

CANADIAN HEMP TRADE ALLIANCE

\$1 BILLION BLUEPRINT

European Union Commission
Common Dialogue Speech
Canadian Industrial Hemp Industry

26 April 2021

WHO IS THE CANADIAN HEMP TRADE ALLIANCE?

The Canadian Hemp Trade Alliance (CHTA) is a federally-registered not-for-profit corporation. It was incorporated in 2003 and has developed a strong membership base and program of work. The business of CHTA is directed by the Board of Directors and implemented by management with the support of committees.

Vision

CHTA will become the “go to” organization for industry, government, and consumers looking for expertise and insight into Hemp Food, Fibre, Feed and Fractions in Canada, creating a \$1B industry by 2023.

Purpose

To champion a diverse and robust Canadian hemp industry which benefits all stakeholders along the value chain.

FIVE PILLARS OF \$1B HEMP INDUSTRY BLUEPRINT

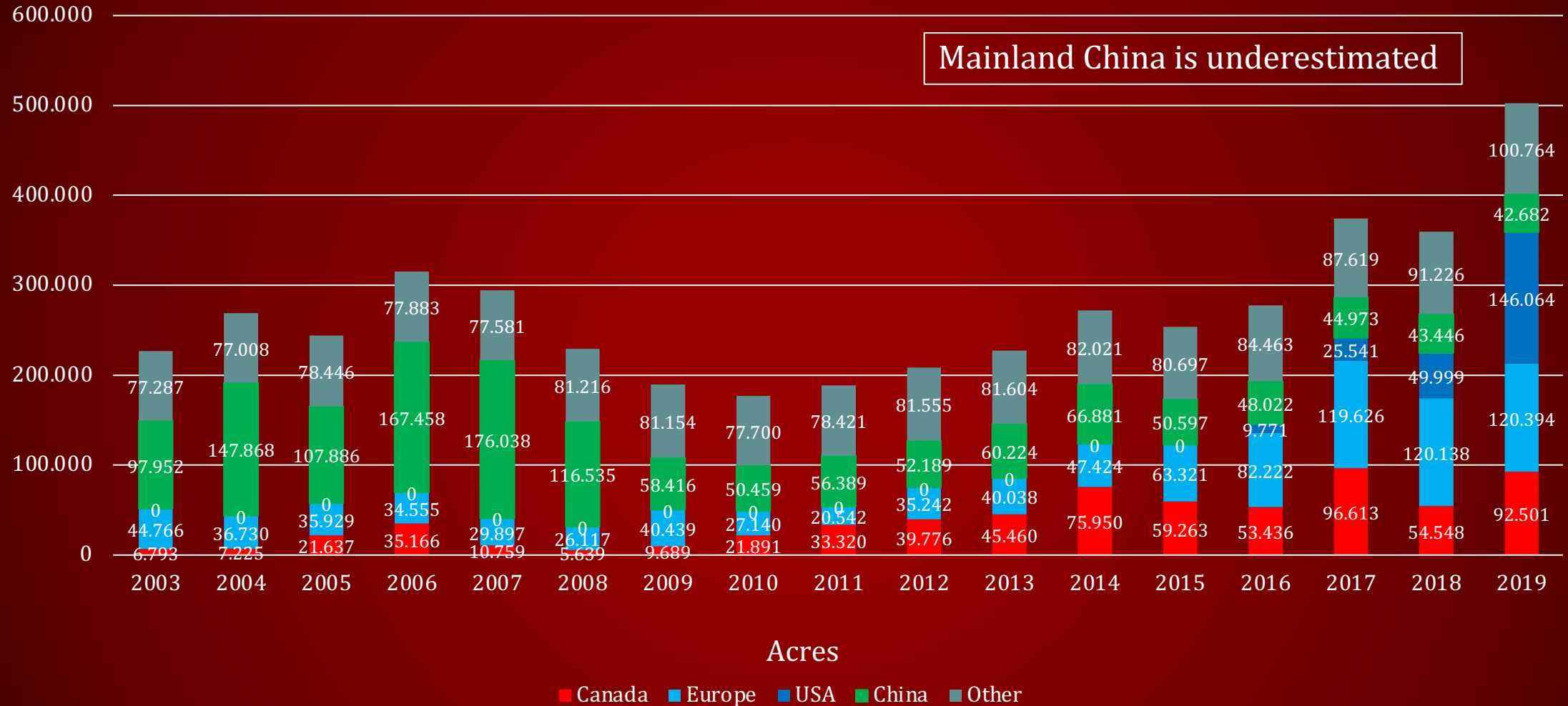
- Farming – genetics, agronomy, regulatory, and industry alignment issues need to be addressed;
- Food – well developed in Canada, still growing, developing standards, domestic and export food ingredient opportunities;
- Feed – need regulatory approvals with CFIA;
- Fibre – lots of interest, but need critical mass to attract decortication and value-added capital investments; and,
- Fractions – regulated in detail by the current Cannabis Act and Industrial Hemp Regulations

