

- 1. Hemp Grower Licensing**
- 2. SD Industrial Hemp Assoc.**
- 3. Fiber Contracts offered in SD**

This year's goal—plant and harvest 10,000 acres of hemp in SD!

Ken Meyer, Vice-President; A.H. Meyer & Sons, Inc.; kenmeyer@ahmeyerandsons.com; 605-291-9083.



Hemp Grower Licensing

Becoming a SD licensed hemp grower

Recommended homework.

- Review instruction on SD's hemp program website (<https://danr.sd.gov/Agriculture/Inspection/IndustrialHemp/default.aspx>).
- Call SD's hemp program staff to introduce yourself and ask questions:
 - Derek Schiefelbein, Industrial Hemp Program Manager, 605-773-4432
 - Rick Geppert, Industrial Hemp Program Specialist, 605-280-4925
- Calendar the steps required from licensing all the way through harvesting.

Growing Industrial Hemp requires a license.

Grower license is valid for 15 months from the date of issue.

- Any person or legal business entity in South Dakota shall obtain a license from the department to purchase, receive, or obtain industrial hemp for planting, storing, propagating, or processing industrial hemp.
- A growers license is not required for possession or distribution of hemp seed.

Apply for Industrial Hemp Growers License

With the South Dakota Department of Agriculture and Natural Resources

- Submit a non-refundable \$50 application fee along with completed application.
- State and federal background checks will be conducted by the SD Division of Criminal Investigation and the Federal Bureau of Investigation for the following:
 - Applicant
 - Key participants
 - Landowner

Application guidance on background check

- Department mails out a fingerprint kit to be completed by key participants, applicants, and landowners (if the applicant is a lessee).
- Contact local law enforcement/sheriff for times and availability to complete fingerprint cards.
- Complete authorization form on the back side of the South Dakota DCI fingerprint card.
- Mail it all in using the pre-paid envelope provided with the kit along with a background check fee in the amount \$43.25.
- It may take 10 or more days to process background check.

SD Secretary of State Certificate of Good Standing

When required—

- Required to apply for a license in a name other than your own (for example as a corporation or limited liability company)
- Certificates can be requested from the SD Secretary of State on its website. Fee is \$20.

After approval of license

Steps to receive license

- Upon notification of approval of a grower license, the applicant must remit to DANR a \$500.00 license fee.
- License will be mailed via US Mail after payment is received

Planting Verification Inspection

Within 30 days of planting

- Within 30 days of planting, each licensee shall **file documentation** with the department to identify the type and variety of industrial hemp seed planted with the corresponding lot.
- When the department receives the documentation a “planting verification inspection” will be scheduled.
 - Inspection will verify the GPS coordinates of the growing sites and acreage.
 - The licensed grower must be present at the inspection.

Grower Pre-Harvest Inspection

Not more than 30 days before hemp is harvested

- The Department or The Department of Public Safety conducts grower inspections and sampling of each lot not more than 30 days before the hemp is harvested.
 - Grower must contact the department at least 10 days prior to harvest to schedule the pre-harvest inspection.
 - Grower licensee or key participant must be present.
 - Department or the Department of Public Safety takes samples to test for total THC concentration.

Grower Pre-Harvest Hemp Inspection

Continued—

- Grower pays department a “grower inspection and sample fee” of \$250 per hemp lot inspected.
- No harvested lot of industrial hemp shall be commingled with another harvested lot of industrial hemp or other material.
- No industrial hemp may leave the dominion of control of the grower until the grower receives a laboratory result form from the department confirming that the lot complies with the law (not over 0.3% THC).

Harvest requirement

30 day window

- The entire Lot must be harvested within 30 days AFTER the pre-harvest inspection.
 - To get an extension—another 30 days to harvest—requires another pre-harvest inspection.
- The Department will send the licensed grower laboratory results from samples collected during the pre-harvest inspection.

South Dakota Industrial Hemp Association

South Dakota Industrial Hemp Association

Join and help the hemp industry grow in SD!

- Benefits of membership include—
 - Education events, including field days.
 - Networking and learning with others interested in the hemp industry.
 - Supporting the annual lobbying effort in Pierre for continued support from the legislature for the emerging hemp industry in South Dakota.
 - Presentation to U.S. Congressional delegation of the interests and needs of the South Dakota hemp industry, particularly as it relates to the 2023 Farm Bill.

