

## Summary

When Congress passed the 2018 Farm Bill, it explicitly legalized the sale of hemp and its derivatives such as CBD. Farmers across the nation relied on this government action, and invested considerable time and resources to plant, grow, and market commercial hemp crops, and particularly for the market for which there is immediate processing infrastructure and consumer demand: hemp-derived CBD and cannabinoids.

Unfortunately, federal regulatory uncertainty regarding hemp-derived CBD has severely impacted the hemp market, with reduced manufacturing demand resulting in a **more than 90% commodity price decline,** crushing opportunities for U.S. farmers. Meanwhile, FDA continues to delay implementation of a regulatory scheme – telling congressional staff that it would require a five-year project of building a new center and inventing a new regulatory pathway. The agency blames its concerns on research of high-dosage, pharmaceutical-grade CBD formulation, ignoring more than a dozen studies that demonstrate the safety of CBD at much lower amounts – such as those typically found in CBD dietary supplements and foods sold at retail.

The pressing consumer health and safety problem, indeed, is a product of FDA's inaction. Unregulated products being deceptively marketed as hemp or CBD continue to proliferate, some of which raise significant quality, **safety and other consumer protection concerns.** The commodity price collapse has led some to chemically convert surplus hemp CBD biomass into intoxicating products, such as Delta-8 THC, which are being sold unregulated, sometimes to minors.

**H.R. 1629** would ensure that hemp-derived CBD, and other non-intoxicating hemp ingredients, could be lawfully marketed as dietary supplements. It would also require CBD products and hemp extract product manufacturers to comply with the entire existing comprehensive regulatory framework for dietary supplements, which ensures that the products are deemed safe, properly labeled and prepared utilizing Good Manufacturing Practices.

Failing to establish a regulatory pathway for legalizing hemp-derived CBD will continue to reduce economic opportunity for U.S. hemp farmers and deny consumers access to safe, quality products. H.R. 1629 would **help stabilize the hemp markets,** open up a promising economic opportunity for U.S. agriculture and honor the commitment made to growers in the 2018 Farm Bill.

Once FDA does legally recognize and regulate CBD products, the hemp industry can provide a needed financial jolt to a nation emerging through economic recovery. Regulatory relief for the hemp-derived CBD industry constitutes an **economic stimulus package for the nation's farmers and small businesses** without requiring one dime from the American taxpayer. Independent studies predict that if FDA issues regulatory guidance by the end of 2024, the market will top \$11 billion by 2027, but will fall \$4 billion short if there's no FDA action.





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