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HIA's monthly newsletter providing updates and analysis on federal policy impacting the Hemp industry.

July, 2021

Active Federal Hemp Legislation

H.R. 841: Hemp and Hemp-Derived CBD Consumer Protection and Market Stabilization Act of 2021 ([link](#))

To make hemp, cannabidiol derived from hemp, and any other ingredient derived from hemp lawful for use under the Federal Food, Drug, and Cosmetic Act as a dietary ingredient in a dietary supplement, and for other purposes.

- **What it does:** Make CBD and other hemp derivatives subject to FDA rules governing dietary supplements including NDI (new dietary ingredient) filings and labeling requirements.
- **Prospects:** Strong - Currently up to [26 bi-partisan cosponsors](#), and endorsed by every major national and regional group that's paying attention, H.R. 841 (or a version of it) stands a strong chance of passage.



- **HIA's take:** Could provide regulatory certainty and promote consumer confidence for CBD, a significant net gain for market stability overall. A sorely-needed first step toward full CBD regulation.
- **What you can do:** *Contact your congressional representative today ([the Hemp Roundtable makes it easy](#)), and if they aren't already a co-sponsor tell them why they should be. If they are, be sure to thank them so they know their constituents support their stance.*

S. 1698: Hemp Access and Consumer Safety Act ([link](#))

A bill to allow for hemp-derived cannabidiol and hemp-derived cannabidiol containing substances in dietary supplements and food.

- **What it does:** Best understood as the Senate version of H.R. 841 (above), Senator Ron Wyden's bill goes further in regulating CBD in food and beverages, in addition to as a nutritional supplement.
- **Prospects:** Unclear - The Senate may pass this bill, possibly attached to a larger omnibus spending Bill or other must-pass legislation, then seek to iron out the differences with the House in conference.
- **HIA's take:** The more ambitious of the two CBD regulation bills currently active, S. 1698 would be a major step forward for hemp extracts, boosting consumer confidence and advancing the industry as a whole.
- **What you can do:** [Urge your U.S. Senators to support the Bill](#). *Currently it only has Rand Paul (R-KY) and the two Senators from Oregon.*

H.R. 1996: Safe Banking Act of 2021 ([link](#))

To create protections for financial institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

- **What it does:** Bars federal regulators from penalizing banks or insurers for providing banking services to legal cannabis and hemp businesses, including loans, prohibits federal banking agencies from ordering or requesting banks to close customer accounts solely due to reputational risk.
- **Prospects:** Solid - Passed in the House, the Bill is languishing in the Senate as that body considers a larger piece of cannabis legislation. If that bill moves forward, look for the SAFE Banking Act language to be included. If it does not, the SAFE Banking Act could still see a standalone vote this year, having passed the House with overwhelming bipartisan support.
- **HIA's take:** Sorely-needed bill to provide security and stability to hemp businesses with great potential to improve the hemp economy.
- **What you can do:** *Urge your U.S. Senators to advance the SAFE Banking Act ASAP ([link](#)).*

S. 1005: HEMP Act of 2021 ([link](#))

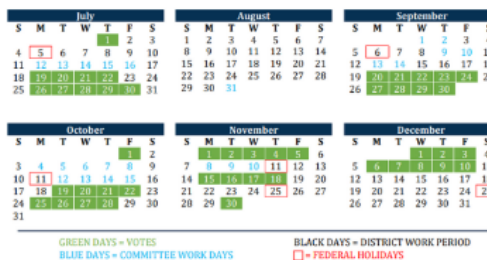
To amend the Agricultural Marketing Act of 1946 to modify the definition of hemp, and for other purposes.

