

DEPARTMENT OF AGRICULTURE

DIVISION 48

Industrial Hemp

603-048-0010

Definitions

The following definitions apply to OAR 603-048-0050 through OAR 603-048-1000 unless the context requires otherwise.

- (1) “Agricultural Hemp Seed” means *Cannabis sativa* seed that meets any labeling, quality and other standards set by the Oregon Department of Agriculture (department) and that is intended for sale or is sold to, or purchased by, licensed growers for planting.
- (2) “Crop” means any contiguous field of Industrial Hemp grown under a single license.
- (3) “Composite Sample” means the combined total number of hemp samples of the same variety, taken from the plants of one field of Industrial Hemp.
- (3) “Field” means any contiguous property not separated by fence, road, ditch, or crop.
- (4) “Flagrant” means the respondent had actual knowledge that the conduct was unlawful and consciously set out to commit the violation.
- (5) “Grower” means a person, joint venture or cooperative that produces unprocessed Industrial Hemp, including Agricultural Hemp Seed.
- (6) “Handler” means a person, joint venture or cooperative that receives Industrial Hemp for processing into commodities, products or Agricultural Hemp Seed.
- (7) “Hemp Commodities or Products” means mature stalks of the Industrial Hemp plant, fiber produced from such stalks and any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom).
- (8) “Industrial Hemp”:
 - (a) Means all non-seed parts and varieties of the *Cannabis sativa* plant, whether growing or not, that contain a crop-wide average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry weight basis.

(b) Means any *Cannabis sativa* seed that:

- (A) Is part of a growing crop;
- (B) Is retained by a grower for future planting; or
- (C) Is for processing into, or use as, Agricultural Hemp Seed.

(c) Does not mean Industrial Hemp commodities or products.

(9) “Lot” means a definite quantity of Industrial Hemp or Agricultural Hemp Seed, of a single variety, grown in one field.

603-048-0050

Production and Handling of Industrial Hemp

(1) No person, joint venture or cooperative may grow, handle, possess or process industrial hemp without first obtaining an industrial hemp license from the Department. Licensed growers and handlers must comply with all terms and conditions of a license issued by the Department.

(2) No person, joint venture or cooperative may produce agricultural hemp seed without first obtaining an agricultural hemp seed production permit from the Department except that a licensed grower may retain seed from each industrial hemp crop to ensure a sufficient supply of seed for that grower for the following year provided the seed retained is not sold or transferred.

(3) Agricultural hemp seed that is sold must comply with the standards established in ORS 633.511 to 633.750 or any rule of the Department implementing those statutes.

(4) Every licensed grower or handler or holder of an agricultural hemp seed production permit must keep records as specified in OAR 603-048-0400.

(5) A grower of Industrial Hemp or Agricultural Hemp Seed may not change the location of fields or the number of acres produced, unless the Department is first notified in writing, on forms provided by the Department, including a map indicating the changes.

(6) Growers of Industrial Hemp or Agricultural Hemp seed must notify the Department a minimum of 14 days prior to the intended harvest date to allow the Department to take and test samples.

603-048-0100

Licensing and Permits

(1) All persons, joint venture or cooperative engaged in production, handling, possession and commerce in Industrial Hemp must obtain:

- (a) A license for growing Industrial Hemp,
- (b) A license for handling Industrial Hemp, and
- (c) A permit when growing or handling Agricultural Hemp Seed. This permit is in addition to a license for growing or handling Industrial Hemp.

(2) The application for a license to grow Industrial Hemp, to handle Industrial Hemp, or a permit to grow or handle Agricultural Hemp Seed, must be submitted in writing to the Department on forms provided by the Department. Applications must include the following information:

- (a) The name, date of birth, and address of the applicant;
- (b) Type of business entity, such as corporation, LLC, partnership, sole proprietor, etc;
- (c) The name and address of the Industrial Hemp operation(s) of the applicant;
- (d) The global positioning system (GPS) coordinates taken at the approximate center of the growing area(s) and legal description for all properties proposed to be used to handle Industrial Hemp;
- (e) When the application is for growing Industrial Hemp or Agricultural Hemp Seed a license application must also include:

- (A) The number of acres to be cultivated;

- (B) A map of the land area showing the boundaries and dimensions of the growing area(s) in acres or square feet, the number of acres in each field, and the location of different varieties within the growing area(s) if applicable;

- (C) Estimated harvest date for each year's crop.

