Arkansas Department of Agriculture
Hemp Research Licensing Program

2021 Growing Season
(FY2021 – FY2022)

Quality Control & Compliance Section
Plant Industries Division
Industrial Hemp Research Pilot Program

Arkansas Department of Agriculture

Growing Arkansas's largest industry by supporting Arkansas farmers and ranchers while ensuring safe food, fiber, and forest products for the citizens of Arkansas, the nation, and across the globe.

FORESTRY DIVISION

PLANT INDUSTRIES DIVISION

LIVESTOCK AND POULTRY DIVISION

NATURAL RESOURCES DIVISION

Mission Statement:

The Arkansas Department of Agriculture is dedicated to the development and implementation of policies and programs for Arkansas agriculture and forestry to keep its Farmers and Ranchers competitive in national and international markets while ensuring safe food, fiber and forest products for the citizens of the state and nation.

Length of this Orientation PowerPoint: Information Overload!

- This Orientation PowerPoint serves as a guidance resource for Department Hemp Research Licensing Program applicants and licensees for the 2021 growing season.
- This Orientation PowerPoint will explain in-detail important program information, Program Rules, and all licensing paperwork and deadlines associated with the Program.
- **There is A LOT of information covered in this PowerPoint, and you are HIGHLY, HIGHLY encouraged to reference this PowerPoint throughout the grow season.**

Program Website & Tabs

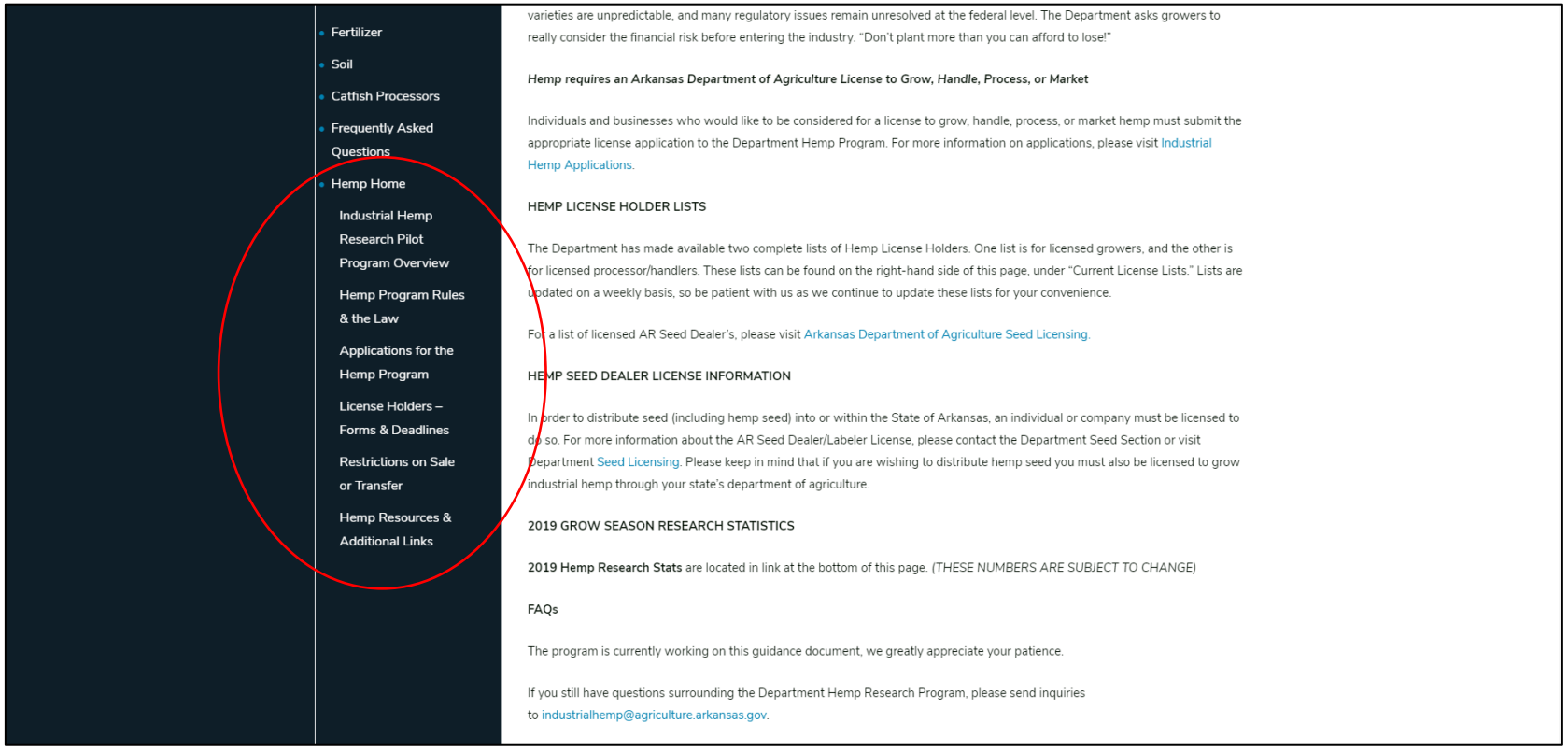
You can find all information covered within this orientation on the Program website & associated website tabs.

The Program website tabs include:

- **"Hemp Home"** https://www.agriculture.arkansas.gov/hemp-home
- **"Industrial Hemp Research Pilot Program Overview"** https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/industrial-hemp-research-pilot-program-overview/
- **"Hemp Program Rules & the Law"** https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/hemp-program-rules-the-law/
- **"Applications for the Hemp Program"** https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/applications-for-the-hemp-program/
- **"License Holders – Forms & Deadlines"** https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/license-holders-forms-deadlines/
- **"Restrictions on Sale or Transfer"** https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/restrictions-on-sale-or-transfer/
- **"Hemp Resources & Additional Links"** https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/hemp-resources-additional-links/

