

PROGRAM DESCRIPTION

Department: Agriculture

HB Section(s): 6.100

Program Name: Industrial Hemp

Program is found in the following core budget(s): Plant Industries

1a. What strategic priority does this program address?

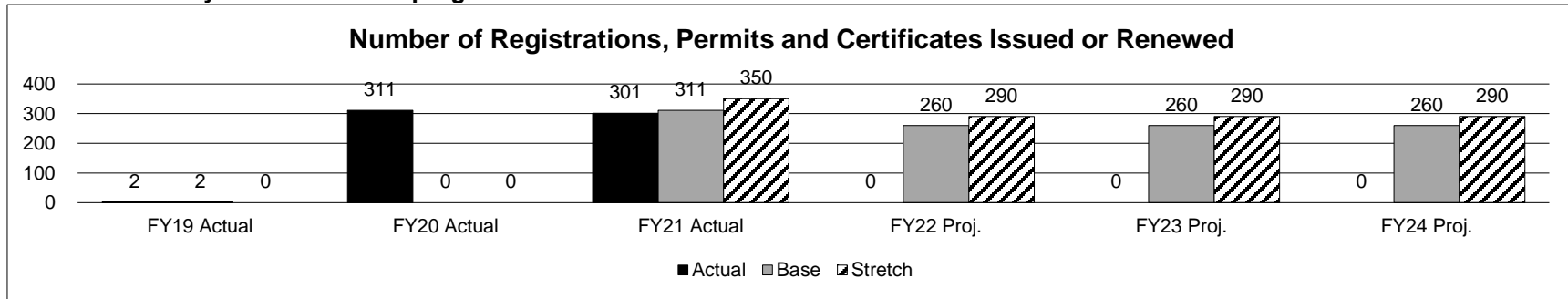
Empower More Agricultural Producers.

1b. What does this program do?

The program reviews and issues registrations and permits for the production of industrial hemp within the authority authorized by the 2018 Federal Agriculture Act (2018 Farm Bill) and includes the Hemp Extract program approved in 2014 (HB 2238).

- Development of state regulations for the legal production of industrial hemp.
- Development of a state plan for submission to the United States Department of Agriculture.
- Review of application documents by persons interested in producing a legal hemp crop.
- Review and audit of producer records to ensure compliance with state and federal rules and law.
- Hemp extract legislation allowing for use of hemp extract for the treatment of intractable epilepsy was approved in 2014 (HB 2238).

2a. Provide an activity measure for the program.



Note 1: Program rules were Code Effective on 5/30/2020. Applications were accepted January 2, 2020 under Emergency Rules. The industry's primary driver prior to 2020 was the CBD market. Market values dropped approximately 90% between May 2019 - June 2020.

Note 2: Registrations and Permits identified in FY19 were the two facilities licensed under the Hemp-Extract Law. Both facilities have since relinquished their licenses.

Note 3: 48 Certified Industrial Hemp Samplers are included in registrations and Permits. This category was added in response to federal rule requirements that exceeded agency expectations.

