

United Nations Conference on Trade and Development

Workshop on Industrial Hemp

18 January 2023, Palais des Nations, Geneva

Industrial Hemp: Latin America Update and Global Expectations

By

Lorenzo Rolim da Silva, Director, Latin America Industrial Hemp Association, Sao Paulo, Brazil

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



Welcome!

Bienvenue!

Bem vindos!



@laihahemp



LAIHA - Latin America Industrial Hemp Association



laiha.org



UNCTAD Workshop on Industrial Hemp

18 January 2023, Palais des Nations, Geneva, Switzerland

Latin America Update and Global Expectations

Lorenzo Rolim da Silva, Eng. Agr.
President, LAIHA



UNCTAD Workshop on Industrial Hemp

18 January 2023, Palais des Nations, Geneva, Switzerland

What is LAIHA?

LAIHA - Latin American Industrial Hemp Association

INDUSTRIAL HEMP ASSOCIATION

Created with the intention of becoming the unified voice of the hemp industry in Latin America, acting on behalf of local companies before government agents, regulatory authorities and representing our associated companies around the world.

Education - Research - Social responsibility - Industry - Commerce



UNCTAD Workshop on Industrial Hemp

18 January 2023, Palais des Nations, Geneva, Switzerland

Where are we?

- LAIHA is actively present in:
 - Brazil
 - Argentina
 - Uruguay
 - Colômbia
 - Paraguay
 - Peru
 - Chile
 - Ecuador
 - Panamá
 - Costa Rica
 - Honduras
 - México

FIHO - Federation of International Hemp Organizations
Co-founders and Directors



UNCTAD Workshop on Industrial Hemp

18 January 2023, Palais des Nations, Geneva, Switzerland

Hemp in LATAM: The pioneers

Uruguay - First country to fully legalize cannabis in the world. 1,500 hectares since 2015; approximately 200 hectares in 2022; Production for food (grains, flour, oil, etc.) and flower. Difficult scenario due to bad regulations (restricted processing).

Colombia - Main country for medicinal cannabis, very little industrial hemp. A total of 2.393 active licenses for production in 2022, mostly for flower. Hemp has grown in the past 2 years with focus on indigenous communities and food. **80 licenses focused exclusively for research.**

Chile - 5 hectares in 2021, 50 hectares in 2022. Expected to grow due to new government support. Only 4 licences for Industrial / CBD, estimated 5 active farms. Chile was the first country that allowed medicinal access from the early 2000's.



Paraguay - Latin American Leader in Hemp

- **Paraguay - 5,000 hectares** since 2019; **approximately 2,500** in 2022; Estimated around **350 - 400** individual farmers; Production destined mostly for food (grains, flour, oil, etc.) and flower, also some for fiber.
- Law enacted in 2019, major growth since then;
- Government understood that industrial hemp should be a normal field crop;
- Social responsibility: Hemp is for everyone!
- Countrywide open commerce of hemp products, even cigarettes.
- **Hemp Guaraní Program;**



Hemp Guaraní

What is Hemp Guaraní?



Hemp Guaraní is the **social seal** of the hemp industrialization project in Paraguay, where companies associated with LAIHA support family farming through pre-commercial planting, seeking new financing options for thousands of families and associations of small indigenous farmers.





MICIPAL
TA

AAHR 661





- **First carbon footprint audit by SGS** anywhere in the world for hemp;

Greenhouse Gas Verification Statement: PE.VER.0275.C

“Carbon Footprint of a Product (CFP) - Partial” for *Cannabis sativa* L. (hemp), based on its Life Cycle Assessment 2021 for:



Healthy Grains S.A.

Galpones N.S.A. Luque, Paraguay.
SITE CODE 7187210



has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of

ISO 14067:2018

Representing a total amount of:

**72.22 tCO₂e removals / per hectare of MDS21 variety of
Cannabis sativa L. (hemp) in a cultivation cycle,
at Presidente Hayes region**

Quantified emissions and removals of the partial life cycle of *Cannabis sativa* L. (hemp), including:





The new players:

Ecuador - Law approved in 2021. Approximately 200 hectares grown in 2022, mostly for flower biomass for CBD. Industrial hemp is focused on experimentation and variety trials, Chinese varieties are the most promising so far. **Ecuador regulations are very promising and allow for a whole plant approach.**

Argentina - Hemp law approved in 2022, promising territory for hemp due to climate, land availability and latitude. Government pledged **\$106 million USD investment in hemp research initiatives.**



Central America enters the game:

Costa Rica - Interaction between government and companies created the law in 2022. Country already has commerce of various hemp products. Production still on variety trials and experimentation with crop rotation with the big crop in the country: **Sugar cane**. Government wants to copy Paraguay model.

