

Honolulu, Hawaii

MAR 22, 2022

RE: S.B. No. 2986  
S.D. 1  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 2986, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Eliminate or relax certain regulations of commercial hemp production and prohibit the State from requiring inspections or sampling of, or issuing violations or penalties to, hemp producers licensed by the United States Department of Agriculture that are following the United States Department of Agriculture's rules and protocols;
- (2) Amend the conditions under which licensed hemp producers may transport hemp within the State to be processed or to other grow areas;
- (3) Allow licensed hemp producers to sell hemp biomass directly to consumers via online platforms;
- (4) Require the identity statement used for labeling or advertising any hemp product to identify the percentage



of Hawaii grown or processed hemp products in all hemp products and, if those products are not from Hawaii, the origin of any hemp product;

- (5) Exempt certain processors of hemp from the requirement that they register with the Department of Health as hemp processors; and
- (6) Extend the sunset date of Act 14, Session Laws of Hawaii 2020, which establishes the state hemp processors and commercial hemp production laws.

Your Committee received testimony in support of this measure from Hawai'i Sustainable Farms and eight individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Health, Hawai'i Hemp Farmers Association, Hawaii Farmers Union United, Hawai'i Farm Bureau, Hawaii Hemp Farmers Center, South Maui Gardens, Kauai Hemp Company, and six individuals.

Your Committee finds that hemp has a variety of uses, including for fuel, textiles, clothing, food, insulation, and biofuel, and has the potential to be a lucrative crop for Hawaii. Individuals and entities who wish to grow hemp in the State must acquire a hemp production license from the United States Department of Agriculture Domestic Hemp Production Program and comply with various state requirements. This measure eliminates the duplication of certain federal and state regulatory controls that may inhibit the growth potential and development of hemp in the State.

Your Committee has amended this measure by:

- (1) Amending the requirements for transporting hemp within the State to an authorized hemp processing facility or another licensed producer's grow area by replacing the requirement that the transportation of the hemp be authorized by the Department of Agriculture with the requirement that a copy of the Hawaii United States Department of Agriculture hemp license and lab report accompany the hemp shipment;
- (2) Changing the requirement with respect to compliance with hemp production inspection and sampling rules to specify

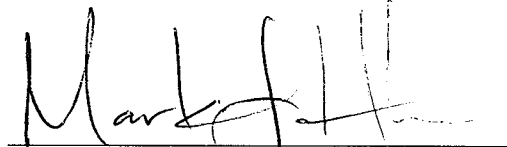


that no inspections or sampling shall be conducted by the State; and

- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2986, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Agriculture,

  
MARK J. HASHEM, Chair



