

**North Carolina Industrial Hemp Commission  
MINUTES**

**November 1, 2016, 2:00 PM  
Martin Building, NC State Fairgrounds  
Raleigh, NC**

<b>Commission attendees</b>	<b>Other official attendees</b>
<b>Department of Agriculture Commissioner Steve Troxler</b>	<b>Justice Paul Newby, NC Supreme Court</b>
<b>Chief Tony Godwin</b>	<b>Jon Lanier, NCDA&amp;CS</b>
<b>Billy McLawhorn</b>	<b>Ann Brown, NCDOJ</b>
<b>Tom Melton, PhD</b>	<b>Lori Pfister, Research Stations Division</b>
<b>Sheriff Sam Page</b>	
<b>Fen Rascoe</b>	
<b>Pat Short</b>	
<b>Sandy Stewart, PhD</b>	
<b>Guochen Yang, PhD</b>	
<b>Guy Carpenter (via Skype)</b>	

**Call to Order – Commissioner Steve Troxler, NC Department of Agriculture & Consumer Services**

- We are on the road to making North Carolina (NC) one of the leaders in Industrial Hemp (IH) growing state in the nation.
- Wanting farmers to have the opportunity to grow IH for its many uses, set up the infrastructure and many markets here in NC in the many different parts and ways.
- This is historic. I’ve been through something like this before. I know a lot of the work of the commission members (IHC), the thought, movement and process to be successful at this.
- Clarifies that by law he is the chairman until the election of the chair, therefore he is conducting the meeting.

**Statement Concerning Conflicts of Interest – Commissioner Troxler**

“Under the State Government Ethics Act, the chairman is required to remind all members of their duty to avoid conflicts of interest or appearances of conflicts of interest. If you have any conflict or appearance of conflict of interest with respect to any item on the agenda, please state this for the record and refrain from inappropriate participation on that item.”

**Introductions and Swearing-In of Commissioners– facilitated by Commissioner Troxler**

- I shall introduce your name. Please go ahead and tell us whom you are, little bit about yourself and what you do:
  - Dr. Yang from A & T University
  - Dr. Melton from NC State University – these two gentlemen were appointed by the Governor
  - Chief Tony Godwin – appointed by the president pro-tempore of the Senate
  - Sheriff Sam Page -appointed by Speaker of the House
  - The next four gentlemen were appointed by me:

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- Pat Short – one of the farmer positions as appointed by law. The other is,
- Fen Rascoe
- Billy McLawhorn – fills the agri-consultant position
- Guy Carpenter – in the position of agri-business

### **Opening Statement – *Commissioner Troxler***

- The NC Department of Agriculture and Consumer Services (DAG & CS) to work in conjunction with the land grant universities to establish an IH Research program under the guidance of the IHC, which is what we have here today. Interest in IH has growers, manufacturers, and processors looking to diversify in the uses of IH in many different products and that's what we are seeking to do. That is what we intend to do, not only grow the crop but to grow the diversity of products and infrastructure we've got to have to do that. We are looking to tap into an emerging market.
- As a state we are going to develop this crop following all guidelines and regulations and we are going to benefit from practices developed by this IHC and the research we are going to do, producing IH in the coming years. We have history and of course with NC State and A & T university we have what we need to do and to do it well. People who have told me they want to grow IH have said they want to be the Gold Standard and that's we are set out to do. We are going to be the Gold Standard in the nation and avoid some of the pitfalls we've seen. Also we are going to use some of the good things that have happened in other states that have tried this.
- We are going to take full advantage of these partnerships. In NC we have soil types and climate variations, we are going to go have to do a lot of research to make this applicable all across state of NC and that's what we've been doing for many many years now. We want to be the leader in Hemp growing and products this side of Mississippi River: an exciting and attainable goal.
- We are here today because of the commitment shown by the interested parties. I want to make sure you understand the statute required that \$200,000 non-state funds be obtained by the interested parties. It happened and the money is in hand. The commitment is what it is going to take. We are going to start off like a ball of fire and figure out how to best maneuver around the road blocks. I think we're the only state that has shown such a broad level of support. Thank you to all of you who contributed to that fund.
- I am designated as the Vice Chair of the commission by law. I am going to announce to you that I am going to designate Dr. Sandy Stewart who is the head of our Research Stations Division (RSD) to serve as the Vice-Chair. This brings one more area of expertise.

