

PUBLIC SUBMISSION – APPLICATION A1039 – LOW THC HEMP AS A FOOD

1. Are you aware of any evidence that consumers believe low THC hemp foods have psychoactive effects?

Consumers are aware that hemp foods, either in seed or oil form, are a health food . . . not a drug. In countries where hemp foods have been legal and widely available for some time there appears to be little or no misconceptions.

2. Are you aware of any evidence that representations on low THC hemp foods (including labelling and advertising) mislead consumers by leading them to believe that low THC hemp foods have psychoactive effects when consumed?

Internationally, most labelling includes hemp as a health food, not as a drug. In Australia, do we see labelling of poppy seeds with drug warnings or inferences? No. Then hemp should not be labelled as a drug either.

3. Can you provide any evidence in addition to that presented in this Consultation Paper whether or not the consumption of low THC hemp foods can return a positive result for a THC drug test?

Research provided in this and the previous application to ANZFA, show the likelihood of a positive result would be improbable when consuming normal amounts of hemp food products. No safety concerns were identified, as noted it is only the regulatory implications that confuse the process. The inner flesh of the seed has no THC and it is this part of the seed that holds the most nutrition and is used in hemp foods.

4. Can you provide information on THC drug testing procedures in Australia and New Zealand, particularly with regard to regulatory limits of THC that may be set?

Regarding “in-field” drug testing then procedures need to have better standards in place. We need a national standard for testing as experience has shown that calibration equipment can be faulty or labs are ill-equipped to provide consistently accurate readings. This will be particularly important for farmers as more crops will be grown to meet the market demand.

5. Can you provide information to indicate whether there will be an impact on the cost of testing for THC in humans that could arise from an approval of hemp foods?

Current drug-testing costs and procedures for drivers, athletes and workers would not need to change. We are producing certified low or no THC hemp crops which in turn produce certified low or no THC seeds and oil. Do we test for opiates because poppy seeds have been consumed or used in baking? NO, then we should not require THC testing simply if hemp seeds or oil have been consumed.

6. Do you agree that there are adequate controls currently in place, or that would be achieved by imposing maximum limits for THC, to mitigate any risk of high THC Cannabis varieties entering the food supply?

At present there is no national uniformity in state-imposed THC limits in licensed hemp crops. To mitigate risk we recommend that the current laws of Queensland, NSW and ACT regarding a 1% maximum THC level for in-field crop testing, as per Attachment 1 of the consultation paper, be adopted.

Under current licencing requirements (In Tasmania) for growing “industrial, cannabis sativa”, THC testing is done at flowering time in the field. We believe that a certificate should be issued at this time stating that the seed produced at this site meets the food regulatory standard for hemp foods. This is where the audit trail for the production of food-grade seeds should begin. This THC test result or certificate should follow the seed to the food manufacturer as proof of product and compliance to the THC requirements. The THC reading at this time would be the highest that could be expected, as THC can only be present on the outer shell of the seed and not in the seed itself. Cleaning of the seed will remove any small trace elements. From there, no further controls should be put in place regarding testing and compliance.

7. Do you consider that trade practices legislation in Australia and New Zealand is sufficient to mitigate the potential risk that representations (including labelling and advertising) of hemp foods could suggest psychoactive properties relating to consumption of those foods? If not, what other conditions regarding labelling and representations of hemp foods should be considered?

We believe that current rules regarding misleading product representation are sufficient.

As a Company who provides premium quality Australian hemp seed oil, we have no intention of lowering standards with silly marketing campaigns. Whilst this type of advertising may get a “one-off” purchase this would not be the target consumer demographic. We don’t want to make a joke of our product by using “druggie” phrases, we are serious about providing quality, healthy hemp products.

8. What is the potential opportunity cost for current producers of hemp crops if hemp foods continue to be prohibited? Please provide quantitative data if available.

We currently press approximately 9 to 12 tonnes of Tasmanian-grown hemp seed annually purely for the Australian hemp oil market. This has been kept to a small market due to the prohibition of hemp foods. The industry needs the approval of hemp foods to become a significant crop. We would see that this tonnage rate would at least immediately quadruple as there would be a vast increase in the requirements for whole seed. The tonnage rate would increase exponentially as consumer demand grows.

Consider the opportunity cost to farmers, if canola, soy, olives and other similar crops had not been established in Australia. Farmers are looking for alternative crops which are better for the environment by using less water, fewer chemicals and improving soil quality. Hemp does this in addition to improving rotation yields of other crops, as proven by DPIWE trials in Tasmania.

The potential lost opportunity is so vast that it is almost incalculable.

If hemp food continues to be prohibited in Australia, producers like us will remain biding time whilst the rest of the world moves ahead.

9. What are the potential benefits to food manufacturers if hemp foods were approved for use?

New products across the whole food spectrum and expanded opportunities for manufacturers, including those who specifically produce products for consumers who suffer dairy allergies. If a product can be made from Soy then opportunities are also there for hemp.

On April 12, 2011 a search for a commercial scale vegetable oil high in Omega 3 was announced by CSIRO, the Grains Research & Development Corporation and Nufarm Ltd. There is funding of \$50 million for this research collaboration, in which hemp can play a vital part.

This is a win- win situation for all concerned.

