# Hemp CommissionVirtual MeetingDraft Minutes October 04, 2022.

## In Attendance:

**Commissioners**: Miles McCoy, Alan Cleaver, Phillipe Thuillier, Seth Crawford, Chris Sullivan, Paul Murdoch, Mike Noonan, Eric Pike (arrived at 2:49 p.m.)

**ODA Representation**: Commodity Commission Oversight Program Manager Kris Anderson, Oregon Department of Agriculture Acting Director Lauren Henderson, Cannabis Policy Specialist Sunny Summers, Market Access & Certification Programs Office Manager, Agency Rules Coordinator Alex Thomas

**Guests**: Curt Gebers, Lauren Lucht, Marlene Olsen (Oregon Department of Justice)

**Attendance Roll Call**: Mike Noonan: Yes; Eric Pike: Yes (arrived at 2:49 p.m.); Chris Sullivan: Yes; Alan Cleaver: Yes; Seth Crawford: Yes; Paul Murdoch: Yes; Travell Bradford: No; Phillipe Thuillier: Yes; Miles McCoy: Yes

**Commissioner Make-Up / Roster**

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| --- | --- | --- | --- | --- | --- |
| **Name** | **Position** | **Area** | **Term Length** | **Business** | **City/County** |
| Chris Sullivan | Producer 1 | Central Oregon | 4 years | Lazarus Naturals | Powell Butte/ Crook |
| Alan Cleaver | Producer 2 | Eastern Oregon | 3 years | CBD Ag LLC | Hermiston/ Umatilla |
| Seth Crawford | Producer 3 | Northwest Oregon | 4 years | Oregon CBD | Independence/ Polk, Benton, Josephine |
| Paul Murdoch | Producer 4  | Southern Oregon | 4 years | Horn Creek Farms | Jacksonville/ Jackson |
| Travell Bradford | Producer 5 | Statewide | 2 years | Momma Nature LLC | Clackamas/ Clackamas, Multnomah |
| Philippe Thuillier | Producer 6 | Statewide | 3 years | Xplant Laboratory | Portland/Washington |
| Mike Noonan | Handler 1 | Statewide | 2 years | Brothers Botanical | Eagle Point/Jackson |
| Eric Pike | Handler 2 | Statewide | 3 years | ROI Consulting | Grants Pass/ Jackson |
| Miles McCoy  | Public Member | Statewide | 2 years | Horticulturist Writer | Portland/ Multnomah |

**Introductions of Guests:**

Lauren Lucht: Northwest Transplants (previous temporary Commissioner)

Marlene Olsen: Oregon Department of Justice

Curt Gebers: Natural Bloom Farms, Jacksonville, OR.

At the first meeting of the commissioners who were appointed to serve “regular” (not temporary) terms, officers had not been elected, so Kris Anderson called meeting to order at 2:34 p.m.

Lauren Henderson introduced himself as the Acting Director of the Oregon Department of Agriculture following the departure of previous Director Alex Taylor for a position as under-Secretary for trade and foreign agriculture affairs for the United Stated Department of Agriculture (USDA). Lauren Henderson extended appreciation to all temporary and current Hemp Commissioners and members of the Rules Advisory Committee and expressed the importance of the work that has been done and the work the Commission will need to accomplish to effectively promote the hemp industry. Lauren Henderson indicated the ongoing discussion on a state and federal level around potential designation of hemp as a Specialty Crop.

Commissioner Seth Crawford asked Lauren Henderson why the USDA is hesitating to designate hemp as a Specialty Crop.

Lauren Henderson indicated the discussion has continued to center around what hemp “is” and “is not” and if its definition is applicable as a Specialty Crop and that overall Specialty Crop funding is affected by each individual crop that is listed as a Specialty Crop. Applications for Specialty Crop funds is competitive. If a new crop is added, the opportunity for other Specialty Crops to receive funding becomes more competitive.

**Adjustments to draft agenda:** To accomodate time restraints of Commissioners present, Kris Anderson presented and suggested adjusting the agenda to pause the Hemp Commissioner orientation at 3:30 p.m. and begin the election of officers. Commissioners present approved the revised agenda by consensus.

Commissioner Eric Pike arrived to meeting at 2:49 p.m.

Kris Anderson presented and opened discussion on Hemp Commissioner Orientation PowerPoint presentation, which was provided to commissioners before the meeting. The PowerPoint Presentation file is included with the meeting minutes and can be supplied via e-mail upon request.

**Discussion points included:**

Kris Anderson informed Commissioners present that they are authorized to enhance the commercial value of the hemp commodity, including working toward designating hemp as a specialty crop and expanding into international markets.

The Hemp Commission can work with the Oregon Department of Agriculture, Development and Marketing program as applicable.

**Slide 6** - Kris Anderson informed Commissioners present that the initial terms for Commissioners are stagged to ensure all 9 Commissioners do not have their terms ending at the same time. After initial terms have ended, Commissioners have the option to re-apply, then all term lengths are designated at 4 years. *See OAR 648, Division 30.*

**Slide 6** - Kris Anderson informed Commissioners present that, once funds are available to the Hemp Commission, Commissioners are eligible for a stipend, that matches the current rate of legislators. As of October 5, 2022, the current rate is $157.00 per day and is based upon the current GSA rate. *See OAR 648, Division 40.*

**Slide 6** - Kris Anderson informed Commissioners present that Intellectual Property Rights administrative rules were adopted by the temporary Commissioners. These rules are a first for any Oregon Commodity Commissions. *See OAR 648, Division 50.*

**Slide 6** - Kris Anderson informed Commissioners present that administrative rules can be changed by the Commission, following applicable public notice, hearing, and consideration of public comments received.

**Slide 10** - Kris Anderson informed Commissioners present that if non-budgeted funds are received, they can be accepted, but not spent until included in a future adopted and authorized budget. The Hemp Commission’s, (and other commissions’) statutes do not allow for an amended budget. Instead, commissioners can approve an emergency fund transfer for an unexpected expense. Emergency fund transfers must be reviewed and approved by the Oregon Department of Agriculture Director.

In order to accept and spend assessments that are due by April 15, 2023, the Hemp Commission will need to adopt a budget for the period of April 15, 2023 through June 30, 2023. Commissioners will need to begin developing their first budget in January or February next year. In March, the Commissioners will begin to develop a proposed budget for July 1, 2023 through June 30, 2024. The second budget must be adopted no later than June 6, 2023.

* Adopting a budget involves:
* drafting a proposed budget,
* notifying interested parties at least 14 days in advance of the budget hearing,
* holding a budget hearing,
* Commissioner adoption of the final budget, and
* ODA review and authorization of the budget prior to July 1.

**Slide 11 –** On thesubject of Oregon’s Ethics law, Kris Anderson informed Commissioners present that while a Commission or Commissioner cannot be involved with political campaigns or ballot measures, Commissioners, as individuals can, and to clearly indicate that they are speaking as individuals.

**Slide 14-** Kris Anderson expressed the importance of alwayscontacting the Oregon Ethics Commission whenever questioning an actual or potential conflict of interest as it applies to the Commissioner or their position as a Commissioner.

Commissioner Eric Pike asked Kris Anderson if a list would be sent to Commissioners of all Hemp Producers and/or Processors. Kris Anderson responded that this information is generally available on the ODA’s Hemp Program web page.

Commissioner Paul Murdoch asked Kris Anderson for clarification on e-mail and in person communication and when a public meeting is required. She cautioned against email communication among Commissioners because it may become serial communication, which is an illegal meeting format. Email is not an acceptable method of making recommendations or decisions because it does not allow for public input. She clarified that information gathering is appropriate but if any recommendations or decisions are going to result, a public meeting is required.

Commissioners Mike Noonan and Eric Pike expressed preference for in-person meetings for future Commission meetings.

Kris Anderson recommended Commissioners to acquire funding prior to scheduling in-person meetings.

The Hemp Commissioner Orientation PowerPoint presentation and discussion continued.

**Discussion points included:**

**Slide 17** – Kris Anderson indicated that Commissions could hold Executive Sessions during scheduled meetings if it is included on the draft agenda. The reasons for executive sessions are listed in ORS 192.660 (2) and include, for example, propriety business information that is exempt from public inspection is being discussed. Media representatives cannot report on what is discussed during an executive session, but can attend and report the discussion topic (not the details).

