

Representing producers, financiers, processors, importers, wholesalers, retailers and end users of industrial hemp products

**SUBMISSION TO
Standing Committee on Environment, Resources and Development –
Tasmanian Hemp Industry Inquiry**

27 April 2012

On 17 April 2012, an advertisement appeared in Tasmanian newspapers requesting submissions in relation to the development of the industrial hemp industry in Tasmania.

The Industrial Hemp Association of Victoria has been an active participant in advocating change for the hemp industry and is pleased to lodge its submission to the House of Assembly Standing Committee on Environment, Resources and Development.

An application for approval of hemp food was lodged with Food Standards Australia & New Zealand (FSANZ) in 2009 and is currently under assessment.

To assist the Standing Committee in its review, we attach hereto a copy of two submissions we have made to FSANZ in relation to the application to have hemp approved as a food. Background information, including the FSANZ summary and recommendations, as well as over 200 other submissions can be found at

<http://www.foodstandards.gov.au/foodstandards/applications/applicationa1039lowt4708.cfm>

We encourage the members of the Standing Committee to work in tandem with the extensive work already being completed by FSANZ.

The Industrial Hemp industry in Australia has been consistently lobbying for recognition as a viable industry for at least the past two decades. The crop is a valuable enhancement to any rotational farming practices and can provide the basis for a number of value-add industries, including textiles, industrial components and building products. However, the best immediate opportunity for farmers lies in the production of hemp seeds for food.

Australia is one of the only nations in the world that specifically prohibits hemp food for human consumption. This prohibition has evolved because hemp shares the same botanical name as marijuana – *Cannabis sativa*. The difference is that the content of tetrahydrocannabinol (THC) in hemp is low or even immeasurable. THC is the psychoactive element in marijuana. *Cannabis sativa* is prohibited as a food in Australia and yet hemp is harmless and contains no psychoactive properties.

If hemp were approved for human consumption in Australia, farmers would have an immediate opportunity for an alternative cash crop that requires minimal herbicides and pesticides and is an excellent rotation crop. The industry could then develop further using hemp fibre and hurd. Currently, manufactured hemp products available in Australia largely comprise imports from China. There is the potential for Australian farmers to grow hemp and export the raw material to China and other countries for manufacture of end product.

To respond to the Standing Committee's specific points to enable its assessment of opportunities or solutions required to encourage a viable industrial hemp industry and associated value adding opportunities, we make the following comments. Further consultation would be most welcome, at the convenience of the Committee.

(a) Impact upon the production and value adding of industrial hemp:

Most Australian States have licensing in place for farmers to grow industrial hemp. Farmers will not do so without a proven market and they will not plant trial crops when the cost of production of these small plots is excessive. To grow a crop involves a licence application and fees. In addition, throughout the growing season (which is only three months), several samples must be taken which also costs the farmer. Then the samples are sent to a laboratory in Western Australia (there is apparently no suitable laboratory in Tasmania). These regulatory costs are additional to the usual costs of production and are prohibitive for farmers – particularly if they are trialing the viability of the crop. Government laboratories could perform the testing functions more cost effectively and a locally based testing facility would streamline processes.

(b) Commercial Impediments

Cannabis sativa is described in poisons legislation. A simple amendment excluding varieties with a THC content of less than $\propto\%$ could alleviate the problem. The United Nations Single Convention on Narcotics (to which Australia is a signatory) achieves this.

As mentioned above, the cost of trialing the crop is prohibitive. Also, the fact that hemp food is prohibited is an impediment to development of the industry. To produce hemp seed and cold press it for oil, or hull the seed for use as an alternative omega rich addition to diets, is the most cost effective way of providing a return for the farmer – the infrastructure already exists for such processing. If food were approved, the industry could then develop value-adding by using the fibre and hurd for other manufactured products – either producing in Australia or exporting the raw material.

For ease of reference, please find attached a copy of the Tasmanian Police submission to FSANZ which lodges an objection to hemp food approval.

The fact that previous attempts for food approval have been thwarted by the political stance that the public associates hemp with marijuana is a major impediment to development of the industry. This Association has found that, through education, this impediment falls away. However in this fledgling industry, widespread education can only come through government support.

(c) Other issues

The industry requires critical mass for economical production. This can only be achieved by educating consumers, bureaucrats and politicians about the value of industrial hemp in conjunction with support from all levels of government.

Investment is required on seed development for varieties suitable for our varying climatic conditions, as well as assistance to farmers to understand the crop and its benefits.

In summary:

- Legislation requires change
- Food standards require amendment
- Education needs to be more widespread
- The process for testing of crops requires simplification
- Australia needs to recognise the potential export value and the value for land management and soil health. This statement is supported by various submissions already made to FSANZ (referenced above).