

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

**Eighty-Second Session
March 20, 2023**

The Committee on Natural Resources was called to order by Chair Lesley E. Cohen at 4:03 p.m. on Monday, March 20, 2023, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada, and to Room 130, Greenhaw Technical Arts Building, Great Basin College, 1500 College Parkway, Elko, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Lesley E. Cohen, Chair
Assemblywoman Natha C. Anderson, Vice Chair
Assemblywoman Shannon Bilbray-Axelrod
Assemblywoman Tracy Brown-May
Assemblywoman Venicia Considine
Assemblyman Rich DeLong
Assemblywoman Bea Duran
Assemblyman Bert Gurr
Assemblywoman Alexis Hansen
Assemblywoman Selena La Rue Hatch
Assemblyman Howard Watts
Assemblyman Toby Yurek

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Becky Peratt, Committee Policy Analyst
Erin Sturdivant, Committee Legal Counsel
Connie Barlow, Committee Manager
Nancy Davis, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Kelli Kelly, Executive Director, Fallon Food Hub
Joseph Frey, Chief Operating Officer, Western States Hemp
Adrienne Snow, Chief Executive Officer, Western States Hemp
Hunter Buffington, Director, Agriculture Policy Solutions, Loveland, Colorado
Jake Matthews, representing Cannabis Chamber of Commerce
Al Rojas, Private Citizen, Las Vegas, Nevada

Chair Cohen:

[Roll was taken. Rules and protocol of the Committee were reviewed.] We will begin with our work session.

Assembly Bill 84: Revises requirements for the issuance of certain annual permits for entering, camping and boating in state parks and recreational areas. (BDR 35-471)

Becky Peratt, Committee Policy Analyst:

Assembly Bill 84 requires the Division of State Parks, State Department of Conservation and Natural Resources to issue, free of charge, annual permits for state parks and recreational areas to members of Indian tribes. The Division is also required to issue such an annual permit without charging an administrative fee [[Exhibit C](#)].

Chair Cohen:

Do we have any questions? Seeing none, I will take a motion to do pass.

ASSEMBLYWOMAN ANDERSON MADE A MOTION TO DO PASS
ASSEMBLY BILL 84.

ASSEMBLYMAN WATTS SECONDED THE MOTION.

Are there any comments on the motion? Seeing none, we will vote.

THE MOTION PASSED. (ASSEMBLYMAN DELONG VOTED NO.)

I will assign the floor statement to Assemblyman Watts. Moving on to Assembly Bill 97.

**Assembly Bill 97: Revises provisions relating to government administration.
(BDR 22-526)**

Becky Peratt, Committee Policy Analyst:

Assembly Bill 97 precludes cities, counties, and the State Public Works Board from prohibiting or limiting the use of certain refrigerants if the equipment containing these alternatives or substitutes is installed in compliance with certain industry standards. Additionally, the bill voids any currently existing city, county, or other government entity building codes currently limiting or prohibiting such substitutes. Southern Nevada Water Authority proposed an amendment to add an exception which would allow cities, counties, and government entities to prohibit the construction or use of evaporative cooling mechanisms or restrict water service to properties utilizing these mechanisms [[Exhibit D](#)].

Chair Cohen:

Do we have any questions? Seeing none, I will take a motion to amend and do pass.

ASSEMBLYWOMAN ANDERSON MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 97.

ASSEMBLYMAN DELONG SECONDED THE MOTION.

Are there any comments on the motion? Seeing none, we will vote.

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Hardy and ask Assemblyman DeLong to be backup. Moving on to Assembly Bill 131.

**Assembly Bill 131: Revises provisions governing urban and community forestry.
(BDR 47-720)**

Becky Peratt, Committee Policy Analyst:

Assembly Bill 131 creates the Urban and Community Forestry Program within the Division of Forestry to promote and maintain urban and community forests in the state. The bill requires the State Forester Firewarden to administer the program and sets forth their duties. Additionally, A.B. 131 requires the Division to provide technical assistance to political subdivisions for certain purposes relating to urban and community forestry. Lastly, A.B. 131 authorizes the State Forester Firewarden to establish a program to distribute grants for the support and advancement of urban and community forestry and to enter into cooperative agreements on behalf of the state to carry out the duties of the program [[Exhibit E](#)].

