



Industrial Hemp Research: Opportunities and Challenges for Community Colleges

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What is Industrial Hemp?

- *Cannabis sativa* plant
- Used to make over 25,000 products
- Market is worth billions and growing quickly

The Numbers

- \$78.1 million** - US imports of hemp in 2015
- \$820 million** - Total retail value of hemp products in the US in 2017
- \$3.9 billion** - Worldwide hemp market in 2017
- \$20 billion** - Projected US market for legal CBD products by 2020

Legalization of Hemp

Federal Laws

- Pre-2014
 - All cannabis is “marijuana” under Controlled Substances Act
- 2014 Farm Bill
 - **Hemp = cannabis with less than 0.3% THC concentration**
 - Section 7606 “Legitimacy of Industrial Hemp Research”
 - BUT still a controlled substance

Section 7606 of the 2014 Farm Bill

Institutions of higher education can grow hemp as part of a research program.

- No regulations
- No regulating agency
- DEA enforcement

2018 Farm Bill

- Amended Controlled Substances Act to exclude hemp (<0.3% THC)
 - Bringing regulation of hemp under USDA
- USDA will create hemp regulation “plan”
 - States can create their own “plans,” subject to USDA approval
- No more criminal penalties
 - Except for intentional, knowing, or reckless violations
- Hemp eligible for federal crop insurance

After the 2018 Farm Bill

- Until federal regulations are issued, hemp may only be grown and cultivated for research purposes by a state department of agriculture or institution of higher education
- But USDA has been slow to act
 - Will not approve state plans until federal regulations are implemented

Regulations are coming any day now

Legalization of Hemp in California

- Industrial Hemp Farming Act
 - Became effective January 1, 2017
 - Permits cultivation of industrial hemp with registration, reporting, and testing requirements
 - Largely exempts “established agricultural research institutions”
 - Created Industrial Hemp Advisory Board (within CDFA) to recommend regulations
 - Registration and enforcement at the county level

State Laws Governing Hemp

- Food and Agriculture Code section 81000, et seq.
 - Registration for researchers
 - Testing and destruction
 - Acreage limitations
 - Seed certification and approved cultivars
- Title 3, Chapter 8 of the California Code of Regulations
 - Sampling, testing, destruction

Recent Legislation

- SB 527: Clarifying that hemp is an agricultural commodity
- SB 153: Adding requirements for research institutions and conforming with federal law
- *Pending* AB 228: Would require manufacturers of foods containing hemp to demonstrate the hemp plants came from an “established and approved industrial hemp program”

SB 153 – New Rules for Researchers

- Before cultivating hemp, must register with county, application must include:
 - Name, physical address, and mailing address of applicant
 - Legal description, GPS coordinates, and map of area for cultivation and/or storage
 - **A research plan**
 - Must renew registration after one year
- Must maintain records related to the research plan, make available upon request

Local Rules & Regulations

- As of August 26, 2019:
 - 7 counties with a ban until 2020
 - 18 counties with a temporary moratorium
 - 4 counties with a ban until 2021

Conducting Hemp Research What You Need to Know

Permissible Research Topics

Agricultural or academic

- Cultivation, crop production, agricultural technology/techniques
- Plant genetics
- Ecological
- Marketing and distribution
- Post-production hemp uses

The Research Plan

- Elements:
 - Objectives
 - Experiment design
 - Methodology (what information will be collected, how it will be analyzed)
- Must identify:
 - Hemp varieties to be used and how (if applicable)
 - A plan for testing cultivated hemp
 - Measures to destroy non-compliant hemp
 - Measures to prevent unlawful use of hemp
 - Procedure for maintaining records documenting the research

Compliance with Laws

- Screen for individuals convicted of certain felonies in the past 10 years
- Adequate signage on all plots
- Work with local county agricultural commission
 - Provide GPS coordinates, contact info, and other information as requested

Opportunities in Hemp Research

Community College Initiatives

Imperial Valley CCD - first CCD in the state to partner with local growers to conduct industrial hemp research

Allan Hancock College began partnering with growers as part of industrial hemp research project

Santa Rosa Junior College became first college in the state to offer an AS degree w/ a focus in hemp cultivation

Antelope Valley College partnered with the first industrial hemp farm in LA County with agricultural, economic, and ecological research objectives

Benefit to Students

- Develop new curriculum and programs
- Create internship and research opportunities
- Gain knowledge and skills in a rapidly emerging and high-profit industry

Benefits to the Community

- Infuse local economy
 - Crops can be valued at \$100,000 per acre
- Attract businesses
- Create local jobs
- Support local farmers

Benefits to the District

- Intellectual property rights
 - Seed varieties/strains
 - Agricultural technology
 - Marketing and distribution
 - Product ideas and innovations
- Attract more students
- May obtain federal grants for research in limited circumstances
- Cost-sharing with grower research partners

Imperial Valley College Hemp Research Initiative Case Study

IVC Hemp Research Initiative

- April 2019
 - Growers → IVC: interest in research partnership to grow and cultivate industrial hemp
 - Imperial County approves hemp agriculture
 - Exploration of educational benefits and opportunities for students

IVC Hemp Research Initiative

- May 2019
 - Challenge: how does the district ensure growers' legal compliance?
 - IVC and County enter into MOU
 - IVC tentatively approves partnership with grower
 - Grower applies with County
 - County
 - Ensure grower qualifies to grow and cultivate hemp
 - » Zoning, planning, agriculture and environmental regulations
 - Performs site review to verify identification of fields

IVC Hemp Research Initiative

- June 2019 – Present
 - Partnership with nine growers and growing
 - Additional grower collectives
 - Over 8,000 acres of hemp farms for IVC Hemp Research Initiative
 - Student internships
 - Opportunity for curriculum and academic program development

IVC Hemp Research Initiative

- Research Plan
 - Improve hemp cultivation practices and maintain crop quality in the Imperial Valley
 - Tracking and study of:
 - Weather patterns
 - Plant spacing
 - Hemp cultivars
 - Irrigation and soil composition
 - Plant diseases and pests
 - Fertilization
 - THC concentration
 - Harvest methods and plant development

Challenges and Solutions

Logistics

- Who will conduct the research?
- Where will the crops be grown?
- How will students be involved?

Funding

- Conducting hemp research does not affect federal funding if authorized by law
- Federal money laundering laws
 - Districts cannot accept money from growers who profited from marijuana (or hemp prior to 2018)
- Credit and loan organizations are hesitant to work with cannabis businesses

Selecting Responsible Partners

- Watch out for:
 - Growers in the marijuana industry
 - Growers who grew hemp prior to 2018
- They should be:
 - Committed to the research plan
 - Knowledgeable of applicable laws

Liabilities

- Potential criminal liability for knowing, reckless, or intentional violations
- Crop destruction
- Ban from cultivating hemp

Solutions in Contracting

- Indemnification
- Assurances
 - Screening for felonies
 - No marijuana money
 - Crop insurance
- Clear expectations and delegation of duties
- Cost-shifting

Questions?

Thank You!

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<https://www.imperial.edu/about/presidents-office/profile-on-president-garcia/>