



Kentucky Department of Agriculture Industrial Hemp Research Pilot Program

2018 PROCESSOR/HANDLER LICENSE APPLICATION PACKET

Guidelines and Instructions for Processors/Handlers

The Kentucky Department of Agriculture (KDA) is conducting an Industrial Hemp Research Pilot Program as authorized by KRS 260.850-260.869 and 7 U.S.C. § 5940 (also known as Section 7606 of the 2014 Farm Bill). Individuals and companies who would like to be considered for participation in the Kentucky program as a processor or handler must submit the *Processor/Handler License Application* for 2018 with a to KDA, Industrial Hemp Research Pilot Program, 111 Corporate Drive, Frankfort, KY 40601. Complete the full application as attached and return by mail to KDA or hand deliver to KDA along with a check or money order for \$100 made payable to Kentucky State Treasurer.

- **Contents of Application Packet.**
 - Guidelines and Instructions
 - Instructions for Obtaining a KSP Background Check
 - 2018 Fee Schedule
 - 2018 Transfer Requirements Summary
 - Instructions for Creating Maps for Submission with your Application
 - *Processor/Handler License Application*. Please submit only the application and required attachments. Do not submit the guidelines and instructions (pages i– x).
- **Application Deadline.** KDA prefers that *Processor/Handler License Applications* be submitted in conjunction with *Grower License Applications*, which are due by 4:30 PM Eastern Standard Time (EST) on November 15, 2017. However, June 1, 2018, is the final application deadline for all 2018 projects which involve processing industrial hemp. *Processor/Handler License Applications* must be postmarked no later than June 1, 2018, or hand delivered to the KDA Marketing Office (at 111 Corporate Dr. Frankfort KY 40601) no later than 4:30 PM EDT on June 1, 2018. **Email submissions will NOT be accepted** because the payment for the application fee must be attached to the application. KDA recommends that applicants use a delivery method with tracking capabilities when submitting an application by mail; KDA is not responsible for applications lost in the mail or not received. **Keep a copy of the complete application, all attachments, and, if applicable, the mail receipt and tracking number for your records.**
- **Fee Schedule.** A \$100 nonrefundable application fee (check or money order made payable to Kentucky State Treasurer) must be included with the completed application upon submission. This fee does not apply to any other program costs. See the *2018 Fee Schedule* in this application packet or 302 KAR 50:060. If you are conditionally approved for participation in the program, there will be additional fees associated with participation. **Be sure to carefully review these fees, which are required for all participants, and budget accordingly in the event you are selected for participation.**
- **Application File Format.** The KDA Industrial Hemp Research Pilot Program Application for 2018 is available in two file formats: Microsoft Word fillable form and PDF. If you do not have compatible software for the fillable form, please print out the PDF and complete the form manually and legibly. **KDA is not responsible for missing information due to formatting or printing errors on the user end.**
- **Complete Applications.** Applications must be complete, accurate, and legible. Follow all instructions in the document. Applications and any attachments may be subject to Kentucky Open Records law (KRS 61.870 through KRS 61.884). **Incomplete answers may result in the application's removal from consideration; KDA is not required to request additional information for clarity of the application. Incomplete applications will not be approved.**



- **Application from a Business Entity.** A Processor/Handler License can be issued to an individual or an established business entity.
 - The “applicant” is the person, or the person authorized to sign for a business entity, who submits an application.
 - KDA requires the submission of a *Signing Authority for Business Entities*, found on page vi, when the applicant is representing a business entity. The designation of a signing authority for the business allows this individual to make decisions for the company in all matters related to a Kentucky industrial hemp research project.
 - Only ONE signing authority shall be allowed to represent a business entity.
 - If during the application process, or at any point after a *Licensing Agreement* is signed with the Kentucky Department of Agriculture, a business entity requires a change of signing authority, a new *Signing Authority for Corporate Entities* form, a current background check, and copy of the individual’s driver’s license must be submitted together in a change request to KDA.
- **Application Review.** The KDA will evaluate each application and select projects for approval based on the review criteria set forth in the draft regulation published 10/17/2017 titled 302 KAR 50: 030 *Policies and Procedures for Processors/Handlers* and associated regulations available at www.kyagr.com/hemp.
- **Research Plan.** The KDA Industrial Hemp Research Pilot Program involves research of crop production techniques, processing, and marketing. Legitimate processing research may involve the investigation of harvest methods, yields, equipment uses, testing methods, marketing, and product development. Each program applicant must submit a project research plan to be approved to become part of the KDA pilot program. Additionally, only the KDA is allowed to import industrial hemp seed or plants into Kentucky under federal law.
- **Background Checks.** Before conditional approval will be granted, a Kentucky State Police (KSP) background check must be received and approved by KDA. As the issuance of a background check can take up to two weeks to complete, it is recommended that applicants submit a KSP background check request immediately. See the instructions and forms for KSP background checks attached to the application. See the *Instructions for Obtaining a Kentucky State Police Background Check* and the associated form attached to the application. Note: **These requests must be sent directly to KSP (DO NOT SEND TO KDA) and received by the KDA Hemp Program no later than 15 business days following the submission of the application.**
- **Prohibited Activities.** The activities listed below are prohibited processor/handler activities in the KDA pilot program. When described in a research plan, any prohibited activities will disqualify an application from approval. A current processor/handler participant found to be conducting or participating in any of these activities may be subject to actions including but not limited to termination of their *Processor/Handler Licensing Agreement* and forfeiture or destruction of all cannabis materials in their possession.
 - Possessing live hemp plants without a *Grower Licensing Agreement*.
 - Possessing any in-program hemp materials at any site not listed in the *Processor/Handler Licensing Agreement*.
 - Processing, handling, or storing industrial hemp
 - on property which is not owned or completely controlled by a Licensed Processor/Handler.
 - on property owned by or leased from any person who is ineligible or was terminated, or denied admission to the program.
 - Violating the restrictions outlined in the current *Transfer Requirements* document on the program website.
 - Using pesticides not labeled for use on industrial hemp, or applying labeled pesticides without an applicator license.

