

Legislative Review of the Cannabis Act:  
Final Report of the Expert Panel

21March2024

---

## Where Hemp is Mentioned

The words “hemp” or “industrial hemp” appear 19 times in the 91-page final report of the Expert Panel.

**Page 13: Recommendation 29** – Health Canada, in consultation with Agriculture and Agri-Food Canada, should establish and support an expert advisory body to conduct a timely review of the regulation of **industrial hemp** and make recommendations about the most appropriate regulatory framework.

**Page 22: The federal framework** – Under the Act, the Government of Canada is responsible for licensing various activities with respect to the production of cannabis (**including industrial hemp**), including cultivation, processing and testing, as well as associated activities, such as possession, distribution, sale and research with cannabis.

**Page 23: Protecting public safety** – Prohibiting production, distribution and sale, unless authorized; Prohibiting distribution and sale to youth; Prohibiting import and export, with exceptions for licence holders with a permit and only for a scientific; or medical purpose (**or in respect of industrial hemp**)

**Page 51: Reviewing the regulation of Industrial Hemp – Industrial hemp** (that is, varieties of cannabis with 0.3% THC or less in their leaves and flowers) is also regulated under the Act. Representatives of the **industrial hemp** industry noted that while cannabis and **hemp** come from the same plant family, the products that result from their cultivation are entirely different and carry very different risks. They told us that the **industrial hemp** industry in Canada has been negatively impacted by the legalization of cannabis, with less **industrial hemp** production and sales today than in 2017. They advocated for a new approach to the regulation of **industrial hemp** that sees it treated as an agricultural commodity, with changes that would increase the maximum allowable limit of THC in **industrial hemp** and associated derivatives. The industry also raised other issues related to potential uses of **industrial hemp** (including **industrial hemp**-derived cannabinoids or biomass).

We did not have an opportunity to delve deeply into the regulation of **industrial hemp**, but we recognize this is a topic that deserves careful and detailed consideration.

Recommendation 29: Health Canada, in consultation with Agriculture and Agri-Food Canada, should establish and support an expert advisory body to conduct a timely review of the regulation of **industrial hemp** and make recommendations about the most appropriate regulatory framework.

**Page 52: Supporting a diverse legal cannabis industry** – Health Canada should develop a specialized program for applicants from under-represented communities that provides pre- and post-licensing supports. This should include information about opportunities other than cultivation and processing licences, such as licences for **industrial hemp** and analytical testing. Acknowledging the submission by the Competition Bureau entitled Planting the seeds for competition: Competition Bureau submission to Health Canada and the Expert Panel to support the Cannabis Act legislative review, which dealt with this issue, we believe that Health Canada should consider whether the requirement that applicants for licences have a pre-built site could be eliminated for equity-deserving and small business applicants

**Page 55: Improving the monitoring of environmental impacts** – Although the environmental impact of cannabis was not raised often during engagement, some participants highlighted concerns about cannabis product packaging. They raised issues about single-use plastic packaging and the limited use of packaging composed of cannabis and **industrial hemp** plant by-products. We also heard about the high rates of energy required for indoor cultivation. Some stakeholders discussed innovative approaches to reducing the environmental footprint of cannabis cultivation, such as the use of organic and regenerative farming practices, using cannabis as a bio-accumulator to help remediate the soil, making use of solar energy and the secondary use of cannabis by-product waste.

Recommendation 36: The Government of Canada should establish indicators related to the environmental impacts of the cannabis industry, collect baseline data and continue to monitor these indicators and their trends. The Government of Canada should publish this information in a timely manner to allow the public to monitor progress.

**Page 84: Appendix B: Stakeholder list. Summary of engagement:** The names of all the organizations and experts we engaged with are listed below: Canadian **Hemp** Farmers Alliance, Canadian **Hemp** Trade Alliance.

### **Comment on the Expert Committee Mandate**

In September 2022, the Minister of Health and the Minister of Mental Health and Addictions and Associate Minister of Health appointed us as an independent Expert Panel to conduct a review. The mandate for the review, set out in section 151.1 of the Act, was to assess the administration and operation of the legislation, particularly:

- impact of the Act on public health and, in particular, on the health and consumption habits of young persons with respect to cannabis use;
- impact of cannabis on Indigenous persons and communities; and,
- impact of the cultivation of cannabis plants in a dwelling-house.

The Ministers also asked the Expert Panel to consider the following:

- economic, social and environmental impacts of the Act;
- progress towards providing adults with access to strictly regulated, lower-risk, legal cannabis products;
- progress made in deterring criminal activity and displacing the illicit cannabis market;
- impact of legalization and regulation on access to cannabis for medical purposes; and,
- impacts on Indigenous Peoples, racialized communities and women, who might be at greater risk of harm or face greater barriers to participation in the legal industry based on identity or socio-economic factors.

The Expert Panel noted that achieving the public health and public safety objectives of the Act requires a multi-faceted approach relying on several policy instruments. Most of their recommendations involve targeted changes to policies and regulations, and bolstering support for research, surveillance and enforcement. They also propose new initiatives related to prevention and enhanced consumer information.

