

Washington farmers are legally planting hemp

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Cultivation peaked in 1943, but virtually ceased after the war. All that was left is the volunteer hemp that still grows along some Midwest ditches.

Farm groups didn't care when the Controlled Substances Act of 1970 classified all cannabis plants, including hemp, as a narcotic.

Meanwhile, hemp products remained legal. According to the Congressional Research Service, the biggest supplier of hemp to the U.S. is China.

In the 2014 Farm Bill, Congress approved government-supervised hemp "research." But it has not taken the final leap and removed hemp plants and viable seeds from the list of controlled substances.

Hemp remains subject to periodic rules, or "statements of principles" by the Drug Enforcement Administration, muddying what is and is not legal.

Right now, the DEA and the hemp industry are battling in court over cannabidiol, commonly known as CBD and sold as a nutritional supplement. According to the hemp industry, CBD is a \$100 million-a-year business as mainstream as Costco. According to the DEA, it's "marijuana extract."

"Oh, it's a dance, and I hate it," said Colleen Keahey, executive director of the Hemp Industries Association, a national trade group. "We're still just stumbling along."

Different paths

Some 30 states have passed hemp laws, according to the National Conference of State Legislatures. The laws vary widely. Oregon and Washington, for example, have taken drastically different approaches.

Hemp is just now being planted in Washington by a handful of farmers, while Oregon is in its third year of hemp production and has more than 200 registered growers.

Washington carefully followed the 2014 Farm Bill. Oregon started working on hemp rules in 2013 under the assumption that the U.S. Justice Department's hands-off approach to legalized recreational marijuana also applied to hemp.

Washington controls the seed supply and bans the production of CBD, which is extracted from the flower.

Oregon hemp farmers grow for the CBD market and obtain their seeds from wherever they can.

"Who knows where it all came from, but it jump-started the program," said Jerry Norton, a farmer in Oregon's Willamette Valley who is in his third year of cultivating hemp. Asked where he got his first seeds, Norton said, "I'll have to take the Fifth Amendment on that."

Oregon has not had run-ins with the federal government over hemp, said Lindsay Eng, the Oregon Department of Agriculture's director of market access and certification.

"We haven't heard from the DEA at all, and we haven't heard from growers saying they have," she said.



Cory Sharp talks about the ups and downs leading to the planting of hemp June 6 near Moses Lake in Central Washington. Sharp started a business, HempLogic, and developed partnerships with farmers to try the newly legal crop.

Pioneer perils

Under Washington state rules and DEA requirements, the seeds planted in Moses Lake last month were delivered from Canada to the state Department of Agriculture in Spokane and locked up. The seeds then had to be planted within 24 hours of being picked up.

"Being a pioneer for industrial hemp in Washington state is definitely an adventure," said Sharp, a former irrigation equipment salesman.

A few years ago, Sharp was in Omak, Wash., had bought a sawmill and planned to build tiny houses. Wildfire swept through and burned him out. Last year, he saw on Facebook that Washington Gov. Jay Inslee had vetoed a bill legalizing state-supervised hemp farming.

The veto was strictly a political statement to scold lawmakers for not passing a budget. Inslee vetoed 27 bills that day. The Legislature overrode many of the vetoes, including the hemp legislation. But Sharp interpreted the veto in a way that sparked his rebellious instincts, so he researched hemp and contacted farmers. "If I don't see that Facebook post, maybe I'm not in hemp," he said.

Sharp's plan took shape as WSDA spent a year writing rules for farming and processing hemp, and a certified seed program.

According to the rules, farmers must pay a nonrefundable \$450 application fee and \$300 for a one-year license. Inspection and testing fees will total thousands of dollars more. Farmers are subject to criminal background checks and must provide WSDA with the GPS coordinates of their fields.

Hemp fields must be at least 4 miles from any marijuana grow as a precaution against cross-pollination. The requirement came from the state's marijuana industry, a billion-dollar business and tax-generating machine.

Furthermore, hemp grown in Washington must be processed there, but not in private homes, slowing for now the development of any cottage industry. Harvested hemp can't leave the farm until WSDA issues a "fit for commerce" certificate. Hemp plants must be destroyed if they test too high in THC, the psychoactive chemical in marijuana.

"Many people have complained Washington's program is too conservative," Keahey, the Hemp Industries Association director, said.

The rules are meant to appease federal authorities. The hope is that the rules will lead to high-quality hemp, access to banking services, USDA grants and no problems with the federal government.

"I'm not sure I would agree with the term 'conservative.' I would say we're 'federally compliant' — on purpose," said Joy Beckerman, who founded the Washington chapter of the Hemp Industries Association.

