

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT
AND JUDICIARY
ON
SENATE BILL NO. 1353

February 8, 2019
2:00 p.m.
Room 224

RELATING TO INDUSTRIAL HEMP

Senate Bill (S.B.) No. 1353: repeals the Industrial Hemp Pilot Program established through Act 228, SLH 2016; establishes a permanent Industrial Hemp Program (IHP) to license individuals to cultivate industrial hemp within the State; establishes the Industrial Hemp Special Fund (IHSF) that would generate revenue through legislative appropriations, fees collected by the IHP and investment earnings; appropriates \$255,000 in general funds in FY 20 for deposit into the IHSF; and appropriates \$255,000 in special funds out of the IHSF in FY 20 to fund three positions and administrative costs.

As a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program

and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to S.B. No. 1353, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE
Governor

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 SENATE COMMITTEES ON AGRICULTURE & ENVIRONMENT AND
JUDICIARY

FEBRUARY 8, 2019
2:00 P.M.
CONFERENCE ROOM 224

SENATE BILL NO. 1353
RELATING TO INDUSTRIAL HEMP

Chairpersons Gabbard and Rhoads and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 1353 which authorizes the department of agriculture to establish a new program for hemp regulation in the state according to the 2018 Federal Farm bill's guidelines regarding hemp production and repeals the pilot program. The Department supports this bill but proposes an amendment.

Rather than repeal the pilot program December 31, 2019, allow it to expire as scheduled in 2021, or a year after the promulgation of USDA commercial production rules, whichever comes first.

The 2018 Federal Farm Bill created new guidelines for future commercial hemp programs, however it left the 2014 Farm Bill's Section 7606 authority for hemp pilot research programs in place until a year after USDA promulgates regulations for commercial hemp production. USDA estimates that it will be 1-2 years before it promulgates regulations for commercial hemp production, meaning the state's industrial hemp pilot program is federally authorized through at least 2021 when it is scheduled by state statute to expire anyway. The department believes that it would be wisest to leave the pilot program in place as the state transitions to a new hemp regulatory program



rather than set an earlier-than-necessary repeal date. Even Kentucky, 1 of 2 states which already submitted a hemp regulatory plan to USDA for approval, intends to operate under its 7606 authorized research pilot program for 2019 as it works to transition to a commercial hemp program in 2020 if its plan is approved by USDA.

Thank you for the opportunity to testify on this measure.

SB-1353

Submitted on: 2/3/2019 8:21:40 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

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

Comments:

www.WeAreOne.cc

SB-1353

Submitted on: 2/5/2019 6:36:03 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Sakala	Testifying for Mana Artisan Botanics Inc.	Support	Yes

Comments:

Aloha Honorable Committee Members,

I write to you today in support of SB1353 with amendments. One of the companies I co-founded, Green Hawaii Genetics, was contracted by the HDOA to test hemp seed and do hemp acclimatization research last year. I also have a hemp product business that promotes Hawaii grown botanicals and hemp infusions for wellness. I am intimately familiar with the industry and hope Hawaii can become one of the leaders in this movement.

Hemp has the potential to help revitalize local agriculture. Hawaii also has the potential, with support, to become the leaders in research and development of tropical hemp. The hemp industry is going to quickly become a major economic force and Hawaii will do well to model this potential with forward-thinking policy.

In reading SB 1353 I have suggested amendments.

Language under the section: §141--c Licensing: (3)(h):

(h) If the chairperson determines that the requirements for a license pursuant to this part, and such other requirements as established by rule, are satisfied, the chairperson may issue a license to the applicant.

I would like to see "may" replaced with "shall". If an applicant meets all of the requirements, pays the fee, passes the background check, they should receive their license. This word "may" appears to leave too much power with the DOA chair to deny licenses.

§141-D Approved cultivars. Licensees shall only grow varieties of industrial hemp that are on the list of approved cultivars created by the chairperson. The chairperson may from time to time add or remove any cultivar from the list if the cultivar is found to be noncompliant with this part.

