



TONY KURTZ

STATE REPRESENTATIVE • 50th ASSEMBLY DISTRICT

2019 Assembly Bill 206

October 1, 2019

Assembly Committee on Agriculture

Relating to: regulating hemp, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation.

Thank you, Chairman Tauchen for holding a public hearing on Assembly Bill 206 (AB 206) today and thank you to members of the committee for taking my testimony on this bill today as well.

To provide a brief historical overview, Wisconsin became a leader in hemp production during World War II, as hemp fiber was a main source for rope. Soon after, hemp became outlawed by the federal government as it was lumped in with marijuana as a controlled substance. Recently, hemp was completely de-scheduled by the federal farm bill of 2018. Last session, Wisconsin passed a pilot program to re-introduce the legal cultivation of hemp in our state and I happened to be one of the individuals who received a license for growing hemp under that program.

Assembly 206 provides an opportunity for Wisconsin to become a leader in hemp once again, and especially after the signing of the 2018 Federal Farm Bill which legalized industrial hemp and allowed for hemp producers to become eligible for federal crop insurance. It is important to stress that hemp now is a LEGAL substance. This reassurance from the federal government has helped to foster a robust influx of applicants for the Wisconsin pilot program. AB 206 mirrors the federal bill in a variety of ways. Most important to note about the federal farm bill is it allows for states to either create their own program regarding hemp or to relinquish that responsibility and allow the federal government to oversee a hemp program in that state – if we do not create our own program, we are at the mercy of the federal government and its program.

After the Public Hearing in the Wisconsin State Senate, some concerns were brought up and my coauthors and I worked with law enforcement to make changes to the bill. The amendment maintains delta-9-THC as a restricted controlled substance (RCS) and codifies current practice for detection of RCS to be one nanogram per milliliter and has since removed opposition from this legislation.

At a time when farmers are facing difficulties on many fronts, the introduction of hemp would allow for diversification of crops. Hemp is gaining in popularity for various uses, especially in the CBD oil arena. Hemp can also be used for a vast array of products ranging from fiber to plastic to food and clothing. AB 206 would allow Wisconsin to build upon our pilot program and make hemp a permanent crop here in our state.

Thank you again for the opportunity to present my testimony on AB 206, the Growing Opportunities Act.



PATRICK TESTIN

STATE SENATOR

DATE: October 1, 2019
RE: **Testimony on 2019 Assembly Bill 206**
TO: The Assembly Committee on Agriculture
FROM: Senator Patrick Testin

Thank you Chairman Tauchen and the members for hearing my testimony on Assembly Bill 206 (AB 206) – the Growing Opportunities Act.

Less than two years ago, there was no hemp industry in Wisconsin – and there hadn't been one in six decades. However, with the unanimous passage of the Farm Freedom Act, we reintroduced hemp cultivation to the state – and with it came opportunity – for farmers, processors, retailers, and consumers.

The pilot program that we created was first made possible by the 2014 federal farm bill, which enabled states to create such programs for the purpose of research into hemp. Participation in the first year of the pilot program exceeded expectations, with around 250 growers and 100 processors receiving licenses from our Department of Agriculture, Trade, and Consumer Protection (DATCP).

This year, Wisconsin's hemp program took another big step forward. Despite a wet and difficult growing season in 2018, DATCP received more than 1,400 applications for growing licenses and over 700 applications for processor's licenses earlier this year. Hemp is truly Wisconsin's comeback crop.

Now, following the December passage of the 2018 federal farm bill, we have the opportunity to make changes to ensure the continued success of hemp in Wisconsin. That legislation removed hemp as a schedule 1 controlled substance, and set up an outline for states to either continue to manage their own programs or transition to a federal program that will be set up by the United States Department of Agriculture (USDA).

The Growing Opportunities Act creates a framework for DATCP to transition our pilot program to a permanent program that will remain controlled right here in Wisconsin. In its twenty-seven pages we make several changes to conform to new federal definitions, clarify the verbiage of our state's Lydia's Law (without changing intent), institute a truth in labeling provision for hemp products, and incorporate suggestions made by farmers and processors who were part of our program in 2018.

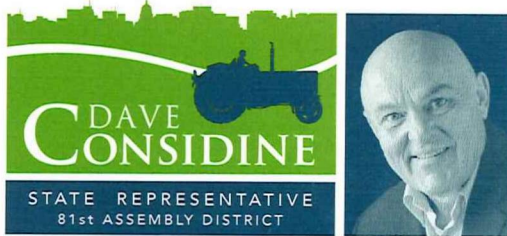
While this legislation does make necessary changes, many things do remain the same. In conformance with federal law, hemp is still defined as having less than 0.3% THC content. Growers still have to work with DATCP to ensure that the crop remain under that level, and we codify their ability to work with DATCP should reconditioning have to take place.

This legislation has been a collaborative effort, and it is bi-partisan, with thirty-five total sponsors. Throughout this process we've met or talked with DATCP, the Wisconsin Farm Bureau Federation, the Wisconsin Hemp Alliance, the Wisconsin Farmers Union, the Wisconsin Hemp Farmers and Manufacturers Association, the Wisconsin Bankers Association, the Wisconsin Restaurant Association, the Wisconsin Credit Union League, the Office of the Attorney General, the Office of the State Treasurer, the Badger State Sheriff's Association, and the Wisconsin Chiefs of Police Association. I also feel I need to mention the work of our Legislative Council and Legislative Reference Bureau Attorneys, who have put in hundreds of hours working to craft this bill with our offices.

Since this bill was heard in the Senate in late May, we have introduced an amendment that has eliminated opposition to the legislation from the Associations that represent the Sheriffs, Chiefs of Police, and District Attorneys. In order to create certainty for law enforcement and for consumers of legal, non-intoxicating CBD, we've chosen to codify current police practice.

Our goal with the Growing Opportunity Act is, of course, to grow opportunity – and we aim to do that by creating confidence; confidence in the farmers and processors who have a clear set of expectations, confidence in retailers who stock products protected by our truth in labeling laws, and confidence in the consumer who wants to know that they are consuming what they expect.

I hope you'll join me in supporting small farmers, small business owners, and new opportunities. Please join me in supporting AB 206.



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To: Assembly Committee on Agriculture
From: Representative Dave Considine
Re: Testimony on Assembly Bill 206
Date: October 1, 2019

Chairperson Tauchen, Vice-Chair Novak, and committee members, thank you for holding a public hearing today on Assembly Bill 206. I appreciate the opportunity to testify in support of this legislation, and I'm grateful for your willingness to listen.

Simply put, Assembly Bill 206 will align our state with the 2018 Farm Bill regulations for growing and processing hemp. This ensures that our state retains control of our growing hemp industry. Wisconsin's agricultural industry once thrived on hemp production. I believe that controlling our own hemp industry is the best way to ensure that the hemp industry is available and viable for Wisconsin's farmers and agribusinesses once again.

An important part of the industry is payment for product. Assembly Bill 206 requires contracts to pay hemp growers within 7 days of receiving hemp, which will increase confidence of farmers and financiers across the state. Another way this bill encourages success is through the reconditioning window that the Department of Agriculture, Trade, and Consumer Protection will oversee. This provision will permit producers to recondition their hemp crop to a permissible level of THC, which will allow more stability in the market for both manufacturers and producers. Assembly Bill 206 also lowers license fees for those growing hemp for research and noncommercial purposes, so that Wisconsin may once again be on the forefront of innovation with hemp production, growth, and use.

In the midst of divided government and turbulent times on the farm, we need to work together. I know that hemp is a great opportunity to do this. Growing our economy is a goal we can all support, and that's exactly what this bill will do.

I look forward to feedback from the committee and members of the public today, and I thank you for your time and attention. Please let me know if you have any questions or concerns.

Dave Considine

DATE: October 1, 2019
RE: Testimony on 2019 Assembly Bill 206
TO: The Assembly Committee on Agriculture
FROM: Todd Heeg & Tim Heeg – Owners Nutrativa™ Global (ingredient processor)

Thank you Chairman Tauchen and the members for hearing our testimony on Assembly Bill 206 (AB 206) – the Growing Opportunities Act.

The October Cranberry harvest is again upon us. From the Cranberry bogs, to the retail shelves, Wisconsin will export approximately 68% of the global Cranberry demand. Farmers, processors, retailers, and consumers alike will enjoy our Wisconsin State fruit in a variety of different forms, such as cranberry juice and sweetened dried cranberries.

From our small Central Wisconsin community of Nekoosa, Nutrativa™ Global has been processing the Cranberry “by-product” (i.e. the SEED) for the past 20 years. Two decades ago, beginning with the seed of a Cranberry, Nutrativa™ Global pioneered the health benefits that are derived from *Cranberry Oil* and our patented *Cranberry Protein Powder*. Functional ingredients that deliver protein, fiber, antioxidants and the essential fatty acids of Omega 3, 6 & 9. All suitable to the consumer product development of food, beverage, nutraceutical supplements, health & beauty and pet nutrition products. Global health, wellness and nutrition demand is valued at \$4.2 trillion dollars.

From our beginning many years ago in a small garage, to our current British Retail Consortium (BRC) “globally certified” manufacturing facility for food quality and food safety, we produce clean, wholesome and healthy ingredients of the highest quality. We’ve earned the trust of the trade and the consumer.

Today, Nutrativa™ Global is able to utilize the very same processing methods that we deployed twenty years ago. Beginning with the *Hemp Seed* that comes from a Wisconsin farmer’s field, Nutrativa™ is able to deliver excipient, synthetic, chemical, solvent-free, 100% pure, *Hemp Seed Oil and Hemp Protein Powder*. Plant-based Hemp ingredients with integrity and that are suitable to a variety of food, beverage, nutraceutical supplements, health & beauty and pet nutrition consumer products.

Just as we did with the Cranberry ingredients, Nutrativa™ Global is inherently setting the standard for Hemp quality and consistency. With our well-defined production methods in-place, guided by our established standard operating procedures (SOP), Nutrativa™ Global has established unmatched quality standards, by batch, and by lot of production.

In synergy with the Growing Opportunities Act, our goal at Nutrativa™ Global is to provide the farmer, the manufacturer, the retailer, and the consumer with a high level of confidence in knowing that we have well-documented systems and protocols in place that will allow us to consistently deliver “*hemp ingredients*” of the highest quality to the industries that we serve.

Thank you for your support!

WISCONSIN EXPORTS 68% OF THE WORLD'S CRANBERRY



An October Harvest



Wisconsin Cranberry



Seeds are cold-pressed & cold-filtered



Nutrativa™
Cranberry Seed Oil



* Patented Cranberry Protein Powder

Nutrativa™
Cranberry
Protein Powder

← HELPING THE WISCONSIN HEMP FARMER



Hemp Field



Wisconsin Hemp



Hemp seeds cold-pressed & cold-filtered



Nutrativa™ Global Hemp Seed Oil



Nutrativa™ Hemp Protein Powder



Assembly Committee on Agriculture
Assembly Bill 206
Public Hearing, October 1, 2019

Thank you for the opportunity to submit testimony on Assembly Bill (AB) 206, relating to modifications necessary to implement additional opportunities provided under the 2018 Farm Bill with regard to hemp growing as discovered during the inaugural year of the Wisconsin hemp pilot program.

Wisconsin Farm Bureau's state policy reads as follows, "We support the production, processing, commercialization and utilization of industrial hemp and that it be regulated by USDA rather than the Drug Enforcement Administration (DEA)." This policy position mirrors the American Farm Bureau's policy language.

WFBF was actively engaged in working with the bill authors to support passage of the 2017 Wisconsin Act 100 which established a research pilot program for farmers to grow and process hemp in Wisconsin for the 2018 and 2019 growing seasons. Initial interest from farmers resulted in 250 approved grower licenses from the Department of Agriculture Trade and Consumer Protection (DATCP) in 2018 and approximately 1,500 applications for the 2019 growing season.

With the passage of the 2018 Farm Bill, there are new opportunities for farmers to grow hemp if states decide to create state specific plans with approval from USDA. One of the major hurdles inhibiting farmers and processors was addressed with the passage of the 2018 Farm Bill. This was the removal of hemp from the Federal Controlled Substances List. The second major hurdle addressed was the legalizing of interstate commerce of hemp and hemp byproducts.

AB 206 creates the necessary pathway for the transition from the hemp pilot program to a permanent state program under the direction of DATCP. DATCP will have the ability to establish procedures for maintaining information relating to hemp production, testing THC concentrations in hemp, disposing of noncompliant hemp plants, complying with enforcement provisions, and conducting annual inspections of hemp producers.

The bill redefines hemp to be any part of the plant, whether growing or not, that contains 0.3 percent or less THC. This revised definition mirrors the new federal definition. In addition, there is clarification that THC in the product is below the legal threshold. Again, this mirrors federal law.

There are requirements for growers to notify DATCP identifying the varieties they intend to plant to ensure they have been certified for growing in Wisconsin. The bill addresses violations of the program, establishes contract requirements between growers and processors, and prohibits mislabeling hemp or a hemp-derivative product to ensure safe and accurate labeling of products.

This bill is an important step in moving Wisconsin's hemp industry forward and aligning more closely with the growing, processing and labeling standards set in the 2018 Farm Bill. Wisconsin Farm Bureau respectfully requests that you support Assembly Bill 206.

Thank you.

A handwritten signature in black ink that reads "Debi Towns". The signature is written in a cursive, flowing style.

Debi Towns
Senior Director, Government Relations
Wisconsin Farm Bureau Federation