The Expert Panel stated that their review fulfills the requirement in section 151.1 of the Act, but the Act refers only to a single review. They suggested that there should be similar reviews at regular intervals to ensure the impacts of the framework are assessed over time. While mandated reviews of the Act would provide important opportunities to take stock, they also encourage federal, provincial and territorial governments to evaluate their frameworks, including laws, regulations, policies, programs and interventions, **on an ongoing basis**.

The Chair of the Expert Committee met with representatives of the Canadian Hemp Trade Alliance (CHTA) during the consultation period. The Chair informed CHTA at the time that the Expert Committee's mandate did not include consideration of the Cannabis Act or Industrial Hemp Regulations regulation of hemp production or processing (with the sole exception of cannabinoid extraction from hemp flowers by Cannabis Act licensed processors). Further, the Chair indicated that hemp did not appear to otherwise represent potential public safety or health risks to adult or youth consumers in Canada or international markets. The Chair also indicated that the Expert Panel did not include any expertise in matters related to hemp farming, food, fibre, or feed. Finally, the Chair indicated that the Expert Panel would at least informally charge Agriculture and Agri-Food Canada and Health Canada to consult with the hemp industry (CHTA) to identify and recommend amendments to the Cannabis Act (CA) and industrial Hemp Regulations (IHR) that would separate hemp from Cannabis (high potency) regulatory control and allow for industry growth and development. As an aside, the Chair indicated that hemp may not belong in the Cannabis Act or Industrial Hemp Regulations and may instead be removed from both and instead be regulated and managed as any other agricultural sector by agencies such as Agriculture and Agri-Food Canada (AAFC), Canadian Food Inspection Agency (CFIA), and Health Canada (HC). Finally, the Chair indicated that waiting for the current or future legislative reviews of the CA and/or IHR should not be accepted by the hemp industry as justification for Health Canada or Agriculture and Agri-Food Canada to delay the review of and amendments to the CA and/or IHR where existing regulations are not meeting their combined goals of: protecting consumer health and safety; and, creating a regulatory environment that does not impede the growth and development of the Canadian hemp industry.

### **Expert Panel Recommendation Related to Industrial Hemp**

#### **Economic, social and environmental impacts**

**Recommendation 29:** Health Canada, in consultation with Agriculture and Agri-Food Canada, should establish and support an expert advisory body to conduct a timely review of the regulation of industrial hemp and make recommendations about the most appropriate regulatory framework.

### **Expert Panel Recommendations Related to Adult Use/Medical Cannabis and Hemp**

**Recommendation 1:** The Government of Canada should allocate sufficient funding and resources to ensure the effective implementation of the cannabis framework, including the ability to address emerging public health and public safety issues. **(Assuming that "cannabis" refers to both adult use/medical cannabis and hemp.)**

#### **Public Health**

**Recommendation 15:** Health Canada should be vigilant with its regulatory enforcement efforts, with priority given to taking action against regulated parties who do not comply with rules that protect youth and to taking action when regulated parties repeatedly demonstrate non-compliance.

#### **Economic, social and environmental impacts**

**Recommendation 25:** Health Canada should prioritize and accelerate its work on regulatory streamlining to reduce the administrative burden on federal licence holders, while ensuring that the public health and public safety objectives of the Cannabis Act are not compromised.

**Recommendation 26:** Health Canada should amend the regulations to allow cultivators, including microcultivators, to sell packaged and labelled dried or fresh cannabis directly to distributors. Cultivators should be required to follow the same quality assurance and testing requirements for dried cannabis that apply to processors. **(Assuming that "cultivators" refers to both cannabis cultivators and hemp**

**cultivators and that “dried or fresh cannabis” refers to both dried or fresh adult use/medical cannabis, and hemp flowers and leaves of the inflorescence.)**

**Recommendation 28:** Health Canada should be more transparent with the data it holds on the state of the cannabis market and ensure that prospective licence applicants are provided with this information, in sufficient detail, to allow them to assess the feasibility of their business plans based on current market conditions. **(Assuming that “cannabis” refers to both adult use/medial cannabis and hemp.)**

**Recommendation 31:** Health Canada should work with relevant departments to ensure that federal licence holders and businesses, particularly small and equity-deserving businesses, are informed of existing programs (such as for grants and loans), incentives and supports that may assist them in establishing and running their businesses. Health Canada should offer post-licensing supports to help these companies navigate regulatory compliance and other business-related responsibilities.

