



**SOUTH CAROLINA DEPARTMENT OF AGRICULTURE  
SOUTH CAROLINA HEMP FARMING PROGRAM**

**PARTICIPATION AGREEMENT**

This Participation Agreement (“Agreement”) is made and entered into this day of \_\_\_\_\_, 2019 (the “Effective Date”) between the **South Carolina Department of Agriculture** (“SCDA”) and the **undersigned party** (“Permitted Grower”), collectively the “Parties.”

**WHEREAS**, the Agricultural Improvement Act of 2014 (the “2014 Farm Bill”) (Section 7606, codified at 7 U.S.C § 5940) authorizes state departments of agriculture and institutions of higher education, if authorized by their respective state’s law, to grow or cultivate industrial hemp for research purposes;

**WHEREAS**, The Agricultural Improvement Act of 2018 (the “2018 Farm Bill”) (H.R. 2 (115)) achieves the following: removes hemp from the Controlled Substances Act (Section 12619); mandates that states cannot prohibit the transportation of hemp or hemp products through their state (Section 10114); makes farmers eligible for crop insurance, and provides that marketability requirements for the crop insurance program can be waived (Section 11101); includes hemp in the United States Department of Agriculture (USDA) supplemental and alternative crops programs (Section 7129); and includes hemp in USDA’s critical agricultural materials program (Section 7501);

**WHEREAS**, The South Carolina Hemp Farming Act, makes it legal for hemp to be grown under certain conditions in South Carolina;

**WHEREAS**, pursuant to the 2014 Farm Bill and the 2018 Farm Bill, it is lawful for a permitted individual to cultivate, produce, or otherwise grow hemp in South Carolina to be used for any lawful purpose, including, but not limited to, the manufacture of hemp products, and scientific, agricultural, or other research related to other lawful applications for hemp;

**WHEREAS**, under the South Carolina Hemp Farming Act, the South Carolina Department of Agriculture (SCDA) is the administrator of South Carolina’s Hemp Farming Program (hereinafter, the “Program”) application and permitting process;

**WHEREAS**, Permitted Grower wishes to participate in the Program for the cultivation of hemp; now,

**THEREFORE**, this Agreement, and the documents expressly incorporated by reference herein, together constitute the terms and conditions for Permitted Grower's participation in Program and SCDA and Permitted Grower hereby agree as follows.

**I. Permitted Grower Conduct.**

a. Permitted Grower promises to comply with the requirements set forth in South Carolina Hemp Farming Act, which is incorporated by reference into this Agreement;

b. Permitted Grower will conduct himself and his agricultural operations in a lawful manner. Permitted Grower recognizes that if anytime during his participation in the Program, if he is charged with a drug related felony SCDA may immediately revoke the Permitted Grower's license.

c. Permitted Grower acknowledges and agrees that hemp cultivation or processing not in accordance with SCDA policy and applicable state and federal law falls outside Permitted Grower's Grower Hemp License and may be prosecuted.

d. Permitted Grower will abide by applicable laws and regulations incident to the growth, cultivation, or marketing of hemp. Permitted Grower will intend in good faith to grow, cultivate, and/or produce hemp.

e. Permitted Grower acknowledges that any action—intended or incidental—that is contrary to applicable laws and regulations—known or unknown—falls outside the scope of Permitted Grower's participation in the Program. Permitted Grower acknowledges that this provision applies to all actions incident to his licensed cultivation or processing of hemp, including but not limited to any sale or disposition of the resulting plants, plant materials, or seeds.

**II. Licensed Growing Locations.**

a. The Permitted Grower:

i. Affirms that living (non-cut) Hemp shall not be grown, handled, or stored at any location other than the locations listed on the Permitted Grower's Application or Application Amendment(s);

ii. Agrees to apply for registration of all growing, handling, and storage location, including GPS coordinates, and receive SCDA approval for those locations prior to having living (non-cut) Hemp on those premises; and

iii. Acknowledges that Permit Holder shall Submit a Permit Amendment Application and obtain written approval from a representative of SCDA before implementing any change to the license sites stated on the Permitted Grower's Application.

**III. Seed, Plant, or Propagules Acquisition.**

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843 229 7994  
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**a. Documentation.** Permitted Grower agrees that all seed, plants, or other propagules to be used by Permitted Grower must have documentation showing that mature plants grown from that seed variety or strain have a floral material delta-9-THC content of not more than 0.30 percent on a dry weight basis;

**b. Domestic Seed, Plant, or Propagates Acquisition.**

**i.** Seed, plant, or propagates acquisitions will be conducted by the Permitted Grower without the assistance or involvement of SCDA. It is Permitted Grower's sole responsibility to ensure that the domestic or foreign seed, plant, or propagates he seeks to obtain is from a qualifying hemp program which lawfully acquired or cultivated that seed, plant, or propagates or from a legal foreign source. Further, Permitted Grower is responsible for the entire seed, plant, or propagates procurement process, which includes without limitation, supplier sourcing, ordering, payment, transportation, and weighing of the product.