Chair Cohen:

Are there any questions? Seeing none, I will take a motion to do pass.

ASSEMBLYWOMAN CONSIDINE MADE A MOTION TO DO PASS
ASSEMBLY BILL 131.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Are there any comments on the motion? Seeing none, we will vote.

THE MOTION PASSED. (ASSEMBLYMAN DELONG VOTED NO.)

I will take the floor assignment. I will now turn the Committee over to the Vice Chair.

[Assemblywoman Anderson assumed the Chair.]

Vice Chair Anderson:

I will now open the hearing on Assembly Bill 249.

Assembly Bill 249: Enacts provisions relating to the use of hemp in certain commercial feed. (BDR 51-719)

Assemblywoman Lesley E. Cohen, Assembly District No. 29:

Assembly Bill 249 came out of a farm tour about a year ago that the Joint Interim Standing Committee on Natural Resources was invited to take. I will do a brief introduction of our presenters and then step back and let them present the bill. Kelli Kelly, who has presented before to this Committee, is the executive director of the Fallon Food Hub, a nonprofit that has helped build capacity for small farmers in northern Nevada. Ms. Kelly also works as the agricultural adviser for the Churchill Entrepreneurial Development Association and the Nevada Small Business Development Center.

Joe Frey, who has also been with us in this Committee, is a fourth-generation farmer who, in 2017, began farming industrial hemp in northern Nevada. He has been paramount in shaping the landscape of Nevada's hemp industry with his hands-on approach to state and federal legislation. Mr. Frey consults with farmers, universities, municipalities, and organizations on various topics. He is most widely called upon for his knowledge in hemp cultivation and his passion and experience in regenerative agriculture.

Adrienne Snow is a well-respected visionary in Nevada's entrepreneurial scene and has spent the last decade working to bridge the gap between the urban and rural cultures that she has migrated between through her life. She is the CEO and creative force behind Western States Hemp and is the current director of the Fallon Cantaloupe Festival, which is Nevada's oldest agricultural fair. For the past decade, Ms. Snow has been involved in her family's cow and calf farming operation, having had an active hand in financial stewardship of the ranching, farming, livestock, trucking, and American Quarter Horse Association horse breeding operation. Mr. Frey and Ms. Snow operate Western States Hemp together.

Hunter Buffington is an industrial hemp policy and supply chain expert who initiated her career in sustainable development before focusing on the emerging hemp industry in 2013. Her experience in the application of open systems to create sustainable development and climate action plans in Fort Collins, Colorado, gives her a unique understanding of food systems, agriculture, and emerging industries. With that, I will turn it over to the presenters.

Kelli Kelly, Executive Director, Fallon Food Hub:

Today we are here to talk to you about hemp and we are pleased to present A.B. 249. I will start our presentation with a brief overview of the history of hemp cultivation and usage. My friend, Farmer Joe Frey, will talk about the benefits of hemp as a key component in diversified and regenerative farming and growing hemp in Nevada. His business partner, Adrienne Snow, will talk briefly about the challenges of the economic side of hemp cultivation and sales in Nevada, as well as the history of collaboration between hemp producers in Nevada and researchers at the University of Nevada, Reno (UNR). Hunter Buffington is our subject matter expert talking about hemp in commercial animal feed. She will talk about the value of hemp in that space. We will wrap up with a walk through of the bill and be available to answer any questions that you might have.

Hemp is a very old plant. Researchers in China and Taiwan have discovered that hemp was in daily use for pottery, as a food in both seed and oil form, and as medicine dating as far back as 8000 BCE. In 850, Vikings brought hemp to Iceland. Around that same time period, the Arabs started to make hemp paper. Hemp use was now ubiquitous, including in the farms of England. Farmers not growing were fined by King Henry VI. The colonizing Portuguese brought hemp to Brazil in the 1500s, which was the first documented instance of hemp in the New World.

In 1606, hemp was brought to Jamestown in North America by English settlers. At that time, it was grown for rope, sails, and clothing. The early laws in the 1700s actually required farmers to grow hemp throughout the British colonies. The U.S. founders wrote the Declaration of Independence drafts on hemp paper. Abraham Lincoln used hemp oil in his lamps in 1840. The United States Department of Agriculture published a study in 1916 about the value of hemp. It stated that hemp provides four times more cellulosic fiber per acre than trees.

