

Industrial Hemp Act 2015 Review

Submission from the Tasmanian Hemp Association

Introduction

The Tasmanian Hemp Association welcomes the opportunity to provide feedback as part of the Industrial Hemp Act 2015 Review.

The industry is united in its primary aim to see **whole of plant use for industrial hemp** (low-THC cannabis) to maximise economic growth and environmental opportunities for our state.

The global industrial hemp market size was valued at \$4.9 billion in 2019, and is projected to reach \$18.6 billion by 2027, registering a CAGR of 22.4% from 2021 to 2027.

<https://www.alliedmarketresearch.com/industrial-hemp-market-A08684>

Thanks to enabling legislation by the state government, Tasmania has been leading the nation in hemp food production and innovation since the sale of hemp foods were made legal in Australia in November 2017. We now have an opportunity to continue this progress and grow our industry further.

Utilising the whole industrial hemp plant creates a major farm-gate opportunity for Tasmanian farmers, yielding the following conservative estimates of product value:

- ~1300kg of seed, current market price is \$3 / kg. = ~\$3900 /ha
- ~1000kg of biomass, US market price = \$5/kg = ~\$5000 /ha
- ~2000kg of fibre, market price of \$1 / kg = ~\$2000 /ha
- Total revenue potential per hectare = ~\$10,900
- Cost = ~\$2000 / ha
- Gross Margin = **~\$8,900 / ha** (within a short 3-month season), noting \$5,000 gross margin is the current average for poppies.

This could translate to over **\$100,000 per hectare** in wholesale market value for local farmers, processors and manufacturers.

In December 2020, the United Nations removed cannabis from Schedule IV of the 1961 Single Convention on Narcotic Drugs, and non-THC compounds found in the plant are no longer scheduled under international drug conventions.

This major milestone further legitimises industrial hemp in international markets and opens the doors for local law reform, research and major trade opportunities.

1. Opportunities to reduce regulatory burden through streamlining processes and current regulatory requirements (for example the application licencing process).

The licence application process could be made quicker and simpler by having online forms and the ability to submit online.

It would also help to have online information regarding size of appropriate hectares for a licence. This would be more convenient for applicants and would save the THA staff time spent explaining the general policy when receiving enquires from those with small plots of land.

The timing of THC testing is critical for farmers. Currently there are not enough Regulated Crops Officers working in the field across Tasmania (three in total for combined cannabis and poppy crops) to be able to consistently test and respond in the time frames needed.

Testing for seed certified as low-THC certified varieties could be dispensed with, saving work for the crop regulators (as is the case in Canada).

2. Suggestions for updating existing or including new definitions in the Act to clarify the scope of regulation.

The Industrial Hemp Industry has been stifled for over one hundred years by the confusion around the meaning of the word 'cannabis'.

Hemp and cannabis are both terms used to describe a plant in the genus Cannabis. However, 'industrial hemp' is a plant with very low levels of the psychoactive substance tetrahydrocannabinol (THC).

The Tasmanian Hemp Association would like to see clearer definitions in all relevant Acts which include the Poisons Act and Misuse of Drugs Act to ensure a distinction is made between industrial hemp ('low-THC cannabis') and 'high-THC cannabis' (a drug, also described as recreational or medicinal marijuana).

3. Where there are gaps in the regulation or licencing application process for certain activities.

[Biomass Extracts](#)

The flower, leaf and stalk oil (biomass extracts) from a low-THC industrial hemp plant are not just used for medicinal purposes.

By treating biomass extracts only as a medicine, we are neglecting the wider potential of the product. The Office of Drug Control (ODC) and the Therapeutic Goods Administration (TGA) should still regulate all medicines entering the medical cannabis scheme or formulated as a therapeutic product. However, there are many other non-medicinal uses for biomass extracts from industrial hemp we can effectively utilise.

The uses for industrial hemp biomass extracts include:

- functional food / nutritional supplement (similar to olive leaf extract, eucalyptus oil etc)
- skincare ingredient (similar to fucoidan, tea tree oil etc)
- bio-insecticides (similar to pyrethrum)
- anti-microbial textiles

Given the latest United Nation changes to the 1961 Single Convention (which mean that non-THC compounds are no longer scheduled as a narcotic drug), low-THC industrial hemp biomass oil should be treated like other essential oils. This is unless it is to be used as a therapeutic and therefore subject to the relevant Therapeutic Goods Administration regulations, including the requirement for clinical trials.

As per the scope of this review, this is not a push to change the legislation for medical cannabis or for novel foods with hemp (these are federally regulated and outside of what we are proposing).

What we are seeking is support from the State Government to enable Tasmanian farmers to utilise the whole low-THC industrial hemp plant to sell all fractions - from the seed, flower, or stalk – to be manufactured in the state and exported into global markets.

