



Arizona Department of Agriculture

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Arizona Department of Agriculture Industrial Hemp Advisory Council October 21, 2019 Meeting Minutes

Pursuant to A.R.S. § 38-431.02 notice is hereby given to the members of the Arizona Department of Agriculture Industrial Hemp Advisory Council (Council) and to the general public that the Council will hold a meeting open to the public on Monday, October 21, 2019 beginning at 10:30 a.m. at the Arizona Department of Agriculture, located at 1688 W. Adams, Phoenix, AZ 85007, in room 206. The agenda for the meeting is as follows:

Call to Order. Dwayne Alford, Chair, called the meeting to order at 10:32 AM

Roll Call.

Brian McGrew

Approval of October 3, 2019 Minutes. Mr. Alford called for discussion of the October 3, 2019 meeting minutes. Paco Ollerton indicated that the vote on October 3, 2019 for the position of Co-chair should indicate that Mr. Ollerton abstained from the voting process. With the change noted, Rachael Sedgwick made a motion to approve the minutes as written, Mr. Ollerton seconded and all members voted to approve the minutes as written.

Industrial Hemp Program Fee Change Proposal. Mr. Alford handed the floor to Mr. McGrew to provide a summary of program budget and funds collected into the industrial hemp trust fund to date. Mr. McGrew provided a summary that included budget information for Fiscal Year 20 and 21; A projected program participation based on other state programs and potential participation in the Arizona Program in the next calendar year. Mr. McGrew provided information on proposed fee changes for the 2020 growing season. The Council discussed the budget, projection of participation and the proposed fee structure. It was determined that the Council wished to conduct additional research to determine the potential participation for the 2020 growing season before advising on any fee changes to Table 1 of A.A.C. R3-4-1005. At the pleasure of the Council, this agenda item was tabled until a later meeting.

Call to the Public.

Mr. Alford opened the floor for public comment.

Mr. Alford recognized Mr. Boaz Lerer. Mr. Lerer, owner of KB Labs, commented that during his certification process with the Arizona State Agricultural Laboratory (SAL) his operation had to change their methodology based on their requirements. This included re-calibrating their equipment every ten samples. At the costs associated with these extra measures (\$250 in standards and 3 hours of tech time) the lab would be at a loss if charging \$150 per sample. It was requested the SAL change the number of tests between calibrations or the program increase the cost charged per sample.

Terry Nickle wanted to make a suggestion that renewals should be given a sliding scale on the licensing fee and new applicants for the 2020 growing season should be charged the full amount.

Bill Artwohl indicated he was a licensed small farmer and was concerned about the fees and the \$150 per sample fee. Mr. Artwohl expressed concern there was a disconnect between the SAL (who is conducting the analysis), the inspectors collecting samples, and the growers. It was indicated that other states are

charging \$60 per sample for a full spectrum of analysis and it is 3 times that in this state just for THC analysis. Small farmers paying \$150 per sample if they have multiple crops is concerning, and his farm depends on the quality of the testing. Mr. Artwohl's last comment was that communication between SAL and the inspection staff needs to be fleshed out.

Rustom Ali asked what laboratories can test hemp. Mr. Alford indicated that currently it is only the SAL can test for regulatory purposes but once third party labs are certified they will be used. Mr. Alford also stated that a grower can use any third party lab for their own purposes but it is not an official analysis.

Wade McGregor asked what is the size required for determining a batch (lot size). Mr. Alford indicated that lot size is determined by the grower. Mr. McGregor asked if other tests are mandated. Mr. Alford indicated that there was not, at this time.

Next Meeting.

November 21, 2019 @ 10:30AM

With no further agenda items, Mr. Alford adjourned the meeting at 11:37 A.M.