

Title 2. Agriculture

Chapter II. State Plant Board, Department of Agriculture

Subchapter A. Generally

Part 31. Rules on the Industrial Hemp Research Program in Arkansas

Codification Notes. Prior to codification into the Code of Arkansas Rules, this part provided as follows:

"Arkansas Industrial Hemp Research Program Rules

As approved and effective August 31, 2018. Address communications to Arkansas Department of Agriculture, Industrial Hemp Program. 1 Natural Resources Drive, Little Rock, Arkansas 72205.

THE RULES

The Industrial Hemp research program rules were made by the Arkansas State Plant Board under authority of SECTION 1. Arkansas Code Title 2, Chapter 15, Subchapter — Arkansas Industrial Hemp Act 2-15-401 through 2-15-412, given in the Appendix."

Subpart 1. Generally

2 CAR § 31-101. Definitions.

(a) When used in this part:

(1) "Act" means Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed];

(2) "Applicant" means a person, or a person who is authorized to sign for a business entity, who submits an application;

(3) "Approved cultivar" means any variety of industrial hemp designated by the State Plant Board in a published list and may be amended from time to time;

(4)(A) "Association of Official Seed Certifying Agencies (AOSCA)", "AOSCA Certified seed", "AOSCA Registered seed", and "AOSCA Foundation seed" mean seed

that has been produced and labeled in accordance with the procedures and in compliance with the rules of an AOSCA seed certifying agency or by the Organization for Economic Co-operation and Development (OECD) Seed Schemes.

(B) AOSCA Certified seed programs provide standards and procedures approved by the United States Secretary of Agriculture to maintain and make available to the public high quality seed and propagating materials of superior crop plant varieties grown and distributed to ensure genetic identity and purity;

(5) "Board" means the State Plant Board;

(6)(A) "Cannabis" means all parts of the cannabis plant, whether growing or not, including its:

- (i) Seeds;
- (ii) Resin;
- (iii) Compounds;
- (iv) Salts;
- (v) Derivatives; and
- (vi) Extracts.

(B) "Cannabis" does not include publicly marketable hemp products, as defined in this part;

(7) "CBD" means cannabidiol;

(8) "DEA" means the Drug Enforcement Administration;

(9) "Delta-9-THC" means delta-9-tetrahydrocannabinol concentration, the primary intoxicating component of cannabis;

(10) "Department" means the Department of Agriculture;

(11) "GPS" means Global Positioning System;

(12) "Grower Licensing Agreement" means a document executed by a person and the Department of Agriculture authorizing the person to grow, handle, and store hemp at one (1) or more specified locations in Arkansas under the terms set forth in the document, the Arkansas Industrial Hemp Act, Arkansas Code §§ 2-15-401 – 2-15-412 [repealed], and this part;

(13)(A) "Handling" means possessing or storing industrial hemp for any period

of time on premises owned, operated, or controlled by a person licensed to cultivate or process industrial hemp.

(B) "Handling" also includes possessing or storing industrial hemp in a vehicle for any period of time other than during its actual transport from the premises of a licensed person to cultivate or process industrial hemp to the premises of another licensed person;

(14)(A) "Industrial hemp" shall be used interchangeably with "hemp" and have the same meaning.

(B) "Hemp" means *Cannabis sativa* L. and any part of that plant, including the seeds thereof 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 three-tenths of one percent (0.3%) on a dry weight basis, as defined in the Agriculture Improvement Act of 2018, 21 U.S.C. § 801 et seq., as it currently exists or as it may be subsequently amended;

(15) "Industrial hemp products" or "hemp products" means products derived from, or made by, processing industrial hemp plants or plant parts, including without limitation:

(A) Certified seed for cultivation if the seeds originate from industrial hemp varieties;

(B) Cloth;

(C) Cordage;

(D) Fiber;

(E) Food;

(F) Fuel;

(G) Paint;

(H) Paper;

(I) Particleboard;

(J) Plastics; and

(K) Seed, seed meal, and seed oil for consumption;

(16) "Law enforcement agency" means:

- (A) The Division of Arkansas State Police;
- (B) The Drug Enforcement Administration; or
- (C) Other federal, state, or local law enforcement agency or drug

suppression unit;

(17) "Licensed grower" means an individual or business entity possessing a license issued by the Department of Agriculture under the authority of this part to grow, handle, cultivate, process, or market industrial hemp or industrial hemp products;

(18) "Licensed processor" means a person in the state authorized by the Department of Agriculture to process, handle, store, and market industrial hemp under the terms set forth in a Processor Licensing Agreement, as set forth in the policies developed under this part;

(19) "Location ID" means the unique identifier established by the applicant for each unique set of GPS coordinates where industrial hemp will be grown, handled, stored, or processed, which may include a field name or building name;

(20)(A) "Marketing" means promoting or selling a product:

- (i) Within Arkansas;
- (ii) In another state; or
- (iii) Outside of the United States.

(B) "Marketing" includes efforts to advertise and gather information about the needs or preferences of potential consumers or suppliers;

(21) "Nonviable seed" means a seed that has been crushed, dehulled, or otherwise rendered to have a zero percent (0%) germination rate;

(22) "Person" includes any:

- (A) Individual;
- (B) Partnership;
- (C) Corporation;
- (D) Company;
- (E) Society; or
- (F) Association;

(23) "Pesticide" means any substance or mixture of substances intended to

prevent, destroy, control, repel, attract, or mitigate any pest, intended to be used as a plant regulator, defoliant, or desiccant, or intended to be used as a spray adjuvant, once they have been mixed with an Environmental Protection Agency registered product;

(24)(A) "Phytocannabinoids" are cannabinoids that occur naturally in the cannabis plant.

(B) The classical cannabinoids are formed through decarboxylation of their respective 2-carboxylic acids (2-COOH), a process which is catalyzed by heat, light, or alkaline conditions;

(25) "Plot" means a contiguous area in a field, greenhouse, or indoor growing structure containing the same variety or strain of hemp throughout the area;

(26)(A) "Postharvest sample" means a sample taken from the harvested industrial hemp material from a particular plot's harvest in accordance with the procedures as defined in the policies developed under this part.

(B) The entire plot's harvest must be in the same form (intact-plant, flowers, ground materials, etc.), homogenous, and not mixed with non-hemp materials or industrial hemp materials from another plot;

(27) "ppm" means parts per million;

(28) "Preharvest sample" means a composite, representative portion from plants in an industrial hemp plot collected prior to harvest in accordance with the procedures as defined in the policies developed under this part;

(29) "Processing" means converting an agricultural commodity into a marketable form;

(30) "Processor Licensing Agreement" means a document executed by a person and the Department of Agriculture authorizing the person to process, handle, and store industrial hemp at one (1) or more specified locations in Arkansas under the terms set forth in the document, Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 – 2-15-412 [repealed], and this part;

(31) "Program" means the Arkansas Industrial Hemp Research Program as established by the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq.

