

SB

8

<TARGET><BILL>SB 8</BILL><SUBJECT>SB
8</SUBJECT><COMM>SJUD29</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 3/30/15

Corrected

FURTHER Finance

DATE TURNED IN TO OFFICE: 3/31/16

Judiciary Committee considered SENATE BILL NO. 8

SB 8-INDUSTRIAL HEMP PRODUCTION LICENSES

"An Act relating to the regulation and production of industrial hemp."

and recommends:

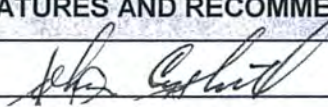
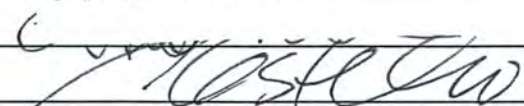

- be replaced with CS SB 8 (JUD) [] Same Title [] New Title
- [] adopt previous CS _____ (_____) [] Same Title [] New Title
- [] attached amendment(s)
- [] adopt _____ Letter of Intent
- [] further referral to _____ Committee

| Dept Abbr. | |
|------------|-----|
| ADM | LWF |
| CED | LAW |
| COR | LEG |
| EED | MVA |
| DEC | DNR |
| DFG | DPS |
| GOV | REV |
| DHS | DOT |
| AJS | UA |

| NEW FISCAL NOTE(S) | | | | |
|--------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| DNR | | | ✓ | 2 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| PREVIOUS FISCAL NOTE(S) | | | | |
|-------------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

[] APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | DO PASS | DO NOT PASS | NO REC | AMEND |
|--|-------------------|---------|-------------|--------|-------|
|  | COGHILL | ✓ | | | |
|  | COSTELLO | ✓ | | | |
| | | | | | |
| | | | | | |
| CHAIR:  | MCGUIRE | ✓ | | | |

CS FOR SENATE BILL NO. 8(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR ELLIS

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to industrial hemp; and relating to controlled substances."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 11.71.090(b) is amended by adding a new paragraph to read:

4 (4) "industrial hemp" means all parts and varieties of the plant
5 Cannabis sativa L. containing not more than 0.3 percent tetrahydrocannabinol.

6 * **Sec. 2.** AS 11.71.090 is amended by adding a new subsection to read:

7 (c) In a prosecution under AS 11.71.030 - 11.71.060 charging the
8 manufacture, delivery, possession, possession with intent to manufacture or deliver, or
9 display of a schedule VIA controlled substance, it is an affirmative defense that the
10 controlled substance is industrial hemp.

11 * **Sec. 3.** AS 17.38.200 is amended by adding a new subsection to read:

12 (j) An individual manufacturing, delivering, or displaying industrial hemp is
13 not required to apply for licensure or be licensed under this section. In this subsection,
14 "industrial hemp" has the meaning given in AS 11.71.090.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 8
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB008-DNR-PMC-3-28-16
Title: INDUSTRIAL HEMP PRODUCTION LICENSES
Sponsor: ELLIS
Requester: Senate Judiciary

Department: Department of Natural Resources
Appropriation: Agriculture
Allocation: North Latitude Plant Material Center
OMB Component Number: 2204

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2017 Appropriation Requested | Included in Governor's FY2017 Request | Out-Year Cost Estimates | | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|--------------|--------------|--------------|--------------|--------------|
| | | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | 97.3 | | 97.3 | 97.3 | 97.3 | 97.3 | 97.3 | 97.3 |
| Travel | | | | | | | | |
| Services | 15.5 | | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Commodities | | | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Total Operating | 112.8 | 0.0 | 107.3 | 107.3 | 107.3 | 107.3 | 107.3 | 107.3 |

Fund Source (Operating Only)

| | | | | | | | | |
|---------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1004 Gen Fund | 112.8 | | 107.3 | 107.3 | 107.3 | 107.3 | 107.3 | 107.3 |
| Total | 112.8 | 0.0 | 107.3 | 107.3 | 107.3 | 107.3 | 107.3 | 107.3 |

Positions

| | | | | | | | | |
|-----------|-----|--|-----|-----|-----|-----|-----|-----|
| Full-time | 1.0 | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Part-time | | | | | | | | |
| Temporary | | | | | | | | |

| | | | | | | | | |
|---------------------------|-----|--|-----|-----|-----|-----|-----|-----|
| Change in Revenues | *** | | *** | *** | *** | *** | *** | *** |
|---------------------------|-----|--|-----|-----|-----|-----|-----|-----|

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/17

Why this fiscal note differs from previous version:

| |
|---|
| Updated regulation adoption date and funding projections. |
|---|

| | | | |
|--------------|---------------------------------------|--------|---------------------|
| Prepared By: | Arthur Keyes, Director | Phone: | (907)761-3867 |
| Division: | Agriculture | Date: | 03/28/2016 12:00 AM |
| Approved By: | Marty Rutherford, Acting Commissioner | Date: | 03/28/16 |
| Agency: | Natural Resources | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 8

Analysis

This bill recognizes industrial hemp as an agricultural crop in Alaska. The Department of Natural Resources (DNR), Division of Agriculture will need to write regulations on licensing, production requirements, testing, sale and agency oversight of hemp production.

DNR will need to hire a Natural Resource Specialist III to develop the regulations and oversee the production of hemp. Contractual Services funding of \$15.5 covers core service costs of \$5.0, a Reimbursable Service Agreement with the Department of Law, and public notice and meeting costs associated with writing regulations. Beginning in FY2018 \$5.0 in Commodities will cover supplies for sampling, inventory, shipping and testing.

After regulations are adopted, staff will be responsible for:

- receiving and processing license applications
- assuring hemp producers have appropriate documentation showing all hemp seed planted has no more than 0.3 percent tetrahydrocannabinol (THC)
- reviewing all grower contracts of license holders
- receive and maintain records on the sale or distribution of industrial hemp
- establishing methods and standards for testing THC levels in industrial hemp
- providing general oversight of the industry and
- assessing and receiving regulatory fees commensurate with the costs of regulating hemp production

Future revenue is unknown at this time. Section 1 requires the department to assess regulatory or licensing fees commensurate with the costs of the department's activities in regulating industrial hemp production.

ALASKA STATE LEGISLATURE

While in Session
State Capitol
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529



While in Anchorage
716 W. 4th Ave
Anchorage, AK
(907) 269-0169
Fax: (907) 269-0172

SENATOR JOHNNY ELLIS MEMORANDUM

To: Senator Lesil McGuire
Chair, Senate Judiciary Committee

From: Senator Johnny Ellis

Date: March 2, 2016

Re: Hearing request for Senate Bill 8 - An Act relating to the regulation and production of industrial hemp.

I respectfully request a hearing on Senate Bill 8 be held in the Senate Judiciary Committee at your earliest convenience.

Senate Bill 8 defines industrial hemp, and allows an individual to plant, grow, harvest, possess, sell, or buy industrial hemp if the industrial hemp does not contain more than .3% tetrahydrocannabinol.

Included in this packet:

- Sponsor statement
- Most recent version of the bill/ New CS for SB 8
- Fiscal note
- Background research and supporting studies
- Related news articles
- Names and contact information of witnesses are forthcoming

Thank you for your consideration. Please contact my legislative aide Sarah Evans at 465-5038 or Sarah.Evans@akleg.gov with any questions or for any additional information.

