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May 5, 2023

<u>Via Email</u> Mr. Jason Begley Jason@rootaffects.com

Re: Texas Hemp Production

To Whom It May Concern:

This firm represents Jstar labs LLC ("Jstar" or the "Company") for certain commercial services in the lawful hemp industry. It is our understanding that the Company intends to produce various *Cannabis sativa L*. tissue cultures and to research and sell those cultures.

The Agriculture Improvement Act of 2018 established a program under which participating states could establish lawful hemp production programs. On June 10, 2019, Texas Governor Greg Abbott signed HB 1325 into law, electing participation in the domestic hemp program. In Texas, "hemp" is defined as

the plant Cannabis sativa L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

Tex. Agric. Code § 121.001. After adoption of the <u>regulations</u> governing our hemp production program by the Texas Department of Agriculture ("TDA"), TDA began issuing licenses for hemp production on March 16, 2020.

To grow hemp in the state of Texas, Jstar must hold a valid Hemp Producer License issued by TDA and it must adhere to the regulatory requirements for the program, a copy of which are linked above. For each strain cultured, Jstar must also apply for a lot crop permit from TDA. If the Company intends to submit any varietal for approval from TDA, it must submit the <u>TDA Approved</u> <u>Hemp Variety Form</u> to the Department for potential approval. If the Company intends to import its original hemp plants, those plants must be accompanied by a valid transport manifest or documentation from the state of origination and a phytosanitary certificate. *See* 4 Tex. Ag. Code § 24.41; *Id.* at §19. For your reference, we have also attached TDA's Frequently Asked Questions publication for the State's hemp program.

Should you have any further questions, please do not hesitate to contact our office.

Thank you, Chelsie Spencer

Chelsie N. Spencer



# TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

# **TEXAS HEMP PROGRAM FAQ**

The Texas Department of Agriculture (TDA) provides the comments below to explain the process of becoming a licensed hemp producer in Texas, and to help explain the state hemp program rules. These FAQs are, and will be, subject to state and federal statutes and rules, and the final state rules control the hemp program in Texas.

# APPLYING FOR A HEMP LICENSE/PERMIT

A "license" grants an applicant the authority to produce and handle hemp in Texas. At the time of the initial license application, applicants must register at least one "facility" where hemp will be produced or handled. A "lot permit" authorizes a license holder to plant one hemp crop of a single, approved variety on one area in Texas. There are separate fees for a license, facility registration and lot permit. A license holder may plant more than one lot of hemp per facility, and there may be more than one facility per license. There must be a separate facility registration for each facility and a separate lot permit for each hemp lot planted within a facility. Once a lot is harvested, a new permit will need to be obtained in order to plant a new lot of hemp.

For example, if a hemp producer has a license, has one facility registered under that license, and decides to plant hemp in two different locations within the facility at the same time during the year, then the producer needs to acquire two lot permits. The producer then plants both hemp lots, and harvests both lots. After harvesting, the producer now decides to plant another three lots of hemp in the same facility so they must acquire another three lot permits.

# I. WHAT IS A "FACILITY"?

A "facility" is a location under the legal control of the applicant, that is uninterrupted by public roads or someone else's
property. There may be multiple facilities per license. To be clear, if you need to get out on a public road, or cross someone
else's property, to travel between locations where you will produce or handle hemp, then you will need to register each
location as a facility.

#### 2. WHAT IS A "LOT"?

• A "lot" is a contiguous area within a facility containing the same variety of hemp throughout the area. Any area within a facility where hemp will be produced that is separated by a public right of way, a navigable waterway, or an area greater than sixty feet will be considered different lots and each lot must have a lot permit. Any area within a facility growing different varieties of hemp will be considered different lots and each lot must have a lot permit.

# 3. WHERE CAN I GET A LICENSE TO GROW HEMP?

- Anyone interested in producing hemp in the state of Texas must have a Hemp Producer License from the Texas Department of Agriculture.
- The Hemp Producer License is only available from the Texas Department of Agriculture.

# 4. HOW CAN I APPLY FOR A LICENSE TO GROW HEMP?

- An application must be submitted online to TDA: <u>https://licensing.texasagriculture.gov/.</u>
- Applicants who may need assistance are encouraged to contact their TDA regional office

## 5. WHEN CAN I APPLY FOR A LICENSE TO GROW HEMP?

• TDA began accepting online applications on March 16, 2020.

#### 6. IS THERE A WAITLIST TO GET A HEMP LICENSE?

• No. There is no waitlist. Applications are open to the public.

# 7. WILL THERE BE A LIMITED NUMBER OF LICENSES AVAILABLE?

• No. There is no limit to the number of licenses available.