- Creating products for sale outside of the program which would cause noncompliance with KDA Policy, or federal or state law, including:
 - Loose leaf or floral materials (such as whole buds, or ground floral or leafy material, including, but not limited to, hemp cigarettes, cigars, dip, or any form of chewing or smokeless hemp leaf or floral material); and
 - Other products that may be deemed prohibited by KDA, in contradiction of KDA policy, or determined to be against federal or state law.
- Engaging in other activities that may be deemed prohibited by KDA.

Upon request, KDA shall review and make a determination on any activity not specifically listed in the *Transfer Requirements* document (located on the program website) or in the Prohibited Activities list.

- **Orientation.** All conditionally approved applicants must attend a KDA orientation session where they will receive further instructions, complete a *Processor/Handler Licensing Agreement*, and submit payment of the Participation Fees. Current License holders with a multi-year agreement will still need to attend an Orientation, sign an updated *Licensing Agreement*, and submit payment of the Participation Fees.
- **Processor/Handler Licensing Agreement.** Approved participants become an extension of and act on behalf of KDA for the purposes of conducting research by executing a *Processor/Handler Licensing Agreement* with KDA.
- **Timeline.** The expected timeline for approval of 2018 projects is as follows:
 - **Application Deadline: June 1, 2018, 4:30 PM EDT** - KDA prefers *Processor/Handler Applications* be submitted by November 15, 2017. Applications are due in the KDA Marketing Office by the deadline; email submissions are NOT acceptable.
 - **15 days following receipt of application** – Background checks are due.
 - **No more than 60-days following the application evaluation**– Notification of application status.
 - **20-days following notification** – Appeals request deadline for denied applicants.
 - **Within 60-days of notification** - Orientations and execution of *Processor/Handler Licensing Agreements*.

For more information on the KDA Industrial Hemp Research Pilot Program, please visit www.kyagr.com/hemp or contact KDA at Hemp@ky.gov. **Please note that KDA is not able to provide assistance in completing the application.**

Instructions for Obtaining a Kentucky State Police Background Check

KDA requires a Kentucky State Police (KSP) background check on each Industrial Hemp Research Pilot Program applicant. An applicant is a person, or a person who is authorized to sign for a business entity, who submits an application. Applicants are required to select the **Request for Conviction Records-Employment/Professional License** background check option.

Background checks are required annually for all applicants, including the signing authorities for the business entity. The request is processed by the Kentucky State Police (KSP) office listed below.

KSP Records Branch, Criminal Records Dissemination Section

Address: 1266 Louisville Road, Frankfort, KY 40601

Phone: 502-227-8700

Business hours: M-F 8:00 AM - 4:30 PM Eastern Time (ET).

Website: http://kentuckystatepolice.org/background_check_forms.html

You must complete the form on the next page or use the original form at http://kentuckystatepolice.org/pdf/employment_rev11_10.pdf

- You may submit the request and payment in person where it can be processed while you wait (typically 15 minutes).
- If submitting the request via mail, complete steps 1 through 5 below. This process typically requires at least 2 weeks.

Required for a mailed submission of the background check:

1. Completed **Request for Conviction Records-Employment/Professional License** form found on the following page
2. \$20 check made payable to Kentucky State Treasurer
3. Self-Addressed Stamped Envelope (SASE) for a copy to be returned to you
4. Pre-Addressed Stamped Envelope with the following recipient address:
Kentucky Department of Agriculture
Attn: Industrial Hemp Program
111 Corporate Drive
Frankfort, KY 40601
5. Mail items 1-4 listed above to:
Kentucky State Police
Criminal Identifications and Records Branch
1266 Louisville Road
Frankfort, KY 40601

The Request for Conviction Records/Employment/Professional License form (also known as the background check request) must be mailed or hand delivered to Kentucky State Police; DO NOT SEND THIS REQUEST TO KDA.



REQUEST FOR CONVICTION RECORDS - EMPLOYMENT/PROFESSIONAL LICENSE

Request is made for any record of conviction found in the files of the Kentucky centralized criminal history record information system regarding the person identified herein. This information shall be released to:

Kentucky Dept of Agriculture, ATTN: Industrial Hemp Program, 111 Corporate Dr, Frankfort, KY 40601

Agency/Organization Name and Address

ACKNOWLEDGMENT BY APPLICANT

I am requesting that the Kentucky State Police provide the above named agency/organization with any record of conviction found in the files of the Kentucky centralized criminal history record information system. I know that I have the right to inspect my criminal history record and to request correction of any inaccurate information. If I do not exercise that right, I agree to hold harmless the Kentucky State police and any Kentucky State Police employee(s) from any claim for damages arising from the dissemination of inaccurate information.