[repealed], and this part;

(32) "Prohibited variety" means a variety or strain of cannabis excluded from the Department of Agriculture's Industrial Hemp Research Program;

(33) "Propagule" means a plant or plant part that can be utilized to grow a new plant;

(34) "Publicly marketable hemp product" means a hemp product that meets one (1) or more of the following descriptions:

(A) The product does not include any living hemp plants, viable seeds, leaf materials, floral materials, or decarboxylated delta-9-THC content above three-tenths of one percent (0.3%), and does include, without limitation, the following products: bare stalks, bast fiber, hurd fiber, nonviable roots, nonviable seeds, seed oils, and plant extracts, excluding products containing decarboxylated delta-9-THC above three-tenths of one percent (0.3%);

(B) The product is CBD that was derived from industrial hemp, as defined in this part; or

(C) The product is CBD that is approved as a prescription medication by the Food and Drug Administration;

(35)(A) "Secondary postharvest sample" means a postharvest sample that is taken in a given plot or processing, handling, or storage location after the first postharvest sample is taken.

(B) A secondary postharvest sample is taken on a different day than the initial postharvest sample;

(36)(A) "Secondary preharvest sample" means a preharvest sample that is taken in a given plot after the first preharvest sample is taken.

(B) A "secondary preharvest sample" is taken on a different day than the initial preharvest sample;

(37) "Seed source" means the origin of the seed or propagules as determined by the Department of Agriculture;

(38) "Signing authority" means an officer or agent of the organization with the written power to commit the legal entity to a binding agreement;

(39) "Street address" means any postal address used for official purposes, specifically closest to industrial hemp plots/fields/greenhouses, storage buildings, or processing operations, for means of identifying different locations under the same hemp license;

(40)(A) "Total THC" means the completion of the chemical reaction that converts THC-acid into delta-9-THC, the intoxicating component of cannabis.

(B) The decarboxylated value may also be calculated using a conversion formula that sums delta-9-THC and THC-acid;

(41) "University" means an accredited institution of higher education located in Arkansas;

(42)(A) "Variety" means a subdivision of a kind characterized by growth, yield, plant, fruit, seed, or other characteristics by which it can be differentiated from other plants of the same kind.

(B)(i) A "variety" also is "uniform" and "stable" — "uniform" in the sense that variations in essential and distinctive characteristics are describable and "stable" in the sense that the variety will remain unchanged in its essential and distinctive characteristics and its uniformity when reproduced or reconstituted as required by the different categories of varieties;

(43)(A) "Variety of concern" means any variety of hemp in the Industrial Hemp Research Program that tests above three-tenths of one percent (0.3%) total delta-9-THC in one (1) or more preharvest samples from diverse locations and production conditions.

(B) A hemp variety designated as a "variety of concern" may be subject to restrictions and additional testing.

(C) Materials testing at a total delta-9-THC concentration above three-tenths of one percent (0.3%) may be subject to law enforcement action; and

(44) "Volunteer hemp plant" means an industrial hemp plant that was not intentionally planted but results from a previous crop growing on its own accord from seeds or roots in the years following an intentionally planted industrial hemp crop.

(b) **Definitions specific to industrial hemp seed production.** Industrial hemp

(Cannabis sativa L.) includes varieties of these kinds:

(1) "Dioecious type" means a type of industrial hemp that has male and female flowers on separate plants;

(2) "Industrial hemp seed production" means an industrial hemp seed production field established with an appropriate generation of AOSCA Certified seed intended to produce a subsequent generation of AOSCA Certified seed;

(3) "Licensed plant breeder" means an individual who has met the requirements:

(A) Listed in the Official Standards for Seed Certification in Arkansas, 2 CAR pt. 34; and

(B) Under Acts 1931, No. 73, Arkansas Code §§ 2-18-101 – 2-18-108;

(4) "Monoecious type" means a type of industrial hemp that has male and female flowers on the same plant;

(5) "Too male" means an intersexual plant that exceeds the ratio of male and female flowers as described in the variety description;

(6) "Unisexual female" means a monoecious type of industrial hemp plant that has sterile male and fertile female flowers; and

(7) "Unisexual female hybrid" means a hybrid where the A line is a unisexual female type and the B line produces male fertile flowers.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

"THC" means tetrahydrocannabinol.

2 CAR § 31-102. Licensing.

(a) **Who must apply.**

(1) **Growers and processors/handlers.**

(A)(i) A license to grow shall allow the license holder to:

- (a) Obtain seed pursuant to this part for planting;
- (b) Possess seed for planting;
- (c) Cultivate the crop;
- (d) Harvest plant parts;
- (e) Possess and store harvested plant parts; and
- (f) Transport plant parts to a market for sale.

(ii) The license holder must abide by the terms set forth in the Grower Licensing Agreement with the Department of Agriculture.

(B)(i) A license to engage in the processing or handling of industrial hemp that does not fall within the definition of a “publicly marketable hemp product” shall allow the license holder to process, handle, and store industrial hemp at one (1) or more specified locations in the state.

(ii) The license holder must abide by the terms set forth in the Processor/Handler Licensing Agreement with the department.

(C) No person who does not hold a hemp grower or processor/handler license from the department shall grow, cultivate, handle, store, or process industrial hemp at any location within Arkansas.

(C) No person under the age of eighteen (18) years of age shall apply for or hold a grower or processor/handler license.

(2)(A) Two (2) types of licenses can be issued by the department for cultivation or processing of industrial hemp in Arkansas:

- (i) Research only; and
- (ii) Research with intent to market.

(B) These types of licenses may include seed research projects through a university, private entity working with a university, or private entity working with a licensed plant breeder to develop industrial hemp seed varieties that would meet the requirements listed in 2 CAR § 31-105, approved seed for planting.

(3)(A) Applications for cultivation or processing of industrial hemp in Arkansas may be made at any time during the year, but the effective date of the license will be

July 1 through June 30 annually.

(B) Renewal applications will be due June 15.

(4)(A) Applications shall be handled and processed by the department and reviewed for approval or denial.

(B) The department review process may require sixty (60) days to complete.

(C) Acceptance of applications may be suspended for a period of time to allow the department staff adequate time to process applications and/or handle additional hemp-related duties.

(D) Any delays or additional requirements for submitting applications may be set as policy and published on the department's industrial hemp webpage.

