

FAQ – ORGANIC CERTIFICATION FOR U.S. HEMP PRODUCERS AND HANDLERS

What is organic hemp?

Hemp (Cannabis sativa L.), also called industrial hemp, is a plant of the family Cannabaceae cultivated for its bast fiber or its edible seeds and oils. <u>Certified organic</u> hemp is grown using methods and materials that have a low impact on the environment. Organic production systems replenish and maintain soil fertility, expand biologically diverse agriculture, and prohibit the use of synthetic toxic and persistent pesticides and fertilizers, as well as genetically engineered seed. Third-party certification organizations verify that organic producers and handlers meet strict federal regulations addressing the methods and materials allowed in organic production.

The definition of hemp in the 2018 Farm Bill reads: "Subtitle G—Hemp Production "SEC. 297A. DEFINITIONS. "In this subtitle: "(1) HEMP. The term '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 [THC] concentration of not more than 0.3 percent on a dry weight basis."

Is it legal to grow hemp in all states in the U.S.?

Yes, the 2014 Farm Bill created a framework for the legal cultivation by states and territories of Indian Tribes of "industrial hemp." The <u>2018 Farm Bill</u> directed the U.S. Department of Agriculture (USDA) to establish a national regulatory framework for hemp production in the United States.

USDA published a <u>final rule</u> on January 19, 2021, that provides regulations addressing the production of hemp in the U.S. effective March 22, 2021. The final rule builds on the <u>interim final rule</u> published October 31, 2019, that established the U.S. Domestic Hemp Production Program. The final rule incorporates modifications based on public comments and lessons learned during the 2020 growing season.

Can hemp be certified organic in the U.S?

Yes. USDA regulates the term "organic" as it applies to agricultural products through the <u>National Organic Program</u> (<u>NOP</u>) <u>Regulation, 7 CFR Part 205</u>. The Organic Foods Production Act (OFPA) as well as USDA organic regulations do not have any provisions that would restrict the production of USDA certified organic hemp nor the types of products that can be made from organic hemp – including food, dietary supplements and textiles.

However, only hemp products that are produced in accordance with the U.S. Domestic Hemp Production Program may be certified as organic, if produced in accordance with the USDA organic regulations. See <u>NOP Instruction 2040</u>.

What is the process of having my operation(s) become certified organic?

There are **five key steps** to organic certification:

Step 1: Select a <u>USDA-accredited certification body</u> (CB) and request an application packet.

Step 2: Develop an Organic Systems Plan (OSP) detailing your farming or handling practices, per your CB's forms and instructions. Submit the application packet and fees.

Step 3: The CB reviews the application packet and conducts an onsite inspection to evaluate the implementation of your OSP.

Step 4: The CB reviews the inspection report and may require corrective action.

Step 5: The CB issues the certification upon approval. An annual inspection is required to maintain your certification.



Is there any additional documentation that must be submitted to have hemp certified organic?

Although the USDA organic regulations do not contain any mention of hemp, CBs must verify that hemp grown in the U.S. follows the USDA policy. Hemp producers should be ready to submit a copy of their state, tribal, or federal license or registration along with their application for organic certification.

(Additionally, a Certificate of Analysis that shows that the material has an "Acceptable hemp THC level¹" as defined by the USDA Hemp Production Program is essential. Without it, your product is considered marijuana, not hemp. The Certificate of Analysis should accompany the product through the supply and distribution chain.)

Which certification body in the U.S. can certify my hemp crop?

Any USDA-accredited CB may certify your crop to the organic regulations. To identify those that have already certified hemp operations, you may also wish to use the USDA <u>Organic Integrity Database</u>. Simply search for hemp (or other product of interest) and note the certifiers in the second column. You can also export this list to Excel for easy sorting.

<u>I have a license for hemp production in my state and I contract with several growers to produce the hemp. How</u> <u>should I submit my application for organic certification?</u>

Each grower must be individually certified. Organic certificates may only be issued to a legal entity. Certification of subcontracted entities is not allowed. This is especially important to keep in mind if you are considering contracting with another grower to produce annual seedlings for transplanting on your land. That grower must be certified. NOP requires that products sold or labeled as organic must ONLY be produced on certified organic farms. This means that while there may be a contractual agreement between a hemp license holder and a grower, the organic certification must be held by the legal entity that is growing the hemp and responsible for day-to-day operations and decisions on the farm. The grower will need to submit a copy of the license and any additional documentation that may be necessary to link the hemp license to the production area/farm.

See the <u>NOP Handbook Instruction 4009</u> for instruction on who needs to be certified.

Please note that certification at the farm level only certifies the plant/plant material (flower, grain, stalk, etc.). For brands to make "organic" label claims on any processed products, all post-harvest handling and processing facilities would also need to be certified organic (see below).

I grow hemp from clones; are there any restrictions on the planting stock I use?

