

Hemp seed to get food tick

Rebecca Harper

Plans to legalise hemp seed as a food for human consumption in New Zealand could be a game-changer for the hemp industry in this country, and producers are excited about the opportunities.

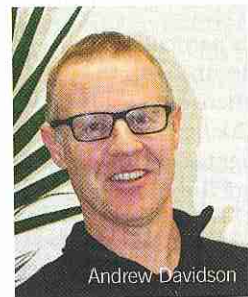
Midlands Seed director and managing director of Midlands Nutritional Oils, Andrew Davidson, says although hemp is a boutique industry, more hemp is grown here than many people realise.

Midlands has been involved in the hemp industry since the first licences

were issued by the Ministry of Health (MOH) in 2001 and has worked to develop markets in NZ and offshore for hemp seed oil and other products, like flour.

Seed is produced by Midlands Seed and supplied to Midlands Nutritional Oil, which processes it into oil and meal and supplies it to consumers. This means the company has a vertically integrated supply chain and full traceability of its products.

"Hemp is one of many crops produced by Midlands. Our focus is on creating



Andrew Davidson

good returns for our growers. We have identified hemp as one crop that is complementary to other crops we are producing with our farmer suppliers," Davidson says.

Midlands has its own brand of hemp seed oil and hemp seed capsules, New Hemisphere, available in NZ but will be able to diversify its local product offering, thanks to the proposed law changes.

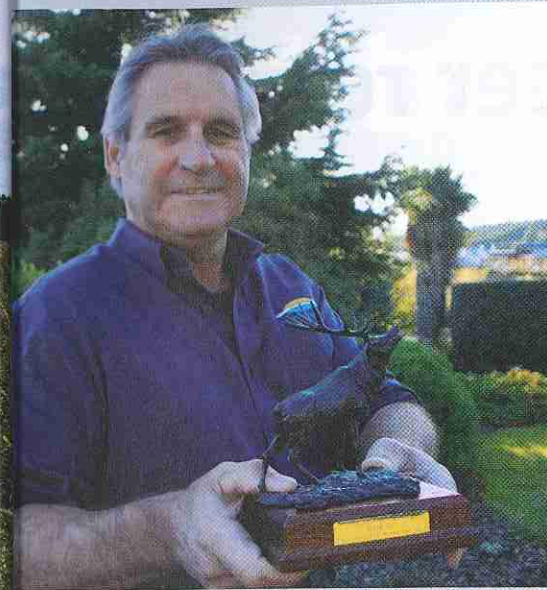
Only 25% of the seed is able to be used to create products for human consumption in NZ, the balance is sold as meal for animal feed, but that is set to change.

"We have been preparing for this (law change) for a number of years. What we are delighted about is the ability to sell a locally grown product to our local market – previously that was out of the equation for us."

HOW WILL THE LAW CHANGE?

On April 28, 2017, trans-Tasman ministers approved a change to the Australia New Zealand Food Standards Code. The change will allow the use of hemp seed as a food for human consumption.

Because of hemp's connection with drug and medicines legislation, the Government has to change some laws before that can happen. Changes will be needed to regulations under the Food Act 2014, Misuse of Drugs Act 1975 and Medicines Act 1981.



Lynda Gray

The humble New Zealand venison sausage can be credited with getting Mark and Annie Mitchell's specialty United States meat business off the ground.

"It got us in the starting blocks but hasn't taken us to the finishing line," Mark says.

In 1988 the couple, with their two pre-schoolers, decided to up-sticks from Tauranga to Los Angeles and sell their venison sausages. The gourmet sausages were selling well throughout NZ in several supermarket chains but the two tonnes a week output was about the total potential which started the Mitchells looking for offshore opportunity.

The US looked promising, based on a positive response from two years' attendance at the Chicago national restaurant show, so the Mitchells made the move. They set up Broadleaf, named after NZ native evergreen trees, in the back bedroom of their LA home and used their Toyota Camry station wagon for distribution. They imported five tonnes

How sausages led the way

of venison trim to make sausages but had no customers.