Also consumers are becoming more astute regarding “country of origin”, so if our Australian food producers choose to incorporate hemp into their products not only is there the potential for new products in our market but also for export. Australia’s branding is internationally respected in food markets. The adoption of hemp would complement this.

10. Are there likely to be any additional costs for food manufacturers wishing to supply hemp foods?

Please provide quantitative data if available.

If the food manufacturer was receiving whole seed and if licensing was required for whole seed, then there would be an application cost. In Tasmania this licence is approximately \$160 to \$200 per year. Through legislative change this licence can be extended past the 1 year without additional costs.

There shouldn’t be any further costs.

11. Would the approval of low THC hemp foods increase the cost of food enforcement beyond what would be expected of the approval of any other substance added to food, or other food regulatory change?

As suggested, if the THC in-field test result accompanied the whole seed to the first point of manufacture then there should be no further costs for testing or compliance.

12. What other legislation in Australia and New Zealand would affect or be affected by approval of hemp foods?

We need uniform national standards for the growing, distribution and initial manufacture of whole hemp seed. Having different rules for each state cannot work. This may impact on the listings in some States of low THC hemp under their respective Poisons Acts. The adoption of “in-field” test THC limits being set at no more than 1% is recommended. This is currently in place in NSW, QLD and ACT.

13. Would the approval of hemp food have an impact on existing hemp regulations in Australia and New Zealand? For example, would industrial hemp destined for use in food require additional controls to those already specified in industrial hemp regulations?

National standards need to be put in place regarding whole seed and its movement from farm gate to food manufacturer. Currently, the licensing varies greatly. In Tasmania, whole seed can only be supplied to a licence holder.

As stated in Q6, we believe that the THC testing certificate which is done in-field should accompany whole seed to the initial processing stage or to the stage when the seed is no longer viable (ie cannot germinate). This would ensure that only “safe” seed was used in food production.

14. Would food manufacturers be required to be licensed under existing hemp regulations?

Currently in Tasmania, if they were receiving whole seeds then yes they would need a licence. If however, the seed has been de-hulled or can no longer germinate, then no licence is required as the seed is no longer viable. We believe that this situation should continue, as it ensures product reliability and safe supply auditing.

15. Would additional costs be incurred by government agencies responsible for granting licences for the cultivation of hemp as a result of approval of hemp foods?

As the industry grows then more farmers would be required, so more licences would have to be issued by the appropriate authority. Once again, States vary with some having licences issued by the Department of Primary Industries and others by Health and Human Services. We need national standards to be put in place to allow for the smooth operation and transportation of product. Also the THC in-field testing needs to have a national standard.

16. Can you identify other risk management options that have not been considered in the impact analysis? Comments on the possible costs and benefits are welcome.

Hemp food is already an accepted product throughout most of the developed world, however, untimely changes to the current law may disadvantage Australian hemp growers and manufactures. The timing of lifting the prohibition of hemp as a food must be effected in consultation with stakeholders to ensure that Australian growers and manufacturers are sufficiently geared up to meet a new major marketing opportunity.

Without such consultation, we will see an influx of imported products at the expense of local manufacturing, which will have a detrimental long- term impact. To mitigate this risk, changes to the current law must be timed in relation to crop management schedules (such as growing season dates) and production capabilities. We propose that discussions by the Ministers be brought forward by at least 12 weeks to allow planting for this year’s season, otherwise we will have missed the opportunity to plan cropping volumes to meet the potential increase in demand. The industry cannot afford to increase volumes without a definite market.

Regarding imported products we have a concern that any imported seed or seed by-product including dehulled seed, meal or oil, must be certified food grade to ensure that it meets

Australian food grade standards. There are current instances of oil coming in from overseas which do not meet hygiene standards but are labelled as food-grade or organic.

17. Can you identify any other costs and benefits for any of the risk management options considered in this paper?

Whilst the cost of the in-field THC test is a cost to the farmer (it is not a new cost), there is a benefit to the downstream manufacturer in that quality assurance, particularly regarding THC is guaranteed.

18. Do you have a view about an appropriate preferred regulatory option regarding the approval of hemp foods, based on benefits and costs?

Our view is that lifting the prohibition of hemp as a food in Australia will result in significant economic benefits for primary producers and manufacturers, and substantial health benefits for consumers. There would not be any further regulatory imposts on growers.

As joint submitters, we have been involved in an extremely “hands-on” manner in the hemp industry in Tasmania, Australia. This includes retailing and wholesaling hemp products, holding and organising licences for growers in Tasmania, liaising with State Government departments including the Department of Health and Human Services, Department of State Development and the Department of Premier and Cabinet.

We also formed and worked with members of the then Hemp Co-Operative of Tasmania, who assessed food options in Tasmania prior to and during the A360 application of 2000. We also held a hemp seed handling licence (a wholesale chemist licence was required), organised and distributed hemp garden mulch in Tasmania, hemp paper and cards made in Tasmania from local mulch, continuing involvement with growers and industry stakeholders.

We are also founding members and office bearers of the Industrial hemp Association of Tasmania (IHAT) and for the past 3+ years, under the brand of Hemp Australia, have been providing the market with exceptionally high quality Australian (Tasmanian) hemp seed oil and meal.

Because of this substantial involvement, we feel we have an insight into this burgeoning industry.

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