



2018 Industrial Hemp Research Pilot Program Parameters

The Pennsylvania Department of Agriculture (PDA) is conducting the second year of an Industrial Hemp Research Pilot Program as authorized by section 7606 of the Agricultural Act of 2014 (Farm Bill) and Pennsylvania's Industrial Hemp Research Act (3 Pa.C.S.A. 701-710) (Act 92), signed by Governor Wolf on July 20, 2016. This program allows researchers from institutions of higher education and growers contracting with PDA to apply for permits from PDA to conduct research.

This document outlines program parameters for 2018. PDA may revise program parameters in upcoming years to reflect regulatory and statutory changes or scientific advances.

The following information is a guide for researchers when planning industrial hemp pilot projects for submission to PDA for approval as required by Act 92.

A) RESEARCH SCOPE

1. The Department of Agriculture is providing two options for permitting for the 2018 Program year:

- a. **Single Applicant:** A person* or an institution of higher education may apply directly to PDA for a research permit to grow up to 100 acres of industrial hemp.
- b. **Institutional Applicant:** Growers may approach an institution of higher education to administer a coordinated research project. The Act allows PDA to issue permits to higher education institutions to grow industrial hemp on land they own or lands of persons with whom they have a contract to grow industrial hemp in quantities necessary to support a research project(s) with no acreage restrictions. Applications submitted by institutional applicants must be signed by a representative of the higher education institution with appropriate authority.

2. Who may apply to conduct a Pilot Research Project:

- a. **Single Applicant:** A person desiring to conduct an industrial hemp research project (independent of an institution of higher education) may submit an Industrial Hemp Research application directly to PDA. If the project is approved, the person shall enter into a contract with PDA and be issued an industrial hemp research project permit. All persons permitted to grow industrial hemp must either

* Person — Throughout this document, a natural person, corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association, or other form of legal business entity, as well as a state or local government entity.

own the property where hemp will be cultivated, or be a member of a validly-formed legal entity (i.e., an LLC, corporation, etc.) with all other stakeholders involved in the project.

- b. **Institutional Applicant:** An institution of higher education, as defined by the Farm Bill and Act 92, may submit an Industrial Hemp Research application to PDA. Once approved, an institution of higher education holding an industrial hemp research permit issued by PDA may contract with a person or persons to grow or cultivate industrial hemp under its approved hemp research project. The institution of higher education will bear responsibility for all growers on the project meeting the provisions of the permit issued by PDA. Institutions may assess fees or solicit funds necessary to conduct this research. Copies of grower contracts must be submitted to and approved by PDA as part of the application process.
- c. **Restriction:**
 - i. Any person with a felony drug conviction within the past ten years may not contract to grow or cultivate industrial hemp under the PA Industrial Hemp Research Pilot Program. PDA’s final approval of the application and issuance of a permit is contingent upon a successful background check of all persons required to be part of the application.
 - ii. At the time of the application, the applicant must submit an FBI criminal background check for all contracted growers. Applicants must use the Identogo Fingerprint Service (managed by IDEMIA). Appointments can be scheduled at <https://uenroll.identogo.com> or by phone at 844-321-2101. A listing of Identogo service locations by zip code can be found at <https://uenroll.identogo.com/workflows/1KG8NN/locator/location>. Because of unpredictable wait times, it is highly recommended to schedule an appointment rather than walking in to service centers.
 - Registration will require the following service information unique for the Industrial Hemp Program (not to be used for other purposes):
Service Code: **1KG8NN**
Service Name: **Hemp Grower**
 - iii. Before final approval of an application and issuance of a permit, PDA must have received and approved an acceptable response to the FBI criminal history background check for the primary applicant, contracted growers, stakeholders, and all members of the legal entity applying.
 - iv. After approval of an industrial hemp research project, if any person involved in the approved project is found to have had a felony drug conviction within the past 10 years, or charged and convicted of a felony, including a felony drug conviction, the holder of the contract and permit must immediately file a report with PDA. PDA will determine any action related to the approved industrial hemp project. Failure to report will result in revocation of research permits and contracts, and may result in issuance of control orders and application of criminal and/or civil penalties in accordance with Act 92.

