

[MUSIC PLAYING]

CATHY WURZER: Governor Tim Walz is signing a bill at this hour that legalizes recreational use of marijuana in the state, making Minnesota the 23rd state to do so. Pot products should be in stores by 2025, but personal use, possession, and home growing will be legal starting August 1. As you know, THC products are not new to the state. Edibles containing small amounts of hemp-derived THC were legalized last July, and an entire industry quickly popped up around that law.

The new legislation will broaden the industry, and that makes us wonder how hemp growers and producers plan to adapt to the new environment. Ben Lipkin is the cofounder of North Star Hemp, Carpe Diem CBD, and You Betcha Cannabis Company, which calls itself a seed-to-shelf company. He's on the line. Hey, Ben. Welcome to the show.

BEN LIPKIN: Hi, Cathy. Thank you for having me.

CATHY WURZER: Thanks for being here. OK, so I think some people are a little confused. Perhaps we should clarify the differences between hemp and marijuana. Hemp is cannabis, right?

BEN LIPKIN: Yeah, it's a great question. Due to the genetics of the seed before we put it in the ground, hemp, which we usually grow for CBD products, have very high percentage rates of CBD with nonexistent amounts of THC, which is the psychoactive part of the plant, and then vice versa on the cannabis side, very high levels of THC with low levels of CBD.

CATHY WURZER: OK, so you farm hemp and produce CBD and THC products. Are you going to add new plants to your farm once cannabis is legal?

BEN LIPKIN: So due to the unique way of this bill being rushed through, we haven't decided. We also haven't decided-- this will be the first year in five years we will not be growing hemp plants due to this bill being rushed through and really harming small businesses and hemp farmers. Everything's up in the air right now, and we're just waiting to see what the Oversight Committee puts forth rules and regulations over the next year.

CATHY WURZER: Interesting you say rushed through because, of course, supporters would say-- and really, in my long tenure of covering politics in Minnesota, it's pretty rare to see a bill go through so many committees. It went through 14, 15 committees and had a number of revisions to it, so you still think it was rushed through?

BEN LIPKIN: Yes, I do. Due to a lot of our community not being educated on what CBD is, THC is, I totally get it, through all the committees. However, so I'd like to put these in different buckets. You have medical cannabis that are two multistate operators. One is Vireo Health, which sold to Green Goods in Chicago, and LeafLine, which sold to Rise in Illinois. And so my apologies. Green Goods is out of New York.

And then you have recreational cannabis, which please let me get this message across. We are pro legalization. And then you have low-dose edibles, which everyone has come to love, and learn, and become educated about throughout Minnesota since last August. That THC is actually pulled from our hemp plants in meaning we have to grow a lot more hemp plants to get a lot THC to make that product.

And then we have nonintoxicating CBD products which has been our lifeline and a lot of small farmers hemp growers lifeline for the last five years. Just to bring it up to date, we have grown over 225,000 plants all by hand in Otsego, Minnesota. We are one of two certified organic soil farms in Minnesota [INAUDIBLE] we really care about what we do and giving the consumer a very high-strength product that will help them heal in a natural way.

Our biggest issues right now with the bill, they're taxing. We've pleaded with legislators and [INAUDIBLE] ready, all the lobbyist groups to really just remove nonintoxicating CBD products out of the bill. This has never been done. So just to bring you up to speed, nonintoxicating CBD products will be taxed the same way as recreational cannabis.

Our whole oil ingestible tincture line, which we work with over 500 health professionals-- we have mothers with severely ill children that depend on our tinctures for high doses to regulate their inflammation-- will all be wiped out with regards to this bill. The nonintoxicating CBD products will get taxed like recreational products, so you'll have that 17% tax. And a main cannabinoid found in our plant through research and trials called CBN, which is amazing for sleep, will be restricted for all hemp farmers. But everything I just said on the radio, the two big companies, medical cannabis, Vireo Health and Rise out of Illinois, will get to do all of that.

CATHY WURZER: So it sounds as though you are very worried that your business could go-- am I putting words in your mouth by saying it could go under because of some of these restrictions?

BEN LIPKIN: That's a great question, Cathy. Yeah, more importantly, I got into this business for personal, let's just say, family health issues after quitting my career in the NFL due to saying my family's more important. And I've always been someone to help our community. Sorry if I get emotional. We put a lot into this over the last five years.

Not being able to offer the medicine that actually works for people throughout our community will be devastating. It will. The only thing we'll be able to keep-- that won't be harmed are our topical products. So being put really in a small box with tons of restrictions, well, we call them big cannabis, the duopoly pretty much have zero restrictions.

And another huge concern as well, Cathy, is Chris Tholkes is the director of Medical Cannabis. We have got wind of Governor Walz will be putting her as oversight committee president for these new recreational products coming out within the next year, which will oversee our CBD products as well. So it's a very big uphill battle that we will continue to fight.

CATHY WURZER: It sounds like, two hemp advocates, including Saint Paul-based on Steven Brown from Nothing But Hemp, are suing a cannabis lobbying group for damages after they raised concerns over how legalization will impact the hemp industry. So are you aware of that? And might this all end up in court?

BEN LIPKIN: Yeah, with regards to the details of their lawsuit, I really don't, and I apologize about that. But just to get down to the nuts and bolts of it, they're fighting for the same thing that my group has been fighting for as well. And then, Cathy, another huge part of this bill that got rushed through with very vague language is social equity.

I was raised in South Minneapolis, blue-collar family. And social equity hits home to my heart and especially with everything that's been going on in Minnesota over the last four years. So for example, social equity-- due to I live in North Minneapolis, I will get put to the front of the line, even though I'm a white Caucasian and run my own business. There's many concerns, and we really hope our senators, our house members, Governor Walz, and this new committee their putting together actually take actions to our concerns before the rules are put in place.

CATHY WURZER: Do you-- can you do some sort of education for customers? Do you have any indication whether folks will care if their CBD or THC comes from hemp or cannabis?

BEN LIPKIN: That's a great question. Over the last three months, I went against the grain due to not seen any amendments made for the hemp community. Through that last three months, my company, my family, the people that have decided to stand up with us have been threatened, slandered. And in the end result, we have had lobbyists who run MN is Ready, which Ryan Winkler is the chairman for, actually reach out to us board members and say I am so sorry what you went through.

How did you know this is going to happen the way it was? You were right. So I just really hope, moving forward, that we can get things right and do it in the right way. Again, we are very pro legalization, but not-- we always do things the right way.

And with regard to education, we dropped off 30 very powerful testimonials from doctors, mothers with suffering children, and all of our concerns to the Conference Committee, legislators, Governor Walz, and other senators and House members that weren't on the committee to get their attention. And still, nothing was done, even though many senators and House members agreed with what I was saying was unfair and not done right.

CATHY WURZER: So it sounds like this is a story that will be continued as we go along here, Ben. I appreciate your time here today. Thank you so much.

BEN LIPKIN: Thank you so much for reaching out. And to my community members, please reach out to your legislators, and give them your concerns that you really still want CBD in your life from Minnesota Organic Farm.

CATHY WURZER: Ben Lipkin is the cofounder of North Star Hemp, Carpe Diem CBD, and You Betcha Cannabis Company.