

# INDUSTRIAL HEMP PRODUCTION & PROCESSING



## Opportunity

The aim of the Western Murray Land Improvement Group (WMLIG) Industrial Hemp Processing Project is to scope and investigate the viability of an integrated value chain for production and processing of industrial hemp in the Western Murray region.

Wakool farmers are interested in producing hemp however, they also see the importance of adding value to the primary product to ensure they can generate a higher return on investment.

## Objectives of the PFS

The PFS being developed by The Wedge Group, aims to provide farmers and potential value chain partners with information to assist them to understand the requirements, desirability, feasibility and viability of

1. Growing hemp in the Murray region in the range of seasonal conditions (low to high water cost variables)
2. The current and potential future demand for the raw and processed product including seed and fibre.
3. Processing the primary product into usable fibre as inputs into manufacturing of other products (e.g., building materials)
4. The potential of developing a high value manufacturing precinct converting fibre to building sector products.

Preliminary consultation with project stakeholders will confirm the scope of the PFS to ensure that it is focussed on critical needs.

- Production thresholds
- Core products – fibre, seed, other
- Value adds – processing, waste reuse
- Locations/Logistics – processing plant, transport constraints
- Resources – irrigation, machinery and equipment, labour
- Establishment model – Cooperative approach
- Regulatory Environment – Growing; Processing; Marketing
- Overall business model and planning horizon.
- Project Control Group (PCG) establishment – agreements and legal instruments

The PFS will collate the information necessary to assess support for progressing the project to a business case for investment.

## What Information will the PFS examine?

### Supply Chain

A supply chain is a system that moves a product from the raw material to the end-user and is an interconnected process that starts

## Pre-feasibility Study (PFS)

### Overview



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with the farming of the hemp, goes through processing and ends with the sales.

## Market Demand Assessment

Examine demand for hemp products at a local, national and global scale to identify market opportunities for Western Murray producers.

## Industrial Hemp Production

Presentation of critical environmental conditions, improvement inputs and integration with traditional farming practices.

- Soil and soil improvements
- Irrigation demand
- Incorporation into rotational cropping systems
- Pest control
- Machinery and equipment
- Risk Assessment

## Hemp Processing

Processing systems will be investigated to develop the base case Facilities, Plant & Equipment and Resourcing plan including;

- Base case costs /option
- Augmentation options /costs

## Ownership, Governance and Investment Framework

- Explore the range of ownership and corporate governance models.
- RGA/Sunrice Co-op model as a starting point.

## Sales and Marketing

Core Products - High level sales and marketing plan to identify opportunities, resource requirements and costs for model inputs.

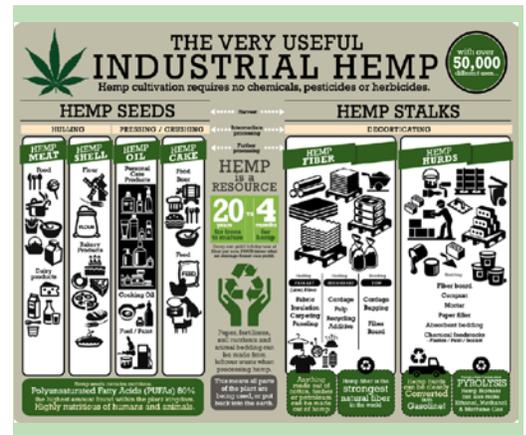
Value-Added Products / Relationships - Explore Carbon Sequestration markets and returns

## Financial Analysis

- Development/refinement of the overall financial model.
- Establish key timeframes for planning and development through to upscale to profitable operations
- Explore the range of financing options and costs.

## Project SWOT Analysis

Strengths, Weakness, Opportunity, Threat



For further information contact

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