

## Victory Highway Agritourism Association



The Victory Highway Agritourism Association will unite agricultural producers in providing a rich agritourism opportunity paid for with funds generated from sound business practices of the association. Emphasis on heritage and culture rich in community revitalization will create jobs like tour guides, farm hands, catering staff, drivers, and others that will be employees of the association. Farmers and Ranchers can realize profit and dividends from the association and continue with their own task at hand, and not have to interrupt operations to provide agritourism opportunities. Sound business practices incorporate regional specialty crops and also include the cultivation and development of cannabis products in the region.



The YouTube clips can be viewed at [www.youtube.com](http://www.youtube.com) by moving the cursor over the http: entry and follow the instruction to control click on the link. Or, you can open youtube.com, highlight the http: entry, right click to copy, and right click to paste the following references into the URL address field on your browser in the open YouTube window. Some documents take a bit longer to open due to their size.

<http://www.youtube.com/watch?v=VakzRI8-hI4>

<http://www.youtube.com/watch?v=4FTkW3BNgL8&list=PL99909042A42CD461>

<http://www.youtube.com/watch?v=-kZTLHEPrMc&list=PL99909042A42CD461#aid=P8t03nnUNZQ>

<http://www.youtube.com/watch?v=vZvFE53JzDk>

<http://www.youtube.com/watch?v=Jwd2k9oj0K8&list=PLB19F6AB0C3DF9591>

Please also visit the site:

<http://www.onAPM.com>



You will find pertinent links to Agritourism Info like a feasibility study, zoning ordinances, and a business plan with a 5-Year projection of profit. Please use the contact form on the Information Request page to express your interest and ask questions.



A primary objective in this new industry will be to get licenses, grow, and then develop the manufacturing of hemp products and their distribution. The proposed model is known as a "dirt to shirt operation" because people see where the materials come from as they grow and the connection to the earth and nature is of interest to agritourists. As it stands, farmers don't have a viable market for hemp products, either raw or manufactured. The uses are enumerated in the YouTube clips. In Grand County, the association can develop a market by first paying the farmers when they drop off hemp. Farmers will be paid market value at a drop off facility that collects the separated or whole hemp plant and pays out immediately based on fair market value at the time the product is dropped off. The association will work to eventually provide a thresher, seed combine, fiber separator, and clothing manufacturing facility. Rather than to just extol the virtues of hemp, the feasibility study found at [www.onAPM.com](http://www.onAPM.com) will provide some comparison information. The development of American infrastructure in hemp processing is not coordinated. The market is hungry for hemp products but the development, processing, and manufacturing of finished sellable products is emerging after it became legal again to grow hemp in an agricultural operation.

Other countries are currently capitalizing on the opportunity to supply the hungry American import market with hemp products. We can only import because we do not have the necessary mills and production capacities because it's been illegal for so long to grow hemp. Amendment 64 legalized the recreational use of cannabis and also directed the Colorado Department of Agriculture to regulate the growing of hemp in Colorado. Since it has previously been illegal to grow hemp in the U.S., viable comparisons need to be drawn from other similar data sets, like Canada.

100 founding members will democratically steer and direct unified cultivation and processing for the benefits of ensured licensing, incorporation for legal benefit, participating without having to grow and process on your own land, and profit sharing. The Victory Highway Agritourism Association will develop environmentally sound practices for indoor cultivation of recreational and medical cannabis to distribute legally to dispensaries. Other practices need to be developed like utilizing bio-diesel collected from hemp seeds, sound water practices like installing dehumidifiers to recapture distilled water to return to the plants and outdoor water capture, LED light and low-wattage technologies, and those established good practices can be measured to set

standards for the elements mentioned in the special use permit section for indoor cultivations in Grand County. When the industry expands as other states follow the Colorado model of legalizing and decriminalizing cannabis, the industry will grow exponentially and will need to expand infrastructure.

