



# Pennsylvania Hemp Program Overview

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# ▶ Hemp in Pennsylvania

- Where we started
- Where we are today



## ▶ Timeline of Hemp in Pennsylvania

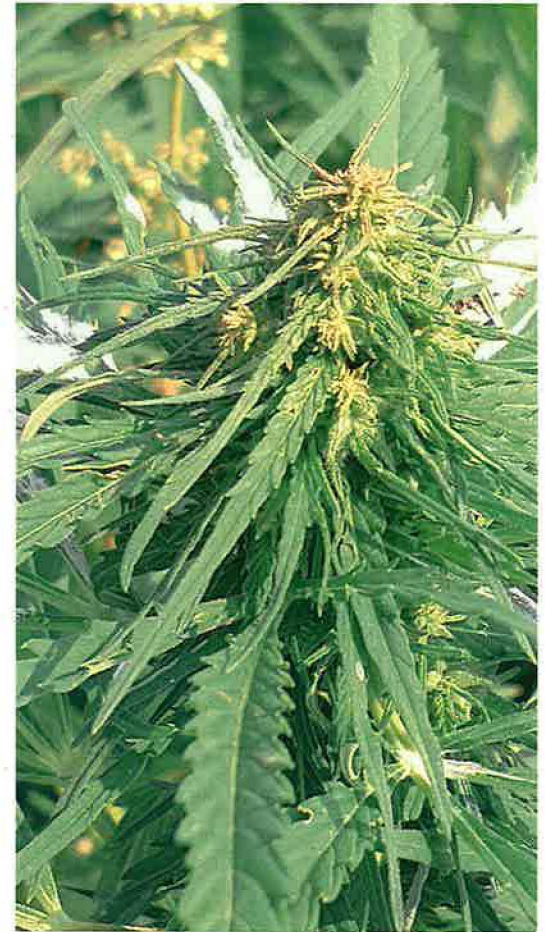
- 1937 – U.S. banned growth of hemp, along with marijuana.
- 2014 – U.S. Farm Bill, Sect. 7606, allowed higher education institutions or state agriculture departments to research hemp cultivation and marketing under state-run pilot research programs.
- July 2016 – The Legislature passed and Governor 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

<u>The Numbers:</u>	<u>2017</u>	<u>2018</u>
• Permits Offered	30	50
• Permits completed	16	37
• Hemp grow sites	13	51
• Acreage (Planted)	36	585
• Acreage With "Crop"	31	<500
• # regulatory samples	36	65
– <i>Tested for THC</i>		

