

PA 19-3 Report

AN ACT CONCERNING A PILOT PROGRAM FOR HEMP

*A report to the joint standing committee of the General Assembly
having cognizance of matters relating to the environment*

SUBMITTED BY:

Connecticut Department of Consumer Protection
Commissioner Michelle Seagull

Connecticut Department of Agriculture
Commissioner Bryan P. Hurlburt

February 1, 2020

INTRODUCTION



On May 9, 2019 Governor Ned Lamont signed Public Act 19-3, An Act Concerning a Pilot Program for Hemp, making the growing of hemp legal in Connecticut. This authorized the Commissioner of Agriculture to establish and operate an agricultural pilot program for hemp research to enable the department, and its licensees, to study methods of cultivating, processing and marketing hemp as outlined in Connecticut General Statutes PA 19-3 Section 2 (b-d) (see below).

(b) The Commissioner of Agriculture shall establish and operate an agricultural pilot program, as defined in 7 USC 5940, as amended from time to time, for hemp research to enable the department, and its licensees, to study methods of cultivating, processing and marketing hemp. All grower and processor licensees licensed pursuant to this section shall be participants in the state agricultural pilot program for hemp research. Until such time as said commissioner adopts regulations, in accordance with the provisions of chapter 54 of the general statutes, the Department of Agriculture shall utilize procedures and guidance policies that the commissioner deems to be consistent with the provisions of 7 USC 5940, as amended from time to time, provided such procedures and guidance policies shall, at a minimum, require: (1) The commissioner to certify and register any Substitute Senate Bill No. 893 Public Act No. 19-3 6 of 20 site used to grow hemp, (2) any person who grows hemp to produce plants that meet the definition of hemp and verify such, (3) the maintenance of records by any person who grows hemp and the availability of inspection of such records by the commissioner, and (4) verification of compliance with the definition of hemp by a laboratory, at the expense of any licensee. The provisions of this section shall take precedence over any such procedure or guidance policy. Participants in the state agricultural pilot program for hemp research shall be licensed in accordance with the provisions of this section. Such pilot program shall operate until the earlier of the date of a fully approved state plan under the federal act, as described in this section, or the date of repeal of the federal law permitting the state's agricultural pilot program for hemp research. (c) The commissioner shall prepare a state plan in accordance with the federal act, for approval by the Governor and Attorney General, in consultation with the office of the Chief State's Attorney. The state plan, once approved by the Governor and the Attorney General, shall be submitted by the commissioner to the United States Secretary of Agriculture for his or her approval. The commissioner shall have the authority to amend the state plan, in consultation with the Governor and the Attorney General in consultation with the office of the Chief State's Attorney, as necessary to comply with the federal act. (d) The commissioner shall have the authority to enforce the federal act, as amended from time to time, the state plan, this section and any regulations adopted in accordance with the federal act and chapter 54 of the general statutes for hemp cultivation in the state. The commissioner shall have the authority to enforce the applicable processing standard for hemp products that are not consumables. The commissioner may consult, collaborate and enter into cooperative agreements with any federal or state agency, municipality or political subdivision of the state concerning application of the provisions of the Substitute Senate Bill No. 893 Public Act No. 19-3 7 of 20 federal act and the regulations adopted pursuant to the federal act, as may be necessary to carry out the provisions of this section

PA 19-3 Section 2 (t) requires the following:

(t) Not later than February 1, 2020, the Commissioners of Agriculture and Consumer Protection shall submit a report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the general assembly having cognizance of matters relating to the environment on the status of the pilot program, the development of the state plan and any regulations for such pilot program or state plan. Additionally such report shall include any legislative recommendations, including, but not limited to, any recommendations for requiring the registration of any consumable offered for sale in this state.

