

New Data on Hemp Food Market

EIHA Conference, May 2014

Hempro
Int.



Main Statement

The turnover with hemp foodstuff and corresponding raw material is increasing strongly worldwide. Hempseeds, hulled hempnuts, hempoil and hemp protein powder are becoming more presentable – both in retail as well as in food industry.



Examples Hemp Foodstuff



Relevance for Consumer Market



Hemp-seeds



Hulled Hemp-seeds



Hempoil



Hemp Protein-powder



Hemp Tea



Hemp Drink

EU

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North-America

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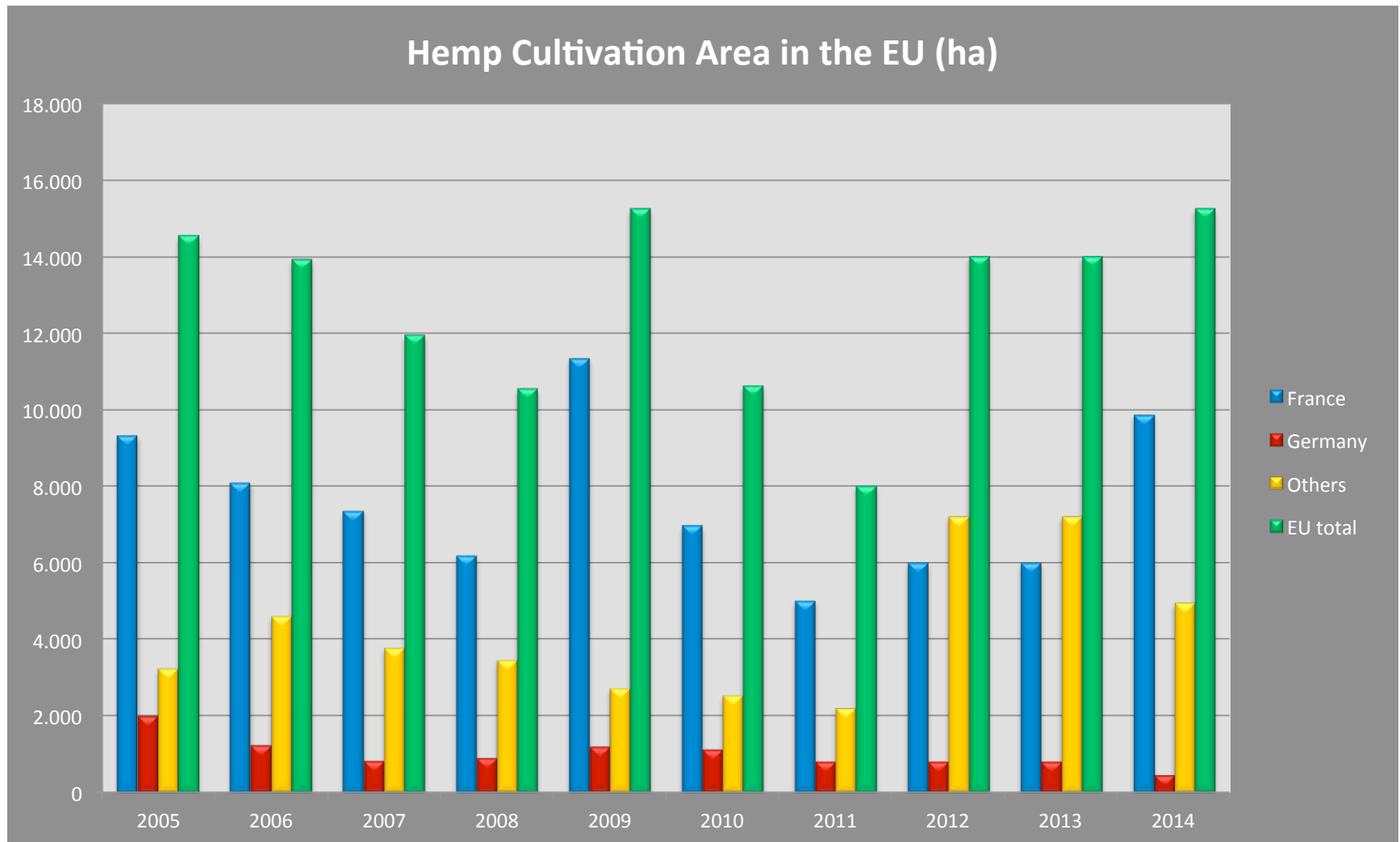
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The Hemp Market EU

