

2019 Kansas Industrial Hemp Program Update

Ag Marketing
Advisory Board
December 13, 2019

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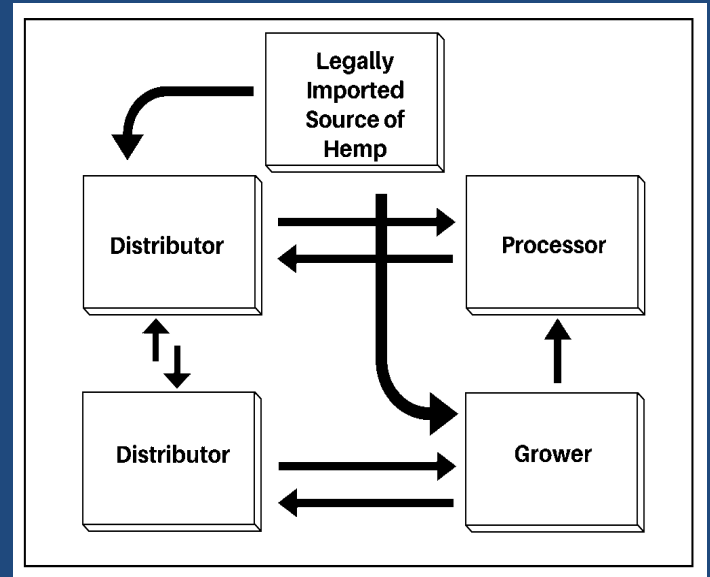
KDA-0689321855: Andrew Renyer – Grower (Dickinson Co., KS)

KDA-0758881888: Jade Marcum – Grower (Reno Co., KS)

Activities Conducted by Licensed Individuals in Kansas

Grower	191
Distributor	20
Processor	34
University	9
TOTAL ACTIVE LICENSES	255*

*As of December 10, 2019.



Highest number of growers licensed was 213.
23 licensees voluntarily withdrew from the program.

Growers Activities Conducted by Licensed Individuals in Kansas

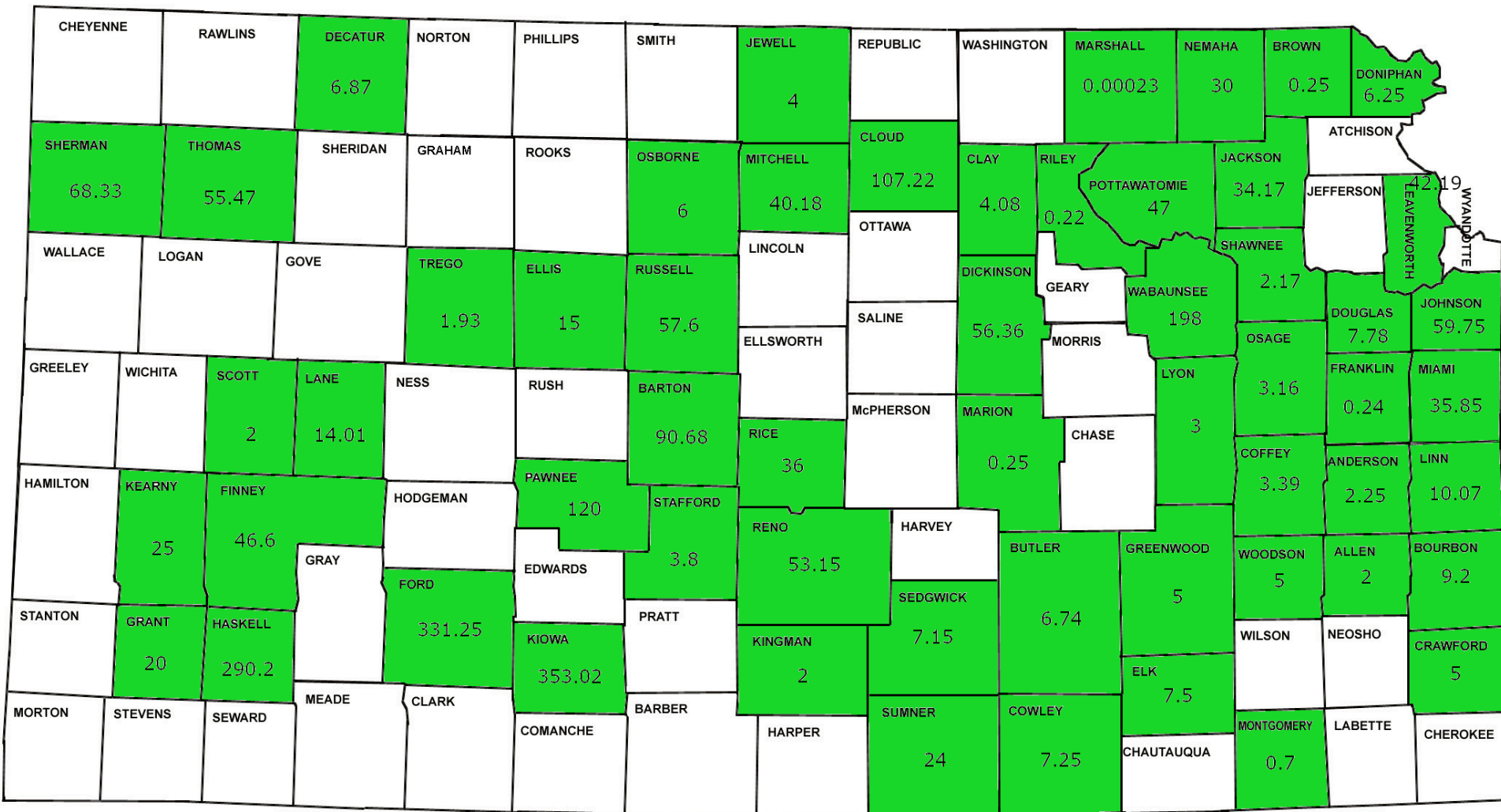
5,700 acres licensed to plant	70 counties
2,700 acres were planted*	58 counties
1,755 acres were harvested	