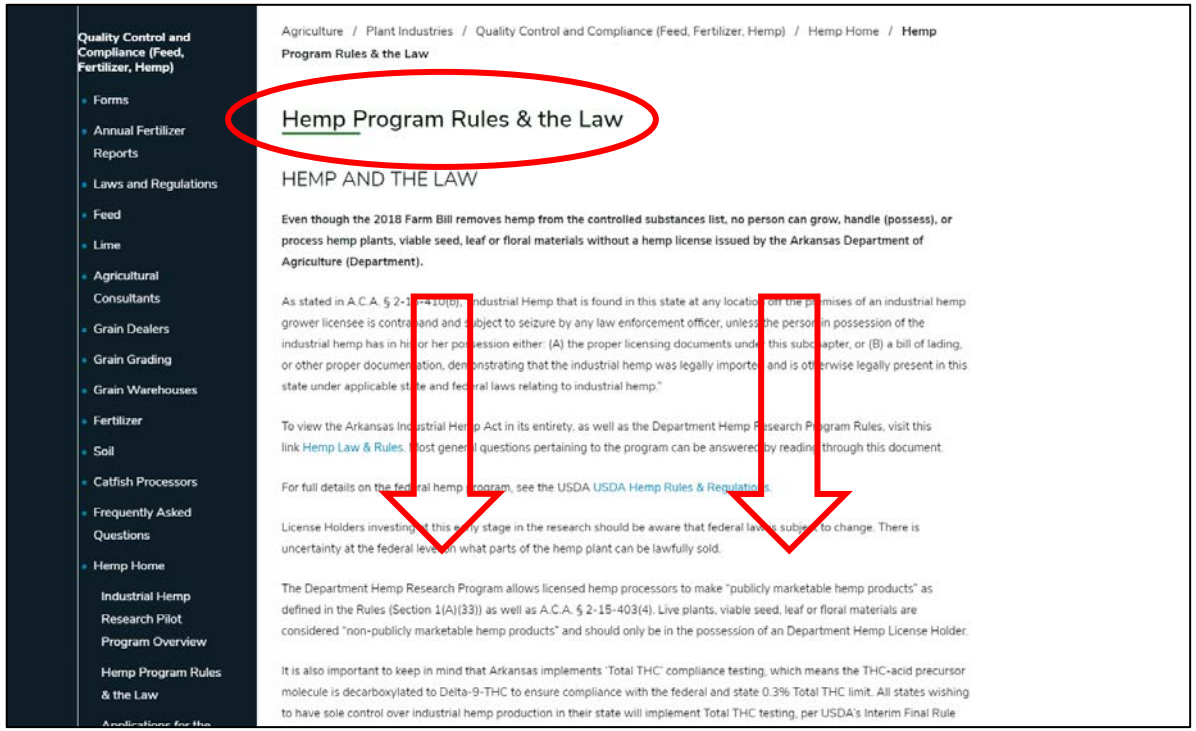
Program Website & Tabs: Hemp Home

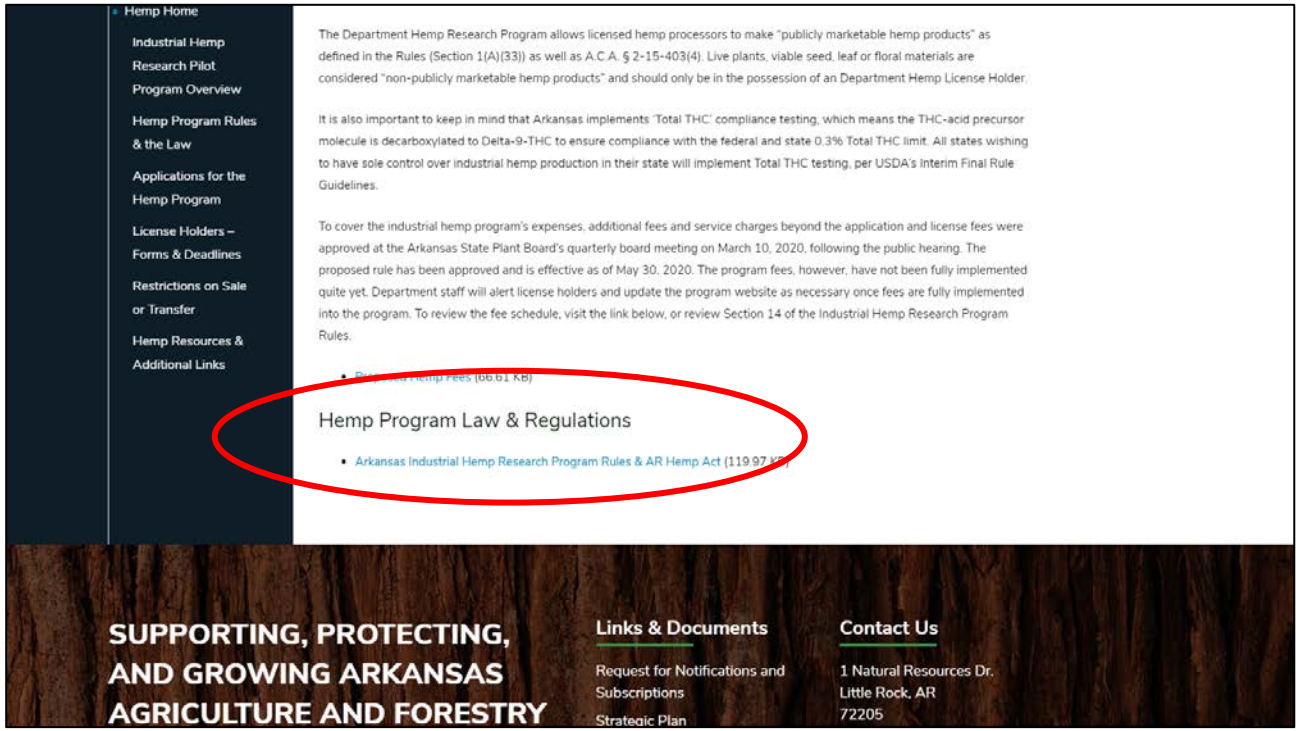
- Visit https://www.agriculture.arkansas.gov/hemp-home and familiarize yourself with all the Program website tabs
  - From the "Hemp Home" link above, all Hemp Program "tabs" are located toward the very bottom, left-hand side of the webpage in the dark blue column



Program Website & Tabs: Program Rules & The Law

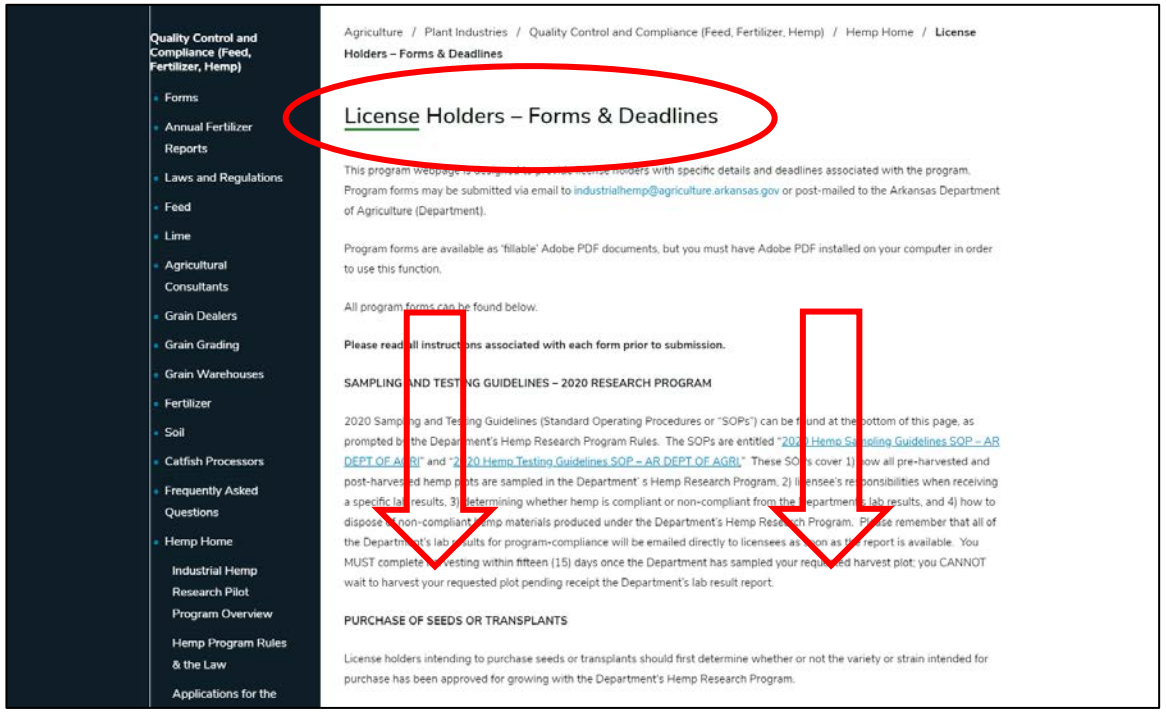
- Make sure you are especially familiar with the "***Hemp Program Rules & the Law***" tab
- The *Industrial Hemp Research Program Rules* are located at the very bottom of the "***Hemp Program Rules & the Law***" tab. The Arkansas Industrial Hemp Act of 2017 can be found in the appendix of the Program Rules document.

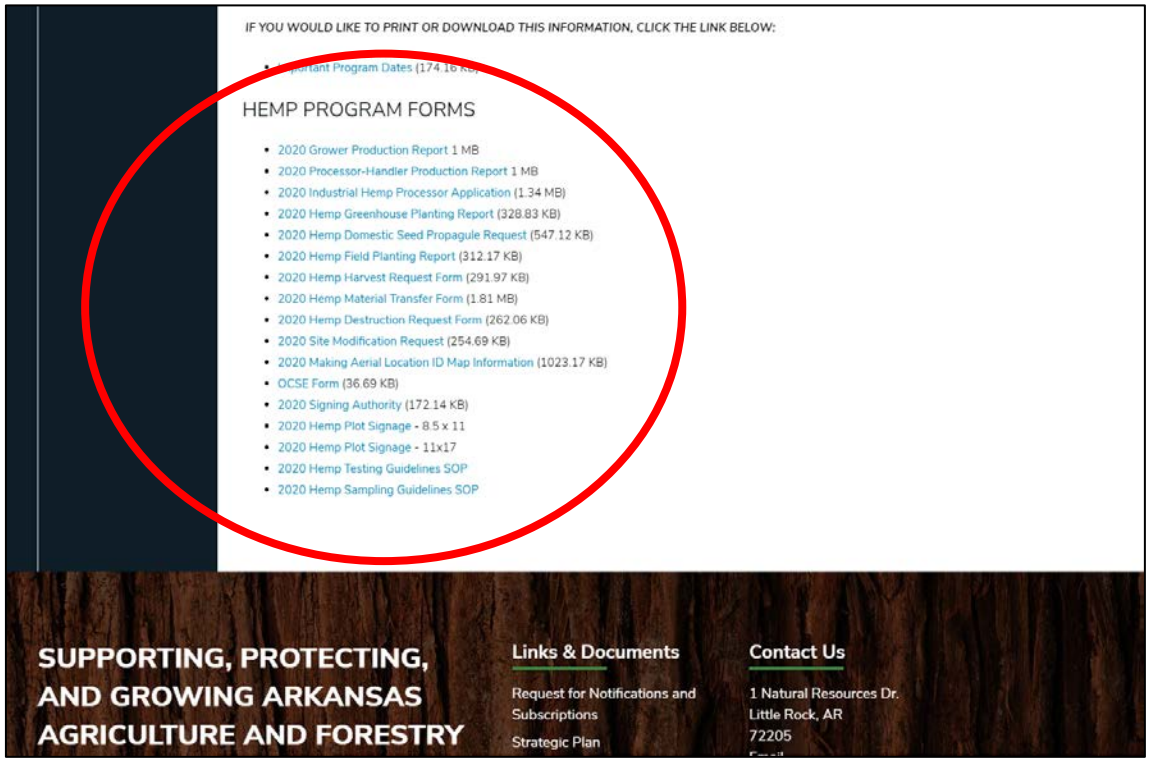




Program Website & Tabs: License Holders

- Also make sure you are especially familiar with the "***License Holders – Forms & Deadlines***" tab
- All Program paperwork, including report and request paperwork, are located at the very bottom of the "***License Holders – Forms & Deadlines***" tab





Hemp Research Licensing Program Staff

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Grower Orientation PowerPoint Overview

- Program Overview & Updates
- Crop Production
- Criminal History Background Checks
- Growing Locations
- Sourcing Planting Materials
- Reporting Requirements
- Sampling & THC Testing of Hemp
- Restrictions on Sale and Transfer

Program Overview & Updates

PLANT INDUSTRIES DIVISION

Arkansas State Law
(The Arkansas Industrial Hemp Act of 2017)

2-15-404. State Plant Board — Research program.

(a) (1) The State Plant Board may adopt rules to administer the industrial hemp research program and to license persons to grow industrial hemp under this subchapter.

(2) The board may include as part of its rules the establishment of industrial hemp testing criteria and Protocols.

(b) (1) The board shall promote research and development concerning industrial hemp and commercial markets for Arkansas industrial hemp and hemp products.

AR Hemp Research Licensing Program & the 2014 Farm Bill

- 2014 Farm Bill allowed states to implement ‘research pilot programs’ to study the feasibility of introducing hemp as an agricultural crop
- In August 2017, House Bill 1778 became Act 981 to create the Arkansas Industrial Hemp Act
- In June 2018, the Arkansas State Plant Board approved rules to implement the “Arkansas Industrial Hemp Research Pilot Program”
- In August 2018, the program rules were officially approved and implemented in Arkansas
- In October 2018, the Department received the first application to grow industrial hemp in the state of Arkansas

USDA Interim Final Rule released Oct. 31, 2019

- Interim Final Rule (IFR) took effect immediately on October 31, 2019.
- The IFR must be updated by USDA-AMS into a Final Rule within 2 years.
- IFR requires minimal changes for Arkansas's program.
- Will require Arkansas to develop a corrective action plan for program licensees, as well as some slight sampling and testing changes.
- Arkansas chose to continue to operate as a Research Program under the 2014 Farm Bill for the 2020 growing season and will do so again for the 2021 season.

https://www.ams.usda.gov/rules-regulations/hemp

AR Hemp Research Licensing Program & the 2018 Farm Bill: An Update

- The Department originally believed 2020 would be the final year of the Research Program under the 2014 Farm Bill, which was originally set to expire on October 31, 2020.
- However, on October 1, 2020, H.R. 8337 was signed into federal law and became the "Continuing Appropriations Act, 2021 and Other Extensions Act," which now authorizes state hemp research pilot programs to continuing operating under the 2014 Farm Bill through September 30, 2021.
- **For the 2021 season, the Department has decided to remain a research pilot program as authorized by this federal Continuing Resolution (Pub. L. No. 116-159, div. A § 122).**
- By extending the research program for another season, this will allow the 93rd Session of the Arkansas General Assembly to evaluate any legislative changes to Arkansas hemp laws prior to the Department submitting a finalized hemp production plan to the USDA for approval under the 2018 Farm Bill.

