

Minorities for Medical Marijuana and Banks & Company – Sow The Land Hemp Symposium – Hemp at the Federal & State Government Levels

What is our Governmental System

How does the development of public policy actually work?

What is the intersectionality between Federal and State Government

Federal & State Oversight of Marijuana and Hemp

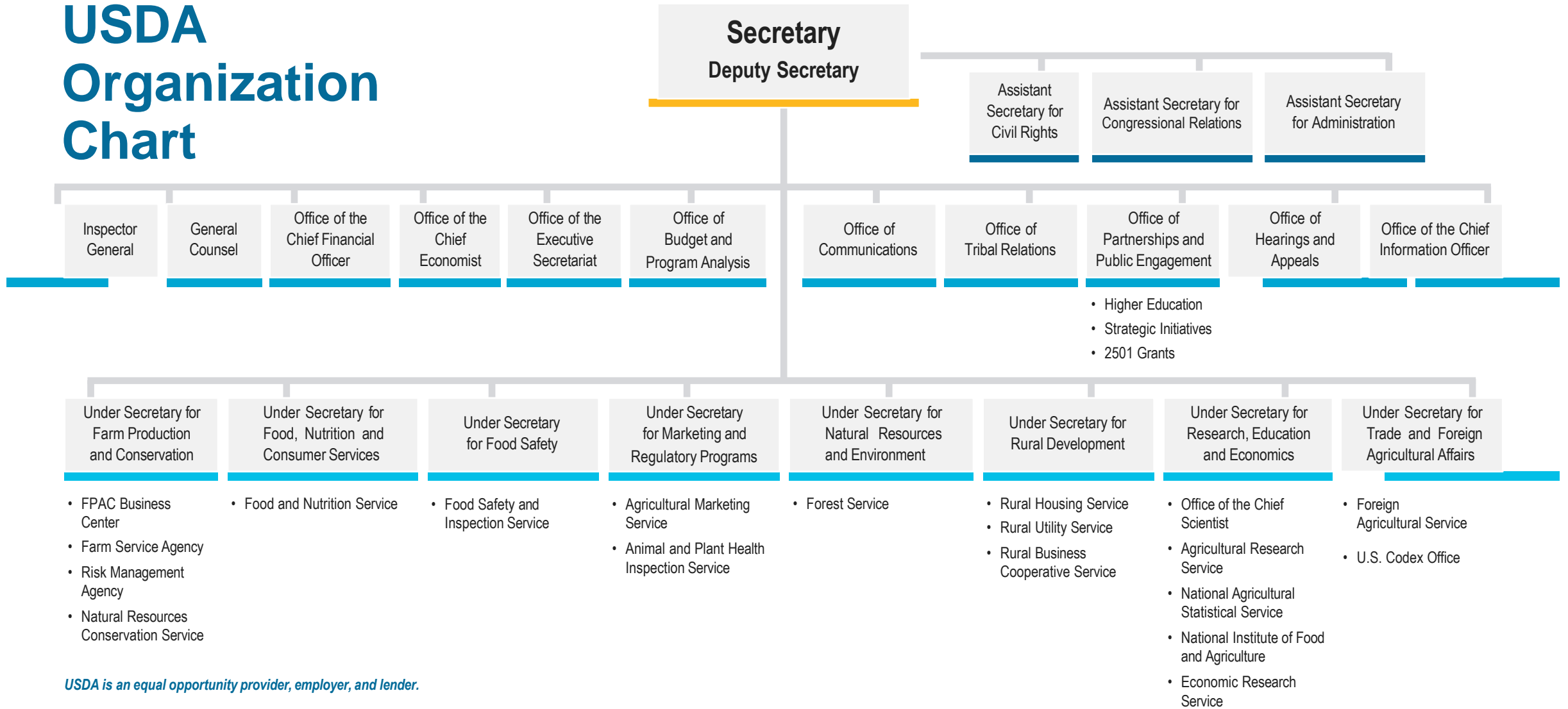


Federal
Regulatory
Agencies – Hemp
(Primary)



**United States
Department of
Agriculture**

USDA Organization Chart



USDA is an equal opportunity provider, employer, and lender.



Federal Regulatory Agencies – Hemp (Secondary)