The first roadblock to stand in the way of hemp production was the Marihuana Tax Act of 1937, which lumped hemp and cannabis together. The dire circumstances created by World War II led to a brief resurgence of domestic hemp cultivation under the "Hemp for Victory" campaign, encouraging farmers to grow hemp in the United States so as to create a domestic supply of raw materials for rope and canvas since the U.S. could not, at that point, source it from Asia during the war. Under that program, hemp was farmed on over 150,000 acres per year. After World War II ended, hemp was grown very spottily until 1957 which was the year the U.S. saw the last commercial production until after 2014.

Hemp started to catch on in the organic market as an edible and in fiber and textile markets. The Canadian government legalized hemp production in 1998 which led to farmers in our

northern states, North Dakota and Minnesota specifically, wondering why their neighbors across the border could grow hemp but they could not. Also, farmers in Kentucky were desperate to find a crop that could replace tobacco and they pushed for legalization of hemp in the United States.

In 2014, the farm bill allowed state departments of agriculture and institutions of higher education to administer pilot programs to research the production and marketing of hemp. Nevada was one of the first states to take advantage of this program, and hemp cultivation in the Silver State began. Hemp was fully legalized by the 2018 farm bill amendment. That act removed hemp from the Controlled Substances Act. It allowed hemp to freely move throughout the nation, even through states that prohibit its cultivation within their borders. It also gave tribes the right to regulate hemp on their own lands. With that, I will turn it over to Farmer Joe. [Information provided includes [Exhibit F](#), [Exhibit G](#), and [Exhibit H](#).]

Joseph Frey, Chief Operating Officer, Western States Hemp:

I know Ms. Kelly referred to me as "Farmer Joe" and that is fine. I will talk to you a little bit about the agronomic and environmental benefits of hemp. Hemp is a great plant that adds diversity to a farm and helps repair and create soil biology. As most of you know, soil health is my passion. When grown properly, hemp will translocate minerals in the soil that help reduce fertilizer usage in the cash crops. Hemp captures sunlight in a fashion unlike any other plant to sequester large amounts of the sun's energy, which we know as carbon, into the soil.

You constantly hear that we need more acres to feed the world. But if you stand right above any patch of land that is growing a traditional monocrop in our conventional cropping systems, you will see about 50 percent of the soil is actually bare. I advocate for diversity in the fields, and we fill these gaps. We could double our land capacity with the land that is already existing, that we are growing on. I know it sounds easier said than done, but that is my theory. I think I have got a lot of people in this country advocating for soil health and with their studies and things like that who would back up that theory.

Hemp also has a unique leaf structure. If any of you are familiar with it, its kind of got five big leaves that are unlike anything else. I call them nature's solar panels. The hemp plant will sequester more carbon per acre than almost any other conventionally farmed crop that we know of. Diversity is the key to successful agriculture I believe, just as it is to humanity. To not have hemp available as part of a crop rotation is the abandonment of a major tool in a farmer's toolbox. We need to get carbon into our soil so we can produce crops without synthetic fertilizers and help curb climate change.

Without a market, there is little reason for farmers to grow hemp. If we can open up a larger market for hemp in Nevada, we can help be part of the solution and not necessarily part of the problem. Allowing hemp as an animal feed will make it possible for producers in Nevada to grow hemp, be better stewards of the land, and therefore better stewards of the planet, if we can create and expand this market. As it stands now, CBD is about the only market in Nevada for hemp and that market is very limited.

Adrienne Snow, Chief Executive Officer, Western States Hemp:

Hemp cultivation began in 2016 in Nevada after the passage of the 2014 farm bill and was, as my counterpart stated, one of the few states that stepped forward in the beginning to create these programs and provide the opportunity to cultivate the crop after eight decades of prohibition. By the time the 2018 farm bill legalized hemp cultivation federally, all states had a cultivation program. While Nevada initially was a leader, the laws in place have made it extremely difficult for farmers to sell their crops, as many of the opportunities to manufacture value-added products were barred within the state while it was legal for those manufacturing in neighboring states to sell their products at retail establishments here. Examples of this include a moratorium on manufacturing edible goods and beverages containing CBD, yet it was legal to sell foods and drinks containing CBD that were made elsewhere. Nevada cultivators lost money while farmers from neighboring states made exorbitant profits selling in the Silver State. Today this market is highly competitive and Nevada manufacturers have missed early entry opportunities to gain that market share.

