



Industrial Hemp: The Road Ahead



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April 24, 2019

Industrial Hemp Advisory Board

- Current Members:
 - Representative Willie Dove, 38th House District
 - Kerri Ebert, K-State, Kansas Center for Sustainable Ag and Alternative Crops
 - Representative Steven Johnson, 108th House District
 - Jeff Ochampaugh, Agrilead, Inc. (Chair)
 - Kelly Rippel, Vice President, Kansans for Hemp
 - Steve Schuler, Executive Director, Kansas Crop Improvement Association
 - Dr. Andrew Tucker, Fort Hays State University, Agronomy
 - Katie Whisman, Executive Office, Kansas Bureau of Investigation
 - Representative Troy Waymaster, 109th House District
 - Jeff Vogel, ex officio, Program Manager, Plant Protection, KDA

How We Got to the Law

- ✓ Passed by the Senate
- ✓ Passed by the House
- ✓ Signed by the Governor — Officially became a law
on April 20, 2018
- ✓ Published in the Kansas Register
 - Officially took effect on May 3, 2018
 - 2018 Kansas Session Laws Ch. 62
- ✓ Arranged and published as a statute by the Revisor of Statutes
 - K.S.A. 2-3901, K.S.A. 2-3902, K.S.A. 2-3903

What's in the Law

- Section 1 — Definitions
- Section 2 — The Meat of It All
 - The Department, alone or in coordination with a state educational institution, may cultivate industrial hemp grown from certified seed and promote the research and development of industrial hemp.
 - The Secretary will create an advisory board to review and recommend applications for pilot projects and research proposals.
 - The Department will oversee and license all individuals participating in the cultivation, growth, research, oversight, study, analysis, transportation, processing or distribution of certified seed or industrial hemp.

