

## Vermont Hemp Rule

### Section 1 General

#### 1.1 Authority and Purpose

These rules are adopted by the Secretary of the Agency of Agriculture, Food and Markets (the Agency) pursuant to 6 V.S.A. Chapter 34. 6 V.S.A. Chapter 34 directs the Secretary to establish an industrial hemp pilot program in compliance with the federal law to research the growth, cultivation, and marketing of industrial hemp and provides that the Secretary may adopt rules to implement Chapter 34 and the pilot program. Chapter 34 directs the Secretary to adopt a rule establishing how the Agency will conduct research within the pilot program and rules establishing requirements for registration of processors of hemp and hemp-infused products.

Hemp is an agricultural product that may be grown, cultivated, or marketed in Vermont pursuant to 6 V.S.A. Chapter 34 and this rule.

#### 1.2 Applicability

This rule applies to all persons who grow, cultivate or process industrial hemp in Vermont.

### Section 2 Definitions

- 2.1. Agency means the Vermont Agency of Agriculture, Food and Markets.
- 2.2. Consumable means an industrial hemp or hemp-infused product that is intended for human consumption.
- 2.3. Consumption means ingesting, inhaling, or topically applying to skin or hair.
- 2.4. Crop means hemp grown under a registration issued by the Agency.
- 2.5. Distillate means a high purity, greater than 95%, cannabinoids concentrate created by heat separation.
- 2.6. Cannabinoid means a class of diverse chemical compounds naturally occurring in a cannabis plant.
- 2.7. Cannabinoid Content means the level of chemical compounds that are the active constituents and closely related compounds contained in the cannabis plant in a harvest lot or a process lot.
- 2.8. Certificate of Analysis means the report prepared by the laboratory about the analytical testing performed and results obtained by the laboratory.
- 2.9. Compound is a substance formed when two or more chemical elements are chemically bonded together.
- 2.10. Concentrate means compounds removed by extraction, including cannabinoids, isomers, acids, salts and salts of isomers from a harvest lot.
- 2.11. Contaminant means any pesticide, solvent, heavy metal, mycotoxin, foreign material, and bacterial and fungal impurity introduced through cultivation or processing and determined by the Agency to be a poisonous or harmful substance that may render a hemp crop, hemp product or hemp infused product deleterious to the health of the consuming public.
- 2.12. Cultivar means a plant variety that has been grown and produced by humans with known characteristics.

- 2.13. Cultivation Area means one (1) contiguous tract of land used to produce or intended to be used to produce industrial hemp.
- 2.14. Delta-9 tetrahydrocannabinol, also referred to as “THC,” is the principal psychoactive cannabinoid found in cannabis. Tetrahydrocannabinol acid through drying or applying intense heat in decarboxylation or through plant biochemical processes may be converted to THC.
- 2.15. Drying/Storage Area means the area where industrial hemp is dried and stored. A Drying/Storage Area may include areas where harvested industrial hemp is confined, housed, or stored, whether within or without structures, and areas to store agricultural inputs and wastes associated with growing hemp.
- 2.16. Food means:
- (a) articles used for food or drink for humans,
  - (b) chewing gum, and
  - (c) articles used for components or any such article.
- 2.17. Full Spectrum means a concentrate that was extracted from hemp which contains cannabinoids, as well as other aromatics, essential vitamins and minerals, fatty acids, protein, chlorophyll, flavonoids, and terpenes, and that does not contain fats and waxes.
- 2.18. Grow means the planting, cultivating, harvesting, or drying, and selling, storing and transporting of hemp grown by the Grower. “Grow” may be used interchangeably with the word “produce.”
- 2.19. Grower means a person who is registered with the Agency to produce hemp crops.
- 2.20. Handle means the possession, storage of hemp plants for any period of time on premises owned, operated, or controlled by a person registered to cultivate or process hemp. Handling also includes possession or storage of hemp plants in a vehicle for any period of time other than during its actual transport from the premises of a registered person to cultivate or process hemp to the premises of another registered person. Handle does not mean possession or storage of finished hemp products.
- 2.21. Harvest Lot means a quantity of hemp harvested by the same Grower in a distinct timeframe that is:
- (a) grown in a cultivation area, or
  - (b) grown in a portion or portions of one contiguous area within a cultivation area, and
  - (c) does not include a quantity of hemp comprised of hemp grown in noncontiguous areas even if grown by the same Grower.
- 2.22. Harvest Lot Number means a unique numerical identifier that includes a Grower’s registration number, followed by the year of harvest, and then a unique number to identify the harvest lot.
- 2.23. Hemp, also referred to as “industrial hemp” means the plant *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 0.3 percent on a dry weight basis. Hemp does not mean high THC cannabis that is marijuana as defined in 18 V.S.A. § 4201(15)).
- 2.24. Hemp Crop means standing or harvested hemp prior to processing.
- 2.25. Hemp Product or Hemp-Infused Product means all products containing hemp, including cloth, cordage, fiber, food, fuel, paint, paper, construction materials, plastics, seed, seed meal, seed oil, and viable seed for cultivation. Hemp products or hemp-infused products include extracts and concentrates derived from hemp and items containing compounds derived from hemp meant for consumption, such as cannabinoid extracts in dilution as tinctures, or topicals. Hemp product or hemp-infused product does not include hemp processing waste. Hemp products and hemp-

