

STATE OF HAWAII DEPARTMENT OF PUBLIC SAFETY

919 Ala Moana Boulevard, 4th Floor Honolulu, Hawaii 96814 NOLAN P. ESPINDA DIRECTOR

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No.	

TESTIMONY ON HOUSE BILL 131, HOUSE DRAFT 2
RELATING TO HEMP.
by
Nolan P. Espinda, Director

House Committee on Finance Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice Chair

Wednesday, February 20, 2019; 2:00 p.m. State Capitol, Conference Room 308

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Department of Public Safety (PSD) opposes House Bill (HB) 131, House Draft (HD) 2, which proposes to facilitate the regulation and production of hemp by, among other things, amending the definition of "marijuana" in the state law to clarify that hemp is not marijuana.

First, law enforcement officers would have a very difficult time discerning the difference between hemp and marijuana. Hemp plants, materials, and products have the identical appearance to marijuana plants, materials, and products. They look exactly the same. Under this bill, people could be unnecessarily detained, or even arrested, if they are in possession of hemp. As another example, at our airports, security personnel may not be able to determine if it is hemp or marijuana, and if marijuana, whether it is medical marijuana. This would cause unnecessary delay and inconvenience and confusion for the travelling public.

Second, PSD further opposes HB 131, HD 2, because the proposed change to the definition of marijuana may cause unintended problems with the prosecution of

serious offenses. For example, prosecutions for operating a vehicle under the influence of an intoxicant and promoting prison contraband rely on the definition of a "drug" that is included in chapter 329 of the Hawaii Revised Statutes. This bill excludes hemp as a "drug."

Lastly, although federal law changed the definition of marijuana to exclude hemp, pursuant to the Agriculture Improvement Act of 2018, the State of Hawaii, Department of Agriculture, the Governor, and the State's Chief Law Enforcement Officer must confer, and the Hawaii Department of Agriculture must submit a regulatory plan to the United States Department of Agriculture (USDA) before the State can implement a commercial hemp program. As noted by the Department of the Attorney General in their prior testimony, the Department of Agriculture only has the statutory authority to run the current hemp pilot program. Even with USDA approval, any plan that differs from the current hemp pilot program may require statutory changes.

Thank you for the opportunity to testify on this measure.

JOSH GREEN Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Acting Chairperson
Board of Agriculture

State of Hawaii **DEPARTMENT OF AGRICULTURE**

1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF THE DEPARTMENT OF AGRICULTURE BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 20, 2019 2:00 P.M. CONFERENCE ROOM 308

HOUSE BILL NO. 131 HD2 RELATING TO HEMP

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill 131 HD2 which mandates the Department to submit a plan for hemp regulation to USDA, changes drug labelling laws regarding hemp, and changes the definition of marijuana to specifically exclude hemp. The Department offers comments on this measure.

The Department respectfully defers Section 4 of this bill to the Department of Health. The Department defers Sections 5 –7 of this bill to the Department of Public Safety but notes that Sections 5 and 7 of this bill, which seek to change the definition of marijuana to exclude hemp will almost certainly create confusion. The definition of marijuana includes all the parts of the plant (genus) Cannabis whether growing or not; "the seeds thereof...," but then defines cannabis seeds which do not have more than 0.3% delta-9 tetrahydrocannabinol concentration on a dry weight basis as hemp, effectively defining all cannabis seeds as hemp rather than marijuana since cannabis seeds themselves do not contain delta-9 tetrahydrocannabinol. Under this definition, viable cannabis seeds which could produce high THC plants could qualify as hemp simply by being a seed.

The Department believes adjusting the definition of marijuana to specifically exclude hemp is unnecessary as hemp is already distinguished from marijuana by definition. If adjustments to the definition are to be made, however, a more workable



definition of marijuana which does not create automatic legal friction must be devised, and at a minimum distinction must be made between viable cannabis seeds produced outside of an authorized hemp program and viable cannabis seeds produced from a plant in a licensed hemp program which passed compliance sampling.

