

## Hemp industry growing strong roots

Contributed by Justin Baker

This year California and Vermont could become the eighth and ninth states to pass agricultural hemp farming legislation. Currently seven states (Hawaii, Kentucky, Maine, Maryland, Montana, North Dakota and West Virginia) have passed pro-hemp farming laws.

The California State Grange has sent out a legislative action alert for AB 1147, the California Industrial Hemp Farming Act. The state Assembly passed it on Jan. 25 and the bill now goes to the Senate. Vermont legislators will consider H 455 this year to define hemp and allow licensed farmers to grow the crop. More information about hemp legislation and the crop's many uses can be found at [www.VoteHemp.com](http://www.VoteHemp.com).

### Hemp Market Statistics 1995 to 2005

The Hemp Industries Association is a trade group of more than 250 hemp companies, including wholesalers: manufacturers and distributors; retailers: stores, mail order, internet, mobile; consultants; researchers, authors, publishers; farmers, processors; and other services.

Sales of hemp foods in 2004/2005 grew by 50 percent over the previous 12-month period. US retail sales of hemp products are estimated to now be \$250 to \$300 million per year. More than 2.5 million cars on US roads contain hemp composites. Hemp cultivation in Canada exceeds 24,000 acres per year, while European farmers now grow more than 40,000 acres.

"In 1995 we conducted a casual market analysis of 19 of our companies," said HIA Executive Director Johanna Schultz, "which showed a growth from \$26,000 to \$7.5 million in sales from 1990 to 1995. Estimated hemp sales totaled \$150 million for 1999. Overall sales in the industry hit the \$180 million mark in 2001. Due to the DEA attempt to ban hemp foods and body care, sales dropped in that sector for a few years."

The HIA won its case against the DEA in March 2003, and by 2004, SPINS reported sales of hemp foods and body care products back up to the level they had achieved in 2000, now including the tanning product sector. The whole hemp market was estimated to be \$250 million.

Composites in autos, recreational vehicles, and airplanes contributed about \$10 million to this, and hemp paper reached the music industry, adding \$4 million. Foods are now up to \$12 million, according to a recent survey done by Leson Consulting and presented at the November 2005 HIA Convention. A Fiber Survey is underway to determine the latest market analysis. Paper alone is projected to

achieve a sales increase of more than 100 percent for 2006.