

USA and Canadian Hemp Update Production, Regulation and Reality

European Industrial Hemp Association

May 20-21, 2015

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February 7, 2014, President Obama signed the **Agriculture Act of 2014, the Farm Bill**, into law. **Section 7606 of the act, Legitimacy of Industrial Hemp Research**, defines industrial hemp as distinct and authorizes institutions of higher education or state departments of agriculture in states where hemp is legal to grow hemp for research or agricultural pilot programs. Section 7606 guidance at: votehemp.com/FarmBill Text Source 5/1/14:

<http://votehemp.com/> Picture Source 5/2/14 nytimes.com



2015 USA Federal Hemp Update

H.R. 4660 - The FY 2015 Commerce, Justice, Science (CJS) Appropriations Act

House CJS Industrial Hemp Amendments Adopted

Rep. Bonamici (D-OR) – The amendment prohibits funding for DOJ to prevent a state from implementing laws to authorize the use, distribution, possession, or cultivation of industrial hemp.

The amendment was adopted on a vote of 237-170.

Rep. Massie (R-KY) – The amendment prohibits funds for DOJ to contravene section 7606 of the Agricultural Act of 2014 relating to industrial hemp. **The amendment was adopted on a vote of 246-162.**

2015 USA Federal Hemp Update

Two bills defined industrial hemp:

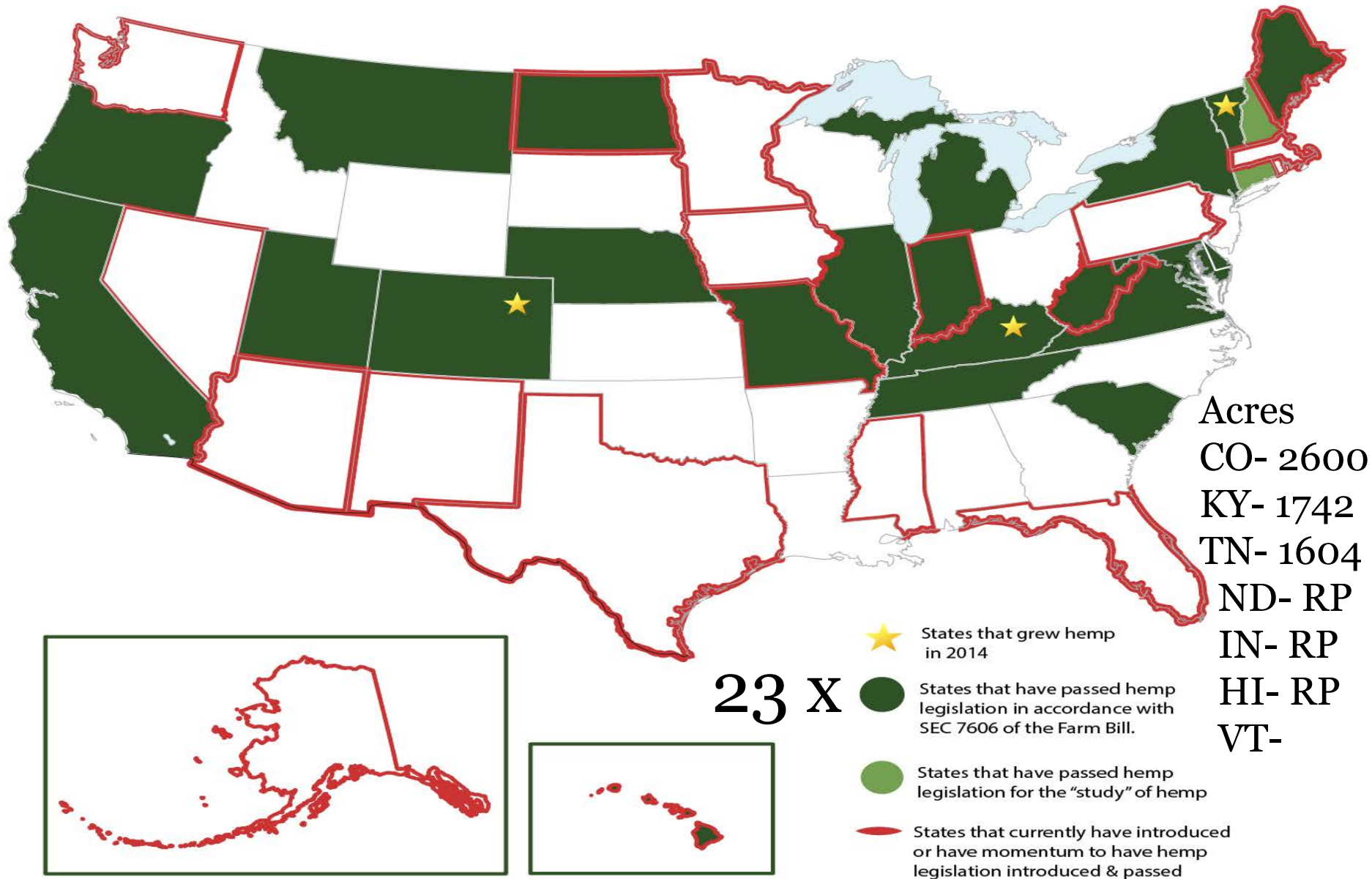
“Industrial Hemp Farming Act of 2015” 5/13/15