**IV. Permitted Access.**

**a.** Permitted Grower agrees to allow representatives of SCDA, the State Law Enforcement Division, and local law enforcement agencies to enter onto all premises where hemp is cultivated, handled, processed, or stored for the purpose of conducting physical inspections, obtaining samples of hemp or hemp products, or otherwise ensuring compliance with the requirements of state law and any administrative regulations promulgated by the SCDA.

**V. License Fees.**

**a.** Permitted Grower agrees to remit to SCDA all license fees and other expenses of the Program, including but not limited to all fees, if any, related to 1) sampling and analysis of hemp plants and plant materials and 2) destruction of resulting hemp crops found by SCDA to be non-compliant with applicable laws and regulations.

**VI. SCDA's Role.**

**a.** Permitted Grower acknowledges that with respect to Permitted Grower's production of hemp, SCDA's role is to fulfill regulatory oversight of the Program's licensing. Permitted Grower understands and agrees that he shall not receive compensation or wages from SCDA and SCDA will not offer financial resources, tangible products, or commercial labor in support of Permitted Grower's hemp crop.

**VII. Sample Submission.**

**a.** Permitted Grower acknowledges and agrees that Permitted Grower must submit a minimum of four random samples per grow to an independent testing laboratory to be tested for delta-9 tetrahydrocannabinol concentrations not more than thirty days prior to harvest.

**VIII. Plant Destruction.**

a. Permitted Grower acknowledges and consents to the forfeiture or destruction, without compensation, of hemp material:

- i. Found to have a measured delta-9 THC content of more than 0.3 percent on a dry weight basis;
- ii. Bearing off-label pesticide residues (or believed by SCDA to have had pesticides applied off-label), regardless of the source or cause of contamination; and
- iii. Growing in an area that is not licensed by SCDA.

b. Notwithstanding the foregoing, Permitted Grower or processors may retain any hemp that tests between three-tenths of one percent to one percent delta-9 tetrahydrocannabinol on a dry weight basis and recondition the hemp product by grinding it with the stem and stalk. Hemp products must not exceed three-tenths of one percent delta-9 tetrahydrocannabinol.

#### **IX. Best Management Practices.**

a. Permitted Grower acknowledges and agrees to use reasonable security measures to prevent unauthorized access to areas where hemp plants, plant materials, or seeds are located, and take reasonable precaution to prevent unauthorized growth or distribution of hemp.

#### **X. Food Drug and Cosmetic Safety.**

a. Permitted Grower agrees to comply with the federal Food Drug and Cosmetic Act and all other applicable local, state, and federal laws and regulations relating to product development, produce laws and regulations relating to product development, product manufacturing, consumer safety, and public health.

#### **XI. Miscellaneous Provisions.**

a. Entire Agreement. The Parties agree that the terms of this Agreement supersedes any previous agreement concerning the Permitted Grower's participation in the Program.

b. Term. Permitted Grower's License to participate in the Program shall expire December 31, 2019. Future participation in the Program will require Permitted Grower to reapply and be approved by SCDA.

c. Advice of Counsel. Permitted Grower acknowledges that SCDA cannot provide Pilot Grower with legal advice regarding operation of a business to produce hemp or hemp products and SCDA recommends that Permitted Grower seek the advice of an attorney for all legal questions regarding production of hemp and participation in the Program.

d. Indemnification and Release. Permitted Grower agrees to indemnify, hold harmless, and release forever the State of South Carolina, its departments, agencies, officers, employees, and agents of any kind from all liability claims arising out of Pilot Grower's negligent or illegal actions or actions otherwise in violation of the terms of the Program

involving the domestic or international acquisition, cultivation, or processing of hemp and Permitted Grower's participation in the Program.

e. **Law Governing.** This Contract shall be governed by and construed in accordance with the laws of the State of South Carolina.

f. **Modifications Must be in Writing.** This Agreement may not be changed orally. All modifications of this Agreement must be in writing and must have been signed by each party.

g. The Parties agree that this Agreement supersedes all existing agreements, if any, between them, including any supplements or amendments thereto, with respect to the Program.


h. **Savings Clause.** If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

i. **Survival.** The Parties further agree that this Agreement shall be effective only during the period of Permitted Grower's Program licensure to cultivate or process hemp that immediately follows the Agreement's effective date. Notwithstanding the foregoing, any of the terms and covenants contained in this Agreement which require the performance of either party after the expiration of Permitted Grower's licensure shall survive the expiration of such.

(Signature Page(s) to Follow)

IN WITNESS WHEREOF, the parties have executed this Agreement by and through their duly authorized agents as of the day and year first above written.

**PERMITTED GROWER:**

Name:   
Date: 5/13/19  
John Trenton Pendervis

**SOUTH CAROLINA DEPARTMENT OF AGRICULTURE:**

  
Hugh E. Weathers  
South Carolina Commissioner of Agriculture