



HEMP FEDERATION IRELAND

April 4th 2019

DAFM Response document

1.

There is extensive and ongoing global research into hemp. Despite decisive evidence of environmental potentials consistent with **WHO** guidelines, **UN** Sustainable Development Goals, new **CAP** policy objectives, and the objectives of a range of current and pending **domestic climate policy** instruments, DAFM has conducted no research on the crop for almost two decades and has no plans to do so into the future. There are also no plans within DAFM's other agencies, or across government departments and agencies more generally, to explore the economic, environmental and social potentials of hemp.

- **Despite the extensive knowledge and expertise available within the Irish stakeholder group, there has been no consultation with Irish hemp farmers and businesses and there is, we are given to understand, no appetite to consider the future of the Irish hemp industry from the perspective of `Irish stakeholders.**
- **There is consequently a very poor understanding across Irish state agencies of how the Irish hemp industry functions, how it should be developed, how it should be regulated and where it fits into domestic and international economic and social policy infrastructure.**

While we are familiar with the arguments you put forward around difficulties with getting the product to market these arguments remain unsupported by relevant data or by any other form of elaboration while at the same time there are examples of very successful development of domestic capacities elsewhere.

Huge economic and employment opportunities are being lost because the institutions of the state don't understand *where* the significance of the Irish hemp industry lies relative to shifting European and global market potentials.

The Department must admit that it does not have the knowledge and expertise within its

agencies to direct the development of the Irish hemp industry in appropriate ways. Its perspective and information are outdated and inaccurate as the Department's communications with the Oireachtas Committee on Public Petitions demonstrates; (please see the attached).

- **In the interests of fairness, if there is no appetite to engage with Irish stakeholders, a rationale for the DAFM's position should be offered relative to environmental potentials, in the context of international and domestic climate policy objectives and, with reference to the specific economic potentials of the Irish industry.**

While it remains impossible to find anyone outside of the hemp industry to have an informed discussion with, **we suggest that a round table forum, to include regulators and other relevant bodies should be hosted by DAFM** - this would facilitate knowledge transfer and would also be in keeping with the principle of informed policymaking on the government side.

2.

We observed how barriers maintained by various state agencies generate instability and obstruct the development of essential supply chains while the Department points continuously to the lack of a supply chain as the cornerstone of its justification for not supporting the industry. Ad hoc enforcement of shifting EU regulatory guidelines (which are often factually inaccurate) further underpin such barriers while the state's continuing regulation of hemp as a narcotic substance contravenes WHO directives and offers further impediment to the development of supply chains.

We ask the Department to acknowledge that it is now more than two years since the Oireachtas Committee first asked you to compile a report on the feasibility of developing the Irish hemp industry and that the Committee has still not received this report. We would ask the Department to acknowledge also that Minister Harris's office is in talks with Pharmaceutical Companies in relation to the provision of Medicinal Cannabis and that these powerful entities have a significant interest in how the Irish government positions the Irish hemp industry. Therefore, given that Minister Harris's department has also not sought the views of the Irish hemp industry, we would ask the department to acknowledge that DAFM's delay in meeting the request of the Oireachtas Committee is a highly significant (and potentially decisive) factor in disabling the Irish hemp industry.

We drew your attention to the following

- the absence of hemp as a category in subsidy portals hosted by DAFM - even though subsidies apply to the crop
 - ***we urge the Department to add hemp as a selectable category on its databases without delay***

- a licensing period which severely disadvantages the Irish industry relative to the UK, Northern Ireland, EU, and global counterparts
 - ***we urge the Department to petition the Department of Health to review and amend this limitation without delay***

- regulatory constructs which function to deter farmers from growing hemp
 - ***We urge the Department to petition the Department of Health to review the tone and the language used on hemp licensing forms without delay so that the licensing procedure acknowledges normal agricultural activity rather than the present construction which amplifies narcotic associations.***

- unworkable requirements governing trade relationships between farmers and processors
 - ***Present requirements are so unfair that they are a significant barrier to the growth of the industry and, as they were implemented as a measure to prevent 'farming for subsidies' under a previous CAP arrangement which no longer applies, we urge the Department to petition the Department of Health to review it and to petition Minister Hogan to work for its removal at EU level so that it is not a deterrent under the new CAP arrangements.***

