Virginia’s Industrial Hemp Law

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Executive Director
Virginia Agribusiness Council
Formed in 1971, but roots go back to 1928 when its parent organization, the Agricultural Conference Board of Virginia, was organized.

- Forum and unified voice for the many statewide farmer organizations at the then biennial sessions of the Virginia General Assembly.

When the General Assembly began meeting annually...

- Number and complexity of issues facing agriculture and forestry rapidly increased.
- Urbanization and increasing numbers of legislators with little or no agribusiness background led to the formation of a more broadly based entity.

**Virginia Agribusiness Council** was organized and placed under the direction of a full-time professional staff.

Today, we operate as a non-profit member organization committed to representing the agriculture and forest industries in the Commonwealth with a unified voice through effective government relations.
Vision
A thriving Agribusiness Community for Future Generations

Mission
We represent the Virginia Agribusiness Council with a Unified Voice

Core Values
• Advance the business interests of agriculture and forestry producers, processors, manufacturers, retailers and suppliers
• Respect the views of all members and seek consensus based on proven facts and science
• Facilitate solutions by engaging participants on both sides of an issue
• Serve as a reliable and credible source on matters related to our industry
• Adhere to intrinsic values of rural communities
• Employ the highest standards of integrity, professionalism, and excellence
Legal Side: Farm Bill and Virginia
2014 Farm Bill

- Legitimized Industrial Hemp Research
- Defined hemp as cannabis sativa L. with a THC level of no more than .3%
2018 Farm Bill

- Established a new definition of hemp
- Removes hemp from the Controlled Substances Act
- Establishes a new regulatory framework
  - State Plan approved by USDA
  - Federal plan established by USDA
- Hemp to be eligible for crop insurance
Virginia Industrial Hemp Bill

- HB 1839 (Marshall)/SB 1692 (Ruff)

- Authorizes the commercial growing, dealing and processing of industrial hemp and hemp products

- Growers, dealers, and processors MUST register with VDACS

- Provides authority for the Commissioner to take corrective action should a violation occur
Virginia Industrial Hemp Bill

- The Commissioner may confiscate and destroy hemp that is above the .3% THC threshold.

- If THC level is above .6% and below 1%, grower may conduct a retest.

- VDACS preparing to submit Virginia’s State Action Plan.
Virginia Industrial Hemp Bill

- 1,182 grower registrations
- 262 industrial hemp processor registrations
- Originally, over 10,000 acres were scheduled to be planted
- First reports from VDACS show over 2,200 acres planted in Virginia for 2019
Regulations and Reports

- USDA releases Hemp Regulations on October 31
- FDA has announced intention to hold hearings
- VDACS scheduled to release joint report on hemp regulation before December 1
- VDACS preparing to submit State Action Plan
CBD Infused Products for Human Consumption
Commissioner’s Letters

- FDA approves all food additives
  - Only 1 CBD product approved to date
- May 15 - Commissioner sends letter stating no CBD products have been approved by VDACS as a food additive
- Industry pushback
- July 15 - Commissioner sends a follow up letter announcing VDACS intends to allow CBD products for human consumption
Guidance Letter

- VDACS shall treat any hemp product intended for human consumption as an approved food ingredient or dietary supplement.
- All manufacturers must comply with food safety laws.
- All products from other states and sold at retail shall be assumed in compliance and subject to the same regulations and standards.
Guidance Letter (cont’d)

- All products must be properly labeled
- Can NOT claim to be for medical purposes
- All that are labeled or marketed as a dietary supplement must comply with regulations pertaining to dietary supplements and follow good manufacturing practice
Guidance Letter (cont’d)

- All products shall be subject to testing for THC, pesticides and heavy metals
- VDACS may conduct random testing or a product at the processing or retail level
- Registrations run through VDACS:
  - Jasmine Harwell
    804.786.1241
    Jasmine.Harwell@vdacs.virginia.gov
Things to Consider when selling hemp products
The Market

- 2018 national crop estimates show 77,000 acres of hemp planted
- CBD products continue to be the market driver
- Last year, retail sales of CBD products were estimated between $600 million and $2 billion (Cowen)
- Estimated to reach $16 billion by 2025 (Cowen)
Challenges

- Expensive to plant
- Crop Insurance?
- Pests and lack of pesticide knowledge/approval
- Lack of market data
- Regulatory environment
  - “Wild Wild West”
Selling Hemp

► Know your market and your processor
► Be prepared for testing
► Make sure you properly label your product
► Register with VDACS
Questions?

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