Submission to

Standing Committee on Environment, Resources and Development

Tasmanian Hemp Industry Inquiry

April 2012

ACN 009 477810
ABN 51 009 477 810

P: (03) 6332 1800
F: (03) 6331 4344
W: www.tfga.com.au

A: TFGA House, PO Box 193
Cnr Cimitiere & Charles Streets
Launceston TAS 7250

ABOUT THE TFGA

The Tasmanian Farmers and Graziers Association (TFGA) is the leading representative body for Tasmanian primary producers. Our purpose is to advance the success of our members' businesses by providing influential advocacy and representation, strong leadership and innovative solutions.

With our focus being on advancing the development of Tasmanian primary industries, TFGA is committed to ensuring that the agriculture sector in Tasmania is profitable and sustainable. We are also committed to promoting the vital contribution the agricultural sector makes to the environmental, social and economic fabric of Tasmania to all levels of government and the wider community.

TFGA was formed by the merger of the Tasmanian Farmers, Stockowners and Orchardists Association and the Tasmanian Farmers Federation in 1980. TFGA members are responsible for generating approximately 80% of the value created by the Tasmanian agricultural sector.

To provide services and networks for farmers, TFGA has offices in both Launceston and Hobart. We are also a member of a number of relevant state and national industry organisations and use these networks to promote our members' interests and to work on issues of common interest.

Operationally, the TFGA is divided into separate councils that deal with each of the major commodity areas. As well, we have a number of standing committees that deal with cross-commodity issues such as climate change, bio security, forestry, water and weeds. This structure ensures that we are constantly in contact with farmers and other related service providers across the state. As a result, we are well aware of the outlook, expectations and practical needs of our industry.

Looking forward, the TFGA will continue its commitment to representing Tasmania's farmers by presenting innovative and progressive solutions to the issues affecting the agricultural sector in Tasmania.

AGRICULTURE IN TASMANIA

In 2008/9, the farm gate value of agriculture and fishing was $1.68 billion – which represented c8% of the gross state product. More than 17,000 people were directly employed in farm related activities – which represented around one in every 12 jobs. Taking into account basic multiplier factors, this meant the farm dependent economy contributes $5.46 billion (18%) to gross state product and employs one in every 10 Tasmanians.

The vast bulk of our agricultural product is sold interstate and overseas. Farm exports in 2009/10 were valued at more than half a billion dollars ($527.6m). In addition, a further $1.458 billion of product was sent to the mainland. This in total represented 28.8% of the state's exports.

Not only that, the sector is one of very few in the state that have continued to deliver improved performance in the long term. Over the past 25 years, the average annual rate of increase in farm gate GVP has been 4%. Over the five year period from 2003/2004 to 2009/2010, the actual increase was a massive 25% - from $1.35 billion to $1.68 billion.

These figures clearly confirm the importance of the sector as an economic driver for the state's economy – and also demonstrate that agriculture is a more significant contributor to the Tasmanian economy than it is in any other state. With this in mind, it is clear that Tasmania needs to ensure that the agriculture base of the state remains competitive and profitable.

Tasmanian farmers compete in very tough commercial markets where there is little opportunity to pass on increased costs. This means that farmers have to use every possible opportunity to improve productivity and reduce costs if they are to remain in business. Any increase in regulatory costs will further impinge on already slim margins; and place Tasmanian farmers at an even greater competitive disadvantage.

CONTEXT

The TFGA welcomes the Standing Committee inquiry, and the TFGA is proactively committed to supporting any changes for growers that will maximise and expand the potential of industrial hemp to be a highly profitable, competitive, reliable and widely grown crop. Further, we support complimentary value adding developments and investment including an expanded seed and fibre processing industry in the state.

The TFGA is of the view that the current regulatory provisions and legislative arrangements both at a Federal and state level are over burdensome and subtly but effectively inhibit the competitive economic opportunities which exist for expanding profitable grower investment in this state. As a result, these are restricting the expansion of this potentially promising and competitive agriculture, seed and fibre industry in Tasmania.

