



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories  
**Director**

Brussels,  
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**MINUTES** of the meeting of the  
**Expert Group for Agricultural Markets, in particular concerning aspects falling  
under the CMO Regulation – Subgroup: Arable Crops and Olive Oil**  
and the  
**CDG Arable Crops – Cotton, Flax and Hemp Sectors**  
organised by videoconference on 26 April 2021  
**Part I: Production of Hemp and Market Opportunities**

Chairs: Ms Silke BOGER (European Commission) and Mr Max SCHULMAN (Cogeca)

Delegations and organisations present:

- All Member States were present, except CY, MT, RO and SK.
- All organisations were present, except CEPM, EuropaBio, EEB, EFFAT, IFOAM, Fertilizers Europe and Birdlife.

### **1. Approval of the agenda**

The agenda was approved without changes.

### **2. Nature of the meeting**

The meeting was public and web-streamed. It consisted of eight presentations clustered around three major themes: a. the hemp food market; b. bio-economy; and c. international examples. Member State representatives, actors working in the hemp sector and the general public attended the meeting. A chat function was available for the speakers and the attendees to ask questions and exchange views. Each theme was followed by a dedicated questions and answers session.

### **3. List of points discussed**

#### **Introductory remarks by Ms Silke BOGER on behalf of the European Commission**

The Chairwoman welcomed the speakers and the participants to the first part of the exceptional GREX-CDG event dedicated to the hemp sector. She underlined that

industrial hemp has been part of the Common Market Organisation since the 1970s and that there are several tools and instruments to support the sector.

According to available data, 35,000 hectares of hemp were cultivated in the EU in 2019. The potential market outlets go beyond food and feed to construction materials and bio-plastics, while hemp has multiple environmental benefits, such as high carbon sequestration capacity and a positive impact on soil health. In this context, the Commission is interested in receiving more information from the sector on its most recent developments, its economic model, possible opportunities and contribution to the objectives of the European Green Deal.

The Chairwoman referred to the ruling of the European Court of Justice (ECJ) dated 19 November 2020 on CBD, on the impact of which a more in-depth discussion will take place during the second part of this GREX- CDG event, planned to take place in the second half of 2021.

### **Introductory remarks by representative of Copa-Cogeca's Working Party on Flax & Hemp**

The representative of Copa-Cogeca offered a brief overview of the history of hemp dating back to 8000 B.C. At the start of the 20<sup>th</sup> century, hemp was one of the most widely cultivated plants until the US levied a tax in 1937 that limited its cultivation.

The speaker reported that world production in 2016 was approximately 100 000 ha, with half of it being grown in China, followed by the EU with 33 000 ha where hemp is used mainly for paper, construction, food and the automobile sectors. In 2019, world production rose significantly and reached 275 000 ha with food, composites and textile featuring as the more predominant outlets. Hemp is grown everywhere in Europe, with France being the largest producing country in terms of cultivated area, followed by Italy, Romania, Germany and Poland.

The representative of Copa-Cogeca highlighted the multiple environmental benefits of hemp and its contribution to a sustainable development (locally grown plant, high carbon sequestration capacity, low use of phytosanitary products, no irrigation, zero waste), that make this crop fully aligned with the Green Deal's objectives. The speaker underlined that the social, economic and ecological benefits linked to hemp cultivation are intertwined as this crop combines the respect for resources with the preservation of local employment in rural areas.

On the multiple uses of hemp, the representative of Copa-Cogeca:

- The large variety of food products that can be obtained from hemp, both as an ingredient or as a final product, and touched upon the multiple nutritional benefits of hemp (i.e. GMO-free, gluten-free, lactose-free and allergen-free). In his view, the seed is a healthy food suitable for all diets, including vegetarian and gluten-free diets and is rich in essential fatty acids, ideal ratio between Omega 3 and Omega 6, minerals and vitamins.
- The multiple benefits of the use of hemp fibre in manufactured goods: weight reduction of composites, renewable fibres and recyclable or compostable plastics.

The representative of Copa-Cogeca called for the establishment of a European market observatory in order to monitor hemp prices and other market related data as well as

to take stock of the latest investments in safe cutting-edge technologies used by the sector, for example, for the harvesting of hemp.

