

PRE-APPLICATION HELPFUL HEMP INFORMATION

The Alabama Department of Agriculture and Industries (ADAI) regulates the growing and processing of industrial hemp materials. Once materials are harvested and transformed into end products (i.e., cosmetics, lotions, etc.), the materials are no longer under ADAI purview. Before deciding to invest in the hemp industry, you should be aware of the current market issues and pricing. There has been an abundance of hemp material being held, across the United States, for extended periods of time due to a flooded materials market. Market values are not what they were in previous years for hemp products created from oils.

Industrial Hemp is an agricultural commodity and as such is not intended for individual, or personal grows. Nor is it a replacement for medical or recreational marijuana.

There are many hemp products that can be made from the hemp plant, and it is important to know what you want your product to be to decide how to grow, and what variety to grow. There are two Google questions that are very helpful for new hemp growers:

- 1) What are the cannabinoids in the hemp plant?
- 2) What can be made from the hemp plant?

Please visit our website for information, resources, etc.: <https://agi.alabama.gov/hemp/resources/>. The FAQs has a lot of information. The USDA Draft Interim Final Rule and the Alabama Hemp Rule are also found on the Resources Page.

You can apply for a hemp license as an individual or as an entity. If you apply as an entity, you are required to do the following:

- 1) Apply with the AL Secretary of State and be able to provide ADAI with the **Articles of Incorporation and formation documents**.
- 2) Key members, as listed in the Articles of Incorporation, must submit a criminal background report along with the ADAI hemp application. *The reports must be run from fingerprints and be state-wide rather than by city, or county.*
 - a) For key members that reside outside of Alabama, the background check reports must be completed by a state law enforcement agency rather than a local sheriff or police department, and be run from fingerprints. *See 13) under the minimum requirement section below.*

There are minimum requirements and restrictions on hemp sites. The following information may not encompass all required information. It is important that you read application instructions, guidelines, and other information provided on our website, at the time of application.

- 1) Applicants must be residents of Alabama or live within 50 miles of their AL grow site.
- 2) No hemp site can be in, or adjacent to, a residential structure.
- 3) Sites in neighborhood settings are deemed unsuitable and will not be approved.
- 4) Must be 1,000 feet or more from schools and recreational areas where children congregate.
- 5) Must be 300 feet or more away from residential structure(s) unless prior approval is obtained. *Depending on the circumstances, approval may not be forthcoming.*
- 6) Hemp sites used for public venues (i.e., mazes, trails, weddings, etc.) will not be approved.
- 6) All sites must be ready to plant/use at the time of application (i.e. acreage cleared/prepared; structures assembled/constructed, processing facilities established, etc.)
- 7) Growers that will be handling/storing harvested hemp materials will also need the Processor/Handler License.

- 8) Applicants, leasing or renting land or structures to be used for hemp sites, are required to provide a signed lease/agreement between the parties.
- 9) Applicants are required to complete, or have completed, a Property Owner Affirmation form. *This form will be accessible at time of applying. This form is for the actual property owner to complete and sign.*
- 10) Applicants are required to submit GPS coordinates from the center of each site they intend to use.
- 11) Applicants are required to submit detailed aerial (satellite) photo(s) of intended grow sites. *These photos must include notations on any structure in the photo, a GPS marker showing the center of the site, and an outline around the intended outdoor grow site. If the aerial photo is outdated and does not show a structure, the applicant is required to submit ground level photos of all sides of the structure intended to be used.*
- 12) If the applicant is part of an entity (LLC, Inc., Partnership, etc.) all key members of the entity are required to submit a criminal background report. If the company formation documents do not outline the key membership, the Articles of Incorporation are required to be submitted as well.
- 13) Criminal background reports are required:
 - a) The reports are required to be run from fingerprints
 - b) Must be no less than a statewide search. *Cannot be a city wide or county wide search.*
 - c) Cannot be based upon a name or SSN search alone.
 - d) Can be obtained in September before the official application period begins in October.
 - e) Are required to be submitted with the application and before the established deadline in November.
- 14) Applicants will be required to submit a copy of their current driver's license at the time of application.

Minimum requirements to grow:

Outdoor sites: must be no less than one (1) acre to plant *no less than 1,000 plants each time the acre is planted.*

Indoor sites: must be no less than 1,500 square feet to plant *no less than 500 plants each time the site is planted.*

REQUIRED MINIMUM PLANTING QUANTITIES at any site: planting less than the minimum required without obtaining prior approval from ADAI causes an immediate out-of-compliance issue that will result in enforcement actions.

