



Canapa Sativa Italia (CSI):

since 2014 eminent compass for an innovative and sustainable future of Italian hemp (from seed to finished product), **elected to participate among the experts** in the works of the **Technical Table** organized by MIPAAF (Italian Agriculture Ministry) on Industrial Hemp¹

Italy was one of the largest producers of hemp for industrial, food and nutraceutical use. Until the early XXth Century it was even the second largest producer in the world. Today Italian hemp is not only a precious and super nutritious food - we cultivate, transform and export oil, seeds, flours thanks above all to the tenacity of small producers - but it tries to regain ground towards advanced textile, phyto-cosmetic, pharmaceutical, bio-plastic productions, organic buildings materials, even energy production. Hemp is also an incomparable phyto-purifier and phyto-stabilizer of polluted soils. At what point is the Italian hemp supply chain today?

Our country has a much smaller - and fragmented - number of operators than at the beginning of the last century; the sector is penalized by incomplete laws on the subject (the latest attempt to reorganize the sector is Law no. 242, year 2016) by the lack of implementation of economies of scale (present, however, in the past)

¹ MIPAAF repository of official documents from the Table (Italian only): <https://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/8337>

In a hearing at the Italian Parliament, low Chamber, in 2019, **Canapa Sativa Italia**, (a non-profit association founded by small and medium-sized producers, processors), **reiterated the need for the establishment of a Supply Chain Table on Industrial Hemp.**

Mattia Cusani, secretary and institutional representative, informs that **Canapa Sativa Italia** sits together with various illustrious associations in the supply chain as well as with other in-field institutions, the world of research, politicians, at **the three-year round Technical Table** decreed in December 2020 which took office in February 2021 at MIPAAF²: ***'The objective of the Table is a sector plan that can incentivize production, supporting research and technological innovation as well as strengthening supply chain policies. 10 million euros have been allocated for the sector of all 15 supply chains by the latest Finance Law. We are proud to be part of it sitting in the Working Group 1 'Coordination of the Ministry / Regions - Sector legislation.***

We will do our best to bring the experiences of the associates (experts in industrial hemp from an agricultural, scientific, legal and commercial point of view: companies, minor associations, cooperatives, technicians distributed in all Italian regions) who could represent (and work in) dozens of different commodity sectors, with high valorization of the agricultural/artisanal dimension, the most rewarding for small operators who, in addition to passion and competence, instill huge investments and wish to operate within a clear regulatory framework. The various illustrious realities at the table today have finally the opportunity to give an important impetus to this supply chain.'

Hemp is perhaps the most precious plant for the fastest growing sectors abroad: from novel food, to natural cosmetics, up to the production of the flower, an incredible product rich in aromas and peculiarities, which is not yet regulated for marketing in Italy yet it is already the best-selling product.

The economic denigration of this ancient plant began with its association with drugs in the early XXth Century and has led to a setback in the supply chain everywhere. Outside the Italian borders, in recent decades sensational reversals of the legislative trend on industrial hemp have been evident, often triggered by the lobbies of some producers and cartels that today collect the advantage in their geographical areas to propel themselves internationally to attempt a huge market share take-

² Italian only: [Tavolo Tecnico di durata triennale decretato nel dicembre 2020 e insediato a febbraio 2021 al MIPAAF](#)

over, made easy by legislative and economic myopia of many governments, especially in Europe.

Canapa Sativa Italia (CSI) is a **non-profit association**³ bringing together the most committed exponents of Italian hemp industry from all over the peninsula: born as an online group in 2014 with about 15,000 members, it was legally constituted in 2018; the members created a very rigorous adhesion process, validated by an internal ethics committee. The association offers a solid agricultural, technical and commercial counseling to its members as well as having created a group of *in-house* suppliers who offer goods and services on a competitive basis to members. CSI is, together, **a non-profit house organ for the general public** and a **competent advocate** that illustrates the benefits of the plant, the areas of application and the importance for the Italian agri-food industry to policy makers and the final consumers.