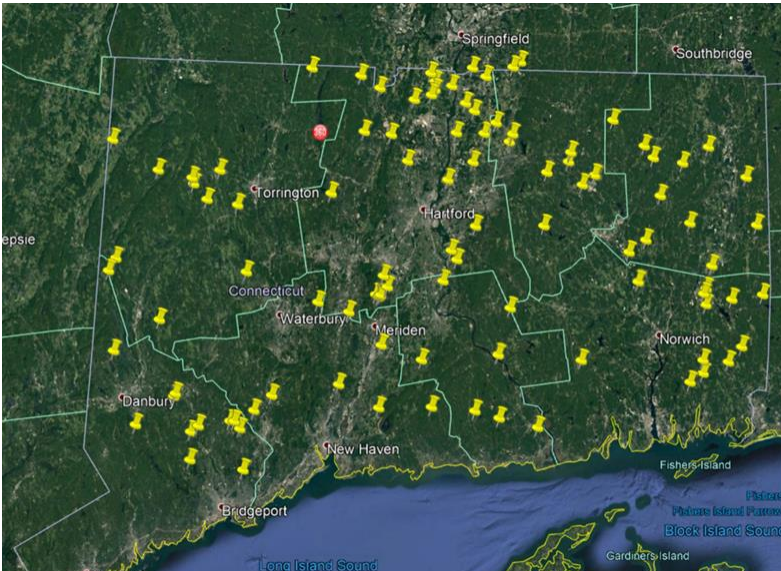
Following is a summary of efforts undertaken by the agencies during 2019.

STATUS OF THE PILOT PROGRAM

Upon the signing of Public Act 19-3, An Act Concerning a Pilot Program for Hemp, by Governor Ned Lamont on May 9, 2019, Connecticut Department of Agriculture (DoAg) staff initiated a strategic plan to launch the program in time for the 2019 growing season.

By May 14, 2019, DoAg had activated a new webpage and online licensing portal for hemp growers and processors. The first hemp grower application was received the same day the program went live. Through partnerships with UConn Extension and Connecticut Agricultural Experiment Station (CAES), DoAg hosted five educational sessions at the beginning of the season to inform growers and processors of the program requirements and sampling protocols.

By the end of 2019, a total of 109 Hemp Grower Licenses and 10 Hemp Processor Licenses were granted by the Commissioner of Agriculture. A total of 218 plots were licensed, however, only 130 plots covering approximately 172 acres (indoor and outdoor) were planted by 68 licensed growers. The yellow pins in the map below represent the 2019 production year hemp growing sites.



All Licensed Hemp Grow Sites by County

Hartford	49 plots
New London	36 plots
Litchfield	28 plots
Tolland	25 plots
Windham	24 plots
Fairfield	22 plots
New Haven	20 plots
Middlesex	14 plots

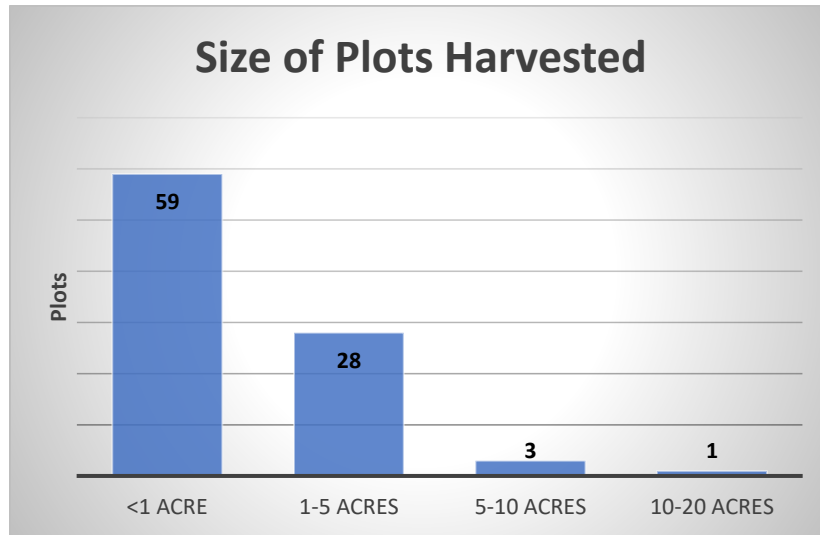
Hemp growers utilized a variety of licensed plots, including fields, greenhouses and hoop houses. Most hemp was grown in fields, with an average plot size of 1.44 acres. The majority of hemp growers, 58%, started hemp from seed, while the remaining 42% purchased started plants to transplant to their growing location. Thirty-nine varieties of hemp were planted in 2019; the most popular being Cherry Blossom, Youngsim 10, and Cherry Wine.