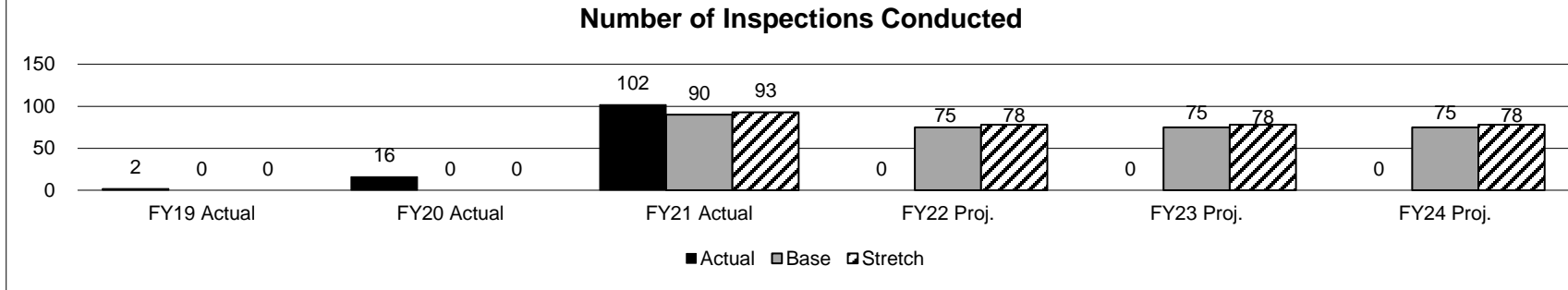
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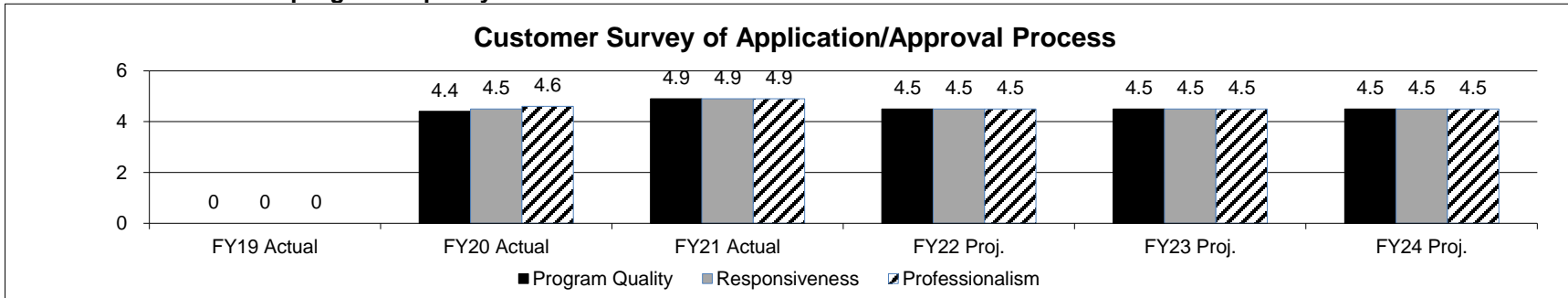
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Note: Inspections conducted for FY19 reflect inspections completed under the Hemp-Extract Law. The department began accepting applications on January 2, 2020 after Federal Rules were published. The program plans inspections of 33% of active registrations and permits annually.

2b. Provide a measure of the program's quality.



Note: This is a new program, no prior data exists.

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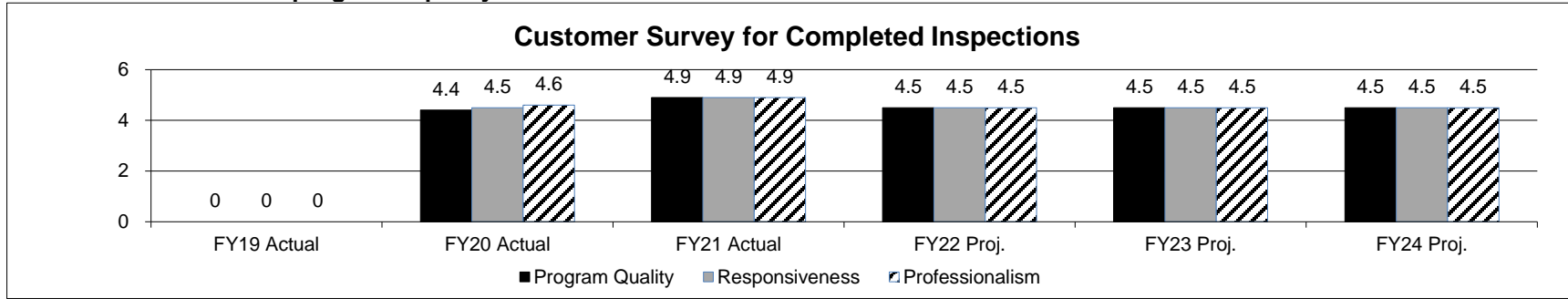
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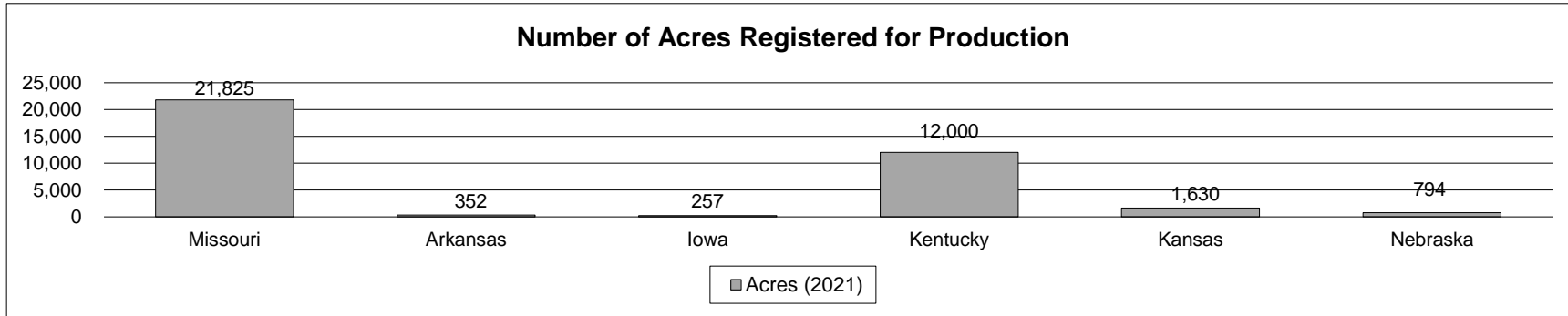
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2b. Provide a measure of the program's quality.