BLUEPRINT FOR A \$1 BILLION HEMP INDUSTRY

1. Enable all five pillars (farming, food, feed, fibre and fractions) through research, education and market development.
2. Influence cannabis policy and regulation to liberalize hemp-derived low-THC cannabinoid (CBD) marketing and sales.
3. Establish standards for the industry - seed, food, feed, fibre and fractions.
4. Create a stable funding platform for industry development
 - Cooperate/collaborate with future PRA
 - Establish strategic relationships (eg. DFCC, PIC, and Provinces)
 - Enhance member funding resources
5. Maintain Long Term International Strategy and Strategic Business Plan.

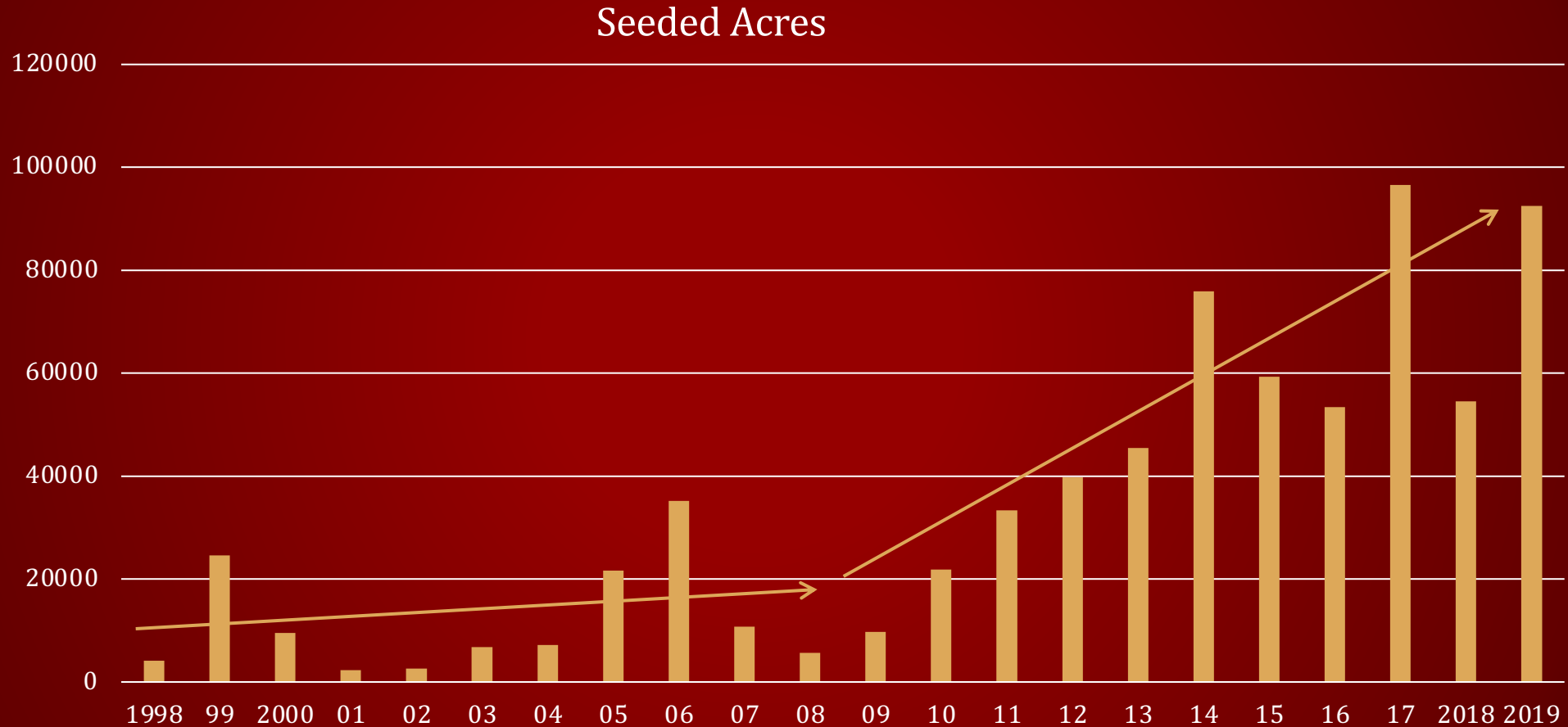


HEMP IS GROWING WORLDWIDE... PROPELLED BY FOOD, FEED, FIBRE AND FRACTIONS



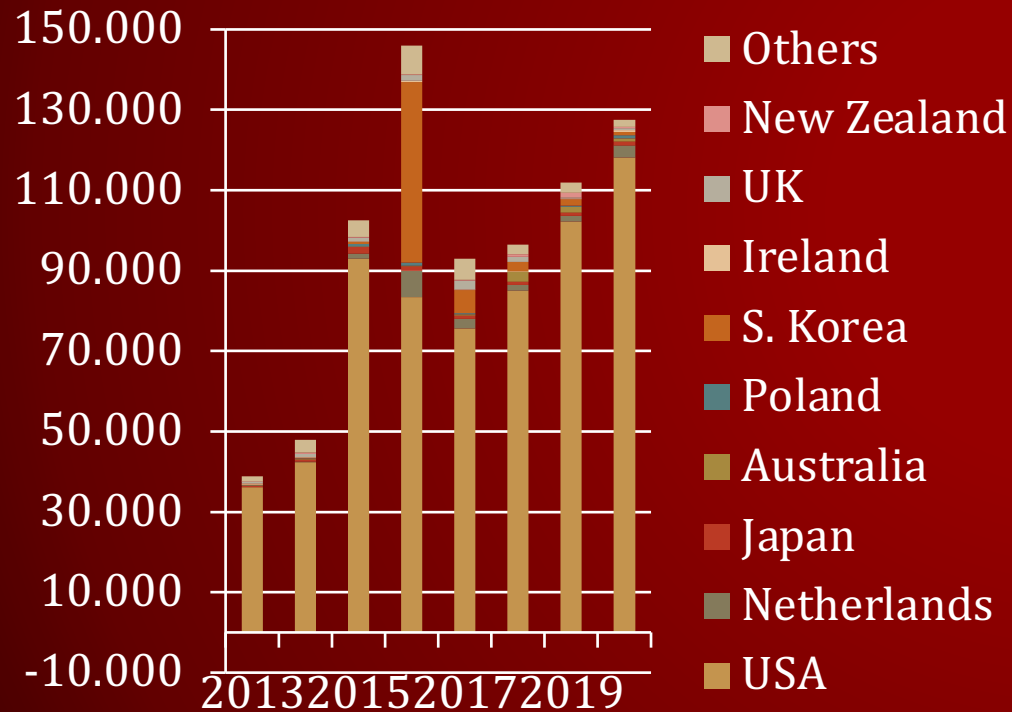
...by seizing the value of the whole hemp plant

