



New Zealand House of Representatives
Te Whare Māngai o Aotearoa

Primary Production Committee
Komiti Whiriwhiri Take Ahumatua

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Briefing on New Zealand Hemp Industries Association

Interim report

Presented to the House of Representatives
by Miles Anderson, Deputy Chairperson

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Briefing on New Zealand Hemp Industries Association

Recommendation

The Primary Production Committee has considered a briefing from the New Zealand Hemp Industries Association, and recommends that the House take note of its report.

About our briefing

Industrial hemp is a plant in the botanical class *Cannabis sativa* that has a THC (tetrahydrocannabinol) content of below 0.35 percent. It can be grown to produce fibre, oil, and seed which can be processed into goods such as textiles, building materials, and food. In 2020, the industrial hemp industry in New Zealand was estimated to be valued at \$4 million.¹ The Ministry for Primary Industries (MPI) projects that the industry could produce \$5.3 million in domestic sales and \$24.7 million in export revenue by 2030.² The New Zealand Hemp Industries Association (NZHIA) estimates that, if regulatory barriers are removed, the industry could produce total earnings of \$2 billion by 2030.³

On 21 November 2024, we met with the NZHIA to discuss both the opportunities and barriers facing the industrial hemp industry. The NZHIA is a non-profit organisation that aims to support the development of the industrial hemp industry in New Zealand. Following this, on 20 February 2025, we met with the Ministry for Primary Industries and the Ministry of Health to discuss work the government has done to engage with the industrial hemp industry. Officials from the Ministry for Regulation also attended this hearing.

We note that on 21 February 2025, the Minister for Regulation, Hon David Seymour, announced a review into industrial hemp regulations.⁴

In this report, we highlight key matters discussed with the NZHIA and the ministries related to industrial hemp regulations. We remain keenly interested in this subject and intend to follow up on progress in future.

Industrial hemp regulations

Legislation and regulations that relate to the hemp industry include the following:

- **Misuse of Drugs Act 1975**—cannabis plants, including industrial hemp, are considered class C controlled drugs under the Misuse of Drugs Act.
- **Misuse of Drugs (Industrial Hemp) Regulations 2006**—these regulations set up a licensing regime, enabling licence-holders to grow, process, or distribute industrial

¹ [Potentially Hemp | New Zealand Agricultural Greenhouse Gas Research Centre.](#)

² [Facilitating growth in the NZ Hemp Industry | MPI.](#)

³ [NZ Hemp Export Driven Investor Report | NZHIA.](#)

⁴ [Industrial hemp regulations to be reviewed | Beehive.](#)

hemp.⁵ In November 2018, regulations were amended to allow low-THC hemp seeds to be produced as food.⁶

- **Medicines Act 1981**—CBD (cannabidiol) products are classed as prescription-only medicine under the Medicines Act. Industrial hemp is covered by this provision due to the varying levels of THC and CBD in the plant.
- **Food Act 2014**—food safety requirements under the Food Act must be met to produce food using low-THC hemp seeds.
- **Agricultural Compounds and Veterinary Medicines (ACVM) Act 1997**—animal feed is regulated as an agricultural compound under the ACVM Act. Animal feed containing hemp, or hemp-derived substances, must be registered under the ACVM Act before it can be legally made for, and fed to, animals.

NZHIA's strategic proposal and requests

The NZHIA said that industrial hemp represents a “very exciting opportunity” for New Zealand. It commented that industrial hemp is a “chemical treasure trove” and therefore has a wide range of potential uses, such as food and natural health products. It emphasised the economic potential of industrial hemp to generate revenue and create new jobs. Overall, it said: “If we remove the uncertainty around the treatment of industrial hemp from a regulatory point of view, then investment will flow”.

The NZHIA said it would like to see industrial hemp be made exempt from the Misuse of Drugs Act and the Medicines Act. In its *Hemp Industry Strategic Proposal for Regulatory Change*, the NZHIA sets out five strategic objectives it believes could remove barriers and enable the industrial hemp industry to grow.⁷ The first objective is to ease regulatory burdens on industrial hemp growers and processors. The NZHIA said that industrial hemp is a horticultural crop and should be regulated as such, instead of being treated like a narcotic drug. It commented that there is “virtually no risk” associated with low-THC products.

The NZHIA also noted that it would like regulations to be reviewed to allow industrial hemp products to be used as animal feed. It acknowledged that there are potential trade issues associated with allowing hemp products to be used as animal feed for food-producing farm animals. However, it said that options could be investigated to allow hemp products to be fed to pets or non-production animals.

Industrial hemp regulations are not in line with low risks

The Ministry of Health said: “We’ve considered, for some time, that the hemp [regulations] are out of date. We believe they overregulate the industry, commensurate with the low risk associated with hemp. However, to enable real change here we need changes to the law.” It said it was working with the Ministry for Regulation to review the regulations in place for industrial hemp, including the licensing regime. The Ministry for Regulation said that at the end of this review, it would provide advice to the Minister for Regulation and the Minister of

⁵ For more information on industrial hemp licensing, see: [Industrial hemp licensing | Ministry of Health](#).

⁶ For more information on growing or selling hemp seed as food, see: [Hemp seed as food | Ministry of Health](#).

⁷ [Hemp Industry Strategic Proposal for Regulatory Change | New Zealand Hemp Industries Association](#).

Health on options to “revoke or amend those regulations to reflect the risk profile of industrial hemp”.