ALASKA STATE LEGISLATURE

While in Session
State Capitol
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529



While in Anchorage
716 W. 4th Ave
Anchorage, AK
(907) 269-0169
Fax: (907) 269-0172

SENATOR JOHNNY ELLIS

SB 8: Alaska Grown Industrial Hemp Act

Industrial hemp is an ancient and versatile crop that was commonly grown in the United States until the 1930s. In fact, the first U.S. flag and early blue jeans were both made from hemp fiber. Recent changes to federal law give states more freedom to research and farm industrial hemp. This legislation defines industrial hemp, requires growers be licensed with the state and allows an individual to plant, grow, harvest, possess, sell, or buy industrial hemp if the industrial hemp does not contain more than .3% tetrahydrocannabinol.

Industrial hemp should not be confused with marijuana or varieties of the *Cannabis* plant that have high levels of THC (delta-9 tetrahydrocannabinol). Industrial hemp refers to varieties of the *Cannabis* plant that have a low level of THC, for example, in Kentucky an industrial hemp plant is defined as having a THC concentration of less than 1%. In this legislation and in Montana, Maine, and other states it is defined as a concentration of less than .3% THC.

The spectrum of possible hemp products is impressive. Besides traditional paper or fiber products, industrial hemp can be used for building materials such as carpet and insulation and even be made into "hempcrete." Hemp oil can be used for plastics, paint, and cosmetic and pharmaceutical applications.

Due to hemp's illegal status, little research has been done on the viability of arctic hemp crops in Alaska. However, British Columbia, Ontario and Manitoba have thriving commercial hemp operations and Canadian studies offer promise for the production of industrial hemp in northern climates.

Allowing farmers the freedom to farm this versatile and profitable agricultural commodity is a bipartisan issue. For years, Representative Ron Paul (R-TX) pushed to allow the farming of industrial hemp. His first bill in 2005 had 11 co-sponsors and his last bill in 2011 had 37 co-sponsors from both sides of the aisle.

More recently, Senators Mitch McConnell(R-KY) and Rand Paul(R-KY) championed a provision included in the 2014 Farm Bill that would allow institutions of higher education and State Departments of Agriculture to grow or cultivate industrial hemp. The most recent federal spending bill also included a bipartisan amendment that prohibits the DEA from blocking implementation of the federal law allowing hemp cultivation for academic and agricultural research purposes in states that allow it.

According to the National Conference of State Legislatures (NCSL), 27 states currently have laws to allow cultivation of hemp for commercial, research or pilot programs. In 2000, the NCSL adopted a policy in support of the reintroduction of industrial hemp into American agriculture.

Currently the U.S. imports around \$2 billion annually in hemp products from Canada and China. States that lead on allowing their farmers and entrepreneurs to explore the free market potential of industrial hemp will have the opportunity to be at the forefront of an entirely new industry that could help bolster our farm communities and the Alaskan economy.

Fiscal Note

State of Alaska
2015 Legislative Session

| | |
|---------------------|-----------|
| Bill Version: | SB 8 |
| Fiscal Note Number: | 1 |
| (S) Publish Date: | 3/30/2015 |

Identifier: SB08-DNR-PMC-03-16-15
 Title: INDUSTRIAL HEMP PRODUCTION LICENSES
 Sponsor: ELLIS
 Requester: Senator Ellis

Department: Department of Natural Resources
 Appropriation: Agriculture
 Allocation: North Latitude Plant Material Center
 OMB Component Number: 2204

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2016 Appropriation Requested | Included in Governor's FY2016 Request | Out-Year Cost Estimates | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
| | | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| OPERATING EXPENDITURES | FY 2016 | FY 2016 | | | | | |
| Personal Services | 97.0 | | *** | *** | *** | *** | *** |
| Travel | | | | | | | |
| Services | 15.5 | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 112.5 | 0.0 | *** | *** | *** | *** | *** |

Fund Source (Operating Only)

| | | | | | | | |
|---------------|--------------|------------|------------|------------|------------|------------|------------|
| 1004 Gen Fund | 112.5 | | | | | | |
| Total | 112.5 | 0.0 | *** | *** | *** | *** | *** |

Positions

| | | | | | | | |
|-----------|-----|--|--|--|--|--|--|
| Full-time | 1.0 | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

| | | | | | | | |
|---------------------------|--|--|-----|-----|-----|-----|-----|
| Change in Revenues | | | *** | *** | *** | *** | *** |
|---------------------------|--|--|-----|-----|-----|-----|-----|

Estimated SUPPLEMENTAL (FY2015) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/16

Why this fiscal note differs from previous version:

| |
|---------------------------------|
| Not applicable, initial version |
|---------------------------------|

Prepared By: Franci Havemeister, Director
 Division: Agriculture
 Approved By: Mark Myers, Commissioner
 Agency: Natural Resources

Phone: (907)761-3867
 Date: 03/16/2015 03:00 PM
 Date: 03/16/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

Analysis

This bill recognizes industrial hemp as an agricultural crop in Alaska. The Department of Natural Resources (DNR), Division of Agriculture will need to write regulations on licensing, production requirements, testing, sale and agency oversight of hemp production.

DNR will need to hire a Natural Resource Specialist III to develop the regulations and oversee the production of hemp. The additional cost of \$15.5 includes new employee cost of \$5.5 and \$10.0 for RSA's with the Department of Law and public notice/meeting costs associated with writing regulations.

After regulations are adopted, staff will be responsible for receiving and processing license applications, assuring hemp producers have appropriate documentation showing all hemp seed planted has no than 0.3 percent tetrahydrocannabinol (THC), reviewing all grower contracts of license holders, receive and maintain records on the sale or distribution of industrial hemp, establishing methods and standards for testing THC levels in industrial hemp, provide general oversight of the industry and assess and receive regulatory fees commensurate with the costs of regulating hemp production.

An indeterminate fiscal note is included in the following years as the work load is unknown and will depend on the number of licenses issued and the amount of hemp in production.

Future revenue is unknown at this time. Section 1 requires the department assess regulatory or licensing fees commensurate with the costs of the department's activities in regulating industrial hemp production.

KENAI LEGISLATIVE INFORMATION OFFICE

Email: Kenai_LIO@akleg.gov

Phone: 907-283-2030 / Fax: 907-283-3075

WRITTEN TESTIMONY

NAME: J.R. Meyers
REPRESENTING: Self
BILL # or SUBJECT: SB 8
COMMITTEE: Senate Resources DATE: 3-27-15

Dear Senators,

I write you in support of SB8 - Industrial Hemp Production Licenses.

Hemp is a versatile crop being grown worldwide.

Alaska agriculture could greatly benefit from the establishment of a viable hemp industry. We need to diversify our economy.

Hemp production is a wonderful way to accomplish enhanced agricultural production of food, fuel, fiber, etc. and a multitude of value added products.

Peace & Blessings,

J.R. Myers

Soldotna

POLITICO

POLITICO *Pro*

Mitch McConnell, Rand Paul push legalizing hemp growth

It's a states' rights and economic growth issue, they argue.

By **JENNY HOPKINSON** | 2/5/15 5:38 AM EST



AP Photo

Forget legalizing pot: Two of the most powerful Republicans in the Senate believe there's a much stronger chance to legalize growing hemp in the U.S., opening up an entirely new market for crops, health food, oil, shirts, towels and even dog toys.

Kentucky's Mitch McConnell, Rand Paul and Rep. Thomas Massie are pushing legislation in both chambers of Congress that would remove the less-potent member of the cannabis family from the federal list of controlled substances, allowing its return to America's farmland after more than 40 years.

It's a states' rights and economic growth issue, the Republican lawmakers argue.

Legalizing hemp would create jobs.