(E) After review and acceptance, the applicant will be notified to send the required application fees and, upon receipt, the license certificate will be issued.

(5)(A) A person interested in holding a grower license or processor/handler license shall:

(i) Complete the department's Industrial Hemp Application Form annually; or

(ii) Follow an established protocol or renewal process as notified.

(B) A person interested in both a grower license and a processor/handler license must complete both license applications.

(6) Failure to comply with any of this part or the provisions of the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed], shall result in an automatic revocation of the license for the full remaining period of the license.

(7) An analytical testing of THC levels greater than three-tenths of one percent (0.3%) shall not result in revocation of a license so long as the crop is destroyed in accordance with this part.

(8)(A) Applicants shall disclose the date and location of any conviction of any criminal offense, other than misdemeanor traffic offenses, committed in any jurisdiction.

(B) Failure to comply with this requirement in a complete and truthful manner shall be grounds for denial, suspension, or revocation of a permit, as may be

determined by the Industrial Hemp Committee and approved by the full State Plant Board.

(9) The following applicants shall not be granted a permit: any applicants with any felony conviction in the prior ten (10) years.

(10) **Industrial hemp business licenses.** Licensees must:

(A) Maintain all proper state, county, and local business licenses and permits; and

(B) Comply with all applicable zoning rules.

(b) **Application for licenses.**

(1) **Growers license.**

(A) Growers in Arkansas who wish to cultivate industrial hemp shall submit to the department an application for a license to do so.

(B) The application shall include the following information for consideration:

(i) Type of license, as set forth in subdivision (a)(2) of this section;

(ii) Full name, Arkansas residential address, telephone number, and email address;

(iii)(a) Street address, location ID, and GPS coordinates for each field, greenhouse, building, or site where industrial hemp will be grown, handled, or stored, updated annually or as needed.

(b) If the applicant represents a business entity, the:

(1) Full name of the business;

(2) Principal Arkansas business location address;

(3) Full name of the applicant who will have signing authority on behalf of the entity; and

(4) Title and email address of the person;

(iv) Maps depicting each site where hemp will be grown, handled, or stored, with appropriate designations for entrances, field boundaries, and specific locations corresponding to the GPS coordinates;

(v) Research plan, including the proposed acreage or

greenhouse/indoor square footage to be planted;

(vi)(a) Intended variety name, origin, and seed or plant certifying agency for each planting.

(b) This information must conform to 2 CAR § 31-103;

(vii)(a) Intended marketable portion of the plant (seed, fiber, hurd, cannabinoids, not including THC, or certified planting seed or propagule as set forth in the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed]).

(b) The department may limit the scope and acreage of research projects.

(c) Initial acreage may be limited to one (1) acre or less;

(viii) Intended market and intended purchaser's name and address if the license is of the type "research with intent to market";

(ix)(a) Written statement of the research objective and data or observations to be collected and reported to the department.

(b) The research objective must conform to the authorized research purposes set forth in the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed].

(c) The written statement in this section constitutes a written agreement between the license holder and the department;

(x)(a) Evidence of income from a farming operation and/or agricultural or research experience.

(b) Examples may include:

(1) Tax returns (IRS 1040 schedule F);

(2) Farm serial number; or

(3) Education in agriculture, research, or related field.

(c) These will be listed on the license application form and instructions published annually when the current year application forms become available;

(xi) Intended storage location, expressed in GPS coordinates, for harvested plant parts;

(xii) Agreement to provide access to the department and law enforcement agencies at any time for sampling or inspection in the field or storage;

(xiii)(a) Agreement to ensure the monitoring and destruction of volunteers for three (3) years following cultivation regardless of land lease or ownership status during that period.

(b) It shall be the responsibility of the license holder to monitor and destroy volunteers.

(c) The responsibilities of the license holder in this provision may be transferred to another entity by mutual agreement in writing with both parties' signatures;

(xiv)(a) Agreement to maintain all records, including but not limited to those for agronomics, contracts, sampling, storage, expenses, transportation, and delivery, as stated in 2 CAR § 31-117.

(b) All records shall be kept within the State of Arkansas and made available for inspection on request.

(c) An in-state agent shall be maintained for receipt of records or receipt of services;

(xv) Agreement to notify the department within one (1) month if there are any changes or deviations; and

(xvi) Agreement to notify the department if there are any changes to the license holder's address within one (1) month of a change for the duration of the license.

(C)(i) Policies may be established and reviewed annually for necessary updates to address unforeseen needs.

(ii) These will be published annually when the current year application forms become available.

(D)(i) An applicant shall not be a participant in the Industrial Hemp Research Program until the conditionally approved applicant and the department have executed a Grower Licensing Agreement, which shall be signed within the industrial hemp grower application.

(ii) The Grower Licensing Agreement shall set forth the terms and conditions governing participation in the program.

(iii) The terms and conditions set forth in the agreement:

(a) Shall include, at a minimum, the requirements listed in the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed], and in this part for licensed growers; and

(b) May include other requirements set as policy and published annually.

(2) Processor/handler license.

(A) The processor/handler license application form shall require applicants to submit, at a minimum, the following information and documents:

(i) Full name, Arkansas residential address, telephone number, and email address, if an email address is available;

(ii) If the applicant represents a business entity, the full name of the business, the principal Arkansas business street address, the full name of the applicant who will have signing authority on behalf of the entity, title, and email address if an email address is available of the person;

(iii) Research plan;

(iv) Planned source of industrial hemp;

(v) Maps and street address, location ID, and GPS coordinates for each building or site where hemp will be processed, handled, or stored; and

(vi)(a) Agreement to maintain all records, including but not limited to those for agronomics, contracts, sampling, storage, expenses, transportation, and delivery, as stated in 2 CAR § 31-117.

(b) All records shall be kept within the State of Arkansas and made available for inspection on request.

(c) An in-state agent shall be maintained for receipt of records or receipt of services.

(B)(i) Policies may be established and reviewed annually for necessary updates to address unforeseen needs.

(ii) These will be published annually when the current year application forms become available.

(C)(i) An applicant shall not be a participant in the program until the conditionally approved applicant and the department have executed a Processor/Handler Licensing Agreement, which shall be signed within the industrial hemp processor application.

(ii)(a) The Processor/Handler Licensing Agreement shall set forth the terms and conditions governing participation in the program.

(b) The terms and conditions set forth in the Processor/Handler Licensing Agreement:

(1) Shall include, at a minimum, the requirements listed in the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed], and in this part for licensed processors/handlers; and

(2) May include other requirements set as policy and published annually.

(c) Criminal history background check.

(1) Each licensed grower, processor/handler, or applicant shall undergo and pay for an annual criminal background check.