In reality, hemp is an ideal crop for Tasmanian growing conditions; and it offers a potentially important diversification opportunity to farmers. It poses no risk to the environment or to human health.

The TFGA believes state regulations for cultivation controls and accountability of crop practices at all stages of growing and production should be aligned with the degree of risk presented by the specific crop and/or production system. Over-regulation causes inefficient resource use at the farm and industry level, and it is denying the state wide community immediate and future economic benefits through expansion.

The fact that production of industrial hemp is regulated under the Tasmanian Poisons Act 1971 even though hemp is not a drug or poison contributes to confusion and often negative perception surrounding this crop; and this in turn has led to an increased regulatory burden for farmers.

Removal of the unnecessary inhibitory regulatory constraints would provide a decrease in production costs, an increase in crop profitability, increase in ease of farm management, likely increase in crop rotational compatibility and an increase in the cultivation experience by growers selecting to invest in growing hemp to meet domestic and export market opportunities. Any reduction in impediments would reduce production costs, support total state production and supply of seed or stem and therefore expedite attracting investment in both the production and processing sectors.

The TFGA recognises - but does not accept - the regulatory constraints posed by the listing of hemp under the Poisons Act. However, there is no justification at all for there to be any more stringent licencing requirements for hemp than there are for opium poppies.

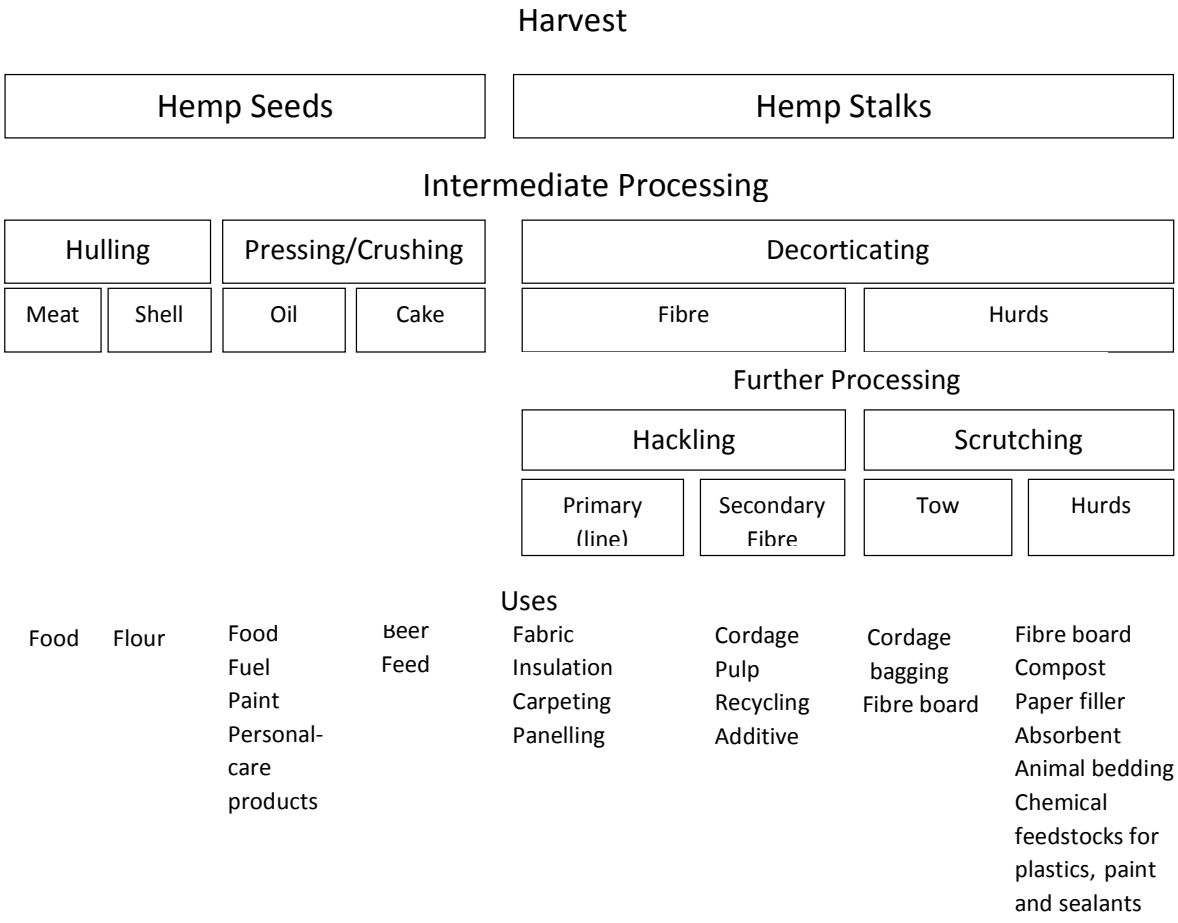
At a federal level, the limitations placed on hemp products are also an impediment to the growth of this industry. The federal regulator Food Safety Australia and New Zealand (FSANZ) does not permit cultivation of hemp in Australia for any purpose other than fibre. This is despite the fact that the same regulator permits production and sale of a wide range of other products (oil, protein, cosmetics, seeds etc) in New Zealand. There is no rational reason for this restriction; and no science at all behind it. A full range of hemp products are widely produced, sold and consumed in other countries.

