

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture
MORRIS ATTA
Deputy to the Chairperson

TESTIMONY OF PHYLLIS SHIMABUKURO- GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND THE ENVIRONMENT
AND THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND
HEALTH

February 10, 2020

1:50 P.M.

CONFERENCE ROOM 224

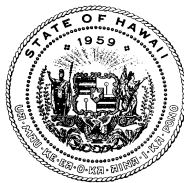
SENATE BILL NO. 2834
RELATING TO INDUSTRIAL HEMP

Chairpersons Gabbard and Baker and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2834. This bill: provides the authority and resources necessary to allow the establishment of a comprehensive federally compliant hemp production program in the state; requires the department of agriculture ("department") submit and implement a plan for hemp production pursuant to federal law; requires the department of health regulate hemp processing facilities; amends the definition of marijuana to allow hemp production in the state; and appropriates funds. The department strongly supports this measure as the preferred legislative vehicle for implementing a federally compliant hemp production program in the state.

Thank you for the opportunity to testify on this measure.





STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of SB 2834
RELATING TO HEMP

SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

SENATOR ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Hearing Date: 2/10/2020

Room Number: 224

- 1 **Fiscal Implications:** This measure may impact the priorities identified in the Governor's
2 Executive Budget Request for the Department of Health's (Department) appropriations and
3 personnel priorities.
- 4 **Department Testimony:** The intent of the measure is to require hemp processors in the State to
5 register with the Department before they can extract or otherwise process legally grown hemp
6 plant into a hemp product.
- 7 The Department is seeking interim rule making authority to create rules adopting manufacturing
8 standards and laboratory testing requirements. Hemp products in the State would only be
9 allowed to be sold once a label prescribed by the Department identifies that the hemp product has
10 complied with the established laboratory testing requirements.
- 11 The Department has concerns over allowing hemp products, which include cannabinoids like
12 cannabidiol (CBD), to be sold as a food and used as a food ingredient without it being evaluated
13 by the U.S. Food and Drug Administration (FDA) for safe use in the food supply. FDA has the
14 primary legal responsibility for determining the safe use of a food additive. Currently there are
15 over 3000 ingredients in FDA database of ingredients allowed in food. To market a new food
16 additive, a manufacturer or other sponsor must first petition FDA for its approval. These

1 petitions must provide evidence that the substance is safe for its intended use. Currently, FDA
2 has not approved hemp derivatives, like CBD or other cannabinoids, for safe use in the food
3 supply. Allowing hemp to be used in foods without evaluating safety data to determine safe use
4 limits is not good public health policy. We are asking for patience to allow FDA to adequately
5 determine if hemp derivatives, like CBD and other cannabinoids, should be allowed as a food
6 additive.

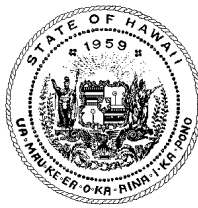
7 Until such FDA approval for use in foods, this measure seeks to prohibit the sale, holding,
8 offering or distributing for sale, any food into which a cannabinoid, synthetic cannabinoid, or
9 other hemp product has been added.

10 Department is looking forward to working with all stakeholders on developing an efficient
11 regulatory framework that addresses processing of hemp plants into hemp products for sale in
12 Hawaii.

13 **Offered Amendments:** None

14 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

NOLAN P. ESPINDA
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Shari L. Kimoto
Deputy Director
Corrections

Renee R. Sonobe Hong
Deputy Director
Law Enforcement

No. _____

**TESTIMONY ON SENATE BILL 2834
RELATING TO HEMP.**

by
Nolan P. Espinda, Director

Senate Committee on Agriculture and Environment
Senator Mike Gabbard, Chair
Senator Russell E. Ruderman, Vice Chair

Senate Committee on Commerce, Consumer Protection, and Health
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

Monday, February 10, 2020; 1:50 p.m.
State Capitol, Conference Room 224

Chairs Gabbard and Baker, Vice Chairs Ruderman and Chang, and Members
of the Committees:

The Department of Public Safety (PSD) supports Senate Bill (SB) 2834, which
establishes programs for the production and processing of hemp in Hawaii.

