



2019 Industrial Hemp

Rural Development Council
Tuesday, October 29, 2019
3:30 – 3:45

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GAXTRACTS.COM



-
- **Industrial Hemp Timeline**
 - **Economic Impacts**



WHO we are:

GAXTRACTS.COM



About Us

OUR GOAL is to become the #1 trusted source of industrial hemp extractions in the world, and our logo is recognized as a global seal of quality.

OUR VISION is to empower farmers, manufacturers, retailers, and consumers through natural and safe products derived from industrial hemp.

OUR MISSION is to manufacture and extract the finest quality industrial hemp the world has to offer.

Who We Are

GA Xtracts is a manufacturer and processor of industrial hemp. We partner with farmers, who are experts in cultivation, to purchase their finest organic crops. From there, our pharmaceutical grade facility takes the plant through an extraction process that removes the CBD molecules and creates a viable essential ingredient for many of today's cutting-edge products.

GA Xtracts has been working for the good of the farmers and the industry for more than three years, with team members, who have the academic and business expertise, to create a world-class brand that sets the standards for quality.



What We Produce

GA Xtracts is an Active Pharmaceutical Ingredient (API) manufacturing company focused on creating high quality agricultural extracted products from industrial hemp using cGMP compliant protocols with FDA and DEA registration. Our company extracts the essential oils from the plant and then distills those oils and isolates into a concentrated and purified absolute. Our concentrated focus is extracting the cannabinoid CBD.

The final extracted product can then be combined into a wide range of products, including salves, balms, tinctures, capsules, breath mints, transdermal patches, edibles, and cartridges. Various brands and research institutions across the country and globally are actively purchasing CBD isolate and CBD distillate from GA Xtracts for its proprietary drug development and consumer products.



Industry Involvement

We work with state legislators and state agencies, as well as Congress, and federal agencies who regulate the industry. We believe our job is to educate policymakers about creating a regulatory framework to ensure this industry can thrive in a way that ensures high quality products and consumer safety are front of mind.

We are actively partnered with the University of Georgia, and in discussions with other state research institutions. We played an active role in the crafting of HP213, the Georgia Hemp Farming Act.

Additionally, we are founding members of the Georgia Hemp Advisory Council which was created to be an honest and unifying voice for the industry.



What does **pure,** **tested, proven** mean?

GA Xtracts is committed to providing the world's purest CBD for human and animal consumption. Consumers, who use products infused with CBD and marked with our seal of quality, know the contents are pure, tested and proven.

GA Xtracts is the only full-scale processing and manufacturing center in Georgia that also owns an on-site testing lab. Each case of CBD is immediately tested and marked with the seal of quality and is accompanied by a pharmaceutical grade Certificate of Analysis (CoA). There is never a doubt that the products produced by GA Xtracts are the finest in the world.

GA Xtracts takes it one step further by providing the industry with a proven process that sets the global standard for quality. From conversations with regulatory agencies, the FDA, and the university research centers, GA Xtracts, and our process, has become the "go-to" for anyone in the industry seeking a proven process for success.



How do you know your product is pure?

GA Xtracts only works with natural grown hemp and farmers who support the mission for agricultural integrity. The CBD that will be extracted in our facilities is tested continuously on-site in our state-of-the-art-labs, and, for extra security, audited by third parties to ensure it is of the highest grade possible.

What is industrial hemp?

Industrial hemp is one of the oldest crops grown in North America. From the colonial days through the 1940s, industrial hemp was a source of high revenue for top tier farmers. Initially, industrial hemp was used for fiber in clothing, rope, sailing ships, and even concrete. Today, as technology has progressed, we know that the essential oils and molecular extracts provided by the plant are just as valuable as the fiber.

SPECIAL NOTE: *Industrial Hemp is NOT MARIJUANA. The plants, although cousins, are different; both by definition and effects.*

Hemp is a variety of cannabis plant that contains less than 3/10th of 1% of THC (0.3%). The hemp plant has a long and complicated history in the United States, and many people are unaware of the wide variety of uses. As mentioned above, hemp fiber can be used for producing textiles, paper, compost, rope, insulation, and many other things, but in addition to these practical uses, hemp also produces seeds, which can be used in flour, body care products, cooking oil, and a variety of other things. Many people associate hemp with marijuana, but these are actually different things within the cannabis family.



What is CBD?

CBD stands for Cannabidiol, which is a natural molecule produced by the hemp plant.

Unlike some other molecules produced by hemp, CBD does not have a psychoactive component, and consuming it will not get you “high”. For many people, CBD has been known to reduce anxiety and works as a natural pain reliever and muscle relaxer. CBD has also been used to help with the treatment and management of many disorders and diseases such as epilepsy, arthritis, schizophrenia, depression, brain injuries, Alzheimer’s and even cancer. There are even pet products infused with CBD to help calm animals and relieve them of anxiety.

The passage of the 2018 Farm Bill by Congress reinstated hemp and made it legal to purchase and use CBD products within the United States.





WHY 2020

- Why is it important for growers & processors to begin harvesting in 2020?

