

INDIANA HEMP FREQUENTLY ASKED QUESTIONS

Helps:

Indiana Seed Permit Website https://www.oisc.purdue.edu/seed/pdf/app_in_seed_permit_2017.pdf

Hemp Application Forms https://www.oisc.purdue.edu/seed/hemp/IH-1_application_100117.pdf

OISC Hemp Webpage <https://www.oisc.purdue.edu/seed/hemp.html>

Purdue Hemp Webpage <https://purduehemp.org/>

Indiana State Law <http://iga.in.gov/legislative/2019/bills/senate/516#document-d6981537>

Q1 So, the 2018 Farm Bill AND SB 516 was signed into law by President Trump and Governor Holcomb, what are the next steps for Indiana?

A1 Under the Indiana Industrial Hemp Act IC 15-15-13, administrative rules must be adopted. This is normally about a nine-month process. The administrative rules govern the processes of applying for a license, the fees charged, seed labeling and seed requirements for growers, background checks, a definition of “agricultural hemp seed”, “grower”, “handler”, “license applicant”, “variety”, “certified seed”, etc... Also, required information to apply for a license, definition of crop sites and other information pertinent to the actual processes involved in regulating hemp in Indiana. SB 516 also created the Indiana Hemp Advisory Committee to aid in setting up these Administrative Rules.

Q2 When should we expect to plant our first crop of hemp for commercial purposes?

A2 Expectations are good for a 2020 crop. Currently we are still under the research component of the law until the Indiana law is updated/changed and administrative rules are adopted in Indiana. Currently, there is a shortage of quality hemp seed for the 2019 season. It is possible that this shortage will also plague 2020. Plan ahead, and find your seed source for the 2020 season along with having a business plan in place and a marketing contract to know where you are selling your crop.

Q3 Will there be any minimum requirement for square footage or acreage involved in a hemp license?

A3 Yes, that minimum acreage or square footage has not been determined yet.

Q4 Will OISC sell the hemp seed?

A4 No, Seed will be sourced through seed sellers, of which at the appropriate time a list of potential seed sellers will be posted on the OISC Hemp website. The Indiana State Seed Lab, part of OISC will test seed lots for quality assurance. Weed seeds, noxious weed seeds, purity and germination rates will be checked on sampled seed lots. Many hemp varieties have what would normally be called low germination rates compared to other crops. Ranging from the 25% range up to 85%. Know this

germination rate prior to seeding so you know the seeding rate needed. Also, hemp does not hold its germination rate from one year to the next as well as many agricultural crops. If you plan to carry over seed, get it tested again for germination and store the seed in cool, or cold dry storage.

Q5 Will Indiana require the purchase of Certified Seed only?

A5 Yes, it is likely that certified seed will be required. This will be a requirement that will happen over time to allow seed producers the time to go through the Certification process. Indiana Crop Improvement Association in Lafayette, IN is the Seed Certifying Agency in Indiana.

Q6 What licenses will be offered once the legal parts are all in place?

A6 We anticipate three types of licenses originally. Agricultural Hemp Seed Production License as a subset of **Grower, Handler and Research**. Research will go away one year after the USDA has administrative rules approved, leaving Grower and Handler as the two types of license allowed in Indiana.

Q7 How many applicants does OISC expect in the first couple of years?

A7 Under the research application process we have seen well over 100 applicants. When the 2018 Farm Bill is signed into law and the administrative rules are in place we expect up to one thousand applicants. We want to advise caution, as there are no processors in state at this time to turn raw materials into finished goods.

Q8 If I grow a crop of hemp, where will I sell it?

Q9 Good question, as of this time there are no processors in state. We advise caution as a market should be contracted prior to growing hemp. Steps should be taken to determine the market you will pursue (CBD, fiber, etc) and identify the varieties best suited to that market. Then, find a buyer and contract the number of acres and harvested material of the specific variety or varieties. See question about seed

Q9 Where can I buy hemp seed?

