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Via Electronic Submission: <https://www.regulations.gov>

October 8, 2020

Docket Clerk  
Marketing Order and Agreement Division  
Specialty Crops Program, AMS, USDA  
1400 Independence Avenue SW, STOP 0237  
Washington, DC 20250-0237

RE: Establishment of a Domestic Hemp Production Program; 7 CFR Part 990, Doc. No. AMS-SC-19-0042; SC19-990-2 IR; *Federal Register*, /Vol. 85, No. 174 /Tuesday, September 8, 2020 /Rules and Regulations; Pages 55363-55366

Dear Mr. Richmond, Agency Officials and Staff:

The Independent Community Bankers of America (“ICBA”)<sup>1</sup> welcomes the opportunity to comment on USDA’s regulation regarding the establishment of a domestic hemp program authorized under the 2018 farm bill. By reopening the comment period, the Agricultural Marketing Service (AMS) is providing an additional thirty days for public comments on the interim final rule (IFR) that established the Domestic Hemp Production Program on October 31, 2019.

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<sup>1</sup> The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. With more than 50,000 locations nationwide, community banks constitute 99 percent of all banks, employ nearly 750,000 Americans and are the only physical banking presence in one in five U.S. counties. Holding more than \$5 trillion in assets, nearly \$4 trillion in deposits, and more than \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers’ dreams in communities throughout America. For more information, visit ICBA’s website at [www.icba.org](http://www.icba.org).

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ICBA appreciates AMS reopening the rule for public comments since hemp is a newly authorized crop and producers, lenders and other market participants will likely have additional recommendations and insights as the production, processing, transportation, marketing and financing of this crop develops in the U.S. ICBA stands by the recommendations made to the AMS in our January 29 letter from earlier this year.

We urge federal regulators to continue to not require suspicious activity reports (SARs) from banks that finance hemp producers. This is appropriate since hemp is no longer a Schedule 1 controlled substance and no longer illegal.

Our January 29 letter noted the importance of mitigating risks through a robust crop insurance program. Lenders have noted a variety of risks that have dampened enthusiasm of producers to grow hemp. In addition to the potential losses from weather-related events, there is a significant risk to producers from having to destroy an entire crop if the THC levels are too high. There is also a risk of vendors, processors or purchasers not meeting the terms they agreed to with producers or not standing by their agreement to purchase a producer's crop. AMS should consider ways to enhance risk protection for such exposures to ensure producers are not afraid to commit to producing hemp. Lenders also state the subsidy provided for the existing crop insurance product is insufficient and coverage levels may be inadequate. We urge USDA to review and expand the crop insurance and other protections available to hemp growers.

ICBA further urges AMS to extend the sampling period from 15 days to 30 days; allow for testing any portion of the hemp plant that could be utilized; allow broader categories and listings of testing labs; and not require destruction of an entire crop if THC levels are higher than allowable but instead allow the crop to be used for other purposes such as animal feed or fuel.

## **Conclusion**

ICBA appreciates the AMS's providing the public an additional opportunity to comment on the newly established hemp program. We urge USDA to accommodate producers, lenders and other industry participants to the maximum extent possible to help ensure that hemp production can be a viable industry in the future.

Thank you for considering our views. Should you desire to discuss the contents of this letter please feel free to contact our staff at: [Mark.scanlan@icba.org](mailto:Mark.scanlan@icba.org).

**Sincerely,**

*Mark Scanlan*

*Sr. V.P., Agriculture and Rural Finance*