(2)(A) Each person who is required to undergo an annual criminal background check shall:

(i) Submit a criminal background check request to the Division of Arkansas State Police or other law enforcement agency designated by the department;

(ii) Submit payment for the background check fee directly to the division or other law enforcement agency designated by the department; and

(iii) Following completion of the background check, ensure delivery of the report to the department not more than fourteen (14) days following the date the application was received by the department, directly from the division or other law enforcement agency designated by the department.

(d) The department shall not accept a report from a criminal background check that occurred more than sixty (60) days prior to submission of the application.

(e) Failure to submit the background check by the deadline stated in subdivision (c)(2)(A)(iii) of this section shall be cause for denial of application.

(f) Substitution of a signing authority shall require approval from the department and the submission of a current criminal background check (for the substitute).

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

"THC" means tetrahydrocannabinol.

2 CAR § 31-103. Land use restrictions for licensed growers or licensed processors/handlers.

(a) A licensed grower or processor/handler shall not grow, process, or store industrial hemp in any structure that is used for residential purposes.

(b) A licensed grower or processor/handler shall not grow, store, or process industrial hemp in any field or site that is located within one thousand feet (1,000') of a school, daycare, or similar public areas frequented by children as determined by policy on an individual case basis by the Department of Agriculture.

(c) An applicant or licensed grower or processor/handler shall not include any property on their application or site modification request to grow, cultivate, or process industrial hemp that is not owned or completely controlled by the applicant or licensed grower.

(d) A licensed grower or processor/handler shall not grow, handle, process, or store industrial hemp on property owned by or leased from any person who is ineligible, was terminated, or denied admission to the Industrial Hemp Research Program for one (1) or both of the following reasons:

- (1) Failure to obtain an acceptable criminal background check;
- (2) Failure to comply with an order from a representative of the department.

(e) A licensed grower shall not:

(1) Plant or grow any cannabis that is not industrial hemp;

(2) Plant or grow industrial hemp on any site not listed in the Grower Licensing Agreement;

(3) Handle or store leaf or floral material from industrial hemp within any structure that is used for residential purposes; or

(4)(A) Plant industrial hemp in an outdoor growing location of less than one-quarter (1/4) acre and one thousand (1,000) plants unless prior approval is received in writing from the department.

(B) Industrial hemp shall be physically segregated from other crops unless prior approval is obtained in writing from the department.

(f)(1) A licensed grower is required to post signage at all field locations.

(2) The signage shall include the following information:

(A) The statement, "Arkansas Industrial Hemp Research Program";

(2) The license holder's name and license number; and

(3) The department's telephone number.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-104. Administrative appeal from denial of application.

(a) An applicant wishing to appeal the Department of Agriculture's denial or partial denial of an application shall submit a written request for a hearing postmarked within fifteen (15) days of the date of the department's notification letter or email.

(b) An appealing applicant shall mail a hearing request letter to:

Industrial Hemp Research Program

1 Natural Resources Drive

Little Rock, Arkansas 72205

(c)(1) Appeals shall be heard by a three-person administrative panel whose members shall be designated by the Director of the State Plant Board.

(2) The panel shall include:

(A) At least one (1) person who is a program employee; and

(B) At least one (1) person who is not a program employee and not involved or invested in any hemp research projects in Arkansas.

(d) The members of the administrative panel shall not be required to accept or consider information or documents that were not compliant with application deadlines set forth in this part.

(e) Hearings on appeals shall be open to the public and occur at a time, date, and location designated by the director.

(f)(1) An appealing applicant shall appear in person at the assigned hearing time.

(2) Failure to appear on time shall constitute grounds for dismissal of the appeal.

(g) An appealing applicant shall be allowed up to fifteen (15) minutes to present arguments for reversing the department's denial of the application.

(h) A representative of the department shall be allowed up to fifteen (15) minutes to present arguments for affirming the department's denial of the application.

(i) The three (3) members of the administrative panel shall rule on the appeal by a majority vote.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-105. Approved seed for planting.

(a) **For licensed growers or licensed processors/handlers.**

(1) Approved seed or transplants for cultivating industrial hemp in Arkansas shall be from one (1) of the following:

(A)(i) Seed or transplants produced from seed or living plant parts that meet the criteria for Breeder, Foundation, Registered, or Certified categories as defined by the Official Standards for Seed Certification in Arkansas, including certification by other AOSCA seed agencies recognized by the Arkansas Seed Certification Program.

(ii) All such seed and transplants shall include a certifying tag of varietal purity issued by Arkansas Seed Certification Program or another official certifying agency as defined in this part (2 CAR § 31-101(a)(3)); or

(B) As allowed by the Industrial Hemp Research Program, seed or transplants produced lawfully under an industrial hemp research program within the United States provided that the seed or transplants have accompanying documentation of:

(i) Being produced by a licensed grower within the state of production;

(ii) The crop from which the seed or transplants were harvested had a THC analysis of three-tenths of one percent (0.3%) or less by dry weight;

(iii) The variety is listed as an approved variety published annually in the Industrial Hemp Research Program guidance policy; and

(iv) The variety owner's permission has been granted.

(2)(A) Growers or other organizations in Arkansas may produce seed or transplants for distribution or sale for cultivation, if the source is subdivision (a)(1) of this section, in subsequent years only if it is overseen and certified by the Arkansas Seed Certification Program to be true to type under AOSCA's guidelines, Industrial Hemp (Cannabis sativa L. Subsp. Sativa) Certification Standards.

(B) No other seed or transplants may be produced in Arkansas for distribution or sale in Arkansas unless approved by the Industrial Hemp Research Program.

(3) All seed or transplants produced in Arkansas for distribution or sale in Arkansas to be utilized for cultivation of industrial hemp shall include a certifying tag of

varietal purity issued by the Arkansas Seed Certification Program or another official certifying agency as defined in 2 CAR § 2-101, definitions.

(4)(A) A business entity, including an agricultural cooperative enterprise (co-op) or other farm aggregator (aggregator) who contracts with one (1) or more permitted growers, may, upon registering with the Department of Agriculture, obtaining any required permitting from the Drug Enforcement Agency, and pursuant to federal and state law, obtain bulk quantities of seed or transplants approved under this part for distribution to permitted growers.

(B) A permitted grower may own and plant seed or transplants obtained from such registered co-ops or aggregators, who must document quantities delivered to each named grower within ten (10) days of delivery.

(b)(1)(A) All industrial hemp seed or transplants sold within or into Arkansas must be labeled as to variety or hybrid name.

(B) Labelers of seed or transplants must provide to the board breeder descriptions and variety release information including any subsequent updates/amendments to these descriptions.