Grower activities as of December 10, 2019.

* Not all acres planted will be harvested.

Approximately 90% of the planted acreage was grown as floral material (CBD production).

Summary of Planted Acres



Summary of Planted Acres Continued

Rank	County	Acres Planted*
1	Kiowa	353.02
2	Ford	331.25
3	Haskell	290.20
4	Wabaunsee	198.00
5	Pawnee	120.00
6	Cloud	107.22
7	Barton	90.68
8	Sherman	68.33
9	Johnson	59.75
10	Russell	57.60

* Not all acres
planted were
harvested.

Harvest Activities Conducted by Licensed Individuals in Kansas

Reported production acres to-date	1,382*
Weight of product	444,348.95 lbs.
Lbs./acre average	321.53 lbs.

* Summary of harvested acreage as of December 10, 2019.

Approximately one-third of Kansas growers have sold their product to-date.

CBD Varietals

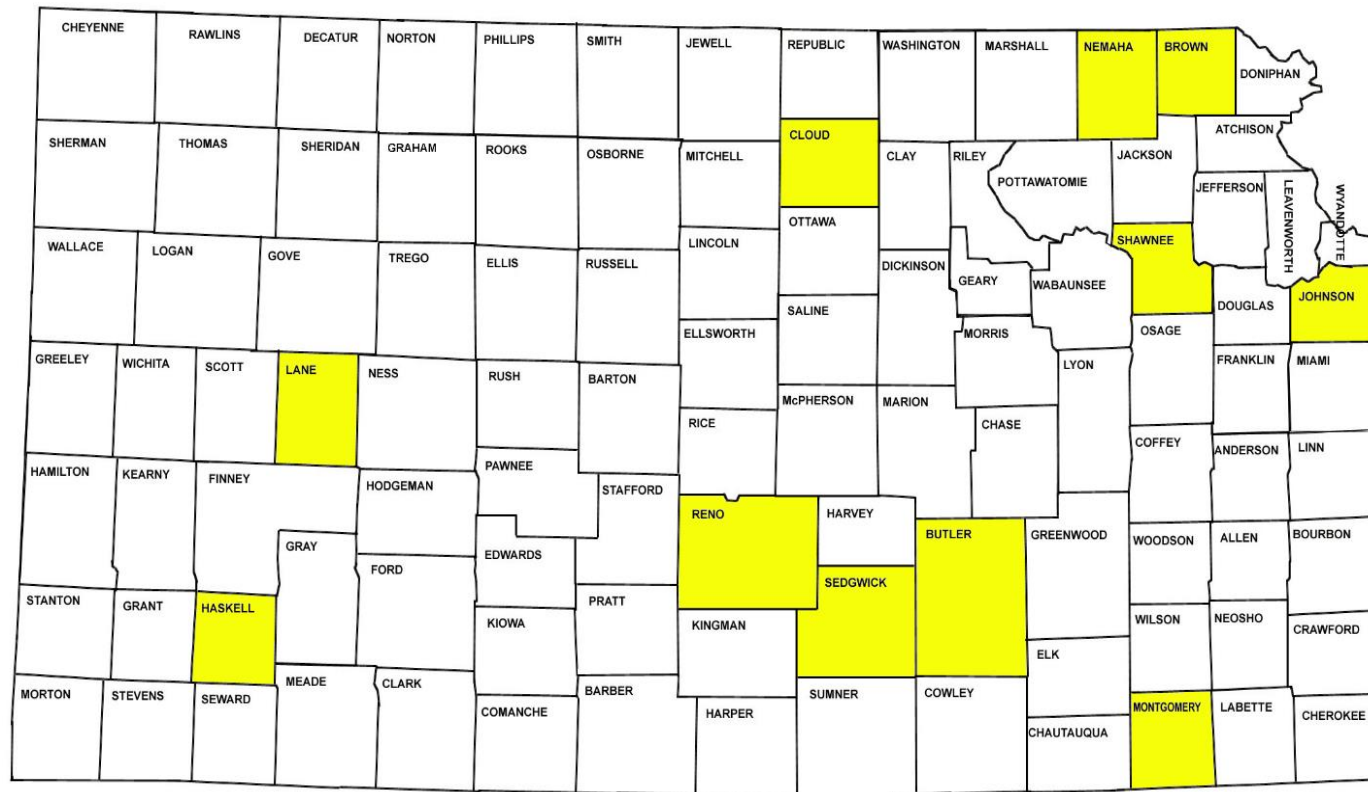
- Goal- Maximize CBD production while not exceeding 0.3% THC
 - Large quantities of high quality biomass
- Bred/selected from recreational and medicinal marijuana lines
 - CBD varietals are/were phenotypes selected to contain low concentrations of THC and high concentrations of CBD;
- Generally, short and stocky plants.



