

# Australian Food and Grocery Council SUBMISSION

1 FEBRUARY 2012

**TO:**

FOOD STANDARDS AUSTRALIA NEW ZEALAND

**IN RESPONSE TO:**

A1039 - LOW THC HEMP AS A FOOD



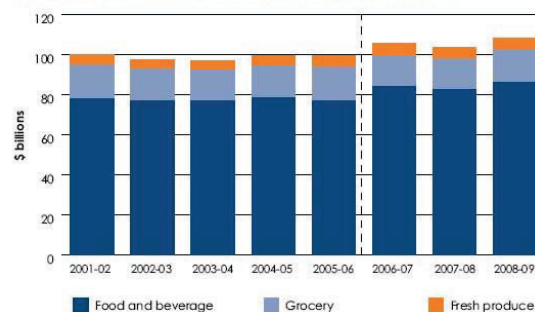
## PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 150 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.

With an annual turnover of \$108 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

Figure 4.1: Composition of the industry's turnover (\$2008-09)



Source: ABS, catalogue number 8221.0 and 8159.0

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector<sup>1</sup> is Australia's largest and most important manufacturing industry. Representing 26 per cent of total manufacturing turnover, the sector the second largest industry behind the Australian mining sector and accounts for over one quarter of the total manufacturing industry in Australia.

The growing and sustainable industry is made up of over 30,100 businesses and accounts for \$46 billion of the nation's international trade. The industry spends \$368 million a year on research and development.

The food and grocery manufacturing sector employs more than 312,000 Australians, representing about 3 per cent of all employed people in Australia, paying around \$13 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia<sup>2</sup>. It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

<sup>1</sup> Fast moving consumer goods includes all products bought almost daily by Australians through retail outlets including food, beverages, toiletries, cosmetics, household cleaning items etc.

<sup>2</sup> About Australia: [www.dfat.gov.au](http://www.dfat.gov.au)

PREFACE	2
1. INTRODUCTION	4
2. AFGC_HEADER_3LEVEL	<b>ERROR! BOOKMARK NOT DEFINED.</b>
2.1. SUB ITEM 1 (TAB TO INDENT TO NEXT LEVEL)	<b>ERROR! BOOKMARK NOT DEFINED.</b>

## 1. INTRODUCTION

AFGC welcomes the opportunity to make this submission to the Food Standards Australia New Zealand in response to the second assessment report on A1039 low THC hemp as a food.

It is noted that this application is similar to previous Application A360 which sought the approval of industrial hemp as a food and that the application was progressed as a novel food application. During the assessment of A360, FSANZ did not identify any safety concerns arising from the potential consumption of foods derived from hemp seeds or hemp oils.

While FSANZ recommended supporting A360, this was not accepted on grounds other than the safety of the product as a food, and in particular concern of the Ministerial Council that the use of hemp in food may send a confused message to consumers about the acceptability and safety of Cannabis and concerns from an enforcement perspective in regard to associated costs for testing foods, seeds and oils to ensure they met the low THC levels required.

The AFGC notes that the current application again recommends supporting the use of low THC hemp products citing no food safety concerns and considerable economic benefits for the food industry and regional communities that depend on these industries.

While supporting the rationale that hemp seed provides a safe and nutritious source of food with a significant value-add component from hemp fibre, the key issue would appear to be the concerns attributed to the rejection of the previous application rather than the evidence of safety and sound economic benefit. To this extent, the reference in the supporting documents that notes the varying Australian States and Territories arrangements that permits the cultivation of low THC hemp is relevant and also the recent developments internationally in the development of hemp and food industries.

AFGC supports Option 2C to permits low THC in whole hemp seeds and hemp seed products as food and considers that enforcement issues can effectively be managed through licensing arrangement for seed suppliers, system audits and the restriction of permission to sell hulled hemp seed rather than whole seed. Enforcement costs need not be prohibitive and the responsibility for regulatory compliance remains, as always, with the producer, manufacturer and retailer.

### **Recommendation:**

**AFGC supports Option 2C to permits low THC in whole hemp seeds and hemp seed products as food, recognising that this option maximises the potential use and value-add for businesses involved in the cultivation of hemp as well as providing opportunities for innovation and product development in the food industry.**

## 2. SPECIFIC ISSUES

### 2.1. HARMONISATION ON FOOD LAW

AFGC supports the comprehensive food safety and risk assessment undertaken by FSANZ under both A360 and A1039 which concludes that there are no safety concerns associated with the consumption of low-THC hemp foods, and that there has been a lengthy period of consumption of such products in Eastern European countries with no reported adverse reaction. Hemp oil has also been widely available for topical application as a cosmetic, again with not noted adverse reactions.

As noted in the supporting documentation, there are differences between the States and Territories in the arrangements that permit the cultivation of hemp. In particular, it is noted that Tasmania limits the maximum concentration of THC in a crop to 0.35% compared to a level of 1.0% in crops in other States.

The AFGC would be very concerned to ensure that if the proposed option is to proceed and permit the use of hemp seed and hemp oil in foods, that there is single national standard. If a maximum level for THC is to be prescribed in the Food Standards Code, this should be based on the evidence as to the maximum levels found in processed hemp seed under normal seasonal variation and with good agricultural practice in the majority of Australian states that prescribe a maximum level of 1% THC, particularly given that this is well within any safety concerns.

