



Chairperson and Members of the Committee:

Thank you for the opportunity to provide testimony in support of the concurrent resolution directing Legislative Management to study the regulatory framework and potential economic impact of tetrahydrocannabinol (THC) infused beverages in North Dakota. As a citizen of North Dakota and the President of Drekker Brewing Company, a manufacturer that also produces hemp-derived THC beverages outside of North Dakota in our national markets, I appreciate this legislative effort to explore a balanced regulatory approach that promotes public safety, encourages economic growth, and fosters innovation within our state.

Economic Opportunity and Job Creation

North Dakota's rich agricultural tradition and robust manufacturing sector position us uniquely to benefit from the emerging hemp-derived beverage market. This study will provide critical insights into how a modern regulatory framework can unlock significant economic opportunities by:

- **Stimulating Job Growth:** New market sectors in cultivation, processing, distribution, and retail could create jobs across rural and urban communities.
- **Enhancing Agricultural Diversification:** The state's existing expertise in hemp production for industrial uses can expand into high-value consumer products, thereby increasing revenue streams for local farmers.
- **Generating Tax Revenue:** A well-regulated market can establish transparent sales and excise tax systems, contributing to the state's fiscal health while ensuring consumer protection.

Consumer Demand and Market Trends

Nationally, consumers are increasingly seeking alternatives to traditional alcoholic beverages. Hemp-derived THC beverages have emerged as a popular option due to their potential for a more balanced consumer experience, with fewer after effects than alcohol and are backed by rigorous quality and safety standards advocated by industry groups like the Hemp Beverage Alliance. By studying this sector now, North Dakota can:

- **Cater to Evolving Consumer Preferences:** Position the state as a leader in a market segment that values both wellness and innovation.
- **Enhance Consumer Safety:** Develop a science-based regulatory framework that ensures products are accurately labeled, safely manufactured, and rigorously tested.
- **Foster Innovation:** Encourage small and medium-sized enterprises to innovate within a clearly defined regulatory environment, enhancing competitive advantage and consumer trust.

Advocacy for Science-Based Regulation

The Hemp Beverage Alliance has been at the forefront of promoting best practices within the hemp beverage sector. Their initiatives emphasize:

- **Clear Industry Standards:** Establishing consistent testing protocols and labeling requirements to protect consumers and ensure product quality.
- **Balanced Oversight:** Crafting regulations that safeguard public health without unnecessarily hindering market growth and innovation.
- **Collaborative Policy Making:** Working with regulators, industry stakeholders, and scientific experts to develop frameworks that are both effective and flexible.

Adopting a regulatory framework informed by these principles would enable North Dakota to both protect its residents and seize a growing economic opportunity. A thoughtful study will allow Legislative Management to assess the risks and benefits, identify necessary adjustments to current regulations, and propose any legislation needed to implement a modern, competitive framework.

Conclusion

In conclusion, I strongly support this resolution. A comprehensive study will empower North Dakota to harness the economic benefits of the hemp-derived THC beverage market while ensuring that consumer safety remains paramount. By taking a proactive approach now, the state can establish itself as a model for responsible innovation and economic growth in an emerging industry.

Thank you for your consideration.

Sincerely,

Mark Bjornstad
President
Drekker Brewing Company