



HEMP REGULATION SUMMARY (AS OF 8/1/19)

Hemp is one of the oldest cultivated crops, and has an incredible range of uses including food, medicine, fiber, animal feed, and building materials. It is grown in most countries and has an annual retail value of at least \$820 million in the U.S alone. Hemp provides an exciting opportunity for Vermonters, and could support the economic viability of farms, help create jobs, boost local economies, and promote environmental stewardship. Hemp is a versatile, low-input, quick-growing crop, and its uses include:

- Erosion reduction, when used as a cover crop or stream-bank buffer
- Crop rotation, because of its ability to out-compete weeds
- Use in non-toxic building materials, including hempcrete, fiber batt insulation, and hemp seed oil finishes and stains
- High-value cash crop, when processed into edible seeds and oils, textiles, medicinal CBD oil, etc.

History of Legalization:

Despite hemp's many uses and myriad benefits, beginning in the 1930s federal law prohibited the cultivation of hemp because until recently it was not distinguished from its cousin marijuana. Rural Vermont has been advocating for hemp for over a decade, and our state has made a lot of progress over the years. Hemp has been legal to grow in Vermont since 2009, but because of continuing federal restrictions, farmers who choose to grow the crop put themselves at some risk of federal interference.

The 2018 Farm Bill:

The 2018 federal Farm Bill, signed into law on December 20, 2018, finally removed hemp from the Controlled Substances Act, placed federal regulatory authority over hemp with the USDA, and allowed State departments of agriculture to submit hemp program plans and regulate hemp cultivation through State-specific programs.

The Farm Bill further defines hemp as cannabis that contains no more than 0.3% THC by dry weight, defines it as an agricultural commodity, which authorizes access to federal research funding and crop insurance, and removes restrictions on banking, water rights, and other regulatory roadblocks previously faced by the hemp industry.

Vermont's Hemp Program

In May 2019, Rural Vermont helped to successfully advocate to pass [S.58](#), a bill that amended Vermont's hemp law to comply with the federal requirements for growing hemp according to the 2018 Farm Bill. The

law also directed the Agency of Agriculture to develop rules around growing and processing hemp in Vermont, and mandates new registration fees (effective as of January 2020) for Hemp growers and processors.

Vermont's Hemp Program is administered by the Vermont Agency of Agriculture, Food, and Markets (VAAFM). In order to participate, growers must submit an annual application & registration fee to the VAAFM within the calendar year they wish to grow. To grow in 2019, register in 2019; to grow in 2020, register in 2020. Registering for the program does not require you to grow hemp, and at this time there is not a minimum acreage, or limited number of participants. Registration for the 2019 season is \$25 for all producers. The 2019 amendments to VT's Hemp law established significant increases in the registration fees for hemp growers, processors and laboratories.

Growers must use seeds that contain less than 0.3% THC by weight, and allow possible VAAFM inspections. If cultivated hemp is tested and has concentrations of delta-9 tetrahydrocannabinol (THC) greater than 0.3%, but less than 1%, you will *not* be penalized, but the hemp must be either sold to a registered marijuana dispensary or, the THC may be extracted and retained by the dispensary while the rest of the crop is returned to the grower or, the crop must be destroyed. If cultivated hemp has a concentration of delta-9 THC greater than 1% the crop must be destroyed. Growing hemp without being registered in the Hemp Program may subject growers to state and federal prosecution.

What's Next?

The VT Agency of Agriculture conducted two required public hearings in June 2019 on the proposed Rules to implement the law governing Vermont's State Hemp Program. Rural Vermont had representatives at both meetings, provided testimony, and submitted formal comments. Rural Vermont's comments can be found on our website.

The draft Rules will now be edited by VAAFM based on the comments they received. There will be no further public hearings. Once finalized, the Rules must be submitted first to the VT Legislative Committee on Administrative Rules (LCAR) and then to the USDA. The VAAFM is working hard to get the final rules in place in time for the 2019 hemp harvest. **Note that these rules include new protocols, including those around testing and sampling requirements, for hemp producers and processors. New requirements go into effect upon federal approval of Vermont's hemp rules (estimated Fall 2019).**

Producer and Processing Fees

The registration fee for growing hemp in 2019 is \$25. Registration fees for **growers and processors** increase in January 2020 and are based on scale. Beginning in January 2020, annual registration fees for producers and processors are as follows:

- Persons growing less than 0.5 acres for personal use: \$25
- Producers growing less than .5 acres or processing less than 500lbs: \$100
- Persons growing 0.5 to 9.9 acres or processing less than 10,000lbs: \$500
- Persons growing 10 to 50 acres or processing less than 50,000lbs: \$1000
- Persons growing greater than 50 acres or processing greater than 50,000lbs: \$3000

- The registration to grow or process hemp seed for food oil production, grain crop, fiber, or textile costs \$100 annually regardless of acreage.

Hemp processors include those storing, drying, trimming, handling, compounding, or converting hemp into hemp products or hemp-infused products. Processing includes transporting, aggregating, or packaging hemp.

Certified Small Farm Operations

Producers growing 50 or more acres of hemp qualify as a “Certified Small Farm” in the state of Vermont and must comply with the Required Agricultural Practices (RAPs). The RAPs dictate that all Certified Small Farm Operations must implement a field-by-field Nutrient Management Plan consistent with the requirements of the USDA NRCS Nutrient Management Practice Code 590, or equivalent standards approved by the Secretary of Agriculture. The RAPs mandate that farmland be cultivated in a manner that retains soil in the field and promotes soil health while minimizing erosion. Adverse impacts to water quality are prohibited under the RAPs.

Resources

[The Vermont Agency of Agriculture’s Hemp Program website](#)

[VAAFM Hemp Registration Form](#)

[VAAFM Pre-Harvest Testing & Sampling Protocol](#) (necessary for producers upon USDA acceptance of VT Hemp Program Rules)

[VAAFM On-Site Sampling Form](#) (necessary for producers upon USDA acceptance of VT Hemp Program Rules)

If you have questions about the Hemp Rules or any other aspect of Vermont’s Hemp Program, please contact mollie@ruralvermont.org, or visit the Vermont Agency of Agriculture’s website: <https://agriculture.vermont.gov/>