

**R68. Agriculture and Food, Plant Industry.**

**R68-32. Sale and Transfer of Industrial Hemp Waste to Medical Cannabis Cultivators.**

**R68-32-1. Authority and Purpose.**

1) Pursuant to sections 4-2-103(1)(i), 4-41a, 4-41a-102, and 4-41a-603(3) , this rule establishes the procedures governing the sale of industrial hemp waste by an industrial hemp cultivator or processing facility to a cannabis cultivation facility, including procedures for sale approval, extraction, transportation, recordkeeping, testing, and auditing and recall.

**R68-32-2. Definitions.**

- 1) "Batch" means a quantity of:
  - a) cannabis extract produced on a particular date and time, following clean up until the next clean up during which the same lots of cannabis are used;
  - b) cannabis product produced on a particular date and time, following clean up until the next clean up during which cannabis extract is used; or
  - c) cannabis flower from a single strain and growing cycle packaged on a particular date and time, following clean up until the next clean up during which lots of cannabis are being used.
- 2) "Cannabinoid" means any:
  - a) naturally occurring derivative of cannabigerolic acid (CAS 25555-57-1), or
  - b) any chemical compound that is both structurally and chemically similar to a derivative of cannabigerolic acid.
- 3) "Cannabis" means any part of the marijuana plant.
- 4) "Cannabis cultivation facility" means a person that:
  - a) possesses cannabis;
  - b) i) grows or intends to grow cannabis; or  
ii) acquires or intends to acquire industrial hemp waste from a holder of an industrial hemp cultivator license under Title 4, Chapter 41, Hemp and Cannabinoid Act, or an industrial hemp processor; and
  - c) sells or intends to sell cannabis to a cannabis cultivation facility or a cannabis processing facility.
- 5) "Cannabis product" means a product that:
  - a) is intended for human use; and
  - b) contains cannabis or tetrahydrocannabinol.
- 6) "Certificate of analysis" (COA) means a document produced by a testing laboratory listing the quantities of the various analytes for which testing was performed.

7) "Department" means the Utah Department of Agriculture and Food.

8) "Final product" means a reasonably homogenous cannabis product in its final packaged form created using the same standard operating procedures and the same formulation.

9) "Industrial hemp waste" means:

a) a cannabinoid extract derived from industrial hemp with greater than 0.3% THC by mass; or

b) industrial hemp biomass with a THC concentration of less than 0.3% by dry weight.

10) "Industrial hemp" means any part of the cannabis plant, whether growing or not, with a concentration of less than .3% tetrahydrocannabinol by dry weight.

11) "Inventory Control System" means the system described in Section 4-41a-103.

12) "Lot" means the quantity of:

a) flower produced on a particular date and time, following clean up until the next clean up during which the same materials are used; or

b) trim, leaves, or other plant matter from cannabis plants produced on a particular date and time, following clean up until the next clean up.

### **R68-32-3. Sale of Industrial Hemp Waste-Requirements.**

1) Industrial hemp waste may be sold by an industrial hemp cultivator or industrial hemp processing facility to a cannabis cultivation facility if:

a) the industrial hemp waste is derived from industrial hemp biomass that has been certified as industrial hemp by a state department of agriculture or the U.S. Department of Agriculture;

b) the industrial hemp cultivator or industrial hemp processing facility has records to substantiate the certification; and

c) the records are available for inspection by the department.

2) If an industrial hemp cultivator or industrial hemp processing facility intends to sell industrial hemp waste that is derived from industrial hemp biomass that was purchased out of state:

a) the out of state seller shall provide proof that the biomass was certified as industrial hemp by a state department of agriculture or the U.S. Department of Agriculture to the industrial hemp cultivator or industrial hemp processing facility; and

b) the industrial hemp cultivator or industrial hemp processing facility shall keep record of the certification.

**R68-32-4. Sale of Industrial Hemp Waste-Notification and Approval.**

1) Prior to the sale of industrial hemp waste by an industrial hemp cultivator or industrial hemp processing facility to a cannabis cultivation facility, the industrial hemp cultivator or processing facility shall:

a) starting April 1, 2020, notify the department of the potential sale in writing within 10 days of the sale; and

b) provide the department with a certificate of analysis showing that the biomass from which the industrial hemp waste was derived was certified industrial hemp by a state department of agriculture or the U.S. Department of Agriculture.

2) The department will approve the sale following review of the records of the industrial hemp cultivator or industrial hemp processing facility to ensure compliance with this Rule.

3) Upon approval of the sale, the department will issue a certificate to the industrial hemp cultivator or industrial hemp processing facility allowing the sale to proceed.

4) No industrial hemp waste may sold by an industrial hemp cultivator or industrial hemp processing facility unless they have a license in good standing with the department.

**R68-32-5. Industrial Hemp Waste Extraction.**

1) Extraction of cannabinoid extract that qualifies as industrial hemp waste by an industrial hemp processing facility to be sold to a cannabis cultivation facility shall take place in Utah.

2) The industrial hemp processing facility shall keep records of the extraction, including:

a) how much industrial hemp biomass was processed by the industrial hemp processing facility;

b) how much cannabinoid extract was extracted during processing; and

c) proof that the extraction took place in Utah.

