

Taking Fiber and Grain Production to Scale in a Volatile Ag Landscape

Alyssa Collins, PhD



PennState
College of Agricultural Sciences



PennState

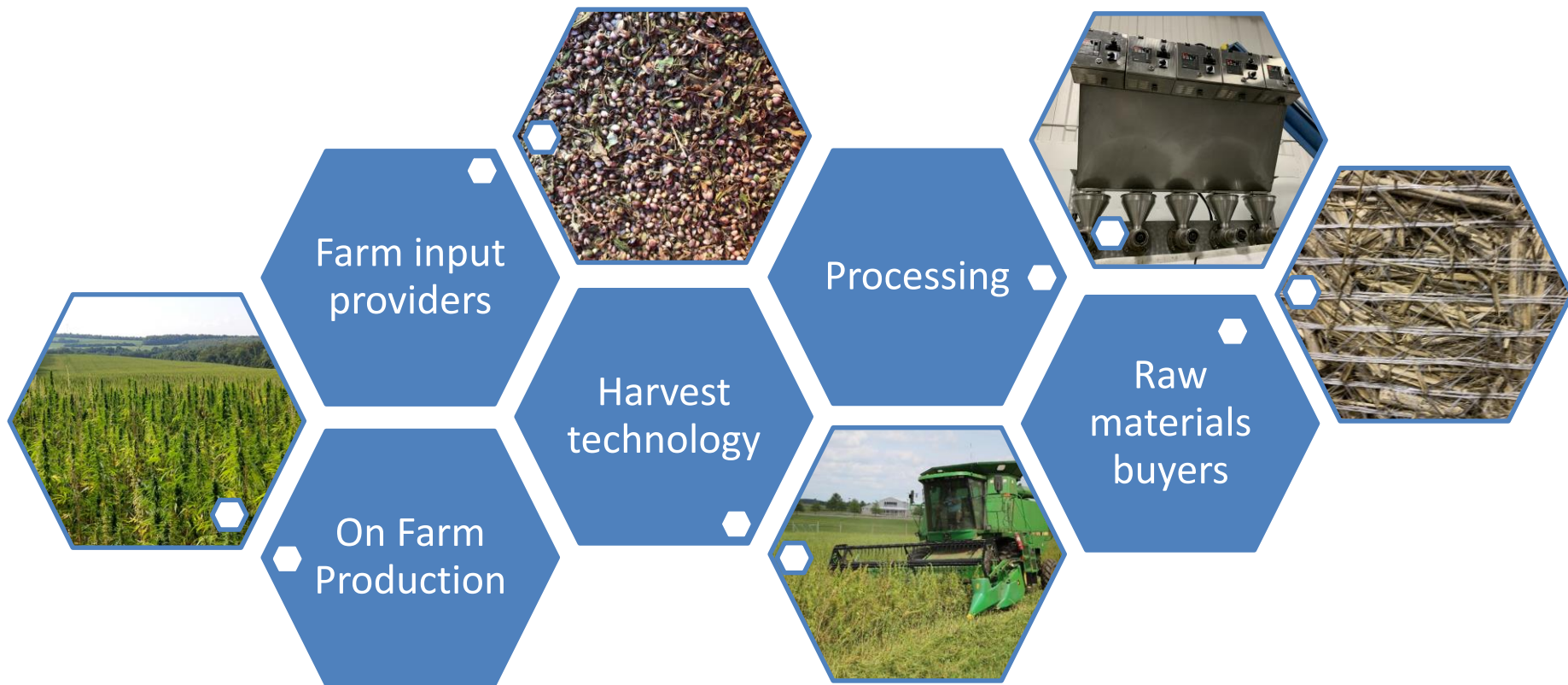
College of Agricultural Sciences

**We all thought growing the
crop was the starting point
for this industry.**

It's not.



The industry doesn't begin until all the dots are connected.



The Three Market Classes

Fiber (ag)



Grain (ag)



CBD (hort)





How do we get
from here...

...to here?



Star Rock Farms,
Conestoga PA



**And from
here...**

...to here?

Victory Hemp,
Kentucky





What have we learned so far?

Struggles & persistence

Hemp fiber manufacturer Sunstrand files for bankruptcy

Published January 31, 2020

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Kentucky hemp fiber manufacturer Sunstrand has [filed for bankruptcy](#) protection in federal court.

The privately held company filed for Chapter 7 bankruptcy, a type of bankruptcy sometimes called straight or liquidation bankruptcy.



***Sunstrand*, fiber processor**

“HempTrain is undergoing recommissioning, no contracts will be offered for 2020”



Groff NA, fiber and materials processor





What have we learned so far?