- infused products do not include hemp crops produced by a Grower that has been minimally broken down for purposes of transfer or storage, including chopping, separating, or drying.
- 2.26. Ingredient means any substance that is used in the manufacture of the hemp or a hemp-infused product and that is intended to be present in the finished process lot.
- 2.27. Isolate means a concentrate greater than 99% of a single cannabinoid compound.
- 2.28. Laboratory means a laboratory that is certified by the Agency under 6 V.S.A. § 567.
- 2.29. Person means:
- (a) an individual, partnership, corporation, association, unincorporated organization, trust, or other legal or commercial entity, including a joint venture or affiliated ownership, or
  - (b) individuals and entities affiliated with each other for profit, consideration, or any other beneficial interest derived from agricultural management, including lessors and lessees.
- 2.30. Process means storing, drying, trimming, handling, compounding, or converting a hemp crop for a single or multiple grower into hemp products or hemp-infused products. It also includes transporting, aggregating, or packaging hemp from a single or multiple grower.
- 2.31. Process Lot means:
- (a) any amount of pressed seed oil, fiber, or seed of the same type and processed at the same time using the same methods, same standard operating procedures, and are derived from hemp crops from the same or different harvest lots; or
  - (b) any amount of consumable hemp product or hemp-infused product of the same type and processed at the same time using the same ingredients, same standard operating procedures, and are derived from hemp crops from the same or different harvest lots or a process lot of cannabinoid concentrate.
- 2.32. Process Lot Number means a unique numerical identifier that begins with a Processor's registration number, followed by the year of processing, and then a unique number to identify the process lot.
- 2.33. Processing Site means a single parcel of land and all infrastructure on that parcel used to process or intended to be used to process hemp.
- 2.34. Processor means a person who is registered with the Agency to process hemp crops. Retail establishments selling hemp products or hemp-infused products are not processors.
- 2.35. Product Complaint means any written, electronic, or oral communication received by the Agency in which the person making the communication states a concern related to a hemp crop, a hemp product, or a hemp-infused product.
- 2.36. Registrant means a grower or processor registered with the Agency under this rule.
- 2.37. Retting means to soak in water or expose to moisture to facilitate the removal of the fiber from woody tissue through partial rotting.
- 2.38. Stop Sale means an administrative order restraining the sale, use, disposition, and movement of a harvest lot or process lot issued by the Agency when it has cause to believe that the hemp crop, hemp product, or hemp-infused product presents a risk to the consuming public or is believed to be high-THC cannabis.
- 2.39. Tetrahydrocannabinolic Acid is the precursor of THC before decarboxylation.
- 2.40. Delta -9 Tetrahydrocannabinol Content is the total theoretical tetrahydrocannabinol content.
- 2.41. Total Theoretical Tetrahydrocannabinol Content is defined as the sum of the concentration of delta-9 tetrahydrocannabinol and its precursor, tetrahydrocannabinol-A, multiplied by 0.8777 on a dry weight basis and reported to two significant figures:

$$\text{Total theoretical THC} = \frac{([\text{delta} - 9 \text{ THC}] + ([\text{THC} - A] * 0.877))}{\text{percentsolid}} * 100$$

- 2.42. Taxonomic determination means a process of classification based on genetic testing of known cannabinoid ratios based on stable cultivars.
- 2.43. Type I means a cultivar of *Cannabis sativa* L. that is THC dominate.
- 2.44. Type II means a cultivar of *Cannabis sativa* L. equal ratio between THC and CBD.
- 2.45. Type III means a cultivar of *Cannabis sativa* L. CBD dominate.
- 2.46. Type IV means a cultivar of *Cannabis sativa* L. is neither THC nor CBD dominate.
- 2.47. Whole Plant Extract means an extract that contains both hydrophilic and hydrophobic plant compounds.