I have concerns that this is overly restrictive and gives too much control to the DOA chair. Pennsylvania, in contrast, allows any seeds that meet the labeling requirement of AOSCO (association of official seed certifying organizations). Those familiar with the state pilot program can attest to the HDOA proclivity towards restricting available genetics. In addition, we should be able to bring in any certified licensed seed from any approved state program. We are going to need to do significant R & D to find the right strains for Hawaii. If it's too restrictive it may take us much longer and the height of this market may pass us by.

§141-F violations.

I would like to see language that allows for re-testing/ reconditioning the product before automatic destruction. I suggest parameters for plants that test over .3% but under a certain percentage. Other states have mechanisms in place that cover this. I would like to see proposed that if the plant matter is over 0.3% or less than 0.8% the plant matter can be rectified or reconditioned in the extraction process. I believe South Carolina allows for this process up to 1%. THC.

§141-G Rulemaking. (a) The department shall adopt rules pursuant to chapter 91 that include but are not limited to:

(4) A process to set a **limit for the number of licenses issued annually** and create standards for selecting licensees;

(5) A process to set **maximum acreage per license**;

I would like to see language that allows for any applicant that completes the application, meets the requirements and pays fees to receive a license.

As for maximum acreage, I don't feel like letting DOA set this is a good idea. We need to of course support the idea of diversified ag and not the plantation mentality of thousands of acres however I'm worried the DOA would set an unrealistic number that would not allow for commercial viability. I might suggest up to 20 acres the first year, 50 acres second year and 100 acres 3rd year, other increases evaluated by HDOA.

Section 141 H- Authority to Cease Operations -

This is, of course, a major concern. I request this be more specific such as if the federal program becomes less restrictive than state programs the Chair of HDOA has the authority to move the hemp program under federal rules.

I thank the Chairs, Vice Chairs and members of this committee for their time and support of SB 1353 and a healthy Hawaii Hemp Program.

Mahalo,

Steve Sakala, CEO & Co-Founder Mana Artisan Botanics

CEO & Co-Founder Mana Artisan Botanics

SB-1353

Submitted on: 2/6/2019 4:40:39 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Testifying for Ho'omanapono Political Action Committee (HPAC)	Oppose	Yes

Comments:

WE STRONGLY OPPOSE THIS BILL. THE FEDERAL GOVERNMENT HAS REMOVED INDUSTRIAL HEMP FROM THE SCHEDULE I DRUG LIST. WE NO LONGER NEED THE STATE OF HAWAII GOVERNMENT TO IMPOSE ANY LAWS, RULES, REGULATIONS, OR POLICIES & PROCEDURES WITH RESPECT TO INDUSTRIAL HEMP. LET THE FREE MARKET DEAL WITH INDUSTRIAL HEMP AS IT DEEMS WARRANTED. Mahalo.

SB-1353

Submitted on: 2/8/2019 10:39:52 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Yoshito L'Hote	Testifying for Aina Ho'okupu o Kilauea	Support	Yes

Comments:

As a licensee holder, due to the rule change at the federal level, it is vital to allow the department to have more leeway to allow the industry to grow.

We are at a point in time where Hawaii can once again be at the tip of the spear for the hemp industry. It will bring a lot of jobs and for our project in Kilauea it has shown a lot of interest from community members to start a career in Ag. They see the potential in the crop and have experience with the crop.

But without allowing the amendments to be made to the current statutes to reflect the federal change, the industry will be doomed to wait for another year.

Mahalo,

Yosh

CEO of Aina Hookupu O Kilauea.

SB-1353

Submitted on: 2/6/2019 9:56:12 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tracy Ryan	Testifying for The Libertarian Party of Hawaii	Support	No

Comments:

Anything the legislature can do to move our state ahead in the development of a commercial hemp industry is more than welcome. A few years ago Roger Christie showed me all sorts of hemp products that many of us never think about. A particular board product that can be used in construction was of particular interest considering the high costs of housing here. Locally produced building materials are a great boon.



