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## Industrial Hemp in Michigan - Program Overview and Update

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# Overview

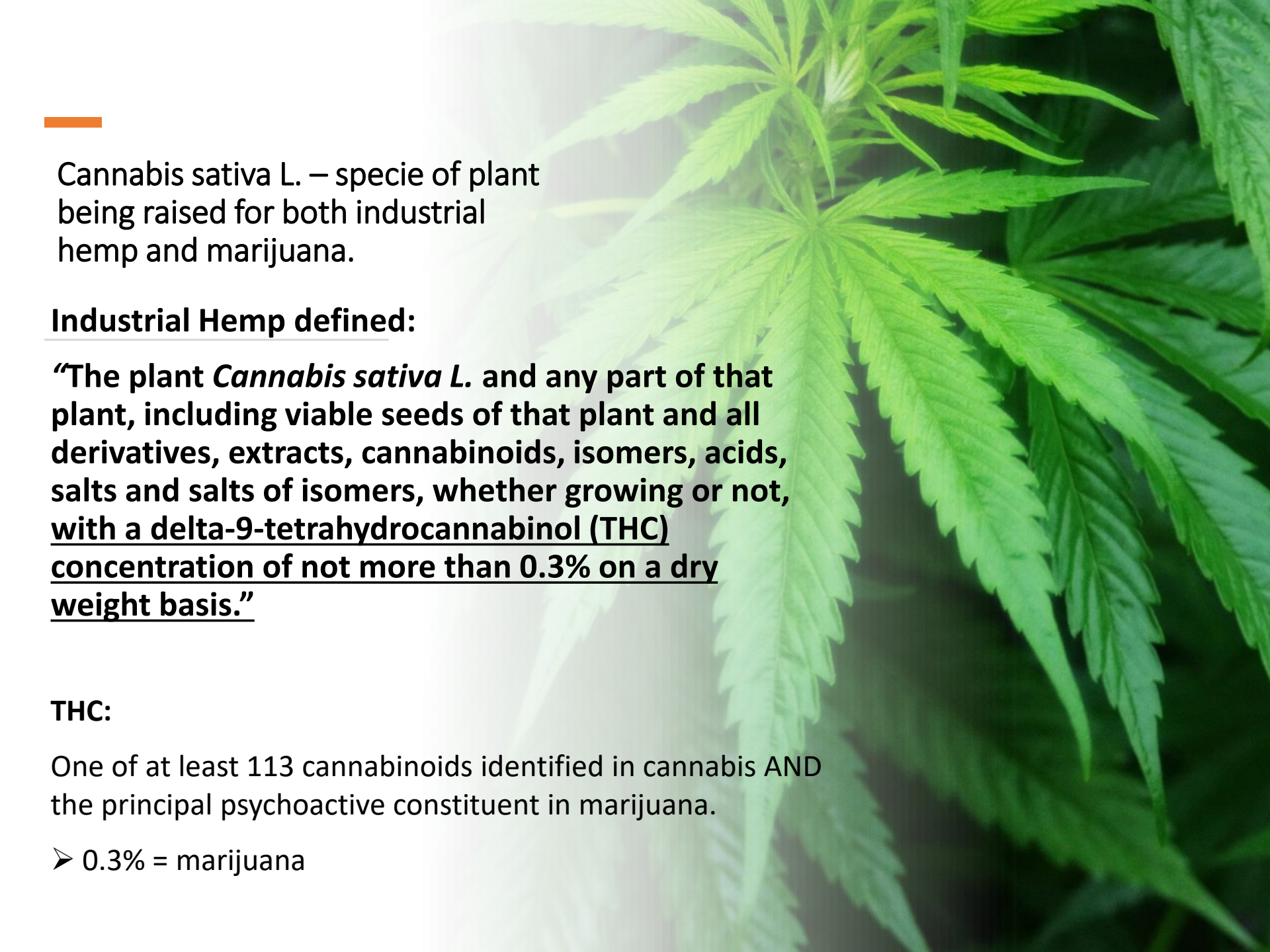


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- Hemp – what it is and how it is different from marijuana
  - Brief history of hemp
    - Federal and state legislative history
  - 2019-2020 ag. pilot programs
  - Legislative activities in 2019 & 2020
  - Changes needed based on USDA Final Rules
  - Review of changes being proposed to our Industrial Hemp Growers Act, PA 220 of 2020.



Industrial Hemp  
vs. Marijuana

What's the difference?



Cannabis sativa L. – specie of plant being raised for both industrial hemp and marijuana.

