

# Virginia's Industrial Hemp Law and Regs

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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

# Virginia Industrial Hemp Bill

- ▶ HB 1839 (Marshall)/SB 1692 (Ruff)
- ▶ Council supported with partners such as VA Farm Bureau, Industrial Hemp Coalition
- ▶ Authorizes the commercial growing, dealing and processing of industrial hemp and hemp products
- ▶ Growers, dealers, and processors **MUST** register with VDACS
- ▶ Wanted to ensure minimal fiscal impact

# Virginia Industrial Hemp Bill

- ▶ HB 1839 (Marshall)/SB 1692 (Ruff)
- ▶ Worked early and often with law enforcement
- ▶ Needed to be as close to 2018 Farm Bill as possible
- ▶ Needed to mirror the definition of industrial hemp
- ▶ The THC level is the key factor!

# Hemp Derived CBD intended for Human Consumption

- ▶ 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 Feedback
- ▶ July 15 - Commissioner sends a follow up letter announcing VDACS intends to allow CBD products for human consumption

## VAC Feedback

- ▶ VDACS should have the authority to treat any hemp product intended for human consumption as an approved food ingredient or dietary supplement
- ▶ All that are labeled or marketed as a dietary supplement should comply with regulations pertaining to dietary supplements and follow good manufacturing practice

# Joint Workgroup Recommendation

- ▶ Legislation recommended by the Joint Workgroup on CBD Oils for the 2020 session:
  - ▶ That a hemp-derived extract, such as an industrial hemp-derived CBD oil, is an approved food ingredient.
  - ▶ Food Manufactured Best Management Practices
  - ▶ Ask the Board of Agriculture and Consumer Services to Adopt Expedited Regulations on hemp-derived extracts intended for human consumption
  - ▶ Ensure hemp derived products are produced in compliance with state and federal law



# USDA Interim Final Rule

## ▶ VAC Concerns

- ▶ Every crop must be tested
- ▶ 15-days before harvest time is not enough time
- ▶ Must use a DEA Registered Testing Facility - currently only 2 in Virginia
- ▶ .5% Negligence Threshold Established
- ▶ Cost of the program

# USDA Interim Final Rule

- ▶ VAC Recommendations
  - ▶ Risk and Hazard Approach
  - ▶ 30-day turnaround rather than 15
  - ▶ Allow testing at a non-DEA Registered Testing Facility
  - ▶ Increase Negligence Threshold Established
  - ▶ Provide Funding for USDA and States to Help with State Action Plan Enforcement

# USDA Interim Final Rule

## ▶ VAC Actions

- ▶ Comment period on rule ends December 30
- ▶ VAC intends to submit comment
- ▶ Have Encouraged the Virginia Congressional Delegation to Weigh in as well
- ▶ Have encouraged our partner organizations to comment

# Virginia Industrial Hemp Bill

- ▶ 1,182 grower registrations
- ▶ 283 industrial hemp processor registrations
- ▶ Initial reports over 10,000 acres were planned to be planted
- ▶ First reports from VDACS show about 2,200 acres planted in Virginia for 2019

## 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”

# Growing and Selling Hemp

- ▶ Know your market and your processor
  - ▶ VDACS Dealer and Processor List
- ▶ Be prepared for testing at all levels
- ▶ Make sure you properly label your product
- ▶ Work with Extension (VT and VSU)
- ▶ Register with VDACS

# Questions?

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