hemp contracts & tips for floral hemp

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North Carolina Agricultural and Technical State University



Hemp Contract



Marne Coit Agricultural Law Lecturer Agricultural & Resource Economics <u>macoit@ncsu.edu</u> "Although hemp is still a relatively new crop in North Carolina, contracts for hemp are <u>similar to contracts for</u> <u>other products.</u> Parties should conduct business with other reputable parties and conduct their own due diligence before entering into an agreement. Parties should consider <u>consulting an attorney licensed in North</u> <u>Carolina to review agreements before signing."</u>

https://content.ces.ncsu.edu/industrial-hemp-in-north-carolinaguide-to-understanding-and-evaluating-contracts

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Good to Go

- ✓ Delivery point and price are clear and timely
- ✓ Buyer places a portion of funds in escrow to cover the purchase
- ✓ Purchase price for flower is based on delivered weight and percent CBD
- Required testing, sampling protocol, and acceptable limitations are clearly described
- A third-party testing facility is mutually agreed upon between producer and buyer
- ✓ Buyer is providing plant material in the form of seeds or transplants
- ✓ Buyer is registered with the Secretary of State



Proceed with Caution

- ? Post-delivery location of product is unclear
- ? Payment will be made all or in-part with product instead of cash
- ? Purchase price for CBD is based on delivered weight only
- ? Non-compete clause preventing selling to another buyer for a period of time after the contract has been filled
- ? Exclusivity: Restriction for contracting with any other buyer for the current year or multiple years
- ? Buyer completely dictates the variety to be grown
- ? Purchase price for floral bud is based on acreage only



Steer Clear

- × Company contact information is not disclosed in the contract
- × No specific purchase information is included
- × Payment will be delayed until final product is marketed
- × Assigning grower license to buyer
- × Non-disclosure provision about disputes or contract terms



Hemp for Floral Buds (CBD)

- <u>Do not grow hemp without a (good) contract!</u>
- Fully understand the basics of hemp plants: dioecious, short day species, have pests, sucker
- Choose good cultivars from reliable sources
 - > Low THC, high CBD, high biomass (buds)
 - > Avoid male plants: careful with feminized seeds
 - > Use good quality clones: avoid root bound
- Identify the ideal transplanting date(s)
 - > Use transplants/clones
 - > June to August
 - > Adjust spacing based on planting dates
- Loam soil with good OM: 100-120 lb N/acre
 - > Use raised beds
 - > Avoid plastic mulch if not well drained

- Treat hemp as a horticulture crop (tomato?)
 - > Training/Staking/Pruning
- Remove any male plants
 - > Know what your neighbor's hemp
- Be ready for pests: pesticides limited
- Timely testing for THC
 - > Watch plants for female flower/Ask for a retest if hot
- Timely harvest
 - > Get you labor ready
- Proper drying facility
 - > Use buds, not leaves and stems
- Proper storage facility
 - Air-tight bags, cool and dry place, away from direct sunlight

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Plastic mulch suppress weeds but cause problems in poor drainage field.

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Pest Control

Insects, mites, diseases, weeds

- Minimum risk pesticides (25b pesticides)
- 10 pesticides approved By EPA (12/19) for use on hemp
 - > 9 biopesticides
 - > 1 conventional pesticides

https://www.epa.gov/pesticideregistration/pesticide-products-registereduse-hemp





NC Industrial Hemp Pilot Program Request THC Testing

https://apps.ncagr.gov/agrsysportal/industrialhemp/samplerequest or google "NCDA Hemp Sample Request"

Comparison of the end of the	WHEN TO REQUEST SAMPLE At flower initiation	
• Used plane Constraining of all non-of the lowers of building strength of the device of the lower of t	YOU WILL BE CONTACTED BY Hemp Sampling Coordinator within ~1 week, and Hemp Inspector within ~2 weeks of your request Industrial Hemp Sample Request for Michelle Farmer 3/3/2020	
Additional of Additional and Additional Addi	N noreplythcap;gov To Michele Farmer Ackele farmer Michele Farmer Michele Farmer Contact Name: Michele Farmer Contact Name: Michele Farmer	
If you do not get an email confirmation or hear from the Hemp Coordinator or Inspector within a week, send an email to <u>IndustrialHempRequests@NCagr.gov</u>	License Number: 123 Final: Micheler James.com Proventig Courts James.com Proventig	

