

INDUSTRIAL HEMP

SECTOR PROFILE AT A GLANCE

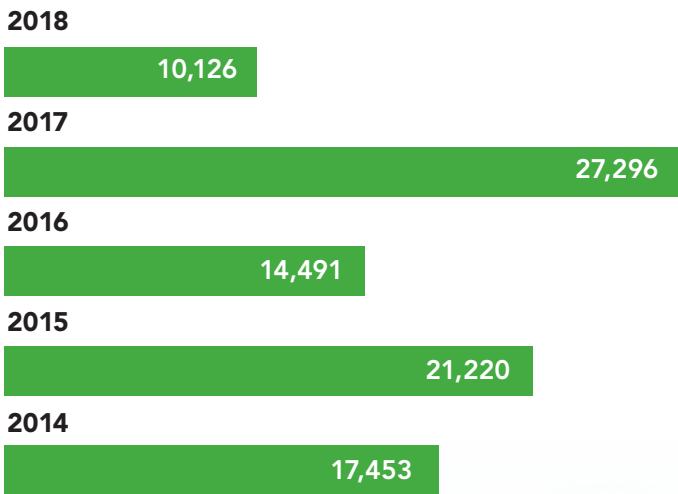
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Highlights

- Manitoba has been a leader in industrial hemp production and processing since hemp was legalized in Canada in 1998.
- Manitoba is home to major hemp food processors, including Fresh Hemp Foods and Hemp Production Services.
- In 2017, Manitoba exported 13,200 metric tonnes of hemp products worth almost \$65 million, with the primary destination being the United States.

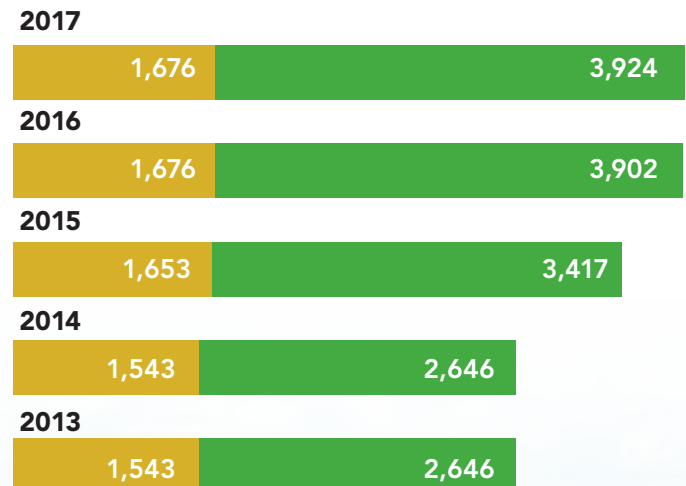
Production (seeded acres)



- Manitoba was the third largest hemp producer in Canada in 2017. Hempseed yield ranges from 270 to 540 kilograms per acre in Manitoba.
- Parkland Industrial Growers Cooperative Ltd., formed in 1999, provides a platform for producers to network and share information on hemp agronomy, breeding, handling, equipment and markets. It has developed and registered ten varieties for seed and fibre production.



Prices (conventional vs organic hempseed) (dollars per metric tonne)



Did You Know?

- Industrial hemp includes cannabis plants that contain 0.3 per cent tetrahydrocannabinol (THC) or less in the leaves and flowering heads.
- Health Canada regulates the importation, production, processing, possession, sale, transportation and delivery of industrial hemp.
- A licence from Health Canada is required for hemp production, hempseed processing and cannabidiol (CBD) extraction. However, hemp fibre processing is not subject to this requirement.
- With the legalization of cannabis in October 2018, licensed industrial hemp growers are allowed to harvest, store and sell hemp flowers, buds and leaves, which may contain cannabidiol.
- The Canadian Hemp Trade Alliance is a national organization that promotes Canadian hemp and hemp products globally and coordinates hemp research.
- Commercial production of industrial hemp in the United States has been legalized by the 2018 Farm Bill.

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Processing

- In Canada, industrial hemp is produced primarily to harvest the seed, with the fibrous hemp stalk being considered a byproduct.
- Manitoba has a strong industrial hemp sector, with processors including Fresh Hemp Foods, Hemp Production Services, Hempco, SWM Intl (fibre), Hemp Sense (fibre and seed) and Plains Industrial Hemp Processing (fibre).
- Fresh Hemp Foods, the parent company for Manitoba Harvest Hemp Foods (Winnipeg) and Hemp Oil Canada (Ste. Agathe), is the largest hemp processor in Canada, manufacturing shelled hemp seeds, hemp protein mix, hemp oil and other hemp-based food products.
- Hemp Production Services operates a hempseed processing facility in Arborg, Manitoba, offering contract manufacturing services for bulk hemp ingredients, including toasted hempseed, shelled hempseed, hemp protein powders and hemp oil.
- The fibre processors in Manitoba are working to convert hemp stalk to value-added bast fibre and pellets. SWM Intl operates a fibre mill in Carman, Manitoba, producing flax and hemp fibres for specialty paper.



Market

- Major markets for hemp seed and oil are natural health products, functional foods and nutraceuticals, food ingredients and personal care products.
- Hemp fibres are used to make textiles, ropes, twines, specialty paper, animal bedding and construction materials.
- While unprocessed hempseed is priced between \$0.60 and \$0.75 per pound for conventional seed or between \$1.20 and \$1.80 per pound for organic seed, hulled and packaged hempseed sells for around \$12.00 per pound (e.g., hemp hearts).
- The hemp food markets are expected to grow as consumers start to embrace the health benefits of plant-based protein and polyunsaturated fatty acids from hempseed.
- Hemp fibre markets are limited in North America, primarily due to the lack of supply. There is an established market for hemp hurds or pellets as bedding materials for pets and horses.

Export

- In 2017, Manitoba exported 13,200 metric tonnes of hemp products, including hempseed, oil, oil-cake and fibre, with seed and oil accounting for 61 per cent of the export volume.
- Manitoba exported \$65 million worth of hemp products to 17 countries in 2017, with the United States and South Korea being the top two markets. Other markets include the United Kingdom, Slovakia, Japan, Italy, Australia, New Zealand, Germany, Belgium, Ireland, South Africa, Costa Rica, Israel, Guatemala, Mexico and Chile.