

## ARIZONA DEPARTMENT OF AGRICULTURE

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## INDUSTRIAL HEMP PROGRAM FAQ

#### **GENERAL:**

#### Q: What is the definition of industrial hemp?

A: Industrial hemp is defined as the plant *Cannabis sativa* L. and any part of such plant, whether growing or not, with a total delta-9 tetrahydrocannabinol (THC) concentration of not more than three-tenths percent (0.3%) on a dry-weight basis. This includes the total calculable amount of the conversion of Tetrahydrocannabinolic Acid (THCA).

#### Q: I hear a lot about "CBD", what is "CBD"?

A: "CBD" or Cannabidiol, is a chemical compound that can be extracted from an industrial hemp plant (primarily from the floral material). "CBD" compounds are not narcotic or included in the Controlled Substances Act and is different from the "THC" that is found in marijuana.

## Q: Do I need a license to sell CBD oil or other hemp derived wholesale or retail products?

A: The Department does not regulate or license the manufacture or sale of hemp derived products. You do not need a license issued by the Department if you are selling, manufacturing, or marketing any post-processed hemp materials, including CBD <u>and similar non-intoxicating cannabinoids</u>.

## NEW: Q: Do I need a license to manufacture or sell Delta-8 or other hemp-derived intoxicating products?

A: According to an opinion issued on March 11, 2024 by Arizona Attorney General, Kris Mayes (124-005), "delta-8 and other hemp-synthesized intoxicants cannot legally be sold by entities that are not licensed cannabis sellers. Delta-8 is an intoxicating hemp-synthesized cannabinoid with a chemical profile and psychoactive effect materially similar to that of marijuana. Intoxicating cannabis products are Schedule 1 controlled substances that may be sold only by licensed cannabis sellers in Arizona. Arizona's 2018 industrial hemp law did not create an exception to these laws. Rather, in contrast to the federal Farm Bill, the industrial hemp law omitted hemp "extracts" and "derivatives" from the definition of industrial hemp and expressly provided that the State wished to "maintain strict control of marijuana." Delta-8's sale by unlicensed entities like convenience stores and smoke shops is therefore unlawful." For inquiries, please contact the Arizona Department of Health Services at 602-364-0857 or email marijuana@azdhs.gov

## Q: Can I legally sell hemp flower as a retail product?

A: The Department cannot provide legal advice on the interpretation of what is allowed to be sold as a retail product. If you have questions about the legality of your business activity, please consult with an attorney.

#### Q: Can I grow industrial hemp for personal use?

A: A person is **only** allowed to grow and/or process industrial hemp if they have the appropriate license issued by the Department.

## Q: Can I grow adult use marijuana with a hemp license?

A: No, the Industrial Hemp Program and Adult Use and Medical Marijuana Program are administered by two different agencies. For information regarding the Adult Use and Medical Marijuana Program in Arizona, please contact the Arizona Department of Health Services by emailing: <a href="marijuana@azdhs.gov">marijuana@azdhs.gov</a> or by calling 602-364-0857.

#### LICENSING:

#### Q: When can I apply for an industrial hemp license?

A: Anytime, there is no cut-off for applying for a license. However, a license is valid for the calendar year it was issued.

## Q: My license expired, can I still renew my license?

A: Yes, even if your previous license expired you can re-apply for the program for up to three years, and there is no penalty for allowing your previous license to expire. You can request a renewal application by emailing <a href="mailto:azhemp@azda.gov">azhemp@azda.gov</a>.

## Q: Are there any expected changes in the program fees?

A: Fees were reduced in 2020, there are no expected changes to the hemp program fees.

# Q: Will the Department limit the number of licenses issued, or will there be any size requirements for the area to be planted?

A: No, There will be no limitation on the number of licenses issued or a size requirement to be licensed.

## Q: What types of licenses will be available?

A: There will be five types of licenses that can be applied for, individually or as a combination of two or more. Grower, Harvester, Transporter, Processor, and Nursery.

#### Q: How do I obtain a business license for my hemp business?

A: The Department does not issue business licenses. Please follow this link for business license information:

https://www.azcommerce.com/small-business/quick-links/business-licensing/

## Q: Who will be able to apply for an industrial hemp license?

A: Any U.S. citizen or legal alien who meets the following requirements and can provide:

- Accurately completes a Department approved application.
- Provides a copy of the person's Level I Fingerprint Clearance Card issued by the Fingerprint Division of the AZ Dept. of Public Safety. No other forms of background check documents are approved.
- Provides proof of age and legal presence status.
- Submits complete payment for the Program licensing fee.

#### Q: How can I apply for an industrial hemp license?

A: Visit <a href="https://agriculture.az.gov/plantsproduce/industrial-hemp-program">https://agriculture.az.gov/plantsproduce/industrial-hemp-program</a> and download your application under the "Industrial Hemp Applications and Forms" page.