3. **Application:** An application for participation in the 2018 PDA Industrial Hemp Research Pilot Program is available and must be completed in full. More details are provided in the application section below.
4. **Contracts and Permits:** Upon approval of an industrial hemp research project and prior to implementation of any part of that approved project, the institution of higher education or person approved must enter a contract with PDA, and individual permits must be issued by PDA. Individual permits will establish specific parameters and requirements to be followed.
5. **Research Locations:** Participants must provide GPS coordinates for boundaries of all plots to PDA. PDA will submit this information to Pennsylvania State Police. Any cannabis plants found growing outside of the boundaries of the plots will not be considered part of the project and must be removed. To avoid contamination of medical marijuana crop by industrial hemp pollen, PDA will not approve of any growing site located within four miles of an approved medical marijuana grower/processor facility.
6. **Research Duration:** Research projects may last one to three years with an annual reapplication for renewal.
7. **Limited Research Project Approvals:** For the 2018 pilot program, PDA will approve a maximum of 50 applications. PDA retains the right to define what constitutes a single research project, suitable for approval as a single application and issuance of a single permit.
8. **Government Grant Opportunities:** In the event a pilot project sponsor is awarded a grant by USDA or another government agency, the recipient should immediately notify PDA so that PDA can expedite the project review and approval process to enable the grant-funded project to proceed in a timely manner.
9. **Research Focus:** The PDA Industrial Hemp Research Pilot Program will permit projects on topics concerning the growth, cultivation or marketing of industrial hemp exclusively for research purposes and not for the purposes of general commercial activity.
 - a. **CBD:** Cannabinoids, such as cannabidiol (CBD), are a group of chemicals concentrated in the female flower of the cannabis plant. While they are chemically similar to THC, they do not produce the psychoactive effect THC produces. In a change from 2017 projects, PDA will permit 2018 research on industrial hemp growth, cultivation, and marketing relevant to the extraction or production of CBD compounds or substances that contain them. However, it will be the permit holder's responsibility to ensure that any CBD extraction, or the production of CBD-containing substances, complies with all laws and regulations, including distribution conducted as part of marketing research.
 - b. **No Medical Marijuana:** No marketing research may involve distribution of CBD-containing substances to PA-permitted medical marijuana grower/processor or PA-permitted medical marijuana dispensary.

c. **Appropriate research topics include:**

- Planting methods
- Seed variety trials
- Optimum fertility levels
- Best management practices in crop production
- Pest management strategies
- Development of harvesting methods/equipment uses
- Development of hemp seed products, including oil derived from seed.
- Development of hemp fiber products
- Biomass, seed and fiber yield trials
- Conservation/remediation
- Seed certification trials
- Biofuel

10. **Reporting Requirements:** The approved researchers shall make quarterly update reports on the progress of all research and shall adhere to all recordkeeping, sampling and testing requirements as established by PDA in the contract and individual permits issued. (Dates and submission format will be determined by PDA after the permit is issued.)

Failure to meet these requirements will result in removal from the program and affect eligibility for future project approval. Control orders for the destruction of the crop may be issued for violations of the terms of the contract or permits issued as allowed under Act 92. A control order will be issued where the contract and permit are revoked.

11. **Cost Recovery and Product Marketing:** Industrial hemp products may be sold if they meet the following conditions:

- a. Production, sales, or distribution are not prohibited under other federal or state laws; and
- b. Production, sales, or distribution are only for purposes of marketing research.

12. **Seed Acquisition:** PDA has a registration from the U.S. Drug Enforcement Agency (DEA) as an importer of Schedule 1 drugs for industrial hemp pilot projects. PDA will apply for permits to import seed (controlled substances for domestic and scientific purposes) from international sources. As part of the pilot program application, applicants will be asked to supply their preferred sources of seed and the variety of seed. The approved researcher will be required to pay for seed, import, storage, and transportation charges. PDA will be the recipient of all seeds for applicants importing seed under PDA's DEA registration. No seeds will be permitted to be purchased or acquired from a PA-permitted medical marijuana grower/processor or a PA-permitted medical marijuana dispensary.

- a. Pilot project participants are responsible for making all arrangements for acquisition of the industrial hemp seeds for planting, including but not limited to identifying the source, making payment, arranging transportation and customs

broker, and completing forms PDA must submit to appropriate agencies as required for importation and movement of the seed.

- b. All seed must be delivered to PDA. Institutions of higher education have the option of obtaining their own DEA registration to import seed directly to their location.
- c. PDA will accept deliveries of the seed on behalf of program participants. Timing of seed delivery and tracking information must be provided to PDA. Seed must be picked up on the day of delivery during normal business hours. A storage/handling fee of \$50/day will be charged for seed not picked up on the day of delivery.
- d. Seed produced by pilot projects may only be saved or used for future planting when: 1) the original seed source holding rights to the seed provides written approval and documentation of their authority to grant that permission; and 2) written approval is received from PDA. Projects approved to research cultivation of certified seed for future planting must meet the requirements of the PA Seed Act. These projects will require additional paper work after approval.
- e. PDA will act as the acquisition agent only and is not responsible or liable for the condition, warranty, guarantee, company delivery delays, and viability of the seed or tetrahydrocannabinol (THC) level of plants grown from the seed. The program participant takes full responsibility for any and all costs associated with the seeds and plants grown from them including crop destruction if THC levels exceed the 0.3% permitted level.