### **Election of Chair – *Commissioner Troxler***

- The law requires that the members of the IHC elect a Chair that is going to serve a two-year term. So we are going to move into that. I open the floor for a motion to nominate:
- Billy McLawhorn - I'd like to motion Tom Melton to be the Chair.
- Pat Short – I second that.
- Troxler – we have the motion for Tom Melton. Are there other nominees? With none I'll call to the vote. All those in favor please say I. Unanimous – vote.
- Troxler – All opposed like sign. {none} Dr. Melton you are elected chair of the NC IHC. I know there is a lot of housekeeping today,... {Murmuring}
- Troxler – I was about to forget we have to swear everybody in.

### **Swearing-In of Commissioners– *facilitated by Commissioner Troxler***

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- NC Supreme Court Justice Paul Newby -- I'll ask you to come forward

### **NC Supreme Court Justice Paul Newby**

- Thank you Sir. It is my honor to be with you. {the IHC members gather around the front of the horseshoe table}
- We have three Bibles so we can gather in groups.
- Before I administer this oath. We have as a state have required this in our state constitution. Why? The reason is: It is because each of you has been called to put aside any of yourself interest and do what is beset solely for the people of NC. It is an oath you take before this room full of people and before Almighty God.
- Place your left hands on the bible and raise your right hand.
- I'll read the Oath. If you agree to perform your duties consistent with the Oath you will say *I do or so help me God*. {each man says his name individually}
- Newby reads the oath. {each man swears in followed by applause}

### **Election of Chair – Commissioner Troxler**

- The law requires that the IHC be sworn in so we will have to take an official nomination.
- I again open the floor for a motion to nominate:
- Billy McLawhorn - I'd like to motion Tom Melton to be the Chair.
- Pat Short – I second that.
- He turns the meeting over to Dr. Melton, and introduces John Lanier & Ann Brown to talk about the responsibilities of the Commission.

### **Roles and Responsibilities of Commission**

#### **Jon Lanier, NCDA&CS**

- Remind everyone that you were required to go through an ethic review committee evaluation, you should have received a letter and informational packet with on-going education. This is within 6 months of appointment and every two years following. Please get with him with questions about that.
- Lay out of roles and responsibilities; to understand legal background framework.
- Historically Hemp was legal to grow. In 1970 the Federal Controlled substances act lumped the cannabis sativa in the same variety of the species. A schedule 1 drug. THC ingredient. The .3%THC is the defining factor.
- 2014 Federal Farm bill – sec 7606, allowed states to participate in IH pilot programs. For research and with state laws as defined.
- Our legislature in 2015. With the amendments became 2016, HB 992. Created this commission and lays out that the IHC and the land grant universities will oversee the pilot program.
- Reads roles and responsibilities from statute.
- The practical implementation is through rule making. Two pieces of rulemaking legislation.
- State gov in NC allows a governing body, as in the IHC, to enact rules for further specificity.
- Discretion of the pleasure of the commission to rule around the fees emphasized.

#### **Ann Brown, NCDOJ**

- She represents the NC IHC
- Temporary rule making rule process. This is a very structured process, with certain steps and time frames. It takes place through the rules and review commission.

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- There is time for public hearing and comments before agency adopts the rules. The rules review commission ultimately approves the temp rules.
- Uncertain time frame, perhaps 45 days or more is not unreasonable.

