

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 a few 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?
- 3) What are hemp microgreens?

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.

New for 2024

The 2018 Farm bill expires in 2023. When available, information about the 2023 Farm bill will be issued to licensees in the hemp program.

Alabama growers will be able to produce hemp microgreens for the first time in our hemp program. Growing microgreens is vastly different than growing for oils or for fiber. There are growing, sampling, and harvesting differences for hemp microgreens. Ask about guidance documents so that you gain a better understanding of the microgreen processes and requirements.

Growers will now be called Grower/Handlers.

Grower/Handlers that are not processing their own harvested materials will be allowed to license growing, handling, and drying sites under their Grower/Handler license rather than obtaining the added license of the Processor/Handler.

Applying

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.*

Minimum Requirements and Restrictions

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, property disputes settled, etc.)
- 7) Grower/Handlers that will be processing their own 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 and October before the official application period begins in November.
 - e) Are required to be submitted with the application and before the established deadline in January 2024.
- 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. When requesting approval to plant less, include the number of seeds/plants you would like to plant, as well as the reasons for wanting to plant less than the minimum requirement.

Minimum requirements for processing/handling site:

Structures/facilities must be no less than 1,500 square feet without first obtaining approval from ADAI.

Reporting Production Activities to USDA/FSA and ADAI

Hemp growers in the Alabama Hemp Program are required, under the 2018 Farm Bill, to have a USDA farm number, tract number, lot number, etc. Farm numbers may be obtained through your local USDA FSA office. Reporting is required after each final plant date for each site, and each variety planted. This information is also required to be reported to ADAI in the Production Reports.

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.

2024 Application Period Tentatively Set

Please check our website, <http://agi.alabama.gov/hemp>, for information on the upcoming year's application period. The 2024 application period is tentatively set for November 1, 2023, through January 15, 2024. Any changes will be posted on our website.

Things to remember:

- 1) All hemp applications are submitted online via the online system.
- 2) It is critical that you have as much information and documents assembled before you start the application process.
- 3) Unprepared sites, or unresolved property issues, will delay or prevent your application from being approved for this season.
- 3) You can obtain your criminal background report beginning 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/>

On July 5, 2023, FDA, FTC Warn Six Companies for Illegally Selling Copycat Food Products Containing Delta-8 THC: <https://agi.alabama.gov/hemp/wp-content/uploads/sites/11/2023/07/CopyCatFoodProductsDelta8.pdf>

On May 4, 2022, 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.