

Update on Kentucky's Hemp Industry

October 2026



KENTUCKY HEMP
ASSOCIATION

Existing Statutes & Regulations

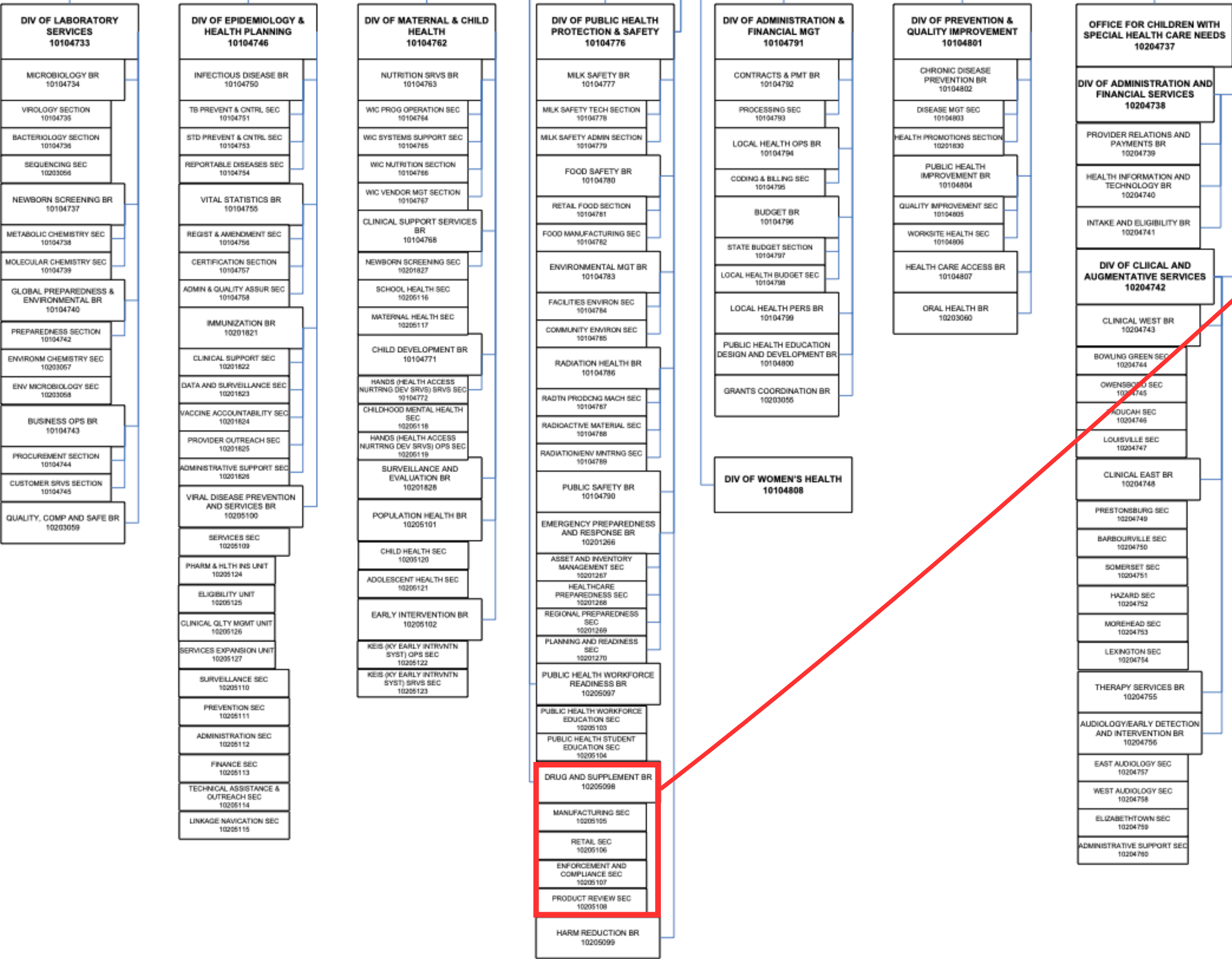
- KRS 260 regulates farming and processing under the **KY Department of Agriculture**.
- KRS 214 to KRS 244 regulates hemp beverages under the **Alcohol Beverage Control**.
- KRS 217 regulates hemp processing, manufacturing, retail sales, and finished products under the **Department for Public Health's** Hemp Program, specifically:
 - 902 KAR 45:001 - definitions
 - 902 KAR 45:012 - requirements for retail sales including product restrictions and age gating
 - 902 KAR:021 - requirements for product registration, processing, manufacturing, storage and distribution. Includes requirements for packaging, labeling, and warning statements
 - 902 KAR 45:031 - sampling and testing requirements
- Kentucky does not permit the sale of flower to consumers