This is a severe constraint which limits a potential farm income streams and makes production less economically viable. A review of this legislation is currently under way but is not expected until the end of June 2012.

Hemp Products

Below is a flowchart listing the many products which can be derived from hemp.

Table 1: Hemp Products Flowchart



Source: Adapted from Kraenzel et al., p. 10[1]

The domestic and export market demand potential for developing products is a critical consideration in assessing the long term feasibility of expanding a state industry. In order for many potential uses of hemp to translate into concrete market opportunities, the cost of production and product quality needs to be competitive with current well-established sources of seeds, bast fibre and hurds, in terms of characteristics, quality and price.

Dual purpose crops have an advantage in costs of production, as farmers have the advantage of using the plant for a varied range of products. Broadening the range of products that industrial hemp can be used for will encourage more farmers to consider growing it commercially.

Hemp is used in other countries, including in Europe, Canada and the United States, in a range of foods including health bars, salad oils, non-soy tofu, non-dairy cheeses, and as an additive to baked goods, as well as being used as the whole seed, raw or roasted.

The fact that FSANZ, Food Safety Australia and New Zealand, as the federal regulator, does not permit cultivation of hemp in Australia for any purpose other than fibre, means farmers are unable to fulfil local and overseas market expectations. It also means a wide range of other products (oil, protein, cosmetics, seeds etc) that can increase returns at farm gate are ruled out of play. This is a severe constraint and makes production less economically viable. The review of this legislation is currently under way but is not expected until later this year.

Removal of prohibitions on production of hemp seed and oil products (excluding whole and viable seed) will provide Tasmanian farmers with a greater range of potential products to market, while limiting the possibility of drug enforcement problems relating to possession of whole seeds.

Research and Development

A report by Lisson et al[2] outlines that there has been considerable state public and private investment in hemp research in Australia over the past two decades.

The federally funded Rural Industries Research and Development Corporation (RIRDC) has invested strongly over many years in hemp research. In Tasmania, state funded research has focussed on improving cultivation, yields and the comparison of optimal varieties for growing in Tasmania.

In early 1994, a cooperative hemp research effort involving the then Department of Agriculture Science, the University of Tasmania and Australian News Print Mills Ltd. (ANM) commenced. The primary objective of this study was a broad feasibility assessment of using locally produced fibre from hemp (*Cannabis sativa*) and flax (*Linum usitatissimum*) as a reinforcing agent in newsprint manufacture. This involved an integrated analysis of the whole potential industry, with consideration of key crop management issues, industrial utilisation of crop products, and economic potential from both the farmers and manufacturers perspective. The second aim of the research program was to develop a crop growth model for crop hemp cultivation.

This research focus mirrors the path followed by the poppy industry, which is now one of the major cropping industries in Tasmania. This provides an insight into how the hemp industry may evolve with support through decreasing the impinging regulations on industry expansion. TFGA believes that, given the right environment, hemp could be the next poppy industry for Tasmania.