<b>1<sup>st</sup> theme: The hemp food market and the production of hemp food: examples from Member States</b>
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#### **a) Feedback from the German hemp food market**

*Speaker: Representative of the European Industrial Hemp Association - EIHA*

The representative of EIHA underlined the importance of reliable data on hemp and hemp-derived products at the EU level. EIHA emphasised the challenges faced by the hemp sector and identified the legal framework as a major one (namely the lack of a definition of industrial hemp at EU level), as well as the limitation of marketability of hemp food due to how the THC limits are set at EU level. The speaker underscored the need to ensure a level playing field for EU farmers when competing with third country actors and the need for investments in harvesting and processing machines. EIHA reiterated the compatibility of hemp (a multi-purpose plant) with the objectives of the Green Deal as well as the unique nutritional benefits of hemp seeds.

The representative of EIHA welcomed the proposed reinstatement by the European Parliament of the THC level in the hemp plant at 0.3% in the context of the discussions on the CAP reform. EIHA expressed the view that the processing of hemp flowers need to be authorised, as these are not a narcotic substance, as resulting from the recent ECJ ruling on the Kanavape case, and called for the introduction of a common definition of hemp at EU level.

On maximum THC levels for hemp used as food, the representative of EIHA highlighted the need to work thereupon to ensure a level playing field with international actors, such as Canada, Switzerland and China, as well as to avoid national initiatives that risk undermining the single market, the profitability of the crop and the competitiveness of operators. The speaker advised against setting too strict or too loose approaches, in order to protect the EU single market.

#### **b) Hemp farming in Italy: hurdles and new opportunities**

*Speaker: Representative of Federcanapa,*

The representative of Federcanapa, the Italian interbranch hemp association, and two Italian farmers' organisations, Confagricoltura and Cia, clarified that the main objectives of these organisations are: promoting hemp production in Italy and representing hemp growers' interests.

The representative of Federcanapa provided an overview of the legal framework in Italy, especially with regard to hemp flowers, stressing the fact that the Italian legislation is ambiguous, as on one hand, hemp flowers are considered legal while, in the same time, being considered a narcotic substance. This discourages investments and results in low production and restrictions on the hemp cultivation. The speaker pleaded that farmers are allowed to use all parts of the plant, including flowers and leaves.

The representative of Federcanapa called on the Commission to harmonise the puzzle of divergent rules across Member States, which may create unfair competition, and the

development of new varieties that are optimal for the production seeds and CBD (in his view the existing varieties in the EU catalogue are adequate only for fibre production) and more adaptable to changing climatic conditions. The speaker argued that the maximum THC levels both in the hemp plant and hemp-based food products should be determined based on scientific research and not the precautionary principle.

The representative of Federcanapa expressed the view that hemp should play an important role in the Green Deal thanks to its high carbon sequestration properties and informed about sector's requests addressed to the Italian government to include hemp in the national CAP Strategic Plan as well as the recovery plans.

### **First questions and answers session**

- In relation to a question about the potential, in terms of market evolution, of the food market in the EU, it was clarified that currently there is a lack of reliable data but estimated that the hemp market in the EU could be as high as EUR 1 billion, under the condition that the current obstacles are removed.
- One participant welcomed the initiative of the Commission of organising this GREX-CDG event that can facilitate the work on setting a clear framework on maximum THC levels in order to have an internal market for hemp and hemp-derived products. The need for a Hemp Market Observatory as a venue to collect more reliable data about the sector has been reiterated.
- In reply to a question in the chat, the average income of a hemp grower was estimated at around EUR 500 per tonne by one participant while another participant was of the view that the average income varies based on the final product that the farmer is selling, i.e. could go from EUR 600 – 800 per tonne up to EUR 1500 per tonne.