The Department is opposed to adding the following proposed language in Section 3: "Licensees may utilize hemp genetics, from any state, that meet federal definitions of hemp" for the following reasons." The Department notes that currently different states have different testing protocols for cannabis; it would be easy for a genetic which test as hemp in one state to test as marijuana in another state simply due to difference in testing protocols. Consequently, the fact that a genetic meets the federal definition for hemp in one state does not correlate to it performing as hemp in Hawaii. For example: a plant which tests as hemp every time in a state which only tests the leaves rather than flower of the plant would meet the standards for hemp according to that state's protocol, but the same plant when brought to Hawaii and tested according to Hawaii's protocol which involves testing flower material would likely result in a plant which does not meet the federal THC threshold. Until nationalized standards are developed, the Department suggests allowing importation of genetics from state's which have testing protocols similar to Hawaii's: the testing of the flower material from the top, taken within 30 days of harvest.

Regarding Section 8 of this bill, which requires that the Department submit a plan for hemp regulation to USDA, the Department notes that no personnel or funding is granted to help run any proposed new program, and the 2018 Farm Bill requires that any state hemp regulatory plan submitted contain a certification that the state has the personnel and resources to carry out its submitted plan. The State currently has one employee dedicated to hemp to run its hemp pilot program; an expanded commercial program comes with expanded regulatory responsibilities, and the state must have the resources to implement the plan it submits if that plan is to be approved by USDA.

The Department would like to note the support for SB1353 SD1, which allows the State to develop a hemp regulatory program, as the preferred legislative vehicle this session regarding hemp.

Thank you for the opportunity to testify on this measure.

Kelly 7. King

Council Chair Kelly T. King

Vice-Chair Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore Tasha Kama

Councilmembers
Riki Hokama
Alice L. Lee
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



COUNTY COUNCIL

COUNTY OF MAUI 200 S. HIGH STREET WAILUKU, MAUI, HAWAII 96793

February 19, 2019

TO:

The Honorable Sylvia Luke, Chair

House Committee on Finance

FROM:

Kelly T. King

Council Chair

SUBJECT: HEARING OF FEBRUARY 20, 2019; TESTIMONY IN SUPPORT OF

HB 131, HD 2, RELATING TO HEMP

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to facilitate the regulation and production of hemp.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

- 1. Hemp has the potential to remediate our contaminated soils and is naturally resistant to most pests. After decades of growing sugar, hemp would aerate agricultural lands and boost their productivity.
- 2. Growing hemp could have a substantial positive impact on the economy. According to the Hemp Industries Association, the U.S. hemp industry was valued at an estimated \$500 million in annual retail sales for all hemp products in 2012. That number has only grown since that time.
- 3. Many farmers and business people in Maui County have recently expressed excitement for the opportunities created by hemp legalization. Hemp should be properly regulated by the State, but regulation should not restrain or restrict entrepreneurs from appropriately creating innovative products with hemp.

For the foregoing reasons, I support this measure.

The Thirtieth Legislature Regular Session of 2019

THE HOUSE
Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
State Capitol, Conference Room 308
Wednesday, February 20, 2019; 2:00 p.m.

STATEMENT OF THE ILWU LOCAL 142 ON H.B. 131, H.D.2 RELATING TO HEMP

The ILWU Local 142 **supports** H.B. 131, H.D.2, which legalizes hemp to the extent legalized under federal law, requires the Chairperson of the Board of Agriculture to prepare and submit a proposed state plan to monitor and regulate hemp production, including commercial production and research, to the federal Secretary of Agriculture pursuant to section 297B of the Agricultural Marketing Act of 1946, as amended, authorizes the Department of Agriculture to monitor and regulate hemp production and allows Industrial Hemp Pilot Project licensee to utilize hemp genetics.

Hawaii used to have a thriving sugar and pineapple industry until the passage of free trade agreements resulting in the loss of thousands of jobs and a vibrant agricultural industry. It was a tragic loss for Hawaii but fortunately a new crop could blossom in Hawaii creating the potential for hundreds of new agricultural jobs.

Industrial hemp has the ability to generate up to \$60,000 dollars or more per acre and see to the creation of new jobs that extend beyond the service sector and tourism industry. Hemp diversifies Hawaii's agriculture and has the ability to flourish all year around due to our warm, tropical climate. Hemp has major economic potential for Hawaii and is worth considering.

