

2009 HOUSE AGRICULTURE

HB 1549

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1549

House Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: January 30, 2009

Recorder Job Number: 8260

Committee Clerk Signature

Re Mae Kuehn

Minutes:

Representative Monson, District 10, Sponsor of the Bill relating to industrial hemp: I have an amendment that substantially changes the bill and actually makes it much simpler.

(attachment #1) To give some background: NDSU, after eight years, has finally received a DEA license to do research in my district, up in Langdon, at the research station. They do have to put in some high security fences. We have a problem in the fact that NDSU got the DEA license and neglected to get a state license which in our bill, by the rules, they needed to have. They had to apply for that by January 1. For some reason it slipped through the cracks on now after eight years they get a DEA license, they're ready to go and get security fences up, and they find themselves with no state license. If we don't change the law slightly, they're stuck for that reason and that is not our intent.

Page 1, line 8, and page 2, line 1 after "purposes" insert "or research". By adding "research" it just makes it clear that if they don't get their DEA license renewed after one year, they would have to come back to the state and apply. NDSU would fall under this state licensing program.

Page 2, line 3, after the period insert "This subdivision does not apply to any person licensed by the United States drug enforcement agency to conduct research." That line would take

care of the fact that if they don't have a state license this year, they do have a DEA license so they can go ahead and do the research if they can get everything up to speed.

SubSection 4 won't be needed. When read back through the Ag. Commissioner's rules, they have the discretion to do this anyway.

Inserting "research" would exempt them from the state license as long as they have the DEA license. It would only apply to the research station so a farmer that has a DEA license would still have to have a state license.

Representative Mueller: I understand we're striking subsection 4. If you did have a problem with 3/10 of 1 percent, you can harvest it and process to get it below 3/10 of 1 percent. How do you do that?

Representative Monson: If you are only going after the fiber, the fiber in high test marijuana is virtually nill. As long as you didn't put anything on the market that was other than fiber you have no problem processing it, taking the fiber out, and doing the rough baling. Like they do with flax, companies come around, and they'll bale up your flax, they'll put it in a stack for a couple of years to let it rest/rot a little bit and then they can come out to your farm and make it into a rough fiber bundle. That would be the processing that would bring it down. When I put this bill together, I was thinking if somebody in the middle of the night wants to drop a few seeds in the ground and think he can get away with it and raise some drugs. That farmer through no fault of his own could have had a positive test higher than 3 THC (tetrahydrocannabinol) and he would have had his whole crop destroyed. When we went back and looked at the rules that have been developed in the past, they did find they have the flexibility to root out those few and not destroy the whole crop. This was a safeguard to protect the farmer from losing his whole crop. My license says I can raise 10 acres. If I lost 10 acres because it tested too high, that wouldn't be as serious as someone who has 100 acres.

I will add one last thing. There is funding in another bill. I'm having an amendment drafted to NDSU's budget to be able to accept and spend up to \$200,000 of special funds. I did get an email from someone in California willing to put in \$50,000 to \$100,000 of private money. Vote Hemp I'm sure will step up to the plate and put some in. APUC (Agricultural Products Utilization Commission) also. All of those are special funds so there will be no general fund money and nothing coming out of NDSU's budget. I am putting an emergency clause on there so they can get the money as quick as it is passed and becomes law. They can hopefully get all this together by spring. It's still an uphill battle.

Chairman Johnson: What time frame are you at?

Representative Monson: We haven't heard anything back from my hearing in the 8th Circuit Court of Appeals. That deals just with the other farmer and myself. If we won that case now, we don't need the security fencing. We've got everything ready to go if we can get our hands on the seed. The seed would have to be imported. Once you bring it across the border you have to wait for them to inspect it. If they can be ready to go by the end of May, it will be fine. It doesn't take a frost. It has to be planted after May 10 in our area.

Chairman Johnson: For the new members, we've worked on legislation the past session dealing with purity of seed and all the hoops one has to jump through to be a producer of this crop.

Representative Monson: I started this in 1997. We're getting closer.

Chairman Johnson: In traveling around the country, others around the country are very interested in ND.