### Industrial Hemp defined:

**“The plant *Cannabis sativa L.* and any part of that plant, including viable seeds of that plant and all derivatives, extracts, cannabinoids, isomers, acids, salts and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol (THC) concentration of not more than 0.3% on a dry weight basis.”**

### **THC:**

One of at least 113 cannabinoids identified in cannabis AND the principal psychoactive constituent in marijuana.

➤ 0.3% = marijuana

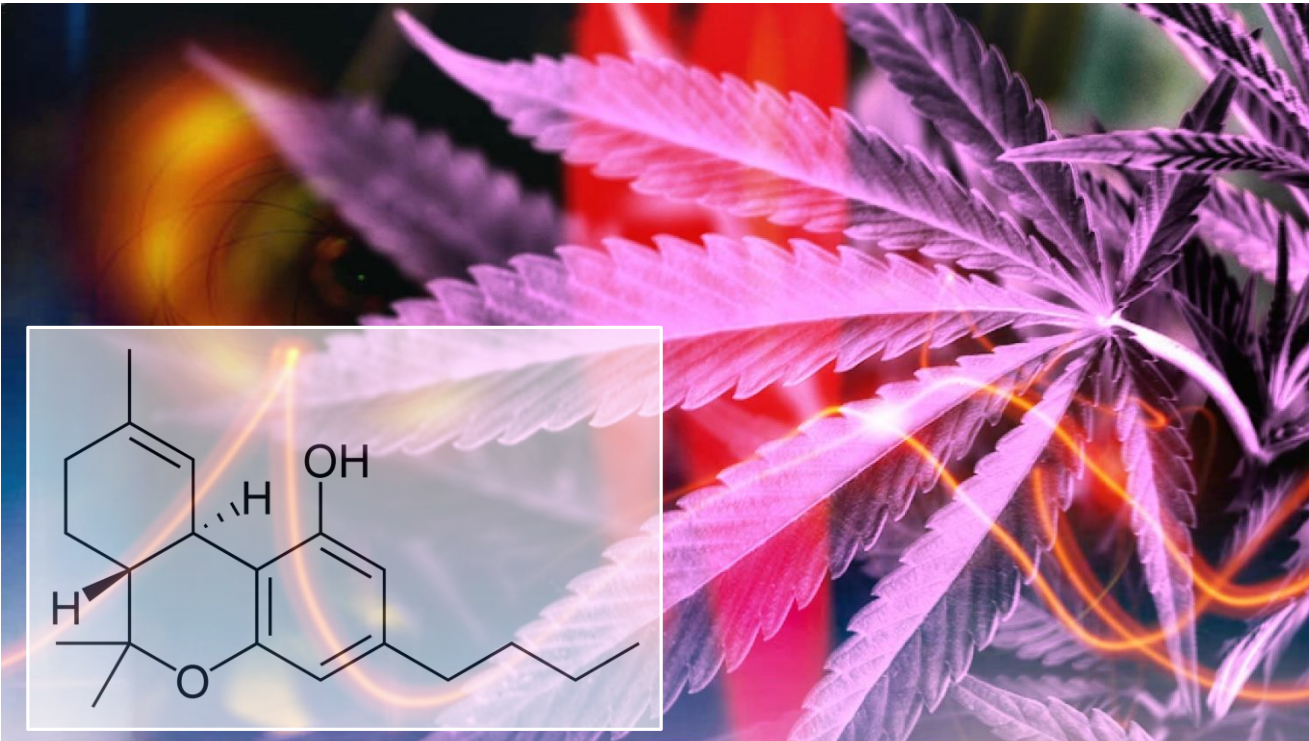
# Key Differences between Hemp and Marijuana Chemical Composition

## Industrial Hemp

- Less than 0.3% THC
- Non-intoxicating

## Marijuana

- 5% - 35% THC
- Intoxicating



# Legality

## Industrial Hemp

- Federally legal
- Removed from the Controlled Substance List
- Agricultural commodity that may be legally grown, processed, transported, possessed and sold.