The ILWU urges passage of H.B. 131, H.D.2. Thank you for the opportunity to offer testimony on this measure.

Frederic (Ric) Wirick on behalf of Hawaii Island Hemp Collective and as Chairperson of the Hawaii Island Portuguese Chamber of Commerce Business and Economics Committee.

Hemp, hemp, hooray – on December 20th the 2018 Farm Bill was signed into law. The 81-year prohibition was lifted on "industrial hemp," it is now an "agricultural commodity" regulated by the USDA.

A 1938 issue of Popular Mechanics referred to "industrial hemp" as the upcoming Billion-dollar crop -- and CBD hemp was not even in the picture back then. Now with CPD hemp "legalized" -- if we were allowed to grow 5000 acres of quality CPD hemp on the Big Island of Hawaii today -- the CPD drying and processing facilities on island would pay the industrial hemp farmers up to one-half a Billion dollars (\$100,000 per acre) for their first crop (minimally 3 crops per year).

We, the Hawaii Island Hemp Collective farmers demand the right grow our "legal" CBD hemp economy NOW! To get back out farming, tending our crops and to hiring our neighbors as tenders for the year around grows. In addition, the hemp plant regenerates the soil, no need for herbicides or pesticides, and the terpenes it releases helps to heal our atmosphere. In time, Hawaii Hemp farmers will likely receive Federal tax credits (oxygen, carbon and terpene) for growing industrial hemp.

Starting today -- the State of Hawaii (HDOA) could readily adopt the "hemp friendly" State of Oregon's "industrial hemp pilot program." In 2018, Oregon harvested about 8000 acres of industrial hemp, while Hawaii harvested less than one acre.

The 2018 Farm Bill was intended to give every Industrial Hemp farmer in the United States an "equal right" to grow our Hemp economy. For the HDOA to continue to restrict us from growing our Hemp economy, to limit permits/ licenses, and to deny agricultural wealth when CPD hemp is "legal" and "profitable" to grow – is a violation of our civil rights as farmers!

The 81-year prohibition on "Industrial Hemp" has been lifted by the U.S. Government. The Hawaii Island Hemp Collective demands our legal right to grow NOW – and to encourage the immediate construction of drying and processing facilities to accommodate our future Hemp farmers.

Let's plant the CPD hemp seeds and grow our new Hawaii Hemp Economy 2019 – it is a multi-Billion-dollar industry NOW!



House Committee on Finance

Hawai'i Center for Food Safety supports: HB131HD2

Dear Chair Luke, Vice Chair Cullen and members of the Committee,

My name is Lauryn Rego and I am Hawai'i program co-director for the Center for Food Safety (CFS). CFS is a nationwide public interest, sustainable agriculture nonprofit organization whose mission centers on furthering the public's right to know how their food is produced, through labeling and other means. We have over 1 million farmer and consumer members across the country, including nearing 11,000 in Hawai'i. On behalf of CFS and our members, I thank you for the opportunity to provide testimony regarding this important bill.

I am writing today, in support of HB131HD2, which legalizes hemp to the extent legalized under federal law. The economic opportunity for Hawai'i farmers is evident, with industrial hemp hitting multi-million dollar sales figures last year, and expected to skyrocket under the loosening of federal regulations. Hemp farming will be a boon to local agriculture providing important local jobs and renewed investment into our rural communities.

The current State law under the pilot program is overly burdensome, with excessive limitations in licensing, acreage and genetics. We appreciate the language in this bill that clearly states that any certified hemp seed can be utilized. We would like to see any State law also include provisions that guarantee licenses to qualified applicants, lift the limitations on acreage, and provide remedies (other than destruction) for crops that accidentally produce more THC than intended. If Hawai'i is serious about supporting sustainable agricultural goals then the path forward is obvious: bring the State law into the present, to match the Federal law. The creation of sensible state hemp legislation has never been more urgent. Let's allow all farmers the opportunity to participate in this emerging and exciting market.