**Recommendation 36:** The Government of Canada should establish indicators related to the environmental impacts of the cannabis industry, collect baseline data and continue to monitor these indicators and their trends. The Government of Canada should publish this information in a timely manner to allow the public to monitor progress. **(Assuming that “cannabis industry” refers to both the adult use/medial cannabis industry and industrial hemp industry.)**

**Observation 4:** Provincial and territorial governments should consider permitting direct-to-consumer sales from smaller cultivators and processors (farmgate, or mail order within a jurisdiction), in a way that allows smaller players to generate and keep more revenue than they would by selling cannabis through distributors. **(Assuming that “cultivators and processors” refers to cultivators and processors of both Cannabis Act licensed cultivators and processors of adult use/medial cannabis and Industrial Hemp Regulations licensed cultivators of hemp flowers of the inflorescence.)**

#### **Medical access**

**Recommendation 43:** Health Canada should encourage additional research on the therapeutic use of cannabis in Canada, without compromising the frameworks established for the review and authorization of clinical trials and health products. Health Canada should support a transparent process to identify the specific potential therapeutic applications of cannabis that would benefit most from additional study. **(Assuming that “cannabis” refers to both medial cannabis and hemp.)**

**Recommendation 44:** Health Canada should establish and maintain a knowledge hub that provides up-to-date evidence and information on the use of cannabis for medical purposes for health care professionals and the public. **(Assuming that “cannabis” refers to both medial cannabis and hemp.)**

**Recommendation 46:** Health Canada should prioritize efforts to move beyond a distinct medical access program so that cannabis is considered within standard drug approval pathways and part of conventional medical care. This should start with the rapid advancement of a pathway for cannabis health products containing cannabidiol (CBD). The department should also establish a science advisory committee to review the evidence related to delta-9-tetrahydrocannabinol (THC). **(Assuming that “cannabis” refers to both medial cannabis and hemp.)**

#### **Research and surveillance**

**Recommendation 53:** Health Canada should take steps to develop an amendment to the Cannabis Act to mandate periodic independent reviews of the legislation to regularly monitor its impacts. Consideration of the social equity impacts of the legislation should be mandated as an element of future reviews. **(Assuming that “impacts” includes economic outcomes for the hemp industry.)**

**Recommendation 54:** In addition to regular independent reviews of the Cannabis Act, Health Canada should conduct ongoing evaluation of the cannabis program, and implement any necessary changes. (Assuming that “cannabis” refers to both adult use/medical cannabis and hemp.)

#### **Criminal activity and displacement of the illicit market**

**Observation 6:** Law enforcement should focus its efforts on the activities of organized crime and criminal networks, the diversion of cannabis from sites registered for personal and designated production, the proliferation of retail stores on First Nations reserves operating without provincial, territorial or community authorization and illicit online sellers. There is also a role for regulatory authorities to play in combatting the illicit market. (Assuming that “diversion” includes illegal “seed tag washed” cannabis and hemp flowers sold to licensed cannabis processors as industrial hemp without genetic marker identification.)

### **Expert Panel Recommendations Related to Adult Use/Medical Cannabis**

#### **Public health**

**Recommendation 2:** Health Canada should set and monitor targets for reducing youth and young adult cannabis use and cannabis-related harms.

**Recommendation 3:** Health Canada should redouble its efforts to inform Canadians about the potential risks to children that can arise from accidental exposure to cannabis products (irrespective of the product’s origin) and provide advice to consumers on where and how to store cannabis safely.

**Recommendation 4:** Health Canada should take a leadership role, working in collaboration with provinces and territories, to support the development and implementation of evidence-based school prevention programs and other interventions to reduce the prevalence of youth cannabis use. Federal, provincial and territorial governments should consider committing a portion of cannabis revenues to fund evidence-based public health interventions, including prevention programming for youth and young adults.

**Recommendation 5:** Health Canada should establish a representative youth advisory board on cannabis to provide a mechanism to engage with youth and young adults on cannabis and related issues. This forum should allow young Canadians to share their knowledge, insights and feedback on cannabis policy, regulatory initiatives and non-regulatory programs that would affect them and their peers.

**Recommendation 6:** Health Canada should take steps to mitigate the risks associated with cannabis products that contain higher quantities or concentrations of delta-9-tetrahydrocannabinol (THC), including working to establish a definition of higher-potency cannabis products and applying additional health warnings that inform consumers about the elevated risks of these products. We offer a separate recommendation on the use of tax policy to disincentivize the consumption of higher-potency cannabis products. If the current trend towards consuming higher-potency cannabis cannot be halted or reversed, then Health Canada should be ready to implement additional product regulations. To be effective, such regulatory measures should be accompanied by strategies to prevent the illicit market from occupying this market segment.

**Recommendation 7:** Health Canada should maintain key promotion and plain packaging and labelling requirements, including restrictions on characteristics that are appealing to youth, child-resistant packaging and limits on the use of logos, colours and branding, that are aimed at protecting children and youth, and prohibitions on promotions that imply wellness or lifestyle enhancement.

**Recommendation 8:** Health Canada should ensure the cannabis industry is provided with clear guidance on the promotion restrictions and packaging and labelling requirements, including correcting misperceptions about what information is, and is not, allowed on product labels (or in cannabis promotions).

