What is Industrial Hemp?
Federal Farm Bill Definition

The term ‘industrial hemp’ means the plant *Cannabis sativa* L. and any part of such plant, including the seeds thereof and all derivatives, extracts, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

New 2018 Farm Bill Language
How can I tell marijuana from Industrial Hemp?

Visually they look the same because they are the same genus and species of plant. The only difference is the level of delta-9 THC concentration which can only be determined through laboratory analysis.
What is delta-9 tetrahydrocannabinol?

Delta-9 tetrahydrocannabinol, THC, is one of several cannabinoids that the plant produces; THC, CBD, CBN, CBV, and a whole host of others. Most cannabinoids are produced by the plant primarily in an acid form. THCA, the acid form of THC, can’t get you high but is converted to THC that can through a process called decarboxylation.

The new Farm Bill clarifies that the THC level has to be measured post decarboxylation.
Marijuana vs. Industrial Hemp?

Wyoming Highway Patrol Options for Determining THC Content:

Pot/Hemp Lab Testing...
- Expensive
- Unable to distinguish the difference between pot and hemp.

K-9 Drug Dogs...

Pot Smokers...
- Cheap, knowledgeable, but somewhat unreliable.
If you can’t get ‘high’ what is industrial hemp good for?

The Congressional Research Committee estimates that there are more than 25,000 uses for industrial hemp. Those uses include paper, textiles, biofuels, graphene for high capacity batteries, car parts, insulation and building products, cosmetic and body care products, dietary supplements and food products, CBD, etc...
Indoor production for transplant
Outdoor production for CBD
Outdoor production for fiber/seed
Focus of the program

• Clearly separate hemp from its cousin, MJ
• Ensure all business is based on true hemp i.e. low THC plants to comply with regulations
• Planting good varieties with known THC & market traits
• Administer a certified seed program that identifies seeds that produce industrial hemp.
• Nurturing R&D capacity to spearhead future development
• CHAMP initiative to ensure Colorado leads the hemp industry in the country
How does the program work?

The program has 3 key components:

1) **Registration** - Cultivator, crop and location info

   Coming soon in 2019- ONLINE Registration

1) **Reports** - Pre-Planting, Planting and Harvest

2) **Inspection and Sampling** - Risk and Random based selection

There are only 9 pages of Rules.
Why is hemp so important?

• Consumers are looking for new & healthy food alternatives,
• Entrepreneurs are looking for noble products,
• Sustainable and renewable materials for energy and construction are the call of the day,
• Market has slowly grown but in recent years grown rapidly,
• Others like Canada & EU have benefitted from it
What fuels the drive?

• Agriculture always look for high value & versatile alternative commodities,

• **Hemp** is an excellent commodity having multiple food and industrial uses,

• Currently: CBD, **seed** and **fiber** in order of importance

• 2014 Farm bill opens opportunity, Colorado launches with commercial cultivation,

• 2018 Farm Bill federally decriminalized,

• **Research & Development (R&D)** on varieties with desired chemical profile, adapt to growing conditions, new technologies in machinery, etc..
## Colorado’s Program Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Registrations</th>
<th>Acres</th>
<th>Indoor sq.ft.</th>
<th>CDA approved seed varieties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>259</td>
<td>1811</td>
<td>250,000</td>
<td>N/A</td>
</tr>
<tr>
<td>2015</td>
<td>333</td>
<td>3,657</td>
<td>570,000</td>
<td>N/A</td>
</tr>
<tr>
<td>2016</td>
<td>424</td>
<td>8,988</td>
<td>1.36M</td>
<td>3</td>
</tr>
<tr>
<td>2017</td>
<td>532</td>
<td>12,024</td>
<td>2.3M</td>
<td>4</td>
</tr>
<tr>
<td>2018</td>
<td>1,063</td>
<td>30,825</td>
<td>4.82M</td>
<td>6</td>
</tr>
<tr>
<td>2019</td>
<td>&gt;2,500</td>
<td>&gt;80,000</td>
<td>&gt;13M</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>La Plata</td>
<td>77</td>
<td>1,0179</td>
<td>346,620</td>
<td></td>
</tr>
<tr>
<td>Montezuma</td>
<td>57</td>
<td>923</td>
<td>394,453</td>
<td></td>
</tr>
</tbody>
</table>
Common issues in Colorado

- Land stewardship
- Water use
- Land right conflicts
- Black market marijuana
- Transportation
- Conflicts with agri-tourism
- Public health concerns
- Local government concerns
What is CHAMP?

The Colorado Hemp Advancement & Management Plan, “the CHAMP” project

• explore a regulatory blueprint
• covers across the full supply chain of hemp, from the farm to the market
• aims to establish Colorado as a premier marketplace.

The CHAMP project will be a large stakeholder-based initiative

• bring together top subject matter experts
• Across the regulatory fields and private industry,
• to advance the hemp industry in Colorado.
Where we are at

Eight Stakeholder Groups represent Hemp supply chain:

• Research & Development & Seed
• Cultivation (includes disposal)
• Testing
• Transportation
• Processing
• Manufacturing
• Marketing & Labeling
• Banking & Insurance

• Currently
  • Governance is put in place
  • Weekly stakeholder meetings are molding plan
2018 Farm Bill Requirements

• Maintain relevant information regarding land on which hemp is produced in the State or territory of the Indian tribe, including a legal description of the land, for a period of not less than 3 calendar years. **Colorado ✔**

• Procedure for testing, using post decarboxylation or other similarly reliable methods, delta-9 tetrahydrocannabinol concentration levels of hemp produced in the State or territory of the Indian tribe. **Colorado ✔**

• Procedure for the effective disposal of: plants, whether growing or not, that are produced in violation of this subtitle; and products derived from those plants.
2018 Farm Bill Requirements (cont’d)

• Procedure to comply with the enforcement procedures under subsection (e) of the Farm Bill.
  • **failing to provide a legal description of land** Colorado ✔
  • **producing Cannabis sativa L. with a delta-9 THC concentration of more than 0.3 percent** Colorado ✔
  • **any person convicted of a felony relating to a controlled substance under State or Federal law before, on, or after the date of enactment of this subtitle shall be ineligible, during the 10-year period following the date of the conviction**
  • **any person who materially falsifies any information contained in an application to participate in the program established under this section shall be ineligible to participate in that program** Colorado ✔
2018 Farm Bill Requirements (cont’d)

• Procedure for conducting annual inspections of, at a minimum, a random sample of hemp producers. ✔ currently random/risk sample in Colorado

• Procedure for submitting the information described in section 297C(d)(2) of the Farm Bill to the Secretary not more than 30 days after the date on which the information is received.

• Certification that the state or Indian tribe has the resources and personnel to carry out the practices and procedures described in the Farm Bill.
Questions?