



Health Canada Santé Canada

**Industrial Hemp Licencing and Authorization  
Statistical Summary  
July 2002**

**Office of Controlled Substances  
Drug Strategy and Controlled Substances Programme  
Healthy Environments and Consumer Safety Branch**

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# Office of Controlled Substances

## Report on Industrial Hemp Licences

### July 2002

#### **PURPOSE:**

To report on licences issued for the commercial production of industrial hemp under the *Industrial Hemp Regulations (IHR)* and for research purposes under the *Narcotic Control Regulations (NCR)*.

#### **SCOPE:**

This report contains information on licences and authorizations issued under the *Controlled Drugs and Substances Act*, with particular reference to the *IHR* and the *NCR*, as of July 9, 2002. While the figures contained herein are accurate at the time of writing, licences and authorizations continue to be issued, as required, until the end of the calendar year.

As indicated in Section 5 of the *IHR*, licences are issued for specific activities including: importation, exportation, production, sale and provision of industrial hemp. A person who holds a licence to engage in an activity with respect to industrial hemp is permitted to possess, transport, send or deliver industrial hemp to the extent necessary to conduct the licensed activity. Authorizations are issued to persons who do not hold a licence and are restricted to possessing, transporting, sending, or delivering industrial hemp for specific purposes.

Data for the two licencing schemes, under the *IHR* and *NCR* respectively, are presented in Tables 1, 2, 3 and 4. Combined data, where comparable, are presented in Table 5.

#### **INFLUENCES ON LICENCING PROGRAM - 2002:**

Acreage and numbers of licences issued for cultivation remain low in comparison to 1999; however, they are comparable to 2001. An example of a contributing factor which may have influenced production is believed to be:

1. The continuing situation in the USA concerning the production of industrial hemp and the use of food products that contain industrial hemp. A "0" tolerance for delta-9-tetrahydrocannabinol (THC) is maintained. On October 9, 2001, the Drug Enforcement Administration (DEA) issued an interpretive rule stating that, if the product causes THC to enter the human body, it is an illegal substance that may not be manufactured, sold, or consumed in the United States. Such products include "hemp" foods and beverages that contain THC. If, however, the product does not cause

THC to enter the human body, it may lawfully be sold in the United States. Included in the category of lawful hemp products are textiles and personal care products. There is concern that the new interpretations might influence Canada's domestic industrial hemp industry because the major market is in the United States.

On March 7, 2002, the 9th Circuit Court of Appeals granted the Hemp Industries Association's Motion to Stay DEA's rule, effectively blocking DEA's rule until the Court makes a final decision some number of months from now.

Tables 1, 2 and 3 provide information on licences and authorizations for commercial activities as of July 9, 2002.

**TABLE 1 - Commercial Application Information as of July 9, 2002**

LICENCE SUMMARY	TOTALS	BC	ALTA	SASK	MAN	ONT	QUE	NB	NS	PEI	YUK
Number of <b>Applicants</b> *	128	9	15	33	43	21	5	2	0	0	0
Number of Applicants Issued Licences	117	8	11	32	40	20	5	1	0	0	0
Number of <b>Applications</b> ** submitted for review	180	12	16	40	66	38	6	2	0	0	0
Number of <b>Licences Issued</b> ***	169	11	12	39	63	37	6	1	0	0	0
Number of Applications under Review	11	1	4	1	3	1	0	1	0	0	0
Number of <b>Applications</b> Withdrawn	0	0	0	0	0	0	0	0	0	0	0

\* *Applicant* refers to a company, co-operative, partnership or individual submitting a request for a licence to engage in one or more activities at **one or more** licensed sites.

\*\* *Application* refers to a request for a licence to engage in one or more activities at **one** site (# of applications = # of sites).

\*\*\* *Licence Issued* refers to a licence to engage in one or more activities at one licensed site (# of licences = # of sites).

The number of applicants is less than the number of licences issued. A single applicant may request licences for multiple activities at multiple locations. Licences are issued to qualified applicants to perform specified activities at one site. A single licence number is issued for each location, even where multiple activities are approved for that site.

**TABLE 2 - Commercial Authorizations as of July 9, 2002**

<b>Authorizations</b>	<b>TOTALS</b>	<b>BC</b>	<b>ALTA</b>	<b>SASK</b>	<b>MAN</b>	<b>ONT</b>	<b>QUE</b>	<b>NB</b>	<b>NS</b>	<b>PEI</b>	<b>NFLD</b>
<b>Authorizations Requested</b>	49	1	7	12	22	7	0	0	0	0	0
<b>Authorizations Issued:</b>	46	1	6	12	21	6	0	0	0	0	0
For Sampling	12	0	3	1	4	4	0	0	0	0	0
For Analytical Testing (Other than THC)	0	0	0	0	0	0	0	0	0	0	0
For Transportation Only	0	0	0	0	0	0	0	0	0	0	0
For Possession for Other Purposes	34	1	3	11	17	2	0	0	0	0	0
<b>Authorizations Refused</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Authorizations Withdrawn</b>	0	0	0	0	0	0	0	0	0	0	0
Applications under review	3	0	1	0	1	1	0	0	0	0	0

