



National
Industrial
Hemp Council
of America

1775 I Street, NW, Suite 1150; Washington, DC 20006

National Industrial Hemp Council
Latin America - Marketing Representation
Regional Agricultural Promotion Program (RAPP)

REQUEST FOR PROPOSAL

In Country Representation

I. INTRODUCTION AND OVERVIEW

The National Industrial Hemp Council (NIHC) is a nonprofit trade association representing all segments of the U.S. Hemp industry, including but not limited to US farmers, producers, processors, exporters, merchants, and retail stores, as well as other entities involved in the production and marketing of U.S. Hemp. The organization was founded in 2019 after the passage of the 2018 Farm Bill, which legalized hemp.

NIHC operates a domestic promotion program as well as export promotion programs. The NIHC sits on the Executive Board of the Federation of International Hemp Organizations (FIHO) and the Board of Directors. Programs are funded by both NIHC members and through various public programs for which NIHC competes annually.

NIHC is headquartered in Washington, DC. Consultants and agencies are used as appropriate, for a wide variety of projects, including domestic and international promotion programs.

NIHC is an equal opportunity employer and prohibits discrimination in all programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, or marital or familial status.

II. MARKET SITUATION IN LATIN AMERICA

The Hemp industry in Latin America is expanding rapidly, driven by shifting perceptions of Hemp and the recognition of its potential economic and medical benefits. Several countries in the region have implemented Hemp reforms, either legalizing medical use, decriminalizing possession, or even exploring the possibility of recreational legalization. This evolving regulatory environment has laid the foundation for a flourishing Hemp industry in Latin America.

While the United States is expected to develop into one of the world's largest markets for hemp and hemp products, many nations in Latin America – and specifically, countries in South



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America – are expected to become major players in the global hemp market over the next several years. This is an opportunity for US companies to market goods and services to Latin America. That being noted, In-country research needs to be performed to ensure US Farmers remain competitive in the global marketplace.

In 2013, Uruguay became the first country to legalize Hemp, paving the way for other Latin American (Latam) nations to enter the market.

Separating Hemp and Hemp

Latin American countries like Colombia, have decades of experience in developing their Hemp / THC market, and cultivators they have a head start relative to their regional competitors in the hemp market when it comes to factors such as Hemp genetics and cultivars.

With established agricultural sectors and favorable climates, many South American countries appear well-positioned for hemp cultivation. That being said, South American hemp growers, especially in the equatorial nations, must grapple with high humidity and tropical temperatures, two factors that are thought to contribute to pushing a hemp crop's THC levels above legal limits. US Farmers are situated to take advantage of genetics and growing environment that keeps limits at or below the legal .3% THC by dry weight limit.

The hemp fiber market in Latin America remains in its infancy, although a hemp grain market is developing.

The Market Leaders:

Paraguay currently leads in the Latin American hemp market. Paraguay legalized medical Hemp in 2017 and industrial hemp in 2019. A year later, Paraguayan President Mario Abdo Benitez declared hemp “a crop of national interest,” and inaugurated a national program devoted to the research, development, and commercialization of industrial hemp.

Colombia and Ecuador have also broadened their interests in the hemp market, although most of the hemp licenses in those countries are currently for agronomic evaluation tests. All three nations have reportedly shown promise with their work in European and Asian hemp genetics. Colombia recently passed a law for the exclusive regulation of hemp, in a move that is expected to benefit small cultivators by making the sector more accessible for such growers. “Although slow, these governments have responded with policies to the demands of the market.



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Country by Country

Hemp in Mexico

In 2018, Mexico's Supreme Court ordered lawmakers to develop a legal framework for the distribution, sale, and regulation of Hemp. Mexico has only legalized the use of Hemp in medical and scientific research. On December 1, 2021, however, the Supreme Court sided with a Mexican Hemp and Hemp product producer and declared that current prohibitions on the planting, cultivation, and harvesting of hemp are unconstitutional. The court also ruled that hemp could have levels of up to 1% THC.

Hemp in Colombia

In 2021, Colombia made progress in its hemp regulations, in part by allowing the export of dried flower. On December 15, the government also approved a measure creating a legal framework for industrial hemp, while defining the difference between hemp and Hemp / marijuana. Meanwhile, Colombia's National Comprehensive Program for the Substitution of Illicit Crops (PNIS), designed to eradicate the nation's coca crop, has provisions for the establishment of a hemp fiber and grain sector, with THC levels mandated at less than or equal to 0.3%.

Hemp in Ecuador

In late 2019, Ecuador legalized the production, marketing, and export of hemp, as well as the importation of hemp seeds. The nation's Ministry of Agriculture announced in October 2020 the regulation of non-psychoactive Hemp. It also established seven different licensing categories for hemp and hemp products that market participants must obtain. Reuters reports the Agriculture Ministry has also approved forty-six ten-year licenses for hemp development projects, in part to offset declining sales numbers for Ecuadorian exports of roses and other flowers.

