

North Carolina Industrial Hemp Commission

MINUTES

March 18, 2019 at 2:00 p.m.

Jim Graham Building – NC State Fairgrounds – Raleigh, NC

Commissioners in attendance:	Other official attendees:
Dr. Tom Melton, Chairman	Phil Wilson, Plant Industry Division, NCDA&CS
Dr. Sandy Stewart, Vice-Chairman	Anne Brown, Department of Justice
Mr. Guy Carpenter	Jon Lanier, Asst. General Counsel, NCDA&CS
Chief Tony Godwin	Beth Farrell, Ag Programs Specialist, NCDA&CS
Sheriff Tim Manning	
Mr. Pat Short	
Mr. Fen Rascoe	
Dr. Guochen Yang (via phone)	

Call to Order – *Dr. Tom Melton, Chairman*

Roll Call of Attendees – *Dr. Tom Melton, Chairman*

Chairman **Melton** initiated a roll call to determine if a quorum of Commissioners were present. Eight Commissioners as listed above were in attendance, meeting the requirement of a quorum.

Statement Concerning Conflicts of Interest – *Dr. Tom Melton, Chairman*

Chairman **Melton** read the statement concerning conflicts of interest and asked members to identify any potential conflicts of interest. Dr. Guochen Yang noted conflict with Application 768.

Recognition of Meeting – *Dr. Tom Melton, Chairman*

Chairman **Melton** noted the purpose of this meeting is to approve applications as well as provide an update on the NC Industrial Hemp Program, 2018 Farm Bill and overview of manufacturing. Under state and federal laws, individuals must be issued a license to participate in the North Carolina Industrial Hemp Pilot Program. Growers in the state who wish to cultivate industrial hemp must submit an application for a license to the Industrial Hemp Commission. Applications that have been vetted seriously by N.C. Department of Agriculture and Consumer Services staff will be reviewed at this meeting. Chairman **Melton** noted that vetting applications is currently taking up to 6 weeks and thanked Plant Industry Staff for their efforts.

Approval of Minutes from the February 28, 2019 meeting – *Dr. Tom Melton, Chairman*

Chairman **Melton** called for a motion to approve the minutes from the February 28, 2019 meeting. Motion to approve these minutes made by Commissioner **Short** and seconded by Commissioner **Carpenter**. Motion passed on a voice vote.

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Review and Approval of Research Pilot Program Applications – Dr. Tom Melton, Chairman

- Application #768 (Arnab Bhowmik): Commissioner **Carpenter** moved to approve Application #768 and Commissioner **Manning** seconded. Chairman **Melton** did a roll call vote; Commissioner **Yang** abstained from voting. Application was approved.

- Chairman **Melton** read the names of the applications under consideration at this time: Albert Carlton Williard; Maurilio Calderon; Samantha Lee Ford; Michael Dylan Howard; Adam Cornell Secosan; Michael Stephen Klatt; Eric Tyrone Carson; William Barrow; John R Hope; Jim Jones; Frank Williams; Clif Sutton; Kyle Emerson Sims; Michael Troxler; Wesley Jason B; Nathaniel Hargett, III; George Fabin Smith; James Michael Whitehurst; Tina Thomas Gross; Cody Jackson Gross; John Scott Rowe; William Scott Ballard; Michael Dewayne Little; William J. Johnson; Robert Flanigan; Michael Joel Edwards; Toby Lee Speaks; George Carter Combs; Chester V. Pilsen; Carey Zuris Sams; Matthew Vernon Leary; Brad Alonzo Barefoot; Jerry Allen Blackman; James Edward Alexander; Travis Jackson Grimes; Jeffery P. Tugwell; Anthony Wayne Evans; Aubrey Tyler Cupit; Jordan Kent Jones; Ryan Anthony Blakenship; Charles Giddens Jr.; Joshua Ian Clark; Donald R Worrell; Dana Phifer Taylor; Jordan Austin Roberts; Ronnie Jason Davis; Anthony Adams Bass; Steve Lester Ebert; Derek Scott Ross; Rodney Guy Russell, III; Patrick Austin Owens; Michael Stanley Morris; Ronald Gay; Michael William Thomas; Ryan William Lambeth; Anna Lee Yates Odham; Ronnie Stephen Willis; Thomas Anthony Owens; Gary Lynn Stewart; Caleb Anthony Barefoot; Butch B. Freeman; Aaron Bracky Hemric; Julius Havens Burrell Griffin; Aaron Wallace Dison; Terry Edgar Clayton; Ledger Norris Harrell; Justin Luke Roberts; Stanley Ensley Woolard Jr; Thomas Lee Ellis; Franklin David Poindexter Sr; Thomas Dale Baudoin; Joseph Arron Warren Jr; Joseph Aaron Warren III; Andrew Eugene Arnold; Larry Thomas Freeman; Justin Michael Hanes; Luke Steven Mathis; William Zeigler Salley III; Ricky Edwin Bunn; Virginia Van Hampton; Gary Lane Alligood; Shane Ashley Whitaker; James Clyde Pate; Jimmy Dean McNeill; Miles Edwin Mercer Jr; Brian Lee Busick; and Robert Harold Blackard.
 - Commissioner **Carpenter** made a motion to approve the applications. Commissioner **Manning** seconded the motion to approve. After roll call vote, all applications were approved.