*DPH's Hemp Program is regulated within the Drug and Supplement Branch within the Division of of Public Health Protection & Safety within the Department for Public Health within the Cabinet for Health and Family Services.



CABINET FOR HEALTH & FAMILY SERVICES
(53) - 10104572

DEPT FOR PUBLIC HEALTH
(53-728) - 10104731



Drug & Supplement Branch

Manufacturing Sec

Retail Sec

Enforcement & Compliance Sec

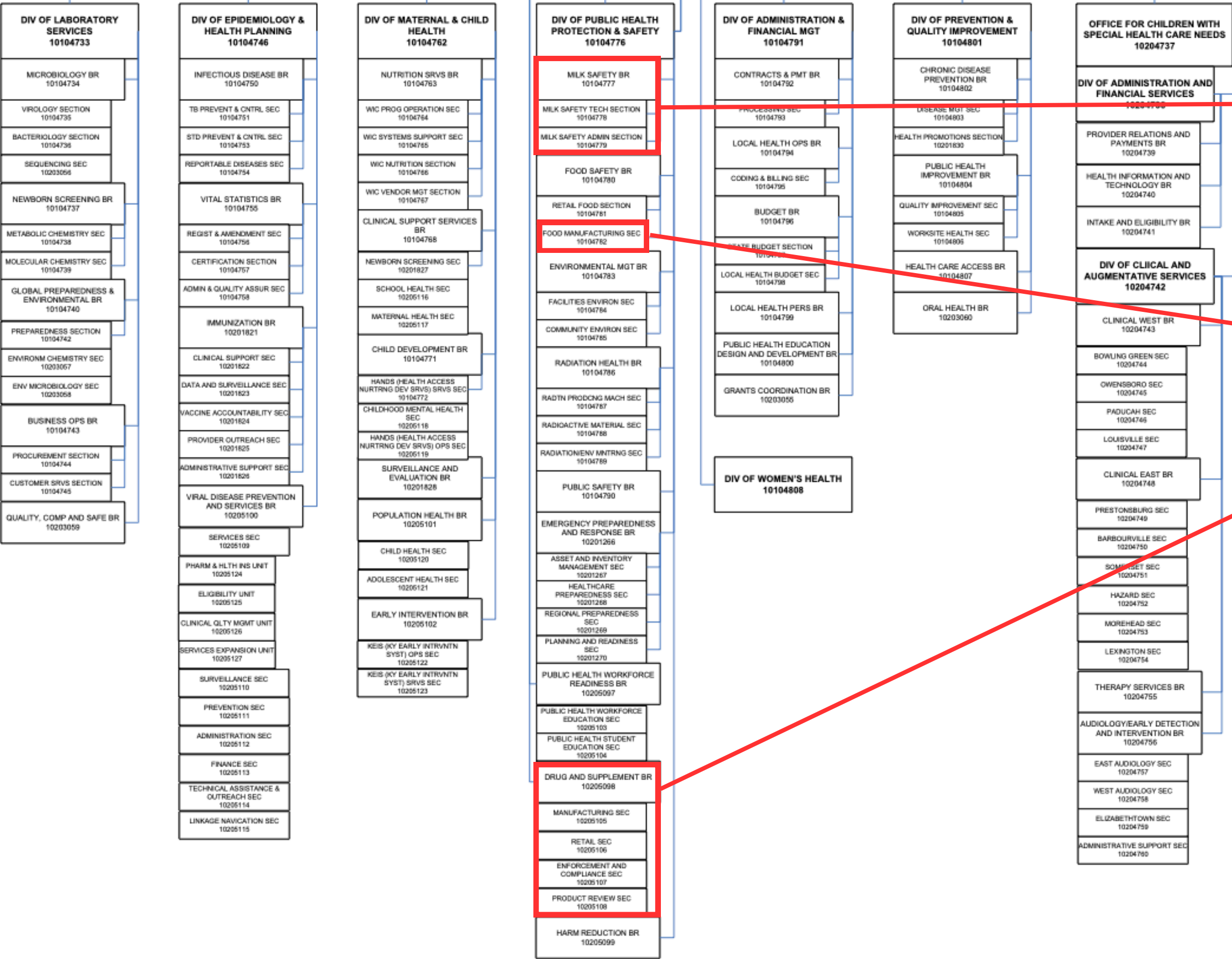
Product Review Sec

Hemp Program

PC/DHRA/DEM
Eff 11/16/2025

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Milk Safety Branch