## ▶ 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

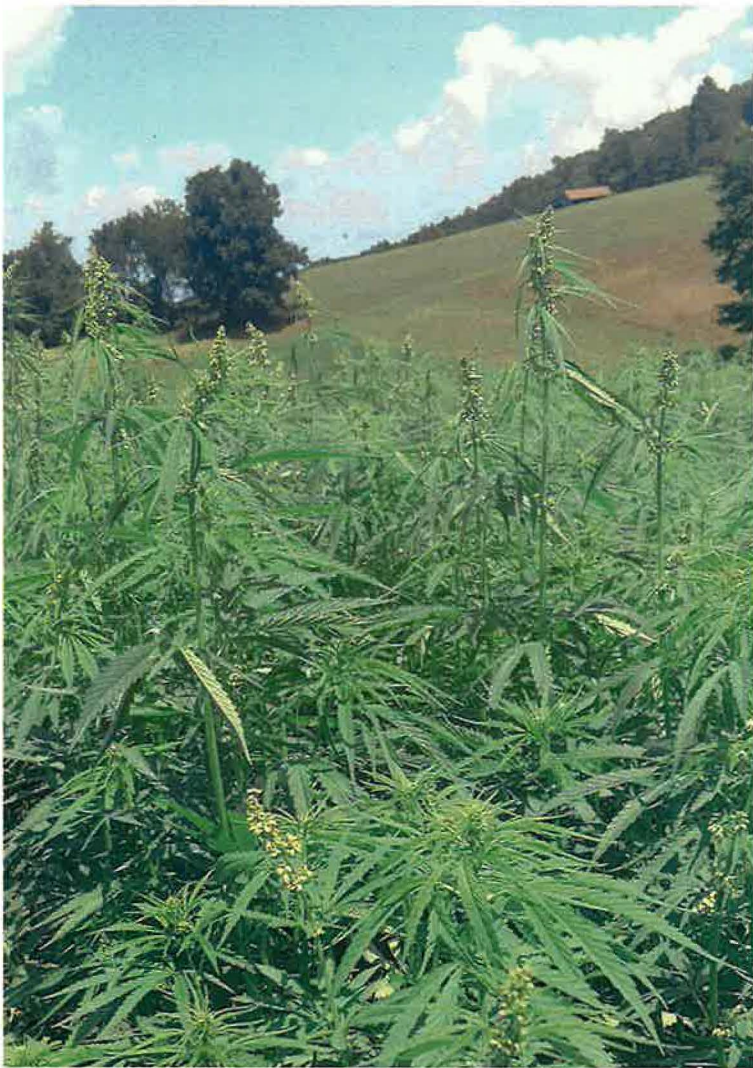
## ▶ No longer just “industrial” hemp

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



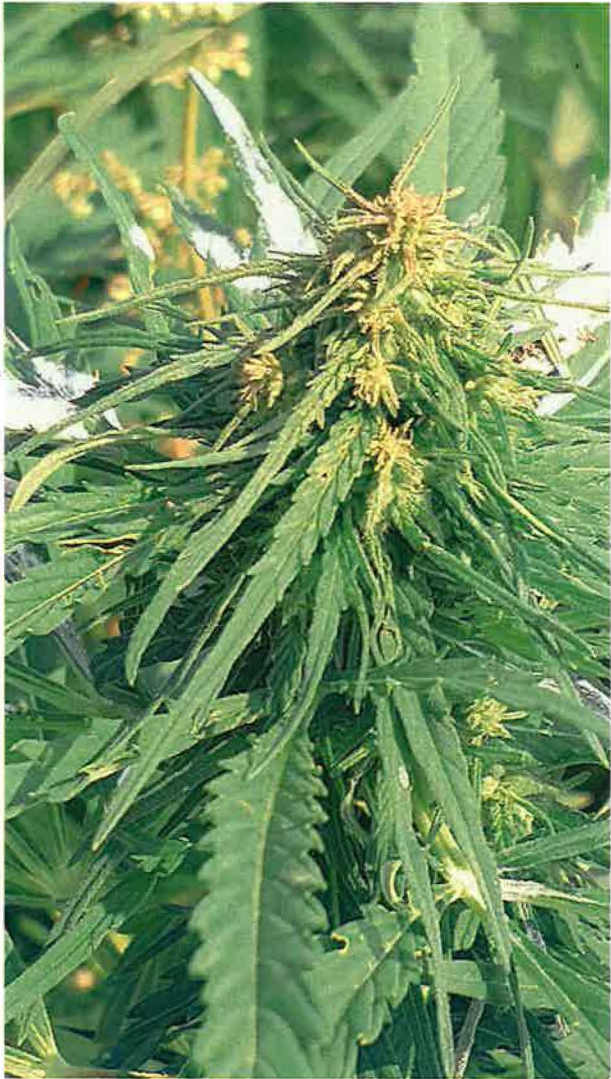
- January 2019 – PDA submits plan to USDA.
- March 2019 - The PA Controlled Plant & Noxious Weed Committee voted to add Hemp to PA's Controlled Plant List.
- Controlled Plant and Noxious Weed Law provides the Department with a mechanism to operate a program permitting the commercial production of hemp, 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





