From: Andrew Davidson

To: <u>David.Seymour@parliament.govt.nz</u>

Cc: timothy.mcgiven@regulation.govt.nz; Sally King; richard@beok.co.nz; David Seymour (MIN)

Subject: FW: Industrial hemp regulations - undate and response to information request

Subject: FW: Industrial hemp regulations - update and response to information request

Date: Tuesday. 29 April 2025 3:16:30 pm

Attachments: image003.png

image004.png image005.png image006.png image007.png image008.png image001.png image010.png

R00855 - NZHIA - OIA Response.pdf

R00855 Appendix A.pdf

Hemp Industry Strategic Proposal for Regulatory Change Report August 2023 - FINAL.pdf

Aq-Hort-Products-Regulatory-Review-summary-of-engagement.pdf

#### Dear Minister Seymour,

Further to earlier correspondence, our coalition wanted to get back in contact regarding the announcement on the 21st February confirming the highly anticipated and well received "Comprehensive" review of the Industrial Hemp Regulations 2006 this year, as per the following Media releases on this same date;

Industrial hemp regulations to be reviewed | Ministry for Regulation

#### Industrial hemp regulations to be reviewed | Beehive.govt.nz

As advised prior, since this Regulatory review announcement on the 21st February we have been in direct contact with Tim McGiven (cced above), with the intention of sharing our industry expertise and experience in the coming weeks and months to support the best possible outcomes from this Regulatory review.

Whilst industry celebrated the original review announcement milestone as per the above media releases, following these further communications with Tim and the team at the Ministry of Regulation, these celebrations have been short lived. We refer to the attached briefing document and the below correspondence, confirming that this review will be limited to secondary legislation to remove or reduce licencing requirements, which while still recognising the Regulatory challenges facing the New Zealand iHemp Industry, is limiting and certainly falls well short of rejuvenating the industry and the "economic growth" that you highlighted in these earlier Media communications.

This is a further disappointment for our coalition after waiting 15 months for a cross-government response to our Hemp Industry Strategic Proposal for Regulatory Change document, that never arrived, and in short the news of "Approach 1" is a handbrake on the significant progress we thought had been made in 2025 with the "Comprehensive review" that was announced in February.

We would like to again highlight the original 5 Objectives of our Hemp Industry Strategic Proposal for Regulatory Change (as attached), which are accounted for in the briefing document and remain relevant as follows;

- 1. Ease regulatory burdens on iHemp growers and processors.
- 2. Open commercial and regulatory pathways for the domestic supply of New Zealand iHemp products for animal nutrition.
- 3. Open commercial and regulatory pathways for New Zealand iHemp derived Cannabinoids, by allowing the supply of iHemp derived Biomass (Leaves and Flowers) produced under an Industrial Hemp Licence to a Medicinal Cannabis Licence holder.
- 4. Open commercial and regulatory pathways for New Zealand iHemp derived Biomass (Leaves and Flowers) to be processed into non-psychoactive cannabinoid, terpene and flavonoid iHemp products and to be sold as a dietary supplement/ natural health product.
- 5. Integrate iHemp as a carbon sequestration offset of farming emissions within the He Waka Eke Noa framework.

Our considered document outlines the magnitude of change that each of these Objectives would bring to our sector, and while the removal of the regulatory burden that we have identified in Objective 1 is important, it has the lowest expected positive impact for our sector when comparing to Objectives 2 to 5, all of which appear to be excluded from your adopted "Approach 1" (see the summary on Page 16 for quick reference). Furthermore, your adopted "Approach 1" would appear to consider only a portion of the potential Regulatory change that we identified for Objective 1 alone, with the removal of iHemp from the Misuse of Drugs Act 1975 being an obvious example.

In comparison to our Objective 1, let us also consider Objective 3. In contrast to our current regulatory settings, in 2024 the USA realised US\$417 million in revenue for iHemp grown outdoors, with US\$386 million (approx. 93%) of this revenue generated by the sale of Floral Hemp or "Leaves and flowers" (as per Statistics released April 17, 2025, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA)). In comparison, the supply of these parts of the iHemp plant are currently constrained in New Zealand within the Misuse of Drugs Act 1975 and the Medicines Act 1981, and obviously represent a significant growth opportunity if these regulatory settings were to be amended.

Furthermore, let us also consider our Objective 2. As mentioned prior, all of our membership groups were directly involved in submissions for the recent Agricultural and Horticultural Products Review relating to Hemp Products and Hemp Animal Feed, and we have also attached the report content from this review relating to Hemp (see page 24 of the attached Summary of engagement), which was also mentioned in your Media communications in February. Obviously the exclusion of MPI ACVM from any immediate iHemp Regulatory review therefore appears to be contradictory and counter-productive.

The above is without even making a start on comparisons to our Objective 4 (5 star) and Objective 5 (4 star), which along with Objective 3 we have identified as having the greatest magnitude of change across our 5 Objectives.