A9 Several hemp seed suppliers are in business in Canada, Colorado, Oregon, North Dakota, Kentucky and other states. At this time, most if not all of the seed for the 2019 growing season is spoken for. We anticipate a move by some Indiana companies into growing certified hemp seed and selling certified hemp seed in the upcoming years, but that industry is not in place currently. Office of Indiana State Chemist will list possible seed suppliers on our hemp website at the appropriate time as a requirement of the new SB 516 law.

Q10 I've heard you don't have to use fertilizer or much of it on hemp, is that true?

A10 No, hemp is best grown with a fertilizer program similar to corn, maybe not as high in nitrogen, phosphate, and potash levels but similar. Hemp likes to be fed and an unfertilized crop will be a poor crop and a likely money loser.

Q11 I've heard hemp can be expensive to produce, is that true?

A11 Yes, it costs well more than corn to produce a good crop of hemp. Without a contracted market for your crop we advise to not buy seed or plant a crop. Markets will develop over time. Don't expect this species to save the farm. It may be financially lucrative for some people who are well capitalized, have an early market for their crop and can buy quality seed to get it planted but for most this will be a rotation option to diversify the farm.

Q12 Will licensing and background checks be required to grow or handle hemp?

A12 Yes, It is yet to be determined the fees for licenses but the federal law and Indiana law will both still require regulation on this crop. Background checks require a 10-year clean record of a drug related felony or drug related misdemeanor to be the licensee.

Q13 I'm in Northwest Indiana, can I just harvest the ditch weed or wild cannabis?

A13 No, there will be minimum acreage requirements and ditch weed is specifically excluded. Any harvesting of ditch weed will be considered marijuana and is illegal.

Q14 If I grow hemp but did not secure a license what are my risks?

A14 An unlicensed hemp grow it considered marijuana and is subject to the Schedule 1 drug laws.

Q15 Hemp is legal now; can I plant it right away?

A15 No, this signing of the law triggers certain steps that are listed below. Again, we expect a first crop for commercial production to be in 2020.

Upcoming Changes in Indiana with the 2018 Farm Bill

- Marijuana production is not legal in the state of Indiana.
- If you are growing unlicensed hemp, you are a marijuana producer.
- Upon signature of the 2018 Farm Bill by the President, a letter from the Office of the Indiana State Chemist is forwarded to Governor Holcomb for consideration. - **COMPLETED**
- Parallel to this activity, the Indiana Legislature has passed SB 516 and Governor Holcomb has signed into law. - **COMPLETED**
- Administrative Rules must be developed and put into place, this process normally takes several months, setting Indiana up for a 2020 start date for commercial hemp production. At this point,

administrative rules have been created to facilitate legal hemp production, and will include licensing, background checks, recording of sites, testing and fees.

- At this point, a letter is sent to the Secretary of the Department of Agriculture, Sonny Perdue, for program recognition under federal law.
- In 60 days, a response is given from the USDA to determine if the program is in compliance with the Farm Bill.
- A license to grow hemp is required, and hemp must test below 0.3% THC. In the absence of a license, any cannabis production regardless of THC level is considered marijuana.
- Marijuana production is still not legal in Indiana.

So, technically, nothing changes for the 2019 season.

Create your business plan now. Get your contract in place. Identify any processes and processors needed to meet your buyer & specific variety or varieties they will accept. Start ordering seed for 2020.

Q16 What progress has been made in matching up Indiana Law to the 2018 Farm Bill Requirements?

A16 Senate Bill 516 passed and was signed into law by Governor Holcomb May 2, 2019. A link to the new law can be clicked on [here](#).

Or entered into your browser with this web address.

<http://iga.in.gov/legislative/2019/bills/senate/516#document-d6981537>

Q17 Are Indiana seed companies getting involved in hemp seed? I just hear about out of state suppliers.

A17 At this point the seed suppliers are primarily hemp seed suppliers. Several out of state suppliers are the primary suppliers in this market but we anticipate that will change as time goes on and instate options will be available.

Q18 I have heard that Indiana will only allow certified seed. What does that term mean?