Status EU:

- Problem: no actual statistics for hempseed used as raw material
- EU has a lot of small different countries with a variety of statistic data. Not all collected data from EU government is correct and/or complete.
- 2002-2011 estimated around 5 - 15% of hempseed production for food production, 85 - 95% for animal feed
- Since 2012 estimated around 15 - 20% of hempseed production for food production, 80 - 85% for animal feed
- Hempseed production for food increases strongly since 2007

The Hemp Market EU



Source: nova-Institut (2011), EIHA (2014)

The Hemp Market EU

mt hemp seeds p.a.	2008	2009	2010	2011	2012	2013
EU production	6.000	7.000	6.000	5.500	7.000	9.000
- France	n/a	6.500	4.500	4.000	5.000	7.000
- others	n/a	500	1.500	1.500	2.000	2.000
EU imports*	10.000	9.700	10.800	11.500	10.000	9.000
EU exports**	500	900	800	500	300	100
EU consumption	15.500	15.800	16.000	16.500	16.700	17.900
- Food	600	700	1.800	2.500	2.700	3.200
- Feed	14.900	15.100	14.200	14.000	14.000	14.700

Source: nova-Institut (2011), Eurostat (2011), EIHA (2014), Hempro Int. estimates (2014)

Table 1: Development of the European hemp seed market 2007-2012.

*Mainly from China, ** Exports of processed hemp seeds to North-America.

The Hemp Market EU

- Currently, relevant production in Eastern Europe only takes place in Ukraine, Romania, Hungary, Baltic States and is very likely to increase.
- Recently strong increasing demand in the food market
- In 2010-2012 supply decreased due to lower acreages in France (lower demand from the cigarette paper industry)
- In 2013/2014 slightly increasing supply due to larger acreages in France
- Price increase of hemseed:
 - 2010 ca. 40% (to previous year)
 - 2011 ca. 30% (to previous year)
 - 2012 ca. 10% (to previous year)
 - 2013 no increase
 - 2014 ca. 10% (to previous year)