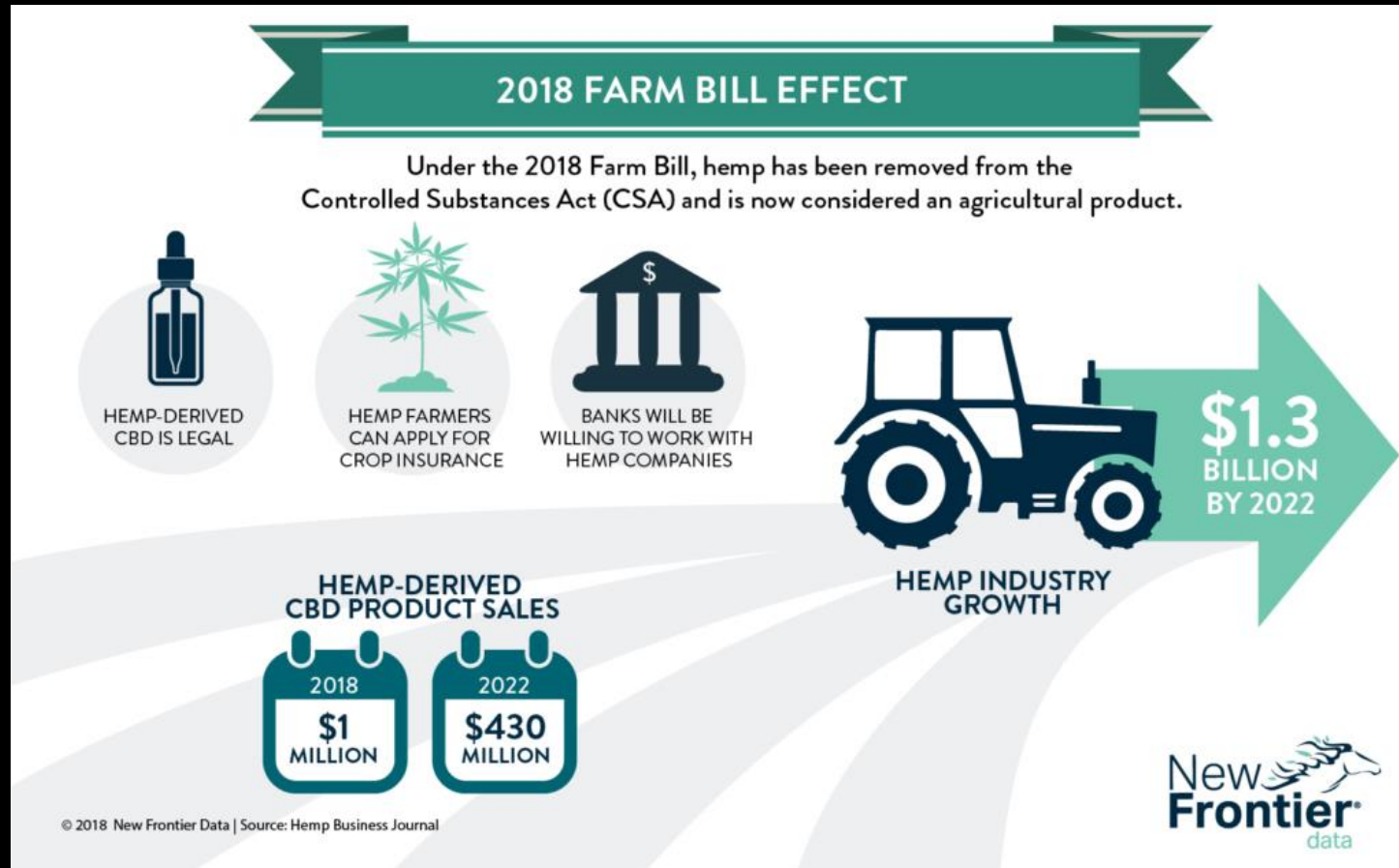
Federal Legislation – What is the Farm Bill?

The farm bill is a package of legislation passed roughly once every five years that has a tremendous impact on farming livelihoods, how food is grown, and what kinds of foods are grown. Covering programs ranging from crop insurance for farmers to healthy food access for low-income families, from beginning farmer training to support for sustainable farming practices, the farm bill sets the stage for our food and farm systems. As a leading advocate for family farmers and sustainable agriculture, it's our job to make sure that this important bill is good for farmers, consumers, and for the natural environment.

Every five years, the farm bill expires and is updated: it goes through an extensive process where it is proposed, debated, and passed by Congress and is then signed into law by the President. Each farm bill has a unique title, and the current farm bill is called the Agriculture Improvement Act of 2018. **It was enacted into law in December 2018 and expires in 2023.**