(2) For purposes of labeling, the number or other designations of hybrid industrial hemp shall be used as a variety name.

(3) All industrial hemp seed for planting purposes sold within or into Arkansas is subject to the rules in the State Plant Board's Rules on the Sale of Planting Seed in Arkansas, 2 CAR pt. 33.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

"THC" means tetrahydrocannabinol.

2 CAR § 31-106. Seed/propagule acquisition.

(a) Seed/propagule acquisition from a source within Arkansas.

(1) No Department of Agriculture preapproval shall be required for a transfer of hemp seed or propagules of any variety listed on the department's published Summary of Varieties List, excluding prohibited varieties, between Arkansas licensed growers and/or licensed processors/handlers within Arkansas.

(2) A licensed grower or licensed processor/handler shall not buy, sell, possess, or transfer hemp seeds or propagules to or from any person in Arkansas without first verifying that the person is licensed as required by this part.

(3) Upon request from a representative of the department, a licensed grower or licensed processor/handler shall provide a distribution list showing locations where and to whom hemp seeds or propagules were distributed.

(b) Seed/propagule acquisition from a source in a United States territory, tribal land, or state other than Arkansas.

(1) No person shall acquire seeds or propagules from a source in a United States territory, tribal land, or state other than Arkansas without first:

(A) Submitting a complete Domestic Seed/Propagule Request form and all required attachments; and

(B) Obtaining written approval of the Domestic Seed/Propagule Request from a representative of the department.

(2) A Domestic Seed/Propagule Request shall not be approved unless the licensed grower or processor/handler affirms in writing that the requested seed acquisition plan will not infringe on the intellectual property rights of any person.

(3) A person submitting a Domestic Seed/Propagule Request form shall submit to the department THC test results showing that floral material sampled from mature plants that produced the seed or propagule variety has a total delta-9-THC content of not more than three-tenths of one percent (0.3%) percent on a dry weight basis from an independent third-party laboratory.

(4) A person acquiring seeds or propagules from a source outside Arkansas shall arrange for the seeds or propagules to arrive at the department's facility at 1 Natural Resources Drive, Little Rock, Arkansas 72205, or at a location designated by the

department, for inventory and distribution.

(5) Upon request from a representative of the department, a licensed grower or processor/handler shall provide a distribution list showing locations where and to whom the hemp seeds were distributed following inventory at the department facility.

(c) Seed/propagule acquisition from a source outside the United States.

(1)(A) A person seeking to obtain seeds/propagules from an international source shall submit a complete International Seed Request form to the department.

(B) If approved, the department shall request the Drug Enforcement Administration Permit to Import under the department's Drug Enforcement Administration registration, if required.

(C) No person shall acquire seeds/propagules from a source outside the United States unless the department first obtains a Permit to Import from the Drug Enforcement Administration, if required.

(2) No person shall acquire propagules or seeds from outside the United States unless:

(A) All federal and state requirements have been met; and

(B) The acquisition is approved by the department.

(3)(A) The department shall not approve an International Seed Request form for any purpose other than seeds for planting in Arkansas.

(B) All licensed growers intending to plant the requested seed must be listed on the request form.

(4) The department shall not approve an International Seed Request form unless the licensed grower or processor affirms in writing that the planned activities will not infringe on the intellectual property rights of any person.

(5) A person submitting an International Seed Request form shall submit to the department documentation showing that mature plants that produced the seed variety have a floral material total THC content of not more than three-tenths of one percent (0.3%) on a dry weight basis.

(6) A person acquiring seeds or propagules from a source outside the United States shall arrange for the seeds/propagules to arrive at the department's facility at 1

Natural Resources Drive, Little Rock, Arkansas 72205, or at a location designated by the department, for inventory and distribution.

(7) Upon request from a representative of the department, a licensed grower or processor/handler shall provide a distribution list showing locations where and to whom the imported hemp seeds were distributed following inventory at the department's designated facility.

(d) Seed/propagules of wild, landrace, or unknown origin.

(1) No person shall acquire or grow hemp or cannabis seeds or propagules of wild, landrace, or unknown origin without first obtaining written approval from a representative of the department.

(2) Hemp or cannabis seeds or propagules of wild, landrace, or unknown origin shall not be permitted to be planted, cultivated, or replicated by any person without the department first arranging for replication and THC testing of mature plants grown from such seeds or propagules by the department or its designee.

(3) Any licensed grower or licensed processor found to have saved seed, propagules, or cuttings, or cultivated seeds, propagules, or cuttings from a cannabis plant of wild, landrace, or unknown origin, without permission from the department may be subject to suspension or revocation of their license and forfeiture without compensation of their materials.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

"THC" means tetrahydrocannabinol.

2 CAR § 31-107. Planting reports.

(a) Planting reports for outdoor plantings.

(1) A licensed grower shall submit to the Department of Agriculture a complete

and current Field Planting Report, within ten (10) days after every planting, including replanting, of seeds or propagules in an outdoor location.

(2) Each Field Planting Report shall identify the:

(A) Correct variety name as designated upon approval of the acquisition request or as approved by the department;

(B) Field location ID as listed in the Grower Licensing Agreement;

(C) Planting date; and

(D) Primary intended use of the harvest for each planting.

(3) A licensed grower who does not plant hemp in an approved outdoor site listed in the Grower License Agreement shall submit a Field Planting Report, on or before July 31, stating that hemp has not and will not be planted at that site.

(b) Planting reports for indoor plantings.

(1) A licensed grower shall submit to the department a complete and current Greenhouse/Indoor Planting Report within ten (10) days after establishing plants at an indoor location.

(2) Each Greenhouse/Indoor Planting Report shall identify the:

(A) Correct hemp variety name as designated in the Seed/Propagule Request form and approved by the department;

(B) Greenhouse or indoor growing location ID as listed in the Grower Licensing Agreement;

(C) Planting date; and

(D) Primary intended use for the harvest of each planting.

(3)(A) In addition to the initial Greenhouse/Indoor Planting Report, a licensed grower with an approved greenhouse or indoor growing site shall submit quarterly reports for each location ID to the department.

(B) Greenhouse/Indoor Planting Reports are due no later than:

(i) March 31;

(ii) June 30;

(iii) September 30; and

(iv) December 31.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-108. Site access for representatives of the department and law enforcement agencies.

(a) The Department of Agriculture shall provide information about approved growing, handling, and storage site locations to representatives of the Division of Arkansas State Police, Drug Enforcement Administration, and other law enforcement or cooperating agencies whose representatives request registered site information, including GPS coordinates.

