

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS ATTA
Deputy to the Chairperson

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

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

MARCH 18, 2022

9:00 A.M.

CONFERENCE ROOM 325 & VIA VIDEOCONFERENCE

SENATE BILL NO. 2986 SD1
RELATING TO HEMP

Chairperson Hashem and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2986 SD1. This measure removes certain duplicative regulations imposed on hemp producers in the State, retains the requirement for hemp producers to report certain transports of hemp to the Hawaii Department of Agriculture for law enforcement purposes, allows hemp producers to sell biomass directly to consumers, requires that hemp produced in the State be labeled as Hawaii produced and that hemp produced outside the State be labeled with the appropriate origin, and repeals on 07/01/2027. The Department offers comments regarding this bill.

Reducing the growing buffer zone from 500 feet to 100 feet near residential dwellings may increase land use conflicts and complaints between licensed hemp growers and established neighbors over noise from fans, light pollution from grow lights, and smells associated with hemp cultivation. These conditions are typically associated

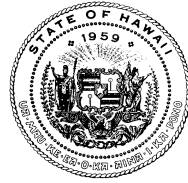


with indoor hemp cultivation operations and may be mitigated through engineering solutions or design. While reduced buffer zones may impact those issues between agricultural activity and abutting residential districts, the proposed 100 feet buffer zones for hemp operations appear to conform with such buffers for other nuisance or hazardous activities such as pesticide application.

The Department supports reinstating certain existing statutory language in subsection 141-42(b), Hawaii Revised Statutes, to clarify that an individual or entity may transport hemp within the State to an authorized facility or to another licensed producer's grow area, provided that certain USDA testing requirements have been met and the transportation has been reported to the Hawaii Department of Agriculture. The transportation report is used by law enforcement to check that hemp being transported is in compliance with all USDA required testing and State regulation. Additionally, the Department recommends that "Biomass" be defined and clarified to confirm whether it includes fiber, leaf, flower, propagative plant materials, live seeds, etc.

Hemp geographic origin labeling provides transparency and encourages fair advertising practices for hemp products that are being promoted for sale. The Department supports the labeling requirement to ensure that hemp produced in the State is labeled as Hawaii produced and that hemp produced outside the State is labeled with the appropriate origin. The Department notes, however, that enforcement of the requirement may be challenging because it is difficult to determine the authenticity of the origin of the product.

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 COMMENTING on SB2986 SD1
RELATING TO HEMP**

REPRESENTATIVE MARK J. HASHEM, CHAIR
HOUSE COMMITTEE ON AGRICULTURE

Hearing Date: 3/18/2022

Room Number: CR325/Videoconference

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’s) appropriations and
3 personnel priorities.

4 **Department Testimony:** The Department has concerns and offers comments on sections 3 and
5 4 of the bill amending chapter 328G, Hawaii Revised Statutes (HRS), but strongly supports
6 section 5 extending the sunset date for chapter 328G.

7 Hemp products are narrowly defined in chapter 328G, HRS, as hemp-derived products
8 intended to orally supplement the human or animal diet or to be topically applied to skin or hair.
9 Such products are *not* covered under federal regulations for foods, dietary supplements, or
10 cosmetics because cannabidiol (CBD) is regulated as a prescription drug and is considered an
11 “adulterant” in federal regulations for foods, dietary supplements, and cosmetics. Chapter 328G,
12 HRS, and chapter 11-37, Hawaii Administrative Rules (HAR), are not duplicative regulations;
13 rather, they are the only regulations allowing hemp products to be legally produced and sold in
14 Hawaii and the only layer of consumer protection applicable to these products. As such, it is
15 important for all hemp processors making hemp products to be covered by these regulations.

16 Chapter 328G authorized the Department to adopt minimum requirements a hemp
17 processor must meet to ensure they are making safe products for the consumer. The basic good
18 manufacturing practices (GMPs) and quality control standards adopted by the Department in

1 chapter 11-37, HAR, are based on federal regulations that apply to foods and dietary
2 supplements. Laboratory testing and labeling requirements must be met before any hemp
3 products are sold to the Hawaii consumer, which includes hemp products both made in Hawaii
4 and made out of state.

5 As proposed, the amendments to chapter 328G (starting on page 9 line 8) appear to create
6 a tiered system by which USDA licensed hemp farmers who grow less than 600 lbs of dry hemp
7 per year and process it into orally consumed or topically applied hemp products would be
8 excluded from the definition of hemp processor. This would allow such a farmer to process
9 hemp without having to register as a hemp processor nor comply with GMPs and quality control
10 standards found in the rule. The additional proposed amendment would relieve hemp farmers
11 that grow less than 6000 lbs of dry hemp per year and process into hemp products “without
12 solvents such as water, ice, or freeze-drying agents from having to register with the Department.
13 A hemp producer meeting the definition of a hemp processor would still be subject to all
14 remaining applicable rules in chapter 11-37, Hawaii Administrative Rules (HAR). Without the
15 basic information provided during the registration process (listed in §328G-2(c)), however, the
16 Department would not know where hemp processing operations are occurring, which would
17 impact our ability to inspect for compliance with these public health rules. As such, the
18 Department respectfully requests the removal of sections 3 and 4 from the bill.