This will enable Tasmanian farmers to instantly tap into a global industry growing at 22.4% per annum. The global market is expected to reach US\$12.9 billion by 2028, from a market size of US\$3.5 billion in 2021.

It will mean additional products can be exported into countries where it is legal for other commercial / industrial uses if it meets their import requirements. The Asia-Pacific market is expected to be responsible for a significant portion of this foreseeable market growth as regulations continue to reform.

<https://www.researchandmarkets.com/reports/5139728/cbd-oil-global-market-trajectory-and-analytics>

To achieve this, there needs to be an amendment to the issued license **which currently appears to be inconsistent with the Act. We would like this inconsistency rectified, and for additional terms on the issued licence to be removed to reflect the Hemp Act, and enable the industry to capitalise on the aforementioned opportunity.**

The Act says:

Industrial hemp means any plant of the genus Cannabis that –
(a) has been grown from certified hemp seed; and
(b) has a concentration of THC in the leaves and flowering heads of not more than 1% –
and includes the seed of any such plant and any product derived from any such plant.

The issued licence says:

24. The licensee must not extract cannabinoids or cannabis oil under this license. Oil may be extracted from industrial hemp seed.

Proposed action:

The above clause should be removed from the grower's license form.

Hemp Mulch

Another way that the Tasmanian Hemp Industry and our environment can benefit from the whole use of the low-THC cannabis plant is through the production and sale of hemp mulch.

This would mean having any unprocessed industrial hemp straw that is left after the seed is harvested for food production that is not able to be processed and used for building materials like hempcrete being baled or bagged off the paddock, then sold directly to the public by the farmer. It would not only put money directly into the growers' hands, but importantly it would keep tonnes of carbon and particulate matter out of the atmosphere as they will no longer need to burn off the residue.

We have held discussions with the Tasmanian Police who have expressed support around the broad issue of whole-of-plant utilisation for low-THC cannabis, but the specific issue of the sale of hemp mulch is impacted by the Misuse of Drugs Act 2001 and the Poisons Act 1971 (see below).

4. Inconsistencies or clarification required relating to interaction with other legislation.

The Tasmanian Hemp Association understands that the Misuse of Drugs Act 2001 and the Poisons Act 1971 are also soon to be reviewed.

We believe it is vitally important that all references to cannabis in the Misuse of Drugs Act 2001 are amended to 'high-THC cannabis'.

Currently, the Poisons Act lists 'Indian Hemp' as a poison – defined in the Act as 'any plant or part of a plant of the 'genus Cannabis'. This obviously conflicts with Food Standards Australia New Zealand (FSANZ) making Low THC Hemp food legal for human consumption in Australia in 2017.

In addition, a recent study has shown no deaths in Australia to be caused by cannabis toxicity (['Rates, characteristics and manner of cannabis-related deaths in Australia 2000–2018', Zahra et al.](#))

We therefore think cannabis should be removed from the Poisons Act altogether.

5. Please also highlight any areas of the Act which are working well and do not require amendment.

The Tasmanian Hemp Association does not want to see any amendment to the Act that reduces the percentage of THC that defines 'low-THC' at 1%.

6. Additional suggestions

We would like to see the creation of an Industrial Hemp Advisory Group or similar, as per the Poppy Advisory and Control Board (PACB).

The group could include representatives from the Tasmanian Hemp Association, Department of Natural Resources and Environment Tasmania, Tasmanian Institute of Agriculture, Tasmanian Department of State Growth, Regional Development Australia, Tasmanian Department of Justice, Tasmanian Regulators, Tasmanian Department of Police, Fire and Emergency Management and Tasmanian Department of Health.

The role of the group would be to help resolve hurdles and maximise potential for this rapidly growing, sustainable, healthy and carbon-positive Tasmanian industry. In March this year, the national and international spotlight will be on the Tasmanian hemp industry with the event of the Australian Industrial Hemp Conference to be held in Launceston. This would be an opportunity for a group such as this to meet, especially given there is already a scheduled meeting for all state industrial hemp regulators to discuss like issues at this event.

<https://australianindustrialhempconference.com>

In summary

Tasmania is poised to become a world leader in industrial hemp production based on whole of plant utilisation, if given the opportunity.

We have found there is broad community support in Tasmania, particularly in the agricultural sector, for changes to the state hemp legislation we propose. This will free up our industry to take advantage of the clear opportunities before us.

With the legislative changes outlined above, Tasmania will be much better positioned to claim a larger chunk of a multi-billion-dollar industry, with everything ready to rapidly scale in time for the next planting (October 2022).

It will also mean that the hemp industry can make a significant contribution to the Tasmanian Government's goal to increase the annual value of the agricultural sector to \$10 billion by 2050.