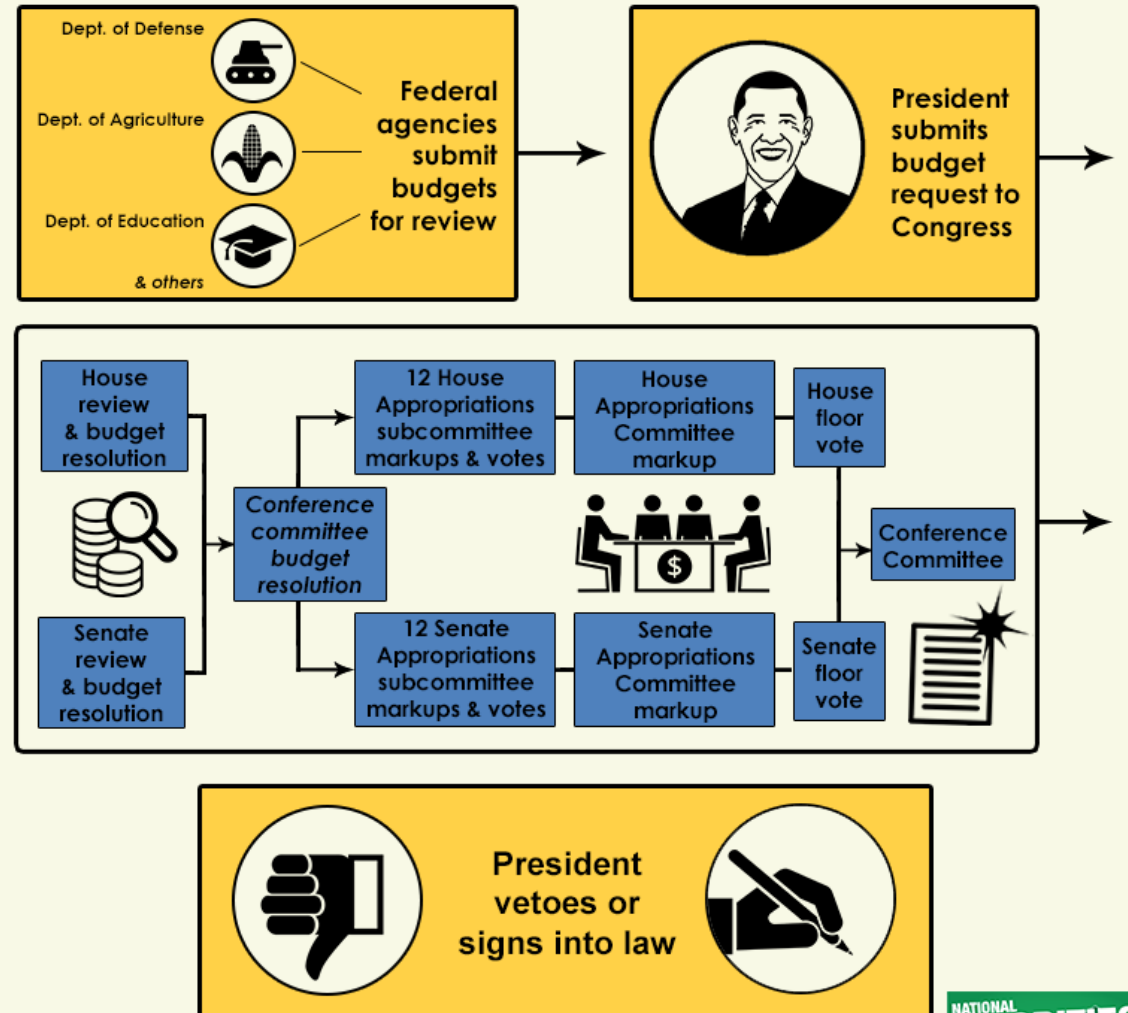
The original farm bill(s) were enacted in three stages during the 1930s as part of President Franklin Delano Roosevelt's New Deal legislation. Its three original goals – to keep food prices fair for farmers and consumers, ensure an adequate food supply, and protect and sustain the country's vital natural resources – responded to the economic and environmental crises of the Great Depression and the Dust Bowl. While the farm bill has changed in the last 70 years, its primary goals are the same.

Federal Legislation – Hemp Legalization via 2018 Farm Bill



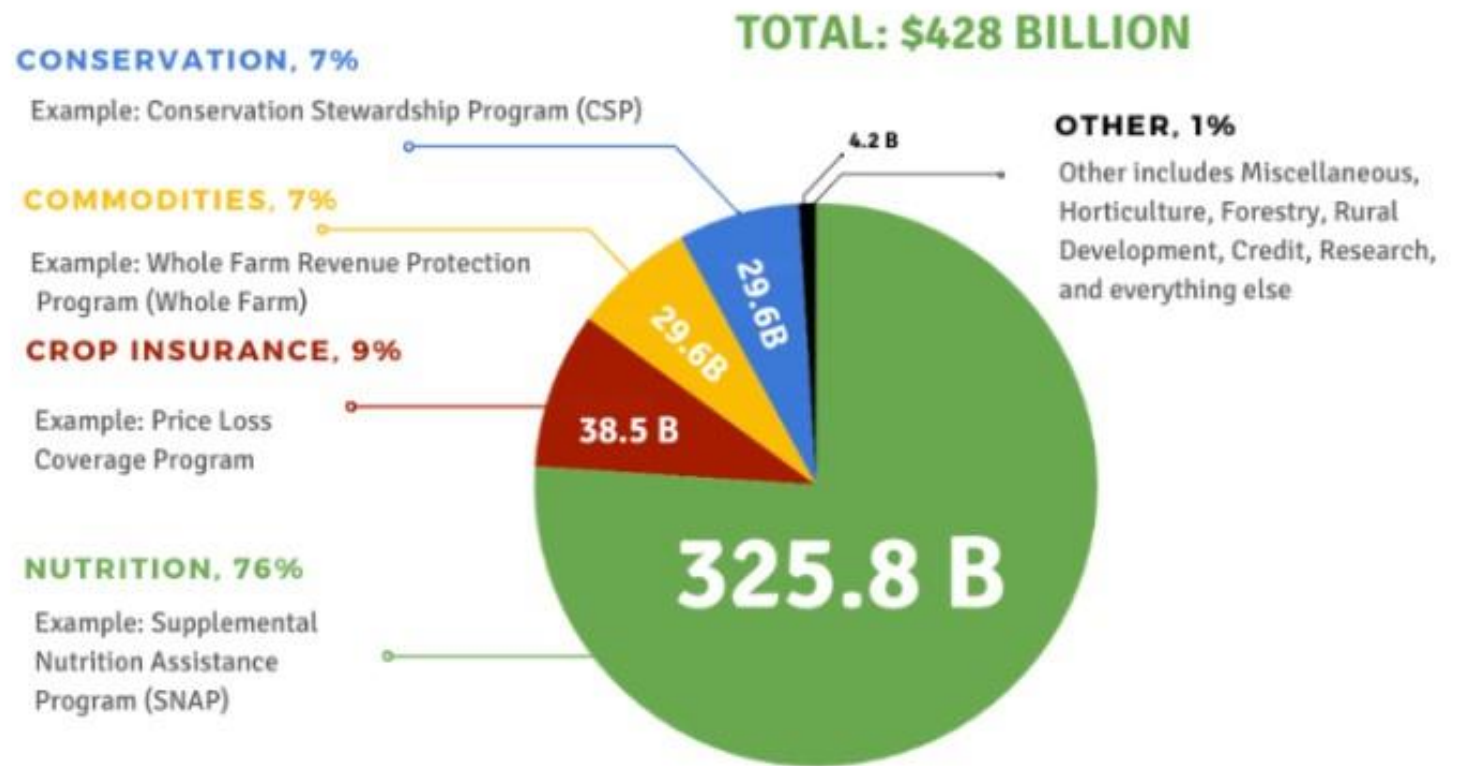
Federal Government – Congressional Legislative Process - Appropriations

