



**NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS
SPECIAL MEETING WORK SESSION WITH NMDA
November 19, 2018 at 3:30pm**

Senate Chambers, Corbett Center Student Union, NMSU
Las Cruces Campus, 1600 International Mall, Las Cruces,
New Mexico

Regents of New Mexico State University

Chair Debra Hicks, Vice Chair Kari Mitchell, Secretary/Treasurer Jerean Hutchinson, Chris Saucedo, Margie Vela

MINUTES

In attendance: NMDA Secretary Jeff Witte, Chair Debra Hicks, Vice Chair Kari Mitchell, Secretary/Treasurer Jerean Hutchinson, Regent Christopher Saucedo, Regent Margie Vela, Chancellor Dan Arvizu, President John Floros, Melody Munson-McGee, Tiffany Rivera (NMDA), Brad Lewis (NMDA), Kristi Garcia (NMDA), Adam Cavotta, Mike Rogers, and Stephen Lopez

A. Call to Order, Chair Debra Hicks

Meeting called to order at 3:37 PM by Chair Hicks.

1. Discussion of proposed Hemp Rules with NMDA, Chair Debra Hicks

Secretary Witte provided introduction –

- Thanked the Regents for taking time to understand this rule.
- The most highly watched rule in some time.
- Hemp Information provided from Hemp Information Document distributed at meeting
- 42 states have some kind of legislation on the books regarding industrial Hemp.
- From fiber to CBD oils. Grown in green houses and in fields. New Mexico business are interested in producing clones, seeds, and CBD extraction. Seed is \$1/seed (feminized). Transplants/clones \$14 - \$5/plant. Yield is up to \$50,000/acre.
- Previous bill was unworkable and very restrictive.
- Currently operating under research law.
- NMDA didn't start working on Hemp-related legislation until after veto was overturned by courts. Engaged growers and processors in the process.
- 5 meetings across the state with about 200 overall in attendance. Comments were analyzed. Hearing officer makes recommendation which is reviewed and approved by the secretary.
- Federally, the Farm Bill will likely include Hemp regulations to likely include moving Hemp out of schedule I.
- Overview of Hemp rule being considered.
- Decision to put the specifics of testing into policy is an emerging issue and consistency is important to work with industry and other states.

Arvizu: Is there a research component to the new rule?

Witte: No, it's absent. Testing of samples is done in private labs as proposed for initial phase.

Hutchinson: Why was the previous legislation vetoed?

Witte: overstepped the farm bill.

Hutchinson: How is it tested? What is the sampling?

Lewis: There are environmental and genetic factors that determine THC level. Lots of latitude for field agents that are doing the testing based on conditions. Testing the bud and flower and there is a possibility of retesting.

Hutchinson: Can you tell the difference visually between Hemp and illicit cannabis?

Lewis: No.

Lopez: Discussed basics of law enforcement testing procedures for controlled substances. Litmus test but percentage of THC not known (sensitivity).

Hicks: Who certifies the laboratories?

Lewis: labs submit their procedures. ISO certified reference laboratory to validate that testing from labs to approve. NMDA approves labs ultimately.

Arvizu: What extent can the system be gamed and how accurate are the tests?

Witte: Regarding sensitivity, the law says one significant figure, but many tests can go to the millionth place.

Secretary Witte briefly discussed licensing option, fee structure, and budget:

- Yearly license option: Two different licenses in a year may be possible with 90-day growing cycle.
- Continuous license option – Such as greenhouses
- Fee Structure - \$900 cap for one-time fee (plus \$6/acre).
- Budget – based on fee and projected acreage, this is not sustainable. State support will be needed.
- Hemp advisory group – Will go to legislature and support NMDA for the funding request.

Q: What about reversing the fee structure to reduce yearly fee and increase per acre fee?

A: Potential that high number of crops will be destroyed because THC above threshold. This would add costs and frustrate growers.

Q: What support do we offer for the growers?

Witte: This should be easier than organic. Industry consultant recommended.

Hicks: Small farmers are commenting about the fees being too high.

Witte: Parcels that are close to each other and are cared for in a similar way are being considered as an optional to license as one parcel. This should address some concerns for family farms.

Mitchell: What happens if cannabis is legalized for recreational use?

Witte: No matter what, it will still be regulated. It is yet to be determined how other cannabis production will be regulated.

Mitchell: Regarding rulemaking and announcement of rulemaking. What can we use to capitalize on new rules (for NMSU)?

A: Press conference to include legislators and industry. Academic, research, and extension should prepare for announcement.

Q: What is the opportunity for seeds (genetics) and production?

A: Industry is not likely to jump in. Grants are a good way to go forward. Public/private partnerships are better enabled once the Farm Bill (2018) is passed.

Training for inspectors is in the works for proposals. Training for law enforcement recommended.

Mitchell: What are the downsides?

A: Border Patrol Checkpoints – education is the key. Not a panacea. Water is limited if the Farm Bill doesn't pass (Federal water like EBID can't be used for Schedule I drugs).

Vela: What % of farm land will convert to Hemp?

A: Perhaps up to 5000 acres (9000 acres is what we farm in Chile currently, for a standard of comparison).

Vela: How water intensive is Hemp?

Lewis: Will likely plant into plastic mulch bed (which manages water better) 3.5/acre/feet. But, 90 day crop so it might be less in typical situation.

Q: How are the smaller farmers going to benefit?

Witte: This is an opportunity for small farmers.

Regent Mitchell asked others in the room to comment from their perspective in summary:

- Lopez: Not a law enforcement concern for growing. Concerns about CBD are more relevant.
- Ellis: General Counsel/NMSU is under state obligation to act and approach seems reasonable.
- Arvizu: Good opportunity for NMSU. Given regulation – high risk investment. Gives us time to get our research effort in place. Not a rush for Center of Excellence.
- Floros: not seeing support from federal or state government. We have the research capability, but the money is not evident. We cannot count on industry for interest/funding for hemp.
- Mitchell: called for bold and innovative ask from legislature and formation of NMSU Center of Excellence in Hemp research.
- Floros: Possibility of other Higher Education Institutions being partners.
- Witte: Ag Extension is a big part of the roll out.

Questions to be sent to Adam.

Mitchell: What is the need for public comment?

A: Experts will be there for press conference.

Hicks: 11/29 meeting at 1:30 PM and plan on 3 PM press conference to follow. Changes between now and then include how to deal with small plots of land (single or multiple plots). NMDA will also investigate check off program for production to see if revenue-based (proportional to sales) funding model can work.

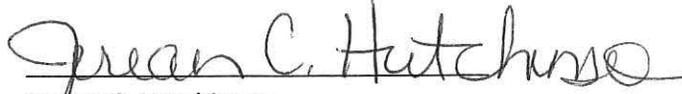
B. Adjournment, Chair Debra Hicks

Meeting adjourned at 5:35 PM.

Meeting Minutes Approved on November 29, 2018 by the New Mexico State University Board of Regents.



Debra P. Hicks
Board of Regents Chair



Jerean C. Hutchinson
Board of Regents Secretary/Treasurer