After WSDA spent a year carefully crafting a federally compliant program, the Washington Legislature in April inserted confusion. It passed a bill taking hemp off the state's controlled substances list.

Lawmakers said they were following the lead of the federal government. The problem is, the federal government hasn't taken hemp off its list of controlled substances.

To counteract that move, WSDA hastily had lawmakers give it the authority to penalize anyone growing hemp without a state license, even though lawmakers one week earlier had declared hemp was not a state-controlled substance.

Sharp said it's easy go down the "rabbit hole."

"The important thing is we have hemp in the ground," he said. "And if we had fought over every detail, that might not have happened."

WSDA began issuing licenses in May and so far has issued a handful, including one to Washington State

University, which will try growing five dryland varieties of hemp.

Sharp said he hopes to sell the grain (sterilized seeds) and bale the stalks in hopes of someday finding a processor for the fiber.

"Being the first to do something is absolutely exciting, but there are pitfalls that come with it," he said. "We're trying to make a commercial product out of this, but as of now, we don't have a market for it."

He said he has taken to repeating a line to describe the state of hemp in Washington: "Everybody wants to be in hemp, until it's time to cut the check."

Market potential

The Congressional Research Service in March released a report titled, "Hemp as an Agricultural Commodity."

According to the report, there are no official figures for the value of hemp imported into the U.S., though the Hemp Industries Association estimates sales at nearly \$600 million a year.

Since little hemp is produced domestically, most of it used in the U.S. comes from China, Canada, India, Romania, Hungary and other European countries, according to the report.

Overall, the congressional report was reserved about the immediate prospects for a robust U.S. hemp industry.

The industry must establish supply chains, breed suitable varieties, upgrade harvesting equipment, modernize processing facilities and identify new markets, according to the report.

A 2013 report by the University of Kentucky, the state with the most acres in hemp, concluded that in the short term the re-emergence of hemp would create "dozens of new jobs, not hundreds."

Then again, the U.S. market has a "highly dedicated and growing de-

mand base" for hemp natural foods and body care products, according to the congressional report. "Given the existence of these small-scale, but profitable, niche markets for a wide array of industrial and consumer products, a commercial hemp industry in the United States could provide opportunities as an economically viable alternative crop for some U.S. growers."

Hemp advocates argue that demand for hemp products will soar if farmers are allowed to supply the raw material.

"The farmers are the heroes here," Beckerman said. "Without a crop being grown, we have no chance at all."

Crop with a cause

Beckerman emerged as an effective advocate for hemp in the state capitol in Olympia, where the crop has been embraced by both parties for its economic potential.

"She got our attention and made us aware of what it's all about," said Senate Agriculture Committee Chairwoman Judy Warnick, a Moses Lake Republican.

Beckerman traces her activism to a flier handed to her at a 1990 Grateful Dead concert. Four years later, she opened a hemp-products store in Woodstock, N.Y. "Cannabis wants to serve humanity," she said.

Beckerman is on the national board of directors of NORML, the National Organization for the Reform of Marijuana Laws, but her task in Olympia has been to stress the differences between hemp and marijuana.

"We're having to get through the taboo," she said.

Hemp and marijuana are unavoidably intertwined, though. Moscow, Idaho, farmer Tom Trail, who retired in 2012 after 16 years in the state House of Representatives, introduced bills to legalize hemp farming in Idaho several times. The crop remains one of Trail's favorite subjects, but also illegal to cultivate in Idaho.

"It just seemed like a majority of folks simply could not break out the difference between industrial hemp and marijuana," he said. "Even though you would have to smoke a hemp cigar as big as a telephone pole to get even a slight kick."

Hemp sold for its purported health benefits — as opposed to paper, textiles and construction materials made from it — complicates matters, at least with the DEA.

In 2004, the DEA lost a battle in the 9th U.S. Circuit Court of Appeals over regulating hemp food products. The DEA and the Hemp Industries Association are back in the same court litigating over CBD, a major market for Oregon hemp.

"Above all, I want to heal people," said Norton, the Willamette Valley farmer. "In my estimation, this will be bigger than Vitamin C."

In Washington, hemp flowers, from which CBD is extracted, may yet find a use. The Legislature has authorized a study into whether hemp farmers should be able to sell the material to marijuana processors.

EPA plans to take another crack at defining waters of the U.S. under Clean Water Act

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"Nobody understands the need for good stewardship and conservation better than America's wheat farmers," Chandler Goule, NAWG CEO, said. "We depend on clean water and healthy soils to make a living and feed the world. However, wheat farmers also need regulatory certainty so they know how to stay in compliance with the law."

Craig Uden, president of National Cattlemen's Beef Association, said rescinding the rule is another great step in the right direction.

