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SPEAKERS

Taylor Evans, Cory Waggoner, Anthony Adkins, Adam Kulbach

- A** Adam Kulbach 00:10
Hello and welcome to the higher enlightenment podcast brought to you by higher yields cannabis consulting your seed to sell business solutions. My name is Adam, part of the creative team here at higher yields. I'm your host for today. And today's episode number 30 is hemp CBD and getting into industrial hemp. Today our guests are Corey Wagner, Anthony Adkins and Taylor Evans. So let's get on with the show. Okay, first, I'll start by having you guys introduce yourselves. Let's start with you, Cory.
- C** Cory Waggoner 00:49
Everybody, this is Corey Wagner, I'm the CEO here at higher yields consulting.
- A** Adam Kulbach 00:53
Okay, well, thanks for being here. And Anthony, could you give us a little background on yourself?
- A** Anthony Adkins 00:58
Sure. I mean, it's an AI kids. I'm the Director of Business Development here at higher yields. And really excited, of course, about the industry and about the future the industry. My responsibility is to connect higher yields to the marketplace in the marketplace to higher yields and responsibilities, making sure that the journey along with with higher yields is a good one. The resources are, are connected. And the results are what what the clients customers accounts in and are anticipating.
- A** Adam Kulbach 01:32

Well, thanks for being here. How about you Taylor, could you introduce yourself?

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Taylor Evans 01:36

Hi, my name is Taylor. I am the client support Advocate here at higher yields. My role focuses on connecting with potential clients and partners to ensure they're directed to the correct resources on our team.

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Adam Kulbach 01:49

Okay, on to the first question, there seem to be many ways to grow a hemp business. What are the different pathways that you see hemp growers taking?

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Anthony Adkins 02:00

Well, I'll definitely start with that one. I mean, what we're seeing, you know, a lot is that this is, you know, the agricultural environment is probably a little more familiar with hemp than they are cannabis and hemp is legal in all states, and internationally as well. So there's much more, I would say, much more interested in, you know, growing the plant. And one of the things that we find, I mean, it's basically to produce flour and or biomass in order to be sold into a wholesale type of environment to buyers who are extracting buyers who are creating product or moving them through a retail environment. So I mean, primarily what we're seeing is just straight you know, outdoor growth, outdoor grows, you know, from you know, the agricultural environment.

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Adam Kulbach 02:58

So, what exactly is industrial hemp?

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Anthony Adkins 03:03

Industrial Hemp? Yeah, go ahead, Cory.

C

Cory Waggoner 03:06

Yes, so, industrial hemp, you know, kind of echo what what Anthony was saying, as far as like, what are the big boom in hemp, the last few years has been for CBD and CBD type of products. So we've seen a lot of the farmers kind of jumping into that. And I think initially, it was because the returns were so high, and the projections were pretty astronomical, you know, people would pay about the same amount of money they would for traditional crops, such as, like soybeans, and corn, but you know, looking to make 200 300 \$400,000 per acre, depending on, you know, how successful they were, and how well that their genetics tested. But the industrial side is actually something that, you know, we're seeing a lot more growth for, and a lot more opportunity that really aligns with traditional agriculture. And similar to, you know, trees and

wood and you know, making paper and construction products and things like that, industrial hemp really fits fits the mold there. And it seems like you know, as, as more people are kind of getting burned almost in the CBD realm of hemp. By growing it not being able to sell it or growing it not having the genetics they need, or they're not testing as well as they need them to be. It ends up being almost a total crop failure because a lot of these farmers are not able to actually sell the products. So with the industrial side, though, there's there's millions of products, you know, that that can be brought to market. It's just a matter of having enough supply and having that infrastructure and having the manufacturers along the way as well as reintroducing it into the supply chain. As an alternative solution that's, you know, green, it's a lot more green friendly than traditional ways of manufacturing products.

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Adam Kulbach 04:51

What might someone want to consider getting into industrial hemp?

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Anthony Adkins 04:56

Well, I mean, definitely what they would consider as the applications, the the growth of this industry, the growth of industrial have is is going to be on it is on a trajectory that is quite honestly pretty, pretty amazing. We're seeing applications from insulation to replacing wood and framing environments with homes. There is a group out of the Netherlands who has actually constructed almost an entire home, out of hemp, the our ratings on on that are way beyond anything that is chemical based in terms of insulation. And that means the entire house was is not in a net emission or a kindling element, of course for fire. And we're also seeing it in the conductor electronics environment as well, you know, from quit, and then also clothing and textiles and everything else. I mean, so the the applications of industrial hemp are quite, quite out outstanding.

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Adam Kulbach 06:10

What are the most popular or lucrative industrial hemp products?