The Ministry for Regulation told us that its initial work on the review has focused on looking at the purpose of the Misuse of Drugs (Industrial Hemp) Regulations 2006. The stated purpose of these regulations is to ensure that other forms of cannabis are not grown or distributed under the guise of industrial hemp. It said that, through consultation with the Ministry of Health and the New Zealand Police, it had found that “there is little to almost no evidence” of other cannabis plants grown as industrial hemp by licensees. The Ministry of Health noted that there had been cases of non-compliance with the regulations where hemp products’ THC content had been found to be above 0.35 percent.

The Ministry of Health also noted that, in the meantime, it had put a number of measures in place internally to improve the licensing process for industrial hemp. This included conducting a review of its processing practices, moving the licence-processing function to its team that also looks after medicinal cannabis, and ensuring more staff and resources are available during high-demand periods.

In written evidence provided to us, MPI said that it could “see value” in a review of industrial hemp regulations to ensure “the legislation remains fit for purpose and continues to support industry development and growth”. It noted it would look to the Ministry of Health for further advice on this matter. During our hearing, MPI said it would “definitely support” a review of the regulations. It said that its responsibility was to help support and grow primary industries. However, due to regulatory restrictions, it does “not have a lot of flexibility” to develop the industrial hemp industry.

MPI said that restrictions on using hemp products in animal feed were in place to protect New Zealand trade, such as dairy and meat exports. It said that THC and CBD can sometimes be found in dairy and meat products produced by animals that have consumed industrial hemp. It noted that many of New Zealand’s trading partners have strict restrictions and would not allow products containing any amount of THC or CBD. MPI said that, under the ACVM Act, it is unable to approve any agricultural compounds that are included in the Medicines Act without the Director-General of Health’s consent. Consequently, any animal feed containing hemp must be registered.

MPI said it had previously investigated whether hemp-based animal feed could be eligible for an exemption under the ACVM Act. It concluded that industrial hemp products did not meet the conditions to be made exempt. It also told us it had investigated whether it could take over the responsibility for administering the industrial hemp licensing regime from the Ministry of Health. However, it had found that transferring the licensing regime would likely result in higher licensing and compliance costs for the industry.

Our response and concluding comments

We are pleased to note that the Minister for Regulation has announced a review into the industrial hemp regulations. We encourage this work and look forward to seeing progress in this area. We intend to invite the Ministry for Regulation to another hearing to discuss the review once it has progressed further.

We encourage the Ministry for Regulation and the Ministry of Health to consider how to best support the development of the industrial hemp industry in their review. In particular, we encourage the ministries to investigate making industrial hemp exempt from the Misuse of Drugs Act.

We intend to continue our work on this briefing and will monitor the progress and results of the review with great interest, noting the Ministry of Health's comments that the regulations are "out of date" and MPI's comments that they "definitely support" a review into the industrial hemp regulations. We acknowledge the NZHIA for its advocacy in this area.

Other matters discussed

In this interim report, we only discuss matters related to the regulation of industrial hemp. We also discussed the following other matters in our hearings. For more detail, refer to the recordings of our meetings, on 21 November 2024 with the NZHIA and 20 February 2025 with the ministries.

- **Industrial hemp licensing**—We discussed a variety of matters related to the hemp licensing regime. They included the timeline in which licences are processed and approved, licence cost and process, and police vetting requirements. (*See hearing with NZHIA from 24:42–25:17; hearing with ministries at 26:08–26:20, 30:01–31:57; and 35:25–37:12.*)
- **Economic potential of industrial hemp**—The NZHIA shared its views on the economic potential of the industrial hemp industry. (*See hearing with NZHIA from 12:32–17:53 and 30:07–32:30.*)
- **Support available to the industry**—MPI discussed support and funding available to the hemp industry, including through the Sustainable Food and Fibre Futures programme.⁸ (*See hearing with ministries from 1:25–4:51.*)
- **Industrial hemp regulations in other countries**—We heard about regulatory requirements in other jurisdictions for industrial hemp or cannabis. (*See hearing with NZHIA 22:10–23:50; hearing with ministries 38:23–40:33.*)
- **Processing hemp fibre**—We discussed the infrastructure and investment needed to process hemp fibre. (*See hearing with NZHIA 23:37–26:50.*)
- **UN Single Convention on Narcotic Drugs**—The NZHIA discussed the definition of industrial hemp in the UN Single Convention on Narcotic Drugs. (*See hearing with NZHIA 12:32–13:44.*)
- **Wild-growing industrial hemp**—We asked the NZHIA if there were any risks associated with industrial hemp growing in the wild. It said it was not aware of any risks. (*See hearing with NZHIA from 34:53–37:11.*)
- **Gene technology**—We asked about the potential for gene modification and engineering technology to be used in the industrial hemp industry. (*See hearing with ministries 18:35–19:32 and 37:18–38:23.*)

⁸ Sustainable Food and Fibre Futures | NZ Government.

Appendix

Committee procedure

We met between 17 October 2024 and 3 April 2025 to consider this briefing. We heard evidence from the New Zealand Hemp Industries Association, the Ministry for Primary Industries, the Ministry of Health, and the Ministry for Regulation.

Committee members

Mark Cameron (Chairperson)

Steve Abel

Miles Anderson

Rachel Boyack (from 12 March 2025)

Mike Butterick (from 29 January 2025)

Jo Luxton

Suze Redmayne

Cushla Tangaere-Manuel (until 12 March 2025)

Catherine Wedd (until 29 January 2025)

Barbara Kuriger and Maureen Pugh also participated in our consideration of this briefing.

Related resources

The documents we received as advice and evidence for this briefing are available on the [Parliament website](#), along with the recordings of our meetings on [21 November 2024](#) and [20 February 2025](#).