



## 31 A REVIEW OF SUCCESSFUL HEMP PRODUCTION AROUND THE WORLD

JUL

Hemp is a powerhouse of sustainable solutions with a track record of success globally. Even without federal legalization of hemp cultivation, the *Hemp Business Journal* calculated US sales of hemp products in 2015 to be 25% greater than their 2014 total of \$400 million (the Hemp Industry Association (HIA) estimated US hemp product sales in 2014 at \$620 million).[1] Thirty-six countries throughout Asia, Europe, South America, Africa and North America permit hemp production. Decision makers should examine these countries' effective models to see how they can federally support the booming hemp industry here in America.[2]

### China: Hemp Powerhouse



Unlike the United States and many other countries in the 20<sup>th</sup> Century, China never banned the production of hemp despite strictly prohibiting the intoxicating variety of *cannabis sativa*, commonly known as marijuana.[3] Hemp has been part of Chinese culture for thousands of years, and as a result, they have discovered its countless uses and benefits, securing over half of the 606 hemp patents recorded by the UN's World Intellectual Property Organization in 2014.[4] It is not surprising that the world's most populous country and second largest economy is also the largest producer of hemp in the world, accounting for half of global production.[5] China is the largest supplier of raw and processed hemp fiber for the US, which imported \$36.9 million worth of hemp in 2013.[6] In the first 11 months of 2013, China exported hemp yarn worth \$11.9 million, increasing sales by 145.2% from the previous year.[7] If Congress truly wants to support US companies, it should consider the high returns for Chinese companies in the cannabis industry who have in recent years achieved "sales revenue [of] about six or seven times the value of their fixed assets." [8] Additionally, Congress should reflect on how they are limiting American research and development for hemp products, which gives the United States' main economic competitor an advantage.

### India: Old Hemp History and New Hemp Industry

India, the world's second most populous nation with the sixth largest economy, is another Asian country with a long history of hemp use—an ancient Hindu text even calls the *cannabis sativa* plant "sacred grass." [9] Unlike China, modern India banned hemp cultivation until 1985. Hemp production was federally permitted, though individual states controlled the licenses and refused to issue them.[10] Consequently, India's hemp industry is only beginning to build momentum. The Indian Industrial Hemp Association (IIHA) formed in 2011 to promote and support hemp industries.[11] Uniting with national and international organizations in 2014, IIHA established the first Indian HEMP conference.[12] At the end of 2015, the state of Uttarakhand became the first in India to legalize hemp production, and the Ministry of Textiles sees this first step as a way for Indian farmers and industry to capitalize on the \$800 million global hemp market.[13] While the US does not have to recognize *cannabis sativa* as "sacred grass," it should see the value of hemp for those 800 million reasons.