Website address

South Dakota Industrial Hemp Association

- **sd-hemp.com**











**Hemp fiber contracts in South
Dakota for round and square bales.**

Purchasing Hemp Fiber Bales in SD!

**\$210.00 a ton—\$240.00 a ton depending
on Bronze, Silver, Gold, or Platinum
contract**

**Square and Round—Dakota Hemp, LLC,
Wakonda, SD**

**Round—A.H. Meyer & Sons, Inc., Winfred,
SD**



**A.H. Meyer & Sons hemp fiber
processing facility in Winfred, SD**









**Summary of contract details to sell hemp
fiber bales to A.H. Meyer & Sons, Inc.
(Winfred) or to Dakota Hemp (Wakonda)**

Quality Specifications:

- Target 10-12 % bale moisture content but not greater than 14%. If bale moisture exceeds 14%, the Buyer will apply the discount described in the table below on a per pound basis.
- The Buyer will assess retting quality at the time of Delivery. The Buyer may discount or reject improperly retted material.
- THC Compliant, shown by Certificate of Analysis (COA) from an accredited testing laboratory.
- Stalk sizes mostly 3/4” to 1” in diameter, with few to no stalks over 1” in diameter.
- Must be delivered as round bales that are net wrapped (at least 2.5 wraps) and which are no more than 66” wide and 72” in diameter for Winfred. Wakonda also accepts large square bales.
- Little to no visible weeds (we have been lenient on this spec—but the cleaner the better).

3. **Delivery.** The Buyer shall notify the Grower of the dates when the Buyer will accept delivery of the Fiber. The **Buyer shall accept delivery of at least one-third of the Fiber from the Crop each quarter following the Harvest** (each delivery of Fiber, a “**Delivery**”). The Grower shall deliver the Fiber to the Delivery Location at the Grower’s expense.

Bronze Level Hemp Fiber Growers

Paid \$210.00 a ton

No processor deadline for grower to contract for the sell of their 2023 hemp fiber crop for purchase by either the Winfred or Wakonda facility.

Remember:

*Plant hemp crop no later than the last week of May.

*Allow two to three weeks to get licensed to grow hemp.

Silver Level Hemp Fiber Growers

Paid \$220.00 a ton

- Two requirements.
- 1st—No later than March 15, 2023 enter into a grower agreement contract with either the Winfred or Wakonda facility to sell your hemp fiber crop.
- 2nd—Provide as an attachment to that contract signed seed purchase invoices for the fiber crop acres you are contracting to sell.
- No requirement to plant a fiber only crop—leaves grower the option of a dual crop variety of hemp for grain and fiber. Grain price with out of state processors is \$0.55 a pound. Yields on grain have ranged in the state between 20 and 40 bushels an acre.

Gold Level Hemp Fiber Growers

Paid \$230.00 a ton

- Three requirements—
- 1st—Meet the two conditions for the Silver Purchase Price (Enter a contract by March 15th, including attached signed seed purchase invoices).
- 2nd—Agree to plant a fiber only variety (generally this means a yield potential of 4 to 5 ton an acre instead of a 1 to 1.5 ton an acre yield potential with a dual variety crop). **Seed cost for these varieties is higher.**
- 3rd—Plant the fiber crop at its recommended seed density per acre to maximize hemp fiber yields while maintaining stalk sizes mostly 3/4” to 1” in diameter, with few to no stalks over 1” in diameter.

Platinum Level Hemp Fiber Growers

Paid \$240.00 a ton

- Two Requirements—
- 1st—Meet the requirements to be a Gold Level Hemp Fiber Grower.
- 2nd—Grower grows 160 acres or more of hemp that qualifies for the Gold Purchase Price.

The Platinum Level payment of \$240.00 a ton is a reward to the growers that are willing and able to enter the hemp industry with larger acreage—helping to provide a firm foundation for the emerging hemp supply chain in South Dakota.

Questions???

My Contact Information:

Ken Meyer
A.H. Meyer & Sons, Inc.

Cell Phone No. 605-291-9083

Email: kenmeyer@ahmeyerandsons.com