Media relation (EN/FR/IT):

Diana Marrone

pr/undercover

press officers&event designers

Milan, Venice, Naples

prundercover@gmail.com

[+393495517623](tel:+393495517623)

³ Italian only: CSI Statute: <https://www.canapasativaitalia.org/chi-siamo/>

Canapa Sativa Italia, after restless observation of the International law frame:

What Italian hemp needs to be competitive again

What to build to reward all the most advanced uses of a very precious plant

'If lawmaking is not following the evolution of times (and if a penalty is still in operation even when unmotivated today also by a United Nations proceed) - **the members of CSI, protagonists and compass of the Italian hemp agro-food chain, publicly denounce** - you can deduct why our operators risk every day of not being competitive by already allowing far and near countries (including the United States and Canada, China, Switzerland and Great Britain) to colonize us, enlarging their market positions and imposing their varieties of seeds, the processed product for its many uses, including cosmetics and advanced design'.

Studies and reports (including that of December 2020 issued by the French Parliament⁴) have revealed that in countries where more forward-looking laws are written, the 'legal cannabis' sector is more productive and above all profitable than in others. The US 'hemp' supply chain has recorded stable double-digit growth year over year and - on the recreational side - erodes large capital from illegality as well as making it a solid tax base for public budgets. However, the regulatory uncertainty of the American continent - where Canada has legalized hemp for medical and recreational uses since 2018 throughout the Federation but America not yet - heavily weighs on the most important industrial groups listed on the Marijuana Index⁵. Excessive capitalization before or sudden need for total legislative uniformity now? **In Italy, in any case, we are far from all this and - legislative clarity aside - small and medium-sized producers are struggling to reach a previously announced profitability sounding as 'the new agricultural Eldorado' by sector analysts.**

⁴ (French language only, Italian translation available upon request): https://www2.assemblee-nationale.fr/static/15/mission-information/miccannabis_chanvre-bien-etre.pdf

⁵ Italian only, a press survey by Corriere della Sera: <https://www.corriere.it/economia/finanza/20-febbraio-28/marijuana-legale-crisi-borsa-cinque-big-canadesi-perdite-70percento-4f0a5216-5a2f-11ea-afa8-e7dfdde6e2a2.shtml>

America⁶ divided over everything, according to a recent article on NYTimes, agrees on one point: 68% of the population is in favor of the federal legalization of marijuana and the President himself, during his electoral campaign, accepted the endorsement of the most powerful US corporations of legal production (therapeutic and recreational). The US legal sector is worth about \$ 13.6 billion and creates an employment turnover of about 340,000 units according to a 2019 New Frontier survey but according to other analysts, growth in 2020, thanks to the pandemic, was beyond already rosy expectations: 33% more than 2019. Even the top stars&stripe basketball division, the NBA, has definitively eliminated the tests on recreational marijuana intake to players starting with the 2020-21 season.

Still 'illegal' at the federal level, marijuana is now legal in 35 U.S. states (including the state of the capital Washington, District of Columbia) for medical use and in 16 also for recreational use by adults (data refer to April 2021 but in recent months many states have been rapidly added and therefore it is plausible to deduce that in the next few months the list will continue to grow).

Biden is certainly not one of the greatest standard-bearers of legalization but before his election, Congress had put to vote two different legalization 'bills' (which had a majority but expired one step away from approval for the end of the Trump government).

However, the Democratic president has already decided that he will decriminalize possession in his mandate. According to analysts on the continent, in addition to engulfing the courts, it is an iniquitous social 'weapon' that exacerbates the already explosive conflict between whites and non-whites.

On March 2021, with a historic law, the government of Mexico legalized marijuana to wrest from the cartels a powerful slice of exclusivity that generates further untaxed criminal profits which are always reinvested in the legal economy thus creating evident unbalance with operators using legal and taxed capitals.

⁶ Until 1800 you could be prosecuted and punished in America if you did not grow hemp, even taxes could be paid with direct contributions of this plant: hemp has been the basis of several economies around the world including the Italian one. **Abandoned during industrialization as it is not competitive compared to other raw and synthetic materials, today it has the possibility of being valued for its botanical qualities including genetic variability, the enormous differences between the varieties, the great ease with which to developed new ones**

What happens to the oldest and most curative plant in the world at our latitudes and in particular in EU-27⁷ (on the other Atlantic shore), in the most turbulent period of US / EU international and tariff relations?