19 **Offered Amendments:** None.

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



March 16, 2022

Strongly Support SB 2986 with 3 Amendments

Dear Chair Hashem and Members of the House Committee on Agriculture,

Thank you for your work to support Hawaii's farmers and agriculture. SB 2986 is the vehicle that hemp farmers need to reduce the burden of regulation that has put farmers out of business and made us non-competitive. As you likely know the Hawaii hemp and CBD market is estimated to be \$32 Million and Hawaii farmers, who worked for decades to bring a hemp industry to Hawaii, have been regulated out of participating feasibly.

Please support SB 2986 with the following amendments. Please note that the amendments address the concerns the AG's office identified in previous testimony.

1.). Pg 9 , line 1 & 2, Confirm no inspections & sampling to be done by Hawaii State DOA as USDA has authority, trained personnel, and databases, etc. Waste of state resources to duplicate USDA role and data base.

Suggested

Pg 9 Line 1: ...No other inspections or sampling shall be conducted or required by the State Department of Agriculture, nor shall the State...."

2.). Page 6 line 15 – 17 Currently State Movement reports are based on USDA license and USDA required lab reports. Having Movement reports required by the State DOA is duplicative and eventually the State DOA will have to duplicate USDA data base to manage the reports coming in, which is a waste of State resources and Farmers time and resources.

Suggested

Strike lines 15 – 20 and insert, "a copy of the Hawaii USDA hemp license and lab report provided to USDA is included in the movement...".

The AG's office testified that there is no way to distinguish between hemp biomass and marijuana biomass. However, requiring all sales and transport of hemp biomass by Hawaii USDA licensed farmers to include copies of the USDA license and laboratory reports that confirm the biomass is hemp addresses this concern. Most producers include letters to law enforcement and the U.S. Postal Service with contact information for the USDA. The U.S. Postal Service allows hemp producers to establish accounts for shipping hemp to facilitate movement. If the U.S. Postal Service is relying on information produced by licensed hemp producers to facilitate movement, we're hopeful Hawaii law enforcement will feel confident in the same information if there is ever a question about the nature of a shipment. If the shipper or purchaser of the biomass doesn't have these copies with the biomass, they may be subject to confiscation and testing of whatever biomass they have.

The AG's office has also testified that law enforcement won't know where hemp is and that during processing hemp extracts are sometimes temporarily concentrated before being diluted into products for sale. Currently, there are numerous CBD brands manufactured in Hawaii that import concentrated oil and make products in Hawaii. They do not grow or process the hemp in Hawaii. The reality is that the concern regarding temporarily concentrated hemp oil compounds is only being applied to Hawaii hemp farmers. There is no public health or safety issue that has been identified regarding the temporary form of hemp that is then diluted into tinctures or hemp products, all of which have to meet DOH testing for compliance. There is no motive for farmers to store or sell concentrated hemp oil because the value of the products with diluted oil is magnitudes more valuable.

Respectfully Submitted,

Ray Maki
Ray Maki

President and Farmer

Gail Byrne Baber
Gail Byrne Baber

Vice President and Farmer



Officers

Vincent Mina
State President

Anabella Bruch
Vice-President

Maureen Datta
Secretary

Reba Lopez
Treasurer

Chapter Presidents

Dash Kuhr
Kohala, Hawaii'i

Drake Weinert
East Hawaii'i

Steve Lund
Puna, Hawaii'i

Andrea Drayer
Ka'u, Hawaii

Maureen Datta
Kona, Hawaii'i

Robert Boudreaux
Hana, Maui

Reba Lopez
Haleakala, Maui

Bobby Pahia
Mauna Kahalawai, Maui

Kaipo Kekona
Lahaina, Maui

Brynn Foster
North Shore, Oahu

Christian Zuckerman
Wai'anae, Oahu

Vincent Kimura
Waimanalo, Oahu

Anabella Bruch
Kauai

Aloha Chair Hashem, Vice Chair Perruso, and Members of the House Agriculture Committee,

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU strongly supports SB2986 and seeks amendments** to reduce burdensome and costly regulations for Hawaii farmers, and enhance hemp and CBD market development.

The United States Department of Agriculture (USDA) already maintains authority, personnel, and a tracking system for ensuring regulatory compliance for hemp production. The proposed interim rules by the State of Hawaii Department of Agriculture (HDOA) for inspections and sampling are duplicative and costly for the State and farmers. Also, movement reports required by the HDOA are based on USDA license and lab reports. Instead of a duplicative reporting and database, we suggest that the state should solely require submission of copies of a producer's USDA hemp license, lab reports, and contact information for the farmer, lab, and USDA to enable law enforcement to confirm, if need be, hemp shipments with USDA.

Towards these ends **HFUU seeks the following amendments:**

1) HRS §141-42 (g): Remove Duplicative Regulation page 9 lines 1-2, No other inspections or sampling by the State shall be conducted or required, nor shall the State...