CBD Production

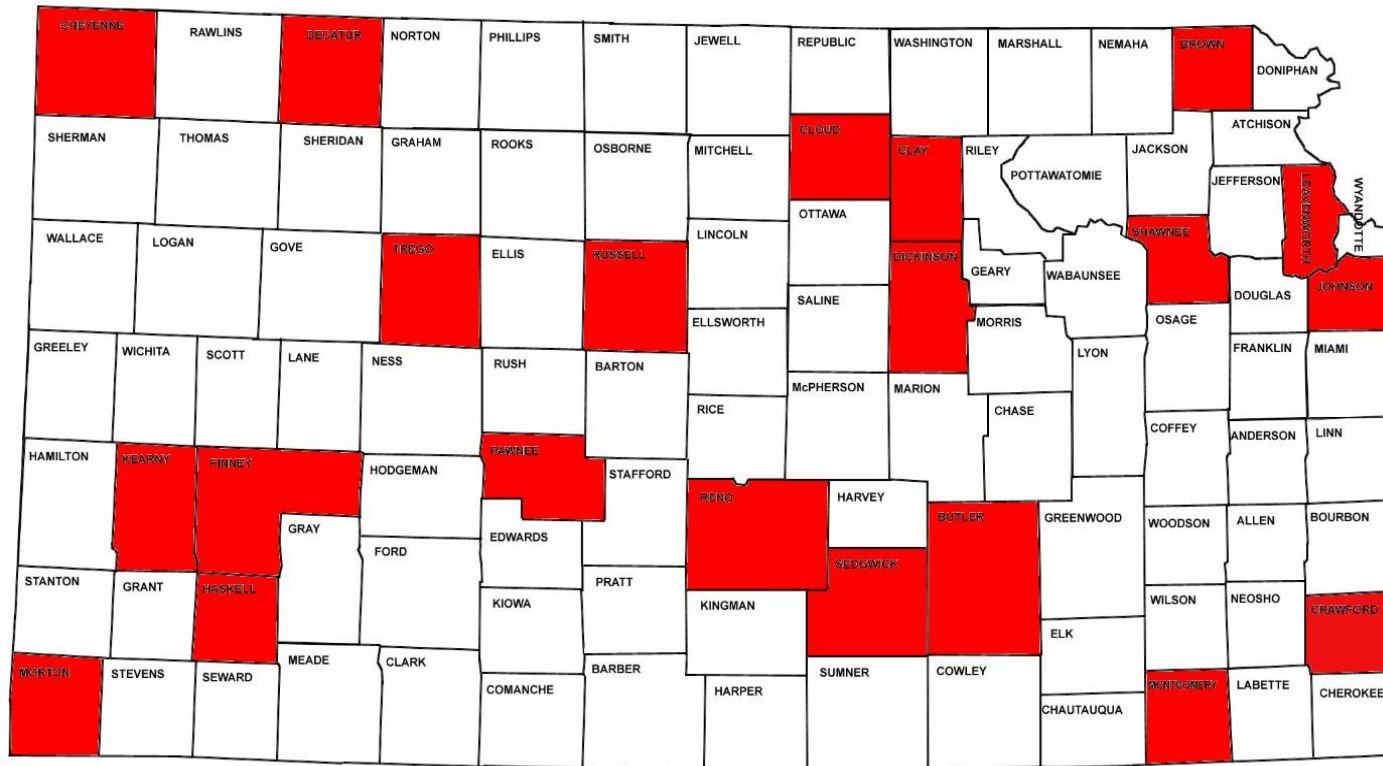


Counties with Licensed Distributors



Kansas counties with active distributor licenses as of July 26, 2019; this figure may have changed as licenses were voluntarily withdrawn from the program.