Hemp in Peru

Peru legalized Hemp for medical purposes in late 2017, with a related regulatory framework approved two years later. The regulations allow for the cultivation of Hemp and extraction of its byproducts. Late in 2021, the nation's Congress passed a law allowing for "associative cultivation." Public and private sector stakeholders in Peru are reportedly joining efforts for a proposal, to be presented to Congress this year, which would legalize hemp cultivation.

Hemp in Chile

Before the modern, international prohibition of Hemp, Chile was once one of the largest hemp producers in the Southern Hemisphere. The country legalized the medicinal use of Hemp



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products in 2015 but has not legally authorized the production and use of hemp or hemp-derived cannabinoids. A new Chilean hemp sector is developing, however, with the assistance of several private companies that have imported some hemp varieties from Europe. To date, only one company has established a relatively large-scale hemp cultivation operation, as part of a farmer-business development model.

Hemp in Paraguay

A law passed in October 2019 allowed the nation's Ministry of Agriculture and Livestock to regulate not only the production, but also the industrialization of hemp products, with the limit of 0.5% delta-9 THC on a dry weight basis. Companies looking to grow hemp and to import hemp varieties into Paraguay must be licensed. Paraguay currently exports hemp flower, grains, and derivative products to several European and North American countries.

Hemp in Uruguay

According to national law, hemp plants cultivated in Uruguay must not surpass a 1% THC limit on a dry weight basis. Authorizations for the production and / or processing of hemp and hemp byproducts are issued exclusively by the Agriculture, Livestock and Fishing Ministry, which has imposed a clear distinction between psychoactive and non-psychoactive forms of Hemp. The country is also reportedly the first in Latin America to consider the legalization of non-psychoactive CBD edibles for both domestic and international sales.

Hemp in Brazil

In late 2019, ANVISA, Brazil's National Agency for Health Supervision, approved regulations for the sale of medical marijuana products. In June 2021, a special federal commission approved a measure that would legalize the domestic cultivation of Hemp for medicinal, veterinary, scientific, and industrial purposes. Brazilian lawmakers are also considering a regulatory framework that would separate medicinal Hemp and industrial hemp into distinct markets. That proposal is currently on the floor of Brazil's House of Representatives and is expected to be voted on before the end of March this year.

Hemp in Argentina

Argentina currently regulates Hemp for medicinal scientific research. The Argentine government also established REPROCANN, a database to register people who have conditions that allow them access to Hemp for medicinal, therapeutic, and / or palliative treatment of pain. In June 2021, following legislation passed a year earlier, the Argentine government reportedly published a draft regulatory framework for the development of the country's medicinal Hemp and hemp industries.



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III. Market Access: Latin America offers a range of market opportunities for hemp businesses across various sectors. Some of the key areas include:

Cultivation and Production: Latin America benefits from favorable climatic conditions and lower production costs, making it an ideal region for Hemp cultivation. Entrepreneurs and investors can explore opportunities in cultivating high-quality Hemp strains and establishing production facilities for various Hemp products.

Medical Hemp and Cannabis: The medical Hemp and Cannabis market in Latin America is rapidly expanding. Countries such as Colombia, Uruguay, and Mexico have established legal frameworks for medical Hemp and Cannabis, creating opportunities for companies involved in research, pharmaceuticals, and the production of medical Hemp and Cannabis products.

Ancillary Services: The growth of the Hemp industry has spurred the need for ancillary services and businesses that support the Hemp ecosystem. This includes companies specializing in technology, security, distribution, packaging, marketing, and legal services tailored to the Hemp industry.

Exportation: Latin America's strategic geographic location allows for the potential exportation of Hemp products to other regions with evolving Hemp markets. Export opportunities can range from raw Hemp materials to finished products, depending on the legal frameworks of different countries.

V. Market Promotions:

There is potential for creating a per capita consumption growth of U.S. origin Hemp and education/technology by way of effective promotions and trade servicing. Because of the newness of hemp, promotional activities and trade servicing in Latin America, promotional activities and trade servicing will be considered in conjunction with market research. NIHC objectives in Latin America include:

- a. Increasing both the value and volume of U.S. Hemp exports to Latin American and Caribbean.
- b. Building long-lasting market awareness and preference for U.S. origin Hemp among consumers, textile professionals, media, and trade.
- c. Providing the Latin America consumers with the information to encourage increased U.S. origin Hemp purchases.
- d. Positioning the U.S. Hemp industry as a consistent trading partner for Latin American and US Farmers, targeting fiber and textiles.



