

Environment Committee JOINT FAVORABLE REPORT

Bill No.: SB-598

AN ACT CONCERNING THE SUBMISSION OF A PLAN FOR THE

Title: PRODUCTION OF HEMP IN CONNECTICUT.

Vote Date: 3/8/2019

Vote Action: Joint Favorable Substitute

PH Date: 3/1/2019

File No.: 220

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SPONSORS OF BILL:

Sen. Mary Daugherty Abrams, 13th Dist.
Sen. Steve Cassano, 4th Dist.
Sen. Mae Flexer, 29th Dist.
Sen. Martin M. Looney, 11th Dist.
Sen. Douglas McCrory, 2nd Dist.
Sen. Norm Needleman, 33rd Dist.

Sen. Dennis A. Bradley, 23rd Dist.
Sen. Christine Cohen, 12th Dist.
Sen. John W. Fonfara, 1st Dist.
Sen. James J. Maroney, 14th Dist.
Sen. Marilyn V. Moore, 22nd Dist.
Sen. Catherine A. Osten, 19th Dist.

Rep. Josh Elliott, 88th Dist.
Rep. David Michel, 146th Dist.
Rep. Kim Rose, 118th Dist.

Rep. Joseph P. Gresko, 121st Dist.
Rep. Jason Rojas, 9th Dist.

REASONS FOR BILL:

Recent changes in federal law, through the Agricultural Improvement Act of 2018, removed hemp as a Schedule I controlled substance and allows states to regulate hemp production. However, state regulation must be submitted and approved by the U.S. Department of Agriculture (USDA).

Testimony shared by farmers, advocacy groups, and other proponents of growing industrial hemp in the state shared interest in passing legislation as soon as possible so that farmers can begin growing the crop during this agricultural season. However, the timeline for federal approval of the state's regulation of industrial hemp is unclear.

This bill requires the Connecticut Department of Agriculture (DoAg) to submit a plan on the production of hemp in the state to the United States Department of Agriculture for approval.

Upon approval, DoAg must adopt regulations to establish a licensing program for the growing, cultivation, production and processing of industrial hemp in the state.

RESPONSE FROM ADMINISTRATION/AGENCY:

Melody Currey, Acting Commissioner, Department of Agriculture (DoAg): Provided comment on the bill. The bill as drafted does not include necessary language to establish a successful hemp program in Connecticut. DoAg recommends the passage of the Governor's Bill, Senate Bill 872 An Act Implementing the Governor's Budget Recommendations for General Government. Although an industrial hemp pilot program was established in the 2014 Farm Bill, this program was eliminated in the 2018 Farm Bill. Senate Bill 893 as currently drafted does not reflect the 2018 Farm Bill's allowance for commercial sales of hemp.

Michelle Seagull, Commissioner, Department of Consumer Protection (DCP): Provided comment on the bill. DCP supports a structure to regulate the cultivation of hemp consistent with the requirements of the Agricultural Improvement Act of 2018. Such requirements are included in the Governor's Bill, Senate Bill 872 An Act Implementing the Governor's Budget Recommendations for General Government.

NATURE AND SOURCES OF SUPPORT:

Chelsea Gazillo, Director, Working lands Alliance: Hemp is a natural multi-usage product that grows in a variety of soils and conditions. The passage of hemp legislation allows Connecticut to become the 44th state to allow hemp production that is currently valued at \$500 million dollars. The bill allows struggling farmers to move to a more profitable crop market.

Tracey Hanson, First Selectman, Town of Voluntown: The Town of Voluntown has 1,624 acres of farmland, the passage of the bill is key to revitalizing the farming industry in both Voluntown and other Connecticut farm towns. According to statistics by the Hemp Business Journal, retail sales for hemp products were estimated to be \$820 million dollars in 2017. Currently, China is the largest exporter of hemp in the world; however, the passage of the bill will allow "Connecticut farmers [to be] an integral part of reshoring an industry that our forefathers started this country on."

Bryan Hurlburt, Executive Director, Connecticut Farm Bureau Association (CFBA): CFBA estimates show an average acre of hemp cultivation could generate a revenue of \$37,500 to \$150,000 for farmers. A high value crop like industrial hemp would keep farmers on their land, attract new farmers into the industry, stabilize farm incomes, and generate more revenue for the state. CFBA recommends a hemp program that (1) deletes cannabimon and similar chemical compounds from the controlled substances definition, (2) defines industrial hemp as an agricultural product, (3) has oversight and regulation from DoAg, (4) creates a licensing program, (5) creates an inspection and testing program, and (6) establishes penalties for producers growing hemp outside of the federal THC limitation guidelines. Additionally, CFBA recommends that UCONN and Connecticut Agricultural Experiment Station be approved in-state facilities to provide testing.

Senator Martin M. Looney, President Pro Tempore, 11th Senate Dist.: Although there are more than one hundred Connecticut farmers who have expressed interest in planning hemp, the state lags behind a majority of states in establishing the regulatory and processing infrastructure needed for industrial hemp production. There are over 25,000 uses for industrial hemp, this bill will provide Connecticut's agricultural industry an opportunity to diversify and participate in this highly profitable market.

Senator Cathy Osten, 19th Senate Dist.: The state has had several opportunities in the past to act on the legalization of industrial hemp; however, the state has not. There are currently 41 states that have enacted legislation establishing industrial hemp programs. Testimony includes examples of what the following states have authorized and enacted as it relates to industrial hemp: Kentucky, Massachusetts, Vermont, and Wisconsin.

Pam Patalano: America consumes \$580 million worth of products imported from more than thirty countries around the world. Connecticut can align its agricultural market and regulatory status with other states around the country in the near term to compete and derive economic benefit to Connecticut and its small towns and industrial centers.

Norman Plude: Shared personal testimony as an industrial hemp grower under a 2017 research program at UCONN and a grower of medicinal hemp in Oregon. The state of Connecticut should not limit who is able to grow industrial hemp, hemp for medicinal purposes, or personal use in the state.

Senate Democrats, Connecticut General Assembly: Although Connecticut passed Public Act 15-202 to legalize industrial hemp, the state failed to enact law authorizing an industrial hemp pilot program authorized under the 2014 Federal Farm Bill. The 2018 Federal Farm Bill removed industrial hemp from the Controlled Substances Act; thus, opening the door for states to set up regulatory systems for the production and cultivation of industrial hemp. With more than one hundred Connecticut farmers who have expressed interest in planting industrial hemp, the state should move swiftly in setting up industrial hemp programs.

Kevin Skulczyck: Supports legalization of cannabis under the federal regulatory model, similar to legislation in California and Missouri. The cannabis industry could be worth more than \$500 million dollars and create between 1500 and 3000 jobs. Opportunity would abound throughout the state to include rural farming areas and large manufacturing centers.

Troy Sprang, Vice President of Sales and Service, NuFilm, LLC.: Shared personal testimony of J.E. Shepard Companies growth and as an employee of the Shepard family. Connecticut should "get this program up and running as fast as possible."

NATURE AND SOURCES OF OPPOSITION:

None Expressed.

Reported by: Ussawin R. Bumpen

Date: 3/28/2019