Under federal guidance from the United States Department of Agriculture,
published in the Federal Register on October 31, 2019, the disposal of non-compliant
hemp crops must be handled by a United States Drug Enforcement Administration
registered-reverse distributor, or by federal, state or local law enforcement officers.
This measure recognizes the need for law enforcement support for managing non-
compliant hemp crops and further provides an appropriation to support PSD law
enforcement activity that is necessary to ensure that Hawaii's future hemp program will
comply with the federal guidance.

Thank you for the opportunity to testify on this measure.



PATIENTS WITHOUT TIME



~ helping cannabis patients in Hawaii since 2004.

Aloha Lawmakers,

Please vote to **OPPOSE** - SB2834;

which, is ANOTHER bill that, allows cannabinoids, such as cannabidiol to be produced and sold in Hawaii, without proper health warnings, medical labeling laws, and in violation of standard medical practices.

Cannabinoids are powerful medicines, with known side-effects; **not cash-cows for out-of-state investors**. Many of the cannabinoids have had little to zero medical research.

Hawaii government has scant interest in replacing plastics with hemp, or producing environmentally-friendly hemp packaging, or construction materials, or promoting sustainability for Hawaii. 🙄

Hawaii's "**Industrial**" Hemp Pilot Program should not be transformed into Hawaii's "**Pharmaceutical**" Commercial Hemp Program, to mass-market CBD.

This means big profits for **out-of-state newcomer corporations**, with Hemp Pilot Programs, like:

ARCADIA BIOSCIENCE, (NASDAQ:RKDA), a California corporation. **LEGACY VENTURES "Hawaii"** - NV20191528515 - filed 07/30/19, a NEVADA corporation.
Vapen MJ Ventures (OTCQX:VAPNF; CSE: VAPN), a Canadian corporation.
Archipelago Ventures (Foreign Limited Liability Company LLC), - Delaware.

Vapen MJ Ventures, proven leader in extraction, product formulation and sales of cannabis oils and distillate products, Vapen CBD will be responsible for the construction and operation of Archipelago's Hawaiian hemp extraction facilities, on Molokai.

Mahalo,

Brian Murphy, Director
PATIENTS WITHOUT TIME

<https://www.proactiveinvestors.com/companies/news/312400/arcadia-biosciences-gets-into-the-cannabis-game-leveraging-its-wheat-breeding-techniques-12400.html>



PWTmaui.org

For more info email: info@PWTmaui.org



www.hawaiihempfarmersassociation.org
info@hawaiihempfarmersassociation.org

Re: HB2689, HB1819, SB2834 SB3106 **Support for Acreage Limits for Hemp Production**

February 3, 2020

Aloha,

The Board of Directors of the Hawaii Hemp Farmers Association is working to resolve differences of opinion amongst farmers and potential processors about acreage limits for cannabinoid and full spectrum hemp production. We recognize that some restrictions are necessary to ensure Hawaii's hemp industry serves Hawaii farmers and Hawaii communities. We will forward recommendations to you as these bills progress.

Sincerely,

Ray Maki
President
Hawaii Hemp Farmers Association



P.O. Box 99
Wailuku, HI 96793-0099
(808) 800-3974

Vincent Mina
State President

Anabella Bruch
Vice-President
Kauai

Annie M. Alvarado
Treasurer
Maui

David Case
Secretary
Kona, Hawai'i

Eric (Drake)
Weinert, Jr.
East Hawai'i

John Dobovan
Haleakala, Maui

Matthew
VanPaepgehen
Hana, Maui

Matthew Drayber
K'au, Hawaii

Anabella Bruch
Kauai

Dash Kuhr
Kohola, Hawai'i

Maureen Datta
Kona, Hawai'i

Kaipō Kekona
Lahaina, Maui

Robert (Bobby)
Pahia Mauna
Kahalawai, Maui

Brynn Foster
North Shore, Oahu

Steve Lund
Puna, Hawai'i

Christian
Zuckerman
Wai'anae, Oahu

Vincent Kimura
Waimanalo, Oahu

February 7, 2020

RE: Senate Bills SB2050 and SB2834 - amend as follows.