Exclude hemp from "marihuana" in the Controlled Substances Act. Give states exclusive authority to regulate the growing and processing of industrial hemp under state law.

H.R. 525: U.S. House on Jan/30/15 by Rep. Massie (R-KY) on behalf of 47 others. 27 original cosponsors. 55 bipartisan cosponsors, 36 Democrats/19 Republicans.

S. 134: Jan/8/2015 by Sen. Wyden (D-OR) and Paul (R-KY), cosponsors Merkley (D-OR) and Senate Republican Leader McConnell (R-KY). 6 cosponsors, 2 D/4 R - Read twice and referred to the Committee on the Judiciary

2015 State Hemp Legislation



USA Hemp Marketplace Value 2014

- ~ Estimate \$620M in total sales
- ~ \$80M foods/bodycare  21.2% by \$14M
- ~ *Conventional* Retailers  26.8%
- ~ *Natural* Retailers  16.3%



Source: WholeFoods

Hemp History Week, is a nation-wide education campaign and marketing program that seeks to renew strong support for hemp farming in the U.S. while raising awareness about the benefits of hemp products.



6th Annual
Hemp History Week
June 1-7, 2015

www.HempHistoryWeek.com



Let U.S. Farmers Grow Hemp



Mike Lewis
Mount Vernon, KY
First generation farmer

H.R.5226 - Charlotte's Web Medical Hemp Act of 2014

113th Congress (2013-2014) 07/28/2014

Amends the Controlled Substances Act to exclude therapeutic hemp and cannabidiol: (1) from the definition of "marihuana," and (2) from treatment as a controlled substance under such Act. Defines: (1) "therapeutic hemp" to mean the plant *Cannabis sativa* L. and any part of such plant with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis; and (2) "cannabidiol" to mean the substance cannabidiol, as derived from therapeutic hemp.

Exempts therapeutic hemp or cannabidiol from the Federal Food, Drug, and Cosmetic Act.

Declares that nothing in this Act shall restrict any activities related to the use, production, or distribution of marihuana in a state in which such activities are legal under state law.

9/26/14 Ref: to the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations.