B) RESTRICTIONS

1. **THC:** All Cannabis plant material, or products produced from Cannabis plants must contain total THC levels of less than 0.3%. If THC levels are found to be greater than 0.3%, the material shall not move off site and cannot be used or employed in any way in the approved research project.
 - a. If THC is between 0.3% and 1.0%, confirmatory testing or alternative destruction methods may be authorized, at PDA's discretion.
 - b. For any planting with THC levels higher than 1.0%, PDA will issue an order for the permittee to immediately destroy the plants, and law enforcement will be notified. Law enforcement has the authority to pursue prosecution under any applicable laws.
2. **Plant Management:** The application requires a description for the management of the plants and all plant parts at the end of the growth period. Researchers that plan to conduct or offer any part of the plant for processing after the growing trials must list where the processing will occur and what products or substances will be produced.
3. **Transportation:** If the research project methods involve processing of the hemp plant and the processing facilities are located away from where the hemp plants are

registered to be grown, then a transportation permit must be obtained from PDA prior to moving plant material.

4. **Legal Responsibility:** Institutions of higher education, approved applicants, growers and processors of finished products will be held responsible to meet all laws, regulations, and requirements of all authorities that regulate any products produced, marketed, labeled, distributed, or sold as part of the permitted industrial hemp research project. This may include, but is not limited to, the DEA, the U.S. Food and Drug Administration, U.S. Department of Agriculture, U.S. Internal Revenue Service, PA Department of Agriculture Bureau of Food Safety and Laboratory Services, PA Department of Health, and any other governmental authority.
5. **Branding:** The name, symbols, and logos of the Commonwealth of Pennsylvania or any of its agencies, including the PA Department of Agriculture, may not in any way be used in the labeling, promotion or marketing of any hemp products associated with the PDA Industrial Hemp Research Pilot Program without explicit written permission from PDA. Any CBD-containing substance intended to be distributed to third parties for human consumption as part of a marketing research project must contain a labeling statement that the product is not produced as part of Pennsylvania's Medical Marijuana Program.

C) APPLICATION

1. **New Project Application:** Major sections of the application include:
 - a. The names and addresses of the applicant and participants in the research project.
 - b. Selection of a research objective and deliverables from the list.
 - c. The size of each location or site to be used to grow or cultivate industrial hemp (including GPS coordinates of the plot/field locations).
 - d. A description of resources available to implement the project, including experience of participants.
 - e. Applications proposing the sale or distribution of an industrial hemp product must affirm that the product complies with all federal and state laws and regulations governing the sale, production, labeling, marketing and distribution of such products.
2. **Permit Renewal Form:** These forms may be filled out by 2017 research program participants seeking continuation of their current projects. Major sections include:
 - a. The names and addresses of the applicant and participants in the research project.
 - b. Description of any modification to the 2017 objectives.
 - c. The size of each location or site to be utilized to grow or cultivate industrial hemp (including GPS coordinates of the plot/field locations).

3. Process:

- a. **Deadline:** Both the new application for the 2018 PDA Industrial Hemp Research Pilot Program and the permit renewal form are available at www.agriculture.pa.gov/Plants_Land_Water/industrial_hemp/ with a deadline for submission to PDA of 4:00 pm on Friday, January 19, 2018. Applications received after 4:00 pm on January 19, 2018 will be returned unopened to the submitter.
- b. **Delivery:** Application submissions will be accepted at PDA via hand delivery, U.S. Postal Service, overnight courier service, or express mail. Please deliver to:

PA Department of Agriculture, Bureau of Plant Industry
2301 N. Cameron Street
Harrisburg, PA 17110
ATTN: Cathy Thomas
- c. **Contents:** Applications must be complete and accurate, submitted on the official application, and accompanied by a check or money order for the application fee payable to the Commonwealth of PA in the amount of \$250. Incomplete applications may be discarded.
- d. **Evaluation:** Applications will be the sole source of information considered for potential participation. PDA will evaluate each application and select projects for tentative approval based on the legitimacy of the research, applicant history and the applicant's ability to complete the proposed project. Past project performance may also be considered for any permit renewal application.
- e. **Notification:** Notification of tentative approval of projects will occur no later than February 16, 2018. Upon tentative approval of a project, a process will begin that will include development of a contract between the applicant and PDA, and issuance of an individual permit for each approved research project.
- f. **Next Steps:** With tentative approval, PDA may request additional detailed information relating to seed acquisition and planting sites. The \$2,000 permit fee for a new research project, or appropriate project renewal fee to cover PDA costs for administration and project review will be due within 15 business days of the tentative approval notice or a late fee will be assessed.

