



FINAL REPORT

Industrial Hemp Program Study Committee

February 8, 2017

MEMBERS PRESENT:

Senator Kevin Kinney, Co-chairperson
Senator William A. Dotzler, Jr.
Senator Tim L. Kapucian

Representative Lee Hein, Co-chairperson
Representative Bruce Bearinger
Representative Mike Sexton

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AUTHORIZATION AND APPOINTMENT

The Legislative Council established the Industrial Hemp Program Study Committee to “[e]valuate the potential for and logistics of establishing an industrial hemp program in Iowa, including but not limited to the economic and environmental impact of establishing the program and regulatory aspects relating to industrial hemp production, and submit recommendations, if deemed appropriate, to the General Assembly by January 1, 2017.”



Industrial Hemp Program Study Committee

I. Background — Committee Proceedings

The Industrial Hemp Program Study Committee was created by the Legislative Council for the 2016 Interim and authorized to hold one meeting. The charge of the committee is to evaluate the potential for and logistics of establishing an industrial hemp program in Iowa. The committee elected Senator Kinney and Representative Hein Co-chairpersons. The committee also adopted procedural rules and considered testimony by two panels of presenters. Finally, the committee considered public comments. The committee met on November 21, 2016, in Room 103 of the State Capitol.

II. November 21, 2016 Meeting

Background and Perspectives from State Officials — Panel Presentation. The committee considered presentations by Ms. Robin Pruisner, State Entomologist and Entomology and Plant Science Bureau Chief, Department of Agriculture and Land Stewardship; Ms. Angie Rieck-Hinz, ISU Extension Field Agronomist, Iowa State University; and Mr. Dale Woolery, Associate Director, Governor's Office of Drug Control Policy. Ms. Pruisner discussed Section 7606 of the Agricultural Act of 2014 (H.R. 2642; Pub. L. No. 113-79), also known as the "2014 U.S. Farm Bill," which authorizes the growth, cultivation, or marketing of industrial hemp if authorized by state law as part of an agricultural pilot program or other agricultural or academic research under the control of an institution of higher learning or a state's department of agriculture. She also discussed a number of issues related to the use and movement of associated seed, pollination, the possible impact on producers participating in federal farm programs, and regulations adopted by federal agencies including the Drug Enforcement Administration under the United States Department of Justice, and the United States Department of Agriculture. Ms. Rieck-Hinz discussed the importance of research involving a number of areas including possible agronomic, environmental, and infrastructure challenges. Mr. Woolery discussed the low levels of tetrahydrocannabinol (THC) in industrial hemp and questioned how those levels could be verified during production. He stated that there could be other possible issues involving the regulation of industrial hemp, including the issuance of permits, inspections, and the monitoring of movement or transactions. He also asked about the market for hemp products and the experience of other states. Committee members and the presenters discussed issues regarding testing protocols, cross-pollination and the effects of diminishing THC levels, and experiences in other states. Presenters stated that they were not taking a position regarding industrial hemp production and marketing, and emphasized the need for more information.

Perspectives from Industrial Hemp Producers — Panel Presentation. Dr. Christopher Disbro, M.D., Heartland Hemp Company, Des Moines, introduced two farmers actively engaged in the production of industrial hemp, including Mr. Mike Lewis, a farmer from Livingston, Kentucky, and Mr. Rick Trojan, a farmer from Denver, Colorado. Mr. Lewis discussed Senate Bill 50 which authorized the production and marketing of industrial hemp in Kentucky. He also discussed permit and inspection requirements, the mitigating effects of cross-pollination with cannabis plants containing high THC levels, and the potential economic benefits available to farmers. Mr. Lewis observed that levels of THC dramatically decrease in cannabis plants after cross-pollination. He



also stated that his community is expanding into textile production and has already received a backlog of orders. He discussed how equipment is available or may be easily modified to plant, cultivate, and harvest the crop. Mr. Trojan discussed Iowa's potential for growth, lost opportunities by not acting, the versatility of the product, and environmental benefits. In response to questions by committee members, Mr. Lewis and Mr. Trojan discussed the acquisition of certified seed, the use of the plant's parts for animal feed and bedding, seed oil containing omega-3 fatty acids, and durable textiles. The presenters stated that the net income generated from an acre of land used to produce industrial hemp equaled between \$1,400 and \$1,500 and noted that the size of farms in their states were quite small as compared to Iowa farms where efficiencies of scale could be achieved. It was noted that the United States is the world's largest consumer of industrial hemp and it is estimated that demand will continue to increase. Both presenters stated that they use a minimal amount of inputs such as fertilizers in crop production. Both presenters also noted that farmers interested in this crop should begin small and expand. They also expressed support for increased education and the sale of industrial hemp in a free market economy. In response to questions regarding law enforcement, it was emphasized that openness and cooperation with federal, state, and local law enforcement officials was essential. Senator Dotzler stated that the production, processing, and marketing of the crop with adequate safeguards could stimulate economic growth efforts in the state and hoped the committee would approve a positive recommendation.

Public Comments. Several members of the public made brief comments to the committee, including Mr. Ethan Vorhes from Nashua, Iowa; Mr. Tom Duncan from Jefferson, Iowa; and Mr. Thomas Rothwell from West Des Moines, Iowa. All the presenters expressed support for the production and marketing of industrial hemp.

III. Committee Recommendations

The committee adjourned without making recommendations.

IV. Materials Filed with the Legislative Services Agency

The materials listed below were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the "Committee Documents" link on the committee's Internet Site at:

<https://www.legis.iowa.gov/committees/committee?ga=86&session=2&groupID=27764>

- Industrial Hemp Program Study Committee — Documents
- Committee's Charge
- Committee's Proposed Rules (Adopted)
- Panel #1 – Mr. Dale Woolery's Presentation
- Panel #1 – U.S. Farm Bill



Industrial Hemp Program Study Committee

- Panel #1 – Ms. Robin Pruisner’s Presentation
- Panel #2 – “Vote Hemp” — 2016 Hemp Update
- Panel #2 – Biographies
- Panel #2 – Colorado Department of Agriculture
- Panel #2 – Colorado Revised Statutes
- Panel #2 – Introduction by Dr. Christopher Disbro
- Panel #2 – Kentucky Revised Statutes
- Panel #2 – U.S. Farm Bill Section 7606

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