(f) The applicant's acknowledgment and agreement to the following terms and conditions:

- (A) Any information provided to the Department may be publicly disclosed and be provided to law enforcement agencies without notice to the applicant;

- (B) The applicant agrees to allow inspection and sampling that the Department deems necessary to administer the laws governing Industrial

Hemp growing and handling;

(C) The applicant agrees to submit all required reports, by applicable due dates specified by the Department;

(D) The applicant agrees to pay all fee's and charges for licenses, and or permits and other fee's associated with sampling, inspection and testing.

(E) The applicant's signature and attestation that the information in the application is true and correct.

(g) Application fees as specified in OAR 603-048-0600.

(3) In addition to information as required by OAR 603-048-0100 (2), all applicants for Industrial Hemp Growers License, Industrial Hemp Handlers License, or Agricultural Hemp Seed Permits must submit the following:

(a) Copies of legible and valid U.S., state, or federal-issued photographic identification that includes last name, first name, and date of birth from the applicant. Acceptable forms of current U.S., state or federal issued photographic identification include but are not limited to:

(A) Drivers license;

(B) State identification card;

(C) Passport; or

(D) Military identification card.

OAR 603-048-0110

Renewal of Licenses and Permits

(1) An Industrial Hemp license or Agricultural Hemp Seed permit is valid for a three-year term unless revoked and may be renewed as provided in OAR 603-048-0110. An Industrial Hemp license and an Agricultural Hemp Seed Production Permit is a personal privilege that is nontransferable.

(2) Licenses and permits may be renewed for additional (3) year terms in a manner consistent with these rules.

(3) An application to renew a license to grow Industrial Hemp, to handle Industrial Hemp, or to renew a permit to grow Agricultural Hemp Seed, must be submitted in writing to the Department on forms provided by the Department and must contain the information as in OAR 603-048-0100. Required fees must accompany all applications for renewal of a license.

(4) Request for renewals must be received by the Department no less than 60 days prior to expiration of the license or permit, to allow timely evaluation of the application.

(5) The Department may refuse to renew a license for the production or handling of Industrial Hemp, or permits for the production of Agricultural Hemp Seed, if applicant has a record of noncompliance with ORS 571.300 to 571.315, a license or permit requirement term or condition, a Department rule relating to growing or handling Industrial Hemp or noncompliance with a final order of the Department that is specifically directed to the grower's or handler's industrial hemp operations or activities.

OAR 603-048-0200

Review and Approval of License and Permit Applications, License and Permit Conditions

(1) Within 30 days of receiving an application, the Department shall determine whether an application or an application to renew contains the information required and is complete and not defective, including the payment of all required fees. If the Department determines that the application is incomplete or defective or that all fees have not been paid, the Department shall return all fees and the application, and may not issue the license or permit.

(2) Within 30 days of determining that an application contains all the required information and is complete and not defective, the Department may issue a license or permit.

(3) An Industrial Hemp Grower License authorizes a grower to produce Industrial Hemp and is valid for a three-year term from the date of agency approval, unless revoked. A license may be renewed as provided in OAR 603-048-0110. Licenses shall contain the following conditions:

(a) A condition requiring that the following be immediately reported to the Department:

(A) Any changes in the name or location of the individual or business entity holding the license.

(B) Any changes in the ownership of the land used to cultivate Industrial Hemp;

(C) Any changes in the ownership or structure of the entity holding an Industrial Hemp license;

(D) Any loss or theft of an Industrial Hemp crop.

(b) A condition requiring the grower to keep the records as specified in OAR 603-

048-0400.

(c) A condition requiring an Annual Report as provided in OAR 603-048-0300.

(d) A condition requiring the licensee to notify the Department a minimum of 14 days prior to the intended harvest date to allow the Department to take and test samples prior to harvest.

(e) General conditions specifying that the Department may inspect and sample Industrial Hemp as authorized in ORS 561, 275, ORS 561.279 and ORS 571.305, to administer the laws governing Industrial Hemp production or to assure compliance with applicable statutes, rules, permit and license requirements or any Department order.

