

U.S. Hemp Roundtable

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2021 Hemp Rerun

Happy New Year from the U.S. Hemp Roundtable! We're back with our annual year-in-review to run you through the hemp industry's top successes in 2021 and our priorities going into 2022.

Despite challenges posed by pandemic recovery, unresolved issues surrounding the implementation of the 2018 Farm Bill hemp provisions, and regulatory uncertainties caused by FDA's failure to regulate CBD, the U.S. hemp industry still managed to make up some groundwork and stir growth of seeds planted in previous years.

It's true, there's quite a bit of work to do and we're gearing up for more movement in the new year — thanks to our members and Hemp Supporters, like you. From state policy to federal legislation, see how your advocacy has made an impact across the nation.

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State Advocacy

While in 2020, COVID-19 stalled legislative efforts in state legislatures, we made a big comeback in 2021. Most excitingly, we helped secure passage of **California** AB 45, the culmination of a three year effort led by the U.S. Hemp Roundtable and local hemp groups to end the prohibition on retail sales of CBD products.

But that wasn't the end of it. Progressive regulations on hemp extracts went into effect in **Kentucky** and **New York** early in the year, a new law in Louisiana clarified that ingestible hemp products may be sold, and **Idaho** finally became the 50th state to legalize hemp production.

Other states took action to address looming issues. **South Dakota** enacted legislation to clarify the legality of cannabis banking and to improve the state's original hemp provisions. A bill in **Utah** was improved after your advocacy to explicitly authorize the production, sale, and use of CBD products in conventional foods and alcoholic beverages.

But the thorniest issue in state capitols is how to regulate intoxicating products that are marketed as hemp, such as delta-8 THC and emerging cannabinoids that are increasing in popularity. We worked with **Michigan** officials to develop the model, common-sense approach, developing two separate pathways for non-intoxicating hemp and intoxicating cannabis, the latter restricted to adult-use. Similar legislation and regulations followed in states such as California, New York, and Oregon, and still other states tackled the issue by amending total THC limits. The issue of intoxicating products is likely to be a focus for more states in 2022.

Unfortunately, drawing the line of intoxication has been a tricky path. For example, **Oregon**, which passed HB 3000 in July, proposed **emergency regulations** that would have banned many non-intoxicating full-spectrum products from retail markets. After our submission of **comments** and testimony at a public hearing, the rules were improved, but there is still much work to be done in Oregon and in other states as they approach this issue in the new year.

We will also continue to lobby against a new **Virginia** law that took the industry by surprise by prohibiting college athletes from accepting name, image, and likeness (NIL) deals in connection with CBD, even when hemp-derived, and against other state-based bills that may arise making it even more difficult to promote or marketing legal hemp products.

Federal Advocacy

It's no surprise federal advocacy efforts proved to be challenging as Congress prioritized passage of a bipartisan infrastructure bill and the Build Back Better Act, all while avoiding a national debt crisis and government shutdown. Nonetheless, the U.S. Hemp Roundtable worked diligently behind-the-scenes on Capitol Hill meeting with Congressional leaders and policy makers to keep movement on critical hemp issues.

Stop The Stalemate: Regulate CBD Now — After nearly four years of empty promises, the U.S Food and Drug Administration (FDA) has yet to regulate hemp-derived extracts, making statements in recent months arguing that current law has put the agency in “a stalemate position” – making clear that congressional action is the only way to “**stop the stalemate and regulate CBD now**” — the theme of a campaign launched last summer led by US and a coalition of leading hemp companies, organizations, and consumer groups advocating for federal legislation to establish a regulatory framework for retail sales of CBD products.

There are now three bills in Congress that would establish federal regulations for the sale of CBD products. **H.R. 841**, a bill that would regulate CBD as a dietary supplement, is supported by growing bipartisan slate of thirty-six U.S. Representatives (23 Democrats and 13 Republicans), and just this month, **The CBD Product Safety and Standardization Act** was introduced to establish standards for CBD in foods and beverages. The Senate, meanwhile, has a vehicle that would explicitly legalize CBD products in both dietary supplements or food and beverages: **S. 1698**.

Passage of legislation to regulate CBD would result in an explosion in retail opportunity, commodity price stabilization, and, most importantly, safeguards for consumers looking for products that they can trust. This remains a top priority for our industry in 2022.