“People used to downplay the number of jobs industrial hemp might create and say, ‘Well it’s a few thousand jobs and a couple million in commerce,’” Massie said. But all told, legalizing the crop has the potential to create 10 times as many jobs “as the Keystone XL pipeline will create 10 years from now.”

Hemp legalization legislation has been considered in Congress since 2005, when then-Rep. Ron Paul (R-Texas) pushed the issue. But the current bills have champions in positions of power, including the Senate majority leader and a potential White House contender.



Paul to oppose Lynch for attorney general

MIKE ALLEN and SEUNG MIN KIM

They also have bipartisan support.

The Industrial Hemp Farming Act, introduced by Sen. Ron Wyden (D-Ore.) on Jan. 8 with McConnell, Paul and Oregon’s other Democratic senator, Jeff Merkley, as co-sponsors, now awaits action in the Judiciary Committee. The companion bill Massie introduced in the House on Jan. 26 is before the Energy and Commerce Committee and has 50 bipartisan co-sponsors.

Given the focus on jobs and McConnell’s support, “there is a really good chance of passing [legalization legislation] this year,” Massie said. “[McConnell’s] promotion to majority leader ... is important to this effort.”

Not everyone from Kentucky is on board.

Rep. Hal Rogers, chairman of the House Appropriations Committee, agrees with the law enforcement community that legalizing hemp would be bad news, primarily because a field of hemp would be virtually indistinguishable from marijuana, which is illegal for recreational use in 46 states.

Hemp and marijuana are both members of the cannabis family. While pot plants are bred for the buds and flowers, hemp is grown to be tall and thin with few branches or leaves to produce a lot of fiber, according to the North American Industrial Hemp

Council.



Paul decades-long member of group opposed to forced vaccines

GABRIEL DEBENEDETTI

The main difference is the plants' chemical makeup: Industrial hemp contains less than 0.3 percent tetrahydrocannabinol, or THC, the mind-altering chemical marijuana contains in the 3 percent to 20 percent range.

However, Bob Bushman, president of the National Narcotics Officers' Associations Coalition, says there's no way for a law enforcement officer to tell the difference, and that's why his group opposes hemp legalization. Local law enforcement organizations are lobbying lawmakers in states where legalization is being considered to block the measures.

"I can't look at a plant and tell you that is marijuana or it's hemp ... that's a scientific determination," he said.

"The confusion and potential commingling lends itself to an easier path for illegal marijuana growth across the country," Rogers said. What's more, he added, there appears little evidence to date that hemp will be an economic boon when the Department of Agriculture describes the hemp market as "small [and] thin."

But imported hemp products — because there's no other way to get them in the United States — represented a \$580 million market in 2013 with double-digit annual growth, according to Eric Steenstra, executive director of the Hemp Industry Association. All kinds of jobs, from positions in agriculture to manufacturing would be created in the United States if it were legalized here, he said.



McConnell: 'I'm a big fan of vaccinations'

BURGESS EVERETT

Hemp is already legal to produce in at least 30 countries, including Canada. If it becomes legal to cultivate in the U.S., production could reach 100,000 acres or more nationwide in the next decade, Steenstra predicted.

That's far less than the more than 80 million acres currently devoted to corn in the United States, the similar acreage taken up by soybeans or the 56 million acres planted with wheat. But in 40 years, hemp could become a crop of the same caliber, Steenstra said.

Companies that sell hemp products in the United States are "pretty excited about their future," said Jane Wilson, director of program development for the American Herbal Products Association. "It fits in well with the whole interest in natural products."

Fortunately for the champions of hemp, federal legalization would not come with any spending requirements for the government, so it wouldn't need to go in front of Rogers' committee to gain passage.

But Rogers isn't the only lawmaker supporters are having a difficult time persuading. Massie, now busy making the case for House leadership to get behind his bill, admits struggling more to win over members of his own party.



GOP senators block Cruz move to hold up Lynch vote

SEUNG MIN KIM and BURGESS EVERETT

"It's harder to get a majority of Republicans to sign on to industrial hemp than it is to get Democrats," Massie said. "There's a stigma attached to it, and Republicans don't want to be seen as weak on the war on drugs."

Hemp is a tough crop, well-suited for Kentucky's climate and landscape, possibly even in the state's mountainous eastern region, which lacks rich soil. And in a place where almost 20 percent of people live below the poverty line and employment opportunities in coal mining and tobacco are on the decline, the need for a robust new industry is critical.

Kentucky was the largest producer of hemp prior to the Civil War, according to the state's department of agriculture, growing more than 90 percent of the entire U.S. crop. But production declined in the 1900s as the government moved to tax the crop due to its close association with marijuana.

Congress banned growing hemp because of larger concerns about cannabis through the Controlled Substances Act in the early 1970s.

Paul said he was approached by a grass-roots organization about the issue during his 2010 run for Senate.

"The thought was maybe we could take some of this [former tobacco] farmland and replace it and also take some of this land that is less productive," like reclaimed mining land, and cultivate hemp, Paul said, and create jobs in the process.

Paul pitched the hemp issue to James Comer, Kentucky's new agriculture commissioner, soon after both took office. Comer said it checked a lot of boxes: It would help small farmers replace tobacco as a cash crop and had tea party backing.

Comer, a 42-year-old cattle and timber farmer now running for governor, said he recognized the legalization of hemp "was a good issue for me." He succeeded in leading the state to pass a bill in 2013, largely with the help of Paul, Massie, Democratic Rep. John Yarmuth and others, that required the agriculture department to set up a licensing program for farmers who want to grow industrial hemp.

Now, Kentucky is one of about 20 states to have legalized the cultivation of the crop. A handful of others are expected to consider it during this legislative session, though without federal legalization, state laws are largely symbolic.

Efforts to legalize hemp in Kentucky were still in flux in early 2013, when Paul showed up for a hearing in Frankfort wearing a hemp shirt he said he bought from Canada.

"Basically we are exporting our profit to Canada" every time Kentuckians buy hemp clothes or food products, Paul told state lawmakers. "I see no reason we wouldn't want to be a leader on this."

While McConnell has been quieter about legalizing hemp, the then-minority leader became more involved in early 2013. In a statement two years ago, he said that, after discussions with Paul and Comer, "I am convinced that allowing its production will be a positive development for Kentucky's farm families and economy."

McConnell then went to work, scoring a provision in the 2014 Farm Bill that allows

states to set up pilot programs to research the crop, carefully selecting members of the legislation's conference committee he knew would support it. He also co-sponsored a hemp legalization bill with Wyden and Paul in early 2013 that never made it out of Judiciary.

Al Cross, the director of the Institute for Rural Journalism and Community Issues at the University of Kentucky, however, believes McConnell really became a supporter of hemp legalization when he realized the position was popular among Kentuckians and it could help him going into the 2014 election.

The six-term senator handily defeated his Republican primary foe, Matt Bevin, but the race against his Democratic challenger — Alison Lundergan Grimes — looked tight in the early going.

"I think it was a way for McConnell to show some solidarity with Paul and give him a slightly different image," Cross said. "McConnell has this image of being a very buttoned-up, business-oriented Republican who just sticks to the normal playbook. And going for industrial hemp, he was able to show that he's able to think outside the box, change his stripes. And it's probably not coincidental that he had a primary, his first real primary ever.

"And he was challenged by a guy more from the libertarian side of things."

Massie excuses McConnell's early silence, saying when you are the party leader, "you kind of have to balance the desires of your district and the needs of your district with the entire conference."

Jonathon Topaz contributed to this report.