This example is again present in the roadblocks to entering the animal feed market. Extensive research on hemp in animals has been conducted by universities across the country since 2014, and decades of research exists from other countries regarding the safety and efficacy of hemp in animals and livestock. My company began giving samples of our hemp to professors at UNR in 2017 to examine the nutritional values and amino acid profiles within the plant. We have worked with researchers at UNR every year since, providing data as well as growing for them. Often, we incur the bulk of those costs in an effort to spur the industry and move forward and find these channels to a profitable industry.

If hemp ingredients are safe for human consumption and sold in nearly every grocery store in our state, please ask yourselves why Nevada would take the stance that it is unsafe for our animals to eat it, especially when abundant research indicates that hemp is not only safe for animals, but is a highly nutritive food source. Nevada has an opportunity to be one of the leaders again by allowing hemp as a feed ingredient. I believe the state also has a fiduciary duty to remove roadblocks for farmers who have spent years and, in some cases, millions of dollars cultivating federally legal crops that they cannot currently convert into safe, effective products to recoup their investments.

Hunter Buffington, Director, Agriculture Policy Solutions, Loveland, Colorado:

Thank you for considering this legislation for hemp as animal feed with Assembly Bill 249. I am in support of the bill, and I am here to provide expert testimony regarding the safety and efficacy of hemp as an animal feed. I will also provide some background information, and then I will talk more about those safety and efficacy findings. Hemp grain is an oil seed, like cotton or flax. It has been used for millennia around the world for both food and animal feed. As Ms. Kelly mentioned, hemp was even used quite prolifically in the United States before the 1958 Food, Drug, and Cosmetic (FD&C) Act. This act made the Food and Drug Administration (FDA) grandfather into acceptance the commonly used food and feed sources that were being prolifically used at that time. Unfortunately, that was also the time that hemp was, in fact, prohibited from cultivation in the United States. We missed that opportunity to be grandfathered in. Because of this, we now have to go through an arduous, expensive, and

time-consuming process with the FDA's Center for Veterinary Medicine in order to gain premarket approval.

The first ever application for hemp feed was for laying hens and was submitted at the end of 2020 by the Hemp Feed Coalition under my leadership. We are hearing, even after a couple of years, that it is hopefully going to be approved sometime this year. That gives you an idea of how long that process is taking. Meanwhile, domestic and global grain supply chains are pressured by drought and war. It is a time when we need feedstocks desperately. In response to this, similar legislation has been passed across the United States with bills in Montana, Oklahoma, and even this legislative session in Kansas. Most of those bills focus on specialty and exotic pets and horses, utilizing hemp grain by-products, specifically. Just last year, I worked with a team dedicated to developing and submitting a Generally Recognized As Safe (GRAS) submission to the University of Kentucky. This was accepted for hemp seed meal and hemp seed oil to be fed to all life cycles of chickens as well as to horses. At the same time, we also prepared and submitted a new feed memorandum to the Texas feed and fertilizer division. They also accepted our recommendation. I can share that memorandum with you if you like; it is a draft acceptance from Kentucky. I believe you have access to the applications that were submitted [[Exhibit G](#) and [Exhibit H](#)]. I do not know that any of you have time to review those, but I am happy to answer any questions. Those applications included a literature review of past studies, processing and ingredient profiles, safety standards, testing methodologies, and address concerns over contaminants to ensure that regulators had everything they needed to enforce safety. The legislation before you will provide a new nutritional ingredient for pets and horses, which provides high quality protein and a fatty acid profile that is uniquely suited to benefit equine health. Please pass A.B. 249 and support not only the hemp industry but the animal feed industry in Nevada. Thank you for your time.

