

Honolulu, Hawaii

FEB 14 2023

RE: S.B. No. 516

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 516 entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

The purpose and intent of this measure is to require that the identity statement used for labeling or advertising hemp products specify the percentage of Hawaii grown hemp and hemp of other origins contained in hemp products.

Your Committee received testimony in support of this measure from the Department of Agriculture and Hawai'i Hemp Farmers Association. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that with the relaxation of cannabis laws across the nation, the hemp plant is burgeoning as a lucrative crop and commodity. The Hawaii hemp cannabinoid market is estimated to be worth \$32,000,000 to \$52,000,000 annually, but most of that money flows to out-of-state hemp farmers and businesses due in part to Hawaii residents not being able to differentiate between products made with imported hemp and products made with Hawaii-grown hemp. Your Committee additionally finds that Hawaii hemp farmers face the highest costs of production among hemp farmers in the United States. In order to ensure that hemp farmers in Hawaii are not crowded out in the marketplace by out-of-state competitors, this measure will require

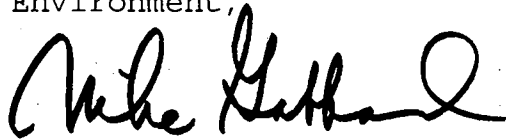


that hemp products for sale in the State advertise the percentage of Hawaii grown hemp on the product label to inform consumers as to which products, and how much of which, is sourced from hemp grown in Hawaii.

Your Committee acknowledges the testimony received from the Department of Agriculture, which recommends an appropriation for one full-time (1.0 FTE) measurements standards inspector for the purpose of labeling, packaging enforcement, and inspection. The inspector is necessary to help rebuild the Department of Agriculture's labeling enforcement capability and address labeling enforcement challenges in various Hawaii products, including inspecting and verifying the percentage of Hawaii coffee and coffee of other origins contained in roasted coffee, instant coffee, and ready-to-drink coffee beverages. Should your Committee on Ways and Means choose to deliberate on this measure, we respectfully request that it considers the Department's recommendation.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516 and recommends that it pass Second Reading and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB516	Committee Referral: AEN, CPN	Date: 02-08-23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RICHARDS, III, Herbert M. "Tim" (VC)	X			
DECOITE, Lynn	X			
RHOADS, Karl	X			
AWA, Brenton	X			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes