

THE EXPONENT

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Vol. 110, No. 15

Tuesday, April 13, 2010

Chaloner
Publishers
Publications Mail
Reg. No. 08530

Gilbert Plains to be home to hemp processing plant

By Audrey Kotak

“Historic” is the word used by Inky Mark, Member of Parliament for Dauphin-Swan River-Marquette, in announcing that \$4,775,000 in federal funding is being provided to Plains Industrial Hemp Processing Ltd (PIHP).

The support will help build a hemp fibre processing plant on a 60 acre piece of land just west of Gilbert Plains on the south side of Highway #5.

The funding comes from two programs with \$3,375,000 from the Community Adjustment Fund and \$1,400,000 from the Agriculture and Agri-Food Canada Agri-Opportunities Program. Inky stressed that without the interest of the minister of Agriculture and Agri-Food, Gerry Ritz, and Minister of State for Western Economic Diversification, Lynne Yelich, the funding would not have been there.

Inky went on to talk about how important this plant will be for the area. “This essentially creates another revenue stream for farmers. It’s a cash crop - now we can use both the seed portion and the stock portion...now instead of burning the stuff (stock) they can bale it and make money on it.”

“Also, this opens up a whole new industry related to hemp.”

Inky complemented the others who have helped bring the project together including PARC, Gilbert Plains R.M. and specifically Mr. Robert Jin who

has spent considerable time and money to bring his own equipment to Canada to run test batches and work towards building a processing plant.

Stan Struthers, Minister of Agriculture, Food and Rural Initiatives, took part in the announcement on April 6 in Gilbert Plains. The Province of Manitoba is providing \$500,000 towards the project through the Rural Economic Development Initiative.

Reeve of the R. M. of Gilbert Plains, Larry Malowski, did not put a value on their contribution, but explained that they have been working with PIHP through the initial stages of development. The R. M. of Gilbert Plains will be providing the land, initially 50 acres with 10 acres

more available in the future, as well as contributing to the sewer, water and other needed infrastructure.

Asked what it means for Gilbert Plains and the region, Malowski said, “we finally have some economic development happening within our region, it means growth, it means prosperity, it means jobs...”

This plant is the first of its kind in Canada and will have the capacity to process up to 18,000 metric tonnes of hemp per year. This is a logical region for the plant as local farmers are already growing hemp for seed. A great deal of work in developing seed varieties has been done here as well as developing expertise in harvesting the crop.

Robert S. Jin, president of Plains Industrial Hemp Processing Ltd., came to Canada in 2006 in search of a supply of processed hemp for use in a textile factory in China which is owned by Jin and his partners.

He travelled all across Canada and was surprised to find no processing plants. It was decided to research setting up his own plant in Canada. In 2007, he set up a pilot plant in a farm yard in the R. M. of Gilbert Plains to produce samples for fibre quality evaluation. Four years later, a production scale plant is close to being a reality. Mr. Jin and his partners will be providing the remaining investment in the project which is estimated to total \$10 million.

Parkland Agricultural Resource Co-op (PARC) has been instrumental in helping Jin’s business progress.

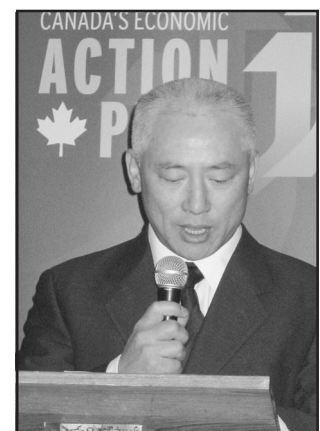
PARC Executive Administrator Marnie Kostur explained where they are in the process. The federal environmental information has been submitted and they are currently completing the provincial environmental licensing. There have also been discussions with potential construction contractors and drawings are in progress for the building.

Two containers of equipment have arrived in the area from China and two workers will be coming from China to do the assembling as soon as the building is erected. Federal funding is contingent on being used by March 31st, 2011 so the project will be moving ahead on a fairly fast time line.

Marnie noted that they are working with proprietary equipment and technology - no one else in the world is doing exactly what Mr. Jin is doing. This has meant maintaining appropriate levels of confidentiality until construction was imminent.

The processed hemp will be used to supply textile quality fibre to the factory in China. Some end use products will be created in Gilbert Plains from the fibre that is not suitable for textiles. Matting and pellets for stoves are being looked at as most likely.

Marnie also explained



Robert Jin addressed the crowd gathered for the funding announcement.

that there is a shortage of good quality hemp fibre in China which means the factory is working at less than full capacity. Canada produces a high quality of hemp fibre making it a logical country to explore for more fibre.

The plant is expected to employ about 30 people at various levels of skill requirements once the plant reaches full capacity. Some workers will be coming from China to get the plant up and going.

Marnie said that there has been great co-operation with businesses and farmers across the region offering their time, expertise and equipment to ensure any challenges and time constraints were met.

If all goes well, contracting may begin for this fall. Marnie said that the pilot project tests were done with bales that have been sitting for a few years and it worked well, so processing can begin with older bales as soon as the plant is ready.



Robert Jin, president of Plains Industrial Hemp Processors poses for a photo with Stan Struthers, Minister of Agriculture, Food & Rural Initiatives, Inky Mark, Member of Parliament for Dauphin-Swan River-Marquette, and R.M. of Gilbert Plains reeve, Larry Malowski in front of the PARC sign.

Photos by Audrey Kotak