

Industrial Hemp Testing Equipment

FY2020 Request: \$350,000
Reference No: 62538

AP/AL: Appropriation **Project Type:** Equipment / Commodities
Category: Natural Resources
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Fabienne Peter-Contesse
Estimated Project Dates: 07/01/2019 - 06/30/2024 **Contact Phone:** (907)465-2422

Brief Summary and Statement of Need:

The purchase of industrial hemp (IH) testing equipment is required to meet the provisions of Senate Bill 6, enacted in SLA 2018. Department of Natural Resources is required to sample and test any IH produced or processed to validate the product is IH, which by federal and state definition must not contain more than .3 percent tetrahydrocannabinol (THC).

Funding:	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
1021 Agric Loan	\$350,000						\$350,000
Total:	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

The Department of Natural Resources (DNR) is developing an industrial hemp (IH) program that strictly follows the legal guidance provided in section 7606 of the 2014 Farm Bill and Alaska State Senate Bill 6. DNR will be required to sample and test any IH produced or processed under the program to validate the species being produced or processed is IH, which by federal and state definition must not contain more than .3 percent tetrahydrocannabinol (THC) on a dry weight basis. IH closely resembles recreational cannabis and the only distinction between the two variations of the same species is in the concentration of THC.

Alaska currently has recreational cannabis production, sales, and processing which contain vastly higher levels of THC. Requiring high quality standardized testing within the IH program will ensure registrants of the program do not have the ability to produce non-IH plants or products that could be diverted into the black market or be disseminated into the legal recreational market.

Currently Alaska’s recreational cannabis industry relies on two private laboratories for testing which meet the needs of that industry since low THC levels are unwanted or undesired. With the regulatory requirement to meet a standard of three tenths of a percent to be deemed IH, it is in the best interest of both cannabis programs and public safety to have regulatory controlled testing for the IH program. With this ability the state can directly validate that each lot of IH produced or processed meets the

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regulatory requirements or could take immediate actions for proper destruction if it does not. In addition, internal testing gives the state the oversight to standardize sample preparation, testing processes, and procedures to ensure quality assurance and control.

Testing for such unique parameters requires DNR to procure the proper scientific laboratory equipment. This request will allow for the procurement of gas chromatograph (GC) and high-performance liquid chromatograph (HLPC) equipment needed to test IH to the level of .3 percent THC.

Discussions regarding where the equipment is best located are ongoing between DNR and the Department of Environmental Conservation (DEC). DEC operates the same equipment for the shellfish testing program, however it is not a simple process to recalibrate the equipment, which requires an onsite visit from a qualified technician. It is not possible to easily switch from testing shellfish to testing hemp, hence a second piece of equipment is required.

While DNR's Plant Materials Center has the space and staff to operate the equipment, there may be savings realized by having both pieces of equipment in the same location, operated by the same professionals and serviced at the same time. A funding model could easily be put in place to reimburse DEC for testing services.

Line Item	Amount
1000-Personal Services	
2000 – Travel	
3000 - Services	
4000 - Commodities	\$350,000
7000 - Grants	
Total Request	\$350,000