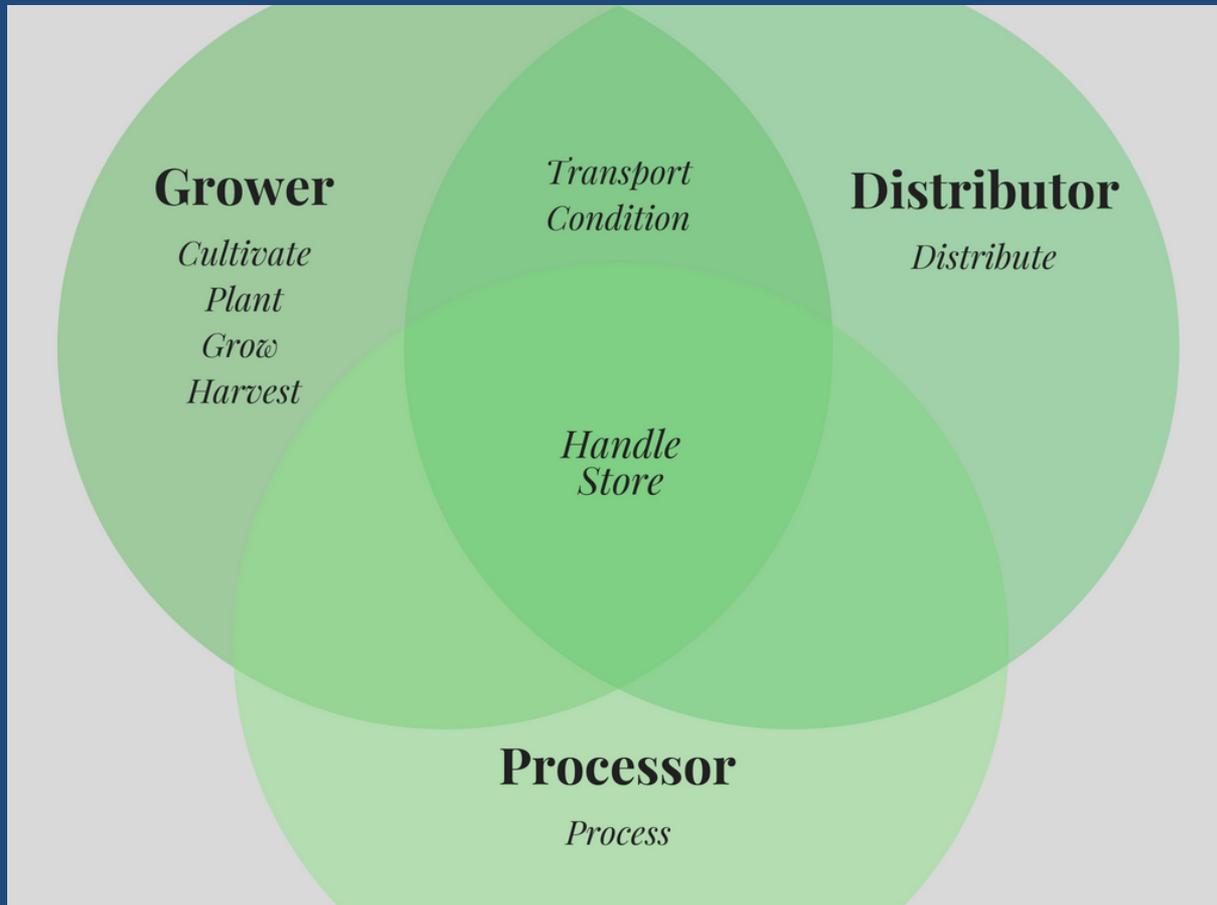
What's in the Law

- Section 2 — The Meat of It All (continued)
 - The Department will require anyone seeking a license
 - To be fingerprinted
 - To submit to state and national criminal history record check
 - The Secretary will develop rules and regulations to carry out the provisions of the Alternative Crop Research Act.
 - The Department will submit a report to the legislature outlining the steps and timeline to implement a process that would allow individuals and businesses to grow and process industrial hemp in Kansas and to sell it in other states. (Submitted Jan. 2019)
 - Nothing in the Alternative Crop Research Act will allow anyone to violate any state or federal law.

Research as Outlined by K.S.A. 2-3901, K.S.A. 2-3902, K.S.A. 2-3903

- Oversight and analysis of industrial hemp (IH) research and analysis of soils, growing conditions and harvest methods for the production of varieties of IH suitable for commercial hemp products.
- Analysis on the economic feasibility of developing an IH market in various types of IH that can be grown in Kansas.
- Analysis on the value-added benefits, including environmental, that the state would reap by having Kansas-grown IH varieties.
- A study on the worldwide agronomy research relating to IH varieties, production and utilization.
- A study on the feasibility of attracting funding for IH research.
- Pilot programs for economic development, research, cultivation, market analysis, manufacturing and transportation of IH and IH products.

Activities Conducted by Licensees



Regulations

- As determined by the Secretary with input from stakeholders including a working group committee — May 11, 2018 public meeting, 5 working group meetings, an informal public comment period and public hearing.
 - License Approval Process
 - State Advisory Board
 - Requirements for Licensees
 - Grower, Distributor, Processor, Administrative License, State Education Institutions
 - Fee Schedule
 - Pre-and Post-Harvest Inspection, Sample Collection, Testing and Post-Testing Actions
 - Reports

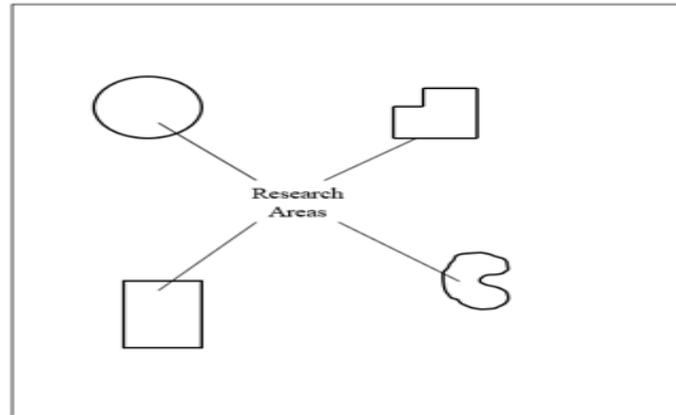
Research License Application Approval Process