The Tasmanian government approved the poppy industry expansion from the experimental crop research level to pilot commercial poppy production in 1964. Trial poppy plots had been grown in Tasmania in the years following 1960. The Tasmanian government had investigated thoroughly the obligations under the international drug conventions and progressed to approve a proposal to proceed with commercial cultivation with a view to opiate alkaloid manufacture.

Since that start, the poppy industry in Tasmania has rapidly increased in both investment and area sown, from 46 hectares in 1964/65 to 30,000 hectares in 2010/11. The industry now contributes approximately $100-120 million per annum to the states GVP and production is estimated to continue to expand over the coming years.

RESPONSE TO TERMS OF REFERENCE

The Tasmanian State Economic Development Plan identifies hemp has economic potential, environmental credentials and leverage such that it has the potential to become a leading profitable crop within annual vegetable and cropping rotations. However, this potential will only be achieved if excessive and unnecessary regulatory constraints are removed. The government regulations which are in place are currently prohibiting industry exploration of the diverse range of domestic and export uses and the economic opportunities necessary for a viable industrial hemp industry to expand beyond the infant crop phase.

(a) any matters impacting upon the production and value adding of industrial hemp in Tasmania

At present, hemp seed (in any form) or hemp oil cannot be used in food in Australia as it is prohibited under the Australia New Zealand Food Standards Code. However, use of hemp oil has been permitted in NZ since 2002 under the New Zealand Food (Safety) Regulations. This restricts potential income streams to Australian farmers and hence limits financial sustainability of the crop.

The TFGA is aware that an application to lift the prohibition and permit hemp for sale as a food is currently being considered by FSANZ. The TFGA made comment to the FSANZ report on application A1039 Low THC hemp as food. FSANZ has not identified any public health and safety concerns associated with consuming hemp foods. However, other issues associated with granting permissions to sell hemp foods in Australia and New Zealand are being addressed.

There have been two rounds of public comment, with the second round closing on 15 February 2012. Many important issues were raised, a number of which are technical and complex, and required more consideration.

Assessment by FSANZ is expected to be completed around October 2012. If FSANZ decides to approve the application, it will then be handed over to the COAG Legislative and Governance Forum on Food Regulation for final consideration.

The TFGA is aware that a previous application in 2002 was rejected by health ministers. Ministers were concerned that the availability of hemp foods may send a confused message to consumers about the acceptability and safety of illicit cannabis and pose problems for drug enforcement agencies. Therefore, the prohibition on all cannabis species remains in the Code.

There is no logical reason for this anomaly, and federal regulators should move as a matter of priority to bring jurisdictional conditions into alignment.

(b) Identification of any commercial impediments, as well as any regulatory impediments at local, state or federal government level impacting upon the establishment, appropriate development and maintenance of a wider industrial hemp industry

There are a number of impediments and challenges which are of concern impacting upon the development and growth to a wider economically sustainable hemp industry. These constraints to appropriate development will be exacerbated if FSANZ food regulatory changes are implemented at a federal level such that hemp can be added and sold in a range of food products. This will expand the potential to supply new domestic markets seeking our natural brand and allow market access to previously inaccessible existing export markets eg Canada.

The TFGA urges regulators to review and, where appropriate, modify all relevant state legislation.

In particular, urgent review is needed of the the regulatory framework (in terms plant of taxonomy and biochemistry) and the current grower licence agreement. It is essential to clearly differentiate and distinguish between industrial hemp (with its low THC content) from species or variants with higher THC levels and which therefore should be treated as a drug or poison. This will not be difficult, using accumulated research, the substantive advances in and knowledge of plant breeding genetics, and the technological and scientific analytical facts. Having made this distinction, it will then be possible to separate industrial hemp from the current generic 'drug' treatment it is accorded within the Tasmanian legislative framework. In essence, this could require little more than a rebranding exercise.

Legislation recognising a range of non-wood fibre, seed or oil crops such as canola, quinoa, flax, etc and including hemp would provide a less stigmatised and more appropriate legislative and regulatory framework. This changed approach would provide industry strength, leverage and recognise the valuable crop output mix, environmentally credentialed fibre and food products, product mix strength, domestic and export market power and economic benefit to Tasmanian growers, economic and social benefits to the broader community.