Panama - Also advanced the law for local consumption first, production is still uncertain but within the interests of current government.

Mexico - Hemp and Cannabis have highly promising future in Mexico, full legalization is considered by the government. Mexico has a lot of manufacturing industries that are interested in hemp as a raw material, specifically for auto parts, construction and paper.





Year	South America Industrial Hemp area (ha)
2014	2
2015	2
2016	2
2017	217
2018	448
2019	1.212
2020	1.601
2021	2.739
2022 (Est)	3.000
2030 (Goal)	20.000 - 50.000

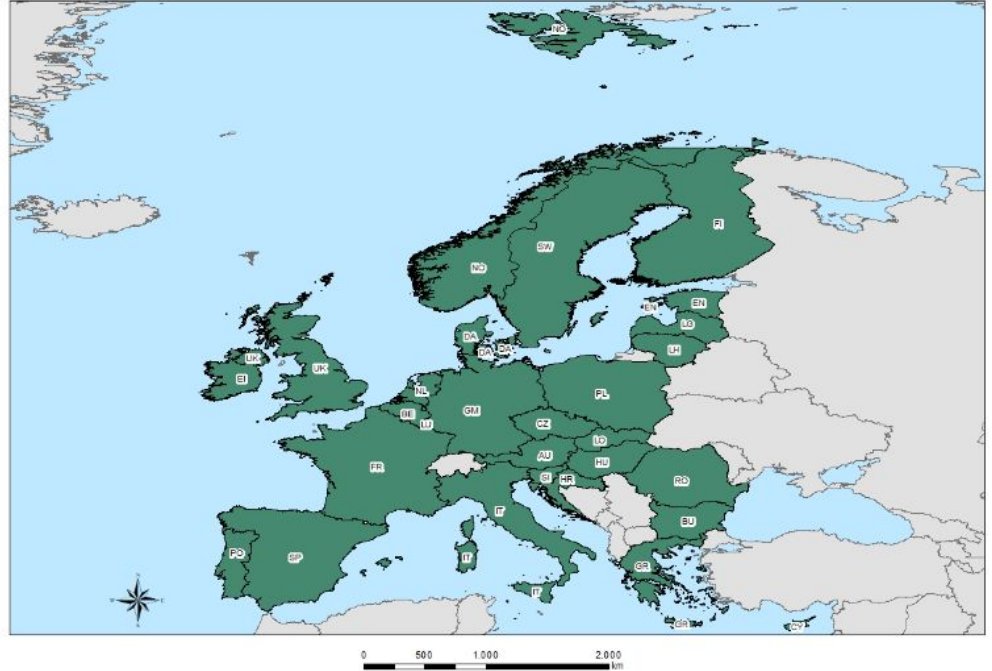
Why is Latin America relevant?

- Ukraine land area: 60.35 million ha;
- France land area: 54.39 million ha;
- Sweden land area: 52.84 million ha;
- Spain land area: 50.599 million ha;
- Norway land area: 38.52 million ha;
- Germany land area: 35.75 million ha.
- **Brazil's yearly land area for:**
 - **Cattle grazing: 154 million ha**
 - **Total grain area: 73.70 million ha**
 - **Soybeans: 40.70 million ha**
 - **Corn: 21.37 million ha**
 - **Sugar cane: 8.2 million ha**



Total preserved area of Brazil

- Brazil's total preservation areas:
 - **423 million hectares**
- Latin America total preserved areas:
 - **8,8 million km² or 880 million hectares**
- **The most protected region of the world!**



According to the World Bank:

- Latin America is **key to global food security**;
- Latin America, as a region, is the **top net exporter of food and agricultural products** to the world;
- The World Bank cites as key to global sustainability to protect and improve the agriculture in Latin America:
 - Incentives to farmers to increase productivity and total production;
 - Eliminate and remove all barriers to trade of food and agricultural products;
 - Facilitating access to finance to help farmers address higher production costs and take advantage of market opportunities;
 - Invest in green, resilient, and inclusive food systems for tomorrow.



Main challenges

- **Laws and Regulations!**

- Unable to access hemp for research and difficulties in funding research with hemp;
- Availability of suitable genetics for research and production;
- Lack of uniformity in tariffs and standards (globally);
- Governments have very limited knowledge of hemp benefits, so most markets focused on export and restricted the consumption of hemp by our own population;

- **Knowledge**

- Universities are too far from hemp;
- No research + legal barriers = misinformation!
- No research = no adapted varieties and no production manuals and practices;
- Agriculture is not the problem, lack of understanding of post-harvest processing is;













Thank you!



@laihahemp



LAIHA - Latin America Industrial Hemp Association



laiha.org



UNCTAD Workshop on Industrial Hemp

18 January 2023, Palais des Nations, Geneva, Switzerland