Intro: Rep. Perry, Scott (R-PA) 38 Cosponsors

DEA Email Statement- Legal Status of CBD 4/2/15

“As with all controlled substances, it is illegal to under the CSA to produce or distribute "Charlotte's Web"/ CBD oil”

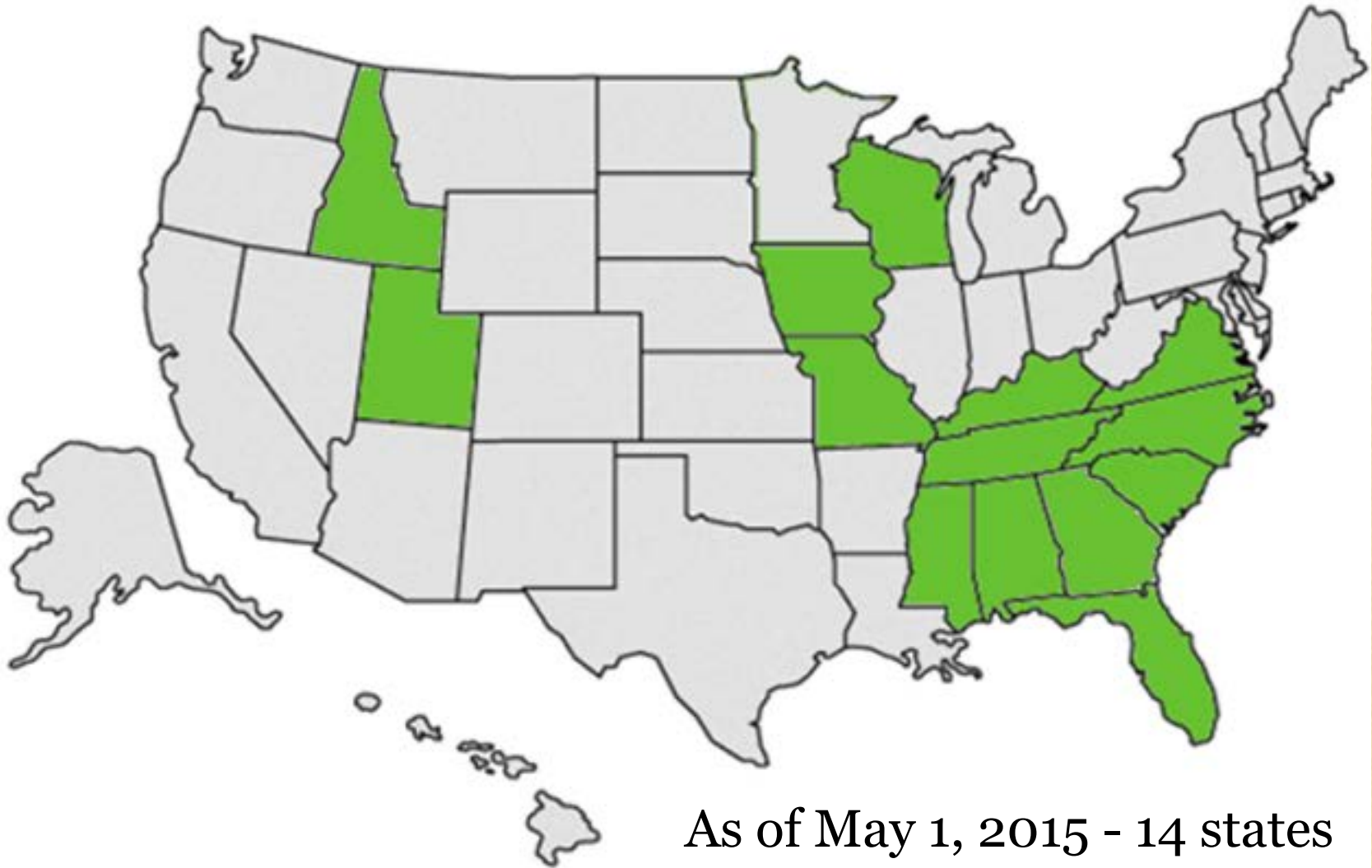
(or any other marijuana derivative) except by persons who are registered with DEA to do so. Because "Charlotte's Web"/CBD oil is not an FDA-approved drug, it is a schedule I controlled substance under the CSA. Also because "Charlotte's Web"/CBD oil is not an FDA-approved drug, it is unlawful under the FDCA any practitioner to provide the material to human beings under the guise of "research" without first submitting an Investigational New Drug (IND) application to the FDA. In addition, because Charlotte's Web is a schedule I controlled substance, the CSA requires that any person seeking to conduct research with the material obtain a registration with DEA authorizing such research. The CSA further requires that the researcher obtain the schedule I material from a legally authorized producer. All of these requirements (submission of the IND to FDA, obtaining a DEA research registration, and obtaining the material from a lawful source) are essential to protecting human research subjects from the potential dangers of using an experimental drug and essential to the scientific integrity of the research. Because "Charlotte's Web" is reportedly being administered to pediatric research subjects, the potential dangers are even more pronounced, making compliance with the FDA IND requirement even more crucial.

