



## Economic Viability of Industrial Hemp in Thailand: MOAC moves forward with Future Food Future Crop Policy

The Ministry of Agriculture and Cooperatives of Thailand (MOAC) vows to advance the “Future Food Future Crop” policy in response to the COVID-19 pandemic. The ministry will accelerate the research and development of industrial hemp and technology transfer to farmers for bolstering hemp as a new economic crop as well as leading Thailand to be the “Hub of Marijuana-Hemp-Kratom”.

### Market Outlook and Opportunity

The current global market size of marijuana-hemp-kratom is estimated at USD 26.67 billions with a compounded annual growth rate of over 30% and is expected to grow to USD 100 billions in the next 5 years. This huge market size is an incentive for Thailand to invest in the Marijuana- Hemp-Kratom market. With advantages of the favorable domestic laws and strong support in research and development (R&D) from relevant agencies, there is a high confidence that Thailand will be able to gain a decent piece of market share. Moreover, the MOAC has seen the potential of developing Thailand to be the “Hub of Marijuana-Hemp-Kratom”.

### Future Food Future Crop Policy

Mr. Alongkorn Ponlaboot, advisor to the Minister of MOAC, announced that the Government has policies that are designed to provide support to Farmers in earning income from quality agricultural products and to provide research and technology development for the Economic crops. These crops include: Marijuana, Hemp and Kratom which have already





been promoted as the country's new Economic crops. To support this policy, the new law on hemp allowing the public to apply for permission to grow, import, export, distribute or possess.

The MOAC has seen the potential of developing Thailand as the “Hub of Marijuana-Hemp-Kratom”. As such, the MOAC will continue to promote the use of those plants from upstream to downstream industries in 4 forms including: Agri-food (for human and animal consumption), Agri- health, Agro-energy and Agro-tourism. This will enable them to utilize every part of marijuana, hemp and kratom; therefore reduce the waste.

To reach this goal, Dr. Chalermchai Sree-on, the Minister of the MOAC, enacted the policy of “Future Food Future Crop”. This policy empowered the MOAC's agencies to accelerate educating farmers, community enterprises, farmers' institutions and agricultural entrepreneurs about marijuana, hemp and kratom in every dimension from the laws and regulations to the market situation and prices (domestic and international). He also assigned the Agritech and Innovation Centers (AIC) in all 77 provinces to act as support mechanisms at local level across the country. In addition, the Highland Research and Development Institute (HRDI), public organization under the MOAC, has playing an important role as the pillar for hemp and products research and development for over 17 years.

### Program Management

Currently, the HRDI is the main agency that studies and research on hemp and its products. To promote and support hemp, a new economic crop, the HRDI therefore allocated 5,600 kilograms of hemp seeds, which were produced from its research study, for sale to interested groups. This includes: the farmers under the Royal Project's and HRDI's promotion areas, government agencies or private sectors that conducts research projects in collaboration with the HRDI, other government agencies, and the general public or the interested entities.

Towards this, the HRDI has appointed a sub-committee on Guidelines for Hemp Distribution, Seed Pricing, and Components and Products Controls. The composition of the subcommittee consists of representatives from various agencies including the Office of the





Council of State, the Royal Project Foundation, Office of the Narcotics Control Board (ONCB), the Institute of Small and Medium Enterprise Development (ISMED), the Food and Drug Administration (FDA), and the Government Pharmaceutical Organization (GPO). The subcommittee will jointly determine the appropriate distribution and price guidelines for hemp seeds to support and push hemp as an economic crop.

### Seed Distribution, Price and Quota

There are two varieties of hemp seeds that are available for sale; RPF1 variety that is suitable for growing on an area of over 1,000 meters above sea level and RPF3 variety that is suitable for planting on an area of 500-1,000 meters above sea level. These two varieties consists of 3,000 kilograms of certified seeds and 2,600 kilograms of grain.

The Certified seeds were sold to farmers in the Royal Project Foundation area and the Highland Development Project Using the Royal Project System at the price of 300 baht/kg, the research and development partners or government at the price of 400 baht/kg and the general public at the price of 520 baht/kg. The Grains that were sold to research and development partners or government agencies were sold at the price of 250 baht/kg, and to individuals at the price of 750 baht/kg.

To support the research, development and experiment of planting thoroughly and appropriate to the current situation, the HRDI considered and determined the quantity of seeds distributed to each buyer according to the purpose of utilization as follows:

**Certified seeds:** These seeds were sold to; farmers in the Royal Project area and the Highland Development Project Using Royal Project System, not more than 20 kg each; the research and development joint agencies or government agencies, not more than 30 kg each; and the general public, not more than 20 kg each.

**Grains:** These seeds were sold to; the research and development joint agencies or government agencies, not more than 50 kg; and general public not more than 20 kg each.





The request to purchase the first lot of 5,600 kilograms of seeds was made between April 26 and May 5, 2021.

### Research and Development

The HRDI in collaboration with the Royal Project Foundation, Office of the National Economic and Social Development Council and related agencies has researched and developed hemp as an economic crop on the highlands continuously from 2006 to the present. Based on their studies, there are four varieties of Hemp: RPF1, RPF2, RPF3 and RPF4. They were developed for fiber production, all with 0.2% of the narcotic content (THC), which is lower than the legal limit. The percentage of fiber is 12-14.7% and contains useful substances (CBD) 0.8-1.2%. The varieties were registered with the Department of Agriculture in 2011 and are classified as certified seeds according to the Ministerial Regulations on Permission and Authorization to Produce, Sell or Have in Possession of Narcotics of Category IV for Hemp, 2016.

### Laws and regulations

Recently, the Food and Drug Administration (FDA), Ministry of Public Health has released two important laws including: the “Ministerial Regulations on Permits and Permits to Produce, Import, Export, Sell or Have in Possession of the Narcotics of Category 5, for Hemp (2020)” and the "Notification of the Ministry of Public Health on Identification of narcotics of category 5 B.E. 2020". Both laws came into effect on January 29, 2021. The laws allow general public to apply for permission to produce, import, export, sell or possession of hemp. Based on these laws, the non-narcotic hemp components are leaves, seeds and grain, roots, stems and CBD extracts containing less than 0.2% THC. The law also drawn an interest in planting trials and hemp-related research studies. The interest greatly increased within a short time even though there is no pre-production of hemp seeds.

Thailand Office of Agricultural Affairs, Los Angeles

May 2021

Source: <https://www.thaigov.go.th/news/contents/details/41471>