100 Founding Members establish a \$1,000,000 asset map with a pledge of \$10,000 each in money or kind. For example, landowners can pledge the use of up to 10 acre parcels for state licensed hemp crops, you may offer indoor cultivation facilities like a steel shed, you may offer a storefront to license as a dispensary, you may promise to be employed on a prorated basis for the first year depending on the needs of the association including skilled trades, financial direction, legal representation to incorporate and obtain liability insurance, assist in the scientific study of hemp to produce polymers and materials, provide collateral to build a processing and distribution center and ultimately, a manufacturing facility. Straight monetary contributions will be allocated to purchase licenses and pay fees for indoor cannabis and outdoor industrial hemp crops.

Collectively, and driven by the democratic principles of cooperative structure, we can build the hemp industry infrastructure to be not only viable in the hemp market, but a leader in the new industry. Canada, Netherlands, China, and Japan are currently growing hemp and exporting finished products to the U.S. The feasibility study helps to put parameters and costs associated with the cultivation and sale of cannabis in comparison to other crops and in comparison to what are other countries are realizing from the U.S. market.

To view the zoning maps to see if your property is located in a zone that will allow for the development of the hemp or indoor cultivation of cannabis, visit the Grand County website or click the link below.

The following link takes you to the Grand County Government Website.

<http://www.co.grand.co.us/409/County-Zoning-Map>

Various zoning maps will help you to determine if your building or property lies within zones that allow for indoor cultivation with a special use permit. Your land can be used to grow hemp with a license from the State Department of Agriculture. Your building may qualify for a special use permit to cultivate indoor cannabis. Your dedication of the assets to the association use, not ownership, will qualify for a reduction in your \$10,000 Founding Membership pledge and will enable you to receive dividends from profit in the organization.

Grand County, Colorado and the adjacent regions produce a variety of agricultural products. After the citizens of Colorado passed Amendment 64, the Colorado Department of Agriculture was authorized to regulate crops that have been prohibited thus far by the Federal Government. In addition to the crops and livestock currently cultivated in our region, Cannabis is now legal to grow on Colorado farms with proper registration and licensing.

Some varieties of Cannabis produce delta-9-tetrahydro-cannabinol, or THC. The term hemp is used to distinguish plants that are grown outdoors and allowed to pollinate because the flowers do not produce THC (currently regulated at .2%) True hemp is Cannabis sativa L. Other varieties of cannabis have varying levels of THC and are cultivated in controlled environments to enhance the characteristics of certain strains.

Research and development on crops that our founding fathers referred to as necessary are once again legal to cultivate in Colorado. In addition to cultivation, research and development licenses are authorized by the Colorado Department of Agriculture. Hemp has thousands of uses in products that derive ingredients from the seeds, oil, stalks, leaves, and stems of the cannabis plant. Recreational cannabis is in high demand and generates income.

This report offers factual examinations of the profit and tax revenue from recreational cannabis and highlights some uses for hemp and the markets available.

***Why use up the forests which were centuries in the making and the mines which require ages to lay down, if we can get the equivalent of forest and mineral products in the annual growth of hemp fields?***

***Henry Ford***

***"Hemp is of first necessity to the wealth & protection of the country."***

***Thomas Jefferson***

***"Make the most you can of the Indian Hemp seed and sow it everywhere."***

***George Washington***

## A BIT OF HISTORY TO UNDERSTAND WHAT CHANGED:

In September of 1937, hemp became illegal throughout the United States. How did it come to pass that the most useful crop known became known and outlawed as a drug. The synthetics industry grew and our planet has been suffering ever since.

