



U.S. HEMP AUTHORITY™ CERTIFICATION PROGRAM FREQUENTLY ASKED QUESTIONS

Who May Use the U.S. Hemp Authority™ Certification Seal? Any company who has successfully passed the third-party audit and executed the U.S. Hemp Authority™ Licensing Agreement and paid the Licensing Fee may use the Seal during that certified year. Companies currently include Growers, Processors/Manufacturers, and Brand Owners.

What if my Company is Vertically Integrated? Vertically integrated companies who are verified to meet U.S. Hemp Authority™ Certification standards and have executed the U.S. Hemp Authority™ Licensing Agreement and paid the Licensing Fee may use the “Certified” Seal on their labels, website, marketing materials, invoices, and letterhead. Separate physical audit inspections must be conducted for each farm and facility within the vertically integrated operation.

Who is the U.S. Hemp Authority™ Certification program administrator? FoodChain ID is the exclusive administrator for the certification program. Known for providing the highest levels of service, FoodChain ID has extensive experience and expertise in certification:

- Founding technical administrator of the Non-GMO Project
- Verified nearly 75% of all Non-GMO Project Verified products
- Developer of the first Non-GMO Certification Standard
- Certified over 10,000 USDA Organic operations globally
- BRCGS Five-Star Rated and the last awarded Certification Body of the Year
- First commercial lab in the U.S. to use PCR-based testing for GMO detection

How much does the U.S. Hemp Authority™ Certification Program cost and how long do physical audit inspections take?

- **Grower Licensing Fees:**
 - Flat Fee for Extract Varieties – Farms Under 10 Acres = \$500
 - Flat Fee for Extract Varieties – Farms 10+ Acres = \$1,000
 - Flat Fee for Oilseed & Fiber Varieties – Farms Under 100 Acres = \$250
 - Flat Fee for Oilseed & Fiber Varieties – Farms 100+ Acres = \$750

**If the farm produces extract varieties along with oilseed and/or fiber varieties, only the extract varieties flat fee will be charged*
- **Processor/Manufacturer and Brand Owner Licensing Fees:**
 - Flat Fee for up to Five (5) SKUs = \$2,500
 - Additional Per-SKU Fee (for SKUs in addition to the first five): \$200
 - Cap on Per-SKU Fees: \$5,000

**Verified Licensees will not be charged for more than twenty-five (25) additional SKUs*
- **Audit Fees:**
 - The physical audit inspection costs \$1,395 per eight (8) hour day plus the traveling expenses of the auditor. If the applicant has appropriately prepared for the physical audit inspection, particularly as it relates to time-management and the immediate access of all documentation referenced on the Checklists in an organized manner, physical audit inspections are designed to take one day. Lack of proper preparation could result in the

audit taking more than one day, and the applicant bears the cost of the auditor's additional time and expenses. Note that for vertically integrated companies enrolled in both the Grower and Processor/Manufacturer Programs, separate physical audit inspections must be conducted on separate dates for each Seal; and Grower inspections must take place while the hemp is still in the ground and not after harvest. See the question below "What if my farm is comprised of multiple areas of land that are not contiguous?" for additional information.

Who conducts the audits? Audits are conducted by FoodChain ID, the nation's premier provider of certification and verification services to the food industry.

How often are audits conducted? Annually, as state and federal hemp law and policy are rapidly developing and changing. U.S. Hemp Authority™ Certification Seals and Certificates expire after one year from the date of issuance.

What happens when a new version of the U.S. Hemp Authority™ Guidance Procedures is released? Similar to USDA, FDA, and other regulatory bodies, the U.S. Hemp Authority™ provides a period of time to comply with updated requirements. U.S. Hemp Authority™ Guidance Procedures Version 2.0 audits will commence on January 1, 2020. Those U.S. Hemp Authority™ Certified Companies who earned the Certification Seal in March and April of 2019 will be expected to comply with the Version 2.0 requirements either when their annual recertification becomes due or, in any event, no later than May 31, 2020.