(f) A condition specifying the license is nontransferable.

(4) An Industrial Hemp Handler License authorizes a handler to process Industrial Hemp into commodities, products or Agricultural Hemp Seed and is valid for a three-year term from the date of agency approval unless revoked. A license may be renewed as provided in OAR 603-048-0110. Licenses shall contain the following conditions:

(a) A condition requiring that the following be immediately reported to the Department:

(A) Any changes in the name or location of the individual or business entity holding the license or the facility used for processing Industrial Hemp;

(B) Any changes in the ownership of the land used to cultivate Industrial Hemp;

(C) Any changes in the ownership or structure of the entity holding an Industrial Hemp license;

(D) Any loss or theft of an Industrial Hemp crop.

(b) A condition specifying that the license is nontransferable.

(c) A condition requiring the handler to keep the records as specified in OAR 603-048-0400.

(d) A condition requiring an Annual Report as provided in OAR 603-048-0300.

(e) A condition specifying that a licensed Industrial Hemp handler may obtain Industrial Hemp only from a licensed Industrial Hemp grower and may obtain seed only from the holder of a valid Agricultural Hemp Seed permit.

(f) General conditions as authorized in ORS 561.275, ORS 561.279 and ORS 571.305, the Department may inspect and sample Industrial Hemp, or inspect the licensee's processing facility(ies) as the Department deems necessary to administer the laws governing Industrial Hemp production or to assure compliance with applicable statutes, rules, permit and license requirements or any Department order.

(5) An Agricultural Hemp Seed Production Permit authorizes a licensed grower or handler to engage in the production or handling of Agricultural Hemp Seed that is intended for sale or is sold to, or purchased by licensed growers for planting and is valid for a three-year term from the date of agency approval unless revoked. A permit may be renewed as provided in OAR 603-048-0110. Permits must contain the following conditions:

(a) A condition that a license for growing Industrial Hemp is required to obtain a permit authorizing production of Agricultural Hemp Seed.

(b) A condition requiring that the following be immediately reported to the Department:

(A) Any changes in the name or location of the individual or business entity holding the license or permit or the facility used for processing Industrial Hemp;

(B) Any changes in the location of the Industrial Hemp fields used to produce Agricultural Hemp Seed or change in the number of acres of Industrial Hemp seed produced may not occur unless the licensee first notifies the Department of any changes and provides a map indicating the changes.

(C) Any changes in the ownership of the land used to cultivate Industrial Hemp or Agricultural Hemp Seed;

(D) Any changes in the ownership or structure of the entity holding an Industrial Hemp license or Agricultural Hemp Seed;

(E) Any loss or theft of an Industrial Hemp crop or Agricultural Hemp Seed.

(c) A condition requiring the grower or handler to keep the records as specified in OAR 603-048-0400.

(d) A condition requiring an Annual Report as provided in OAR 603-048-0300.

(e) A condition requiring the licensee to notify the Department a minimum of 14

days prior to the intended harvest date to allow the Department to take and test samples prior to harvest.

(f) A condition specifying that the permit is nontransferable.

(g) General conditions specifying that the Department may inspect and sample Agricultural Hemp Seed as authorized in ORS 561, 275, ORS 561.279 and ORS 571.305 to administer the laws governing Agricultural Hemp Seed or to assure compliance with applicable statutes, rules, permit and license requirements or any Department order.

(h) General conditions that, in addition to meeting all laws and regulations pertaining to Industrial Hemp Growers and Handlers, ORS 571.300 to ORS 571.315 and OAR 603-048-0010 to 603-048-1000, all production, storing, processing, handling, packaging, labeling, marketing and selling of Agricultural Hemp Seed must meet all applicable States seed laws and regulations as specified in ORS 633.511 through 633.996 and seed regulations, OAR 603-056-0030 to OAR 603-056-0490

603-048-0250

Retaining Agricultural Hemp Seed

As provided for in ORS 571.310, a grower of Industrial Hemp or Agriculture Hemp Seed may retain seed from each industrial hemp crop to ensure a sufficient supply of seed for that grower for the following year.