There are historical regulatory evolutions such as the 11/19/20 Decision of the **Court of Justice of the European Union (CJEU)** upon the case C-663/18 which among other things raises the veil (and sanctions it) on the **discrimination of CBD as nutrient** still present in the laws of various EU-27 states and notes that such national laws prevent the free circulation of this commodity as well as of the services, capital and workforce underlying it. In more mature economic environments such as Marijuana Inc., **CBD totals the largest investments** in medical research and development, especially for the treatment of **neuro-degenerative diseases**.

The CJEU ruling precedes by a few days a **historic WHO declaration** (December 2020) thanks to which the UN was able to establish that cannabis is a therapeutic substance, removing it *hinc et nunc* from Table 4 which contains the substances at greatest risk of abuse and without any beneficial value. All national legislations will immediately have to take this historic ruling into account and certainly all national courts will have to take it into account *hinc et nunc*.

The **oldest, tastiest, therapeutic and nutritious plant on the planet - whose waste is as precious as the noble part** of the plant both in eco-building and in the production of green fuels - **finds in the fertile lands and in the special microclimates of the Italian regions its best habitat**.

Despite an ostracism that has lasted for over a century, **Italian industrial hemp continues to have passionate and competent trailblazers in young farmers, skilled processors and entrepreneurs, scientists and researchers**. In a word, the new 'pioneers' of an ancient sector, the hemp culture, which now covers every spectrum of a **quality supply chain**: from **agri-food**, to **nutraceuticals**, to **pharmacopoeia**. A 2020 Coldiretti⁸ Report reveals that the majority of new Italian agricultural entrepreneurs are under 35, highly educated and work in the sector after a careful choice not only vocational but also entrepreneurial - in short, being a farmer is no longer a makeshift but more and more a very important and considered professional choice after having acquired the necessary skills.

⁷ Italian only: <https://www.canapasativaitalia.org/canapa-e-cannabis-normare-un-settore-complesso-riflessioni-e-proposte-di-csi/>

⁸ The main Italian union of small medium large agriculture traditional and organic entrepreneurs

Canapa Sativa Italia (CSI): 'Before the last government crisis that terminated the 'Conte Bis' government, we welcomed with pleasure the announced discussion of a bill⁹, the first signatory Mantero, which would have allowed the stabilization of the hemp sector - if carried out adequately: with a legislative instrument of longer gestation (but more stable than an amendment to an existing law).'

What Canapa Sativa Italia does suggest to fill the market gap?

Clarify the regulatory framework and eliminate risk areas for entrepreneurs, regulate the human consumption of the flower and extraction for non-exclusively pharmaceutical purposes

'We have a sector law, the no. 242, year 2016; thanks to it we can produce and commercialize any hemp derivate but in that law (and anywhere else) the sale of human-consumption derivatives is not normed. We need to fill this law gap.

Do not law-frame the hemp flower marketing in the tobacco one, do craft a new law-frame similar the one ruling chop and wine supply chain

A legislative proposal that does not contain explicit references to an amendment to Law 504 on State Monopolies could jeopardize the craftsmanship of the supply chain. **The hemp flower or chopped hemp framed as tobacco would lose most of the possibilities for enhancing the product with artisanal identity**, the regulatory system referring to this type of supply chain tends to demean and shift attention from most of the possibilities and uses a lot healthier than the plant. For this reason we imagine an **autonomous legislative framework**, also **supported by licenses** and above all **quality control procedures**. As for the hops and wine supply chains, the system makes possible to enhance all levels of exploitation. The hemp supply chain, at the agro-food level, is closer to hops and vines also accor-

⁹ Italian only: <https://www.canapasativaitalia.org/perche-la-commissione-dovrebbe-sostenere-questo-disegno-di-legge/>

ding to the marketing standards¹⁰ defined by the EU; the latter - as they are intended for the production of alcohol - are highly bureaucratic and not always necessarily capable of guaranteeing competitiveness in the European market to operators of the *made in Italy* supply chain.

The most promising uses of hemp are in food and in what devoted to wellness¹¹, certainly not just a product trivially intended or exclusively for smoking which, as everyone knows, remains harmful to health in itself.