However before we take our concerns public and to a wider audience of MPs and Government officials, our coalition of the AHA, NZHIA and NZMCC would ask that you reconsider the alternative Approach 2 recommended by your officials, with the local iHemp industry seeking a review more in line with Approaches 2 or 3 than Approach 1.

Of course we are all looking forward to working with the MfR and the MoH on the subsequent Industrial Hemp Regulatory review in 2025 once confirmed, but to enable the local iHemp industry this review needs to be extended beyond Approach 1 in the attached briefing document, so that we can bring positive and meaningful regulatory changes into effect for the benefit of all New Zealanders.

Thank you again for your support of the New Zealand iHemp Industry via the facilitation of this Regulatory review, and as outlined above we would ask that the scale of the intended regulatory review is reconsidered and a bold and comprehensive approach adopted that will truly unlock the future potential of this industry sector.

## **Andrew Davidson**

**Board Chair** 

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# Richard Barge

NZHIA Chair



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From: Timothy McGiven < Timothy. McGiven@regulation.govt.nz >

Sent: Wednesday, 9 April 2025 11:24 am

To: richard@beok.co.nz

Cc: 'Sally King' <sally.king@nzmcc.nz>; Andrew Davidson <andrew.davidson@midlands.co.nz>; Hello

< Hello@regulation.govt.nz >; Peter Clark < Peter.Clark@regulation.govt.nz >; Vy Nguyen

<<u>Vy.Nguyen@regulation.govt.nz</u>>

Subject: Industrial hemp regulations - update and response to information request

Kia ora Richard

Thanks for your patience on this – I have some updates for you below.

First, please find attached the briefing you requested – you will note that due to our internal processes we have logged it as an OIA. I can confirm that after considering this advice the Minister agreed in principle to Approach 1. The letter contains additional context for you to be aware of when you read the briefing.

Second, I'd like to introduce you to Peter Clark (Manager, Regulatory Reviews) and Vy Nguyen (Senior Advisor, Regulatory Reviews). Peter and Vy's team led the Agricultural and Horticultural Products Regulatory Review and they will now be leading this work on industrial hemp for the Ministry. I will remain involved in a supporting role. I also understand you may have met Peter previously when you met with the Minister's Office as he was acting as Private Secretary at that time.

Third, we are currently finalising our timeframes for this work with the Ministry of Health (please note that the timeframes in the briefing are no longer current – we are working through the forward timeline now). We are planning to hold a virtual workshop with the sector to discuss any questions you have and options for amending or revoking the Misuse of Drugs (Industrial Hemp) Regulations 2006. Vy will be in touch with you with further details soon.

Also, it's great to see the Primary Production Committee's report was released yesterday.

Kind regards,

Timothy McGiven (he/him)
Principal Policy Advisor, Regulatory Stewardship
Ministry for Regulation

From: richard@beok.co.nz <richard@beok.co.nz>

**Sent:** Friday, 4 April 2025 3:43 pm

**To:** Timothy McGiven < <u>Timothy.McGiven@regulation.govt.nz</u>>

Cc: 'Sally King' <sally.king@nzmcc.nz>; 'Andrew Davidson' <andrew.davidson@midlands.co.nz>

Subject: RE: MFR Scope and terms of reference for the iHemp industry Review

Good afternoon, Tim,

I trust this email finds you well.

On behalf of the NZHIA, AHA and NZMCC, I am following up on previous conversations to see how you are getting on with the terms of reference/scope of the review of the Industrial Hemp Regulations.

Following the successful field and factory visit for officials and MPS on the 24th March (a link to one of the many articles is included below), we are starting to work on the list of items/issues that can be managed by Chris James and his RPA team at MOH. This will cover workability issues that can be accommodated within the existing regulations via an enabling interpretation of the regs or simple changes to forms and procedures that do not require changes to the regulations.

This will ensure MFR/MOH can focus on a comprehensive review, to highlight changes to the regulations that will more fully enable the industry and ensure that recommendations to cabinet, follow up actions and timelines have significant benefit and allow the industry to achieve growth (and realise export potential), particularly in regard to the key 5 objectives highlighted in the strategic proposal for regulatory change proposal, copy attached.

We are very keen to have input on the drafting of the scope of the review and look forward to hearing back from you on the next steps and timing of the review, along with a copy of the MFR briefing to Minister Seymour. We remain at your service and are keen to keep the momentum going on the review of the industrial hemp regulations to ensure we achieve meaningful change.

Article regarding the 24th event https://www.rnz.co.nz/news/country/556843/industrial-hemp-should-be-anagricultural-crop-not-a-drug-says-grower

Kind regards Richard

**Richard Barge** NZHIA Chair



**New Zealand Hemp Industries Association Inc** 22 Gracechurch Drive, Flat Bush, Auckland 2016

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From: Timothy McGiven < Timothy. McGiven@regulation.govt.nz >

Sent: Thursday, 13 March 2025 2:09 pm

To: richard@beok.co.nz

Cc: 'Sally King' <sally.king@nzmcc.nz>; Andrew Davidson <andrew.davidson@midlands.co.nz>

Subject: RE: MFR Scope and terms of reference for the iHemp industry Review

Thanks Richard – just acknowledging receipt of your email and that I'll get back to you all ASAP. On providing the briefing paper – yes we will provide that. We just need to check in with other agencies that inputted before sharing.