**Recommendation 9:** Health Canada should regularly revise health warning messages to ensure they are appropriate to the product, reflect up-to-date evidence on the health risks associated with cannabis and are impactful in communicating these risks. Additionally, Health Canada should reinstate health warning messages that pertain to serious cannabis-related mental health risks, including psychosis and schizophrenia.

**Recommendation 10:** Health Canada should revise the packaging and labelling rules that apply to all cannabis products to more clearly convey information on delta-9-tetrahydrocannabinol (THC) and cannabidiol (CBD) quantity or concentration to adult consumers, by simplifying product labels and allowing the display of only “total THC” and “total CBD” for each unit and for the package, and by requiring larger font sizes to display THC and CBD quantity (or concentration).

**Recommendation 11:** Health Canada should consider allowing some portion of a cannabis package (for dried cannabis and fresh cannabis only) to be transparent, without undermining the intent of plain packaging requirements and other labelling rules to protect children.

**Recommendation 12:** Health Canada should revise the packaging and labeling rules to allow for the display of certain symbols that convey useful information to the consumer (for example, symbols related to organic certification or recycling), ensuring that permitted symbols do not serve as an inducement to youth or non-consumers.

**Recommendation 13:** Health Canada should revise packaging and labelling rules to allow the use of QR codes on product labels to convey factual information to consumers, within the constraints of what is currently permitted on labels or in cannabis promotions.

**Recommendation 14:** Health Canada should develop a “standard dose” or “unit dose” (as appropriate for different classes of cannabis). The development of a standard dose should be prioritized and accompanied by regulatory amendments to require it as an element on cannabis product labels.

### **First Nations, Inuit and Métis**

**Recommendation 16:** The Government of Canada, including Indigenous Services Canada, should continue to enhance and expand distinctions-based health, public health and mental health wellness supports, that are culturally appropriate, trauma-informed and in partnership with First Nations, Inuit and Métis communities.

**Recommendation 17:** We agree with the Standing Senate Committee on Indigenous Peoples that Health Canada and Indigenous Services Canada should work with Indigenous Peoples and communities to establish and fund a research strategy on cannabis and its effects on Indigenous Peoples and communities, recognizing that this research should be led, owned and used by First Nations, Inuit and Métis communities.

**Recommendation 18:** Health Canada should commit to co-developing culturally appropriate, evidence-based materials and programs to disseminate cannabis-related health information on a distinctions-basis with First Nations, Inuit and Métis.

**Recommendation 19:** The Government of Canada should take steps to amend the definition of intoxicant in the Indian Act to enable First Nations band councils to enact bylaws regarding cannabis.

**Recommendation 20:** We agree with the Standing Senate Committee on Indigenous Peoples that the Government of Canada, as it develops legislation in collaboration with the provinces and the territories, and First Nations governments, should establish legislative mechanisms for the enforcement of band bylaws and other laws related to cannabis by all police services, and to ensure that related offences can be investigated and prosecuted effectively.

**Recommendation 21:** We agree with the Standing Senate Committee on Indigenous Peoples that the Government of Canada should ensure adequate funding and training is available to First Nations communities for the policing and enforcement of band bylaws related to cannabis to better protect public health and public safety. We also encourage the Public Prosecution Service of Canada and other agencies at the provincial and territorial level to support training efforts for prosecutors on the laws of First Nations communities.

**Recommendation 22:** Health Canada should better advertise and evaluate existing supports for Indigenous licence applicants to determine if they are meeting needs in an effective way. Health Canada should also apply the recommendations we have made on broader measures to support equity-deserving groups and micro-licence applicants and holders to Indigenous applicants.

**Recommendation 23:** Health Canada should take immediate steps to co-develop, with First Nations, Inuit and Métis, amendments to the Cannabis Act to better protect public health and public safety in Indigenous communities. These amendments should authorize the Minister to enter into nation-to-nation agreements with interested First Nations, Inuit and Métis to control commercial cannabis activities in their communities, when certain minimum standards are met. Over the longer-term, it is our hope that learnings and outcomes from these agreements and other processes could be used to inform the United Nations Declaration on the Rights of Indigenous Peoples implementation work for cannabis.

**Recommendation 24:** We agree with the Standing Senate Committee on Indigenous Peoples that Finance Canada should work with First Nations to identify options for the development of an excise tax-sharing framework as part of its discussions on fuel, alcohol, cannabis and tobacco taxes. Economic, social and environmental impacts.

#### **Economic, social and environmental impacts**

**Recommendation 27:** Finance Canada should consider a review of the excise tax model, recognizing that it was originally designed when the average price of dried cannabis was significantly higher than it is today. Further, Finance Canada should consider making reforms to the excise tax regime that would discourage the consumption of higher-risk cannabis products, for example, by applying progressively larger duties on cannabis products with higher quantities or concentrations of delta-9-tetrahydrocannabinol (THC) (or other intoxicating cannabinoids).

**Recommendation 30:** Health Canada should carefully examine, and where appropriate revise, its approach to regulatory fees for equity-deserving groups and micro-licence holders. This examination should include an assessment of how regulatory fees could be modified to promote greater diversity among participants in the legal cannabis market.

