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Hemp acres expand alongside growing market

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Acres may approach 100,000 | Canadian production could improve with processing plants and specialized equipment

Up to 100,000 acres of hemp will likely be grown in Canada this year, up from 67,000 acres last year, and 20,000 of them will be in Alberta.

Breaking the 100,000 acre barrier may indicate that hemp is finally coming into its own as a viable prairie crop.

So says Jan Slaski, senior researcher with Alberta Innovates Technology Futures.

Prairie farmers' history with hemp has had its ups and downs, but Slaski said they were growing pains.

“We didn't have a well established value chain,” he said in an interview after his presentation at the Feb. 27 annual meeting of Farming Smarter.

“Now what we have, we are seeing this steady increase. Fifteen to 20 percent from year to year is because we are past the stage where there is no market for the crop. There is market demand.”

Canada exports \$40 million in hemp products annually, which is 85 percent of total production.

Most of it is seed related. American firms are the primary buyers.

They process hemp seed into products popular for their nutritional value and health benefits. Hemp seed derivatives are also used in cosmetics.

Slaski said Canada's two major contractors of hemp seed, Hemp Oil Canada and Manitoba Harvest, have been increasing their contracted acres, and a value chain for fibre as well as seed is starting to develop.

"This industry is growing and will be growing again because of market pull, not because it's such a fantastic crop," he said.

"It is indeed, but so what, if you cannot sell it, if you cannot use it and if you cannot make money on it?"

Two firms have recently indicated plans to establish fibre plants in southern Alberta, and one of them, Stemia, is expected to break ground on a plant near Chin later this year.

The other firm, Cylab International, also intends to build a decortication plant with planned start-up in 2015.

Slaski said a market for hemp fibre could be the turning point for the crop.

"The question is not why hemp or if hemp. The question is when," he said.

"Once we have this facility ... I think it will be a game changer in perception and it will be a driver that will be promoting and conducive to the increase of hemp acreage in southern Alberta."

Hemp fibre can be used in biocomposites for car parts, building materials, insulation, mulch and livestock bedding.

Processing plants in southern Alberta could allow farmers to sell stockpiled fibre.

Farmers can use cereal and oilseed equipment to seed and harvest hemp, but it is not always ideal for managing fibre.

Applied research projects, including Farming Smarter in southern Alberta and the Smoky Applied Research and Demonstration Association in northern Alberta, aim to identify best management practices for the crop.

Slaski said he hopes that returns from hemp crops will allow farmers to buy specialized equipment that is available in Europe, which will improve crop quality and profits.

“When you put seeds in the ground, you have to know what you’re growing hemp for,” he said.

“(The) agronomy is different if you grow hemp for grain, different if you grow for biocomposites, different if you grow for textiles. So you will be harvesting at different times, you will be using different cultivars or seeding at a different rate.”

- Hemp’s history in Canada dates back to the 1600s.
- In the 1800s, it was grown and used for oil, rope, clothing and paper.
- The crop fell out of favour when cotton and jute from other countries became readily available.
- Production took a further downturn with the development of synthetic materials.
- Canada prohibited hemp production in 1938 as part of a battle against the abuse of the psychoactive ingredient tetrahydrocannabinol (THC) and other controlled substances.
- Canada legalized industrial hemp in 1998, but growers must still obtain a licence from Health Canada.
- Industrial hemp, cannabis sativa, has less than .3 percent THC.
- The most common varieties contracted and grown in Canada are Alyssa, Anka, CRS-1, CFX-1, CFX-2, Delores and Finola.
- About 67,000 acres of industrial hemp were grown in Canada last year.
- About 100,000 acres are projected to be grown in the 2014-15 crop year.
- The new U.S. farm bill allows for regulation of industrial hemp in the 10 states that allow it to be grown.