HEMP IS EXPANDING IN CANADA... PROPELLED BY FOOD MARKET DEMAND

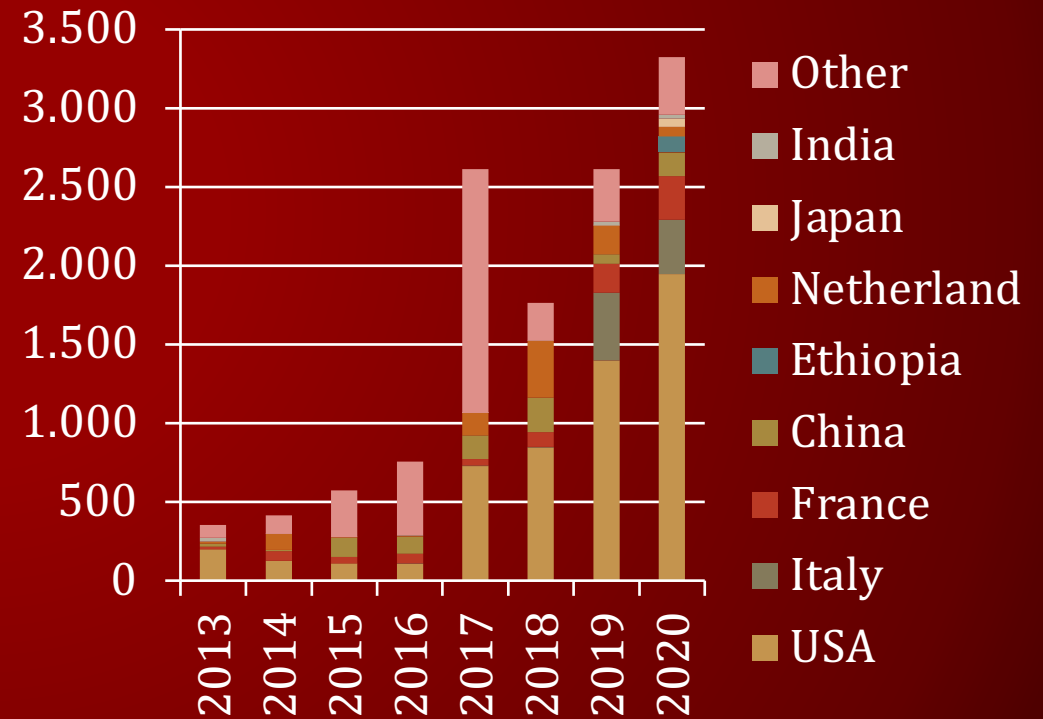


CANADIAN HEMP TRADE 2013-2018

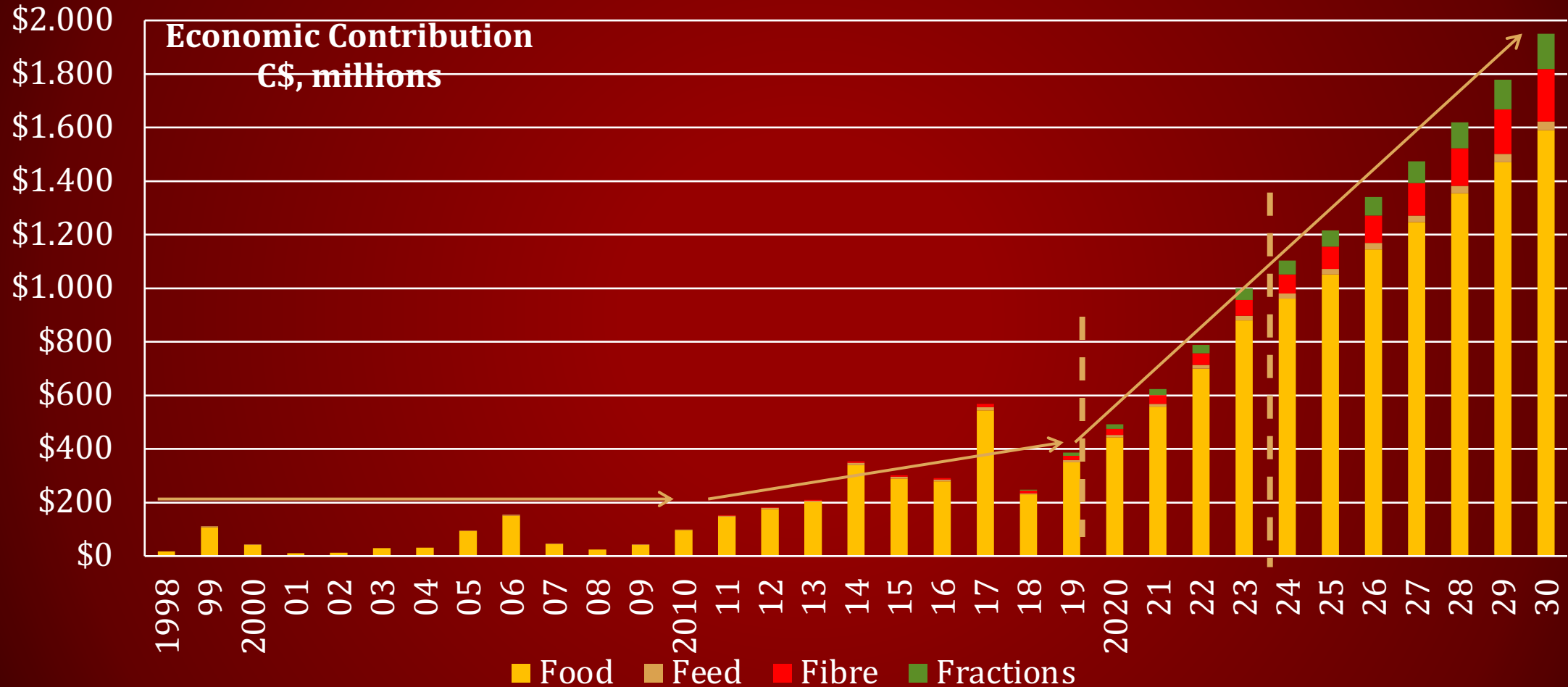
Exports (C\$ '000)



