

Industrial Hemp Industry in South Australia



WHAT IS IT?

Industrial Hemp is a versatile product with diverse applications from clothing to building products and food. It is produced from cannabis plants with a low tetrahydrocannabinol (THC) content - less than 1% THC in the leaves, flowers and stems. There is no psychotropic effect from its consumption.

There are three usable parts of the hemp plant: the inner fibres (hurd), the outer fibres (bast) and the seeds. Different varieties are grown for either the fibre or for seed, although there are some varieties that are dual purpose. Hemp is grown for the fibre content of its stem or for its seeds which are made into oil based or seed based products.

WHAT'S HAPPENING IN SOUTH AUSTRALIA

- *The Industrial Hemp Act 2017* has a regulatory framework provided by the Industrial Hemp Regulations which will enable 5 year licences for approved cultivators and manufacturers.
- South Australia will capitalise on the research and learnings from the other States.
- It is possible that South Australia will harvest its first commercial industrial hemp crop in 2018.
- The Government of South Australia is conducting growing trials to determine which hemp cultivars are best suited to South Australian conditions and regions.
- Hemp seed oil and hemp seed will be legal in food from changes to the Food Standards Code - November 2017.

TO FIND OUT MORE CONTACT THE OFFICE OF INDUSTRIAL HEMP AND MEDICINAL CANNABIS

- The Government of South Australia has established The Office to support the establishment of the two industries.
- The Office acts as a single point of contact to industry and across government to facilitate collaboration between cultivators, manufacturers, researchers and industry associations. On industrial hemp, the Office works in close partnership with Primary Industries and Regions SA (PIRSA).

MARKET INSIGHTS

- Over 30 nations grow industrial hemp - the largest hemp seed producing nations are France and China, while China and South Korea are the largest fibre producers. There are also substantial hemp industries in Canada and Europe.
- Significant global innovation, research into agronomy and the development of high-performance hemp products in last 15 years.
- Global resurgence in demand - factors → ability to sequester carbon, energy efficient construction material, growth of the bioeconomy and research on the health benefits of hemp food.
- Canada's exports of hemp products grew from about \$10.4 million in 2010, to over \$90 million in the ten months to October 2015. The latest Australia figures are from 2012 with only 630 hectares planted equating to \$A1.6 million in value.
- Hemp has been grown in the Eastern states and Western Australia for some time with Tasmania having over 20 years' experience.
- South Australia presents a potentially viable and profitable rotational option for farmers who traditionally grow seed and other horticultural crops.
- Hemp and medicinal cannabis are both grown from certified seeds. To prevent cross contamination the crops cannot be grown in the same location.



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