



Arizona Department of Agriculture

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Arizona Department of Agriculture Industrial Hemp Program Rules Committee Meeting Minutes 5-6-19

Call to Order.- Dwayne Alford, Committee Chairperson, called the meeting to order at 10:10 A.M.

Roll Call. - Brian McGrew called roll. Committee members present: Dwayne Alford, Chair; Paco Ollerton, Co-chair; JL Echeverria; Colleen Lanier; and Michael Stoltz. Members absent: Sean Dugan and Alex Holley. A quorum was indicated.

Approval of March 22, 2019 Minutes. Mr. Alford called for discussion of the March 22, 2019 meeting minutes. Hearing none, Mr. Ollerton made a motion to approve the minutes as written, Mr. Echeverria seconded the motion. All Committee members voted in favor of the motion.

Seed Law Memo - Jack Peterson, Associate Director of the Environmental Services Division, provided information pertaining to current seed laws as it pertains to agricultural seed in the state. Mr. Peterson informed the Committee and the audience of the seed laws of the state and how those pertain to the labeling and sale of hemp seed as agricultural seed.

Program Applications. - Mr. McGrew provided an update to the Committee and the audience that industrial hemp program applications are available online.

Location Requirement Rule Language Update. - Mr. McGrew provided an update to the location requirement rule language based on Department input in regards to the re-introduction of language that would require a licensee to be in compliance with all county and local zoning laws, ordinances, and codes. Mr. Echeverria motioned to approve the inclusion of the language presented for R3-4-607(A)(2) *A Licensee shall ensure that all registered areas are in compliance with all applicable city and county zoning, codes and ordinances.* Mr. Ollerton seconded the motion. The Committee voted: Echeverria, for; Ollerton, for; Alford, for; Lanier, against; Stoltz, against. Mr. McGrew indicated that there needed to be input whether the vote need to be a majority of the quorum or a majority of the Committee as a whole. No legal counsel was present so the agenda item was tabled by Mr. Alford until a later date.

Authorized Seed/Propagative Materials Rule language. - Mr. Alford opened the discussion for rule language to determine the provisions for hemp planting materials. Mr. McGrew provided an update based on previous discussions and the input provided by the Committee. Mr. McGrew read alternate versions of rule language, which included 1) Authorization based on an approved list process based on lists available from other States; 2) Language based on originating documentation attesting the eligibility of hemp seed and propagative material that the material was produced under an authorized program and is accompanied by a Certificate of Analysis indicating the it originated from a crop not greater than 0.3% THC; and 3) input provided by Mr. Stoltz indicating that only certified seed should be allowed.

The Committee discussed each version and indicated that eliminating propagative material would not be good for the industry. The review of other state's lists appeared to be arbitrary if the same documentation is required with or without a list. The Committee indicated that the rule language where originating documentation would be required would be sufficient. Ms. Lanier made a motion to approve the version authorizing seed and propagative

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material based on originating documentation for compliance and no list. Mr. Echeverria seconded the motion. All members voted in favor of the motion.

Research License Rule Language. - Mr. Alford opened the discussion for rule language to determine the provisions for industrial hemp research. Mr. McGrew reviewed the previous version of the language that had been under discussion and made a point that the Department doesn't typically make provisions on criteria for research programs, or who is qualified. It is stated in statute that a person growing, harvesting, transporting, or processing hemp must have a license. This rule is intended on providing assistance for those research programs that are not-for-profit and is a choice of the applicant to request an exemption. Mr. McGrew read the updated version of the rule. Mr. Alford called for a motion to approve the rule language. Mr. Ollerton made a motion to approve the language provided. Mr. Echeverria seconded the motion. All members approved the Research rule language.

Mr. Alford called for a recess at 11:46 AM

Mr. Alford resumed the meeting at 11:58 AM

Compliance Rule Language. - Mr. Alford opened the discussion for updates to the compliance rule language and handed the floor to Mr. McGrew. Mr. McGrew indicated some changes made to the rule to remove issues more related to policy and not suited for this rule. Ms. Lanier recommended that the use of the term *Cannabis* would be suitable in reference to samples as opposed to a registered plant or crop. Mr. Alford called for a motion to approve with changes. Mr. Echeverria made a motion to approve with changes; Mr. Ollerton seconded the motion. All Committee members voted to approve the updated rule language with changes.

