







Kansas Industrial Hemp Program Update

Kansas Farm Bureau
Environmental and Natural Resources
Committee
Manhattan, Kansas
January 31, 2020

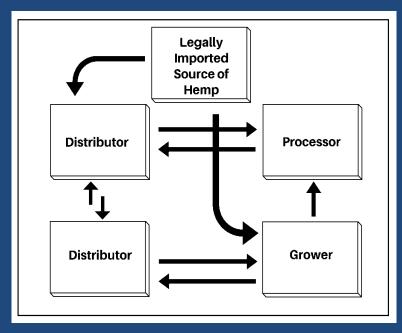
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Status of Industrial Hemp: Where We Are Now

- 2014 Federal Farm Bill (Feb. 2014)
 - authorized state departments of agriculture and educational institutions the ability to conduct activities on industrial hemp in pilot or research programs
 - Did not authorize the commercial sale of industrial hemp
- Senate Bill 263 (April 2018) Kansas
 - Alternative Crop Research Act authorized KDA to develop a "research program"
- Administrative Rules and Regulations (Research Program (Feb. 2019)
 - K.A.R. 4-34-1 4-34-21



Authorized Activities with Industrial Hemp in Kansas (current program)



Activities authorized by 2018 Supp. K.S.A. 02-3902. (research, growing, cultivation, distribution, transportation, handling, storing, processing, etc.)

Active licenses by type program; 2019 program licenses expire 01/31/2020.

| License Type | 2019 | 2020** |
|---------------|------|--------|
| Grower | 190* | 143 |
| Distributor | 20 | 17 |
| Processor | 35 | 18 |
| University*** | 9 | 5 |
| TOTAL | 254 | 183 |

^{*}There were 213 active grower licenses for 2019, but 23 licensees withdrew.

***Kansas State University Research and Extension (KSRE).



^{**}KDA is still licensing for 2020

Industrial Hemp Licensee Search

agriculture.ks.gov/industrialhemp (KDA Industrial hemp homepage)



Program staff at kda.industrialhemp@ks.gov.

Program Regulations



The Kansas Department of Agriculture will not provide contact information for the individuals

agreement. Please do not solicit information from these individuals. PROHIBITED USES: K.S.A. 45-230 prohibits the use of names and addresses derived from public records for certain commercial purposes. Violation of this law can result in a civil penalty not to exceed \$500 for

listed without completion of an open records request and a confirmation of a confidentiality

Kansas Department of Agriculture Industrial Hemp Research Program resources for license validation

Department of Agriculture

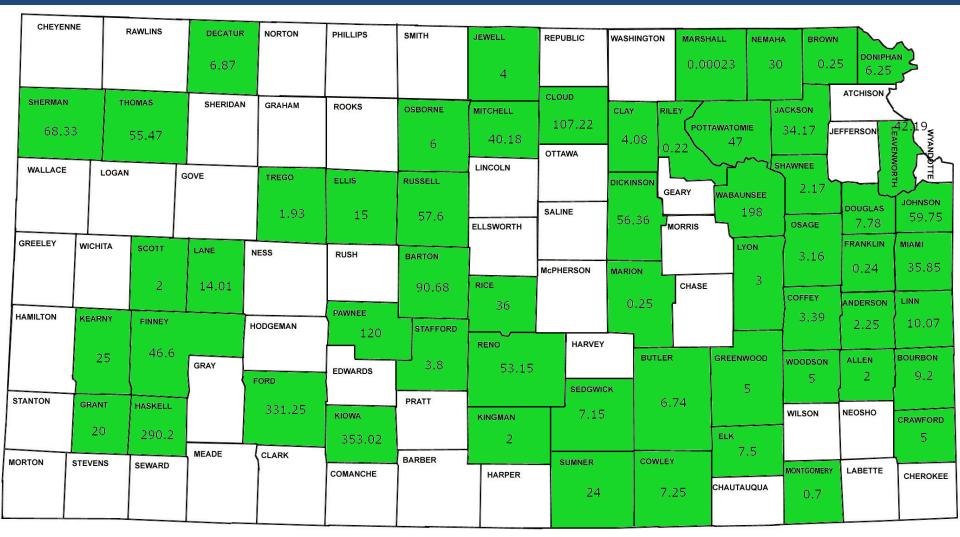
Activities Conducted by Licensed Growers in Kansas

Acreage licensed, planted and harvested as of 01/08/2020.

| Activity | Acreage | Number of counties |
|-----------|---------|--------------------|
| Licensed | 5,700 | 70 |
| Planted | 2,700 | 58 |
| Harvested | 1,755 | 52 |

- Approximately 90% of the planted acreage was grown for the floral material [cannabidiol (CBD) production].
- 99% of the planted acreage was grown outdoors.
- Approximately one-third of the Kansas growers have sold their product as of 01/08/2020.

Summary of Planted Acres in 2019



Distribution map of industrial hemp planted by Aug. 2019 in Kansas

Status of Industrial Hemp: Where We Are Headed

- 2018 Federal Farm Bill (Dec. 2018) USDA
 - Authorized commercial production of industrial hemp (hemp)
 - State departments of ag and tribal nations must submit plans for inclusion into U.S. Domestic Hemp Program before Oct. 31, 2020
 - If a state or tribal nation does not submit a plan, USDA will licenses producers in that state or tribal nation.
- Senate Sub. House Bill 2167 (Apr. 2019) Kansas
 - Commercial Industrial Hemp Act. authorized KDA to develop a commercial program plan and submit to USDA for inclusion into U.S. Domestic Hemp Production Program.
- Interim Final Rule on Domestic Hemp Production (Oct. 2019) USDA
 - Criteria for plan approval and set certain requirements states and tribal nations must follow.
- Kansas Plan Submission to USDA for inclusion into U.S. Domestic Hemp Production Program (January 16, 2020).
- Proposed Kansas Administrative Rules and Regulations (Commercial Program January 29. 2020).



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 becomes non-compliant
 - 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 disposal of non-compliant plants
- Procedures to notify USDA of non-compliant plants.

4. Inspection Procedures

- Annual inspections where "random sample" of licensed producers is taken 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



Largest Potential Changes from Research to Commercial Hemp Production in KS

- The primary license holder will be the only one who will need to submit fingerprints and undergo a background check. A license shall not be required for employees, agents, contractors or volunteers of a license.
- Each licensee is responsible for insuring employees are eligible to participate in the program.

Proposed rules and regulations and are subject to change.

Largest Potential Changes from Research to Commercial Hemp Production in KS

 Transportation of lawfully produced unprocessed industrial hemp must be accompanied by a signed bill of lading to include licensee's license number, quantity transferred, date of transfer and name of person acquiring. A certificate of analysis or similar document shall be attached to the bill of lading.

Kansas
Department of Agriculture

Effective Disposal of Non-Complaint Plants

- Interim Final Rule on hemp production requires cannabis to be disposed by CSA and DEA regulations.
 - By this rule, the only allowance for destruction by CSA and DEA regulations could be conducted by law enforcement officials.
- State legislation may need to be passed to allow KDA officials to develop a plan for the effective disposal of industrial hemp and hemp products in coordination with the state law enforcement and appropriate effective disposal.

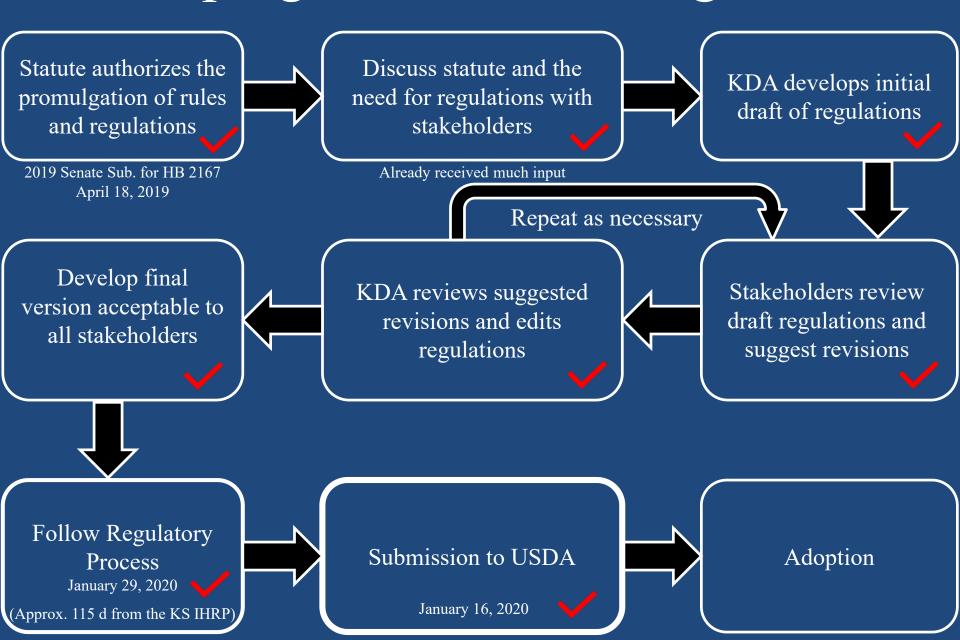
Summary of 2019 issued reports of analyses of industrial hemp by KDA.

| Reports of Analyses Disseminated | Count | % Total |
|----------------------------------|-------|---------|
| PASS (<0.3% THC) | 150 | 94% |
| FAIL (>0.3% THC) | 9 | 6% |
| Total | 159 | 100% |
| | | |
| Туре | | |
| Licenses issued failing reports | 7 | |
| Licensees issued failing reports | 6 | |
| Retests | 4 | |
| Passing Retests | 2 | |
| Failing Retests | 2 | |
| Voluntary Destructions | 3 | |
| Destruction Orders* | 2 | |

