



CITY OF HOUSTON

Sylvester Turner

Mayor

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Dear Members of the Texas Senate,

More than forty states have legalized the farming and processing of industrial hemp. In 2018, the United States Congress passed the Farm Bill legalizing hemp that contains less than 0.3% tetrahydrocannabinol (THC).

Elemental Processing recently acquired a 1,200,000 square foot processing and fulfillment facility in Houston, Texas with the capacity to process over 100,000,000 pounds of hemp biomass a year. The aggregate economic impact of construction and refurbishment of the facility alone could be as much as \$149.7 million in economic activity/output, with \$85.0 million in value-added. The aggregate economic impact of annual operations at full capacity of the facility could be as much as \$947.9 million in economic activity/output, with \$280.8 million in value-added. This increase in regional economic activity will support 4,007 total permanent jobs with labor income of approximately \$199.8 million each year.

The Texas Department of Agriculture will develop regulations to govern the hemp program, subject to approval by the U.S. Department of Agriculture. The regulations will require licensing for those wishing to participate in farming industrial hemp. This legislation will not legalize the use or cultivation of psychoactive marijuana.

Industrial hemp products, such as clothing, twine and oils, are already legal in Texas, but manufacturers must source hemp from other states to make their products. This does not make economic sense for Texas. Industrial hemp is also a drought-resistant crop, making it a good alternative in our harsh and unpredictable climate.

I hope you will join me in supporting CSHB 1325. This legislation is a win for Texas and a win for Texas farmers.

Sincerely,

Sylvester Turner,
Mayor