

**HEMP FOR HEALTHCARE IN ALASKA PUBLIC TESTIMONY (L&C COMMITTEE) 3/8/2021**

Greetings Honorable Senators and Staff my name is Sara Williams and I live in Wasilla and I am the Founder of Hemp for Healthcare in Alaska. Today I am testifying in favor of 99% of SB27. Thank you for hearing my testimony.

As a couple of you know I am affectionately known as the Hemp lady in some circles around the capital because of my unfailing passion for the Hemp plant and the vision of a Hemp based economy for Alaska. Every Saturday morning at 9am I broadcast Explaining Hemp across all my social media platforms to an accumulated audience of 25,000 global citizens where we discuss a new Hempstastic topic each week.

The first 7 weeks of 2021 we discussed Hemp as Paper, Medicine, Plastics, Textiles, Fuel and Energy, Building Materials and even touched on it as a Food Crop. Then we've moved into how to grow, harvest and process Hemp and this coming weekend we will discuss equipment used to process Hemp to get a clearer picture of the many types of equipment used in the Hemp processing space.

For the past 6 years I've been heavily involved in the development and execution of both the Alaskan Cannabis and Hemp industries in both the public and private arenas. I served as the Chair of the Marijuana Advisory Committee for the Mat Su Borough where we created regulations for retail and cultivation cannabis facilities. I've also helped 7 Marijuana Licensees complete the application process and become licensed.

But enough about me, today is about Hemp and the people of Alaska. To get started I want to discuss what I do not support about SB27. The bill is 99% excellent and much needed for the Alaskan people. However, Section 2 AS 03.05.076(a) on page 3, Lines 9 through 24 needs to be greatly modified if not removed entirely.

Hemp is an agricultural crop. It is a food and fiber crop as well as a medicinal crop. The many uses for Hemp make it a versatile crop and therefore we must abolish this belief system that because a human being has made a mistake in judgement and was once convicted of a felony that they cannot now contribute to the economy of Alaska and grow or manufacture Hemp for food or fiber. So in the attached document that I prepared for you is proposed language change that creates a compromise. Although I strongly recommend a complete abolishment of this section and stop the exclusion of those with criminal history from the industry and the giving back to Alaska's economy I'm willing to be understanding of compromise.

Additionally, the recreational cannabis industry has a 5 year exclusion not a 10 year and this is absolutely excessive and frankly in my opinion creates barriers to entry that make no sense to an enlightened species that wants to give their people the best chances for an improved life.

Now moving on to how Hemp will improve Alaska's economy. My vision is for an Alaskan Hemp Industry that fuels our economy and provides all we need for our people. For too long Alaska has depended on the outside world to take care of her. The Hemp Industry and the thousands of products that Hemp can make gives Alaska an opportunity to build an industry that can sustain her no matter what is going on outside of her borders. The versatility of the Hemp plant and its many uses can create thousands of jobs in sectors from labor to highly skilled and can add well over 703 Million dollars to our economic capability and I'm confident that is a low number.

In my testimony packet I've added some calculations and documents that have come from my network that I have built over the past 6 years of Hemp Growers in the lower 48 and globally that have come together around my Hemp for Healthcare concept and want to see Alaska have a successful Hemp Industry.

The Hemp for Healthcare idea is simple. We grow Hemp, tax the biomass sales and put that money into a Healthcare Fund untouchable by other needs of society. Then we process that Hemp into thousands of different products Alaskans need and sell it on HempforHealthcare.com for drop shipment all over the state as well as in brick and mortar branded stores to then take the profits generated and put them into the Healthcare Fund that creates a Single Payer Healthcare System for All Alaskan residents. The two other social impact parts of this initiative are the Industrial Hemp Prison Program and the Hemp Houses for the Homeless.

My organization is looking for partners, investors and donors for this initiative. Hemp is truly the Hope Alaska has right now for jobs and economic development, economic independence and self-sustainability. The truth is the World is moving away from fossil fuels and towards Green Technology and Infrastructure. We need to wake up and take notice and begin to move that way to or we will follow Oil to her global demise and our citizens will be left starving and jobless. So Hemp also provides us with a way to redirect jobs from the Oil fields and lumber yards into Hemp fuel and Hemp wood and building materials.

Where do we begin? Last Spring my team spent days calling Farmers across the state of Alaska asking them to Grow Hemp to support the Hemp for Healthcare initiative. They loved the idea but the same question always arose:

Where are we going to process it?

So my team switched strategies and realized that if we build it, they will come. So in building this Field of Dreams economy for Alaska we had to move towards creating a Processing Plant that could process what was coming off of the fields into usable commodities that could then be used in clothing, building materials, biofuel, foods, and more.