# 8. WHAT WILL BE INCLUDED IN THE APPLICATION?

- Applicants must provide the following information to complete an application:
  - (1) Full name, Texas address, telephone number, and email address; and

(2) If an applicant is submitting an application on behalf of an entity, the full name of the entity, the principal Texas business location address, the full names, titles, addresses, and emails of key participants, the full name, title, and email of the applicant who will have signing authority, and the Texas taxpayer ID number; and

- (3) For a Hemp Producer License or Hemp Handler License:
  - a. Street address and GPS locations for each facility where hemp will be produced or handled; and
  - b. Proof of ownership or control over the location where will be produced or handled; and
- (4) All other information required by TDA.

# 9. WHO WILL APPROVE HEMP LICENSE APPLICATIONS?

- As with all TDA regulatory licenses, licenses will be reviewed by TDA Licensing Division staff.
- Hemp license applicants must undergo criminal background checks prior to approval.

#### 10. HOW LONG WILL IT TAKE TO PROCESS APPLICATIONS FOR A LICENSE?

- Licenses will be processed in the order received.
- Once a license has been approved you will need to apply for your lot permit(s).
- You may not plant until your lot permit(s) have been approved.
- TDA has 60 days to review and issue a license.

# **11. WILL MY LICENSE BE GOOD FOR THE ENTIRE YEAR?**

- Yes, your license is an annual license and will be good for the entire year.
- According to state statute, a license will terminate after one year, on the last day of the month it was issued.

# 12. WILL HEMP LICENSES AUTO RENEW?

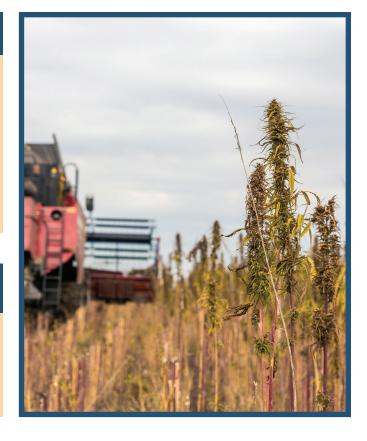
- No. A license must be renewed annually and should be renewed prior to license expiration.
- Renewal applications are subject to the same terms, information collection requirements, and approval criteria as required for initial applications.

#### 13. ARE THERE ANY TRAINING REQUIREMENTS THAT WILL NEED TO BE COMPLETED PRIOR TO SUBMITTING A LICENSE APPLICATION?

- Yes, an online orientation course must be complete prior to a license being issued to an applicant.
- Applicants for a Hemp Sampler License will also have to complete the online orientation course and read the USDA Hemp Sampling Training instructions at: <u>https://www.ams.usda.gov/sites/default/files/media/USDAHempSamplingTraining112719.pdf</u>

## 14. CAN I SUBMIT A PAPER HEMP LICENSE APPLICATION?

- No. An application must be submitted online to TDA.
- Applicants who may need assistance are encouraged to contact their TDA regional office.



## **15. WHAT WOULD PREVENT ME FROM OBTAINING A LICENSE?**

- Incomplete applications will not be approved.
- Individuals with a felony conviction involving a controlled substance in the past ten (10) years may not hold a hemp license or be a governing person of a business that holds a hemp license.
- Application decisions are made without regard to race, color, disability, religion, gender, national origin, age, sexual orientation, veteran's status, genetic information or protected activity.
- The requirements for a license are;

(1) the application is	<b>(2)</b> the application is complete and accurate;	(3) the applicant has	(4) the applicant has paid
submitted online to		completed a TDA	all required fees, in the
TDA, unless disabled		mandatory orientation	amounts established by
access is required;		course;	TDA or statute;
confirms the applicant and all key statement participants covered by the license have applicant l not been convicted of a felony, under state application		oplication contains no false ts or misrepresentations and the thas not previously submitted an on with any false statements or sentations; and	(7) The applicant's hemp license in this state or another jurisdiction has not been terminated or suspended;

# 16. DO I HAVE TO BE A TEXAS RESIDENT TO GET A TEXAS HEMP LICENSE?

• Applicants do not have to be a Texas resident. However, non-residents must have ownership or legal control of the Texas property where the hemp crop will be produced under the license.

## 17. IS THE HEMP LICENSE THE ONLY DOCUMENT I NEED FROM TDA TO PLANT HEMP?

- No, an applicant who receives a license will need to register each facility where they intend to produce hemp.
- Each applicant will need a permit for each lot of hemp planted.
- A "license" gives the applicant the authorization to participate in the Texas hemp industry.
- A "registration" registers the facility and a "lot permit" is necessary for someone having a license to plant a crop of a single, approved variety of hemp in one discrete area, known as a "lot".