3) The industrial hemp processing facility shall make all extraction records available for inspection by the department.

3) A cannabis cultivation facility shall not take possession of cannabinoid extract that qualifies as industrial hemp waste without verifying that it has been extracted in Utah.

**R68-32-6. Transportation.**

1) Only an agent of a cannabis cultivation facility may transport industrial hemp waste.

2) A printed transport manifest shall accompany every transport of industrial hemp waste.

3) The manifest shall contain the following information:

a) the industrial hemp cultivator or industrial hemp processing facility address and license number of the departure location;

b) physical address and license number of the receiving location;

c) amount of industrial hemp waste that is being transported;

d) date and time of departure;

e) estimated date and time of arrival; and

f) name and signature of each agent accompanying the industrial hemp waste.

4) The transport manifest may not be voided or changed after departing from the original industrial hemp cultivator or industrial hemp processing facility.

5) A copy of the transport manifest shall be given to the receiving cannabis cultivation facility.

6) The receiving cannabis cultivation facility shall ensure that the industrial hemp waste received is as described in the transport manifest and shall record the amounts received into the inventory control system.

7) The receiving cannabis cultivation facility shall document at the time of receipt any differences between the quantity specified in the transport manifest and the quantities received in the inventory control system.

8) During transport, the industrial hemp waste shall be:

a) shielded from the public view;

b) secured; and

c) temperature controlled if perishable.

9) A cannabis cultivation facility shall contact the department within 24 hours if a vehicle transporting industrial hemp waste is involved in an accident that involves product loss.

#### **R68-32-7. Recordkeeping Requirements**

1) A cannabis cultivation facility shall ensure that each lot or batch of industrial hemp waste previously purchased from an industrial hemp cultivator or industrial hemp processing facility has a unique identification number in the inventory control system.

2) Following purchase of industrial hemp waste from an industrial hemp cultivator or industrial hemp processing facility, a cannabis cultivation facility shall ensure that each lot or

batch of industrial hemp waste has a unique identification number in the inventory control system.

3) By November 1, 2020 an industrial hemp cultivator shall ensure that each lot of industrial hemp waste sold to a cannabis cultivation facility shall have a unique identification number in the inventory control system.

4) By November 1, 2020, an industrial hemp processing facility shall ensure that each batch or lot of industrial hemp waste that is sold to a cannabis cultivation facility shall have a unique identification number in the inventory controls system.

5) A cannabis cultivation facility shall maintain record of each purchase of industrial hemp waste, including:

a) a copy of the certification that the industrial hemp waste is derived from certified industrial hemp; and

b) If applicable, a copy of the record documenting that the extraction of the cannabinoid extract that qualifies as industrial hemp waste took place Utah.

6) Records shall be available for inspection by the department.

#### **R68-32-8. Testing Requirements.**

1) Each lot or batch of industrial hemp waste that has been purchased by a cannabis cultivation facility shall be tested by an independent cannabis laboratory pursuant to the requirements of R68-29-3:

a) when the cannabis cultivation facility takes possession of the industrial hemp waste; and

b) when the industrial hemp waste is processed into its final product form.

2) All testing shall be documented on a certificate of analysis and recorded in the inventory control system.

3) Industrial hemp waste is subject to the same testing requirements as other cannabis product.

#### **R68-32-9. Audit and Recall.**

1) The department has the right to conduct a random audit of:

a) the records of an industrial hemp processing facility that has sold industrial hemp waste;

b) the records of an industrial hemp cultivator that has sold industrial hemp waste; and

c) the records of a cannabis cultivation facility that has purchased industrial hemp waste; to

d) ensure compliance with Utah state law, rules, and this rule.

2) Inspection may take place at any time during normal business hours.

3) A product that is identified as out of compliance may be subject to recall and destruction by the department.

**R68-32-10. Violations.**

1) It is a violation of this rule to sell or transfer industrial hemp waste material without notifying the Department.

2) It is a violation to sell industrial hemp biomass that with a THC level greater than 0.3% by dry weight.

3) It is a violation for a medical cannabis facility to allow industrial hemp waste into the facility without entering it into the inventory control system.

4) it is a violation for a medical cannabis facility to allow industrial hemp waste product into the facility without testing.

5) It is a violation for the facility to not keep and maintain all records required by this rule.

6) It is a violation to deny the department access to the records.

7) It is a violation to transport industrial hemp waste to a facility without a manifest.

8) it is a violation for anyone other than a cannabis cultivation agent to transport industrial hemp waste to a cannabis cultivation facility.

9) The department shall calculate penalties based on the level of violation and the adverse effect or potential adverse effect at the time of the incidents giving rise to the violation.

10) The department may enhance or reduce the penalty based on the seriousness of the violation.

**KEY: industrial hemp waste, industrial hemp processing facility, cannabis cultivation facility**

**Date of Enactment or Last Substantive Amendment:**

**Authorizing, and Implemented or Interpreted Law: 4-2-103(1)(i), 4-41a, 4-41a-102, and 4-41a-603(3)**