HAWAI'I CENTER FOR FOOD SAFETY

Senate Committee on Agriculture and Environment

Hawai'i Center for Food Safety strongly supports: SB1335

Dear Chair Gabbard, Vice Chair Ruderman 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 strong support of SB1335, 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. There are thousands of products derived from industrial hemp, ranging from food and textiles to beauty products and construction materials. Its environmental footprint is relatively small. Hemp requires few pesticides and no herbicides. According to research from Cornell University hemp is fairly drought resistant past it's early growth phase. Hemp is also an ideal choice for phytoremediation because it is fast growing, has deep roots and is unaffected by the toxins it accumulates from the soil and air. It's an excellent rotation crop, often used to suppress weeds and loosen soil for the next crop.

The current State law is overly burdensome, with excessive limitations in licensing, acreage and genetics. 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

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Senate Committee on Agriculture and Environment

Hawai'i Alliance for Progressive Action SUPPORTS SB 1353

Aloha Chair Gabbard, Vice Chair Ruderman and members of the committee,

I am writing on behalf of the Hawai'i Alliance for Progressive Action (HAPA) in strong support of SB1353 which is designed to accelerate the process that will allow farmers in Hawaii to grow and market hemp products, and help Hawaii diversify its economy. HAPA is a statewide environmental, social and economic justice organization. HAPA engages over 10,000 local residents annually through our work.

The recent passage of Farm Bill in December presents Hawai'i with a monumental opportunity to usher in a successful new hemp agricultural industry. While other states had the requisite agriculture plans prepared and ready to submit to the feds prior to the passage of the Farm Bill, our state has dragged its heels. Our economy cannot afford to delay any longer. We should pass the requisite legislation to allow the state to move forward on the opportunity to generate millions of dollars in profits, create new jobs and enable entrepreneurial opportunities.

New cottage industries around hemp are cropping up left and right. Hemp is now being used for clothing, paper, building materials, foods, health supplements and a variety of other value-added products. The potential for the growth of small business is exponential. In fact, current industry estimates report U.S. hemp product sales at nearly \$820 million in 2017.

In addition to its potential for agricultural commerce, hemp has the potential to remediate our contaminated soils. The toxic legacy of sugar, pineapple and more recently the pesticide dependent biotech industry has left large acreages of our agriculture land contaminated. Through phytoremediation hemp can undo some of this damage.

HAPA supports a hemp bill for Hawai'i that opens hemp to our agricultural sector and is not more strict or limiting than the federal law.

HAPA also supports the following amendments to SB1353:

Felony Restrictions

SB1353 prevents anyone with a prior felony from ever being eligible for a hemp license. Kentucky and Pennsylvania both have a 10-year clause. We would like to suggest an amendment to include the 10-year period into the Hawai'i law to match the federal law.

Language under the section: §141--c Licensing: (3)(h)

We would like to see "may" replaced with "shall" (like in other states). If an applicant meets all of the requirements, pays the fee, passes the background check then they should receive their license.

§141-D Approved Cultivars

We are concerned this is overly restrictive and gives too much control to the DOA chair. Pennsylvania in contrast allows any seeds that meet the labeling requirement of AOSCO (Association of Official Seed Certifying Organizations).

§141-F Violations

We support language that allows for re-testing/ reconditioning the product before automatic destruction. Possibly a solution is parameters for testing that test over 0.3% and under a certain percentage. Other states have mechanisms in place that cover this.

§141-G Rulemaking

We do not want to see the licenses limited. Anyone that files a complete application, pays and meets the requirements should receive a license.

We believe there shouldn't be a maximum acreage per license, but a fee scale based upon acreage. This is also a model used by other states.

