

## Testimony of Brian Adams

To whom it may concern,

The purpose of this written statement is to provide some clarity on what the addition of a real “Hemp Industry” could mean for Ohio. It is also to reflect on how the current language, as presently proposed in SB57, would likely limit any chance of a booming hemp economy for the State of Ohio.

Throughout my long history in hemp, I have built an extensive network of both hemp and business professionals for whom I call friends and colleagues. Recently, my hemp start-up was absorbed by a much larger Ohio group, which due to regulations, has been forced to set up operations elsewhere in North Carolina. The reason behind our move is purely regulatory and timing, as North Carolina has a reasonable regulatory structure in place for a hemp industry to succeed. This results in a loss to Ohio in potential tax earnings.

To paint a clearer picture of the future money lost, I’ll share with you some project metrics of what we expect to do this season.

Our group raised millions of dollars, exclusively from Ohio investors, to be 100% deployed and spent out of state. The capital we raised is being used to build and set up a fully-vertical processing facility. We will farm over 200 acres in NC through our farm network this year which should produce an estimated inventory value of approximately \$30 million.

In addition to our farming and processing efforts, we plan to offer processing services (tolling) to the majority of the region, as very few groups will have the infrastructure established for processing that we do.

Our facility will have an estimated annual capacity of 1mil lbs of biomass (hemp material) which in addition to the material our group harvests and processes, has the potential to produce another estimated \$100mil of finished product revenue.

I can say without a doubt that if Ohio had any active hemp system this time last year, that this project would have been launched in Ohio. It is owned 100% by Ohio operators and Ohio investors.

This is potentially over 100 million dollars that Ohio lost out on in 2019 alone, both in terms of potential taxes on that money, and jobs and business that would have otherwise been created and generated here in Ohio, that will instead occur in

other states. OHIO HEMP FARMERS COOPERATIVE - 614-984-4824 -  
ohiohempfarmerscooperative.com

As I stated earlier, the move was purely regulatory. NC does not have an almost impossible to meet 0.3% THC limit. In fact they round down. Further, NC opted for testing for THC during the growth cycle, and do not include THCA values or post decarbed values.

This limit can significantly hinder a hemp program before it can start. The reason the 0.3% THC cap becomes so limiting is that very few genetics exist on the planet that would fit that criteria. The ones that do are imported and are used almost exclusively for fiber, with little of the versatility that so many other domestic hemp genetics allow. When Ohioans think Hemp, I'd be willing to bet very few have dreams and aspirations of becoming the go to Hemp Rope supplier for the country. The most successful states allow licensed farms, processors, and manufacturers to possess up to 1% (sometimes 2%) total THC in your hemp material and concentrates, with the assumption that the concentrate will be used for formulations and will be diluted below .3% limits before ever leaving the facility. If you start by limiting the farmer and processor to these arbitrary levels, you essentially are requiring them to fit into impossible parameters. A farmer who grew a low % CBD crop in order to accommodate a .3% thc total would likely be out of business before their first harvest matured, or would go broke trying to process it, as it would cost more to process than the material was worth.

There are many other things in this bill that are not conducive to a booming hemp industry. I can tell you that if this language passes as is, without further changes, very few established businesses (small or large) will choose to set up shop here, and instead will opt for much more reasonable states like MI, PA, WV, etc.. The THC limit by itself is enough to keep them looking at other locations.

The group I work with is just 1 of many from Ohio setting up in other states. I'm genuinely confused by some of the language in HB57, It doesn't seem to be attractive to large or small business.

It's quite simple, If the goal is to create a booming hemp economy for Ohio that could generate billions of revenue for Ohians, This bill needs some significant changes.

If the goal is to hinder the industry before it starts, and watch as every state we border pulls revenue, people, and business from Ohio, then you nailed it!

Sincerely,

Concerned Hemper