

Hemp Australia Pty Ltd

Hemp products grown in Tasmania



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For the attention of:
The Secretary
Environment, Resources and Development Committee
Standing Committee – Tasmanian Hemp Industry Inquiry
(Brenton Best, chairperson)

Second Submission, Tasmanian Hemp Industry Inquiry

Thank you once again for the opportunity to submit information to this committee

Brandt Teale and I have been involved since 1998 in the Tasmanian hemp industry. This is a fledgling industry that we have often had to re-substantiate due to the misconceptions of departments and individuals that we were wanting to advance the drug industry. Nothing is further from the truth. We do not condone the use of drugs but we do fight for a legitimate primary industry that has many benefits for this State.

There have been a number of submissions to the Inquiry which we see as re-inventing the wheel, which carries with it the risk of wasting time and money. Our involvement has always been very hands on, working with farmers, and many avenues have been explored by us and our parent company.

At first, the industry was more fibre orientated; Patsy and Fritz Harmsen's initial work was testament to that as they were the initiators of the "hemp for paper" campaign. When the first application to ANZFA in the late 1990's to allow hemp seed and oil for human consumption looked positive, our direction in Tasmania went more towards seed/grain production, although crops for fibre still continued for specified markets.

I would like to provide a snapshot of contacts, submissions and trials that we have been involved with over the last 14 years, in particular addressing comments and suggestions made to the Committee by other submitters.

1. June 2000 – We wrote a concept discussion paper giving a whole of industry view to the potential of developing and expanding an industry and starting a tourism venture that encompassed many facets of both fibre and seed production and manufacture. Contact and discussions, in some cases trials and production, had started with the following but not limited to these industries:-
 - a. Hemp meal for the feed lot industry – DPIWE & TIAR (1998)
 - b. Hemp meal for fish food – Skretting Australia
 - c. Hemp fibre and Tasmanian wool blend – NSW already produced an imported hemp and Australian Merino wool blend (no longer in production).
 - d. Dehulled seed and hemp meal for human consumption- Sanitarium & Greens(1999)
 - e. Hemp Filtered Beer – Marketed in this State by us. Beer made by Coopers, filters made in Australia with pulp sourced from the UK. (1998).
 - f. Discussion with paper filter makers regarding the introduction of hemp pulp from local suppliers

- g. Hemp Surfboards – made in Bryon Bay – Fibreglass replacement – expansion to other products
- h. Prototype skateboards – made in Tasmania – imported fibre used.
- i. Horse bedding for the racing industry – improving respiratory health. This product will be exhibited by our parent company at Equitana in Melbourne, which is the largest equine show in Australia during November 2012
- j. Hemp meal as a feed for the equine, pig, pet and angling industries and as a luring agent for the NSW Government's Carp Eradication Taskforce.
- k. Natural dye makers using leaf matter
- l. Hemp mulch garden bedding imported from NSW to create a market and then replaced with Tasmanian-grown product
- m. Hemp ice Cream – made in Tasmania by Valhalla – tasted by State Development staff and advisors
- n. Mulch evaluations – TIAR and the Tasmanian apple and Pear Growers Association – Pink Lady Apples
- o. We produced locally and marketed nationally, hemp paper cards and writing sets from Tasmanian fibre
- p. Producing and wholesaling food quality hemp seed oil for the Australian market – this is our core business

We had significant interest in all of the above ventures, assessments and trials. However, we were stymied by the food laws that prohibited hemp for human consumption and/or lack of processing facilities and manufacturing equipment in this State.

2. Over successive years, we negotiated and were contracted to grow specific type of fibre crops for the purpose of decortication (the stripping of bast fibres from the stems of the hemp plant for use in textiles, etc). These trials were for the company Fibrenova (now known as Textile and Composite Industries Pty Ltd), whose director Adrian Clarke has given evidence to this committee and who also urged the State Government to fund his venture and use his equipment under licence. The crops grown by us for Fibrenova were extremely successful fibre crops, however the processing machinery brought to Tasmania by Fibrenova was not at all successful. It was left to us to salvage what we could from the contracted crop in order to maintain industry integrity with the University of Tasmania on whose land the crop was grown. . Research has shown that while these decortication machines have progressed they are still at a prototype, unproven stage. Further evidence from us on this matter would need be confidential and an in-camera submission would be necessary.

