

North Carolina Industrial Hemp Commission

MINUTES

September 3, 2019 at 2:00 p.m.
Telephone / Internet Conference Call

Commissioners in attendance:	Other official attendees:
Dr. Tom Melton, Chairman	Paul Adams, Plant Industry Division, NCDA&CS
Dr. Sandy Stewart, Vice-Chairman	Tien Cheng, Department of Justice
Mr. Guy Carpenter	Janyne Kizer, EIT, NCSU
Chief Tony Godwin	Beth Farrell, General Administration, NCDA&CS
Mr. Billy McLawhorn	Phil Wilson, Plant Industry Division, NCDA&CS
Dr. Guochen Yang	Jon Lanier, Asst. General Counsel, NCDA&CS

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. Six 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. No conflicts of interest were identified.

Recognition of Conference Call – *Dr. Tom Melton, Chairman*

Chairman **Melton** noted that the purpose of this meeting is to approve applications to cultivate industrial hemp in North Carolina. 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. There is no public comment period for this meeting.

Recognition of Special Guests – *Dr. Tom Melton, Chairman*

Chairman **Melton** noted there were no special guests at this meeting.

Industrial Hemp Program Update – *Mr. Paul Adams, NC Industrial Hemp Program Manager,
Plant Industry Division, NCDA&CS*

Chairman **Melton** called on Paul Adams, NC Industrial Hemp Program Manager, to provide a program update.

- Mr. **Adams** reported that as of September 3, 2019, North Carolina has 1,297 licensed industrial hemp growers, representing 16,365.47 licensed acres and 5,997,192.60 square feet of licensed greenhouse production. There are currently 797 registered processors in the state. Mr. **Adams**

N.C. Industrial Hemp Commission

Dr. Tom Melton, Chair Dr. Sandy Stewart, Vice-Chair
Guy Carpenter Chief Tony Godwin Billy McLawhorn
Sherriff Tim Manning Fen Rascoe Pat Short Dr. Guochen Yang

noted that the NCDA&CS invoicing system is currently down; invoices for applications approved at this meeting will be sent as soon as service is restored via email and USPS.

- Vice-Chairman **Stewart** noted that while the numbers reported at each meeting keeps increasing, staffing has remained consistent. He commended staff for their efforts and dedication while the N.C. Industrial Hemp Program has grown exponentially.

New Business

- Approval of Minutes from the August 2, 2019 meeting – *Dr. Tom Melton, Chairman*
 - Chairman **Melton** called for a motion to approve the minutes from the August 2, 2019 meeting. Motion to approve these minutes was made by Commissioner **McLawhorn** and seconded by Vice-Chairman **Stewart**. Motion passed on a voice vote.
- Review and Approval of Research Pilot Program Applications – *Dr. Tom Melton, Chairman*
 - Chairman **Melton** read the names of the applications under consideration at this time: Ricardo Hernandez; Michelle Fleckner; Robert T Coles; Brentley Lee Matthews; Joffre Taylor Ginn; David Arthur Adams Jr.; Marleni Vilca-Paul; Wusheng Liu; Donna Lynn Morris-Khan; Porsha Nichole Justice; Joseph Kurnick; Thomas Isaac Greenarch; Jonathan Christopher Bousman; Norman Kenneth Dobbins; Bradley Philemon Donahue; Robert Lee Paramore Jr.; Mahlon Webb; Shae Elizabeth Weddington; Tyler Hugh Lamm; Beatrice Nuck Dingha; Louis Ernest Jackai; Karen Gibson Capps; Matthew Phillip Gunter; Daniel Lee Elks; Joseph Allen Workman; Lauren Michelle Lang; James Marvin Shearin II; Anthony Ray Newton; Stephanie Mullins Sellers; Patrick Curtis Ray; Laurelynn Ann Phelps; Jimmy Dean Fulp; Rozier Singletary Jr.; Arnold Ray Christian; and Alan Christopher Teague.
 - Chairman **Melton** asked if there was a motion to approve the applications presented. Commissioner **Carpenter** made a motion to approve the applications. Commissioner **Godwin** seconded the motion to approve. After roll call vote, all applications were approved.
- Update on 2019 Farm Act and USDA State Plan for North Carolina – *Mr. Jon Lanier, Assistant General Counsel, NCDA&CS*
 - Mr. **Lanier** noted that the 2019 NC Farm Act (SB 315) has been the subject of much debate in the N.C. House; the bill has been sent back to the N.C. Senate for consideration. The Senate may either confirm or send the Farm Act to conference committee. The subject of smokable hemp has been heavily debated. The N.C. House has approved a ban on smokable hemp beginning on May 1, 2020. On the Federal level, U.S.D.A. plans to release their guidance for State Plans this fall based on the 2018 Farm Bill.
 - Chairman **Melton** noted that NCDA&CS will be prepared to submit a State Plan to USDA as quickly as possible. The Commission will discuss permanent rules once the State Plan is in place.
 - Mr. **Lanier** explained the need to see what authority the Commission receives via the Farm Act regarding rulemaking authority. Any rules that are developed will need to be compliant with both state and federal laws.

N.C. Industrial Hemp Commission

Dr. Tom Melton, Chair Dr. Sandy Stewart, Vice-Chair
Guy Carpenter Chief Tony Godwin Billy McLawhorn
Sherriff Tim Manning Fen Rascoe Pat Short Dr. Guochen Yang

- Commissioner **Carpenter** expressed that he understood the process regarding not adopting rules, but that a lack of action was noted as the 2019 Farm Act was debated in the N.C. House. He asked to move forward in a more proactive fashion at the in-person meeting on September 24. He also noted that he doesn't understand the probable cause argument being expressed by law enforcement.
 - Chairman **Melton** noted that the Commission had done the right thing operating under temporary rules. He explained that the permanent rules process takes 4-6 months to develop after they are approved by the Commission.
 - Mr. **Cheng**, Counsel to the Commission, noted that the Commission was granted rule making authority to carry out the N.C. Industrial Hemp Pilot Program based on the current program. The Commission's authority may change based on new/pending legislation and may include more authority in the future.
 - Vice-Chairman **Stewart** explained the current program is based on the 2014 Farm Bill and existing state law. Based on the 2018 Farm Bill and potential changes in the 2019 Farm Act, there is a need to have boundaries set to have a compliant hemp program in our state.
 - Mr. **Lanier** noted that the Commission currently expires 12 months after the adoption of federal rules.
 - Commissioner **Godwin** wanted it to be clear that while there is a roadside test available to law enforcement for alcohol impairment it is much more difficult to test for impairment due to narcotics. He noted that comparing the two is unfair.
- Warning about the grey areas of existing law - *Dr. Sandy Stewart, Vice-Chairman*
 - Vice-Chairman **Stewart** noted that it should be apparent from the discussion during the meeting that there remains a lot of grey areas regarding hemp in current laws. While state and federal guidelines remain to be set, FDA continues to evaluate what products can be approved containing CBD. While cultivation of hemp is legal, the law is not completely set regarding end products. He warned license holders that no one can guarantee what the market will be when product is harvest and to proceed with caution.
- Adjourn: Being no further business, Commissioner **Carpenter** made a motion to adjourn which was seconded by Commissioner **Godwin**.

N.C. Industrial Hemp Commission

Dr. Tom Melton, Chair Dr. Sandy Stewart, Vice-Chair
 Guy Carpenter Chief Tony Godwin Billy McLawhorn
 Sherriff Tim Manning Fen Rascoe Pat Short Dr. Guochen Yang