Is it necessary for my farm or facility to incorporate every item on the applicable Audit Checklists in order to comply with and earn the U.S. Hemp Authority™ Certification? No. The Audit Checklists are overall scoring systems that allow the expert verifiers at FoodChain ID to comprehensively analyze all facets of the farm or facility to determine whether cGMP and/or GAP standards are being met. One of many examples is that it is not necessary for a farm to be fenced-in in order for it to be compliant; rather, the Audit Checklist merely asks if there is fencing as part of the overall analysis. It should be noted, however, that to the extent equipment listed in the Audit Checklist does exist on a farm or in a facility, that equipment needs to be in working order.

What if my company manufactures hemp products other than food, dietary supplements, and cosmetics? The U.S. Hemp Authority™ Certification Program is currently designed for hemp food, hemp dietary supplements, and hemp cosmetic companies. The U.S. Hemp Authority™ will expand the Certification Program to hemp businesses across the wide spectrum of industries served by the versatile hemp plant and all of its extraordinarily useful parts.

What if I just own a brand, and am not a Grower or a Processor/Manufacturer? Then you are a Brand Owner. Every point of the growing, processing, manufacturing, bottling/packaging, and labeling, etc., of the hemp products you sell require either a U.S. Hemp Authority™ Certification Seal or a current and valid SQF, BRCGS, GFSI (or other qualified auditing program) certification that can be and has been verified by our third-party auditor FoodChain ID. To the extent these certifications do not exist in your supply or operational chain, these points of operation will also need to be audited. Additionally, current Good Manufacturing Practices (cGMP) involve a spectrum of requirements and verifications that reach beyond the process of manufacturing, including, among other areas, labeling information, storage, distribution, complaint management, adverse event reporting, record retention, and a host of written policies and procedures. The brand that is on the label is the brand that is responsible for the product. Therefore, it is necessary for Brand Owners to be audited and earn their own U.S. Hemp Authority™ "Certified" Seal. The scope of the audit for Brand Owners is determined on a case-by-case basis dictated by the verification needs in each Brand Owner's supply chain and quality management systems.

What if I'm sourcing my hemp extract / hemp-derived CBD from a company that doesn't have the U.S. Hemp Authority™ Certification Seal? Unless the facility that processes your hemp extract / hemp-derived CBD has a current and valid U.S. Hemp Authority™ Certification Seal or a current and valid SQF, BRCGS, GFSI (or other qualified auditing program) certification that can be and has been verified by FoodChain ID, the hemp extract / hemp-derived CBD supplier would be subject to the same audit process as the U.S. Hemp Authority™ Processors/Manufacturers who have earned the Seal and are licensed. If the supplier's facility meets the U.S. Hemp Authority™ Certification Program requirements, a "Certificate of Compliance" will be issued to the supplier and would be good for a period of one (1) year from the date of issuance. This does not require the supplier to enter into a U.S. Hemp Authority™ Licensing Agreement or pay the Licensing Fee, but the supplier has the option of doing so if the supplier wishes to use the U.S. Hemp Authority™ Certification Seal.

What if I'm sourcing my hemp biomass from a farm that doesn't have the U.S. Hemp Authority™ Certification Seal? Unless the grower that cultivates your hemp biomass has a current and valid U.S. Hemp Authority™ Certification Seal or a current and valid certification from another qualified auditing program, which can include your own OR the processor/manufacturer's supplier verification program, that can be and has been verified by FoodChain ID, the grower would be subject to the same audit process as the U.S. Hemp Authority™ Growers who have the Seal and are licensed. If the grower meets the U.S. Hemp Authority™ Certification Program requirements, a "Certificate of Compliance" will be issued to the grower and would be good for a period of one (1) year from the date of issuance. This does not require the grower to enter into a U.S. Hemp Authority™ Licensing Agreement or pay the Licensing Fee, but the grower has the option of doing so if the grower wishes to use the U.S. Hemp Authority™ Certification Seal.