The Colorado Springs BUSINESS JOURNAL

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Industrial hemp could jump-start economy

November 30, 2012 | Filed under: Economic Development, Print | Tags: Economic Development, Farming, hemp

By Amy Gillentine



The Declaration of Independence was written on paper made of hemp. During World War II the federal government launched a "Hemp for Victory" campaign urging people to grow the plant to make ropes for the military.

Until the late 1800s, nearly all cloth and virtually all paper were made from hemp. It was so valuable that hemp could be used as money.

But that was then.

Today, industrial hemp isn't strictly illegal, but farmers must get a permit from the Drug Enforcement Agency to grow it — something that's proven impossible. Colorado and Washington have joined nine other states in legalizing the crop. But despite the passage of Amendment 64, the DEA still must give permission, even though states issue their own permits.

Colorado farmers could be able to grow industrial hemp as early as next summer, with state permits alone. It's unclear if the federal government would raid industrial hemp farms operating without DEA permission.

Needless permits

Supporters say that it makes no sense to require federal permits. Hemp is harmless, they say, and can benefit the economy and environment. Hemp can remediate soil damage, be spun into clothing and bracelets, help create soaps and lotions, and even absorb tons of carbon dioxide a year. Currently, U.S. imports of hemp from Canada and China equal around \$2 billion annually.

But the U.S. Department of Agriculture is skeptical, believing the market for hemp is "small and thin, and growing it in the U.S. would lead to oversupply." However, more recent Canadian studies show a positive market outlook for that country's crop, given growing consumer demand and low management requirements.

Hemp doesn't require herbicides or pesticides, for example, and can be harvested up to four times a year.

The Canadian report is echoed by U.S. companies that import hemp for products. Dr. Bronner's Magic Soap, an all-natural, organic soap, spent \$175,000 on the campaigns to legalize marijuana and hemp in Washington and Colorado. The company says Amendment 64 would "unlock the potential for industrial hemp to bolster the American economy," said David Bronner, president of the company.

"Overall the market for hemp fiber and seed products at retail in the U.S. is over \$450 million annually," he said. "Sadly, because hemp has been caught up in this nation's irrational marijuana prohibition laws, not a penny of that money goes to farmers in the U.S."

Bronner imports more than 20 tons of hemp oil annually from Canada to make his family's organic body-care products.

America is the only industrialized nation in the world that prohibits the commercial production of hemp, despite the fact that more hemp fiber, seed and oil are imported by the U.S. than any other country.

Supporters are quick to note that hemp is different than marijuana. Although hemp and marijuana are the same species of plant, hemp has no THC, the psychoactive chemical in marijuana.

"Allowing the legal cultivation and processing of industrial hemp would provide Colorado and Washington with an infusion of new jobs and tax revenue in the near term," said Michael Bronner, vice president of the company. "Our company is ready to invest in developing hemp production in the U.S."

And the Bronners will have a chance to follow up on that promise — at least in Colorado. The Legislature, which passed a pro-hemp bill during the 2012 session, has to issue guidance to the Department of Revenue,

Our Poll

How do you feel about Mayor Steve Bach not running for a second term?

- Too bad. He deserved another four years as the first strong mayor.
- No big deal. Maybe the next mayor can get along better with Council.
- Good news. Bach fell short in consensus-building and other issues.

Vote

View Results

This poll is not a scientific sampling, but offers a quick view of what readers are thinking.

Most Read

- Council-Bach feud spirals down to new depths
- Real estate deals here total \$4.8 million
- Mayor Bach will not seek second term
- City welcomes new food options, faces
- Everest to close Springs service center

which is also responsible for licensing medical marijuana grows.

Hemp won't be a new subject for the Legislature, said Michael Slaugh, membership director for the Colorado Springs Medical Cannabis Council. Last year, a bill to study hemp as a means to remediate damaged soil received widespread bipartisan support.

"They're going to test it in Rocky Flats," he said of the former weapons storage facility west of Denver, "because it can remove chemicals from soil, and it can be used to replenish damaged soil."

Slaugh believes that industrial hemp could jump-start the state's economy, and be used to offset carbon dioxide from power plants and cars. In fact, he says hemp can be used to make about 25,000 different products — fabrics and textiles, yarns, paper, carpeting, construction and insulation materials, auto parts, animal bedding, foods, beverages, cosmetics and pharmaceuticals.

And that's not all.

"It absorbs more carbon dioxide than natural-growth forests," Slaugh said. "It makes cheaper paper, cheaper cloth — because it can be harvested four times a year, and forests take longer to recover."

Possible fire mitigation

Slaugh thinks hemp could be a temporary answer for the burn scar from the Waldo Canyon fire. He said the plant could be used to keep soil from eroding and to remediate damaged soil to make way for trees.

He also thinks farmers are ready to grow the crop.

"Some older farmers might still remember when hemp was grown," he said. "It's eco-friendly. It works as food, fiber and fuel."

The USDA, however, dismissed the idea years ago.

According to a 2000 report considering the market potential of the plant, the USDA says it doesn't make sense to legalize it — despite interest from 19 states that considered it in the 1990s when Canada decriminalized hemp production.

"There's some question as to whether hemp fibers can be profitably processed in the United States," the report says. "Technologies used to process hemp fiber have not changed much, and they require capital investment and knowledge workers."

Conflicting conclusions

The USDA believes that the U.S. hemp producers cannot compete against major suppliers such as China, Hungary, Poland and Romania.

"In addition, given the thinness of the current U.S. hemp fiber market, any overproduction could lead to lower prices and lost profitability," the report said. "The U.S. market for hemp fibers is, and likely will remain, a small, thin market. Changes in price or quantity could be more disruptive and have a greater adverse impact on market participants that would be the case in a larger market."

But the Congressional Research Service believes the time is ripe for hemp production — saying in a 2012 report that the market has proven profitable.

"Given the existence of these small-scale, but profitable, niche markets for a wide array of industrial and consumer products, commercial hemp industry in the United States could provide opportunities as an economically viable alternative crop for some U.S. growers," the report said.

All that is beside the point, say supporters like the nonprofit group Vote Hemp.

"The market for industrial hemp products is growing rapidly," the group says on its website. "But even if it were not, when has a crop ever been outlawed simply because government agencies thought it would be unprofitable to grow?"

Hemp by the numbers

25,000 – Number of products with hemp in them.

\$2 billion – Estimated value of imported hemp.

\$450 million – Estimated value of hemp industry in the United States.

11 – Number of states that have legalized industrial hemp production.

0 – Number of hemp farms that have received permission from the Drug Enforcement Agency to grow hemp in the United States.

Tweet 33

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Email

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3 Responses to *Industrial hemp could jump-start economy*

As a long time supporter of a sensible end to the Drug War I am skeptical about the future of hemp. Hemp is, indeed, an incredible plant with properties that allow it to be made into anything from paper to



Hemperor
December 2, 2012 at 10:50 am

pharmaceuticals but it is the later that holds promise not the fiber. The largest hemp farms in the world are in China and they regularly ship it to the US. There is a demand and the demand is met, by the Chinese. So I am not convinced that making hemp in the US does anything to increase the demand or shift profit back to Our mainland. There has been no substantial increase in demand nor will there be now that marijuana laws are changing. The only way you could profit from producing hemp in the US is to produce it for less than the Chinese which I think is probably impossible.

The opportunity in this plant is growing it and selling it under the new regulations created out of Amendment 64. Even a conservative county like El Paso recognizes that for this drug the war is over. If you'd like to get involved contact me at mmjviceroj at g mail. We are seeking lenders who want a high interest rate of 15% to 30% in exchange for short term loans of \$25,000 to \$250,000.

