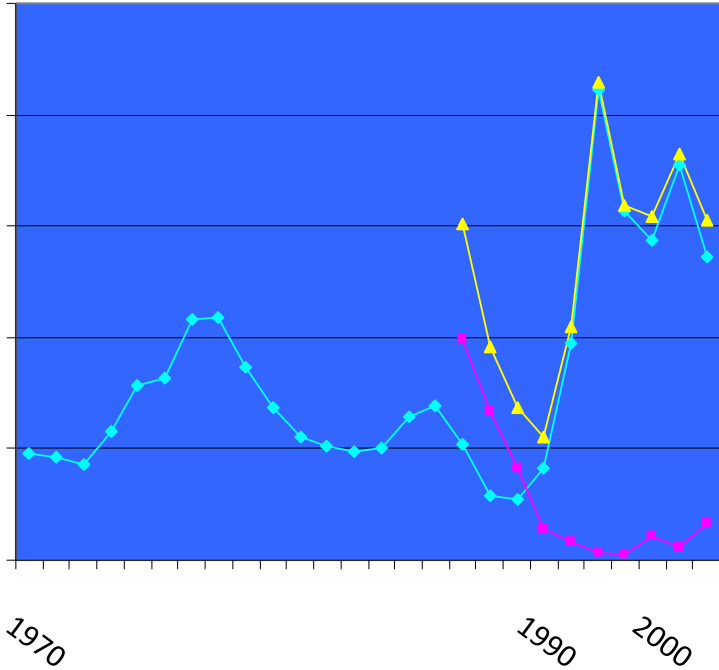
Pays	1990	1995	1999	2000	2001	2002	2003	2004
France	364 416	327 964	340 507	373 056	237 864	501 621	519 728	544 000
Pays Bas	39 598	34 410	23 094	25 702	32 280	23 217	27 694	26 400
Belgique	65 057	69 358	88 663	87 342	70 000	102 620	125 510	121 910
Royaume Uni	60	21 120	18 810	0	0	0	0	0
Allemagne	-	-	-	1 688	1 090	1 196	1 079	965
Espagne	0	9560	75 900	0	0	0	0	0
Italie	530	0	0	0	0	26	60	240
Danemark	1 100	1	1	270	114	12	0	0
Autriche	-	-	-	1 800	640	686	568	545
Irlande	-	0	-	-	-	-	-	-
Finlande	-	1400	3 600	4 877	1 944	915	484	330
Portugal	0	0	0	19 371	457	0	0	0
Suède	-	-	-	126	324	150	0	180
Total UE à 15	470 761	463 813	545 575	514 232	344 712	630 443	675 123	694 570
Pologne	16 300	5400	1 150	14 304	17 888	19 681	13 757	31 725
Hongrie	8 000	0	0	0	0	0	0	0
Lituanie	-	-	16 200	24 500	14 100	22 300	35 500	22 386
Estonie	1 900	200	100	270	270	0	0	0
Lettonie	3 000	400	2 100	4 320	3 780	4 320	4 860	6 480
République Tchèque	81 600	34300	17 484	13 929	17 687	15 271	13 822	19 300
République Slovaque	11 920	3330	254	1 453	2 288	1 345	1 300	395
Slovénie	-	-	-	-	-	-	-	-
Chypre	-	-	-	-	-	-	-	-
Malte	-	-	-	-	-	-	-	-
Total Nouveaux Etats membres	122 720	43 630	37 288	58 776	56 012	62 917	69 239	80 286
Total UE à 25	593 481	507 443	582 863	573 008	400 724	693 360	744 362	774 856



HEMP



Surfaces of hemp in the EU



40000 ha

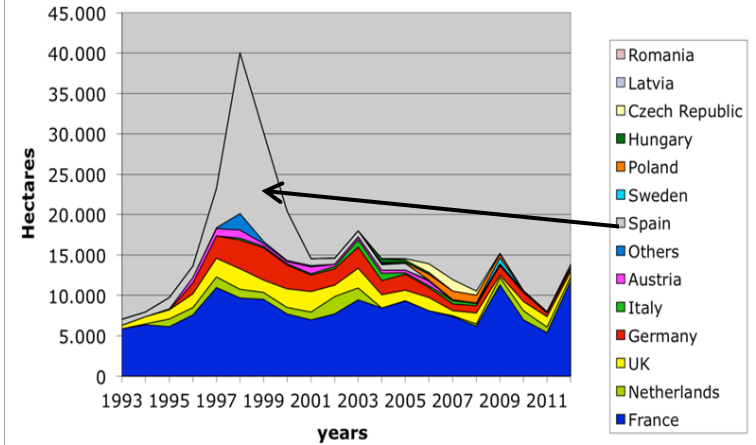
EU 25 countries
EU 15 countries

New countries

Source : ANDI and DG AGRI

Source : EIHA

Hemp Cultivation Area in the EU (ha)
2012: 14,000 ha





HEMP



surfaces • This crops where « virtual » in Spain and UK

Pays	1999	2000	2001	2002	2003	2004
France	10 500	7 700	7 010	7 730	9 452	8 427
Pays Bas	872	270	520	1 500	2 200	50
Belgique	-	-	-	-	-	-
Royaume Uni	2 500	2 900	3 562	1 120	2 120	1 350
Allemagne	4 067	3 094	1 991	2 104	2 703	1 799
Espagne	13 473	6 103	789	694	743	678
Italie	197	151	200	239	872	880
Danemark	23	7	8	10	0	0
Autriche	289	287	848	310	352	397
Irlande	22	6	1	0	0	0
Finlande	264	59	113	33	10	6
Portugal	185	4	-	0	0	0
Suède	-	-	-	-	-	-
UE à 15	32 392	20 581	15 104	13 740	18 453	13 587