Thanks for your patience,

Kind regards

## Timothy McGiven (he/him)

## Principal Policy Advisor, Regulatory Stewardship

Ministry for Regulation

īmēra: timothy.mcgiven@regulation.govt.nz



www.regulation.govt.nz

From: <a href="mailto:richard@beok.co.nz">richard@beok.co.nz</a> <a href="mailto:richard@beok.co.nz

**To:** Timothy McGiven < <u>Timothy.McGiven@regulation.govt.nz</u>>

Cc: 'Sally King' < sally.king@nzmcc.nz >; Andrew Davidson < andrew.davidson@midlands.co.nz >

Subject: MFR Scope and terms of reference for the iHemp industry Review

Kai ora Tim,

On behalf of AHC, NZMCC and NZ Hemp Industries Association, we are supportive of the review announcement and would like to build a positive working relationship with MFR during the review process.

Considering the effect that the scope of the MFR review will have on the iHemp industry, we are proposing we be proactive, offering insight and options for the draft terms of reference/scope of the review, prior to the final announcements.

We're all very conscious that there are some low hanging fruit, regarding workability and interpretation of the regulations. But the economic growth, environmental and social outcomes will only be achieved with a bold approach and truly "enabling" recommendations made to Cabinet. Addressing the regulatory challenges around low THC hemp products for consumption is what will assist most with doubling NZ exports.

The coalition would be grateful for the opportunity to comment and provide feedback on the terms/scope of the review currently being considered.

- Can you provide an indication on the process/timetable for consultation, review and submission to cabinet?
- Are you willing to share the current MFR thoughts on what will be in/out of scope? For feedback
  and comment before the review is announced.

We would also be grateful for copies of the documentation offered to Ministers ahead of the decision to undertake a review of iHemp regulation; in particular the briefing paper to, and details of the directions given by, the Minister. This is not for publication, rather for reference. We ask in good faith - aiming to avoid using the OIA process as we appreciate how clumsy and time consuming the OIA can be for officials.

I have copied in on this email, Andrew Davidson (Aotearoa Hemp Alliance) and Sally King (NZ Medicinal Cannabis Council), who partnered with us on the "Hemp industry strategic proposal for regulatory change" document highlighting 5 key objectives. I'd be grateful if they could be included in any replies.

We are committed to the review and again offer our help and assistance to MFR, and we look forward to

working closely with the coalition to make the most of the review.

Kind regards Richard

**Richard Barge** NZHIA Chair



**New Zealand Hemp Industries Association Inc** 

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From: Timothy McGiven <Timothy.McGiven@regulation.govt.nz>

Sent: Wednesday, 26 February 2025 9:32 am

To: richard@beok.co.nz Cc: admin@nzhia.com

**Subject:** RE: Discussion with NZHIA in the new year on industrial hemp regulations

Thanks Richard – Yes we would definitely welcome engagement with NZHIA throughout the review. I will aim to get out timelines and a project overview in the next couple of weeks. Apologies for any delay – we are in a very busy period at the moment.

#### Cheers

From: richard@beok.co.nz <richard@beok.co.nz> Sent: Wednesday, 26 February 2025 9:04 am

**To:** Timothy McGiven < <u>Timothy.McGiven@regulation.govt.nz</u>>

Cc: admin@nzhia.com

Subject: RE: Discussion with NZHIA in the new year on industrial hemp regulations

Hi Tim,

Thank you again for sharing the press release last week, the review is indeed very timely, and we are keen to make the most of the opportunity.

Can you provide us with any timelines for the process? Details on the scope of the "comprehensive" review, such as what is going to be considered and how industry can be involved.

We are very keen to support the MFR review and make it as useful as possible and can help co-ordinate the industry to focus on the issues and provide feedback on the areas to be considered.

Our specific aims are to get iHemp (as defined by the iHemp Regulations, less than 0.35% THC) out of control of Moda and have full plant utilisation, allowing access to the revenue streams from all parts of the plant.

The above is covered by the 5 Objectives in the "Hemp industry strategic proposal for regulatory change"

We will also be continuing to work with MPI on telling our story, so the above proposal has some context within government, by explaining what the products are, who makes them, the size of the markets etc, so they can see why removing the barriers under the 5 Objective headings is a good idea and will lead to growth.

Any information that you can provide on the review would be of great use to the NZHIA as we prepare for making the most of the review opportunity presented by Hon David Seymour and the MFR.

Kind regards Richard

**Richard Barge** NZHIA Chair



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