There is no evidence of a risk to consumers being misled by representations connecting hemp foods with the psychoactive effects of THC cannabis. Hemp licensing requirements, coupled with appropriate processing of hemp seeds and maximum levels for THC specified in the Code, will provide sufficient control of THC levels in both domestically produced and imported hemp food products to minimise any risk of the products being re-directed for illicit uses.

This clear differentiation, and state authorisation of its food and oil uses as opposed to drugs and poison status, would greatly assist in the promotion and the commercial production and economic merit and positioning of industrial hemp.

Annual crop licensing and compliance impose unnecessarily burdensome red tape requirements on framers.

Despite the fact that industrial hemp is 'not a drug or poison', the regulatory regime surrounding hemp production is even more stringent than that in place for growing opium poppies. Currently, the hemp licence agreement includes twenty one clauses and provisions; whereas the far less complex commercial poppy growers licence has only twelve clauses and provisions.

For comparison, Appendix A shows details of a hemp licence; Appendix B shows details of a poppy licence.

The hemp licence agreement provisions encompass a number of irrelevant, contradictory and duplicative clauses, as well as requirements around matters that are not within the expertise of the regulators.

Below are listed inequitable burdens and challenges which exist in comparison with other alternative rotational crops at this stage in the industries development;

- Provisions and licence to grow, administrative arrangements and responsibility rest with hemp growers in comparison with the poppy licence, where it rests with the poppy field officers on behalf of the poppy grower and poppy company.
- Sample testing of hemp crop is expensive: as a guide, basic sampling tests can cost about $600 each. For poppies, this is arranged through PACB (Poppy Advisory and Control Board) at grower expense.
- Clause 3 of the licence is unnecessary as the 'security risks' appear to be perceived and not real for low THC hemp crops which are potentially destined with pending federal legislation changes in the future for food processing and supermarkets. Placing a restriction on the grower to not "publicise" the location appears to be an unnecessary control. A poppy growing licence does not include this provision.
- Clause 5 refers to adequate farm fencing and a standard of maintenance 'acceptable to Tasmanian Police'. This appears to be an unnecessary impediment and cost given low THC hemp is neither a drug or poison and likely in the future to be grown for use in food with pending federal legislative FSANZ changes. In any case, it is not clear what expertise the Tasmanian police have with respect to either fence construction or maintenance.
- Clause 6 appears to be unnecessary. There is no apparent reason to specifically nominate quarantine conditions in a dedicated hemp crop growing licence.
- Clauses 7-10 are regulations surrounding the seed being grown and purchased from a supplier actually being true to type. Tasmania limits the maximum concentration of THC in a crop to 0.35% other states allow 1.0% THC in a crop. There is no scientific reason for this differential; and uniformity between states needs consideration in the challenge to ease the regulatory burden which again puts Tasmanian farmers at a commercial disadvantage.
- It is apparent with the increase in scientific understanding of the biochemistry and confidence in crop THC variance, understanding of appropriate processing of hemp seeds and maximum levels for THC specified in the proposed Food Standards Code changes. The production licensing arrangements (Clauses 7-10) need amendment to reduce complexity and recognise overall reduced risk to consumers.
- Overall, revision and simplification is needed with respect to the stringent requirements and prerequisite qualifications for people who apply to grow hemp and authorisations for handling seeds and complicated record keeping relating to specific cultivation and visitation events. Whilst these barriers remain they will act as a deterrent to potential crop investment.

These licence conditions place an unnecessarily restrictive and unfair red tape burden on Tasmanian farmers. The consequent cost burden this imposes inhibits initial and early grower entry and industry expansion.

Unless these challenges are proactively addressed, this economically promising rotational crop and state economic opportunity will be dominated by Queensland and New South Wales hemp growers – even thought the industry experience indicates that the superior quality of oil and seeds which are produced in Tasmania would provide a competitive product advantage in the domestic and export market.

(c) Any other issues incidental thereto.