The National Farm Bureau supports legalizing Hemp and the Farmers Union. I bet that these organizations know something about agricultural markets.



fred kirsch
December 4, 2012 at
3:06 pm

"But the U.S. Department of Agriculture is skeptical, "

The only reason the USDA was skeptical when they published the report in the late 90's was to please the DEA and White House, who wanted to keep industrial hemp illegal to prevent the legalization of marijuana. The opposite is happening...the legalization of marijuana is making industrial hemp legalization an afterthought.



kevin hunt
December 4, 2012 at
7:40 pm

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Colorado Springs, CO 80903

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Hemp -- Ontario's new 'wonder crop'

Though Ontario's hemp acreage is still small compared to Manitoba's, the experts believe it has a rosy long-term future – as long as it remains illegal to grow in the United States

by TREENA HEIN

Hemp is considered by many to be a wonder crop, with fibre suitable for producing items such as paper, animal bedding, garden mulch, insulation and composite construction materials.

What's more, the seed is becoming increasingly well-known as a nutritional powerhouse. It contains high levels of the recommended 3:1 ratio of essential Omega 6 and Omega 3 fatty acids, which have been shown to reduce the risk of cardiovascular disease, stroke, osteoporosis, diabetes and many other conditions. Hemp seeds are also protein-rich and an excellent source of rare Gamma-Linoleic Acid, important for growth and development as well as providing protection against degenerative conditions like arthritis.

With important properties like these, it is no surprise that more Ontario farmers are growing hemp, particularly now that a solid oilseed market and Ontario-adapted varieties exist, says Gordon Scheifele, president of the Ontario Hemp Alliance (OHA), a non-profit promotional organization based in Tavistock.

While Manitoba remains the hemp hotbed of Canada, producing most of the 35,000-40,000 acres grown nationwide this year (up 10,000 acres from 2005), Ontario farmers grew 800 acres in 2006, doubling 2005's amount. Many of the hemp farmers in Manitoba grow varieties bred for fibre, which is processed into insulation and other products at a brand-new, government-funded facility near Dauphin.

Marc Bercier planted his first oilseed hemp crop (ESTA-1 variety) this spring on 55 acres at St. Isidore near Ottawa. Bercier plans to grow an ever-expanding acreage of hemp each year, and has already taken the plunge to become an oil processor. "I have invested in over \$100,000 of equipment," he says, confident that the health properties of the oil will ensure a booming market. Bercier has easily found food industry buyers interested in using domestic hemp oil rather than imported olive oil or other healthy oils in their products.

Scheifele says hemp should be planted as early as possible, at the end of April or early May, using a grain drill at a row width of about 18 centimetres and a depth of about 0.5 centimetres in a well-worked firm seed bed. Diecious varieties need 35 pounds of seed per acre and monoecious 15-20 pounds per acre. Scheifele notes that the placement of hemp in a crop rotation is flexible. "The absolute preferred time is not yet established," he says. "It can follow grain, corn or soybean. It depends on herbicide use in the previous crop, to which it is sensitive."

Scheifele says hemp is suited to a wide range of corn heat units. "It is being grown in Thunder Bay and Rainy River, for example, and 300 kilometres north of Winnipeg in Dauphin." The variety should be selected on the basis of growing season and the end-use required by the contract buyer, and OHA will provide guidance on this.

Dr. Ernie Small, a scientist at Agriculture and Agri-Food Canada in Ottawa who has studied hemp, says the amount of profit a hemp farmer like Bercier makes depends on yield, which is directly related to expertise and crop genetics. "People with experience have a 'leg-up' and deservedly," he notes, "but it's really not difficult to grow."

A great deal of progress has been made in breeding Ontario-adapted, high-yield hemp varieties, Small says. "Butoil seed is such a new crop. Its potential has not been realized, unlike fibre hemp, which has been bred extensively already. Small inputs in terms of breeding and management give high rewards in terms of output."

Small believes the hemp oilseed market offers excellent opportunities over the long term. But, he says, "the problem to date is that people have gotten into hemp because it's new. That flooded the market with poor quality and the industry was set back for several years."

Dr. Arthur McElroy is the research coordinator at Ottawa-based PhytoGene Resources Inc., the developer of the oilseed variety known as ESTA-1. McElroy notes that, although hemp seed and oil is approved for human consumption, it is not yet approved as an animal feed ingredient, which he considers "a large market."

Small stresses that "the opening of the American market has been key." The United States is now allowing processed hemp products across the border, but farmers to the south are not legally allowed to grow hemp. While California recently passed a law allowing hemp farming, the federal government has quashed it. "We don't see federal legislation changing for at least a generation," says OHA's Scheifele. This protected market is something new farmer-processors like Bercier are building a future on.

Nevertheless, Bercier is very quick to acknowledge the challenges in growing hemp. For starters, "there is a lot of paperwork." Farmers must register with Health Canada by February each year and complete a criminal record check. A minimum of 10 acres is legally required.

Bercier had just completed his crop's drug test paperwork in late September (to establish that his plants do not contain more than trace amounts of THC, the active ingredient in marijuana) when another large challenge struck. A bad windstorm devastated his crop. "There were seeds all over the ground," he says. "I estimate the loss at about 50 per cent."

Despite the setback, Bercier will push ahead with marketing this winter, in addition to processing oil from the remains of his crop, adding seed from other Ontario and Quebec growers and, if needed, from Western Canada.

The actual harvest itself is also tricky. Scheifele says that hemp is similar to canola in that it has uneven seed maturation. Additionally, he notes "hemp threshes easily, but it's moving straw through the combine and out before it gets a chance to wrap around the cylinders and get worked into bearings that's the problem."

He says that until the genetic changes are achieved to make it easier to handle, costly combine modifications are necessary. They may include cylinder modifications, protecting the underside of the combine from straw wrapping, protecting the intake chain and upper shaft on John Deere models, and modifying the intake throat. This may cost more than \$3,000.

Scheifele adds that good, sharp sickle bar blades are also needed. "The rest is driver skill and management," he says. "The combine must be cleaned after harvest and there is extra wear and tear, depending on the number of acres. You must also drive more slowly. OHA can provide all the required information."

In July, a combine clinic was held in Dauphin by the resident Parkland Industrial Hemp Growers Co-operative (fibre varieties only) where modification kits were presented for the John Deere 9500/9600 (\$2,500) and the Case International Rotary 2188 (\$3,500).

John and Raye-Anne Briscoe, who farm near Renfrew in the upper Ottawa valley, have found that the yield on their 10 acres of oilseed (ESTA-1) hemp is fantastic, but they encountered combine challenges. This was their first season growing contracted organic hemp for the Cool Hemp Company (see sidebar). "I could not believe the number of seeds," said John in late September. "It was a whopper of a yield."

After attempting to harvest with his small pull combine and having it completely immobilized, his neighbour agreed to lend him a bigger combine. That, however, was planned to take place after the neighbour's soybean crop was in and required a few dry days first.

"It's been a terrible year for weather," says John. He was not sure in September, whether there would be a sufficient break from the almost constant rain in eastern Ontario this fall, to get his crop in. "I never planned to hang my hat on it," he says of his 10 acres, "but I like to try new things and I've learned a lot."

For example, he's learned that ESTA-1 is an effective variety, but he's also found out that regulations currently do not allow farmers to keep seed for next year's planting and that the cost of shipping de-hulled seed can be high due to the weight.

Farmers interested in growing hemp in 2007 should contact the OHA for its wealth of resources.

Because there is no clear system yet in place for prospective growers to find buyers, the best way to set up a contract is through OHA.