Federal Law:
Definition of Hemp in 2018 Farm Bill

"The term '**hemp**' means the plant *Cannabis sativa L.* and any part of that plant, **including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers,** whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis."

Note: The USDA-AMS IFR requires all state hemp production plans have a testing protocol to measure delta-9-THC post-decarboxylation – **That's Total THC.** Arkansas's Hemp Program has analyzed compliance samples using Total THC% since the first year of the program in 2019.

FDA and Cannabis-derived Products: Waiting for FDA Guidance

- The FDA is in the process of developing potential regulatory pathways for products containing cannabis and cannabis-derived compounds.
- We are still awaiting FDA guidance on how cannabis products will be federally regulated.
- The FDA and the Arkansas Department of Health maintain that CBD is **not** permitted to be an additive to food or drink products.
- The FDA has issued several warning letters to CBD companies making health/medical claims on products.

The FDA and Cannabis-derived Products: GRAS Hemp Seed-Derived Food Ingredients

- Hemp material that is OK for human consumption/food products and are “generally recognized as safe (GRAS)” include: **(1) hemp seed oil (GRN778), (2) hemp seed protein powder (GRN771), and (3) nonviable hulled hemp seed (GRN765).**
- It is the Program participant’s responsibility to ensure state and federal food safety laws and rules are being followed, including any licensure, permits, certifications, etc.

https://www.fda.gov/food/cfsan-constituent-updates/fda-responds-three-gras-notices-hemp-seed-derived-ingredients-use-human-food

Hemp Research Licensing Program: What does each license permit me to do?

Processor/Handler License

- NO Live Plants
- Process Harvested Crop into Publicly Marketable Products
- Extract Hemp for CBD
- Process, Handle, Store, Market
- Brokers, Labs, Seed Cleaners
- Dry, Chop, Grind other person's harvest
- Handle other person's harvest

Grower License

- Live Plants
- Grow in Fields
- Grow in Greenhouses
- Produce Transplants
- Store your hemp
- Dry, Chop, Grind (your own hemp)
- Market your own Crop

Fiscal-Year (FY) Licenses

- Licenses in the Program are on the state's financial Fiscal-Year, **not the normal calendar year**.
- The 2021 Season will cover FY2021 and FY2022 licensing.
  - FY2021 license is from July 1st, 2020 through June 30th, 2021.
  - FY2022 license is from July 1st, 2021 through June 30th, 2022.
- This means that if issued a license with this Program, your license will expire on **June 30th** of each year.
- **If you are newly licensed with the Program, you will be asked to immediately renew your license around May/June, which may include an additional $200 licensing fee.**
- The Program is working toward getting licensing on the normal calendar year, but this will require a change to Program Rules first.

Questions:

- Does Federal Law require testing for Total THC?
  - **Yes** **No**
- Does a Hemp Grower License enable you to extract CBD from hemp material?
  - **Yes** **No**
- When does a Grower License expire?
  - **December 31st, annually** **June 30th, annually**

Communications with the Department

- **E-mail is the primary method of communication utilized by the Hemp Research Licensing Program**
- **IF WE SEND IT, READ IT!**
- **Make sure to add the following emails to your 'safe' list, as you will be receiving e-mails from these individuals and we do not want you to miss any important communications from the Department:**
  - Caleb.allen@agriculture.arkansas.gov
  - Dana.jones@agriculture.arkansas.gov
  - Mike.stage@agriculture.arkansas.gov
- **PLEASE CHECK YOUR EMAIL REGULARLY, PERFERABLY ONCE OR TWICE A WEEK! THIS PROGRAM CAN BE FAST-PACED AND TIME-SENSITIVE, SO CHECKING FOR DEPARTMENT CORRESPONDENCE IS CRITICAL**

Communications with Hemp Program Staff

- E-mail any general questions to industrialhemp@agriculture.arkansas.gov
- Provide your name, the name of the license holder, and license number in all communications
- Please do not send separate emails or voicemails to multiple staff members and duplicate program workload. CC to others is perfectly okay.

Submission of Program Paperwork Forms

- All program report and request forms posted on the Program's webpage are "fillable PDF" documents, which means if Adobe PDF is installed on your computer or cellphone device, you can type directly into the form.
- **ALL PROGRAM FORMS MUST BE SUBMITTED VIA EMAIL TO=> industrialhemp@agriculture.arkansas.gov**
- Email submissions are faster and more easily processed by Hemp Program staff, especially during time-sensitive Harvest Season. If you submit a form via email, please do not post-mail a physical duplicate to the Department. This creates confusion and duplicates program workload.

Submitting Program Paperwork: Using iPhone Devices

- If the free "Adobe Acrobat Reader for PDF" app is installed on your iPhone, you should be able to fill, sign, & e-mail all Program paperwork using this app.
  1) Download the "Adobe Acrobat Reader for PDF" app from the App Store. You must create an account with Adobe in order to use the app. No need to purchase a subscription plan.
  2) Open the paperwork form directly from the Program's website.
  3) Tap the share icon ("⬆"). Scroll until you see "Import to Acrobat." This will take you to the app.
  4) Tap "Import to PDF" again once you're within the app.
  5) You can now type directly into the form within the indicated blue fields or sections.
  6) To sign the form, tap the blue pencil icon toward the bottom right of the screen, then tap "Fill & Sign."
  7) Follow instructions for creating a signature.
  8) Share the completed form via e-mail to industrialhemp@agriculture.arkansas.gov.

  NOTE: Using the "Edit PDF" feature may require a subscription with Adobe PDF. Since the forms are already in fillable PDF format, you do NOT need to purchase a subscription plan to fill-out the Program forms.

- If you prefer physical paperwork, you can also 'scan' physical paperwork using the phone's "Notes" app, then submit the scans via e-mail.
  1) Have completed & signed physical paperwork ready to scan.
  2) Open "Notes" app and open a new notes page.
  3) Tap the camera icon above the keyboard, then "Scan Documents."
  4) Follow scan instructions using iPhone camera.
  5) Once scan is complete, share scan via email to industrialhemp@agriculture.arkansas.gov using the share icon ("⬆").

Licensed AR Hemp Seed Dealer License List

- A list of licensed AR Hemp Seed Dealer/Labeler licenses is maintained by the Department Seed Section.
- The Seed Section's program website is: https://www.agriculture.arkansas.gov/plant-industries/seed-section/
- Any person engaging in agricultural seed distribution into, from, or within Arkansas must abide by AR Seed Laws & Rules, which includes the need for an AR Seed Dealer/Labeler License.
- For a list of AR Seed Dealer/Labeler licenses, visit the bottom of this page: https://www.agriculture.arkansas.gov/plant-industries/seed-section/enforcement/
- **NOTE:** Viable hemp seed for planting is legally considered "industrial hemp," which means an individual or entity must be licensed with the Department Hemp Research Licensing Program in order to have viable hemp seed in their possession within Arkansas. **This includes hemp seed companies that physically handle and/or store viable hemp seed in Arkansas.**

Hemp Crop Consultants in Arkansas

- If you are acting as an Agricultural Crop Consultant within Arkansas– including hemp crop consulting– you need an Arkansas Agricultural Consultant License issued by the Department.

- For more information, visit: https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/agriculture-consultants/

Hemp Transplant Providers

- If your hemp growing operations will be regularly sending seedlings/clones/propagules/rooted plants across state lines to other license holders in state hemp programs, **an Arkansas Nursery Dealer License is required from the Department.**
- If you will be purchasing seedlings/clones/propagules/rooted plants from another state to bring into Arkansas, **a Phytosanitary Certificate issued by a state's department of agriculture is required prior to bringing the plants into Arkansas.**
- For more information about the Department Nursery/Landscaping Licensing Program, visit https://www.agriculture.arkansas.gov/plant-industries/regulatory-section/nursery-landscaping-licensing-program/

Licensed Hemp Grower List

- The Department maintains a public list of Licensed Hemp Growers available on the Program's website.
- This list is no longer voluntary and lists all active hemp licensees.
- This list includes Business/Company Names, mailing city, contact person, phone and email.
- If any of this information needs to be updated/corrected, please email a request to industrialhemp@agriculture.arkansas.gov

Licensed Hemp Processor/Handler List

- The Department maintains a public list of Hemp Processor/Handlers available on the Program's website.
- This list includes all actively licensed Hemp Processor/Handlers within Arkansas.
- Designed to help with marketing efforts.
- This list includes Business/Company Names, mailing city, contact person, phone and email.
- If any of this information needs to be updated/corrected, please email a request to industrialhemp@agriculture.arkansas.gov

Notes for Growers RE Processors

- The Department will not buy your hemp.
- The Department does not mandate that you use a particular processor/handler.
- You should have contacted a buyer **BEFORE** planting.
  - Read your contracts carefully!
- You can work with more than one licensed processor/handler.
- The Department does not limit which or how many processors you work with, but **you MUST only sell to licensed growers/processors that are licensed through a state's department of agriculture or approved USDA hemp production plan.**
- **You can only sell to license holders that can legally possess the materials in their jurisdiction.**

A Note About Organic Hemp

- "Organic" is strictly regulated by the United States Department of Agriculture (USDA).
- **You cannot market your hemp as "organic" unless you have been Certified Organic.**
- Organic hemp products must be grown by a certified organic farm AND processed by a certified organic processor.
- If interested in applying for organic certification, visit https://www.ams.usda.gov/about-ams/programs-offices/national-organic-program to locate a certifying agent approved by USDA.
- Certification can sometimes be a multi-year process.

Questions

- What is the best way to reach the Hemp Program Staff?
  - By phone
  - By letter
  - By email to industrialhemp@agriculture.arkansas.gov

- What is the best way to submit program forms and/or requests?
  - By mailing a physical copy
  - By typing directly into the fillable form using Adobe PDF & emailing attachment to industrialhemp@agriculture.arkansas.gov

Crop Production

PLANT INDUSTRIES DIVISION

Industrial Hemp Production: 3 Main Types

- Floral/Cannabinoid Production
- Grain/Seed Production
- Fiber Production

~90% of all Hemp grown in Arkansas in 2020 was for Floral/Cannabinoid Production.