Interim rules

SB1353 repeals the pilot program as of December 31, 2019. Any hemp legislation passed in this legislative session would be signed into law between April and July. The state will need to submit their plan to the Feds, with a 60-day turnaround. We do not see any reason we would need an interim period. Based on this timeline Hawai'i should have no problem being ready to grow under the federal regulations before the repeal of the pilot program on December 13, 2019. Kentucky submitted their plan the same day the farm bill was signed. Pennsylvania submitted their plan only a month later. We see no reason to delay any further.

Thank you for your consideration! I urge you to support SB1353.

Respectfully,

A handwritten signature in black ink, appearing to read "Anne Frederick", with a long horizontal flourish extending to the right.

Anne Frederick,
Executive Director

SB-1353

Submitted on: 2/7/2019 2:33:19 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

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

Comments:



February 7, 2019

RE: SB 1353

INTERIM BOARD

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808.634.5412

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Honorable Agriculture and Environment Chair Mike Gabbard and Vice Chair Russell Ruderman,

We are pleased to submit testimony on behalf of the Hawaii Hemp Farmers Association (HHFA) in support of SB 1353. We are pleased that the state of Hawaii is enacting legislation that supports contemporary rules to govern the Hawaii State Hemp Program.

HHFA anticipates that the emerging hemp industry will create hundreds plus jobs in the agricultural sector, generate millions of dollars in taxable agricultural earnings, and be a top five agricultural commodity crop for Hawaii within three years.

Mahalo for supporting Hawaii farmers in the Hawaii agricultural hemp industry.

Hawaii Hemp Farmers Association
Board of Directors

Ray Maki, President
Daryl Kaneshiro, Vice President
David Marcus, Treasurer
Michelle Emura, Secretary
Doug Fine, Director
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Lelle Vie, Director

SB-1353

Submitted on: 2/7/2019 1:47:21 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

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

Comments:



Dedicated to safe, responsible, humane and effective drug policies since 1993

TO: Senate Committees on Public Safety, Intergovernmental and Military Affairs; Judiciary
FROM: Carl Bergquist, Executive Director
HEARING DATE: February 8, 2019, 2PM
RE: SB1353, RELATING TO INDUSTRIAL HEMP, **COMMENTS**

Dear Chairs Gabbard & Rhoads, Vice Chairs Ruderman & Wakai; Committee Members:

The Drug Policy Forum of Hawai'i (DPFHI) **strongly supports** the intent of this measure and offers the following comments:

- Please remove the blanket exclusion of felons in a future hemp history. The Farm Bill of 2018, as passed by Congress, only excludes those with felonies from the past ten years. Some states like Kentucky and North Carolina follow this approach. Colorado takes a more nuanced tack, but it may be forced to change that.¹ At a minimum, please institute a ten-year limit on this ban;
- In *California*, only offenses in the past ten years can be used to deny an applicant an adult-use cannabis license;
- In *Hawai'i*, medical cannabis dispensaries may employ certain felons and can only exclude felony drug offenders from the 10 past years. [HRS §329D-6 Dispensary operations.](#)

We submit that prospective hemp industry workers should not be *more* harshly treated than those listed above. We look forward to the day that cannabis joins hemp in being taken off the state and federal Schedule I of the Controlled Substances Act, and grows in our fields across the islands. Mahalo for the opportunity to testify.

¹ <https://www.mcclatchydc.com/news/politics-government/congress/article222658500.html>.

SB-1353

Submitted on: 2/6/2019 3:40:08 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jay Feldman	Testifying for Beyond Pesticides	Support	No

Comments:

from Beyond Pesticides

House Committee on Agriculture

Beyond Pesticides HB 1353

Relating to industrial hemp production

February 6, 2019

Honorable Chair Creagan, Vice-Chair DeCoite, and members of the committee,

I am Jay Feldman, executive director of Beyond Pesticides. Founded in 1981 as a national, grassroots, membership organization that represents community-based organizations and a range of people seeking to bridge the interests of consumers, farmers, and farmworkers, Beyond Pesticides advances improved protections from pesticides and alternative pest management strategies that eliminate a reliance on toxic pesticides. Our membership and network include Hawai'i and span all U.S. states and the world.

