

Hawaii Hemp Task Force Recommendations

JULY 24, 2024



General Fiber Sector



Small Decorticators and other Hemp Equipment

- To be placed with a local non-profit:
- Friends of Waimanalo on Oahu
- Maui Farmer Network on Maui
- The Kohala Center on the Big Island
 - 1st Products No Till 60 inch Multi- Drill with corn plates
 - Roller crimper
 - The Formation Ag FiberTrack 118 Micro mobile decorticator
 - Used hay rake
 - Used small hay baler
 - Used side sickle hay mower

Commercial Scale Decorticator

We recommend grants, loans, loan guarantees, tax incentive, expertise, etc. be open to public competition to support the building and operation of a 1.5 ton per hour decorticator plant for processing hemp straw into hurd and bast fiber on the island of Kauai for shipment of hurd to all islands

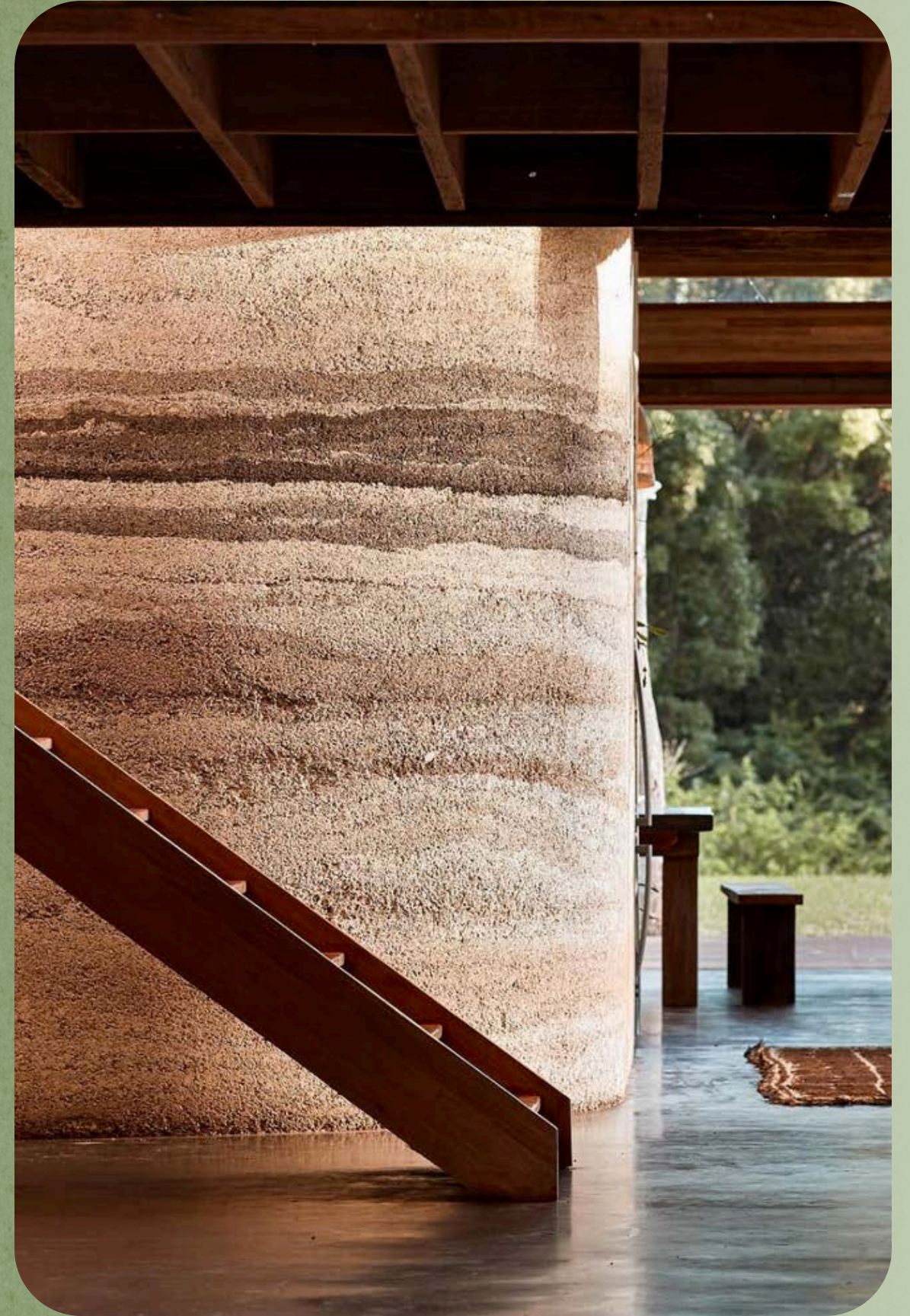
The cost of the initial 1.5 ton/hour processing plant up will be approximately