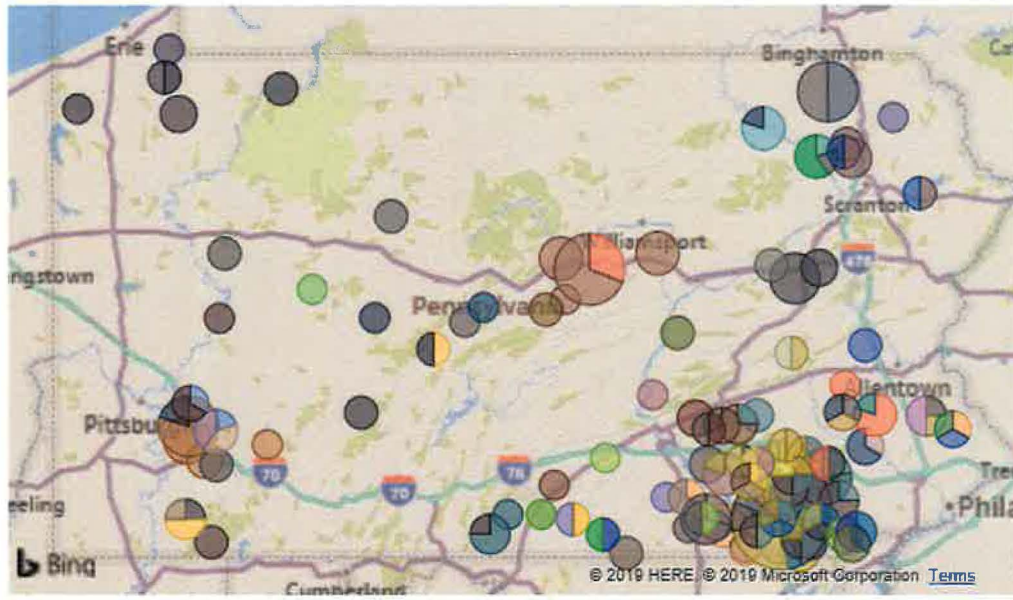


# ▶ CBD / Nursery Crop

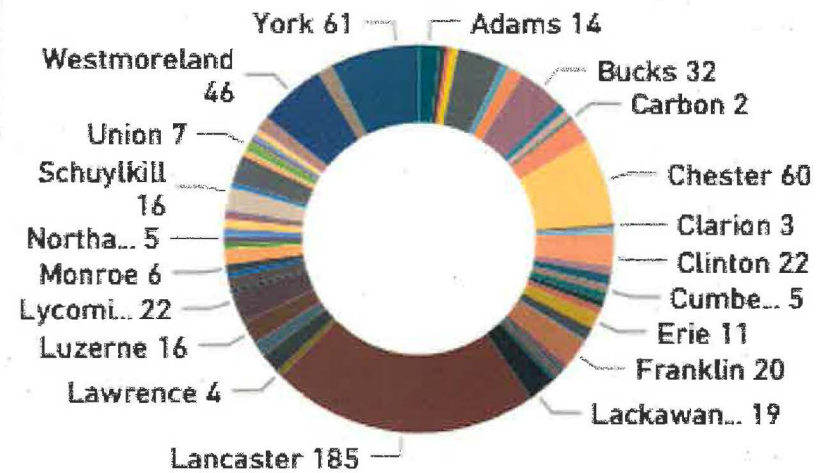


# Hemp Permit Distribution

Grow Zip Code by Grow Sites#



Grow Sites# by Grow County



## ➤ 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:

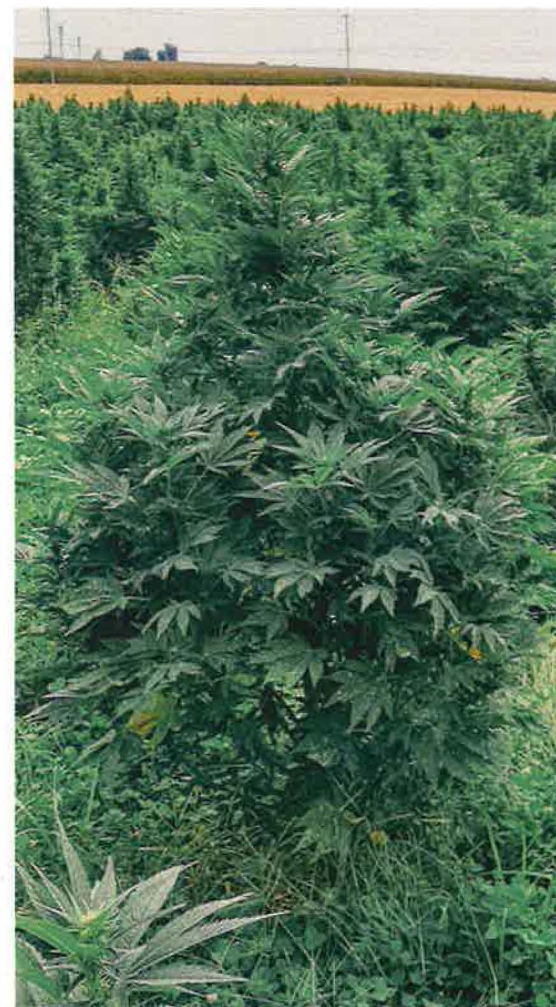
- Fiber has no additional legal requirements
- Seed and seed oils are generally recognized as safe in human food.
- No federal approvals for use of hemp products in animal feed.