# 18. WILL I NEED ADDITIONAL DOCUMENTS/INFORMATION TO APPLY FOR A LOT PERMIT?

Yes. To receive a lot permit an individual must have the following;

(1) License number, GPS locations of the lot where the hemp variety will be planted, the facility where the lot is located, and anticipated dates of cultivation; (2) An application that is missing required information shall be subject to denial;

(a) A change in the GPS locations of a lot where the hemp variety will be planted will be considered by the TDA as a new lot.

#### 19. MAY I CULTIVATE, HANDLE, OR STORE HEMP IN TEXAS IF I HAVE A CRIMINAL RECORD?

- The applicant, or any "key participants", must not have had a felony conviction involving a drug offense in the last ten (10) years.
- A key participant is defined as a sole proprietor, a partner in a general partnership, a general partner in a limited partnership, or a person with executive managerial control in an entity.

#### 20. MAY I HIRE EMPLOYEES WHO HAVE A CRIMINAL HISTORY?

• Yes, so long as they are not a key participant as stated above.

## 21. CAN I GET AN EXPERIMENTAL LICENSE TO GROW HEMP IN TEXAS?

- TDA currently has no plans for experimental grow licenses. However, anyone who holds a valid hemp license may do research as long as they follow all rules established for growing hemp by TDA and USDA.
- Universities or entities will be able to obtain research licenses if they meet the statutory definition of an institution of higher education and submit an appropriate application, including the additional information required for a hemp research license as well as all required fees.
- A hemp research license holder must comply with, and is solely responsible for compliance with, all state and federal laws, rules, and guidelines pertaining to the production and handling of hemp in addition to the laws, rules, and guidelines of any other jurisdiction where such hemp research license holder may produce or handle hemp.

# 22. DO I HAVE TO OBTAIN A HEMP LICENSE IF I JUST PLAN ON GROWING PLANTS IN MY HOUSE?

- Yes. Regardless of location, anyone wishing to grow hemp must have a license, at least one registered facility and at least one lot permit.
- Applicable fees must also be paid.

## 23. WHAT WILL BE THE COST OF A LICENSE?

- Per the state statute, the license is \$100 and the lot permits (participation fees) are \$100 per lot, regardless of size.
- Applicants must also register at least one facility when applying. The cost to register a facility is \$100 for each facility registered.
- The cost to modify the GPS locations of a registered facility is \$500.
- Other fees may be applicable.
- All fees to TDA are nonrefundable.

# 24. DOES MY LICENSE PAY FOR THE TESTING OF MY CROP?

• No.

#### 25. WILL DIFFERENT LOCATIONS OF HEMP PRODUCTION BY THE SAME LICENSEE REQUIRE A DIFFERENT LOT PERMIT?

 Yes, non-contiguous locations (fields/greenhouses) or locations (fields/greenhouses) that are growing separate varieties will be considered different lots and be subject to lot permit fees (participation fees).

# 26. IS THERE A MINIMUM ACREAGE REQUIRED TO OBTAIN A LICENSE?

• There is no minimum acreage. All hemp growers must have a license.



## 27. HOW MANY TOTAL HEMP GROWING LICENSES WILL BE PERMITTED EACH YEAR?

• There is no limit to the number of licenses issued.

#### 28. IF I OWN PROPERTY IN DIFFERENT COUNTIES WHERE I INTEND TO GROW HEMP, WILL I NEED A SEPARATE LICENSE?

- You will not need a separate license.
- Your license will cover your registered entity for multiple counties in Texas.
- Your license will cover multiple facilities.
- You will need to register each property you own or in which you have legal control over, as a separate facility.
- You will need separate permits for each lot you intend to plant in each facility.

# 29. DO I NEED TO CONTACT LOCAL COUNTY AUTHORITIES?

- You must report your hemp crop to your local USDA Farm Service Agency (FSA) county office: <u>https://offices.sc.egov.usda.gov/locator/app?state=tx&agency=fsa</u>.
- TDA, the United States Department of Drug Enforcement Administration (DEA), the Texas Department of Public Safety (DPS), and local law enforcement agencies, along with their representatives and employees, shall be provided with complete and unrestricted access to all hemp plants, whether growing or harvested, and all facilities used for the production and storage of all hemp in all locations where hemp is produced or handled.

# 30. DO I NEED TO REGISTER MY HEMP CROP WITH LOCAL COUNTIES, TOWNS OR CITIES?

• No.

#### 31. CAN A LICENSE OR PERMIT BE TRANSFERRED TO ANOTHER PERSON?

• No.

#### 32. DO I NEED A HANDLER LICENSE IF I HAVE A PRODUCER LICENSE?

• If you have a Producer License and are handling your own hemp crop, you will not need a Handler License. If you handle a hemp crop that is not your own, you will need a Handler License.