Grow At Your Own Risk!

- Limited production knowledge combined with an uncertain federal regulatory environment and unstable pricing creates significant risk for the grower.
- **Crop failures happen.**
- **Crop insurance is now available in Arkansas at limited capacity for select Arkansas counties. Contact your local crop insurance agent for details.**
- **Millions of pounds of unsold hemp flower produced in 2019 are still in storage nationwide.**
- **“Don’t plant more than you can afford to lose.”**

Grower License

- Allows you to legally grow industrial hemp in Arkansas.
- Every provision in the Application is legally binding and serves as your *Licensing Agreement* between yourself and the Department.
- Keep copies of your License Certificate(s) AND Application(s) with you, near the crop, and harvested materials.
- Make as many copies as needed.
- You do NOT have to use 100% of the acreage you were initially approved for, but an outdoor plot must be a **MINIMUM** of a quarter acre (0.25) AND 1,000 plants.

Questions

- Is hemp production a low-risk farm enterprise?
  - Yes or No

- I was approved for 1 acre, but I only want to plant 10 individual hemp plants in my approved outdoor field plot. Is this acceptable?
  - Yes or No

PLANT INDUSTRIES DIVISION

Criminal History Background Checks

Arkansas State Police: Criminal History Background Checks

- All license holders (including signing authorities and company key participants) are required to submit criminal history background checks with Arkansas State Police (ASP) on an annual basis.
- Background check should have occurred 60 or less days prior to the date of application or licensure renewal.
- Background check must be free from felony convictions and drug related felonies for the past 10 years.
- Refer to the application instructions packet for more details.

Visit: https://www.ark.org/criminal/index.php

AND

https://static.ark.org/asp/pdf/asp_122.pdf

For more information about submitting an ASP Background Check Request

What are key participants?

- This is a person who has direct or indirect financial interest in the entity producing hemp such as an owner or partner in a partnership.
- This includes signing authorities.
- Including without limitation an entity's Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), or any other positions that have these same job responsibilities.
- Farm managers, field managers, shift managers, etc. Are not considered key participants and do not have to file an ASP background check.

Background Check for Individual Applicants

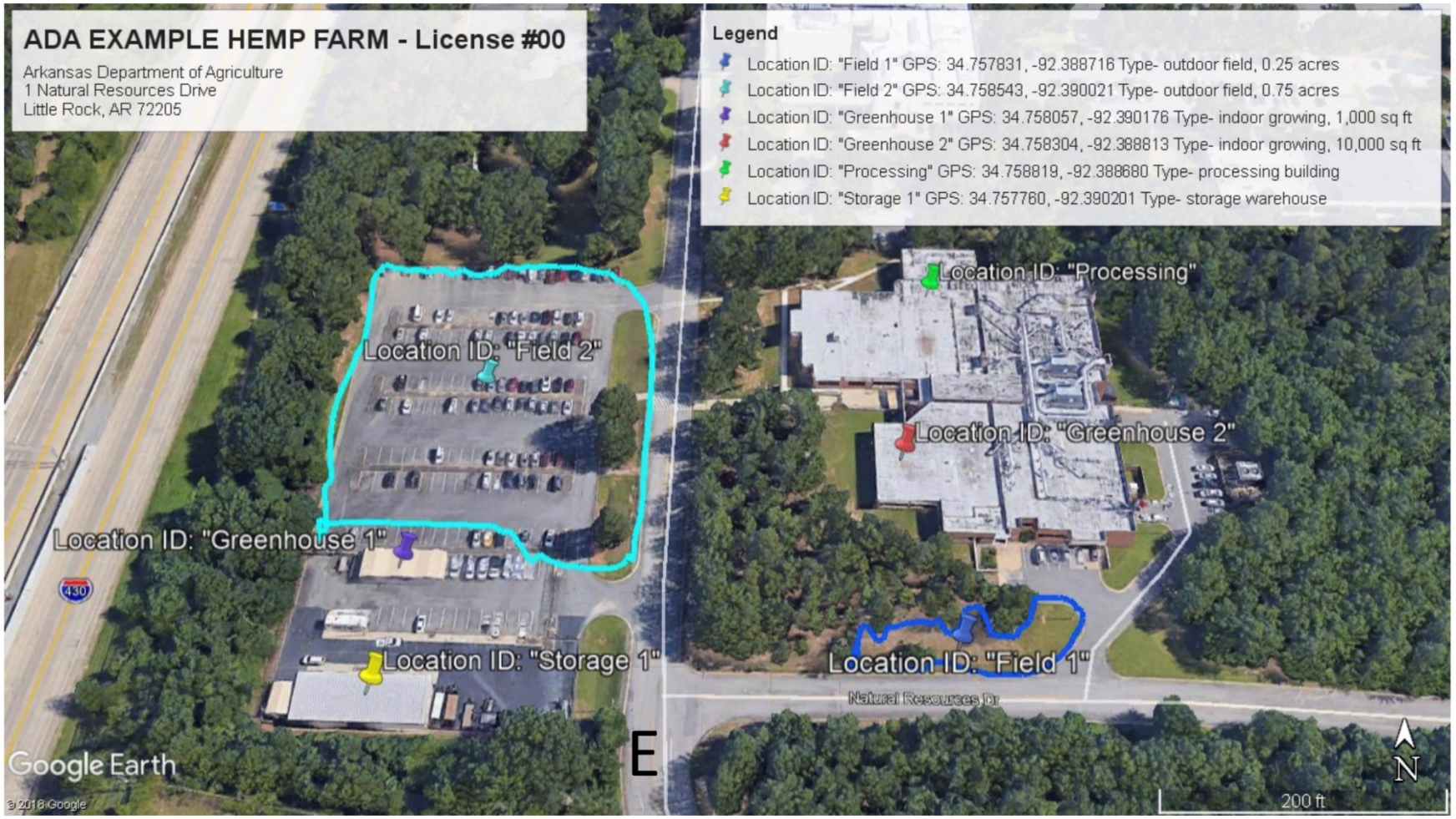
- Individual applicants are only required to submit a background check on themselves and any signing authority associated with the individual license.
- No need to submit background checks on secondary contacts.

Questions

- As an individual applicant, must you submit a background check for your secondary contacts or farmhands?
  - Yes or No

- Are criminal history background checks required every year I participate in the Department Hemp Program?
  - Yes or No

Growing Locations



NOTE This map is for example purposes ONLY. There is no industrial hemp grown at any of these locations.

PLANT INDUSTRIES DIVISION

Growing Locations

- If property does not have an address, you must enter an estimate.
- **Site Modification Requests must be submitted and approved by the Department prior to the growing, storing, processing or handling of hemp at any new Location ID. You must receive approval in-writing from the Department before implementing requested changes.**
- There is a $200 Site Modification Fee if you need to add or remove Location IDs. **Make sure the Location IDs requested within your application are final in order to avoid the $200 Site Modification Fee.**
- All growing locations are subject to land-use restrictions as detailed in Section 3: Land Use Restrictions of the Hemp Research Program Rules.
- Two license holders can grow at the same address as long as they are licensing different fields.
- Growing, storing, processing, or handling hemp materials at an unregistered or unapproved location is a violation of Hemp Program Rules.

NEW for 2021:
Legal Land Description Information

- All licensed Location IDs for Hemp Growers must have legal land description information provided within an application.
- This is a new requirement for the Program, prompted by the USDA's Interim Final Rule Guidelines.
- This information is usually detailed in a land title/deed. You may have to contact the land or property owner for this detailed information.
- This information is required as attachments within the Grower application.

<u>Legal Land Description includes:</u>

1) **Township #**
2) **Range #**
3) **Section #**

Land Use Restrictions for Licensed Growers

1) Cannot grow, process, or store industrial hemp in any structure that is used for residential purposes.
2) Cannot grow, process, or store industrial hemp at any site that is located within 1,000 feet of a school, daycare, or similar public area frequented by children.
3) Cannot include any property within the original application or Site Modification Request that is not owned or completely controlled by the applicant or licensed grower.

Land Use Restrictions for Licensed Growers (continued)

4) Cannot plant or grow any cannabis that is not industrial hemp.

5) Cannot plant or grow industrial hemp on any site not listed within the application or approved Site Modification request.

Land Use Restrictions for Licensees (continued)

NOTE: This rule is often overlooked by hemp growers, read carefully

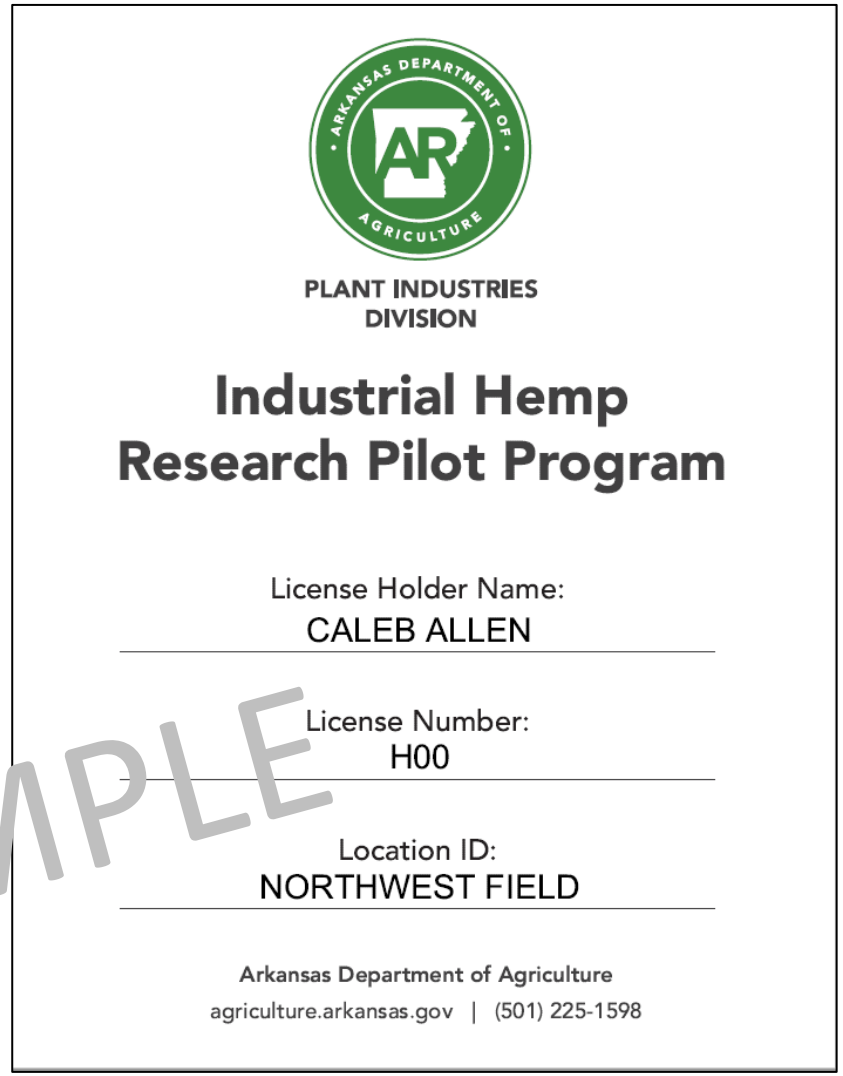
6) Plant industrial hemp in an outdoor growing location of less than one-quarter (0.25) acre **AND** 1,000 plants unless prior approval is received in writing from the Department. Industrial Hemp shall be physically segregated from other crops unless prior approval is obtained in writing from the Department.

Field Plot Signage: REQUIRED!!!

- **A Licensed Grower is required to post signage at EACH outdoor plot location (Field Location ID). The signage shall include the following information:**
  - The statement, **"Arkansas Department of Agriculture Industrial Hemp Research Pilot Program"**
  - **License Holder's Name and License Number**
  - **Main phone number for the Department: (501) 225-1598**
  - **Location ID name of plot**
  - **(Optional) Program Email Address: industrialhemp@agriculture.arkansas.gov**
- Not only is this a program requirement, but field plot signage has been specifically requested from Arkansas Law Enforcement Agencies.
- The Program provides licensees with a Field Plot Signage template at the bottom of the "License Holders" tab of the Program's website. This signage template is available in two different sizes and is available in fillable PDF format.

Field Plot Signage: REQUIRED!!!

- Example Field Plot Sign posted on the “License Holders – Forms & Deadlines” tab of the Program’s website.
- Available in fillable PDF in two sizes:
  - 8.5” x 11”
  - 11” x 17”
- Signage needed for each Field plot!
- https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/license-holders-forms-deadlines/



NEW FOR 2021: Program Fees

- 2021 will be the first year the Program implements the fee schedule detailed in Section 14: Fees and Services of Program Rules. The Program Fees were approved by the State Plant Board and fully approved on May 30, 2020.

➢ **You will be issued the following Program Invoices for the 2021 Season:**
1. Licensing Invoice
2. Site Modification Invoice
3. Harvest/Compliance Sampling Invoice

➢ **All Program Invoices will be <u>e-mailed</u> to the e-mail address(es) on-file.**

➢ **All invoices are due by the due date listed on the invoice, usually within 30-days.**

➢ **A detailed fee schedule can be found in Section 14: Fees and Services of the Program Rules.**

➢ **All Program Invoices MUST be paid via post-mail to the Department, with invoice accompanying payment.**

FEE DESCRIPTION	FEE AMOUNT	LICENSE TYPE	PROGRAM INVOICING TYPE
APPLICATION FEE	$50.00	BOTH	N/A
LICENSE FEE	$200.00	BOTH	LICENSING INVOICE
SITE MODIFICATION FEE	$200.00	BOTH	SITE MODIFICATION INVOICE
APPLIED ACREAGE FEE	$50.00 - $1,000.00	GROWER LICENSE ONLY	LICENSING INVOICE <u>OR</u> SITE MODIFICATION INVOICE
APPLIED GREENHOUSE FEE	$100.00 / EACH	GROWER LICENSE ONLY	LICENSING INVOICE <u>OR</u> SITE MODIFICATION INVOICE
GPS VERIFICATION FEE <u>(EACH STORAGE LOCATION ID)</u>	$100.00 / EACH	BOTH	LICENSING INVOICE <u>OR</u> SITE MODIFICATION INVOICE
APPLIED PROCESSOR/HANDLER (PRODUCER) FEE	$500.00 - $1,500.00	PROCESSOR/HANDLER LICENSE ONLY	LICENSING INVOICE <u>OR</u> SITE MODIFICATION INVOICE
HARVEST/COMPLIANCE SAMPLING FEE	$100.00 / EACH	GROWER LICENSE ONLY	HARVEST/COMPLIANCE SAMPLING INVOICE

Program Fees - Continued

- **Make sure to budget your operations accordingly, taking the Program Fees into consideration!**

- ***Failure*** to pay a Program Invoice by the due date indicated on the Invoice will result in:
  - **Licensing Invoice:** License will not be issued.
  - **Site Modification Invoice:** Site Modification Request will not be implemented/approved.
  - **Harvest/Compliance Sampling Invoice:** Department will not release the compliance lab testing results; Your crop is unable to go to market.

- Grower applicants/licensees need to take into consideration: (1) how many different hemp varieties they will be planting for the season and (2) how many different Location IDs (Indoor/Outdoor growing sites) hemp will be grown at. These two factors are extremely important during Harvest time when each compliance sample pulled by the Department is $100.

- Make sure to always check your **e-mail!!** All Program Invoices will be e-mailed to approved licensees.
- Payments MUST be post-mailed to the Department WITH the Program Invoice accompanying payment. Always include paperwork when mailing payment to the Department.

Site Modification Requests

- Any new locations or sites where you wish to grow, process, handle, or store hemp after your application is approved will require a Site Modification Request Form.
- There is a $200 Site Modification Fee that will be invoiced to you **once the Site Modification Request is approved by the Department.** Do NOT pay the $200 when you submit the Site Modification Request Form.
- Keep other Program Fees in mind when requesting site or Location ID changes:

  For example: If you request an extra Greenhouse Location ID, there will be the $200 Site Modification Fee + the $100 applied Greenhouse fee = $300 total.
- Please allow up to three (3) weeks for the Department to process and approve your Site Modification Request.
- Once request is approved, you will be **e-mailed** a Program Invoice detailing your site changes.
- Please try to take care of all site modifications in one request form so that you do not have to pay $200 each time! This is also why it's important to have all your sites figured out within the original application!

Proceed with Caution!

- There are no guarantees in this program!
- This is a new industry, new companies, new production techniques, etc. There is a learning curve for all parties involved!
- The price model is not well developed, and some companies have had trouble making payments.
- **“Do not plant more than you can afford to lose!”**

Questions

- What is the minimum planting required at an outdoor growing site?
  - 100 plants
  - 1,000 plants AND 0.25 acre
  - 10 acres
- Can 2 different applicants license the same field or greenhouse?
  - Yes or No
- Can a licensed grower plant hemp in their yard (adjacent to their house), within 500 feet of a school or next to a public park?
  - Yes or No

Sourcing Planting Materials

Picking A Hemp Variety

- Genetics are EXTREMELY important, especially with the USDA's "Negligent Violation" requirement.
- If crop tests above 0.5% Total THC three times within a 5-year period, results in license suspension.
- Since this Program is NOT a USDA-approved Program, this violation is not in effect for 2021, but may be in effect in the future.

- **CAUTION:** Watch the ratio of THC:CBD on new varieties – if you are seeking 10% CBD, calculate where that THC would be if you reach that level of maturity. THC and CBD both increase as the plant matures in relatively the same ratio.

2021 Summary of Varieties List

- Document can be found on the “License Holders – Forms & Deadlines” webpage tab
- Some varieties are designated as **Varieties of Concern** once the variety receives one (1) pre-harvest test result in AR above 0.30% THC.
- The Department has decided to collect at least one more season’s worth of lab data before prohibiting specific varieties from being grown in Arkansas.
- If a variety you are interested in growing is not listed on the Summary of Varieties List, you will have to request the variety using the ***Domestic Seed/Propagule Request Form***, otherwise known as a “New Variety Request Form.”

Sourcing Seeds

- **If you have not been issued a license with the Program, you CANNOT receive viable hemp seed for planting or transplants. Likewise, if you have been licensed, you cannot sell viable hemp seed to an unlicensed entity.**
- First, check to see if the variety has been approved for planting with the Program. This is done by referring to the 2021 Summary of Varieties List published on the Program's website, or by submitting a Domestic Seed/Propagule Request Form.
- Program staff will let you know if the variety you're requesting has already been approved for use with the Program.
- **Needed with each Seed/Propagule Request Form:**
  - **A Certificate of Analysis (COA) with a "TOTAL THC" of 0.3% or less for each requested variety.**
  - **Copy of the Arkansas Seed Dealer/Labeler License from the entity where seed is sourced from.**
- When buying planting materials, always ask for a Certificate of Analysis on the mature plant's floral material and check with your THC/CBD levels and ratios.
- **All seed companies must be licensed to have viable hemp seed in their possession and to deal seed into or out of Arkansas! Contact the Department Seed Section for more information.**

Sourcing Transplants/Clones/Seedlings

- If receiving "starts" or transplants/clones/seedlings from an out-of-state entity:
  1) Variety must be approved for planting with the Program.
  2) Entity must be licensed to grow industrial hemp within their state.
  3) Entity must provide EITHER **a) Nursery License** OR **b) Phytosanitary Certificate** in order to bring rooted plants into Arkansas.
  4) Must have an approved Hemp Material Transfer Request from the Department OR company transportation documentation such as a Manifest.
- If sending "starts" or transplants/clones/seedlings to an out-of-state entity:
  1) Can only sell to licensed hemp growers within their state.
  2) Check with that state's transfer requirements.
  3) Must obtain a Phytosanitary Certificate issued by the Department, **OR** obtain a Nurseryman's license issued by the Department.
     - **NOTE:** A phytosanitary certificate is intended for occasional, rare transfers out of state. If you will be transferring rooted plants out of state regularly, the Nurseryman's License is recommended.
  4) Must have an approved Hemp Material Transfer Request from the Department OR company transportation documentation such as a Manifest.

Sourcing Transplants/Clones/Seedlings

- A phytosanitary certificate or Nursery License is NOT required for transplants being transported WITHIN Arkansas.
- When in doubt, submit a Hemp Material Transfer Request form and Program Staff will assist you through the process.