<b>2<sup>nd</sup> theme: Hemp as a resource for the bio-economy</b>
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#### **a) Overview of the hemp construction materials market**

*Speakers: Representatives of CAVAC and IsoHemp*

The representatives of CAVAC and IsoHemp delivered a joint presentation on the hemp-derived products used in the construction sector in Europe, which is more than 30 years old. The main use of hemp in the construction sector are: hemp concrete blocks and hemp wool used as insulation. Today, there are 50,000 m<sup>3</sup> of hemp concrete produced per year. The speakers highlighted that the goal is to further increase the use of hemp-derived products in the construction sector but for this the regulatory framework needs to evolve and quality labels need to be established.

As far as the strengths of hemp-derived products in the construction sector are concerned, these include environmental and health benefits (i.e. the reduced need for air conditioning and heating, it is an organic product that helps to keep the humidity under control) as well as construction specific advantages (i.e. use of lightweight, durable, reusable and fire resistant materials). In addition, hemp wool used in insulation is easy to install. In France, hemp wool for insulation is used for offices and schools and represents 8% of the market.

The presentation included details on the cycle of hemp-products in the construction sector and examples of building across the EU using hemp-based construction materials. These buildings could be constructed in situ or assembled in situ using components made in a plant with a different location. The speakers highlighted that the performance of these building has always been good.

Finally, the speakers called for the recognition of the recyclability of the hemp-based construction materials at the end of their life and a change in the calculation of the hemp concrete hydrothermal performance.

## **b) Hemp textile and technologies in France and Poland**

*Speakers: Representatives of InterChanvre and Ekotex*

The representatives of InterChanvre and Ekotex delivered a joint presentation on the hemp used for the textile market and the related technologies used in France and Poland.

The representative of InterChanvre indicated that France is providing 80% of the hemp seeds used in the EU and argued in favour of maintaining the current 0.2% THC limit. Concerning the use of hemp for the textile market, InterChanvre presented the three existing technologies: the 100% long fibres hemp, the “cottonised” hemp with 20-30% hemp and other fibres and the cellulosic. The speaker illustrated the process and steps used in the context of each of the aforementioned technologies.

The representative of Ekotex presented the latest developments on the use of hemp in the textile industry in Poland. The speaker pointed out that in 2019 only 30% of the 25 million tonnes of fibre produced at world level were natural. The speaker considered that in a context of increased demand, with cotton production having reached its maximum levels, the changing weather conditions (especially droughts) limiting flax cultivation in many regions, and an increased concern for the environmental responsibility entailing restrictions for the production of synthetic fibres, hemp might become an important alternative source of raw material for the textile industry. Currently in Poland, there are two producers of long hemp fibres and three producers of short hemp fibres. Poland has a long tradition of hemp production. Recently some notable technological developments took place, for example the first plantation of hemp for long fibres production (Polish variety of Bialobrzeskie) in 2019, the introduction of machines for hemp straw cutting and turning during retting and the first plantation of hemp for short fibres production for dry spinning in 2020. In 2021, new machines for harvesting, scuttling lines, pre-carding and decortication are in the process of being developed.

## **c) Plastics processes: what benefits for the environment?**

*Speaker: Representative of Automotive Performance Materials (APM)*

The representative of APM made a presentation on the use of hemp for the production of plastic for the automotive industry. Starting with the harvesting and transformation of hemp, the speaker explained the different steps needed in order to incorporate the hemp fibres and plastics using specific know-how developed over the last 20 years. While the hemp plant is multi-purpose and all its parts have significant attributes, hemp hurds and hemp fibres are most useful for the production of plastics. The

speaker provided a technical description of the different combinations of hemp and plastics developed for the automotive industry.

As far as benefits from the large-scale use of hemp-based bioplastics are concerned, the representative of APM listed the reduction of CO<sub>2</sub> emissions and fuel consumption for vehicles. Moreover, the plastics made of hemp are recyclable and thus part of the circular economy. The speaker expressed hope that the combination of hemp with plastics can be the solution for less and better plastics.

## **Second questions and answer session**

One participant argued in favour of the reinstatement of the THC levels at 0.3% and underlined the importance of guaranteeing a genetic patrimony of hemp varieties adapted to specific climate and soil conditions. It was underlined that the existing EU limits are below those of the international competitors such as Switzerland (1%) and Canada (0.3%) and expressed optimism in relation to the acceptance by the Council of the European Parliament's proposal on the 0.3% THC limit. The participant called on the Member States to facilitate the rebirth of the hemp sector through its inclusion in the recovery plans and the CAP Strategic Plans. In addition, the participant underscored the need to support financially the value chain of the textile industry through investments and other horizontal measures facilitating the development of new decortication lines (still largely missing in the EU) and the uptake of new technologies.