**TABLE 3 - Commercial Activities as of July 9, 2002**

<b>ACTIVITY/SCHEDULE</b>	<b>TOTALS</b>	<b>BC</b>	<b>ALTA</b>	<b>SASK</b>	<b>MAN</b>	<b>ONT</b>	<b>QUE</b>	<b>NB</b>	<b>NS</b>	<b>PEI</b>	<b>YUK</b>
<b>Schedule 1 (Cultivation) submitted for review</b>	82	9	6	18	30	16	3	0	0	0	0
<b>Licences with cultivation activity granted</b>	82	9	6	18	30	16	3	0	0	0	0
Hectares requested	1530.35	200.25	123	449.4	596.7	142	19	0	0	0	0
Hectares licensed	1530.35	200.25	123	449.4	596.7	142	19	0	0	0	0
<b>Schedule 2 (Import) submitted for review</b>	5	0	0	0	0	4	1	0	0	0	0
<b>Licences with import activity granted</b>	5	0	0	0	0	4	1	0	0	0	0
<b>Schedule 3 (Export) submitted for review</b>	21	2	3	5	5	4	1	0	1	0	0
<b>Licences with export activity granted</b>	21	2	3	5	5	4	1	0	1	0	0
<b>Schedule 4 (Processing) submitted for review</b>	35	3	5	11	8	6	2	0	0	0	0
<b>Licences with processing activity granted</b>	33	3	4	11	8	5	2	0	0	0	0
<b>Schedule 5 (Distribution) submitted for review</b>	69	4	5	17	32	8	3	0	0	0	0
<b>Licences with distribution activity granted</b>	67	4	5	17	31	7	3	0	0	0	0
<b>Schedule 7 (Plant Breeder) submitted for review</b>	13	0	0	0	0	13	0	0	0	0	0
<b>Licences with breeder activity granted</b>	13	0	0	0	0	13	0	0	0	0	0
<b>Schedule 8 (Viability Testing) submitted for review</b>	2	0	0	0	1	1	0	0	0	0	0
<b>Viability testing lab licence granted</b>	2	0	0	0	1	1	0	0	0	0	0

**RESEARCH Licences:**

The *Narcotic Control Regulations* and related policies govern the requirements for research licences.

Area of production for Applications and Licences that relate to greenhouse or laboratory production are not included in these figures.

**TABLE 4 - Research Applications as of July 9, 2002**

LICENCE TYPES	TOTAL	BC	ALB	SASK	MAN	ONT	QUE	NB	NS	PEI	NFLD	YUK
<b>Number of Applicants</b>	13	1	4	1	1	5	0	1	0	0	0	0
<b>Number of Applicants Issued Licences</b>	11	1	3	1	1	5	0	0	0	0	0	0
Total licences requested (Same as sites)	26	1	4	2	2	16	0	1	0	0	0	0
<b>Total licences issued (Same as sites)</b>	24	1	3	2	2	17	0	0	0	0	0	0
Applications under Review	1	0	0	0	0	0	0	1	0	0	0	0
Applications withdrawn	1	0	1	0	0	0	0	0	0	0	0	0
Cultivation licences requested	26	1	4	2	2	16	0	0	1	0	0	0
<b>Cultivation licences issued</b>	24	1	3	2	2	16	0	0	0	0	0	0
Hectares requested	27.83	0	0.8	0.2	0	26.83	0	0	0	0	0	0
<b>Hectares licensed</b>	27.83	0	0.8	0.2	0	26.83	0	0	0	0	0	0

## COMBINED DATA:

The number of hectares listed, under both the Commercial and Research licencing schemes, are those approved at the time of licencing and may be greater than the number of hectares seeded. Delays due to commercial influences such as unavailability of seeds, weather conditions, etc. may result in a decrease in the area seeded.

**TABLE 5 - Combined Data as of July 9, 2002**

<b>Total number of Applicants</b>	(1)	190
Total number of <b>Applicants</b> who received licences		174
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Total Number of <b>Applications</b> (sites)	(2)	255
<b>Total Number of Licences Issued (sites)</b>		239
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Cultivation licences requested (Cultivation sites)		108
<b>Cultivation licences granted</b>		106
Total number of hectares licensed for cultivation		1558.18
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Number of Applications in active status (as of July 9)	(3)	15
Number of Applications in withdrawn status	(4)	1
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Number of <b>Applicants</b> refused licences	(5)	0
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<b>THC testing laboratory licences granted</b>		9

- (1) *Applicant* refers to a company, co-operative, partnership or individual requesting a licence for one or more activities at **one or more** licensed sites.
- (2) *Application* refers to a request for a licence to engage in one or more activities at **one** licensed site (# of applications = # of sites)
- (3) *Applications in active status* means there is on-going correspondence between the applicant and the Health Canada reviewers. This may include requests for additional information, or for written confirmation of withdrawal.
- (4) Applicant initiated a licence request, but withdrew the request.
- (5) The Industrial Hemp Program does not keep statistics on individual activities for which licencing is declined. Applicants may receive a licence, but certain requested activities for which the applicant is not qualified may not be included.