The Annual Federal Budget Process



Federal
Government –
Congressional
Legislative
Process –
Appropriations

FARM BILL PROJECTED FUNDING, IN BILLIONS 2019-2023

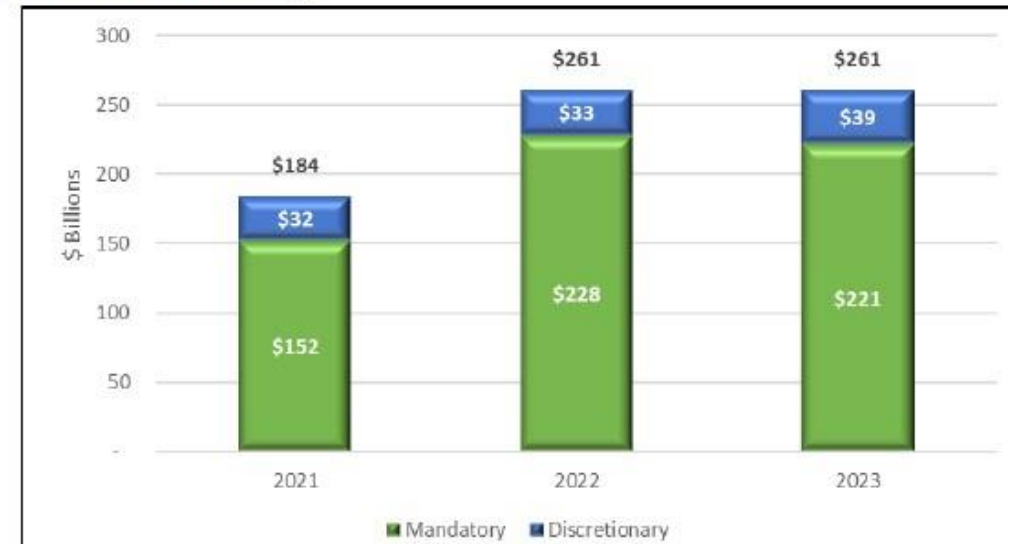


Federal Regulatory Budget – USDA Budget Authority & Outlays

Figure OV-1. USDA New Budget Authority

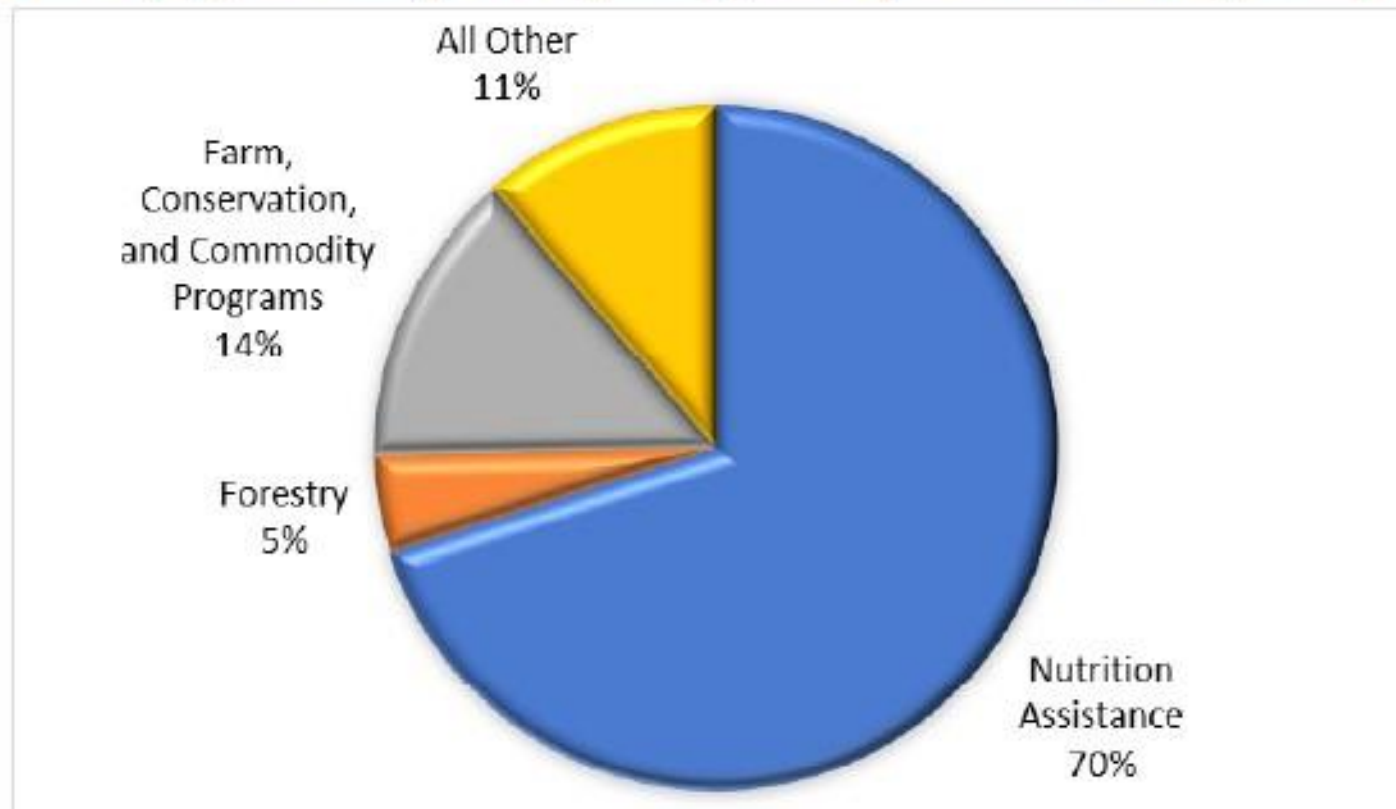