In order to support and overcome the real deterrents this young industry faces in the next industry growth phase, investment in a dedicated industry development officer to work closely farmers would be a worthwhile investment by the state government.

CONCLUSION

The Tasmanian hemp industry has passed many cultivation, production, yield and quality barriers in the experimental crop research stage. Our hemp farmers are now gaining a sound reputation as suppliers of consistently high quality hemp fibre. The sector clearly has the potential to expand from beyond a research or pilot stage in Tasmania into a fully commercial production phase. The Tasmanian government needs to be progressive, adaptable, and flexible if we are to achieve this potential.

Addressing these challenges will strengthen this industry's commercial expansion, competitiveness and natural brand into the future. It will also ease regulatory imposts and grower profitability challenges and increase overall slim financial margins in expansion, diversification and use of new technologies to adapt to the potentially expanding domestic and export market demand.

The focus of this submission to the Standing Committee's Tasmanian Hemp Industry Inquiry has been to highlight the problems the current regulatory regime is causing for farmers; and to identify ways in which these challenges can be addressed through taking into account and facilitating the optimisation of farm resource efficiency use, including land, with suitable soil type, labour, specialised machinery and capital in the current state economic and social environment.

Necessary work to address these challenges would include;

- Detailed analysis considering alternative state regulatory framework or approach for administrating industrial hemp recognising it is not a 'drug or poison'.
- Detailed analysis of assumptions implicit in the regulations (such as acceptable THC levels, for example) and, as necessary, alternative approaches to specific issues.
- An review of the current hemp grower licence, including an assessment of comparable interstate regulatory regimes and the Tasmanian poppy regulatory regime.

These objectives should be readily achievable, with assistance and support from all stakeholders.

The TFGA is committed to working closely with all stakeholders to deliver practical and cost effective changes in the state and federal legislation framework surrounding the hemp industry.

Notes

[1] *Kraenzel, D. G., et al., 1998; Industrial Hemp as an Alternative Crop in North Dakota, AER-402, North Dakota State University.*

[2] *Lisson, S.N. and Mendham, N.J., 1995; Tasmanian Hemp Research, Journal of the International Hemp Association 2(2): 82-85*

APPENDIX A: LICENCE TO GROW INDUSTRIAL HEMP

Tasmania
DEPARTMENT of HEALTH and HUMAN SERVICES

POISONS ACT 1971 (SECTION 52)

LICENCE NO: IndusrtrialHemp S52-

LICENCE TO GROW OR CULTIVATE A PROHIBITED PLANT

In Tasmania is hereby licensed to grow ***Cannabis sativa*** on land at:

Location Reference:
Grower:
Area: Not exceeding an aggregate of 8 hectare;
Cultivar: Certified variety Crag industrial *Cannabis sativa* seed sourced from Ecofibre Industries Operations Ltd, 8 Thynne Court, Maleny, Queensland 4552.

subject to the following terms and conditions:

1. Any *Cannabis sativa* material harvested from the *Cannabis sativa* crop, other than stem material, shall be delivered to . in compliance with the terms of a current wholesale licence, for the supply of *Cannabis sativa* seed and plant material, held in Tasmania.
2. The licencee shall ensure that any *Cannabis sativa* seed or plant material in their possession is kept secure. All necessary and reasonable measures shall be taken to prevent access by any person who is not authorised by the *Poisons Act 1971* or pursuant to this licence.
3. To minimise security risks, the licensee shall not undertake any action which will publicise the location of licenced *Cannabis sativa* crops.
4. The *Cannabis sativa* seed possessed and planted subject to this licence shall not include *Cannabis sativa* seed other than the varieties known and specified as shown above in regard to each crop.
5. *Cannabis sativa* shall be grown in a plot, the perimeters of which are fenced and maintained to a standard acceptable to Tasmania Police.
6. The licencee shall comply with any quarantine conditions as required by the Department of Primary Industries, Parks, Water and Environment and the Australian Quarantine and Inspection Service.
7. The *Cannabis sativa* crop shall not include any material which contains more than 0.35% w/w dry weight of delta-9-tetrahydrocannabinol. Should the *Cannabis sativa* crop be found to contain material which exceeds this stated level, the *Cannabis sativa* crop shall be destroyed in a manner approved by the Chief Pharmacist.