APPLICANT INFORMATION (PLEASE PRINT)

NAME:
First Middle Last Maiden

ADDRESS:
Street City State Zip

SEX: RACE: DATE OF BIRTH: SOC SEC NO:

Signature Date Witness Date

INSTRUCTIONS:

Requesting agencies/organizations should ensure that all application information is completed.

Requesting agencies/organizations should forward a check or money order made payable to the **Kentucky State Treasurer** in the amount of **\$20.00** for each submitted form. Requests should be accompanied by **two, self-addressed stamped envelopes** – one bearing the name and address of the requesting agency/organization and the other bearing the name and address of the applicant.

The Kentucky State Police will charge a \$25.00 fee on each returned check.

RETURN THIS FORM TO:
Kentucky State Police
Criminal Identifications and Records Branch
Criminal Records Dissemination Section
1266 Louisville Road
Frankfort, KY 40601

Visit us online @ <http://kentuckystatepolice.org>

Revised 10/08



Ryan F. Quarles
Commissioner



Office of Agriculture Marketing
Industrial Hemp Program
111 Corporate Drive
Frankfort, KY 40601
Phone: (502) 573-0282

Kentucky Department of Agriculture

Signing Authority for Business Entities (e.g., LLCs, Corporations, etc.)

This form is a required attachment for all applications from a business entity.

If completing this form electronically, navigate the form with the mouse or select the next field using the down arrow key.

Name of Business Entity	
Complete Business Street Address	
KY Secretary of State Organization Number	
Date of Last Annual Report	

At the _____ (Date) meeting of the board of directors of the organization listed above, the entity authorized the below individual

	Printed Name	Title
Signing Authority*		

*must have an annual background check and copy of driver's license on file with KDA prior to signing a *Licensing Agreement*.

to sign all documents submitted on the entity's behalf to KDA. The acknowledges that a change of authorization to sign documents requires written notice to KDA.

I certify that this information is true and correct, and that the authorization was granted at the board meeting that occurred on the date noted above.

Signature
(must be an officer who is listed on Secretary of State website)

Printed Name

Title

Date



KDA Industrial Hemp Research Pilot Program 2018 Fee Schedule

Fee Type	Program Fees*	Fee Due Date
Application Fee	\$100 (nonrefundable; does NOT apply to Participant Fee)	@ time of application
Participant Fee – GROWER	\$400 per growing address NOTE: GPS coordinates for all growing locations (fields and greenhouses/indoor growing sites) and storage locations are submitted on the application. Changes to growing locations will incur a Site Modification Surcharge (see below).	@ signing of <i>Licensing Agreement</i> at Orientation
Participant Fee – PROCESSOR / HANDLER (Due annually)	<p>Fees per Processing Type</p> <ul style="list-style-type: none"> • Handlers - \$500 annual fee <ul style="list-style-type: none"> ○ An example of a “handler” includes any private lab or service provider, such as a seed cleaner. • Fiber Processor - \$500 annual fee • Grain Processor - \$500 annual fee • Floral Material Processor - \$3,000 annual fee <p>NOTE 1: License holders working with multiple harvestable components will be required to pay an annual fee for EACH component.</p> <p>NOTE 2: GPS coordinates for all processing, handling, and storage locations must be submitted with the application submission. Changes to processing sites following execution of the <i>Processor Licensing Agreement</i> will incur a Site Modification Surcharge (see below).</p>	@ signing of <i>Licensing Agreement</i> , annually, at Orientation
Site Modification Surcharge (SMS)	\$1,000 / each change or addition of GPS coordinates Defined as any change to the GPS coordinates for processing or growing locations at an existing address on the <i>Licensing Agreement</i> , or for the addition of a GPS coordinate not already on the <i>Licensing Agreement</i>). Storage location changes or additions will not incur the SMS.	@ submission of <i>Site Modification Request</i> form
Secondary Pre-Harvest Sample, Post-Harvest Retest, or Product THC Test Fees	\$250 per instance These tests are only required if warranted by initial test results, or at KDA’s discretion if a grower fails to harvest within 15 days of first sampling.	Within 15 days of invoice by KDA

* Fees may be submitted in the form of a check or money order made payable to Kentucky State Treasurer



Transfer Requirements Summary

The tables contained in this summary sheet explain which industrial hemp materials are restricted to transfer or sale within a hemp research pilot program, as opposed to materials that are eligible for transfer or sale outside of the KDA pilot program. **This is not a complete list of requirements; be sure to reference the complete, current *Transfer Requirements* document on the program website at www.kvagr.com/hemp.**

- **In-Program Materials.** Must remain in the Industrial Hemp Research Pilot Program (i.e., recipients must have a *Licensing Agreement* with KDA, or be legally operating within another 7 U.S.C. § 5940 program).
- **Out-of-Program Materials.** Allowed for transfer or sale to anyone, with or without a License (i.e., the general public, or not a participant in a research pilot program).

Table 1: In-Program Materials	
Harvestable Component	Form of Material
Fiber	whole stalks, including leaf and seed materials
	bales of stalks
Roots	raw
Leaves or Floral Material	fresh, unprocessed
	dried
	ground
Grain (food product)	raw, unprocessed
Seed (for planting)	whole seed, cleaned or uncleaned
Transplants	rooted plants
	cuttings

Table 2: Out-of-Program Materials	
Harvestable Component	Form of Material
Fiber	whole stalk, stripped of leaf and seed materials
	decorticated fiber (bast and/or hurd)
Roots	dried
	ground
Leaves or Floral Material	cannabinoid extract
	All products derived from extracts
Grain (food product)	crushed, ground, etc.
	dehulled
	seed cake / meal
	roasted or toasted AND proven nonviable
	Seed Oil
Out-of-program transfers of these materials are compliant with KDA policy; some federal agency opinions may differ. Transfers are at your own RISK.	