"The administration deserves a great deal of credit for injecting some much-needed common sense into our nation's environmental policies. It's important to remember, though, that this rule isn't dead yet," he said.

Public Lands Council President Dave Eliason said ranchers in the West are already subject to an elevated level of regulatory overreach and the WOTUS rule as written would have only made the problem worse.

"It is reassuring to see the steps that this administration is taking to relieve some of

that regulatory burden and provide certainty for our producers," he said.

The WOTUS rule broadened EPA's jurisdiction to include such things as upstream waters and intermittent and ephemeral streams — such as the kind farmers use for drainage and irrigation — as well as lands adjacent to such waters, National Pork Producers Council stated.

"The WOTUS rule was a dramatic government overreach and an unprecedented expansion of federal authority over private lands, said Ken Maschoff, NPPC president.

"It was the product of a flawed regulatory process that lacked transparency and likely would have been used by trial lawyers and environmental activists to attack farmers," he said.

The National Potato Council said the rule massively expanded the scope of the Clean Water Act to areas of the U.S. — including farms — that are unrelated to its original goals and thereby subjected growers to potential regulatory jeopardy.

"NPC has gone on record as a strong supporter of reducing regulatory burdens that inhibit growers' ability

to farm. Revoking this flawed WOTUS proposal is a positive step toward that goal," said John Keeling, CEO and EVP of NPC.

Wesley Spurlock, president of the National Corn Growers Association, said the rule moved the country away from the goals of the Clean Water Act — restoring and maintaining the integrity of the nation's waters. Drawing clear lines on what is and what isn't jurisdictional will enable farmers to implement best management practices, such as grass waterways and buffer strips, without the burden of bureaucratic red tape, he said.

"These types of land improvements have enormous water-quality benefits, such as reducing sediment and nutrient runoff — a win for farmers and the environment. Government should be making these actions easier, not more difficult," he said.

Michael Strain, president of the National Association of State Departments of Agriculture, said EPA has sided with state and local governments, farmers, landowners, and small businesses in its decision to rescind the burdensome regulation.

"The 2015 rule lacked

clarity and was fraught with procedural concerns and violations of congressional intent, making it necessary to start over with a new rule that protects clean water and respects state regulatory authority," he said.

Others groups were not supportive of the action, however.

"This proposal strikes directly at public health," said Rhea Suh, president of the National Resources Defense Council.

"The Clean Water Rule provides the clarity we need to protect clean water. Its repeal would make it easier for irresponsible developers and others to contaminate our waters and send the pollution downstream," she said.

Bob Irvin, president of American Rivers, said Rolling back the rule is another major blow to clean drinking water and the health of American families.

"Without the Clean Water Rule's critical protections, innumerable small streams and wetlands that are essential for drinking water supplies, flood protection and fish and wildlife habitat will be vulnerable to unregulated pollution, dredging and filling," he said.

Issue brought unwanted attention on social media

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farm can maintain organic certification.

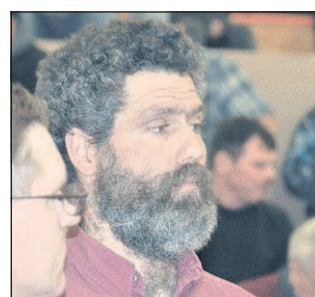
"This looks fine," farm manager Nathan Stelzer said in a late-night email following a June 21 meeting with the county court. "Thanks for the good interactive communication and discussion today. I think we can have a very good working relationship, now that we know each other better and have a clearer understanding of the meaning of 'control.'"

Commissioner Tom McCoy said he's optimistic the farm, its neighbors and the county have reached an agreement that will work for all three.

That wasn't the case earlier this spring. The farm's weeds have been an irritant to other farmers for several years, especially those who grow certified wheat seed. This year, the weeds were described as "rampant."

Sherman County officials warned Azure they would ask the state Department of Agriculture to quarantine the farm, and said they would spray weeds with herbicide if the farm didn't get a handle on the problem.

But using conventional week killers would cause



Eric Mortenson/Capital Press File

Nathan Stelzer, center, manager of the Azure Farms organic operation on the outskirts of Moro, Ore., at a May meeting with Sherman County commissioners. The farm has reached an agreement with the county to control its weeds.

Azure to lose organic certification for three years after the last application.

Azure Farms appealed to its fans and followers on social media, and county officials received an estimated 59,000 emails critical of their stance on the issue.

At a county court meeting in May, held in a high school gym to accommodate the crowd, residents said they were angry about being vilified on Facebook and called names by people they'd never met. Nathan Stelzer and his brother, David, who is president of Azure Standard in nearby Dufur, apologized for the social media outburst.