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## Having Built the Largest Hemp Processing Facility in the Western Hemisphere in North Carolina, Hemp Inc is leading the way in Industrial Hemp



**Bruce Perlowin**  
CEO

**Hemp Inc (OTC: HEMP)**

**Interview conducted by:**  
**Bud Wayne, Editorial Executive**  
**CEOCFO Magazine**

**CEOCFO:** *Mr. Perlowin, how long have you been with Hemp Inc. and what attracted you to the company? What in your background has positioned you to lead Hemp Inc. in this endeavor?*

**Mr. Perlowin:** I have been with Hemp, Inc. for eight years, and I am the founder and CEO. Previous to that, I owned a company called Medical Marijuana Inc., which was the first publicly-traded company in this sector of what they now call pot stock. We launched that about fourteen years ago, and sold it. I saw this real future on cannabis, with much greater potential than marijuana - recreational or industrial.

**CEOCFO:** *Hemp Inc was founded in 2008 and had a goal of being the leader in Industrial Hemp in America. Where do you stand today?*

**Mr. Perlowin:** Well, we actually are the leader in industrial hemp, not CBD hemp. We built the largest hemp processing facility in the western hemisphere in North Carolina, and we currently manufacture three industrial hemp products that nobody else does. Finally, after all these years there has been a hemp wood manufacturing facility in Kentucky that has started now. That is very exciting to us and anything in the industry that happens like that, we are happy to see.

**CEOCFO:** *What is the size of the Industrial Hemp market today?*

**Mr. Perlowin:** The industrial hemp market today is insatiable. For example, the 14 thousand square ft. building in Kentucky announced that they are going to do hemp wood. I called them and said that I would buy all their hemp wood, like the 2x4s for the eco-villages that you grow hemp on, and he said they talked to a UPI reporter who said they talked to this guy and he has people lined up out the door. He is completely sold out of all the wood that he can make. It is sort of the same thing, hemp is a movement and people are passionate about hemp and want hemp clothing, hemp foods, hemp oil, they certainly want CBDs.

In Oregon where I am right now because we have launched a pre-roll line of smoke-able CBD hemp, you cannot go down a dirt road or any road without seeing dozens and dozens and dozens of hemp farms on both sides of the road. That is not an exaggeration. Now that it is legal, there are 80 thousand farms in southern Oregon alone, growing hemp.

**CEOCFO:** *Many people probably do not realize that hemp can be used to make things like paper and fabric, plastics, building materials, health and beauty related products.*

**Mr. Perlowin:** The number of products that can be made with hemp is often quoted as 25 thousand products that can be made from hemp and that is from a very old article that came out years ago in some big magazine, and it is more now because that was before the discovery of CBD which is relatively a new industry, of six or seven years old. You can put those in beauty products, they are in Bed, Bath and Beyond. They are in all the health food stores. Now that people are smoking hemp, they are going viral. Hemp pre-rolls are replacing tobacco cigarettes because tobacco cigarettes are not cool to smoke anymore, but hemp pre-rolls are. They are not only cool, but they are healthy.

**CEOCFO:** *Would you tell us about your fiber materials that you supply to the various industries?*

**Mr. Perlowin:** There are three products we manufacture in North Carolina. It started off with Kenaf, which is another high-fiber plant that grows fast and tall, and it is similar to hemp. The Latin name is Cannabis Hibiscus, so there is no THC and no CBD in that particular plant, but the fiber is great. Hemp was not legal in North Carolina when we started this plant, but since then we have been able to add hemp to our products. In the beginning, it was the Kenaf product, and now it is a Kenaf and Hemp blend. So the first product we grind up the whole plant with the fiber and the hurd together and we use it as an oil-spill cleanup material so that is called Spill Be Gone. That is on our website and it is a great product. In Kenaf there is an enzyme that actually eats oil, so it eats the oil and it absorbs it, it is one of the most absorbable plants on the planet and hemp is a very close second, so the two of them together make a great oil-spill cleanup. They used the Kenaf at the Horizon oil spill in the Gulf of Mexico years ago. They would not let us put it out in the ocean. They wanted to drop a chemical that made the oil sink to the bottom of the oceans so that no one could see it anymore, but the oil is still there. However, we dumped a whole bunch of our product there to create a wildlife sanctuary and you can watch the birds go and roll around in the Kenaf piles and would literally clean the birds and get all the oil off of them in a way that nothing else could. They instinctively knew or watched the other birds and animals go there and it was very cool to see that.

The second product is the same exact product, but you grind it up a little bit finer, which is a 20 mesh size. You grind it up to up to 200-325, which is particle size and it is like baby powder. We use it for LCM, which stands for "Lost Circulation Material." When you drill an oil well there is three main things you need, a diamond-tip oil bit, a lubricant to keep that bit from burning up, and when you drill through cracks in the earth, that lubricant will leak out unless you use some kind of LCM, (Lost Circulation Material) it plugs those cracks and fissures. Currently, they use a chemical concoction to plug those cracks and fissures so those cracks and fissures have to lead to aquifers, we are poisoning aquifers anywhere from 2000 to who-knows-how-many miles deep. We have the only natural alternative to the chemical garbage that they are using as an LCM. There is one other company in Indonesia that uses ground-up bamboo to do the same thing but they do not produce the amount of the LCMs that we do, and that is the second product.