Kent Junkert, Plant Industries Program Manager, ND Dept. of Ag.: We support Rep. Monson's amendments and urge a "do pass" on HB 1549 (**written testimony attached #2**)

I've just received my 400th phone call from producers in ND curious about this. We receive about 4-6 calls per week.

Chairman Johnson: Two growers have applied for license?

Kent Junkert: We have Rep. Monson and Wayne Hauge. We have two other applicants but they did not complete the applications. They had trouble getting a hold of equipment for GPS location of their fields. So next year we may have two more producers.

Chairman Johnson: Does the license process determine the acreage?

Kent Junkert: You must apply for a minimum of 10 acres per license. Research under the DEA agreement allows smaller—1 acre for NDSU. Mr. Hauge applied for a 100 acre license.

Representative Schatz: Where is Mr. Hauge from?

Kent Junkert: Ray, ND

Representative Uglem: Does the license require specific fields? Do you have to apply for a new license each year if they rotate around?

Kent Junkert: Yes. Each year they need to identify the exact location of their fields. They used township, range, and section and GPS data. This gives me the ability to go out on site and monitor the crop.

Chairman Johnson: What is the application cost?

Kent Junkert: The fee depends on the number of acres. The background check is only required on the initial licensure.

Bridget Ertelt: Concerned citizen from Fargo in support of HB 1549.

(written testimony attached #3)

Opposed: None

Representative Boe moved to accept Rep. Monson's amendments. **Representative Schatz** seconded the motion. Motion passed on voice vote.

Representative Uglem moved Do Pass.

Representative Mueller seconded.

A Roll Call vote was taken. **Yes: 11, No: 0, Absent: 2**, (Representatives Brandenburg and Froelich).

Representative Wall will carry the bill.

1/30/09

H/

HB 1549
Rep. Monson

90897.0101
Title.

Prepared by the Legislative Council staff for
Representative Monson
January 29, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1549

Page 1, line 8, after "purposes" insert "or research"

Page 2, line 1, after "purposes" insert "or research"

Page 2, line 3, after the period insert "This subdivision does not apply to any person licensed by the United States drug enforcement agency to conduct research."

Page 2, remove lines 18 through 23

Renumber accordingly

January 29, 2009

VR
1/30/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1549

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Page 2, remove lines 18 through 23

Renumber accordingly

Date: 1/30/09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1549

House Agriculture Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 90897.0102

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Rep. Boe Seconded By Rep. Schatz

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chair			Tracy Boe		
Mike Brandenburg, Vice Chair			Rod Froelich		
Wesley R. Belter			Richard Holman		
Joyce M. Kingsbury			Phillip Mueller		
David S. Rust			Benjamin A. Vig		
Mike Schatz					
Gerry Uglem					
John D. Wall					
Voice Vote - Passed					

Total (Yes) _____ No _____

Absent _____

Bill Carrier _____

If the vote is on an amendment, briefly indicate intent:

Date: 1/30/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1549

House Agriculture Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 90897-0102

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Rep. Uglem Seconded By Rep. Mueller

Representatives	Yes	No	Representatives	Yes	No
Dennis Johnson, Chair	✓		Tracy Boe	✓	
Mike Brandenburg, Vice Chair	AB		Rod Froelich	AB	
Wesley R. Belter	✓		Richard Holman	✓	
Joyce M. Kingsbury	✓		Phillip Mueller	✓	
David S. Rust	✓		Benjamin A. Vig	✓	
Mike Schatz	✓				
Gerry Uglem	✓				
John D. Wall	✓				

Total (Yes) 11 No 0

Absent 2

Bill Carrier Rep. Wall

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1549: Agriculture Committee (Rep. D. Johnson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1549 was placed on the Sixth order on the calendar.

Page 1, line 8, after "purposes" insert "or research"

Page 2, line 1, after "purposes" insert "or research"

Page 2, line 3, after the period insert "This subsection does not apply to any person licensed by the United States drug enforcement agency to conduct research."

Page 2, remove lines 18 through 23

Renumber accordingly

2009 SENATE AGRICULTURE

HB 1549

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1549

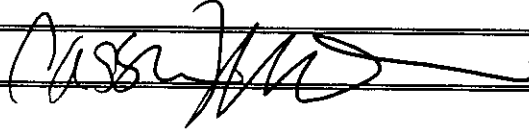
Senate Agriculture Committee

☐ Check here for Conference Committee

Hearing Date: February 27, 2009

Recorder Job Number: 9861

Committee Clerk Signature



Minutes:

Sen. Flakoll opened the hearing on HB 1549, a bill relating to industrial hemp. All members were present.

Rep. Monson, district 10, testified in favor of the bill.

Rep. Monson- I am passing out a attachment of what Kentucky is doing with industrial hemp. (see attachment #1) This bill is to address the concern that if you hold a DEA license, which is much more strict then the requirements for state license, then you do not need to have a state license. So that is the purpose of the whole bill.

Sen. Flakoll- how much does a state license cost? And lasts how long?

Rep. Monson- \$150 minimum and that is for 10 acres and it lasts one year.

Sen. Flakoll- and how much is a federal license and lasts for how long?

Rep. Monson- \$2,300, it is suppose to last one year but they have given us assurances that they will continue renewing that for NDSU.

Sen. Flakoll- was there any discussion or interest in putting an emergency clause on this?

Rep. Monson- actually the emergency clause is in the funding, which is an amendment for NDSU's budget. There is a company out in California that is looking at investing in the

research center up in Langdon on security measures. If you want to put a emergency clause on it I would be ok with that.

Ken Junkert, ND department of Agriculture Plant Industries Program Manager, testified in favor of the bill. See attached testimony, attachment #2.

Rep. Monson was called back to the podium.

Sen. Behm- there is 2 reasons to grow it isn't there, one is for seed and one is for fiber?

Rep. Monson- you are right.

Sen. Wanzek- is this an annual?

Rep. Monson- yes.

Sen. Flakoll closed the hearing.

Sen. Klein motioned to move amendments (attachment #3) and was seconded by **Sen.**

Wanzek, roll call vote 7 yea, 0 nay, 0 absent. **Sen. Klein** motioned for a Do pass as amended and was seconded by **Sen. Heckaman**, roll call vote 7 yea, 0 nay, 0 absent. **Sen. Klein** was designated to carry the bill to the floor.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1549

Page 1, line 2, after "hemp" insert "; and to declare an emergency"

Page 2, after line 19, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly.

Date: 2-27-07
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1549

Senate Agriculture

☐ Check here for Conference Committee

Committee

Legislative Council Amendment Number

Action Taken

Motion Made By

Klein

Seconded By

Wanzer

[illegible]

Total (Yes) 7

No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Roll Call Vote #:

2
2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1510

Senate Agriculture

☐ Check here for Conference Committee

Committee

Legislative Council Amendment Number

Action Taken Do Pass as Amended
Motion Made By KL

Motion Made By Klein

Seconded By Heckaman

[illegible]

Total (Yes) 7 No 0
Absent 0

Absent 0

Floor Assignment Sen. Klein

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1549, as engrossed: Agriculture Committee (Sen. Flakoll, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1549 was placed on the Sixth order on the calendar.

Page 1, line 2, after "hemp" insert "; and to declare an emergency"

Page 2, after line 19, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2009 TESTIMONY

HB 1549

Roger Johnson
Agriculture Commissioner
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#2 HB 1549
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**Testimony of Kenneth S. Junkert
North Dakota Department of Agriculture
Plant Industries Program Manager
House Bill 1549
House Agriculture Committee
Peace Garden Room
January 30, 2008**

Chairman Johnson and members of the House Agriculture Committee, I am Ken Junkert, the North Dakota Department of Agriculture Plant Industries Program Manager. I am here today in support of HB 1549 and Representative Monson's proposed amendments, which remove the licensing requirement from the North Dakota State University Research Center and the agricultural experiment stations, and remove proposed subsection 4 of section 4-41-02.