“It is important to correct a misconception that some have regarding the legal status of "Charlotte's Web"/CBD oil in view of the recently enacted Agricultural Act of 2104 (which some refer to as the "farm bill"). Section 7606 of Agricultural Act of 2014 authorizes institutions of higher education (e.g., universities) and state departments of agriculture to grow and cultivate "industrial hemp" (defined under the Act as marijuana with a THC content of 0.3 percent or less) for agricultural research purposes

where permitted under state law. However, the Agricultural Act does not permit such entities, or anyone else, to produce non-FDA-approved drug products made from cannabis. Thus, the CSA and FDCA restrictions mentioned above remain in effect with respect to the production of "Charlotte's Web"/CBD oil for human consumption.”

STATES WITH CBD-ONLY LAWS

STEP IN THE RIGHT DIRECTION OR CUL-DE-SAC?



FDA Q & A 5/13/15

12. Can products that contain cannabidiol be sold as dietary supplements? A. No. Based on available evidence, FDA has concluded that cannabidiol products are excluded from the dietary supplement definition under section 201(ff)(3)(B)(ii) of the FD&C Act.

13. Will FDA take enforcement action regarding cannabidiol products that are marketed as dietary supplements? A. When a product is in violation of the FD&C Act, FDA considers many factors in deciding whether or not to initiate an enforcement action. Those factors include, among other things, agency resources and the threat to the public health. FDA also may consult with its federal and state partners in making decisions about whether to initiate a federal enforcement action.

The Therapeutic Hemp Medical Access Act

114th Congress (2015 - 2016) 5/13/15

S.1333 : A Senate bill to amend the Controlled Substances Act to exclude cannabidiol and cannabidiol-rich plants from the definition of marihuana, and for other purposes.

Drivers: Epilepsy Foundation & Coalition For Access Now

Introduced: Sen. Gardner, Cory CO

5 cosponsors

Ref: Committee on the Judiciary



Hemp Industries Association 2015 National Conference

Sunday-Tuesday, September 27-29, 2015

Lexington, Kentucky USA

Tradeshow, Network, Lectures,

Field & Hempcrete Tour!