Figure OV-2. USDA 2023 Outlays



Federal Regulatory Budget – USDA Budget Outlay Categories

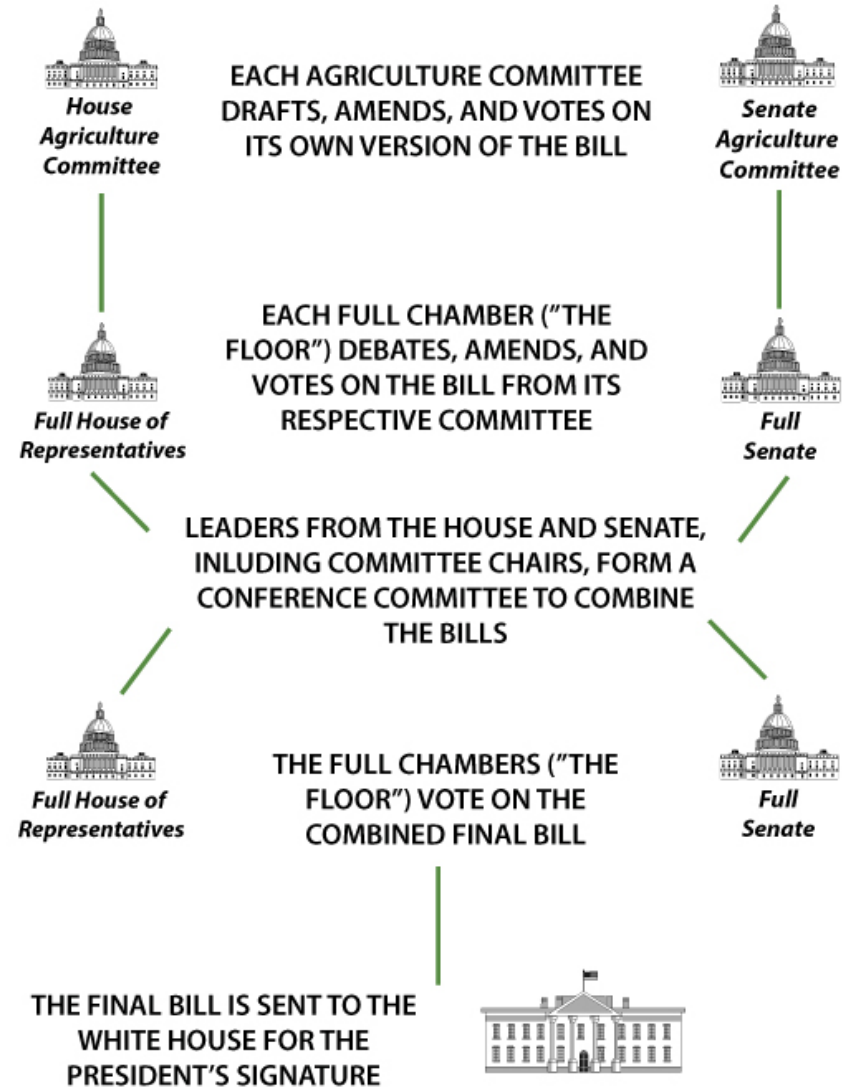
Figure OV-3. 2023 Mandatory and Discretionary Outlays (All Other includes Rural Development, Research, Food Safety, Marketing and Regulatory, and Departmental Management.)





