Pennsylvania Hemp Program Overview

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Hemp in Pennsylvania

- Where we started
- Where we are today
Timeline of Hemp in Pennsylvania


• 2014 – U.S. Farm Bill, Sect. 7606, allowed higher education institutions or state agriculture departments to research hemp cultivation and marketing under state-run pilot research programs.

• July 2016 – The Legislature passed and Governor Wolf signed Act 92, The Industrial Hemp Research Act.

• December 2016 – PDA opened application period for hemp research permits.

• 2017 – Pennsylvania farmers began growing hemp again under Pennsylvania’s pilot research program.
2017 Pilot Research Program Restrictions

- Hemp could only be grown for research, which included cultivation and marketing.
- Hemp could only be grown for industrial purposes: Fiber and Seed (not CBD).
- Hemp seed could only be acquired by PDA under a registration with the U.S. Drug Enforcement Administration, from international sources only.
- No interstate movement of seed or plant material.
PDA’s Industrial Hemp Pilot Program

• 2017
  – Permit cost: $3,000
  – Permit acreage limit: 5 acres
  – # of Permits available: 30

• 2018 (allowed CBD research)
  – Permit cost: $2,000
  – Permit acreage limit: 100 acres
  – # of Permits available: 50
PDA’s Industrial Hemp Pilot Program

<table>
<thead>
<tr>
<th>The Numbers:</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>Permits Offered</td>
<td>30</td>
<td>50</td>
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<tr>
<td>Permits completed</td>
<td>16</td>
<td>37</td>
</tr>
<tr>
<td>Hemp grow sites</td>
<td>13</td>
<td>51</td>
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<tr>
<td>Acreage (Planted)</td>
<td>36</td>
<td>585</td>
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<tr>
<td>Acreage With “Crop”</td>
<td>31</td>
<td>&lt;500</td>
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<tr>
<td># regulatory samples</td>
<td>36</td>
<td>65</td>
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<tr>
<td>Tested for THC</td>
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Preparing for 2019

- **November 2018**
  
  PDA prepared to expand available permits in Pilot Research Program in 2019
  - Permit cost: $2,000 (renewal $600)
  - Permit acreage limit: 100 for individuals, unlimited for universities
  - # of permits offered: 60

- **December 20, 2018**
  
  - U.S. Farm Bill signed into law, legalizing hemp production.
U.S. Hemp Program Evolves

- December 2018 – U.S. Farm Bill re-classified hemp's legal status.
  - Removed cannabis and cannabis derivatives that are very low in THC (.3% THC or less) from definition of marijuana in Controlled Substances Act
  - Preserved FDA’s authority to regulate products containing CBD
  - Hemp is no longer a Schedule 1 controlled substance and allowed for commercial production of the crop.
PA Quickly Reacts

- PA was second state to submit a state plan to regulate hemp to USDA on January 22, 2019.

- Programmatic adjustments made for 2019 season included:
  - No limit to number of permits issued
  - No cap on acreage
  - Re-opened applications and extended application deadline
Changes because of Farm Bill

Now Allowed:

- Interstate movement of seed
- Importation of hemp seed without DEA registration/permits
- Interstate movement of hemp plants and harvested material and products

Credit: Kentucky Department of Agriculture
No longer just “industrial” hemp

Growth now clearly allowed for:

- Industrial uses: Fiber and Seed
- Extracts: CBD (Cannabidiol) and others
- A nursery crop – seedlings/clones
U.S. Farm Bill Ready Plan

- January 2019 – PDA submits plan to USDA.

- March 2019 - The PA Controlled Plant & Noxious Weed Committee voted to add Hemp to PA’s Controlled Plant List.

- Controlled Plant and Noxious Weed Law provides the Department with a mechanism to operate a program permitting the commercial production of hemp, as required by the 2018 Farm Bill.
Hemp program requirements

- Hemp can only be grown by the individuals listed on a permit from PDA.
- Per U.S. Farm Bill, only applicants who have not had a drug-related felony conviction within the past 10 years approved for hemp permits.
- Applicants must provide growing locations to PDA
Great step forward for 2019

- 324 permits
- 828 growing locations
- Just over 4,000 acres planted in 55 counties
What can be seen

SEED
CBD / Nursery Crop
Hemp Permit Distribution

Grow Zip Code by Grow Sites#

Grow Sites# by Grow County

York 61
Adams 14
Bucks 32
Carbon 2
Chester 60
Clarion 3
Clinton 22
Cumbe... 5
Erie 11
Franklin 20
Lackawan... 19
Lancaster 185
Westmoreland 46
Union 7
Schuylkill 16
Northa... 5
Monroe 6
Lycomi... 22
Luzerne 16
Lawrence 4

Pennsylvania DEPARTMENT OF AGRICULTURE
2020 Hemp Program

USDA Interim Final Rule published October 31, 2019
USDA Approved PA State Plan on February 28, 2020
Application period open for 2020 growing season til April 1

New Requirements for 2020:
Hemp processors must be permitted
Prohibited Varieties and Varieties of Concern
Property Restrictions
Legal Framework

Growing hemp in PA is legal, if permitted by PDA.

Hemp uses:

- Fiber has no additional legal requirements
- Seed and seed oils are generally recognized as safe in human food.
- No federal approvals for use of hemp products in animal feed.
Growing hemp for CBD production in PA is legal, if permitted by PDA.

It is legal to produce, possess, and sell hemp-based CBD in its unadulterated form if the CBD is processed from hemp grown under a valid permit from a state regulatory program.
Legal Framework

- Federal Drug Administration (FDA) regulates foods, drugs, food additives, added substances, and dietary supplements for humans and animals, including hemp and CBD.
- FDA does not permit CBDs to be added into food or beverages or sold as a dietary supplement.
- No consistent federal enforcement.
Moving Forward

Research Needed –

- to understand the crop
- to find new uses for hemp
- to build markets

PA Farm Bill’s Specialty Crop Block Grant available to fund hemp-related research. Open 10/21/2019 – 12/2/2019.
October 2019 PA Hemp Summit

- First statewide convening focused on opportunities for farmers, investors, and businesses in PA

- Over 600 cross-sector participants

- National industry and regulatory expert panelists, including USDA and EPA
Investment Opportunities

- Equipment
- Textile
- Construction
- Automotive Industry
- Human Food Ingredients (oil, seed)
- Animal Feed (oil, seed, forage)
Thank you!

Pennsylvania’s new, old crop.