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MEMORANDUM

TO:	The Honorable Board of Supervisors
FROM:	Steven Hajik, Agricultural Commissioner/Sealer of Weights and Measures
RE:	Industrial Hemp Update
DATE:	June 11, 2019

As of June 3, 2019 our department has received 18 applications issued 14 registrations.

On May 24, 2019 the California Department of Food and Agriculture (CDFA) released new Industrial Hemp Emergency State Regulations. These regulations are expected to take effect in mid-June and address the following issues:

- Sampling time frame, requirements and procedures
- Established laboratory qualifications, testing and retesting procedures for THC
- Notification of laboratory test report
- Final disposition for compliant registered hemp crops
- Destruction of non-compliant hemp crops

On May 24, 2019 a Memorandum of Understanding (MOU) between the CDFA and the California Agricultural Commissioner and Sealer Association (CACASA) was also approved. This document describes the role of both organizations in the State Industrial Hemp Program. In brief, the Agricultural Commissioner's (CAC) role is:

- Register growers
- Enforce the state regulations (i.e. registration, testing notification, crop destruction)
- Perform inspections and sampling for THC content
- Investigate complaints

In brief, the CDFA's role is:

- Allocate funds to the CACs for registration, investigation, enforcement activities, public outreach and training. (An agreement is expected in July 2019)
- Develop and maintain a statewide registration database
- Develop and distribute forms for CAC's and growers
- Train CAC staff
- Provide guidance to CACs regarding registration and enforcement

Current state regulations address industrial hemp registration. The Food & Agriculture Code (FAC) addresses industrial hemp registration, sampling and testing as well as minimum hemp production acreage of not less than one-tenth of an acre and that all hemp sites must have adequate signage indicating that they are industrial hemp.

A brief overview of the registration process is as follows:

The applicant obtains the registration form from the CDFA's Industrial Hemp Program webpage

The applicant completes the registration form including:

- Name, mailing address, contact information
- Provides the physical address of each cultivation site including the Global Positioning System (GPS) coordinates and a map for each site
- If there is no physical address then a legal description is required
- Indicate the acres / square feet and site purpose (i.e. Cultivation, storage, both)
- List the approved seed cultivars they intend to plant and include the following:
 - State or country of origin
 - Certified or non-certified
 - Provide documentation (laboratory report) that the source plants were tested and the THC content was no more than 0.3%
 - If the seed cultivar is not known at the time of registration, the grower can indicate that it will be provided prior to planting

There are no requirements for Hemp seed to be certified or feminized nor is there any requirement for the grower to remove male plants.

A general overview of the responsibilities of the CAC in regards to the proposed emergency regulations:

- Obtain composite samples with the grower or seed breeder present within 30 days of the harvest date.
- Prepare and submit samples to qualified laboratories for testing THC content.
- If a hemp crop is compliant, verify that it is harvested.
- If a crop is non-compliant, approve the grower's crop destruction plan and verify crop destruction.
- If a crop destruction plan is not submitted in the time prescribed by state. regulations, then the CAC is responsible for destroying the crop.
- Enforce state regulations via routine inspections and investigations.

A general overview of the responsibilities of the grower in regards to the proposed emergency regulations:

- Submit a pre-harvest report to the CAC at least 30 days prior to harvest including the name and address of the laboratory to conduct testing for THC content.
- Be present when the sampling occurs and sign chain of custody.
- For a compliant hemp crop, submit a harvest report to the CAC within 72 hours of completion of harvest.
- For a non-compliant hemp crop, submit a crop destruction plan to the CAC for approval within the time frame authorized by state regulations.
- Begin and complete the crop destruction within the timeframe authorized by regulations.
- If necessary, obtain a pesticide use permit from the CAC

Pesticides and Industrial Hemp

According to the US EPA, there are only three types of pesticides that can be legally used based on active ingredients (AI). They are:

- Complex polymeric acid (CPPA)- 7 registered pesticides (AI)
- Piperonyl Butoxide- 2 registered pesticides (AI)
- Potassium Silicate- 1 registered pesticide (AI)

It is my belief that there is a greater possibility of crop destruction occurring for industrial hemp in comparison to other traditional crops grown in the County. If the grower fails to submit a crop destruction plan and/or follow through on the completion of destroying their crop then the responsibility to destroy the crop falls upon the Ag Commissioner and the county initially incurs the associated costs until cost recovery can occur.

In regards to surety bonds, I have contacted four bond companies and three out of four are issuing such bonds to cannabis growers due to state cannabis regulations that require a \$5,000 surety bond to cover any crop destruction liabilities. I was told that a surety bond over \$5,000 is unusual at this time, but it could be done. None of the companies I spoke with are currently issuing bonds for industrial hemp. There are currently no counties in California that are requiring surety bonds for hemp production. However, Tehama County's County Counsel has approved this action and will be doing this after their moratorium has ended. The only local jurisdiction that I am aware of that has a surety bond requirement is the City of Shasta Lake. They have a \$5,000 Surety bond requirement for cannabis growers. My office has also contacted two local excavating companies who appear to be interested in doing work as a third party for hemp crop destruction. These cost estimates were included in the update I provided on May 13, 2019.

This is just a summary and I will provide more details at the Board of Supervisors meeting on June 11, 2019.