NC Industrial Hemp Sample Request Form

Please note:

Initiat

- For multiple counties, please submit a form for each county.
- If more than 3 varieties are flowering, submit an additional form as needed.
- Variety photos: Clear/close-up of side view of the blooming inflorescence. For further information on photos, please click here.
- For the crop address please give a street address closest to the location of the hemp crop that needs sampled or the first location that your specialist will need to meet you.
- If your location is difficult to find please use the Special Instructions section to help guide your inspector or any other comments you feel may
 assist your sample.

Licensee Name		and the second second	
Contact Name			11
License Number			100
Preferred Email			
Preferred Phone			
Flowering County	ALAMANCE		MAN -
Crop Address			Vie -
Harvest Date		- AR	AVIS CO
tion of Flowering Date			CARLES CON
Special Instructions			ABON
Varieties	Type variety name here and click the 'Add Photo' button below to upload your photo Add Photo		
	Add Additional Variety I'm not a robot		



How to Take Photos for a Sample Request





https://apps.ncagr.gov /AgRSysPortal/indust rialhemp/SampleReq uestPhoto

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Harvest considerations

Timing is critical for high level of CBD... you finally get here...

- Timing
 - » 55 to 70 days after flowering (Sept to October): *check with your clone provider*
 - When majority of trichomes are milky to slightly amber in color;
 - » When stigma turned orange
- Methods: manually, plants are tough
 - » A saw or machete will do
- Harvest buds for small scale; whole plant for large scale
- Plan well: labor and facility
 - » Let your sheriff know when transfer!





Sea of resin glands with only slight darkening indicating harvest should not happen yet.



Stigma have turned orange and the trichomes look very full of cannabinoids.



high tunnel vs. open field bare Soil vs plastic mulch for floral hemp buds

Sanjun Gu, Becca Wait, Guochen Yang and Valerie Giddings



North Carolina Agricultural and Technical State University

Objectives

- High tunnel versus open field environment
- Plastic mulch versus bare soil
 - Both in a high tunnel and open field environment



This project is funded by the Golden LEAF Foundation!





- ✓ Planted in the 1st week of June
- ✓ Cultivars: Spectrum, Otto 2 and Otto x Spectrum
- ✓ Beds spaced 5' apart
- ✓ Plants spaced 4.5' apart in rows

Plugs: Carolina Canna. Madison, NC





Plug Source









CBD Hemp in High Tunnel

Early June (just transplanted)

Mid-June











Mid-July





Mid-June

CBD Hemp in Open Field

Early June



Mid-July













OxS



Otto2

Spectrum

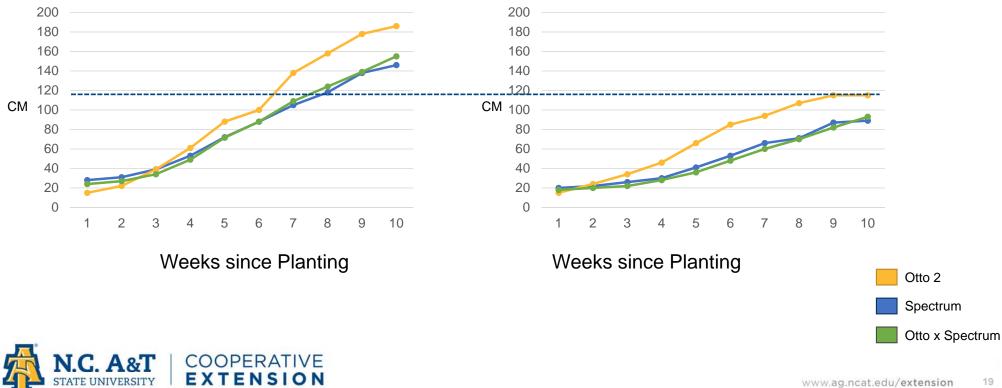
www.ag.ncat.edu/extension 18

Early October



Average Plant Growth: field vs high tunnel

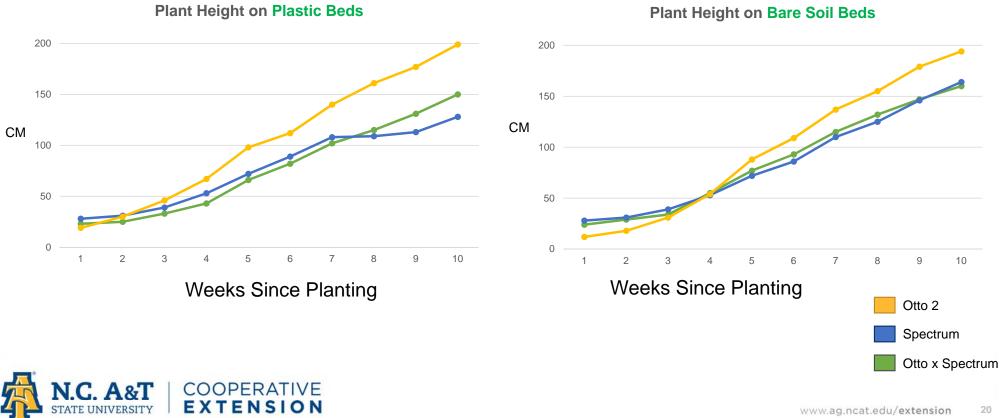
Plant Height in High Tunnel



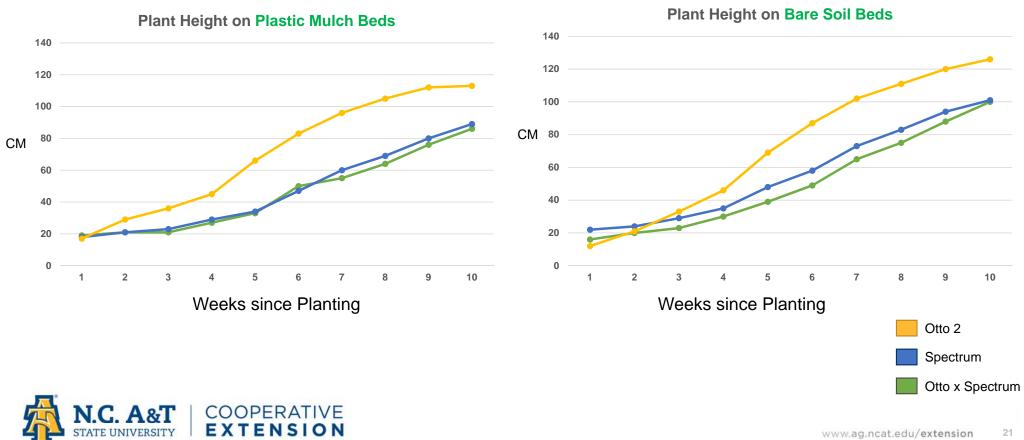
Plant Height in Open Field

Plastic vs. Bare Soil Beds in <u>High Tunnel</u>

STATE UNIVERSITY



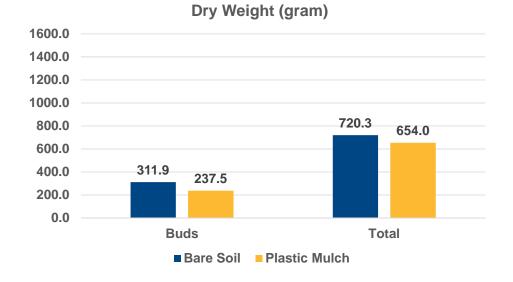








Dry Weight: Bare Soil vs Plastic Mulch



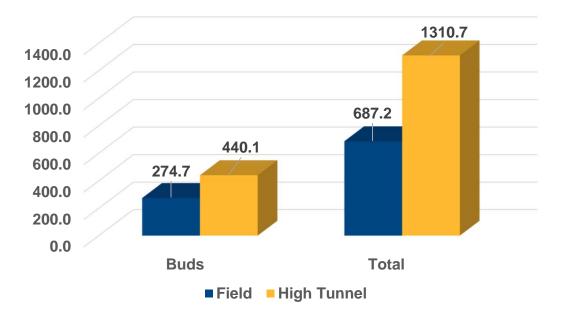
Plastic Mulch vs Bare Soil in Field

Plastic Mulch vs Bare Soil in High Tunnel Dry Weight (gram) 1600.0 1341.3 1400.0 1280.2 1200.0 1000.0 800.0 600.0 480.2 399.9 400.0 200.0 0.0 **Buds** Total