Minimum requirements for processing/handling site:

Structures/facilities must be no less than 1,500 square feet

Application and License Fees:

Application fee: \$150 plus 4.5% convenience fee – *only one application per individual and/or company entity can be submitted, i.e., one grower application, one processor/handler application, one university application.*

Site fee: \$1,000 per site plus 4.5% convenience fee. *Wherever hemp is, even for a short period, is required to be registered as a site under the license. This includes propagation sheds, greenhouses, indoor growing structures, hoop houses, barns, and all structures used for drying/storing and/or handling.*

Refunds:

Once application fees and site fees are paid, there are no refunds.

Please check our website, <http://agi.alabama.gov/hemp>, in August for information on the upcoming year's application period. The 2023 application period is tentatively set for October 10, 2022 through November 30, 2022.

Things to remember:

- 1) All hemp applications are submitted online via the Kelly Registration System (KRS);
- 2) It is critical that you have as much information and documents assembled before you start the application process.
- 3) You can obtain your criminal background report in September. It is important that you follow the instructions on our website for obtaining your background report. The Alabama Department of Agriculture and Industries (ADAI) requires background reports run through the Alabama Law Enforcement Agency (ALEA) in Montgomery rather than local sheriff or police agencies. Follow this link for information on the criminal background process: <https://agi.alabama.gov/hemp/formsandapplications/>.

Another source of information is your local AL Cooperative Extension agents. Search the ACES website for contact information in the county you intend to grow in. <https://www.aces.edu/>

Recently, FDA Issues Warning Letters to Delta-8 Sellers: <https://www.fda.gov/news-events/press-announcements/fda-issues-warning-letters-companies-illegally-selling-cbd-and-delta-8-thc-products>

If you have other questions, contact ALhemp@agi.alabama.gov.

DO THE RESEARCH! Don't rely entirely on what the internet claims will work for a certain climate or growing environment. Talk directly with plant breeders and learn about the varieties they produce. Ask about:

- History of the genetics—where they were developed, the evolution of the development, cannabinoid content, germination rate, etc.
- Testing and treatment protocols for dealing with diseases.
- Seed certification and feminization reports.
- Where seeds or cuttings/clones are produced—indoor, outdoor or in a greenhouse.
- Variety's success in your region and micro-climate.

Flower response time—will it work for daylight sequence at your site(s).

For example, one variety recommends:

Maturity week: Minimum 4 weeks vegetation recommended, 7-9 weeks to Harvest.

- Also ask if they are a grower source, or, if they are a broker source. Direct grower sources should already have the variety documentation (COAs) required by the ADAI lab, while a broker source is required to provide the variety documentation from the grower along with linking documents verifying purchase(s) back to the grower. All sources are required to be currently licensed in their state of operation as well as in Alabama.

Am I Ready To Be A Hemp Grower?

Before you submit an application to grow hemp in the Alabama Hemp Program:

- 1) Read and understand the USDA Hemp Regulations and the ADAI Hemp Rules.
- 2) Register your company with Alabama Secretary of State. A copy of your formation documents is required for a company to be issued a hemp grower license.
- 3) Have all lease/rental agreement documents or owner affirmation documents in order and ready to submit.
- 4) Clear your property and be ready to plant.
- 5) Have your greenhouse or indoor growing structure(s) built and ready for planting.
- 6) Within 60 days of application date, apply for a criminal background check through the Alabama Law Enforcement Agency (ALEA) in Montgomery.

Questions to ask yourself before you apply for a hemp grower license:

- Can I handle the substantial financial outlay required to grow, harvest, and market hemp?
- Am I prepared to pay the license fee for multiple planting or storage sites?
- Do I have a business plan?
- Do I know what documents and reports I must submit to ADAI throughout the growing season?
- Am I prepared to document and report each step of hemp cultivation and harvest, as required by ADAI?
- Do I want to grow indoors or outdoors?
- Do I own or lease land to grow on?
- Do I have a lease agreement?
- Have I had my soil tested for nutrients, heavy metals, and pesticides?
- Do I have a greenhouse, or will I need to build one?
- Will I need to heat and cool my greenhouse?
- Have I identified how much labor I need to hire?
- Am I familiar with the hemp plant and its cultivation?
- Do I know the types of products made from hemp?
- Do I want to grow hemp for fiber, grain, or floral?
- Do I know the best hemp varieties for my chosen end product?
- Will I plant seeds, seedlings, or clones?
- Do I know the how many propagules (seed, seedlings, or clones) I must plant and their cost?
- Do I have a source for my propagules?
- Will I use plasticulture?
- What is my plan for pest control?
- Am I prepared for crop loss due to theft?
- Am I prepared for my crop to be destroyed if the pre-harvest regulatory sample contains THC levels higher than 0.3% by dry weight?
- How will I irrigate my hemp?
- How will I harvest my hemp?
- Do I have a place to dry my harvested hemp?
- Who will process my hemp?
- Do I have a buyer for my hemp?
- Am I prepared to hold my harvested hemp if I cannot find a buyer or processor?