Administrative Rule Language. - Mr. McGrew indicated that the Committee is waiting on input for the Seed Certification rule language. Mr. McGrew noted some minor changes to the notifications and reports rule language by striking the "pre-planting report" language, since it is now in rule 606, authorized seed and propagative materials. Changes were made to the processor notifications based on input from the previous meeting. Nursery notifications were struck since this would be covered in the authorized seed and propagative materials rule. Ms. Lanier commented that the language in reference to the THC concentration should be made more consistent throughout the rules. Mr. McGrew indicated that all references would be made to indicate "A total Delta-9 THC concentration not greater than 0.300%" Mr. Alford called for a motion to approve the rule language with changes. Mr. Stoltz made a motion to approve rule language for rule 611, Mr. Ollerton seconded the motion. All members approved the motion.

Mr. McGrew reviewed the rule language for rule 612, violations. The Committee discussed the proposed language. Mr. Alford called for a motion to approve the proposed rule language. Mr. Echeverria motioned to approve. Mr. Ollerton seconded the motion. All members voted to approve the rule language.

Mr. McGrew reviewed the rule language for rule 613, corrective actions. The changes made related to the reorganizing some segments for consistency. In subsection (D) Mr. Echeverria asked about what would be considered moving a harvested crop if it was found too high in a concentration. The Committee discussed this issue and that it was determined that, for the purposes of this rule, moving a crop off of the contiguous hemp site would not be allowed because at that point, it would be considered transporting marijuana. Any remediation would have to be conducted on-site. Mr. McGrew explained that the remediation language is for technologies that may come online or be developed at some point. It may or may not exist at the time this program starts. In those cases it may be a crop destruct situation. Mr. Alford called for a motion to approve. Mr. Stoltz made a motion to

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approve the rule language as written, Mr. Ollerton seconded the motion. All members voted to approve the rule language as written.

Mr. McGrew reviewed the language for 614, penalties. Mr. McGrew indicated that there is still some language that needs to be developed, but asked if there was any comments for what was provided. Ms. Lanier indicated that there may be an issue with indicating that "All" licenses may be revoked. Mr. McGrew indicated he would clarify that issue. Ms. Lanier asked about the qualifiers for determining the penalty that would be assessed. Ms. Lanier would provide suggestions for the qualifiers. Discussion for this item was completed.

Call to the Public. - Mr. Alford began to open the floor for comments by those that submitted a speaker card. Mark Zeldes with Zephyr Consulting Group. Mr. Zeldes asked if the seed laws would apply to seedlings. Mr. McGrew replied that seed laws only apply to seed, that would fall under other plant protection laws by needing a phytosanitary certificate or nursery license.

Joseph Ketterer, asked if hemp that was found above 0.3% THC would it [all parts of the hemp crop] be able to be used in construction materials. It was explained that no it would not, since it would not be allowed to be removed from the hemp site.

Hope Jones indicated that there would be an interest in moving a crop off of the field , if found high in THC, so a farmer can continue to turn their field for the next planting (of whatever crop). Being able to move it to storage would be beneficial. Regarding the compliance testing of crops, samples should be homogenized to try an average what results are obtained. Where in the language would say that R&D could be conducted. It was explained that this is not necessary, since there is prohibitive language that would prohibit someone from conducting research.

William Patterson with In-House Services asked if a grower could sell his harvested hemp after his license expired. Mr. McGrew explained that the grower would have to sell or get rid of any hemp material if the licensed expired. It is required by law that you must have a license to be in possession of harvested hemp. Mr. Paterson, are all owners required to have a fingerprint clearance card? Mr. McGrew responded that just the applicant needs the card.

Sully Sullivan with Arizona Hemp Supply Company and the Arizona Hemp Industries Trade Association asked, in regards to subsection (D) of the Corrective Action rule, what might be prescribed by the Associate Director for remediation; and would hemp that is above 0.3% THC be able to be remediated by a processor? Mr. McGrew indicated that those methods that would be prescribed would be on a case by case basis, especially since we don't know what technologies currently exist, or what new technologies might be developed later on. Remediation would, however, be required to be conducted at the hemp site, since a hot crop cannot be transported of the site. These methods would need to be reviewed and conducted under Departmental oversight. It would likely also require any mobile remediation company to be registered with DEA.

Next Meeting - To be determined.

Mr. McGrew indicated that the next meeting is still pending, however, there is a meeting scheduled for May 20th at the ASU Beus Center, Armstrong Great Hall in Downtown Phoenix. Details will be provided at a later date.

Meeting was adjourned at 1:26 P.M.