2) HRS §141-42 (b) (a) (2): Transportation Movement Reporting page 6 lines 15-20 [~~The transportation has been [authorized by] reported to the department. The department may require movement reports [, inspections, sampling, and testing]~~ A copy of the Hawaii USDA hemp license and lab report provided to USDA is included in the movement of the hemp to be transported and may deny authorization if the hemp is found to not comply with any law or regulation.

3) HRS §328G-2 (b) (1): Minor Edit page 10, line 4 Producers who grow less than six thousand dry pounds of hemp annually; and or

Mahalo for the opportunity to testify.

Vincent Mina President HFUU/HFUF

Hawaii Hemp Farmers Center

Community Based Project by Farmers

hihempfarmers.org

March 16, 2022

Re: Support SB 2986 with Amendments

Aloha, Chair Hashem and House Committee on Agriculture,

The Hawaii Hemp Farmers Center is dedicated to advocating for the needs of Hawaii's Farmers. Hawaii farmers birthed the hemp and CBD market in Hawaii but have mostly shut out of participating in \$32,000,000i per year Hawaii CBD market – that money is being primarily exported.

We urge you to pass SB 2986 with these amendments,

1.). Pg 9 , line 1 & 2, Confirm no inspections & sampling to be done by Hawaii State DOA as USDA has authority, trained personnel, and databases, etc. Waste of state resources to duplicate USDA role and data base.

Suggested

Pg 9 Line 1: ...No other inspections or sampling shall be conducted or required by the State Department of Agriculture, nor shall the State....”

2.). Page 6 line 15 – 17 Currently State Movement reports are based on USDA license and USDA required lab reports. Having Movement reports required by the State DOA is duplicative and eventually the State DOA will have to duplicate USDA data base to manage the reports coming in, which is a waste of State resources and Farmers time and resources.

Suggested

Strike lines 15 – 20 and insert, “a copy of the Hawaii USDA hemp license and lab report provided to USDA is included in the movement...”.

Previously, the AG's office testified that there is no way to distinguish between hemp biomass and marijuana biomass. However, requiring all sales and transport of hemp biomass by Hawaii USDA licensed farmers to include copies of the USDA license and laboratory reports that confirm the biomass is hemp addresses this concern. Most producers include letters to law enforcement and the U.S. Postal Service with contact information for the USDA. The U.S. Postal Service allows hemp producers to establish accounts for shipping hemp to facilitate movement. If the U.S. Postal Service is relying on information produced by licensed hemp producers to facilitate movement, we're hopeful Hawaii law enforcement will feel confident in the same information if there is ever a question about the nature of a shipment. If the shipper or purchaser of the biomass doesn't have these copies with the biomass, they may be subject to confiscation and testing of whatever biomass they have.

The AG's office has also testified that law enforcement won't know where hemp is and that during processing hemp extracts are sometimes temporarily concentrated before being diluted into products for sale. Currently, there are numerous CBD brands manufactured in Hawaii that import concentrated oil and make products in Hawaii. They do not grow or process the hemp

hihempfarmers@gmail.com

https://hihempfarmers.org

Page 1 of 2

in Hawaii. The reality is that the concern regarding temporarily concentrated hemp oil compounds is only being applied to Hawaii hemp farmers. There is no public health or safety issue that has been identified regarding the temporary form of hemp that is then diluted into tinctures or hemp products, all of which have to meet DOH testing for compliance. There is no motive for farmers to store or sell concentrated hemp oil because the value of the products with diluted oil is magnitudes more valuable.

The Hawaii Hemp Farmers Center supports:

1. Allow on-farm, small batch processing of hemp by USDA licensed hemp farmers that produce less than 600 dry lbs per year or less of hemp and should be exempt from costly and unnecessary processing permit requirements – farmers have been processing hemp on-farm with no incident for three years. There are no processors in the State that take small amounts of hemp and farmers can't afford tolling fees to sacrifice 50% of their crop to processors as payment.
2. Eliminating Double Regulation - Hawaii Farmers' production (growing) of hemp is regulated by the US Department of Agriculture. We are the ONLY state that double regulates farmers production (USDA and State DOA), requiring farmers to get permission to move their crop for any processing or sales. Imagine a papaya or tomato farmer forced to get permission from the Hawaii State Department of Agriculture before selling or processing their crops! The unnecessary paperwork now required by the State and the potential fines for not filing (\$10,000) are the most draconian hemp production rules in the country.
3. Allowing Hawaii Farmers to Sell All Hemp and CBD Products to Hawaii Residents - Hawaii farmers are restricted in selling numerous hemp and CBD products in Hawaii. But these products are regularly purchased online and in stores in Hawaii by Hawaii residents. We're asking the Legislature to allow Hawaii's farmers the same opportunity and access to Hawaii markets that farmers in other states have in Hawaii right now by default.
4. Transparency in Hawaii Hemp Products Labels - We support label transparency for Hawaii consumers, so they know how much Hawaii hemp is in hemp products claiming Hawaii branding. Hawaii farmers have the highest cost of production and living in the country. To support and grow Hawaii's agricultural economy we need to allow consumers the transparent option to buy local, which supports our economy. Right now the CBD industry is extractive, with most of the profits leaving Hawaii.

Thank you for supporting Hawaii farmers by passing SB 2986 with the above amendments.