**Slide 22** – As of October 5, 2022, the future actions items for the Hemp Commission are:

* After grower survey results are available, continue developing a draft budget.
	+ Proposed budget needs to be ready by mid-February and adopted in March for April 1-June 30, 2022 (Proposed budget must be advertised at least 14 days ahead of budget hearing.)
* Determine dates for releasing RFP for administrative services
* Name/appoint 3 check signers (requires a motion
* Discuss best practices for assessments and vote)
* In April/May, develop and adopt a budget for July 1, 2023 through June 30, 2024

Kris Anderson outlined the process of electing a Commission Chairperson, Vice Chairperson, and Secretary / Treasurer (see slide 21).

Commissioner Mike Noonan requested clarification of establishment Hemp Commission assessment rates (1%). Kris Anderson clarified that a hemp producer (grower) pays the assessment to the Hemp Commission directly. In most other Commissions, the first purchaser of the commodity deducts the assessments from the producer’s check, then the first purchaser sends it to the Commission.

Kris Anderson informed Commissioner present that ODA currently drafts meeting agendas and drafts meeting minutes. Currently ODA will continue to perform these duties, but the Hemp Commission will need to setup individuals (through an administrative services provider) to perform these duties within the next several months.

Commissioners Eric Pike and Mike Noonan expressed preference for a previous temporary Commissioner to step in the role of Commissioner Chairperson.

Kris Anderson informed Commissioners present that each officer position is a one-year term. Often, at other commissions when the Chairperson steps down, the Vice Chairperson is the next elected as Chairperson, etc.

The Chairperson reviews draft agendas, manages meetings, and reviews, signs and administers contracts previously approved by vote of the Commissioners. When the Chairperson is unable to fulfill his/her duties, those duties fall first to the Vice Chairperson and second to the Secretary-Treasurer. All three officers are authorized check signers with the primary duty being the Secretary-Treasurer’s.

 Miles McCoy volunteered to serve as the Commission Chairperson.

 Seth Crawford volunteered to serve as the Commission Vice Chairperson

 Phillipe Thuillier volunteered to serve as the Secretary-Treasurer.

**MOTION**: Mike Noonan moved to elect Miles McCoy as the Chairperson, Seth Crawford as the Vice Chairperson, and Phillipe Thuillier as the Secretary-Treasurer. Seconded by Eric Pike. Motion approved by roll call vote.

**Roll Call Vote**: Miles McCoy: Yes; Phillipe Thuillier: Yes; Paul Murdoch: Yes; Seth Crawford: Yes; Chris Sullivan: Yes; Eric Pike: Yes; Mike Noonan: Yes; Alan Cleaver: n/a.

**MOTION:** Seth Crawford moved to accept the minutes from the September 21, 2022, meeting. Seconded by Eric Pike. Motion approved by roll call vote.

**Roll Call Vote**: Phillipe Thuillier: Yes; Miles McCoy: Yes; Paul Murdoch: Yes; Seth Crawford: Yes; Alan Cleaver: Yes; Chris Sullivan: Yes; Eric Pike: Yes; Mike Noonan: Yes.

Commissioner Phillipe Thuillier left meeting at 4:02 p.m.

Commissioner Seth Crawford left meeting at 4:07 p.m.

Kris Anderson, Curt Gebers, and Sunny Summers presented and opened discussion on letter from Curt Gebers to the Hemp Commission on October 5, 2022. Letter:

*~ Assessment of up to 1.5% for CPA firm to keep books for the commission.
~ Remediation policy to replace the Burn, Bury and Destroy Policy for crops over .3%

Dear Commissioners,*

*As we are well aware, the Hemp industry as a whole has suffered dramatically since 2019. It is my understanding that less than 10% of the remaining Hemp farmers, at least in Southern Oregon, are still in business. Because of this, I feel that further assessments even as little as 1.5%, could result in a catastrophic outcome.*

*I propose that for the remaining hemp farmers we come together to find mutually agreed upon solutions that would eliminate the need for assessments. It is my understanding that the primary reason for considering this assessment is to pay a CPA firm to maintain the bookkeeping and accounting for the Hemp Commission. I am not sure of the rules regarding who can take on this task but I am wondering if it would be possible to utilize one of the accounting professors or a graduate student at the university instead of hiring a CPA firm. I know Seth and others have very close relationships with the university and the professors and could possibly ask the graduate students if one of them would to like to take on the bookkeeping for the Oregon Hemp Commission. This would be a great opportunity for a graduate student to gain experience by volunteering as well as help the Oregon Hemp Industry. In addition, this would eliminate the need for an assessment and use resources readily available to us. I am not sure if this is legally possible or what restrictions, if any, would prevent this but I truly believe it is much more beneficial to find cost effective solutions for the remaining hemp farmers rather than create more expense.

