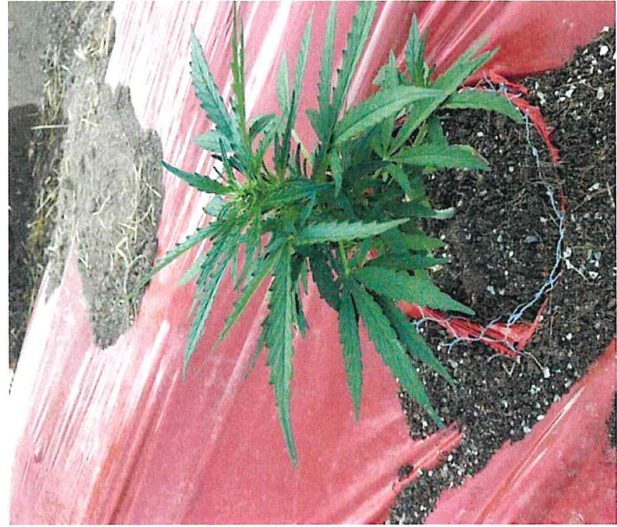


Industrial Hemp Program Update

Department of Agriculture

6/23/2020



Industrial Hemp Worldwide

- Over 30 countries produce Industrial Hemp
- The top five growing countries are: China, Canada, United States, France and Chile.
- Uses include: edible seed and seed oil, various fibers, biofuel oils, building materials, in composite materials for car panels and more recently Cannabidiols (CBD) in a seizure drug.

Industrial Hemp in the U.S.

- Became a legal agricultural commodity with the adoption of the 2018 Farm Bill in December of 2018.
- The Federal Government's Interim Final Rule became effective October 31, 2019 and will sunset November 1, 2021. It outlined a regulatory framework for monitoring hemp cultivation.
- It is expected that a Final Rule will be published before the November 2021 sunset date.

Industrial Hemp in the U.S.

- Only 3 states do not allow farming of Industrial Hemp: Idaho, South Dakota, and Mississippi.
- The rest of the U.S. allows for cultivation of Hemp via commercial, research or pilot programs.
- The top five states for Industrial Hemp production are Montana, Colorado, Kentucky, North Carolina and Oregon.

Industrial Hemp in CA

- April 30, 2019 the State registration process became available.
- June 10, 2019 a State regulatory framework for testing and sampling procedures was approved.
- Since the Federal Interim Final Rule (FIFR) went into effect in October 2019, the CA Legislature and CA Department of Food & Agriculture have been working to bring CA laws and regulations in line with the FIFR.

Industrial Hemp in CA

Some changes to CA laws & codes include:

- Listing of Key Participants of the entity on applications
- Requirement to provide a FBI Criminal History report for all Key Participants
- Any person convicted of a controlled substance related felony is ineligible to participate in the industrial hemp program for a 10 year period

Industrial Hemp in CA

- A State Plan, that is consistent with the FIFR, must be submitted to the U.S. Secretary of Agriculture for review.
- The U.S. Department of Agriculture (USDA) has 60 days to review and approve the State Plan.
- The CA Plan is currently under review by the Governor and Attorney General and is expected to be submitted to USDA this month.

Industrial Hemp in CA

- Currently 38 counties allow for some form of commercial or research cultivation
- 20 counties have moratoriums on cultivation
- Reasons for moratoriums include:
 - Waiting for the State Plan to be approved
 - Working on local ordinances for hemp
 - Protection of their cannabis industry
 - Have a ban on all forms of cannabis

County Programs

- Some counties have no restrictions
- Some counties have land use ordinances that may include: zoning requirements, setbacks, limits to number of registrations, limit to total number of acres and/or setbacks to sensitive receptors.
- Some counties require Use Permits

Industrial Hemp Definitions

CA Health and Safety Code section 11018.5

- (a) “Industrial hemp” means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of 1 percent (3/10 of 1% or .3%) tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.

Industrial Hemp Definitions

CA Health and Safety Code Section 11018

“Cannabis” means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. It does not include either of the following:

- (a) Industrial hemp, as defined in Section 11018.5.
- (b) The weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product.

Industrial Hemp Definitions

CA Food and Agricultural Code Section 81000(a)(6)

- “Industrial hemp” or “Hemp” means an agricultural product, whether growing or not, that is limited to types of the plant *Cannabis sativa L.* and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis.

El Dorado 2019 Growing Season

- Three growers registered to cultivate in June 2019. Only two actually planted.
- Total acreage planted was 4.5
- Crops were harvested in September and October
- Sampling was overseen by the Ag Department
- All samples tested below .3%















Application/Renewal Process

- Submit the application/renewal including:
 - Criminal History Report for Key Participants
 - Lab testing results of the parent plant of the seed cultivar to be purchased
 - Certification of the Lab that conducted the testing (required to be ISO 17025 accredited and use a validated method to test for THC levels)
 - Proof of Industrial Hemp Registration from the State where parent plants were grown
 - If not owner of property-provide lease agreement

Planting

- Seeds are usually planted in starter flats or pots then transferred out into the field
- Once they are field planted we GPS the crop to verify compliance with size stated in application
- Ag Department has authority to visit the site at any time

Pre-Harvest Notification

- Registrant is required to submit a pre-harvest report at least 30 days before harvest to initiate the sampling process
- There are updates to the regulations out for comment that will reduce this timeframe before this year's harvest
- Growers typically contract with a lab to do some preliminary testing to make sure their crop will be within the .3% THC at harvest

Sampling & Testing

- The Ag Department will be conducting the sampling
- Sampling will be done for each cultivar planted
- A chain of custody form will be required with each sample
- The lab must have an ISO accreditation and validated method for THC analysis

Harvest or Destruction

- Registrants may harvest the crop upon receipt of a passing laboratory test report
- Any non-compliant industrial hemp crop shall be destroyed .
- The grower shall submit a destruction plan to the commissioner at least 24 hours prior to the start of destruction

El Dorado 2020 Growing Season

- Currently have nine registered growers with two more planning to register
- Potentially planting 43 acres this season

Questions?