**Recommendation 32:** The Government of Canada should consider whether offences under the Cannabis Act should be considered under the automatic record sequestration process that will come into force in November 2024.

**Recommendation 33:** Health Canada should enhance and expand informational materials and educational programs related to cannabis for equity-deserving groups and subpopulations, in partnership with these communities, to ensure they are non-stigmatizing and culturally appropriate.

**Recommendation 34:** Health Canada should regularly collect and analyze demographic data from licence holders to assess diversity in the industry (including ownership, leadership and the workforce). Health Canada should publish this information in a timely manner to allow the public to monitor the diversity of representation in the industry.

**Recommendation 35:** The Government of Canada should make substantial improvements in the systematic collection and publication of data related to cannabis that is disaggregated by relevant demographic indicators, such as race. Appropriate data safeguards must be in place to protect privacy and prevent further stigmatization.

#### **Adult access**

**Recommendation 37:** Health Canada should maintain the current limit of 10 milligrams of delta-9-tetrahydrocannabinol (THC) per package in edible cannabis products and continue to develop the research in this area to determine whether there are conditions under which the limit could be raised without unduly impacting public health.

**Recommendation 38:** Health Canada should provide Canadians who choose to grow cannabis at home with information on the potential risks associated with home cultivation, as well as practical advice on how to grow and store cannabis safely.

#### **Criminal activity and displacement of the illicit market**

**Recommendation 39:** The Government of Canada should work with provincial and territorial governments to help consumers identify legal retailers and products, especially online, and prioritize public communication on the health risks associated with illicit products.

**Recommendation 40:** The Government of Canada should consider creating authorities to compel Internet service providers to block illicit cannabis websites and to compel financial service operators to provide financial information that helps identify illicit online operators.

#### **Medical access**

**Recommendation 41:** In order to provide access and continued support to patients who rely on the medical access program, Health Canada should maintain the program under the Cannabis Regulations, with the improvements set out in this report.

**Recommendation 42:** To improve patient access to cannabis for medical purposes, Health Canada should permit pharmacies to distribute cannabis products to individuals holding a medical authorization from a health care professional. Provinces and territories and the regulatory authorities for pharmacists should consider supporting this new access channel for patients once federal changes are made.

**Recommendation 45:** Health Canada, in partnership with provinces, territories, patients and health care professionals, should support the development and dissemination of national clinical guidance documents related to cannabis for medical purposes to increase the knowledge and understanding of health care professionals. These documents should cover issues such as: indications for which there is a sufficient evidence base of effectiveness, how to monitor patients, and how to track and report adverse reactions.

**Recommendation 47:** To support patient care, Health Canada should amend the regulatory requirements related to the medical document to allow health care professionals to include specific information about the product format and dose of cannabis for the patient, similar to prescriptions for other substances.



**Recommendation 48:** To address public safety concerns, Health Canada should limit the number of registrations for personal or designated production of cannabis for medical purposes at a single site (where 4 are currently allowed, decrease to 1 registrant per site).

**Recommendation 49:** Health Canada should build on its recent efforts to seek additional clinical justifications from health care professionals authorizing high daily amounts and consider whether and how additional scrutiny could be applied. Health Canada should use its regulatory authorities to refuse and revoke applications that are deemed to pose a risk to public health or public safety.

**Recommendation 50:** Finance Canada should review whether the excise tax should be applied to cannabis for medical purposes products.

### **Research and surveillance**

**Recommendation 51:** Health Canada, Public Safety Canada, Statistics Canada, the Canadian Institutes of Health Research and other partners should work with stakeholders, including those with lived and living experience and from marginalized communities, to identify key research priorities. This prioritization effort should guide ongoing investment in cannabis-related research.

**Recommendation 52:** Health Canada, Public Safety Canada, Statistics Canada and other partners should support ongoing surveillance and monitoring activities for cannabis that are responsive to the variety of potential impacts of cannabis and cannabis legalization, including monitoring the state of the cannabis market, social equity impacts and environmental consequences of cannabis legalization.

### **Observations**

**Observation 1:** Federal, provincial and territorial governments should allocate a portion of cannabis revenues to fund cannabis-related public health and public safety initiatives.

### **Public health**

**Observation 2:** Distributors and retailers should stock cannabis products with diverse ranges of delta-9-tetrahydrocannabinol (THC) quantities or concentrations and take steps to encourage customers to choose lower-THC products whenever appropriate.

### **First Nations, Inuit and Métis**

**Observation 3:** Provinces and territories should allow more flexibility in their distribution and retail systems, both through incentives (lower mark-ups, for example) and, for those provinces with publicly-controlled retail, creating space for Indigenous owned and operated retail stores.

### **Economic, social and environmental impacts**

**Observation 5:** Provincial and territorial distributors should consider regularly reviewing their mark-ups, fees, purchasing practices and the amount of shelf space they allocate to different products and different licence holders, including those from equity-deserving groups, to improve the prospects for the many smaller-sized companies that are currently struggling.

