

Testimony to the House Agriculture Committee

Regarding SB263 – Industrial Hemp

March 14, 2018

Thank You Mr. Chairman and Members of the Committee,

My name is Kyle Taylor and I want to thank you for the opportunity to provide an opposing testimony on Senate Bill 263, which proposes to create the alternative crop research act. However, my organization is in full support of the production of industrial hemp in the state of Kansas.

I am General Manager for Taylor Implement Co., an agricultural equipment dealer. Taylor Implement is family owned and has been operating in Kansas for 47 years. We have locations in Hoxie, KS, Yuma, CO and Greeley, CO. We are currently working with farmers and cooperatives in the industrial hemp industry through our dealerships in Colorado. I have seen first-hand the value of industrial hemp, the impact on farmers, as well as rural economies including supporting industries like mine. I would like to show you today some of the opportunities that I have personally seen.

Industrial Hemp – Impacting Kansas Producers/Farmers

- An alternative crop to help overcome the current low commodity prices.
- Increased profits through higher return on investments, on planted production, several times higher than typical Kansas crops.
- Smaller or even no inputs of fertilizer and pesticides for a successful crop.
- Less consumption of water (also good for our water supply)
- Lower growing time will allow for two crops per year
- Enrichment of the soil – Great for crop rotation

Industrial Hemp – Impacting Local and State Economies

Yuma, CO - There is an industrial hemp processing and manufacturing plant that will be operational in the next 45 days in Yuma. This plant will immediately add 10 new jobs to the small eastern Colorado town with a population of 3,500 people. Within 1-2 years the projected employment is estimated at 125 people. This is being financed through venture capital funds (private investors). There is a sense of excitement in the Yuma community as well as with the local farmers who are contracting to grow industrial hemp for this new processing plant.

The Yuma processing and manufacturing plant will include:

- Textiles
- Fabrics
- Twine
- Plastic
- Filament
- Seed Processing
- And much more

Similar processing plants and other manufacturing facilities will be needed in our state with the production of industrial hemp. This will create jobs and economic development throughout the state.

Furthermore, specialized harvesting equipment is needed to support the production of industrial hemp. Taylor Implement Co. is currently working with a cooperative that needs this type of equipment to harvest it in a manner to efficiently get it out of the field and preserve the product. We have specialized combines, forage harvesters, tillage equipment, as well as stationary balers that can be used for the

harvesting and transportation of industrial hemp. There will also be other equipment to support this industry including; trucks, trailers, loaders, tractors, planting equipment and more. Note Exhibit 1 Video of Forage Harvester harvesting 2 weeks ago right outside of Yuma. This piece of machinery sells for \$450,000.00; Exhibit 3 Video is of an Orkel baler that sells for \$400,000.00 used to store the crop.

We support the concept of the bill, but we feel that it is too weak in its current form. We can't disregard the great producers of our state at this time, while waiting for our Universities to do research that has already been done in other states and countries. The progressive producers (early adopters) will take the lead to make this work. Canada has utilized knowledge of the industrial hemp industry from European sources. Also, other states including Colorado, Washington, and North Dakota are already working with producers and processing of the industrial hemp. Producers, manufacturers, and local economies are already reaping the benefits of being on the "ground floor" of the hemp revolution. As you are aware from earlier testimonies, there are countless things that can be produced with industrial hemp and where there is a will there is a way.

We do believe that it is very important that we all work in cooperation with the Universities through pilot projects and other programs in a combined effort to move forward immediately. This also includes working with other states and countries that have been doing this for years including looking at previously studied projects.

We have talked to several Kansas producers that are very progressive and willing to move forward quickly. We suggest that language from last year's bill be introduced into SB 263 by including the following; "In addition, the Department licenses a distributor or processor of industrial hemp." This will allow the great producers of our state an opportunity to reap the benefits of a sustainable crop that they can be grown immediately.

As a Kansas agriculture dealer, we are willing to work with the growers and the Universities to help make this come to fruition. Let's be a front-runner and get in on the ground floor of this booming industry. The great people of Kansas will find a way to make it work.

Thank you Mr. Chairman and I will be happy to stand for questions.

Respectfully, Kyle Taylor – GM Taylor Implement Co.



Exhibits

Exhibit 1 – Video of hemp stalk harvesting with Self-Propelled Forage Harvester.

Exhibit 2 – Front video of hemp stalk harvesting with Self-Propelled Forage Harvester.

Exhibit 3 – Video of hemp fiber being baled and wrapped.

Exhibit 4 – Picture of hemp after harvesting with forage harvester (hurd and fiber combination).

Exhibit 5 – Picture of specialized equipment from Holland for harvesting industrial hemp.