- Submit completed research license application, including research proposal
 - All individuals participating
 - Maps identifying location
 - Acknowledgments of restrictions
- Submit to and pass the state and national criminal history record check
- Submit application fees
- Research license applications are reviewed by State Advisory Board and Secretary and are either denied or conditionally approved

Identifying License Areas

Example of Required Maps for Research Sections

Difference between
Research Areas and
Licensed Research Section



Research Section



T19S, R3E, S12, SW4

Research Area 1

West Field
6 acres
38.12345
-97.12345

Building 1

Industrial Hemp
Storage
1,700 sq ft
38.12351
-97.12353

Research Area 2

Home Field
7 acres
38.12345
-97.11904

Building 2

Transportation
Storage
800 sq ft
38.12347
-97.12034

Research Area 3

East Field
14 acres
38.12356
-97.08346

Research Proposal

Research Proposal Instructions:

- **Complete the following sections**, either by utilizing the fillable form or by providing your answers on a separate page(s). *Handwritten submissions are strongly discouraged.*
- **If answering on a separate document**, please label each section (A-F).
- **Be concise:** Your research proposal should be as concise as possible; **not to exceed 2 pages total.**
- **For more information on how to write a research proposal**, please see the Technical Bulletin on How to Conduct Research on Your Farm or Ranch by visiting <https://www.sare.org/Learning-Center/Bulletins/How-to-Conduct-Research-on-Your-Farm-or-Ranch>.

SECTION A: Identify your research question and objective, including a statement of the type of research to be conducted and its purpose.

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SECTION B: Identify your experimental design.

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Research Proposal

SECTION C: Explain what will be measured and what data will be collected.

SECTION D: Explain how the project will be implemented, including location and size of your anticipated research areas (in acres or square feet), duration of your research operations, and variety of industrial hemp that will be used in your research.

Research Proposal

SECTION E: Explain how research data will be collected, recorded and analyzed.

SECTION F: Explain how the data will be interpreted and how conclusions will be drawn, including anticipated results.

Research License Application

Land-Use

- All industrial hemp research must be conducted at locations listed on the license application.

RESTRICTIONS *may be granted permission

- In or within 50 feet of a residential structure; or
- With one-quarter mile of any public or private K-12 school or public recreational area.
- Calculated from field boundary of research area to exterior wall.

Research License Application Approval Process

- If conditionally approved, applicant has 15 days to remit applicable license fees.
- Once license fees are received, the research license application shall be officially approved and the Department shall issue the appropriate licenses.
- Copies of each license issued will be forwarded to appropriate law enforcement agencies.
- Applications are required to be submitted on an annual basis.
 - For the 2019 growing season, the deadline was March 1
 - A second application period is open with a deadline of June 1
 - For other growing seasons, November 30 deadline.

Fees Schedule

Fee Type	Program Fees	Fee Due Date
Application Fee	\$200 (nonrefundable)	At time application is submitted
License Fee – GROWER	\$1,000 License Fee (per licensed research section)	Within 15 days of receipt of notice of conditional approval
License Fee – DISTRIBUTOR	\$2,000 License Fee (per licensed research section)	Within 15 days of receipt of notice of conditional approval
License Fee – PROCESSOR	<p>License Fee per Processing End-Use</p> <ul style="list-style-type: none"> Fiber Processor - \$3,000 (per processing facility in each licensed research section or mobile processing facility) Grain Processor - \$3,000 (per processing facility in each licensed research section or mobile processing facility) Floral Material Processor - \$6,000 (per processing facility in each licensed research section or mobile processing facility) 	Within 15 days of receipt of notice of conditional approval
<p>NOTE: License holders working with multiple harvestable components will be required to pay a fee for EACH component. Each license fee shall include one sample collection and one laboratory test</p>		
Sampling Fee	\$45 per hour, plus transportation time and mileage	
Testing Fees	\$250 per laboratory test	
Modification Fee	\$750 per requested change to license previously issued. July 1 reduced to \$50.	

