

KANSAS HERITAGE FARMS

Testimony to Kansas House Agriculture Committee

House Bill 2244: An Act Concerning Industrial Hemp

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Good afternoon. Thank you, Chairman Rahjes, Vice Chair Smith, Ranking Minority Member Carlin and members of the committee, for holding this hearing and incorporating feedback from industry participants.

My name is Sidney Black and I am the president of Kansas Heritage Farms. I speak today in support of HB 2244.

Kansas Heritage Farms is a locally owned father-son operation in Douglas County, and proud to be a part of an emerging and exciting Kansas market. I grew up in Topeka, graduated from KU, and am glad to be growing our business in my home state. After working abroad in the oil and gas industry for many years, my wife Carolyn and I have retired on our farm, which our son, Christopher, has been developing since 2008.

As participants in the Kansas Industrial Hemp Research Program, and now as a commercial grower and processor, Kansas Heritage Farms wants to work in concert with legislative and regulatory entities to secure a nationally competitive role for Kansas hemp products and services.

My son and laboratory manager, Christopher, and I have been fortunate to collaborate with numerous reputable vendors and consultants to establish a safe and competitive commercial hemp extraction processing service, including PodTronix for the physical lab environment, and Delta Separations by Gibraltar Industries for processing technology and standard operating procedures. We have also worked extensively with local utility providers, Morton Buildings and McElroy's electrical and plumbing contractor, of Topeka, to meet appropriate building standards and optimize the design and construction of the facility.

Kansas Heritage Farms utilizes ethanol extraction processing to produce a high-grade hemp distillate (< 0.3% THC) ready for a variety of applications. Extraction is conducted within a C1D1 compliant space using peer-reviewed industry recommended equipment and best practices. Our lab is currently processing plant biomass from our own 2020 crop (about 6 acres, grown from seed), and anticipates increasing operational capacity to offer extraction processing services to other growers.

As the Industrial Hemp Research Program transitions to a commercial one, with licensing for processors managed by the Office of the State Fire Marshal, we ask that you consider the following items regarding HB 2244:

Sec. 4 (d)(4)

As fingerprinting requirements and criminal history record check requirements are updated from the research program, please urge additional agency guidance to provide

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clarity and specificity regarding who is required to provide fingerprints. (This leaves room for question for license applicants. For example, employees are named, but not contractors. Are contractors also subject to this requirement?)

Sec. 4 (h)(1)

This states that the fire marshal SHALL require all individuals applying for a hemp processor registration to be fingerprinted, and the fire marshal MAY require individuals who are current employees or applying to be employees of a hemp processor to be fingerprinted. (This also leaves room for question for license applicants. Are employees/applicants required to be fingerprinted, or only the individual applying for the license?)

The corresponding temporary regulations issued by the Office of the State Fire Marshal state that “Each applicant shall be fingerprinted” (K.A.R. 22-26-2(f)); however, the Fire Marshal website states the following must “be fingerprinted and have criminal background checks completed: Each officer, proprietor, or partner of the entity; Each owner of more than a 10% interest in the processing operations; Employees”.

The fingerprinting requirement is of importance to our operation, and to others in the industry. With a seasonal crop and adjusting labor resources to meet production demand, we want to ensure compliance with license requirements as the commercial program develops, and allow others to enter the industry without such ambiguity.

If feasible, we request the fingerprinting requirement language within this bill be amended to more closely follow the USDA final rule regulating domestic hemp production.

As published in the January 2021 final rule (which we understand does not include hemp processors, but relates to the industrial hemp industry), federal policy requires background checks of “key participants,” and defines a “key participant” as “a person or persons who have a direct or indirect financial interest in the entity producing hemp, such as an owner or partner in a partnership... This does not include such management personnel as farm, field, or shift managers.”

Additionally, with the recent publication of the USDA final rule, we ask you and your colleagues to please be mindful of current (and future) changes that may impact state policy regarding industrial hemp, and that you communicate any related questions, concerns, or suggestions to the Office of the State Fire Marshal and/or the Department of Agriculture. To make hemp a more viable commodity for our state, Kansas must issue adequate and timely policy updates, reflective of federal guidelines.

As hemp processing regulation has moved over to the Office of the State Fire Marshal, Fire Marshal Jorgenson has been informative and helpful- we have confidence the program will continue to evolve in a positive manner and look forward to working together, particularly through an advisory body including processor licensees.

I encourage you to keep these considerations in mind as the commercial industrial hemp program advances and vote in support of HB 2244. Thank you.