



L.D. 33 - Resolve, Directing the DACF To Seek Input from Stakeholders on the State's Hemp Program

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DACF's Hemp Program History

- USDA Pilot Program since 2015
- Issued hundreds of licenses; 2019 was the peak year
- Added indoor licenses in 2019
- As a Pilot Program, we've continued to define hemp using delta-9-THC; most other states adopted the Farm Bill 2018 definition of hemp using 0.3% Total THC
- We've been anticipating that Maine would also follow suit and adopt the USDA Final Rule

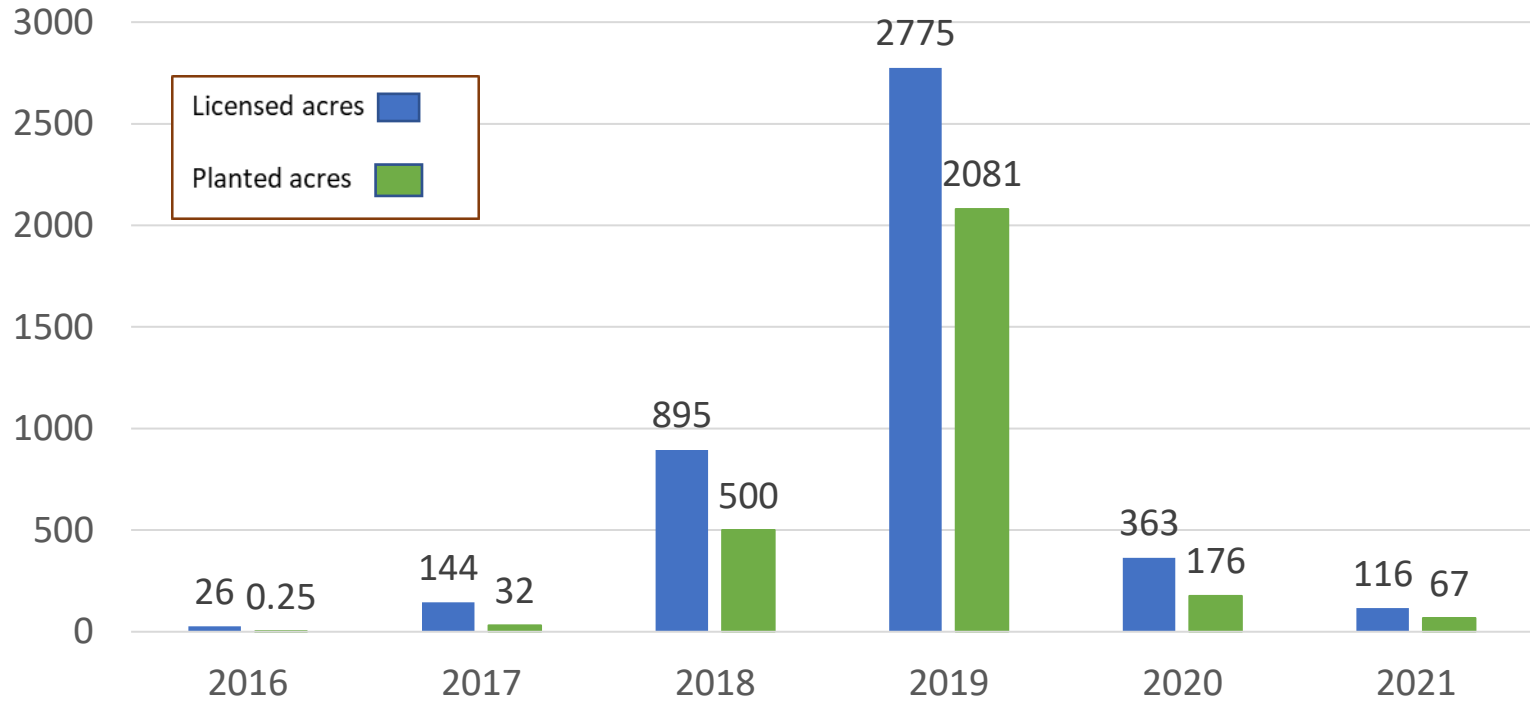
2021

- Final USDA Hemp Rule published in January; became effective in March
- On December 21 the USDA-AMS approved the Maine hemp licensing plan
- LD 33 would have made changes to Maine law so that DACF's hemp licensing program could implement the requirements of the USDA approved plan
- LD 33 did not pass; it became a Resolve

Licenses Issued

	2014	2015	2016	2017	2018	2019	2020	2021
Outdoor	—	—	2	32	82	181	111	49
Indoor	—	—	—	—	—	10	8	0

Maine Hemp Acreage (6 Years)



Potential federal action

- DACF has been in discussions with Rep. Pingree's office on federal hemp legislation for the next Farm Bill
- We encourage you to reach out to their office for more information



Resolve deliverables

- Gather information and ideas from stakeholders about the best type of hemp licensing program for Maine growers
- Research how other states will license hemp growers in 2022



METHODS

- **Held 4 SIGMES (Stakeholder Information Gathering Meetings)**
2 in-person & 2 virtual
informal exchange, off-topic discussions
uneven knowledge about regs
- **Launched 2 online surveys**
one for hemp farmers (29 respondents)
one for subscribers of DACF's hemp bulletin (20 respondents)
quantitative info
- **Research on other states**
electronic survey
National Hemp Regulators Group
USDA state status table
- **Resolve Report submitted to ACF Committee on December 15, 2021**