#### 33. DO I NEED A PRODUCER LICENSE IF I HAVE A HANDLER LICENSE?

- Handlers are limited to harvesting, possessing, storing, transporting, and disposing of hemp plants. If you have a Handler License but intend to produce hemp, you will also need a Producer License.
- If you have a Producer License, you do not need a Handler License in order to handle your own hemp crop.

## 34. I AM A COMPANY WITH A TDA HEMP LICENSE. WILL MY EMPLOYEES NEED A PRODUCER LICENSE OR HANDLER LICENSE TO PRODUCE OR HANDLE HEMP?

- No. Employees (not independent contractors) of a person with a Producer License do not need to apply for a separate
  Producer License or Handler License in order to produce or handle hemp as long as they are acting within the scope of their
  employment.
- A person with a Producer License does not need a Handler License to handle their own hemp.
- The producer will be responsible for ensuring their employees follow state and federal regulations regarding the lawful production of hemp.

#### 35. I AM AN INDEPENDENT CONTRACTOR OR A PERSON/COMPANY CONTRACTED TO PRODUCE OR HANDLE HEMP. DO I NEED A TDA HEMP LICENSE?

- Yes. Any individual or entity who produces or handles hemp must have the appropriate license(s) from TDA.
- If a producer is handling hemp that is not their own, they must have a Handler License.
- This includes independent contractors or persons contracted by a licensee to produce, harvest, transport, or dispose hemp (growers, custom harvesters, truck drivers transporting hemp, etc.)

# 36. DO I HAVE TO HAVE CONTRACT FOR SEED, OR THE SALE OR PROCESSING OF MY HEMP SECURED BEFORE I CAN GET A PERMIT?

- No, you are not required to have a contract secured before getting a permit to grow hemp.
- TDA highly recommends all producers secure a contract with a hemp crop purchaser before growing a hemp crop.

# **GROWING A HEMP CROP**



# 37. WHEN IS THE BEST TIME TO PLANT MY HEMP CROP?

- Planting timelines depend on soil composition and climate, which varies in the State of Texas. At this time there are no best practices established for planting.
- For further information, please visit: <u>https://agrilifeextension.tamu.edu/browse/hemp/.</u>

# 38. HOW LONG DOES IT TAKE TO GROW A HEMP CROP?

- Growing seasons depend on soil composition and climate, which varies in the State of Texas. At this time there are no best practices established for hemp growing seasons.
- For further information, please visit: <u>https://agrilifeextension.tamu.edu/browse/hemp/.</u>

#### **39. WHERE CAN HEMP BE PRODUCED IN TEXAS?**

• According to Texas Agriculture Code, Section 122.002, enacted by the 86th Texas Legislature, "A municipality, county, or other political subdivision of this state may not enact, adopt, or enforce a rule, ordinance, order, resolution, or other regulation that prohibits the cultivation, handling, transportation, or sale of hemp as authorized by this chapter."

#### 40. CAN I PROCESS MY CROP ON MY OWN LAND?

- Yes. All processing facilities for non-consumable hemp products must be registered with TDA.
- All processing facilities for consumable hemp products are regulated by the <u>Texas Department of State Health Services</u> (DSHS).

## 41. WHAT IS THE PROCESS FOR GROWING ORGANIC HEMP?

- In order to produce organic hemp, producers must comply with all rules and regulations of the Texas Hemp Program <u>https://www.texasagriculture.gov/RegulatoryPrograms/Hemp.aspx</u> and be certified as an organic producer by the TDA Organic Certification Program <u>https://www.texasagriculture.gov/RegulatoryPrograms/Organics.aspx</u> or a USDA accredited agent.
- Please note that organic certification requires compliance with very stringent guidelines which can be found on the TDA website.

# **COSTS OF HEMP PRODUCTION**

#### 42. WHAT ARE THE COSTS ASSOCIATED WITH THE HEMP PROGRAM?

- The license fee is \$100.
- The cost to register a facility is \$100 per facility.
- The lot permit (participation fee) is \$100 per lot.
- If you wish to modify your facility GPS locations during a one-year licensing period, the cost is \$500.
- As with any business operation, farming is a financial risk. You should evaluate your options and research vendors and retailers prior to entering any contracts for products, services, and other matters related to hemp farming, processing and production.



#### 43. IS THERE A FEE FOR TESTING?

• Yes, there will be a fee assessed for testing. The fee is determined by the lab completing the testing and must be paid by the producer.

# HEMP CROP TESTING

#### 44. WHEN SHOULD I SCHEDULE FOR MY HEMP CROP TO BE TESTED WITH TDA?

- TDA will not conduct any hemp sampling. You must contract with a third-party vendor.
- A sample of a hemp crop must be collected for testing before harvest.
- The hemp crop should be harvested within fifteen (15) days from sample collection.
- Failure to harvest within fifteen (15) days from sample collection will trigger a second and final sample collection.
- The hemp crop must be harvested within fifteen (15) days from the second and final sample collection.

