U.S. Hemp Roundtable

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VIA EMAIL

April 13, 2022

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Rhode Island House of Representatives

Re: U.S. Hemp Roundtable Request to Amend HB 7254

Dear Representatives:

I am contacting you as general counsel to the U.S. Hemp Roundtable, the nation's largest business advocacy organization for the hemp industry. The Roundtable appreciates your sponsorship of HB 7254 and leadership on promoting financial innovation within the hemp industry. The Roundtable applauds the originality of the bill, which appears to be among the first—if not the first—legislative efforts to establish a blockchain track-and-trace system for commercial hemp activity. However, the Roundtable has serious concerns about some of the bill's provisions.

First, the bill defines hemp to mean "marijuana and all parts of the plant of the genus hemp." The definition is imprecise. Hemp is not marijuana, but rather is non-intoxicating and a legally and scientifically distinct subspecies of the cannabis plant. Nor is hemp a botanically classified genus of its own; it is a plant within the cannabis genus. The Roundtable is concerned that the current definition will cause confusion and possibly lead to unnecessary enforcement action. A more accurate definition for hemp can be found in the 2018 Farm Bill, which most states have adopted verbatim.

Second, the bill's definition of hemp products is also incorrect. Hemp is not "hemp sativa linnaeus, hemp indica, or hemp ruderalis"; as defined in the 2018 Farm Bill, hemp is "the plant Cannabis sativa L." Additionally, the Roundtable would prefer to see a more robust definition. For example, many states define hemp products to include "any produce derived from or made by processing a hemp plant or plant part and prepared in a form available for commercial sale."

Third, neither the definition of hemp nor hemp products refers to delta-9 THC. As a matter of federal law, a material is not legal hemp unless it contains 0.3% or less delta-9 THC on a dry weight basis. Including the delta-9 THC standard as part of the definition is critical to ensuring that hemp and hemp products in Rhode Island comply with federal law and enjoy the broad protections in interstate commerce that the 2018 Farm Bill guarantees.

Fourth, the bill requires hemp cultivators to obtain a state license in order to produce hemp, which is standard. But the bill's factors for determining license eligibility include water use and environmental impacts. The Roundtable supports

environmentally friendly hemp production methods and has committed significant financial resources to develop and advocate for sustainable practices, but it is important to stress that hemp cultivation is evolving. As farmers know well, emerging methods for growing hemp sustainably can be costly, particularly in drought conditions. It would be unfortunate for a hemp cultivator to be denied a license simply because it has not yet had an opportunity to implement or perfect sustainable agricultural systems. A more equitable standard would be to suspend or revoke a license if a cultivator is unable to meet water use or environmental impact criteria in the future and on an ongoing basis.

We would be eager to meet with you at your earliest convenience to discuss this matter. We appreciate your consideration.

Sincerely,

Jonathan Miller General Counsel

U.S. Hemp Roundtable

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