Milk Safety Tech Section

Milk Safety Admin Section

Food Manufacturing Section

Drug & Supplement Branch

Manufacturing Section

Retail Section

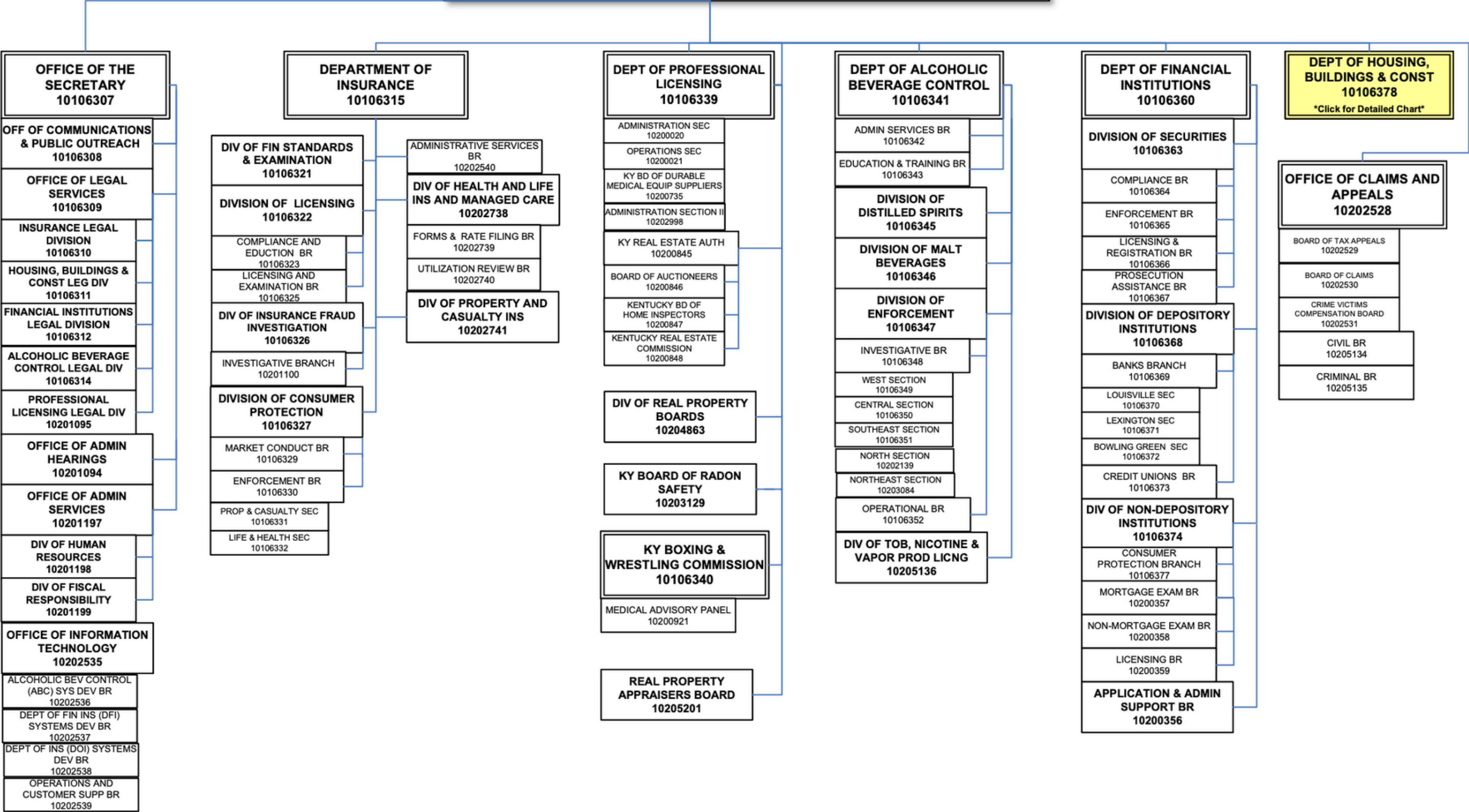
Enforcement & Compliance Section

Product Review Section

Hemp Program

PC/DHRA/DEM
Eff 11/16/2025

PUBLIC PROTECTION CABINET - 58
10106299



Dept of Food & Drugs

Milk Safety Branch

Milk Safety Tech Section

Milk Safety Admin Section

Food Manufacturing Section

Drug & Supplement Branch

Manufacturing Section

Retail Section

