



MDA Hemp Program

Raw Hemp Processor Inspections

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MN Industrial Hemp Development Act And Rules

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CHAPTER 18K. INDUSTRIAL HEMP DEVELOPMENT

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CHAPTER 18K Industrial Hemp Development

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CHAPTER 1565, HEMP

DEPARTMENT OF AGRICULTURE

Part	Title
1565.0100	PURPOSE.
1565.0200	DEFINITIONS.
1565.0300	APPLICATION PROCESS.
1565.0400	GROWER LICENSE.
1565.0500	PROCESSOR LICENSE.
1565.0600	SUPERVISION, SAMPLING, AND INSPECTION.
1565.0700	CANNABIS PLANT; THC LEVEL OVER 0.3 PERCENT.
1565.0800	FIT FOR COMMERCE CERTIFICATION.
1565.0900	TRANSPORTING HEMP.
1565.1000	HEMP PROPAGULES.
1565.1100	HEMP PRODUCTION.
1565.1200	HEMP DATA AND REPORTING REQUIREMENTS.
1565.1300	DENIALS AND VIOLATIONS.
1565.1400	LICENSE REVOCATION.
1565.1500	LABORATORY REQUIREMENTS.

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CHAPTER 1565 Hemp Rules

18K.04 LICENSING

§Subdivision 1.Requirement; issuance; presumption.

(a) A person must obtain a license from the commissioner before (1) growing industrial hemp for commercial or research purposes, and (2) before processing industrial hemp for commercial purposes.

MN Rule 1565.0200 – DEFINITIONS

Subp. 33. Marketable hemp product. "Marketable hemp product" means a hemp product that does not contain any living hemp plant parts or viable seeds, and does not contain THC above the acceptable hemp THC level.

Subp. 39. Processing. "Processing" means rendering hemp plants or plant parts from their natural or original state after harvest by refinement, decorticating, devitalizing, chopping, crushing, extracting, or packaging. Typical farm operations, including sorting, grading, baling, and harvesting, are not considered processing for purposes of this definition.

Subp. 40. Processing location. "Processing location" means any area, building, plant, or facility registered with and approved by the commissioner in which a licensee converts raw hemp into a marketable product.

Subp. 41. Processor. "Processor" means a person or business that converts raw hemp into a product.

Subp. 43. Raw hemp. "Raw hemp" means whole hemp plants, whether growing or not, or the stalks, viable seeds, unaltered flowers or leaves, or any unprocessed plant pieces or parts of hemp.

MN Rule 1565.0500 – PROCESSOR LICENSE

Subpart 1. License required. A person must possess a hemp processor license before obtaining raw hemp materials for commercial processing purposes. Hemp may only be processed in this state by a person with a processor license. If hemp is processed in this state by a person without a processor license, the processed hemp is prohibited from entering the stream of commerce.

Subp. 2. Source material documentation. A licensee must provide upon request to the commissioner or to law enforcement information documenting the source material for any hemp plants, plant parts, grain, seeds, and products that the licensee is in possession of or had processed. Documentation must include any test results from an accredited laboratory validating that plant materials and products do not exceed the acceptable hemp THC level.

Subp. 3. Change in processing location. A licensee must not change the location of a registered processing location without first notifying the commissioner. A licensee must submit the proposed change to the commissioner along with an updated legal description, geospatial location, or map specifying the proposed changes to the registered processing location and, if applicable, pay additional fees before commencing processing at the new location.

Subp. 4. Hemp sourcing requirements. A processor must obtain hemp from a licensed Minnesota grower or from sources approved through another state or federally approved plan. A processor must obtain a copy of the Fit for Commerce certificate or certificate of analysis demonstrating the hemp material is within the acceptable hemp THC level from the grower, specific to the lot being purchased, before processing the hemp.

MN Rule 1565.1200 – HEMP DATA AND REPORTING

Subpart 1. Record keeping. A licensee must maintain records regarding the acquisition, production, handling, selling, remediation, and disposal of all plants subject to this chapter. All records must be maintained for at least three years. A licensee's records and data maintained at a grow location or processing area are subject to an audit by the commissioner. A licensee must make available for inspection by the commissioner or the commissioner's designee during reasonable business hours or upon request by the commissioner all records required to be kept under this subpart.