We support legislation that legalizes hemp to the extent it is permitted under federal law, and does not include any restrictive language on hemp farming that currently exists in Hawai'i administrative rules. Under federal rules, hemp will still be a highly regulated crop. At the very least, conformance with the federal law creates a level playing field for the state of Hawai'i.

Hemp is an economic crop that has health and environmental benefits. The adoption of necessary statutory language to allow production will generate an important benefit to the state.

SB-1353

Submitted on: 2/7/2019 6:48:39 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Mulinix	Testifying for Our Revolution Hawaii	Support	No

Comments:

SB-1353

Submitted on: 2/6/2019 12:40:29 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Robyn Smith	Testifying for Aloha Hemp Company	Support	Yes

Comments:

Senator Mike Gabbard

Senator Russell Ruderman

Agriculture and Environment Committee

Senator Karl Rhoads

Senator Glenn Wakai

Judiciary Committee

Robyn Smith

Aloha Hemp Company

Contact: Bob@alohahemp.org

Friday, February 8th, 2019

Support for S.B. 1353, Relating to Industrial Hemp

Aloha Respected Senators,

I strongly support SB1353

Hemp is an important crop for Hawaii to expand research and development on. I support hemp as an alternative to the former sugar and pineapple industries. Hemp can be used for food, fuel, fiber, construction materials, and medicine. This growth industry will help keep our islands rural and agricultural, by creating economic opportunity across Hawaii's agricultural district. The passing of this bill will directly benefit my small business, and others like mine. Many farmers and entrepreneurs are ready to get to work on the new Industrial Hemp program, and build a prosperous and sustainable future for the islands. We are more than ready to become an exporter of the "world's finest hemp" goods, and a world leader in environmental sustainability. These are just a few of the reasons I support SB1353.

Thank you for supporting this important measure with me.

Respectfully,

Robyn Smith

Aloha Hemp Company

SB-1353

Submitted on: 2/1/2019 10:40:27 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Comments:

SB-1353

Submitted on: 2/1/2019 10:12:51 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Golojuch	Individual	Support	No

Comments:

I strongly support the establishment and use of industrial hemp.

Mike Golojuch, Sr.

SB-1353

Submitted on: 2/3/2019 7:05:55 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sunny Savage-Luskin	Individual	Support	No

Comments:

SB-1353

Submitted on: 2/4/2019 8:34:45 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Saturnino Doctor	Individual	Support	No

Comments:

Too many rules on this bill. Why not treat this just like any farm crop. It's just a plant with beneficial uses. Nonetheless, as a farmer, I support this bill.

SB-1353

Submitted on: 2/6/2019 12:47:52 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kino Carrillo	Individual	Support	No

Comments:

Senator Mike Gabbard

Senator Russell Ruderman

Agriculture and Environment Committee

Senator Karl Rhoads

Senator Glenn Wakai

Judiciary Committee

Kino Carrillo

Contact: kino@vespucci.co

Friday, February 8th, 2019

Support for S.B. 1353, Relating to Industrial Hemp

Aloha, my name is Kino Carrillo. I will be testifying in support of S.B. 1353. This bill is extremely important for the people of Hawaii. It helps to discern the many false statements made about hemp. This individual plant has so many products and uses that could benefit the people just a few examples being fiber, construction materials, food,

and medicine. I am in full support of S.B. 1353, this bill passing will help pave the road to making Hawaii one of the worlds finest hemp producers.

Mahalo,

Kino Carrillo

SB-1353

Submitted on: 2/6/2019 2:01:49 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Naguit	Individual	Support	No

Comments:

Senator Mike Gabbard

Senator Russell Ruderman

Agriculture and Environment Committee

Senator Karl Rhoads

Senator Glenn Wakai

Judiciary Committee

Chris Naguit

Contact: chrisajnaguit@gmail.com

Friday, February 8, 2019

Support for S.B. 1353, Relating to Industrial Hemp

My name is Chris Naguit, and I am testifying in strong support of S.B. 1353, Relating to Industrial Hemp, which would authorize the HDOA to establish a proper industrial hemp program to license individuals or groups to cultivate industrial hemp in the State.