Another concern I have and would like to mention is the burn, bury and destroy policy for plants over 0.3% THC. I am wondering if it would be possible to have a remediation policy put in place that would allow farmers to take plants that test over 0.3% and use them for extraction to remove the Delta eight and nine. This would leave a viable product for farmers and have less of a financial impact. I have grown Crawford Brothers Seed since 2019 and have had great success with my CBG coming back at 17.82% CBG and 0.0% THC. However, this is an exception even with Crawford Brothers, which is the gold standard in our state and possibly nationwide, because you still run the risk of tests coming back over 0.3% THC once plants have fully matured. Rather than continuing to devastate the industry with this policy, I propose that you allow farmers the opportunity of remediation to extract the plant material and remove the THC but keep the CBD/CBG to use in their products and enhance the quality of people’s lives. For me in particular, I take my products all the way to Isolate so they’re 99.5% plus pure CBD or CBG. Keeping the burn, bury and destroy policy in place seems like not only a waste of valuable life-changing materials but also financial burden to farmers who are barely hanging on trying to find success in the hemp farm industry.*

*Being new to commission meetings, I’ve only been on what will be my fourth meeting today, I realize that it is possible that these concerns have been discussed in previous meetings and I apologize If I’m repeating matters already discussed. I’m just a very small farmer from Sothern Oregon that truly cares.*

*Respectfully, Curt Gebers, Natural Blum Farm, Jacksonville Oregon*

Sunny Summers provided background on the section questioning current remediation policy to replace the Burn, Bury and Destroy Policy for crops over .3%. Oregon’s Hemp Program is a USDA approved program, from the 2018 Farm Bill, following the creation of the Federal Hemp Program. USDA maintains oversight over hemp growing, while individual states provide oversight once it leaves its grow site. Oregon has not yet initiated any plans to remediate current rules and policies because of high level of illegal grow operations during the early stages of Oregon hemp production. Currently, ODA is continuing to discuss the potential to change administrative rules. The two types of federally allowed remediation are:

1. Removing the floral material from the plant and destroying it immediately, then having the stocks and stems tested.
2. Allowing the grower to harvest, chip entire plant, then test.

Curt Gebers asked Kris Anderson if there were any legal concerns in reference to working with professors and/or graduate students as administrative service providers. Kris Anderson responded that while not aware of any legal barriers, confidentiality would be a primary concern when handling assessment payer information.

Miles McCoy indicated someone would still need to be assigned to manage and coordinate any volunteers. This would likely have to be a Commissioner.

Mike Noonan indicated preference for a contracted administrative service provider to ensure confidentially, professionalism, experience, and accountability.

Kris Anderson provided an outline of how the Temporary Commissioners established Administrative Rules. This included organizing a Rules Advisory Committee to discuss individual rules. Extensive consideration was invested into the establishment of assessment rules. Sunny Summers acted as the public hearings officer. The Rules Advisory Committee and the Temporary Commissioners considers all public comments received.

The Commission decides where, when, and how to spend assessment funds. Some options include:

* Levy Grower Assessments
* Provide Information/Education
* Study State and Federal Legislation
* Represent and Protect the Interests of the Hemp Industry re: Proposed Legislation or Executive Action
* Maintain, Expand and Develop New Markets
* Create and Carry Out Non-Branded Promotion/Marketing
* Conduct Research
* Develop Efficiencies in Production, Irrigation, Transportation, Handling, etc.
* Discover Health, Environmental, Economic Benefits of Consuming or Using Hemp

Kris Anderson indicated that ODA and its Agricultural Development and Marketing Program is continuing to work with international markets as potential hemp opportunities.

Commissioner Mike Noonan expressed preference for Commission meetings to be in person.

Sunny Summers notified the Commissioners present that the survey could not be distributed until ODA sets up a contract with the company that purchased the company that previously provided the survey website and software. No timeframe was known.

The next Hemp Commission meeting tentatively scheduled for October 19, 2022 at 2:30 p.m. Next meeting to include Commission policies and procedures presentation and discussion.

Chairperson Miles McCoy adjourned meeting at 4:55 p.m.