

**Indiana Hemp Advisory Committee
First Meeting Minutes
August 1, 2019; 9:03am – 11:14am
Hendricks County Fairgrounds Complex
1900 E Main St
Danville IN 46122**

Members Present:

Dr. Bob Waltz/Don Robinson
Bruce Kettler
Douglas Carter/Brad Hoffeditz
Jessica Allen
Amy Kent
Scott Stockton
John Mandabach
Mark Boyer
Phil Brewer
Danny Osborn
Nicole Buskill

Members Absent

1. **Call to order...** 9:03am
2. **Acceptance of agenda...** It was voted to switch Marguerite Bolt and Don Robison discussion places in the agenda. **MOTION...** to approve by Douglas Carter and John Mandabach; **VOTE...** was unanimous
3. **Welcome...Dr. Robert Waltz**, Indiana State Seed Commissioner, and Chair, IN Hemp Advisory Committee. The new committee members and appointments were welcomed to the meeting. The advisory committee was established to provide advice to the Office of Indiana State Chemist with respect to hemp rules and regulations. Marijuana regulations will take place within the legislature. Communication will be engaging and available through email. Will try to bring out agendas that represent interest and public discussion. Some administrative things will need to be addressed administratively.
4. **Welcome...Bruce Kettler**, Director, Indiana State Department of Agriculture. 2014 Farm Bill allowed states to set up a program for crop research. Hemp still Schedule 1, until the USDA presents its proposed new rules. You needed a research proposal and to work with a researcher for this program. 2019 is still under research regulations. 2018 Farm Bill removed hemp from Schedule 1. The USDA is the new overseeing agency. Indiana's state rules for the 2018 Farm Bill have not been announced yet. The USDA will then need to approve the state programs. 2020 will be the first commercial year as long as the USDA get the regulations in place and approves the state programs. There will not be a research connection but growers, handlers and processors will be required to be licensed.

5. Introductions of Committee Members and general statement of role in working with Indiana hemp...

6. Legal overview of the Indiana Hemp Program and Charge of the Committee ...

Presentation by Dr. Bob Waltz. The purpose of the committee is to provide a regulatory basis through the Office of Indiana State Chemist and partnering with the Indiana State Department of Agriculture. The 2014 Farm Bill was a bill allowing research and reinvigorating hemp production. Hemp was still regarded as a Schedule 1 drug. Dr. Ron Turco, Purdue University, was licensed by DEA as a Schedule 1 Researcher in order to obtain seed for research. President Trump signed the 2018 Agriculture Improvement Act, also called the 2018 Farm Bill. This bill took hemp out of schedule 1 status and placed it in a non-regulated status with a number of regulatory oversights. Changed from the Department of Justice to the USDA to oversee state programs in hemp. DEA retains full regulatory authority over marijuana (any Cannabis plant with more than 0.4% THC dry weight). Hemp must have 0.3% THC dry weight or below. The charge of this committee is to work with hemp. Governor Holcomb signed the Senate Bill 516 in May 2019. This bill brought into discussion partnering with the Indiana State Police and established this Hemp Advisory Committee. Most communication will be via email for dialogue. We will try to bring forth agendas of interest of public discussion and concern. Some things will be just legal concerns. The USDA has to adopt a set of rules to guide the establishment of federally accepted state programs. These rules are expected in August or September. Then there will be 90 days where public comments are allowed before finalization. After this time frame, the USDA will entertain state proposals. They have 60 days to approve the state proposals. It might be December or January before the states can submit their proposals. Things are still very much in development. We do expect 2020 to be the first official year. This will no longer require research components and will require licenses as set forth by the federal government.

7. 2019 Research Overview – Marguerite Bolt, Purdue University Hemp Extension Specialist. Master's Degree in Entomology from Purdue University with background in horticulture and beekeeping. First hemp production specialist. She is a central point for networking and an extension educator. She is scheduling programs, field days, workshops, helping current and prospective growers, and is a source of fact-based information. Held hemp field day, which demonstrated what research, is going on with Purdue, working with Midwest Hemp Council and Co-Alliance. 2019 has been a huge research year and a hugely difficult year with the rain that we have had. This year we have found out that hemp does not like wet feet. Weed pressure was higher and diseases were more than anticipated. Next year will be a commercial year, but Purdue University will continue to research different areas and equipment. Beyond production, the concerns are where the hemp will be sold. There is a need for processors in the state.

8. 2019 Hemp Licensing Overview...Don Robison, OISC Seed Administrator. The Seed division of OISC has received over 11,000 email exchanges since December 20th. 140 licenses have been finalized. They are a few licenses pending for indoor grow and exploration in processing. 196 people have been licenses, where some growers are licensed as a grower and for processing. 178 outdoor grow sites, 5308 acres proposed with an average site of 30 acres. Neighboring states are saying about 60-70% of what is licensed will actually be growing. 40 indoor grow sites covering 515,000 square feet, with an average of 11,700 square feet. 38 University researchers from 7 different universities have been involved (engineering, economics, plant, math/statistics) to cover well rounded research. Overwhelming response to hemp. Have had to decline some outdoor growers, but are still answering their questions. There are about 750 names on an email blast. We try to provide information and updates monthly. There are very few traditional seed companies involved in this process. The seed division of OISC has completed a 3-year germination study on hemp seeds. The rates provided by suppliers are not accurate. The average rates over the 3 years was 72%, 65% and 44%. Do not carry over seed. Get new seed yearly.
Dr. Bob Waltz – OISC inspectors in the state are doing training on sampling techniques. Chemists are involved in national meetings to develop standards with national consistency. There are a lot of discussion daily hemp issues within the OISC and with OISC cooperators and regulated persons. .

9. 2019 Program Overview, Midwest Hemp Council, John Mandabach... Justin Swanson – President of the Midwest Hemp Council provided an overview of 2019. They have taken the lead on educational events with farmers as the primary focus and networking to grow all levels of the hemp supply chain. They work closely with Purdue University Extension. Sharing data for 2020- Farmers should have contracts prior to planting and compliance equals protection for the market and farmers.
Don Robison – Do you have numbers as to what was actually planted this year?
Justin Swanson – Not complete – licensing and getting in the ground are two different things. There are lower numbers this year because of the weather.
Bruce Kettler – When it comes to state licensing, how consistent do we believe it will be state to state? Will there be big differences state to state?
Don Robison – We have seen surrounding states and we see minor differences based on state laws. In Indiana, the state police have asked us to add the county to the application in order to double check coordinates.
Dr. Bob Waltz – Sampling is not consistent between different states. It would be nice if USDA would provide guidance.

**10. Work toward establishing a State Hemp Program plan and expected timelines...
Presentation by Dr. Bob Waltz**

a. Senate Bill 516

- i. Indiana Hemp Advisory Committee...**This bill has charged the Committee with the responsibility to submit a state plan by December 31, 2019, to the USDA.
- ii. State conformity with federal 2018 Agriculture Improvement Act...**State plan must include:

- Relevant information regarding land on which hemp is produced in the state.
 - A procedure for testing for the delta-9 THC concentration levels to ensure hemp is at or below 0.3% THC dry weight. This includes THC and THCA together.
 - A plan for disposal if the crop fails or goes over the THC limit. Will require prior thought and may require prior permitting.
 - A procedure to comply with enforcement procedures – when to enforce as a felony and when not to.
 - A procedure for conducting sampling- when and how to pull samples. This is not consistent state to state at this point.
 - A procedure to submit the information specified by USDA to the USDA.
 - A certification that the state has the budgets and support to carry out the procedures.
 - Anything else the USDA may require. Comment: We need to be in a position in order to respond.
- iii. **Requires submission of a state plan no later than December 31, 2019. (It is my intent as Chair, to work with this committee and especially those having named responsibilities in the statute, to submit a state plan as soon as USDA indicates it is willing to accept such plans, and to have a plan prepared well in advance.)**
- b. **Rules**
- i. **For hemp and agricultural hemp seed – licensing, production, management, civil penalties.** Federal statute tells states regulations and tries to confirm consistency.
 - ii. **Rules are not to address regulatory oversight of marijuana.**
 - iii. **Rules are not to address “products” of hemp in the retail marketplace, or otherwise.** FDA discussion will possibly make regulations and then the state will possibly have to abide by those regulations.
 - iv. **Rules are intended to be consistent with Indiana statute, and with federal law.** This committee will be looking at things like disposal rules, fees, acreage, application fees, looking at other structures that are in other states, administrative rules such as how and what, and licensing regulations. These are the kinds of things that will be a part of this committee’s discussion, emails and processes. Expect that discussion to be a part or a whole of the next meeting.
 - v. **General comments on responsiveness and responsibilities in emergency rule submission and submission of permanent rules.**

Questions and comments from the committee and the audience.

Dr. Bob Waltz - There will be licensing for growers, transporters and processors. Hiring someone who works with hemp to do a process will require a license. Handler includes anyone who you contract for a service (processor, transporter, laboratory, etc.).

Q – If you hire someone to help on the farm, is that person a handler?

Dr. Bob Waltz – That person would be hired under your license and would not be a handler. These kinds of things are still being finalized.

Dr. Bob Waltz – Final product and distribution – this portion is not involved with our law. The FDA discussion needs to be finalized as to those topics. Disposal rules will be developed with specifics on how to dispose, what to do, etc. These items will be in the law. Acreage fees and application fees will be finalized. We are looking at the structure of similar states. We are looking at the lower end of the scale for fees.

Q – On the growing license, is it the same for growing clones as growing in the field?

Dr. Bob Waltz – Yes, both are considered growing. It will include that category within the licensing.

11. Future Meetings proposed... September 23, 2019, 9am-12pm, Hendricks County Fairgrounds Complex, 1900 East Main Street, Danville, IN 46122

12. Future Hemp activity Calendars... listing available at the door

13. Concluding Comments and Adjournment.

Bruce Kettler – What do the committee members have questions about to help us make an agenda for the next meeting? We are required through the farm bill to submit a plan. I have been asked why we have not submitted a plan. The USDA has said that they cannot accept a plan yet because the plan might not meet the requirements of the USDA plan that still has not been completed. Once the USDA come out with their rules, there still is a 90 day comment period. Those comments help them finalize their rules. Our expectation is hopefully to submit the Indiana plan as soon as the USDA is ready to accept a plan. Then the USDA has 60 days to approve that plan.

Phil Brewer – Retail business side. Handling. Interacting with other folks. What rules need to be in place? What products can be used? Only 10 products are under submission for approval. Identifying legal products. Identify where the crop is so that we can ensure no drifting. Mitigate challenges.

John Mandabach – Work closely to craft rules and regulations and work with the State Police to make a legitimate industry to create thousands of jobs. Be farmer friendly but give ease to rules and regulation enforcement.

Brad Hoffeditz – The department has been doing research for years. Last year spent a week in Kentucky. Want to be able to say what Kentucky says about their hemp regulations. Should not be a law enforcement issue. However, the states regulations have required us to be involved. Key for all of us is transparency and open lines of communication. Know what expectations are and hope to make things clear in the rules. Concern for growers and handlers is transport. Working closely with Purdue to work through these types of concerns. No hard and fast requirements as of now. Everyone wants to make sure that you do not become a law enforcement issue. If transporting plants, have a copy of your license on hand. That is the number one concern for law enforcement. Transportation is a major concern. The State Police are working closely with OISC to work through these concerns. What happens if a grower or handler are

stopped? Keep your licenses in your vehicle. Follow the rules. Be prepared. Present it to law enforcement first if you are stopped.

Q - What about a distribution company? What do they need?

A - Brad Hoffeditz - Most of those distribution companies are still covered under a license. Transporting a product is outside of this. The trucking company would be proactive to have a copy of this license. Is it okay to have a copy of the license. Purdue will provide official copies for that purpose. Cannot give a clear answer for transporting out of state.

Q – Indiana does not have the processors set up within the state? What if going to Illinois?

A - Brad Hoffeditz - Talk to Illinois before hand. Organize it state to state. Understand each local state law. If transporting through Indiana, get an Indiana license. We are hoping for USDA to provide some insight for interstate commerce.

Q- Why are we waiting for federal intervention for what we know will be best for Indiana?

A – Dr. Bob Waltz – It is federal law and needs to be followed. We are preparing, actively preparing to be in position so that we are ready as soon as we receive that information. All states are waiting for this. There has been discussion to ignore the federal law, but that is not this committee’s line.

Q - Why is Indiana not in the forefront in developing a test in order to test for THC in the field (Law enforcement)?

A – Dr. Bob Waltz-The testing is now at a 10 day testing results from our labs. We agree with the importance of this. The 10 days has to do with drying. Work is being done all over the country – Purdue University included. The disposition of our position regarding federal law is that we have to abide by the regulations of federal law. We are trying to be in the very best position possible to be ready.

Q - Reciprocity for interstate commerce – If states have an approved state program I do not see how there should be an issue for transportation.

A – Dr. Bob Waltz – We are familiar with reciprocity. We are already familiar with providing that for farmers, licenses, etc. Outside of hemp production, we do not deal with product concerns.

Bruce Kettler – Law enforcement and the Department of Ag want to make sure that this is a great opportunity for our economy. We do not want to have law enforcement take too much of their time here. We want them focused on needed law enforcement concerns – not hemp.

Brad Hoffeditz – We are being proactive with reciprocity. There are opportunities and we are being proactive. This issue is statutorily required. We do not know where it will be.

Scott Stockton – We believe our involvement will be miniscule and agree with Brad. Will be an administrative part of failure to comply.

Mark Boyer – Row crop farmer first and foremost. This is my second year growing hemp. This is an exciting new crop. Would like to see regulations for processors. Would not like to see such excessive regulations to suppress a business. Have had a positive interaction with state police in the county.

Danny Osborn – Agrees with Mark Boyer.

Nicole Buskill – We do not anticipate being regulatory of hemp. More concerned that it does not run afoul of the federal law. Make sure State laws comply with federal law. Our department regulates state-chartered institutions.

Dr. Bob Waltz – Thank you to everyone in attendance. Welcome and thank you to the committee members for their willingness to participate in this committee. Goal is to set a new crop up for success in the future.

Anticipate that in 2020 that Hemp will be a commercial operation. Our infrastructure is not strongly represented at this point. Encourage anyone interested in this crop to pre plan for next year. Where and when to get license, where to get seed, do you have a contract for selling, harvesting plan, disposal and processing. These critical issues need to be organized now. Become educated about what is needed and how you will accomplish your plan. Understand that you may have some losses.

Motion to dismiss 11:14am... by Brad Hoffeditz and Scott Stockton; **VOTE...** was unanimous