Hemp Update in Canada

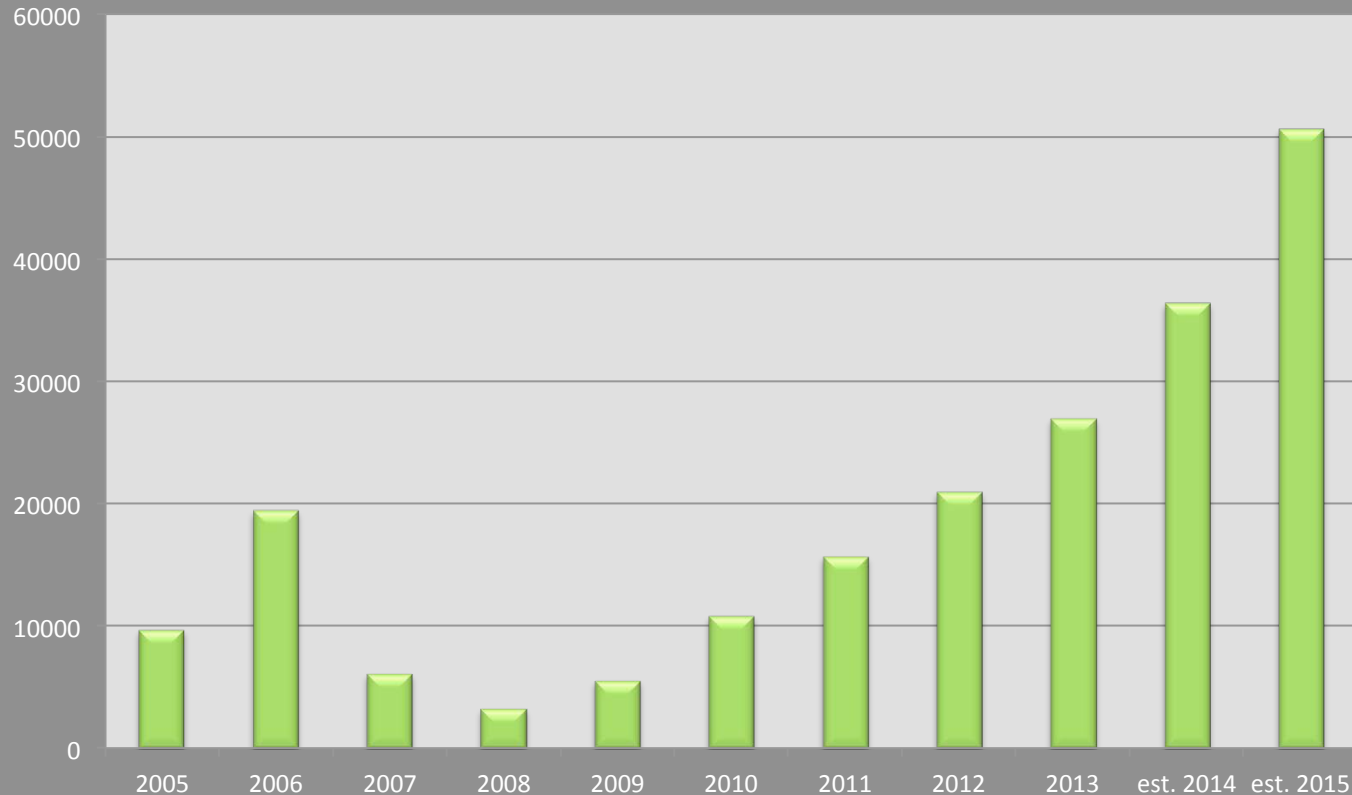


- Summary of Licensed Activity in 2013
- 746 licenses issued to 302 applicants
- 57.7% of licenses issued for cultivation
- Licensed Acreage Summary
 - 2013 – 66,670 acres or 26,982 ha
 - Est. 2014 – 90,000 acres or 36,400 ha (+25%)
 - Est. 2015 - +125,000 acres or 50,600 ha (+28%)

Hemp Update in Canada



Canada Hemp Cultivation Area (ha)



Source: CHTA (2014), Hemp Oil Canada Inc. (2014)

Hemp Update in Canada



- The main hemp production remains to be for seeds supplying Canadian (domestic) and the USA being the main markets
- Canada exports finished goods to some 20 international markets
- Demand for certified organic production increasing while contracted acreage decreases – can we sustain?

Hemp Update in Canada



- Canadian hemp food processors expanding to meet demand of double digit growth in the market
- Manitoba Harvest and Hemp Oil Canada both expanding processing infrastructure



Hemp Update in Canada



- Fibre production activities increasing with Plains Industrial Hemp opening in Manitoba and 2 new fiber processing facilities proposed for construction in Alberta (building materials & hempcrete panels)
- A total of 39 industrial hemp seed varieties approved cultivars – 7 varieties make of 98% of all production

