

AARON & BRENDA CROMER FARMS, LLC

March 12, 2018

Re: SB 263 as Amended by Senate Committee of the Whole

The Kansas House of Representatives Agriculture Committee:

Chairman: Representative Kyle Hoffman, Committee Members and Interested Parties:

My name is Aaron Cromer. I am an agricultural producer in Kansas and in Oklahoma. I have been active in agriculture production in those states since I was a child. In 2005, I began building my own farm and continue in that capacity today. I farm approximately 3,500 acres, the majority of which is located in the two southwest Kansas counties of Morton and Stevens. Additionally, I serve as controlling operator of approximately 2,200 acres of CRP.

I believe Kansans deserve the opportunity to bring hemp into our agricultural market for many and varied reasons. I have included some major points below.

The economic impact of both growing as well as refining industrial hemp would provide a huge financial opportunity for individual producers as well as for the economically struggling rural communities throughout our state. This production and refinement translates into a bottom line of tax revenue for these communities as well as for the state. The revenue derived from this emerging industry represents a new source to contribute financially to our state's economic stability. It would open the door to a new financial contributor to our "big picture", as well as giving our great state a leadership role in propelling this industry forward. After all, we make up a significant portion of the agricultural backbone of our nation and this type of leadership is expected of us. It is expected of us because it is "what we do".

The health and renewability for livestock and human consumption is an important aspect of hemp production. The benefits of hemp feed supplements to livestock rations for dairy and feeder cattle have great positive impact for the animals as well as for the associated industries. For human consumption, hemp produces nutritious, high-protein oil that is easier and less expensive to refine than that from soybeans. Other aspects of human consumption include hemp inclusions into healthy foods, cosmetics and body care products, composite plastics (that are bio-degradable), clothing, paper products, construction materials and auto parts, just to name a very few uses of this renewable resource.

A long-standing source of major concern in our state is the depletion of the Ogallala Aquifer. With the introduction of industrial hemp as a rotational crop and implemented on Kansas farms, the water requirements for irrigation practices state wide would diminish significantly. I can go on to say that under the acres dedicated to industrial hemp production, no herbicides and very little pesticides would be required. The decreased use of these chemicals contributes to an ecologically smaller footprint of chemical runoff and possible chemical contamination of active waterways and groundwater in our state. These two factors would create significant savings for the producer in the categories of labor, fuel consumption and additional wear and tear to equipment used for these operations. If each producer in our state were to realize these types of

expense savings on an individual basis, that number over all would be quite significant. There would also be less consumption of non-renewable natural gas, which is the primary fuel source of irrigation in my area.

I am very much in support of SB263 and I am very much in support of HB 2182, because they both address the production of industrial hemp for the state of Kansas and I am a Kansas farmer. However, SB263 does not include the farmer in the measures of the bill as amended by the Senate Committee of the Whole. There are many valid reasons why the farmer should be included in the research aspect of this bill.

The first reason deals with the economic cost of the research. This cost would significantly be reduced for the state of Kansas by using the producer as the first line of research. Much of the capital investment to grow this crop will lie in seed, nutrients, irrigation expense, equipment and manpower. These are the cost categories where the majority of the expense of gathering research data will accrue. By allowing the farmer to grow industrial hemp, it would be a crop potentially eligible for crop insurance. The insurability of this crop means the farmers are undertaking the calculated risk for initial development of this new crop for Kansas by use of the familiar safety net of crop insurance. The capital investment required of them for this unexplored area would be better achieved with the implementation of crop insurance. This action alone would remove a considerable expense from the State.

Each producer making application to grow industrial hemp could be assigned to one of the six state educational institutions referenced in SB 263. The cost for the six institutions to conduct independent and/or collective research would be quite substantial, time consuming, repetitive in many aspects and time defeating. Use of producers for research would allow diversity of data collection from all areas of the state, providing a comprehensive overview of soils, seeds and varieties, growing conditions, environmental elements, water requirements, equipment and manpower inputs. Kansas agricultural producers are proven to be the best resource for research and development. Producers are quite familiar and well equipped to work with State and Federal agencies as well as manufacturers of agricultural products. Producers conduct research and reporting as a matter of course for their farming operations in relation to water issues, pesticide and herbicide use, fertilizer and seed, to name only a few areas.

The Federal Farm Bill which allows the growth of industrial hemp designates the Department of Agriculture in each state under section 7606 as the enforcing agency for this crop. If the Department of Agriculture feels it is necessary to contact law enforcement in specific situations, the Department can notify law enforcement as required. The need for hundreds of thousands of dollars on an annual basis to be budgeted to law enforcement due strictly to the production of industrial hemp is unwarranted and unfounded. State and local law enforcement appear to perceive the growth of industrial hemp as a potential means for farmers to engage in a criminal activity. I can think of no other reason they would be in opposition of the growth of industrial hemp and the promotion of agri-business in our state. That concept is far from realistic. Kansas farmers are not criminals or shysters looking for a loop-hole to enter the illicit drug market. Kansas farmers have far too much at stake with their investments and hard work of establishing their farming businesses to jeopardize it in such an irresponsible manner. Industrial hemp growth enforces itself against illegal cannabis growth.

Kansas is in a position to be a national leader in this rapidly emerging industry as a producer, processor and manufacturer. I feel that it is imperative to the survival of our rural communities to implement a means of growth and development that is attainable and sustainable. Farmers by

nature are an independent, hard working sector of the Kansas, as well as National labor force. Historically, this nation's farmers have overcome many adversities through hard work, determination, education and a vision for the future. In the current economic plight faced by all Kansans, I am confident that with the support of our state government, Kansas farmers will rise to the challenge and succeed at this new and exciting industry.

During the last four years, I have dedicated considerable time, effort and research to educating myself regarding the growth and refinement of industrial hemp. I am very passionate as to this cause and am willing to share what I have learned. I am also prepared to demonstrate my commitment by offering to produce 360+ acres of industrial hemp for research and development in Kansas.

Both Houses of the State Legislature have been working very hard toward an operational bill with which to proceed. It is time to open the doors on both sides of this issue and develop a common ground. Pro and con need to ask questions of each other and listen with an open mind, not in order to reinforce preconceived ideas, but to expand knowledge and share concerns of this new opportunity. Many states have statutes in place for industrial hemp growth, but their progress is moving at a snail's pace. I do not advocate charging into this new arena with unfettered and unrestricted growth. We need to define parameters for the cultivation, marketing and manufacturing of industrial hemp. We need to be of a progressive and aggressive mindset to fully develop this emerging industry. Fear of the unknown and fear of failure cannot be the criterion used to preface our journey into this area of agriculture and industry. Many uncertainties lie ahead. We can't possibly address them all in the beginning because we don't know them all. They can, however, be addressed once they are known. Few, if any, endeavors of this magnitude will not require amending, adjusting, recalculating and critical thinking to produce success. Kansas farmers are up for the task of making this work to the benefit of all Kansans. I strongly encourage you to expand this bill to include the greatest Kansas resource for research and development of industrial hemp, the Kansas farmers.

Sincerely,

Aaron K. Cromer