Respectfully,

Lauryn Rego Hawai'i Program Director Center for Food Safety

Submitted on: 2/19/2019 12:34:25 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Moran	Kihei Community Association (KCA)	Support	No

Comments:

Aloha Chair Lukje an committee members. Please support this measure for hemp. It is sometimes stated that requiring 3 committees means a bill can not succeed. Lets quash that now in Finance and pass this measure. Mahalo, Mike Moran for KCA

<u>HB-131-HD-2</u> Submitted on: 2/19/2019 12:15:45 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:



Akamai Cannabis Clinic

3615 Harding Ave, Suite 304 Honolulu, HI 96816

TESTIMONY ON HOUSE BILL 131 HOUSE DRAFT 2 RELATING TO HEMP By Clifton Otto, MD

House Committee on Finance Representative Sylvia Luke, Chair Representative Ty J.K. Cullen, Vice Chair

Wednesday, February 20, 2019; 2:00 PM State Capitol, Conference Room 308

Thank you for the opportunity to provide testimony on this measure. Please consider the following comments related to this bill:

1 - The House committees that have already heard this bill still have not specifically addressed the scheduling status of Cannabidiol (CBD). This is an important issue, because without such clarification, CBD products that are flowing into our state cannot be properly regulated.

Part of the problem has to do with the proposed amendments to the definitions of marijuana and hemp:

- SECTION 7. Section 712-1240, Hawaii Revised Statutes, is amended as follows:
- 1. By adding two new definitions to be appropriately inserted and to read:
 - ""Hemp" shall have the same meaning as in section 329-1.
- "Tetrahydrocannabinol" means tetrahydrocannabinol naturally contained in a plant of the genus Cannabis (cannabis plant), as well as synthetic equivalents of the substances contained in the plant, or in the resinous extractives of Cannabis, sp. or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity to those substances contained in the plant, such as the following: Delta

1 cis or trans tetrahydrocannabinol, and their optical isomers;
Delta 6 cis or trans tetrahydrocannabinol, and their optical
isomers; and Delta 3,4 cis or trans-tetrahydrocannabinol, and
its optical isomers (since nomenclature of these substances is
not internationally standardized, compounds of these structures,
regardless of numerical designation of atomic positions, are
covered); provided that tetrahydrocannabinol shall exclude
tetrahydrocannabinol in hemp."

2. By amending the definition of "marijuana" to read:
 ""Marijuana" means any part of the plant (genus) cannabis,
whether growing or not, including the seeds and the resin, and
every alkaloid, salt, derivative, preparation, compound, or
mixture of the plant, its seeds or resin[, except that, as used
herein, "marijuana"]. "Marijuana" does not
include hemp, hashish, tetrahydrocannabinol, and any alkaloid,
salt, derivative, preparation, compound, or mixture, whether
natural or synthesized, of tetrahydrocannabinol."

SECTION 5. Section 329-1, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read:

"Hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 per cent on a dry weight basis."

2. By amending the definition of "marijuana" to read:

""Marijuana" means all parts of the plant (genus) Cannabis whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. [It]

"Marijuana" does not include [the]:

- (1) Hemp; or
- $\underline{(2)}$ The mature stalks of the plant $[\tau]$ $\underline{(genus)}$ $\underline{Cannabis}$, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except

the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant $[\frac{which}{}]$ that is incapable of germination."

Without knowing whether CBD is a tetrahydrocannabinol, it is impossible to determine whether CBD falls under the definition of tetrahydrocannabinols, and therefore whether CBD is still a Schedule I controlled substance.

Bills being considered by the Legislature that would place FDA-approved CBD products, such as Epidiolex, into state Schedule V, the least restrictive of our controlled substance schedules, also highlight the need to establish the scheduling status of non-FDA approved CBD in Hawaii.

While the current situation with CBD in Hawaii continues to put our residents at risk, states like California are starting to take action. In July of 2018, the <u>California</u> <u>Department of Public Health</u> issued a FAQ on Industrial Hemp and CBD in food products based on federal law, which clearly prohibits the use of hemp-derived CBD as a food additive or dietary supplement in that state.

New York's <u>Department of Health and Mental Hygiene</u> has also started prohibiting the addition of CBD to food products, a signal that other states are starting to recognize that regulation in this area is necessary in order to protect consumers and comply with federal law.

The <u>Food and Drug Administration</u> (FDA) is very clear about the status of CBD and THC as food additives or dietary supplements:

"Under the FD&C Act, it's illegal to introduce drug ingredients like these into the food supply, or to market them as dietary supplements. This is a requirement that we apply across the board to food products that contain substances that are active ingredients in any drug."

