Hemp Wanted: Cannabis Cousin a Natural Fit in the Garden State

7/30/2020

With many safety measures in place the great news for the Garden State is an "oldie but a goodie" cash crop dating back to 10,000 BC which is percolating with economic opportunities for farmers and entrepreneurs alike. In the 12,000 or so years that have passed during cultivation of hemp, the plant has been used to create many products like fabric, rope, paper, cosmetics, food, and even building products. One of the current popular hemp products on the market is CBD oil. CBD oil has added to hemp's long list of derivatives and is touted by many as a nutritional supplement delivering health and well being. Currently CBD cannot be marketed with claims of therapeutic effect on illness or disease.

Under the USDA-approved hemp licensing program, business opportunities in New Jersey are being further promoted by developing commercial markets for farmers and all qualified participants to produce, sell, and manufacture hemp. The organization of the legislation and the business/marketing infrastructure plan, in sync with one another, create an opportunity for long-term profit and success.

In August 2019, lawmakers in New Jersey enacted the Hemp Farming Act (NJHFA) which promotes and establishes guidelines for the cultivation, handling, processing, transport, and the sale of hemp and hemp commodities within New Jersey for commercial purposes (while still uniting in harmony with Federal Law). NJHFA, which repeals New Jersey's previous hemp pilot program, essentially covers the 2018 Farm Bill (removed hemp from being listed as a Schedule I controlled substance and made it an ordinary commodity), and moves hemp forward by specifying protocols and procedures for its growth and processing. Two types of applications have been introduced for both growers and handlers. While New Jersey has not yet placed limits on the number of permits that will be issued, permit applicants must pass a thorough background check and must also be able to illustrate a prior history and experience within hemp cultivation.

New Jersey's Hemp Program, officially coded at N.J.A.C. 2:25-1.1 et al, defines three distinct type of hemp professionals: a "grower," a "handler," and a "processor." A hemp "grower" is defined as any person who cultivates hemp; a "processor" includes, but is not limited to, parties acquiring raw hemp materials and processing them into a product; a "handler" is "any person who possesses or stores a hemp plant on premises owned, operated, or controlled by a hemp producer for any period of time or in a vehicle for any period of time other than during the actual transport." The term handler includes various titles and employment opportunities ranging from seed cleaners and harvesting agents to labs and hemp brokers. Applications may be submitted at any time and must include the proper application fees. For a grower, an annual fee of $300 in addition to a $15 charge per acre of land (in which the farmer intends on cultivating the plant) will be charged. Handlers pay a $450 annual fee. Processors will be responsible for a fee for each type of hemp product they possess which could be anywhere from $450 to a $1,450 annual fee should the applicant want to market CBD extract or CBD oil.

Along with the applications and permits required there are also strict mandates on the actual hemp product growers are able to harvest. One requirement for growers is ensuring that the hemp harvest does not produce a product containing more than 0.3% THC (Tetrahydrocannabinol – the principal psychoactive constituent of cannabis). A hemp harvest with a THC greater than 0.3% would not be legal, and therefore would need to be destroyed. The licensed professional would not be prosecuted for a crop that fell between 0.3-0.5 percent but the crop would need to be destroyed as well. In addition to guidelines on the chemistry of the actual plant, hemp producers are required to include the exact GPS coordinates of the hemp farms and growing/manufacturing locations within the application(s) submitted. Furthermore, the New Jersey Department of Agriculture, tasked with oversight on the program, will ensure compliance having established protocols for testing, sampling, random audits of all hemp facilities and more.

Only time will tell as to whether or not New Jersey's hemp plan may have to be tweaked to attract serious market makers. One of the fears within the industry is that as popularity and revenue grows rapidly, more product on the market may drive the revenue down. Although New Jersey's hemp production still lags behind our neighbors New York and Pennsylvania (Tennessee was ranked number one in the nation for Hemp Cultivation Growth in 2019) we are certainly poised for success based on the current laws in place and industry backbone. The people in the Garden State know how to plant a seed and turn dirt into fortune and opportunity. Hemp and all the products it spawned appears to have an exciting future ahead, and with streamlined policy and oversight in place, seems to be primed for yet another Jersey crop success story.