

# ANNUAL REPORT ON THE STATUS AND PROGRESS OF THE INDUSTRIAL HEMP RESEARCH PROGRAM

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# **Annual Report on the Status and Progress of the Industrial Hemp Research Program**

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Annual Report on the Status and Progress of the Industrial Hemp Research Program

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# **Legislative Mandate**

§3.2-4120(G) of the Code of Virginia

## **Executive Summary**

The 2015 Session of the Virginia General Assembly enacted the Industrial Hemp Law (Law) (Va. Code § 3.2-4112 et seq.), which authorizes the Virginia Department of Agriculture and Consumer Services (VDACS) to establish and oversee an industrial hemp research program that will be directly managed by public universities. Since the enactment of the Law, VDACS has received a Controlled Substance Importer Registration from the U.S. Drug Enforcement Administration, entered into Memoranda of Understanding with three public institutions of higher education to conduct industrial hemp research, and established the process by which the agency will license industrial hemp growers who will participate in the research conducted by the three public institutions of higher education.

# **BACKGROUND AND OVERVIEW**

The U.S. Congress, through Section 7606 of the Agricultural Act of 2014, allowed state departments of agriculture to grow industrial hemp for research purposes, under certain conditions. The 2015 Session of the Virginia General Assembly enacted the Industrial Hemp Law (Law)<sup>1</sup>, which authorizes the Virginia Department of Agriculture and Consumer Services (VDACS) to establish and oversee an industrial hemp research program that will be directly managed by public universities. Since the enactment of the Law, VDACS has received a Controlled Substance Importer Registration from the U.S. Drug Enforcement Administration (DEA), entered into Memoranda of Understanding with three public institutions of higher education to conduct industrial hemp research, and established the process by which the agency will license industrial hemp growers who will participate in the research conducted by the three public institutions of higher education.

# CONTROLLED SUBSTANCE IMPORTER REGISTRATION

In order for VDACS to import industrial hemp seed, the agency must obtain from DEA (i) an importer registration under the federal Controlled Substance Act (CSA) and (ii) a separate permit for each shipment that the agency imports. VDACS intends to distribute the seed it imports to those universities that will grow industrial hemp on university-owned or university-managed property. A university that intends to work with private farmers will need to obtain its own controlled substance registration to import seed.

On May 28, 2015, VDACS submitted its registration application to DEA. In July 2015, DEA agents conducted site visits at VDACS's Seed Laboratory, where VDACS will receive and store its imported industrial hemp seed. On September 14, 2015, VDACS received its Controlled Substance Importer Registration from DEA.

# Universities Conducting Research

In order to determine which public institutions of higher education were interested in participating in the industrial hemp research program, VDACS issued Request for Proposals number 301-15-155 (RFP) on May 14, 2015. The RFP asked that the proposals indicate the university's intended area of research, experiment procedures, and plot location and size and that the proposals indicate whether the university intends to obtain industrial hemp seed from VDACS or via its own DEA controlled substance registration.

VDACS received proposals from James Madison University (JMU), Virginia State University (VSU), and Virginia Polytechnic Institute and State University (VT). Upon the recommendation of the agency's RFP evaluation committee, VDACS accepted these universities' proposals and, on August 20, 2015, VDACS entered into a memorandum of agreement with each of the three universities.

# James Madison University

JMU will research how effectively industrial hemp will grow in Virginia's Ridge and Valley region and will test whether industrial hemp seed can be planted and harvested with conventional agricultural equipment. JMU will also investigate the use of industrial hemp seed oil in the

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<sup>&</sup>lt;sup>1</sup> Va. Code § 3.2-4112 et seq.

production of biofuels. JMU intends to work with private farmers and to obtain a DEA controlled substance registration in order to procure its industrial hemp seed directly from seed suppliers.

# Virginia State University

VSU will research and analyze required soils, growing conditions, and harvest methods related to various varieties of industrial hemp; conduct industrial hemp seed research; and study the use of industrial hemp in new energy technologies. VSU intends to conduct its research on university-owned or university-managed land and to obtain industrial hemp seed from VDACS.

# Virginia Polytechnic Institute and State University

VT will conduct agronomic trials to identify industrial hemp varieties that are well-suited to the soils and climate of Virginia and to compare yield responses to various agronomic treatments. VT intends to conduct its research on university-owned or university-managed land and to obtain industrial hemp seed from VDACS.

# INDUSTRIAL HEMP GROWER'S LICENSE

The Law requires that, before growing industrial hemp as part of the industrial hemp research program, an individual must have an agreement with a public institution of higher education that documents that the individual will be a participant in that institution's industrial hemp research program, and the individual must obtain a grower's license from VDACS.<sup>2</sup> The Law also requires that a state and national fingerprint-based criminal history background check be a component of the application process.<sup>3</sup> In September 2015, VDACS drafted industrial hemp grower's license applications and received the necessary authorization to submit requests for state and national fingerprint-based criminal history background checks to the Virginia Department of State Police. In October 2015, VDACS distributed the industrial hemp grower's license application materials, including the required fingerprint cards to JMU, VSU, and VT.

# 2016 GROWING SEASON

In advance of the 2016 growing season, VDACS will work with seed suppliers and the universities that elected to receive seed from VDACS to determine which seed varieties VDACS will ultimately import for research.

2

<sup>&</sup>lt;sup>2</sup> Va. Code § 3.2-4115(B)

<sup>&</sup>lt;sup>3</sup> Va. Code § 3.2-4115(C)