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Proposal to simplify the CAP for a more competitive European hemp sector

Dear Mr. Bascou ,

in light of the upcoming reform of the Common Agricultural Policy (CAP) we, the German Farmers' Association (DBV), the German Cannabis Business Association (BvCW) and the Industrial Hemp Network (NHN) would like to bring to your attention three possible pathways to increase the competitiveness of the European hemp sector:

1. Clarification of the legality of all plant parts of hemp and enabling the establishment of marketing standards within the Common Market Organization
2. Definition of hemp by setting a THC limit of 0.5 % for variety certification
3. Reduction of extensive field inspections through the introduction of satellite monitoring and mandatory hemp cultivation declarations

In addition to its great arable potential, industrial hemp is an excellent previous crop. It roots through the soil and provides strong soil shading thanks to its large leaves, thus retaining moisture in the soil. In addition, the use of pesticides has not been necessary to date. It can also grow and thrive well on poor sites. Its versatility in areas such as textiles, building materials, paper, bioplastics, cosmetics and skin care should definitely be considered and utilised.

However, the cultivation of industrial hemp is currently subject to particularly strict and bureaucratic regulations. This often discourages German farmers from cultivating the crop, even though they are aware of its agronomic benefits. Currently, both cultivation and harvesting are subject to authorisation, and the flowering of the plant must be reported, even though there are regular controls and only EU-certified seeds may be used. It is high time to remove the bureaucratic hurdles and realise the potential of industrial hemp. Different approaches in the 27 Member States, in particular with regard to the cultivation and harvesting of all parts of the hemp plant (including the flowers), create additional legal uncertainty.

For this reason, the German Farmers' Association (DBV), together with the German Cannabis Business Association (BvCW) and the Industrial Hemp Network (NHN), is proposing three key measures to facilitate hemp cultivation and improve regulatory oversight by national authorities.

1. Clarification of the legality of all plant parts of hemp and enabling the establishment of marketing standards within the Common Market Organization

Despite several judgements by the European Court of Justice and national courts confirming the legality of hemp as an agricultural crop and the authorisation to harvest all parts of the plant, some Member States continue to impose significant restrictions on the production, harvesting, processing and trade in hemp flower products. This includes Germany, which means that the potential of cultivation is not being fully exploited. Hemp flowers, which are rich in cannabinoids and other phytoconstituents, provide additional income for farmers and are a valuable resource for various industrial sectors. Without a clear legal framework, the entire value chain remains trapped in a web of legal uncertainties, hindering the growth of profitable and sustainable markets that meet consumer demand for botanical ingredients.

The sector expected greater clarity and a more consistent approach across Member States regarding the legal status of hemp flowers after the ruling of the European Court of Justice in the Kanavape case (C-663/18). Nevertheless, there is no specific legal clarification at EU level to date. In light of the upcoming reform of the Common Agricultural Policy (CAP), it is imperative to amend the Common Market Organisation (CMO) Regulation to explicitly confirm the legality of all plant parts of hemp for production, harvesting, processing and marketing.

Proposal

The German associations are calling on the EU to formalise the legal status of hemp in all its parts through a new provision in the Common Agricultural Policy. This will help to eliminate the different approaches of the Member States. In addition, hemp should be included in the list of agricultural crops under Article 75 of the CMO Regulation to enable the introduction of marketing standards that ensure product quality and consumer safety and prevent potential misuse and illegal trade from third countries.

2. Definition of hemp by setting a THC limit of 0.5 % for variety certification

According to current EU regulations, only officially certified hemp seeds may be commercialised for agricultural production. Hemp varieties that are distinct, stable, sufficiently uniform and suitable for cultivation are listed in the Common Catalogue of Varieties of Agricultural Plant Species and can be cultivated for agricultural purposes within the EU. However, neither EU seed legislation nor the Common Agricultural Policy specify explicit THC limits for these varieties. A clear distinction between narcotic cannabis and industrial hemp is essential for public authorities during inspections and to ensure consumer safety.