Signage

- Each primary licensee shall post and maintain at least one sign at each research area listed on the license.
- Sign shall measure at least 36 inches per side, shall be clearly visible and legible from the public road.
- Signage will include the following:
 - Kansas Department of Agriculture Industrial Hemp Research Program;
 - Primary Licensee's Name;
 - Primary Licensee's License Number; and
 - KDA Telephone Number.

Pre-Harvest Inspection, Sample Collection, Testing, and Post-Testing Actions

- Licensee shall notify the department of harvest dates in pre-harvest report 30 days before harvesting.
- Department shall collect a sample of industrial hemp and initial testing requires no payment or additional fees.
 - Licensees can request separate samples be taken but requires additional sampling and testing fees.
- Sample tested to determine delta-9-tetrahydro cannabinol concentration (THC).
 - Must be 0.3% or less to warrant a passing report of analysis.
 - If higher than 0.3%, it warrants a failing report or analysis and testing results and location **may** be reported to KBI. If higher than 2.0%, testing results and location **shall** be reported to KBI.

Pre-Harvest Inspection, Sample Collection, Testing, and Post-Testing Actions

- Licensees shall receive a passing report analysis prior to harvesting and has 10 days to fully harvest industrial hemp after issuance of passing report of analysis.
- If licensee receives a failing report of analysis:
 - Licensee may request a subsequent pre-harvest sample and pay sampling and testing fees or licensee shall destroy all industrial hemp within seven days.

Post-Harvest Inspection, Sample Collection, Testing, and Post-Testing Actions

- The department may conduct inspections any time after harvest.
- Same requirements and pre-harvest inspection.
- If a sample is collected, the licensee must be issued a passing report of analysis to handle, condition, distribute, transport or process the sampled industrial hemp plants, plant parts, grain or seeds.

Harvest Certificate

- No more than five days after the licensee completes harvest of industrial hemp, the licensee shall notify the department that harvest has been completed.
- The department shall not issue a harvest certificate until the following information is provided:
 - The **official name of the industrial hemp variety** that was cultivated, planted or grown.
 - **Each date the licensee harvested** the industrial hemp plants, plant parts, grain or seeds.

Harvest Certificate

- The **global positioning system coordinates** for each **research area** where the industrial hemp was harvested.
- A statement of **intended end-use** for all industrial hemp harvested.
- After harvest, a copy of the harvest certificate shall accompany the industrial hemp plants, plant parts, grain or seeds.

Reports

- **Research License Application** – Applicants
 - For the 2019 growing season, the deadline was March 1.
 - Second application period, deadline is June 1.
 - For other growing seasons, the deadline is November 30.
- **Field Planting Report** – Licensed research growers within 15 days after every planting.
- **Voluntary Withdrawal Report** – Licensed research growers
 - On or before June 1 if no industrial hemp was planted or
 - Within 15 days if a licensee conducts a voluntary destruction.

Reports Continued

- **Pre-Harvest Report** – Licensed research growers at least 30 days prior to intended harvest dates
- **Production Report** – Licensed research growers within 30 days after last harvest date for every harvest
- **Distribution Report** – Licensed research distributors by November 30
- **Processing Report** – Licensed research processors by November 30
- **Research Report** – All licensees by November 30

Growing Season 2019

- Growing season 2019 stands with rules and regulations as presented.
- KDA cannot make rules and regulations that are not aligned with state statute.
- KSA 2-3902 (c) and (d) requires:

(c) The department shall oversee and annually license all individuals participating in the cultivation, growth, research, oversight, study, analysis, transportation, processing or distribution of certified seed or industrial hemp pursuant to this act. The department shall establish fees for licenses, license renewals and other necessary expenses to defray the cost of implementing and operating the alternative crop research act in this state on an ongoing basis.