## Marijuana

- Federally illegal
- Remains on the Controlled Substance List



# Cultivation

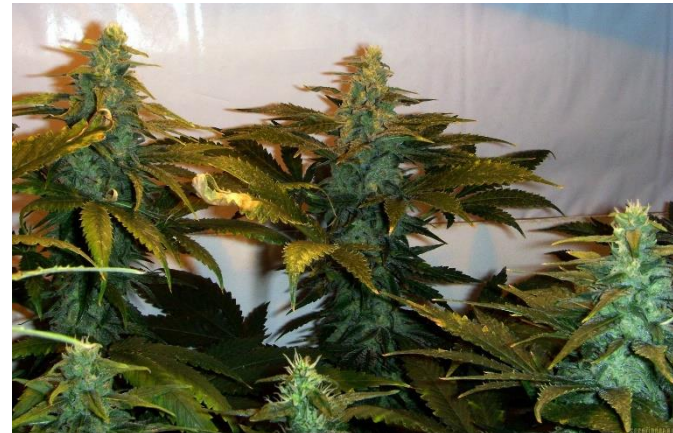
## Industrial Hemp

- Typically grown outdoors
- Can grow up to 20 ft. depending on variety and purpose of growth



## Marijuana

- Typically grown indoors under very controlled environments
  - Temperature, Lighting &
  - Humidity
- Grows up to 5 ft



# Uses

## Industrial Hemp

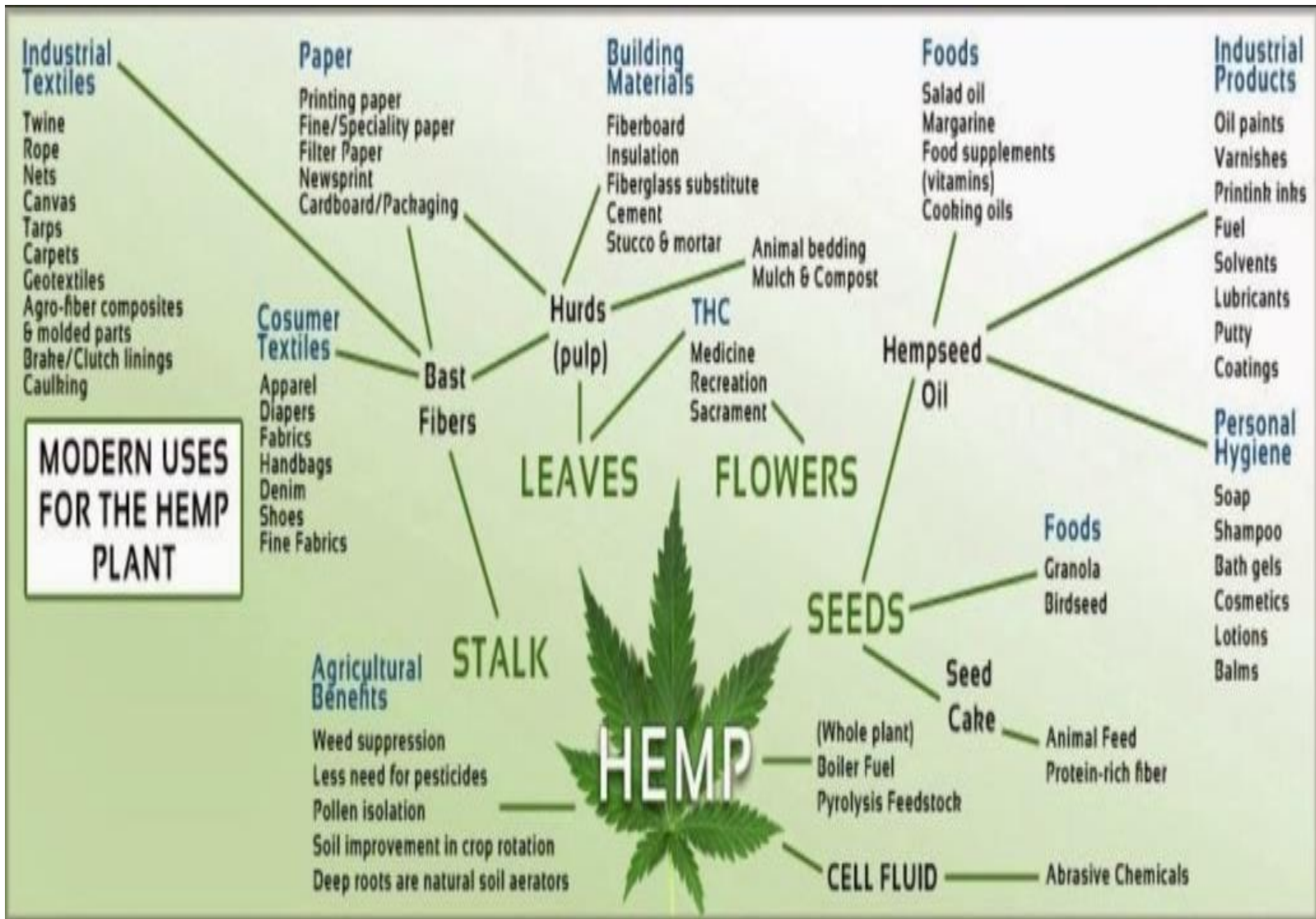
- +50,000 products and uses:
- Seed – Medications, health foods, bio-fuels and plastics
- Fiber – Paper, textiles, construction materials, clothing, auto parts, animal bedding
- Oil – CBD oil, medicine, cosmetics, lotions
- Parts of the plant used: All

