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Bia agus Mara
Department of Agriculture,
Food and the Marine

Report on consultation on the potential for growing fibre crops and whether these crops have a viable market

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1. Introduction

There has been some public debate around the growing and cultivation of hemp in Ireland in recent years. Arising from this debate, the current Programme for Government (PFG) included a commitment to fully explore fibre crops such as hemp and consider whether these crops have a viable market.

To fulfil this commitment, the Department of Agriculture, Food and Marine (DAFM) carried out a consultation on hemp. This report outlines the findings of that consultation. The consultation sought to explore the potential for growing fibre crops such as hemp and whether these crops have a viable market. The consultation solely focused on the growing of fibre crops such as hemp and only investigated these crops for fibre use only. Other uses for these crops, for example food or cosmetic use, were not considered as part of this consultation.

2. Background information on hemp

(i) Legislative Position

Current legislation in Ireland does not allow for the growing of hemp unless a specific license has been granted by the Health Products Regulatory Authority (HPRA) which operates under the auspices of the Department of Health. In addition, the cultivation of hemp is restricted to varieties having less than 0.2% content of tetrahydrocannabinol (THC) (this limit will be increased from 0.2% to 0.3% for eligible crops under the next CAP). Cannabis (which includes hemp) is listed in schedule 1 of the Misuse of Drugs Regulations 2017, as amended, which means it is subject to the strictest level of control.

(ii) Uses for Hemp

Hemp can be used in the construction, car manufacturing, paper, food, animal bedding, clothing, drinks, health, pharmaceutical, bio-fuel and cosmetics industries. Hemp oil is used in health supplements, personal care, cooking and also in industrial use such as linseed oil in paints.



(iii) Production of hemp

There was an increase in the area of hemp sown in Ireland between 2016 and 2019. However, there was a 77% decrease in area sown between 2019 and 2022 from 316 hectares (ha) to 72ha.

In the EU, the cultivation of hemp increased from 19,970ha in 2015 to a high of 34,960ha in 2019, representing a 75% increase. Production in the EU has decreased since 2019 to 33,860ha in 2020 and 33,300ha in 2021. France accounted for 55% of the hemp production area in 2021 followed by Germany at 14% (Source: Eurostat).

3. Previous consultation on hemp

In 2018, DAFM carried out a broader consultation on hemp following a request from the Joint Committee on Public Petitions (JCPP) of the House of the Oireachtas. The purpose of this consultation was to assess the “feasibility of developing a domestic hemp industry” in Ireland. In this consultation, submissions were received from the Department of Health, the Department of Justice and Law Reform, the Health Products Regulatory Authority and Teagasc. The representative body Hemp Co-operative Ireland (HCI) also made a submission as part of this consultation.

One of the main findings in the 2018 consultation was the clear view that the domestic hemp industry should continue to be controlled and regulated by the Department of Health and that stringent controls in place in relation to growing hemp should continue. This regulatory arrangement is in line with many other EU Member States.

There was a lack of information and detailed analysis on the economics of growing hemp for fibre and its potential scalability arising from this consultation.



4. Current consultation

The Programme for Government (PFG) includes a commitment to ‘*fully explore the potential for growing fibre crops such as hemp, considering whether these crops have a viable market*’¹. The Department of Agriculture, Food and the Marine (DAFM) initiated a consultative process on 6th August 2021 to examine the commercial viability of growing hemp for fibre use only. The consultation did not include legislative issues outside of DAFMs remit including issues under the Misuse of Drugs legislation or legislation relating to hemp derived food products.

In making submissions, stakeholders were requested to take into consideration the following questions:

- (1) What markets exist for fibre from crops including hemp?
- (2) What are the strengths and weaknesses of fibre crops (SWOT analysis)?
- (3) What is the “scaleability” of the Irish fibre crop/hemp industry, taking into account market size and value, industry processing capacity and adequate economic returns for all along the supply chain?

Letters inviting submissions were issued to the two Hemp Representative Bodies, Hemp Federation Ireland (HFI) and Hemp Co-operative Ireland (HCI), the Irish Farmers Association (IFA), Teagasc, Irish Grain Growers Group (IGGG) and Enterprise Ireland.

5. Submissions received

Submissions were received from Teagasc and HCI. Correspondence from the IFA and IGGG stated that they were supporting HCI’s submission. Enterprise Ireland indicated that they had no role in this area and didn’t make a submission.