Therefore, the question remains:

Is Cannabidiol (CBD) a tetrahydrocannabinol or a derivative of a tetrahydrocannabinol?

 $\underline{\text{HRS 329-14.}}$ Schedule I. (a) The controlled substances listed in this section are included in Schedule I.

(g) Any of the following cannabinoids, their salts, isomers, and salts of isomers, unless specifically excepted, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) Tetrahydrocannabinols; meaning tetrahydrocannabinols naturally contained in a plant of the genus Cannabis (cannabis plant), as well as synthetic equivalents of the substances contained in the plant, or in the resinous extractives of Cannabis, sp. or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity to those substances contained in the plant, such as the following: Delta 1 cis or trans tetrahydrocannabinol, and their optical isomers; Delta 6 cis or trans tetrahydrocannabinol, and their optical isomers; and Delta 3,4 cis or trans tetrahydrocannabinol, and their optical isomers (since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions, are covered);

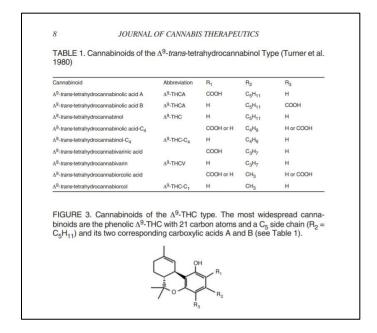
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6154432/pdf/can.2018.0030.pdf

Delta-8-THC (Delta-6-THC):

https://pubchem.ncbi.nlm.nih.gov/compound/2977#section=Top

Delta-9 THC (Delta-1-THC):

https://pubchem.ncbi.nlm.nih.gov/compound/Dronabinol#section=Top



https://cannabis-med.org/data/pdf/2003-01-1.pdf

2 – The outdoor cultivation of hemp in Hawaii will inevitably mean that the dispersion of male hemp pollen will be widespread wherever hemp is being cultivated. Potential cross pollination could severely restrict the ability of patients and dispensaries to produce high quality outdoor cannabis flowers, which will only increase the costs of medical use production and further reduce patient access.

This is something the Legislature will need to address in order to protect our patients and Hawaii's Medical Use of Cannabis Program. One solution would be to restrict hemp cultivation to at least 10 miles away from any dispensary cultivation facility or patient collective.

Submitted on: 2/17/2019 5:19:40 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc www.WeAreOne.cc - WAO	Comments	No

Comments:

Genetic modification of hemp for the purposes of restricting access and promoting corporate ownership of "new species" should be strongly opposed since it is contrary to the public interest and only supports toxic economics.

www.WeAreOne.cc

Submitted on: 2/16/2019 7:40:19 AM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Mary Whispering Wind	Individual	Support	No	

Comments:

Aloha lawmakers,

I SUPPORT HB131 HD2, relating to Hemp.

Hemp was criminalized by the unjust marijuana prohibition, which was instigated by greedy corporations to stop hemp production in the US. Racial prejudice and economic discrimination were employed to make hemp illegal, for the purpose of stopping commercial hemp from being used for fuel, building materials, food, and paper, etc. This vile and corrupt plan has worked for half a century!

Hemp and cannabis should be legal, and allowed to create hundreds of businesses and thousands of jobs.

Please, amend this bill to resoundingly reject the unjustifiable federal marijuana prohibition, which should be rejected in it's entirety - not just enforced "willy-nilly" on some folks, and not others.

Mahalo for your kind consideration,

Mary Overbay

Puunene, HI

Submitted on: 2/16/2019 7:45:27 AM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Murphy	Individual	Support	No

Comments:

Aloha lawmakers,

I SUPPORT HB131 HD2, relating to Hemp.

Hemp was criminalized by the unjust marijuana prohibition, which was instigated by greedy corporations to stop hemp production in the US. Racial prejudice and economic discrimination were employed to make hemp illegal, for the purpose of stopping commercial hemp from being used for fuel, building materials, food, and paper, etc. This vile and corrupt plan has worked for half a century!

