

# NATURAL BUSINESS™

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## Market Research

### Worldwide Industrial Hemp Sales to Reach \$600 Million by 2001!

by Monica Emerich

New cultivation closer to U. S. borders, processing technology that renders hemp seed even more usable, and support from a diverse group of farmers, politicians, environmentalists and industries including such notables as Ralph Nader, former CIA Director James Woolsey and Andrew Weil, M.D., may make hemp a serious contender for market share among natural products.

Hemp, the world's oldest cultivated plant, has sat in the dugout of American industry for most of the century, but new research, an expanded supply of raw product and new processing technology have suddenly given rise to an invitation to bat.

From retail sales of \$75 million in 1997, hemp sales are projected to reach \$600 million in 2001 and possibly \$1 billion in five years, according to the Madison, WI based North American Industrial Hemp Council (NAIHC).

Last March, the Canadian government passed legislation allowing the commercial cultivation of hemp—bringing the product closer to the U.S. border. But 80% of the world's industrial hemp is still grown in China.

Overall, hemp has 25,000 applications including food, body care, textiles, automotive parts, carpets, construction materials and animal bedding. HempNut makes a cheese product from Hemp; Adidas uses hemp in tennis shoes; Kimberly Clark uses hemp in a line of skin and hair care products; and Grainassance is introducing a hemp beverage and nutritional bar.

Of perhaps most interest to the natural products industry, however, is hemp's use as a nutraceutical and a cosmetic.

That's because hemp is rich in essential fatty acids, protein and B and E vitamins. Among edible seed oils, it has the most balanced composition in the highest levels of the essential fatty acids, omega-3 linoleic and omega-6 linoleic. Hemp also contains gamma-linolenic acid. Next to

soybeans, hemp has the most complete protein, but hemp is more digestible. Canadian food researchers have found hemp has high levels of antioxidants that remain highly stable during processing.

The Body Shop's hemp line has

Hulling hemp seeds provides three advantages, says John Roulac, president of Hempbrokers.com, a hemp seed marketing firm in Sebastopol, CA, and secretary of NAIHC.

Hulled hemp seeds are versatile and can be used in hundreds of food products including nutrition bars, oils, nondairy milk and cheese, nut butters, baked and packaged goods, and protein powders.

Hulled hemp seeds do not germinate so they can be exported to the U. S. without costly sterilization.

Hulling dramatically lowers levels of THC. Hemp is distantly related to the marijuana plant but its THC levels are too

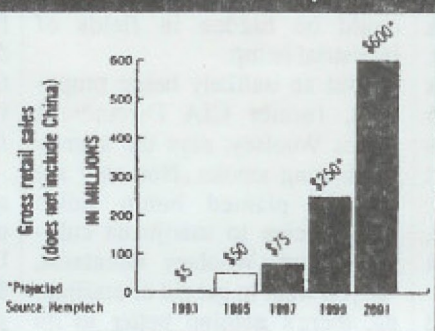
low to produce even a mild "high." Hemp cultivation is banned in the U. S. because of its association with marijuana, yet hemp can be grown in 29 countries.

In 1998, Kenex harvested 2,000 acres of hemp in Canada.

"Part of our hemp will go to the U. S. car industry, which uses hemp to make door panels," says Ron Miller, Kenex' marketing and sales director. The potential for hemp is only going to grow."

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Worldwide Industrial Hemp Sales



been very successful, the company says, because hemp is a perfect therapeutic for dry skin and eczema—which is often caused by an essential fatty acid deficiency.

This spring, Mississauga, ON, Canada-based Hempola will launch a functional-foods line starting with hemp-based salad dressings.

"Hemp is going to play an amazing role in the development of functional foods because it's not only nutritional, it actually tastes great—like a sunflower seed," Hempola President and founder Greg Herriott says.

For the last three calendar quarters, Hempola sales have doubled each quarter. The company predicts a four-times growth multiple for total revenue in the next fiscal year and a multiple of three for the year after "And those are conservative numbers," Herriott says.

In addition, with new seed-hulling technology, the menu of hemp-based food products can now expand. In January, a seed-hulling facility opened in Pain Court, ON—60 miles north of Detroit, making it the closest plant yet to the U.S. marketplace. The \$4 million processing plant, owned by Kenex Ltd., is the first of several facilities planned for Canada in the next two to three years.

#### DR. BRONNER'S MAGIC SOAPS — JUNE 2004

Since we reprinted these two wonderful, main-stream articles on hemp in 2000, much has changed with us and the hemp industry, but the basic facts of hemp as a wonderful crop for Spaceship Earth remain the same. We are now the biggest user of hemp oil in the world with every one of the 4 million bars and bottles containing hemp oil - not for a political statement, but because it is one of the best oils. Our family has been guided by Dr. Bronner's vision, which can be summed up into two sentences: CONSTRUCTIVE CAPITALISM IS WHERE YOU SHARE THE PROFIT WITH YOUR WORKERS AND SPACESHIP EARTH...FROM WHICH YOU MADE IT! and WE ARE ALL BROTHERS AND SISTERS BECAUSE OF ONE ETERNAL EVER-LOVING FATHER SO WE SHOULD CARE FOR EACH OTHER AND SPACESHIP EARTH. With our president, David Bronner's leadership, some of our profit and the leadership of the Hemp Industry Association we have stopped the DEA from outlawing hemp ingredients in food products. We are lobbying politicians and educating the public until the day hemp is free of all DEA restrictions and recognized for what it is: a crop that can help save Spaceship Earth. Dad had a great quote he found somewhere, "One man and the TRUTH is a majority!" We who know the truth about hemp will win! We've also gone organic as this is also a wonderful way to help Spaceship Earth and it's people. Over 50% of our profit in 2003 helped these and other projects all over Spaceship Earth. Our workers received profit-sharing bonuses of 15 to 60 thousand dollars each. We are proud to carry on Dad's vision.

Love in All-One!

Ralph Bronner