Federal Government – Congressional Legislative Process – Policy Bill

The Path to a New Farm Bill



Federal Legislation – Hemp Provisions in 2018 Farm Bill

2018 Farm Bill – Hemp Specific Sections

TITLE VII — Research

Subtitle A – National Agricultural Research, Extension, and Teaching Policy Act of 1977

Sec. 7125 Supplemental and Alternative Crops; Hemp

Reauthorizes a research project for supplemental and alternative crops including canola and hemp.

Sec. 7401 Critical Agricultural Materials Act

Reauthorizes the Critical Agricultural Materials Act, and includes hemp as an eligible product.

Sec. 7415 Legitimacy of Industrial Hemp Research

Requires the Secretary to conduct a study and report on the economic viability of the domestic production and sale of industrial hemp.

TITLE X — Horticulture

Sec. 10111 Hemp Production

Amends the Agricultural Marketing Act of 1946 to allow states to regulate hemp growth and production, based on a state or tribal plan that includes information on locations of hemp production, testing for THC concentration, disposal of plants that are out of compliance, and negligence or other violations of the state or tribal plan.

Requires states and tribes without USDA approved plans to follow federal laws and regulations promulgated by USDA on hemp production.

Sec. 10112 Rule of Construction

Clarifies that nothing in this title authorizes interference with the interstate commerce of hemp.

2018 Farm Bill – Hemp Specific Sections

TITLE XI — Crop Insurance

Sec. 11101 Definitions

Defines cover crop termination and defines hemp as used in section 297A of the Agricultural Marketing Act of 1946.

Sec. 11106 Insurance period

Amends section 508(a)(2) of the Federal Crop Insurance Act by adding hemp.

Sec. 11112 Submission of policies and materials to board.

Amends section 508(h) of the Federal Crop Insurance Act to allow the Corporation to waive the viability and marketability requirement in the case of a policy or pilot program relating to the production of hemp.

Sec. 11120 Agricultural commodity

Amends section 518 of the Federal Crop Insurance Act by adding hemp.

Sec. 11121 Reimbursement of research, development, and maintenance costs

Amends section 522(b) of the Federal Crop Insurance Act to allow the Board and Corporation to waive the viability and marketability requirements in the case of research and development relating to a policy to insure the production of hemp.

Federal Legislation – Hemp Legislation for 2023 Farm Bill

Hemp Legislation Tracker

H.R.6645 — 117th Congress (2021-2022) - Hemp Advancement Act of 2022

Sponsor: [Rep. Pingree, Chellie \[D-ME-1\]](#) (Introduced 02/08/2022) Cosponsors: (0)

H.R.4521 — 117th Congress (2021-2022) - United States Innovation and Competition Act of 2021 – Hemp related

Sponsor: [Rep. Johnson, Eddie Bernice \[D-TX-30\]](#) (Introduced 07/19/2021) Cosponsors: (101)

S.1698 — 117th Congress (2021-2022) - Hemp Access and Consumer Safety Act – Hemp related

Sponsor: [Sen. Wyden, Ron \[D-OR\]](#) (Introduced 05/19/2021) Cosponsors: (4)

H.R.4350 — 117th Congress (2021-2022) - National Defense Authorization Act for Fiscal Year 2022 – Hemp related

Sponsor: [Rep. Smith, Adam \[D-WA-9\]](#) (Introduced 07/02/2021) (by request) Cosponsors: (1)

S.2599 — 117th Congress (2021-2022) - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2022 – Hemp related

Sponsor: [Sen. Baldwin, Tammy \[D-WI\]](#) (Introduced 08/04/2021) Cosponsors: (0)

H.R.2828 — 117th Congress (2021-2022) - DAIRY PRIDE Act – Hemp related

Sponsor: [Rep. Welch, Peter \[D-VT-At Large\]](#) (Introduced 04/22/2021) Cosponsors: (44)

S.1346 — 117th Congress (2021-2022) - DAIRY PRIDE Act – Hemp related

Sponsor: [Sen. Baldwin, Tammy \[D-WI\]](#) (Introduced 04/22/2021) Cosponsors: (7)