It is the responsibility of the participant to understand and comply with all regulations pertaining to their products and to seek approval(s) from any applicable regulating authorities. KDA is not responsible for ensuring product quality or product compliance with other regulating authorities, such as the federal Food and Drug Administration (FDA), the Drug Enforcement Administration (DEA), or the Kentucky Food Safety Branch. **The Licenses issued by KDA do NOT offer any legal protections from these governing bodies and do not provide waivers from their regulations.**

Instructions for Creating Maps for Submission with the Application

The following instructions outline required site map contents and basic instructions for obtaining a map. If you need more information after reading these complete instructions, contact Hemp@ky.gov.

You are required to provide to KDA a photographic aerial map of all handling, processing, and storage locations. This requirement applies to all applicants and License Holders, and will assist with KDA's required reporting to law enforcement.

Each map should be **in color** and contain the following:

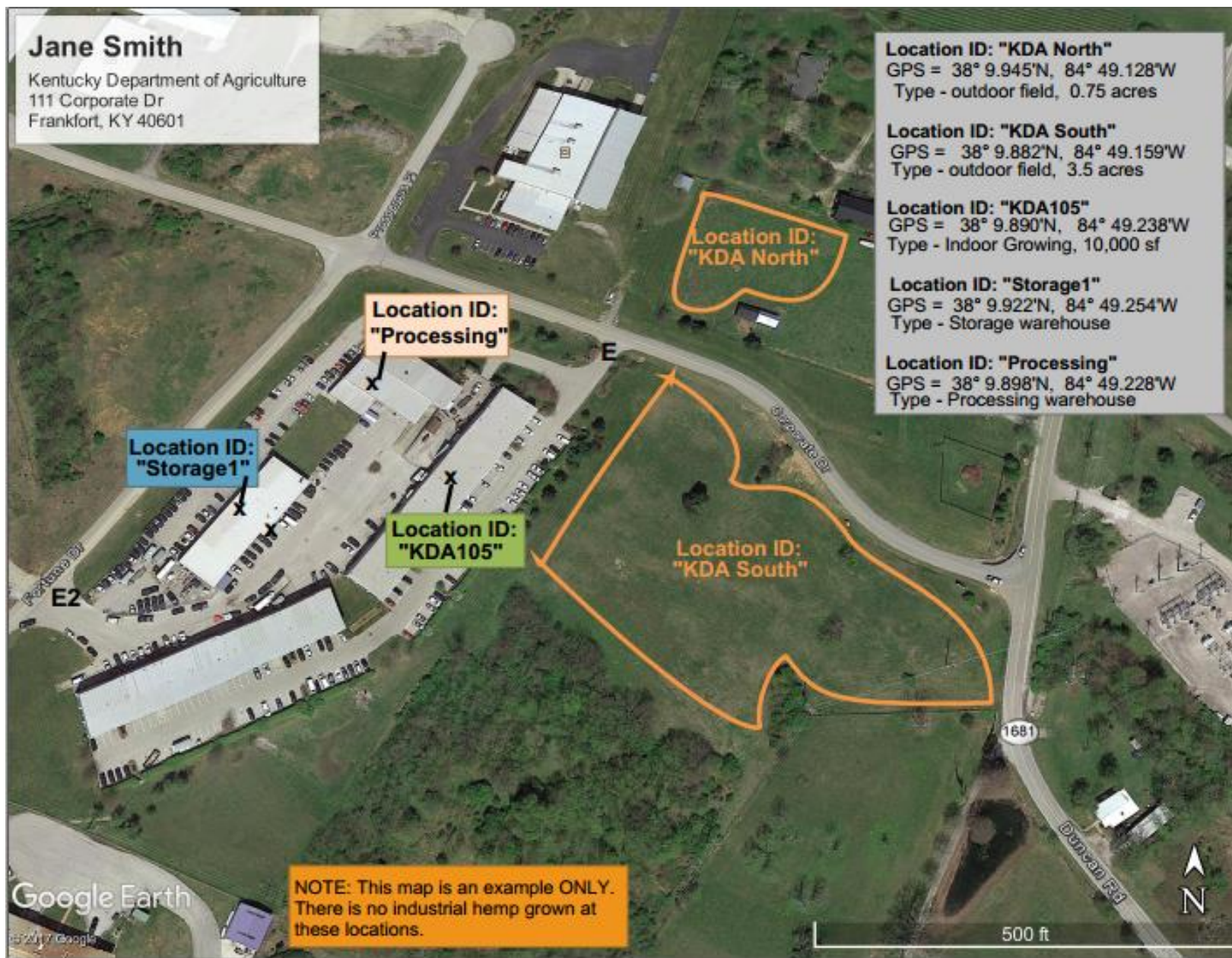
- Contain only one address per map.
 - The applicant's full name printed on the page.
 - If applicable, the full name of the business entity.
 - The map location's street address, city, state and zip code printed on the page.
 - "E" marking the primary site entrance on the map.
 - "E2" marking any secondary farm/site entrances.
 - A nearby roadway showing the road name.
 - Be zoomed out to show the site location and a connection to a public roadway.
 - Processing buildings, storage buildings, or handling facilities and the location ID/name of each structure.
- NOTE: The handling, processing, and storage location IDs used MUST be consistent on all report forms used in the 2018 program.**
- GPS coordinates for each building. GPS coordinates should be provided in DEGREES DECIMAL MINUTES (dd° mm.mmm' ; example: *lat: 38° 9.919'N, long: 84° 49.267'W*) with a pinpoint showing exactly where the GPS coordinate was taken.
 - Use Google Earth or another web based mapping program, or obtain GPS coordinates off your smartphone. If you are unable to get the required coordinates in this way, please visit www.geoplaner.com.