D) INSPECTION, SAMPLING, TESTING AND RECORD KEEPING

1. During the course of a research project, participants will be subject to farm/establishment inspections to verify compliance with all requirements of the contract and individual permit issued. Inspection may include sampling by PDA inspectors for the purpose of hemp seed germination and quality testing, determination of plant THC levels, pesticide testing, identification of plant pests, or any other statutorily-defined purpose.
 - a. **Inspections:** PDA inspectors must be granted unrestricted access during normal business hours to all growing locations and adjacent areas, storage, processing

and all other grounds, structures, and facilities involved in the approved pilot program project. Inspection visits may be made with little or no notice during regular business hours. Project leaders or their representatives will be notified and requested to be present.

- b. **Sampling:** Sampling of plants or plant parts for THC testing will be done by PDA inspectors utilizing a statistical method developed to provide an accurate representation of the test plot. If requested, the inspector will provide a duplicate sample to the project leader. PDA sampling will target female flowers at bloom or near the time of harvest, when the plants are most likely to have the highest levels of THC.
 - i. Individual samples may be collected for each variety and/or lot of seed planted. Larger plots may require more than one sample to be accurate.
 - ii. Unless prohibited by the nature of the pilot project, PDA requires that plots be planted with access spaces (walkways) through the planting to allow access for sample collection.
 - iii. Institutions of higher education will be responsible for conducting THC testing using protocol provided by PDA and submitting test results to PDA in a timely manner.
2. **Record Keeping:** Records of all information detailing the pilot project, including but not limited to inputs, climatic events, and pesticide applications, will be required as part of the final project report.
 - a. Detailed records documenting movement of seed, plants or plant parts are also required to be submitted at the conclusion of the project.
 - b. More specific recordkeeping requirements will be set forth in the individual permit issued for each approved pilot research project.

E) **TERMINATION/ DECOMMISSIONING OF PROJECT RESPONSIBILITIES**

1. All industrial hemp plants must be destroyed at the conclusion of the project and PDA will continue to monitor the site for three years to ensure there is no regrowth or sprouting. PDA must be given access to the site during normal business hours to conduct follow-up inspections during this time to verify there is no regrowth at the location. Any industrial hemp plants found must be destroyed.
2. For fields located on ground not owned by the applicant, the permittee must provide PDA with signed documentation from the land owner granting PDA access to the planting location for a minimum of three years following the last planting date.

F) **PILOT PROGRAM COSTS**

1. There are no financial awards associated with the Industrial Hemp Research Pilot Program. All costs incurred with the research must be paid by the participating

institution of higher education or individual applicants. PDA will charge an administrative fee of \$2,000 per new research project, due when tentative project approval is received and before seed is ordered, or a permit will not be issued. PDA will also invoice the project for costs associated with inspection and testing.

2. The following is a list of anticipated costs associated with a research project, all of which would be the responsibility of the person conducting the research:
 - a. Application Fee (New Projects): \$250 – non-refundable, payable to PDA at time of application submission.
 - b. Fees for Renewal/Continuation of an Approved 2017 Project
 - Renewal fee of \$250 if no changes (same project at same field location).
 - Renewal Fee of \$500 (same project, different or additional plot/field locations)
 - All other fees are the same as new applications listed below.
 - c. Cost of FBI background checks.
 - d. PDA Administration Fee:
 - i. \$2,000 for projects of 100 acres or less – must be paid before a new permit will be issued and seed import permit issued. (2017 projects are exempt.)
 - ii. Institutional projects exceeding 100 acres will be charged \$100 for every additional 100 acres (or portion thereof).
 - e. Each change to permit following approval – \$100
 - f. Late fees for late payments, submissions or seed pick-up – \$50/day.
 - g. Hemp seed purchase, importation charges, custom broker fees, acquisition and transportation to PDA (direct billed to researcher)
 - h. All costs associated with the research itself
 - i. PDA Service Fees:
 - i. PDA staff time for the following types of activities may be assessed at \$100/hour, including travel time:
 - Initial site approval visit (to each growing site, if required)
 - Growing site inspection - sampling
 - Growing site inspection - decommissioning (If required)
 - Site inspection (processing sites) – (If required).
 - ii. Hemp Seed Testing
 - Germination: \$15
 - Purity: \$17
 - Combined: \$32
 - iii. Plant Material Testing for THC levels (official sample): \$150/sample
 - iv. Transport Permit Fee - \$25 for each transport permit printed.