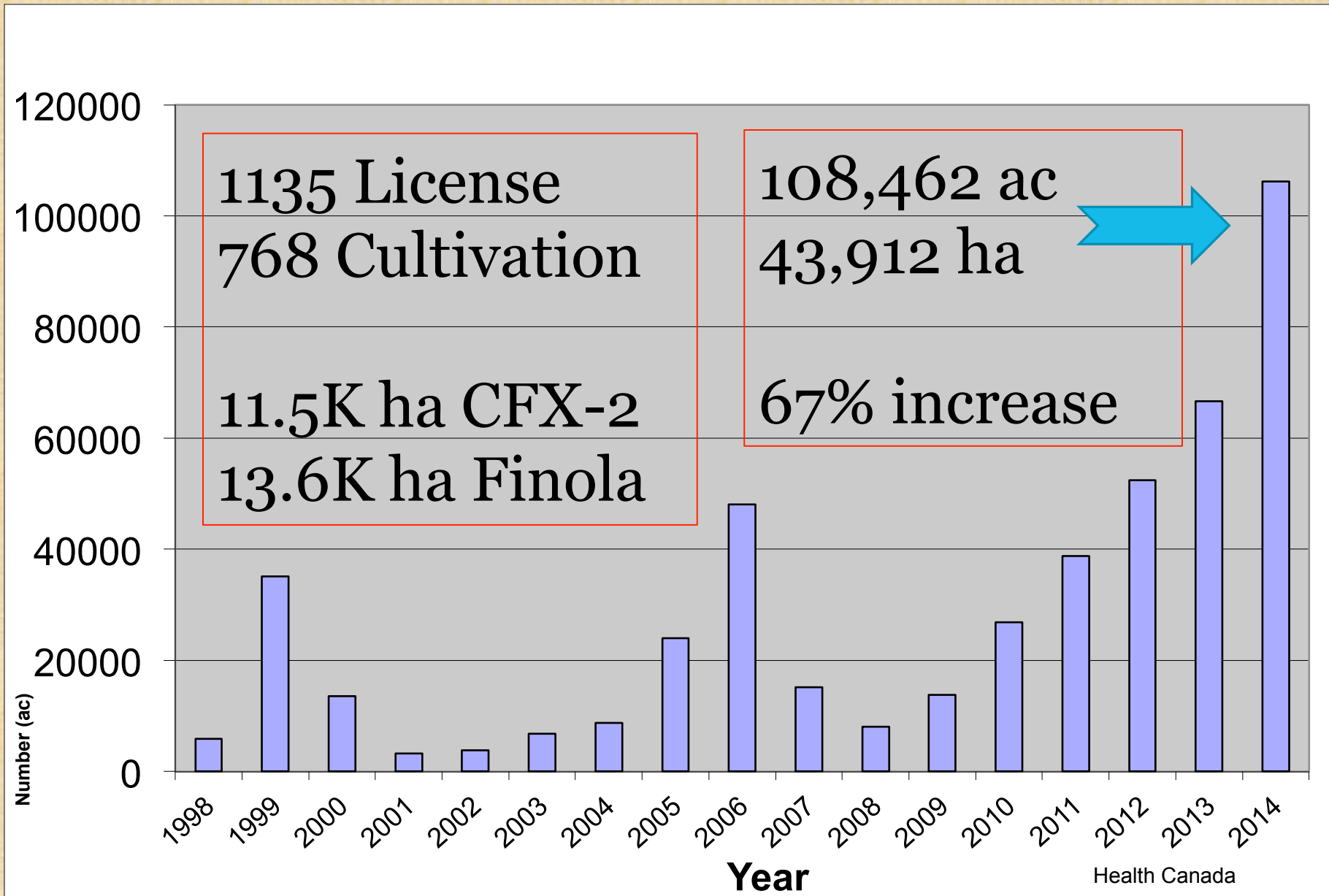


HEALTH CANADA -OFFICE OF CONTROLLED SUBSTANCE

“With the demand and encouraging research findings, Health Canada chose to give the agricultural and industrial sectors the opportunity to grow and exploit industrial hemp in a controlled fashion.

Laws were amended to allow for the cultivation of industrial hemp.”

