

# Costa Rica Grants 57 New Hemp Licenses for Cultivation

## Costa Rica's Ministry of Agriculture Issues 57 Licenses for Hemp Cultivation and Production

**SAN JOSÉ, COSTA RICA** – Costa Rica's Ministry of Agriculture and Livestock (MAG) has officially issued 57 licenses for the cultivation and production of hemp derivatives, signaling a growing interest in the hemp industry since the country's legalization of hemp cultivation in early 2022. This regulatory milestone marks an important step in Costa Rica's agricultural sector, offering new opportunities for economic growth, research, and innovation. The first license was granted on November 8, 2022, and the most recent one on September 3, 2024, with each license valid for a six-year period.

According to MAG, the majority of these licenses have been issued in the provinces of San José and Guanacaste, with the goal of fostering economic development, research, and innovation in agriculture.

## Regulatory Background: Hemp Legalization in Costa Rica

The law permitting hemp cultivation in Costa Rica came into effect in early 2022, creating a new legal framework for the production and commercialization of hemp and its derivatives. With this law, Costa Rica joined a growing number of countries embracing hemp for its versatile applications, from food and textiles to health products and sustainable materials.

The Ministry of Agriculture's licensing process emphasizes responsible cultivation and compliance with international standards, ensuring that licensed producers adhere to guidelines that protect the quality of the crops and the surrounding environment. Hemp, distinct from its relative cannabis in THC content, is recognized for its minimal psychoactive properties and high industrial value, making it a promising crop for diverse uses.

## Milestone First License: Ingenio Taboga Leads the Industry

The first official license in Costa Rica's hemp sector was awarded to **Ingenio Taboga**, a company with deep roots in agriculture and production. Granted on November 8, 2022, Ingenio Taboga's permit marked the beginning of Costa Rica's commercial hemp industry. With a focus on producing high-quality hemp for both domestic and international markets, the company quickly became a model for other businesses interested in entering this emerging sector.

In a statement, representatives from Ingenio Taboga expressed their enthusiasm about leading this initiative, noting that hemp provides an opportunity for sustainable crop production that benefits both local communities and the economy. Ingenio Taboga's plans include expanding their cultivation areas and investing in research to explore the full potential of hemp derivatives.

## Academic Research: Universidad Nacional and Tecnológico de Costa Rica

Recognizing hemp's research potential, two prominent Costa Rican universities—**Universidad Nacional (UNA)** and **Tecnológico de Costa Rica (TEC)**—applied for licenses to conduct scientific studies on hemp cultivation and its derivatives. These institutions aim to explore the physiological properties of hemp, test agricultural practices, and validate effective cultivation techniques.

In August 2023, **UNA** became the first educational institution in Costa Rica to receive a hemp research license. The university has since initiated a research program focusing on the development and properties of hemp components, particularly for industrial and therapeutic applications. UNA's research includes testing two Canadian hemp varieties to assess their adaptability to Costa Rica's climate and soil conditions.

“The opportunity to study hemp’s unique properties offers exciting potential for both agricultural and medical applications,” a UNA research representative explained. “Our studies aim to improve local cultivation techniques, adapt them to Costa Rican conditions, and evaluate the plant’s potential in various industries.”

TEC, which applied for a license shortly after UNA, also plans to contribute to the body of knowledge surrounding hemp. Both universities have highlighted their commitment to collaborating with MAG to ensure that their research supports the sustainable growth of Costa Rica's hemp industry.

## **License Distribution and Economic Impact**

MAG data indicates that most hemp cultivation licenses have been issued in San José and Guanacaste, two regions with favorable growing conditions and strong agricultural sectors. San José, the capital, serves as the hub for administrative operations, while Guanacaste offers vast arable land and an established farming culture that aligns well with hemp production.

By facilitating hemp cultivation, MAG aims to stimulate rural economies and create job opportunities. The government is optimistic that the hemp industry will attract foreign investment, support local businesses, and foster innovation within Costa Rica's agricultural sector.

## **Hemp's Potential: A Sustainable Crop with Multiple Uses**

Hemp is valued for its versatility and sustainability. In Costa Rica, hemp is expected to offer several applications, including:

**Health and Wellness Products** – Hemp-derived products, such as CBD oil, are increasingly popular in wellness and natural health industries.

**Industrial Uses** – Hemp fibers can be used to produce textiles, building materials, and bioplastics, aligning with global trends in eco-friendly materials.

**Food and Beverage** – Hemp seeds and oil are recognized as nutritious additions to diets, providing protein, essential fatty acids, and other nutrients.

Costa Rican officials believe that by tapping into hemp's potential, the country can establish itself as a leader in sustainable agricultural practices.

## **Research Goals: Studying Hemp's Physiological and Agricultural Properties**

The research led by UNA focuses on validating cultivation techniques for two Canadian hemp varieties, examining how these strains respond to Costa Rica's tropical climate. Researchers are particularly interested

in studying how various cultivation techniques can enhance or modify physiological processes in the plant.

UNA aims to develop a comprehensive understanding of how soil composition, temperature, humidity, and other environmental factors influence the growth and quality of hemp. Insights from this research will inform growers on best practices for maximizing yield and optimizing the properties of hemp components, potentially opening new avenues for export and industry partnerships.

## **Long-Term Vision for Hemp in Costa Rica**

MAG's licensing initiative and support for research institutions represent a foundational strategy to build a competitive and sustainable hemp industry in Costa Rica. By issuing six-year licenses, the ministry ensures that license holders have sufficient time to establish and scale their operations while adhering to regulatory standards. This structure aims to position Costa Rica as a leader in hemp production within Latin America, where demand for sustainable agricultural products is on the rise.

The ministry's proactive approach also includes encouraging public-private partnerships and supporting innovation through grants and research opportunities. In alignment with Costa Rica's environmental goals, the hemp sector offers a unique chance to promote sustainable farming practices and reduce environmental impact.

## **Challenges and Future Prospects**

Despite the promising outlook, the hemp industry in Costa Rica faces challenges, including regulatory complexities, market competition, and establishing infrastructure for processing and distribution. However, both MAG and industry stakeholders are optimistic that these challenges can be addressed through collaboration, investment, and continued research.

In the coming years, Costa Rica's hemp industry could play a pivotal role in the country's agricultural diversification efforts. The country's strategic focus on sustainable agriculture, combined with MAG's commitment to a responsible regulatory framework, sets a strong foundation for the industry's growth.

## **A New Chapter for Costa Rican Agriculture**

The issuance of 57 hemp cultivation licenses by Costa Rica's Ministry of Agriculture and Livestock marks an exciting chapter for the country's agricultural sector. As Costa Rica embraces hemp as a versatile and sustainable crop, it opens up possibilities for economic growth, academic research, and environmental sustainability. With research institutions, companies, and government agencies all working together, Costa Rica is positioning itself as a pioneer in Latin America's emerging hemp market, ready to meet global demand with innovation and responsibility.

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