Aloha,

Gail Byrne Baber
Gail Byrne Baber

FROM: Robert Bence for Hawai'i Sustainable Farms

TO: Hawai'i House Committee on Agriculture

RE: Strong Support for HB2986 SD1 RELATING TO HEMP

Aloha Chair Hashem, Vice Chair Perruso and AGR Committee Members,

I am writing in strong support of HB2986 relating to hemp. I grew up farming here, after graduating from UH Mānoa with a BBA, returned to Kula to farm full time. Diversified farming since and implemented a USDA Natural Resource Conservation Services, Environmental Quality Incentives Program, contract that brought federal funding to help improve the agriculture and environment on the family farm.

After being diagnosed with a previously undiscovered random birth defect, that caused a stroke followed by brain surgery that led to learning to walk and talk again, developed conditions that I treat with hemp. Researching growing hemp as allowed under the USDA rules on my farm which was purchased with a loan from USDA FSA. Farming hemp has been a major life goal since returning to farming full-time with a severe disability and the first farm bill.

Plan to include hemp with the farm's agroforestry conservation plan as part of alley cropping and multistory planting practices with ultra high density planting of several different trees including grafted avocados and mango. Rotational grazing and notill cover crop rotations of sunn hemp rolled and crimped followed by hemp making it a great companion plant for the notill rotations that can be done from tractor allowing more production despite the disability.

The change to current buffer zones and restrictions on sales of biomass as well as the on farm solventless extractions involving ice, water and freeze dryer are among major state regulations addressed by this bill that will help the farm.

The buffer zone at 100' would still limit the production and if any recommendation I could make would be the 100' not apply to farm dwellings on agriculture land. The problems with the hemp pilot member who prompted original buffer debate would be protected by the right to farm act and could apply to several other agricultural activities. The best solution seems to be the small scale local farmers part of the community that will work to minimize disturbances to neighbors because it is the right way to farm anything.

The benefits of hemp as a food and a myriad of other uses from soil remediation to advanced nano particles of hemp graphene superconductors from animal bedding to housing from fresh juice to solventless extracts to seed breeding... the market potential and environmental benefit list would go on for countless pages. Hawai'i farmers shouldn't be left behind any longer. The grown in Hawai'i label is important.

I urgently request the bill be amended to eliminate double inspections by the State which is a waste of State and taxpayers dollars and cost farmers money with new fees and wasted time. The U.S. Department of Agriculture already regulates hemp farmers in Hawaii and has the authority to inspect farms as needed. Required testing by USDA of every hemp crop and the State Department of Health for CBD products protects the public. Law enforcement in Hawaii already has the authority to enter a farm if they have a concern so these double inspections do not improve public safety. Hawaii hemp farmers have been the most regulated hemp farmers in the country and these regulations have made them non-competitive.

The state program should make it easier to grow hemp or use the federal program with provision that Hawai'i farmers also have the most leeway as any other state program. It would help farmers along with clearly eliminating any buffer zones from dwellings on agricultural land.

Greatly appreciate your hearing this bill and again state that I strongly support SB2986 SD1. As a local disabled farmer who has been wanting to grow it since the first farm bill but unable due to the current restrictions, I appreciate the bill immensely.

Mahalo

Robert Bence
Hawai'i Sustainable Farms

March 18, 2022

The Honorable Representative Mark Hashem, Chair
The Honorable Representative Amy Perruso, Vice Chair
House Committee on Agriculture

RE: Senate Bill 2986 – RELATING TO HEMP PRODUCTION
Hearing Date: March 18, 2022 at 9:00a.m.

Chair Hashem, Vice Chair Perruso and Members of the House Committee on Agriculture:

My name is James Tallman, and I am the Operations Manager at South Maui Gardens (“SMG”). SMG would like to thank the committee for hearing Senate Bill 2986, which removes certain duplicative regulations imposed on hemp producers in the State. **SMG strongly supports this measure and offers comments and two amendments.**

SMG has been an active agricultural grower on the island of Maui for over ten (10) years. We have over 180,000 square feet of private green house space in Kula, which includes our hemp operations, and operate a full-scale professional nursery in South Kihei, which services local landscapers and private owners, and commercial entities such as hotels, banks and shopping centers. We employ over 60 residents of the County of Maui.

SMG is committed to supporting Hawaii’s agriculture industry and views the hemp industry as a much-needed opportunity to diversify our local economy. Given this, we appreciate this bill’s recognition that overly burdensome regulations will likely limit the viability of this industry.

The current Hawaii Department of Agriculture (“HDOA”) inspection requirements are duplicative and require additional administrative time and cost for our local farmers. To be clear, the USDA already requires a lab report from one of two state sanctioned labs in the state that have DEA certification licenses to test marijuana and hemp. They test all marijuana for the 8 Hawaii marijuana dispensary licenses in addition to hemp. These labs go great lengths to get these certifications. All lab sampling is done by a representative of one of these labs who comes to the farm or marijuana dispensary in person and takes random samples of that crop. After testing has been completed, the lab issues a certificate of analysis (“COA”) which verifies that the hemp is compliantly grown.