General Planting Material Sourcing Information

- ALL high CBD strains of hemp will exceed 0.3% THC if allowed to fully mature—they must be harvested early to remain legal.
- When buying planting materials, always demand a Certificate of Analysis (COA) on the parent plant floral material and check your THC/CBD levels and ratios.
- It is nearly impossible to get 10% CBD content without going over the legal limit of THC!
- Saved seed from the year before is VERY unstable and may have elevated THC levels come harvest time.

Questions

- Can a license holder purchase or plant any variety/strain of cannabis seeds they choose?
  - Yes or **No**

- What form must be completed to request permission to bring a hemp variety into Arkansas?
  - Site modification request form
  - **Domestic Seed/Propagule Request Form**
  - Hemp Material Transfer Request Form

Reporting Requirements

Reporting Requirements

- **Be aware of due dates!!**
- **All Reporting MUST be electronically submitted via e-mail to industrialhemp@agriculture.arkansas.gov.**
- **Do NOT submit paper copies of reports.**
- If you absolutely cannot submit reports via e-mail, you need to mention this somewhere within your application with the Program.
- The Department does NOT recommend that any reporting be completed by another party on your behalf.

Program Website: "License Holders – Forms & Deadlines" tab

- All Program Requests and Report forms are located on this webpage!

https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/license-holders-forms-deadlines/

You will even find a detailed **Program Paperwork Chart** detailing all Program request/report forms and their associated deadlines on this webpage! Check it out now!

Planting Reports

- There are **two** types of planting reports in this Program:
  - Greenhouse/Indoor Planting Report Form, due quarterly throughout year.
  - Field Planting Report, due within 15-days of each outdoor planting.

- Planting reports are located on the Program website under the "License Holders – Forms & Deadlines" tab.

- These two planting reports have different requirements! **Read instructions very carefully!**

Greenhouse/Indoor Planting Reports

- Greenhouse/Indoor Planting Reports are due within 15 days of your **first** planting in an empty greenhouse or structure. After the "First Planting" report, your next Greenhouse/Indoor Planting Report will be due BY the quarterly due date.

- If you are purchasing seedlings or transplants, and they will be stored indoors until transplanted into the field, THAT is considered a **new "planting" and should be documented within a Greenhouse/Indoor Planting Report Form.** You cannot store seedlings within a Storage Location ID; the site needs to be registered as a Greenhouse Location ID.

- Greenhouse/Indoor Planting Reports are due **quarterly for ALL licensed Greenhouse Location IDs by the last day of each quarter:**

Q1: March 31st, Q2: June 30th, Q3: September 30th, and Q4: December 31st for EACH greenhouse associated with your license.

- **Location ID names MUST match what was approved within your application or Site Modification!! Refer to Page 2+ of your License Certificate.**

Greenhouse/Indoor Planting Reports

- Greenhouse/Indoor Planting Reports document:
  1) New Plantings for the Quarter in question 4.
  2) Transfers to or from the Greenhouse for the Quarter in question 5.
  3) Current Inventory of Plants for the Quarter in question 6.
     - **For every quarterly report, list-out ALL Greenhouse Location IDs in questions 4, 5, and 6.**

EXAMPLE: <u>Q1 Greenhouse/Indoor Planting Report</u>

- **Documents new plantings in Greenhouse from January 1 – March 31 in question 4.**
- **Documents transfers to or from Greenhouse from January 1 – March 31 in question 5.**
- **Documents current inventory & quantity of plants on-site from January 1 – March 31 in question 6.**
- **Due by March 31st, annually.**

Field Planting Report

- Field Planting Reports are due within 15-days of <u>each</u> outdoor planting.
  - **Note:** Moving transplants into a Field Location ID is considered a planting and must be documented within a Field Planting Report.
- A planting 'plot' or 'lot' is determined by: (1) Location ID name, (2) Variety name, (3) Acres or Square Feet planted, and (4) Date Planted or Seeded.
- On the Field Planting Report, you must report each planted 'plot' separately on its own row. **Completely spell-out the hemp variety name, located on the seed label or the variety name provided by the source company. Do NOT shorthand or nickname a variety on the Field Planting Report form.**

- If you will **<u>NOT</u>** be planting at a licensed Field Location ID for the season, you still owe the Program paperwork!
- **"NO PLANTING" Field Planting Reports are due by July 31st, annually.**

- **Location ID names MUST match what was approved within your application or Site Modification!! Refer to Page 2+ of your license certificate.**

NEW for 2021: The Farm Service Agency (FSA) & Crop Acreage Reports

- All outdoor hemp plantings MUST be reported to the USDA Farm Service Agency (FSA) using their Crop Acreage Report form, known as the **FSA-578 FORM.**
- You MUST report both your intended and certified crop acreages to your local county FSA office.
  - To find your local county FSA office, go to: http://offices.usda.gov/ or https://www.farmers.gov/service-center-locator
  - For crop acreage reporting information, go to: https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/FactSheets/2019/crop-acreage-reporting-19.pdf or https://www.farmers.gov/crop-acreage-reports

- New farmers will want to visit or call their local county FSA office to register a new account with their office.
- July 15th is the major FSA-USDA deadline for most crops, but acreage reporting deadlines vary by county and by crop.

Harvest Request Form

- Harvest Request Forms are due **15 days *prior*** to your intended harvest date.
- **You are NOT permitted to harvest any industrial hemp until compliance samples have been taken by the Department.**
- Grower must completely harvest the requested plot within 15 days, beginning the day after the Department collects compliance samples.
- Multiple harvest plots? = Multiple Harvest Request Forms
- Harvested hemp plots must remain separated and may NOT be mixed or co-mingled, **transported beyond the processor or outside Arkansas**, nor transferred or sold until the material has been released by the Department as a result of a compliant laboratory test result. (Most materials are stored on-site until test results are obtained, which is why a registered Storage Location ID is required for all Growers.)
- Remember all compliance samples pulled (whether pre- or post-harvest) are $100/each!
- Refer to Program Rules Section 10, as well as the Program's 2021 Sampling & Testing Guidelines Standard Operating Procedures (SOP).

Destruction Request Forms

- Destruction Request Forms are due **15 days *prior*** to your intended destruction date.
- You are **NOT** permitted to destroy any industrial hemp material until approval in-writing is received from the Department.
  - The Department must first review your Destruction Request Form prior to destroying any hemp material.
  - After review, the Department will decide whether a Department representative and/or law enforcement witness will be present to witness the destruction taking place.
  - If you receive approval in-writing to implement your proposed destruction, **you MUST provide the Department with photographic proof of the destruction taking place. This request form is required for failed plantings/failed emergence, research only plots, out of tolerance hemp materials, rogued male plants, and/or any hemp materials that will not be marketed.**
- Multiple Destruction plots? = Multiple Destruction Request Forms
- The Department and/or Law Enforcement may be present at the time of destruction.
- Refer to Program Rules Section 10, as well as the Program's 2021 Sampling & Testing Guidelines Standard Operating Procedures (SOP).

Harvest/Destruction Requests

- If you request to Harvest a plot and the Department has pulled pre-harvest samples, do NOT delay your harvest waiting for the Department's test results. You MUST completely harvest the plot within 15-days AFTER the Department collects compliance samples.
- Likewise, if you request to Destroy a plot and the Department has given you the approval in-writing to implement your destruction, do NOT delay your destruction beyond the date indicated on the form.
- **If you request to Harvest or Destroy, you should be ready to either Harvest or Destroy! Don't submit the request if you're not ready!**

2021 Sampling & Testing Guidelines SOP

- Make sure you read the Program's 2021 Sampling & Testing Guidelines SOP posted on the Program's website!!
- This information is incredibly important when it comes to the Department's sampling procedures, harvest time processes, acceptable THC amounts, approved destruction methods, and much more.
- The Department will be able to tell if a licensee has not read this Program SOP, so read it now!

Production Report Form (end-of-year report)

- At the end of the season, licensed Growers who **planted hemp in Arkansas** are **required** to complete a Grower Production Report (end-of-year) Form.
- **ALL** licensed Processor/Handlers are required to complete a Processor/Handler Production Report (end-of-year) Form.
- Keep good records and notes throughout the season.
- These records help develop better models for the industry.
- The Arkansas Industrial Hemp Act requires you to retain ALL program records, **so keep copies of everything**, including all requests and reports you submit to the Department.
- Program statistics are calculated from these reports, and the statistics are shared with State and Federal Lawmakers, state agencies, other Hemp Growers, other State Hemp Programs, and the general public.

Submission of a Production Report is extremely important for an accurate collection of growing season data! Do your part and help this new industry!

Questions

- When is the Field Planting Report Form due to the Department?
  - A month after planting
  - Quarterly
  - 15 days before planting
  - **Within 15 days following each planting**

- True or False: The Greenhouse/Indoor Planting Report is due within 15 days of the first planting **AND** Quarterly throughout the year.
  - **True** or False