In relation to a question on the sources of about raw materials and how easy (or difficult) is to secure them from the domestic production, one participant replied that better access to EU grown hemp has been secured since becoming part of a joint venture with agricultural cooperatives. Another participant explained that his organisation works in close collaboration with different hemp growers in different countries of the EU.

### **3<sup>rd</sup> theme: International examples**

#### **a) Hemp in Switzerland: overview of the regulatory framework**

*Speaker: Representative of Swiss Interbranch Hemp Association*

The representative of Swiss Interbranch Hemp Association presented the on-going discussion in Switzerland on several legislative proposals linked to hemp, which will be voted on the 13 June 2021. The future of hemp-related legal framework in Switzerland will be decided through pilot trials carried out in 2022 and a parliamentary initiative scheduled for 2023-25. As of 1 January 2021, the Swiss Federal Office has removed the obligation to cultivate hemp from the EU Catalogue of Varieties, thereby paving the way for the cultivation of more cannabis-like strains with up to 1% THC and higher CBD yields. The speaker explained that the rule on THC level up to 1% was voted in 2011 because the authorities understood that it is very difficult to grow hemp with 0.2 or 0.3% THC due to specific geographical and climate condition in this country. Hemp-based food is not considered a novel food (as is the case under the EU framework) while the main use of CBD is medical. The control around the medical use takes mostly the form of auto-control.

Currently, the market focus in Switzerland is on hemp/cannabis flowers that people smoke or vaporise. Hemp-based food and cosmetics are on the market but come from

abroad. The area cultivated with hemp is quite small (200-300 ha) and intended mainly for the production of CBD and not for the production of industrial hemp. The development of the hemp industry has led to job creation, innovation and new applications.

## **b) Hemp in Canada: overview of the regulatory framework**

*Speaker: Representative of Canadian Hemp Trade Association*

The representative of Canadian Hemp Trade Association outlined the five pillars of the CAD 1 billion Canadian hemp industry: farming, food, feed, fibre and fractions (i.e. extractions).

In Canada, the expansion of hemp sector is supported by the food market demand and trade opportunities. In terms of exports (amounting to CAD 130 million per year), US is the main exporting destination. The EU, Asia and Oceania are also important markets. The imports (amounting to CAD 3 million per year) concern food, hemp oil and protein, whole seed and fibre products. The Canadian hemp sector is export-focused, with a significant contribution to the national economy and expected to boom in the next decade according to current estimates.

The representative of Canadian Hemp Trade Association presented the hemp-related regulatory framework in Canada. The speaker highlighted that Cannabis Act (Bill C45) of 2018 comprises all regulations covering the production, storage, transportation, sale, and processing of hemp and cannabis. Most hemp-related activities are exempted from Cannabis regulations, and are controlled under the Industrial Hemp Regulation (IHR). Since 2018, Canadian farmers are allowed to collect and use hemp flowers. Hemp-based food processors, buying viable hemp seed, must obtain a Hemp Processing License. All processed hemp-based foods (dehulled seed, hemp seed oil, protein concentrate, and toasted hemp seed) can be traded in Canada and exported without a license. Hemp-based foods must contain less than 10 ug/g total available delta-9-THC.

The speaker indicated that in more than 20 years of experience, there has never been a report of a human or animal health issue from hemp-based food in Canada.

### **Third questions and answers session**

In reply to a question from the chat, it was confirmed that the processing of press oil is possible in Canada. Farmers and manufacturers can process press oil as they are exempted from the cannabis act but they need an industrial hemp licence.

The discussion covered a question about the importance of the organic hemp-based food market in Canada. The reply clarified that currently 40% of hemp is organic so this market is important. The goal is to reach a 50% share by 2030.