KDA prefers maps created with Google Earth. You can download Google Earth Pro for free by visiting <https://www.google.com/earth/download/gep/agree.html>. If asked for a registration key, enter "GEPFREE".

Google Maps, MapQuest maps or another similar program; Property Valuation Administration (PVA) maps; or Soil Conservation maps with legible handwritten information will suffice. Farm Service Agency (FSA) maps are generally not sufficient as they typically are not in color and do not identify the roadway. To obtain a map online:

- You can go to Google Maps online at <http://maps.google.com/>. When you have the address on your screen, you can click the button in the lower left corner that says "Earth" or "satellite" for an aerial view of the location.
- On Map Quest at <http://www.mapquest.com/>, locate the address your screen, then click in the upper right corner on "Satellite" for an aerial view of the location.

On both websites, you can zoom in or out to obtain the necessary view of the property. Print out the map when you are satisfied with the level of zoom (I.e, should show at least one nearby road, the entrance to the site, and the location of the hemp).





**Kentucky Department of Agriculture
2018 Industrial Hemp Research Pilot Program**

Processor/Handler License Application
Submission Preferred by Nov. 15, 2018
Final Deadline: June 1, 2018, 4:30 PM EDT

Anyone processing or handling industrial hemp materials in the Commonwealth of Kentucky must successfully complete the full application process with the Kentucky Department of Agriculture (KDA) and sign a *Processor/Handler Licensing Agreement* before taking possession of any viable hemp seeds or in-program harvested hemp materials. Processors, handlers, or service providers must complete this *Processor/Handler License Application*; growers must submit the *Grower License Application*.

<u>OFFICIAL USE ONLY.</u>	
Post Mark or Walk-in Date:	
Check Number:	
Date Rcvd Bkgrd Chk:	

Directions: Complete all parts of the following application and submit this application, the \$100 nonrefundable application fee, and all required attachments to: Kentucky Department of Agriculture, Industrial Hemp Research Pilot Program, 111 Corporate Drive, Frankfort, KY 40601. Email submissions will not be accepted. Be sure to keep a copy of the full application for your records.

KDA is not responsible for missing information due to formatting or printing errors on the user end. All information submitted must be accurate, legible, and complete. Incomplete answers may result in the application's removal from consideration; KDA is not required to request additional information for clarity of the application. If any information herein is later determined by KDA to be inaccurate, the *Processor Licensing Agreement* may be withheld or terminated.

If completing this form electronically, navigate the form with the mouse or select the next field using the down arrow key.

I. Applicant Information	
1) Are you applying as a business or an individual?	
Check or Circle one: <input type="checkbox"/> Business Entity (Complete Part A in this table; skip Part B)	
<input type="checkbox"/> Individual (Skip Part A; Complete Part B in this table, next page)	
A. If applying as a business, complete Section A, questions A1 – A11.	
NOTE: For business application, the business MUST be an established legal entity, and a <i>Signing Authority for Business Entities</i> form must be attached to this application.	
A1. Name of Business:	
A2. Is this business registered with the Kentucky Secretary of State?	
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable	
A3. Business type (example: LLC, C-Corp., Partnership, etc.):	
A4. Mailing address of Business:	
A5. Principal Physical address of Business in Kentucky:	
A6. Name of Applicant (Individual with Signing Authority):	
<i>List name as it appears on the background check.</i>	
A7. Title of Applicant:	
A8. Primary Residential Address of Applicant:	
A9. Email for Applicant:	
A10. Cell Phone:	A11. Business Phone, if different:



B. If applying as an Individual, complete Section B, questions B1 – B6.	
B1. Name of Individual Applicant:	
B2. Mailing address of Applicant:	
B3. Primary Residence of Applicant:	
B4. Email for Applicant: Note: Email is the primary method of communication for this program.	
B5. Cell Phone:	B6. Home Phone, if different:

2) You may authorize ONE secondary contact person, other than the applicant, to send and receive information related to your proposed project. They will be able to send in reports and may receive all communications related to your project. They will not have the authority to add or remove registered sites, or terminate a license. If you would like to add a secondary contact person, complete the table below.

Name	Address	Email	Phone

3) Provide a list of all individuals (other than yourself), who will be primarily responsible for the processing or handling of the applicant’s hemp, including contractors. List each person’s name, city, state, phone number, and responsibilities associated with this project. Attach additional sheet(s) if necessary.

Name	City	State	Phone Number	Specific Responsibilities related to the proposed industrial hemp project

4) Are you a current KDA employee or do you have any family working as a current KDA employee?

Yes No

"Family" means spouse and children, as well as a person who is related to a public servant as any of the following, whether by blood or adoption: parent, brother, sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister. KRS 11A.010(4)

5) If you answered “Yes” to question 4, complete the following table. If “No”, skip to Question 6.

Name of current KDA Employee who is a family member	Relationship	KDA Office, if known



6) Are you applying for a single year or multi-year Licensing Agreement?