WHY 2020

- Georgia needs to catch-up
- Safety for Georgia consumers
- Revenue for Georgia Businesses, Universities, & the State
- Jobs for Georgia Workers

WHY 2020

- Georgia needs to catch-up

INDUSTRIAL HEMP DATA

	2020 PROJECTIONS	2019	2018	2017	2016	2015
Nationally						
Estimated Total Acres	200,000	140,000	78,176	25,713	9,770	4,000
Percent Increase	43%	79%	204%	163%	144%	
Acres for CBD	60%	70%	65%	55%	50%	40%
Estimated Yield Per Acre	1,000	900	800	700	600	500
Total Yield in lbs	120,000,000	88,200,000	40,651,520	9,899,505	2,931,000	800,000
Value per lb	\$ 6.00	\$ 7.00	\$ 8.00	\$ 9.00	\$ 10.00	\$ 10.00
Value of the Crop	\$ 720,000,000.00	\$ 617,400,000.00	\$ 325,212,160.00	\$ 89,095,545.00	\$ 29,310,000.00	\$ 8,000,000.00
Total US Revenue estimated (note)	\$1.85 billion	\$1.40 billion	\$1.10 billion	\$0.82 billion	\$0.72 billion	
Total Global Revenue estimated (note)	\$5.73 billion	\$4.58 billion	\$3.74 billion	\$3.14 billion	\$2.76 billion	
Tennessee: as a comparable example						
Farmers Licensed To Grow Hemp	3,000	2,600	226	117	64	44
Estimated Total Acres	50,000	38,000	4,700	200	100	50
Percent Increase	32%	709%	2250%	100%	100%	
Average Acres	17	15	21	2	20	20

WHY 2020

- **Safety for Georgia Consumers**
 - Hemp Products are EVERYWHERE:
 - There is virtually NO STANDARDS for products.
 - If we continue to ignore it, more unsafe & untested products will flood the market.
 - GAXTRACTS is committed to PURE, TESTED, & PROVEN products.

LOOK FOR THE LABEL



Pure

From seed to harvest, we work together with our farming partners to ensure the highest grade, finest quality industrial hemp to meet our strictest standards for purity.



Tested

Our rigorous quality control procedures and in-house lab analysis backed by independent third-party audits ensures product purity and consistency every time, giving buyers the assurance that our CBD products will provide the quality and consistency they require.



Proven

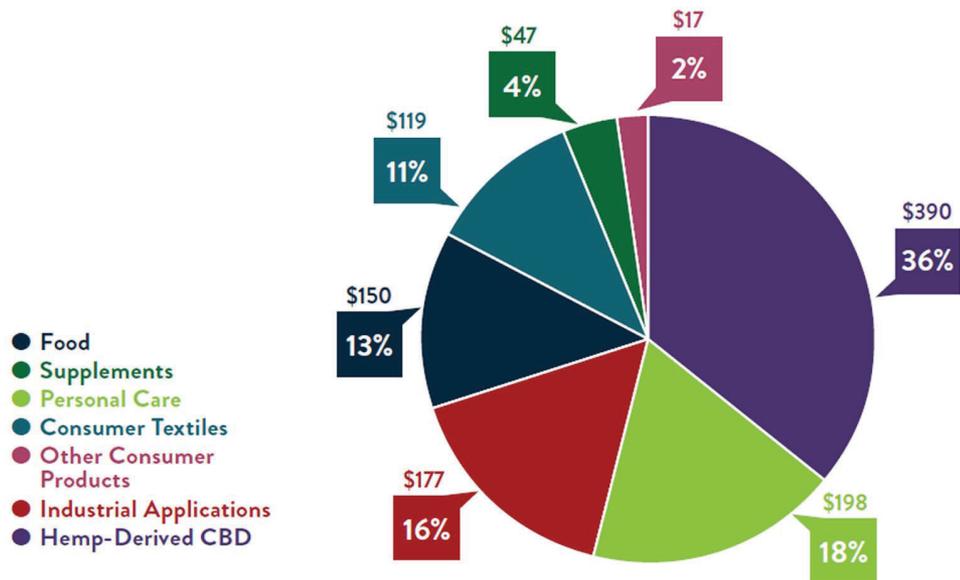
We're working for the good of the industry and consumers, actively promoting legislation and engaging in research with key universities to better protect and promote the interests, health and well-being of our agricultural partners and customers.

WHY 2020

- Revenue for Georgia Businesses
- US MARKET estimated to be \$1.40 billion in 2019, increasing to \$2.6 billion by 2022

\$1.1 BILLION U.S. HEMP-BASED PRODUCT SALES BY CATEGORY IN 2018

GLOBAL MARKET
estimated to be
\$5.7 billion in 2020



Source: Hemp Business Journal estimates (\$ mil., consumer sales), SPINS

WHY 2020

- Revenue for research at Georgia Universities & the State
 - Research is needed in every aspect of the industry
 - Private Companies are willing to fund Research at Georgia Universities GAXTRACTS is currently funding research and working to fund MORE
 - The State of Georgia will receive TAX revenue both from businesses and individuals who are working in the industrial hemp industry

- **Jobs for Georgia Workers**
 - In farming & manufacturing, but also in addition are jobs for accountants, lawyers, compliance officers, government regulators, IT specialists, financial & insurance experts, transporters, researchers & lab technicians, marketers, CFOs, CEOs, retail employees,
 - Average pay range of \$45,000 - \$149,000 (CNBC)
 - GAXTRACTS alone is projected to employ 250 people within 24 months



WHAT in 2020

- What are the immediate economic impacts?

WHAT 2020

- Georgia jobs
- Georgian consumers want & already use hemp products...
- Georgia businesses will be able to participate in an:
 - Estimated \$1.85 billion US industry
 - Estimated \$5.73 billion Global industry

WHAT 2020

And, Industrial Hemp is
100% Legal...

both FEDERALLY and
here in GEORGIA...



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