AFGC is also mindful of the potential implication for international trade and in introducing an amendment to the Food Standards Code to permit the use of hemp seed and hemp seed products in Australia, the maximum levels should not be set so low as to be unnecessarily trade restrictive.

Furthermore, given that the objective of establishing a joint Australia-New Zealand Food Standards Code is to harmonise the foods standards between Australia and New Zealand and to promote trade under the trans-Tasman mutual recognition agreement, consideration could be given to align the requirement of New Zealand and Australia in the use of hemp seed products as a food.

### 2.2. RESPONSES TO CONSULTATION QUESTIONS

The AFGC provides the following responses to questions raised in the FSANZ consultation paper:

- Are there any chemical safety concerns associated with the consumption of hemp foods?

The European Food Safety Authority Scientific Opinion on the safety of hemp (*Cannabis* genus) for use as animal feed, it is stated that:

*“... The hemp varieties allowed for cultivation in Europe need not to exceed 0.2 % THC (in dry matter; average of 2151 samples collected in Europe between 2006 and 2008: 0.075 %). Hemp seeds are practically free of THC (maximum 12 mg THC/kg). The THC lethal dose in acute toxicity studies in rats, mice and dogs is approximately 1000 times higher than the lowest doses known to reproduce typical THC-related symptoms in animals”<sup>3</sup>*

AFGC considers that the best available scientific evidence in Australia and internationally clearly shows there is no safety concern associated with the consumption of low THC hemp foods.

---

<sup>3</sup> EFSA Journal 2011;9(3):2011

- What is the nutritional profile of hemp foods?

Hemp seeds are a good source of certain oils, notably omega 3, 6 and 9. The composition by weight of hemp seed is quoted as 30-35% oil, of which 60% is present as linoleic acid and 20% is present as linolenic acid. These are important as linoleic acid is an omega-6 oil while linolenic acid is an omega-3 oil. Omega-3 and omega-6 oils are important from a dietary perspective.

There are alternative sources of omega-3 and omega-6 oils, such as from flax seed or from fish oils. Nevertheless, the production of hemp seed oil provides a viable and sustainable source of such oils relatively cheaply.

AFGC notes that the Dietitians Association of Australia supported the use of hemp seed (including the oil) based on its nutritional merit.

- Are there any other risks, in a food regulatory sense, relating to an approval of hemp foods?

Besides to obvious regulatory concerns about the management of cultivation, consideration may also be given to the regulatory management (licensing) of persons/companies involved in the harvesting, processing (de-hulling and oil extraction), and storage of hemp seed and hemp seed products.

Given that there are nutritional benefits, manufacturers or retailers marketing foods containing hemp products should be permitted to provide factual information about the nutritional content and use of hemp seed in the product, consistent with the provision of the Nutrient Content and Health Related Claims standard. Claims that are considered to be misleading or deceptive in relation to the use of hemp seed in foods would be covered under Australian Consumer Law and enforced by the Australian Consumer and Competition Commission.

- What are the potential impacts on stakeholders that may result from an approval of hemp foods, particularly on industry and government and law enforcement agencies?

The Australian Government has taken a conservative approach to the risk management options perceived to be necessary in allowing the development of a hemp industry. As a result, Australia has lost significant opportunity in export income, support of regional committees and employment and lost opportunity to engage and educate consumers about low THC hemp foods as a safe nutritional ingredient and that it is not associated with the mind-altering effects associated with cannabis.

Nevertheless, it is highly unlikely that there will be the same demand for low-THC hemp oil as there is for other major oil producing seed crops such as canola or sunflower oil, largely due to the higher production cost and the restrictive licensing requirements. Australia is not going to suddenly become a land of sweeping green plains of hemp production. The use of hemp oil is more likely to remain a niche-market product as an oil, used in small proportions as an ingredient in certain foods as a substitute for other sources of omega-3 and omega-6 oils.

The value of permission to use hemp products in food production for the hemp industry is not in the production of hemp oil per se, but as a value-add to other components of the industry most notably the production of hemp fibre. The permission for the use of hemp seed oil is considered by the industry to be vital in moving the industry from marginally profitable to sustainable and perhaps even profitable.

- Can the experience of international regulators, in countries where hemp foods are permitted, provide assistance in dealing with the issues identified in this assessment?

The experience of international regulators may be of assistance, but consideration should also be given to the context in which those countries manage not only agricultural production but also the relative costs of production and competition. Canada has the closest situation to Australia in economic and social settings, and has significant experience in both the regulatory and enforcement requirements as well as the necessary support for industry and the community. This is in contrast to Eastern European countries where the economic and social settings differ significantly and the experience of the regulators is unlikely to be comparable to Australia.

- Questions related to testing methods, sensitivity, capacity and cost?

These are matters that are best addressed directly by laboratories and kit suppliers.

- Would additional processing costs be incurred in order to achieve lower THC levels in hemp foods?

Hemp Seed Oil is extracted by 'cold pressing', a similar process to that used for production of flaxseed oil, almond oil and olive oil. Cold pressed oils retain volatile aromas are lost and the rate of oil oxidation is increased, producing therefore lower quality oils. The quality of the extracted oils depends on a number of factors, and the level of THC present in the cold pressed oil is the result of the levels present in the seed.

Cold press oil extracts do not rely on the use of chemical solvents (such as hexane) and therefore it is unlikely that there is the ability to differentially fractionate the oil to remove or reduce the levels of THC. In order that consistent quality and colour of product, batches of oil may be blended from time to time.