The current laws against the cultivation of hemp can be attributed to three men, Henry J. Anslinger, Lammont DuPont, and William Randolph Hearst, who made growing hemp illegal. Anslinger was the head of the Federal Bureau of Narcotics, DuPont and Hearst were the owners of the largest chemical company and newspaper, respectively. Hearst began printing outlandish stories with headlines such as "Marijuana goads user to blood lust" and "Hotel clerk identifies Marijuana smoker as gunman". He also took advantage of the country's prejudice against blacks and immigrants by printing that marijuana-crazed negroes were raping white women and by painting pictures of lazy, pot-smoking Mexicans. DuPont's banker Andrew Mellon who happened to be Secretary of the Treasury under Herbert Hoover, also had a nephew-in-law, Henry Anslinger, who had the Marijuana Tax Law of 1937 passed allowing munitions maker DuPont to supply synthetic fibers without competition.

These men succeeded in a conspiracy which ultimately added to the destruction of the environment, by them producing plastic and paper where hemp could have been more beneficial. In 1991 DuPont was still the largest producer of man-made fibers, while no citizen has legally harvested a single acre of textile grade hemp in over 50 years. The standard fiber of world history, America's traditional crop, hemp, could provide our textiles, paper and be the premier source for cellulose. The war industries of DuPont, Allied Chemical, Monsanto, and others have benefitted enormously and enjoyed the self imposed protection from competition by forcing the hand to enforce marijuana laws.

## ABOUT THE HEMP CROP



Hemp is a commonly used term for high growing varieties of the Cannabis plant and its products, which include fiber, oil, and seed. Hemp is refined into products such as hemp seed foods, hemp oil, wax, resin, rope, cloth, pulp, paper, and fuel. Approximately 44% of the weight of hempseed is edible oils, containing about 80% essential fatty acids, linoleic acid, omega-6, alpha-linolenic acid, omega-3, in addition to gamma-linolenic acid, omega-6 and stearidonic acid, omega-3. Proteins are the other major component. Hempseed's amino acid profile is "complete" when compared to more common sources of proteins such as meat, milk, eggs and soy.

## CLIMATIC REQUIREMENTS

Hemp is well adapted to the temperate zone and will grow under a wide range of environmental conditions. Hemp grows best when mean daily temperatures are between 60o-80o F, but will endure colder and warmer conditions. Hemp grows quite well at relatively low temperatures, and young seedlings will tolerate some exposure to frost. Because of this, hemp can be planted earlier than corn in most areas and will develop a closed canopy early in the season allowing increased light interception and rapid growth. The best fiber producing hemp varieties require about 4 months without killing frost. Seed selection by strain is imperative.

## MOISTURE

Hemp requires average moisture throughout the growing season, particularly while young plants are becoming established during the first six weeks of grow. After they are well rooted, plants can endure drier conditions; however, severe drought hastens maturity and produces dwarfed plants. Studies in Europe indicate that hemp requires 20-28 inches of available moisture for optimum yield, and that 10-14 inches of moisture should be available during the vegetative growth stage. These amounts include both precipitation and available soil moisture. Crop water use will vary depending on local soil, climatic, and cultural conditions.

Hemp has been grown successfully under irrigation in Turkey and Chile. While hemp grows well on soils with high water-holding capacity, good soil drainage is also important to maximize hemp production.