MDA PROCESSOR INSPECTIONS

- The MDA will begin conducting annual inspections of raw hemp processors starting in 2022 per Minnesota Statutes 18K.04, 18J.04 and Minnesota Rules 1565
- **GOAL:** To develop a Standard Operating Procedure (SOP) that provides the hemp industry in Minnesota with a regulatory framework that represents the true nature of processing in the state
- MDA will use the first two years of processor inspections as an opportunity to learn more about the variety and scope of these operations – **ENFORCEMENT NOT THE GOAL**

** This will help MDA work with the MN Hemp Industry to develop a regulatory framework that meets state law and creates equitable opportunities among licensees*

NATURE of PROCESSOR INSPECTIONS

- **Conducted for Activities in a Given License Year**
- **Documents Review**
 1. Purchasing and Acquisition
 2. Sale
 3. Storage
 4. THC Handling and Disposal
- **General Facility Operations**

Data recorded for

 1. Types of Processing performed at facility
 2. Square footage of operations
 3. Changes or updates to facility operations

REQUIRED DOCUMENTS FOR INSPECTION

Documents Review

A. Purchasing and Acquisition for All Hemp Lots

- 1) MN Fit For Commerce (or USDA/Tribal/Other State Approved COA)
- 2) Amount purchased by Type (Fiber, Grain, Flower)
- 3) Amount Processed by Type (Fiber, Grain, Flower)

B. Sale

- 1) Amount Sold by Type (Fiber, Grain, Flower, Extract, Finished Product)
 - a) COA's for Flower, Extract and/or Products (by batch, lot, etc.) Sold

C. Storage

- 1) Hemp Being Stored by type (Fiber, Grain, Flower, Extract)
- 2) MN Fit for Commerce (or USDA/Tribal/Other State Approved COA) for All Stored Lots

D. THC Handling and Disposal

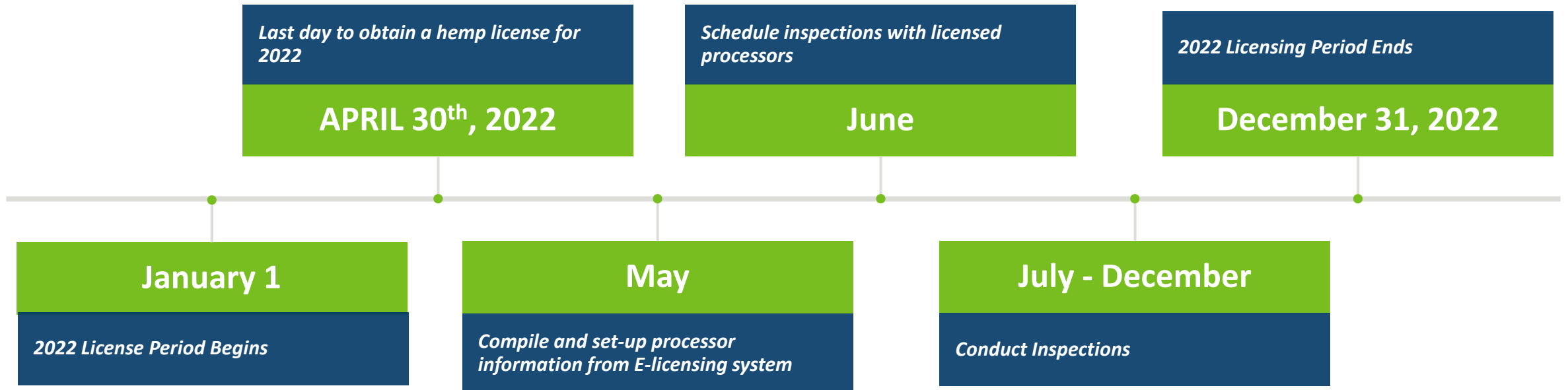
- 1) Documented SOPs for Disposal of Non-compliant Hemp, THC Remediation for Extracts/Flower, THC Disposal (if applicable)
- 2) Amount of Non-compliant Hemp Destroyed

FINAL INSPECTION REPORT

- MDA will produce a summary report of the inspection for the licensee that documents compliant or non-compliant record keeping
- Licensees will need to provide MDA with a corrective action update within 30 days of receipt of the inspection summary for any issues that are found to be non-compliant
- MDA will keep all processing inspection data for a period of 3 years
 - Licensed processors are also required to keep required documents for 3 years

** Next two years will be a learning process, enforcement limited*

MDA TIMELINE for IMPLEMENTATION



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Thank You!

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