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Hemp Opportunities Growing Like Weeds

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While farmers and other businesses across the country are eager to break into the newly legalized hemp industry since the passage of the 2018 Farm Bill, Pennsylvania's lawmakers are working diligently to ensure that their constituents are out in front of the rest of the nation. Section 10113 of the lengthy federal legislation may have gone unnoticed by some, but for those that can smell opportunity a mile away, widespread legalization of industrial hemp is a trigger for both celebration and elbow grease.

The industrial hemp provisions of the <u>2018 Farm Bill</u> set forth a detailed definition of "hemp," and de-schedule any product meeting that definition. This move effectively allows the non-psychoactive cousin of marijuana to be grown as a cash crop by American farmers, but also mandates a regulatory structure to keep production of this useful cannabis plant under state, tribal or federal oversight.

States and tribal authorities are called upon to submit their own plans to regulate and license the growing of industrial hemp within their respective territories, subject to a few parameters that must be included in the states' and tribes' plans. The U.S. Department of Agriculture (USDA) is required to review plans within 60 days of their submission. For those states and tribes that prefer not to get involved in the regulation of industrial hemp, the USDA promised to provide its own plan that will govern growers located in those territories. Growers must have a license in compliance with a state, tribal or federal plan to cultivate the crop legally.

Less than a month after 2018 Farm Bill became law, Pennsylvania became the second state to submit its plan to the USDA. Pennsylvania plans to control the production of industrial hemp using the current Controlled Plants and Noxious Weeds portion of the Pennsylvania Agriculture Code, which already includes a system for permitting growers. However, hopeful producers should be wary of making any commitments. The USDA appears unwilling to approve any state's or tribe's plan until after its rulemaking leads to regulations, which is unlikely to occur before the 2020 growing season. The USDA stated that it considers the regulations' future effective date to start the 60-day review period.

In the meantime, plans that had been effective under the 2014 Farm Bill remain effective. Pennsylvania's parameters have been updated to remove the acreage cap, but licensing requirements remain. As an additional word of caution, some states are not yet friendly to hemp passing through their territory, despite the seemingly broad prohibition on interference with interstate commerce included in the 2018 Farm Bill.I am closely following the development of the law regarding industrial hemp cultivation, processing and use in Pennsylvania and at the Federal level, and can help provide guidance to those wishing to grow their businesses. If you have any questions, please contact me.

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