Problems Posed By 2018 Farm Bill Hemp Provisions— The current regulatory regime established by the 2018 Farm Bill requires hemp growers and processors to navigate onerous THC testing and transportation requirements. Meanwhile, consumers are often confused by products being marketed as hemp which are more appropriately sold in adult-use cannabis channels.

Rep. Chellie Pingree (D-ME) previewed a bill she plans to introduce during our 2021 Fall members meeting, The Hemp Advancement Act, which would improve the 2018 Farm Bill hemp provisions by making it easier and more profitable for U.S. farmers to grow hemp, ensuring hemp consumers are protected against unsafe products, and removing the ban preventing reformed drug felons from participating in a hemp program. The U.S. Hemp Roundtable is proud to be leading a broad-based industry effort to propose the policies that underlie this legislation and has worked closely with Rep. Pingree’s excellent staff throughout the drafting process to ensure our concerns were taken into consideration.

SAFE Banking For Hemp and CBD Businesses — Banks, lenders, and credit card processors are still looking to Congress for legislative clarity when it comes to providing services to legal cannabis businesses. Although the House has passed the **Safe and Fair Enforcement (SAFE) Banking Act** five times, and voted in favor of its inclusion into the 2022 National Defense Authorization Act (NDAA), the Senate has blocked all action to date.

The SAFE Banking Act would ensure all legal cannabis businesses, including hemp and CBD retailers and producers, have fair access to financial services. In recent weeks, 21 state governors and a separate group of organizations representing leading financial institutions called on Congress to pass the critical measure.

Will the Senate feel pressured to take action in 2022?

The Delta-8 Debate — The topic of Delta-8 THC has taken the hemp industry by storm, as products containing the hemp-derived ingredient are touted as legal, intoxicating alternatives to adult-use cannabis for “getting high.” Since some states have chosen to completely ban the substance and others are taking a regulatory approach, the varying patchwork of delta-8 laws makes it difficult to know what is and isn’t legal for producers and consumers.

The Roundtable is in the process of developing science-based policies on how to address delta-8 and other intoxicating compounds through federal law. It is our belief that intoxicating products should not be marketed under the guise of hemp and should be regulated akin to adult-use cannabis, sold in dispensary-like settings away from minors. Additionally, dietary supplement and food/beverage additive lanes should be limited to non-intoxicating hemp products.

Industry Initiatives

U.S. Hemp Roundtable initiatives seek to provide community support and expand industry opportunities through research and development, certification programs, or education and advocacy.

We advocate for an equitable and impactful hemp industry through our **Minority Empowerment Committee (MEC)** and provide education through special programming, such as the complimentary follow-up webinar hosted for small and minority-owned hemp or CBD businesses on navigating regulations in June.

At the MEC’s urging, the Roundtable endorsed the Emergency Relief for Farmers of Color Act that will deliver \$5 billion in direct relief to Black, Indigenous, and Hispanic farmers and other agricultural producers of color to help them respond to the COVID-19 pandemic, as well as to address long standing inequity in agriculture. The MEC is working with congressional leaders toward the introduction of legislation in 2022 that will promote hemp research at Minority Serving Institutions, including Historically Black Colleges and Universities (HBCUs).

The U.S. Hemp Roundtable also supports the **U.S. Hemp Authority Certification Program**, the industry's initiative to provide high standards, best practices, and self-regulation, for confidence in hemp and CBD products.

Looking back really puts into perspective all the progress we've made and all the big moves we're prepared to make! This coming year has to come with some sort of regulatory solution for CBD product sales nationwide and SAFE banking for cannabis businesses. Farmers need a stable market for their crops, manufacturers need basic standards to make consumers and sellers feel safe, and retailers need to know the products they promote won't put them in jail.

The industry certainly is experiencing some growing pains, but with a constant pulse on these issues and continued advocacy for resolution, we can help it reach its full potential. We can't express how important it is for us to have your continued support and action. This industry relies on all of us and we need you in our Hemp Supporter army. If you haven't already, please visit hempsupporter.com today and sign up for our Hemp Supporter mailing list for free. It just takes a moment of your time to receive the latest industry updates and action alerts.



Pictured Above: The U.S. Hemp Roundtable Minority Empowerment Committee (MEC), members and staff volunteered for the 2021 Juneteenth Music Festival in Downtown Denver on June 19th.

2021 U.S. HEMP ROUNDTABLE

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U.S. Hemp Authority*
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