Hemp Update in Canada

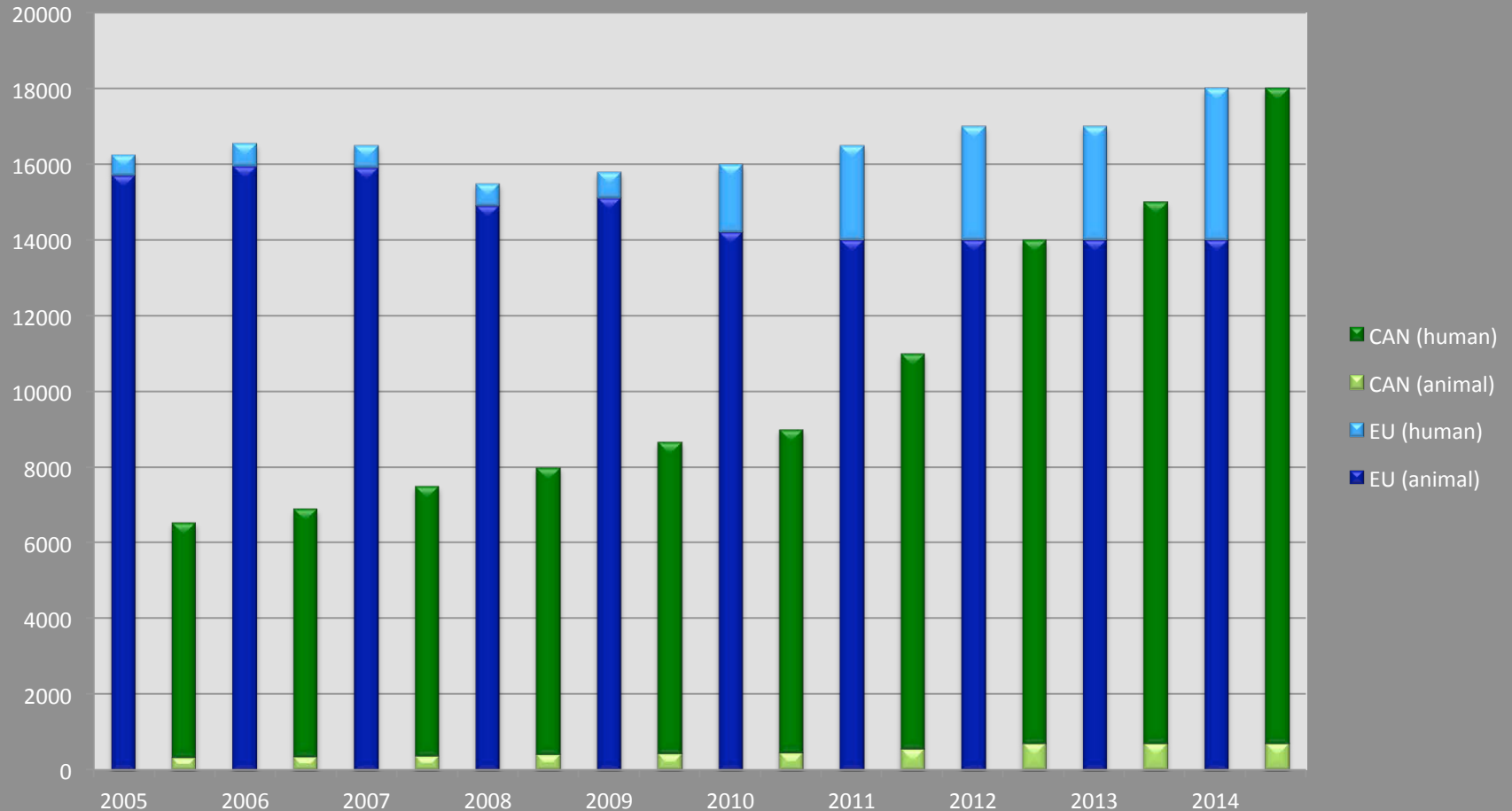


- Health Canada review of the Industrial Hemp Regulations (IHR) 2013-2016
 - a) Review of IHR in force since 1998
 - b) Main issues to review – license process, THC testing and analysis protocol, cultivation issues, importation of new cultivars and others
 - c) Complete and summarize stakeholder consultations (2014). Proposed amendments published (2015). Finalized in mid 2016

The Hemp Market Comparison EU/NA



Hempseed Consumption EU+NA (mt)

