



Voluntary Report - Voluntary - Public Distribution

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# Report Name: China's Hemp and Hemp Products Import Policies

Country: China - People's Republic of

Post: Beijing

**Report Category:** MISC-Commodity, Agriculture in the News, MISC-Commodity, Agricultural Situation

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#### **Report Highlights:**

While hemp has been grown in China for centuries, liberalization of production, processing, and use regulations have only come in recent years. China's hemp regulations are opaque, incomplete, everchanging, and vary by province. These regulations continue to change as hemp and hemp products gain more consumer awareness and popularity. However, only a few provinces regulate hemp and streamlined national guidelines do not exist. This report lays out Post's understanding of China's hemp product import requirements as of September 2021. Interested exporters are strongly encouraged to work with their importers for the most accurate and current requirements.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

## **General Information**

\*The information contained in this report is Post's current understanding of China's hemp regulations as of September 2021. The information is subject to change at any time as regulations materialize or more details become available. Exporters should work closely with their Chinese importers for the most accurate and current requirements related to hemp and hemp products.

#### Overview

While hemp has been grown in China for centuries, regulations on production, processing, and use have only been liberalized in recent years. China's hemp regulations are opaque, incomplete, ever-changing, and vary by province. They continue to evolve as hemp and hemp products gain consumer awareness and popularity. Only two provinces currently allow hemp production and streamlined national guidelines do not yet exist. Trade rumors suggest that additional provinces are currently drafting regulations related to the processing of hemp and hemp products but none are available for comment.

While hemp has gained popularity in recent years in the United States after the passing of the 2018 Farm Bill, hemp fiber and hemp seeds for human consumption are currently the only categories of hemp products with a transparent pathway for import into China.

Hemp has also gained popularity in China as consumers awareness has increased. However, hemp fiber and seed products for human consumption are the only legal hemp products in China. Cannabidiol (CBD) or products containing CBD are not allowed for domestic use or import. CBD cosmetics were a growing market sector until CBD use in cosmetics was banned in May 2021. The future of CBD cosmetics in China remains uncertain.

## **Hemp Fiber**

Hemp fiber is currently one of the only hemp products that can be imported into China without significant investment in additional approvals and certificates from national and local authorities. Hemp produced in China is primarily produced for fiber. In recent years, China's hemp fiber imports have increased rapidly. According to China Customs data, China's 2018-2020 hemp fiber (HS code 5302) imports were 23 metric tons (MT), 553 MT, and 837 MT, respectively. Among the 837 MT imported in 2020, 76 percent originated from France and 19 percent originated from the Netherlands.

## Hemp Fruit (seeds)

Hemp fruit/seeds for human consumption (HS code12079999) has been in China's list of ingredients allowed for both food and drug use since 1987. However, according to the <u>Catalogue of Plant-derived</u> Foods that Needs Risk Analysis When It is Imported for the First Time as Well as Countries or Regions that Have Had Such Export Trade to China, no country has market access for hemp fruit/seed.

A variety of hemp seed products including energy drinks, snacks, supplements, and beer are currently produced in China on a small scale but still have little awareness among consumers.

## **Hemp Planting Seeds**

Import of hemp planting seeds (HS code: 1209990090) are highly regulated. Small quantities of hemp seeds for scientific research/breeding purpose *may* be approved with a strong justification and significant time investment. Interested parties should work closely with local research partners and regulators to gain necessary approvals. To date, Post is unaware of any commercial-scale hemp planting seed imports into China. Importation of hemp planting seeds requires an approved "Form for Import (Export) of Animal and Plant Seedlings and Seeds issued by the Ministry of Agriculture and Rural Affairs (MARA)"- which must be applied for by the Chinese importer. Detailed import procedures and requirements in Chinese are available <u>here</u>.

#### Hemp Biomass (Leaves and Flowers)

According to industry sources, China does not allow importation of hemp biomass for CBD extraction. Post has yet to be able to identify the HS code for hemp biomass. While HS code 1211903930 applies to hemp plants primarily for pharmaceutical use in traditional Chinese medicine along with other herbs, no country currently has market access to import hemp plants for pharmaceutical use into China.

## Cannabidiol (CBD)

According to the current <u>Catalogue of Psychotropic Drugs (2013 Edition)</u>, which was jointly published by the Chinese Food and Drug Administration, the Ministry of Public Security, and the National Health and Family Planning Commission, tetrahydrocannabinol (THC) includes its isomers and stereochemical variants. Therefore, although CBD does not have the hallucinogenic effects of THC, as an isomer of THC, China customs regulates it identically to THC and does not distinguish between the two. As a psychotropic drug, the import of CBD requires an import license for Narcotic and Psychotropic Drugs, which is issued by the National Medical Products Administration. According to the Customs Import and Export Tariff Schedule of China, imports of CBD/THC both require an "Import License for Dual-use Items and Technologies of China", which is issued by the Ministry of Commerce. Industry contacts indicate they are not aware of any successful imports of CBD into China.