### **Operational Procedures for Commission Meetings – Chair, Dr. Melton**

- Open for motions
- Chief Godwin - motion to limit the public comments to 3 minute in the interest of time & fairness
- Fen Rascoe – seconds motion
- No discussion. Unanimous vote. Motion passes.
- Commissioner Troxler – interjects that the IHC should be considering the hiring of a person. Looks to see the IH be planted in 2017 and this would help move that forward.
- Explanation of Sign in sheets and public comment.

*Break (10 Minutes)*

**Chair, Dr. Melton** - suggests some time and interaction with the universities and their participation before further discussion of hiring anyone.

**Status of University Research Capabilities** - Mr. Edmisten not available, volunteer speaker instead

**Angela Post** – Agronomist from NCState, Dept. of Crop Science, small grain science

- Planning for simple agronomy test similar to CO, KY, some other states
- Visits have been made to these states and Manitoba as well
- Plant growth regulator testing – this plant can grow long / short/ variety trials. Adaptability for region, fertility, pesticides, etc.,
- If permits come into place and if seed can get into the ground, we have compatible equipment to get going. There is Bio research initiatives, dry fuels, bio diesels.
- Edmiston focuses more on fiber than the seed.

**Chair, Dr. Melton** – although no one is here from the college of textiles they have interest in this program as well. Great advantage in NC to have all these resources.

### **Gouchen Yang PhD, NCA&T**

- Micro-propagation of plants – test tube babies for plants. He has the reproductive experience for this traditional breeding.
- Seed production, harvesting and the different varieties and the conditions in NC to the
- Entomologies, soil, climate conditions all these need research to be done.
- Chemical analysis, growing conditions and the particular concentrations.
- NC A & T has the laboratory to assist with this.

**Chair, Dr. Melton** – open the floor to discuss the position and the needs or qualifications that might be needed or preferred.

- He suggests to email him, start a group email. {Ann gets up and whispers to him.}
- Don't email him. Discuss it at next meeting.

### **Importation Procedures for Seed – Vernon Cox, NCDA&CS**

- In many cases the counter roles in the other states have been with plant industries.

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- One issue that has to be addressed: obtaining the Hemp Seed. Significantly complicated factor - DEA considers Hemp seed to be a Class1 controlled substance the same as marijuana. May not be transported across state lines. Also, approved required to receive from out of country.
- NC DAG has submitted an application to receive this Hemp seed. On Aug 24, 2016 the application was processed, still has not been approved.
- An import permit will then need to be obtained after the DEA application is approved.
- Describes complicated process.

**Comments Concerning Rules and Regulations for Permits – *Commission Members***

- Fen Rascoe – suggests that the planting season timeline is important. Suggest that the application be a priority.

**Public Comment** There were 37 minutes of public comment including approximately 20 individuals who spoke. The speakers were consistently informative, passionate and positive about this project. Dr. Melton concluded the public comment period with no one else interested in speaking to the commission.

**Adjourn - Chair, Dr. Melton** – End of the Agenda. I'll open the floor to the commission to adjourn.

**Vice-Chair, Dr. Stewart** – As a point of privilege I think the commission owes a debt of gratitude and service to two people that work in my office, Richard Clark and Lori Pfister. {applause}

**Sam Page** – make a motion to you {refers to Dr. Melton} for authorization to proceed with the establishment of what we need to hire by draft of a job description and considerations for hire. That could be brought back by the time we next meet.

**Pat Short** – seconds the motion. Unanimous vote.

**Chief Godwin** – Thanks the public that came out and those that spoke. Helps others to understand the broad base of information and offer education to the commission. {members of commission agree}

**{audience question}** - How will we know when the next meeting is and keep in touch with what's going on in IHC? Lori answers with website address and links to register email.

**Chair, Dr. Melton** – **If there isn't anything else, do I have a motion to adjourn?**

- Fen Rascoe – motion to adjourn
- Chief Godwin – second motion