### Section 3      Application to Register

- 3.1. A person who wants to apply for registration as a grower or processor must submit a completed application on a form provided by the Agency and submit all required fees to the Agency.
  - (a) A person is registered with the Agency's Hemp Program when the Agency certifies the location(s) to be registered, and the person receives a registration from the Agency.
  - (b) If a person does not provide all the information requested on the application form and/or does not submit the applicable fees to the Agency, the Agency may reject the application as incomplete.
  - (c) The Agency may verify the information provided on the application form and on any maps accompanying the application and may request additional information in order to perform a review of an application. If a person fails to submit the requested additional information, the Agency may reject the application as incomplete.
  - (d) A person whose application the Agency rejects as incomplete may reapply at any time.
- 3.2. A person who wants to register multiple cultivation areas may submit to the Agency a single application form identifying the cultivation areas and a single fee for the multiple cultivation areas.
- 3.3. A person who wants to register multiple processing sites must submit to the Agency a separate application form and a separate fee for each processing site.
- 3.4. A person registered with the Agency may not sell or otherwise transfer their registration to another person.
- 3.5. A person that must make changes to their registration must seek approval from the Agency. To make changes, a Registrant must notify the Agency in writing on a form approved by the Agency.
- 3.6. A person holding a valid registration at the date of the adoption of this rule or the date of an amendment will be considered a Grower or Processor for the remainder of the calendar year in which the rule is adopted or amended and does not need to submit an application form until the following calendar year.
- 3.7. All registrations expire on December 31 of each year. A new application for registration must be submitted for each year of growing or processing.

Section 4 Grower Requirements

- 4.1. Only a Grower may grow hemp crops in certified cultivation, drying and storage areas.
- 4.2. A Grower may only sell or transfer a hemp crop to a Processor.
- 4.3. A Grower may use any propagation method, including planting seed or starts, clones or cuttings, to produce hemp crops.
- 4.4. A Grower must have accessible during any inspections performed by the Agency, their registration and all aerial maps representing the certified cultivation areas, drying and storage areas.
- 4.5. A Grower shall annually submit a report to the Agency containing information required in Sections 6.2, 6.3 for purposes of studying the growth, cultivation, and marketing of hemp, number of employees, income, and other information as specified by the Agency.

Section 5 Processor Requirements

- 5.1. Only a Processor may sell or transfer hemp products and hemp-infused products to a retailer or a consumer and only as permitted by law.
- 5.2. A Processor shall only use lipid, ethanol, or carbon dioxide (CO<sub>2</sub>) methods of extraction. Petroleum extraction methods are not be permitted.
- 5.3. A Processor must assign a process lot number to all hemp and hemp-infused products originated from the processing facility.
- 5.4. A Processor shall account for the disposition of all process lots by volume.
- 5.5. A Processor must post their registration in a location visible upon entry into any building on their processing site.
- 5.6. A Processor must report in writing to the Agency a closure of a processing site within 10 days of the closure.
- 5.7. For purposes of studying the growth, cultivation, and marketing of hemp, a Processor shall annually submit a report to the Agency containing information required in Sections 6.4 and 6.5 for purposes of studying processing, marketing and sales of hemp products and hemp-infused products, number of employees, expenses, income, and other information specified by the Agency.