NOP requires the use of organic seed, annual seedlings, and planting stock except that non-organic seed and planting stock may be used when organic is not commercially available in an appropriate quantity, quality, or form. Documentation must be maintained and approved by a CB that demonstrates a search was conducted for organic seed or planting stock prior to using non-organic.

Clones are considered planting stock, and non-organic clones would be allowed if organic is not commercially available. If the clone is received in plugs or other growing media, all materials in the plug or growing media must be disclosed and compliant with NOP. You must get those materials approved before using with clones to assure you will be able to plant them into organic fields. Planting clones with materials not compliant with NOP will jeopardize the organic status of the field.

¹ "Acceptable hemp THC level" means for the purpose of compliance with the requirements of State, Tribal, or USDA hemp plans is when the application of the measurement of uncertainty to the reported Δ 9-THC content concentration level on a dry weight basis produces a distribution or range that includes 0.3% or less.



I'm a hemp grower, and the license-holder provides me with transplants to grow in my field. I'm pretty sure they're grown from seed. What documentation do I need to submit?

Transplants grown from seed are annual seedlings and must be grown on a certified organic operation. If you are not growing the transplants, documentation demonstrating the transplants are certified organic must be provided to your CB. If you grow your own transplants from seed, you will need to indicate this in your OSP.

<u>I have only one field that I'm planning on having certified organic; that field will be used for hemp production. The rest of my farm is not going to be managed organically. Is that a problem?</u>

It would likely be a problem, but not for the reason you may think. There is nothing in NOP that requires an entire farm to be managed organically. You must have procedures in place that clearly show segregation between organic and non-organic production: you will need to keep meticulous records for input usage for both organic and non-organic crops and be prepared to show all records (including but not limited to purchase records, application records, documentation of applications made by third parties) pertaining to input use for both organic and non-organic production, buffers. and field maps. Any equipment used in both organic and non-organic production will need to be thoroughly cleaned prior to entering an organic field, and that cleaning will need to be documented.

The potential issue is that there is only one field for organic production, and NOP requires a crop rotation that maintains or improves soil organic matter, provides for pest management, manages deficient or excess plant nutrients, and provides erosion control. CB's crop rotation policies generally require multiple crops, including the use of cover crops. Hemp-winter fallow would not comply with the minimum rotation, for example, and hemp-fallow is very strictly limited. Please contact your CB for their crop rotation policy.

We are shipping hemp from the field to be dried off-farm. Does this need to be included in the OSP?

To understand this question fully, CBs would need to know at what point the hemp is transferred in ownership or management. Some hemp operations work with processing operations that dry and/or process hemp and return the processed product to the grower for sale. In this case, if the processed product is sold as organic, the facility you work with will need to be certified organic, and you will need to provide documentation showing they are certified to conduct the processes they are doing for you.

If you are growing for a vertically integrated company and will no longer have control over the hemp once the hemp leaves the farm and moves through the next steps, then the OSP would not need to address the next steps. However, if the final hemp product is to be sold as organic, these steps would need to be certified as well, and the drying would be addressed in the OSP of the facility where the handling takes place.

We are in the process of building plastic hoop houses (or any other structure) where hemp will be hung to dry. What do we need to look out for?

Organic product cannot come into direct contact with treated wood; you will need to ensure your drying method and structure ensures that no such contact happens. The site of the drying hoop house will need to be identified on your map(s). If any materials for weed, pest, or disease control are used in the hoop house, these will need to be disclosed in the OSP as well. Best practice is to contact your CB with the product name and manufacturer of the material you wish to use. Use of prohibited materials can decertify your operation or delay your certification.

What kind of documentation needs to be kept for organic hemp production?

NOP regulations require that records be maintained that demonstrate compliance with the regulations, and fully disclose all activities and transactions in enough detail to be readily understood and audited. When inspected, there are two types of audits that are done: a traceability audit and a mass balance.



A traceability audit tracks a product sold as organic back through any post-harvest handling and storage to the harvest and the field(s) of production; this includes all activities conducted that affect that crop. These activities would include any material applications for fertility or pest control, all field prep work and planting, the source of the seed or planting stock used, and any equipment used in the field and verification the equipment was cleaned prior to use in the organic field/on organic crop (if the equipment is also used for non-organic production). If buffers are harvested, documentation of the separate harvest, storage, and use/sale as non-organic would be reviewed.

The mass balance compares the amount of a crop sold with amounts harvested and compares that against acres planted and number of seed planted/clones or transplants used as well as typical yields for hemp in your region. We do understand that if crop is sold by dry weight, this will differ significantly from harvest weight, which is why it is important to record both amounts.

<u>I'd like to certify organic hemp that's processed into food, dietary supplements or personal care products.</u> <u>How do I do that?</u>

Many hemp-derived products may be certified organic provided they are compliant with the federal definition of hemp and they are in compliance with the USDA-NOP regulation. For handlers, processors and brands to make "organic" label claims, the hemp must be certified organic at the farm level, and all post-harvest handling and processing facilities must also be certified organic. This includes drying, packing, repacking, and labeling operations as well as storage facilities that are handling unpackaged product. The process for becoming a certified organic handler or processor follows the same five key certification steps as described earlier.