This will assuredly revitalize Hawaiian agriculture's contributions to the State's economy by expanding the production of industrial hemp and its related products. This will have both vast economic and environmental advantages.

I urge the committee to pass S.B. 1353. Thank you for this opportunity to testify.

SB-1353

Submitted on: 2/6/2019 2:52:14 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Grant Overton	Testifying for Vespucci Collective Inc.	Support	Yes

Comments:

Senator Mike Gabbard

Senator Russell Ruderman

Agriculture and Environment Committee

Senator Karl Rhoads

Senator Glenn Wakai

Judiciary Committee

Grant Overton, Vespucci Collective Inc.

Contact: grant@vespucci.co

Friday, February 8th, 2019

Support for S.B. 1353, Relating to Industrial Hemp

Vespucci Collective Inc. is a Hawaii-based industrial hemp company, and one of the first entities licensed for cultivation by the Hawaii Department of Agriculture. Our company intends to develop technology integrated systems for sustainable agriculture and renewable product manufacturing centered around industrial hemp. We're committed to

making hemp a significant part of a prosperous future for the People of Hawaii. We would like to express strong support for S.B. 1353, which would best enable industrial hemp to succeed as a major agricultural industry in Hawaii.

Industrial Hemp is debatably the most valuable agricultural resource in the entire world. Countless products can be derived from the plant, ranging from pharmaceuticals to biofuels to renewable building materials. The crop is NOT grown for psychoactive effects like marijuana. Using accredited area-specific financial estimates, hemp products have a potential target market capitalization of over \$700 Billion. By enabling the rapid and mindful development of the industrial hemp industry, Hawaii stands to reap the benefits of job creation, increased resource independence, and economic growth. Hemp can effectively fill the void left by the local sugarcane and pineapple industries, leading a revitalization of the state's agriculture sector. Hawaii's top crop by economic value is currently Macadamias, valued at approximately \$53 Million annually or around \$3,313 annually per acre. **Comparatively, industrial hemp can easily generate value in excess of \$50,000 per acre per harvest, or roughly 15 times as much per acre as the annual value generated by Macadamias.**

Hawaii has a couple of fundamental advantages over the US mainland with regards to hemp cultivation. Hawaii farmers can produce 2 or 3 harvests per annum, compared to usually only 1 on the US mainland. Hemp also grows to a larger size in a tropical setting, producing upwards of 2 times the biomass per acre in comparison to the US mainland. Accounting for both of these facts, **Hawaii hemp farmers could produce as much as 6X the amount of hemp biomass produced per acre per annum on the US mainland.** Furthermore, hemp is an excellent phytoremediator, helping to clean and renew our ground soils. On top of all of this, industrial hemp is an excellent carbon sequester, taking an enormous amount of environmentally harmful CO₂ out of our air. If the hemp industry is allowed to thrive, the crop will be instrumental in creating ultra-renewable "carbon-negative" products that are produced locally. Industrial hemp truly presents an opportunity to significantly contribute to Hawaii's Renewability goals and the 2045 Hawaii Clean Energy Initiative.

We fundamentally believe that industrial hemp can have an incredibly positive impact on our Islands. The passing of S.B. 1353, and other associated industrial hemp bills this legislative session, is a major step in enabling the development of this industry. Our company intends to hire over 10 new employees this year alone. That figure could quickly rise with the ability for acreage expansion. The industrial hemp industry stands to create countless locally-owned businesses that will help develop Hawaii towards a renewable and resource-independent future. We strongly support S.B. 1353 and encourage continued efforts by the legislation to best enable Hawaii to benefit from industrial hemp. Thank you for the opportunity to testify and your tireless work in service of the People of Hawaii.