Section 6 Record Keeping Requirements

- 6.1. A Registrant shall maintain records required under this section for no less than three (3) years.
- 6.2. A Grower must maintain the following records:
  - (a) All purchasing records of seed, starts and clones including cultivar name and name of source of stock, a certificate of analysis on the cultivar's compliance with the definition of hemp as reported by the laboratory or associated genetic tests that a cultivar is type III or type IV hemp as reported by the laboratory; the name and address of the laboratory that conducted any analysis.
  - (b) By each certified cultivation area the cultivar was grown in that location, the amount and type of agricultural inputs used in cultivation and irrigation rates; weed, disease and pest control measures; estimate of the amount of hemp crop harvested on a dry weight basis in pounds; and amount of cultivated crops destroyed on a dry weight basis in pounds;
  - (c) The cost of production for a cultivation season; and

(d) If using seed, pounds of seed not planted in a given year by cultivar.

6.3. A Grower shall maintain records of all transfer(s) of hemp crop(s) to a Processor by harvest lot number. The records shall include:

- (a) The name and address of the Processor and their registration number for any amount of hemp crop transferred by the Grower by harvest lot number;
- (b) Date(s) on which hemp was transferred to the Processor;
- (c) The amount of hemp on a dry weight basis in pounds transferred to the Processor;
- (d) Records of all sampling and certificate of analysis by harvest lot number. The records shall include the date of sample, the name of cultivar, the requested tests, total sample weight, moisture content of sample, cannabinoid content, presence of any pesticides, solvents, heavy metals, mycotoxins or bacterial and fungal contaminants for each harvest lot, as reported by the laboratory; and
- (e) The name and address of the laboratory that analyzed the sample(s).

6.4. A Processor shall maintain records of all hemp crop(s) received from a Grower by harvest lot number. The records shall include:

- (a) The name, address and registration number of the Grower for any amount of hemp crop transferred to the Processor;
- (b) Date(s) on which the hemp was received from the Grower;
- (c) Amount of hemp on a dry weight basis in pounds transferred by the Grower;
- (d) Records of all sampling and certificate of analysis by harvest lot number including the date of sample, the name of cultivar the requested tests, total sample weight, moisture content of sample and sampled and tested, cannabinoid content, pesticides, solvents, heavy metals, mycotoxins and bacterial and fungal contaminants for each harvest lot, as reported by the laboratory.

6.5. A Processor shall maintain records of hemp crops that the Processor receives from outside of Vermont. The records shall include:

- (a) The name, address and registration number of the out of state grower for each transfer of hemp crop;
- (b) Date(s) hemp crop(s) were received by the Processor;
- (c) Amount of hemp on a dry weight basis in pounds transferred from the out of state grower to the Processor.
- (d) Records of all sampling and certificate of analysis for cannabinoid content, pesticides, solvents, heavy metals, mycotoxins and bacterial and fungal contaminants as reported by a laboratory including the name of the laboratory and accreditation number.

6.6. A Processor shall maintain records of hemp products or hemp-infused products produced in the processing facility. The records shall include:

- (a) The certificate of analysis reported by a laboratory, including the laboratory name, for each process lot by process lot number and correlating harvest lot number for cannabinoid content, pesticides, solvents, heavy metals, mycotoxins and bacterial and fungal contaminants;
- (b) A copy of the required label, as outlined in Section 10, corresponding to the process lot including process lot number; and
- (c) The types of products produced, the number of retailers carrying the registrant's hemp and/or hemp-infused products and the retail locations.

Section 7 Requirements for Sampling and Testing

- 7.1. A Grower shall retain all certificates of analysis results of hemp crops for at least three years post-harvest.
- 7.2. A certificate of analysis shall demonstrate that the crop produced has a total theoretical Tetrahydrocannabinol content of not more than 0.39 percent.
- 7.3. A Grower must ensure that the entire crop is timely sampled according with Agency protocols.
- 7.4. Harvest lots must be sampled and tested separately and may not be combined.
- 7.5. A Grower may arrange for sampling to be conducted by a laboratory or the Agency, but sampling may also be completed by the Grower in accordance with the Agency's Hemp Pre-harvest or Post harvest Sampling Protocols.
- 7.6. Sampling of a harvest lot shall occur not more than 28 days before harvest.
- 7.7. To request sampling and testing, a grower shall submit to the laboratory, or the Agency, a completed sampling request form for a total theoretical tetrahydrocannabinol content analysis for each harvest lot the grower is requesting sampling and testing; and the map of the cultivation area of each harvest lot that conforms with the Grower's registration and certified fields.
- 7.8. The Agency may, at its discretion, agree to conduct sampling and testing for a Grower. Prior to conducting the sampling and testing a grower must enter into a contract with the Agency, submit a sampling request form, and pay a fee for each harvest lot requested to be sampled and tested.
- 7.9. A grower must ensure that testing of a harvest lot is done by a laboratory or the Agency, according to the Agency's Testing Protocol for a total theoretical tetrahydrocannabinol content analysis to be valid.
- 7.10. All test results must include for each sample tested:
  - (a) Grower's name and registration number,
  - (b) Date Sample was taken,
  - (c) Expected harvest date,
  - (d) Sample size by weight, specified on a wet or dry basis,
  - (e) Moisture content,
  - (f) Testing date,
  - (g) Total theoretical tetrahydrocannabinol content to the second decimal point,
  - (h) All cannabinoids present and their potency,
  - (i) Cultivar(s) in harvest lot number, and
  - (j) Clear identification of the location of where the sample was taken by harvest lot and identified by harvest lot number.