DoAg inspected 25 of the grow sites in 2019 to ensure the grow locations were accurate to their license and to confirm the variety of hemp planted.

Growers collected 150 pre-harvest samples to ensure the THC level for each hemp plot was below the legal limit of 0.3% before harvesting their crop. A total of 134 samples passed (89%), while 16 samples failed (11%). DoAg inspectors collected 13 regulatory pre-harvest samples which were tested by the CAES Laboratory and they all passed.

The 16 plots that failed were embargoed by DoAg and post-harvest samples were taken by DoAg after the hemp was dried. Of those samples, 11 tested below 0.3% THC, and the embargoes were released. The other five embargoed plots were destroyed because the THC level was still above the legal limit of 0.3%. Four additional embargo orders were issued to growers for licensing issues, but all were later released.

Out of the 172 acres of hemp planted, a total of 120 acres of hemp was harvested. The 52 acres of hemp that were not harvested were either damaged by pests, weather, thievery, or had to be destroyed due to high THC concentration. The chart below shows the size of the plots that were harvested.



Hemp harvest began in early August and ended in November, with the majority of growers harvesting in October. The primary harvest for the majority of growers was the floral material, but a few growers cultivated their hemp for fiber.

A Hemp Production Survey created by DoAg and UConn Extension was sent to Connecticut hemp growers. Nine growers reported to DoAg that one hemp plant yielded between 0.5lbs and 0.75lbs of buds per plant.

Thirty-six growers reported on methods utilized to market their hemp crop:

- 8 direct to consumers
- 8 processor/ manufacturer
- 9 have not found a market yet

Ten growers reported revenue generated per acre of hemp harvested:

- 2 growers reported \$7,000-\$10,000
- 1 grower reported \$15,000
- 4 growers reported \$20,000
- 1 grower reported \$25,000
- 1 grower reported \$30,000
- 1 grower reported \$35,000

In addition to the Hemp Production Survey of licensed hemp growers, DoAg, UConn Extension, and CAES held four listening sessions at the conclusion of the growing season to receive feedback from growers and processors about the state's Hemp Pilot Program.

DEVELOPMENT OF THE STATE PLAN

On October 31, 2019, the U.S. Department of Agriculture (USDA) issued an Interim Final Rule (IFR) to implement the hemp provisions of the 2018 Farm Bill. The new rule establishes requirements for approval of state plans regulating the production of hemp. The Connecticut Department of Agriculture (DoAg) is revising language in the current hemp statute to comply with the USDA IFR. The revisions will be submitted to the General Assembly for approval.

Concurrently, the agency is consulting with USDA on the revisions to the law needed to obtain USDA approval of our state plan, as well as, with the State's Attorney, Governor's and Attorney General's office to prepare a state plan consistent with the revised state law and USDA requirements.

RECOMMENDATIONS

The Departments of Agriculture and Consumer Protection have proposed legislation that would bring the state's existing hemp law into compliance with the recently adopted USDA rules. In addition, the proposed language combines the grower license and processor license into one combined "producer" license, makes clarifying changes to definitions, and extends the licensing period from two years to three years. The proposed legislation also expands the information exempt from disclosure under FOIA to include test results and producer location information to protect grower sites from theft and vandalism.

Regulating the significant number of consumables available from national and international suppliers is a massive undertaking involving licensing, investigation, testing and enforcement. Although the FDA has yet to weigh in, federal guidelines with regard to consumables are expected in the near future.