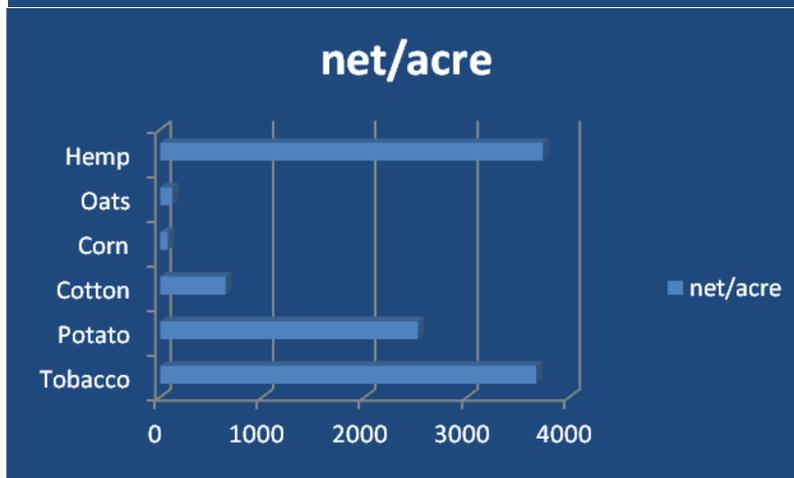
## WEED CONTROL

When grown under favorable conditions, hemp is very competitive with weeds, and no herbicides are generally used in fiber hemp production. Many authors have commented on the exceptional ability of hemp to suppress weed populations. Weed suppression with minimal pesticide use is potentially one of the greatest agronomic and environmental benefits of growing hemp in rotation with other crops. The use of hemp to suppress weed populations may offer conventional and organic growers an effective alternative to current weed control practices. Recent commercial experience in the U.K. has shown that with proper timing of planting, weeds can be almost completely suppressed during the hemp growing season. Uneven stand establishment or planting too early, which may lead to stunting of hemp seedlings by cool weather, can allow spring weeds to compete with hemp (Low, 1995b). Weed suppression by hemp is the result of direct competition with weeds during the hemp growing season, however, and weeds will begin to grow again after the hemp crop is harvested. Residual weed suppressing compounds have not been reported in the soil following hemp production.

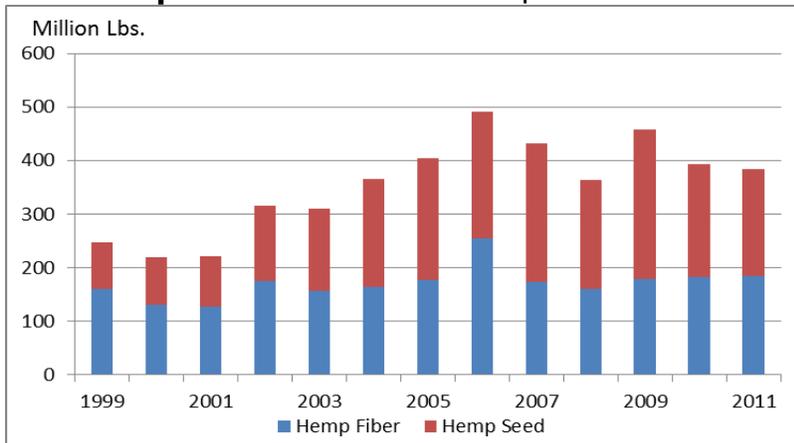
## PRODUCTION STATISTICS

The Hemp Industries Association, the HIA, is a non-profit trade association consisting of hemp businesses. In the report from March 3, 2014, the HIA collected market research from SPINS, a leading information provider for the natural and specialty products industry. Note that several retailers do not provide sales data and they include key establishments like Whole Foods and COSTCO. According to the report, hemp retail sales are steadily rising with a 24% increase from 2013 to 2014. The HIA reviewed sales of clothing, paper, auto parts, and building material and estimates that the total retail value of hemp products sold in the US in 2013 to be over \$581,000,000. For a full view of the Farm Bill legislation that will help to increase distribution and sales can be viewed at <http://VoteHemp.com/legislation> .

The graph represents net gain in US\$ per acre. The information regarding the hemp net per acre includes data for oil, seed, fiber, and byproducts of hemp. Other crop data is provided by the USDA from 2010



## Net Hemp Harvest in Canada per Canadian Hemp Trade Alliance



## Comparisons and Projections for Cannabis Revenue

The cultivation of hemp has data sources to use as basis of comparison. A facility that utilizes biodiesel from hemp seed, that is built with hemp materials, and that incorporates sustainable energy sources is unique. Data from the Colorado State Department of Revenue can provide information on retail sales of cannabis but does not further elaborate on costs. One unknown factor in cost is the construction of a facility built with hemp materials. For this study, we will project costs on a 4000'sq facility at \$400,000. The facility will be designed to utilize passive solar, generate electricity from biodiesel, recapture humidity to return to the plants as water, and allow for future development of solar generators and manufacturing equipment. The founding members will determine if loans will be necessary or if the association will utilize existing buildings and save until the facility can be built with available funding from the association. In the table below, costs are estimated at the high range and revenue estimated at the low range.



