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UNDERSTANDING HEMP



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THE 2018 FARM BILL LEGALIZED HEMP.

Hemp is now legal. But how is hemp different from marijuana? The general definition breakdown on Capitol Hill is that both hemp and marijuana are terms for cannabis with different portions of THC. If the cannabis has under .3% THC, it is hemp. If it has anything above .3% THC, is it marijuana. When bills on capitol hill talk about hemp or marijuana, this is the differentiation they mean.

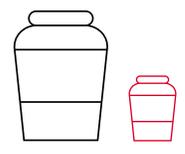
That means that right now, **cannabis with under .3% THC content is legal to grow nationwide.** The use of hemp products, though, is still a work in progress. As with any food or medical product, it has to be FDA-approved. Since hemp-based CBD is a new product, the FDA is starting from scratch with research and writing of guidelines; they've said it could take a few years before a coffee shop can legally put CBD drops in your coffee or a beverage company can sell cannabis-infused beverages in states where cannabis is not legal for adult use, like New York. Legal-use states already have their own regulations for use of cannabis in food products. But for companies ready to infuse their products with CBD, the time is not yet now – unless those companies stick only to states with legal recreational markets.

INTENTION IS REALLY IMPORTANT IN HOW THE FDA CLASSIFIES AND REGULATES HEMP

Two herbal teas can have CBD in them, but if one is marketed for therapeutic purposes, it will have more stringent regulatory guidelines than one that is simply marketed as CBD tea. That differentiation actually let the FDA to send cannabis giant Curaleaf a cease and desist letter in July 2019. In the letter, the FDA explained that based on Curaleaf's website and social media marketing, some of its products "are intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease and/or intended to affect the structure or any function of the body" including chronic pain, anxiety, ADHD or as dietary supplements. Their critique also included products marketed toward animals.

So why do these businesses want to push the line on this? There is a LOT of money in CBD. Infusing a product with CBD can raise its prices considerably.

A normal 12-oz jar of honey, for example, costs about \$7. **But an 6-ounce jar of CBD-infused honey can cost over \$55.** That's a pretty good motivator for a honey business to get into CBD.



Ref. - Chapter 04: Agriculture

HEMP AND MARIJUANA LOOK INCREDIBLY SIMILAR.

The fact that the legal difference is in THC content, which cannot be ascertained from a visual glance at the plant, has created confusion for law enforcement and banking. The Idaho State Patrol made headlines when they announced they'd confiscated a truck carrying 7,000 pounds of marijuana. Turns out, it was hemp; and perfectly legal to be transported across state lines. Some banks are also loathe to offer banking services to hemp companies, because if the THC content of the plant goes above .3%, those banks could be penalized for serving a drug dealer rather than a hemp farmer. Banks don't want to have to serve as regulators in addition to providing banking services, so they avoid the hassle altogether.

GLOSSARY:

Hemp - Cannabis with under .3% THC content. Federally legal, as of the 2018 Farm Bill.

Marijuana - Cannabis with over .3% THC content. Still federally illegal.