One question concerned the methodology of controls on the THC limits in food and if there is a standardised analytical method for THC determination in Canada. The speaker indicated that all hemp-based food in Canada must be tested for the THC level set by the Ministry of Health. There used to be a single and regulated procedure for establishing THC levels but starting 2018 the Ministry of Health accepts analyses from any validated methods or procedures carried out by pre-approved laboratories.

One participant highlighted the need for a harmonised EU legislation and called for hemp to be supported with adequate instruments under the future CAP so that young farmers feel motivated to grow it. He insisted on the need to reinstate the THC level on the field to 0.3% and even increase it further to allow the breeding of new varieties, more adapted to the different Member States' needs.

Another participant highlighted that the Ministry of Agriculture in his country issued a note claiming that inflorescences should be considered as narcotics, although the ECJ expressed an opposite view in its last year ruling. He urged the national authorities of his country to wait for the harmonisation of the hemp-related legislation at EU level in order to avoid that farmers are negatively impacted.

#### **4. Next meeting**

The second part of the GREX-CDG joint meeting dedicated to hemp will take place in the second half of 2021, the exact date and time will be communicated by DG AGRI.

#### Disclaimer

*"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."*

#### **5. List of participants – Annex**

(e-signed)

Michael SCANNELL



List of registered participants – Minutes

**Joint Meeting of the  
Expert Group for Agricultural Markets, in particular concerning aspects falling  
under the CMO regulation – Subgroup Arable Crops and Olive Oil  
and  
CDG Arable Crops – Cotton, Flax and Hemp Sector  
26/04/2021**

Member State	Ministry or Organisation	Number of persons
BE	Flemish Departement of Agriculture	2
	SPW Wallonie	1
BG	Ministry of Agriculture, Food and Forestry	1
CZ	Ministry of Agriculture	1
DK	Danish Agricultural Agency	2
DE	Bundesministerium für Ernährung und Landwirtschaft	1
EE	Ministry of the Interior	1
	Ministry of Rural Affairs	3
IE	Department of Agriculture, Food and the Marine	2
EL	Ministry of Rural Development and Food	2
ES	Ministry of Agriculture, Fisheries and Food	1
FR	Ministère de l'Agriculture	2
	FranceAgriMer	2
HR	Ministry of Agriculture	2
IT	Ministero delle politiche agricole alimentari e forestali	1
CY	-----	--
LV	Ministry of Agriculture	1
	Rural Support Service MoA	1
LT	Ministry of Agriculture	2
LU	Ministry of Agriculture	2
HU	Ministry of Agriculture	2
MT	-----	--
NL	Rijksdienst voor Ondernemend Nederland	1
AT	BMLRT	2
PL	Ministry of Agriculture and Rural Development	3
PT	MA-DGAV	2
	MA-GPP	1
RO	-----	--
SI	Ministry of Agriculture, Forestry and Food	1
SK	-----	--
FI	Ministry of Agriculture and Forestry	2
SE	Livsmedelsverket	1
	Statens Jordbruksverk	1

Member organisation	Number of persons
Bee Life	1
Confédération Européenne de la Production de Maïs (CEPM)	--
European agri-cooperatives (COGECA)	1
European Agroforestry Federation (EURAF)	1
EuropaBio	--
European Biodiesel Board (EEB)	--
European Coordination Via Campesina (ECVC)	1
European Council of Young Farmers (CEJA)	3
European Environmental Bureau (EEB)	1
European farmers (COPA)	10
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	--
European Landowners' Organization asbl (ELO asbl)	1
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	7
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	--
Fertilizers Europe	--
FoodDrinkEurope	9
Pesticide Action Network Europe (PAN Europe)	1
SACAR - Secrétariat des Associations du Commerce Agricole Réunies / Joint Secretariat of Agricultural Trade Associations (SACAR)	2
Stichting BirdLife Europe (BirdLife Europe)	--

Ad-hoc speakers	Number of persons
Automotive Performance Materials	1
Canadian Hemp Trade Association	1
CAVAC	1
COPA-COGECA	1
EKOTEX	1
Federazione Italiana Canapa	1
Hempro International GmbH & Co	1
InterChanvre	1
ISOHEMP	1
Phytogroup and Swiss Hemp interbranch association	1