

January 15th, 2018

Testimony for Senate Bill 263.

Senate Bill 263 is a start, if Kansas would have taken advantage of Agricultural Act of 7606, 2014 (three years ago). legalizing cultivating of industrial hemp for research purposes in States where such growth and cultivation is legal under State Law.

Kansas Farmers have been asking the state to participate in this action of FB 7606 for three years and nothing has been done to satisfy the bleeding farmers of Kansas. When the subject of growing Industrial Hemp was introduced in this capitol 3 years ago I was told that this was a risk I should not take because Kansas was not ready for such a change. What I found was many of us (elected officials) were closed minded to the subject because of non-education on the subject.

The House passed a more comprehensive bill in 2017, 103-18. The question here is why such a large margin of support. The reasons are many of which I will point out 3:

1. The people of Kansas were speaking louder than ever before that we could prosper with planting, cultivating, processing of Industrial Hemp.
2. Some states realized a profit the first year of planting.
3. I meet with over 350 farmers mostly in person while traveling in western Kansas. I have spoken by telephone to some who has asked and pleaded for this state to allow them a chance to keep their farms and homes that have been in the family for over 70 years.

Why is it that 33 states have complied with FB 7606 (2014) and Kansas who is in many cases competition with Missouri have failed to help farmers?

The bill I purposed has support from the Kansas Farm Bureau, Smoky Hill Development Corporation. City Administrator, City of Elkhart, Kansas., Kansas Director of Morton County Economic Development, Vienna Lee, Mitchell Farms, Newton Kansas, American implement, Elkhart, Ks.

I have spoken to a major auto parts manufacturer Gallant Steel, who is looking for the opportunity to bring one of his facilities to Kansas provided we get the right bill passed and it becomes law. I have entertained many possibilities outside Kansas for growth. Kansas needs other willing partners to engage outside the box & within the laws of our great state.

Many opportunities await Kansas today if we provide the vehicle to bring more farmers in a global economy with Industrial Hemp.

Uses for Industrial Hemp: Omega 6's, food and beverage additive, cosmetics and beauty products, hempcrete, stronger than concrete., non-molding building materials., biofuels, bioplastics. Industrial Hemp has over 25000 uses.

Respectfully,

Willie Dove

Kansas State Representative

38th District

KANSAS INDUSTRIAL HEMP CASH FLOW ANALYSIS

Calculations are based on: the perceived number of expected test provided by Kansas Bureau of Investigators statement that 5,000 test are expected to be performed regarding industrial hemp farming.

SOURCES ARE BASED ON THE FOLLOWING:

KANSAS BUREAU OF INVESTIGATORS: 5,000 TEST A YEAR COSTING \$810,000.00 PER YEAR, TESTING 2,500 FARMS FOR COMPLIANCE

2015 KANSAS NUMBERS CORN ONLY, OTHER CROPS NOT TAKEN INTO CONSIDERATION		
K-State Reprot MF571 Corn Cost-Return Budget in Northeast Kansas	\$	(101.78)
K-State Reprot MF993 Corn Cost-Return Budget in Southeast Kansas	\$	(36.26)
K-State Report MF3140 Corn Cost-Return Budget in Northwest Kansas	\$	15.83
K-State Report MF3144 Corn Cost-Return Budget in Southwest Kansas	\$	4.58
Average K-State Corn Cost-Return Budget in Kansas	\$	29.41
Total Harvested Acres 4,800,000		
Total Average Income Estimated Using Numbers Available	\$	141,156,000.00
INDUSTRIAL HEMP PROJECTIONS ESTIMATED BASED ON ACCREDIBLE REFERENCES		
Kansas Buerau of Investigators estimate of farmers to monitor THC Levels		2500
Using an average farm acreage estimate of 1/2 a section per farmer (1/2 Section)		320
		Total Acres Persumed
Canada report of net value of hemp per acre in 2013		800,000.00
		250.00
Kansas Farmer Total Net Income Projected Based On 2,500 Farms Being Monitored		\$ 200,000,000.00
Same 800,000 acres plated in corn with a \$29.41 per acre return		\$ 23,528,000.00
Kansas Farmer income increase by replacing 10% of corn crops with Industrial Hemp		\$ 176,472,000.00
Kansas Income Tax for first \$15000 @ 2.6% (estimate) for farming	\$	975,000.00
Kansas Income Tax for above \$15000 @ 4.6% (estimate) for farming	\$	8,072,862.00
Total Possible Increase Kansas Income Tax from Industrial Hemp Farming	\$	9,047,862.00
Kansas Income Tax for Processing Not Calculated At This Time		

References Used:

- Kansas Bureau of Investigators Fiscal Budget Proposal for Industrial Hemp Monitoring
- K-State Reports MF571, MF993, MF3140 and MF 3144 for Illustration Purposes
- USDA TABLE 2
- Canada Report of Net Profits In 2013

REFERENCES

INDUSTRIAL HEMP

KANSAS TAX REVENUE

CORN