Kelli Kelly:

I have a little bit of information about past legislation that is kind of in the same space. During the 81st Session of the Nevada Legislature, this body recognized the medicinal value of hemp-derived CBD for the treatment of certain conditions for animals with the passage of Assembly Bill 101 of the 81st Session. With passage, a roadblock was removed for pet owners and veterinarians to utilize products that include hemp or hemp-derived substances as ingredients and supplements that can be administered to companion animals. While this was an important first step, hemp products provide many benefits beyond just CBD. Assembly Bill 249 will remove roadblocks for the use of hemp for its protein, its fatty acids, and its other nutritive content.

With that, I will walk you through the bill section by section. At the beginning of the bill, there are some definitions. These are duplicated from other places in the *Nevada Revised Statutes*, both for hemp and for pet food as well as specialty pet food. Pet food includes food for dogs and cats. Specialty pet food includes animals besides dogs and cats that are kept primarily for the purpose of companionship. Additionally, there is a definition for commercial animal feed. Section 3, subsection 3 says, "The Department shall adopt

regulations to carry out the provisions of this section, which may include, without limitation, specific requirements for the labeling and inspection of commercial feed containing hemp."

Section 7, subsection 3 says, "Pet food, specialty pet food and other commercial feed that is intended for consumption by horses shall not be deemed adulterated solely because it contains hemp if such commercial feed is manufactured and distributed pursuant to section 3 of this act" We have additional language to include sections 2 and 3 of this act, and that is just about it. If there are any questions, we will be happy to answer them to the best of our ability.

Vice Chair Anderson:

Thank you for being so succinct. I do have a few questions from the Committee.

Assemblywoman Brown-May:

I must admit that I did not realize hemp is in my diet every day. It is part of my morning smoothie. Since I am eating it every day, I am curious to know more about what the hesitancy is in adding it to animal feed. We are not talking about hemp being a sole diet of an animal feed. You talked about the composition. How does it intermix with other types of feed to become part of the food?

Kelli Kelly:

I am going to turn that question over to our feed subject matter expert, Ms. Buffington.

Hunter Buffington:

I think that is a profound question that many of us wonder. It really comes back to the process that was put in place with the FD&C Act. Because it was not grandfathered in, it has to go through this premarket approval. On top of that, there are still some misconceptions about what is hemp and what is marijuana. That is a little bit of what you will hear more vocally concerned is confusion. But the reality is that just like any other animal feed ingredient that was not commonly being used, when the FD&C Act came into being, it would also have to go through the premarket approval.

The answer to your second question is that hemp would not be the only ingredient in an animal diet, but it does play an incredible role as a protein supplement, especially for young, growing animals and lactating mares. The fatty acid profile has some fatty acids in it that are actually hard to find in other natural oil seeds. It not only has that lovely protein and amino acid component, but it provides a fatty acid, gamma-linolenic acid (GLA), specifically for horses that cannot be found without a very specific supplement. Not only does it provide great nutrition, it has some special properties, which is probably part of the reason that you are enjoying it in your smoothie as well. I can give you percentages if you want to know how much can be fed to the animals, but I do not know if you want that specificity.

Assemblywoman Brown-May:

The hemp that I use every day is one component of my overall diet. It is obviously plant-based and it does give me that whole protein of all nine amino acids. It would be great to get

additional details relative to the percentage component to the overall feed product that we are talking about. Also, what additional testing would be required to ensure the health and safety of the food product that you are producing?

Hunter Buffington:

Hemp seed meal can be included in the diets of horses up to 20 percent. Hemp seed meal can be up to 30 percent of the diet, but you are not going to be wanting to feed that level of protein unless the horse was needing a lot more protein; if it is a growing young horse or if it is lactating. You are typically not going to see any ingredient in a diet that is going to be above 30 percent. We do not like to have single-ingredient diets. Twenty percent is typically the sweet spot for most rations and ingredients. As far as safety and regulations, if it is compliant hemp material, which means the U.S. Department of Agriculture definition of below 0.3 percent delta-9 THC, it is considered compliant hemp. In the GRAS notice mentioned earlier, which was for human food, the FDA established a 10 parts per million threshold for THC. They did not clarify if it was delta-9 or total THC, but I will share with you that there are only trace amounts found in hemp grain. It is considered a contaminant if it is in there; it just means that there was plant material that was crushed along with those seeds when it was processed. We do not expect to find any more than 10 parts per million and rarely is it above detectable limits. Even at one part per million, it is very low. There are a number of safety and quality analyses that have been put forth; the American Society for Testing and Materials has a standard for that. This was also built into all of our applications. We can share all the analytical chemistry with the regulators; they need to know that these products are safe and ready to be ingredients in those animal products.

