Virginia’s Industrial Hemp Law and Regs

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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
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
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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