Canadian Hemp Licensed Acreage 1998-2014



Canadian Exports Foods/Oil 2014 By HS Code

Source: Statistics Canada, CATSNET Analytics

US \$	Exports \$		Diff	Quantities (kg)		Diff	FOB Price \$ FOB		Diff
	2013	2014	Export \$	2013	2014	kg	2013	2014	
Total Exports	38.7M	47.9M	9.1M	7.8M	18.3M	10.4M	4.93	2.61	-2.32
Total Exports USA	36.1M	42.3M	6.2M	3.1M	3.8M	668.3K	11.40	11.03	-0.36
12079910- Hulled/Whole	28.5M	32.5M	3.9M	2.4M	2.9M	530.6K	11.79	11.00	-0.79
12079910 USA	27.5M	30.6M	3.1M	2.3M	2.6M	287.5K	12.11	11.96	-0.15
12079910 Other		1.9M/ 307K UK							
23069010 – Powders/ Cake	7.3M	11.5M	4.1M	4.9M	14.8M	9.8M	1.48	0.78	-0.70
23069010 USA	6.5M	8.9M	2.4M	600.9K	934.4K	333.4K	10.86	9.62	-1.24
23069010 Other		2.6M/ 2.1M India							
15159020 – Hemp Seed Oil	2.7M	3.7M	972.3K	431.1K	477.2K	46K	6.37	7.80	1.42
15159020 USA	2.1M	2.7M	640.8K	289.2K	306.8K	17,639	5.65	7.33	1.68
15159020 Other		961K/259K UK							



Canadian Exports Stalk/Fibres 2014 By HS Code

US \$	Exports \$		Diff Export \$	Quantities (kg)		Diff kg	FOB Price \$ FOB		
53029000 – not spun, tow/waste	12.9K	92K	79K	9K	95.5K	86.8K	1.42	0.96	-0.46
53029000 – USA	12.9K	25.4K	12.5K	9K	32.5K	23.4K	1.42	0.78	-0.63
53029000 -Other	66K/2.2K Germany								
53021000 – retted/raw	1.8K	5.2K	3.4K	1.1K	7.1K	6K	1.69	0.74	-0.95
53021000 – USA	1.5K	5.2K	3.8K	795	7.1K	6.3K	1.84	0.74	-1.09
53021000 – Other		0							

Source: Statistics Canada, CATSNET Analytics

Canadian LOCA

- 2015- 44 cultivars
2014/39
- 6 new (GranMa, Picolo, Grandi, Katani, Georgina, Vicotria)
- Finola **
- 14 Exemption
THC testing 7/All
& 8/Regional-
three year period are
equal to or less than
0.15%

Results of THC Testing for 2013: All Varieties				
Variety Name	Number of Samples	THC range (%)	Avg	Number over 0.3%
Alyssa	9	0.06-0.26	0.15	-
Anka	4	0.13-0.18	0.15	-
Canda	3	0.06	0.06	-
CanMa	40	0.02-0.31	0.08	1
CFX-1	8	0.06-0.24	0.12	-
CFX-2	29	0.02-0.44	0.16	2
CRS-1	8	0.02-0.20	0.08	-
Delores	7	0.01-0.06	0.04	-
Ferimon	7	0.03-0.14	0.06	-
Finola	87	0.05-0.58	0.19	9
Jutta	1	0.16	0.16	-
USO 14	1	0.01	0.01	-
USO 31	2	0.01-0.10	0.06	-
X-59	28	0.02-0.09	0.05	-
Results as of January 2014. Health Canada LOCA				

CANADA'S CALLS FOR DEREGULATION

2013 December, 9- CHTA “has called on Canadian government to deregulate the production, processing and export of industrial hemp. In a formal request to the Prime Minister and the federal Ministers of Agriculture and Health as well as prairie provincial premiers and agriculture ministers the CHTA claims the regulatory burden placed on the industry has become an impediment to its growth”

Key- Licensing, THC Testing, Cultivation, Importation

Emerging- Deregulation/Minimize control

How much control is required under IHR

Licensing and permits, national compliance,

New uses -THC testing of hemp derivatives and products

Volunteer seeding

Interpretation of IHR

Canadian Review 2014- 2015

The CHTA is in discussions with Health Canada and AAFC to address our concerns and initiative to **deregulate industrial hemp** from the list of controlled substances. Health Canada is “**watching developments**” in other jurisdictions and monitoring events. Health Canada indicated that industrial hemp is a **relatively low priority**. The following is a quote from Sector Specialist, Special Crops in response to his inquiry about HC priorities.:

“The main priorities that HC are dealing with are abusive prescription drugs; review of the Controlled Substance Act and Regulatory Frameworks for various products (ie. poppies, hemp); new synthetic chemicals, and International commitments. AAFC asked where industrial hemp fit into the this list of priorities to which HC indicated it is part of the review of the regulatory frameworks. They admitted the process has been slow but it is progressing.”