8. The licencee shall undertake a program of testing *Cannabis sativa* flower heads and leaf for delta-9-tetrahydrocannabinol, extractable resin, cannabinol and cannabidiol at their own expense. Material shall be analysed by a person authorised by the Chief Pharmacist. Reports of analysis shall be provided to the Chief Pharmacist immediately after they are prepared. Samples shall be taken from each *Cannabis sativa* crop by a person approved by the Chief Pharmacist. Samples shall be taken during development of the flowering heads and at seed development and at any other time directed by the Chief Pharmacist.

9. The licencee shall ensure that at harvest all parts of the *Cannabis sativa* plants, except for seed and stem, are destroyed in a manner approved by the Chief Pharmacist.

10. The licencee shall ensure that any future regrowth of *Cannabis sativa* plants at listed growing sites shall be notified to the Chief Pharmacist and destroyed in a manner approved by the Chief Pharmacist.

11. The licencee shall make the following records within one day of each event to which the record relates and keep them for a period of not less than two years from the date of the last entry:-
    a) details pertaining to the receipt of seed, including date and quantity;
    b) details pertaining to planting, including quantity of seed used, location and area planted and quantity of seed remaining;
    c) results and certificates of all analyses;
    d) removal of any plant material from sites;
    e) unauthorised destruction or removal of, or interference with, any seed or plant or the land or its surroundings; and
    f) details of the nature and quantity of material harvested.

12. The licencee shall provide a copy of each record to the Chief Pharmacist on request.

13. The licencee shall allow a Police Officer or a person appointed as an Inspector under the *Poisons Act 1971* to inspect at any time any growing site or any *Cannabis sativa* material or seed in their possession.

14. Unless otherwise authorised under the *Poisons Act 1971* or approved by the Chief Pharmacist, no persons other than the licensee and those listed below shall engage in the cultivation of a *Cannabis sativa* crop or have access to the harvested seed or material:

- John Muir, Ecofibre Industries Operations Pty Ltd, Queensland
- Phil Warner, Ecofibre Industries Operations Pty Ltd, Queensland
- Brandt Thiele, Ecofibre Industries Operations Pty Ltd, Queensland

15. Clause 14 does not apply to an authorised visitor who accompanies a person specified in that clause for the purpose or examining the crop for bona fide industrial, advisory or research objectives. The licencee must authorise each visiting person before the visit takes place. The licencee must maintain a record of authorised visitors who examine the *Cannabis sativa* crop including details of the name of the authorised visitor, the name of the person authorised under clause 14 who accompanies the visitor, the date of the visit and the purpose of the visit. The record shall be kept for 2 years and shall be made available at any time to an inspector.

16. The Tasmania Police Drug Investigation Services and the Chief Pharmacist shall be immediately informed of any theft, loss or unauthorised destruction of seed or material or any attempted interference with the project.

17. The licencee shall provide a *Cannabis sativa* harvest report to the Chief Pharmacist before 31 May 2012.

18. Any *Cannabis sativa* material, remaining seed or prohibited substances contained in oil or residues shall be removed from the sites and disposed of as directed by the Chief Pharmacist by 30 April 2012.

19. All *Cannabis sativa* seed is to be obtained by the licences for planting from Ecofibre Industries Ltd, 8 Thynne Court, Maleny, Queensland 4552. Any *Cannabis sativa* seed which is held subject to this licence shall be stored in a secure enclosure which is approved by Tasmania Police.

20. No *Cannabis sativa* seed shall be planted after 28 February 2012.

21. All *Cannabis sativa* seed which is harvested from crops shall be immediately delivered to and held by

22. *Cannabis sativa* seed, being part of a prohibited plant, shall not be supplied to any person unless the supply is first authorised in writing by the Chief Pharmacist, Department of Health and Human Services.