Dear Honorable Senators and Representatives of the 2020 Hawaii State Legislature,

The Hawaii Farmers Union United (HFUU) has 1,300+ members across the state. HFUU adopted several policies specific to hemp at its annual convention in November of 2019. We urge you to incorporate these policies into bills pertaining to hemp, including:

- 1.) Adopting policies and regulations that ensure the market for cannabis is accessible to family farms and do not create unfair advantages to large companies and monopolies. We oppose "pay to play" systems.
- 2.) 100% Hawaii grown hemp shall be used in products that use labels or marketing materials and strategies that use the words "Hawaii" and "hemp". There may be a transition period of a year to support the development of a Hawaii grown supply of hemp products;
- 3.) That hemp licensee applicants shall be natural persons who are full-time residents of the State of Hawaii for at least five years (5) prior to submitting an application to support a local food economy; and,

We also urge you to create a regulatory framework that ensures a space for Hawaii farmers, which supports economic development for Hawaii's rural communities and directly supports financial stability for family farms.

Please ensure Hawaii farmers have the right to process the hemp they grow on their farms like other agricultural products. This ensures Hawaii farmers can participate in the lucrative value added aspects of the hemp industry without needing to transport their biomass off-farm to expensive processors.

Hawaii farmers and retailers should be allowed to participate in the lucrative cannabinoid (CBD) market without undo regulatory burden.

Finally, eliminate any civil penalties for accidental non-negligent exceedances of 0.3% THC. Loosing a crop is impactful enough to a farmer. One fine could put a farm out of business.

Thank you for your work to ensure a viable hemp industry for Hawaii's hemp farmers.

Sincerely,

HAWAII FARMERS UNION UNITED

Vincent Mina, President

The Hawai'i Farmers Union United and its Chapters are a nonprofit corporation formed under Hawai'i law and Section 501(c)(5) of the Internal Revenue Code. HFUU advocates for the sovereign right of farmers to create and sustain vibrant and prosperous agricultural communities for the benefit of all Hawai'i through cooperation, education and legislation. Because HFUU is an agricultural advocacy organization, donations to it are not tax deductible.



www.hawaiihempfarmersassociation.org
info@hawaiihempfarmersassociation.org

RE: Senate Bill 2834

Aloha Committee Members,

Below are the comments and concerns of the Hawaii Hemp Farmers Association regarding SB2834:

1. The definition of " hemp product " must include " leaf and floral materials". Without this provision, added value products such as tea bags, and even the fresh plant juice would be outlawed. We are sensitive to the concerns and confusion that is entailed in visually distinguishing hemp from marijuana. This is language that exceeds the USDA farm bill, and will inhibit hemp product development in Hawaii. In interstate jurisdictions where compliant hemp materials are desired in their whole form, Hawaii biomass should travel unhindered under Federal Law. Farmers should be allowed to export any part of the hemp plant.
2. We oppose the 1000' buffer from the facilities noted. Our proposal is to continue the policy already established in the pilot program which entails fencing, signage, locked gates, and impenetrable visual barrier. This is a legal agricultural crop in the United States. Also please recognize that this crop is not psycho active in the actual event of field incursion and theft.
3. We support a forty (40) acre restriction in year one of the program, but also a reasonable allowance to increase acreage for reasonable merit requirements after year two. Forty (40) acres is a small hemp farm on the mainland. Why arbitrarily assign acreage restrictions in statute without administrative flexibility to allow organic growth of the industry? Hawaii farmers are limited in scalable field expansion without adapted genetics, but hobbling the industry to this arbitrary standard could limit investment and entrepreneurial initiative in Hawaii.
4. We support that all Intra state transportation of compliant Biomass and manufactured product must be allowed.
5. With regard to inspections for normal compliance, inspections should occur with reasonable notice. Only inspection for suspected egregious culpable-minded violations can occur without notice.
6. In regard to destruction of non compliant field crop biomass, we support, under supervision or via video recording, rotary/ flail mower or in soil incorporation destruction of the crop as a remedy for hot tests. This is the only reasonable and affordable option for the Hawaii farmer to make an acre or more of non compliant material inert and literally just go away. The expenses of this area of concern with a workable hemp program cannot be over emphasized to the Legislature and the agencies. It is illogical to think that the material will be removed from the farm. An on farm solution is required.
7. In regard to Penalty and Suspension, all crops that test hot cannot be considered for civil penalty. The normal seasonal environmental conditions in Hawaii make this a very difficult crop to manage for THC compliance. Adoption of language articulated in the Health section stating up to 3% THC is what we advocate for in this section as well.
8. Co-mingling must be better defined. We suggest that co-mingling occurs when different lots co exist in the same container. Labeled and distinctly contained lots can share the same storage area.
9. We suggest that arbitrarily outlawing Butane extraction and other undefined technologies is too