So I partnered with GHS Industries formerly known as Global Hemp Solutions and last week presented a 25 Million Dollar project that is a proven strategy for processing Hemp in Alaska. Coming soon I will present a 100 Million Dollar project seeking 20 Million in funding for a plant that runs on plastic as its fuel. Then I will be presenting a 30 Million Dollar Processing Plant Option that uses artificial intelligence and robotics to increase efficiencies.

These projects will bring anywhere from 20 to 350 new jobs to Alaska and this doesn't include the other businesses that will partner with the Processing Plants for their end products as well as transportation, farmers and laborers to grow the Hemp for Processing.

I thank Christ Jesus our Lord, who has given me strength to do His work and I need your support and Alaska needs Hemp. Thank you for voting Yes on Senate Bill 27 and first amending out the exclusion for felony. Please reach out to me if you have questions. I will be happy to use my network to answer them for you.

Thank you for your time.

## HEMP FACTS

- The global industrial hemp market size is expected to reach USD 15.26 billion by 2027. How much of that does Alaska want? With thousands of possible acreage that could be farmed we have great potential to build an infrastructure that can compete with a great location to sell to China and Canada as well as the lower 48.
- Hemp is extremely frost resistant and recently with the Alaska type weather that hit Texas Hemp was one of the few crops to remain remarkably untouched.  
<https://hempindustrydaily.com/texas-hemp-farmers-mostly-spared-from-winter-storm-as-other-ag-segments-suffered/>
- Additionally in some parts of the state you could plant the seeds in fall and they will winter in the ground to partake of an earlier sprout season. Hemp is also grown well inside and as it can make its own electricity and biofuel for heating it is a cyclical crop.
- Hemp is a phytoremediation crop and in a recent study done by an Italian researcher, Vito Gallo, stated that you can use crops that have been polluted through the absorption of chemicals from the soil in applications of building materials and energy without harm to humans (<https://hemptoday.net/italian-researcher-says-stalks-from-polluted-soil-ok-for-building-energy/>)
- Also in the wildfires in California their Hemp remarkably avoided smoke damage unlike other crops. <https://hempindustrydaily.com/study-suggests-west-coast-hemp-growers-escaped-smoke-damage-from-wildfires/>
- Hemp is also known for cleaning the air of carbon emissions and One hectare of industrial hemp can absorb 22 tonnes of CO<sub>2</sub>: One hectare is 2.475 acres ---so, one acre will absorb (sequester) 8.88 tonnes of CO<sub>2</sub> per crop ..per year
- Hemp's rapid growth (grows to 13 feet in 100 days) makes it one of the fastest CO<sub>2</sub>-to-biomass conversion tools available, more efficient than agro-forestry and complimentary to Alaska's short growing season.
- With the Dams breaking in China, the world is looking at a food crisis and Hemp is a highly nutritional food source that could be a powerful export for Alaska to help the Chinese people and the World and well as increase food security for our own people.
- The hemp industry will create thousands of Alaskan jobs every sector of Alaska's economy from labor type jobs to highly skilled management and manufacturing jobs including providing opportunities for retraining employees in planet destroying industries such as Oil, Plastics and Lumber.
- Hemp can create products in every category of human consumption from food to clothing, building materials, cars, plastics and packaging, paper and textiles, medicines and even biofuel and electricity. It is a miraculous gift from God put on this earth for such a time as this.
- The approach to Alaska's Hemp Industry should not begin with how it will make Alaska compete globally or with the lower 48. Instead it should begin with how and what we must do in order to utilize the Hemp Industry as a Technology Release for our state that will create economic independence and self-sustainability for our people.
- Every single thing our people need and even desire can be made out of the Hemp plant. It can create tax revenue for a Healthcare for All system for All Alaskans.

## **What would 50,000 acres of hemp grown for fiber deliver to the economy?**

The numbers below are ESTIMATED ... based on an extensive Pro-Forma analysis CIHC performed for its patent-pending "Smart Stalk" operations

### **A) FARMING**

#### 1) Seed Cost

- 50k acres grown ONLY for FIBER
- $50,000 \times \$175/\text{acre} = \$8.75\text{M}$  (to seed Grower/ Distributor)

#### 2) Operation Costs (planting to harvesting)

- $50\text{k acres} \times \$250/\text{acre} = \$12.5\text{M}$  (labor/ depreciation/ operations)

#### 3) Farmer's Stalk Revenue

- $(50\text{k acres}) \times (5 \text{ tonnes of stalk/acre}) \times (\$200/\text{t})$
- $250,000 \text{ tonnes} \times \$250/\text{tonne} = \$62.5\text{M}$