Counties with Licensed Processors



Kansas counties with active processor licenses as of July 26, 2019; this figure may have changed as licenses were voluntarily withdrawn from the program. Not all processors will have operational capacity considering the magnitude of infrastructure development involved with an these activities.

Fiber Processors

- Biomass for building materials, fabrics, animal bedding, injected molds, plastics
- A lack of processing infrastructure exists;
- Kansas is beginning to see long-term opportunities for hemp grown for fiber.



2020 Kansas Grower License

- The 2020 growing season will follow the same format as the 2019 growing season.
- Growers will be able to have 320 acres per license vs. 80 acres in growing season 2019.
- Application deadline was November 30, 2019.

2020 Application Submissions as of December 10, 2019

Grower	271
Distributor	23
Processor	34
University	7
TOTAL	335

Approximately 40% of the grower applications are from those who were not licensed for growing season 2019.

Interim Final Rule on Domestic Hemp Production

- Draft released - October 29, 2019
U.S. Domestic Hemp Production Program
- Effective - October 31, 2019
- USDA began reviewing states' submissions
November 30, 2019 and will respond within 60
days of a submission.

U.S. Domestic Hemp Production Program Requirements

1. Maintain relevant producer and land information
 - Collect, maintain and provide real-time information of each hemp producer to USDA contact.
2. Accurate and effective sampling and testing
 - Procedures for how, where, and when to collect samples
 - Sampling be conducted by an authorized representative
 - Post-decarboxylation or similar testing must not exceed 0.3% THC on a dry weight basis to classify as hemp
 - Procedures that prohibit handling, processing, or entering commerce when hemp noncompliant;
 - Procedures that require hemp testing labs to conform to standards and register with DEA.

U.S. Domestic Hemp Production Program Requirements Continued

3. Disposal

- Procedures for dispose of non-compliant plant
- Procedures to notify USDA of non-compliant plants.

4. Inspection Procedures

- Annual inspections required to gather a sample of licensed lots to ensure compliance.

5. Collection and dissemination of information with USDA-AMS and FSA

- Hemp producer information (contact, etc.)
- Licensed, planted, harvested and disposed acreage.

U.S. Domestic Hemp Production Program Requirements Continued

6. Compliance with enforcement procedures

- Corrective action plan and procedures to provide correction for negligent violations (failure to provide records, obtain license, growing *Cannabis* in exceedance to acceptable limit
- Procedures for addressing controlled substance felonies and individuals' eligibilities.

7. Certification that a state has resources and personnel to carry out the federal requirements.

Crop Insurance

- The 2018 Farm Bill allows FCIC (Federal Crop Insurance Corporation) to offer policies for industrial hemp
- Sen. Majority Leader Mitch McConnell revealed that an insurance policy for the crop won't be ready for the 2020 planting season. In the short term, starting in **2020**, **USDA aims to cover hemp through a whole-farm crop insurance pilot program, a type of coverage used for diversified farms;**
- 2020 USDA- RMA -Whole Farm Revenue Protection policy
 - Will not cover crops exceeding 0.3% THC limit or replanting
 - Requirements such as a farming history for 5 years.

Commercialization Summary

- **Draft Regulations**
 - KDA is working internally to create the best plan for Kansas to go forward to meet the requirements of the USDA Interim Final Rule.
- Submission to Kansas Division of Budget, Department of Administration, Attorney General and Joint Committee on Administrative Rules
- Submission to USDA simultaneously;
- Public meeting.
- This follows the same regulatory process as previously presented at outreach meetings.

Outreach Events

- May 11, 2018 – December 10, 2019
- 2,543 individuals have participated in outreach events which KDA has presented. 2,033 in CY 2019 – 50 unique events.
- Outreach team includes: Dr. Jason Griffin (KSRE), Braden Hoch and Dana Ladner.



Email Contact

For specific questions on the 2020 growing season,
email:

KDA.Industrialhemp@ks.gov

Thank you for your time by serving on the Advisory Board.