

API Labs Media Briefing

Background

API Labs Inc. is a Canadian-owned, Alberta-based company that has been cultivating poppies for research purposes since 2012. To date the company has raised a total of \$9.2 million dollars from government funding (\$1.425 million) and shareholder capital (\$7.775 million). Recently, API Labs has petitioned the Canadian federal government to permit cultivation of poppy crops for culinary purposes. API Labs Inc. has worked annually with the Office of Controlled Substances to obtain the required permissions to cultivate and research the poppies. There is no existing framework in either the Ministry of Agriculture or Health under which to regulate the cultivation of culinary varieties of poppies for commercial purposes. If API Labs Inc. was to successfully enter the sector this year, by 2023 its seed sales would amount to 14,000 tons, valued at C\$25.1 million and it would create a minimum of 100 new jobs in Canada's rural prairie provinces (Alberta and Saskatchewan).

Facts on Poppy (*Papaver somniferum*) cultivation

Poppy seed has culinary value used either as seed or as a pressed oil (up to 50% of the seed weight is oil). As of 2014, 120,000 hectares of poppies were grown globally for culinary or pharmaceutical purposes.

The poppy seed market is dominated by suppliers from the Czech Republic and Turkey with a smaller volume supplied by the Netherlands, France and Australia.

In 2014, the world produced over 85,000 tons of poppy seed with the Czech Republic accounting for nearly 25,000 tons of this total. The United States and Canada imported 5400 and 1100 tons; respectively.

The price of Czech seed has varied between US\$1004/ton and US\$2828/ton between 1995 and 2014 with an average price of US\$1488/ton.

Australia is in the process of expanding its cultivation activities. Although commercial cultivation has been restricted to the state of Tasmania for approximately 40 years, two additional states, Northern Territories and Victoria, have recently legalized cultivation while a third, Southern Australia, is set to legalize poppy cultivation in 2016.

Project Support

- API Labs has received support from several levels of government and industry including: the Chamber of Commerce, Provincial government of Alberta and the City of Lethbridge