(1) A grower does not need an Agriculture Hemp Production Permit in order to retain seed for future planting.

(2) Agricultural Hemp Seed may not be retained for future planting when official test results indicate the Tetrahydrocannabinol concentration exceeds 0.3 percent on a dry weight basis, in the crop from which it was harvested.

(3) Seed retained by a grower may not be sold or transferred and does not need to meet the Departments hemp seed standard.

(4) Seed retained by a grower may not be more than needed for the following year.

603-048-0300

Annual Reporting Requirements

(1) Licensed growers must supply the following information to the Department by July 1 of each year:

(a) The licensee shall certify to the Department the annual planted acreages of Industrial Hemp on a form prescribed by the Department;

(b) Variety of seed;

(c) The total number of lots, as defined in OAR 603-048-0010 (9), of Industrial Hemp;

(d) The name and address of the intended Oregon licensed Industrial Hemp handler/s, receiving each lot hemp crop. If a grower does not know the name and address of the intended Oregon licensed Industrial Hemp Handler by July 1, the grower must report this information to the Department immediately upon determining the handler of each lot hemp crop and no later than XX date of each year.

(e) The Grower must notify the Department a minimum of 14 days prior to the intended harvest date to allow the Department to take and test samples.

(f) Within 14 days after the completion of harvesting of Industrial Hemp or Agricultural Hemp Seed, growers must report to the Department:

(A) The total amount in pounds, produced from each lot of Industrial Hemp and or Agricultural Hemp Seed;

(B) The name and address of the licensed handler/s, or licensed and permitted handler/s receiving each lot of Industrial Hemp and Agricultural Hemp Seed

(2) Licensed handlers must supply the following information to the Department by July 1 of each year:

(a) Intended type of handling and disposition of all products received;

(b) Name and address of the Oregon licensed Industrial Hemp grower/s, supplying Industrial Hemp.

(3) Permitted growers and handlers of Agricultural Hemp Seed must supply the following information to the Department by July 1 of each year:

(a) The permittee shall certify to the Department the annual planted acreages of Industrial Hemp on a form prescribed by the Department;

(b) Variety and documentation of seed;

(c) Name and address of the Oregon licensed Industrial Hemp handler/s, receiving growers Industrial Hemp seed;

(d) Name and address of the Oregon licensed grower producing and supplying the handler with Industrial Hemp seed;

(e) The total number of lots, as defined in OAR 603-048-0010 (9), of Agricultural Hemp Seed;

(4) Immediate Reports

(a) The holder of any Industrial Hemp license or Agricultural Hemp Seed permit shall immediately notify the Department of the following :

- (A) Changes to the name, address, or telephone number of the license holder;
- (B) Changes in the ownership of the land used to cultivate Industrial Hemp;
- (C) Changes in the ownership or structure of the entity holding an Industrial Hemp license;
- (D) Loss or theft of an Industrial Hemp crop.

603-048-0400

Records Required for Industrial Hemp Growers, Handlers and Agricultural Hemp Seed Producers and Handlers

(1) All holders of an Industrial Hemp License or an Agricultural Hemp Seed Growers Permit shall keep the following records:

- (a) When receiving Agricultural Hemp Seed for planting, growers must keep the following records:
 - (A) Name and address of the supplier;
 - (B) Amount specified in weight received;
 - (C) Seed stock lot number;
 - (D) Varietal records;
- (b) Upon harvesting, growers must keep the following records:
 - (A) Name and address of the buyer;
 - (B) Description of product delivered;
 - (i) Industrial Hemp;
 - (ii) Agricultural Hemp Seed.
 - (C) Amount of each product, specified in weight, delivered;

(D) Official test report records for tetrahydrocannabinol.

(c) When receiving Industrial Hemp, handlers must keep the following records;

(A) Name and address of the supplier(s);

(B) Amount of Industrial Hemp, specified in weight, received;

(C) Official test report records for tetrahydrocannabinol.

(d) In the case of Agricultural Hemp Seed, and in addition to those records required by ORS 633.511 to 633.996, handlers must keep the following records:

(A) Name and address of the supplier(s);

(B) Amount of Agricultural Hemp Seed, specified in weight, received;

(C) Official test report records for tetrahydrocannabinol;

(D) Name and address of purchaser.

