

MINUTES
HOUSE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Monday, February 18, 2019
TIME: 1:30 P.M.
PLACE: Room EW42
MEMBERS: Chairman Boyle, Vice Chairman Troy, Representatives Dayley, Kerby, Stevenson, Zito, Andrus, Giddings, Goesling, Marshall, Nichols, Raymond, Erpelding, Toone, Abernathy
**ABSENT/
EXCUSED:** None
GUESTS: Hari Heath, Inland Hemp Solutions; Phil Hainschild, Idaho Freedom Foundation; Bob Neugebauer, Gem State Patriot; Russ Smers, Liberty Council; Dennis Shaver, Sylvan Creek Assoc; Chelsea Wilson, Parker Public Affairs; Jonathan Parker, PPA; Greg Willison; John W. Wright; Brad Carlson, Capitol Press; Benjamin Kelly, Food Producers of Idaho; Chyla Wilson, IBBF; Matthew Mead, Hempitecture inc; Tommy Gibbons, Hempitecture Inc; Marc Patten, MPI; Douglas R Jones; Paula Davina; Doug Davina; Jared Larsen, Gov's Office; Eric Nelson; Kendall Nike

Chairman Boyle called the meeting to order at 1:33 p.m.

Chairman Boyle introduced the new Committee Page, **Nathan Henrie** and welcomed him to the committee.

H 122: **Rep. Troy** stated the 2018 Federal Farm Bill was passed with the support of the entire Idaho Delegation. The passage of the bill broadened the approach the US has taken in the past concerning hemp. She said hemp is part of the Cannabis Plant family but the key difference is it contains less than .3% THC. The passage of the 2018 Farm Bill allows for hemp to be grown and transferred across state lines as long as it does not contain more than .3% THC. She stated anything higher than .3% THC would be considered illegal. She explained if the bill is passed there will be specific regulations associated with it.

Rep. Moon explained this bill will align Idaho with federal law and remove hemp from a scheduled one drug to a schedule five. She said all but three of the states have changed their laws concerning hemp to align with the federal law. She explained the new technology available to test the potency of THC in cannabis products that has proven to be accurate and cost effective.

In response to a committee question, **Rep. Moon** said the analytic testing can produce results within 24 hours.

In response to a committee question, **Rep. Troy** said fields would be tested before harvest and if the THC is over the .3% limit, the field would have to be destroyed at the owners expense. She explained the farm bill does make it possible now for growers to be able to borrow against a crop and for them to obtain crop insurance.

Hari Heath, Inland Hemp Solutions, stated he is forming a business with a partner looking to become a broker and consultant to help farmers connect with producers in association with Western Hemp Growers. He said there are over 52,000 products made with hemp. He explained the financial potential to farmers if given the opportunity to grow hemp. He explained how hemp varieties are grown differently with one maximizing CBD oil and the other grown tall as a row crop.

In response to a committee question, **Mr. Heath** said there is a lot of interest in his county but they are moving slowly to do things the right way once everything is in place.

In response to a committee question, **Mr. Heath** said in 2017, there were only about 25,000 acres grown, in 2018, it had increased to 78,000 acres and he said it is expected to explode this coming year even more with the passing of the 2018 Farm Bill.

Rep. Marshall said he understands the difference between marijuana and hemp. He stated he feels the latest market ploy is to add hemp to all kinds of products even though there has not been sufficient research into the value or the medicinal benefits. He said he also shares a concern with law enforcement concerning the accuracy of .3% levels.

Dennis Shaver, Sylvan Creek Association, said for the last couple of years he has been consulting and managing hemp farms in Colorado. He said Idaho has a 3-5 year window of opportunity before the market begins to stabilize. He explained raising hemp is very labor intensive and urges anyone contemplating growing hemp to start small with 5-10 acre plots. He said to be cautious about where you buy seed. He said the Colorado Department of Agriculture is over the testing for THC and confirmed anything above the .3% has to be destroyed by the farmer at his own expense. He said the agricultural department has four full time employees and does utilize some of their field people for the field testing.

In response to a committee question, **Mr. Shaver** said there is currently 15,000 acres being grown in Colorado.

In response to a committee question concerning the market chain, **Mr. Shaver** said it is still in the early stages. He said some farmers in Oregon are sending their crop to Colorado for extraction.

Greg Willison, spoke **in support**, stated he and his son rented ground in Oregon and began growing hemp in a green house. On June 12th they transplanted the plants into the ground and were able to begin harvesting on September 15th. He explained the process of drying it and taking it to the extractors. He said it was a very profitable crop for them. He acknowledged the probability of the prices dropping over time but felt like hemp crops were still a good investment as Idaho's environment is so favorable to it's growth.

Matthew Mead, Hempiotexture, said Idaho is only one of three states not in accord with the 2018 Farm Bill, inhibiting agriculture opportunities as well as small businesses like his. He said his company uses industrial hemp in high performing building systems focusing on an insulation component called hempcrete made from the wooden core of the hemp plant. It cures by absorbing carbon dioxide. He said it is fire proof, resistant to mold, is non toxic and long lasting. He said he has in the past had to ship in hemp product from outside of the United States but with the passing of the Farm Bill he can now purchase products here.

Those speaking **in support** were **Phil Haunschild**, Idaho Freedom Foundation; **Bob Neugebauer**, Gem State Patriot; **Russ Smerz**, Sylvan Creek Assoc; **Jonathan Parker**, PPA; **Benjamin Kelly**, Idaho Food Producers; **Chyla Wilson**, IFBF; **Paula Devine**, self; as an alternative crop giving farmers more opportunities to expand their industry as well as expanding small business opportunities in Idaho and to align Idaho Law with the new 2018 Farm Bill.

Eric Nelson, spoke **in support** explaining how CBD oil has helped a young man who suffers from seizures. He said with the use of CBD oil, he is able to lead a more normal life.

In response to a committee question, **Mr. Nelson** said concerning the availability of good seeds, the tight regulation around hemp for so many years, forced growers to source seed out of Canada. He said as product is grown in the United States the quality will improve.

Kendall Nike, spoke **in opposition**. She stated she has experience working in the community, schools and in principalities with families and young people and has a passion to keep Idaho Statutes as they are now written. She said she has witnessed the changing of laws across the country with the steps to legalize marijuana starting first with decriminalization, then legalization of CBD oil, next as used for medicinal purposes to finally legalization for recreational use. She said there are too many unintended consequences caused by the changes in statute laws.

Rep. Troy pointed out some of the examples of what has been created using hemp successfully. She said she sees an opportunity to produce quality seed for farmers looking to expand their alternative crops. She said we can look to other states who are leading the way in the production of hemp such as Kentucky. She reminded the committee, Idaho remains a state that is a staunch supporter of not legalizing marijuana. She said we still say no to drugs but yes to the production of hemp.

Rep. Moon said for the committee to do their own research and due diligence. Hemp needs to be removed as a schedule one drug. She said this is a product people can use as a supplement and should be treated as such.

In response to a committee question, **Rep. Troy** said there is provisions in the bill addressing the abilities of institutions of higher education in Idaho to grow, cultivate, harvest, sample and test hemp products.

The committee took no action at this time.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:34 p.m.

Representative Boyle
Chair

Joan Majors
Secretary