The Colorado Department of Revenue, Office of Research and Analysis, published figures comparing May 2013 and May 2014 listing the total tax, licensing, and fees collected by the state. For the fiscal year 2013, the state reported a total collected of \$376,963 and indicated a 1300% change from May 2013 to May 2014 reporting over \$5,200,000 collected by the state of Colorado in taxes and fees. The inaugural hemp crop is currently growing so data is not available from US farms.

5 YEAR PROJECTED COST AND REVENUE FOR CANNABIS CULTIVATION ONLY

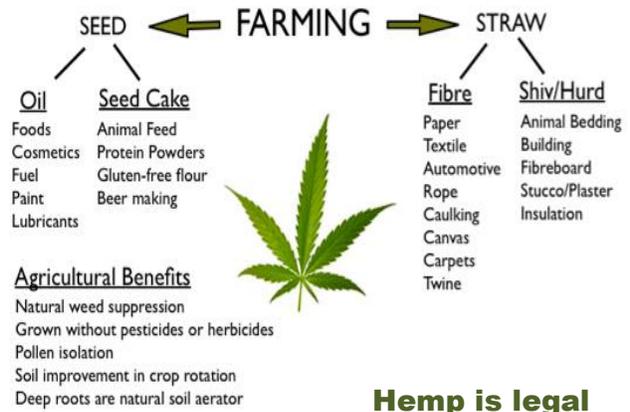
	Year 1	Year 2	Year 3	Year 4	Year 5
Hemp Cultivation License	1000	1000	2000	4000	8000
Indoor Recreational Marijuana License	10000	10000	20000	40000	40000
Special Use Permit	2000	2000	4000	8000	8000
Building Improvements	20000	20000			
Electricity	20000	20000	20000	20000	20000
Water	6000	6000	6000	6000	6000
Indoor Cannabis Growing Supplies	10000	10000	20000	20000	20000
Facility			400000		
Equipment			100000		
Personnel (4x\$25,000 salaries)	100000	100000	100000	100000	100000
Taxes	168500	181000	362000	724000	1448000
ANTICIPATED TOTAL COSTS	337500	350000	1034000	922000	1650000
Revenue Retail Sale of Indoor	624000	624000	1248000	2496000	4992000
Revenue Retail Sale of Hemp	50000	100000	200000	400000	800000
ANNUAL REVENUE MINUS COST/TAXES	336500	374000	414000	1974000	4142000
In the bank from founders	250000				
SAVINGS BALANCE	586500	960500	1374500	3348500	5102500
100 founding members dividends			13745	33485	51025
Projected 5 Year Dividends/Founder					\$98,255.00

The annual cost and revenue for one 1000' sq indoor cultivation facility and for five 10-acre hemp parcels are factored in the first two years of table 5 YEAR PROJECTED COST AND REVENUE FOR INDOOR CANNABIS CULTIVATION. Twenty four 1000w lights can provide energy to flower 96 plants. Consider harvesting ¼ of the flowering plants weekly for a total of 24 plants harvested per week. Each plant will easily produce two ounces of connoisseur-grade buds and a pound of leaf. The estimated yield is low and the value estimated in the table is lower than the current market value. That lowball estimate is conservative at \$200 per ounce buds and \$100 per pound for leaf (\$500 per plant = \$12,000 per week retail recreational cannabis). The vegetative plants will be transferred to the flower room as space allows each week. The hemp costs will vary as products are manufactured and utilized over the first three years, and industry data becomes available. The data table is based on a very conservative model. Each additional cultivation facility, hemp farm, or manufacturing facility addition will alter the values exponentially. It is foreseeable that markets can only continue to grow exponentially since Colorado is the first state to allow cultivation.