In order to conduct industrial hemp research, NDSU recently entered into a memorandum of agreement with the United States Department of Justice Drug Enforcement Administration. The agreement dictates specific control measures to ensure accountability and prevent diversion of industrial hemp. More specifically, DEA is requiring NDSU to keep extensive records, monitor all planting and harvesting activities, and provide extensive security measures to protect the research site. The North Dakota Department of Agriculture believes it is unnecessary for NDSU

to enter into a research agreement with DEA and be licensed by the state to conduct the same research.

The proposed amendments also eliminate proposed subsection 4 of section 4-41-02. The North Dakota Department of Agriculture believes that the current law and rules already provide the agriculture commissioner with the authority to test and monitor industrial hemp, and will work with producers in the future to adopt practices to lower the trace tetrahydrocannabinol (THC) in the resulting products.

Chairman Johnson and committee members, I urge a "do pass" on HB 1549 including the proposed amendments. I would be happy to answer any questions you may have.

1/30/09

#13 AB 1549
Bridget Ertelt

Testimony for House Bill #1549
January 30, 2009
House Agriculture Committee

Good morning Chairman Johnson and members of the House Agriculture Committee. For the record my name is Bridget Ertelt and I'm a concerned citizen here to express my unwavering support for house bill #1549.

Surely no member of the vegetable kingdom has ever been more misunderstood than industrial hemp. For too many years, emotion – not reason – has guided our policy toward this crop. And nowhere have the emotions run hotter than in the debate over the distinction between industrial hemp and marijuana.

Industrial hemp also referred to as "fiber" or "Non-drug hemp" should not be confused with marijuana. Industrial hemp and marijuana are genetically distinct varieties of Cannabis. The US Drug Enforcement Agency (DEA) continues to intentionally confound industrial hemp and marijuana. Let me make this clear - it is not possible to extract a drug from industrial hemp and industrial hemp, contrary to popular belief, can't get you high. Industrial hemp contains virtually no THC, the active ingredient in marijuana.

The ban on production of industrial hemp has resulted in an absurd policy: hemp seed, oil and fiber are all currently legal for trade in the United States and domestic industry imports industrial hemp for diverse uses. Yet, at the same time American farmers are prevented from producing industrial hemp for the domestic market. It is time to remove the unnecessary barriers to the domestic production of industrial hemp. By continuing our current policy we are doing a disservice to economy and to the American farmer.

Hemp fiber is used in a wide range of products including carpeting home furnishings, construction materials, auto parts, textiles, and paper. Hemp seed and oilseed also has many uses, including industrial oils, cosmetics, pharmaceuticals and food. Furthermore, more than thirty countries across Europe, Asia, and Africa permit farming of industrial hemp. In fact, the United States is the only industrialized country that prohibits it.

As a member of the ND Legislature, you are endowed with the power to make laws or strike them from the books. As an American you have the duty to fight for those principles outlined in the Bill of Rights. In deference to the 10th amendment of the U.S. Constitution and in honor to our ND farmers, I urge a do pass on HB #1549.

Bridget Ertelt
1810 49th St. SW
Fargo, ND 58103
bertelt@prairiepublic.org

Attention Kentuckians

The economy is in the pits, fuel prices are soaring and the state is broke. All the Federal Government can think of is to print money like a drunken sailor and ruin our children and grandchildren's futures with hyperinflation.

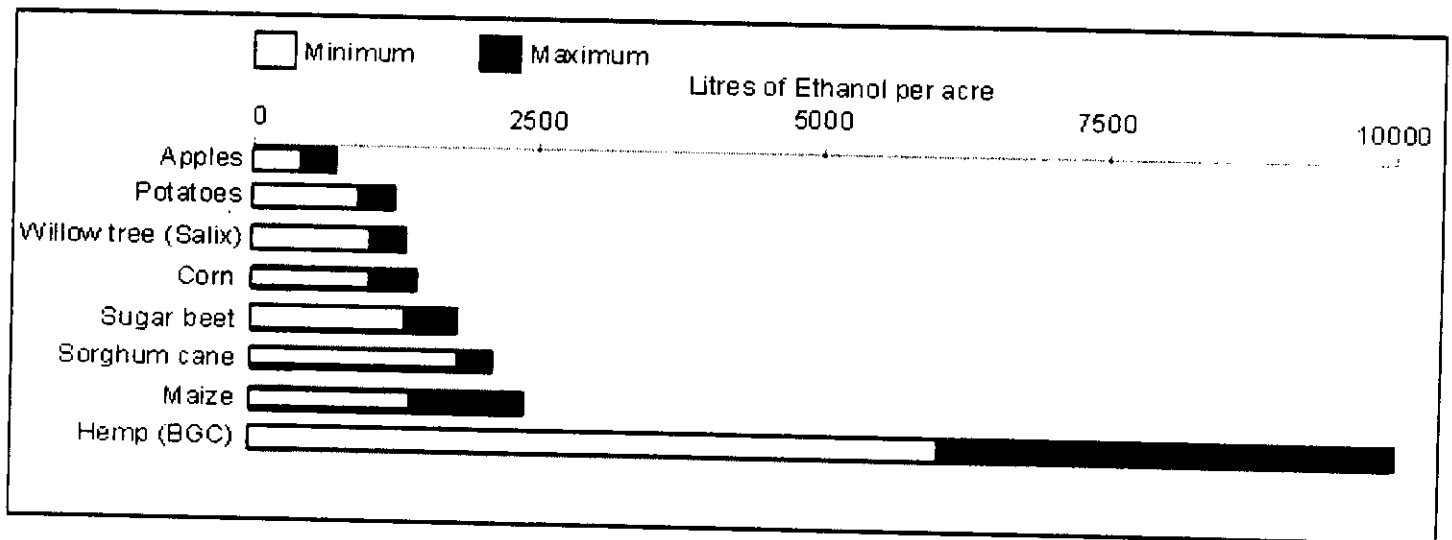
The Legislature is in session and the taxes are already going up!
Is there anything good that can come out of this Legislative Session?

YES THERE IS!

SB 131 could very well be the only thing positive to come out of this Legislative Session. SB 131 would allow Kentucky Farmers to grow "Industrial Hemp"

Just look at the biofuels potential of Industrial Hemp. Does New Zealand know something we don't?

Ethanol yields per acre per annum from various feedstock's. Based on average yields per acre according to Bio Gas Company LTD of New Zealand.



Hemp is also used for fabrics, auto parts, all sort of high quality paper products as well as food for both human and cattle consumption. As you can see from the chart above Hemp produces up to 10,000 litres /acre compared to only 1,500 maximum for corn. That is over 6 times more fuel than from Corn. Enough is enough!

Call your Legislative Message Line and tell them to tell your Senator and State Representative to pass Senate SB 131 NOW and let us bring in the new industries that will be connected to Hemp. You don't even have to know who your Legislators are so call today.

Call 1-800-372-7181 For the Hemp Bill

Roger Johnson
Agriculture Commissioner
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Bismarck, ND 58505-0020

**Testimony of Kenneth S. Junkert
North Dakota Department of Agriculture
Plant Industries Program Manager
House Bill 1549
Senate Agriculture Committee
Roosevelt Park Room
February 27, 2009**

Chairman Flakoll and members of the Senate Agriculture Committee, I am Ken Junkert, the North Dakota Department of Agriculture Plant Industries Program Manager. I am here today in support of Engrossed HB 1549, which adds state licensing requirements for any person intending to grow or process industrial hemp for research purposes and removes the licensing requirement from any person licensed by the United States Drug Enforcement Agency to conduct research.

In order to conduct industrial hemp research, NDSU recently entered into a memorandum of agreement with the United States Department of Justice Drug Enforcement Administration. The agreement dictates specific control measures to ensure accountability and prevent diversion of industrial hemp. More specifically, DEA is requiring NDSU to keep extensive records, monitor all planting and harvesting activities, and provide extensive security measures to protect the research site. The North Dakota Department of Agriculture believes it is unnecessary for NDSU



Testimony of Kenneth S. Junkert
HB 1549
Page Two

to enter into a research agreement with DEA and be licensed by the state to conduct the same research.

Chairman Flakoll and committee members, I urge a “do pass” on Engrossed HB 1549. I would be happy to answer any questions you may have.