**Production, processing,
and demand are not
aligned**

What are the obstacles to high volume production? —





Obstacles for growers?

- Genetics
- Harvesting technology
- Processing availability
- Knowledge
 - Of best practices
 - Expectations of farmers (from investors, buyers)



Obstacles for processors?

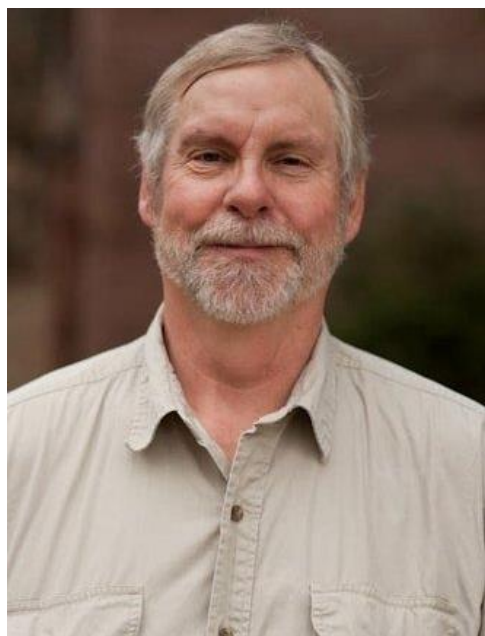
- Engineering
- Critical volume to run a plant at efficiency
- Consumer, domestic demand
- Knowledge
 - Of farming challenges (from farmers)

Obstacles for everyone?

These are the
unclaimed “dots”!

- Storage
- Transportation
- Legislation adaptation
- Demand





**“Sell it before you
plant it”**

Lynn Kime, *Penn State
Extension*, ag economist

“If you build it, we
will come”



**Chad Rosen,
*Victory Hemp
Foods*, grain
processor**

“We can’t operate in a bubble”



Steve Allin,
*International Hemp
Building Association,*
builder

Cameron McIntosh,
Americhanvre LLC,
builder





PROUD PENNSYLVANIA

*Electing And Supporting State
Legislators Committed To*

*Building Just And Resilient Regional
Economies,*

*Reducing The Power Of The Fossil
Fuel Industry, &*

*Transitioning Our State To 100%
Renewable Energy*



**“We need strong local
supply chains now
more than ever”**

Judy Wicks, *All Together
Now*, Community
organizer



What can we, as
growers, influence? __





“It’s going to leave a financial hole in many operations

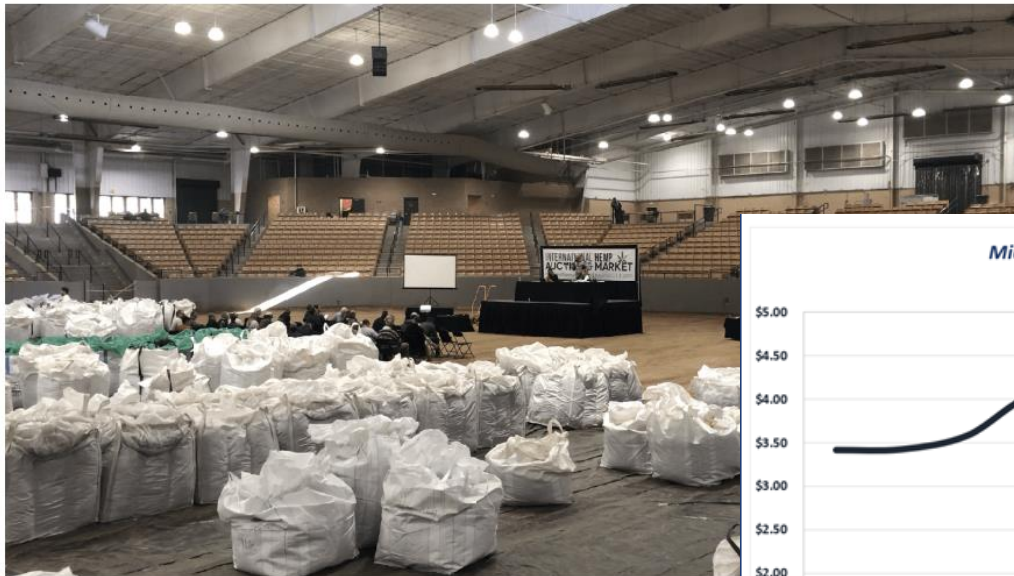
Josh Leidecker
*Susquehanna
Mills & Hemp Co.,*
grower,
processor,
retailer



