



STATE OF HAWAII
DEPARTMENT OF HEALTH
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Written
Testimony Only

**Testimony in SUPPORT of SB3138 SD1
RELATING TO MANUFACTURED HEMP PRODUCTS**

SENATOR KARL RHOADS, CHAIR
SENATE COMMITTEE ON JUDICIARY

Hearing Date: 02-23-24

Room Number: 016

1 **Fiscal Implications:** None.

2 **Department Testimony:** The Department of Health (department) is in strong support of this
3 measure as it will ensure the legislative intent, authorized in Act 263, Session Laws of Hawaii
4 2023, giving the department rulemaking authority, to add new hemp products to the list of
5 allowable manufactured hemp products that could legally be manufactured and sold in the state.

6 Regardless of whether they are made out-of-state or by a hemp processor permitted by the
7 department, Hawaii retailers may only sell manufactured hemp products that comply with state
8 regulations for contaminant and cannabinoid testing, labeling, and proper form. Currently, the
9 definition of “manufactured hemp product” in section 328G-1, Hawaii Revised Statutes (HRS),
10 inadvertently restricts the department from adopting, via rules, new allowable forms – like hemp
11 gummies or hemp chocolate – that are not already in one of the currently allowed ingestible
12 forms: “tablet, capsule, powder, softgel, gelcap, or liquid”.

13 This small, but important change to the definition relieves the department of this unintentional
14 restriction and will allow the department the ability to evaluate and consider allowing other hemp
15 product forms, like gummies and chocolate, for inclusion as a manufactured hemp product.

16 Thank you for the opportunity to testify.

17 **Offered Amendments:** None.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON JUDICIARY

**FRIDAY, FEBRUARY 23, 2024
9:30 AM
CONFERENCE ROOM 016 and VIDEOCONFERENCE**

**SENATE BILL NO. 3138, SD1
RELATING TO MANUFACTURED HEMP PRODUCTS**

Chair Rhoads, Vice Chair Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 3138, SD1. This bill clarifies that the definition of "manufactured hemp products" in section 328G-1, HRS, includes hemp products specified in rules adopted by the Department of Health (DOH) pursuant to section 328G-4, HRS.

The Hawaii Department of Agriculture (HDOA) supports the intent of this bill, however, defers to DOH, and offers comments. HDOA regulates buffer zones for hemp farms and the transport of hemp materials (such as viable seed, live hemp plants, propagative plant parts, leaves and flowers) while DOH regulates hemp products and the processing of hemp within the state.

Thank you for the opportunity to testify on this measure.



To: Senator Karl Rhoads, Chair
Representative Mike Gabbard, Vice-Chair
Members of the Judiciary Committee

Fr: TY Cheng, Agent for Hemptuary Hawaii

Re: Testimony **with COMMENTS** for **Senate Bill (SB) 3138 SD1**

RELATING TO MANUFACTURED HEMP PRODUCTS.

Clarifies that the definition of "manufactured hemp product" in section 328G-1, HRS, includes hemp products specified in rules adopted by the Department of Health pursuant to section 328G-4, HRS. (SD1)

Dear Chair, Vice-Chair, and Members of the Committee:

Hemptuary Hawaii is the first state-licensed hemp processor under the new requirements set out by the Department of Health, but we are unable to produce and sell hemp-derived beverages or edible products. Hemptuary Hawaii wishes to provide **COMMENTS** as this bill may affect the development of the Hawaii hemp market. The below changes were adopted by House Committee on Agriculture and Food Systems for the companion bill [HB2449 HD1](#) to make it clear that lawmakers intend to support and develop a new local hemp industry for local farmers and local hemp manufacturers.

Hemptuary Hawaii submits that the words "beverage, edible" should be inserted in the definition of "Manufactured hemp product" to clarify what products may be sold as follows:

""Manufactured hemp product" means a product created by processing, as defined in this chapter, that:

(1) Is either:

(A) Intended to be consumed orally to supplement the human or animal diet in tablet, capsule, powder, softgel, gelcap, beverage, edible, or liquid form (e.g., hemp oil);

Currently, Hawaiian companies are not allowed to produce or sell a hemp-derived edible, even though local retailers can sell mainland-produced hemp-derived CBD edibles outside the regulatory authority of The Department of Health. This is unfair competition for local hemp companies which has forced some Hawaiian companies to move to the US mainland to produce hemp edible products which are then shipped back to be resold in Hawaii. The Department of Health is reluctant to allow the manufacture and sale of hemp-derived edibles in Hawaii even though these products are the top hemp product category. Hawaii hemp companies are limited to producing hemp topical products.

If the State intends to develop and encourage the local hemp market, then hemp-derived edibles must be allowed. The Department of Health has the experience and ability to safely regulate hemp-derived edibles due to its experience with regulating Hawaii's medical cannabis program which allows for the sale of cannabis-derived

edibles. There are 3rd party testing labs who can test edible hemp products for public and product safety.

The Department of Health's antiquated position of CBD and hemp-derived products can be found in this DOH Q&A document.¹ The Department of Health writes:

“6. Can CBD be added to food, beverages or cosmetics that are distributed and sold in Hawaii?”

No. Chapter 328 of the Hawaii Revised Statutes (HRS) prohibits the manufacture, distribution and sale of food products and cosmetics made with cannabis, or products intended for consumption containing CBD or use of CBD as a food additive. Neither FDA nor DOH recognize cannabis-derived products, including CBD, as safe, nor have they been approved as a food additive. Cannabis-derived products, including CBD, are considered adulterated.”

Data Bridge Market Research reported in January 2023 that the CBD edibles market is poised to grow by 24.80% by 2029 making up the largest grossing product category for the hemp industry.² Hawaii farmers are again left out when mainland hemp-derived edible products are sold at local gas stations and stores.

Please don't let local hemp farmers and processors fall behind because of a regulator's reluctance.

Thank you for the opportunity to testify. I am available for any questions.

Aloha,

TY Cheng

¹ https://health.hawaii.gov/food-drug/files/2019/04/DOH_QAs-on-CBD-042619.pdf

² <https://www.prnewswire.com/news-releases/cannabidiol-cbd-edibles-market-is-poised-to-grow-at-cagr-of-24-80-by-2029--size-share-growth-opportunities-competitive-landscape-and-revenue-insights-301731224.html>