Please be aware that CBs are only authorized to verify compliance with the organic standards. The manufacturer or seller is responsible for ensuring that products meet all applicable FD&C, FDA, state or local regulations and requirements. For example, the Food and Drug Administration (FDA) has consistently taken the <u>position</u> that is it is currently illegal, under the Federal Food, Drug and Cosmetic Act (FD&C Act), to market cannabidiol (CBD) - a non-psychoactive compound found in marijuana (another variety of Cannabis sativa) - by adding it to food or labeling it as a dietary supplement. That said, FDA thus far has taken enforcement action only against foods and supplements containing CBD when such products make health claims. FDA has also stated that there is no prohibition on using CBD or hemp in cosmetics. While FDA has taken a stance that ingestible products like food, beverages, and supplements may not contain CBD or hemp with CBD, it hasn't taken the same position for topical products.

In all cases, check with your state's hemp program to see if you need to be licensed as a hemp handler/ or processor in your state, and verify that your products are legal before submitting an application to a CB.

I'd like to develop certified organic hemp textiles. Which organic processing standards should I use?

Raw natural fibers such as cotton, wool, and hemp are agricultural products and are covered under the NOP crop and livestock production standards. NOP regulations do not include specific processing or manufacturing standards for textile products. However, any textile product produced and certified in full compliance with the NOP production and handling regulations may be labeled as NOP certified organic and may use the USDA Organic seal. Given that the organic regulations are more applicable to food processing (versus textile processing), NOP certification is unfortunately unachievable for most textile products. Private third-party certification for processed textiles has therefore become the go-to option.

NOP does not restrict the use of the term "organic" in the labeling of textile products that are certified under private third-party certification bodies as long as all of the fibers identified as "organic" in these textile products are produced and certified under the NOP regulations. The <u>NOP Policy on the Labeling of Textiles</u> explicitly states that textile products that are produced in accordance with the <u>Global Organic Textile Standard</u> (GOTS) may be labeled and sold as "organic" in the U.S.



The Organic Trade Association considers GOTS to be the practical option and gold standard in certification for textiles processed from organic raw fibers. See <u>OTA's Best Labeling Practices for Textiles</u>. Through a rigorous third-party certification process, GOTS ensures organic status of textiles, from harvesting of raw materials, through environmentally and socially responsible manufacturing up to labeling to provide a credible assurance to the end consumer. GOTS is the only third-party organic certification system for fiber products that is recognized by NOP.

Companies are also increasingly becoming certified to traceability standards such as the Textile Exchange's <u>Organic</u> <u>Content Standard (OCS)</u>, which verifies that the hemp in a final product is certified organic. Both textile standards require certification of the first processing step after harvest of fiber. For hemp, that is the decortication stage.

HELPFUL ONLINE RESOURCES

<u>Accredited Certifiers Association</u> (ACA) is a 501(c)(3) non-profit educational organization created to benefit the accredited organic certifier community and the organic industry. Website includes members, best practices and guidance, events, resources and more.

<u>American Herbal Products Association (AHPA) – Guidance: Good agricultural practices and good manufacturing</u> <u>practices for hemp and hemp-derived products</u> contains guidance on the current regulatory status of hemp and hemp-derived products at the federal and state levels.

<u>FindOrganic</u> is the Organic Trade Association's comprehensive directory for finding organic ingredients, products, businesses and more.

<u>Global Organic Textile Standard (GOTS)</u> is the leading private organic standard, covering harvesting of the raw materials, environmentally and socially responsible manufacturing to labelling. Textiles certified to GOTS provide a credible assurance to the consumer. Website includes a search function for finding certified operations.

<u>National Organic Program (NOP)</u> is a federal regulatory program that develops and enforces <u>consistent national</u> <u>standards</u> for organically produced agricultural products sold in the United States. Website includes information on the regulations, enforcement, certification and accreditation, training, education and more. See <u>USDA Organic</u> to connect with additional programs services and materials that can help your organic farm or business.

<u>Organic Materials Review Institute (OMRI)</u> is a 501(c)(3) non-profit organization that provides an independent review of inputs, such as fertilizers, pest controls and livestock health care products, that are intended for use in certified organic production and processing.

<u>Organic Trade Association</u> is the leading membership-based business association for organic agriculture and products in North America, and the voice for the organic trade in the United States. Website includes advocacy, membership, market analysis, international trade, programs and events, news, resources and more.

<u>Textile Exchange</u> is a global non-profit for the sustainable fiber and materials industry. Website includes information on its focus areas, including standards and certification, resources, engagement opportunities, events and more.

USDA Agricultural Marketing Service: Webpage for USDA's Hemp Production Program

<u>USDA Organic Integrity Database</u> – Find a specific certified organic farm, business or search for an operation with specific characteristics. Listings come from USDA-Accredited Certifying Agents.

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