- Single Year (expires March 31, 2019; participants must reapply to the program during the 2019 application period)
- Multi-Year (expires March 31, 2021)

II. Research Plan

7) Were you previously a participant in the KDA Industrial Hemp Research Pilot Program as a processor and/or grower?

- Yes No If “No”, skip to Question 9.

8) If you answered “Yes” to Question 7, answer parts a) and b) below.

a) Check or circle all years for which you were a program participant:

- 2014 2015 2016 2017

b) Check or circle all years in which you actually processed, handled, and/or marketed hemp.

- 2014 2015 2016 2017

9) Indicate the scope and focus of your 2018 project (check or circle all that apply).

- Grain** (\$500 annual Participant Fee)
- Fiber** (\$500 annual Participant Fee)
- Floral Material**, including CBD, other phytocannabinoids, terpenoids, or any other extracts (\$3,000 annual Participant Fee)
- Handler**. Indicate type below. (\$500 annual Participant Fee)
 - Analytical Lab
 - Seed Cleaner
 - Other Service Provider (indicate type): _____

10) Explain in detail the industrial hemp research you plan to conduct on behalf of the Kentucky Department of Agriculture. Before answering this question, be sure you have reviewed the *KDA Draft Regulations 302 KAR 50:020 through 50:070* and the *Transfer Requirements*. Provide the details of your overall plan, including, what you intend to accomplish in 2018 and how you will achieve it. Attach additional sheet(s) if necessary.



11) Do you plan to provide seed or planting stock for any hemp growers? Yes No If “Yes”, explain your seed/propagule acquisition plan by indicating the source of seed or planting stock you intend to provide by completing the table below. Attach additional pages as necessary.

NOTE: Processors are not authorized to physically possess any type of live plants.

	Seed/Planting Stock Source (Name)	City, State	Country	Type of Material (seeds or transplants)
1)				
2)				
3)				

12) List the raw hemp materials you plan to acquire for processing or handling. If processing, include the intended products resulting from your processing research of industrial hemp. *What types of hemp materials are you handling or processing? What types of products and byproducts are you producing and what are their intended use?*

	List Raw Hemp Material	List products and/or byproducts, and intended use
1)		
2)		
3)		
4)		
5)		

13) Explain your material acquisition plan. Explain your plans to source industrial hemp materials for your processing or handling research. If known, list the names of the farmers growing the hemp. Please note that you are required to provide your intended growers a Letter of Intent on your letterhead as a part of their *Grower License Application*; failure to provide this letter to your intended growers will negatively affect both your application and theirs.



14) If processing grain or floral material, do you intend to produce food grade products? Yes No
If yes, attach the appropriate food safety certificate/permit or describe below your plans to obtain the proper certification.

NOTE: If your final products are any type of consumable, food, tincture, cosmetic, soap, lotion, etc., are intended for human consumption, or intended for medical research, etc., you ARE required to obtain an appropriate food safety permit. All CBD extractors must have a food safety permit.

15) Do you intend to use existing infrastructure to handle or process industrial hemp?

Yes **If “yes”, describe your existing infrastructure (buildings and equipment).**

No **If “no”, explain your plans to develop the infrastructure (buildings and equipment) necessary to handle industrial hemp for your proposed research. List specific equipment to be used. Be sure to indicate if you will be working with one or more consulting groups and the names of those companies or individuals.**

16) Provide a timeline for critical steps supporting your 2018 research activity. Explain when you will acquire equipment; when equipment will be in place, when you will receive materials; and when you expect to generate and sell product.

17) Describe the intended marketing plan. How are you going to market it, and to whom?

18) Read each statement below and check the box next to the statement to indicate your understanding.

- Processor/Handler License Holders are annually assessed a Participation Fee per component. Refer to the Fee Schedule for specific pricing.
- All locations where industrial hemp will be processed, handled, or stored must be approved and included in your *Processor/Handler Licensing Agreement* with KDA prior to the processing, handling, or storage of any industrial hemp at that location.
- You are required to provide precise GPS coordinates in DEGREES DECIMAL MINUTES for each processing, handling, and storage building at each address.
Example: lat: 38° 9.919'N, long: 84° 49.267'W
- Any additions or changes to the GPS coordinates listed for processing or handling locations after signing a *Processor/Handler Licensing Agreement* will require the participant to pay a \$1,000 Site Modification Surcharge (SMS) fee per addition or change to each GPS coordinate.
NOTE: This SMS is NOT per address like the participation fee; It is assessed per GPS coordinate whether it is on an already approved address or a new address.
- You are required to provide a map of each address with the application. (For complete instructions, see page x-xi, *Instructions for Creating Maps for Submission with the Application*, in the application packet.)
- The following Land Use Restrictions apply to all approved *Processor/Handler Licensing Agreements*. By checking the box next to each statement, you are agreeing to NOT propose any sites that would be in contradiction to the restrictions:
 - I will not process or store industrial hemp leaf or floral material in or adjacent to any structure that is used for residential purposes.
 - I will not process, handle or store industrial hemp on any property which is not owned or completely controlled by the applicant.
 - I will not process, handle, or store industrial hemp on property owned by or leased from any person who is ineligible or was terminated, or denied admission to the program.



19) Provide a list of all locations you wish to register by completing the tables below in parts a) Processing/Handling Locations, and b) Storage Locations. Attach additional page(s) as necessary.

a) Processing/Handling Locations.

- i. Enter information for requested processing/handling locations in the tables below:
- ii. Attach maps of each address, including all required map information outlined in the Instructions for Creating Maps for Submission (found in the application instruction materials).