(b) Licensed growers and licensed processors/handlers shall have no reasonable expectation of privacy with respect to:

(1) Premises where industrial hemp seeds, plants, or materials are located;
and

(2) Any premises listed in the Grower Licensing Agreement or Processor/Handler Licensing Agreement.

(c) A licensed grower or licensed processor/handler, whether present or not, shall permit a representative of the department or a law enforcement agency to enter into premises where industrial hemp seeds, plants, or materials are located and any premises listed in the Grower Licensing Agreement or Processor/Handler Licensing Agreement with or without cause and with or without advanced notice.

(d) A licensed grower or licensed processor/handler shall obtain in writing from the owner of any leased or rented field or structure the owner's acknowledgement they will abide to the terms listed in this section.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-109. Pesticide use.

(a) A licensed grower who uses a pesticide on hemp must be certified to apply pesticides pursuant to federal and Arkansas laws and State Plant Board rules.

(b) A licensed grower shall not use any pesticide in violation of the product label.

(c) A licensed grower who uses a pesticide on a site where hemp will be planted shall comply with the longest of any planting restriction interval on the product label prior to planting the hemp.

(d) The Department of Agriculture shall have the authority to perform pesticide testing:

(1) On a random basis; or

(2) When representatives of the department have reason to believe that a pesticide may have been applied to hemp in violation of the product label.

(e) Hemp seeds, plants, and materials bearing pesticide residue in violation of the label shall be subject to forfeiture or destruction without compensation.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-110. Licensed grower's responsibility — Prior to harvest.

(a) The Department of Agriculture may collect samples of any industrial hemp (*Cannabis sativa* L.) material at any time.

(b) A licensed grower shall submit a complete and current Harvest/Destruction Report form to the department at least fifteen (15) days, or the number of days established in the department's published guidance policy, prior to the intended harvest date or intended destruction of a failed crop.

(c) The department's receipt of a Harvest/Destruction Report triggers a preharvest sample collection by the department.

(d) During the department's scheduled sample collection, the grower or an authorized representative shall be present at the growing site.

(e) Representatives of the department shall be provided with complete and unrestricted access to all:

- (1) Industrial hemp (*Cannabis sativa* L.) plants, whether growing or harvested;
- (2) Land, buildings, and other structures used for the cultivation, handling, and storage of all industrial hemp (*Cannabis sativa* L.) plants; and
- (3) Locations listed in the Grower Licensing Agreement.

(f) The licensed grower shall harvest the crop not more than fifteen (15) days following the date of sample collection by the department, unless specifically authorized in writing by the department.

(g) Should the licensed grower fail to complete harvest within fifteen (15) days, the department may order a secondary preharvest sample of the plot, and the licensed grower shall be assessed a secondary preharvest sample fee per plot in the amount specified in the section on fees prior to the department collecting the sample.

(h) Harvested materials from varieties of concern shall not be commingled with other harvests without prior written permission from the department.

(i) Floral materials harvested for phytocannabinoid extraction shall not be moved outside the state or beyond a processor, nor commingled, nor extracted, until the releases the material in writing.

(j) A licensed grower who fails to submit a Harvest/Destruction Report or who does submit a Harvest/Destruction Report and proceeds to harvest a crop prior to a sample being collected by the department shall be subject to revocation of their license.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-111. Sampling and analyzing hemp.

(a)(1) All plantings of industrial hemp listed in licensed grower applications/agreements or products derived from industrial hemp or cannabis in possession of a licensed processor/handler are subject to sampling for THC levels.

(2) The sampling method shall be per guidelines adopted by the Department of Agriculture for collecting regulatory samples of industrial hemp.

(3) The license holder shall be responsible for the cost of all laboratory analytical services of the sample, billable to the license holder by the laboratory performing the analysis.

(b) Sample collection.

(1) Licensed growers.

(A) A number of days, determined by the department and published annually as policy, prior to harvesting or destroying any hemp plants, a participant must submit to the department a Harvest/Destruction Notification form.

(B) The department will notify the participant of the date and approximate time when samples will be collected from the participant's plot or plots and/or greenhouse or greenhouses.

(C)(i) The department will collect samples from each plot or greenhouse, in accordance with the department's sampling and testing procedures, published annually as guidelines/policy.

(ii) The participant or a knowledgeable representative must be present for the sample collection.

(iii) Samples must be collected prior to any harvest or destruction of plants within that plot or greenhouse.

(iv) The department reserves the right to collect any number of samples at any time.

(2) Licensed processors/handlers.

(A) The department shall have the authority to collect and retain samples of industrial hemp and products derived from all industrial hemp in the possession of a

licensed processor/handler.

(B) If final products are any type of consumable and are intended for human consumption, the processor/handler is responsible for obtaining any required state and federal food safety permits.

(c)(1) Representatives of the department collecting or transporting the samples shall have the legal right to possess industrial hemp in Arkansas for purposes of collecting the sample and transporting the sample to a laboratory for analysis.

(2) The laboratory performing the analysis shall have the legal right to:

- (A) Possess industrial hemp;
- (B) Perform the analysis; and
- (C) Retain a portion of the sample.

(3)(A) All samples collected by the department become the property of the department and are nonreturnable.

(B) No compensation shall be owed by the department.

(d) **Laboratory testing.**

(1)(A) The department will select samples for testing in accordance with its THC Testing Protocol, published annually as guidelines/policy.

(B) If harvesting floral material, the participant must wait for THC test results prior to:

- (i) Comingling of the individual plot or variety with harvested materials from different plots or varieties; or
- (ii) Undertaking any extraction activities.

(2)(A)(i) When possible, all testing will be conducted by the department.

(ii) Other labs may be used if authorized by the department.

(B) As soon as it is available, the results of the THC analysis shall be reported to the department and the holder of the license.

(3) Samples with a total THC level equal to or below three-tenths of one percent (0.3%) THC shall require no further action and the area or harvested plant material from which the sample was obtained shall be released for marketing or further processing.

(4)(A) Samples with a total THC level greater than three-tenths of one percent (0.3%) THC shall be reported by the department to the licensee and to the State Plant Board's Industrial Hemp Committee.

(B) The license holder may request a retest of the sample.

(C) If no retest is requested, or the retested sample is greater than three-tenths of one percent (0.3%) THC, the area represented by the sample or any harvested plant parts from the area represented by the sample shall be subject to the following disposition:

(i) Industrial hemp stalks (denuded) may be harvested, processed, and used for fiber and/or any other lawful purpose; or

(ii) Industrial hemp seed may be harvested, processed, and rendered nonviable for food products, provided the source of the seed or transplants is seed or transplants produced from seed or a living plant part which meets the criteria for Breeder, Foundation, Registered, or Certified categories as defined by the Arkansas Seed Certification Program, including certification by other seed agencies recognized by AOSCA, and includes a certifying tag of varietal purity issued by the department or another official certifying agency as defined in 2 CAR § 31-101.