Tobacco, hops and grapevines do not, however, even remotely have the potential of hemp, characterized by unprecedented multi-functionality. For this reason, in addition to direct sales with the preparation of a control and verification system of the healthiness of all derivatives, through accessible and safe protocols, many interventions are needed to enhance the cultivation of hemp at all levels by finding modern solutions to critical issues and allowing this sector to independently develop.

Flower is a segment of the supply chain capable of bringing millions Euro of turnover without any support, from financing to classic fundraising measures typical of agricultural production: this incredible momentum should be protected and supported with interventions aimed at enhancing and promoting the consolidation of these realities. One of the most critical elements to be included at a regulatory level is the **continuous renewal of the gene pool**¹²: the actual (and old) Italian varietal registration processes are no longer suitable for the continuous and frenetic development of this sector, whose incredible variability - and the freedom of research, development and innovation in genetics - is considered one of the most interesting aspects from a scientific point of view, as evidenced by dozens of outstanding researches. All this requires a continuous and immediate response from the market in a system that should be much more streamlined to allow companies to always be in step with the times.

A free market approach, consistent with the already available technical possibilities, could therefore guarantee to farmers the possibility of freely working, giving

¹⁰ <https://www.nutritioninsight.com/news/regulating-hemp-european-parliament-endorses-higher-thc-levels-and-marketing-standards.html>

¹¹ <https://www.emcdda.europa.eu/system/files/publications/13471/TD0320749ENN01.pdf>

¹² <https://j cannabisresearch.biomedcentral.com/articles/10.1186/s42238-019-0001-1>

rise to a further boost for the market which is that of **crossbreeds**, allowing creative development for **these small business excellences**, a necessity for a category that actually represents the backbone of the Italian supply chain in this century.

Encourage and protect the Italian food hemp market and edibles¹³ in general and in particular from Big Pharma

By nature, hemp cannot be relegated to a banal, anonymous and standardized substitute for tobacco: the real uses are much more varied and consumption can take place in different ways, all decidedly healthier than smoking but not even remaining exclusive prerogative of pharmaceutical companies.

The possibility of making certified extracts in Italy is now possible only through the UCS authorization reserved for pharmaceutical plants that produce APIs (Active Pharmaceutical Ingredients) pursuant to Italian Law no. 309, year 1990: **these are specific ingredients for drugs**, which, however, **cannot be used by the food and cosmetic industry**.

In relation to the world of industrial hemp, **the Italian legislative gap will not allow us to produce to compete in the European market (where extraction plants for novel food/cosmetics/semi-finished products are already authorized)** and in violation of the principle of mutual recognition today **we already suffer importing from abroad at much more competitive prices what we forbid**.

The law also foresees an exclusive relationship between the pharmaceutical industry and the selected manufacturer, demeaning the possibilities that the free market could offer.

There is no competition on the quality of the product, the manufacturer must already have a contract and give all his product to the industry even before making it, thus effectively preventing the possibility of comparing himself with the other players on the market, of evaluating different offers, to differentiate their products, to have different customers, suppliers, to work their product in an authorized laboratory and resell it under their own brand, preventing these companies from developing an identity, characteristic instead of all the *made in Italy* companies present on the international scene having to find ways to authorize plants for this specific pur-

¹³ <https://en.wikipedia.org/wiki/Hemp#Food>

pose and **avoiding the logic of Law no. 309 year 1990, or at least distinguishing pharmaceutical processes from cheaper ones in the food or cosmetic sector on a large scale.**

The food destination of the flower, but above all of the direct derivatives so called *edibles*, would represent a not indifferent economic and cultural flywheel and an aid to the supply chain with **a degree of evolution that would integrate all its sectors for human use**, as a probable landing place for a consolidation of the novel food.

Aiming at enhancing artisanal production, unfortunately, the procedures relating to the application of a novel food, due to the productive dimension of many small Italian companies, are an insurmountable obstacle for the stringent and expensive registration procedures.

Italy has, in addition, a food market that is too varied to be able to focus on a few standardized products. To achieve this goal, the political vision and solutions are to be sought in Europe and in the American example.

Canapa Sativa Italia: *'Every industrial hemp supply chain operator is aware of the current legislative and operational limits: our Association is strikingly so but has always been focused on solutions, working daily on actions aimed at raising awareness of the institutions that in this case need a political and economic support to be sought also in legislative practices applied beyond Italian borders.'*