



3002 N Rotary Terrace
Pittsburg, KS 66762
ph: (620) 249-5141
colby@sunflowerhempco.com

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Mr. Chairman, Members of the Committee,

My name is Colby Terlip, I'm a fourth generation business owner in the state of Kansas and owner of Sunflower Hemp Co. in Pittsburg, Kansas. Sunflower Hemp Co. is a CBD post-processor that provides wholesale CBD ingredient solutions for consumer product manufacturers and brands. I am presenting this testimony in basic support of HB2244 with some concerns about how the language in HB2244 may affect hemp farmers and processors in the state of Kansas.

For Kansas to have a successful hemp industry it has to provide for hemp farmers and processors by passing and implementing laws, rules, and regulations that will allow for a competitive marketplace.

Kansas hemp farmers and processors will need to work hand-in-hand to lay the framework for a successful in-state hemp economy. Current laws, rules, and regulations will not allow farmers and processors the freedoms needed to grow and operate a successful business and build the foundations needed to support this framework.

When a farmer harvests their hemp crop they are going to take it to a hemp processor. If the processor regulations make it too difficult to do business in Kansas a hemp farmer will have no place to take their crop except across state lines where a hemp friendly economy exists.

While I believe any law-abiding farmer or business owner is in favor of oversight to help ensure a level playing field, that oversight cannot make their industry uncompetitive or too difficult to operate in. Article 26 of the Fire Marshal's Rules and Regulations Concerning Hemp Processors does just that. Some of the regulations make the space inoperable and uncompetitive for processors and in-return farmers.

Sunflower Hemp Co. has invested well over a million dollars on equipment, real estate, training, and research to do business in Kansas and has a payroll of around \$300,000 annually. As a business owner my first priority is my employees and providing them a secure job. Some of the regulations in Article 26 removes the job security of my employees by making Kansas hemp businesses uncompetitive. The overregulation and uncertainty of the future of the Kansas hemp industry is causing hard working farmers and business owners to lose money, time, and faith in this industry. If these regulations were in place before I started my business I would have moved to a hemp friendly bordering state.

The one regulation that has the greatest effect on farmers and processors ability to do business is K.A.R. 22-26-14 in Article 26 of the State Fire Marshal's Rules and Regulations Concerning Hemp Processors. K.A.R 22-26-14 will not only make hemp processors uncompetitive but leave no outlet for hemp farmers to receive compensation for their crop. In the process of extracting biomass the THC level exceeds .3%. This is standard across the entire industry with any extraction technology. This regulation makes it unlawful to transport or sell these extracts without dilution below .3%. A diluted extract is wholly unmarketable and the regulation makes logistics and transport of the extract almost unfeasible.

The marketplace for hemp biomass hasn't evolved into a traditional model for commodities such as wheat and corn. A lot of the time or even most of the time a farmer is tied to the selling of the extract created from their biomass for compensation. A farmer might not get paid until a processor can sell the farmer's extract, or sometimes the farmer receives some of the extract back as payment with hopes of selling that extract themselves. Asking farmers and processors to sell an unmarketable product under K.A.R. 22-26-14 alone will make CBD hemp farming and the hemp extract market in Kansas unviable.

I ask of the people that can influence and make change that if you do nothing else please rethink and rewrite K.A.R 22-26-14 and pass legislation that will help turn hemp into the traditional commodity market that it deserves to be.

I have written other documents to be attached to this testimony that explain in detail what laws, rules, and regulations are affecting hemp farmers and processors and why.

Thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Colby Terlip".

Colby Terlip