- 7.11. At the request of the Agency, a Grower must provide the laboratory's uncertainty level for total theoretical tetrahydrocannabinol content analysis of hemp.
- 7.12. The sample fails to satisfy the required total theoretical tetrahydrocannabinol content testing under these rules when the certificate of analysis indicates that the sample contains an average of 0.4 percent or greater of total theoretical tetrahydrocannabinol on a dry weight basis.
- 7.13. The Agency considers samples reported to contain 0.39 percent total theoretical tetrahydrocannabinol content or less to satisfy the definition of hemp contained in this rule.
- 7.14. A Grower may request that the Agency conduct genetic testing of the immature leaves to determine if the *Cannabis sativa* L. cultivar is type III or type IV and to determine whether it meets the definition of hemp.
  - (a) The Agency will charge a fee for the testing.
  - (b) If the Agency testing shows that the cultivar is a type III or type IV the Grower does not need to meet the testing requirements in Section 8.1.
  - (c) If the Agency testing shows that the cultivar is a type I or type II the grower must dispose of the hemp in accordance with Section 8.4.

Section 8      Reporting and Disposal of a Hemp Crop Exceeding Total Theoretical Tetrahydrocannabinol Content

- 8.1. If a harvest lot exceeds total theoretical tetrahydrocannabinol content of 0.3 percent on a dry weight basis:
  - (a) Within 24 hours of the completion of testing, the laboratory shall send the certificate of analysis containing the total theoretical tetrahydrocannabinol content electronically to the Agency at [AGR.Hemp@vermont.gov](mailto:AGR.Hemp@vermont.gov), and send to the Grower requesting the test.
  - (b) Within 48 hours of receipt of the certificate of analysis from the laboratory, the Grower shall notify the Agency and provide the following electronically, [AGR.Hemp@vermont.gov](mailto:AGR.Hemp@vermont.gov):
    - i. A copy of the certificate of analysis containing the total theoretical tetrahydrocannabinol content,
    - ii. The name and address of the laboratory that conducted the testing and certification number,
    - iii. The laboratory's uncertainty level for tetrahydrocannabinol testing of hemp,
    - iv. The cultivation area and harvest lot number associated with the certificate of analysis,
    - v. The harvest, estimated in dry weight, associated with the certificate of analysis, and
    - vi. The Grower's proposed actions to comply with 6 V.S.A. § 568.
  - (c) Failure to notify the Agency within 48 hours of receipt of certificate of analysis of a harvest lot exceeding total theoretical tetrahydrocannabinol content of 0.39 percent on a dry weight basis may result in enforcement in accordance with Title 6, chapter 1.
- 8.2. In its discretion, the Agency may allow a harvest lot to be resampled if:
  - (a) The laboratory that conducted the sampling or testing failed to comply with all the requirements and standards of the sampling and testing protocols resulting in an invalid sample or test, and
  - (b) The harvest lot corresponding to the invalid sample and test remains in control of Grower.
  - (c) Resampling and retesting because a certificate of analysis shows the total theoretical tetrahydrocannabinol content exceeds 0.39 percent on a dry weight basis is not permitted.