#### 4) Farmer's CAPEX (annualized)

- $5 \text{ facilities} \times \$500\text{K}/\text{year} = \$2.5\text{M}$

#### 5) "Farmers": Contribution to economy:

- $\$8.75\text{M (Seed)} + \$12.5\text{M (Operating cost)} - \$62.5\text{M (Revenue)} + \$2.5\text{M (Capex)} = \mathbf{\$86.25\text{M}}$

### **B) DECORTICATION:** (Based on CIHC model)

\* each CIHC Facility = 50,000 t input = 10,000 acres (5 t/ acre)

\* 50,000 acres/ 10,000 acres = 5 facilities

#### 1) Buy Stalk from farmers

- $250,000 \text{ tonnes} \times \$200/\text{t} = \$50 \text{ M}$

#### 2) Deliver Stalk to Facility

- $5 \text{ t/ acre} @ \$25/\text{t} = \$125/\text{acre}$
- $50,000 \text{ acres} \times \$125/\text{acre} = \$6.25 \text{ M}$

#### 3) Operating Costs: COGS & SG&A (\$432/ t) (includes CCA)

- $50,000 \text{ t} = 10,000 \text{ acres}$
- $50,000 \text{ acres}/ 10,000 \text{ acres} = 5 \text{ facilities}$
- $5 \text{ facilities} \times 50,000\text{t} = 250,000 \text{ t}$
- $250,000 \text{ t} \times \$432/\text{t} = \$108 \text{ M}$

#### 4) Ship to Market: Material sold FOB production facility

- $\$100/\text{t} = \text{shipping cost} \times 50,000 \text{ t/ facility} = \$5\text{M}$
- $5 \text{ facilities} = \$25\text{M}$

#### 5) Revenue

- each facility =  $\$50\text{M}/\text{yr}$

- 5 facilities x \$50M = \$ 250 M

6) EACH facility's CAPEX: \$20 M

- 5 facilities x \$20 M = \$100M

7) "Decortication": Contribution to economy

\$50 M (Cost of stalk) + \$6.25 M (Transportation from farm to facility) + \$108M (Operating cost)  
+ \$250M (Revenue) + \$25M (Ship to market) + \$100M (CAPEX) = **\$579.25 M**

### **C) DISTRIBUTION/ SALES:**

1) "Decortication": Contribution to economy

- 35% of \$250M (Decortication Revenue) = \$87.5M

### **D) ANNUAL GRAND TOTAL CONTRIBUTION TO ECONOMY:**

For ... 5 Facilities generating a total of \$250M in Direct Revenue

<b>A) FARMER:</b>	<b>\$ 86.25 M</b>
<b>B) DECORTICATION:</b>	<b>\$ 579.25 M</b>
<b>C) DISTRIBUTION/ SALES</b>	<b>\$ <u>87.50 M</u></b>

**\$ 753.00 M**

**NOTE:** One could argue that the cost of seed cancels out some of the Revenue that a Farmer makes – but the farmer's SEED expense becomes the REVENUE for the SEED Grower/ Distributor. This logic is also used for the stalk cost paid by the Decortication company to the Farmer – and throughout this calculation of "CONTRIBUTION"!

### **E) JOB CREATION:**

- Each facility is projected to operate 7/24 and employ 70 people: 5 x 70 = 350 people
- Base Pay Rate = \$17/hour and 24% Benefits
- 24 jobs are HQE ("High Quality Employment") requiring technical skills: 5 x 24 = 120 people
- Each facility generates approximately 30,000 hours of trucking additional a year = 150,000 hours

**(Provided by Robert Ziner, MBA of Canadian Industrial Hemp Corporation (CIHC) who specializes in using cutting edge technology and artificial intelligence to create high performing Hemp processing systems.)**

## **Expected Farming Jobs for Smokeable Hemp/Oil Extraction/Medicine**

**Smokeable Flower Small Grow:** 1 owner can manage about 200 plants through the grow. They will need temp help for the planting, harvesting, drying and trimming. Approximately 3 other people for a few weeks at a time.

**Smokeable Flower Large Grow/Small CBD Oil Grow:** 3-5 full time employees can manage up to 20 acres without mechanization or light mechanization such as a tractor to prep fields. Some of the main labor needs include: planting, weeding, sexing, pest management, and harvesting.

Harvesting for Smokeable Flower at a large scale would require you to double your employees up to 10 or so for a week or two to harvest dry and trim or mechanization **with an auto trimmer or harvester.**

**Large CBD Oil Grow:** Requires very little hand labor and requires full mechanization such as tractors, planter equipment, sprayers, harvesters or combines, dump semi trailers, etc. During harvest it is common to have up to 10 part timers for a few weeks to run tractors, drive trailers, sort, package and ship.

