

The Canadian Hemp industry has grown to over 130,000 acres, and Canada has established a global leadership position in producing hemp grain for food. Hemp could become Canada's next "canola". Innovation and technology development in this industry has been almost exclusively privately funded and enabled to date. In order to achieve our goal of \$1 billion in exports, contributing to Canada's \$75 billion agricultural export vision, CHTA is requesting the federal government make two changes:

- Expand research and development co-funding opportunities for applied research in hemp to assist development of science-based standards along with agronomic, product and process development, and
- Modernize intellectual property policies, guidelines and agreements to enable industry to better engage federal research agencies (AAFC, National Research Council and others).

INTRODUCTION TO THE CHTA

The Canadian Hemp Trade Alliance ("**CHTA**") was established in 2003 as a national organization to represent Canada's industrial hemp industry. The CHTA promotes Canadian industrial hemp and hemp products globally, disseminates information and promotes research. It currently has over 360 members, including farmers, processors, manufacturers, researchers, entrepreneurs and marketers.

Hemp is currently grown in Canada for grain and fibre. It is produced under licenses issued by Health Canada pursuant to which fibre, seed and grain can be sold and transformed. Pending changes to Canadian cannabis regulations enabled by the passing of Bill C-45 support the ability for hemp farmers to harvest and sell other plant parts to licensed processors. This is likely to create a commercial pathway for hemp-derived non-psychoactive cannabinoids and terpenes, which are beginning to be studied for a number of functional food, nutraceutical and pharmaceutical uses.

Canada has become a world leader in hemp production, and is a large exporter of hemp grain products. Exports in 2016 surpassed \$145 million from an industry that employs over 1,200 Canadians. The Canadian agricultural hemp industry is poised to grow to over \$1 billion in exports, creating another 3,000 new jobs over the next six years, but significant innovation and technology development investment will be required. Competitors in the US, Europe, Australia, China and other countries are turning their attention to the opportunities from agricultural hemp, and Canada has a "window of opportunity" to leverage its global leadership position in hemp as a food.

THE CANADIAN INDUSTRIAL HEMP INDUSTRY

Commercial hemp has been successfully cultivated in Canada since the introduction of the *Industrial Hemp Regulations* in 1998. Hemp is an important and growing part of the Canadian agriculture industry. High margins have attracted many new growers, and licensed acres have grown by over 20% per year for the last five years, reaching a recent high of over 130,000 acres. This is impressive growth for a crop introduced to a new generation of Canadian farmers less than 20 years ago.

In the past 19 years, there have been no documented instances of public safety risk or criminal activity associated with hemp cultivation, storage and distribution. It has proven itself to be a safe agricultural crop.

As demonstrated by the impressive growth in hemp production and exports, Canadian farmers have an excellent capacity to adopt new crops and expand production in response to growing demand. Canola and pulse crops are two excellent examples. It is time for the Canadian hemp industry to gain support from government initiatives in innovation, applied research, and product and process development.

SUPPORTING A FIVE YEAR RESEARCH AND DEVELOPMENT FRAMEWORK

In order to achieve the CHTA's vision of a \$1 billion in exports by 2023, the CHTA has established strategic research and development priorities in 4 key areas, namely hemp agronomy, hemp fibre, hemp feed, and hemp food and health. We reached out to a number of leading Canadian researchers, and identified eleven specific projects representing a \$4.9 million R&D investment over the next five years, which are required to advance our industry and help us achieve our vision. We have had significant dialogue with the Diversified Field Crops Cluster and Protein Industries Canada regarding co-investment in these projects, but have been delayed from launching due to funding delays.

As our industry grows, the need for science-based standards to support hemp production and food safety requirements is becoming critical. Hemp is a raw food, and as such does not have a pasteurization or "kill step" process, so the Canadian industry has, through self-regulation, education and adoption of Good Agricultural Production Practice, grown exports and domestic consumption without a single food safety recall. Recently, however, we have seen imports into our domestic market (and our largest export market, the U.S.) of hemp grain from Asia and Europe of dubious quality for food use, and we are concerned about the risk of a recall of contaminated imported hemp products, and the impact that would have on our rapidly growing sector. This has resulted in our call for assistance in the development of science-based standards, starting with hemp food and feed products, then moving to fibre and health products.

CONCLUSION

In conclusion, the Canadian hemp industry is contributing to the growth of Canadian agricultural exports. We welcome the opportunity to engage in a lasting and meaningful discussion of how innovation and technology can support hemp export growth.