- 8.3. If a laboratory tests a harvest lot and the harvest lot has a total theoretical tetrahydrocannabinol content of more than 0.39 percent on a dry weight basis, the Agency may require disposal or destruction of the harvest lot corresponding to a sample if the harvest lot:
- (a) was not sampled and tested in compliance with AAFM sampling and testing protocol in effect at the time of sampling and testing;
  - (b) tested with a total theoretical tetrahydrocannabinol content of 0.39 percent on a dry weight basis, but at one percent;
- 8.4. Disposal or destruction of the harvest lot in the above instances shall be carried out in one or a combination of the following methods:
- (a) Require the Grower to enter into an agreement with a dispensary registered under 18 V.S.A. chapter 86 for the separation of the THC by the dispensary;
  - (b) Sell the hemp crop, that corresponds to tested harvest lot, to a dispensary registered under 18 V.S.A. chapter 86; or
  - (c) Arrange for the Secretary to destroy or order the destruction of the hemp crop, that corresponds to harvest lot. The Grower is responsible for the cost of destruction.
  - (d) Other options for THC mitigation as permitted in a State plan accepted by USDA.

Section 9      Requirements for the Handling of Hemp by Registrants

- 9.1. Registrants shall only sell or transfer a harvested hemp crop to a Processor.
- 9.2. Registrants shall only handle hemp crops that have a total theoretical tetrahydrocannabinol content of 0.39 percent or less on a dry weight basis, unless part of a disposal plan outlined in Section 8.4 (a) and (b), or order from the Secretary for disposal or destruction.
- 9.3. Registrants shall not handle a hemp product or hemp-infused product that contains a total theoretical tetrahydrocannabinol content greater than 0.39 percent or less on a dry weight basis, unless part of a disposal plan outlined in Section 8.4 (a) and (b), or order from the Secretary for disposal or destruction.
- 9.4. Registrants transporting a hemp crop in state shall only do so if the following information is in the vehicle transporting the hemp crop
- (a) Their registration issued by the Agency;
  - (b) The name and address of the Processor, identified by registration number, receiving the hemp crop;
  - (c) The harvest lot(s) in transit as identified by harvest lot number(s);
  - (d) The weight, in pounds, of the hemp in transit; and
  - (e) Copies of all certificates of analysis for cannabinoid content as reported by a laboratory for each harvest lot in transit; or copies of genetic testing completed by the Agency for each cultivar in transit.
- 9.5. A Registrant selling or transporting a hemp crop, hemp product, or hemp-infused product out of state may have the hemp crop, hemp product or hemp-infused product confirmed by the Secretary to meet the definition of hemp under State or federal law. A request for certification by the Secretary must include:

- (a) A copy of the certificate of analysis for the hemp crop by harvest lot, identified by harvest lot number or for hemp or hemp-infused product by process lot, identified by process lot number, and
- (b) Chain of custody for the crop or product.
- (c) Within 30 days of receiving the request for a confirmed crop or product, Agency will generate a hemp confirmation that may accompany the shipment.

Section 10 Requirements for Labeling of Hemp and Hemp-infused Products

- 10.1. Registrants must label consumable hemp products and hemp infused products in accordance with this section.
- 10.2. All label claims using the terms “whole plant,” “isolate,” “full spectrum,” and “distillate” shall comply with the definitions contained in these rules.
- 10.3. All labels for consumable hemp products or hemp infused products grown or processed in Vermont under these rules must contain the following information:
  - (a) The name and principal mailing address of the manufacturer of the product,
  - (b) A statement that the product contains ingredients that are derived from “hemp,”
  - (c) A statement that the product was not produced in a facility inspected by the Vermont Department of Health,
  - (d) Servings per container,
  - (e) The potency of any purported cannabinoids contained in the product by serving size,
  - (f) A statement that there is THC and the total theoretical tetrahydrocannabinol content, if applicable, and
  - (g) Manufacturing date.
- 10.4. All label claims regarding potency must be an accurate and within +/-10% per serving size listed on label.
- 10.5. No Processor may package, distribute, or produce a hemp or hemp-infused product for consumption that is improperly labeled. The Agency will respond to a product complaint, when regulated by the Agency under these rules.

