



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY

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ONDCP STATEMENT ON INDUSTRIAL HEMP

The primary concern about the legalization of the cultivation of industrial hemp (*Cannabis Sativa*) is the message it would send to the public at large, especially to our youth at a time when adolescent drug use is rising rapidly. Marijuana (*Cannabis Sativa*) use among 8th graders has tripled over the last five years. This increase in marijuana use has been fueled by a measurable decrease in the proportion of young people who perceive marijuana to be a dangerous substance. To address that issue, ONDCP is proposing a \$175 million media campaign specifically to educate our youth about the dangers of drugs.

The second major concern is that legalizing hemp production may mean the *de facto* legalization of marijuana cultivation. Industrial hemp and marijuana are the product of the same plant, *Cannabis Sativa*. The seedlings are the same and in many instances the mature plants look the same. A 1992 Dutch study of 97 strains of marijuana and hemp plants concluded that, short of chemical analysis, there was no way to discriminate between marijuana-producing plants and hemp-producing plants. A research study conducted at the U.S. Department of Agriculture reached the same conclusion.

Supporters of the hemp legalization effort claim hemp cultivation could be profitable for U.S. farmers. However, according to the USDA and the U.S. Department of Commerce, the profitability of industrial hemp is highly uncertain and probably unlikely. Hemp is a novelty product with limited sustainable development value even in a novelty market. U.S. total imports of hemp last year were only about \$1.2 million of a total domestic agricultural market of \$202 billion. For every proposed use of industrial hemp, there already exists an available product, or raw material, which is cheaper to manufacture and provides better market results. For example, the cheapest hemp linen costs about \$15 per square yard. A similar cost profile for the finest flax linen is \$7.50 per square yard. *Pulp and Paper International*, a national trade magazine, puts the break-even price for raw hemp production at \$630 per ton. However currently, finished newsprint sells for only \$500 per ton. The ready availability of other low-production cost raw material has been the major reason for a 25% drop in worldwide hemp production in the past three decades. Hemp production is a labor-intensive operation. Countries with low labor costs such as the Philippines and China have a competitive advantage over any U.S. hemp producer.

In conclusion, legalizing hemp production would send a confusing message to our youth concerning marijuana. Also, it may lead to the *de facto* legalization of marijuana cultivation. To date, production of hemp appears to offer no relief to farmers or manufacturers of textiles or paper as an alternative crop or product. Certainly any new credible evidence should be given careful consideration. Some federal agencies are collecting and reviewing such information for future policy reviews. However, the current available facts do not support hemp cultivation as a legally or economically viable option for U.S. interests. ONDCP therefore does not consider it prudent to change the current status of *Cannabis Sativa* as a controlled Schedule I drug.