Enforcement & Compliance Section

Product Review Section

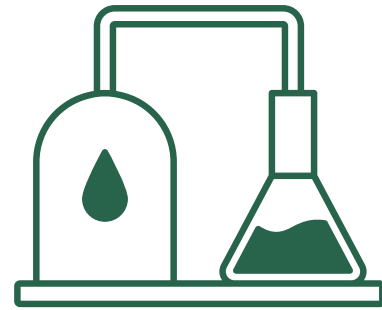
Hemp Division

Novel Ingredients

Hemp Supply Chain



Farmed Raw
Material



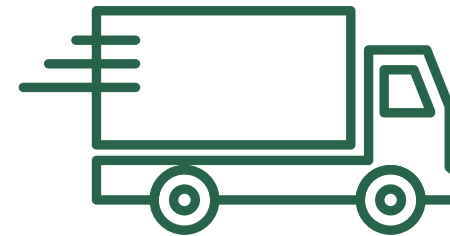
Processing

KDA - \$3,000
DPH - \$3,000



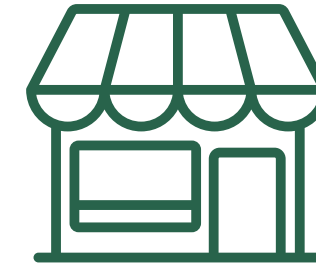
Manufacturing

DPH - \$1,000
DPH - \$210^
^cosmetics fee



Distribution

DPH - \$1,000
ABC - \$1,000



Retail

DPH - \$2,000
ABC (CIBs) - \$2,000
ABC QRP (CIBs) - \$1,570



Consumer

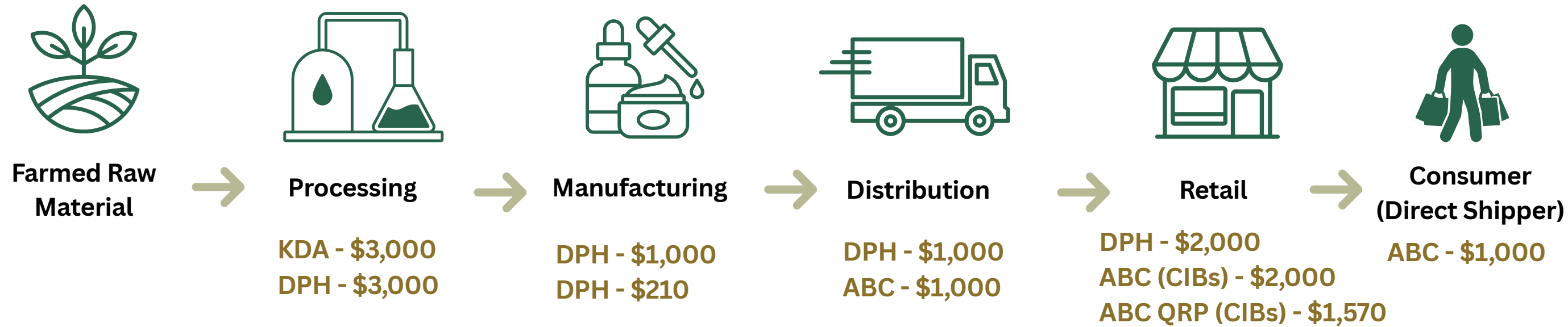
ABC - \$1,000