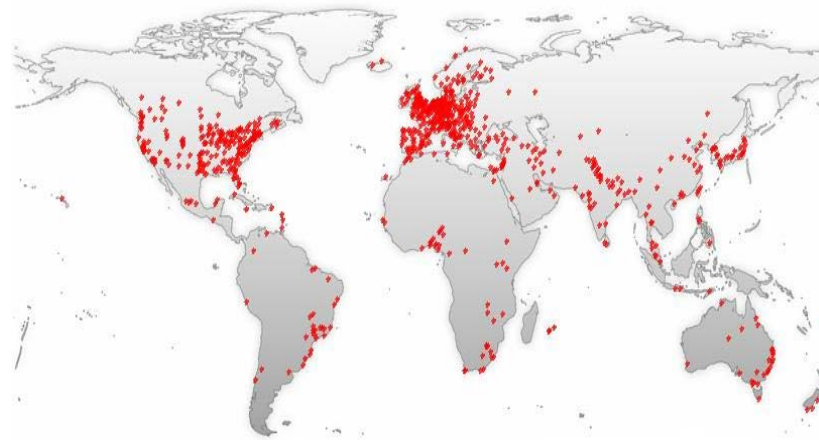
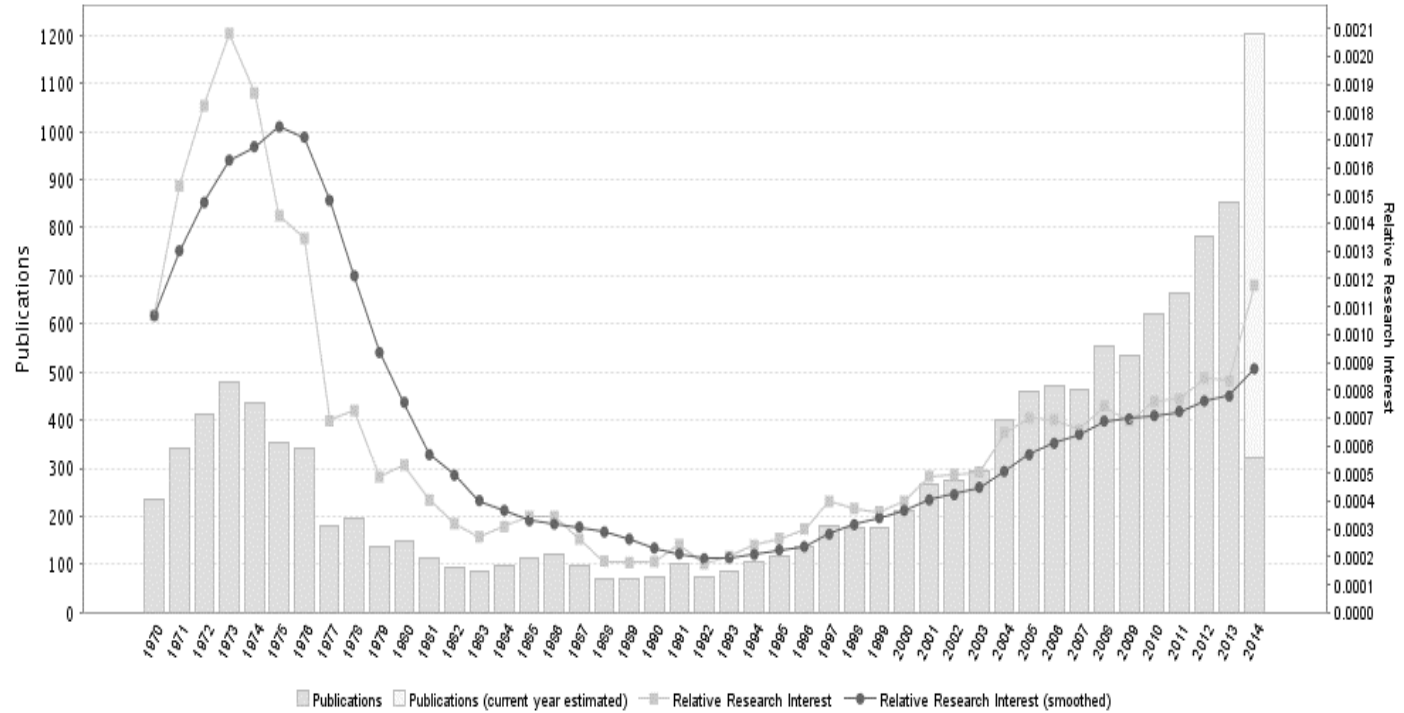


Source: Estimates nova-Institut (2014), EIHA (2014), Hempro Int. (2014)