Assemblywoman Hansen:

This is very interesting. I just want to get this clear. I think somebody was mentioning other states. Could we get a list of some of the states that allow this sort of thing? I think you might have mentioned them in my office, but I wanted to make note of it.

Hunter Buffington:

There are three states that have done it legislatively: Montana, Oklahoma, and this session Kansas is also considering legislation to allow hemp for ingredients for pets, specialty pets, and horses. There is also some bill language that is being presented for the farm bill at the federal level. The farm bill is going to take some time, and I would not count on that happening anytime soon. I will share that a number of states also include animal products as part of their definition for hemp when they actually legalize cultivation for hemp. Very few states have gone that route. I do not recommend it. I would prefer that we do it legislatively.

Assemblywoman Hansen:

I need a little bit of clarification regarding the language in the bill. Section 3, subsection 2, states, "Commercial feed containing hemp shall not be manufactured, distributed or sold in this State for consumption by any livestock other than horses." We are only talking about horses, and when we say pets in the other section, we mean people who might have miniature horses and use their horse as a pet versus as livestock, just to clarify that. The last thing is some clarification of the rotation ideas behind this. I was interested in the concept of this

rotation, but it also opens up a market in Nevada for Nevadan producers to be able to grow this and then sell it within Nevada. Maybe you can talk a little bit about that market after we address the other issue.

Kelli Kelly:

In approaching this legislation, we looked to the other programs that are in existence and that are successfully being deployed. The original one that has been in place and has been in operation for quite some time is in Montana. The reason that we kept it to pets, specialty pets, and horses is because those animals exist entirely outside of the commercial human food chain. Once you get to that commercial human food chain line, if the animal was raised for interstate use and was sold across state lines, the FDA is regulating those sales. This keeps it very distinctly with animals that are not raised to be eaten or for any of their products to be consumed. That is why this is specifically limited to horses. I do want to say that we really wanted to see this be an opportunity for Nevada. That is why there is the language in there that this feed would have to be manufactured, distributed, and sold exclusively within the state. Farmer Joe, there is a question for you about intercropping.

Joe Frey:

I have done several different types of growing methods. We have done traditional monocrops with hemp, where we eliminate whatever crop was previously there, and grow nothing but hemp on the surface. Where I think this plant really shines is in intercropping it with other existing crops. For example, in Fallon, alfalfa producers are predominant. I have been moving the farm over to having grasses blended in with the alfalfa and then we will interseed hemp into the alfalfa. There may be five or six different varieties of stuff growing there, and maybe hemp is the cash crop that would be sold for the money. You would consider the alfalfa and grass underlayment as a cover crop. There is a symbiotic relationship that keeps fertility and pesticide needs down, and the alfalfa and grass are usually fed off to cattle in the winter months.

Assemblywoman La Rue Hatch:

Thank you for talking about soil and regenerative ag today. I have a question about the labeling, which is in section 3, subsection 3. I know that it says that we will be labeling commercial feed, but is the intention for that to also apply to the pet food and specialty pet food, so people are aware of what they are purchasing?

Kelli Kelly:

This proposed statute exists within existing statute that is the commercial animal feed statute. Any feed product that is created for sale in the state has to be licensed through that program, which is overseen by the State Department of Agriculture. That language gives them the ability to set requirements about what goes on the label in the same ways that they have requirements for ingredient labeling on other types of commercial animal feed.

Vice Chair Anderson:

I have a question in section 3, subsection 2. It has already been mentioned a little bit, but I am wondering about it. It is very clear that it has to do with distribution and selling. Is there any way to include research purposes, especially since it was mentioned during the presentation? Is there any sort of opening to also add research with the university system and for other animals as well?

Kelli Kelly:

I think that there are a lot of us in this room who are fans of enabling the researchers at UNR to conduct additional research around that. I am going to pass it over to Ms. Snow to talk a little bit about what some of those barriers and challenges have been.