Current total license fees to operate at parity to a Distillery: \$13,780*

*Exclusive of distribution license fees

Additional Fees: Product Registration \$200/ product

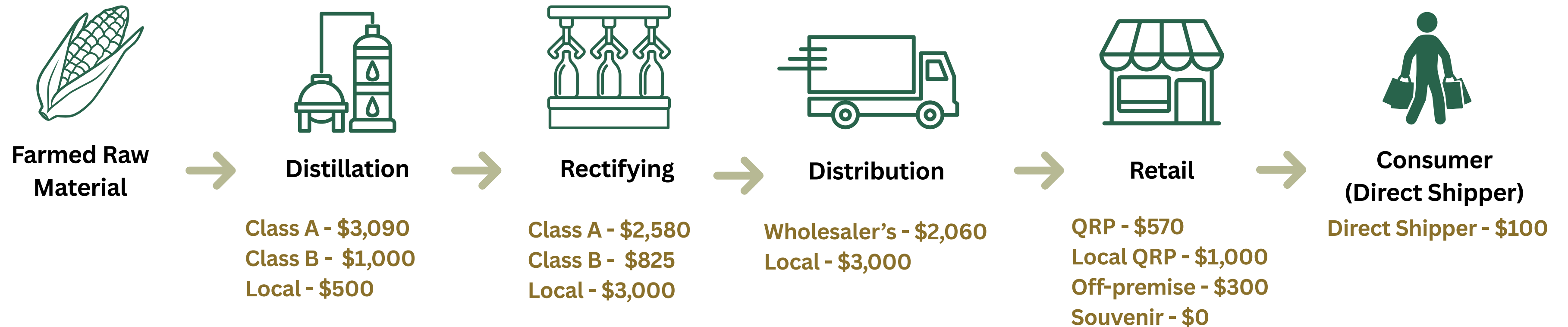
Hemp Supply Chain



Total license fees for hemp company to operate at parity with a distillery: \$13,780*

*Exclusive of distribution license fees

Spirits Supply Chain



Distillery (Class A) License Fees w/ Retail: \$3,990*

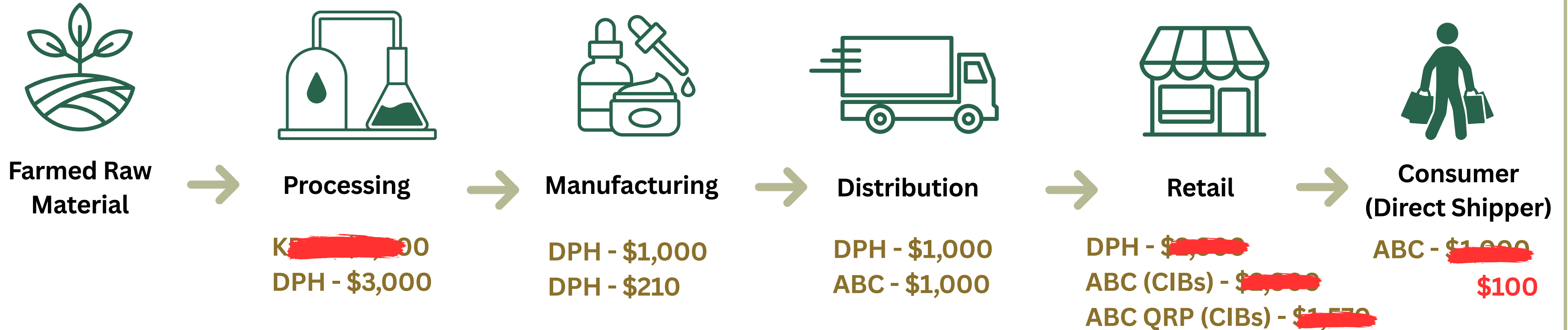
*Only licenses include Class A license, off-premise retail license and direct shipper license

