



# HAVE YOU HURD?

## February 2024 Newsletter

### INDUSTRIAL HEMP STAND REACHING FOR THE CLOUDS

July 10, 2023



### We have been BUSY!

As we recap the 2023 year, we have many accomplishments to look back on. SHDL is grateful to the residents of Smoky River and surrounding areas for the support we have received this past year.

**The 2023 growing season** was nothing short of very successful for many of the Smoky Hemp Decortication Ltd. (SHDL) growers. Agronomist Darcy Boisvert has been with SHDL for three seasons now and has given us a short breakdown of the 2023 growing season.

### Agronomy Report – Darcy Boisvert

The 2023 industrial hemp season began smoothly with opportunity for early seeded acres as well as later seeded acres to compare differences in the end use product for quality and yield. Dry seeding conditions led to ideal seed placement with high germinations and low seedling mortality.

Low rainfall early in the season led to ideal conditions for a hemp plant stand establishment. Hemp seedlings are especially susceptible to too much early season rainfall and drowning. Once the crop was established with a heavy plant stand, and stem elongation began, a few timely rainfalls gave the moisture at just the right times.



The hemp crop took off and grew to impressive heights of up to 12 feet tall in areas. The dense crop with good height proved to be too much crop to use SHDL’s standard cutting practice with a disc-bine. Instead, specialty hemp cutting equipment was rented to finish the cutting process successfully. This delayed the cutting from the expected time at the beginning of August to mid-September.



Delayed cutting meant a delay to the rest of the season. To achieve the right quality of hemp fiber the cut hemp must stay in the field for 4 weeks before it is baled and hauled. This is the process referred to as retting. By mid-October the busy schedules of those producers involved, as well as a few more rainfalls meant the crop could not be baled this fall as it had not adequately retted and dried. Instead, the hemp will be baled as soon as possible in the spring of 2024. Winter retting is a common practice when trying to achieve textile or clothing end use product. This unintentional

trial will give us information on the quality of product we can achieve with different management practices.

**The Canadian Hemp Trade Alliance Annual Conference** was held in Nisku, AB in November 2023. Board members Francois Cote and Daniel Labrecque were in attendance. Diane Chaisson, Executive Director of Smoky River Regional Economic Development, and SHDL Agronomist, Darcy Boisvert also attended. The networking at this event has opened the doors to new possibilities and connections within the industry that Smoky Hemp Decortication Ltd. is looking forward to exploring in the 2024 season.

**Our search for equipment** was successful with the purchase of a combine that will be converted into a stationary unit as one component of the decortication line. Our manufacturer in Quebec is near completion of the decortication component of the processing line, and the Board looks forward to receiving this integral piece early this spring.

**The Annual General Meeting** was held on November 30, 2023, in Girouxville, AB and was well attended by shareholders. With the AGM came the exit of two board members: Stephan Nolette and Mellissa Labrecque. SHDL would like to thank these members for their dedication and service on the board. We are very pleased to introduce our new members:

**Karen Benoit** owns and operates Norm Benoit Farms Ltd with her daughter Joelle near Girouxville, AB. Karen has been farming for over 20 years as well as working as a registered nurse for the past 30 years. Karen brings community experience as well as a knowledge of agriculture business.

**Bailey Tokarz** lives and has been farming for the past seven years near Guy, AB. Bailey completed one year of electrical training and worked in the industry for two years before returning home to farm. Bailey is very excited to work and help within the agriculture sector and is always excited to learn more.

**Gordon Haskins** joins the board with many years of experience in both law and banking. With an interest in local communities and an interest in helping to develop SHDL, the board welcomes Gordon.

**Ronald Challier** joins the board with many years of experience as a heavy-duty mechanic in repair, operation, assembling and fabrication of equipment. Ronald is currently transitioning back into the agriculture industry after selling his heavy truck and trailer business and is looking forward to the possibilities in diversifying local agricultural economy alongside Smoky Hemp Decortication Ltd.

## Building Recognition and Support

SHDL is gaining recognition as an innovative, forward-thinking leader within the Hemp Industry in Alberta. In January, we were very pleased to receive an invitation from the Honourable RJ Sigurdson, Minister of Agriculture and Irrigation to join him at the Investment and Growth Roundtable. Director and Head of Agricultural Operations, Normand Boulet attended to provide important input into the investment and growth strategy for Alberta's value-added agriculture sector. As a follow-up we met with senior representatives from the Ministry of Jobs, Economy and Trade Investment Unit and the Manager of Investment Attraction at Alberta Agriculture and Irrigation to discuss provincial government support strategy and initiatives for the Hemp Industry.

In late February, a delegation of SHDL Directors will attend the Alberta Hemp Alliance 2024 Conference, which is a forum for industry and government representatives to share knowledge, including hemp genetics, fibre and food processing, and the latest developments in the hemp space. Minister Sigurdson will be in attendance, and we have arranged to meet with a Senior representative of the Export and Investment Branch of Alberta Agriculture and Irrigation to encourage additional expansion of the strategies and supports provided by the provincial government.

## Moving Forward

SHDL is excited to announce our Second Round Share Offering is now open. We are offering Class A voting shares to existing and new investors to fund the completion of the building and site, and procurement of additional equipment. As with our first successful offering, the minimum investment is \$2500. We are seeking to raise a minimum of \$400,000 and a maximum of \$5,000,000. We are confident that, with the level of interest and support we know exists, this round will be a success. Anyone interested in learning more about this investment opportunity can contact Avis at [ceosmokyhemp@gmail.com](mailto:ceosmokyhemp@gmail.com).