#### 45. HOW DO I BECOME A CERTIFIED LAB ELIGIBLE TO TEST HEMP?

- Texas Agriculture Code (§122.151) and TDA rules require that any laboratory that performs tests must be accredited by an independent accreditation body in accordance with International Organization for Standardization ISO/IEC 17025.
- In order to help spur the Texas hemp industry, USDA and TDA have temporarily suspended the requirement that laboratories must be registered with DEA.
- Laboratories must still meet all other requirements established by the U.S. Domestic Hemp Production Program interim final rule (IRF): <u>https://www.ams.usda.gov/rules-regulations/hemp</u>.

# 46. MAY I SHIP MY HEMP SAMPLE TO A DIFFERENT STATE FOR TESTING?

- Yes. The laboratory must have ISO/IEC 17025 accreditation.
- The laboratory chosen must be registered with TDA.
- ATDA-issued transport manifest shall accompany all test samples collected and transported to a laboratory for testing.

# 47. SHOULD I TEST MY CROP FOR TETRAHYDROCANNABINOL (THC) LEVELS DURING THE GROWING PROCESS?

- It is not required by law or rule.
- Official testing will be done on samples taken by a TDA licensed Sampler within fifteen (15) days prior to harvest and will determine if the crop has the appropriate THC level.
- Producers may consider investing in periodic unofficial testing to see how their hemp variety is reacting to the local soil and weather conditions.
- This may also help determine the appropriate harvest time for your crop.
- All samples, both official and unofficial, will require a TDA-issued transport manifest before shipping to the lab for testing.

## 48. HOW DO I BECOME CERTIFIED TO TAKE HEMP SAMPLES FOR THC LEVEL TESTING?

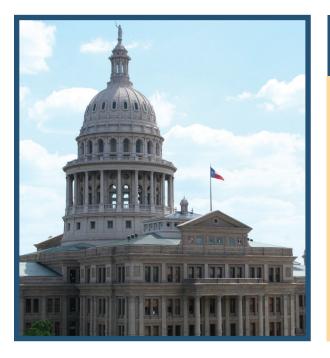
- TDA will take applications to become a licensed hemp sampler.
- Applicants for a Sampler License will have the same requirements for background check as those required to obtain a Producer License;
- Pay the \$100 license fee;
- Watch the orientation video;
- Read the USDA Hemp Sampling Training instructions at: <u>https://www.ams.usda.gov/sites/default/files/media/USDAHempSamplingTraining112719.pdf</u>

#### 49. WHAT IF MY SAMPLES TEST ABOVE THE 0.3% THC LEVEL?

- A second test may be performed by the same laboratory on the original sample, if requested by the licensee within five (5) days of receiving the first test results.
- If the second test is above the 0.3% level, plus any laboratory measure of uncertainty, you will be responsible for destroying the crop according to approved guidelines and paying for such destruction.
- The producer also pays the lab for the second test.

# 50. WHAT HAPPENS IF MY CROP TESTED ABOVE 0.3% THC FOR A SECOND TIME?

• If a crop tests above 0.3% THC twice, it will be destroyed according to approved guidelines at the licensee's expense.



#### 51. WHAT IS THE APPROVED DISPOSAL PROCESS FOR A CROP TESTING ABOVE THE 0.3% THC LEVEL?

- Hemp that tests greater than 0.3% THC on a dry weight basis must be disposed of onsite according to the disposal methods approved by USDA.
- The state, tribe or the state's department of agriculture will be responsible for establishing protocols and procedures to ensure non-compliant hemp is appropriately destroyed or remediated in compliance with applicable state, tribal and federal law.
- A list of allowed disposal techniques and descriptions is available on the U.S. Domestic Hemp Production Program web page: <u>https://www.ams.usda.gov/rules-regulations/hemp/disposal-activities</u>

# 52. IF MY HEMP CROP TESTS ABOVE THE 0.3% THC LEVEL, IS THERE A WAITING PERIOD BEFORE I CAN GET A NEW LICENSE?

• A failed hemp crop test does not affect the license or license renewal to grow hemp as long as the crop is properly disposed of and the licensee did not produce hemp beyond levels of negligence stated in federal and state rules.

# 53. CAN I TAKE MY OWN SAMPLES FOR OFFICIAL TESTING?

- No. Official testing will be done on samples taken by a TDA certified third-party and a laboratory will determine if the crop has the appropriate THC level.
- TDA expects that the taking of samples will be performed by third-party sampling contractors paid for by the licensee.
- Unofficial sampling and testing may be done by the licensee to monitor how their variety is reacting to the local soil and weather conditions.
- This may also help determine the appropriate harvest time for your crop.
- All samples, both official and unofficial, will require a TDA-issued transport manifest before shipping to the lab for testing.