Microdistillery (Class B) License Fees w/ Retail: \$1,900*

*Only licenses include Class B license, off-premise retail license and direct shipper license

Product Registration \$0

Hemp Licensing Parity



1. Remove Department of Agriculture authority over processing so it is exclusively under DPH
2. Reduce Direct Shipper fee to \$100
3. Establish “distillery-like” licensing that consolidates manufacturing licensing with limited retail that is no more than \$3,890
4. Reduce CIB supplemental fee
5. Consolidate licensing for hemp retail operations selling CIBs and other hemp products to no more than \$1570
6. Allow hemp dispensaries* to sell CIBs without the ABC QRP

*entities that exclusively sell hemp products. Estimated no more than 30 licenses

Further Licensing Improvements

1. Reinstate on-premise and event sales for CIBs
2. Allow hemp farmers to sell floral material into medical dispensary markets
3. Increase fine penalties for unlicensed entities
 - a. Reduce license fees, but increase fines for not having one

Hemp Regulatory Improvements

1. Modernize definitions with federal code. Remove synthetically derived cannabinoids from definition
2. Tighten CIB definition while also offering volumetric servings on CIBs (ie. 750ml bottle at 5mg/serving; 5mg/serving on single serve packaging less than 2oz)
3. Improve controls that protect children
 - a. Codify 902 KAR 45:021(4)(4)
 - b. Define child-resistant packaging
 - c. Require universal warning on packaging
4. Ban open container for CIBs for operators of motor vehicles
5. Establish Medicare Pilot Program



Hemp Parity - Red Tape on Traditional Agriculture

- Distillers can sell their corn mash as animal feed
- If the distiller's included hempseed in their mash, the mash **CANNOT** be sold as animal feed
- Regulatory red tape requires hemp animal feeds be FDA approved through clinical safety studies
- **\$1 million per study** for each animal and hemp ingredient. Total estimated cost is **\$50 million**

Animal Examples: Animal egg laying chickens, broiler chickens, ruminants, turkeys, dogs

Hemp Ingredients: whole seed, seed meal, dehulled seed, seed oil, microgreens, forage/silage, spent biomass

Grow Hemp Agri-Businesses

Use a portion of THC tax revenue to incentivize grain, fiber and other novel hemp markets. This will lower production costs and expand market opportunities driving rural economic growth.

- Animal Feeds
- Sugars
- Omega-3
- Proteins
- Minerals
- Dietary Fiber
- Filtration media
- Pesticides
- Textiles
- Insulation
- Plastics
- Hygiene Products
- Flooring & Walls
- Panels & Composites
- Supercapacitors
- Graphene Precursors

...and more

The hemp industry cannot propel its industrial market without support.



Tax and Reinvest

Establish a Kentucky Hemp Fund within UK Cannabis Center

- **Portion of tax revenue supports two initiatives within this fund:**
 - **Growth in grain, fiber, animal feed and new hemp markets**
 - **Harm reduction/education efforts**

Support our hemp heritage like we supported our horse heritage with Kentucky Horse Breeder's Incentive Fund



Danville, KY
circa 1850
Boyle County Public Library