The expanded Board anticipates a very busy and productive year ahead, and we look forward to working together to build Smoky Hemp Decortication Ltd. into the success we know it will be. The annual CEO Report is attached to this newsletter for those who were unable to attend the AGM.

On behalf of the Board of Smoky Hemp Decortication Ltd, I hope you enjoyed this edition of Have You Hurd Newsletter. As always please share your comments, questions, and suggestions at [info@smokyhempdecortication.com](mailto:info@smokyhempdecortication.com)

**Avis Gagne, Board Chair/CEO**



*Growing our Future*

Follow us on **Facebook, Instagram & X** at Smoky Hemp Decortication Ltd.  
On our **Website** at [www.smokyhempdecortication.com](http://www.smokyhempdecortication.com)

**CEO Report to SHDL AGM – November 30, 2023**

Since its formation in May 2020, I've been the Chair and CEO of SHDL, and the journey has been remarkable. We began with 3 shareholders, Dan and Melissa Labrecque and me, a little pot of money, and a huge vision. Our enthusiasm was fueled by a business case funded by Smoky River Region Economic Development, which laid out the potential of industrial hemp not only a viable rotation crop for producers, but also a path to value added products processed right here in our area. Diane Chiasson, Executive Director of SRRED, introduced the concept of establishing a hemp processing facility, and also provided us with encouragement, advice, information, and a path to connecting with the Alberta Hemp Alliance, Canadian Hemp Trade Alliance and successful manufacturers of hemp products located in Alberta and Canada.

We were very grateful to have Normand Boulet and Francois Cote join us as investors and directors shortly after we incorporated. While there is much we didn't know at the start, we recognized that learning to drive requires more than sitting in a parked car.

We are now 94 shareholders, collectively owning 98,900 shares, representing a total investment of \$429,500.

What we envisioned in 2020, and still see vividly, is a decortication facility producing top quality hemp fibre, hurd and greens, adding value through primary processing of hemp straw, approximately 30 jobs, and opportunities for secondary processing right here in our region. We see producers diversifying their crop rotation with a profitable, early maturing crop. We look at Smoky Hemp as the cornerstone of a manufacturing hub, where end-product manufacturers use our fibre and hurd to produce finished hemp straw-based products such as insulation or hempcrete blocks, or perhaps furniture and flooring panels. We see the industrial hemp industry expanding globally and producing everything from insulation, to fabric, to horticultural products, to construction materials to automobile panels.

While our progress may seem slow, we have accomplished important milestones over the past couple of years, including sourcing and investing in \$111,000 in key pieces of equipment for hemp straw processing. We have eager buyers, impressed with the quality of fibre grown here, ready to purchase every shred of fibre we can produce. We have a functioning website, and an impressive following of 32,000 on our Facebook page. And - we have seen our agronomist, Darcy Boisvert leap to internet fame with over 1 million views of his video on retting of hemp straw.

We now have producers with 3 years of experience growing hemp. These producers have added to the collective knowledge of how to seed, manage, and harvest hemp straw crops. Despite some challenges, our lessons have been learned on a small scale, as we get ready to ramp up the acres. We are part of a growing network of producers, processors, and manufacturers that foresee playing a substantial role in local economies across the prairies in coming years.

Looking ahead to this next year, we are ready to launch our 2<sup>nd</sup> round share offering, aiming to raise additional funds of up to \$5,000,000. These funds will be allocated to completing the building, purchasing additional components of the decortication line, and equipment needed for handling bales. Following this round, we plan to hire an operations manager to oversee completion of the facility, contracts with growers, and initial start-up of the decortication line. While our progress may not be in high gear, it is solid, steady, and purposeful.

We've adopted the phrase, **Growing Our Future**, and it continues to describe exactly what we are doing. It is embedded in the culture of Smoky Hemp to be forward-looking and community driven. At the same time, we recognize the potential to be leaders in the hemp industry. Our Business Plan is solid and looks forward 5 years to when we expect to be in full production, contracting 6,000 acres of hemp crop, employing over 30 people, and grossing over \$7 million in annual sales.

I want to recognize and thank the Village of Donnelly Council for welcoming us to establish the processing plant within the Village. Recently, Donnelly asked us to collaborate with the firm Lochaven Consulting that the Village has contracted to put together an economic development plan not only for Donnelly but including the other municipalities in the region. SHDL has the potential to drive significant economic opportunities for the entire region, foster spinoff businesses, create secondary employment and enhance positive recognition of the advantages offered here.

I also want to recognize and thank the *Conseil de développement économique de l'Alberta* for their grant that aided us with travel, conference fees, a grant through the *Fonds de développement économique de l'ouest* and the ACFA Rivière-la-paix for Darcy Boisvert to provide agronomic expertise.

We are very much a hands-on Board and this winter Francois, Normand, and Dan, along with Ron Chailer plan to fabricate a multi-level cutter, addressing the lesson learned last summer. Hemp can indeed grow 12 feet tall, proving there are limits to what a discbine can process.

You are not just investors. You are neighbours, friends, family, financial partners, policy developers and planners. The Board welcomes and values your input, suggestions, and questions and I know there will be some great discussions after we adjourn this AGM.

Working with a great team over the past few years has been a privilege, and it is no less a privilege to be reporting to all of you who believe,

that Smoky Hemp Decortication will be successful,  
will be a front runner of the industrial hemp industry,  
that we can all point to and say... I made this happen.

If I can leave you with a final message from this AGM it is this:

**Together, we ARE Growing Our Future.**

Respectfully,

Avis Gagne, CEO  
Smoky Hemp Decortication Ltd.