23. This licence expires on 31 December, 2012

Dated this 3rd day of November 2011

Jim Galloway

Jim Galloway
Deputy Chief Pharmacist
Delegate
Section 52 of the Poisons Act 1971

APPENDIX B: LICENCE TO GROW OPIUM POPPIES

Tasmania

Poisons Act 1971 (Section 53)

LICENCE TO GROW OR CULTIVATE PAPAVER SOMNIFERUM (2011/2012)

AGREEMENT NO. TPI1163 — LICENCE NO: 089

EFFECTIVE DATE: [illegible] — EXPIRY DATE : 31/12/2012

is licensed to grow **18.5 hectares** of *PAPAVER SOMNIFERUM* on the following properties :

Property	Map Reference	Municipality
	501608 X 392964 4839	NORTHERN MIDLANDS
	501883 X 393138 4839	NORTHERN MIDLANDS
	502422 X 394171 4839	NORTHERN MIDLANDS

This Licence is issued subject to the conditions and restrictions specified under the 'Special Conditions and Restrictions' (below) and the 'General Conditions and Restrictions' (overleaf) :-

SPECIAL CONDITIONS and RESTRICTIONS

1. Nil.

Dated this 31/6/11

Delegate of the Minister for Health

GENERAL CONDITIONS AND RESTRICTIONS

The licensee shall not grow or cultivate ***Papaver Somniferum*** unless:-

1. (a) the licensee has entered into a written agreement with TPI ENTERPRISES PTY LTD (in this licence referred to as 'the Company') under which the Company shall take possession of all poppy material immediately upon harvest of the crop; and

   (b) the Licensee provides to the Poppy Advisory and Control Board, the written agreement for examination at the time of making the licence application.

2. ***Papaver somniferum*** is grown in paddocks or on properties, the perimeters of which are entirely fenced to a standard acceptable to the Minister for Health (in this licence referred to as 'the Minister').

3. ***Papaver somniferum*** is planted before Wednesday, 30 November 2011 or such other date as the Minister may determine, from seed supplied by the Company.

4. ***Papaver somniferum*** is only grown during the currency of the agreement entered into between the Licensee and the Company.

5. Provided that paragraph 3 is satisfied, the whole of the crop grown under this licence is harvested and delivered to the company before Monday, 30 April 2012 or such other date as the Minister may determine.

6. The Licensee takes steps within 7 days after harvesting the crop or by an earlier date specified by the Minister to ensure that any poppy material remaining on the land on which the crop was grown is destroyed by burning, slashing, cultivating or in a manner specified by the Minister, or in any such other manner as the Minister may consider appropriate.

7. If the Company has advised that it will not harvest a crop, the Licensee takes steps to destroy that crop before a date specified by the Minister, by such means as the Minister may consider appropriate.

8. Any regrowth of poppy from seed from any previous year shall be destroyed by spraying, cultivating or in such other manner as the Minister directs.

9. The Licensee takes reasonable steps to ensure that the Company notifies the Minister in writing in respect of each of the following matters:-

   (a) A notice in respect of the planting of the seeds within 14 days thereof together with information as to the number of acres or hectares planted and the place at which those seeds are planted; and

   (b) Within 21 days of the harvesting of the crop a notice advising –
   (i) that all the crop has been harvested and the date on which the harvesting was completed;
   (ii) the date of delivery of the crop to the Company; and
   (iii) the weight of the crop so delivered (including the weight of all seed and straw [which includes capsule] harvested).

10. The Licensee allows any inspector authorised under the Poisons Act 1971, to inspect, at any time, the crop or the land on which the crop is to be grown or from which it has been harvested and to take such measurements and conduct such tests and examinations there as they might see fit.

11. The Licensee, upon the loss or damage to any crop or part of a crop, whether willfully or accidentally, notifies the Chairman, Poppy Advisory and Control Board and Tasmania Police of that fact irrespective of whether the loss or damage occurs from the field before or after harvest.

12. The Licensee takes all reasonable steps to ensure that livestock are not exposed to poppy plants, poppy stubble or crop regrowth. In the event of inadvertent exposure, the Licensee makes sure that a minimum three (3) week post grazing withholding period is observed before those exposed livestock are offered for sale.