Learning lessons from CBD

LOCAL NEWS

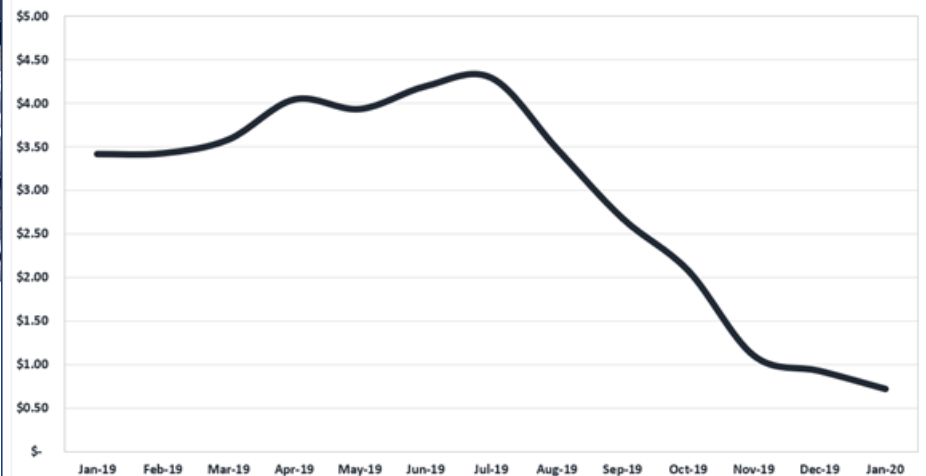
Farmers left frustrated at hemp auction



Day 2 of hemp auction



Midpoint Biomass Spot Price (per % CBD Content/lb)
PanXchange Average Price Index (CO,KY,OR)





Is scaling up the right thing to do?

What makes sense to prevent a stalling industry while managing risk?

How do we “right size” from the tractor seat?

Stop bearing all the risk

- Don't invest more than you can afford to lose
- But go “all in”