What if my company is comprised of more than one processing and/or manufacturing facility? Each facility needs to be audited separately and each audit takes a full day. All facilities belonging to your company that relate to hemp products must have their audits completed and verified, and you must have executed the U.S. Hemp Authority™ Licensing Agreement and paid the Licensing Fee prior to using the Seal on any products.

What if I use imported hemp biomass, imported raw materials or other imported components in my product? Honoring of certain foreign and international certification seals, including but not limited to SQF, BRCGS and GFSI, by the U.S. Hemp Authority™ auditors FoodChain ID will be granted on a case-by-case basis. This is due to the necessity of conformity in requirements as well as the challenge of counterfeit seals being provided to unsuspecting manufacturers and brand owners. To the extent certain foreign and international seals cannot be honored, in order to pass the supplier portion of the audit, and unless the supplier of the imported hemp biomass, imported raw material or other imported component has earned its own U.S. Hemp Authority™ Certification Seal that is verified and current, enrollees will need to provide proof and documentation that appropriate personnel has physically visited and inspected the foreign supplier's facility and manufacturing practices, and this proof and documentation must be verified by FoodChain ID to confirm the material or component meets U.S. Hemp Authority™ Certification standards.

What does the U.S. Hemp Authority™ do with the Licensing Fees it collects? This is a consumer-facing Seal to assure the consumer and law enforcement that the product they're purchasing is quality assured, safe, and sourced from legal hemp. The revenue generated from the Licensing Fees collected by the U.S. Hemp Authority™ is used to market the program to consumers and business owners and continue to expand and evolve the program. U.S. Hemp Authority™ Board Members serve the program *pro bono* (meaning they are not compensated for their Board service).

What if my farm is comprised of multiple plots that are not contiguous? Each plot of land needs to be visited by the auditor. Depending on the locations of and distance between the plots of land, the audit may be able to be conducted in one day. Having all documentation in one place is essential in promoting efficiency. Providing the location and distance information in advance will assist in attempting to estimate whether a second audit day will be necessary. All efforts are made to avoid a second audit day.

What if I grow and/or process genetically engineered hemp? Genetically engineered (also known as genetically modified) hemp and products manufactured with genetically engineered hemp are prohibited from U.S. Hemp Authority Certification™.

What if I use synthetic cannabinoids in my product? Synthetic and biosynthetic cannabinoids, as well as cannabimimetic phytochemicals in lieu of hemp-derived cannabinoids, are prohibited from U.S. Hemp Authority Certification™.

How can I verify the status of a farm or company using the U.S. Hemp Authority™ Certification Seal? Anyone can verify the status of a U.S. Hemp Authority™ Certification Seal by visiting www.USHempAuthority.org and selecting “Certified Companies.”

Is audit orientation training mandatory? No, training is elective and not mandatory.

Do I have to apply for an audit before I take the training? No, anyone can register and receive U.S. Hemp Authority™ Audit Orientation Training by the Hemp Industries Association®. You do not need to be enrolled in the U.S. Hemp Authority™ Certification Program register for training. For more information, visit <https://TheHIA.org/Trainings>.

Who should attend the training? Quality Management Systems personnel and farmers are key, as well as managers, supervisors, officers, and owners. Each person attending must be registered.

Will the training teach us everything we need to know to comply with U.S. Hemp Authority™ Certification? No, U.S. Hemp Authority™ Audit Orientation Training by the Hemp Industries Association® is a 1.75-hour track for Growers and a 4-hour track for Processors/Manufacturers and Brand Owners that is designed to introduce and guide attendees through the Certification process and what the audit entails. The following concepts will be discussed, and we will introduce you to additional sources of support if needed: Good Agricultural Practices, Quality Management Systems, Master Manufacturing Records, ISO Quality Standards, Current Good Manufacturing Practices, Employee Training for Best Practices.