(5) If industrial hemp plant parts are harvested from a field, greenhouse, or a variety within a field or greenhouse, and are comingled with plant parts from another field, greenhouse, or variety within a field or greenhouse, prior to having knowledge of the results of the sample, the license holder does so at his or her own risk and with full knowledge that if an analysis of greater than three-tenths of one percent (0.3%) THC is returned, all comingled plant parts shall be destroyed.

(6) No plants or plant parts harvested from a planting being tested shall be marketed until released by the department.

(7)(A) All samples become the property of the department and are nonreturnable.

(B) No compensation shall be owed by the department.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

"THC" means tetrahydrocannabinol.

2 CAR § 31-112. Restrictions on sale or transfer.

(a) A licensed grower or licensed processor/handler shall not sell or transfer, or permit the sale or transfer, of living plants, viable seeds, leaf material, or floral material to any person in the state who does not hold a license issued by the Department of Agriculture.

(b)(1) A licensed grower or licensed processor/handler shall not sell or transfer, or permit the sale or transfer, of living plants, viable seeds, leaf material, or floral material to any person outside the state of Arkansas, but within the United States, who is not authorized by a university or state department of agriculture under the authority of the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed], and the laws of that state.

(2) The licensed grower or licensed processor/handler is responsible for ensuring that such sale or transfer is lawful in other states.

(c) The Department of Agriculture shall permit the sale or transfer of stripped stalks, fiber, dried roots, seed oils, nonviable seeds including seed meal and seed oils for consumption as human food or animal feed, floral and plant extracts, and other marketable hemp products to members of the general public, both within and outside the state, provided that the marketable hemp product's total THC level is not more than three-tenths of one percent (0.3%).

(d) A licensed grower or licensed processor/handler selling or transferring, or permitting the sale or transfer, of floral or plant extracts, including CBD, shall retain testing data or results for at least three (3) years demonstrating that the extract's total THC level is not more than three-tenths of one percent (0.3%).

(e)(1) The Department of Agriculture shall permit a licensed grower or licensed

processor/handler to transfer up to one pound (1 lb.) of hemp material per transfer to testing laboratories, both within and outside the state, for the purpose of measuring THC, CBD, or other phytocannabinoid profile levels.

(2) It is the responsibility of the licensed grower to ensure compliance with laws in other states.

(f) Licensed growers or licensed processors/handlers shall comply with the Federal Food, Drug, and Cosmetic Act and all other applicable local, state, and federal laws and rules relating to:

- (1) Product development;
- (2) Product manufacturing;
- (3) Consumer safety; and
- (4) Public health.

(g) A licensed grower or licensed processor/handler shall not knowingly permit hemp to be sold to or used by any person involved in the manufacture of an item named on the Prohibited Products List set forth in the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed].

(h) A licensed grower or licensed processor/handler shall not:

(1) Plant, grow, store, or process hemp on any site not listed in the Grower Licensing Agreement or Processor/Handler License Agreement;

(2) Transport live hemp plants, viable seeds, leaf materials, or floral materials to unapproved locations including trade shows, county fairs, educational or other events, celebrations, ceremonies, or any other address not listed in the grower or processor's current Grower Licensing Agreement or Processor/Handler License Agreement except by express written permission from the department; and

(3) Allow unsupervised public access to industrial hemp plots or plantings.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

The Federal Food, Drug, and Cosmetic Act is codified at 21 U.S.C. § 301 et seq.

"THC" means tetrahydrocannabinol.

2 CAR § 31-113. Reporting.

(a)(1) Licensed growers and licensed processors/handlers are required to submit several reports listed in the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed], and in this part.

(2)(A) Forms for these required reports will be provided by the Department of Agriculture.

(B) These forms may include other requirements set as policy and published annually.

(b) Production Reports.

(1) Licensed participants shall report annually by December 31 to the department the following information:

(A) Licensed growers:

(i) Acreage, or greenhouse space planted, planting date, harvested date, and varieties grown;

(ii) Weight and type of plant part marketed, purchaser, and research information provided to the department or participating Arkansas universities; and

(iii) Current industrial hemp plant parts in storage and location of storage; and

(B) Licensed processors/handlers shall report the source, total weight, and type of raw industrial hemp processed, as well as the amount and composition/nature of final marketable hemp products made.

(2)(A) Participants in the Industrial Hemp Research Program must submit a completed Production Report form.

(B) Grower and processor/handler license holders shall report annually to the department the research data or observations collected and reported in provided

forms or templates from the cultivation or processing of industrial hemp as stated on the license application forms and in this part.

(C) Failure to submit a fully complete and truthful Production Report form may result in denial to participate in future Industrial Hemp Research Programs.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-114. Fees and services.

(a) Each application shall be accompanied by a nonrefundable fee of fifty dollars (\$50.00).

(b) A license is issued for one (1) year for an annual fee of two hundred dollars (\$200.00).

(c) For a renewal license, the same fee schedule will apply as in this subsection.

(d) Fees paid for a license are not refundable:

(1) Once the licensee takes possession of seed or transplants; or

(2) If the license is revoked for any cause over the duration of the license.

(e) The initial and renewal license fees are due annually when the license applicant is notified of the acceptance of a license application and before the licensee takes possession of the seed or transplants, whichever is earlier.

(f) The license holder shall be responsible for the cost of all inspection and sampling services.

(g) The license holder shall be responsible for the cost of all laboratory analytical services.

(h) Any applicant or licensee participating in the Arkansas Seed Certification Program is responsible for all fees and rules associated with the Industrial Hemp Research Program.

(i)(1) The license holder shall be responsible for the cost of any other oversight

required by the State Plant Board.

(2) This may include:

- (A) Site verification visits;
- (B) Seed/propagule verification visits;
- (C) Pesticide residue testing;
- (D) Staff time; and
- (E) Program administration.

(3) A fee schedule will be established on an annual basis and published on the Department of Agriculture's website or be available on request.

(j) Established fees.

(1) Grower applications:

- (A) Fifty-dollar application fee (nonrefundable);
- (B) Two-hundred-dollar license fee;
- (C) Two-hundred-dollar modification fee (per modification, maximum of three (3) allowed per license year);
- (D) Applied acreage fee:
 - (i) Fifty dollars (\$50) for less than five (5) acres;
 - (ii) One hundred dollars (\$100) for five (5) to less than fifty (50) acres;
 - (iii) Two hundred fifty dollars (\$250) for fifty (50) to less than one hundred (100) acres;
 - (iv) Five hundred dollars (\$500) for one hundred (100) to less than two hundred (200) acres; and
 - (v) One thousand dollars (\$1000) for greater than two hundred (200) acres;
- (E) One-hundred-dollar applied greenhouse fee (each greenhouse);
- (F) One-hundred-dollar lab sample fee (per lab compliance sample);
- (G) One-hundred-dollar GPS verification fee for each location ID; and
- (H) Twenty-five-dollar hemp transfer fee (each transfer).

