

STATE OF WISCONSIN

DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION

2020 HEMP RESEARCH PILOT PROGRAM: RESEARCH AGREEMENT

This Research Agreement is made between the Department of Agriculture, Trade and Consumer Protection (“Department”) and the Hemp Pilot Program Licensed Grower or the Hemp Pilot Program Licensed Processor (hereinafter referred to as the “Licensee”).

The Department is authorized under The Agricultural Act of 2014 (H.R. 2642; Pub. L. 113–79, also known as the 2014 U.S. Farm Bill), Wis. Stat. § 94.55, and Wis. Admin. Code ch. ATCP 22 to implement a hemp pilot program (“Pilot Program”). The Department has the authority to partner with persons to grow and process hemp in Wisconsin.

The Licensee hereby agrees to the following upon the Department issuing a Grower or Processor License and Annual Registration:

1. The Licensee shall act as a researcher in connection with the Pilot Program.
2. The Licensee’s authority to conduct research under the Pilot Program shall commence on the date of signature by the Department and expire on February 28, 2021.
3. The Licensee shall strictly adhere to the Research Agreement, Wis. Admin. Code ch. ATCP 22, and Wis. Stat. § 94.55.
4. The Department shall have the right to monitor compliance by, among other things, conducting inspections pursuant to Wis. Admin. Code § ATCP 22.08. The Licensee agrees to provide information reasonably requested by the Department to verify compliance with this Research Agreement, Wis. Admin. Code ch. ATCP 22, Wis. Stat. § 94.55, and any other local, state, and federal laws.
5. At all times during the term of this Research Agreement, and with respect to any of the obligations surviving the expiration, the Licensee shall remain responsible for the performance of this Research Agreement. If requested by the Department, the Licensee shall present evidence of its continuing legal authority to do business in Wisconsin and compliance with this Research Agreement, Wis. Admin. Code ch. ATCP 22, and Wis. Stat. § 94.55.
6. The Licensee represents and affirms that the Licensee has not been convicted of any criminal violation of the Controlled Substances Act under 21 USC 801 to 971, Wis. Stat. ch. 961, or any controlled substances law of another state, and consents to the Department’s background check. If at any time after the issuance of a license, the Licensee is convicted of any criminal violation of the aforementioned laws, the Licensee must report the conviction to the Department within 10 days of the conviction.

7. In the event there is a change in the application information provided to the Department, the Licensee shall be responsible for requesting an amendment to its license under Wis. Admin. Code § ATCP 22.03 (7).

8. Licenses are not transferable to another person. Wis. Admin. Code § ATCP 22.033 (1) and (3). The Licensee, notwithstanding any subcontracting, shall remain responsible and liable for all activities performed by any subcontractor or under any subcontract with respect to the Pilot Program. The Licensee is responsible and liable for all activities performed by its employees.

9. It is understood and agreed that the legal status of the Licensee, its employees, agents, partners, or subcontractors is that of an independent contractor and in no manner shall they be deemed employees or agents of the State of Wisconsin, and therefore, are not entitled to any of the benefits associated with such employment or designation.

10. The Licensee shall submit all reports as required in Wis. Admin. Code § ATCP 22.05. The reports shall include the following:

A. Planting Report (Licensed Grower Only): Seed or clone source, seed or clone planted, seed or clone variety, number of acres planted or greenhouse square footage planted, primary intended purpose of the crop, date(s) planted, anticipated harvest date(s). The Planting Report shall be submitted no later than 30 days following planting.

B. Final Production Report (Licensed Grower Only): Total acres harvested, final production quantity, processor who received hemp, and final use of hemp produced. The Final Production Report shall be submitted by January 31, 2021.

C. Processing Report (Licensed Processors Only): Total quantity of hemp received, a list of the quantity and license number for each transfer of hemp from a Licensee, and a description of all intended markets for the hemp processed. The Final Production Report shall be submitted by January 31, 2021.

11. The Department shall have a perpetual right to use the data and materials required to be reported to the Department with respect to the Pilot Program.

12. Information submitted to the Department may be confidential under Wis. Stat. § 94.55(2)(b)5. The Department is required by law to provide information collected under the Pilot Program to a law enforcement agency or law enforcement officer.

13. The Licensee represents that it is aware of the federal and state laws governing hemp and the Pilot Program.

14. The Licensee acknowledges that the regulatory environment surrounding hemp may be in transition and that certain aspects of the law relating to hemp are subject to differing interpretations and that possession of hemp outside the terms of this Research Agreement, Wis. Admin. Code ch. ATCP 22 and Wis. Stat. § 94.55, may constitute a violation of state and federal law, and, that anyone in violation may be subject to local, state, and federal prosecution.

15. The Licensee consents to the Department's testing protocol, as follows. Total delta-9 THC content will be evaluated by using high performance liquid chromatography (HPLC) with a calculation (Total THC = delta-9 THC + 0.877*THCa) to achieve equivalent results to drying or heating. THCa is included in the assessment because THCa is a precursor to delta-9 THC, and with heat converts to delta-9 THC.