The USDA also requires a planting survey report providing GPS locations of hemp being grown. The labs and farmers can upload all this information into the USDA database.

In addition, HDOA further requires movement reports be provided when shipping hemp and must include: 1) amount of biomass; 2) recipient address which needs to be another licensed hemp grower; and 3) the license number of the company receiving the biomass. Presumably the movement reports are required to demonstrate that the hemp being shipped is “compliant” and to make clear where it is produced. But again, the USDA requirements are in place to address these concerns and provide this information.

No other state has duplicative inspection requirements. Nor does any other state require these types of movement reports. Rather, mainland hemp growers are permitted to directly sell biomass to consumers. Since 2018 and probably much earlier, mass quantities of mainland hemp biomass have been sold across Hawaii. Given that, mainland producers have been positioned to capture our local market while our local producers are at a huge competitive disadvantage and are struggling. Our company is fortunately subsidized by other agricultural activities. However, due to the current regulatory scheme we are looking to downsize our hemp division from 25 to employees to 10 or 12. We are simply losing too much money to continue status quo. We understand that most other hemp producers are in a similar situation.

Also, in response to the Attorney General's concerns, Hawaii grown hemp biomass is much easier to identify as hemp (vs. marijuana) because of the USDA requirements we follow such as sampling, testing, certification and mapping.

Accordingly, SMG recommends the following amendments to the current measure:

1. Amend Page 9 Line 1 to read: "...No other inspections or sampling shall be conducted or required by the State Department of Agriculture, nor shall the State...."
2. Amend Page 6 line 15 – 17 to remove the requirement for movement reports based on USDA license and USDA required lab reports by deleting lines 15 – 20 and insert, "a copy of the Hawaii USDA hemp license and lab report provided to USDA is included in the movement...".

Including these amendments to remove the duplicative/burdensome requirements will allow our hemp processors to compete on a level playing field.

The additional ability to process small amounts of hemp on farms into oil and sell biomass in state will provide Hawaii farmers with additional income and prevent some hemp producers from going out of business. Not allowing the sale of biomass will prevent farmers from accessing markets that Hawaii residents already purchase from on the mainland and overseas. Also, without the on-farm, small batch processing exemption, most local hemp farmers currently operating in the State will be unable to make products for the largest legal CBD market in Hawaii, tinctures.

Thank you for your service to the State and your strong commitment to Hawaii agriculture and to the hemp industry. We ask for your help in making this industry viable and look forward to continuing the conversation with you.

James Tallman



Kauai Hemp Company
4445-C Omao Rd, Koloa HI 96756
kauaihempco.com

February 21, 2022

Support SB 2986 with Amendment

Dear Senate Commerce and Consumer Protection Committee Members,

As Hawaii's only certified organic, vertically integrated hemp farm and CBD processing facility, Omao Labs/Lands (DBA Kauai Hemp Company) strongly supports Senate Bill 2986. Just as the Hawaii Coffee Industry benefited from the passage of labeling law HRS 486-120.6, Hawaii hemp producers will see similar securities with the passage of SB 2986.

Additionally, we urge you to add language to allow for the sale of gummies or lozenge guided by the Department of Health's testimony on last year's House Bill 1243

"The Department believes it is appropriate to allow gummies in limited shapes. The proposed shape limitation in the definition "gummy" addresses concerns that gummy hemp products may be mistaken for popular types of gummy candy, such as gummy bears."

Thank you for your time and consideration,

Mr. Daryl Kaneshiro

Daryl Kaneshiro

Managing Member

Omao Labs/Lands LLC



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 18, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON SB 2986, SD1
RELATING HEMP**

Room 325 & Videoconference
9:00 AM

Aloha Chair Hashem, Vice-Chair Perruso, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 2986, SD1, which removes certain duplicative regulations imposed on hemp producers in the State, retains the requirement for hemp producers to report certain transports of hemp to the Hawai'i Department of Agriculture for law enforcement purposes, allows hemp producers to sell biomass directly to consumers, and requires that hemp produced in the State be labeled as Hawai'i produced and that hemp produced outside the State be labeled with the appropriate origin.

We are concerned with reinstating statutory language in subsection 141-42(b), Hawaii Revised Statutes, to clarify that an individual or entity may transport hemp within the State to an authorized facility or to another licensed producer's grow area, provided that certain USDA testing requirements have been met and the transportation has been reported to the Hawai'i Department of Agriculture.

SB 2986, SD1 is the path to help Hawai'i hemp farmers create a thriving hemp industry that will greatly benefit Hawai'i and its citizens.

Thank you for this opportunity to testify on this important subject.

SB-2986-SD-1

Submitted on: 3/16/2022 9:33:14 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrea Quinn	Individual	Support	Written Testimony Only

Comments:

Dear Honorable Committee Members:

Please support SB2986.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui

SB-2986-SD-1

Submitted on: 3/16/2022 11:50:09 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

Support SB2986 SD1

SB-2986-SD-1

Submitted on: 3/16/2022 4:20:50 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sunny Savage	Individual	Support	Written Testimony Only

Comments:

in support

SB-2986-SD-1

Submitted on: 3/16/2022 5:04:24 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Terry Huth	Individual	Support	Written Testimony Only

Comments:

I strongly support this legislation and any legislation that supports growing and processing of hemp in Hawaii.

