State Study Findings

Each of the three 1998 studies focused on different aspects of supply and/or demand. Since Kentucky was a major producer of certified hemp seed in the past, it is one of the main markets mentioned in the 1998 study. Also, the horse racing industry in the State could be a significant buyer of hemp hurds for animal bedding. North Dakota has an oilseed crushing industry. Thus, the North Dakota study concluded that the largest market opportunity for the State may be hemp seed oil. The Oregon report concentrated on fiber production because of the pulp and paper industry in the Pacific Northwest. (Summaries from each of the reports are in Appendix III.)

All three of the studies do mention hemp's benefits as a rotation crop. As stated in the Oregon report, industrial hemp may provide an excellent rotation crop for traditional crops to avoid outbreaks of insect and disease problems or to suppress weeds (Ehrensing). The North Dakota report further states that hemp rebuilds and conditions soils by replacing organic matter and providing aeration through its extensive root system (Kraenzel et al.).

The Kentucky Task Force had a broad mandate to examine legal, agronomic, and economic aspects of hemp production. In 1995, the majority of the Kentucky Task Force concluded that legal prohibition of *Cannabis* cultivation was the overriding obstacle to reintroduction of fiber hemp production in Kentucky. Significant progress on agronomics, marketing, or infrastructure development is unlikely, and of relatively little importance, unless legal issues are resolved (McNulty).

The North Dakota report takes a different position. Since industrial hemp may have potential as an alternative rotation crop, the report recommends that the North Dakota Legislature consider action that would allow controlled experimental production and processing. This would allow collection and analysis of necessary baseline production, processing, and marketing data. At the same time, the concerns and costs of law enforcement agencies could be addressed (Kraenzel et al.).