16. The Licensee acknowledges that they are required to notify the Department at least 30 days before the date they intend to begin harvesting, and that sampling and testing will take place at times and on dates determined by the Department, pursuant to Wis. Admin. Code § ATCP 22.09.

17. The Licensee consents to the Department's sampling protocol (detailed in the Sampling, Testing and Variety FAQ posted on the DATCP website).

18. The Licensee acknowledges that if hemp fails its initial test with a Total delta-9 THC concentration above 0.3% and at or below 1.0%, the licensed grower may request that a new sample be taken at the expense of the licensee, and that if the final lab analysis exceeds 0.3% THC, the entire crop on the field where the sample was collected shall be destroyed by the licensed grower within 10 days, pursuant to Wis. Admin. Code § ATCP 22.10.

19. The Licensee consents to the forfeiture and destruction, without compensation, of hemp material found by the Department to have a measured total delta-9 THC content of more than 0.3% on a dry weight basis. The Department will issue special orders for destruction of such hemp material following the procedure in Wis. Stat. § 93.18(2) and Wis. Admin. Code ch. ATCP 1, with appeal rights. In no event shall any forfeiture or destruction by the Department constitute or be deemed a breach of contract, and, therefore, no liability shall be incurred by or arise against the State, its officers or employees for actual losses, anticipated lost profits and any other damages.

20. The Licensee acknowledges the inherent risk associated with participation in a research program focusing on a new crop. By entering into this Research Agreement and planting hemp, the Licensee assumes and bears sole responsibility for financial or other losses that may result from the Licensee's choice to participate as a researcher under the Pilot Program.

21. The Licensee shall abide by all local, state, and federal laws applicable to the growing or processing of hemp.

22. The Licensee represents that it has sought whatever legal or other advice it believes to be appropriate and is not relying on the Department's granting a license or any other statement or conduct by the Department in evaluating any legal or other risk to which the Licensee may be exposed by participating in the Pilot Program.

23. The Department, at its sole discretion, reserves the right to suspend or terminate any or all activities under this Research Agreement if it discovers information that the Licensee has failed to abide by the terms of this Research Agreement, Wis. Admin. Code

ch. ATCP 22, or Wis. Stat. § 94.55. The Department may also suspend or terminate this Research Agreement if the authority for the Department to perform the Pilot Program is altered or terminated by legislative, judicial, or executive action. In the event of a suspension, the Licensee shall be given written notice outlining the reason for the suspension. The Licensee shall comply with the terms of a suspension or termination until such time as the Department issues a written notice authorizing the resumption of performance under the Research Agreement.

24. In no event shall any suspension or termination by the Department constitute or be deemed a breach of contract, and, therefore, no liability shall be incurred by or arise against the State, its officers or employees for actual losses, anticipated lost profits and any other damages.

25. The Licensee may terminate this Agreement by providing written notice to the Department. If this Agreement is terminated by either the Licensee or the Department, the Licensee shall be responsible for harvesting or destroying its hemp as directed by the Department.

26. The Licensee shall be fully liable for the actions of its employees, agents, partners, or subcontractors and shall fully defend, indemnify, and hold harmless the State, its officers, and employees from suits, actions, proceedings, claims, losses, damages, and costs of every name and description relating to any and all accidents, personal injury and damage to real or personal tangible property caused by any intentional act or negligence of the Licensee, or its employees acting within the scope of their employment, agents, partners and subcontractors in connection with this Research Agreement, without limitation; provided, however, that the Licensee shall not be obligated to indemnify the State, its officers, or employees for any claim, loss, damage, or cost arising from this Research Agreement to the extent caused by the negligent act, failure to act, gross negligence, or willful misconduct of the State, its officers, or employees.

27. This Research Agreement is not assignable.

28. Any notice or communication required hereunder shall be in writing and shall be deemed duly served as of the date it is delivered by hand or three business days after having been mailed by certified mail.

29. In the event that any one or more of the provisions of this Research Agreement shall for any reason be declared unenforceable under the laws or regulations in force, such provision will have no effect on the validity of the remainder of this agreement, which shall then be construed as if such unenforceable provision had never been written or contained in this Research Agreement.

30. The provisions of Paragraphs 8, 9, 11, 12, 22, and 25 of this Research Agreement shall remain enforceable following its expiration, suspension, or termination. The Licensee shall maintain compliance with Wis. Admin. Code ch. ATCP 22 and Wis. Stat. § 94.55.

31. This Research Agreement may not be changed, modified or altered in any manner except by an instrument in writing executed by the Department and the Licensee.

The persons signing this agreement represent and warrant that they are duly authorized to sign on behalf of the respective parties.

Applicant

By: _____ Date: _____

For: _____

LEGAL ENTITY AND BUSINESS NAME OF THE APPLICANT AS IT
APPEARS ON THE APPLICATION

Wisconsin Department of Agriculture, Trade and Consumer Protection

By: _____ Date: _____

(For DATCP Use Only – Do Not Sign This Line)