(2) Processor/handler license:

- (A) Fifty-dollar application fee (nonrefundable);
- (B) Two-hundred-dollar license fee;
- (C) Two-hundred-dollar modification fee (per modification, maximum of three (3) allowed per license year);
- (D) One-hundred-dollar lab sample fee (per lab compliance sample);
- (E) One-hundred-dollar GPS verification fee, each location ID;
- (F) Twenty-five-dollar hemp material transfer fee (each transfer); and
- (G) Applied producer fee:
 - (i) One thousand five hundred dollars (\$1,500) for flower/bud material;
 - (ii) Five hundred dollars (\$500) for fiber, seed, and grain; and
 - (iii) Five hundred dollars (\$500) handler fee.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-115. License suspension and revocation.

(a) The Department of Agriculture shall notify a licensed grower or processor in writing that the licensing agreement has been temporarily suspended if a representative of the department receives information supporting an allegation that a licensee has:

- (1) Engaged in conduct violating a provision of:
 - (A) This part;
 - (B) The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed]; or
 - (C) The Grower Licensing Agreement;
- (2) Made a false statement to a representative of the department or a law enforcement agency;
- (3) Been found to be growing or in possession of cannabis with a measured

total THC concentration at or above three percent (3%); or

(4) Failed to comply with an order from a representative of the department or a law enforcement agency.

(b) A person whose licensing agreement has been temporarily suspended shall not harvest, process, or remove cannabis from the premises where hemp or other cannabis was located at the time when the department issued its notice of temporary suspension, except as authorized in writing by a representative of the department.

(c) As soon as possible after the notification of temporary suspension, a representative of the department shall:

(1) Inspect the licensee's premises; and

(2) Perform an inventory of all industrial hemp and hemp products that are in the licensee's possession.

(d) The department shall schedule a license revocation hearing for a date as soon as practicable after the notification of temporary suspension, but in any event not later than sixty (60) days following the notification of temporary suspension.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

"THC" means tetrahydrocannabinol.

2 CAR § 31-116. Grant funds.

(a)(1) If grant funds become available, an applicant must apply on forms supplied by the Department of Agriculture.

(2) Applications will be evaluated on a competitive basis, if appropriate, by a department-appointed review committee.

(b) Records will be required to be:

(1) Kept;

- (2) Reported; and
- (3) Made available for audits.

(c) If it is determined any grant funds were spent inappropriately, refunds will be required.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

2 CAR § 31-117. Prohibitions summarized.

(a) The prohibitions listed below shall not invalidate any provisions of this part through omission or repetition, but shall be a supplement thereto.

(b) No person shall:

(1) Sell, offer, expose, distribute, or transport industrial hemp seed or transplants not produced or labeled in accordance with the provisions of this part or having a false or misleading labeling;

(2) Sell, offer, expose, distribute, or transport industrial hemp seed not labeled in accordance with the provisions listed in Rules on the Sale of Planting Seed in Arkansas, 2 CAR pt. 33, including selling seed containing prohibited noxious weeds or excessive numbers of noxious weeds;

(3) Sell, offer, or expose for sale any industrial hemp seed labeled AOSCA "Certified Seed", "Registered Seed", or "Foundation Seed", unless it has been produced and labeled in compliance with the rules of an officially recognized AOSCA seed-certifying agency or association;

(4) Fail to comply with sample collection and testing requirements prior to harvesting or destroying any hemp plants, in accordance with this part;

(5) Detach, alter, deface, or destroy any labeling or other required documentation specified in this part, or alter or substitute seed or transplants in a manner that may defeat the purpose of this part;

(6) Disseminate any false or misleading advertisement concerning industrial hemp seed or propagating material in any manner or by any means;

(7) Hinder or obstruct in any way any authorized agent or agents of the Department of Agriculture or law enforcement in the performance of their duties;

(8) Fail to comply with all licensing and reporting requirements as outlined in this part or in the Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq. [repealed];

(9) Fail to:

(A) Keep required records including but not limited to those for agronomics, contracts, sampling, storage, expenses, transportation and delivery, and income, while the license is valid and for at least three (3) years thereafter; or

(B) Make available for inspection such records to the department or any authorized agent thereof;

(10) Fail to keep the agreement ensuring the monitoring and destruction of hemp plant volunteers for three (3) years following cultivation regardless of land lease or ownership status during that period;

(11) Represent industrial hemp seeds which are indistinguishable by seed characteristics to be of a recognized variety, without having adequate information for such variety representation, such as that they were grown from AOSCA Certified seed on land free of volunteer plants that might affect the purity of the seed under consideration, and if a cross-pollinated crop, isolated so as to prevent cross-pollination, and handled in harvesting, storing, and processing so that the varietal purity and quality of the seed is maintained;

(12) Fail to:

(A) Comply, upon request of the department of any producer of industrial hemp seed, including hybrids, who wishes to offer their seed for sale in the state;

(B) Give the department a complete description of the characteristics of the variety or hybrid; and

(C) Become certified under the Arkansas Certified Seed Program;

(13) Provide false, misleading, or incorrect information to the department

pertaining to the licensee’s cultivation or processing of industrial hemp by any means, including but not limited to information provided in any application form, report, record, or inspection required or maintained for purposes of industrial hemp research plots/production in this part or in the Arkansas Industrial Hemp Act [repealed];

(14) Plant, grow, store, transfer, or process hemp on, from, or to any site not listed in the Grower Licensing Agreement or Processor/Handler License Agreement; or

(15) Sell or transfer, or permit the sale or transfer, of living plants, viable seeds, living or dried/ground leaf material, or floral material to any:

(A) Person in the state who does not hold a license issued by the department; or

(B) Unauthorized person outside the state.

Authority. Arkansas Code § 2-15-404 [repealed].

Codification Notes. The Arkansas Industrial Hemp Act, Arkansas Code § 2-15-401 et seq., was repealed by Acts 2021, No. 565, § 1.

Appendix A. Arkansas Industrial Hemp Act

Link:

[https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/417/2CARpt.31.Appendix.Arkansas Industrial Hemp Act.pdf](https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/417/2CARpt.31.Appendix.Arkansas%20Industrial%20Hemp%20Act.pdf)