Growing Season 2019

(d) (1) The department shall require, as a qualification for initial or continuing licensure, all individuals seeking a license or license renewal under this act to be fingerprinted and to submit to a state and national criminal history record check. The fingerprints shall be used to identify the individual and to determine whether the individual has a record of criminal history in this state or any other jurisdiction. The department is authorized to submit the fingerprints to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check. The department may use the information obtained from fingerprinting and the criminal history record check for purposes of verifying the identification of the individual and for making an official determination of the qualifications for initial or continuing licensure pursuant to this act and rules and regulations promulgated pursuant to this act. Disclosure or use of any information received by the department for any purpose other than the purpose provided for in this section shall be a class A misdemeanor and shall constitute grounds for removal from office or termination of employment.

2019 Growing Season Information



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Industrial Hemp Research Program

The application window for a license to participate in the Industrial Hemp Research Program as a grower, processor or distributor has been re-opened. **The deadline for license applications is now Saturday, June 1, 2019.** **Note that the KDA office will **not** be open on June 1 to accept hand-delivered applications. Applications must be postmarked by June 1 or hand-delivered by May 31.* Applications that are complete and that meet all regulatory requirements will be forwarded to the Advisory Board for review. The advisory board will then make recommendations to the Secretary, and all applicants that have are conditionally approved will be contacted via email. they will then have 15 business days to submit their license fees; licenses will be issued upon receipt of the license fees.

[Program Regulations](#) ←
[Approved Varieties of Industrial Hemp](#)
[Summary of Fees](#)
[Request for Modification of License](#)
[Field Planting Report](#)
[Industrial Hemp Important Deadlines](#)

APPLICATIONS

What is the status of the application process?

Applications are due June 1. The extension of the application window was part of the Senate Substitute for House Bill 2167 which was signed by Governor Kelly on April 15.

Anyone wishing to apply for a license during this new application window should carefully follow the instructions here: [Applications Page](#)



2019 Growing Season Information



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Frequently Asked Questions about Industrial Hemp Research Program

FAQs ABOUT APPLICATIONS

Expand all

- [When will applications be available?](#)
- [Can I do my background check after I send in my application?](#)
- [When are applications due?](#)
- [How much are the fees and when are they due?](#)

GENERAL FAQs

Expand all

- [What is the bill that was signed by the Governor on April 15?](#)
- [Is it legal to grow hemp now that the new bill has passed?](#)
- [Does the new bill have any impact on the Industrial Hemp Research Program?](#)



Business Opportunities



Distributor

- Distribute, transport, condition, handle, store, laboratory testing, sell seed



Types of Processors

- Fiber processor
 - Biomass
 - Building materials, fabrics, animal bedding, injected molds, plastics



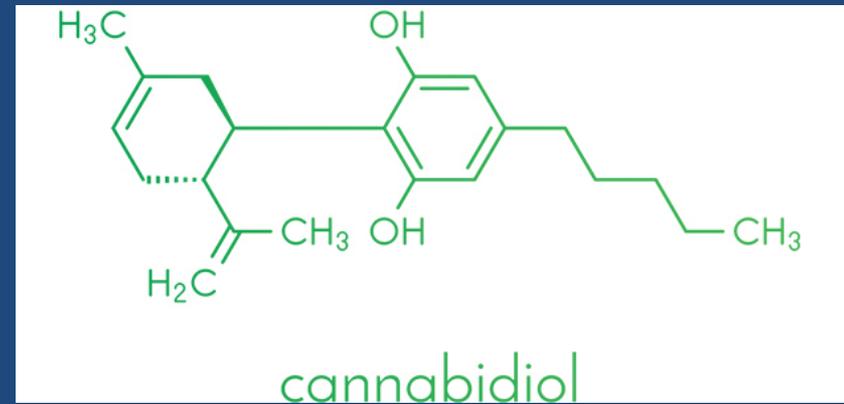
Types of Processors

- Grain processor
 - Hemp seed oil, hulled seed, hemp protein, hemp fiber



Types of Processors

- Floral processor
 - Cannabidiol (CBD) products



What are the Numbers?