### South Africa and Malawi: Hemp Permitting

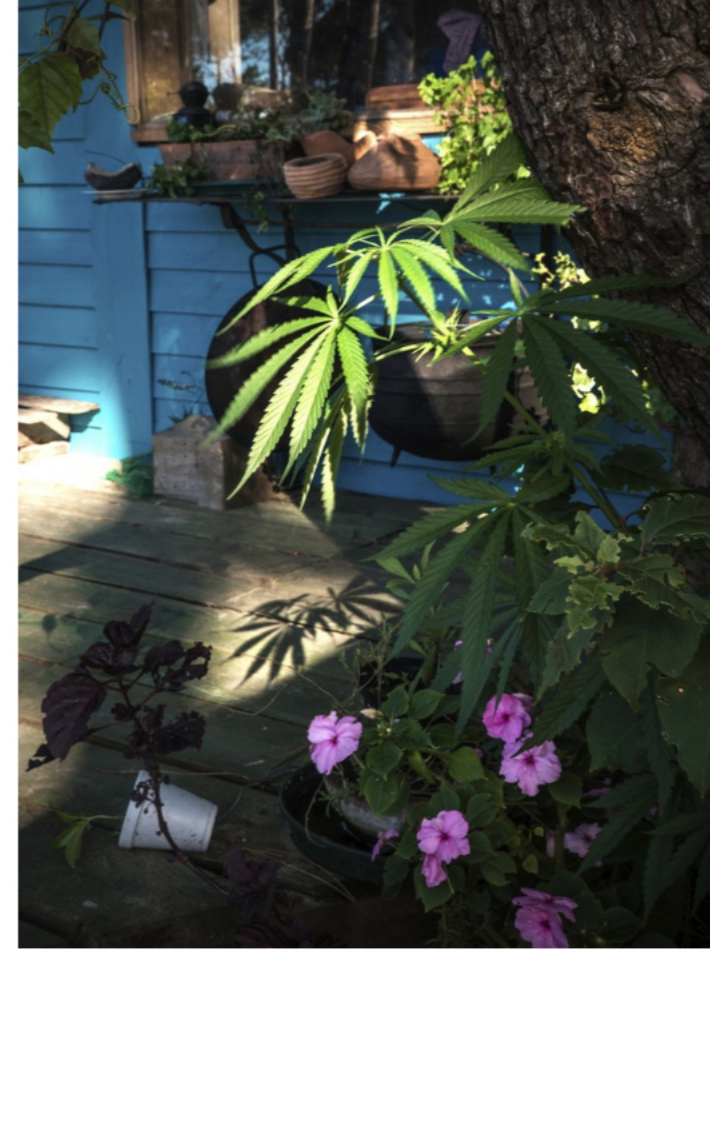


South Africa was the first country on the continent to legalize hemp production, but it has yet to issue a commercial permit.[14] While South Africa's Agricultural Research Council has tested hemp varieties suited for the climate and their Department of Agriculture has labeled hemp as an "agricultural crop," further progress is at a standstill.[15] Efforts to amend the hemp legislation are underway, but in the meanwhile all hemp must still be imported.[16] Similarly, Malawi permitted the

company Invegrow to conduct research trials with hemp in November of 2015, but their vision for the future of hemp cultivation is more defined.[17] By December of 2016, the Malawian government and Invegrow hope to begin commercial hemp production, which many see as a boon for the Malawian people and their economy.[18] The United States can look to numerous countries and over half of the US states for successful hemp trials and regulations.[19]

### Chile and Uruguay: Hemp Havens

Chile has been growing hemp since its introduction by the Spanish around 1545, and it leads South America in hemp production.[20] For several years, Chile has hosted the largest hemp trade fair in South America and the event is spreading to other countries adopting hemp legalization.[21] In December of 2013, Uruguay became the first country in the world to "fully legalise the research and development, as well as cultivation, distribution, sale and consumption of non-synthetic cannabinoids and hemp." [22] This historic move was primarily an effort to stop drug cartels, but it will also benefit the country's people and their economy; corporations have already been issued licenses to grow industrial hemp.[23] Uruguay has set a precedent for the world; US Congress should pay close attention to their experiment as progress unfolds. [24]



### Europe: A Thriving Hemp Community



This June, Germany will host the world's largest industrial hemp conference: the 13<sup>th</sup> International Conference of the European Industrial Hemp Association (EIHA). The growing participation reflects the growth of the hemp industry throughout the continent and the world.[25] European hemp production for 2016 is estimated to top 60,000 acres, indicating a 300% increase over a 5 year span. [26] Moreover, a German hemp production company has just become the first in the world to obtain an

International Sustainability and Carbon Certification (ISCC PLUS) for two of its hemp products and more are set to be accredited this year.[27] The certification process involves rigorous ecological testing of the company's supply chain, so this primary endorsement strongly reflects hemp's status as a sustainable and environmentally friendly crop.[28] In addition to Germany, hemp cultivation is prevalent throughout Europe, though it is most prominent in France, the United Kingdom, Romania and Hungary.[29] Slovenia has been growing hemp for over a decade and many farmers and industry leaders there see hemp as the sustainable and profitable crop of the future. Hemp's many uses and minimal resource requirements will help end dependence on fossil fuels in addition to replacing more expensive crops controlled by global seed corporations.[30]

### Australia: Hemp Legalization Down Under

Similar to the United States, Australia still maintains federal regulations on hemp production, even though individual states, starting with Victoria, began licensing farmers to grow it in 1998. Other jurisdictions followed their lead and the 2008 Hemp Industry Act permitted hemp cultivation in New South Wales.[31] In the Northern Territory, the Department of Industry is running its first test trial for hemp cultivation, and if successful, commercial cultivation may be legalized there soon. [32] Despite allowing varying levels of hemp cultivation, hemp food products are still illegal in Australia even though every other industrial nation in the world has legalized hemp production.[33] The regulating body, Food Standards Australia and New Zealand (FSANZ), has already sanctioned hemp-based foods as health foods and labeled them as safe to eat, but it seems that even government studies cannot sway legislative bodies to listen.[34]



### Canada: North America's Hemp Grower



After commercially legalizing hemp production in 1998, the Canadian hemp industry continues to expand. Hemp exports in the first four months of 2015 were worth \$34 million compared to \$12 million for all of 2011.[35] As the largest exporter for hemp seed and oilcake to the United States, Canada is taking advantage of US hemp prohibition and capitalizing on the Canadian demand for hemp and hemp products.[36] The Canadian hemp industry was initially centered on hemp production for the food sector, but its focus is expanding to include hemp alternatives to fiberglass, textiles, green energy storage, and hemp insulation known as "hempcrete." [37] Canada's Department of Agriculture and Agri-Food (AAFC) notably labels hemp as "the world's premier renewable resource" on its website. The US Department of Agriculture would be wise to consider this powerful

endorsement.[38] Canada prohibited hemp a year after the United States did, but after lifting its 60-year ban, our northern neighbor has economically benefited for almost two decades.[39]

