

## HB1420 Testimony

Veronica Michael,

CEO of Prairie Products LLC, we use cold ethanol to extract agricultural hemp in Fargo, ND.

Mr. Chairman, Members of the Committee. I am writing this testimony on behalf of myself and as a member of the Dakota Resource Council. DRC is an organization that supports sustainable agriculture and new industries; DRC has supported the hemp industry since the late 1990s. I would like to make it clear to the committee that hemp and recreational cannabis are not the same thing and this law does have implications for both industries. Thank you for taking time to consider how HB1420 can benefit North Dakota farmers and ranchers.

In North Dakota, we have approximately 70 licensed hemp farmers growing approximately 4,000 acres. Hemp farming regulation was standardized by the federal government through the 2018 US Farm Bill allowing for the growth of agricultural hemp with a THC level of .3%. North Dakota has historically always been a national leader in agricultural innovation and now participates in the federal agricultural hemp production program for the growth and research of hemp for seed, fiber, and cannabinoids.

Because THC is considered a Schedule 1 Drug that is present in industrial hemp, the crop is monitored by the North Dakota Department of Agriculture and various other federal agencies. The rules are simple; a licensed grower of hemp needs to undergo an extensive criminal background check to apply for a license. When the process is approved, hemp farmers have to monitor and test their crop for THC potency to ensure compliance. Fifteen days before harvest the farmer is required to notify the state and a state employee randomly samples the hemp, testing by a third party to confirm that the farmer has not to exceed .3%THC concentration.

\*\*\*If the hemp crop fails to meet compliance even by .1%, growers must destroy their crops.\*\*

Several North Dakota farmers have been impacted by these slight percentage changes that in some cases are beyond their control. It is important to note agricultural hemp is not just grown for extraction of its compounds. Hemp can be grown for fiber and grain production. Some research suggests North Dakota is an ideal location for this type of hemp production. Does hemp grown for fiber or grain warrant the same regulations? Putting this burden of regulation on the producer and not before the product reaches the consumer is not reasonable.

If HB1420 is passed, the federal government has made it a policy not to intervene in regulating THC levels in states that have legalized recreational use. This bill, if passed alongside HB1045, would give our Ag commissioner the ability to set the THC levels in hemp to whatever levels he deems necessary and we could effectively start industrial hemp facilities in the state without need for over-regulation. We would then be free to create classes of licenses that could properly regulate our industry without this

cumbersome one size fits all policy. When we describe industrial hemp, we are talking about making fiber for clothing, composite materials, and high strength fiber materials similar to fiberglass, paper, and building materials. I'd also like to remind the committee once again that you are required to have a criminal background check to grow hemp in the state of North Dakota. These people are not aspiring criminals but just farmers and ranchers that want to diversify their agricultural portfolio and bring economic growth to North Dakota. And not only are they screened before they are even allowed to plant a single seed, they are watched by the state from planting to harvest. No other crop is regulated at this level. How does this serve our North Dakota farm economy?

I would urge you to support HB1420 not just for the people of North Dakota, but the farmers and ranchers. I stand for questions.