Hemp and cannabis should be legal, and allowed to create hundreds of businesses and thousands of jobs.

Please, amend this bill to resoundingly reject the unjustifiable federal marijuana prohibition, which should be rejected in it's entirety - not just enforced "willy-nilly" on some folks, and not others.

Mahalo for your kind consideration,

Brian Murphy

Maui, Hawaii

Submitted on: 2/19/2019 1:27:54 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ken Stover	Individual	Support	No

Comments:

Hemp has been proven useful in the past, it will be even more useful in the future. Hawaii affords the perfect growing conditions. I fully support production and research of this incredible plant.

Submitted on: 2/19/2019 1:37:38 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John NAYLOR	Individual	Support	No

Comments:

Aloha,

Support Ag with a crop that can be mono cropped for food & fiber & bio fuels and is not psyco active nor will anyone , who understands, attempt to hide a cannibis crop w/in a field of hemp.

What's not to love?

John Naylor Makawao

Submitted on: 2/19/2019 1:58:39 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Dinner	Individual	Support	No

Comments:

Passing access to hemp in farming will not only allow our farmers to make a living in. A thriving crop, it will discourage the use of pesticides and GMO farming that has overtaken our island agriculture. Along with this move, though, we must also encourage organic growing of crops and make sure that the growing of hemp is done in a healthful, organic way.

From: John Calvert < jcalvert@crystal3.com>

Subject: Strong SUPPORT for HB 131

Aloha Members of the Committee:

My name is John Calvert and I'm a small farmer in lower Puna district, Big Island. Our 3-acre fruit farm survived the 2018 Kilauea eruption. Now we are looking into growing hemp, specifically CBD hemp, which has become legal as per the federal 2018 Farm Bill, and which is specifically high in cannabidiol (CBD). Regulated hemp is extremely low in THC – not more than .3% dry weight of the flowers. This is also true for CBD hemp. Growers and breeders in Oregon and Colorado have developed hemp strains that are very high in CBD content.

There's not much discussion yet about how valuable CBD hemp is, and cannabidiol as a extract or tincture, formulated into an oil, which is now in great demand because of its healing properties. This creates an excellent, lucrative opportunity for Hawaii farmers. Hemp is often grown in large, multi-acre crops; however, small farmers in Hawaii can also greatly benefit from growing CBD hemp on a much smaller scale, and producing CBD oil for sale. This is due to the high value of individual plants.

Producers of CBD oil in Hawaii need to follow regulations so that their product is tested by a lab, and labelled properly to reflect the actual amount of cannabidiol in the product, and also confirming that THC content is no more than .3%. With this basic requirement, consumers can know what they are getting, and can then avoid products which are not properly labelled.

I strongly urge you to create legislation that will keep the licensing fees low enough for small farmers to engage in growing hemp - both seed/fiber varieties and CBD varieties. The current cost to apply for the hemp license with HDOA is \$500, and this is non-refundable. The cost of the license itself is \$250 for 2 years.

I strongly urge legislation and rules which will allow Hawaii farmers to acquire seed in small quantities from legitimate sources. To date, the Hawaii hemp program has approved seed for high-CBD varieties which are available only by the pound, at a minimum cost of at least \$1,000. This is seed which would be use for large-scale hemp farming. Without rules to allow the acquisition of small quantities of seed, the high cost of seed could prohibit small farmers from acquiring seed.

The bill states in Section 141-35, re: "Approved seed cultivars" - "(a) Industrial hemp shall be grown only if it is on the list of approved seed cultivars." Please make sure this does not conflict with (2)(c), "Licensees may utilize hemp genetics, from any state, that meet federal definitions of hemp." Farmers should be allowed to acquire any seed that meets the federal definition of hemp.

The most important piece of the legislation, in my mind, is to make the production

and sale of CBD oil completely legal in Hawaii. This means that the THC in hemp needs to be removed from the Hawaii Controlled Substances list. So far, HB 131 is the only legislation that specifically removes the THC in hemp from the Controlled Substances list (along with companion bill SB1335, and also the very similar HB266). Please be aware that CBD as a "drug" is not the same as CBD oil derived from natural extraction of cannabinoids from hemp flowers, as would be done by farmers in Hawaii. The latter is called "full spectrum" CBD oil, and it has been found to have higher therapeutic value than purified CBD isolate (i.e. drug-form CBD).