# VICTORY IN COLORADO

Colorado citizens are charting a new era of agricultural profitability by adding another crop to its diverse repertoire, cannabis. Amendment 64 established the framework for the Department of Revenue to issue licenses for the cultivation, manufacture, and sale of cannabis and also directed the Colorado Department of Agriculture to regulate the licensed farming of hemp. In 2012, 55% of Colorado voters chose to legalize and regulate cannabis, with **Grand County residents** surpassing the state ratio and voting

**60% in favor - Yes on 64!**



## VICTORY HIGHWAY AGRITOURISM ASSOCIATION

Colorado leaders formed committees and are working diligently to lay the groundwork for cannabis ordinances and regulations. Now, it's time to figure out how our own communities will usher in the new age while preserving the heritage we are so proud of. The Victory Highway Agritourism Association can foster collaboration in establishing a model for sound principles and practices in a new industry: agricultural business operations that include cannabis production and that have a broad and inclusive base of profit sharing partners.

The VHAA is an agritourism business founded upon principles of preservation, heritage and culture with a business plan that introduces the potential to profit from growing cannabis. The VHAA members are agricultural producers and regional stewards in NW Colorado traversed by the Victory Highway. Ranchers, farmers, and entrepreneurs have unique skills and expertise. The agricultural producers have established operations and it's time the business and tourism industry leaders participate in a plan to strengthen and promote agritourism options. The initial part of the process is to identify shared resources.

There will be objections to moving forward since the cannabis industry is new and various people object for a number of reasons. Association membership is voluntary so they do not have to assume any responsibility in developing or monitoring an agritourism business that includes cannabis. Others will seek the opportunity to be a founding partner in a sustainable business venture sailing straight into uncharted waters. If you've been asked to consider this proposal, you are likely in that second group of seekers. There is no hesitation in accepting stewardship of our agritourism resources because the purpose is to preserve and share the regional attributes that enrich our heritage and our culture. Communities in the region share many attributes

like majestic landscapes, a heritage deeply rooted in agriculture, and U.S. Highway 40, The Victory Highway.

The Victory Highway Agritourism Association will be established democratically by the founding members with the purpose of preserving our heritage and culture while we usher in change. If the fortune cookie is correct, and *a purpose is the eternal condition for success*, then preservation in itself may be a measureable success. Your contribution of professional skills, a financial pledge, mapped assets, and/or talents are essential to the success of this cooperative model. The association will utilize the asset base to address the obstacles that prevent farmers and ranchers from participating individually in agritourism operations.

According to a 2012 CSU study by Dennis Kaan of the Golden Plains Area, the number one reason farmers and ranchers fail to develop an agritourism business operation is time. The daily operations required to sustain a profitable farm or ranch are very time-consuming. Colorado agencies are producing and sharing agritourism development plans. The paradigm places the burden of establishing an operation upon individual agricultural producers. That burden is great. The farmers, ranchers and founding members of the Victory Highway Agritourism Association can, on the other hand, profit from the good management practices of the diversified association.

Nobody is going to get rich just by allowing agritourism opportunities on their land. In fact, the time and money spent in developing an individual plan and determining the feasibility of the operation actually hinders attempts to participate. The *2020 Colorado Statewide Preservation Plan* has been disseminated by the Colorado Historical Society and it includes a vast array of data, statistics, and funding sources to help with developing a business model for agritourism. The feasibility study will examine the data and make projections for community enrichment opportunities. What challenges us to look beyond the bottom line to the intangible? *“It’s clear that historic preservation is an investment that yields returns. The demand is there, and it is not going to disappear. And while this plan highlights opportunities for individuals and communities to leverage the positive impacts of preservation, perhaps what a written plan cannot address are the very real indirect impacts – those intangible reasons why we, as a people, continue to keep our ... history and heritage alive.”* (Colorado State Historic Preservation Officer Ed Nichols in the forward of the *2020 Colorado Statewide Preservation Plan: The Power of Heritage and Place*. The Victory Highway Agritourism Association will operate in the historical context of preserving under-represented resources.