## Q: How can I pay for my license?

A: The Department will only accept payments in the form of check, cashier's check, or money order. No cash, credit card, or online payments will be accepted at this time.

#### Q: I have questions about getting a Level I Fingerprint Clearance Card, who do I contact?

A: All questions regarding the fingerprint clearance cards must go through the Application Clearance Card Team (ACCT) of the Arizona Dept. of Public Safety. Also, do not deliver fingerprint clearance card applications to the Dept. of Agriculture. Call 602-223-2279 or visit: <a href="https://www.azdps.gov/services/public/fingerprint">www.azdps.gov/services/public/fingerprint</a>

#### Q: When I submit my application, will I be issued a license right-away?

A: No, the Department will need to validate eligibility, accuracy of the contents of the application, and ensure the licensing payment clears. This may take a few days, and up to fourteen (14) business days based on workload and completeness of the application received.

## Q: Can I get a fee exemption to start trials or conduct research on industrial hemp?

A: Only if it is for research and the criteria under A.A.C. R3-4-1005 is met.

#### **COMPLIANCE:**

## Q: Can I go ahead and purchase seed or propagative materials before I'm issued a license?

A: A person may not possess seed or propagative materials for planting in the State, under this program, unless they are licensed by the Department.

#### Q: What zoning/distance requirements will I have to comply with?

A: It will be the responsibility of the applicant to determine if there are any local zoning, codes or ordinance restrictions. Cross-pollination issues are the responsibility of the applicant/licensee to be aware of to protect their crop.

## Q: I have a license to grow hemp, now what?

A: It is the grower's responsibility to find seed or planting material to produce a crop. Growers must submit planting reports within 5 business days of planting, and notify the Department no less than 30 Days prior to harvest to schedule an inspection and sample collection. Growers and Nurseries will have to register their crops with USDA-FSA. https://www.ams.usda.gov/rules-regulations/hemp

#### Q: I have a license to process hemp, now what?

A: It is the processor's responsibility to find eligible hemp plant material from an authorized hemp grower, in this state or other hemp producing state, to process into any number of hemp products, except hemp-derived <u>Delta-8 and other intoxicating Cannabinoids</u>. Processors must file a report for any hemp material received for processing on a monthly basis for the billing of the processor assessment fee in Table 1 of A.A.C. R3-4-1005.

#### Q: Will I be able to grow hemp microgreens or greens with my grower license?

A. Yes, you will need to make sure this is specified on the planting report since the inspection process differs from the normal sampling procedures.

## Q: My hemp crop was sampled by the Department, can I harvest my crop?

A. Yes, you can harvest your crop, but you cannot send it to a processor until you are provided a copy of the test results and a Crop Certificate, issued by the Department.

Q: Who do I contact about Lab Certification for testing the THC levels in Hemp?

A. Please contact the State Agricultural Lab at 602-744-4904 or <a href="mailto:draminez@azsal.gov">draminez@azsal.gov</a> for lab certification

questions. Certified labs will also need to register with DEA, and report the results of regulatory

samples to USDA. <a href="https://www.ams.usda.gov/rules-regulations/hemp">https://www.ams.usda.gov/rules-regulations/hemp</a>

**USDA HEMP PLAN:** 

Q: Does Arizona have a USDA Approved State Hemp Plan for Domestic Hemp Production?

A: Yes, the USDA approved Arizona's State Hemp Plan for implementation on January 1, 2022.

Q: What does that mean to me that Arizona has a USDA Approved State Hemp Plan?

A: Producers in Arizona can now participate in a number of federal programs, including crop insurance and

eligibility for some grant opportunities to name a couple. Please find more information in the USDA-AMS

website here: https://www.ams.usda.gov/rules-regulations/hemp. Hemp growers and nurseries will also be

required to register their crops with USDA-FSA. Click this link to find the FSA office in your county:

https://www.farmers.gov/working-with-us/service-center-locator

Q: What effect does the 2018 farm bill have on Arizona's Industrial Hemp Program?

A: The 2018 Farm bill changes the Controlled Substances Act and removes industrial hemp from the definition of

marijuana and it allows for the commercialization of industrial hemp. It will still require a person to obtain a

license from the Department and follow compliance guidelines for producing and processing industrial hemp.

Growers and Nurseries will have to register their crops with USDA-FSA. https://www.ams.usda.gov/rules-

regulations/hemp

Q: Where can I find information about the USDA-AMS regulations on industrial hemp production?

A: Here is a link to where the Final Rules that were posted and made effective on March 22, 2021 can be

found. https://www.ams.usda.gov/rules-regulations/hemp

Q: I have more questions, who can I contact?

A: Please email: azhemp@azda.gov or call (602) 542-0955