“The overarching point is that the industry wants deregulation and that is the point we continue to reinforce with whomever we are communicating.”

CANADIAN REGULATION OVERVIEW

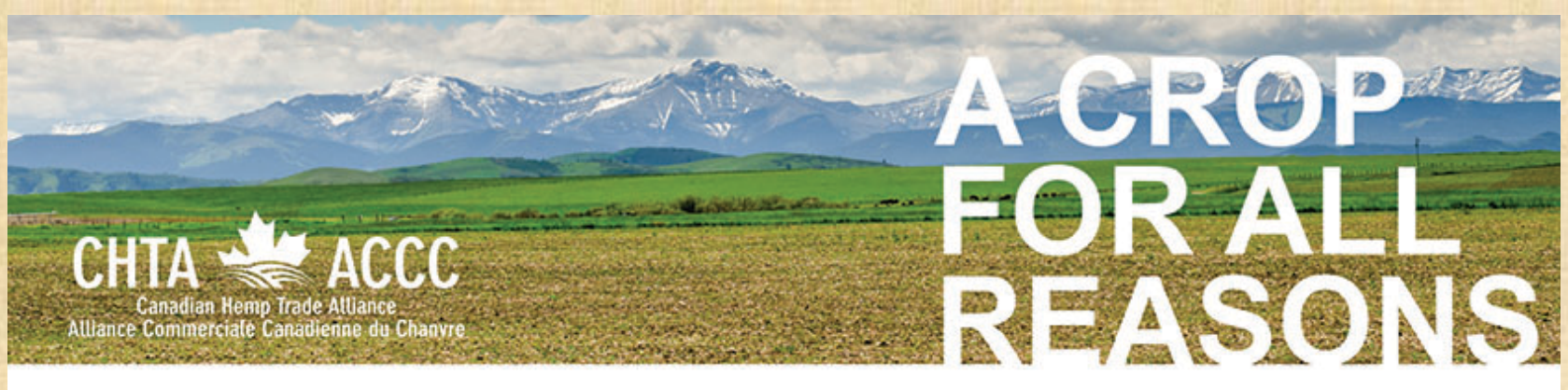
Re-legalized 1998 – SOR/98-156¹

- **List of Approved Cultivars**
- **Flowering & leaves part – 0.3% THC**
- **Exceptions: Whole plant, flowers, leaves, sprouts & bracts**
- **Grain Derivatives i.e. oil, powders – 10ppm (µg/g) THC**
- **Annual Application: export, Import, possession, production, sale, provision, transport**
- **Annual Licensing: Cultivation, Import, Processors, Distributors, Breeders, Samplers, Labs**

Application Requirements: Application form, GPS, Map, Variety, Criminal Record

- **1km from places frequented by persons under 18 YOA**
- **Inspections**
- **Equipment should be cleaned**
- **Retention of records for 2 years**
- **Derivative labeling**
- **Exemptions**

¹ <http://laws-lois.justice.gc.ca/PDF/SOR-98-156.pdf>



Canadian Hemp Trade Alliance 2015

National Convention

November 16 (AGM), 17 -19, 2015

Calgary, Alberta Canada

**Visit the tradeshow, attend presentations, take
the tour and network over hemp food.**

Feature: Camp Fire Jam Night

www.hemptrade.ca

THANKS

European Industrial Hemp Association

May 20-21, 2015

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Questions



**Ya'll know
where to
find me!!**

09.01.2006

08.10.2006

08.22.2006