(2) A complete record of each seed lot must be maintained for 3 years after disposition of the entire lot; the file sample, as described in OAR 603-048-0700, may be discarded one (1) year after disposition of the entire lot.

(3) In addition to these records, all permitted growers, handlers and dealers of Agricultural Hemp Seed must keep records as required in ORS 633.511 through 633.996 and seed regulations, OAR 603-056-0030 through OAR 603-056-0490.

603-048-0500

Probation, Suspension, Revocation and Re-issuance of License and Permits

In addition to any other liability or penalty provided by law, the Department may, consistent with ORS Chapter 183, refuse to issue, refuse to renew, revoke or suspend any license or permit whenever it finds the licensee or permittee has violated the statutes or rules governing industrial hemp, or a license or permit requirement, any provision of ORS 633.511 through 633.996, and OAR 603-056-0030 through OAR 603-056-0490; or a final order of the Department that is specifically directed to the grower's or handler's Industrial Hemp operations or activities.

(1) Upon issuance of a civil penalty the Department shall also place the license or permit holder on probation. The conditions of probation shall be related to violations of the Oregon Industrial Hemp Law or regulations.

(a) Probation shall be established for the purpose of monitoring and documentation of corrective actions of the licensee, which relate to previous

violations.

(b) The duration of a probationary period shall be at least one year for civil penalties totaling \$10,000 or more.

(c) If, in the opinion of the Department, persons on probationary status have complied with regulatory requirements and have corrected conditions related to issuance of a violation, the Department may terminate probation before the probationary period has expired.

(2) Consistent with the provisions of ORS Chapter 183, the Department may suspend an Industrial Hemp Grower, Handler license or Agriculture Hemp seed permit for:

(a) Failure to pay appropriate fees;

(b) Any violation of or repeated violations of the laws governing Industrial Hemp or violation of any license or permit condition;

(c) Failure to adhere to probationary conditions;

(d) Any violation of or multiple or flagrant violations of the Oregon Industrial Hemp Law;

(e) Failure to cooperate in matters under investigation.

(3) Consistent with the provisions of ORS Chapter 183, the Department may revoke an Industrial Hemp Grower, Handler license or Agriculture Hemp seed permit:

(a) Continuing failure to pay appropriate fees;

(b) One or more suspensions;

(c) One or multiple flagrant violations of the Oregon Industrial Hemp Law or violation of any license or permit condition;

(d) Continuing failure to cooperate in matters under investigation.

(4) Re-issuance of license: A suspended license may be reinstated following correction of items listed in section (2) of this rule or upon the completion of a suspension period. A revoked license may be re-issued following correction of items listed in 603-048-0500 section (3) above, as determined by the Department.

603-048-0600

Industrial Hemp Fees, License, Permits and Inspection Fees

(1) The following designated triennial license fees shall be applicable to each described activity under authority of ORS 571.305:

- (a) Industrial Hemp Producer License - \$1,500.00;
- (b) Industrial Hemp Handler License - \$1,500.00; and
- (c) Agricultural Hemp Seed Production Permit \$1,500.00.

(2) Sampling and Inspection: All sampling and inspection as described in OAR 603-048-0700 will be provided on a first come, first served basis, as qualified staff is available. The cost of services shall include:

- (a) A charge for a minimum of four hours of service at a rate of \$92 per hour;
- (b) Travel time at the rate of \$92 per hour;
- (c) Mileage, lodging and per diem reimbursed at rates established by the Department of Administrative Services;

(3) Mileage Charges: Mileage may be charged in addition to all inspection fees or time charges, at the rate per mile established by the Department of Administrative Services, when travel is required.

(4) Overtime Charges: For all inspection services performed during the following times (which will be considered overtime), the regular inspection fees or hourly charges shall be charged plus \$ 30 per hour for all time involved. Overtime charges shall be figured to the nearest one-half hour:

- (a) After eight hours (per scheduled shift) or 6:00 p.m., whichever comes first, on Monday through Friday of each week;
- (b) At any time on Saturdays or Sundays; and
- (c) At any time on any day which is declared by law to be a holiday for state employees.