90% of
states
have
USDA
approved
plans

- 45 states and both territories are licensing their hemp growers with a USDA-approved plan
- 50 Tribes have approved plans (92%)
- USDA will directly license growers in only 5 states and 4 tribal territories
- No state expressed an interest in pursuing dual licensing authority
- Maine is alone in its undecided status

Stakeholder Survey Results

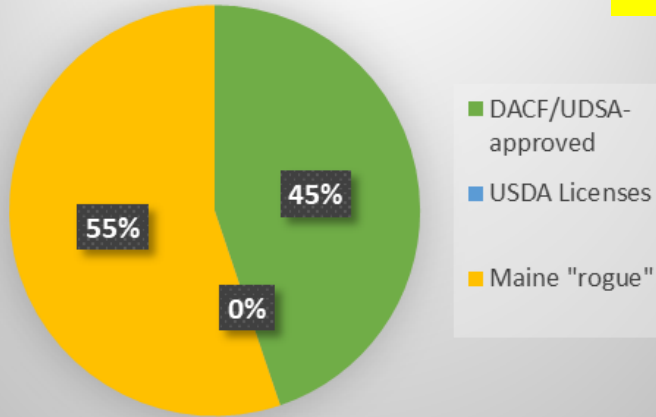
- Hemp growers do not want to be licensed *directly* by USDA
- Hemp growers would like the Total THC threshold for hemp to increase (from 0.3% to 1.0% Total THC)
- Access to lending institutions, crop insurance, and federal assistance programs are important to growers
- Access to out-of-state markets is important

SIGME discussion topics

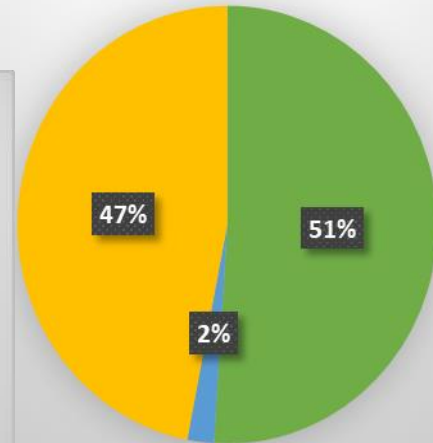
- Confusion about regulations
- USDA felony ban is objectionable but not necessarily applicable
- The 0.3% Total THC threshold makes no sense for CBD producers
- Marketing is complicated
- Hemp processing and products are what should be regulated, not growing hemp
- Frustration around banking and insurance

Which type of program?

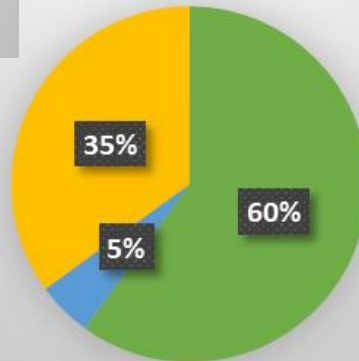
Hemp Farmers



Combined Surveys



Hemp Bulletin Subscribers



There are **three** options for a hemp authority in Maine

- DACF runs a USDA-approved program, in compliance with USDA's Final Hemp Rule; DACF issues the license
- USDA licenses Maine growers directly
- DACF runs a "rogue" program that does not comply with USDA's Final Hemp Rule

The options...

DACF runs USDA- approved program

Pros

- Reduces confusion for growers and consumers; one rule for nation
- Maine hemp sold & transported anywhere
- Access to federal farm assistance programs, financial institutions, insurance
- DACF provides services and advocacy; performance-based sampling

Cons

- Statute changes required, including for felony prior convictions
- Stricter THC requirements
- Current number of licenses will not fully fund program

The options...

USDA licenses growers

Pros

- Maine hemp sold & transported anywhere
- Access to federal farm assistance programs, financial institutions, insurance

Cons

- Growers responsible for hiring sampler and lab; interacting with USDA
- Grower sampling fees will be similar or higher than state license fees depending on grow site locations
- Stricter THC requirements
- USDA does not do performance-based sampling
- Unease and potential risk around USDA directly regulating growers in a state with legal marijuana

The options...

Maine “rogue” program

Pros

- Keep popular elements of current program; consider raising Total THC limit to 1%
- No reporting to USDA Farm Service Agency required

Cons

- Violates federal law
- Markets reduced
- No access to federal farm programs; more difficulties accessing financial and insurance services
- Potential DEA enforcement against non-USDA licensed growers
- Dual licensing authority adds work for local law enforcement
- Potentially confusing to define hemp differently from other states

Law Changes Required to Comply with Federal Hemp Rule (LD 33)

- **5 MRSA § 5303**
 - 10-year prohibition on licensing if an applicant has been convicted of a felony related to controlled substances
- **7 MRSA § 2231**
 - Define 'key participants' in a hemp farm operation
 - Remove the exemption from licensing of the three personal use hemp plants per adult
 - Remove confidentiality around hemp business location information since states and growers will need to regularly report location information to Maine's USDA Farm Service Agency (FSA)



Thank you.
Questions?