A18 Certified Seed is seed produced from a crop that has been inspected for trueness to variety (TTV), allowable limits on weeds, allowable set back distances from other hemp fields where pollen could travel and other stringent requirements. In the case of hemp grown for seed the setback limits are 3 miles. Indiana Crop Improvement Association (ICIA) is the organization that oversees the certified seed program in the state. AOSCA – Association of Official Seed Certifying Agencies - has created hemp certification standards and ICIA has reviewed those standards. We anticipate Indiana will be involved in the production of certified hemp seed in the future.

Q19 Does my farm have to be organic to produce hemp?

A19 No. It is expected that a portion of the hemp production will be grown on organic farms, but that is not currently required in the proposed bill language or in the draft administrative rules. Currently there

are no pesticides labeled for use on hemp so growers need to be aware of pests, disease, insect and weed control issues. This includes biologicals, which are also not labeled for hemp and therefore are not allowable as a fungicide or insecticide or seed treatment on hemp.

Q20 How many hemp licenses will be given out?

A20 Outdoor licenses are no longer being accepted. In 2019 it has been determined that applications will be cut off at 100 for outdoor grows. This limit was met March 22, 2019. Applications for indoor grows/indoor processing will continue to be accepted for an undetermined period. For 2020 there will be no limit on the number of licenses, however, there will be a cut off date for outdoor growing to enable OISC time to run background checks and process applications before a suitable outdoor planting date.

Q21 What soil types does hemp grow in best?

A21 Anecdotal evidence would state that hemp grows best in silt loam or sandy loam soils. Heavy clay soils may not be the best place for production acres. Again, this is anecdotal in nature. Time will tell.

Q22 Will hemp cooperatives be allowed? If so, who will need the license?

A22 We expect hemp cooperatives in Indiana. Licensing will be required from each entity involved in the cooperative. Each grower, handler (processor), or agricultural hemp seed producer, as well as the cooperative itself.

Q23 If I sell hemp seed in Indiana are their other requirements?

A23 Yes, if you sell agricultural (hemp), vegetable or lawn seed in Indiana you are already required to hold an Indiana Seed Permit with the Office of Indiana State Chemist (OISC). This permit allows you to sell seed with your own seed tag (called label in the law). Without this permit, your seed will be put on stop sale order by OISC until the permit is applied for and approved. The permit does not cost money, however a semiannual distribution report is required and there are poundage fees due twice annually. **A link to the seed permit application can be found [here](#).**

Q24 What happens if my crop tests higher than 0.3% THC Dry weight?

A24 The report of a higher THC analysis will go to the Indiana State Police. Crops higher than 0.3% delta-9 THC are considered marijuana and a process of destruction or diversion will be put into place using administrative rules and the new Indiana law.

Q25 Can I have multiple fields under one Indiana Hemp Grower License?

A25 Yes, each field will need to be listed on the application with exact GPS coordinates so that Office of Indiana State Chemist inspectors and Indiana State Police can find the fields. Remember, a field that is not listed on the application is considered marijuana and will be destroyed.

Q26 How many acres will be the minimum on outdoor grows? Or square feet on indoor grows?

A26 This has not been determined yet. However, it is being considered that a minimum may be different for CBD production than for fiber or hemp seed oil production.

Q27 Will all grower or handler employees be required to pass a background check?

A27 In short, no. The person or people responsible for the activity of the grower or handler will need to pass the background checks. Employees, under the direct supervision of the person responsible, will likely not have to go through that step. Contracted employees or growers will have to have a background check.

Q28 Will business entities that are already licensed in another state require an Indiana license as well?

A28 Yes, a license in another state or country will not automatically guarantee a license in Indiana. Potential licensees will need to go through the steps listed in this document and obtain an Indiana Hemp License to do business in Indiana. Those without a license will be considered marijuana producers.

Q29 How much longer will the Research License be an option?

A29 For 2019, a research license will still be in place. The USDA, under the 2018 Farm Bill, needs to create and have approved its Administrative Rules. Within one year of that passage the research license will go away.

Q30 I am a farmer and companies have been contacting me to grow hemp for them, what should I know?

A30 First, if you grow hemp for a company, have a strong contract that protects all involved. Know your rights and responsibilities under that contract. If the crop fails, are you responsible to provide the equal amount of hemp from another source? Are you “off the hook” if the crop produces less and “stuck with” extra product if the crop produces more than the contract?