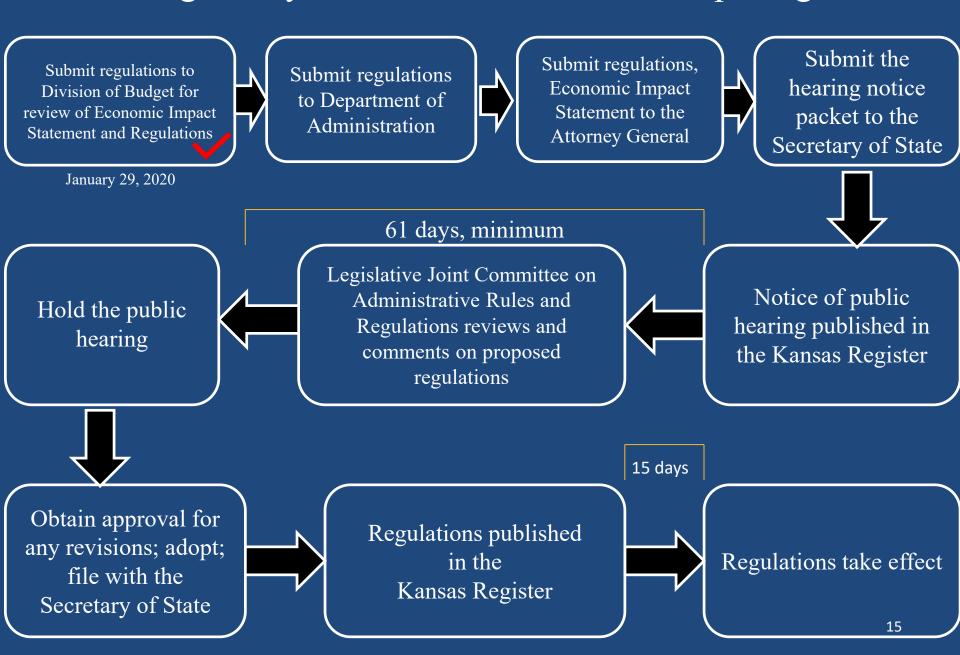
^{*52} acres ordered for destruction by KDA



Developing Commerical Regulations

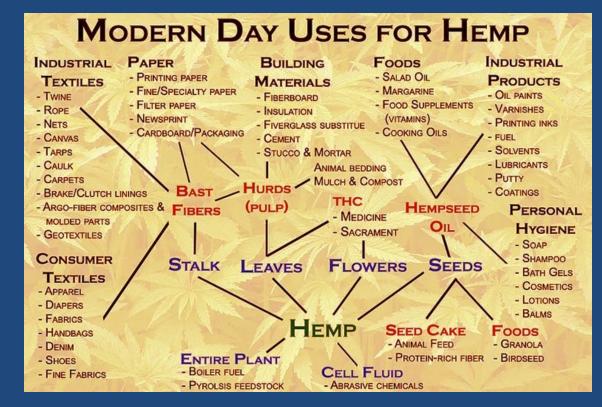


Kansas Regulatory Process- Commercial Hemp Program



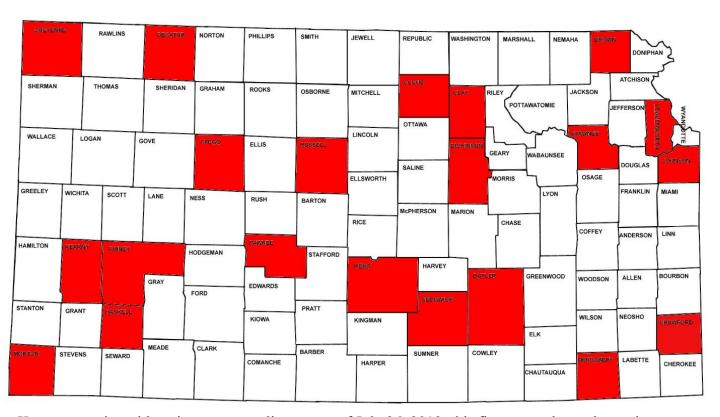
Long-Term Viability for Industrial Hemp in Kansas

- The IFR for domestic hemp production has a two year sunset where the final rule will be established on or before November 1, 2021.
- End-use supply chain for products grown, processed and manufactured in Kansas needs to be established.





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.

Outreach Events

- May 11, 2018 January 31, 2020
- 3,207 individuals have participated in outreach events which KDA/KSRE have presented. 2,033 in CY 2019 50 unique events.
- Outreach team includes: Dr. Jason Griffin, Dr. Lucas Haag, Braden Hoch and Dana Ladner.









Resources agriculture.ks.gov/industrialhemp



Approved Varieties of Industrial Hemp



KDA E-mail Contacts

KDA Plant Protection and Weed Control

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