SB-1353

Submitted on: 2/7/2019 7:12:55 PM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Support	No

Comments:

SB-1353

Submitted on: 2/8/2019 8:58:26 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Keith Ranney	Individual	Support	No

Comments:

February 8th ,2019

SB 1353

Aloha, Chair Gabbard and committee members.

Please excuse my late testimony. Being a Family Farmer who makes his living at farming on Maui, I am a one armed paper hanger doing the best I can at this time to get anything in on time.

I am in support of this bill SB 1353 on HEMP Program with the following edits. The law would best support our farmers to read, as Vermont's law does,

“Permit holders may utilize hemp genetics from any state that meet federal definitions of hemp.”

There is no need for an approved list by the HDOA with the above definition, nor should there be. In the Hawaii hemp group discussion, some suggested that AOSCA approved seed might work. There are not nearly enough such cultivars, and most of the restrict a farmer's ability to re-plant.

Any successful hemp program has the above Vermont-style definition, including New Mexico, Oregon, Wisconsin and many other states which have no restrictions on hemp genetics other than that they “must meet federal hemp definitions.”

This is the only way to launch a successful program — let the farmers decide, as they would with Kalo or Avocados. Any state that has such a genetics rule has success.

Mahalo Vincent Mina

SB-1353

Submitted on: 2/8/2019 10:07:31 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Doug Fine	Individual	Support	No

Comments:

Febuary 8th ,2019

SB 1353

Aloha, Chair Gabbard and committee members.

As a hemp farmer who has been working in Hawaii and other states, I am excited to see the process moving along. If we do it right. it could have significant positive economic benefits for Hawaii's independent farmers.

With thanks, I would like to echo my colleague Vincent Mina's testimony and I am in support of SB 1353 on the pending HEMP Program with the following changes. The law would best support our farmers to read, as Vermont's law does,

“Permit holders may utilize hemp genetics from any state that meet federal definitions of hemp.”

There is no need for an approved list by the HDOA with the above definition, nor should there be. In some discussions, it was suggested that AOSCA approved seed might work. That is a non-starter as well. There are not nearly enough such cultivars, and many of these restrict a farmer's ability to re-plant.

Any successful hemp program has the above Vermont-style definition, including New Mexico, Oregon, Wisconsin and many other states which have no restrictions on hemp genetics other than that they must meet federal hemp definitions.

It is not so strong to say that the evidence is already in on the Mainland: this policy is the only way to launch a successful program — let the farmers decide, as they would with Kalo or Avocados. Any state that has such a genetics rule has had success.

Mahalo.

Doug Fine

Hemp Farmer and Author who has served as an affiliated hemp researcher with the University of Hawaii.

SB-1353

Submitted on: 2/8/2019 10:18:32 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Arvid Tadao Youngquist	Individual	Support	No

Comments:

I support SB 1353 Relating to Industrial Hemp. This bill places the program under the AG administration. The pilot program will sunset end of this year. Mahalo.

Arvid T. Youngquist

SD14, Voter & Resident

SB-1353

Submitted on: 2/8/2019 10:48:03 AM

Testimony for AEN on 2/8/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Maluhia Lhote	Individual	Support	No

Comments:

As a member on the Aina Hookupu o Kilauea lincese to grow hemp, I have been exposed to the incredible amount of uses the hemp has as well as the amount of interest in has.

I feel that in order for the industry to do well in hawaii and to really take off in hawaii the department will need more leeway.

Hawaii thrives on being the first to the punch, and this is one of those moments in Ag where we have the chance to bring a lot of economy through Hemp because of the interest is has kicked up in recent years and Hawaii can capitalize on that but we need to be in the correct position to do so.

By allowing the proper amendments to the statutes to reflect that of the change in the Federal rules we can once again have a stronger Ag component in our Hawaiian Economy.

Mahalo,

Maluhia Lhote