Thank you for supporting and passing this bill.

SB-2986-SD-1

Submitted on: 3/16/2022 5:41:05 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
luann casey	Individual	Support	Written Testimony Only

Comments:

I am in strong support removing any duplication of regulations imposed on hemp producers.

Thank you, Luann Casey

SB-2986-SD-1

Submitted on: 3/16/2022 9:10:04 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Naomi Melamed	Individual	Comments	Written Testimony Only

Comments:

I support this bill with three important ammendments made as suggested by HFUU Kohala chapter. Thank you, Naomi and Yoav Melamed

SB-2986-SD-1

Submitted on: 3/17/2022 8:41:48 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Brittany Neal	Individual	Support	Written Testimony Only

Comments:

Re: SB 2986 SD1- Support with amendments

I appreciate the opportunity to testify in support of SB 2986 SD1 with amendments.

As a USDA licensed hemp producer I recommend the following amendments:

1.) Confirm no inspections & sampling to be done by Hawaii State DOA as USDA has authority, trained personnel, and databases, etc. Waste of state resources to duplicate USDA role and data base.

Suggested

Pg 9 Line 1: ...No other inspections or sampling shall be conducted or required by the State Department of Agriculture, nor shall the State....”

2.). Page 6 line 15 – 17 Currently State Movement reports are based on USDA license and USDA required lab reports. Having Movement reports required by the State DOA is duplicative and eventually the State DOA will have to duplicate USDA data base to manage the reports coming in, which is a waste of State resources and Farmers time and resources.

Suggested

Strike lines 15 – 20 and insert, “a copy of the Hawaii USDA hemp license and lab report provided to USDA is included in the movement...”.

3.). Minor Edit- change amount and exchange the word "and" with "or".

Pg. 10, line 4: “Producers who grow less than six thousand dry pounds of hemp annually; or,...”

4.) I also recommend not reverting to the previous definition of marijuana and marijuana concentrate. I think it is important that hemp be differentiated within those definitions, to ensure law enforcement must consider marijuana as different from hemp in their investigations. Law enforcement officers do not receive hemp specific training, only training on illicit marijuana

suppression and eradication. The definitions as currently written offer some protection for hemp producers from misinterpretation of the law by law enforcement.

Mahalo for your time and consideration of the above.

Sincerely,

Brittany Neal MSOM, BSN, RN, USDA hemp producer, HHFA board member

SB-2986-SD-1

Submitted on: 3/17/2022 8:47:23 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg Smith	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Greg Smith. I am a hemp farmer and founder of Earth Matters Hemp Hawaii. Farmers need *all* the elements in SB 2986 and these three farmer friendly amendments to SB 2986 in order to keep us financially viable in this industry against the onslaught of imports into Hawaii:

1.) Add Section 2 (g) Hemp producers licensed by the U.S. Department of Agriculture to grow hemp shall follow all inspection and sampling rules and protocols established by the USDA and no other inspections or sampling by the State will be required, nor will the State issue violations or penalties to USDA licensed hemp producers following USDA rules and protocols. Penalties may only be issued for growing hemp without a USDA issued license.

2.) Add Section (3) [§328G-1] Definitions "Hemp processor" means a person processing hemp to manufacture a hemp product, except for a person licensed by U.S. Department of Agriculture to grow hemp in Hawaii and produces less than 600 lbs of dry hemp per year."

1. have been involved with the hemp industry here in Hawaii since 2015. As someone who worked with Scott Enright, when he was chair of the Department of Agriculture and was given a contract to develop hemp genetics for the state which completed in 2017. This led to a pilot program license to continue the research. At the end of the completed contract, we received a USDA license to grow hemp in Hawaii. As a board member of the Hawaii Hemp Farmers Association I have worked on legislation and have a pretty good understanding of the history of hemp here in Hawaii. I am writing in opposition SB2973 and in full support of SB2986. As someone who has invested many hours and a lot of personal capital in bringing this fantastic commodity to our state, I know just how hard it has been for farmers to be able to process and make their own line of 100% Hawaiian

grown and made CBD hemp products. Almost all CBD products that are sold in Hawaii or online are from out of state. We have missed the boat, the opportunity to create a viable industry here in Hawaii has been very much hampered due to excessive and double regulation. - SB 2986 makes it much clearer for the small farmer as to what he can and cannot do and SB 2973 or just more restrictions to make it more difficult to want to develop this crop. The most important thing is that what is in the bottle that is being sold to the consumer is compliant and that it is tested. The USDA regulates hemp farmers in Hawaii, if a farmer can produce a crop that is compliant with the USDA and fill a bottle of 1000 milligrams of CBD and less than 0.3% THC and is compliant with the Hawaii Department of Health, the final product testing is all that should be needed. Give the small farmer an opportunity to create this new industry. As someone who's been growing this plant, knows its potential to help people with sleep disorders, pain and anxiety issues. The hemp plant has never harmed anyone-, it's time to allow the Hawaii farmer a chance to grow this plant and sell this plant anywhere in the state. 100% Hawaiian grown should be on shelves of every health food store in Hawaii.