Through the past 14 years the Department of State Development has been advised of our progress, aims and interests and we sought direction and support. None was forthcoming.

THC testing in Tasmania

At the first meeting of this Committee of Inquiry in July 2012, I was asked to provide further information regarding THC testing for field sampling and what would be necessary to have tests performed in this State.

Up until 2000, sample testing was performed by the Government Analytical Forensic Laboratories at New Town. However, it became apparent that the integrity of the results was flawed. Samples were then sent to Victoria Forensic Science Police Laboratories, which later declined to receive samples for testing, and so tests are now performed in Western Australia.

On the matter of THC tests, I have been provided with the following information.

At the Southern Cross University, when testing for THC they use a GC-FID machine which I understand to be gas chromatography (**GC**) with a flame ionization detector (**FID**). I have been advised that there are other analysis techniques however this is the best and there is a specific methodology (for reproducibility). I would suggest that the Tasmanian analytical laboratory be requested to provide the Government or this committee with more information regarding their equipment and accreditation and if necessary, I do have a contact who is an expert in this field at Southern Cross University, should it be required.

Sigma Pharmaceuticals is able to provide control standards of THC for testing purposes.

Levels of THC – State laws

The below three states have had the most interest and uptake regarding licencing/growing and so I suggest that Tasmania follow the THC limits of Queensland and New South Wales. While our THC sampling being set at .35% has not been problematic in the past we have been trialling different cultivars of industrial hemp and may see slight variances in percentages.

Under licence

Tasmania allows .35% THC (dry weight)

Queensland allows 1% THC in crop harvest and .5% THC in seed for growing purposes

New South Wales allow 1% THC in crop harvest and .5% THC in seed for growing purposes

Queensland defines Cannabis into categories for licencing purposes:-

Less than 3% THC considered industrial hemp –although 1% THC is the limit

Over 3% THC considered to be Marijuana – Licences are then noted as “Research A or B”

New South Wales defines Low THC hemp- as any plant of the genus Cannabis that has a concentration of THC in its leaves and flowering heads of no more than 1%.

Licencing

Tasmania has a streamline licencing procedure which over time seems to have varied. Ms Mary Sharpe of the Department of Health and Human Services made comments to this committee on the 17th August that the number of licences had “dropped off”. I would like to point out that in the first few years that Brandt Teale and I were involved in the license process (from 1999) we held a licence that had 4-5 farmers and at times up to 8 farmers at various locations listed on the one licence. That is not the practice today. Each farmer must hold an individual licence even though they are contracted to grow by the one company.

I also point out that in 2006, Brant was granted a Wholesale Chemist Licence but the substance listed was not Cannabis Sativa L which is the correct genus, but Industrial Indian Hemp Seed.

A more sensible and workable licensing procedure would be for the contracting company or owner of the seed to hold a head licence, under which the growing, processing and handling is done.

United Nations Single convention on Narcotic Drugs 1961

Article 28 paragraph 2: - States "The Convention shall not apply to the cultivation of the cannabis plant exclusively for industrial purposes (fibre and seed) or horticultural purposes".

As Ms Sharpe stated to this committee, "The licensing enables the convention to be respected. A single line of the convention cannot be read in isolation but must be read in conjunction with the obligations of the previous section which states that 'signatories must adopt measures as may be necessary to PREVENT THE MISUSE OF THE ILLICIT TRAFFIC IN THE LEAVES OF THE CANNABIS PLANT'."

There are no further references in the convention that amends or re-examines the allowance regarding fibre and seed. Why it is then that fibre is not a restricted/controlled substance and seed is? They are the same plant "Cannabis Sativa" and neither contains THC.

Consider the poppy industry. Poppy seeds come from a restricted drug plant yet there is no restriction on the dispersal or sale of poppy seeds. In fact, poppy seeds can provide a positive drug test so where is the equity.

Just as certain states of Australia (ACT & SA) have amended their acts and introduced a Cannabis Expiation Notice Scheme, for the drug, then Tasmania could also amend the act to enable Industrial Hemp (Low-thc Cannabis Sativa) to be less restrictive.

Following is an email dated November 2001 to our parent company regarding the qualification of Article 28 from the Secretariat of the International Narcotics Control Board United Nations Office for Drug Control and Crime Prevention.