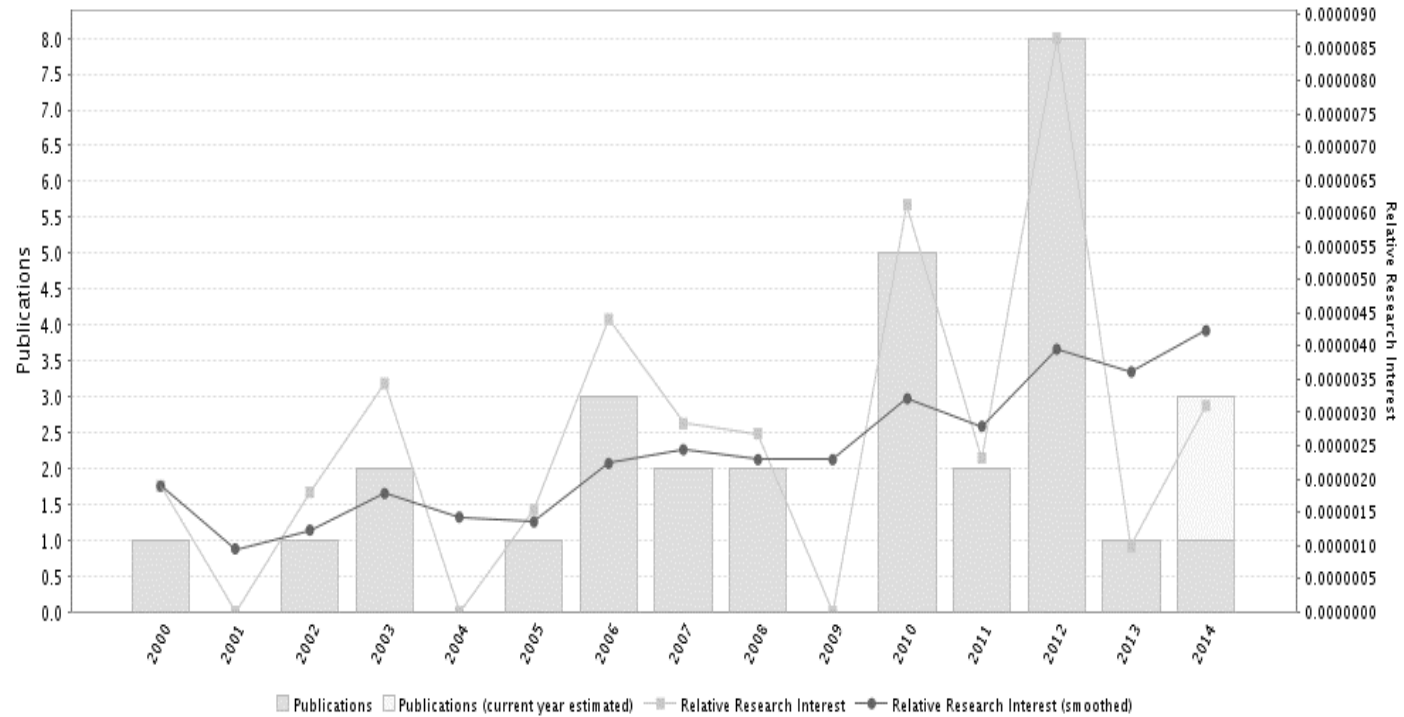
Future Prospects

- North American data shows very high sales turnover and EU sales start to pick up strongly
 - ➔ very good future perspectives for the EU market
- In Great Britain, as well as in Canada and USA, hemp already belongs to the standard range in supermarkets
 - ➔ This should also be possible in the EU and other countries e.g. Germany.
- Example: If only 10% of the population in Germany would integrate 10 ml of hemp oil in their daily nutrition, a yearly requirement of approx. 30 million litres of hemp oil e.g. 100.000 mt of hempseed would result.