SB-2986-SD-1

Submitted on: 3/17/2022 9:01:24 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David B. Fisher	Individual	Support	Written Testimony Only

Comments:

I am writing in support of SB2986 which removes burdensome duplicative regulation on Hawaii growers and value-added producers of hemp and hemp products. I would also like to underline the specific requests of grower Gail Byrne to clarify that the HI DOA will leave inspections and sampling to the US DOA and not require movement reports that duplicate the US DOA requirements. I commend the almost ten years of effort between the legislature, agencies and university working with actual Hawaii growers in Hawaii to make this work.

I have been teaching business in the Farm Apprentice Mentoring program on Maui for the last five years and working with small farmers and the Hawaii Farmers Union since 2010. Prior to that I was hired to open the SBA and UH supported Small Business Development Center on Maui where I served as counselor and teacher working with over 3,000 companies between 1990 and 2009 with over \$100 million in impact. A high point in this service was being honored at the legislature as the SBA's Hawaii Financial Services Champion in 2006.

Farming is not a way to get rich and for most in the last decades has not even been a way to make a living. Growing and producing value-added products with hemp is one of a small handful of strategies available to existing and new diversified farmers that might give them a chance at economic viability.

We have benefited to date from the public spiritedness, personal subsidies, and time sacrifices from farmers dedicated to figure economic and environmentally positive approaches. In 2020 we had a small taste of what it means to be food insecure and are still working on understanding the disruption resulting from over dependence on the visitor industry. We need to significantly increase our efforts to support diversified small farmers, most of whom we need to think of as social-impact business operators.

Mahalo and Aloha

David B. Fisher

SB-2986-SD-1

Submitted on: 3/17/2022 8:50:23 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
P Noel Bobilin	Individual	Support	Written Testimony Only

Comments:

Aloha, I strongly support this bill. Reducing the hurdle to growing hemp is vital as hemp could be a large industry in hawaii. Hemp is so versatile in the number of products that can be made from it. From breakfast foods to houses, glass and concrete has been made from hemp. The more we can grow our own materials the more secure we will be.

Mahalo

Noel Bobilinn 96771

SB-2986-SD-1

Submitted on: 3/17/2022 8:32:07 AM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Yoshito L'Hote	Individual	Support	Written Testimony Only

Comments:

I am in support with any legislation that helps hemp farmers be able to be viable.

Yosh

RE: Support SB 2986 with Amendments

March 16, 2022

Dear House Committee on Agriculture,

I am a USDA licensed hemp farmer in Hawaii. No other hemp farmers in the U.S. have had to try to make a go under such burdensome regulations. Many of the original hemp farmers have quit planting. Some have lost their businesses. Although there a number of licenses issued in the state to grow hemp, very few are actually growing due to the onerous growing and processing regulations.

Please support SB 2986 with the following three (3) amendments.

Respectfully Submitted,


Ray Maki

1.). Pg 9 , line 1 & 2, Confirm no inspections & sampling to be done by Hawaii State DOA as USDA has authority, trained personnel, and databases, etc. Waste of state resources to duplicate USDA role and data base.

Suggested

Pg 9 Line 1: ...No other inspections or sampling shall be conducted or required by the State Department of Agriculture, nor shall the State....”

2.). Page 6 line 15 – 17 Currently State Movement reports are based on USDA license and USDA required lab reports. Having Movement reports required by the State DOA is duplicative and eventually the State DOA will have to duplicate USDA data base to manage the reports coming in, which is a waste of State resources and Farmers time and resources.

Suggested

Strike lines 15 – 20 and insert, “a copy of the Hawaii USDA hemp license and lab report provided to USDA is included in the movement...”.

3.). Minor Edit

Pg. 10, line 4: “Producers who grow less than six thousand dry pounds of hemp annually; and or,...”

SB-2986-SD-1

Submitted on: 3/17/2022 10:05:25 PM

Testimony for AGR on 3/18/2022 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherry Pollack	Individual	Support	Written Testimony Only

Comments:

I strongly support SB2986 SD1 and Hawaii Farmers Union United's amendments to reduce burdensome and costly regulations for Hawaii farmers, and enhance hemp and CBD market development.

The United States Department of Agriculture (USDA) already maintains authority, personnel, and a tracking system for ensuring regulatory compliance for hemp production and products. State of Hawaii Department of Agriculture (HDOA) inspections, testing, and reports are thus onerous and duplicative. In example, state movement reports are based on USDA license and lab reports. In lieu of these duplications I believe any state level regulatory additions should solely require submission of copies of a producer's USDA hemp license, lab reports, and contact information for the farmer, lab, and USDA to enable law enforcement to confirm, if need be, hemp shipments with USDA.

Mahalo for the opportunity to testify on this very important measure.

Aloha,

The Hawaii state government needs to modernize and update its legal interpretations and regulations regarding cannabis, which is a uniquely valuable plant with very diverse characteristics.

The subject of my testimony is *medicinal cannabis* in the state of Hawaii. (Abbreviations used: DOH = Dept. of Health; DOA = Dept. of Agriculture; MMJ = medical marijuana.)

My first point is: all types of cannabis that contain significant amounts of cannabinoids are, in fact, medicinal.

The labeling of cannabis as either "medical marijuana," "recreational marijuana," or "hemp" needs to be thrown out the window. The use of the term *industrial hemp* needs to be restricted, legally, to cannabis that contains little to no cannabinoids (THC, CBD, etc.) This means high-CBD hemp would not be known as industrial hemp from a legal standpoint. The term, *industrial hemp*, would mean cannabis grown solely for food (seed or oil), fuel (oil), fiber, or for soil bioremediation, while also meeting the federal government's classification as *hemp* (cannabis with 0.3% THC or less).

The term *medicinal* rightly conveys the use of cannabis as a medicine, not as a recreational drug or intoxicant. How many cannabis users in Hawaii are using cannabis as a medicine? How many of these are not part of the state MMJ program? What are the demographics? These are very good questions, and the state should conduct an unbiased survey to determine the answers.

Legitimate medicinal uses of cannabis include: pain relief, stress relief, anti-anxiety, anti-depressant, sleep aid, anti-inflammatory, hunger-inducing.

It's easy to see that medicinal cannabis is an "old person's drug"; but, it goes beyond that, because people of all ages can suffer from health conditions for which the above mentioned medicinal uses are helpful. These conditions often don't overlap the state MMJ classifications for qualifying *medical* conditions, or don't reach the degree of severity to meet the qualifying conditions. Yet these are still legitimate, helpful uses of medicinal cannabis. Why keep this away from people who benefit from proper use? Is the reason – in part – to maintain the dispensary system's lucrative monopoly on state-regulated cannabis?

There are thus two types of medicinal cannabis: 1) that which contains significant amounts of THC, and 2) that which contains very low amounts of THC, but high amounts of either CBD or CBG.

The scientific term for (1) above is "Cannabis chemotypes I and II". The scientific term for (2) above is "Cannabis chemotypes III and IV". (I abbreviate these classifications as: Type 1/2 and Type 3/4. Industrial hemp is Type 5, and has no medicinal value.)

Current legal language in Hawaii differentiates these forms of cannabis as "medical marijuana" and "hemp". Again, these misleading terms paint cannabis as something that's not generally medicinal, even though it is. The word *medical* implies being used only for medical reasons, meaning specific debilitating medical conditions. The word *hemp* (or *industrial hemp*) implies no medicinal use at all, but rather an agricultural product grown by the acre, tens of acres, or hundreds of acres (i.e. Type 5).

Neither of these currently used terms convey what cannabis really is. Federal legal language also doesn't convey the true value of cannabis, and hence the historic and ongoing federal war against this

plant. Although Hawaii allows some growing of cannabis for medicinal purposes, the state government is still largely playing along with the federal war on cannabis.

The current situation is, the state DOH regulates the growing of Type 1/2 medicinal cannabis, while the state DOA regulates the growing of Type 3/4 medicinal cannabis. Why is the DOA regulating medicinal cannabis? The reason is because of the federal government's erroneous classification of Type 3/4 as hemp, and the fact that the state government is still playing along with the federal war on cannabis.

Type 3/4 medicinal cannabis – i.e high CBD or CBG, with very low THC – should be widely available to adults in the state of Hawaii, and not just available to those who have a state MMJ license, or those who have a federal DOA hemp license. How low is low THC? The most logical threshold, in terms of the logistics of cultivating Type 3/4 (high CBD) plants, is 1% THC. (The federal war on cannabis sets the max. amount of THC in "hemp" to 0.3% – an arbitrary threshold that is completely detached from both the realities of cultivation, and any concern around possible psychoactive effects.)

Why does growing state MMJ plants require a state license, while growing state hemp plants require a federal license – when MMJ contains lots of THC, and CBD/CBG hemp contains little to no THC? If the state allows the growing of high-THC plants with a state license, the state should then also allow the growing of very-low-THC plants with *no license*. This would, of course, run the state afoul with federal regulations, but in a vastly less serious way than state MMJ cultivation and sales are afoul with federal regulations.

I conclude by strongly recommending that the Hawaii DOH should regulate the growing and processing of all medicinal cannabis in the state, meaning Type 1/2 (MMJ) and Type 3/4 (CBD/CBG hemp).

Further, the Hawaii DOA should submit a hemp production plan to the federal DOA, and that plan should specify that the Hawaii DOH will regulate the growing and processing of all types of cannabis in the state, except for industrial hemp (Type 5) which would be regulated by the Hawaii DOA.

By modernizing and updating its legal interpretations and regulations regarding cannabis, the state, and the state DOH, can then offer a special classification for medical marijuana in Hawaii, called "low-THC medicinal marijuana." This new classification would provide regulations for growing, processing, use, and sale within the existing state medical marijuana program. This type of marijuana has essentially no intoxicating properties, and as such, sales should not be restricted to dispensaries. A new market and business opportunity would be created for small farmers and entrepreneurs. And, there would be inexpensive, legal access to low-THC cannabis for any adult who desires to grow and use it.

mahalo,
John Calvert

Farmer, father, and business owner
Kapoho, Big Island