----- Original Message -----

From: Beate HAMMOND <Beate.Hammond@incb.org>

To: EIL Phil Warner <phil@ecofibre.com.au>

Sent: Tuesday, November 06, 2001 3:45 AM

Subject: Re: Cannabis and the 1961 Convention

>

> Dear Mr. Warner,

>

> As stated in article 28, paragraph 2, of the 1961

> Convention,

the Convention does not apply to the cultivation of the cannabis plant exclusively for industrial purposes or horticultural purposes. No further details are provided, meaning the Convention leaves it up to States parties to the Convention to define other measures such as THC threshold levels which exist in the European Union. For further information on the control of industrial cannabis in Australia, you may wish to contact the competent national authority of Australia coordinates of which are as follows :

The > Secretary, Commonwealth of Australia, Department of Health and Aged Care, GPO Box 9848, Canberra ACT 2601, Australia, Telephone: 2-62897804 or 2-62897277.

>

> Yours sincerely,

>

> Beate Hammond (Ms.)

> Drug Control Officer

> Secretariat of the International Narcotics Control Board United

> Nations Office for Drug Control and Crime Prevention

> A-1400 Vienna

> Austria

> Tel. (43 1) 26060 5482

> Fax (43 1) 26060 5867

> e-mail: beate.hammond@incb.org

Market for seed crop stubble

Hemp garden mulch has become an accepted and sought-after consumer item, with our most supportive customer being Clennetts Mitre 10 at Kingston. This is a steadily growing market from Tasmanian- grown hemp fibre. Previously, this item was produced from a dedicated fibre crop. However it is a low-grade use of a high-grade fibre and it is not particularly viable to continue in this form. It

would be far more equitable for the mulch product to be made from the stubble of a seed crop. This would also provide the farmer with a better gross margin and would fully utilise the crop.

Due to seed being a restricted substance, the chance of a single seed being caught up in the mulch is a possibility and so this has not been an option under the present state laws.

Seed status:

The listing of industrial, non-drug hemp under the Poisons Act in Tasmania is already causing considerable problems regarding cleaning and post-harvest processing. In recent months we have actively been seeking to expand our choice cleaning processors but it is proving difficult to attract new cleaning operators because they are wary of handling product officially deemed to be “a poison” or restricted substance, particularly if there is any risk of this “poison” making its way into subsequent contracted cleaning.

It is common for seeds such as barley, oats and even some weeds to occasionally cross-contaminate other cleaning runs but as they are not deemed “poisons”, the seed industry accepts this as an acceptable risk. The listing of industrial hemp as a “poison” negates any such acceptance and creates a barrier to post-harvest production in Tasmania.

Industry kick-start program

The degree of public sector expenditure required depends on the depth of localised development being sought, the range of products being envisaged or revisited, and the scope of extension programs being enacted.

For example, there is the cost associated with the realisation of market penetration and product property protection of new products such as plastics or building products, as well as costs regarding the reintroducing of previously tried and tested end-products, such as garden mulch or ice-cream.

And there is the not-so-obvious cost of overcoming perceived confidence hurdles, such as the drying and cleaning of seed by operators wary of handling product governed by the Poisons Act. In this regard, a dedicated seed-cleaning line costs in the vicinity of \$50,000 and drying equipment adds at least \$20,000.

A whole-of-industry development program would likely have a cost to government of between \$300,000 and \$600,000 which, when matched dollar-for-dollar by our collaborative partners, would result in development programs worth between \$600,000 and \$1.2 million.

Brandt and I would see our role as central co-ordinators in order to maximise the outcomes in a government-backed development program.

Our collaborative partners in this program may include, among others:

- Tasmanian Institute of Agricultural research
- Southern Cross University
- Tasmanian plastics company Enviroinex
- CSIRO
- Local and national food manufacturers
- Cambridge University research and development laboratories
- Salmonoid nutrition developers

It is important to note that the extent of development rests with the degree of funding available and it is vital that a top-down approach is taken, with a program being developed around a known total of pre-guaranteed funding.

Further input:

The extensive knowledge that Brandt Teale and I have regarding hemp production in Tasmania and our wide understanding of developments make us the logical first point of contact for any political, legislative or social moves regarding the support and/or advancement of an industrial hemp industry in this state. We would welcome the opportunity to be involved in such moves.

Yours sincerely

Lisa Teale