## **CBD** Cosmetics

Cosmetics were previously the only allowable CBD product in China. However, on May 28, 2021, China's National Medical Products Administration (NMPA) released an updated "Catalogue of Banned Ingredients in Cosmetics", which bans hemp related ingredients in cosmetics. The banned hemp ingredients include cannabis sativa fruit, cannabis sativa seed oil, cannabis sativa leaf extract, and CBD. According to the announcement, any cosmetic product formulated with banned ingredients is not allowed to be manufactured or imported, effective immediately. While there were a significant number of both domestic and imported CBD cosmetic products for sale at the time the ban went into effect, the future for these products remains unclear. Full text of the announcement in Chinese is available on the NMPA website.

Product	HS Code	Supervision conditions	Inspection and Quarantine	Special Permit	Remarks
Hemp fruit (seeds)	12079999	A	P, R	N/A	No specific HS code for hemp fruit. This HS code is for all unlisted oilseeds. CIQ extension code for hemp fruit (seed) under this HS code is 4.
Hemp planting seed	1209990090	A	P	N/A	No specific HS code for hemp planting seeds. This HS code is for all unlisted planting seeds. The China Inspection and Quarantine (CIQ) extension code for hemp planting seeds under this HS code is 28.
Hemp plant	1211903930	A, I	Р	N/A	Used primarily in pharmacy
CBD	29329500	Ι	N/A	1	This HS code applies to all isomers of THC, including CBD

Table 1. China: Hemp Product Import Requirements

Key: A-Entry Inspection and Quarantine, I-Import License for Narcotic and Psychotropic Drugs, P-Quarantine of Entry Animals and Plants and/or Animal and Plant Products, **R**-Imported Food Hygiene Supervision and Inspection, 1-Import License for Dual-Use Items and Technologies.

Source: 2021 Customs Import and Export Tariff of China

The regulatory and trade procedures and the supervision of hemp products in China is complex. Policies may vary in different provinces of China. Interested exporters should work closely with their Chinese importers and buyers for the accurate and current requirements.

# Guidance from U.S. Regulators on Hemp Product Export

Animal and Plant Health Inspection Service (APHIS)

• APHIS does not regulate the export of agricultural commodities from the United States but offers the service of phytosanitary certification to assist U.S. exporters in trading plants and plant products with foreign countries. Phytosanitary certification attests to the health status of plants

and plant products (such as freedom from specific disease or pests). Please learn more about APHIS services online at: <a href="https://www.aphis.usda.gov/aphis/ourfocus/planthealth/sa\_export/export\_services\_program">https://www.aphis.usda.gov/aphis/ourfocus/planthealth/sa\_export/export\_services\_program</a>

- For agricultural commodities eligible for phytosanitary certification, the exporter would need to
  provide an import permit or official communication from the National Plant Protection
  Organization (NPPO) of the importing country which includes the phytosanitary requirements
  for importing the material. If the importing country's phytosanitary requirements for the product
  can be satisfied, then a phytosanitary certificate could be issued for the product. For questions
  related to the export program for plants and/or plant products, please contact the Export
  Certification Specialist in your State or the State of export at
  <a href="https://www.aphis.usda.gov/aphis/ourfocus/planthealth/SA\_Export/CT\_Export\_Certification\_Specialists">https://www.aphis.usda.gov/aphis/ourfocus/planthealth/SA\_Export/CT\_Export\_Certification\_Specialists.</a>
- There are additional export controls for exporting this type of material from the United States, which are not under APHIS' authority. For example, the exporter, must comply with applicable requirements such as the Controlled Substances Act (CSA) and Drug Enforcement Administration (DEA) regulations. Consequently, APHIS cannot advise on additional export requirements- the exporter should contact their local state department of agriculture as well as the DEA for guidance.

Food and Drug Administration (FDA)

- FDA-regulated food products that contain hemp ingredients are likely eligible for FDA-issued export certificates, but the Center for Food Safety and Applied Nutrition (CFSAN) does not issue export certificates for hemp seeds and plants exported as agricultural commodities. Please see the <u>United States Department of Agriculture</u>, Animal and Plant Health Inspection Service, Plant <u>Protection and Quarantine (USDA-APHIS-PPQ)</u> website, which provides information on importing as well as exporting.
- CFSAN does not issue export certificates for products that contain THC or cannabidiol (CBD). THC or cannabidiol (CBD) is an active ingredient in a drug product, so you can reach out to FDA's <u>Center for Drug Evaluation and Research</u> for more information about FDA certification of this product. For more information, <u>please visit FDA Regulation of Cannabis and Cannabis-</u> <u>Derived Products</u>, <u>Including Cannabidiol (CBD</u>).

#### Attachments:

No Attachments.