

Growing industrial hemp in Ukraine

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Ukraine is one of the most promising territories in Europe in terms of industrial hemp cultivation. At the same time, cultivation of industrial hemp in Ukraine is subject to relevant permits and adherence to certain conditions.

1. General conditions for growing hemp in Ukraine

The basic conditions for the cultivation of cannabis plants in Ukraine are as follows:

- 1) a special licence for the cultivation of cannabis plants is required;
- 2) cannabis plants may be grown for industrial purposes as specified by the relevant licence and in compliance with the licence regulations;
- 3) a producer engaged in the cultivation of cannabis plants must have the status of a legal entity;
- 4) only the cannabis plants that are approved by the Cabinet of Ministers of Ukraine may be grown.

Today, according to the list established by the Cabinet of Ministers of Ukraine, it is allowed to grow any cannabis plants provided that special seeds are used. Such seeds must be harvested from plant species, in the dried straw of which the content of tetrahydrocannabinol does not exceed 0.08%. The same threshold is used to regulate the growing conditions.

From a business point of view, this is an extremely low level (for comparison, in the EU, the permitted level of THC in industrial hemp is 0.2%, while in the USA, Canada, and China it stands at 0.3%). This threshold constrains producers from using most of the profitable sorts of industrial hemp. Ukrainian plant breeders were among the first in Europe to develop sorts that do not contain narcotic substances at all, however, growing the sorts currently used on an industrial scale still requires a special licence;

5) cannabis plants can be grown only within the quotas established by the Cabinet of Ministers of Ukraine. The areas under crops are quoted. For 2022, the Cabinet of Ministers of Ukraine has set a quota of 7,550 hectares of crops.

2. Obtaining a licence for growing hemp in Ukraine

To obtain a licence for growing hemp in Ukraine, it is required to submit an application to the State Service of Ukraine on Medicines and Drugs Control. The minimum requirements for such an application include a registered legal entity, a duly appointed head, an open bank account, a telephone number and an email address of the legal entity.

The application must be accompanied by the following:

- a copy of a document confirming the professional qualification of the head of the legal entity for the cultivation of cannabis plants (or, by way of example, the head of the relevant branch, if this function is to be performed by a branch of the company). Usually, this is a certificate of completion of special courses conducted under the programme approved by the National Academy of Agrarian Sciences and the State Service of Ukraine on Medicines and Drugs Control;
- a medical certificate confirming that employees do not suffer from mental disorders related to the abuse of alcohol or drugs, or that they are not recognized as unfit for work related to narcotic substances. Such a certificate must be obtained for each employee who will have direct access to narcotic and psychotropic substances and precursors;
- a copy of the document confirming the right of ownership or the right to use the sites where the economic activity of cultivation of cannabis plants will be carried out. These may be extracts from the State Register of Property Rights, copies of land lease agreements, etc.;
- information on the state of the material and technical base and the availability of personnel, indicating their qualification level;
- information on the availability of a permit of the National Police of Ukraine for the use of sites and premises intended for the conduct of economic activities for the circulation of narcotic and psychotropic substances and precursors. To obtain such a permit, it is necessary to observe a number of requirements that apply to such sites. For example, sown areas allocated for the cultivation of hemp (open-type concentration sites used for cultivation) must be located not less than 0.5 km from settlements, not less than 3 km from the state border of Ukraine, etc.);
- information on the absence of unexpunged or unpaid criminal records for committing criminal offenses related to drug trafficking (both in Ukraine and abroad) for the employees who will have direct access to narcotic and psychotropic substances and precursors.

Under martial law, the application and the package of documents can be submitted electronically. However, after the martial law is lifted, all these documents must be submitted in paper form, otherwise the licence may be invalidated.

3. Licensing regulations for hemp cultivation in Ukraine

In addition to the general conditions for growing hemp in Ukraine mentioned above, it is also necessary to consider the established licensing regulations for such activities, namely:

- hemp cultivation is allowed only with the use of conditioned and fertile seeds (seed material) of plants of the cannabis genus of the first and second reproduction;
- such seed material must be registered in the Register of Plant Varieties of Ukraine;
- seeds can be purchased only from sellers (whereby sellers must be subjects of seed production and nursery) entered in the State Register of Seed and Planting Material Producers;
- sown seeds must be written off in accordance with scientifically sound seeding norms established by the author (owner) of the variety and the areas under crops;
- it is necessary to notify the State Service of Ukraine on Medicines and Drugs Control on the actual places of sowing, the size of the sown areas and the variety within 10 working days from the date of sowing. The supplier of seed material must also be specified;
- it is necessary to take samples in the presence of a representative of the State Service of Ukraine on Medicines and Drugs Control to determine the content of tetrahydrocannabinol in dried straw. Such sampling shall be carried out in the flowering phase for no less than 50 percent of the sown plants;
- if it turns out that the maximum permissible content of tetrahydrocannabinol on seed crops is exceeded, it is necessary to cull such crops from seed crops (from which seed material can be obtained) and transfer them to industrial crops (those that are further processed and not used as seeds). An act on such a transfer is drawn up and reported to the State Service of Ukraine on Medicines and Drugs Control;
- if it turns out that the maximum permissible content of tetrahydrocannabinol in the seed crops is exceeded, it is necessary to ensure that crops, storage and processing facilities are guarded for 10 working days;
- if it turns out that the seeds used for sowing were not included in the State Register of Seed and Planting Material Producers, such crops must be destroyed by the producer at its own expense and in the presence of a commission that includes a representative of the State Service of Ukraine on Medicines and Drugs Control;
- it is necessary to report annually on the amount of hemp grown and processed.