undefined. If closed loop extraction technologies pass reasonable review by county fire permitting, and produces extracted materials that pass compliance testing, it should be allowed in Hawaii.

10. We believe registry with DPS is burdensome and unnecessary. Only compliant hemp biomass or products can travel or be sold. Dilution of hemp oil is the normal course of added product production and ensures that only compliant materials leave a facility.

11. In regard to 328-f Enforcement penalty, up to \$10,000 penalty is unreasonable for the potential offenses listed that do not show egregious intention to subvert the program. Under non negligent violations for normal fluctuations in the field, civil penalty should not be considered.

Most important for Hawaii hemp farmers and processors to help the Legislature to understand is that we are late entrants to the National hemp industry. Hindered by the late release of a working program for the state, we have also struggled with non adapted genetics and Hawaii environmental conditions that make this a difficult crop to grow in Hawaii, because of the non scientific and artificial standard to keep the plant under .3%THC. Hemp is not marijuana. We are not in this to game it for minuscule amounts of THC. Hemp is federally legal to grow, process and transport, and as evidenced by the budgeted amounts to administer this program in this bill, hopefully the State is expecting a return on this investment. That will occur in the form of jobs on the farm and laterally throughout the economy if Hawaii can see that the hemp bills under consideration are economic initiatives and not a pre emptive enforcement oriented legislation for a THC problem that does not exist .

We appeal to the Legislature, Administration and all of our agencies to work in a coordinated way to advance this infant industry in our State. The model that other states offer show a pathway forward to benefit their agricultural community and the bottom line in the state treasury. This is an agricultural success story that Hawaii needs.

Respectfully Submitted,

A handwritten signature in black ink that reads "Ray Maki". The signature is written in a cursive, slightly stylized font.

Ray Maki
President-Hawaii Hemp Farmers Association

SB-2834

Submitted on: 2/9/2020 12:35:04 PM

Testimony for AEN on 2/10/2020 1:50:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Miyamoto	Testifying for Hawaii Farm Bureau	Support	Yes

Comments:



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 9, 2020

TO: Senator Mike Gabbard
Chair, Committee on Agriculture and Environment

Senator Rosalyn Baker
Chair, Committee on Commerce, Consumer Protection and Health
Submitted Via Capitol Website

FROM: Luis Salaveria

RE: **S.B. 2834 Relating to Hemp**
Hearing Date: Monday, February 10, 2020 at 1:50 pm
Conference Room: 224

Dear Chair Gabbard, Chair Baker and Members of the Joint Committees:

We submit this testimony S.B. 2834 Relating to Hemp on behalf of The U.S. Hemp Roundtable, which is a coalition of leading companies and organizations committed to safe hemp and CBD products. U.S. Hemp Roundtable proudly represents the industry's major national grassroots organizations, and is leading the way forward for hemp and CBD products through education and action.

U.S. Hemp Roundtable **submits comments** regarding S.B. 2834. While we generally appreciate the effort to regulate hemp products more like dietary supplements than medicine, we also believe that the parameters for doing so should be spelled out in the bill, rather than be left to rules. In the current version of S.B. 2834, although there is extensive regulation relating to the cultivation and processing of hemp, most of the provisions relating to the sale of hemp products (testing, labeling) etc.) are left to the rulemaking process.

