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From: PHILIP READER <pj.reader@bigpond.com>
Sent: Saturday, 11 February 2012 11:37 PM
To: submissions
Subject: SUBMISSION - from Industrial Hemp Association of Tasmania - Hemp for Food - FSANZ Food application A1039

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Q1. FSANZ seeks input and evidence on size and likelihood of the above impacts.

Answer - Agree to the impact statement. Historical and overseas experience would suggest that this a potential growth industry providing consumers, processors, exporters and primary producers new and potentially lucrative business opportunities .

Q2. Are there any further impacts that you believe FSANZ should be aware of. Provide evidence of impact.

Answer - Current imports are preventing potential opportunities for Australian businesses. There is anecdotal evidence that legally imported hemp seed products are being consumed regardless of Australian regulations.

Q3. FSANZ seeks advice on the number of hemp licences and hemp businesses in Australia and New Zealand over the past years and information on future market potential.

Answer - Industrial hemp licences began to be issued in Tasmania in 1991 and since then licence numbers have varied from one to eight per annum with production areas varying from 1 hectare to 40 hectares. Since the year 2000, production areas across Australia have increased many fold. Judging from inquiries to the Dept of Primary Industries office and the Industrial Hemp Association of Tasmania, the future market potential can only be assessed as significant.

Q4. FSANZ seeks advice on possible entry barriers to a hemp food market.

Answer - Australia began an industrial hemp industry prior to New Zealand but due to prohibitive regulations has not been able to capitalise on this initiative. The production of zero THC *Cannabis sativa* Sp. in Tasmania is currently administered under the Poisons Act of 1971 which infers it is dangerous to consume. Industrial hemp production and any processing activity attract a wide range of licence requirements and associated costs under the Poisons Act of 1971 which detract from profitability. It is also a barrier to it being an easily exported commodity.

Q5. FSANZ seeks advice on potential hemp prices for hemp seed and food.

Answer - Using average yield data of 1 tonne per hectare of seed, calculations suggest hemp seed (as grain) \$return could be as high as \$6,000 per hectare, seed oil at a 25% recovery could return as much as \$6,250 and hemp seed mash (after oil extraction) would provide extra return (value not known yet) and residual hemp fibre from harvested plant stems could be as much as an additional \$1,000 per hectare.

Q6. Are there any other activities that businesses have to do with regard to hemp cultivation compliance or enforcement? If there are other activities please estimate time estimates and labour estimates.

Answer - Under current regulations, restrictions apply to production site selection and staff who may work with the crop.

Q7. Are there any other activities that governments have to do with regard to hemp cultivation or compliance?

Answer - Currently two government agencies (namely the Police Drug Squad and the DHHS) must approve any production licensing issues and site location.

Q8. Are there any other activities that businesses have to do with regard to hemp oil compliance or enforcement?

Answer - Sampling oil for THC analysis from each seed pressing is mandatory even though the leaf sample analysis would indicate any THC level.

Q9. Are there any other activities that governments have to do with regard to hemp oil compliance or enforcement?

Answer - Considering the tests and checks carried out on the hemp seed so far which have determined the low THC status, there are then additional costs when accessing facilities and processing venues when value adding that do not apply to other grains and crops.

Q10. Do you think that businesses would have to do any other additional activities with regard to hemp product compliance or enforcement?

Answer - If a human consumption market is the main business then a full analysis of the hemp seed constituents would need to be ascertained in a government approved laboratory.

Q11. Do you think that governments would have to do any other additional activities with regard to hemp product compliance or enforcement?

Answer - Possibly check truth in labelling.

Q12. Are there any other activities that businesses have to do with regard to compliance or enforcement if whole hemp seed would be allowed?

Answer - Yes. Seed would have to be proven to be rendered non-viable if sold into the food market. This would mean an additional treatment of the seed and an associated cost. Seed produced for grain and planting next seasons crop would need protocols for safe storage.

Q13. Are there any other activities that governments have to do with regard to compliance or enforcement if whole hemp seeds would be allowed ?

Answer - Checking compliance of above.

Q14. How long would it take a person to do the activities mentioned for the list of options?

Answer - This would depend on expertise and facilities.

Q15. Do you think the times provided for doing the relevant activities to comply with the regulations are realistic? If not why.

Answer - At this stage I would suggest this is a desk top estimate and until procedures have been established in the many phases of production, compliance and processing, realistic estimates are difficult to calculate.

Q16. Should a different hourly rate base be used? if yes, which one.

Answer - Because the total time estimates and costs are not fully understood, this issue should be addressed at a later date.

Q17. Is it necessary to distinguish more types of labour costs? If so, which and why.

Answer - Same as above at Q16.

Q18. Could you please provide comments on the other assumptions.

Answer - In many parts of Australia only one seed crop can be produced annually although fibre crops may be produced two times. Agree with the other assumptions.

General Comments

The analyses carried out by FSANZ has shown that industrial hemp as a food crop has benefits to our society and thus should be approved by government as a legal commodity. Industrial hemp is also a new opportunity to provide primary producers with another cash crop as well as a stock fodder crop and rotational crop. That industrial hemp is administered under a poison act or restrictive government legislation is very unfortunate and

should not be confused with marijuana. There seems to be a global "ground swell" for industrial hemp products to be made available for legal general use by the public and the Australian regulators are very slow to officially recognise this.