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VI. SCOPE OF WORK

NIHC seeks a qualified individual or agency to serve as the trade and promotional representative in Latin America, and to accomplish the following scope of work:

- Collaborate with manufacturers, spinners, retailers, distributors, and importers to develop consumer facing promotional strategies that maximize the return on investment and raise awareness of U.S.- origin Hemp. This strategy will leverage retail and market research insights. It will also explore new sectors.
- Develop and establish relationships with hemp sector industry/individuals to amplify the reach of U.S. Origin Hemp among consumers. Create generic social media campaigns that can be tailored to support the brands of retailers and importers who source U.S. origin Hemp. The social media messaging will also complement trade shows, trade missions, and trade collaborations, showcasing.
- U.S. Hemp as the preferred foreign origin. Strategies include but are not limited to social media blitzes to spread key messages, share brand origin stories, highlight brand “US Hemp”, and explain sustainability practices.
- Develop generic digital and in-person activities that promote the benefits of consuming U.S. origin.
- Create campaigns that bring awareness to targeted consumers about the economic, value and versatility of U.S. origin Hemp, as well as identify potential markets.
- Monitor, report, and assist with consumer or market trends and developments related to Hemp in Latin America.
- Represent NIHC at conferences, trade shows, NIHC events and other functions conducted by and for the Hemp trade in/for Latin America.
- Keep NIHC members and team apprised of market opportunities in the region via the submission of regular communications. A monthly written report will be required and should include an outline of projected activities for the remainder of 2024 as well as a report on all activities conducted during the reporting month. Consultant will also submit trip reports after travel to any of the Central American or Andean countries.
- Develop and conduct promotional activities that will create awareness of local brands that utilize US origin Hemp, as well as identify areas for the sale and consumption of US Hemp in targeted Latin American countries.

The firm or consultant shall successfully complete the above scope of work from August 2024-December 31, 2024. The firm will work directly with the President and CEO, Patrick Atagi, of NIHC. The agency or individual selected to conduct activities will contract with the NIHC and will be subject to the regulations applicable to the Regional Agricultural Promotion Program



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(RAPP) as administered by the Foreign Agricultural Service of the United States Department of Agriculture.

PROPOSALS

NIHC requests that you include the following components in discussing your capabilities:

- Describe how you/your agency will achieve the Objectives outlined in Section IV, Scope of Work.
- NIHC requests that you include the following components in discussing your capabilities:
- Describe how you/your agency will achieve the Objectives outlined in Section IV, Scope of Work.
- Explain why your qualifications and background make you the best individual/agency to represent the NIHC in Latin America (please mention language proficiencies).
- Provide information regarding your past work, especially related to representing U.S. agricultural commodities in Latin America.
- Please detail which of your staff member(s) will make up the NIHC team and explain their roles and experience.
- Include a detailed estimate of all costs necessary to complete this scope of work including staff fees, third party expenses, administrative overhead, travel, and other direct/indirect costs needed to support your program. Anticipated budget \$75k-\$100k.
- Include any additional information that demonstrates the ability to perform the functions outlined in this Request for Proposal.
- RFP response should be no longer than ten pages, appendixes may be attached and will not be considered as part of the 10-page maximum response.

CONFLICTS OF INTEREST

Potential conflicts of interest relative to this program are as follows: agency representation of another entity that is directly competitive to Hemp, e.g., related association(s), cannabis marijuana; or a firm of record for any U.S., or other Hemp company. Please disclose any conflicts of interest.

Additionally, no NIHC employee, officer, board member, or agent thereof will participate in the review, selection, award, or administration of a contract if a real or apparent conflict of interest would arise. Such a conflict would arise when an employee, official, board member, agent, or the employee's, officer's, board member's, or agent's family, partners, or an organization that employs or is about to employ any of these parties or their affiliates has a financial or other interest in the contract.



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NIHC officers, employees, board members, and agents thereof shall neither solicit nor accept personal gratuities, favors, or anything of monetary value from contractors or subcontractors. Procedures shall also provide for disciplinary actions to be applied for violations of such standards by officers, employees, board members, or agents thereof.

SELECTION CRITERIA

NIHC reserves the right to award the contract to the individual/agency with the best combination of attributes and ability to successfully serve as the organization's marketing representative in Latin America, not necessarily the lowest bid. Minority and women owned businesses are encouraged to apply. Also, prior experience in the hemp industry is of weighted interest.

ADMINISTRATION

The individual or agency selected for the position will report directly to Patrick Atagi, President and CEO of the National Industrial Hemp Council.

FINANCIAL

The total budget for all aspects of this scope of work, including all fees, overhead, third party expenses, travel and other expenses is Latin America: Funds for this project come from the U.S. Department of Regional Agricultural Promotion Program (RAPP) and are subject to the annual availability of funds in that program.

PROPOSAL DUE DATE / PROJECT TIMING

Proposals are due by close of business on Friday, August 24, 2024. For the individual or agency selected to complete this scope of work, the contract will run for five months commencing in August 2024 and ending on December 31, 2024. If mutually acceptable, the contract may be renewed at the end of the fiscal year at the option of the NIHC.

SUBMISSION OF PROPOSALS

Individuals / agencies are invited to submit proposals to NIHC by close of business (5pm EST) on Friday, August 23, 2024. The decision will be made on August 26, 2024. Please direct your proposal to the following email address:

info@hempindustrial.com

Attn: Patrick Atagi, President and CEO

Further information about the National Industrial Hemp Council can be found at www.NIHCOA.com.