



Senate Agriculture and Natural Resources Committee
Tom Haren, Executive Vice President
Ohio Hemp Association
Proponent Testimony
Senate Bill 57

Chairman Hoagland, Vice Chair Hill, and Ranking Member O'Brien, and members of the committee—my name is Tom Haren. I am a lawyer at Frantz Ward and I am also the Executive Vice President for the Ohio Hemp Association ("OHA").

I want to thank you for the opportunity to testify as a proponent to Senate Bill 57 on behalf of Ohio's hemp industry, and the OHA. We appreciate this committee's work to prioritize these matters, and especially to Senators Huffman and Hill for their leadership in taking on this important legislation. I look forward to sharing the hemp industry's position and look forward to working with you and offering any direct insights on creating a state hemp program and other matters important to our industry.

By way of background, the OHA is a statewide non-profit organization, providing advocacy and member development services on behalf of Ohio hemp farmers, processors, distributors, retailers, and others engaged in the hemp industry.

The OHA is dedicated to advocating for an industry-driven hemp program that is predictable, with an appropriate regulatory structure.

OHA is thrilled that the 2018 Farm Bill changed federal policy regarding industrial hemp, including the removal of hemp from the Controlled Substances Act and classifying hemp as an agricultural product, including access to research opportunities and federal crop insurance.

The 2018 Farm Bill legalized hemp under certain restrictions and allowed for states to develop their own programs, in concert with the federal government. Unlike many other states, Ohio does not have a pilot program or a state-based program to pursue the cultivation of hemp. However, Ohio is a leader in growing agricultural commodities, processing, manufacturing, and distributing. Ohio is a leader in agricultural research, through our premier colleges, universities, and research institutions both in the private and public sectors.

Ohio's food and agriculture industry represents over \$105 billion to our economy, ranking seventh overall in the number of farms in the United States. Additionally, Ohio ranks third in food and beverage manufacturing, and fifth nationally in grain and oilseed milling.

The U.S. Hemp industry grew to \$820 million in 2017 and is expected to reach \$1 billion in 2019 and \$1.9 billion by 2022. As of today, the United States receives the majority of hemp from foreign sources.

Currently, the United States is the number one importer of hemp products. Ohio is in a position to help the U.S. become the number one exporter. Ohio is a logistics hub, with recent reports calling Ohio the "e-commerce capital". This is good for hemp-based businesses, as we will be selling our products globally. Ohio has four dedicated air cargo terminals, we have the fourth largest trucking industry, and fourth largest rail industry.

The OHA looks forward to helping our industry grow and finding opportunities for our farmers, processors, retailers, and consumers of hemp and hemp derived products.

The Ohio Hemp Association would like to recommend and support the following suggested changes to SB 57:

- OHA supports the expeditious passage of SB 57, including an emergency clause, to allow for the immediate implementation of all necessary hemp-related administrative rules by the Ohio Department of Agriculture;
- Section 928.01(D): specify that a "hemp product" has the same THC content limit as hemp, by adding "with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis" (line 20);
- Section 928.03(A): Authorize the Department of Agriculture to adopt rules not only for the regulation of hemp cultivation, but also for the rest of the industry by adding "processing, testing, and sale of hemp and hemp products" (line 65);
- Section 928.03(A)(9): Authorize the Department of Agriculture to also develop rules for testing hemp products, by modifying to include "and hemp products" (line 92);
- Section 3719.41(C)(27): Specify that THC included in hemp products is also excluded from the definition of tetrahydrocannabinols, by adding "or hemp products" (line 562);
- Include an appropriate set-back requirement for hemp cultivation from medical marijuana licensed facilities to prevent cross-pollination, so long as the set-back is not so onerous as to meaningfully impact Ohioans' ability to grow hemp.

While it may not be appropriate in this legislation, OHA also believes that creation of a hemp checkoff program is worthy of further discussion. Checkoff programs allow for a fee from growers based on production volumes. If a hemp checkoff program is enacted, these resources can be used for commodity research and market development. There is no doubt that hemp farmers will benefit from research and market development since this commodity has not had the opportunity to develop based on its historical prohibition.

Thank you for the opportunity for the Ohio Hemp Association to provide testimony on SB 57.

I am happy to answer any questions and look forward to working with you as the legislative process continues.