The lack of a standardised definition of hemp at European level has led to inconsistent regulations in the Member States. Hemp is listed in Annex I of the Treaty on the Functioning of the European Union (TFEU) and should therefore be subject to coherent, EU-wide legislation. Setting a THC limit of 0.5% for variety authorisation would provide clarity to national regulators and guide them as to which hemp varieties can be registered, propagated and marketed for agricultural production.

While most member states currently adhere to a THC limit of 0.3% for hemp cultivation, there are exceptions. For example, the Czech Republic allows the cultivation of hemp with up to 1% THC in

the field, and Italy allows up to 0.6%, as hemp varieties suitable for Central Europe may have higher THC levels in warmer climates. In Germany, we currently have a limit of 0.3% THC for the commercialisation of industrial hemp. The proposed limit of 0.5%, which applied to direct payments until the 1990s, represents a compromise between the widely used 0.3% limit and higher limits in countries such as the Czech Republic or Switzerland.

Switching from a field-based THC limit to one set at variety approval would eliminate the need for annual THC checks, which are burdensome and unnecessary. Minor variations in THC due to climatic changes should not result in disqualification of a variety or penalties for farmers, as recreational cannabis contains THC levels well above those of industrial hemp.

Proposal

The Common Agricultural Policy should include a provision stating that only *Cannabis sativa* L. varieties with a THC content of up to 0.5% may be marketed, processed and traded in the European Catalogue of Varieties. In addition, imported hemp products must be supported by certificates confirming that the raw material comes from varieties with the same THC limit in order to ensure fair competition between European and third country operators. Article 189 of the CMO Regulation should be updated accordingly.

3. Reduction of extensive field inspections through the introduction of satellite monitoring and mandatory hemp cultivation declarations

Currently, Member States are required to carry out checks on 30% of the areas declared for hemp under the Common Agricultural Policy, to ensure that farmers are using the correct seed labels. If a legally registered variety exceeds the 0.3% THC threshold set for direct payments, farmers are often forced to destroy the crop and the Member State can request a ban on that variety in its territory.

The current control system places a considerable burden on national administrations and farmers. With the expansion of hemp cultivation in the EU, the number of inspections required will increase, necessitating a more efficient system to contain costs and ensure the legality of hemp

cultivation. For a sector that could potentially cover 500,000 hectares, a simplified approach is crucial, both for administrative efficiency and for the well-being of farmers.

Field-based controls create unnecessary pressure on farmers using certified seeds of registered varieties. Instead of extensive physical inspections, farmers could submit data on seed density and other elements, allowing national administrations to ensure compliance in the first instance through satellite monitoring and seed certification records. This would simplify the process, reduce administrative costs and minimise the burden on farmers.

The removal of a variety from the catalogue or exclusion from direct payments due to minor THC limit violations is neither scientifically justified nor proportionate. In many cases, varieties have exceeded the limit by only 0.2 % or 0.3 % without any risk. Moving to a system where only registered varieties with specific THC limits can be grown would eliminate the need for frequent field inspections. This will significantly reduce the burden on farmers, while modern technologies and AI could provide effective inspection tools without the need for physical inspections.

However, field inspections should continue to be carried out on a smaller scale and on a random basis. Finally, farmers should be obliged to notify the authorities of their hemp cultivation activities, regardless of whether they apply for direct payments or not. This would allow administrations to track all hemp cultivation activities and provide better statistical data on acreage, yields and varieties used. Such a system is already in use in Croatia and has proven to be suitable for better monitoring of the sector.

Proposal

The current field-based control system should be abolished. Instead, satellite monitoring should be introduced, coupled with an obligation for all hemp farmers to report their cultivation details to the authorities. Farmers must provide information on seed density, variety, plot identification and total cultivated area either as part of the CAP declaration or via an alternative mechanism if no direct payments are claimed. The possibility to carry out spot checks should be ensured.

Conclusion

All in all, we as associations of the industrial hemp sector would like to call on you to support the cultivation and thereby give industrial hemp the chance to realise its potential. The changes we propose would remove some of the hurdles for farmers and make industrial hemp even more attractive. Hemp's ability to improve soil health, promote biodiversity and sequester carbon makes it an indispensable crop for sustainable agriculture. This is in line with the EU's environmental objectives under the European Green Deal and the Farm to Fork strategy. It is therefore imperative to utilise this potential.



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