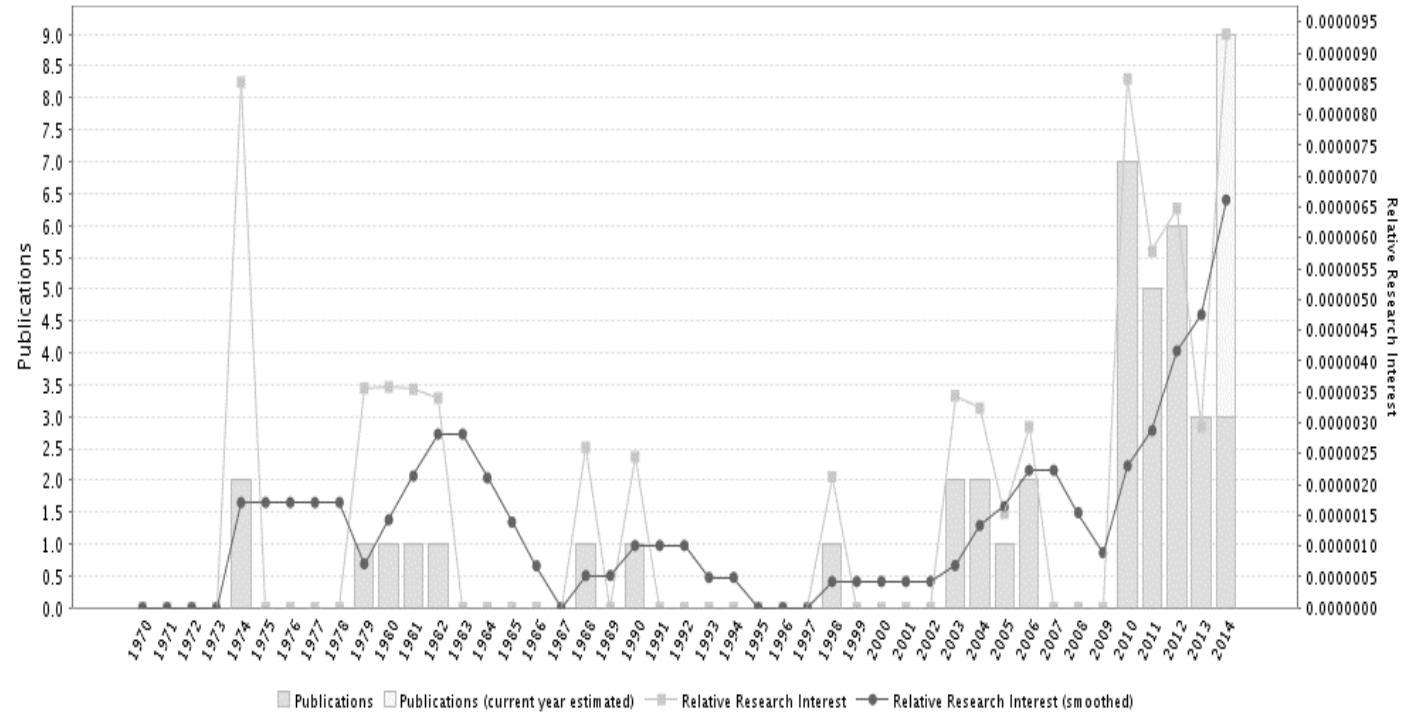
Topic: hemp



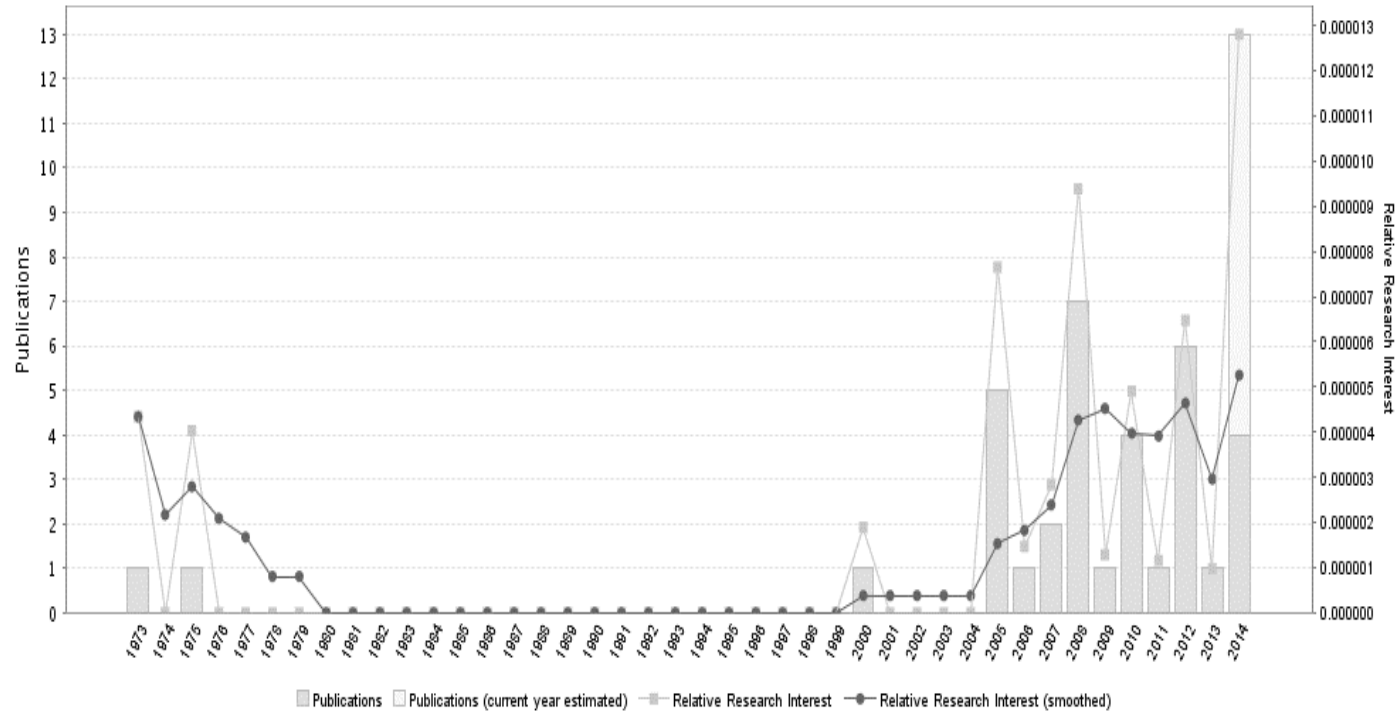
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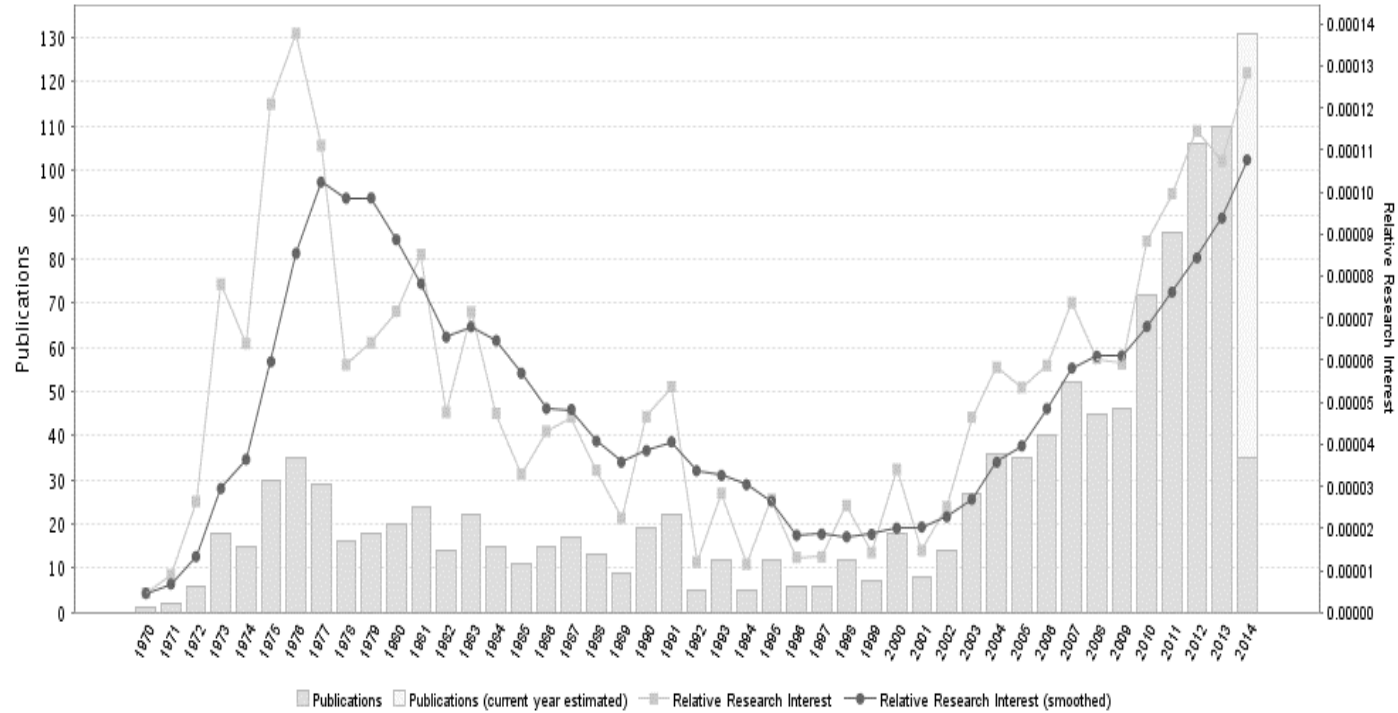
Topic: Hemp varieties



Topic: hemp oil "Fatty Acids"[mesh]



Topic: Cannabidiol



Thank you for your attention!

Hempro
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