Total Active Licenses

License Type	License Count
 Grower	64
 Distributor	5
 Processor	12
 University	7
 Administrative	61
	149

Data as of 2:00 p.m. 4/23/19

What are the Numbers?

Total Licenses by Status 2019 ▼

License Status	License Count
Submitted	1
Returned	40
CompleteNoBackground	17
KDAApproval	42
AdvisoryBoardRecommended	1
Denied	11
VoluntaryWithdrawal	6
ConditionalApproval	109
Active	149
	376

What are the Numbers?

Active Growers Licenses by County

County	License Count	Total Acres
📍 Barton	1	.34
📍 Brown	2	10.35
📍 Butler	3	56.03
📍 Clay	2	4.07
📍 Cowley	1	5.04
📍 Dickinson	1	30.05
📍 Doniphan	1	71.77
📍 Douglas	1	4.83
📍 Finney	3	65.96
📍 Ford	2	160.00
📍 Franklin	1	.07
📍 Haskell	4	59.91
📍 Hodgeman	1	30.00
📍 Jewell	1	15.06
📍 Johnson	5	99.33

What are the Numbers?

Kingman	1	3.00
Kiowa	3	240.00
Lane	1	22.37
Leavenworth	2	2.53
Meade	1	.05
Miami	5	54.74
Morton	2	.29
Osage	1	1.60
Osborne	1	6.04
Ottawa	1	68.76
Pawnee	1	45.00
Pottawatomie	2	97.58
Reno	1	1.08
Rice	1	38.70
Russell	2	147.21
Sedgwick	3	21.37
Shawnee	2	12.20
Stafford	1	6.00
Sumner	1	27.90
Wabaunsee	2	80.04
Woodson	1	5.17
	64	1,494.44

2019 Senate Sub for HB 2167

Effective upon publication in The Register (April 18, 2019):

- This is the first step in creation of a commercial hemp plan under the 2018 Farm Bill.
- Reopens the application window for the Research Program until June 1.
- Once the commercial program is functioning, it creates the Hemp Processors Registry.

2019 Senate Sub for HB 2167

Beginning July 1, 2019, the use of authorized seed and clone plants will be allowed to be planted in addition to certified seed by those holding an active Grower License. Authorized industrial hemp seed or clone plants means those seeds or clone plants that have been:

- produced from plants that were tested during the active growing season;
- found to produce industrial hemp having a percentage of delta-9 tetrahydrocannabinol (THC), as defined in the bill, that does not exceed 0.3%; and
- certified in writing by the grower or distributor of that such seeds or clone plants possess such qualities; or
- certified to Association of Official Seed Certifying Agencies (AOSCA) standards; or
- that meet any other authorized standards approved by the Kansas Department of Agriculture through rules and regulations.