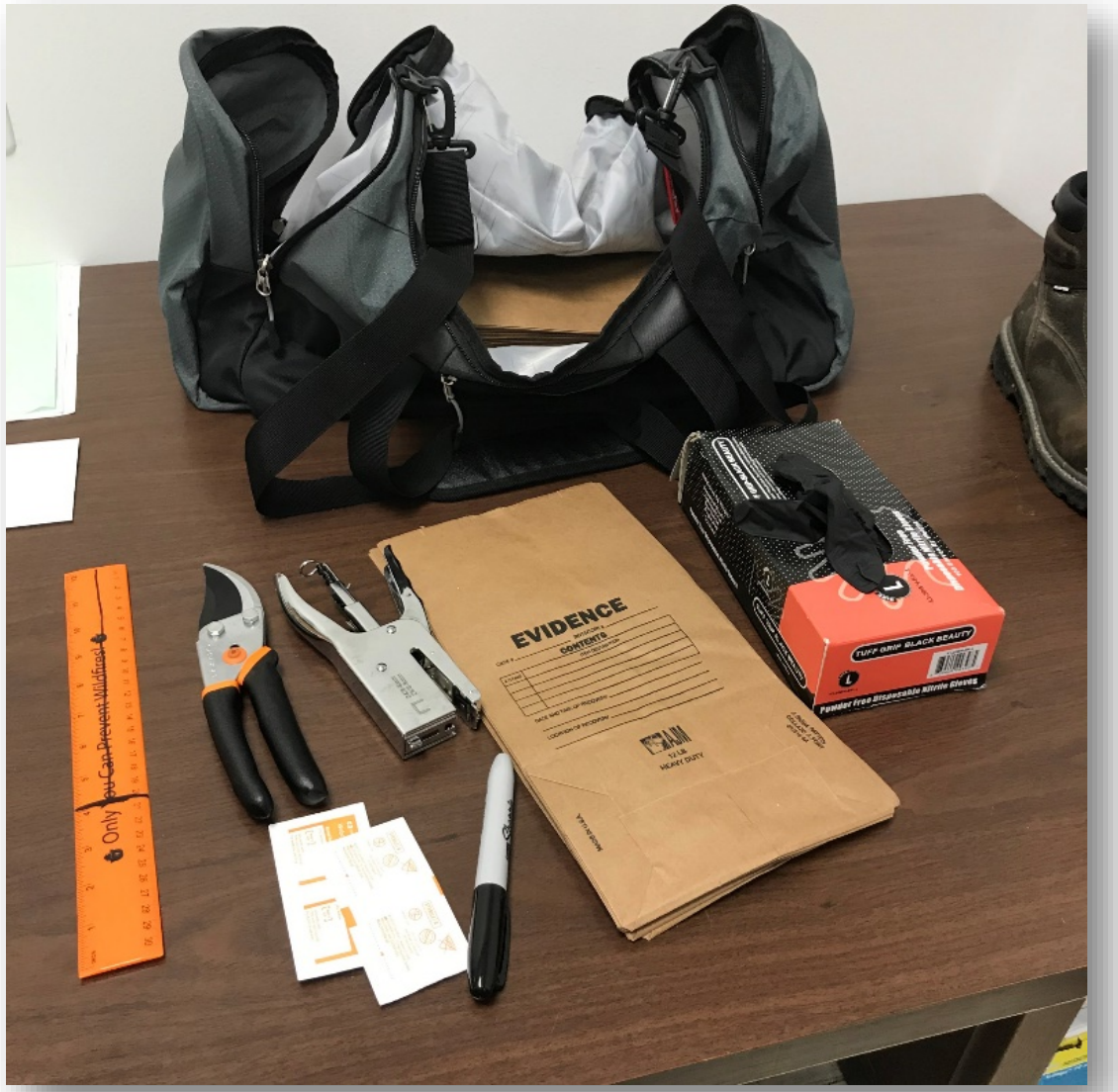
- You have two registered Field Location IDs, but you will NOT be planting at either one of them this season. Do you owe a Field Planting Report to the Department?
  - **Yes, "NO Planting" Field Planting Reports are due by July 15th**
  - **No, since I won't be planting, I don't owe any paperwork**

Questions

- When is the Harvest Request Form due?
  - A month after harvest
  - **At least 15 days prior to expected harvest date**
  - Within 15 days following planting

- Are Arkansas hemp growers required to submit hemp crop acreage information to their local county Farm Service Agency (FSA) office?
  - **Yes** or No

Sampling & THC Testing of Hemp



PLANT INDUSTRIES DIVISION

Sampling & THC Testing of Hemp

- 100% of plots intended for harvest are inspected and sampled prior to harvest by the Department.
- The Department conducts compliance sampling and testing by location **AND** variety grown. **Remember: $100/each pre- or post-harvest sample.**
- The Department recommends regularly conducting cannabinoid (THC%) testing with licensed third-party laboratories to monitor THC levels up until harvest.
- Federal law requires all delta-9-THC concentrations be measured using post-decarboxylation (result is commonly referred to as Total THC).
- THC Compliance Test results will be reported within 30 days of sample receipt to the licensee **via E-MAIL.**
- **You MUST read the 2021 Sampling & Testing Guidelines SOP!**
- The Department is currently the only entity able to conduct the official regulatory THC compliance sampling & testing for hemp in Arkansas.

Sampling & THC Testing of Hemp

- The licensed Grower (or knowledgeable help/staff) must be present for the Department's harvest sample collection inspection.
- Inspector shall be given full access to all growing, storage, and handling locations (will also be inspecting unplanted locations).
- Compliance samples will be taken from each plot for harvest (contiguous planting of the same variety/strain at a Location ID)
- Harvest must be <u>completed</u> within 15-days, beginning the day after the Department collects compliance samples.

Sampling & THC Testing of Hemp

- 0.3% THC is the legal limit set by federal and state law.
- Per USDA's requirements, all Certificates of Analysis (COAs) from the Department Plant Industries Chemistry Lab will contain a Measurement of Uncertainty (MOU) value. This value is calculated using the chemistry lab's hemp THC data from previous seasons.
- This MOU value accounts for any potential variances in THC% lab results.
- The Department Plant Industries Chemistry Lab also participates in a national hemp regulatory proficiency testing program sponsored by the University of Kentucky to further ensure the accuracy and reliability of THC% results.

Sampling & THC Testing of Hemp: What To Do When Given a Certain THC% Result

- **<u>Refer to the Program's 2021 Sampling & Testing Guidelines SOP for ALL information surrounding what to do in the event of receiving a specific THC% test result.</u>**
- Pre-harvest results from plots testing at or above 1.0% are required to be mandatorily destroyed for Program compliance with no chance of a post-harvest resample/retest.

- If you must destroy a 'hot' hemp plot from noncompliant pre- or post-harvest test results, **you must submit a Destruction Request Form.**
- If you wish to request a Post-Harvest resample/retest from noncompliant pre-harvest test results, **you must submit a Harvest Request Form.**

Sampling & THC Testing of Hemp

Again, refer to the Program's 2021 Sampling & Testing Guidelines SOP!!

This document will answer many, if not ALL, of your harvest, destruction, sampling, and/or testing questions!

Posted on the Program's "License Holders – Forms & Deadlines" webpage

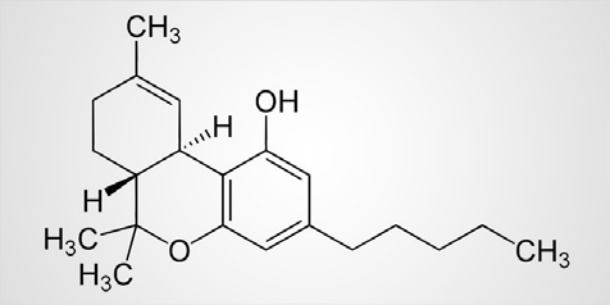
Sampling & THC Testing of Hemp

- 2021 is the FINAL year of the pilot program and could be the last year we will be allowed to offer a post-harvest retest according to the USDA.

- Plots testing at or above 1% are required to be destroyed immediately without a retest.

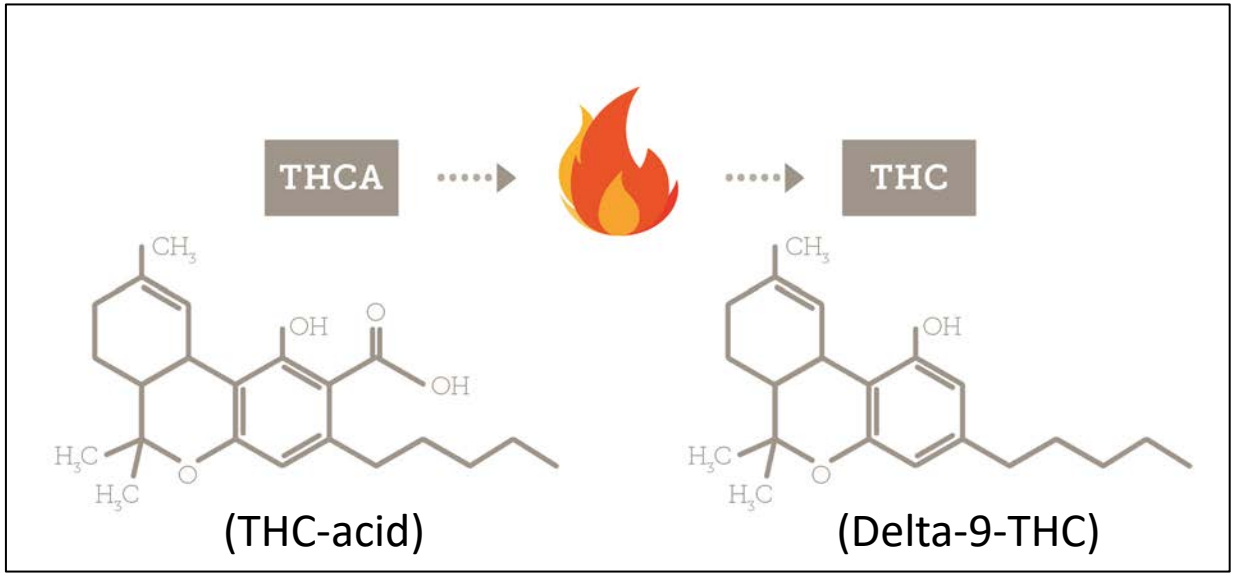
Understanding THC Analysis & Lab Results

- Cannabis plants only produce *delta-9-THCa* (tetrahydrocannabinolic acid).
- *Delta-9-THCa* converts to *delta-9-THC*, the Sch. 1 psychoactive intoxicant component of cannabis, through a process called decarboxylation.
- Decarboxylation will happen naturally over time when exposed to air OR immediately in high heat conditions (if heated or ignited).
- This ‘decarboxylated’ result is referred to as Total THC.
- All lab results revolving Arkansas’s Hemp Program should contain TOTAL THC values.
- Arkansas is NOT a “delta-9 ONLY” state.



Understanding THC Analysis & Lab Results

- Measurement of THC concentrations can be conducted with many different laboratory method analyses.
- The combined, or decarboxylated THC, is often referred to as Total THC.
- Federal law requires testing for Total THC.
- This has been the method used by the Department since the first year of the research program in 2019.



Understanding THC Analysis & Lab Results

- If an analysis gives only THC or delta-9-THC, that would be the Total THC
- If an analysis gives THCa <u>and</u> delta-9-THC, it must be combined mathematically:

  THC + (THCa x 0.877) = Total THC

<u>NOTE:</u> The equation and value above are not arbitrary. The 0.877 conversion factor is based on the molecular weight conversion of THCa to THC via decarboxylation.