## 54. CAN I HARVEST MY HEMP CROP PRIOR TO MY TEST RESULTS?

- Yes, but the crop must be harvested within fifteen (15) days from official sample collection.
- The hemp crop may not leave the license holder's facility for processing or storage unless the license holder has a TDAissued transport manifest.
- The transport manifest will not be issued until THC test results are known to TDA.
- The harvested hemp crop must be stored in a facility registered with TDA, whether a licensee stores the harvested hemp in their own facility or the facility of a third-party.

HEMP CROP PROCESSING

## 55. CAN I SHIP MY HEMP CROP TO A DIFFERENT STATE FOR PROCESSING?

- Yes. The out of state processor does not have to be registered with TDA.
- ATDA-issued transport manifest shall be required for the transportation of hemp, or a hemp sample, outside a facility where the hemp was produced.

# 56. WILL THERE BE A TRANSPORT MANIFEST ACCOMPANYING THE SHIPMENT?

• Yes, a transport manifest will be required to accompany any shipment of a hemp crop or a hemp sample.

## 57. WHERE WILL HEMP BE PROCESSED?

- At this time, there are no hemp processors registered in the State of Texas.
- Processors will need to register with TDA and will be listed on the TDA website.

# 58. WILL THERE BE A LIST OF HEMP PROCESSORS MADE AVAILABLE FOR NON-CONSUMABLE AND CONSUMABLE HEMP?

- TDA will provide a list of hemp processors for non-consumable hemp.
- The DSHS website will refer to consumable hemp processors.

# **GROWING HEMP IN GREENHOUSES**

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#### 59. WILL I NEED A PERMIT IF I PLAN TO GROW MY CROP IN A GREENHOUSE?

- Yes. You will need to have a license, at least one registered facility and at least one permit if you plan to grow in a greenhouse.
- If you intend to grow multiple varieties in a greenhouse or field you must obtain a lot permit for each variety grown.
- Only one approved variety is allowed per lot permit.

#### 60. WILL I NEED A NEW PERMIT FOR EVERY CROP HARVESTED?

• Yes. You will need to get a new permit for each lot and every crop you plan to harvest.

#### 61. WILL A COMMERCIAL GREENHOUSE BE ABLE TO SELL TRANSPLANTS TO OTHER GROWERS?

- Yes, as long as all of the requirements to harvest the crop have been met, including sampling and testing for THC levels.
- Commercial greenhouses that plan to sell transplants to other producers are also required to obtain a Texas Nursery Floral License.



# 62. WILL A COMMERCIAL GREENHOUSE BE REQUIRED TO OBTAIN A NURSERY FLORAL LICENSE?

- Yes, if the commercial greenhouse plans to distribute to other hemp producers.
- Learn more about the Texas Nursery Floral Licensing Program here: https://www.texasagriculture.gov/RegulatoryPrograms/PlantQuality/NurseryFloral.aspx

## 63. WHAT IS THE DEFINITION OF A TDA CERTIFIED OR APPROVED SEED?

- "Certified or Approved hemp seed" means seed that meets the legal standards for seed quality and labeling required by Texas and federal law, the legal standards of the jurisdictions from where the seed is originally sold and produced, and the additional hemp seed quality and labeling requirements required by the Department.
- TDA does not certify or approve the genetics or THC levels of hemp seeds.

#### 64. HOW CAN I GET CERTIFIED OR APPROVED HEMP SEED?

- TDA has made a list of approved varieties available on its website: <u>https://www.texasagriculture.gov/RegulatoryPrograms/Hemp.aspx</u>
- Texas Certified Seed is not available at this time.

#### 65. WHAT DO I NEED TO DO TO ENSURE I AM USING THE CORRECT SEED?

• Be cautious, research sources, and only buy approved varieties from reputable seed companies.

#### 66. HOW SHOULD I HAVE MY SOIL TESTED?

Soil may be tested by contacting your local AgriLife Extension Agent.

## 67. CAN I USE TRANSPLANTS, CLONES OR CUTTINGS FROM OUT-OF-STATE?

- To help spur the Texas hemp industry, TDA will allow the use of approved varieties of transplants, tissue cultures, clones or cuttings from other states.
- Approved varieties of hemp transplants, tissue cultures, clones or cuttings from outside of Texas must have the appropriate paperwork, including a phytosanitary certificate, and a transport manifest or similar documentation from the source of origin.

