



New Mexico and Industrial Hemp: Economic Opportunity for Our Future

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One New Mexico

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Executive Summary

New Mexico needs jobs. In every part of the state, the greatest need is for good, sustainable jobs that New Mexicans can count on. We need to build our economy from the grassroots up, putting people to work in ways that reflect New Mexico's unique strengths and New Mexicans' real skills.

Industrial hemp represents one excellent opportunity for New Mexico. Under the 2014 federal Farm Bill, states are now allowed to explore the production of industrial hemp as a cash crop. While not a cure-all for New Mexico's economic ills, industrial hemp is a case study of an opportunity that fits our state: industrial hemp can be grown in most parts of New Mexico, requires ample sun and land but not much water, can be developed to fit our weather and soil conditions, and has more than 25,000 commercial and industrial uses, from clothes to paper to building materials.

Recently, after an 8-year process of exploration, the State Legislature overwhelmingly passed Senate Bill 94, a bi-partisan measure to allow New Mexico to join 22 other states in developing an industrial hemp program. However Governor Martinez vetoed the bill.

This One New Mexico working paper explores industrial hemp and looks for a way forward to make growing hemp a part of New Mexico's economic future.

What Hemp Isn't

Industrial hemp is not marijuana. This is a matter of science and, as recognized by the federal Farm Bill, a matter of law.

What Does It Take to Grow Hemp?

According to the New Mexico Department of Agriculture, industrial hemp can be grown in most parts of New Mexico with the possible exception of the state's northern mountainous regions. Hemp is considered easy to grow, thrives in most types of soil and can yield multiple crops in a single year.

What Is the History of Hemp?

Industrial hemp is an ancient crop—literally. Its earliest traces go back to Chinese pottery shards dating from the 5th century B.C.

Hemp has always been thought of as a versatile and useful product. In 1553 King Henry VIII of England threatened to fine farmers who didn't grow at least one-quarter acre of hemp for every 60 acres of arable land under their control.

Hemp was used for the ropes on Columbus' ships and served as the canvas on covered wagons. The Declaration of Independence was drafted on hemp paper and Presidents Washington, Jefferson, Madison, Monroe, Jackson, Taylor and Pierce all grew hemp.

Today 30 countries in Europe, Asia, North and South America permit farmers to grow hemp.

Why and When Did Hemp Become Illegal?

The Marihuana Tax Stamp Act of 1937 levied a tax on anyone in the United States who dealt commercially with cannabis, in any form, regardless of its potency or potential use. This federal law began the confusion over marijuana and industrial hemp.

During World War II, the federal government changed its attitude toward industrial hemp. Seeking to use hemp to make uniforms for Americans in the armed services, the government issued tax stamps to farmers. As a result 400,000 acres of hemp were cultivated between 1942 and 1945.

In 1969 the Congress repealed the 1937 Tax Stamp Act and passed the Comprehensive Drug Abuse Prevention and Control Act of 1970. That bill continued the ban on all kinds of cannabis, once again failing to make the distinction between marijuana and industrial hemp.

Is the Federal Government Changing Course on Hemp?

Yes—largely because of economic opportunity and informed science.

The Congressional Research Service has recently identified a market of at least \$580 million for hemp products in the United States. There are more than 25,000 products generated from hemp, including paper, food, cosmetics, textiles, building materials and more. Currently, the United States imports all of the hemp used in these products from China and Canada.

Recognizing the economic opportunity presented by growing hemp, as part of the 2014 Farm Bill the Congress authorized pilot programs to study hemp. Any state can participate if the legislature sets up a pilot program that is certified by the state's Department of Agriculture.

Twenty-two states have enacted state laws to explore industrial hemp production.

What About New Mexico?

For the past 8 years, state legislators and citizen advocates have explored the production of industrial hemp in New Mexico.

In 2012 an Industrial Hemp Task Force under the direction of the Department of Agriculture issued a report that concluded, “New Mexico is uniquely poised to capture the industrial hemp market”

In the last full session of the State Legislature, Senate Bill 94, “The Industrial Hemp Farming Act” sponsored by Senator Cisco McSorley, received overwhelming bi-partisan support in both the Senate and the House: It passed the Senate by a vote of 33-8 and the House by a vote of 54-12. However, Governor Susana Martinez vetoed the measure.

What Happens Next?

The Governor could bring a bill of her own to the next session of the legislature and get New Mexico back on track to explore industrial hemp as a part of our state’s economic future.

Another possibility is that the Native American tribes could explore industrial hemp on their own.

What seems clear is that industrial hemp is a big and real economic opportunity. Other states—many of them much less well suited—are already seizing on it. It helps farmers and light manufacturers, processors and entrepreneurs. It could help all parts of New Mexico—and it wouldn’t involve tax breaks for out-of-state corporations.

Hemp *will* happen.

The question is, will it happen in New Mexico?