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Industrial hemp could jump-start economy

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By Amy Gillentine



The Declaration of Independence was written on paper made of hemp. During World War II the federal government launched a "Hemp for Victory" campaign urging people to grow the plant to make ropes for the military.

Until the late 1800s, nearly all cloth and virtually all paper were made from hemp. It was so valuable that hemp could be used as money.

But that was then.

Today, industrial hemp isn't strictly illegal, but farmers must get a permit from the Drug Enforcement Agency to grow it — something that's proven impossible. Colorado and Washington have joined nine other states in legalizing the crop. But despite the passage of Amendment 64, the DEA still must give permission, even though states issue their own permits.

Colorado farmers could be able to grow industrial hemp as early as next summer, with state permits alone. It's

unclear if the federal government would raid industrial hemp farms operating without DEA permission.

Needless permits

Supporters say that it makes no sense to require federal permits. Hemp is harmless, they say, and can benefit the economy and environment. Hemp can remediate soil damage, be spun into clothing and bracelets, help create soaps and lotions, and even absorb tons of carbon dioxide a year. Currently, U.S. imports of hemp from Canada and China equal around \$2 billion annually.

But the U.S. Department of Agriculture is skeptical, believing the market for hemp is "small and thin, and growing it in the U.S. would lead to oversupply." However, more recent Canadian studies show a positive market outlook for that country's crop, given growing consumer demand and low management requirements.

Hemp doesn't require herbicides or pesticides, for example, and can be harvested up to four times a year.

The Canadian report is echoed by U.S. companies that import hemp for products. Dr. Bronner's Magic Soap, an all-natural, organic soap, spent \$175,000 on the campaigns to legalize marijuana and hemp in Washington and Colorado. The company says Amendment 64 would "unlock the potential for industrial hemp to bolster the American economy," said David Bronner, president of the company.

"Overall the market for hemp fiber and seed products at retail in the U.S. is over \$450 million annually," he said. "Sadly, because hemp has been caught up in this nation's irrational marijuana prohibition laws, not a penny of that money goes to farmers in the U.S."

Bronner imports more than 20 tons of hemp oil annually from Canada to make his family's organic body-care products.

America is the only industrialized nation in the world that prohibits the commercial production of hemp, despite the fact that more hemp fiber, seed and oil are imported by the U.S. than any other country.

Supporters are quick to note that hemp is different than marijuana. Although hemp and marijuana are the same species of plant, hemp has no THC, the psychoactive chemical in marijuana.

"Allowing the legal cultivation and processing of industrial hemp would provide Colorado and Washington with an infusion of new jobs and tax revenue in the near term," said Michael Bronner, vice president of the company. "Our company is ready to invest in developing hemp production in the U.S."

And the Bronners will have a chance to follow up on that promise — at least in Colorado. The Legislature, which passed a pro-hemp bill during the 2012 session, has to issue guidance to the Department of Revenue,

Our Poll

How do you feel about Mayor Steve Bach not running for a second term?

- ☐ Too bad. He deserved another four years as the first strong mayor.
- ☐ No big deal. Maybe the next mayor can get along better with Council.
- ☐ Good news. Bach fell short in consensus-building and other issues.

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View Results

This poll is not a scientific sampling, but offers a quick view of what readers are thinking.

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which is also responsible for licensing medical marijuana grows.

Hemp won't be a new subject for the Legislature, said Michael Slaugh, membership director for the Colorado Springs Medical Cannabis Council. Last year, a bill to study hemp as a means to remediate damaged soil received widespread bipartisan support.

"They're going to test it in Rocky Flats," he said of the former weapons storage facility west of Denver, "because it can remove chemicals from soil, and it can be used to replenish damaged soil."

Slaugh believes that industrial hemp could jump-start the state's economy, and be used to offset carbon dioxide from power plants and cars. In fact, he says hemp can be used to make about 25,000 different products — fabrics and textiles, yarns, paper, carpeting, construction and insulation materials, auto parts, animal bedding, foods, beverages, cosmetics and pharmaceuticals.