# TRANSPORT MANIFEST

#### 68. WHAT DOCUMENTS ARE CONSIDERED SUFFICIENT FOR A TRANSPORT MANIFEST?

- A transport manifest may include TDA-issued documentation authorizing transport of hemp material.
- It may also include other valid documentation authorized by another state, the USDA, Indian Nation, or U.S. territory, that
  indicates the hemp plant material being transported is produced in compliance with the 2018 Farm Bill, USDA guidelines
  and regulations, and the originating jurisdiction's laws.

#### 69. HOW DO I OBTAIN A TRANSPORT MANIFEST FOR HEMP MATERIAL FOR IMPORT INTO TEXAS IF THE ORIGINATING STATE DOES NOT PROVIDE VALID DOCUMENTATION?

- You may only transport hemp material within Texas if that hemp material was produced lawfully in compliance with the 2018 Farm Bill, USDA guidelines and regulations, and the originating states' laws.
- In the event the originating state does not provide valid transport documentation, you may request a transport manifest from TDA.

## 70. WHAT HAPPENS IF I TRANSPORT HEMP MATERIAL WITHOUT THE REQUIRED DOCUMENTS?

• You may be subject to significant civil and criminal penalties.

# **IMPORTING LIVE TISSUE AND SEED INTO TEXAS**

# 71. HOW DO I IMPORT CANNABIS LIVING TISSUE INTO TEXAS?

- Per 4 TAC 24.41, No person shall bring into the State of Texas a hemp plant, that originated from cannabis plants germinated, cloned, or transplanted outside of the State of Texas without a valid transport manifest, or other valid documentation authorized by another state, the USDA, Indian Nation, or U.S. territory, and a phytosanitary certificate in accordance with Title 4 of the Texas Administrative Code Chapter 19.
- A phytosanitary certificate issued by the origin state's department of agriculture, certifying the plants are free of all pests and disease must accompany the shipment of cannabis living tissue into Texas.
- Additionally, hemp plants and plant parts may be subject to quarantine restrictions depending on the origin of the plants.
- TDA has quarantine restrictions in place for hemp plants and plant parts from areas infested with European Corn Borer, Japanese Beetle, Burrowing Nematode, European Brown Garden Snail, Imported Fire Ant, and Diaprepes Root Weevil.
- Out-of-state nursery growers planning to ship hemp plants or plant parts into Texas shall contact their state department of
  agriculture to determine which TDA quarantine restrictions apply and to obtain a phytosanitary certificate prior to shipment.
- For more information, please visit the <u>TDA Plant Quality</u> web page or call (512) 463-7660.

# 72. HOW DO I IMPORT CANNABIS SEEDS (NO LIVING TISSUE) INTO TEXAS?

- Per 4 TAC 24.39, Hemp harvested outside of Texas that has no living tissue, transported in Texas, including seed, shall be accompanied by a transport manifest, or other valid documentation authorized by another state, the USDA, Indian Nation, or U.S. territory.
- The seed to enter Texas should be free of seed transmitted pests and also meet the tolerances (if established) under the Texas seed certification regulations.

# CBD & CONSUMABLES

#### 73. WHAT IS A CONSUMABLE HEMP PRODUCT?

- A consumable hemp product is a food, drug, device, or cosmetic that contains industrial hemp or hemp-derived cannabinoids, including cannabidiol (CBD).
- These products may not contain more than 0.3% concentration of tetrahydrocannabinol (THC).
- For further information, please visit DSHS: <u>https://www.dshs.texas.gov/consumerprotection/hemp-program/default.aspx</u>

## 74. HOW DO I REGISTER TO SELL CBD IN MY STORE?

- TDA's Texas Hemp Program will encompass the planting, inspection, testing, harvesting and non-consumable processing of hemp crops.
- DSHS will create a registration/licensing process for processors of, and retailers selling, consumable hemp products containing CBD.
- Contact DSHS by emailing <u>DSHSHempProgram@dshs.texas.gov</u> or visit: <u>https://www.dshs.texas.gov/consumerprotectionhemp-program/default.aspx</u>

# **OTHER QUESTIONS**

#### 75. IS THERE CROP INSURANCE FOR HEMP?

- No. Federally backed crop insurance for hemp in not yet available in Texas.
- This is an important consideration for producers entering the industry.

#### 76. CAN I SELL/EXPORT MY HEMP CROP OVERSEAS?

 For questions or requests for information regarding importing and exporting hemp plants or seeds, please contact the <u>USDA Animal and Plant Health Inspection Service (APHIS) Plant Protection and Quarantine's (PPQ) Permit Services</u> by phone at 301-851-2046/877-770-5990 (Toll-Free) or by email: <u>plantproducts.permits@usda.gov</u>.

#### 77. HOW DO I GET A LIST OF HEMP PRODUCERS?

- There is no list of producers available at this time.
- In the future, TDA will have a list of hemp growers on our website.