Note: This is a new program, no prior data exists.

2c. Provide a measure of the program's impact.



Note 1: Source National Hemp Regulatory Conference Call May 27, 2020. MO information determined by end of fiscal year total.

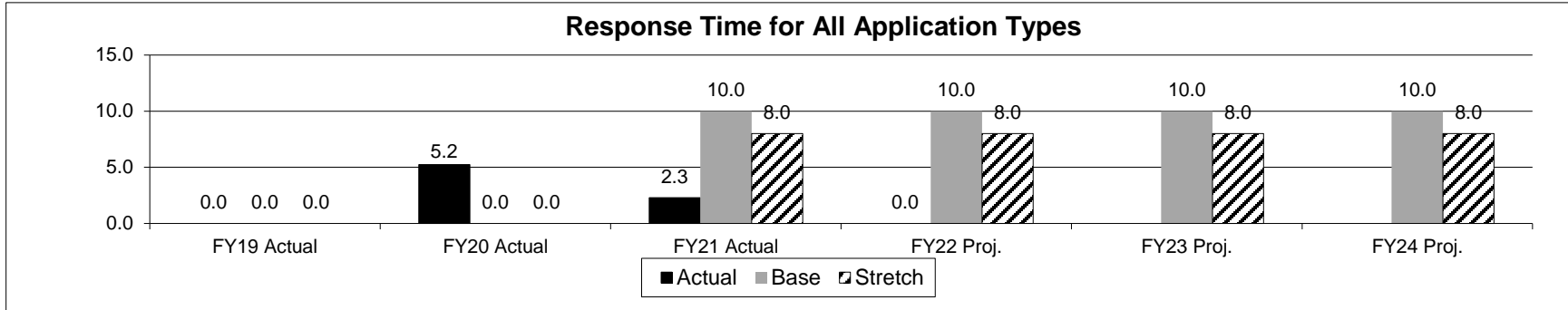
Note 2: CY20 is the 6th production year for Kentucky, 3rd for Arkansas, 2nd for Illinois & Kansas; 1st for Iowa, Missouri and Nebraska.