**"You cannot be a know-it-all in an industry that is only five years old. We are all experimenting with different parts of it, different drying techniques, different curing techniques, and different harvesting techniques. When you are around eleven years in a business, you eventually tend to know who to go to if you do not have the answer yourself, although we do have quite a few of the answers ourselves." - Bruce Perlowin**

The third product I am really happy about. We take the hurd from Europe, because we are not growing enough in America and we grind it up to the same particle size as the LCM, 200-235 mesh and then send that to a plant in South Carolina and they make hemp bioplastic pellets, and then sell those pellets to another company which has the injection molds to make anything they want, from cell phone coverings or anything that is made of plastic. Now that that is actually available in America, more and more people are going to switch over to the hemp bioplastics. That just thrills me to death that we are part of the supply chain of the hemp bioplastic industry, and because of that we are currently growing what we call industrial hemp as opposed to CBD hemp, which is growing plenty of in Oregon. This is focused on the industrial aspects of hemp. Now we have launched bioplastics which I have been waiting for, for probably my whole life, biodegradable plastic, because I was an environmentalist since high school, this is thrilling to me that we are part of the supply chain to create biodegradable plastics for the world.

**CEOCFO: *What are the industries that you supply to? How do you reach them?***

**Mr. Perlowin:** It is different for various parts of the company. For the Lost Circulation Materials, we sell in America, to the area called the Permian Basin. This is the area in Texas that has a lot of oil wells and we have a distributor force there selling semi-loads of Lost Circulation Material to independent oil companies and some of the big oil companies. For the Spill Be Gone, we are launching that into the marketplace now. Both of those are great but they have been eclipsed by our CBD pre-roll product, and that is because people started smoking hemp and people say they have one client that wants eighteen thousand stores to sell it or a client with five hundred stores.

People ask if that can be sold and how it will sell. When I was in my twenties, the media called me the King of Pot, because I made \$100 million and did a billion dollars of business in my twenties. Therefore, that is like asking me if you can sell pre-rolls, can you sell a boatload of marijuana. Smoking hemp is sort of new. I tell people who are interested or wondering about it because they have not heard about it, to just go Google hemp pre-rolls, and you will come back blown away. This has happened in the last two years, it started in Europe and swept America. Nobody to date can supply a large-scale consistent smokable hemp product, and we will be launching that right around December 1<sup>st</sup>. Right now we are growing in the Rogue Valley of Oregon, which is the best growing area in America by far. They are like the Napa Valley for hemp. We are growing 150 thousand acres, 150 thousand lbs. of dry weight.

**CEOCFO: *What is the difference between smoking hemp and smoking marijuana?***

**Mr. Perlowin:** The difference is to be legally hemp, you have to be below 0.3 percent THC, then we are legal in all fifty states. Some states count the THCA and THC together. You will not get high smoking hemp. You will get all the curative things that you have heard about with CBDs, which is sweeping the nation as the new miracle product and it is usually in tinctures or honey sticks or gummy bears, it happens way faster when it goes from the lungs directly to the bloodstream. You will never get high smoking hemp. THC and marijuana, you will get high.

**CEOCFO: *Would you tell us about your consulting services?***

**Mr. Perlowin:** We consult the industry because there could be a lot of tears this year. America has grown 414 thousand acres of hemp. I said 50%, the experts say 56% of that crop will never get harvested. Even if it gets harvested, I will give you an example, a guy here in Oregon where they know better, he dried 45 thousand lbs. of top A and B bud smokable hemp through a Chinese dryer that they imported, it fried and destroyed the entire batch. I do not know how you would make a mistake like that but 45 thousand lbs. were fried. The same thing happened in North Carolina where they are growing hemp, they put it in a tobacco drying barn and it completely destroyed the hemp. It is not so easy. People say it is a weed, but it is not. When you talk about high CBD hemp, it is more like growing orchid with all the different delicate steps you have to do to get a final product, and people just do not know that, so we consult them. We tell people how to dry it. Very few people know how to scale-up. We are working with a company that has 235 thousand square ft. to dry hemp in Oregon. It is the largest in America, that will take care of 2% of the farms in just southern Oregon, so you need massive space to dry it. After you dry it for a week, you have to cure it for two weeks. You do not need to do that with corn or potatoes, soybeans or tomatoes or cucumbers, so that is a two-week process where you have to put it in bags and open the bags every single day or twice a day so it does not rot and get moldy and the bad gasses get out. They call that "Burping."