Imports (C\$ '000)



GROWING A \$1B HEMP INDUSTRY BY 2023: DOUBLE AGAIN BY 2030



...by seizing the value of the whole hemp plant

COMMERCIAL PRODUCTION

Annual Output (Tonnes)	2019 Baseline	2023 Goal	2030 Vison
Seeded Hectares	37,400	94,400	182,200
Pedigreed Seed (Sowing)	1,800	4,700	9,600
Organic Seed	5,800	15,600	30,200
Conventional Seed	24,200	53,800	79,300
Livestock Feed	15,500	36,700	61,000
Straw/Fibre	25,600	91,500	276,600
Chaff/Biomass	5,100	16,700	46,300
Total	78,000	219,000	503,000

TREMENDOUS ECONOMIC CONTRIBUTION

Annual KRIs	2019 Baseline	2023 Goal	2030 Vison
Seeded Hectares	37,400	94,400	182,200
Export Sales (C\$, m)	112	230	778
Domestic Sales (C\$, m)	148	441	530
Total Sales (C\$, m)	260	671	1,308
Jobs (FTE)	2,500	5,700	11,300
Payroll (C\$, m)	178	459	895
Annual Invested Capital (C\$, m)	100	259	505
R&D Investment (C\$, m)	13	34	65
Economic Contribution (C\$, m)	387	1,000	2,000

Canadian Hemp Regulations

CANADIAN REGULATIONS: CANNABIS AND HEMP

- The Canadian hemp industry is regulated by the Government of Canada – Health Canada.
- Cannabis Act (Bill 45) of 2018 specifies all regulations covering the production, storage, transportation, sale, and processing of hemp and cannabis.
- Most hemp-related activities are exempt from Cannabis regulations, and are controlled under the Industrial Hemp Regulations (IHR).

CANADIAN HEMP REGULATIONS: HEMP SEED FOR FOOD

- Farmers sell hemp seed to Canadian hemp food processors.
- Farmers may also export hemp seed, once they obtain a Health Canada export permit.
- Hemp food processors, buying viable hemp seed, must obtain a Hemp Processing License.
- All processed hemp foods (dehulled seed, hemp seed oil, protein concentrate, and toasted hemp seed) can be sold in Canada and exported without a license.
- Hemp foods must contain less than 10 ug/g total available delta-9-THC.
- In 23 years of commercial production, there has never been a recorded human or animal health issue. Canadian hemp food is safe.

CHTA Policy and Regulatory Priorities

Smart Regulations: Domestic

Low-THC Hemp Products: Domestic Retail Sales without Cannabis Act or IHR Licensing

Low-THC Hemp Extracts: Sales to Domestic NHP and Hemp Processor w/o Cannabis Act or IHR Licensing

Regulatory Oversight: Move from Health Canada to Agriculture and Agri-Food Canada

Hemp Foods: Implement Random Sample THC Testing

Low-THC Hemp-Derived Products: Excise Tax Exemption

Hemp Chaff: Regulate as an Agricultural Product under the IHR

Hemp Chaff: Allow Domestic Sales without Cannabis Act or IHR Licensing

Genetically Edited and/or Genetically Modified Cannabis and Industrial Hemp Cultivars