Section 11 Grading of Vermont Hemp

- 11.1. There are two grades of hemp crops, hemp products and hemp-infused products in Vermont
  - (a) Vermont Grade A Hemp is a hemp crop, hemp or hemp-infused product that is
    - i. wholly grown and processed in Vermont; and
    - ii. certified to be grown and processed in facilities that document practices and conditions that have the potential to reduce risks for contaminants, cultivation areas, and storage, drying, and processing facilities
  - (b) Vermont Grade B Hemp is a hemp crop, hemp or hemp-infused product that is
    - i. wholly grown and processed in their entirety within the state of Vermont; and
    - ii. grown and processed in facilities that document practices and conditions that have the potential to reduce risks for contaminants in cultivation areas, and storage, drying, and processing facilities

- 11.2. This rule does not eliminate the ability for a Registrant to obtain organic certification of industrial hemp production under the National Organic Program within the USDA, Agricultural Marketing Service.
- 11.3. Hemp or hemp-infused products neither wholly grown nor processed in Vermont cannot claim Vermont Hemp grades even if manufactured in Vermont or containing other Vermont agricultural products.
- 11.4. Other third-party certification or accreditation claims are not permitted on labels of products sold in Vermont

## Section 12 Inspection and Record Reviews

The Agency may without notice to the Registrant during normal business hours inspect the Registrants' premises, machinery, equipment and facilities, inspect any crop during any growth phase or any hemp or hemp-infused product during processing or storage, take representative samples of crops or any hemp or hemp-infused product for analysis, and inspect or audit a Registrant's records for compliance with Title 6.

## Section 13 Enforcement [the Agency continues to work on the enforcement section to reflect both the federal Farm Bill and Vermont law]

- 13.1. When the Secretary has cause to believe that a hemp crop, or a hemp product or hemp infused product intended for sale for human consumption, exceeds a total theoretical tetrahydrocannabinol content of 0.3 percent on a dry weight basis, or exceeds acceptable limits for solvents, heavy metals, mycotoxins, and bacterial and fungal contaminants as established by the Agency and has the potential to pose a risk, Agency staff may enter with notice during reasonable business hours upon registered sites where hemp crops, hemp or hemp-infused products are being grown, stored, processed, marketed or sold at any time to take samples, inspect records, and inspect equipment or any vehicle.
- 13.2. If the Secretary determines that a hemp crop produce by a Grower total theoretical tetrahydrocannabinol content of 0.3 percent on a dry weight basis, the Grower must comply with Section 8.4 of this rule.
- 13.3. Any person who materially falsifies information contained on a Hemp Program application is ineligible to participate in the Hemp Program.
- 13.4. Failure to comply with this rule may result in enforcement under Title 6 Chapter 1.
- 13.5. The Secretary may issue and enforce a written "stop sale" order to the registrant of any harvest or process lot, which the Secretary finds is in violation of any of the provisions of this rule or Title 6 Chapter 34 with an opportunity for a hearing if a written request is filed with the Secretary within (5) days of receipt of the or the stop sale order.
  - (a) The order shall prohibit further sale, processing, and movement of the harvest or process lot except on approval of the Secretary and shall be in effect until the Secretary issues a release from the stop sale order.
  - (b) Stop sale labels may not be removed from the harvest or process lots except by written permission from the Secretary or upon authorized disposal of the lot.

13.6. The Secretary may issue a cease and desist order for failure to comply with Title 6 Chapter 34 or this rule with an opportunity for a hearing if a written request is filed with the Secretary within (5) days of receipt of the cease and desist order.

(a) It shall be a violation of this rule to violate a cease and desist order.

13.7. The Secretary may suspend a registration issued pursuant to Title 6 Chapter 34 for failure to pay a penalty allowed under this rule and more than 45 days after the penalty was imposed by order and served has passed.

13.8. In a final decision, the Secretary may revoke the registration of a Grower or Processor or may refuse to register or renew the registration if a Grower or Processor violates:

(a) A provision of Title 6 Chapter 34;

(b) A rule adopted under Title 6 Chapter 34;

(c) An order issued by the Agency under Title 6 Chapter 34, a rule adopted under a provision of Title 6 Chapters 1 and 34.

#### Section 14 Exemptions

14.1. Sections 7, 10 and 11 do not apply when the hemp product is not for consumption and will be used for fiber or building material or as animal bedding.

#### Section 15 Effective Dates

15.1. Sections ... shall become effective on [date of adoption].

15.2. Effective date section AOD immediately

15.3. Enforcement later then rest of document levels of enforcement internal with rule penalties.