### Conclusion

The United States is the only industrialized nation in the world without legal hemp production, even though many successful examples have been available for years. [40] China's stronghold on profits from hemp production and its monopoly of hemp patents is worth paying attention to. Hemp is a billion dollar industry with incredible growth projections. Industrial hemp is also a certifiably sustainable crop that promotes environmental health as it boosts economies. Recall the former strength of our manufacturing sector when our nation realized hemp's numerous industrial applications. Bipartisan support is required to legalize hemp production in the United States. The argument for hemp is easy to make when we honestly analyze its abundant economic, environmental and social benefits.

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[2] <http://mgafrica.com/article/2016-03-31-hemp-cultivation-in-malawi>; <http://www.hempuniversity.com/hemp-university/growing-hemp/countries-growing-and-uses/>. Here is list of most of the hempuniversity that permit legalization of hemp production as well as their history and uses.

[3] <http://www.independent.co.uk/news/world/asia/as-cannabis-is-widely-legalised-china-cashes-in-on-an-unprecedented-boom-9039191.html>

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[5] <http://www.infoplease.com/world/statistics/most-populous-countries.html>; [http://money.cnn.com/news/economy/world\\_economies\\_gdp/](http://money.cnn.com/news/economy/world_economies_gdp/); <http://www.newschinamag.com/magazine/hemp-ed>

[6] <https://www.fas.org/sgp/crs/misc/RL32725.pdf>

[7] <http://www.globaltimes.cn/content/837458.shtml>

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[9] <http://www.infoplease.com/world/statistics/most-populous-countries.html>; [http://money.cnn.com/news/economy/world\\_economies\\_gdp/](http://money.cnn.com/news/economy/world_economies_gdp/); [http://www.unodc.org/unodc/en/data-and-analysis/bulletin/bulletin\\_1957-01-01\\_1\\_page003.html](http://www.unodc.org/unodc/en/data-and-analysis/bulletin/bulletin_1957-01-01_1_page003.html)

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[11] <http://iihaindia.org/iiha.aspx>

[12] <http://pressreleaseaping.com/hemp-revolution-boon-indian-economy-very-soon-first-international-hemp-conference>

[13] <http://scroll.in/article/664115/why-one-government-ministry-wants-to-legalise-cannabis>; <http://globalhempgroup.com/historic-info-on-hemp-cannabis/about-industrial-hemp-in-the-usa/market-analysis/>

[14] <http://hemporium.com/cultivate.php>

[15] Ibid.

[16] Ibid.

[17] <http://mgafrica.com/article/2016-03-31-hemp-cultivation-in-malawi>

[18] Ibid.

[19] <http://www.ncsl.org/research/agriculture-and-rural-development/state-industrial-hemp-statutes.aspx>

[20] <http://cozine.com/2015-july/hemp-colorados-next-big-thing/>

[21] <http://blog.bizzabo.com/25-cannabis-events-that-are-shaping-a-new-industry>. This site provides an up-to-date list of hemp events in 2016.

[22] <http://investorintel.com/agbusiness-mmj-intel/uruguay-loosens-medical-cannabis-rules-makes-possible-hemp-alternatives/>

[23] <http://www.thestar.com/society/2016/apr/18/uruguay-first-state-commissioned-recreational-cannabis-marijuana>.

[24] <http://www.theguardian.com/society/2016/apr/18/uruguay-first-state-commissioned-recreational-cannabis-marijuana>

[25] <http://www.eiha-conference.org/>

[26] <http://www.eiha-conference.org/pressrelease?id=128>

[27] Ibid.

[28] <http://www.iscc-system.org/en/iscc-system/about-iscc/iscc-in-short/>

[29] <https://www.fas.org/sgp/crs/misc/RL32725.pdf>

[30] <http://www.alternet.org/drugs/meet-small-country-betting-big-future-hemp>

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[32] <http://www.abc.net.au/news/2016-04-22/northern-territory-first-industrial-hemp-crop/7349864>

[33] <http://www.hempfoods.com.au/australian-hemp-legislation/#VzOOa9Q1ol>

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[36] <https://www.fas.org/sgp/crs/misc/RL32725.pdf>

[37] <http://www.thestar.com/business/2015/07/10/canadas-hemp-industry-is-growing-fast-but-competition-looms.html>

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[39] <https://www.fas.org/sgp/crs/misc/RL32725.pdf>

[40] <http://iihaindia.org/ihemp-facts.aspx>