Total THC vs. Delta-9-THC

THC Analysis and Compliance

- THC Analysis: Delta-9 THC measured after decarboxylation gives accurate measurement of intoxication potential.
- Pre-decarboxylation THC = 0.28%, Post-decarboxylation THC = 22.27% (after heating or igniting).

CANNABINOID PROFILE

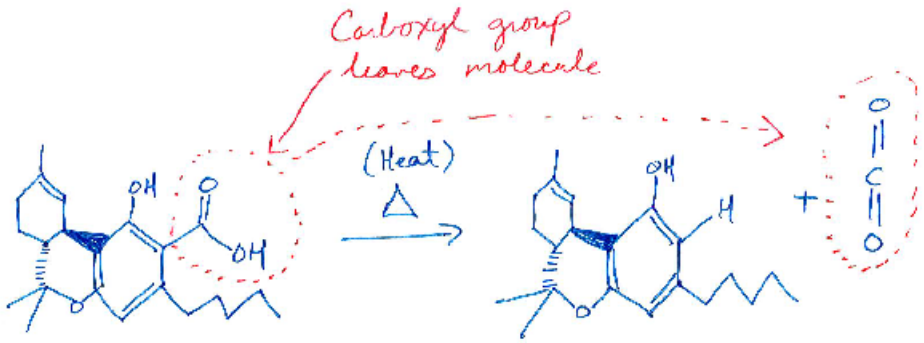
CANNABINOID	%(w/w)	mg/g
THC	0.28%	2.8
THC-A	25.07%	250.7
CBD	0.00%	0.0
CBD-A	0.92%	9.2
CBN	0.00%	0.0
CBG	0.09%	0.9
TOTAL CANNABINOIDS	26.36%	263.6

Actual lab test of flower material courtesy of CDA.

THC-A converts to THC at a rate of 87.7% resulting in a change in molecular weight.

HEMP

Kentucky Proud. Kentucky Department of Agriculture



THCa

Carbons: 22 x (12.011) molecular wt
Hydrogens: 30 x (1.008)
Oxygens: 4 x (16.000)

358.482

Δ9 THC

Carbons: 21 x (12.011) molecular wt
Hydrogens: 30 x (1.008)
Oxygens: 2 x (16.000)

314.471

$$\frac{\Delta 9\,THC}{THCa} = \frac{314.471}{358.482} = 0.877$$

(THCa) 0.877 + Δ9 THC = Total THC

Why combining THC-A content matters: 22.27% Total THC!

Per the USDA's Interim Final Rule, <u>all states will be testing for Total THC Compliance</u>

Questions

- Is the Arkansas hemp program a “delta-9 Only” or “Total THC” state?
  - Delta-9-THC Only
  - **Total (decarboxylated) THC**

- How will I receive my compliance lab report from the Department to let me know if I can market/sell my harvested crop to a licensed hemp Grower or Processor?
  - Via mail
  - **Via e-mail**
  - Via fax

Restrictions on Sale or Transfer

Transfer Requirements

- **These requirements were designed to keep you legal.**

- **Failure to comply with the *Transfer Requirements* may result in expulsion or other disciplinary measures.**

- **Program Hemp Staff are available to help answer your questions.**

industrialhemp@agriculture.arkansas.gov

Restrictions on Sale or Transfer

- The growth, storage, handling, processing, and marketing of hemp is administered by the Arkansas Department of Agriculture (Department) as authorized by the Arkansas Industrial Hemp Act (A.C.A. § 2-15-401) and 7 U.S.C. § 5940 (also known as Section 7606 of the 2014 Farm Bill). The restrictions on the manufacture, sale, and transfer of hemp are located in the Department Hemp Research Program Rules, Section 12.

Program Rules website page:

https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/hemp-program-rules-the-law/

Restrictions on Sale or Transfer website page:

https://www.agriculture.arkansas.gov/plant-industries/feed-and-fertilizer-section/hemp-home/restrictions-on-sale-or-transfer/

Industrial Hemp Products:
Section 1(A)(14) of Hemp Program Rules

"**Industrial hemp products**" or "hemp products" means products derived from, or made by, processing industrial hemp plants or plant parts, including without limitation:

(A) Certified seed for cultivation if the seeds originate from industrial hemp varieties; (B) Cloth; (C) Cordage; (D) Fiber; (E) Food; (F) Fuel; (G) Paint; (H) Paper; (I) Particleboard; (J) Plastics; and (K) Seed, seed meal, and seed oil for consumption.

Publicly Marketable Hemp Products:
Section 1(A)(33) of Hemp Program Rules

"**Publicly marketable hemp product**" means a hemp product that meets one or more of the following descriptions:

- **(a)** the product does **NOT** include any living hemp plants, viable seeds, leaf materials, floral materials, or decarboxylated delta-9-THC content above 0.3 percent; and does include, without limitation, the following products: bare stalks, bast fiber, hurd fiber, nonviable roots, nonviable seeds, seed oils, and plant extracts (excluding products containing decarboxylated delta-9-THC above 0.3 percent).
- **(b)** the product is CBD that was derived from industrial hemp, as defined in this regulation; or
- **(c)** the product is CBD that is approved as a prescription medication by the United States Food and Drug Administration.

Publicly Marketable Hemp Products
(able to be sold to the general public)

The following hemp products are considered "out-of-program materials" and can be sold or transferred to the general public/non-license holders:

- **Fiber** – including the whole stalk, **stripped** of leaf and seed materials, and decorticated fiber (base and/or hurd)
- **Roots** – including dried and/or ground roots
- **Leaves or Floral Material** – in the form of cannabinoid extract and all products derived from extracts
- **Grain (Food Products)**– including crushed, ground, dehulled, seed cake/meal, roasted or toasted AND proven nonviable, and seed oil

Section 1(A)(33) & Section 12(C)

These publicly marketable hemp products are considered **"Out-Of-Program Materials"** because they are able to be sold to the general public and fall outside of the Department Hemp Research Program's purview.

Non-Publicly Marketable Hemp Products (Hemp License-Holders Only)

At this time, state law and the Department Hemp Research Program Rules indicate that industrial hemp material (viable seed, live plants, leaf and/or floral material) should <u>only be in the possession of an industrial hemp license holder</u>, operating under a research pilot program or approved USDA hemp program.

It is against Program Rules and the Arkansas Industrial Hemp Act to sell or market "non-publicly marketable hemp products," otherwise known as **"in-program materials,"** to the general public.

Non-Publicly Marketable Hemp Products (Hemp License-Holders Only)

The following industrial hemp materials are considered "in-program materials" and should only be in the possession of an industrial hemp program licensee in Arkansas:

- **Fiber–** in the form of whole stalks, including leaf and seed materials, and bales of stalks
- **Roots–** including raw roots
- **Leaves or Floral Material–** including fresh, unprocessed, dried, and/or ground biomass
- **Grain (food product)–** in the form of a raw, unprocessed seed
- **Seed (for replication)–** including whole seed, clean or uncleaned
- **Transplants–** including rooted plants, cuttings, seedlings, immature plants

Section 12(A), (B), & (H), & Section 17(A)(15)

These hemp materials are considered **"In-Program Materials"** because they are only permitted to be in the possession of an industrial hemp program licensee and are regulated by the Department Hemp Research Program.

Transfer Requirements for "In-Program Materials" – License Holders ONLY

- <u>You MUST verify Hemp Licenses.</u>
- Licensees MUST keep all required documents in possession of the transporter at all times during transfer or included within the shipping container.
- You may transfer to other Hemp Programs in other states, but the company **MUST** be licensed through their state's Department of Agriculture or the USDA to grow or process hemp.
- Transfers into other state Hemp Programs are at your own risk. You must satisfy that state's transfer requirements.
- Transfer paperwork must document legal origin and destination, including street addresses, license numbers, type of material, etc.

NEW for 2021: Update to Hemp Material Transfer Request Form

- **The *Hemp Material Transfer Request Form* is no longer required for <u>every</u> transaction of hemp material.**
- The request form is still available for licensees to submit to the Department for approval, but most transactions should be documented using internal individual or company records, which should be made available for inspection upon request from the Department.
- If you will be selling or purchasing rooted clones/transplants to or from Arkansas, it is recommended you submit a *Hemp Material Transfer Request Form* to the Department to ensure all Nursery laws and rules are abided by.

Transfer Requirements for "In-Program Materials" – License Holders ONLY

REQUIRED DOCUMENTS FOR TRANSFERS OR SALES OF HEMP MATERIAL:

- Licensee Transfer Documentation that details legal origin and destination of material. (an approved *Hemp Material Transfer Request Form* from the Department satisfies this requirement, but the form is no longer mandatory)
- Copies of **all** Hemp License Certificates and any other necessary license certificates, like Seed Dealer Licenses, Nurseryman's Licenses, etc.
- Valid Lab Analysis Sheets or Certificates of Analysis with compliant THC-results relating to the material being sold or transferred.

Transfer Requirements for "Out-of-Program Materials" – Non-License Holders

- Eligible for transfer to anyone, no hemp license required
- License Holder's responsibility to ensure compliance with other state and federal laws
- All products must meet regulations of other authorities (Food Safety, FDA, etc.)
- All floral extracts or their derivatives MUST be tested and ensured to be no more than 0.3% Total THC in final-product form.
- All testing information must be kept on file for inspection by the Department when prompted.

Bottom Line!

- We thought 2020 would be the final year of the research program, but 2021 will now be the final year of the research pilot program!

- The Department will continue to work on a hemp production plan to be approved by the USDA under the 2018 Farm Bill authority throughout the 2021 season.

- The Department's Hemp Program Staff are here to assist you as much as they possibly can in navigating this new, confusing industry. Please feel free to reach out if you have any questions or concerns. We would rather you get the information directly from the Department as opposed to being misled by someone else.

Questions

- **Which of the following hemp-derived products shall <u>not</u> be sold to any person who does not hold a hemp license:**
  a) Whole hemp buds
  b) Ground hemp floral material
  c) Ground hemp leaf material
  d) All of the above

- **Does a licensee need an approved *Hemp Material Transfer Request Form* from the Department in order to transport, sale, accept or deliver hemp material?**
  a) Yes, an approved Transfer Request Form is needed every single time from the Department.
  b) No, **but** Licensees must still abide by transportation record-keeping requirements, keeping all necessary documents in possession of the transporter at all times and retaining these documents for up to three years.

Contact Department Hemp Program Staff

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