S.1005 — 117th Congress (2021-2022) - HEMP Act of 2021- Hemp Economic Mobilization Plan Act of 2021

Sponsor: [Sen. Paul, Rand \[R-KY\]](#) (Introduced 03/25/2021) Cosponsors: (0)

H.R.841 — 117th Congress (2021-2022) - Hemp and Hemp-Derived CBD Consumer Protection and Market Stabilization Act of 2021

Sponsor: [Rep. Schrader, Kurt \[D-OR-5\]](#) (Introduced 02/04/2021) Cosponsors: (39)

H.R.6134 - CBD Product Safety and Standardization Act of 2021

Sponsor: Rep. Rice, Kathleen M. [D-NY-4] (Introduced 12/02/2021) Cosponsor: (4)

Federal Hemp Legislation – Key Legislative Committees – M4MM Focus for 2023 Farm Bill

Regulations for Hemp farming, Hemp production, Commercial Hemp product development, import and export of Hemp products

House Committee on Agriculture – policy committee

Senate Committee on Agriculture, Nutrition and Forestry – policy committee

Senate Committee on Indian Affairs – policy committee

House Committee on Appropriations Sub-Committee on Agriculture, Rural Development, FDA and Senate Committee on

Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration – budget allocation committee, how Federal dollars are spent in support of the Hemp sector and regulatory activities

House Committee on Appropriations Sub-Committee on Energy and Water Development and Senate Committee on Appropriations, Subcommittee on Energy and Water Development – budget allocations committee, monies allocated to finance or support farming activities that cover water access issues and potential clean energy financing or grant support for Hemp farmers

Federal Cannabis Legislation – Key Legislative Committees – M4MM Focus

Banking for Marijuana related businesses, Hemp licensed businesses and creating opportunities for Minority depository institutions to do business with Marijuana related businesses and Hemp licensed businesses:

Treasury Department regulatory committees – The Treasury department is responsible for banking rules that impact Marijuana related businesses and Hemp licensed businesses. Marijuana is illegal federally, but the Department of Treasury created rules to govern banking services for marijuana related businesses. These committees include:

Policy Committees

- **House Committee Financial Services** – policy committee
- **Senate Committee on Banking, Housing & Urban Affairs** – policy committee
- **Senate Committee on Finance** – policy committee

House Committee on Appropriations - budget allocations committee

- **Subcommittee on Commerce Justice, Science**
- **Subcommittee on Financial Services & General Government**

Senate Committee on Appropriations - budget allocations committee

- **Subcommittee on Financial Services and General Government**
- **Subcommittee on Interior, Environment, and Related Agencies**

Hemp and Farm Programs



Federal Regulatory Agency – Operational Programs - Hemp



Federal Regulatory Agency – Administrative Rules - Hemp

AGENCY:

Agricultural Marketing Service, Department of Agriculture (USDA).

ACTION:

Final rule.

SUMMARY:

This final rule supersedes the interim final rule that established the Domestic Hemp Production Program, as mandated by the Agriculture Improvement Act of 2018 (2018 Farm Bill). This rule includes regulations used by the Department of Agriculture (USDA) to approve plans submitted by States and Indian Tribes for the domestic production of hemp. This rule also includes regulations on the Federal hemp production plan for producers in States or territories of Indian Tribes that do not have their own USDA-approved plans. The program provides requirements for maintaining records about the land where hemp is produced, testing the levels of total delta-9 tetrahydrocannabinol, disposing of non-compliant plants, licensing hemp producers, and ensuring compliance under the new program.

DATES:

This rule is effective March 22, 2021.

MODERN USES FOR THE HEMP PLANT

INDUSTRIAL TEXTILES

Twine
Rope
Nets
Canvas
Tarps
Carpets
Agro-fiber
Composites & molded Parts
Brake/Clutch Linings
Caulking

CONSUMER TEXTILES

Apparel
Diapers
Fabrics
Handbags
Denim
Shoes
Fine Fabrics

AGRICULTURAL BENEFITS

Weed Suppression
Less need for pesticides than most crops
Pollen isolation
Soil improvement in crop rotation
Deep roots are natural soil aerators

PAPER

Printing paper
Fine/Speciality paper
Filter paper
Newsprint
Cardboard/Packaging

BUILDING MATERIALS

Fiberboard
Insulation
Fiberglass Substitute
Cement
Stucco & Mortar
Animal bedding
Mulch & Compost
THC
Medicine
Recreation
Sacrament

FOODS

Salad Oil
Margarine
Food Supplements (vitamins)
Cooking Oils

INDUSTRIAL PRODUCTS

Oil Paints
Varnishes
Printing inks
Fuel
Solvents
Lubricants
Putty
Coatings

PERSONAL HYGIENE

Soap
Shampoo
Bath Gels
Cosmetics

FOODS

Granola
Birdseed

Best Fibers

LEAVES

FLOWERS

STALK

SEEDS

HEMP

CELL FLUID



Hempseed Oil

Seed Cake

(whole plant)
Boiler Fuel
Pyrolysis Feedstock

Animal feed
Protein-rich fiber

Abrasive Chemicals

Federal
Regulatory
Agency –
Hemp
Product
Applications

Industrial Hemp Market

PRESCIENT & STRATEGIC
INTELLIGENCE

Where knowledge inspires strategy.