CHTA Policy and Regulatory Priorities

Smart Regulations: Trade

Low-THC Hemp Products: Allow Export Sales to Non-Medical and Non-Research Markets

Hemp Chaff: Allow Export Sales with IHR Permits

THE FOUR FACES OF HEMP:

- Food
 - Dehulled Hemp Seed
 - Hemp Seed Oil
 - Hemp Protein Concentrates
 - Toasted Hemp Seed
- Feed
- Fibre
- Fractions



FOOD: DEHULLED HEMP SEED GOT IT STARTED

- Becoming mainstream
- Here are four products, from three different suppliers
- Branded products are from CHTA member companies
- Private label product on right is store brand product



FOOD: HEMP SEED OIL IS ALL ABOUT HEALTH!

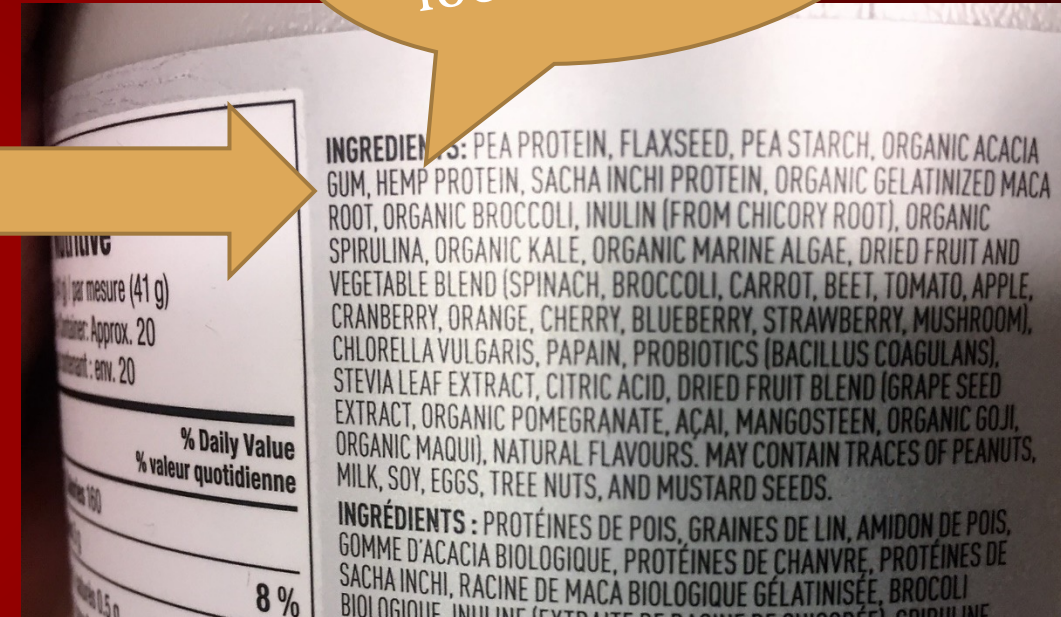


Nutrition Facts	
Valeur nutritive	
Per 1 tbsp (15 mL) / pour 1 c. à soupe (15 mL)	
Amount	% Daily Value
Teneur	% valeur quotidienne
Calories / Calories	121
Fat / Lipides	13 g
Saturated / saturés	1 g
+ Trans / trans	0 g
Polyunsaturated / polyinsaturés	10 g
Omega-6 / oméga-6	8 g
Omega-3 / oméga-3	2 g
Monosaturated / monoinsaturés	2 g
Cholesterol / Cholestérol	0 mg
Sodium / Sodium	0 mg
Carbohydrate / Glucides	1 g
Fibre / Fibres	0 g
Sugars / Sucres	0 g
Protein / Protéines	0 g
Vitamin A / Vitamine A	0 %
Vitamin C / Vitamine C	0 %
Calcium / Calcium	0 %
Iron / Fer	0 %

...has the optimum Omega 6-
Omega 3 balance with low
Saturated Fat content
...additional claims require
research

FOOD: HEMP PROTEIN IS VERSATILE

Hemp Protein a highly desired food ingredient



...alternative to animal, whey and soy protein supplements
...food processors are looking for new ingredients.

THANK YOU!

End