



Status of Industrial Hemp in Alaska

House Community & Regional Affairs Committee

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April 18, 2019



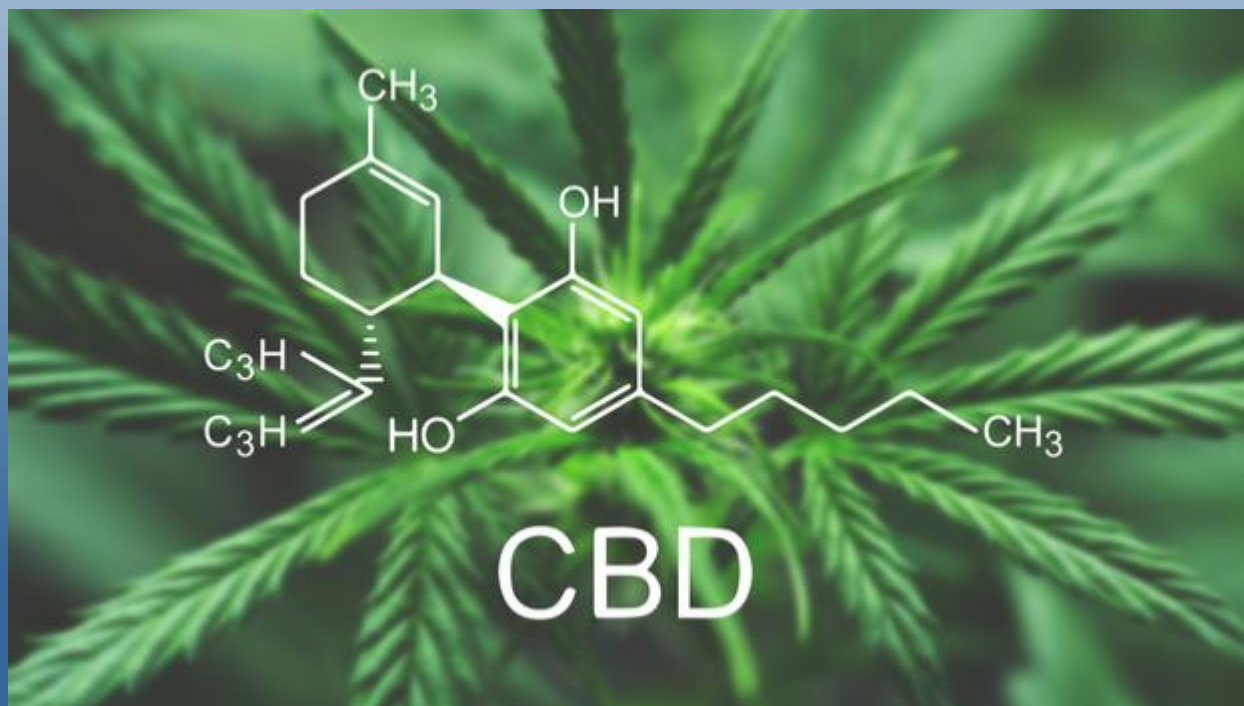
What is “Hemp”?

AS 03.05.100 (5), defines industrial hemp as “all parts and varieties of the plant *Cannabis sativa* L. containing not more than 0.3 percent of delta-9-tetrahydrocannabinol (THC).”



What is “CBD”?

CBD is short for cannabidiol, one of the compounds found in cannabis plants. It can be processed in many different kinds of applications including oils.



DIVISION OF AGRICULTURE AUTHORITY

SB 6 (Ch 5, SLA 2018)

- 1) To create an Industrial Hemp Pilot Program to research the growth, cultivation, and marketing of industrial hemp
- 2) To promulgate regulations necessary to implement the program



AGRICULTURE IMPROVEMENT -ACT OF 2018 (FEDERAL FARM BILL)-

- Will remove industrial hemp and hemp parts from the federal Schedule 1 drug listing (although no effective date)
- Regulation of hemp cultivation will be a tandem effort between the USDA and the state departments of agriculture. States may produce a plan for licensing and regulation of hemp that must be approved by the USDA before broader hemp cultivation can begin.
- Federally, CBD will remain illegal, but the Farm Bill does create certain exceptions to this rule. Under Section 12619, any cannabinoid derived from hemp would be considered legal, if production meets all federal regulations, state regulations, and other guidelines consistent with the Farm Bill (e.g. hemp must be produced by a licensed cultivator in an appropriate setting).

PILOT PROGRAM

- As approved by the 2014 (and now 2018) Farm Bills, a State agricultural agency, or institution of higher learning may conduct hemp-related research, including growth trials, THC testing, etc.
- The Division of Agriculture's Northern Latitude Plant Materials Center (PMC) has started its first hemp plant trial. This trial will study plant survival and growth rates, maturity timing, etc. and then test for THC levels, and other constituents of concern.
- Without regulations in place for registrants, no private party trials are approved.