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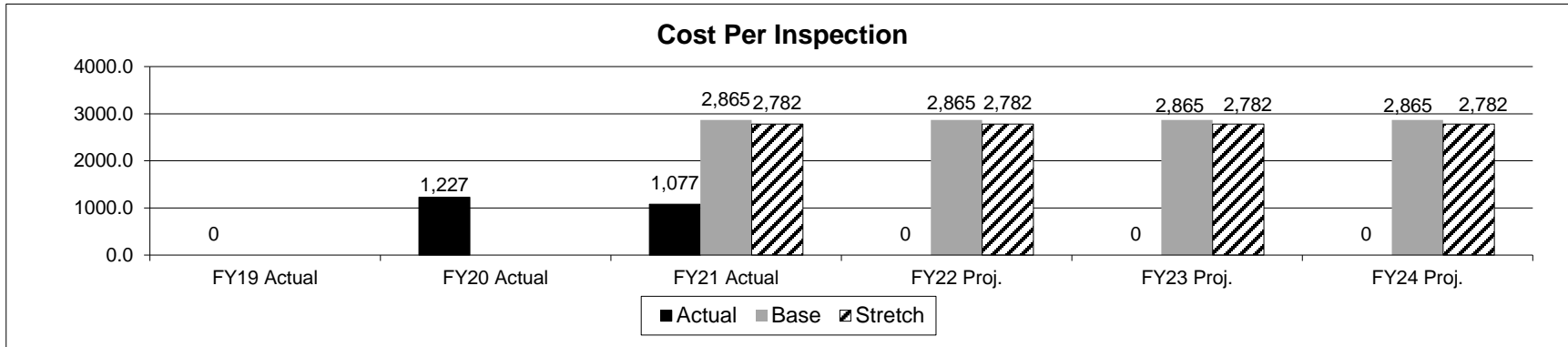
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2d. Provide a measure of the program's efficiency.



Note: Program response time, in business days, from time of application to receipt to initial response of approval or notice of deficient information.



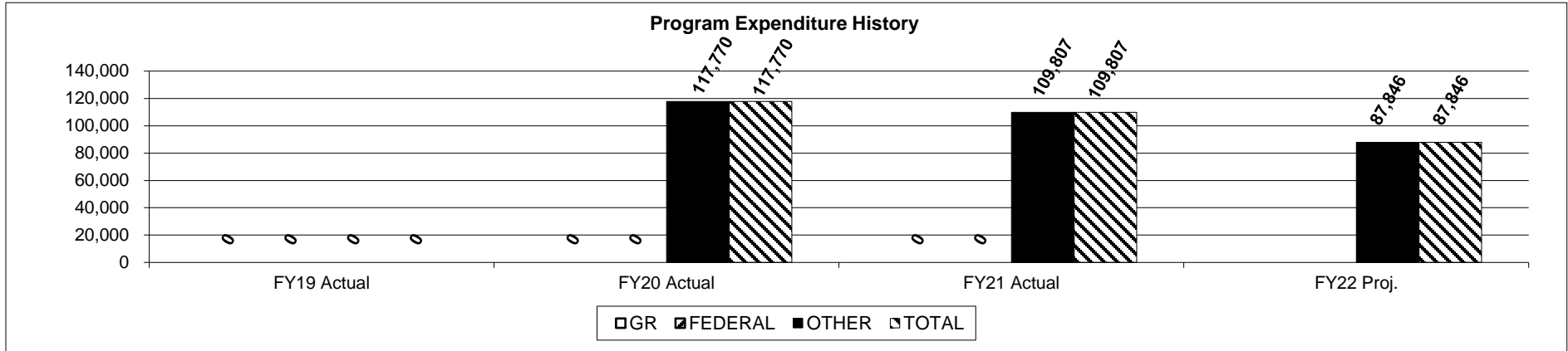
Note: Cost per inspection based on total program expenditures divided among number of inspections.

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3. Provide actual expenditures for the prior three fiscal years; planned expenditures for the current fiscal year; and, when available, the Governor's recommended funding for the upcoming fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Industrial Hemp Fund

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

The hemp program was authorized by 195.740 - 195.773 RSMo; the hemp extract program was authorized by 192.945.1 , 195.207, and 261.265 RSMo

6. Are there federal matching requirements? If yes, please explain.

There are no federal matching requirements.

7. Is this a federally mandated program? If yes, please explain.

This is not a federally mandated program.