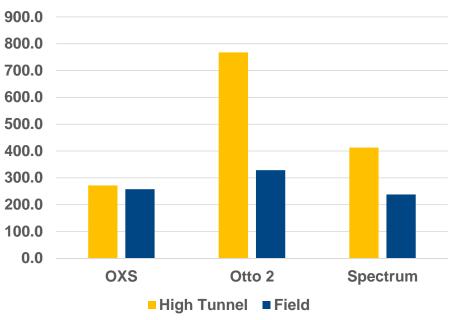
Bare Soil Plastic Mulch



Dry Weight: Field vs High Tunnel

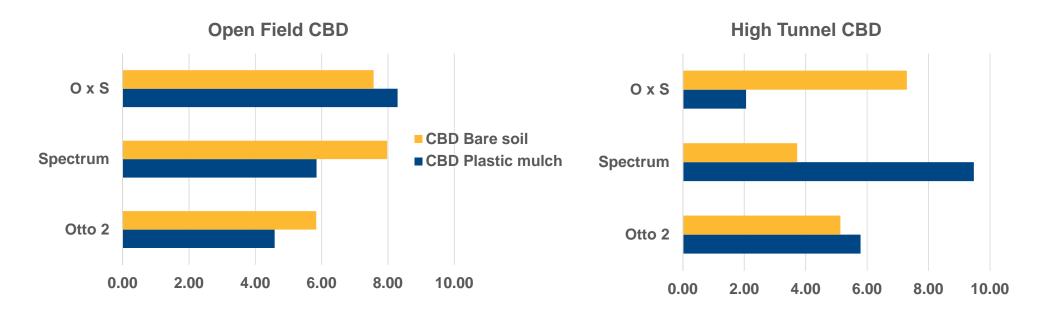


Dry Weight (Buds): Cultivars

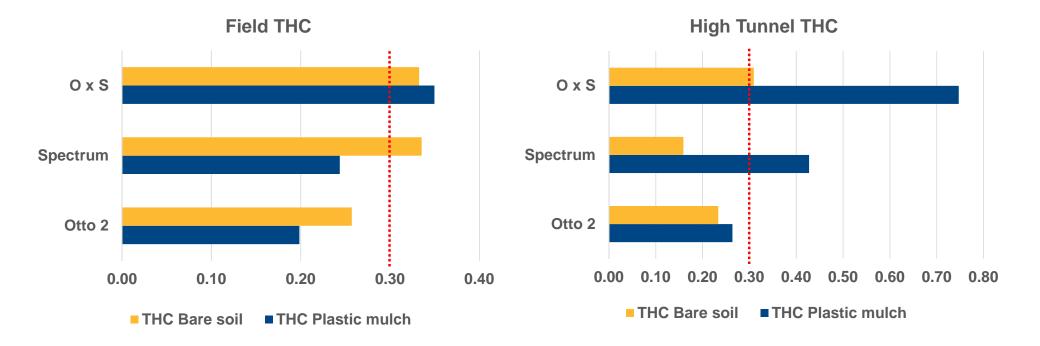




CBD (% Dry Weight)







Total THC (% dry weight)



Preliminary conclusions

- Otto 2 appears to be the most vigorous and resilient cultivar (High Biomass)
- Plants in the high tunnel are significantly larger than plants in the open field
- There does not appear to be an advantage to using plastic mulch
- THC may be high in both field and high tunnel environments





Questions and Comments?

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