## Marijuana

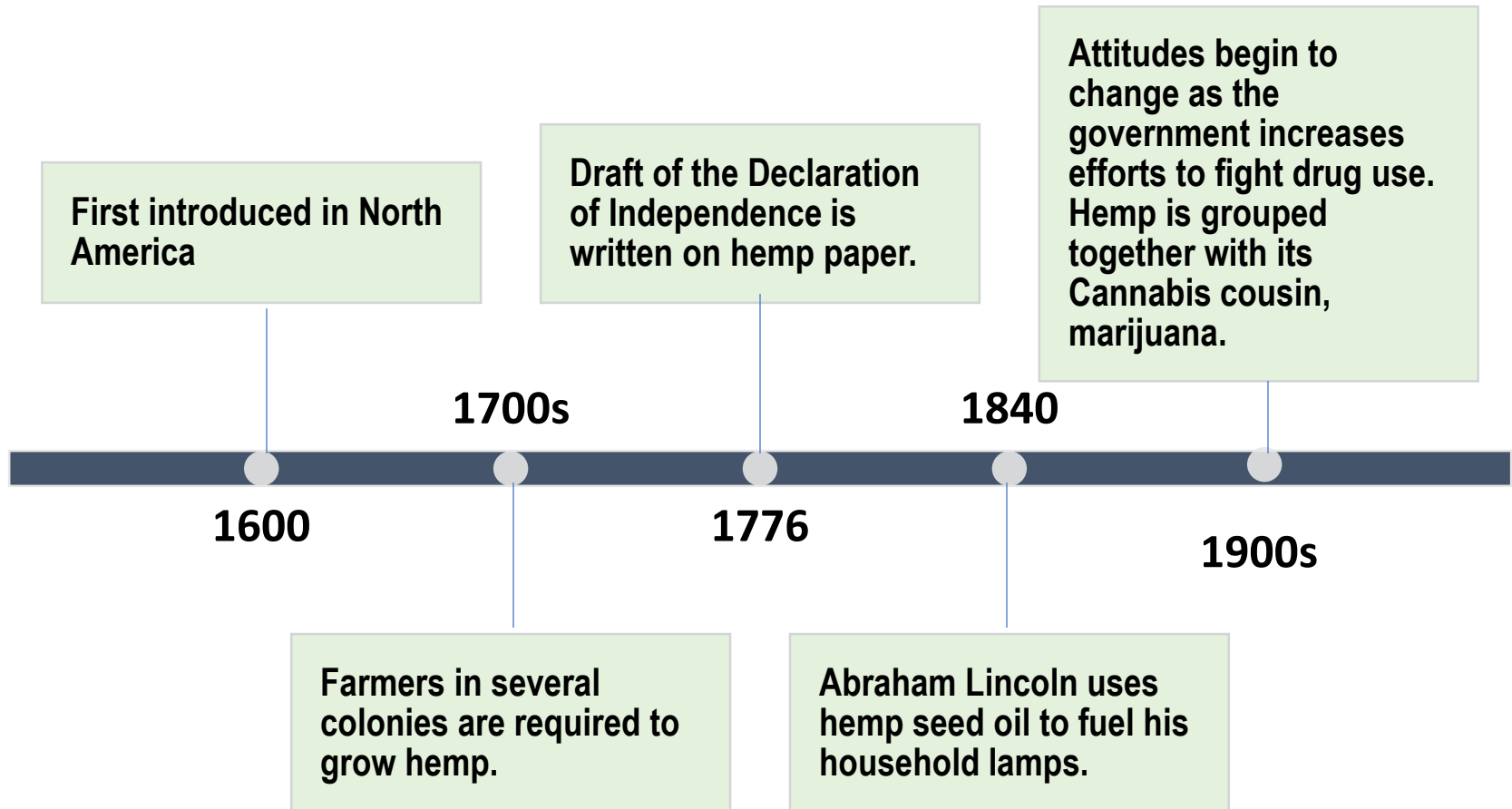
- Commonly recognized for:
  - Recreational uses
  - Therapeutic uses
- Parts of the plant used: Flowers