- problems with accessing insurance/ problems with accessing financial services and mechanisms/problems with accessing advertising and marketing platforms etc
 - ***These difficulties are again produced by the hemp crop being regulated as a controlled substance although it is an agricultural crop with no narcotic value (we again draw your attention to WHO guidelines).***

We also drew your attention to the fact that there is no access to state grants if Irish people choose environmentally beneficial hemp building products to retrofit their homes - for example, environmentally damaging building/insulation materials must be used to avail of government grant aid. The argument put forward by you that the state has no choice in this because the entire construction industry could not be replaced by hemp-based construction processes overnight does not make any sense. We drew your attention to the extraordinary levels of carbon emissions produced by the Irish construction industry and the considerable advantages of using hemp construction materials (hempcrete/ hemp wood/ hemp fiber-board/ hemp insulation).

3.

We gave you a summary outline of the current state of the Irish hemp industry: we referenced the huge growth in Irish market demand for hemp products - the flood of imported products which could be produced locally - the premium prices being paid for imported products - the rising numbers of small farmers interested in (and deterred from) growing the crop and, the demand from Irish distributors for Irish produce.

We highlighted that the prices offered to farmers per acre for hemp are substantially more than the top income potentials per acre from beef and dairy production. The crop is worth as much as 120,000 Euro per hectare of hemp for CBD production and 'the stalk alone is worth double the value of a hectare of quality corn'. We drew your attention to the plight of high-quality domestic farmer-producers in rural Ireland who are turning down lucrative contracts to supply international retail-chains with Irish grown hemp food produce.

We then referenced the rise in the acreage under hemp cultivation in Ireland since 2016 - the rise in the number of individual hemp licenses granted over the same period - the rise in profitability of Irish-owned hemp businesses - the rise in employment in the Irish sector - the rise in investment in hemp-specific machinery and technologies - the growth in new product development - future employment potential in the Irish sector - expansion potentials if a supply chain existed.

Given the lack of state support to date, the Irish hemp industry is perilously underdeveloped relative to EU counterparts and added protection is required to support its vast economic potential;

- Producer and processor incentives are needed to underpin an incubation period until markets and supply-chains are mature enough to support market-led growth.
- Measures are required to educate and inform the public and to promote European and global market penetration of Irish hemp products.
- A new regulatory framework capable of protecting the domestic supply chain is essential,
 - "climate-wise" supply chains to enable transition toward fully integrated farming and industrial practices consistent with environmental ethics and capable of realising climate policy objectives

The development of new agricultural systems capable of realising Ireland's climate transition goals must be supported by financial mechanisms to enable Irish farmers to deliver on environmental policy objectives.

4.

We noted that the EU policy framework has not kept pace with more agile Western economies and this has severely disadvantaged the EU hemp industry. We drew your attention to the fact that early policy perspectives in the international field are now being rethought in more advanced economies. **There is a growing realisation that corporate-facing policy and regulatory interventions are out of step with the spirit of the collective environmental effort which international and domestic policies are now positioned to encourage.**

Corporate facing policies have not supported sustainable development pathways; have mitigated against small high-quality producers; have compromised the integrity of domestic supply chains and have systematically directed the profits of agricultural labour to corporate and industrial actors rather than to farmers and local communities.

Corporate facing policies are out of alignment with UN Sustainable Development Goals, new CAP policy objectives (particularly with regard to smaller farms and rural economic development) and they are not aligned with the objectives of a range of domestic climate policy instruments.

In the US, for example, industrial hemp will come under the control of the Department of Agriculture, while narcotic grade cannabis will remain under the control of their HPRA equivalent - this move acknowledges that hemp is an agricultural crop with no narcotic value, it positions the crop at a remove from the main sphere of influence of corporate pharmaceutical, tobacco, and drinks companies and places it in its proper relation to the local farming economy. All of which aims to reverse the negative environmental, socioeconomic and supply chain impacts of less sophisticated policy perspectives.