New Business

Industrial Hemp Program Update – Mr. Phil Wilson, Director, Plant Industry Division, NCDA&CS

Chairman **Melton** called on Phil Wilson, Plant Industry Division, N.C. Department of Agriculture and Consumer Services, to provide a program update.

- Mr. **Wilson** – Reported that as of March 18, 2019, North Carolina has 696 licensed industrial hemp growers, representing 8,628.46 licensed acres and 3,508,326 square feet of licensed greenhouse production. There are currently over 400 registered processors in the state.
- Mr. **Wilson** noted that interest and application volume for the N.C. Industrial Hemp Pilot Program is very strong. Based on the high volume of applications being received, it is currently taking approximately 6-8 weeks to review and validate application information before they are reviewed and approved by the Commission. Continued patience with staff and this process is appreciated. Mr. Wilson also requested that applicants not call unless it is absolutely necessary.

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- Vice-Chairmen **Stewart** expressed appreciation to Mr. **Wilson** and staff for taking on industrial hemp duties in addition to their regular full-time jobs. Vice-Chairman **Stewart** also noted other states are looking to North Carolina as a model and are visiting to learn more.
- Chairman **Melton** noted that there have been 2-3 county meetings a week with information shared by Plant Industry staff and University personnel.

Agriculture Improvement Act of 2018 (Farm Bill) Update – Jonathan Lanier, Assistant General Counsel, NCDA&CS

Chairman **Melton** called on Jonathan Lanier, Assistant General Counsel, NCDA&CS, to provide an update on the 2018 Farm Bill.

- Mr. **Lanier** provided an overview of the 2018 Farm Bill provisions pertaining to hemp including its definition, state and tribal plans, violations structure including effect of a drug related felony and effect of a false statement, removal of hemp from the federal Controlled Substances Act, and addition of hemp to the Federal Crop Insurance Act. Mr. **Lanier** noted that the 2018 Farm Bill has no effect on other laws (unless mentioned specifically), including the Federal Food, Drug and Cosmetic Act. It is anticipated that revised regulations will be in place for the 2020 growing season and will create a permanent hemp cultivation program.
 - Chairman **Melton** noted that there are still questions regarding delta-9 tetrahydrocannabinol concentration and total THC levels. Mr. **Lanier** noted that while the 2018 Farm Bill mentions delta-9, it also leaves the door open for other approved methods.
 - Vice-Chairman **Stewart** noted that North Carolina is still operating under the research pilot program authorized by the 2014 Farm Bill; USDA plans on accepting state plans in the fall of 2019.
 - Mr. **Lanier** noted if the timeline for state plans is delayed, hopeful that USDA will extend the existing pilot program for the 2020 growing season.
 - Commissioner **Carpenter** asked about the need for seed certification for imports. Mr. **Wilson** responded that this will allow for the movement of material into NC from another pilot program state but will still require documentation if imported from another country. Material will still have to go through customs and phytosanitary inspections.

Manufacturing Overview –Anita MacMullen, Director, Food and Drug Protection Division, NCDA&CS

Chairman **Melton** called on Anita MacMullen, Director, Food and Drug Protection Division, NCDA&CS, to provide a manufacturing overview.

- Ms. **MacMullen** noted that Food and Drug has regulatory authority over cannabinoid compounds. She provided an overview of FDA action to date and shared that NCDA&CS will be taking an educational approach but has the authority for stronger action if the need arises. Regulations have been drafted for NCDA&CS to oversee extracts of cannabinoids including extraction, processing, packaging and labeling regulations. Want to position NC as a leader and give consumers confidence in the products manufactured in our state; this regulatory framework will benefit both the industry and consumers.

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- Commissioner **Carpenter** asked if this approach paralleled any other sector; Ms. **MacMullen** responded that this approach resembles the dietary supplement industry.

Public Comment Summary

- Noted that there may be trouble determining if violations outlined by the 2018 Farm Bill are legitimate mistakes or for illegal intent.
- Expressed there is confusion with growers and processors regarding THC sampling methodology and transportation of product.
- Would like to see locally grown opportunities for hemp and way to connect growers and processors to analytical labs to network and strengthen industry in the state.
- Expressed the need for financial support for industrial hemp programs in our state; noted \$10 million allocation for industrial hemp in New York.
- Would like to see Food and Drug issue guidance to encourage investment in North Carolina; supportive of no fee for processor license. Other states have astronomical fees.
- Would like to know who is processing in the state and access to testing for heavy metals. It was shared where to locate the registered processors list at www.ncagr.gov/hemp.
- Would like clarity on if its ok to grow under someone else's license.
- Noted data needed to connect people to buyers. Would like to know who has material from 2018 crop
- Noted processors need rules by and encouraged building another lab to process remainder of saleable product.

Commissioners' Comments

- Commissioner **Rascoe** advised that those who are licensed and approved to not plant what you can't afford to destroy; also noted benefit of having a contract to grow and encouraged license holders to know who they are dealing with.
- Commissioner **Carpenter** noted strengths for the state to take a leadership position for industrial hemp production, including for fiber. Noted need to invest now to help bring good companies into the state for all areas of hemp production.
- Vice-Chairman **Stewart** thanked everyone for attending the meeting and noted three major goals: 1) compliance with federal law; 2) protect public health; and 3) foster the industry and regulatory framework. While challenges remain, much work has been done and lessons learned since the Commission was formed, and excited about the potential to our state.

Adjourn: Being no further business, Commissioner **Rascoe** made a motion to adjourn which was seconded by Commissioner **Short**.

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