

IOWA HEMP PRODUCTION 2020

YEAR END REPORT

2020 PROGRAM SUMMARY

Iowa adopted the 2018 Farm Bill, pertaining to hemp regulations, via the establishment of Iowa Code chapter 204 during the 2019 Legislative Session, thus authorizing the Iowa Department of Agriculture and Land Stewardship to regulate the production of hemp in Iowa. The State of Iowa was required to submit a state plan to the USDA; the plan was submitted to the USDA on December 11, 2019, and approved on March 19, 2020. Iowa Code chapter 204 was fully implemented on April 8, the date a notice was published in the Iowa Administrative Bulletin. The Department began accepting hemp license applications, including official fingerprints for a background check, on April 1. The first batch of 11 hemp licenses was issued on April 13.

The deadline to apply for a license to grow hemp outdoors was May 15, in future years the deadline will be April 15. Eighty-one license applications were received by May 15; by the end of the 2020, 86 hemp licenses had been issued. An additional application was withdrawn and another applicant paid the fees but did not complete the application process. A total of 733 acres were licensed to grow hemp; planting reports indicated that 680 acres were planted. Applicants listed their projected hemp crop types on their license application. The top crop type was for cannabidiol, totaling 577 acres. A detailed breakdown of hemp crop types is at the end of this report.

Six Department staff from the Entomology and Plant Science Bureau completed 67 official field inspections, resulting in 123 initial samples tested for total THC by the Department's laboratory. Two chemists at the Department's Laboratory analyzed all samples using gas chromatography with FID. Six retests were requested by licensees, bringing the total number of total THC tests completed to 129. Seventeen samples failed, however one retest reversed the failure, for a final total of 16 samples that exceeded the acceptable hemp THC concentration of 0.39%, resulting in mandated crop destruction.

A post-harvest survey was sent to all licensees, containing questions about production, agronomic practices, pest management, economic considerations, future hemp plans, etc. Survey results may be viewed in their entirety at <https://iowaagriculture.gov/hemp>, under the heading 'Other Hemp Resources'.

A LOOK FORWARD TO 2021

The application process is moving to an online system rather than paper to make it faster and easier for Iowans to apply. Online application and renewal is planned to start in mid-January 2021. The Department signed a contract with AgEagle Aerial Systems Inc., to streamline the application process, and allow the Department to manage the program more efficiently. A prime example of improvement is the inclusion of QR codes on licenses and certificates of analysis (COA) allowing law enforcement to scan the documents and quickly determine the authenticity.

POTENTIAL NEED FOR LEGISLATIVE ACTION IN 2021

In 2020, Iowa operated under the USDA Interim Final Rule (IFR). Late in fall of 2020, USDA predicted the

Final Rule would be released early in 2021. However, a change in federal administration is underway, which customarily delays the release of new and updated regulations. Varying with the timing of the release of the Final Rule, the Iowa General Assembly will need to modify the Iowa Hemp Act. If the USDA Final Rule is released early in 2021 and implements changes that are beneficial to Iowa hemp producers, quick review and modification of the Iowa Code might be possible. However, if the USDA Final Rule results in significant changes to the Iowa hemp program, it may be beneficial to allow the 2021 growing season to continue on as-is. And finally, if USDA does not issue the Final Rule in a timely manner, at a minimum, the following legislative action is needed:

Iowa Code Section 204.8 states:

(1)(b) A licensee shall deliver a notice to the department stating the expected harvest date for the crop produced at the licensee's crop site. The department must receive the notice at least thirty days* prior to the expected harvest date. The department shall conduct the annual inspection of the site within thirty** days prior to the actual harvest date.

- * - The Department requests to reduce the minimum timeframe for notice given to the Department by the applicant from 30 days to 14, requesting the official preharvest sample and lab test. A lesson learned in 2020 was that a 30-day notice to the Department is very difficult for growers to carry out.
- ** - The IFR mandates that the hemp crop must be harvested no more than 15 days after the official sample and test is conducted. Iowa cannot be less stringent than the federal rule, therefore the Department requests to reduce to 30 to 15 days.

Iowa Code Section 204.15 states:

(1)(b) It is conclusively presumed that a licensee acted with a culpable mental state greater than negligence if the department obtains a sample of a crop produced on the licensee's crop site and the official test results of the sample conducted pursuant to section 204.8 indicate a maximum concentration of delta-9 tetrahydrocannabinol in excess of two*** percent on a dry weight basis.

- *** - The USDA IFR mandates that the negligent violation range is 0.3 – 0.5% THC on a dry weight basis. Iowa cannot be less stringent than the federal rule, therefore the Department requests to reduce two percent to 0.5% THC on a dry weight basis.

IMPLEMENTATION OF CONSUMABLE HEMP REGULATIONS

The 2020 Iowa Acts House File 2581 defined “consumable hemp product” and provided for the manufacture, sale, and consumption of consumable hemp products. The legislation directed the Iowa Department of Inspections and Appeals (DIA) to establish Administrative Rules on packaging and labeling requirements for consumable hemp products, and establish registration requirements for manufacturers and sellers of consumable hemp products. It is expected to become effective in March 2021.

IOWA HEMP STATS FOR 2020

- License applications on or before May 15 = **81**
- Total number of licenses issued in 2020 = **86**
- Total acres licensed = **733**, including **2,106,067** sq. feet, indoor
- Planting notifications received = **680** acres, including **2,107** sq. feet indoor
 - *Note, some sites were planted twice -- each planting was counted separately in acres planted*
- Counties with licensed crop sites = **48**
- Type of hemp crops listed on applications
 - Clones/cuttings/seed starts = **16** acres
 - Cannabidiol (CBD) = **247** acres
 - Other (*most replies were "biomass for cannabidiol extraction"*) = **264** acres
 - Grain – **128** acres
 - Seed – **49** acres
 - Fiber – **14** acres
 - Smokable – **21** acres
 - License application began before HF 2581, banning all forms of smokable hemp, was signed into law on June 17. Licensees were encouraged to find other end uses.
 - *The above projected acre numbers were provided by applicants, and due to unconventional rounding, and ever-changing planting-intention speculation, the sum of the crop types listed above do not add up to the number of acres licensed.*
- **Ten** licensees did not plant hemp, for a total of **144** acres
- **Twelve** plantings, of various sizes totaling **152** acres were voluntarily destroyed for reasons such as poor germination, poor plant stand, weed pressure, and private testing indicated that the crop will exceed the THC concentration.
- Official lab tests were run on **123** official samples.
 - 106 samples passed the initial test -- eventually **107** passed after a successful re-test
 - 17 samples failed the initial test – eventually **16** failed, after a successful re-test
 - **Six** re-tests were requested, at the expense of the licensee

QUESTIONS

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After hours law enforcement questions, Robin Pruisner, (515) 231-4481