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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

GARY MCDOWELL
DIRECTOR

June 22, 2020

Honorary Members of the Michigan Senate,

We are writing to request your support on the *immediate passage of Senate Bill 850 (S-5)* which would provide the Michigan Department of Agriculture and Rural Development (MDARD) with the tools required by the U.S. Department of Agriculture's (USDA) Final Interim Rule for the cultivation of industrial hemp. The passage of Senate Bill 850 (S-5) will provide MDARD with the tools needed to submit a State Hemp Plan for USDA approval—a critical step in creating a successful future for the cultivation of hemp in Michigan.

In April of 2019, MDARD established Michigan's first Industrial Hemp Ag Pilot Program, under the authority of the 2014 Farm Bill and the Michigan Industrial Hemp Research and Development Act. This Pilot Program allowed farmers, processors, and state colleges to grow, handle, process, and research industrial hemp. As defined by federal law, industrial hemp is *Cannabis sativa L.* that has equal to or less than 0.3% Delta-9-tetrahydrocannabinol (THC). Industrial hemp is grown to produce fiber, grain and biomass, as well as non-intoxicating medical compounds such as cannabidiol (CBD). During the 2019 Industrial Hemp Pilot Program, MDARD registered 603 growers. Of these growers, 447 responded to a final research survey and reported they planted approximately 3,678 acres of hemp throughout the state.

On October 31, 2019, USDA published an Interim Final Rule (84 FR 58522) establishing the U.S. Domestic Hemp Production Program and outlining a regulatory framework for monitoring hemp cultivation and production. In response to USDA's Rule, Michigan must update its hemp laws to be in federal compliance. The date for required compliance is October 31, 2020. SB 850 (S-5) contains the changes necessary to align Michigan's law with USDA's Final Interim Rule.

Specifically, SB 850 (S-5) would change Michigan's hemp laws to do the following:

- Incorporate specific sampling and testing standards in the law, including sample collection by state or federal authorized individuals (as opposed to growers), testing by a laboratory registered with the federal Drug Enforcement Agency (DEA), and adherence to standards of performance for detecting THC concentration, including testing for a total Delta-9-THC. The laboratory must incorporate a measure of uncertainty or margin of error when reporting the analysis.

- Procedures for the disposal of non-compliant plants and notification of such disposal.
- Procedures for conducting annual inspections of a random number of growers to verify compliance.
- Procedures for submitting information to USDA including monthly grower registration data, monthly non-compliant hemp destruction reports and annual data on hemp acreage grown, harvested and destroyed.
- Procedures for addressing criminal history checks of licensees and 10-year ineligibility restrictions for persons with state or federal felony drug convictions.
- Procedures for a corrective action plan for specific negligent violations including exceeding the acceptable THC level and measure of uncertainty.
- Procedures for prohibiting the handling, processing, or entering into the stream of commerce, any hemp grown where the acceptable THC level is non-compliant.

Other changes have also been incorporated based on lessons learned in 2019 including: adding definitions, clarifying specific requirements, voluntary disclosure of personal information, and resources needed to carry out the plan such as sampling fees to cover costs.

Again, the changes proposed in SB 850 (S-5) is required by USDA to enable a State Hemp Plan in Michigan. Absent an approved hemp plan, USDA will regulate hemp production in the state. ***Accordingly, we respectfully request that Senate Bill 850 (S-5) be passed through the Legislature, in its current form, to ensure Michigan is in compliance with federal requirements. We also respectfully request that SB 850 (S-5) be passed through this distinguished body before it adjourns for summer recess in order for MDARD to continue to meet the testing and sampling requirements of the hemp industry, in addition to being able to submit a State Hemp Plan to USDA for review and approval.***

As always, your partnership is greatly appreciated as we continue to shape the future of Michigan's hemp industry. Together, we can provide this passionate and emerging industry with the tools it needs to innovate and flourish in Michigan while continuing to further our state's reputation as a food and ag leader.

Sincerely,



Director
Michigan Department of Agriculture
and Rural Development



Industrial Hemp Program Director
Michigan Department of Agriculture
and Rural Development