Am I Ready To Be A Hemp Processor/Handler?

Before you submit an application to process hemp in the Alabama Hemp Program:

- 1) Read and understand the USDA Hemp Regulations and the ADAI Hemp Rules.
- 2) Register your company with Alabama Secretary of State. A copy of your formation documents is required for a company to be issued a hemp processor/handler license.
- 3) Clear your property and be ready build.
- 4) Have your processor/handling structure(s) built and ready for processing.
- 5) Have all lease/rental agreement documents in order and ready to submit.
- 6) Have your leased or rented structure ready for processing.
- 7) Within 60 days of application date, apply for a criminal background check through the Alabama Law Enforcement Agency (ALEA) in Montgomery.

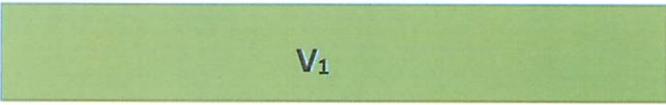
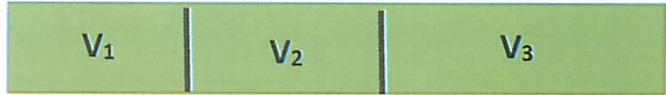
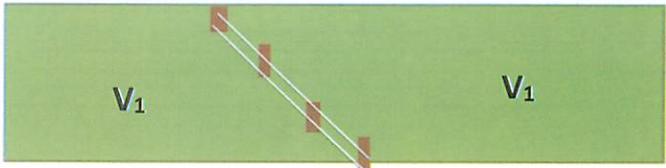
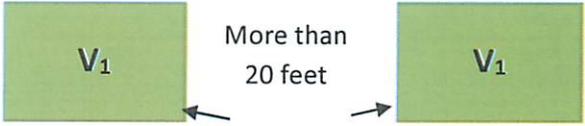
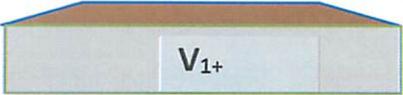
Questions to ask yourself before you apply for a hemp processor/handler license:

- Can I handle the substantial financial outlay required to process or handle hemp?
- Am I prepared to pay the license fee for multiple storage, processing, or handling sites?
- Do I have a business plan?
- Do I own or lease land on which to build a processing plant?
- Have I identified a site to lease for a processing plant?
- Do I have a lease agreement?
- Do I have the processing equipment required?
- Do I know how much hemp I must purchase for my processing system?
- Have I identified how much labor I need to hire?
- Am I familiar with the hemp plant, its cultivation, and its processing methods??
- Do I know the types of products made from hemp?
- Have I identified the type of hemp (fiber, grain, or floral) that I want to process?
- Do I know the end product that I want to manufacture?
- Do I know the best hemp varieties for my chosen end product?
- Am I familiar with the steps of my chosen process?
- Do I know how to purchase hemp?
- Do I know the form in which I must require hemp to be in before processing?
- Do I know how to write a contract to purchase hemp from the grower?
- Am I prepared for loss due to theft?
- Am I prepared for my product to be destroyed if it contains THC levels higher than 0.3% by dry weight?

What is a Contiguous Location?

A contiguous field will NOT have any breaks, fence lines, tree lines, or roads dividing the field. Any field division shall be seen as two or more separate fields.

Greenhouses and other indoor growing locations are treated as individual structures and need separate coordinates.

Contiguous Locations?	Diagram V = variety
Yes, 1 Field	
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<p><u>NO, 2 Fields</u> Reason: Field divided by trees or hedgerow.</p>	
<p><u>NO, 2 Fields</u> Reason: Field divided by stream.</p>	
<p><u>NO, 2 Fields</u> Reason: Field divided by fence.</p>	
<p><u>NO, 2 Fields</u> Reason: Field divided by space of more than 20 feet.</p>	
Yes, 1 Building	
<p><u>NO, 2 Buildings</u> Reason: Two separate buildings.</p>	