- **What it does:** Raises the THC cap to 1% Delta-9 THC, switches testing from plants to hemp products, provides reasonable cushion for slightly "hot" hemp crops, gives clear and simple rules for shipping hemp products.
- **Prospects:** Unlikely - A small Bill with potentially huge ramifications, Senator Paul's 2021 reboot of the Hemp Act has yet to garner any support.
- **HIA's take:** Like many deceptively simple legislative "fixes" the repercussions of this Bill could be severe. Moving testing from plants in the field to products on the shelves is a change that could potentially undermine the whole hemp industry, which is based on the "source rule." While there's a lot of good in this piece of legislation, the practical result of testing of products instead of plants would be to essentially upend the whole hemp enterprise in the U.S.
- **What you can do:** This bill isn't threatening to move forward, but if it does we'll mobilize accordingly.

Big Picture Headlines

[Production, Marketing, and Regulation of Hemp Products - A short, informative Congressional Research Service report](#) | [Chemists Worry Lack of Regulatory Framework Creates D-8 Public Health Risks](#) | [Oregon Hemp Company Says Customs and Border Patrol Violated Rights By Destroying Shipment](#) - Free subscription required | [Hemp Industry Coalition Makes "Regulate CBD Now" Push](#) | [Hemp Industries Association Urges Regulation, Not Prohibition, of Delta-8 THC](#) - View the [HIA Press Release](#) and [Legal Opinion](#)

National Hemp Policy Outlook



With fewer than 50 House voting days remaining in 2021, Congress seems stuck in the Opening phase, with no clear strategy for the Endgame.

The Shrinking Legislative Calendar

What Can Hemp Realistically Expect from D.C. This Year?

Congressional calendars are subject to change, but the many competing priorities, upcoming deadlines, and the unprecedented polarization in both chambers make the prospects for advancing productive hemp legislation in 2021 a race against time.

The Federal government runs on a 9/30 fiscal year, meaning several spending priorities have to get addressed within the next 60 days. These include dealing with the debt ceiling, reauthorizing congressional spending (probably through another Continuing Resolution, not an Appropriations Bill, which is unlikely to be negotiated in time), and the expiration of the Highway Trust Fund. The main legislative focus on the leadership in both the House of Representatives and the Senate is unquestionably a massive infrastructure bill, with appointments and investigations crowding their schedules.

Given these factors, one might be forgiven for being a bit skeptical about meaningful progress on federal hemp policy this year.

The good news is, hemp has experienced and effective advocates in the U.S. Hemp Roundtable. Through a strategic partnership with the HIA that includes a shared Board seat, we ensure that our members' perspectives inform the Roundtable's strategic decision-making, provide HIA members tools and information to act as citizen advocates, and interpret national policy developments to help our constituents understand their real-world impacts. While the Roundtable works to advance important standalone legislation like some of the Bills covered above, they have been particularly effective at making important, incremental progress using pro-hemp riders to appropriations bills. Because they must pass in order to keep the federal government funded, attaching riders to spending bills is often the most practical way to make progress.

Current spending bill riders in the works address major hemp priorities include:

1. Directing the DEA to work with the FDA to avoid criminalizing the hemp extraction process (see the DEA's Interim Final Rule issued last summer).
2. Directing the FDA, HHS, and DEA to look at the .03% Delta-9 THC "cap" to determine if a more scientific and less arbitrary standard is required.
3. Reviewing the 10-year felony ban and ensuring pathways to participation in the industry for underserved communities.
4. Investments in Genomic and Bioinformatic hemp research, as well as the USDA's hemp production program.

A full run-down of the hemp and CBD riders is included in [this thorough article](#), but you can see from just these examples the significant potential impact appropriations riders can have. But the way these spending bills get hammered out last-minute, with the kind of horse trading that goes on as differing parties compete to make sure their priorities are included in the final bill, means that **raising your voice is the most**

important thing you can do to help these efforts succeed. Our friends at the Roundtable have prepared an easy online form you can use to [tell your elected representatives that you want them to support these pro-hemp appropriations riders.](#)

So, while the calendar may be slipping away, reasons for optimism still exist —and 2021 may yet turn out to be a truly transformational year for the growth and maturation of the U.S. hemp industry.

In Case You Missed It

HIA Adds Fiber Member, Grain & Seed Member, and New Board President to Leadership



Zev Paiss
Rhizo Verified



Jeff Kostuik
Hemp Genetics
International