(5) Overtime Service Charge: The minimum overtime service charge for Saturdays, Sundays and other legal holidays shall be four hours.

(6) No Service Days: No service will be given on Thanksgiving, Christmas, or New Years days.

(7) Laboratory Charges shall be \$350 per test.

603-048-0700

Sampling and Inspection

Industrial Hemp fields, Industrial Hemp handling facilities, and facilities handling, processing, cleaning, storing and selling Agricultural Hemp Seed must be readily accessible for monitoring, sampling, testing and inspection purposes. As authorized in ORS 561.279 and ORS 571.305, the licensees or permit holders shall allow Department officials to enter Industrial Hemp fields or handling facilities for inspection. The following sampling and testing protocols apply:

(1) Growers of Industrial Hemp and Agricultural Hemp Seed must notify the Department a minimum of 14 days prior to the intended harvest date to allow the Department to take and test samples.

(2) The Department shall conduct inspection, sampling and testing for tetrahydrocannabinol content of all fields annually when at least 50% of plants' seeds are resistant to compression. Inspection and sampling shall include:

(a) A composite sample weighing no less than 2 pounds, that is representative of a single variety in a field, shall be taken by the Department for official testing.

(b) When more than one variety is present in a field, a separate composite sample weighing no less than 2 pounds shall be taken, which is representative of each single variety of Industrial Hemp present in the field, and shall be tested as a separate lot of Industrial Hemp.

(c) Each two (2) pound composite sample shall be divided equally into 2 one (1) pound sample. One sample shall be tested for tetrahydrocannabinol, the other shall be held by the department as a file sample.

603-048-0800

Producing and handling requirements

(1) The grower shall ensure that all equipment that is used to sow or harvest the hemp is thoroughly cleaned after each use in order to avoid inadvertent dissemination of Industrial Hemp.

(2) All Industrial Hemp seed must be covered during transport to avoid the inadvertent dissemination of Industrial Hemp.

603-048-0900

Enforcement and Civil Penalty for Industrial Hemp Law Violation

(1) In addition to any other liability or penalty provided by law, any person who violates any provision of ORS 571.300 to 571.315, a rule adopted pursuant thereto or the terms or conditions of any license, permit or order issued by the State Department of Agriculture under ORS 571.300 to 571.315, shall be subject to a civil penalty not to exceed \$2,500 per violation and/or a suspension or revocation of their Industrial Hemp license or Agricultural Hemp Seed permit as provided in ORS 571.305 and ORS 571.315.

(2) If a civil penalty is imposed, the Department shall issue a written notice to the person being assessed the penalty consistent with ORS Chapter 183. Contested cases will be conducted pursuant to ORS Chapter 183. Each violation may be considered a separate and distinct offense.

Stat. Auth.: ORS 561 & ORS 571.

603-048-1000

Violations and Penalties

Classification of Violations

(1) Violations are classified as follows:

(a) Class 1 violations are any flagrant violations of:

(A) OAR 603-048-0050

(B) Providing false information on an application for a license or permit, or application to renew a license or permit;

(C) Falsifying, or failure to keep or provide, information and records as required by the Department;

(D) Possession of hemp with Tetrahydrocannabinol concentration that exceeds 0.3 percent on a dry weight basis;

(E) Harvesting without notifying the Department;

(F) Repeat violations of Class 2 or Class 3 violations.

(b) Class 2 violations are any violations of the following:

(A) Failure to pay fees for inspection and testing;

(B) Violation of any other rule, regulation or requirement as required by

OAR 603-047.

- (c) Class 3 violations are unintentional or negligent violations of:
 - (A) OAR 603-048-0050
 - (B) Providing false information on an application for a license or permit, or application to renew a license or permit;
 - (C) Falsifying or failure to keep or provide, information and records as required by the Department;
 - (D) Possession of hemp with Tetrahydrocannabinol concentration that exceeds 0.3 percent on a dry weight basis
- (2) Civil Penalty amounts for each classification:
 - (a) Class 1 violation, \$2,500;
 - (b) Class 2 violation, \$1000;
 - (c) Class 3 violation, \$ 500.