

The End is Near for North Carolina's Hemp Pilot Program

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For some time, North Carolina's hemp farmers and growers have questioned the fate of our hemp cultivation pilot program, authorized and adopted under the Agricultural Act of 2014 ("2014 Farm Bill"), and how the eventual end of that program would impact their growing efforts. We now have answers.

The North Carolina Department of Agriculture & Consumer Services ('Department') and the North Carolina Industrial

Hemp Commission ('Commission') have announced that North Carolina will soon end its hemp pilot program.

The Department has officially notified the United States Department of Agriculture ("USDA") of this intention.

Effective January 1, 2022, all hemp production within North Carolina's borders must comply with the USDA Final Rule for Establishment of a Domestic Hemp Production Program ("USDA Rule").

This means that anyone growing, cultivating, or harvesting hemp in North Carolina on or after January 1, 2022, must hold a USDA-issued hemp license to continue to lawfully operate. North Carolina-issued grower licenses will no longer be valid once this shift in programs takes effect. Growers and farmers may apply to USDA for a federally issued license, effective immediately, and may begin operating in compliance with the USDA Rule upon receipt of that license. More information on the licensing process, requirements, and qualifications can be found on the USDA's hemp production website.

Does all of this sound unnecessarily confusing? It can be. **So a word of caution** : Any farmer or grower who intends to plant hemp on or after January 1, 2022, and any farmer or grower with plants already in the ground on that date, must give due consideration to these issues and ensure they timely obtain a USDA grower license. The failure to be, and remain, properly licensed for hemp production at all times could lead to potentially significant violations, fines, and charges.

We encourage anyone considering hemp cultivation - or other hemp-related commercial activities - to seek legal counsel before investing significant time and money. Ward and Smith's Hemp Law practice team can advise you as you work through these and other complex legal issues.

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