And that's not all.

"It absorbs more carbon dioxide than natural-growth forests," Slaugh said. "It makes cheaper paper, cheaper cloth — because it can be harvested four times a year, and forests take longer to recover."

Possible fire mitigation

Slaugh thinks hemp could be a temporary answer for the burn scar from the Waldo Canyon fire. He said the plant could be used to keep soil from eroding and to remediate damaged soil to make way for trees.

He also thinks farmers are ready to grow the crop.

"Some older farmers might still remember when hemp was grown," he said. "It's eco- friendly. It works as food, fiber and fuel."

The USDA, however, dismissed the idea years ago.

According to a 2000 report considering the market potential of the plant, the USDA says it doesn't make sense to legalize it — despite interest from 19 states that considered it in the 1990s when Canada decriminalized hemp production.

"There's some question as to whether hemp fibers can be profitably processed in the United States," the report says. "Technologies used to process hemp fiber have not changed much, and they require capital investment and knowledge workers."

Conflicting conclusions

The USDA believes that the U.S. hemp producers cannot compete against major suppliers such as China, Hungary, Poland and Romania.

"In addition, given the thinness of the current U.S. hemp fiber market, any overproduction could lead to lower prices and lost profitability," the report said. "The U.S. market for hemp fibers is, and likely will remain, a small, thin market. Changes in price or quantity could be more disruptive and have a greater adverse impact on market participants that would be the case in a larger market."

But the Congressional Research Service believes the time is ripe for hemp production — saying in a 2012 report that the market has proven profitable.

"Given the existence of these small-scale, but profitable, niche markets for a wide array of industrial and consumer products, commercial hemp industry in the United States could provide opportunities as an economically viable alternative crop for some U.S. growers," the report said.

All that is beside the point, say supporters like the nonprofit group Vote Hemp.

"The market for industrial hemp products is growing rapidly," the group says on its website. "But even if it were not, when has a crop ever been outlawed simply because government agencies thought it would be unprofitable to grow?"

Hemp by the numbers

25,000 – Number of products with hemp in them.

\$2 billion – Estimated value of imported hemp.

\$450 million – Estimated value of hemp industry in the United States.

11 – Number of states that have legalized industrial hemp production.

0 – Number of hemp farms that have received permission from the Drug Enforcement Agency to grow hemp in the United States.

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3 Responses to *Industrial hemp could jump-start economy*

As a long time supporter of a sensible end to the Drug War I am skeptical about the future of hemp. Hemp is, indeed, an incredible plant with properties that allow it to be made into anything from paper to



Hemperor
December 2, 2012 at 10:50 am

pharmaceuticals but it is the later that holds promise not the fiber. The largest hemp farms in the world are in China and they regularly ship it to the US. There is a demand and the demand is met, by the Chinese. So I am not convinced that making hemp in the US does anything to increase the demand or shift profit back to Our mainland. There has been no substantial increase in demand nor will there be now that marijuana laws are changing. The only way you could profit from producing hemp in the US is to produce it for less than the Chinese which I think is probably impossible.

The opportunity in this plant is growing it and selling it under the new regulations created out of Amendment 64. Even a conservative county like El Paso recognizes that for this drug the war is over. If you'd like to get involved contact me at mmjviceroj at g mail. We are seeking lenders who want a high interest rate of 15% to 30% in exchange for short term loans of \$25,000 to \$250,000.

The National Farm Bureau supports legalizing Hemp and the Farmers Union. I bet that these organizations know something about agricultural markets.



fred kirsch
December 4, 2012 at
3:06 pm

"But the U.S. Department of Agriculture is skeptical, "

The only reason the USDA was skeptical when they published the report in the late 90's was to please the DEA and White House, who wanted to keep industrial hemp illegal to prevent the legalization of marijuana. The opposite is happening...the legalization of marijuana is making industrial hemp legalization an afterthought.



kevin hunt
December 4, 2012 at
7:40 pm

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Colorado Springs, CO 80903

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