**(Info Provided by Jason Oran, Master Grower, Live Opulent, Inc)**



## THE GREAT ALASKAN HEMP PROCESSING PLANT PROJECT

The Alaskan Hemp Industry needs a Processing Plant that can effectively and efficiently take the Hemp baled in the fields and process it into the beginning stages of the thousands of products that can be made out of Hemp. Our people need this Green Infrastructure to be able to process Hemp for food, fiber, fuel, medicine and even biodegradable packaging.

Hemp for Healthcare in Alaska is committed to bringing you 3 different companies with 3 different proposals for such a Processing Plant. These Plants are all different but all highly effective and Alaska could use all 3 with the size of her industry capability.

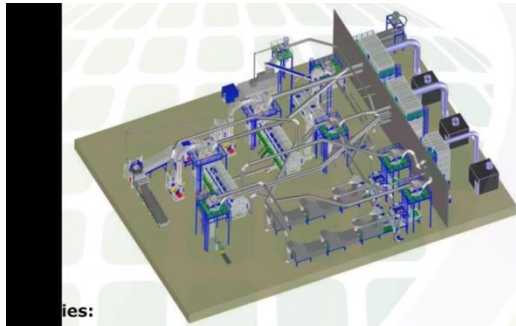
Contact Sara Williams, President of Hemp for Healthcare in Alaska to learn more about the proposed projects that will build a solid foundation for the Alaskan Hemp Industry to create economic independence and self-sustainability for her people.



**GLOBAL HEMP  
SOLUTIONS**



**CIHC**  
Replacing Plastic with Hemp



## **OTHER JOB CREATION POTENTIAL**

**Consumable Hemp Products for Humans and Animals (food, supplements, medicines, lotions, oils, etc):** Jobs in the packaging sector, graphic design, business development, marketing and sales, retail and distribution, transportation and logistics, highly skilled jobs in the manufacturing and chemistry focused aspect of cannabinoids extraction and combination, testing, tracking and regulation jobs.

**Hemp Building Materials:** Jobs in the packaging sector, graphic design, business development, marketing and sales, retail and distribution, transportation and logistics, construction and labor.

**Hemp Energy:** Jobs graphic design, business development, marketing and sales, retail and distribution, transportation and logistics, highly skilled jobs in implementing new energy systems for our state.

**Hemp Plastics:** Jobs in the manufacturing and packaging sector, graphic design, business development, marketing and sales, retail and distribution, transportation and logistics.

**Hemp Paper:** Jobs in the manufacturing and packaging sector, printing, graphic design, business development, marketing and sales, retail and distribution, transportation and logistics.

**Hemp Textiles:** Jobs in the manufacturing and packaging sector, graphic design, business development, marketing and sales, retail and distribution, transportation and logistics, highly skilled jobs in blending fabrics and creating new fashions and new uses for the textiles.

As we walk by faith we will see job creation in each of these sectors and Alaska will slowly grow into a self-sustainable future on the back of the Hemp plant slowly replacing the products and industries that are known planet destroyers like Oil, Plastics, Lumber and known people destroyers like Synthetic Pharmaceuticals. It is an economic revolution but with God on our side when we stand up for the planet He gave us to steward we will see prosperity rise and healing happen among our people.

Thank you for voting Yes on SB 27.

Together we can save Alaska and Heal our People One Hemp Plant At A Tiime!



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## **PROPOSED LANGUAGE CHANGE TO SECTION 2 03.05.076(a)(3)**

This section provides unnecessary barriers to entry for the Industrial Hemp industry. If the fear is rooted in someone making bad choices regarding intoxicating/controlled substances then create specialized language that excludes them from cannabinoid extraction but still allows them to participate in the industry for food, fiber, fuel, plastics, building materials, paper, etc.

**Please adjust the language accordingly:**

**(3) if growing for cannabinoid extraction**, a signed statement by the applicant, made under penalty of perjury, affirming that the applicant

**(A)** has not been convicted of a felony related to a controlled substance in this or another jurisdiction within the **3 years** immediately preceding the date of application; or

**(B)** was lawfully growing hemp before December 20, 2018, and was not convicted of a felony related to a controlled substance in this or another jurisdiction before that date.

Section B is confusing because Alaska's Hemp Industry didn't actually start until April of 2020 and so if this is applying to someone who has grown Hemp in another state legally and then comes to Alaska and we are seeking to hold their criminal history against them then I suppose it can stand but it seems like a pointless portion and an unnecessary language when A covers all people and a 3 year exclusion.