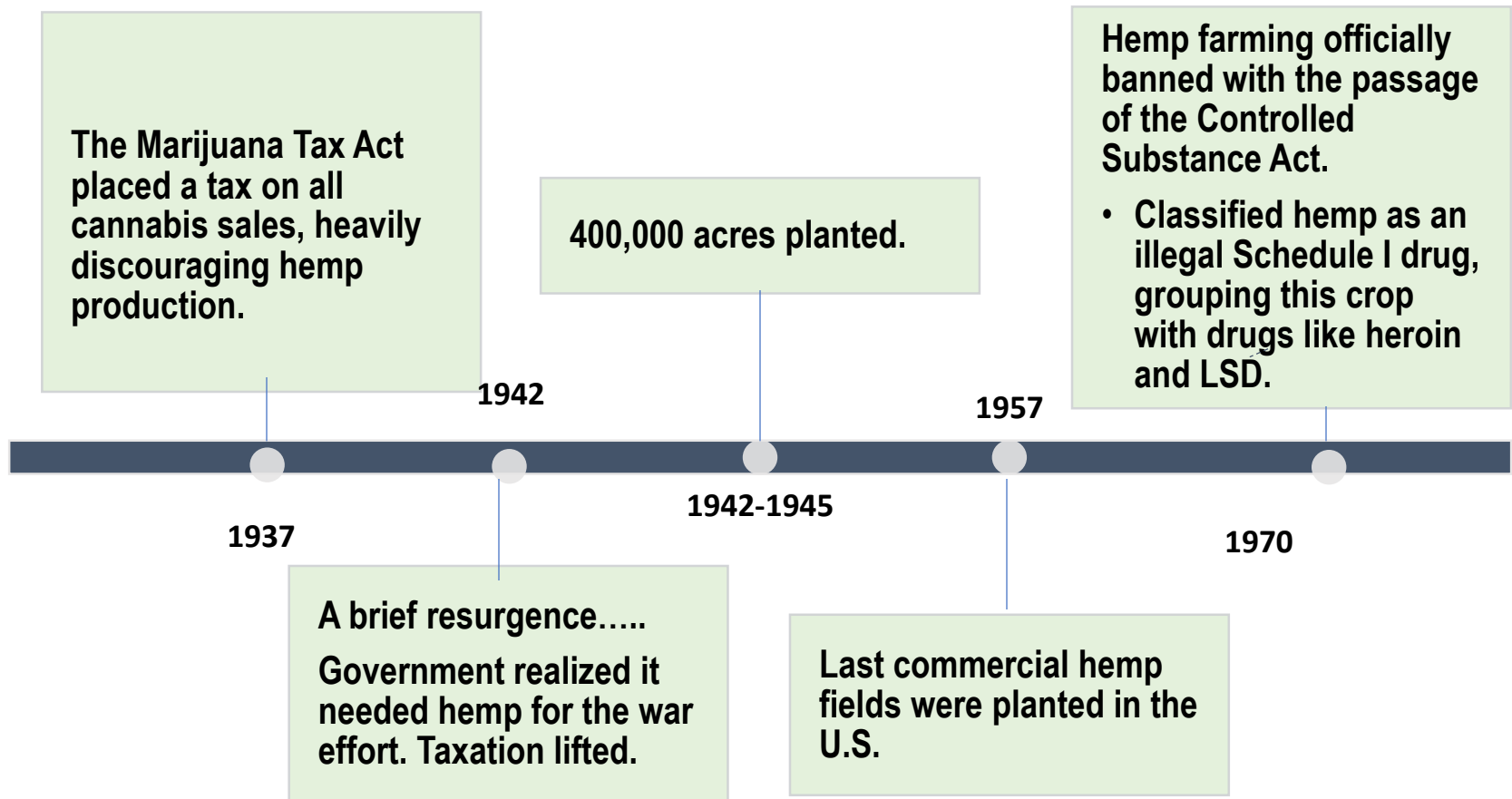




# History of hemp



# History of hemp



# Hemp legislation 2014

## 2014 U.S. Farm Bill

Authorized state depts. of agriculture and colleges/universities to administer pilot programs to study the growth, cultivation and marketing of industrial hemp.