### **Criminal activity and displacement of the illicit market**

**Observation 7:** Provincial and territorial governments should consider creating authorities to compel Internet service providers to block illicit cannabis websites and to compel financial service operators to provide financial information that helps identify illicit online operators.

**Observation 8:** Parliamentarians should consider how the proposed Online Harms Act could be used to protect children and youth from the harms associated with exposure to substances, including cannabis.

**Observation 9:** Law enforcement should prioritize enforcement of cannabis-impaired driving, supported by appropriate resources and additional training of officers, particularly for rural and remote police services.

### **Medical access**

**Observation 10:** The regulators for health care professionals should use their authorities to investigate and sanction health professionals with problematic authorization practices.

**Observation 11:** Provincial and territorial regulatory authorities should require health care professionals (including physicians, nurse practitioners, and, if applicable, pharmacists) to disclose financial relationships with licence holders. This work could build on existing policies governing health professional relationships with the pharmaceutical industry.

## **Industrial Hemp Policy Priorities Not Addressed by the Expert Panel**

### **Cannabis Act and Industrial Hemp Regulations Amendments**

1. Transfer IHR oversight and operations from Health Canada to Agriculture and Agri-Food Canada. The United Nations Conference on Trade and Development (UNCTAD) released the [Industrial Hemp: An old crop in a modern era \(Policy Brief 110\)](#) recommended that the "...common practice of having entities related to the control of narcotic drugs issue licences for growing industrial hemp should be reconsidered." Agriculture and Agri-Food Canada has the resources and culture to manage all producer- and processor-facing regulatory activities (i.e. licenses, permits, data collection, and data reporting).
2. Transfer LOAC registration responsibility from Health Canada's Interdepartmental Working Group on Industrial Hemp Cultivars to the Canadian Seed Growers Association (Form 300 + THC data). This move will allow for increased industry participation and enhanced transparency;
3. Amend the definition of industrial hemp to: *A Cannabis sativa L. plant, or any part of that plant, in which the concentration of total tetrahydrocannabinol (THC) is 1.0% (weight by weight) or less in the flowers and leaves of the inflorescence.* The term industrial hemp should also be recognized as being synonymous with hemp;
4. Should hemp plants with maximum THC levels of not more than 1.0% in the flowers and leaves of the inflorescence be adopted, the resulting increase in incidental resin transfer to hempseed during harvest will result in hempseed with higher cannabinoid residue levels than present. In order to ensure that the resultant hempseed derivatives remain within regulated THC limits, increase the maximum allowable THC concentrations from 10 µg/gram (10 ppm) to: 50 µg/gm (50 ppm) for hempseed oil; and, 20 µg/gram (20 ppm) for all other hemp foods. While this is an increase in THC content, the resultant levels are consistent with other global regulatory approaches (i.e. Switzerland and Australia) and do not represent a risk to human or animal health. The recommended daily consumption of hemp foods – even at the new higher THC limits - would result in extremely low THC exposure:
  - a. Hempseed oil = 15 ml/day recommended daily consumption x 50 µg/gram (50 ppm) = 0.75 mg THC;
  - b. Dehulled Hempseed = 30 grams/day recommended daily consumption x 20 µg/gram (20 ppm) = 0.60 mg THC; and,