HFI declined the Department’s invitation to participate, it was their view that all parts of the hemp plant should have been included in the consultation to fully explore the potential for the crop.

The submissions received overwhelmingly related to hemp with little reference to other fibre crops such as linseed/flax.



The following are some of the high-level issues that were raised in the submissions:

- It is not currently viable to grow hemp for the purposes of fibre production only.
- Ireland traditionally had a significant fibre processing industry, but this disappeared with imports of alternative, cheaper materials from abroad.
- At present, all crop-based insulation materials used in Ireland are imported. While there is no large-scale fibre production in Ireland, it was noted that the market for hemp insulation is developing. It was identified that insulation is the most identifiable market for hemp fibre crops and that the domestic market could be developed if appropriate policies and supports were put in place. However, the value or volume of the current hemp insulation market in Ireland or its potential for the future is not clear from the submissions received. It was pointed out that the building sector is slow to use natural materials as they need to be sure of product performance over the long-term.
- Textile manufacturing has potential but is very limited in Ireland. To revive an indigenous textile industry here would require significant levels of investment to develop modern facilities capable of decortication, fibre cleaning, spinning and weaving.
- Significant capital investment is required for larger scale commercial processing of hemp. While farm-based decorticators cost significantly less, the technical performance of a mobile decorticator in a farm situation would need to be validated.
- There was very little information received that related to Linseed/Flax. While these crops are grown in Belgium and North-west France, they are heavily subsidised. The fibre that is produced from these crops is exported to China for processing and textile manufacturing. It was noted however that linseed/flax is suitable for growing in Ireland.

There were issues raised in the submissions that were outside the terms of reference for this consultation but are included for information in the Appendix.



6. SWOT Analysis

The following SWOT analysis was carried out from the submissions received.

Strengths

- Flax and hemp are agronomically suited to many parts of Ireland.
- Hemp is a suitable crop in tillage rotation systems.
- The hemp crop has environmental benefits contributing to increased soil regeneration, carbon sequestration and biodiversity.
- Examples of markets for both the fibre and the woody core (shiv) of fibre crop stems have been developed in the UK and other European countries.
- The potential for job creation in rural Ireland with the development of an indigenous hemp industry.

Weaknesses

- Small area of the crop currently being grown reflecting poor investor confidence.
- Lack of current regional processing facilities.
- Fibre crops are bulky and therefore need to be grown close to processing facilities.
- Requirement for significant capital investment for hemp processing.
- Only certain types of farm equipment are suitable for harvesting the crop.
- Lack of education and knowledge in hemp growing.
- Lack of a stable market in Ireland.

Opportunities

- Development in processing capacity would help to exploit cultivation and market opportunities for hemp.
- The use of hemp in the construction industry offers the most significant market opportunity.

Threats

- Harvesting and retting of the crop in September may be problematic in certain years under Irish climatic conditions.
- Import of alternative sources of cheap fibre.



- Long periods from cultivation to production of end product gives rise to implications for cash flow and risk to business viability.
- Lack of sectoral experience.

7. Conclusions

The growing of fibre crops such as hemp for the purposes of fibre production only is not currently viable in Ireland. Fibre is much lower in value compared to other parts of the hemp plant.

Hemp can be successfully grown in Ireland and offers opportunities for diversification and crop rotation while delivering environmental benefits.

The production of fibre crops in Ireland is low with only 72ha of hemp and 2ha of Linseed/Flax grown in 2022. In addition, there is currently little, or no processing of hemp fibre carried out.

Potential markets exist for hemp fibre with its use in the construction industry offering the most significant opportunity.

The scaling up of a crop fibre industry would be dependent on numerous factors including the development of stable markets, significant capital investment to increase processing capacity and collaboration with all stakeholders along the supply chain, all of which must be industry led.

While the outcome of this consultation does not support the viability of fibre crops such as hemp in Ireland, it is a matter for the industry to address and bring forward a proposal containing viable options for consideration.



8. Appendix

Issues raised outside of the consultation terms of reference

- Licensing for the growing of hemp needs to be “updated and relaxed”.
- Current licensing period should be extended from one year to five.
- THC limits should be increased to allow use of more varieties.
- Use of hemp seeds for food products.
- The use of hemp as a potential animal feed.