



# Industrial Hemp

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- Agricultural Commissioner

# Today

- Provide background and history of Industrial Hemp and how we got to where we are today
- Discuss the Nevada County Moratorium on Industrial Hemp
- Provide a recommendation for an extension of the Moratorium on Industrial Hemp
- Seek input from BOS for future policy direction



# What is Industrial Hemp?

- Defined under the HSC 11018.5(a) & FAC 8100(6)
- Strain of Cannabis sativa plant species, with no more than .3% THC
- Primary use for Fiber, oil, and seed
  - Paper, textiles, clothing, biodegradable plastics, etc.....



# Hemp vs. Cannabis

## Hemp

- Grown for fiber and/or seed production
- Agricultural Commodity
- Regulated under the Food and Ag Code



## Cannabis

- Grown for flower and resin production
- Agricultural Product
- Regulated under the Business and Professions Code



# Hemp History

- 1608- Introduced in the United States
  - Rope, fabric and lamp oil
- 1937- Marijuana Tax Act
  - Beginning of hemp prohibition
- 1970- Controlled Substance Act
  - Hemp listed as a Schedule I drug along with LSD, marijuana, and heroin



# Federal Status

- 2014 Farm Bill
  - Research cultivation authorized
  - Institution of Higher Education
- 2018 Farm Bill
  - Removed hemp from Schedule I of the Controlled Substance list
  - Legal commercial Agricultural Commodity, pending approval of a state regulatory program by USDA or licensed by USDA
- June 2019- FDA approves CBD based medicine
  - Epidiolex



# USDA Industrial Hemp Regulatory Program

## Agricultural Marketing Services:

- Interim Final Rule published in Fall of 2019.
  - Received lots of comments
  - Effective October 31, 2019 through November 1, 2021, then will be replaced with a final rule.
  - States may submit industrial hemp plan to USDA for certification
  - 2014 Farm Bill authorization for research hemp remains in effect for 1 year.
  - Inconsistent with current CA state regulations



# California Industrial Hemp Program

- California Industrial Hemp Farming Act (SB 566) (2013)
  - Prop 64 (2016)
  - SB 153 (2019)
  - Food & Ag Code Sections 81000-81011
  - County Ag Dept to enforce state program (registration, sampling, destruction)
- California Department of Food and Agriculture (CDFA)
  - Adopted emergency regulations in 2019
  - Developing permanent regulations
- By May 1, 2020, submit State plan to USDA for certification





# What Other Counties Are Doing

- Some counties adopted moratoriums
  - 25 counties
- 32 counties allow commercial cultivation.  
(16 also allow cannabis)
  - 625 registrants
  - Approximately 40,000 acres of commercial hemp cultivation



# Summary of Industrial Hemp Moratorium in Nevada County

- On April 9, 2019, pursuant to Govt Code 65858, the Nevada County Board of Supervisors passed an urgency interim ordinance placing a temporary moratorium on the cultivation of Industrial Hemp for 45 days
  - On April 23, 2019 the Nevada County BOS extended the temporary moratorium an additional 10-months 15 days.
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- The current temporary moratorium will expire on March 9, 2020.
- If no BOS action is taken, the cultivation of Industrial Hemp, pursuant to state law and regulations, will be allowed after March 9, 2020.

# Things to Consider

- Cross- Pollination
  - Compatibility issues with cannabis
- Local regulation
  - Zoning, cultivation size, etc.
- Economic viability
  - Infrastructure, market conditions
- Uniformity of State and Federal Law
  - State plan has not yet been submitted for review by USDA
- What can we learn for other counties and states
  - Other well known cannabis counties are conducting pilot projects for 2020
- Staffing levels to carry out the program
  - State mandate for County Ag Commissioner staff to enforce state program



# Written Report

Government Code Section 65858 (d) requires that the legislative body issue a written report describing the measures take to alleviate the condition which led to the adoption of the interim ordinance.

Since the enactment of the original 45-day moratorium and subsequent 10-month 15-day moratorium adopted by the Board of Supervisors on April 23, 2019, staff has taken the following steps:

- Staff attended the California Cannabis Control Summit and networked with colleagues from state regulatory agencies and various municipalities on how they were regulating Industrial Hemp in their respective jurisdiction
- Staff continues to consult with other county Agricultural Commissioners to learn how they are choosing to regulate Industrial Hemp within their County and any issues that arise

# Written Report (continued)

- Staff continues to consult with CDFA Industrial Hemp Program and with a member of the California Industrial Hemp Advisory Board to gain clarity on further regulations needed or pending pertaining to the cultivation of Industrial Hemp within the State of California
- Staff participates in bi-monthly conference calls with the CDFA's Industrial Hemp Program
- Staff continues to conduct local outreach with the Agricultural Industry as well as the Cannabis Industry to gain a local perspective on demand within the county
- Staff continues to monitor for any legislative or regulatory changes at both the State and Federal level for potential impacts to Nevada County

## Summary:

Due to the complexity of this issue, including similar nuisance concerns as cannabis but potential compatibility issues with cannabis, a lack of state regulations and state guidance, and the continued evolution of the Industrial Hemp industry; at this time Staff recommends an extension of this Urgency Ordinance to allow more time for staff to review and to ensure the County considers all options and impacts associated with allowing or prohibiting cultivation of Industrial Hemp.

# Next Steps- Direction from Board

If approved, the extension of the moratorium will expire on February 25, 2021. However, this is the last extension allowed under the Govt. Code 65858

Staff is also seeking further direction

## Options:

- No Action
- Ordinance Regulating Cultivation
- Permanently Prohibit Hemp





# Final Staff Recommendations

After conducting a public hearing, Staff recommends that the Board of Supervisors take the following actions:

- After reviewing and considering the written report outlining the measures taken to alleviate the conditions which led to the adoption of County Ordinance 2465, approve said report.
  - Adopt the Interim Ordinance, extending the temporary moratorium on the cultivation of Industrial Hemp within the unincorporated areas of Nevada County for a period of one year.
  - Provide further direction to staff on next steps.
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