## ▶ Legal Framework - CBD

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

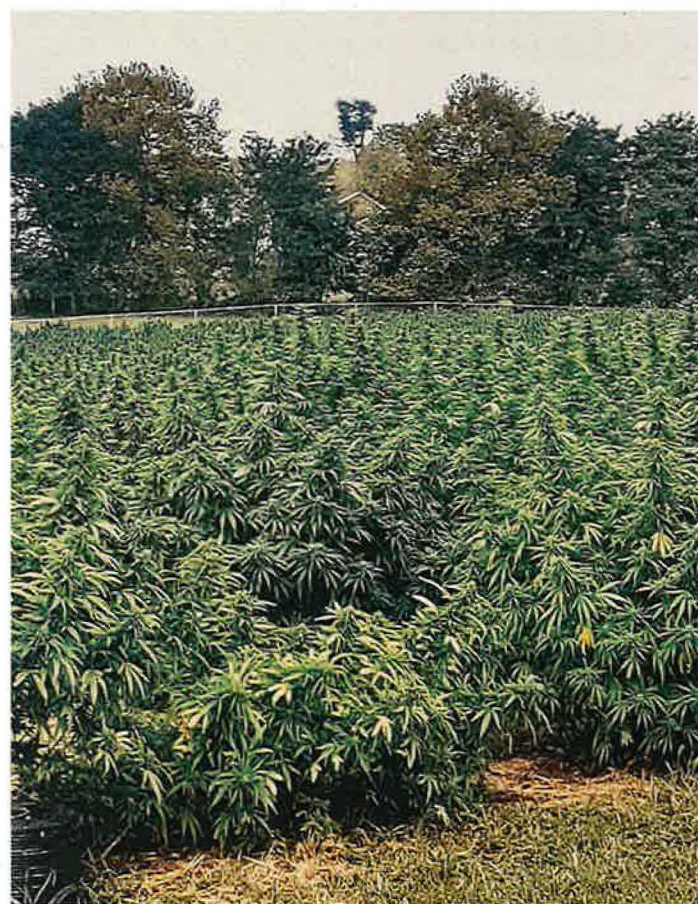
- Federal Drug Administration (FDA) regulates foods, drugs, food additives, added substances, and dietary supplements for humans and animals, including hemp and CBD.
- FDA does not permit CBDs to be added into food or beverages or sold as a dietary supplement.
- No consistent federal enforcement.

# ▶ 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.**