## 78. HOW DO I BECOME A HEMP INSPECTOR?

- There are currently no openings for hemp inspectors.
- You can check TDA's current job openings by visiting our website.

#### 79. WHAT STATE AGENCIES WILL I HAVE TO BE IN CONTACT WITH TO LEGALLY PRODUCE HEMP?

- The <u>Texas Department of Agriculture</u> will regulate non-consumable hemp until the point of processing, or transport of a harvested crop out of the state of Texas.
- If producing consumables, the <u>Texas Department of State Health Services</u> will set these rules.
- In addition, you will need to provide your growing locations to <u>USDA Farm Service Agency (FSA)</u>.
- If growing in a greenhouse, or for transplanting, you may need a Nursery Floral License from TDA.

#### 80. SHOULD I CONSULT WITH AN ATTORNEY TO ENSURE I AM FOLLOWING THE RULES CORRECTLY?

• It is up to the individual producer to determine if they should seek legal counsel.

# 81. HOW DO I FILE A COMPLAINT TO THE HEMP PROGRAM?

- Any person with cause to believe that any provision of the Texas Agriculture Code has been violated or not complied with by a license holder, may file a complaint with TDA.
- TDA will accept either a written or oral complaint but may require the completion and signing of a complaint form before conducting an investigation into the circumstances or situation giving rise to the complaint.

## 82. ARE THERE ANY REGISTERED PESTICIDES FOR A HEMP CROP?

• Yes. Please visit: <u>https://www.epa.gov/pesticide-registration/pesticide-products-registered-use-hemp</u>.

# 83. HOW LONG AM I RESPONSIBLE FOR THE FIELD AFTER THE LAST HEMP CROP HAS BEEN HARVESTED?

- All license holders are responsible for a field at least three (3) years after the last hemp crop has been harvested.
- Fields are susceptible to "volunteer" plant growth and volunteer hemp plants must be disposed of according to approved guidelines.

#### 84. WHERE SHOULD I REGISTER THE LOCATIONS ON WHICH HEMP WILL BE PRODUCED?

- Aside from registering the locations with TDA, all producers must register the locations on which they grow hemp with the <u>USDA Farm Service Agency (FSA)</u>.
- This requirement was set by USDA in the federal guidelines.

#### 85. IF I AM PRODUCING A HEMP CROP, WHO CAN COME ON MY FACILITY?

 TDA, the DEA, DPS, and local law enforcement agencies, along with their representatives and employees, shall be provided with complete and unrestricted access to all hemp plants, whether growing or harvested, and all facilities used for the production and storage of all hemp in all locations where hemp is produced or handled.

#### 86. WHAT DO I HAVE TO SHOW LAW ENFORCEMENT?

• Documentation confirming the legal production and/or handling of hemp, i.e., license, manifest, etc.

# 87. HOW DO I TRANSPORT MY CROP AFTER HARVEST?

- ATDA-issued transport manifest shall be required for the transportation of hemp, or a hemp sample, outside a facility where the hemp was produced.
- ATDA-issued transport manifest shall accompany all test samples collected and transported to a laboratory for testing.
- A person may not transport hemp in the State of Texas that contains an agricultural pest or disease as listed in Title 4 of the Texas Administrative Code Chapter 19.

#### 88. WHAT EQUIPMENT IS NEEDED TO HARVEST MY HEMP CROP?

• Please visit <u>https://agrilifeextension.tamu.edu/browse/hemp/</u>

#### 89. DO I HAVE TO HAVE THE LANDOWNER'S APPROVAL TO GROW HEMP IF I AM LEASING THE FIELD?

• This will depend on the language in the lease.



# TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

# ABOUT TEXAS DEPARTMENT OF AGRICULTURE

The Texas Legislature established the Texas Department of Agriculture (TDA) in 1907. The agency's key objectives are to promote production agriculture, consumer protection, economic development and healthy living. The agriculture commissioner oversees the agency and is elected every four years. The current commissioner, Sid Miller, was elected in 2014.

TDA's mission is to partner with all Texans to make Texas the nation's leader in agriculture, fortify our economy, empower rural communities, promote healthy lifestyles, and cultivate winning strategies for rural, suburban and urban Texas through exceptional service and the common threads of agriculture in our daily lives.

# ABOUT COMMISSIONER SID MILLER

Sid Miller is an eighth generation farmer and rancher and the 12th Commissioner of Agriculture for the great State of Texas. Commissioner Miller has devoted his life to the agriculture industry, and supporting Texas producers and the communities they call home. He is a businessman, rancher, community leader, former ag teacher and former school board member. Commissioner Miller is a rodeo cowboy and holds 12 world championship titles. He is an honors graduate of Tarleton State University in Stephenville, where he received a Bachelor of Science in Vocational Agriculture Education.

# www.TexasAgriculture.gov