Victory Highway Agritourism Association’s historical context:

Rural historic landscapes  
Traditional cultural places  
Early automobile resources



Grand County is rural with a rich heritage in ranching and farming. The citizens can honor the deep-rooted traditions that sustain our connection to the natural landscapes, the soil, our rivers and streams while supporting a business plan that includes cannabis. Farmers and ranchers are invited to take the lead in re-establishing the hemp crop as vital to a sustainable community and to participate in the development and guidance of a cooperative business model that includes cannabis cultivation. The Victory Highway Agritourism Association will serve the founding members in the establishment of an integrated and multifaceted business entity. The diverse business plan addresses the under-represented resources and demonstrates how agritourism will enhance our community.



Agritourism is not new. However, even though we've all done agriculturally based activities, people generally think they don't know a lot about it. In fact, the spell-checker does not recognize the word *Agritourism*. Getting out to the farm to pick your own produce or stopping at a roadside stand to select some regional products like jerky or peaches are examples. Have you enjoyed a trip to wine country or hiked to enjoy the view of valleys covered in wildflowers? Maybe you like to fish or enjoy wildlife viewing followed by a catered chef-table dinner featuring the finest regional products.



The 2020 Action Plan defines the primary goals of preserving the “places that matter”. Goal A is the ongoing identification, documentation, evaluation, protection, and interpretation of Colorado’s irreplaceable historic and cultural resources. Goal B is strengthening and connecting the Colorado preservation networks statewide to nurture local leaders and leverage assets. The agricultural resources in this region traversed by the Victory Highway will be identified by the Association. The assets will then be mapped with a correlating brochure and roadside signage that will unite producers in a retail brand. Retail stands can be operated at individual producer’s locations and a collaborative store with all goods will be operated by the association employees. That store will feature Colorado Proud products and that location will potentially be licensed for the manufacture and sale of cannabis. “Dirt-to-shirt” operations are attractive and visitors like to correlate the growing of the plant that produces the oil that can run biodiesel engines, the production of fiber and the subsequent milling into textiles, and the sustainability of utilizing the hemp cellulose to construct buildings and also replace using trees for paper.



The business plan for the Victory Highway Agritourism Association is innovative model because we shift the brunt of determining feasibility and then planning from the individual rancher or agricultural producer to the association. Regular operations are maintained by the ranchers and farm related activities are maintained on the actual farm, while the tours and shops are operated by association employees. The association will develop, market, and conduct business utilizing the combined experience of the founders allowing farmers and ranchers to contribute what they already have established.

We have momentum from the Colorado Tourism Office of Heritage and Culture’s current marketing and promotions of agritourism. The Colorado State Department of Agriculture has compiled statistics to assist in examining the feasibility of agritourism operations. The feasibility study of this new industry draws upon Colorado data, Canadian statistics from the Ministry of Agriculture, the US Census, the National Institute of Hemp, and local ordinances to establish a basis of comparison in the new US Industry. Tourists travel for a variety of reasons and based on information provided

by the Colorado Tourism Office, agritourism is an industry that attracts visitors interested in the preservation of culture and heritage. Agritourism is an expansive, multifaceted industry with a broad range of participants.



The Colorado State Department of Agriculture developed a 134 page Direct Farmers Guide to help clarify some of the most important rules pertaining to direct farm businesses and to provide guidance on how and where to find correct information about them. The goal of this Guide is to foster a more vibrant direct farm business environment – not only for the farmers who bring locally-grown food to markets within their communities, but also for the consumers who buy that food. Agriculture contributes over \$7 billion dollars to the Colorado state economy annually identifying Cattle and Calves as Colorado’s number one agricultural commodity with 2.6 million head of cattle in the state. Colorado’s sheep, lamb and wool production rank fourth in the nation. The revenue from sales of recreational cannabis is already in the millions of dollars. Let’s harness the energy and move forward to introduce sustainable cannabis into our regional economy.

