

Virginia's Industrial Hemp Law

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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 on a product at the processing or retail level
- ▶ Registrations run through VDACS:
 - ▶ Jasmine Harwell
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The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The central area is white, providing a clean space for the text.

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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