EN : Yield : 1 T/ Ha

FR : Yield : 7 T/ Ha

ES : Yield : 0,34 T/ Ha

Quantities of straw produced

Pays	1999	2000	2001	2002	2003	2004
France	-	54 670	42 761	53 337	66 164	52 247
Pays Bas	-	1 092	1 620	7 250	12 500	243
Belgique	-	-	-	-	-	-
Royaume Uni	-	3 200	3 646	3 494	3 337	5 371
Allemagne	-	13 183	8 890	9 345	13 313	8 995
Espagne	-	2 089	1 184	1 128	1 397	2 606
Italie	-	453	600	750	2 600	2 640
Danemark	-	42	48	60	0	0
Autriche	-	1 292	3 816	1 394	1 586	1 785
Irlande	-	36	6	0	0	0
Finlande	-	413	746	231	73	40
Portugal	-	8	-	0	0	0
Suède	-	-	-	-	-	-
UE à 15	-	82 477	63 317	76 989	100 970	73 927



1997 - 1999



- Reaction of the European Commission : changing the rules on year 1997 (flax) and 1998 (hemp)
- Flax : Reg. (CE) 154/97 of the 20th of January 1997
 - Subsidy to farmer goes from 50 to 25 %
 - Subsidy to processor goes from 50 to 75 %
 - - minimum yield of production (2,5 T / ha)
- Hemp : Reg. (CE) 1420/98
 - Subsidy stays to the farmer
 - obligation of processing
 - THC level goes from 0,3 to 0,2 % (5 % of the surfaces)
 - - minimum yield of production (2,5 T / ha)
- Consequence : surfaces decrease, in link to the market



1999 - 2011



- 1999 / 2000 : CAP reform « *go to the unique CMO* »
 - Reg. (CE) 1672/2000 and 1673/2000
 - Surface subsidy link to « *dry cereal yield* », individual to each country / region : end of subsidies hunting
- Legal definition
 - of long fibres : 50 cm, impurity max : 7,5 %
 - of short fibres : impurity from 7,5 % to 15 % (flax) or 25 % (hemp)
- Processing subsidy of
 - 90 E t of short fiber of flax and fiber of hemp
 - 100 / 160 / 200 E / T of long fiber of flax
 - Maximum trough National Guaranteed Quantities
- Added subsidies of 120 E and 300 E / Ha for flax in Belgium and Netherland



1999 - 2011



- Aim : let time to branches to adapt to new situations
- Example of hemp in France :

- Before 2000 :

- Subsidy : 730 E / Ha
- Income (straw) : $\frac{7 T * 40 E / T}{970 E / Ha}$

- After 2000 :

- Subsidy (medium) 300 E / Ha
- Income (straw) $\frac{8 T * 70 E / T}{860 E / Ha}$

Fair competition with commodities like cereals (same level of subsidies)



2011 - 2013



- Situation without moving from 2000 to 2011
- 2011 : end of the CMO « *flax and hemp* »
 - National systems of substitution : creates unfair competition
- Total integration into the unique CMO, to be in link with the World Trade Organization (no link between product and subsidies). Farmer earn « *single farm payment* » based on the previous productions (area subsidy without link to production).
 - SFP can be increased on the equivalent amount of the generated processing aid
 - Case in France, Belgium and Netherland
 - Not the case in UK
 - Belgium specificity : flax processors continue to earn « *flax equivalent* » SFP instead of farmers : hidden relinking

National possibility to « relink » subsidies through Reg. 73/2009 (art 68)

- Netherland apply it : 300 E/Ha for fear 2013 only



2014 - 2020



- The new CAP after 2014
- Large moving of paradigm
 - Convergence of level of subsidies between countries and inside of the countries : SFP transformed in basic payment
 - Greening : make the CAP more ecological trough 3 tools
 - Rotation – diversification of crops
 - Maintain of permanent grass areas
 - Ecological focus area (EFA) : have 5 to 7 % of the arable surface used for ecological activities (mainly unproductive activities)
 - Consequences : hemp, crop without chemical, and flax, crop with very little uses of nitrogen and chemicals have not been included into EFA

2014 - 2020

- But possibility of national substitution
- The project of text proposes « *equivalences to EFA* » under national decision through « national or regional environment schemes » (not precisely described). One of this equivalence is :
 - *Production on arable land with no use [...] of plant protection products, and not irrigated, not sown with the same crop two years in a row on a fixed place*
 - Case of hemp
 - Other points : possibility like before to relink to a closed list of activities, included flax and hemp, subsidies to « *activities in economic difficulties and having an ecological or social interest* »
 - Subsidies for private storage could continue for flax
 - Chances of success ?



Thanks to your attention

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