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HOUSE DEMOCRATIC POLICY COMMITTEE

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## House of Representatives COMMONWEALTH OF PENNSYLVANIA

### HOUSE DEMOCRATIC POLICY COMMITTEE HEARING

**Topic: Pennsylvania's Hemp Industry**  
**418 Main Capitol Building – Harrisburg, PA**  
**September 23, 2019**

#### **AGENDA**

- 10:00 a.m. Welcome and Opening Remarks
- 10:10 a.m. Panel from Pennsylvania Department of Agriculture:
- Dr. Ruth Welliver, Director of the Bureau of Plant Industry
  - Natalie Krak, Policy Director
- 10:30 a.m. *Questions & Answers*
- 10:50 a.m. Panel from Kentucky Department of Agriculture:
- Keith Rogers, Chief of Staff
  - Doris Hamilton, Manager of Industrial Hemp Program
- 11:10 a.m. *Questions & Answers*
- 11:30 a.m. Panel Three:
- Steve Bevan  
President, GenCanna Global, Inc.  
Chair of the US Hemp Roundtable
  - Marielle Weintraub  
President, US Hemp Authority
  - Steve Groff, MD  
Founding Chairman, Groff North America and Farmacy Partners
- 12:00 p.m. *Questions & Answers*
- 12:20 p.m. Closing Remarks



# Pennsylvania Hemp Program Overview

Dr. Ruth A. Welliver, Director, Bureau of Plant Industry  
Natalie Krak, Policy Director, Pennsylvania Department of Agriculture

September 23, 2019

# ➤ Hemp in Pennsylvania

- Where we started
- Where we are today



# ▶ Timeline of Hemp in Pennsylvania

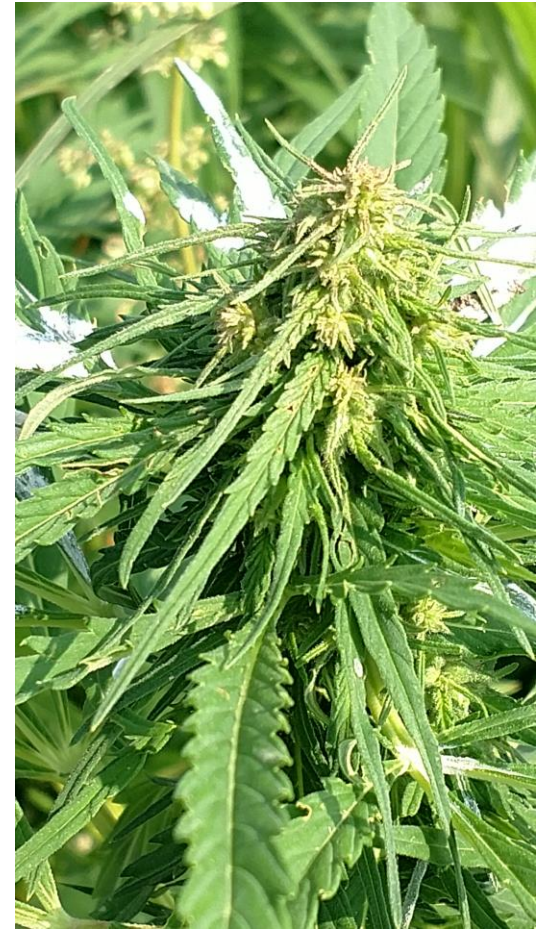
- 1937 – U.S. banned growth of hemp, along with marijuana.
- 2014 – U.S. Farm Bill, Sect. 7606, allowed higher education institutions or state agriculture departments to research hemp cultivation and marketing under pilot research programs.
- July 2016 – The Legislature passed and Governor Wolf signed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

## The Numbers:                      **2017**                      **2018**

• 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.

# ▶ Program Details - 2019

- Hemp is still a regulated plant and may only be grown with a permit from PDA.
- Base cost of a 2019 permit was \$600 for up to 5 growing properties.
  - Additional properties were added at a tiered fee structure
- No limit on acreage
- No limit on number of permits available
- Extended deadline to apply

# ➤ 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
- Acreage amounts available after grower planting reports submitted and entered (end of season.)

# ➤ What can be seen

**SEED**





**FIBER**





# ➤ CBD / Nursery Crop





# ➤ CBD / Nursery Crop





# ► Requirements to PDA



- Submission of planting reports within 10 days of planting.
- Subject to random inspection and THC sampling.
  - PDA will visit approximately 25% of permittees
- Each permit holder must have THC testing done and submit reports to PDA.

## ➤ Other PDA Licensing may apply.

### Hemp permit holders may also need:

- Seed Distribution License – if selling any seed for propagation
- Certified Seed Registration – if growing seed for propagation
- Nursery Dealer License – if selling seedlings/transplants/clones to other permit holders
- Food Establishment Registration – if manufacturing food products from hemp seed

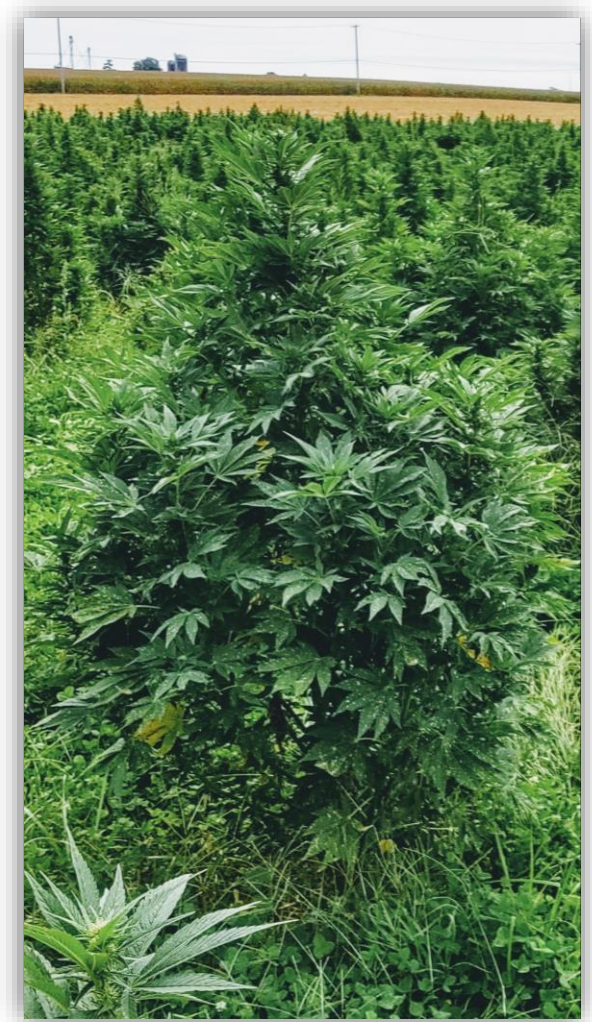


# ➤ Legal Framework

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.

No federal approvals for use of CBD or hemp in animal feed.



# ➤ 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

Anticipated USDA, FDA, and EPA guidance may affect PDA's 2020 Program

While we look for guidance, we still move forward – the hemp industry is ready!





# ➤ 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 opportunity to fund hemp-related research.





*Thank you!*