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Cory Waggoner 06:16

I don't even know if they figured that out yet. Because it is, you know, hemp isn't like it's not a new thing. But it it's, it's been very frowned upon in the United States. And since it's been kind of brought back to life, you know, people are really starting to look at it more and understand what the applications are like, like Anthony mentioned. You know, I think there's, aside from like manufacturing and commercial construction, you know, we were reading articles a couple months ago about him being used in batteries. And you know, what that means the environment? Because what we're kind of seeing with the electric cars is yes, they are a lot more green friendly on the front side as far as emissions. But, you know, when those batteries run out, how are they what are they doing with them, because it takes a long time for those things to decompose and to get rid of them in an in an earth friendly way. And hemp, you know, starting to open doors for how we can operate a lot more green friendly with those those

types of products. So I the applications right now, you know, again, it's kind of hard to say where the best opportunities are. But it's, there's a million opportunities out there for for applying this to different things and different resources that we already utilize.

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Adam Kulbach 07:36

Are there any benefits to the industrial hemp route over the CBD route?

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Cory Waggoner 07:42

Yeah, I think there's a ton of benefits. You know, the one of the biggest ones that I see with the farmers growing CBD products is, you know, and we get this a lot when people come to us, you know, we always kind of ask them, What do you do great, what do you do good, and what do you not good at at all. And that kind of helps us understand, you know, what their backgrounds are, where they feel like their position is in this industry. And for most of the farmers who come to us, they're great farmers, they have the land, they've been growing agricultural crops for years, decades, sometimes multi generation families. But, you know, as far as marketing those products and selling those products, a lot of those products are already kind of pre sold, or they already have buyers lined up for him with hemp CBD, it's a lot more difficult because you don't know what you're going to get until you get to the end, you don't know what the test results are going to provide, you don't know what the final product is going to look like. There's certainly things you can do to improve the potential of what you're going to get and try to align a little bit better, you know, as you're purchasing this genetics and get a better understanding of what you can project you're going to get but until you get there, you know, it's you don't know. Whereas the industrial hemp side, to me, again, aligns more with traditional agriculture, you know, they don't need to go build a website and bring on a sales team and create brands. They just need to buy find a buyer, you know, or a manufacturer who's willing to take the product and help them process it. So I think that's, you know, in my opinion, that's one of the the best assets or best opportunities of industrial hemp as I think it's going to be as it continues to grow, it's going to be much easier to find those buyers for that product than it is for hemp CBD.

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Adam Kulbach 09:21

What are some of the things someone should know before getting into industrial hemp?

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Taylor Evans 09:27

I mean, really, from my perspective I've seen now there's not a lot of movement. And because you're not really knowing what you're getting until it's harvest season, and it's a lot harder to connect a buyer with a specific needs or specific wants in their product. Specific strings. So I really don't know how to answer that question.

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Anthony Adkins 09:52

Well, that's, that's so true. Because to echo what Taylor's saying because you know, we're

well, that's, that's so true. Because to echo what Taylor's saying because, you know, we're running into you know, individual Those who are looking to get into the hemp industry and is looking to start growing hemp, and they want to create their buyers before they even put seeds in the ground. And, you know, the buyers, of course, now, it's because it's a market that's focused on, you know, really them and what they want what they need, they can be very picky on what is what is delivered or what they buy. So, you know, interestingly enough, you know, we've we've definitely run into those, you know, potential farmers who are thinking about throwing have, but they want us to go sell the her broker the deal that have deal based upon the fact that they are eventually going to grow something. And so, you know, one of the things, I think you have to have a clear direction, you have to scale, you have to start small produce the products, you know, make sure it's quality, and then it's moving into an avenue, you know, that, that that exists, either, you know, an existing relationship with a, with a manufacturer, or a trimmer or a manufacturer, you know, and a producer of products. And, and that's even actually one of the things that we actually encourage, for those even existing farmers to expand their, their operation, you know, do the manufacturing, create the products, wholesale, the product element, even create a brand and then move it into a retail environment, they're just going to have to think differently in terms of how to approach the how to approach the market, because, you know, those, I mean, our CBD products being used absolutely are different, you know, strains and various variables are being used absolutely as delta A delta nine, and the Delta elements, you know, a good factor and something that is good for the consumer. Absolutely. So growers and farmers and agricultural environment is going to have to think, and more of a progressive, innovative way to move their, their raw material through through the supply chain. So, you know, that being said, I mean, it's, we encourage them to look more in its entirety or, you know, having continuity through the entire supply chain for their for the products.