Adrienne Snow:

We first began working with UNR in 2017, giving them samples of our material. One of the things that came up right out of the gate was a fear to utilize the material that they were studying because there was no explicit language allowing them to do so. They were not disallowed; however, there was a lot of grant money at stake and there was not explicit language to guide them and create a framework for them to feed this material to animals and subsequently utilize the end use products, such as eggs, dairy, and meat. They certainly can and should be considered if we are going to add any amendments to the bill to give them a little more security when moving forward in their research.

Vice Chair Anderson:

Maybe I will ask the Chair if I could possibly work with you on that outside of this area.

Assemblyman Watts:

I had the pleasure of visiting Western States Hemp during the tour that Ms. Kelly put together, and I really appreciate your bringing this policy forward. I know it is something that we have talked about a bit. I wish that we could open up some of the limits that are in place from the federal government; from the extremely low thresholds that are used, and the requirements for how plants that go over those thresholds have to be destroyed. Also, of course, opening up some of the use cases for hemp. I appreciate your bringing forward something that helps set us up a little better for that.

One question I have for the technical experts on the panel is, you mentioned that folks in the industry are in active pursuit of trying to open this up so that it could be used as a livestock feed product. Do you have any sense of what that timeline is? I know asking when something is going to happen with the federal government is always a dangerous endeavor; I thought I would ask anyway.

Hunter Buffington:

If I had a crystal ball, I think I would still be frustrated. When we had our first meetings with the Center for Veterinary Medicine at the FDA, I asked them what they thought the time frame would be. They described "lightning speed" to me as between two and four years for an approval. To put that into perspective, we were able to achieve the two state-based GRAS

notices in Kentucky and the feed acceptance in Texas in under six months. The work was not much different for setting up a state-based notice and approval than it was for the work that we did with the FDA. The other big difference with the states is that the states have their own feed control official. I was going to circle back to this in a question about labeling because I worked quite closely with the Association of American Feed Control Officials. Through the process of developing the notices, I worked closely with the investigators to put together a label as well as the definition. That definitely helps the states work together and to have a cohesive definition and label for these products. I really would love to see the federal government also mimic what we were able to do in those states, where you can see that we were able to prove safety for the entire life cycle of horses and the entire life cycle of chickens. The Center for Veterinary Medicine wants those applications to be very focused and specific on individual categories. That means the applications that you have in front of you [[Exhibit G](#) and [Exhibit H](#)] would be the same volume of material, but it would only be focused, for example, on broodmares, rather than having that work for broodmares, growing yearlings, weanlings, as well as retired horses. The process is quite different between the federal government and the states. To your point that the federal government takes much longer in that deliberation: I do not think any of us are surprised by that. I am seeing that cohesion across the United States; there is a very strong desire to open these markets, which is why I am excited to be having a conversation like this with you in Nevada.

Assemblyman Watts:

While that is a little disappointing, one of the things I want to make sure is that it sounds like, unfortunately, we will have some time to come back and continue to review some of these things. One of those things, obviously, is that we do not meet at all times, and I want to make sure that we have some policy in place that sets us up so that we can be on the leading edge of this market. Unfortunately, it sounds like this is going to be an ongoing conversation and probably something that we are going to keep revisiting in future sessions. To that point, you talked a little bit about the agricultural and some of the economic benefits. Can you tell us just a little bit more about your operation, some of the products that you have, the difference between full-on feed versus supplements, and then speak a little bit to the opportunities that you see if this bill were to pass to put us in the best possible position to expand in this market as soon as some of the other conditions are approved?

Adrienne Snow:

Right now, the products that we make under our brand name, Element Original, is first and foremost a product called Remedy. It is an equine supplement. It is a pelletized product that is 70 percent hemp and 30 percent rice bran. Rice bran is a common binding additive. We can utilize hemp that high in terms of percentages because it is a supplement that is only administered a couple of tablespoons at a time. When we are talking development of feeds, we are looking not just at the flower, which is where the CBD is contained and is where we are trying to obtain those cannabinoids and utilize those for the purposes of replacing nonsteroidal anti-inflammatory agents for horses that have arthritis and issues like navicular disease and offering owners who would rather use ethical drugs as an alternative. That is one of the products we currently manufacture.