2019 Senate Sub for HB 2167

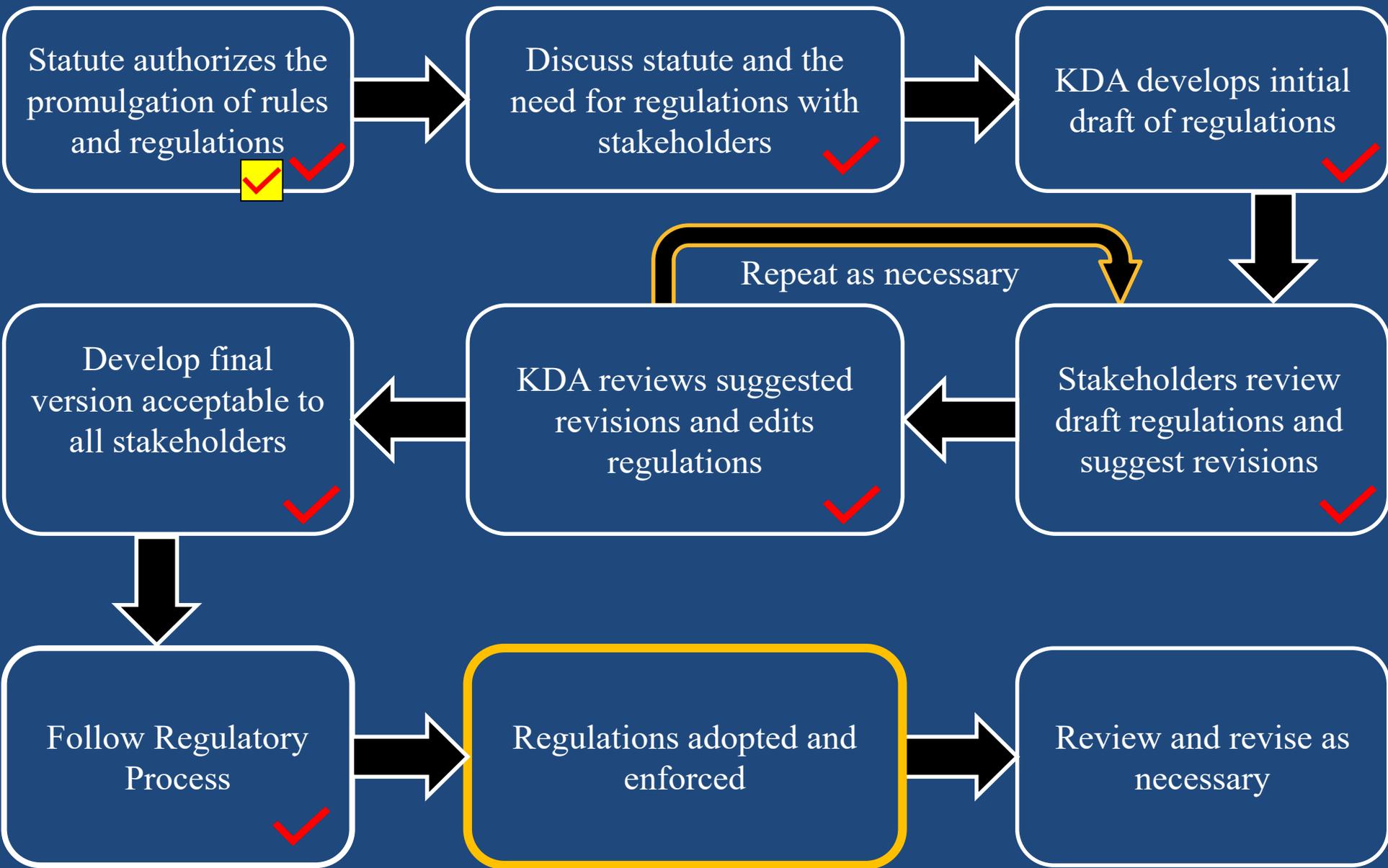
Therefore, when KDA personnel conduct a pre-harvest inspection of licensed industrial hemp fields, it will be the responsibility of the primary licensee to present documentation that proves either certification to Association of Official Seed Certifying Agencies (AOSCA) standards or a Certificate of Analysis (COA) from a reputable laboratory showing that showing that the industrial hemp being inspected was grown from seeds or clone plants meeting the requirements as outlined above.

A failure to present either of these proofs will result in a violation and be addressed in a manner outlined in K.A.R. 4-34-21.

