

Voluntary Report – Voluntary - Public Distribution

Date: April 15, 2025

Report Number: IN2025-0017

Report Name: Sustainability Driving Demand for Hemp Fiber

Country: India

Post: Mumbai

Report Category: Cotton and Products, MISC-Commodity, Agricultural Situation

Prepared By: Dhruv Sood

Approved By: Rhiannon Elms

Report Highlights:

India's fiber market is dominated by cotton, however, increased international demand for sustainable fibers is driving apparel and textile manufacturers to utilize hemp. While domestic cultivation is highly regulated, with only six states currently producing, the importation of fiber and yarn to meet export commitments is necessary. From January through November 2024, India imported 321 metric tons of processed hemp fiber valued at \$2.1 million, with trade sources estimating textiles at approximately \$30 million.

Production

India's hemp industry faces strict state policies that have muted production opportunities, with only six states currently producing: Uttarakhand, Odisha, Gujarat, Andhra Pradesh, Himachal Pradesh, and Madhya Pradesh. Although the Government of India has no strict laws regarding the use of hemp, it has directed state governments to ensure it's only used for industrial purposes. Uttarakhand and Uttar Pradesh are the only states to have developed policies, in 2016 and 2018, to govern and regulate the controlled cultivation of hemp with tetrahydrocannabinol (THC) content of 0.3 percent or less for medicinal, scientific, and industrial use. Trade sources estimate India's annual hemp production between 10,000-15,000 metric tons. Several states, including Madhya Pradesh, Jammu and Kashmir, Himachal Pradesh, and Sikkim are [reportedly](#) in the process of finalizing policies for hemp cultivation, either for research or commercial purposes.

Domestic Industry

The hemp-based product industry that comprises of food, therapeutic, personal care products, and accessories has flourished over the last five years, with over 100 startups reported. The textile sector has also observed market growth due to its strength, breathability, and eco-friendliness. An increasing focus on international brands environmental awareness is driving manufacturers to reduce use of synthetics in the production of composite fibers. However, the market for manufacturing of hemp-based products in India is highly unorganized, with limited processing capabilities and insufficient fiber quality conducive for yarn manufacturing.

Market Access

Hemp fiber is classified as a vegetable textile fiber and categorized under chapter 53 of the harmonized tariff schedule (HTS) code 530210 - *True Hemp (cannabis sativa l.), Raw or Retted*. Although hemp fiber has undergone the processing stages of harvesting, retting and separation, raw hemp fiber is governed by India's plant quarantine regulations.

According to the Plant Quarantine (regulation of import into India) Order 2003, hemp fibers (*Cannabis sativa*) are listed under Schedule 7, serial number 44 which indicates that imports are permissible but under strict conditions. India plant quarantine regulations require an imported consignment should accompany a phytosanitary certificate from the exporting countries' national plant protection organization. There are no specific attestations or treatment declarations required on the certificate, and the basic customs duty is 30 percent.

Table 1. India Import Tariffs (Percent of Value)

| HTS Code | Description | Unit | Basic | Social Welfare Surcharge | IGST Levy | Total |
|----------|---|----------------|-------|--------------------------|-----------|--------|
| 5302 | True Hemp (Cannabis Sativa L), Raw or Processed But Not Spun; Tow And Waste Of True Hemp (Including Yarn Waste And Garnetted Stock) | Kilogram (Kg.) | | | | |
| 53021000 | True hemp, raw or retted | Kg. | 30.00 | 10.00 | 5.00 | 50.045 |
| 53029000 | Other | Kg. | 30.00 | 10.00 | 5.00 | 50.045 |

Source: [Ministry of Finance](#), Government of India

Table 2. Imports of Raw Hemp Fiber (in metric tons)

| Partner Country | 2020 | 2021 | 2022 | 2023 | YTD 2024 (Jan/Nov) |
|-----------------|-----------|-----------|-----------|-----------|--------------------|
| China | 5 | 14 | 5 | 28 | 269 |
| France | 0 | 0 | 58 | 23 | 22 |
| Others | 21 | 55 | 34 | 1 | 32 |
| World | 26 | 69 | 97 | 52 | 323 |

Source: Trade Data Monitor, LLC

Attachments:

No Attachments.