NYS Industrial Hemp Agricultural Research Program

Solicitation of Industrial Hemp Research Letter of Interest from Agricultural Cooperatives

The Department of Agriculture and Markets is seeking a Letter of Interest from existing Agricultural Cooperatives or growers interested in forming an Agricultural Cooperative to explore the viability of this form of organization to help farmers more successfully participate in the industrial hemp sector.

Background

Industrial hemp has the potential to become a significant agricultural commodity for states across the nation, as the stalk, seed, leaves and flowers of the plant can be used in the production of a variety of goods, including clothing, building materials, fuel, paper, and consumer products. Industrial hemp is defined as Cannabis Satvia L. with .3 percent or less THC and includes, among other things, the extracts and distillates from the plant. Nationally, industrial hemp products generate nearly $800 million per year in sales.

Shortly after the 2014 Farm Bill authorized states to conduct research concerning industrial hemp and its products, Governor Cuomo launched New York’s Industrial Hemp Agricultural Research Pilot Program, recognizing industrial hemp’s potential impact on manufacturing, job creation, and the profitability of farms across the State. In 2018, with the addition of more than 100 new research partners, approximately 3,500 acres of New York farmland are approved for industrial hemp research, compared to 2,000 acres in 2017. The New York State Industrial Hemp Agricultural Research Pilot Program now has over 60 processors registered.

To participate in the Industrial Hemp Agricultural Research Pilot Program, growers and processors must enter into a Research Partner Agreement with the Department. Three types of Agreements currently exist: the Grower Research Partner Agreement, the Industrial Hemp Processor (non-CBD) Research Partner Agreement, and the CBD Research Partner (CBD) Agreement. Until the U.S. Department of Agriculture develops new regulations concerning the licensing of industrial hemp production, the Department will continue to authorize research under its Industrial Hemp Agricultural Research Pilot Program.

Request for Research Letter of Interest from Agricultural Cooperatives

New York has an opportunity to lead industry development by creating more opportunities for farm businesses to grow, process, produce, and market industrial hemp and industrial hemp products. Agricultural Cooperatives may be an advantageous business structure under which growers may consider entering the industrial hemp marketplace.

Agricultural Cooperatives may be formed under Article 6 of the New York State Cooperative Corporations Law for the production and merchandising of agricultural commodities.
Agricultural Cooperatives provide the means by which farmers may act together in manufacturing, processing, preparing for market, handling and/or marketing their farm products. Farmers are also able to act together in purchasing, testing, grading, processing, distributing and/or furnishing farm supplies and/or farm business services. These cooperatives are owned and operated by and for the mutual benefit of its farmer members.

To learn more about the potential for New York farmers to pool resources, spread risk, and share in the benefits with respect to industrial hemp, the Department would like to work with agricultural cooperatives or growers interested in exploring the feasibility of a cooperative business structure in the industrial hemp sector.

LETTERS OF INTEREST MUST BE SUBMITTED IN WRITING AND POSTMARKED OR EMAILED ON OR BEFORE JUNE 6, 2019.

Letters of Interest and any questions must be submitted in writing to ag.dev@agriculture.ny.gov or through the U.S. mail to:

NYS Department of Agricultural and Markets
Agricultural Development Division
Industrial Hemp Agricultural Cooperative Letter of Interest
10B Airline Drive
Albany, NY 12235