If a current licensee has hired you, make sure you have seen the license, have a copy of the license and your property is listed on the licensee’s application. If a licensee has hired to you as an employee, you do not need a license of your own; **HOWEVER, if you are sharing in the crop and profits you do need your own license.** *This gets into some potentially tricky situations. If you are doing the work, using your equipment on your ground or ground you have leased, OISC considers you the grower, not an employee.*

Q31 I've heard I can work with Purdue Extension Educators on my research, what are the details I need to know?

A31 Recently, a group of Office of Indiana State Chemist met with the leadership of Purdue Extension and worked out a program where Purdue Extension Educators in the counties (all 92 counties have extension educators) can sign on as a researcher to help with hemp programs in 2019. While it is not required that the Purdue Extension researcher have their Certified Crop Advisor (CCA) license it is strongly encouraged. **Purdue Extension will be the final arbiter of which of their Educators will be allowed to participate.** Whoever is advising should be able to competently advise on Ag production practices.

Q32 Several out of state hemp companies wanting me to grow hemp for them have contacted me. Why is this happening? In addition, what do I need to know?

A32 First, many in the hemp industry believe the "I" States of Indiana, Illinois and Iowa will be areas that produce some of the best hemp crops. Where corn grows well, hemp grows well so many Indiana farmers will be contacted. Second, do your research on the out of state company. They must be licensed in Indiana before you can grow hemp with them. Moreover, based on the answer to Question 30, you need to know if you need a license or not. Not all companies contacting Indiana farmers are licensed, in fact, we could go so far to say that most are not. Be careful, do not be "unequally yoked" with someone who is not following the law.

Q33 I have sent my Indiana Hemp License Application in and have not heard back yet? How long does this take?

A33 First, if you have not provided a well thought out, detailed research proposal, seed or clone source listed and verified and signed at every necessary spot, your application cannot be approved as applied for. Second, if a qualified university researcher is not directly working with you on your project your application cannot be approved as applied. Finally, if everything is in order and the qualified university researcher is on board it can take up to 5 weeks to process the application, the background check and printing/mailling the license.

Q34 I am a seed or clone supplier. Do I need to have an Indiana Hemp License? What other documents do I need to complete and what licenses/permits do I need?

A34 Suppliers and growers/handlers all need an Indiana Hemp License. For seed companies your seed could be put under a Stop Sale Order if you do not have an Indiana Seed Permit. For clones, you are required to have an Indiana Hemp License. Those documents can be found on our websites listed below. Be proactive, have your licenses and permit prior to shipping, transporting, growing or processing any hemp or your product/crop will be marijuana under Indiana law.

Q35 I am a hemp seed supplier and see that seed labels are required but have no idea how to label my seed. Is this required in other states? How do I know what information needs to go on a seed label?

A35 States are coming up to speed on hemp seed labeling. When hemp was only a research crop seed control officials in many states were lenient when enforcing seed labeling laws. Now that the Farm Bill and state laws are making the crop commercial most if not all states will require full labeling on all hemp seed. AASCO – Association of American Seed Control Officials is an organization of state seed leaders and has determined that hemp seed should be fully labeled. A form describing the information that goes on a seed label can be found [by clicking here](#). Or by entering this web address into your browser. https://www.oisc.purdue.edu/seed/pdf/how_to_read_a_seed_tag.pdf. AASCO is preparing a hemp specific “how to label hemp seed” document that will be linked here once it is created.

Q36 I’ve heard that my CBD crop can’t be close to a pollenating hemp field. Will OISC let me know where my neighbors are growing a pollenating hemp crop, such as for seed, fiber, grain, etc.

A36 In short, no. Based on the new hemp law grower information may be kept confidential. Like any other agricultural crop in Indiana it is the growers responsibility to let his neighbors know if he is growing a sensitive crop and work out a solution. We recommend working with the hemp industry leaders to work out a solution. This is a very real problem, but one where OISC does not have the solution. Sometimes staggered planting dates or other cultural practices can alleviate this situation.