- \$3,300,000 Equipment
- \$35,000 Shipping
- \$1,800,000 for industrial set up of 6000 sq ft of space plus infrastructure
- \$180,000 estimated for small equipment for factory and office
- **\$5,315,000 total in grants, loans, tax incentives, etc.**

Large Scale Hemp Cultivation

We recommend another grant/loan be given to the not for profit/for profit partnership of Friends of Waimanalo and Ohana Nui Ventures for the farm equipment needed for the cultivation of hemp, and cover crops on the island of Kauai. This grant/ and or loan should be for between \$360,000 and \$600,000 for the purpose of buying a combination of new and used equipment.

Building Sector Recommendations



We further recommend the State support ready to use building materials in the form of grants for the development of:

- Hempcrete blocks
- Prefab hempcrete panels for houses and apartments
- Insulation in rigid 4' by 8' sheets made in Hawaii

Cannabinoid Sector Recommendations



CBD Processing Facility

We recommend that the State subsidize one facility at the Kohala Center on the Big Island that cannabinoid farmers can use to do their own processing once they are certified in the use of the lab. We recommend that the State subsidize the shipping of the dried flower to the Big Island as well as farmer travel to level the playing field.

CBD Processing Facility

The cost of a PM-CLT 240701 Ethanol extraction system made in China would cost roughly:

\$201,500. Equipment including distillation and crystallization, shredding and drying

\$18,000 for installation and training

\$8,000 shipping

\$140,000 for containment building with ventilation and power

\$30,000 for shredding and drying building

\$397,500 total for Ethanol set up with the potential for farmers to do their own processing from any island

Throughput 10Kg/ hour of dried flowers (22 pounds/hour). See addendum for detail.

*This recommendation is contingent on the ability of the Cannabinoid Task Force being able to lay to rest the concerns of many of the task force about current laws and regulations that are inhibiting local processing.

It should be noted that Toll Processing already exists on the island of Kauai where Kauai Hemp Co is fully licensed and legally set-up to safely process cannabinoid hemp for other farmers. Yet not many farmers are using this service and from what we have learned from members of the task force, is that they are nervous about the laws governing transportation of cannabinoid hemp as well as worried about the expense. Again, we recommend that the state subsidize the extra transport and processing fees to help grow the cannabinoid industry in the islands and address any other concerns (these can be hashed out in the hemp-derived cannabinoid task force) that may be impeding farmers from processing their hemp there.

Hemp-Derived Cannabinoid Task Force

After speaking extensively to all of the cannabinoid farmers on the task force we came to realize that many of their concerns were around rules and regulations that are affecting their businesses. We are recommending that a separate Hemp-derived Cannabinoid Focused Task Force be created which will begin with our findings and recommendations and build towards concrete solutions to help grow the hemp-derived cannabinoid sector in Hawaii.

Testing Facility

We recommended funding to support an additional testing facility on Kauai. There is currently only one in the state. We wish to support the small cannabinoid farmers of the state but will need to pass this potential recommendation onto the Cannabinoid Hemp Task Force.