- c. Hemp Protein Concentrate = 30 grams/day recommended daily consumption x 20 µg/gram (20 ppm) = 0.60 mg THC;
5. Amend hemp food THC sampling requirement from 100% of lots to statistically significant sampling lots for monitoring purposes only. The current testing regime increases costs to Canadian processors that are not incurred by international competitors. Also, over 25 years of testing history has confirmed that hemp foods do not contain THC concentrations above the legislated maximum levels;
6. Replace all [Limits of Quantification \(LOQs\) for Pesticides](#) in fresh and dried hemp flowers and leaves of the inflorescence (i.e. hemp extraction biomass and hemp chaff) with Maximum Residue Levels (MRLs). MRLs associated with approved products should be adopted as published under the Minor Use program. For pesticides where Minor Use has not been licensed, [MRLs should be adopted that are consistent for pesticides that are licensed for similar products](#) (i.e. mustard greens, rape leaves, and hops). As an example, the Health Canada LOQ for Boscalid in dried Cannabis (including hemp) is 0.02 ppm while the MRL for Boscalid in Hops is 35 ppm. In cases where no MRLs are otherwise available, a default MRL should be adopted. This will halt the current “detection = rejection” challenge for outdoor grown hemp extraction biomass and hemp chaff.
7. Amend Schedule 1 of the Cannabis Act (CA) to define cannabis as:
  - a. Cannabis, n - a Cannabis sativa L. plant, or any part of that plant, in which the concentration of total available tetrahydrocannabinol (THC) is more than 1.0% (weight by weight) in the flowers and leaves of the inflorescence;
  - b. Phytocannabinoids produced by, or found in, a cannabis plant, regardless of whether that part has been processed or not, other than products referred to in Schedule 2;
  - c. Any substance or mixture of substances that contains or has on it any part of a cannabis plant, other than products referred to in Schedule 2;
  - d. Any substance that is identical to any phytocannabinoid produced by, or found in, a cannabis plant, regardless of how the substance was obtained; and,
  - e. Flowers and leaves contained within the inflorescence of an industrial hemp plant and are used to produce concentrated or isolated cannabinoids;
8. Amend Schedule 2 of the Cannabis Act to uniquely exempt specific hemp and "Cannabis" tissues:
  - a. Exempted hemp tissues to include:
    - i. Hempseed, or any part of the hempseed;
    - ii. Devitalized hempseed, or any part of the devitalized hempseed;
    - iii. Hemp stalk, or any part of the hemp stalk;
    - iv. Hemp branch, or any part of the hemp branch;
    - v. Hemp root, or any part of the hemp root;
    - vi. Hemp leaf, or any part of the hemp leaf, not contained in the inflorescence (flowering heads);
    - vii. Hemp flower and leaf contained within the inflorescence (flowering heads) that are not used to produce concentrated or isolated cannabinoids in Canada; and,
    - viii. Processed products derived from and/or containing any of the above items.
  - b. Exempted cannabis tissues to include:
    - i. Devitalized cannabis seed, or any part of the devitalized cannabis seed;
    - ii. Cannabis stalk, or any part of the cannabis stalk;
    - iii. Cannabis branch, or any part of the cannabis branch;
    - iv. Cannabis root, or any part of the cannabis root; and,

- v. Processed products derived from and/or containing any of the above items.
9. Amend all hemp-related CA and IHR terminology to match Canadian industry and ASTM International terminology;
10. Authorize propagation of hemp using tissue culture techniques from parent plants that are LOAC compliant;
11. Open a regulatory pathway for licensed cannabis processors (LPs) to sell hemp-derived cannabinoid extracts, tinctures, concentrates, and isolates with THC concentrations of no more than 2,000 ppm (0.2%) to NHP Site License Holders for use as ingredients in non-prescription health products for humans (NHPs) and animals (VHPs), herbal products (including teas), and supplemented foods. (Note: This is lower than the 3,000 ppm limit in the USA);
12. Open a regulatory pathway to allow the manufacture, distribution, and sale of non-prescription health products for humans (NHPs) and animals (VHPs) and herbal products (including tea) containing hemp-derived cannabinoid extracts, tinctures, concentrates, and isolates, and with THC concentrations in the final products of no more than 2,000 ppm, outside of the domestic medical cannabis market and provincial/territorial/indigenous (P/T/I) regulated (adult use) retail markets (i.e. direct consumer, pharmacies, health food stores, and supermarkets);
13. Open a regulatory pathway to allow the manufacture, distribution, and sale of foods supplemented with cannabinoid extracts, tinctures, concentrates, or isolates, and maximum THC dosages of no more than 2 mg/day (to be confirmed), outside of the domestic medical cannabis market and P/T/I regulated (adult use) retail markets (i.e. direct consumer, pharmacies, health food stores, and supermarkets);
14. Open a regulatory pathway to allow licensed hemp cultivators (farmers) to sell fresh, dried, or conditioned hemp flowers and leaves of the inflorescence (i.e. hemp extraction biomass and hemp chaff) in the domestic market (without supplementary licenses or permits) and outside of CA controls to consumers, retailers (i.e. health food stores, pharmacies, and supermarkets) and NHP Site License Holders for direct consumption or as an ingredient in low-THC tinctures and extracts ( $\leq 2,000$  ppm THC), natural health products ( $\leq 20$  ppm THC) for humans (NHPs) and animals (VHPs), herbal products ( $\leq 20$  ppm THC), and supplemented foods ( $\leq 2$  mg/day THC);
15. Open a regulatory pathway and negotiate trade protocols to allow LPs and NHP Site License Holders to export the following hemp-derived products to international markets that allow imports of such products outside of research or medical marijuana programs:
  - a. Cannabinoid extracts, tinctures, concentrates, and isolates with THC concentrations of no more than 2,000 ppm; and,
  - b. Natural health products for humans (NHPs) and animals (VHPs) with THC concentrations of no more than 2,000 ppm; and Herbal products, and supplemented foods with maximum THC daily dosages of no more than 2 mg;
16. Open a regulatory pathway to allow licensed hemp cultivators (farmers) to export fresh, dried, or conditioned hemp flowers and leaves of the inflorescence (i.e. hemp extraction biomass, hemp chaff and hemp flowers) without supplementary licenses or permits to international markets that allow imports of such products within or outside of research or medical marijuana programs;
17. To halt the the “hemp seed tag washing” of illegally imported or produced cannabinoid extraction biomass sold to licensed cannabis processors (LPs), Health Canada must develop an LOAC Cultivar

genetic marker verification database and require LPs to test all outdoor grown cannabis, and fresh, dried or conditioned hemp flowers and leaves of the inflorescence (i.e. hemp extraction biomass or hemp chaff) against the genetic marker verification database to ensure that the purchased biomass was derived from the declared LOAC cultivar. Any non-matched lots must automatically result in: detention of the lot; and, a Health Canada compliance investigation;