Farmers must be investors

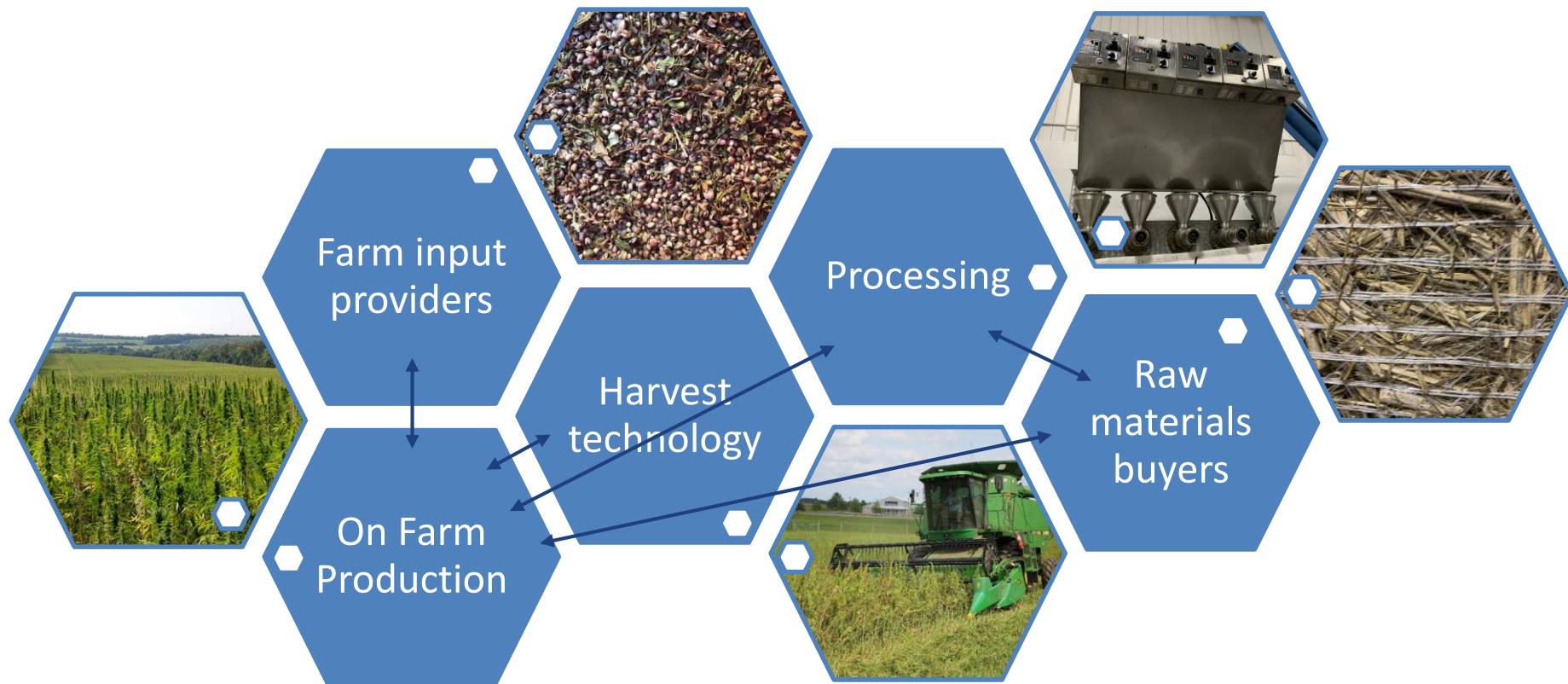
But not in the
way we think

- Relationships
- Knowledge
- Infrastructure





The industry doesn't begin until all the dots are connected.





Farmers must be investors

But not in the
way we think

- Relationships
- Knowledge
- Infrastructure



Find out what “dots” we can connect.

Investing in
relationships and
knowledge =
Communication

- With other farmers
- With processors
- With end users



Find out what “dots” we can connect.

Investing in Infrastructure

- Equipment
- Storage
- Processing





Work
backwards
from the
end user



A farmer's plan of action

- Determine what you're willing to invest
- Find your end user and learn their needs
- Educate end user on your limitations, capacity
- Team up with other growers to build infrastructure, local volume, unique niche
- Find out who is willing to partner on the “unclaimed dots”



This is going to be work.



Stay Connected

HOME | INDUSTRIAL HEMP

Industrial Hemp

Industrial hemp is a reemerging crop worldwide, sparking interest in uses from plastics to foods to nutraceuticals. Penn State faculty and educators have been conducting research on the best ways to grow, harvest, and transform hemp since 2017. Learn more about this plant and explore hemp production, processing, and marketing.



Hemp Webinar Series

Learn about the latest research and production information for industrial hemp in Pennsylvania. This free webinar series will take place from 12:00 – 1:00pm on the second and fourth Mondays of each month during the growing season, beginning August 19.

[REGISTER FOR THE HEMP WEBINAR SERIES](#)

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Industrial Hemp](#)

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Visit us on the web to find constantly updating resources!

extension.psu.edu/hemp



podcast

-
- [Lancaster Farming Industrial Hemp Podcast.](#)
 - [The Hemp Entrepreneur Podcast](#)

Stay Connected

Follow us on Twitter for news
and the latest production info

@pennstatehemp



A screenshot of the Twitter profile for @pennstatehemp. The header shows a back arrow, the username 'pennstatehemp', and '16 Tweets'. The profile picture is a circular logo featuring a white lion's head on a blue shield. The cover photo is a landscape of a green hemp field with a red barn in the background. Below the profile picture are icons for menu, messages, notifications, and a 'Following' button. The bio section includes the name 'pennstatehemp', the handle '@pennstatehemp', a 'Follows you' tag, and the text 'Joined August 2019'. It also shows '79 Following' and '60 Followers', with a note 'Followed by Krystal Snyder, Laura Drotleff, and 21 others you follow'. The tabs 'Tweets', 'Tweets & replies', 'Media', and 'Likes' are visible. The 'Tweets' tab is selected, showing a pinned tweet from @pennstatehemp dated Aug 20. The tweet text says: 'We launched our hemp webinar series Monday! Join us to talk hemp on the 2nd & 4th Monday at noon each month during the growing season. To sign-up for the next two, visit extension.psu.edu/hemp-webinar-s... #industrialhemp #hemp #naturalfiber #hempseeds #cbd'. Below the tweet is a section titled 'Hemp Webinar Series' with a link to learn more about research results and production information for industrial hemp in Pennsylvania.

← **pennstatehemp**
16 Tweets



⋮ ✉ 🔔 **Following**

pennstatehemp
@pennstatehemp Follows you
Joined August 2019
79 Following 60 Followers
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Tweets Tweets & replies Media Likes

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 **pennstatehemp** @pennstatehemp · Aug 20

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#industrialhemp #hemp #naturalfiber #hempseeds #cbd

Hemp Webinar Series
Learn about the latest research results and production information for industrial hemp in Pennsylvania.
#WING-G-1354 · BE THE FIRST TO LEAVE A REVIEW



Contact me

Alyssa Collins

Collins@psu.edu

Director, SEAREC

Associate Professor, Plant Pathology &
Environmental Microbiology

@PACropDoc