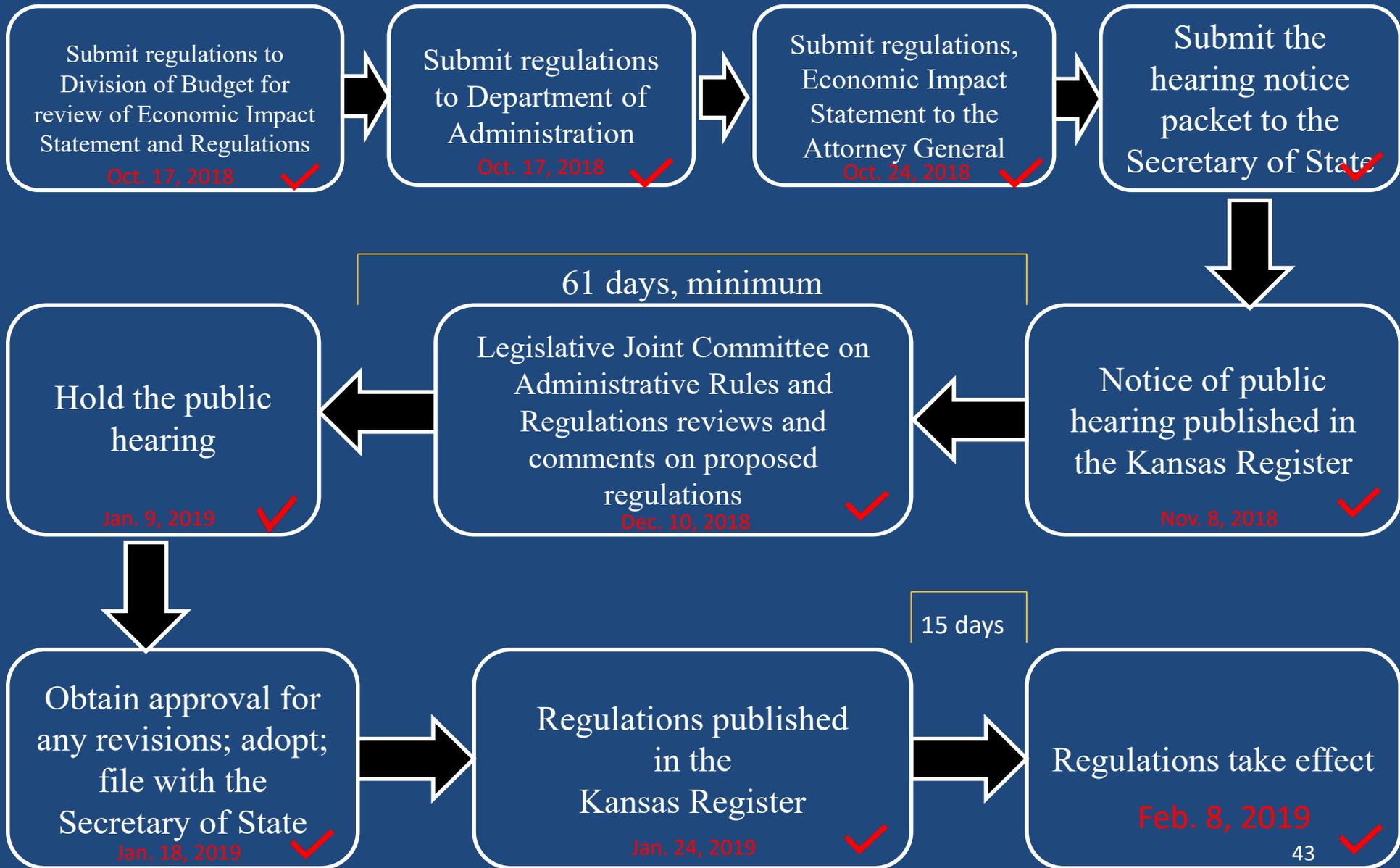
2019 Senate Sub for HB 2167

- Updates background check lookup to match the 2018 Farm Bill.
- Lowers the change fee to \$50.
- Bans KDA from requiring license plate information.

Developing Regulations



Kansas Regulatory Process



Questions?

Compliance Education

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