Please change the definition of "marijuana" in the Hawaii statutes to mean cannabis that has a THC content of more than .3% by dry weight. Currently, the definition of "marijuana" is simply "cannabis" with no mention of THC content.

Thank you for your consideration,

Mahalo,

John Calvert

small farmer, lower Puna district, Big Island



TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL THIRTIETH LEGISLATURE, 2019

ON THE FOLLOWING MEASURE:

H.B. NO. 131, H.D. 2, RELATING TO HEMP.



BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Wednesday, February 20, 2019 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Clare E. Connors, Attorney General, or

Andrew Goff, Deputy Attorney General

Chair Luke and Members of the Committee:

The Department of the Attorney General makes the following comments.

The purpose of this bill is to decriminalize industrial hemp and require the Hawaii Department of Agriculture to submit a regulatory plan for United States Department of Agriculture (USDA) approval pursuant to the Agriculture Improvement Act of 2018.

The bill removes criminal violations for possession of hemp without including a penalty for production of hemp outside of a regulated program. The current industrial hemp pilot program does not include penalties for unlicensed production in its violations section. See section 141-38, Hawaii Revised Statutes (HRS). Without a penalty for unauthorized production of hemp, the Hawaii Department of Agriculture will not be able to submit a regulatory plan in compliance with section 10113 of the Agriculture Improvement Act of 2018.

To resolve these concerns, we recommend the following wording be added to part IV of the Hawaii Penal Code:

- "§712- Unauthorized production of hemp. (a) A person shall not produce hemp unless authorized pursuant to a state or federal program.
- (b) A person who violates this section shall be subject to a monetary penalty of ."

Similar wording is included in bill H.B. No. 266.

The bill also amends section 141-35, HRS, to allow licensees of the industrial hemp pilot program to use hemp genetics from any state that meet the federal definition

Testimony of the Department of the Attorney General Thirtieth Legislature, 2019
Page 2 of 2

of hemp. This creates an inconsistency with subsection (a), which prohibits growing hemp varieties that are not on a list approved by the Board of Agriculture. To resolve this issue, it is recommended that hemp genetics from any state that meet the federal definition of hemp be added to the list of approved hemp varieties.

With these changes, page 9, lines 1 through 9, would state:

- "(b) The list of approved seed cultivars shall include the following:
 - Industrial hemp seed cultivars that have been certified by the Organisation for Economic Cooperation and Development; [and]
 - (2) Hawaii varieties of industrial hemp seed cultivars that have been certified by the board[-]; and
 - (3) Hemp genetics, from any state, that meet the federal definition of hemp."

It should also be noted that, while this bill requires submitting a plan to monitor and regulate hemp for USDA approval, the Hawaii Department of Agriculture only has statutory authority to run the current hemp pilot program. Even with USDA approval, implementing any plan that differs from the pilot program will require statutory change.

Thank you for the opportunity to testify.



Submitted on: 2/19/2019 2:51:41 PM Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Phyllis Robinson	Hawaii Farmers Union United - Farm Apprentice Mentoring Program	Support	No

Comments:

This year our Hawaii Farmers Union Foundation, Farm Apprentice Mentoring (FAM) Program has 37 apprentices. 65% of them are interested in growing hemp for CBDs and some for seed. I would love to see this bill go through and the funds provided to the HDOA to oversee the permitting process for farmers and farmer wanabes like my apprentices who will be putting together business plans this summer that will include the growing of hemp and the value-added array of products that can be made.



<u>HB-131-HD-2</u> Submitted on: 2/19/2019 4:09:13 PM Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jen Johansen	Cyanotech Corporation	Support	No

Comments:



Submitted on: 2/19/2019 5:35:49 PM

Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Bonnie Marsh	Individual	Support	No	

Comments:

Please bring the growing of Hemp in Hawaii up to the standards/freedom that the federal government has established.

mahalo nui,

dr. bonnie marsh



<u>HB-131-HD-2</u> Submitted on: 2/19/2019 7:44:27 PM Testimony for FIN on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Carl Bergquist	Drug Policy Forum of Hawaii	Support	No	

Comments: