



Opponent Testimony for Sub. SB 57
Ohio House of Representatives Agricultural and Rural Development Committee
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Chairman Koehler, Vice Chair Smith, Ranking Member Brent, and members of the Ohio House Agriculture and Rural Development Committee, my name is Theresa Daniello and I am the President of TDCANN Institute. Thank you for allowing me the opportunity to offer opponent testimony against the sub bill for Senate Bill 57 (SB 57). As the founder of TDCANN Institute, I have been involved with cannabis industry policy since 2011, and I am disheartened and unsettled in my testimony, as I never thought I'd be opposing an industrial hemp bill in the great state of Ohio.

Unfortunately, at this time I must testify against the sub bill for SB57. This sub bill changes the overall structure and intent of SB57 that the senate passed. It will restrict economic growth and the involvement of Ohio's small, and medium farmers/businessperson. There are unnecessary requirements in this sub bill directing the Director of the Dept of Agriculture to **restrict licensing, and review Ohio applicants financial records.**

This sub bill also gives sole discretion of the entire hemp industry to the Director of the Dept of Ag, in "consultation" with the Ohio Governor and Ohio Attorney General, with no rulemaking or financial oversight. The State Treasury of the Hemp Fund is at full discretion of the Director of the Dept of Ag, with no financial oversight or public transparency. Licencing is at full discretion of the Dept of Ag, with no oversight.

This sub bill requires the Director of the Dept of Ag to set licencing guidelines for hemp cultivation based upon **experience**, and **equipment**. These are overreaching parameters of law and it will limit licensing for Ohio Farmers.

This sub bill requires the Director of the Dept of Ag to set "**standards of financial responsibility**" for those who wish to gain a processing license. These are overreaching parameter of law, and are **not consistent** with other business development opportunities in Ohio. As a result of the Dept of Ag setting standards of financial responsibility, the sub bill requires the Director of the Dept of Ag to review financial information and business plans of those wishing to process any part of the hemp plant - including fiber for automotive parts, hempcrete, and other proprietary business information. Although oversight is needed for human/animal consumption of hemp in the interest of public health and safety, Industrial uses and processing for industrial uses should not be held to the same scrutiny/licensure. This **overburden of regulation** is not business friendly, and will stifle Ohioans business opportunities and the emerging industry.

Instead of requiring the Dept of Ag to set standards and regulations **substantially similar** to the USDA standards that will be released in the near future, this sub bill requires the Dep of Ag to set up its own

standards and regulations that may be more restrictive than the standards and regs that will soon be released by the USDA.

The Dept of Ag is also required to set up standards and manufacturing procedures - all of which may be proprietary information per business. Again, this is overreaching in the law.

This sub bill requires the Dept of Ag to **set fees** for laboratory testing for plants and products. The sub bill does not discuss if labs are state or public businesses. The state should have no involvement with fee setting for private industry.

Also concerning, is the voting for the newly created Hemp Marketing Program's funds being the sole responsibility for the 4 people appointed by the Dept of Ag instead of the full 18 member board, 14 of whom are elected.

In addition, only those who are licenced to grow the plant are responsible for funding this program, and not the licenced processors or retail stores that will benefit from the marketing.

On a personal note, I find it deeply disturbing that the sponsor of this important hemp bill, which may potentially create a multi-billion dollar industry in Ohio, submitted the sub bill to SB 57 at the last minute. As an industry policy expert, Senator/Dr Huffman and his office staff have my contact information, along with access to the vast rolodex of industry experts who participate in robust hemp industries, that could have advised. Instead, what it seems we are witnessing is very similar to the Ohio Medical Marijuana Program with limited licencing that caters to out of state business interests.

While other states are thriving and empowering their farmers to participate in this emerging industry, Ohio is faced with this sub bill that is causing many Ohio farmers to rethink their involvement, and possibly move out of state.

Currently in Ohio, we have at least two organizations/agencies that work to bring business opportunity to Ohio through thoughtful strategy. I am unaware if either of these two entities have been consulted for their expertise when discussing this potential billion dollar industry. First, The Common Sense initiative is a state program "dedicated to reviewing state regulations with an eye toward eliminating them or making them less harmful to businesses." Second, JobsOhio, who has a Food and Agribusiness Division, states, *"Ohio is the birthplace of some of the world's greatest inventions – the airplane, the lightbulb, the traffic light and even Superman. Today, Ohio combines that innovative spirit with a friendly business environment that attracts global investment and fosters growth. Ohio's simplified tax structure, central location and affordable cost of doing business are catalysts for ongoing economic diversification and prosperity."*

I also find it illogical, and shocking, that there is absolutely **no funding** in the 2019 budget to manage getting the agricultural commodities Industrial Hemp crop program started - despite increase funding in the budget for both the alcohol and wine industries.

As a quick, friendly reminder and on the record, I want to remind all elected officials that according to news reports, former Ohio speaker is currently under FBI investigation. He is being investigated for his association with a payday industry lobbyist who is connected with a winning Level one mmj cultivation licence. This can be easily researched.

In addition, the amount of taxpayer money being spent on lawsuits and attorney fees to address applications/licencing for the mmj program has at least quadrupled from initial estimates. We want to

avoid this with the Industrial Hemp Program. Additional oversight/fairness in pre/post licensure will avoid these unnecessary costs.

On a final note, I must reiterate, as an industry expert, I find it deeply disturbing, and truthfully, quite embarrassing, that Ohio's Industrial Hemp program is going this direction, if passed. Currently, West Virginia, Alabama, Louisiana, Michigan, Indiana, New York, and many other states are planting their crops. But in Ohio, policy makers seemed to have stalled the process for our Ohio farmers instead of creating a law that requires our **State Dept of Agriculture employees** to **expedite** the licencing process for cultivation and processing of this emerging industrial commodity for Ohio's agricultural and business communities.