What we are looking to do and expand into has nothing to do with CBD, but would utilize the hemp seed oil and the cake which, as Ms. Buffington said, contains absolutely no CBD unless it was contaminated with flour in the mixing process. These formulations have been in the works for several years now with our animal nutritionist, who is part of our team, and flax seed has been a component often used. We do not farm flax here in Nevada. We do not have any flax farmers at all. Being that we can utilize hemp seed, one of the things as Ms. Buffington stated is that one of the amino acids that is available within hemp, and is not readily available in flax, is GLA. We rely primarily on alpha lipoic acid (ALA). It takes the body a lot longer to convert ALA into a usable component, whereas GLA is immediately available for processing by the body, both humans and horses. Those are the things we are looking to create and then moving full-on into feeds.

The reason we would love to see hemp as a component is to build the industry and allow for the offtake. As Mr. Frey stated before, he uses hemp as just one of the crops in a multicropping operation. If hemp were allowed, even though in some of his fields there is a very small amount of hemp as one of the crops present, to bale that along with any of the other grasses that he has would allow that crop to be saleable for horses at some point. As it stands now, even if only 5 percent of the bale contained hemp, that would not be allowed. Those are some of the things we can look at in the future

Vice Chair Anderson:

Seeing no further questions, I am going to open it up for testimony in support.

Jake Matthews, representing Cannabis Chamber of Commerce:

I am testifying in support of A.B. 249. The Cannabis Chamber of Commerce is Nevada's largest and most diverse 501(c)(6) business trade organization, comprising 62 businesses and 400 industry professionals. The Chamber creates a more conscientious, inclusive, and thriving industry by moving commerce forward, restoring justice, and positively impacting our community. The Chamber urges your support for A.B. 249.

Vice Chair Anderson:

Is there anyone else in support in Carson City? Seeing no one, is there any one in Las Vegas?

Al Rojas, Private Citizen, Las Vegas, Nevada:

I would like to testify very briefly. I happen to be a retired electronics engineer who is an entrepreneur, and I favor anything that is going to diversify our economy and bring in more dollars to our tax revenue, obviously on a legal basis. It would definitely focus more attention on the nonhallucinogenic aspects of cannabis. I do know that hemp has a strong history of being a product that you can make rope and clothes from. I believe somebody once mentioned that President Washington had a hemp farm in his time. I do believe that there is an economic opportunity for Nevada. We are definitely trying to diversify our economy, increase our tax base, and focus on the nonhallucinogenic aspects of hemp. Thank you very much.

Vice Chair Anderson:

Seeing nobody else in Las Vegas or Elko, is there anyone on the phone? Hearing no one, is there anyone wishing to provide testimony in opposition in Carson City, Las Vegas, or Elko? Is there anyone on the phone? Hearing no one, is there anyone who would like to testify in neutral in Carson City, Las Vegas, Elko? Seeing no one, is there anyone on the phone? Hearing no one, would the sponsors like to make closing remarks?

Kelli Kelly:

I just want to thank Chair Cohen, Vice Chair Anderson, and members of Natural Resources for hearing us today on A.B. 249. I will be looking forward to continuing conversations.

Vice Chair Anderson:

I will close the hearing on Assembly Bill 249 and hand the gavel back to Chair Cohen.

[Assemblywoman Cohen reassumed the Chair.]

Chair Cohen:

I will open up for public comment. [Public comment was heard.] Does the Committee have any comments? Hearing none, we are adjourned [at 5:01 p.m.].

RESPECTFULLY SUBMITTED:

Nancy Davis
Committee Secretary

APPROVED BY:

Assemblywoman Lesley E. Cohen, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is the Work Session Document for [Assembly Bill 84](#), presented by Becky Peratt, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is the Work Session Document for [Assembly Bill 97](#), presented by Becky Peratt, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit E](#) is the Work Session Document for [Assembly Bill 131](#), presented by Becky Peratt, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit F](#) is a fact sheet regarding the many uses of hemp, submitted by Kelli Kelly, Executive Director, Fallon Food Hub.

[Exhibit G](#) is a Generally Recognized As Safe application for hemp for chickens, submitted by Kelli Kelly, Executive Director, Fallon Food Hub.

[Exhibit H](#) is a Generally Recognized As Safe application for hemp for horses, submitted by Kelli Kelly, Executive Director, Fallon Food Hub.