



Kentucky Department of Agriculture

Industrial Hemp Research Pilot Program 2017 Transfer Requirements

Effective Date: January 1, 2017

Transfer of Hemp Materials

The growth, production and marketing of industrial hemp is authorized under 7 U.S.C. § 5940 (also known as Section 7606 of the 2014 Farm Bill), and administered in Kentucky by the Kentucky Department of Agriculture (KDA). The tables contained in these instructions explain which industrial hemp materials that 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.

- **In-Program Materials.** Must remain in the Industrial Hemp Research Pilot Program (i.e., intended recipients must either have a Memorandum of Understanding [MOU] with KDA or be participating in another 7 U.S.C. § 5940 program).
- **Out-of-Program Materials.** Allowed for transfer or sale to anyone, with or without an MOU (i.e., not a participant in a research pilot program, or the general public).

In-Program Transfers

Industrial hemp materials identified in Table 1, right, must remain in the Industrial Hemp Research Pilot Program (i.e., recipients must either have a Memorandum of Understanding [MOU] with KDA or be participating in another 7 U.S.C. § 5940 program). Outside of the pilot program, these materials are classified under 21 U.S.C. § 801 *et seq.* as a Schedule I Controlled Substance. Please note that participants are responsible for collecting product, sales, marketing, and revenue data for reporting on the end-of-year *Production Report* to be submitted to KDA.

Additionally, it is the participant’s responsibility to ensure that the transfer or sale of any

industrial hemp material to another 7 U.S.C. § 5940 program participant complies with all applicable laws and policies in the receiving state or program. KDA has no authority to authorize or regulate industrial hemp materials that are located outside of the Commonwealth of Kentucky.

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 replication)	whole seed, cleaned or uncleaned
Transplants	rooted plants
	cuttings



For all in-program material transfers, program participants must be prepared to produce a copy of the MOU(s) upon request by KDA Hemp Staff, the Kentucky State Police, or another law enforcement agency. The participant must ensure that a copy of the MOU accompanies the material in transit, and that the transporter possesses a document showing the address of origin and the destination address for the hemp materials being transported. If necessary, the transporter should also be prepared to produce a copy of the recipient’s MOU to document the destination address. All hemp materials must be appropriately identified or labeled during transit.

Out-of-Program Transfers

Industrial hemp materials identified in Table 2, right, are eligible for transfer or sale outside of KDA’s Industrial Hemp Research Pilot Program. Please note that the participants are responsible for collecting product, sales, marketing and revenue data for reporting on the end-of-year *Production Report* to be submitted to KDA.

If the product is an extract of floral material, the participant is required to conduct third-party testing of THC content of each final product batch produced. Test results must confirm that the final product batch contains no more than 0.3% delta-9 THC; and all such testing results must be retained by the participant and made available to KDA upon demand for a minimum of three (3) years. Any material

having more than 0.3% THC is not lawful or protected by the KDA Industrial Hemp Research Pilot Program. Possession or distribution of such products may be subject to federal, state or local law enforcement action.

If the product contains whole grains (seeds), the participant is required to conduct a third-party seed germination test on each final product batch produced. Test results must confirm that the roasting or toasting method renders results of a zero percent (0%) germination level; and all such testing results must be retained by the participant and made available to KDA upon demand for a minimum of three (3) years. Any material having a greater than zero percent germination level is not lawful or protected by the KDA Industrial Hemp Research Pilot Program. Possession or distribution of such products may be subject to federal, state and local law enforcement action.

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 Food and Drug

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
	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.	



Administration and the Kentucky Food Safety Branch. **The MOU you have with KDA does NOT offer any legal protections from these governing bodies and does not provide waivers from their regulations.**

Additionally, it is the participant's responsibility to ensure that the transfer or sale of any industrial hemp material complies with all applicable state and federal laws. KDA has no authority to authorize or regulate industrial hemp materials once they exit the Industrial Hemp Research Pilot Program. All hemp materials must be appropriately identified or labeled during transit.

Laboratory Testing Transfers

Participants with intended transfers of industrial hemp materials to testing labs for the sole purpose of determining phytocannabinoid levels of a sample are restricted to individual samples that must not exceed 1 lb (0.45 kg) per sample. Samples must be sent directly to the lab at the company address and be appropriately labeled.

For all lab transfers, program participants must be prepared to produce a copy of the MOU(s) upon request by KDA Hemp Staff, the Kentucky State Police, or another law enforcement agency. The participant must ensure that a copy of the MOU accompanies the material in transit, showing the address of origin and the destination address for the hemp materials being transported. If necessary, the participant should also include a copy of the recipient's MOU to document the destination address.

Prohibited Activities and Products

The activities listed below are prohibited from the KDA Industrial Hemp Research Pilot Program. A 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 MOU and forfeiture or destruction of all industrial hemp materials in the participant's possession.

- Possessing or growing live hemp plants in a residential area (indoors or outdoors).
- Transporting live hemp plants and in-program materials to unapproved locations such as trade shows, county fairs, educational events, or any other address not listed on an MOU or within another 7 U.S.C. § 5940 program.
- Violating the restrictions outlined in this document or the *2017 Policy Guide*.
- Creating products for sale outside of the program which would cause noncompliance with KDA policy or this *Transfer Requirements* document, 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 prohibited by KDA, in contradiction of KDA policy, or determined to be against federal or state law.

Other activities or products not specifically allowed may be deemed prohibited by KDA. Upon request, KDA shall review and make a determination on any activity or product not specifically listed in this *Transfer Requirements* document.

Failure to Comply with the Terms and Conditions of these Transfer Requirements

If you are unclear about how your industrial hemp is classified in its current state, please contact KDA at Hemp@ky.gov. Any participant who fails to comply with the terms and conditions of KDA's research pilot program may be subject to expulsion or other disciplinary measures. Such determinations will be made by the KDA Industrial Hemp Research Pilot Program Appeals Panel, and confirmed by the Commissioner or his designee. Such determinations are final and not subject to appeal or judicial review. KDA may notify Kentucky State Police or other law enforcement agencies of a participant's noncompliance.