We are also concerned regarding the provision in this bill which prohibits the addition of CBD products to foods. U.S. Hemp Roundtable does not view industrial hemp derived products as a medication, and believes that the most effective way to realize the potential of the industrial hemp market and allow for safe and regulated CBD products in the market is to establish the right conditions for the market to flourish. We also believe that if regulations are too stringent, that the current unregulated market will continue to flourish in Hawaii through on-line sales and unregulated marketplaces.

We believe that the provisions contained in S.B. 2050 provide a better framework to establish a viable hemp/cannabidiol industry while still providing consumer protections. In place of some of the vague or restrictive provisions, we would request that the committee consider inclusion of a labeling requirement on all products, allow for products that contain hemp produced and tested under other states registered hemp programs, prohibit the use of any health related statements, and specifically provide that food, beverage or cosmetics are not adulterated products under existing Hawaii law.

For these reasons, the U.S. Hemp Roundtable would recommend the bill be amended to mirror the language in SB 2050 Relating to Hemp Products.

Thank you for the opportunity to testify on this bill.

SB-2834

Submitted on: 2/3/2020 2:15:09 AM

Testimony for AEN on 2/10/2020 1:50:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

SB-2834

Submitted on: 2/5/2020 5:00:52 PM

Testimony for AEN on 2/10/2020 1:50:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support SB2834. Hemp will make Hawaii more self-sustaining.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei

SB-2834

Submitted on: 2/5/2020 8:27:34 PM

Testimony for AEN on 2/10/2020 1:50:00 PM

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

Comments:

Aloha Lawmakers,

Please vote to OPPOSE - SB2834;

which, is ANOTHER bill that, allows cannabinoids, such as cannabidiol to be produced and sold in Hawaii, without proper health warnings, medical labeling laws, and in violation of standard medical practices.

Cannabinoids are powerful medicines, with known side-effects; **not cash-cows for out-of-state investors**. Many of the cannabinoids have had little to zero medical research.

Hawaii government has scant interest in replacing plastics with hemp, or producing environmentally-friendly hemp packaging, or construction materials, or promoting sustainability for Hawaii. ðŸ˜¸

Hawaii's "**Industrial**" **Hemp** Pilot Program should not be transformed into Hawaii's "**Pharmaceutical**" **Commercial Hemp** Program to produce CBD.

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Archipelago Ventures (Foreign Limited Liability Company LLC), a Delaware Corporation.

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<https://www.proactiveinvestors.com/companies/news/312400/arcadia-biosciences-gets-into-the-cannabis-game-leveraging-its-wheat-breeding-techniques-12400.html>

SB-2834

Submitted on: 2/5/2020 8:31:44 PM

Testimony for AEN on 2/10/2020 1:50:00 PM

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

Comments:

Aloha Lawmakers,

Please vote to OPPOSE - SB2834;

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SB-2834

Submitted on: 2/7/2020 12:52:51 PM

Testimony for AEN on 2/10/2020 1:50:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Harry Ako	Individual	Support	No

Comments:

I am supporting Senate Bill 2834. Sen. Gabbard and Rep. Creagan have both heard my plans in a presentation at the UH on how I hope to create lucrative and high tech employment as well as keep Hawaii on the hemp map. If you want me to attend personally, please have someone call at 457 7670.

SB-2834

Submitted on: 2/9/2020 10:16:33 AM

Testimony for AEN on 2/10/2020 1:50:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments:

Aloha Chairs Gabbard and Baker, Vice Chairs, and Members of the Committees on Agriculture and Environment, and Commerce, Consumer Protection, and Health:

I write in support of Senate Bill 2834.

In seeking a competitive advantage for the State of Hawai'i in a globalized economy, we may do well with industrial hemp. We have generous growing conditions as a mainly sub-tropical state, and as we liberalize our hemp-related regulations we may be able to also achieve a meaningful headstart in developing an industry here.

There is honor and dignity in agricultural and manufacturing work. Our working people need viable careers to support them and their families. Additionally, our state is hurting for future revenues as our long-term liabilities will grow amidst an aging, declining population.

Production and processing of industrial hemp is a path forward.

I thank Senator Kouchi for introducing this measure. Please pass SB2834.

Thank you,
Dylan P. Armstrong