Over the winter, future hemp producers should educate themselves, complete combine modifications and hope for a good growing season ahead.**BF**

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NAIHC.org , San Diego, Calif., January 13, 2015 - This week American Farm Bureau members voiced their strong support for growing industrial hemp.

Farm Bureau's 355 voting delegates representing every crop and livestock sector in the United States voted 246 to 96 in favor of "the production, processing, commercialization and utilization of industrial hemp." Speaking at the leading U.S. farm organization's 96th annual convention, Illinois Farm Bureau delegate Chad Schutz said that after having "been asleep for 80 years," it's time to start growing industrial hemp again to "revitalize it in the U.S."

Madison County Illinois Farm Bureau President Steve Koeller calls it a major achievement that "after 15 years," Illinois' initiative has led Farm Bureau nationally to approve industrial hemp "as stand-alone policy." He's hopeful Farm Bureau's support will lead Congress to remove the remaining barriers to growing hemp in the U.S.

At [last year's Farm Bureau convention in Texas](#) , members voted to oppose the federal government's "classification of industrial hemp as a controlled substance." Under current federal law, non-drug industrial hemp remains banned because it is related to marijuana. The ban remains in force despite 2014 federal legislation which authorized states to create regulated programs to grow industrial hemp for research purposes. Last year's Farm Bureau vote adopted as national policy a resolution proposed by the Indiana Farm Bureau to legalize industrial hemp as a crop.

At the 2014 meeting, Indiana Farm Bureau Policy Advisor Kyle Cline explained that legalizing industrial hemp is important "because of the opportunity that it provides some farmers to diversify their operations and share in a new market opportunity. At a time when small farms are innovating and diversifying to remain competitive, we should provide every opportunity to increase farm incomes and allow the next generation the ability to continue living off the land as their families have for generations."

Cline said "Industrial hemp is one such opportunity that may work for some farmers in certain regions. Furthermore, industrial hemp will allow the U.S. farmer to share in income that is currently going overseas. Right now, it is legal to import hemp but illegal to produce it. Therefore, there is no opportunity currently to share in the profit."

Farm Bureau's support for industrial hemp follows support pledged earlier by other farm organizations.

In 2013, the National Association of State Departments of Agriculture stated that:

"NASDA supports revisions to the federal rules and regulations authorizing commercial production of industrial hemp."

"NASDA urges the U.S. Department of Agriculture (USDA), the Drug Enforcement Administration (DEA) and the Office of National Drug Control Policy (ONDCP) to collaboratively develop and adopt an official definition of industrial hemp that comports with definitions currently used by countries producing hemp. NASDA also urges Congress to statutorily distinguish between industrial hemp and marijuana and to direct the DEA to revise its policies to allow USDA to establish a regulatory program that allows the development of domestic industrial hemp production by American farmers and manufacturers."

In 2009, National Grange voted to support hemp, stating that it "supports research, production, processing and marketing of industrial hemp as a viable agricultural activity."

National Farmers Union passed their first pro-hemp resolution at their 2010 convention. The policy was updated at their 2013 convention and stated that the NFU supports:

"Urging the president, attorney general and Congress to direct the U.S. Drug Enforcement Administration (DEA) to reclassify industrial hemp as a non-controlled substance and adopt policy to allow American farmers to grow industrial hemp under state law without affecting eligibility for USDA benefits."

The Illinois Farm Bureau is another supporter, stating as policy that:

“We encourage research of market potential for the production and processing of industrial hemp. We will aggressively pursue actions necessary to allow research on the production of industrial hemp and require the Drug Enforcement Agency (DEA) to issue permits to U.S. farmers allowing the production of this crop.”

30

1 By: Natalie Howard
2 Michael Dukes
3 Introduced: 02/09/12
4 Advanced: 02/09/12
5 Amended: 02/23/12
6 Adopted: 02/23/12
7
8

9 FAIRBANKS NORTH STAR BOROUGH

10
11 RESOLUTION NO. 2012 - 07
12

13 A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE AND
14 GOVERNOR OF ALASKA TO MAKE EXPRESSLY LEGAL THE CULTIVATION OF
15 INDUSTRIAL HEMP IN THE STATE OF ALASKA
16

17 WHEREAS, industrial hemp is defined as that variety of cannabis
18 containing not more than three tenths of one percent tetrahydrocannabinol (.3% THC)
19 and is therefore legally and in fact nonpsychoactive; and
20

21 WHEREAS, industrial hemp (hereinafter "hemp") is produced legally in
22 more than 30 nations, including Canada, Great Britain, France, Germany, Australia and
23 China, and is imported into the U.S. for use in the production of over \$300 million worth
24 of products such as textiles, automotive panels, insulation, mulch, animal bedding,
25 rope, canvass, biomass fuel, energy bars, meatless burgers, lotions, lip balms,
26 shampoos, soaps, massage oils, etc; and
27

28 WHEREAS, hemp would be a viable crop in Alaska, responding to a
29 variety of demands locally, including energy production, as demonstrated by large scale
30 competitive (legal) agricultural production in comparable latitudes and soils in Canada;
31 and
32

33 WHEREAS, Alaskan hemp production could help alleviate the
34 unemployment problem and economic troubles in Alaska, especially considering our
35 cheap agricultural land which could be even cheaper with lease or outright grants of
36 state land; and
37

38 WHEREAS, the federal Controlled Substance Act of 1970 prohibits
39 nationally the production of hemp yet permits virtually its unlimited importation, explicitly
40 acknowledging hemp as being distinct from marijuana and having no psychoactive
41 properties, and
42

43 WHEREAS, the United States Constitution assures the State of Alaska
44 and its people of (a) unequivocal autonomy except where it delegates power to the
45 federal government (ninth and tenth amendments), and (b) sovereignty over their
46 property (fourth and fifth amendments); and


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WHEREAS, in that document, no delegation or interpretation of power is apparent, that would permit a proscription in Alaska of agricultural production of such a product as hemp; and

WHEREAS, North Dakota, Hawaii, Kentucky, Maine, Maryland, Oregon, California, Montana, West Virginia and Vermont have legitimized hemp by expressly making legal its cultivation, awaiting federal acknowledgement of its nonjurisdiction, or court decisions mandating such;

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough hereby emphatically urges the legislature and the governor of the State of Alaska (a) to enact statues expressly empowering the people of this state to engage in the agricultural pursuit of the cultivation of hemp, as herein defined; and (b) to petition the president of the United State and his Drug Enforcement Administration either to justify constitutionally its essential ban on hemp or to nullify its current restriction on its cultivation and distribution in the United States.

PASSED AND APPROVED THIS 23rd DAY OF FEBRUARY, 2012.