Location 1	Processing /Handling Address 1		City	State	Zip	County	Own or Rent
					KY		
	Location ID*	Type of Structure ⁺	GPS: Latitude <i>Ex: 38° 9.919'N</i>	GPS: Longitude <i>Ex: 84° 49.267'W</i>	Purpose		
Building 1							
Building 2							
Building 3							
Building 4							

Location 2	Processing/ Handling Address 2		City	State	Zip	County	Own or Rent
					KY		
	Location ID*	Type of Structure ⁺	GPS: Latitude <i>Ex: 38° 9.919'N</i>	GPS: Longitude <i>Ex: 84° 49.267'W</i>	Purpose		
Building 1							
Building 2							
Building 3							
Building 4							

⁺Type of Structure may be a warehouse, store front, barn, etc.

* Location ID: A unique identifier or common name for each building, as designated by the applicant. The Location ID will be listed in the Processor/Handler Licensing Agreement and used to identify the building.



b) Storage Locations.

i. Enter information for requested handling/storage locations in the tables below:

NOTE 1: Storage addresses must be listed in the below table even if listed in tables for part (a) above, in order to provide GPS coordinates for the buildings.

ii. Attach maps of each address, including all required map information outlined in the *Instructions for Creating Maps for Submission* (found in the application instruction materials).

Storage Location 1	Storage Address 1		City	State	Zip	County	Own or Rent
				KY			
	Location ID*	Type of Structure	GPS: Latitude <i>Ex: 38° 9.919'N</i>	GPS: Longitude <i>Ex: 84° 49.267'W</i>	Purpose		
Building 1							
Building 2							
Building 3							
Building 4							

Storage Location 2	Storage Address 2		City	State	Zip	County	Own or Rent
				KY			
	Location ID*	Type of Structure	GPS: Latitude <i>Ex: 38° 9.919'N</i>	GPS: Longitude <i>Ex: 84° 49.267'W</i>	Purpose		
Building 1							
Building 2							
Building 3							
Building 4							

+ Type of Structure may be a warehouse, store front, barn, etc.

* Location ID: A unique identifier or common name for each building, as designated by the applicant. The Location ID will be listed in the Processor/Handler Licensing Agreement and used to identify the building.



20) **If any of your processing, handling, or storage locations are leased, please indicate whether you have authorization from the owner allowing industrial hemp research to be conducted on the property.** KDA reserves the right to request a notarized letter of support from the property owner. Yes No Not Applicable **If Yes, complete the table below for leased locations:**

Leased Location Address	Name of Owner/Landlord	Phone Number of Owner/Landlord

21) **Have you ever been convicted of a felony or a drug-related misdemeanor or violation within the last ten (10) years?** Yes No **If “Yes”, in the table below provide dates and details about the conviction(s) that have occurred.**

NOTE: It is recommended that applicants submit a KSP background check request at least two weeks prior to the application deadline. If requesting a background check by mail, it will take 2 weeks. Background check instructions and the proper forms can be found in the application instructions.

Dates and Details of Convictions:

III. Acknowledgments

Read each of the acknowledgment statements below and check “Yes” or “No” to indicate your understanding and acceptance of each statement.

22) **I acknowledge that my application, the \$100 nonrefundable application fee, and all attachments are preferred received by November 15, 2017. The final deadline for all *Processor/Handler License Applications* is no later than June 1, 2018, at 4:30 PM EDT. Email submissions will not be accepted because payments for the application fee must be attached to the application. KDA is not responsible for missing information due to formatting or printing errors on the user end. KDA is not responsible for applications lost in the mail or not received.**

Yes No



23) I acknowledge that KDA is not obligated to ask follow-up questions during the application review process. The written responses on this application and attachments should be the sole source of information under consideration for potential participation in the Kentucky Industrial Hemp Research Pilot Program.

Yes No

24) I acknowledge that this is a selective process and not every application will be approved for participation.

Yes No

25) I acknowledge that the deadline to submit an appeal to the KDA in the event of a denial is 20 days following notification of application denial. Furthermore, the decisions made by the KDA Administrative Panel are final. The panel will not accept or consider information or documents that were not timely submitted to KDA (i.e., that were not submitted on or before the applicable deadline).

Yes No

26) I acknowledge that, if I am approved to participate in the Program, I will be required to attend the mandatory Program Orientation in person in February 2018; substitutes are not allowed.

Yes No

27) I acknowledge that the following fees will apply, in addition to the \$100 nonrefundable application fee, if my application is approved:

- Participation Fee for *each component* being processed =
 - Handlers - \$500 annual fee
 - Fiber Processor - \$500 annual fee
 - Grain Processor - \$500 annual fee
 - Floral Material Processor - \$3,000 annual fee
- Product THC Test Fee = \$250 per instance, due within 15-days of invoice by KDA if a product is selected for THC testing.
- Site Modification Surcharge = \$1,000 for each new processing site, due with submission of any *Site Modification Request*. A new processing site is defined as any GPS location not listed in the *Processor/Handler Licensing Agreement* (i.e., any change to or addition of GPS coordinates at an address on the *Licensing Agreement*, or for the addition of a GPS coordinate not already on the *Licensing Agreement*). The Site Modification Surcharge does not apply to storage-only sites, but notification and approval is still required.
- Failure to pay the required fees, submit required notifications to KDA Hemp Staff, or obtain any necessary written approval in advance may result in appropriate action, including expulsion from the program and the destruction of hemp materials.

Yes No

28) I affirm that, if approved for participation, I am prepared to conduct a research project and will abide by all other requirements of the Kentucky Department of Agriculture Industrial Hemp Research Pilot Program, including timely submission of reporting forms and required attachments. Forms for processors and handlers include those listed below.

- *Seed/Propagule Request* form – due only if purchasing seed or propagules from outside of Kentucky
- *Production Report* form – due by December 1, 2018
- Other forms as deemed necessary by KDA for program administration.

Yes No

29) I acknowledge that, upon request from KDA Staff, Kentucky State Police, or other state or law enforcement officers, participants must immediately produce a copy of their *Processor/Handler Licensing Agreement* and *Processor/Handler License* for inspection.

Yes No

30) I agree that, if approved for participation, KDA Staff, Kentucky State Police, and other federal, state and local law enforcement agencies and drug suppression units may enter into any premises where industrial hemp or other cannabis plants or materials are located, or licensed to be located, with or without cause, with or without advance notice.

Yes No

31) I acknowledge that all physical addresses and GPS coordinates of each building to be used to handle, store, or process industrial hemp must be submitted with this application. This application constitutes written consent by the applicant to allow KDA personnel access to any research pilot location as deemed necessary by KDA for evaluation, verification of compliance, and progress of industrial hemp research.

Yes No

32) I acknowledge that my name and all processing and storage locations will be conveyed to the Kentucky State Police (KSP), the federal Drug Enforcement Administration (DEA), and other law enforcement agencies. In addition, my name and county will be released to the public.

Yes No

33) I acknowledge that I or an authorized representative of the operation who is knowledgeable about the hemp research project shall be available on location by appointment for on-site visits by KDA for the purpose of inspection or sampling.

Yes No

34) I affirm that, if I am granted a Processor/Handler License, I shall not allow other persons to process under my license in lieu of their own application to the Kentucky Industrial Hemp Research Pilot Program.

Yes No

- 35) I accept the inherent risk associated with participation in a research program focusing on a new crop. I acknowledge that both personal and financial loss may be possible, and agree that KDA is not responsible for reimbursing or compensating any participant for any loss resulting from involvement with the Industrial Hemp Research Pilot Program.**
 Yes No
- 36) I acknowledge that all hemp materials and products must be not more than 0.3% THC. It is the applicants responsibility to test products, ensure compliance, and keep THC testing results for three (3) years.**
 Yes No
- 37) I acknowledge that grower participants are required to reapply on an annual basis, and all participants – both growers and processors – must annually complete a program orientation and pay all required annual program fees. Past participation does not guarantee or imply automatic approval for future participation.**
 Yes No
- 38) I recognize that outside of the KDA’s Industrial Hemp Research Pilot Program or another 7 U.S.C. § 5940 program, industrial hemp is listed under 21 U.S.C. § 801 *et seq.* as a Schedule 1 Controlled Substance. As such, it is illegal to possess in-program industrial hemp materials in Kentucky outside the auspices of KDA’s pilot program. If selected for participation in the program and my license is terminated or expires, I will not be allowed to possess industrial hemp in any form listed in the “in-program” *Transfer Requirements* table. Unless current federal law changes, I will be required to divest possession of all such industrial hemp materials to an approved program participant, or destroy all in-program industrial hemp materials by the expiration or termination of my license.**
 Yes No

Attachments

Check all attachments below that you are attaching to this application. In addition to those listed, attachments may include extended answers to any question in the application, a letter of intent from a processor/buyer, a business plan, or other supporting documents. If the attachment is supplementary information to a question in this form, be sure to 1) include the question number on the document; and 2) start each new question attachment on a new page.

- REQUIRED: Application Fee: Check or Money Order for \$100 made payable to Kentucky State Treasurer.
- REQUIRED: Copy of Driver’s License for the applicant.
- REQUIRED: Background Check from KSP for the applicant.
If not attached, your background check must be received by KDA before 4:30 PM ET, 15 business days following the receipt of your application.
Indicate date requested: _____
- REQUIRED: Processing, handling, and storage location maps (including name, site address, location IDs, and GPS coordinates).



- REQUIRED: Food Safety Permit, if applicable.
- REQUIRED: FDA Registration, if applicable.
- REQUIRED (ONLY for Business Entities): *Signing Authority for Business Entities.*
- Other Attachment (describe): _____
- Other Attachment (describe): _____
- Other Attachment (describe): _____

I hereby verify and affirm that all of the information contained in this application is true and accurate. I understand that if KDA later determines any of this information to be inaccurate, the *Processor/Handler Licensing Agreement* may be withheld or terminated.

Signature of Applicant

Date

Printed name

Title, if applicable

**Deadline: Applications are preferred by November 15, 2017.
Applications must be postmarked no later than June 1, 2018,
or hand delivered no later than 4:30 PM EDT on June 1, 2018.**

**Email submissions will not be accepted because
payment for the application fee must be attached to the application.**

**KDA is not responsible for missing information due to formatting or printing errors on the user end.
KDA is not responsible for applications lost in the mail or not received.
KDA is not required to request additional information for clarity of the application.**

**Mail completed application, the nonrefundable application fee, and all attachments to:
Kentucky Department of Agriculture
Industrial Hemp Program
111 Corporate Drive, Frankfort, KY 40601**

For more information on the KDA Industrial Hemp Research Pilot Program,
please visit www.kyagr.com/hemp