"We had product but no customers. We had to go to food shows, visit people, cold call, advertise in a few processing magazines. We started from nothing."

What soon became apparent was that the American appetite for gourmet sausages wasn't huge, although venison did hold some appeal.

"We still make sausage today and sell a lot but it wasn't what the customers really wanted. They wanted more steak and loin cuts; the US is predominately a middle-cut market.

"We mainly sell this Venison sausage at Foodservice. These wholesale for US \$4.99 per pound, about NZ \$14 per Kg.

The Mitchells' pathway to the American specialty meat market was paved by deer. Mark's family farmed deer near Alexandra, then Mark and Annie moved north to farm deer near the Kaimai ranges. They were supplier shareholders in Summit Deer Products and to supplement income, when interest rates sky-rocketed, worked at the plant.

Diversification into meat processing started when venison exporters came to the plant with shoulder and leg cuts they couldn't sell. The Mitchells bought some and developed the venison sausage. They then bought a Tauranga processing butchery business.

In the almost 30 years they've grown and become a 5400-tonne meat product

business with 350 wholesaler customers throughout the country. Broadleaf is one of the largest importers of NZ venison and Cervena, and recently added NZ AngusPure to the range.

"We think it will complement well the venison. It's a good clean green story and will be targeted at the same customers."

Those target markets were millennials and baby-boomers, consumer groups that looked for easy-to-prepare and healthy products produced ethically and in environmentally responsible farming systems.

Mitchell was one of three US-based recipients of the Deer Farmer-sponsored Deer Industry Award. Broadleaf along with Rich Flocchini, and Dale Beier had played a key role in growing the US market. Their recognition was timely given the latest export volume statistics showing for the first time ever that the US had surpassed Germany, and was now the largest market for NZ venison.

Mitchell describes the US as a "matured" market for venison.

Broadleaf had important Cervena since it was launched and Mitchell said that although it had taken time to get the product recognised by chefs and the food service industry, it was now regarded as a consistent quality product.

"A chef doesn't want to have any quality issues and that's where Cervena has been good."

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Hemp vs marijuana – what's the difference?

Hemp and marijuana plants may look identical, but there is a key difference – the level of tetrahydrocannabinol (THC), which is the psychoactive component.

The two plants are varieties of the same species (*Cannabis sativa*) but hemp contains little to no THC, while marijuana contains high levels. THC is regulated in New Zealand by existing drug laws.

The process of changing the regulations to allow the manufacture, sale and purchase of hemp seeds (and food made from hemp seeds) will take up to 12 to 18 months.

Davidson says under the industrial hemp regulations, established in 2006, anyone who produces or processes hemp must apply for a licence from the ministry and that will not change.

The ministry has an approved cultivars list for varieties of hemp selected for their low tetrahydrocannabinol (THC), yield and disease resistance. Crops are sampled and tested for THC to ensure compliance.

"We have been able to sell hemp seed oil but no other parts of the hemp seed for human consumption. The new law will allow us to sell oil and other parts,

which creates opportunities for other products," he says.

Legalisation provides a significant opportunity in terms of farmgate returns and revenue to be generated in the food processing industry.

"Aside from that, there's benefit to the consumer in having access to a really nutritious product."

Davidson says there is a bright future for the hemp industry, if viable markets are established locally and offshore. He sees hemp as a comparable crop to linseed and pulses, which are widely grown throughout NZ, predominantly in Canterbury.

Hemp seed oil is already available in NZ and is known for its Omega profile.

"New products will be hemp seed protein, which has a well-regarded amino



acid profile and is sought after as an alternative to soy and whey proteins, and hulled hemp seed, which contains both the protein and the essential fatty acid benefits. Using these three ingredients, there's a whole raft of downstream products, similar to tofu or other comparable soy products."

• See Good oil on a new crop p76