Diane Hutchison
Presiding Officer

ATTEST:


Mona Lisa Drexler, MMC
Municipal Borough Clerk

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68
69

Ayes: Davies, Howard, Sattley, Dukes, Musick, Kassel
Noes: Want, Winters, Hutchison

Introduced by: Council Member Hilling
Date: November 14, 2011

RESOLUTION NO. 4497, As Amended

**A RESOLUTION URGING THE ALASKA STATE LEGISLATIVE
AND EXECUTIVE BRANCHES TO MAKE EXPRESSLY LEGAL THE
CULTIVATION OF INDUSTRIAL HEMP IN THE STATE OF ALASKA**

WHEREAS, industrial hemp is defined as that variety of cannabis containing not more than three tenths of one percent tetrahydrocannabinol (.3% THC) and is therefore legally and in fact nonpsychoactive; and

WHEREAS, industrial hemp (hereinafter "hemp") is produced legally in more than 30 nations, including Canada, Great Britain, France, Germany, Australia and China, and is imported into the U.S. for use in the production of over \$300 million worth of products such as textiles, automotive panels, insulation, mulch, animal bedding, rope, canvass, biomass fuel, energy bars, meatless burgers, lotions, lip balms, shampoos, soaps, massage oils, etc.;

WHEREAS, hemp would be a viable crop in Alaska, responding to a variety of demands locally, including energy production, as demonstrated by large scale competitive (legal) agricultural production in comparable latitudes and soils in Canada; and

WHEREAS, Alaskan hemp production could help alleviate the unemployment problem and economic troubles in Alaska, especially considering our cheap agricultural land which could be even cheaper with lease or outright grants of State land; and

WHEREAS, the federal Controlled Substances Act of 1970 prohibits nationally the production of hemp yet permits virtually its unlimited importation, explicitly acknowledging hemp as being distinct from marijuana and having no psychoactive properties; and

WHEREAS, the United States Constitution assures the State of Alaska and its people of (a) unequivocal autonomy except where it delegates power to the federal government (ninth and tenth amendments), and (b) sovereignty over their property (fourth and fifth amendments); and

WHEREAS, in that document, no delegation or interpretation of power is apparent, that would permit a proscription in Alaska of agricultural production of such a product as hemp; and

WHEREAS, North Dakota, Hawaii, Kentucky, Maine, Maryland, Oregon, California, Montana, West Virginia and Vermont have legitimized hemp by expressly making legal its cultivation, awaiting federal acknowledgement of its nonjurisdiction, or court decisions mandating such;

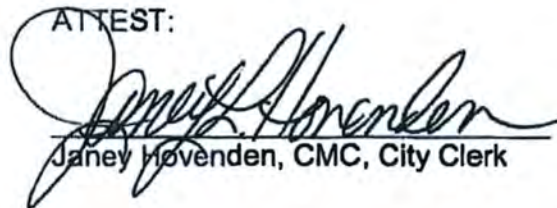
NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Fairbanks, Alaska, hereby emphatically urges the legislature and the governor of the State of Alaska (a) to enact statutes expressly empowering the people of this state to engage in the agricultural pursuit of the cultivation of hemp, as herein defined; and (b) to petition the president of the United States and his Drug Enforcement Administration either to justify constitutionally its ban on hemp or to nullify its current restrictions on its cultivation and distribution in the United States.

PASSED and APPROVED this 14th day of November, 2011.



JERRY CLEWORTH, MAYOR

AYES: Stiver, Matherly, Hilling, Roberts
NAYS: Gatewood
ABSENT: Eberhart
APPROVED: November 14, 2011

ATTEST:


Janey Hovenden, CMC, City Clerk

APPROVED AS TO FORM



Paul J. Ewers, City Attorney

ALASKA STATE LEGISLATURE

While in Session
State Capitol
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529



While in Anchorage
716 W. 4th Ave
Anchorage, AK
(907) 269-0169
Fax: (907) 269-0172

SENATOR JOHNNY ELLIS MEMORANDUM

To: Senator Lesil McGuire
Chair, Senate Judiciary Committee

From: Senator Johnny Ellis

Date: March 1, 2016

Re: Hearing request for Senate Bill 8 - An Act relating to the regulation and production of industrial hemp.

I respectfully request a hearing on Senate Bill 8 be held in the Senate Judiciary Committee at your earliest convenience.

Recent changes to federal law give states more freedom to research and farm industrial hemp. Senate Bill 8 defines industrial hemp, requires growers to be licensed in the state and allows an individual to plant, grow, harvest, possess, sell, or buy industrial hemp if the industrial hemp does not contain more than .3% tetrahydrocannabinol.

Included in this packet:

- Sponsor statement
- Most recent version of the bill
- Fiscal note
- Background research and supporting studies
- Related news articles
- Names and contact information of witnesses are forthcoming

Thank you for your consideration. Please contact my legislative aide Sarah Evans at 465-5038 or Sarah.Evans@akleg.gov with any questions or for any additional information.

29-LS0195\W
Martin
10/2/15

CS FOR SENATE BILL NO. 8()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR ELLIS

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to industrial hemp; and relating to controlled substances."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1.** AS 11.71.090(b) is amended by adding a new paragraph to read:

4 (4) "industrial hemp" means all parts and varieties of the plant
5 Cannabis sativa L. containing not more than 0.3 percent tetrahydrocannabinol.

6 *** Sec. 2.** AS 11.71.090 is amended by adding a new subsection to read:

7 (c) In a prosecution under AS 11.71.030 - 11.71.060 charging the
8 manufacture, delivery, possession, possession with intent to manufacture or deliver, or
9 display of a schedule VIA controlled substance, it is an affirmative defense that the
10 controlled substance is industrial hemp.

11 *** Sec. 3.** AS 17.38.200 is amended by adding a new subsection to read:

12 (j) An individual manufacturing, delivering, or displaying industrial hemp is
13 not required to apply for licensure or be licensed under this section. In this subsection,
14 "industrial hemp" has the meaning given in AS 11.71.900.



State of Alaska
 Office of the Governor
 675 Seventh Avenue, Station H5
 Fairbanks, Alaska 99701

PUBLIC OPINION MESSAGE

Name: FRANK W. TURNER

Address: PO-Box 70392 FBKS AK 99707

Phone Number: (907) 457-2333

Message Subject: INDUSTRIAL HEMP FARMING

Message (25 words or less): SEN. BILL (8) WILL BE

HEARD TODAY IN SENATE RESOURCE AT 3:30 PM

INTRODUCED BY SEN. JOHNNY ELLIS

GOD. I'VE GIVEN YOU A LOT OF INFORMATION ON THIS SUBJECT MATTER, ENOUGH FOR YOU TO WRITE A BOOK ON.

Signed: FRANK W. TURNER YOU'VE STATED MANY TIMES YOU WOULD SUPPORT.

Date: MARCH 20th 2015

(FRIDAY)

Introduced by: Council Member Gatewood
Introduced: March 7, 2016

RESOLUTION NO. 4722

**A RESOLUTION IN SUPPORT OF SENATE BILL 8 AN ACT RELATING TO
THE REGULATION AND PRODUCTION OF INDUSTRIAL HEMP**

WHEREAS, Alaska State Senator Johnny Ellis has introduced SB 8, An Act relating to the regulation and production of industrial hemp, known as the Alaska Grown Industrial Hemp Act; and

WHEREAS, a copy of the Senator Ellis' sponsor statement is attached to this resolution; and

WHEREAS, industrial hemp should not be confused with marijuana or varieties of the Cannabis plant that have high levels of THC (delta-9 tetrahydrocannabinol); industrial hemp refers to varieties of the Cannabis plant that have a low level of THC; and

WHEREAS, due to hemp's illegal status, little research has been done on the viability of hemp crops in Alaska, but British Columbia, Ontario and Manitoba have thriving commercial hemp operations, and Canadian studies offer promise for the production of hemp in Alaska; and

WHEREAS, the United States currently imports around \$2 billion in hemp products annually from Canada and China; and

WHEREAS, given the state of Alaska's economy and the need to diversify it, Alaska should be at the forefront of this potential new industry;

NOW, THEREFORE, BE IT RESOLVED that the City Council urges the Alaska State Legislature to pass Senate Bill 8, the Alaska Grown Industrial Hemp Act.

PASSED and APPROVED this 7th Day of March 2016.