REGULATIONS

-CURRENT ADOPTION TIMEFRAME-



- A regulations package should be ready for public notice by May 15, 2019
- Once draft regulations are published, we estimate final regulations will be in place by September / October 2019

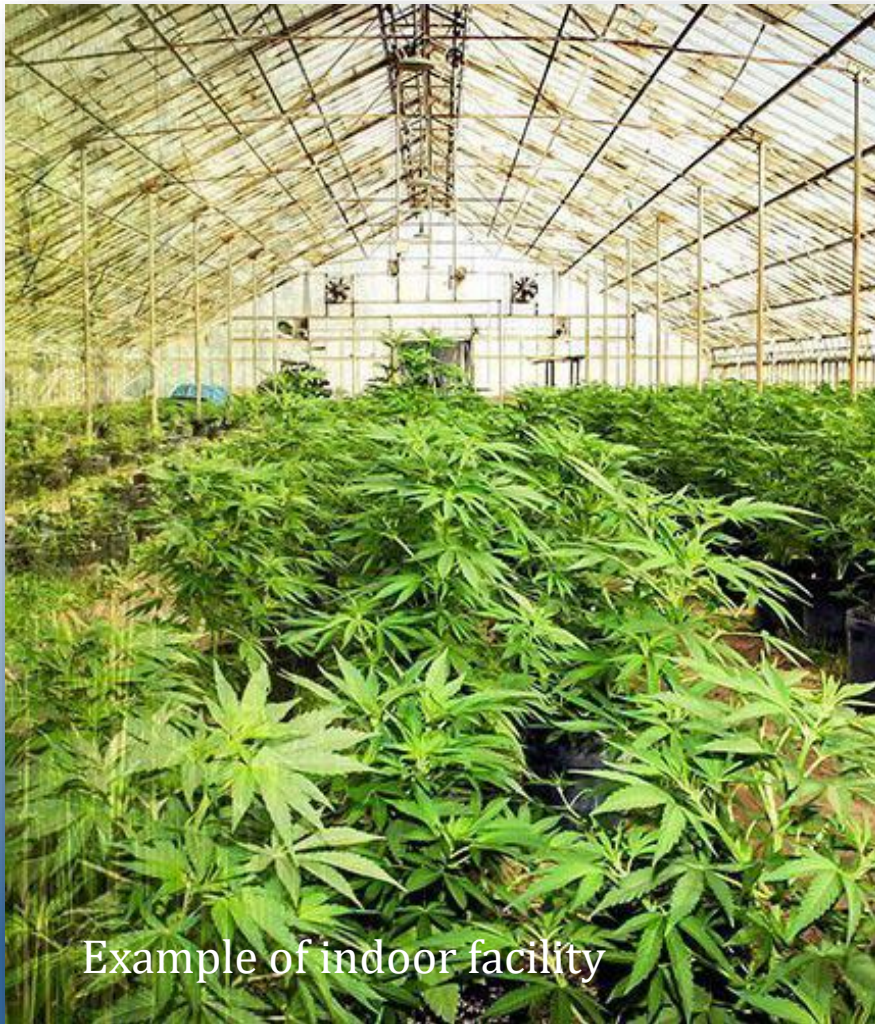
PROGRAM CHALLENGES: PRIVATE-SECTOR LAB TESTING IS LIMITED

- Private laboratories now working under the recreational program (AMCO) can test whether hemp meets federal and state definitions: containing 0.3 percent delta-9-THC or less.
- Established labs can test for a few other constituents such as microbial, residual solvents and cannabinoid profiles. Such tests should be required for any hemp product intended for consumption or absorption.



PROGRAM CHALLENGES

-USDA REGULATIONS-



Example of indoor facility

USDA does not expect to have its hemp regulations in place for at least one year, and is not accepting any state program proposals for approval.



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PROGRAM CHALLENGES

-CBD PRODUCTS-

CBD- Related Product Manufacturing and Sales

- The Division of Agriculture has identified over 300 CBD “manufacturers” and over 1000 retail sales establishments in the Anchorage/MatSu Area. These products are intended for animal and human consumption.
- Getting these processes/products into a legal status will be a top priority.



CBD Oils



PROGRAM CHALLENGES -RESOURCES-

- Division of Ag currently lacks adequate staff to meet all hemp program needs. We would need additional direct services staff for both PMC and regulatory work.
- Division of Ag estimates it will require receipt authority of approximately 500.0 GFPR per year.
- SB6 mandates industry pay for program-related services, requiring Division to have receipt authority.
- The program could start halfway through the fiscal year, then ramp up.

PROGRAM CHALLENGES

Program Coordination

- This program has elements that need to be coordinated with Law Enforcement and the Marijuana Control Board.

Statutory Changes required by 2018 Farm Bill.

- Alaska statutory changes will be necessary in order for Alaska's program to be federally compliant.



QUESTIONS?

Thank you on behalf of
the Division of Agriculture!