C

Cory Waggoner 12:17

Yeah, and, like, like you said, Anthony, I think, just understanding you know, where the markets at, that's a, that's a big piece of it. Because I think, you know, every year we see more and more saturation, more and more farmers getting involved, more and more saturation come harvest time, you know, come October, November, everybody, a majority of the people who grow hemp for CBD purposes are growing it outdoors. So harvest season comes and the markets just saturated with it. And it's a buyers market, you know, so if you don't have those buyers lined up, and you don't understand, you know, what products are out there, what your product should look like, really what you're competing against, because just like kind of cannabis growers, I feel like with hemp, there's, you know, growers and farmers, there's a little bit of ego there of who grows the best, and who grows the most and things like that. But understanding, you know, what it's actually going to take to sell those on the backside is where I see the most failure, you know, the farmers can grow it, they can get it to harvest, they can, you know, grow good product, but it doesn't sell itself, you know, just like cannabis, some markets, it's a lot easier to sell those types of products. But with this being federally legal, and the barrier of entry being pretty small, you know, in comparison to cannabis or other industries, you just have so many people kind of taking a swing at it and seeing how they do and those are all the people you're competing with, as well as other people have been growing this for five or six years now. So I just think that, you know, understanding the resources and requirements that you need throughout this process to be successful. And understanding what those relationships have to look like and when to start cultivating those relationships. And really making sure you have enough irons in the fire because we've run across a lot of people who have contracts in place to purchase their product, but come harvest season. Nobody wants to

buy it because they estimated the market to be at \$200 a pound when you know harvest came it was \$75 a pound. So unrealistic expectations, not understanding market trends. Not having solidify contracts or not understanding how to develop those contracts in a way that protects the farmer. Those are the things that I see the most often in in the hemp side of things where where people are failing or having a lot of issues and really getting burned, you know by the industry as a whole.

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Adam Kulbach 14:40

So how can higher yields be a resource for hemp growers?

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Anthony Adkins 14:44

Well, higher yields I mean higher yields is a unique organization. We we we understand the knowable to hemp in the cannabis industry and we know that there's elements of overlap. The biggest thing for us is that we consult and provide professional services throughout the day. Tire supply chain. I mean, that's going from startup elements, to assessments to feasibility. And quite honestly, I think that, you know, one of the services that are mostly most likely skipped over when we talk about them or, you know, kind of put to the side is feasibility and assessment, reach out to us because we can help it, he'll help you understand the market help you understand gain certainty, understanding the financial modelling that would go through it from roadmaps to competitive analysis to market analysis, and it's very, very strong. And what we do and what we provide, in what we refer to as our first vertical, or first pillar of services, which is startup feasibility assessment, making sure compliance elements are all in place, and those sorts of things. In addition to the services that we provide, we also provide design and build. And that goes into designing elements of cultivation, whether it be indoor outdoor grow house, greenhouse, aquaponics, hydroponic superponic, you know, from that, you know, from that standpoint, so we really understand what needs to be done from the climate elements to the security elements to, you know, producing a higher yield, you know, from that standpoint, and then the third vertical that we help and support our clients customers, as is in marketing as a service, I mean, creating demand, I mean, it's kind of, it's not one of those things where you grow it, they will come or they will you grow it, they will buy it. And so you really have to be strategic with your marketing and creating demand. And then there's a specific process that we use here at higher yields, that really helps understand connecting to potential markets and following up and following through all the way to a referral element that would result and repeat business. I mean, that can be brought product, branding, logo, website, and all the good things that are associated with with that demand generation. And then of course, the fourth area, the fourth vertical, is services we provide really resides in the growth services or business development, you know, understanding and knowing and connecting to our ecosystem connecting internationally, because the international game is actually gaining, gaining speed and momentum from that standpoint, so we consult and have continuity throughout throughout the entire supply chain. So we really can, you know, look into and dissect those, you know, the opportunity or the journey, or someone trying to figure out what their next move is in the industry. But all to say that feasibility assessment studies are big. I mean, that's how, you know, that's helping you understand the competitive nature, as opposed to just calling us up and saying, Hey, sell my stuff. You know, that doesn't, that doesn't give us anything really to go on, other than you have stuff, and you want to sell it. And it was and we know that because it's

a buyers market, you know, that most likely, you know, it's it's going to be a long, hard road. So we encourage we encourage the reach out with the touch out. And, you know, moving into and working with, especially on that feasibility assessments.

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Adam Kulbach 18:08

Well, I think that's all the questions that we have for now. Does anybody have any final thoughts or anything they'd like to add?

C

Cory Waggoner 18:15

Oh, just say, we are definitely encouraging more and more clients looking to get into the hemp industry to look into industrial hemp, the yields, or the you know, the return on investment doesn't look as good on the front side. But as far as risk goes, you know, in my opinion, I think most of the team's opinion, the risk is much lower of having that kind of total crop failure and not being able to sell, you know, all of your product. So, you know, my suggestion people just looking to get into this is really, really take a look at the industrial side and see, you know, what the opportunities are there and, you know, not just for one year to kind of smash and grab like a lot of these guys look to do with the CBD side of things, but, you know, long term, you know, as a true industrial and agricultural crop. There's just, there's a lot of opportunities there and the industry is going to continue to grow and the world is starting to kind of take notice of of what's going on with industrial hemp.

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Adam Kulbach 19:14

Okay, well, thank you very much for being on the podcast today. Really appreciate it, everybody.

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Anthony Adkins 19:21

Yeah, absolutely. It was really good. Thanks.

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Adam Kulbach 19:33

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