

ITEM - BRIEFING NOTES

APPLICATION 1039-LOW THC HEMP AS FOOD

Purpose of the Item

- The purpose of this item is to provide an update for the Board on 1039 -Low THC hemp as food. The update relates both to the progress in the standards development process and the steps that have been taken to strengthen the economic analysis of this issue.
- The Board noted and discussed the Assessment Report before it was released for public comment. The Report was signed off for release by the Delegate (Dean Stockwell) shortly after. The public comment period closed on 15 February 2012.
- FSANZ received a number of submissions that provided almost exclusively qualitative information rather than quantitative estimates.
- FSANZ was not required by the Office of Best Practice Regulation to create a regulatory impact statement due to the deregulatory nature of this Application. However, a decision was made by FSANZ to undertake economic analysis to support decision making in this instance.
- The economic analysis of this issue has proven to be extremely challenging due to the difficulties of estimating the market potential of products that have never been available in Australia and the potential size and structure of the industry. FSANZ has made extensive efforts to obtain the limited data that is available internationally which has gone some way to allowing us to estimate these values.
- This Application has also resulted in a range of regulatory concerns being raised by non-food regulators. Whilst these regulators have clear concerns they have had difficulties supplying details and data which allow economic or other analysis to be conducted in relation to their concerns.
- Extensive public and targeted consultation was undertaken to attempt to fill the above data gaps. However, concerns still existed in relation to the analysis given the level of scrutiny that is likely to be applied to it.
- Therefore a decision was made in January to get the analysis reviewed by the highly regarded agricultural economist Professor Jeffrey Bennett from the ANU. He has provided advice on overcoming a number of difficulties associated with the analysis resulting from a lack of data. He has agreed to remain involved with this project and continue to provide advice until these problems are resolved.
- Following his advice the analysis will be completed and presented at the teleconference of the board on 18th of April 2012.

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