John Eberhart, Mayor

AYES: Cleworth, Pruhs, Walley, Huntington, Matherly, Gatewood
NAYS: None
ABSENT: None
APPROVED: March 7, 2016

ATTEST:



D. Danyielle Snider, CMC, City Clerk

APPROVED AS TO FORM:



Paul J. Ewers, City Attorney

NATIONAL CONFERENCE OF STATE LEGISLATURES

INDUSTRIAL HEMP POLICY - ADOPTED DECEMBER 15, 2000

COMMITTEE: AGRICULTURE AND INTERNATIONAL TRADE

**POLICY: CULTIVATION AND MARKETING OF INDUSTRIAL
HEMP**

1 Eleven states have passed bills or resolutions supporting the re-introduction of
2 industrial hemp into American agriculture (Arkansas, California, Hawaii, Illinois,
3 Maryland, Minnesota, Montana, New Mexico, North Dakota, Vermont and Virginia)
4 since 1996. Over 30 countries, including all European Union nations and Canada,
5 currently permit and support the cultivation and production of industrial hemp and the
6 marketing of products made from same.

7 Today, industrial hemp products are being sold legally and with profit in the US,
8 with an estimated \$50 million domestic market. Industrial hemp has a multitude of
9 commercial applications, including food for animal and human consumption, oils and
10 creams for personal care products, textile fiber, building materials and composites,
11 paper, fuel and industrial lubricants, and many other uses. Domestic companies such
12 as Ralph Lauren, Daimler Chrysler, The Body Shop and Kimberly Clark are producing
13 hemp-based clothing, personal care products, car parts and paper for sale to
14 American consumers. Demand for these products has resulted in the US becoming
15 the largest importer of foreign-grown hemp-based materials in the world. Worldwide
16 hemp production has risen 24% during 1994-98 to supply this market (does not
17 include Canadian acreage). Federal barriers to the cultivation and production of
18 industrial hemp prevent American farmers from profiting from this agriculturally based
19 international market.

20 The National Conference of State Legislatures (NCSL) strongly urges the U.S.
21 Department of Agriculture (USDA), the Drug Enforcement Administration (DEA) and
22 the Office of National Drug Control Policy (ONDCP) to collaboratively develop and
23 adopt an official definition of industrial hemp, as per those nations currently producing

24 hemp. NCSL also strongly urges Congress to amend US Code sections 21 U.S.C.
25 Sec. 812 (10) and 21 U.S.C. Sec.. 841 to distinguish between industrial hemp and
26 marijuana varieties of cannabis as they relate to production, possession, delivery, and
27 intended use.

28 NCSL requests the USDA and the DEA to review the procedures under which
29 their Canadian counterparts are authorized to sanction the commercial development
30 of industrial hemp. NCSL also strongly urges Congress statutorily to direct the DEA to
31 revise its policies to be less restrictive and to allow states to establish state regulatory
32 programs, thus fostering the development of domestic hemp production by American
33 farmers and manufacturers.

34 Toward this end, a copy of this resolution will be sent to members of the U.S.
35 Congress, the U.S. Secretary of Agriculture, Acting DEA director Donnie R. Marshall,
36 the office of ONDCP, and the President of the United States.

James Barrett
Juneau, Ak
3.22.2016

Senate Bill 8 Testimony

Esteemed Committee, Legislature, and Staff,

I urge the Legislature to please move Senate Bill 8 forward. This is a great bill that offers boundless economic opportunities to Alaskans. The production of Industrial Hemp in Alaska provides the ability for our State to produce a new global GDP without any further infrastructure or extra costs to the State. This is exactly the type of legislation that the people of Alaska need as a means for new and alternative economic options.

Hemp is an amazing plant and is nothing like Marijuana when consumed. The plant has been a part of human history for thousands of years. In this sense, this bill is completely appropriate in that it very nicely differentiates Marijuana from Hemp via statute.

Just as the word paper comes from the papyrus tree, the word "canvas" derives from the word "cannabis" in which the first canvas was made from cannabis hemp variety of plant. This plant has been used throughout history for thousands of years and can provide many great things to our society. Our constitution was printed on hemp paper and the ropes in which the settlers used in their ships were also made of hemp.

Today nano-fibers, plastics, construction materials and even battery cells can be made with this plant!

Please keep in mind that hemp is not psychoactive and is safe to grow. Hemp also is a very clean agricultural product that does not cause soil erosion like many other crops. Because industrial hemp is not psychoactive it is not considered to be a Schedule 1 substance.

This bill has a zero fiscal note and is simple and clean. This is exactly the type of legislation that the people of Alaska need as a means for new and alternative economic options.

Many states have already started the industrial hemp production and have seen much success. Alaska must not go stale with its' resources and economic options. We have the more natural resources than any other state and adding hemp to the list of great things that come from our Great Land.

Thank you again for the hard work and effort made this session.

James Barrett

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Alaskan Senator Pushes for Hemp Legalization

By Dave Carpenter on January 24, 2015 @cannabisnow

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Parlaying the recent passing of Alaska's Ballot Measure 2, which legalized cannabis for recreational sale in the state, Democratic Senator Johnny Ellis has pre-filed a bill seeking to make hemp – marijuana's non-psychoactive sibling – the state's next agricultural cash crop.

According to reports, "Ellis had been considering proposing an industrial hemp bill for several years and after seeing bipartisan support for hemp in the U.S. Congress' 2014 Farm Bill, he decided to introduce legislation."

It's no surprise that Alaska is joining the discussion regarding hemp legalization, given the worldwide popularity of hemp products for everything from textiles and building materials to bioplastics and auto parts. Countries from Uruguay to Romania have for many years been capitalizing on this rich natural resource.

Still, U.S. states face considerable hurdles when pursuing legalization due to hemp's misperception as a psychoactive substance, first misclassified in the Controlled Substances Act in

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1970, which placed hemp in the Schedule I drug category along with marijuana, heroin and LSD.

Says Brandon Emmett, executive director of Coalition for Responsible Cannabis Legislation (CRCL), "Given the evidence showing that hemp cannot be consumed to achieve a recreational high, any moral imperative for its prohibition has been removed."

Regarding hemp cultivation in Alaska's cold climate and short growing season, Emmett believes that will not be an impediment to growth of the industry in the state.

"Hemp is an annual plant that experiences explosive growth given the right conditions. Alaska's long summer days allow annual plants to grow almost continuously so long as temperatures remain relatively warm. In good summers Alaskan farmers would be able to produce bumper crops of massive plants."

Cannabis cultivators Giono and James Barrett, brothers and co-founders of Rainforest Farms in Juneau, support bill SB-8 and hope to one day build their farm's homestead as a zero-energy hemp-built structure.

"We strongly believe in protecting our civil liberties in Alaska," says James Barrett, also the acting regional director at CRCL. "Working with farmers of all types and being directly involved with the Coalition for Responsible Cannabis Legislation has been very important to ensure that our system is fair for the interests of those locally, as well as throughout the entire state of Alaska."

Giono Barrett adds, "SB-8 will make the vision of sustainability here in Southeast Alaska more practical and cost effective, with materials that can withstand our wild climate and seem to last forever, produced right here in our state."

CRCL sees the bill being passed during the current legislative session.

"Alaska supported legalization of recreational marijuana by a margin of 6.5 percent," says Emmett. "The bill seems to be a common sense approach to agricultural options for Alaska."

Do you think hemp should be legal? Tell us in the comments.

Read more about cannabis legalization in Alaska by purchasing our latest issue.

Dave Carpenter is the managing editor of Cannabis Now Magazine. He's passionate about normalizing the use of cannabis as medicine for the ill and advancing the plant into free markets, treating it no differently than any other commodity with the potential to drive widespread economic growth. He's happy to see the herb finally getting the respect it deserves.

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