2014

2014

MI Public Act 547 of 2014 - Michigan's Industrial Hemp Research Act became law.

- Allowed MDARD to create an industrial hemp research pilot program.

# Hemp legislation 2018

## 2018 U.S. Farm Bill

Legalized industrial hemp.

Gave USDA oversight of domestic hemp production.

Offered states the authority to regulate hemp cultivation provided the state had a USDA approved “state plan”.

Directed USDA to promulgate rules on state plan submission.

-Allows state to operate under the 2014 Farm Bill for one year after rules are published.

USDA Interim Final Rules published October 2019.

2018

2018

Michigan Industrial Hemp Research and Development Act, PA 641 signed December 2018.

# Hemp legislation early 2019

**Pending USDA rules, MDARD developed and Ag Pilot Program as authorized under the 2014 Farm Bill.**

**April  
2019**

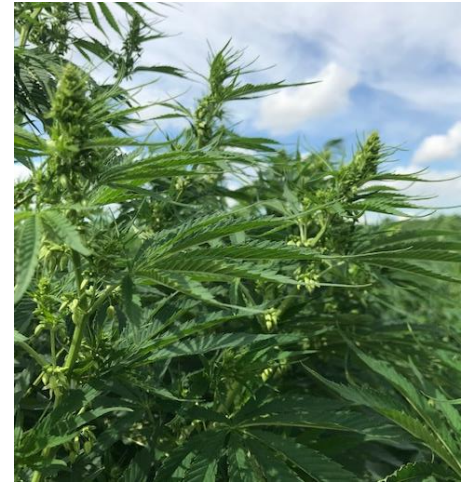
**February  
2019**

**Michigan Ag Pilot  
Program launched and  
continued through the  
2020 growing season.**

# Michigan Ag Pilot Program

Allowed hemp growing, processing and handling in Michigan provided:

- Proper licensure - Grower registration and/or processor handler license
- Background check - No felony drug convictions during the preceding 10 years.
- Research agreement – Written agreement between the department and the applicant to conduct research on the growth, cultivation and marketing of industrial hemp on behalf of MDARD.



## 2020 Data

**614 Registered Growers**

**920 outdoor locations, 13,906 acres identified**

**394 indoor locations, + 11 M square feet identified**

**496 Licensed Processor-Handlers**

# Legislative activity 2019-2020

- USDA Interim Final Rules published 10/31/2019 with compliance required by 10/31/20
- PA 641 (grower requirements) reviewed and updated to align with USDA Interim Final rules.
- Signed by Governor Whitmire 7/8/20 and assigned Public Act 220 of 2020
- State plan submitted on 8/14/20
- Reviewed and approved by USDA one week later.
- Although the Federal continuing resolution pushed the Federal compliance date back to September of 2021, MDARD implemented its approved program on 12/1/20 in alignment with grower registration cycle.



# USDA Final Rules

- USDA published its Final Rules (1/19/21)
- Become effective 3/22/21
- 5,900 comments were received during all comment periods and were considered when finalizing the rules.
- These changes will require PA 220 to be updated.



# Next steps

- Finalize changes to PA 220
- Resubmit our state plan to USDA
- Communicate changes to industry
- With one exception, begin operating under our revised plan immediately after passage
- Need to complete the revisions needed to the remainder of PA 641 (specific to hemp processing)
- When appropriate, repeal PA 641



# Changes proposed to Public Act 220

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Primarily related to changes made to USDA's  
Interim Final Rules

Required for state plan approval

Lessons learned during our two pilot  
program seasons

Clarity, housekeeping, etc.

Input from industry



# Proposed Changes to PA 220

# Summary of changes being proposed

- Testing facilities performing analysis of hemp samples must be registered with DEA.
  - Regulatory samples
  - Compliance monitoring purposes
- Defined who can collect samples (Designated sampling agents)
- Changed the registration/license cycle from:
  - 12/1 – 11/30 to 2/1 - 1/31
- Amended when grower must report their acreage to USDA Farm Service Agency



## Summary of changes being proposed (cont.)

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- Amended harvest window time frame requirement from 15 days to 30 days
- Added language to allow for performance-based sampling protocol vs. the previously USDA prescribed approach
- Added remediation language. Growers will now have the ability to remediate non-compliant hemp instead of having to destroy it
- Added enforcement language that allows the department enforcement discretion
  - Gravity of the offense
  - Harm done to the public
  - Frequency of violative activity

# Questions?

[www.Michigan.gov/industrialhemp](http://www.Michigan.gov/industrialhemp)



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