The marijuana growers know that but typical farmers do not, and the marijuana growers that do know that, do not know how to scale-up. They are used to growing 48 plants, or 99 plants, or 12 plants, but not 10 thousand plants or 72 thousand like one of them grew last year. Therefore, they miscalculate how to handle and deal with all of those buds and biomass. We hired 205 people last year just to do harvest for the local farmers in what we call LPC (Local Processing Center). We build Local Processing Centers, and we consult with the farmers and explain to them to be careful who they buy their seeds from. There are horror stories about buying the wrong seeds and none of them germinated. There are horror stories about guys in North Carolina, one guy planted a hemp seed, and this is a guy on the Hemp Commission, a fourth-generation tobacco farmer, and he planted 40 acres four inches deep and not one plant came up. There are all these things you need to know so we consult with big companies on a large level and a small level. Usually, it is public companies that want to do growing and we do not charge cash, we consult and take stock in their companies because if they listen to us they will be successful, so their stock will go up. We know they will be successful, not because we know everything, it is we have a network of people that know everything, so what we do not know, we know where to find the answers. You cannot be a know-it-all in an industry that is only five years old. We are all experimenting with different parts of it, different drying techniques, different curing techniques, and different harvesting techniques. When you are around eleven years in a business, you eventually tend to know who to go to if you do not have the answer yourself, although we do have quite a few of the answers ourselves.

**CEOCFO: *What is your geographic reach today?***

**Mr. Perlowin:** I have three footprints. One is in North Carolina where we have the 85 thousand sq. ft. facility, the largest in the western hemisphere for industrial hemp, on nine acres. We have a small family farm that demonstrates how you can make money as a small family farm. Then we have Oregon where we have 45 acres. Our growers knocked it out of the ballpark this year, they totally underestimated by at least a factor or two of what they could grow and how big the plants would be so that is going to end up as a million lbs. of wet product that we have to hang wet and you lose a lot of them. The moisture we anticipate will be about 100 thousand lbs. of dry smokeable flower, and that is not including what is left on the plant, which you sell as biomass and is much less expensive.

Our third footprint is in Arizona, north of Kingman in the middle of the desert where I am building what I call Veteran Village Kings Community. This is a 2.5-acre park, where you build an organic garden, there is a pond and natural beehive, a sustainable house. I added to the model, which I used as guidance from a book - I added growing one acre of hemp. You make between 1 and 3,000 acres on one acre of hemp. That is our big footprint. We have 45 hundred acres out there but we are only growing and creating the Village Kings Community on 500 of those acres and that is where we grow our hemp.

This is the first year that we could legally grow hemp in Arizona. It did not do well and no one in Arizona did well because by the time they issued licenses to everybody in that state, it was July and August. Some people still have not gotten their licenses and it was too late in the planting season to plant, so of those of us that tried, most of us failed. Plus they had this 20-year locust plague, but they destroyed two of my grower's fields completely. One was just too hot, but one survived pretty good. Most everybody else in Arizona did not do too well but next year we will do awesome. We will grow up to 300 acres, but it is a tough place to grow in the middle of the desert but we are growing it there and being successful.

**CEOCFO: *Are you funded for continued growth or will you be reaching out to investors or potential partners?***

**Mr. Perlowin:** We are always looking for potential partners because you can only grow so fast with your own money. We are going to have a windfall starting in December and all the way through all of next year because with pre-rolls we now have a jump on the marketplace. We launched our pre-roll line last year, The King of Hemp. We will have consistent hemp. A lot of people cannot do pre-rolls because they have a little bit too much THC in it, so if you blend it, which is something very few people know how to do, you take low-THC hemp and blend it with high-THC hemp and then you get a blend that is legally compliant. We work with a company called Digipath Labs in Las Vegas, so they test everything. We are very sure that everything we put out in the marketplace is within the legal limits of below 0.3% of THC and 2047 put together. We are growing it that way and we will buy other crops of other growers.

**CEOCFO: *In closing, would you touch on the eco-friendly aspect of Industrial Hemp and tell us why Hemp Inc is an important company for today's world?***

**Mr. Perlowin:** The oceans are being destroyed, the rain forests are being destroyed. Take paper, do you know how much toilet paper and paper towels we use? Do you know how much of the rainforest is being destroyed to make those paper towels? Do you also know that you can grow hemp there that will grow in 120 days? Therefore, the harvest is minuscule in terms of effort compared to giant logging trucks and bulldozers and chainsaws. I do not know why people do not understand that hemp biomass will make paper at a rate that is so much faster.

I do not know if it is just a habit or the practical inert, which is the resistance to change, but economically hemp is a boom. It is way cheaper. However, it was illegal until the 2018 Farm Bill, so maybe now the lights will go on. We will go down to Brazil the second they legalize it. We will get helicopters and planes and just cover the rainforest with industrial hemp. The owners of the companies will come back four months later and they will go "Oh my god, what is this?" We can harvest this with harvesters and we do not need bulldozers and chainsaws? You cannot tell them. You have to show them.