### **Regulatory Clarifications**

1. Confirm that the only hemp processing activity requiring Cannabis Act licensing and controls is the extraction of concentrated or isolated cannabinoids from hemp extraction biomass and chaff (i.e. flowers and leaves contained within the inflorescence);
2. Confirm that the only regulated maximum cannabinoid concentrations in primary and processed hemp products are:
  - a. 0.3% total available THC within the flowering head and leaves of hemp plant; and,
  - b. 10 ppm total available THC in hemp food;
3. Confirm that: there are no Cannabis Act or Industrial Hemp Regulations maximum concentrations for naturally-occurring non-THC cannabinoids in any primary or processed hemp product for use as food, food ingredients, livestock feed ingredients, and natural health product ingredients for humans (NHPs) and animals (VHPs); such products are not subject to Prescription Drug Act controls; such products can be mixed with other active or inactive ingredients; and, natural non-THC cannabinoids in primary and processed hemp products are not considered to be contaminants;
4. Confirm that the only regulatory restrictions on the processing, import/export, and wholesale sale of primary hemp products are:
  - a. Viable hempseed of cultivars registered on the List of Approved Cultivars (LOAC hempseed) – for sowing and other than for sowing – can only be bought or sold in the domestic market by industrial hemp license holders;
  - b. Viable LOAC hempseed – for sowing and other than for sowing – can only be exported or imported: by industrial hemp license holders; and, require Health Canada import/export permits;
  - c. Viable hempseed of cultivars not registered on the List of Approved Cultivars (non-LOAC hempseed) – for sowing and other than for sowing – can only be exported or imported: by industrial hemp license holders with a seed breeder relationship; and, require Health Canada import/export permits;
  - d. Industrial hemp cultivation license holders can only sell fresh, dried, or conditioned hemp flowers and leaves of the inflorescence (i.e. hemp extraction biomass or hemp chaff) to licensed cannabis processors; and,
  - e. The only Cannabis Act or Industrial Hemp Regulations restriction on the use of extraction technologies is that only licensed cannabis processors can extract concentrated or isolated cannabinoids from hemp flowers and leaves of the inflorescence; and,
5. Confirm that processing, import/export, and wholesale sale of processed hemp products containing detectable levels of non-THC cannabinoids and not containing concentrated or isolated cannabinoids are not subject to CA licensing or controls;

### **Additional Regulatory Priorities**

1. Ensure that LOAC cultivars remain free from genetically engineered (GE) or genetically modified (GM) material until such time that domestic and international market risks have been adequately quantified and mitigated;
2. Implement a modified process to register all potential hempseed-based feed ingredient:livestock class combinations without requiring additional: content analyses (i.e. nutrient, anti-nutrient, cannabinoid, heavy metal, and microbial); toxicology analyses; livestock efficacy and safety feeding trials; or, cannabinoid residue analyses in livestock tissues (i.e. meat, fat, kidney, liver, milk, and eggs). The existing data on hempseed and hempseed derivatives, and hempseed screenings have demonstrated that these products represent high-quality and safe livestock feed ingredients for all livestock classes, including at least: young ruminants; fed ruminants; pregnant and lactating ruminants; mature ruminants; piglets; feeder pigs; guilts; lactating sows; mature sows and boars; chicks; broilers; laying hens; mature hens and roosters; and all species of farmed fish). The current process is: too complex, slow, and expensive while providing no significant additional animal safety, worker safety, or consumer safety;
3. Facilitate Canadian government procurement of sustainable hemp-derived products (i.e. paper and building products) as they become commercially available and can reduce the Government of Canada's carbon footprint;
4. Health Canada to engage the Canadian Bankers Association and Insurance Institute of Canada to clearly delineate Canadian hemp and Canadian Cannabis and remove domestic and export banking and insurance restrictions for licensed hemp cultivators (farmers) and processors. Confusion in the banking and insurance sector emerged after implementation of the Cannabis Act without clearly delineating the differences between Hemp and Cannabis (marijuana); and,
5. Health Canada, through its official representative, lobby the World Health Organization Commission on Narcotic Drugs (CND) and all CND member nations to remove hemp flowers and leaves of the inflorescence (Hemp Extraction Biomass and Hemp Chaff) and low-THC ( $\leq 2,000$  ppm THC) hemp-derived extracts and tinctures from the 1961 UN Single Convention on Narcotic Drugs (C61) and 1971 UN Single Convention on Psychotropic Substances (C71). Should that not be possible in the next review, then seek to reschedule the same products in C61 (move from Schedule I to Schedule III) and C71 (move from Schedule II to Schedule IV).