

Veronica Michael, resident of Fargo ND and CEO of Prairie Products LLC, we use cold ethanol to extract agricultural hemp in Fargo, ND, and a DRC member.

Mr Chairman and Committee members we at the Dakota Resource Council would like to submit testimony in support of HB1045. I am testifying 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 and it's 600+ active members have supported the hemp industry since the late 1990s. Thank you for taking time to consider how HB1045 can benefit North Dakota's hemp industry.

In North Dakota, we have approximately 70 licensed hemp farmers growing approximately 4,000 acres. The federal government has passed and introduced acts like the MORE Act and Senator Rand Paul's hemp bill. These bills are being passed faster than we can address them in the current North Dakota Legislative session structure. I encourage you to allow our North Dakota Department of Agriculture the ability to remain agile enough to not stifle the hemp industry in this emerging market.

This bill as amended would give the Ag Commissioner and the ND Department of Agriculture the ability to set laws for hemp to match federal regulation. Note that this bill does not give the ability to exceed federal standards, just the ability to change standards to match federal regulations as they change.

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 currently 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. Others question the validity of THC potency testing of grain and fiber growth.

If passed HB1045, would give our Ag Commissioner the ability to set the THC levels in hemp to levels he deems necessary, or to match any changes in federal regulation. The Ag Commissioner and the ND Department of Agricultural are currently regulatory experts. I am not advocating for a change in regulation, but instead an increase in their authority for the state of North Dakota. The North Dakota Department of Agriculture remains our best method for overseeing and maintaining high quality, safety, and other regulation in our agricultural sector.

We urge you to concur with the ND House and Vote "Yes" on this legislation. I would urge you to support HB1045 not just for the people of North Dakota, but hemp processors, farmers and ranchers. I stand for questions.