Market Size for 2021
\$4,452.0 Mn

Market Size for 2030
\$60,682.8 Mn



Hemp Fiber
Revenue
Share in 2021

Europe Held Around
35% Share in 2021



GROWTH
DRIVERS

- Surging need for industrial hemp in end-use sectors
- Increasing legalization in the cultivation of industrial hemp



Market Growth Will
Accelerate at a CAGR
(2021–2030)

33.7%

The demand for hemp in the
pharmaceutical industry is projected
to witness the highest CAGR
of around

35%



Ecofibre | Hemp Inc. | HempFlax Group B.V. |
Konoplex Group | Hemp Oil Canada |
HemPoland | Dun Agro Hemp Group |
Colorado Hemp Works | GenCanna |
MH Medical Hemp

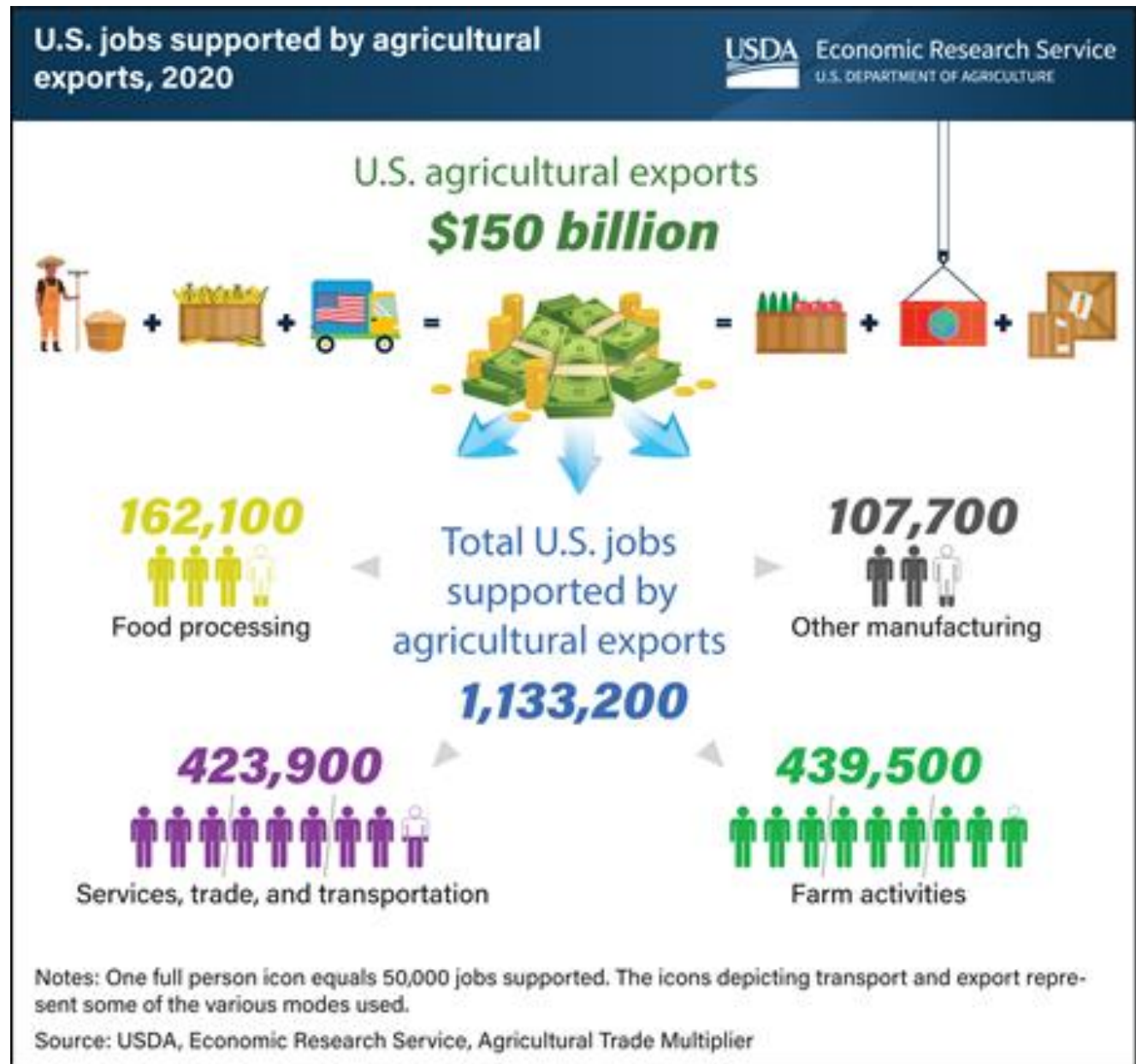
MARKET
PLAYERS



Hemp is increasingly used as a fiber and oilseed for the manufacturing of a wide range of consumer and industrial products all over the world.

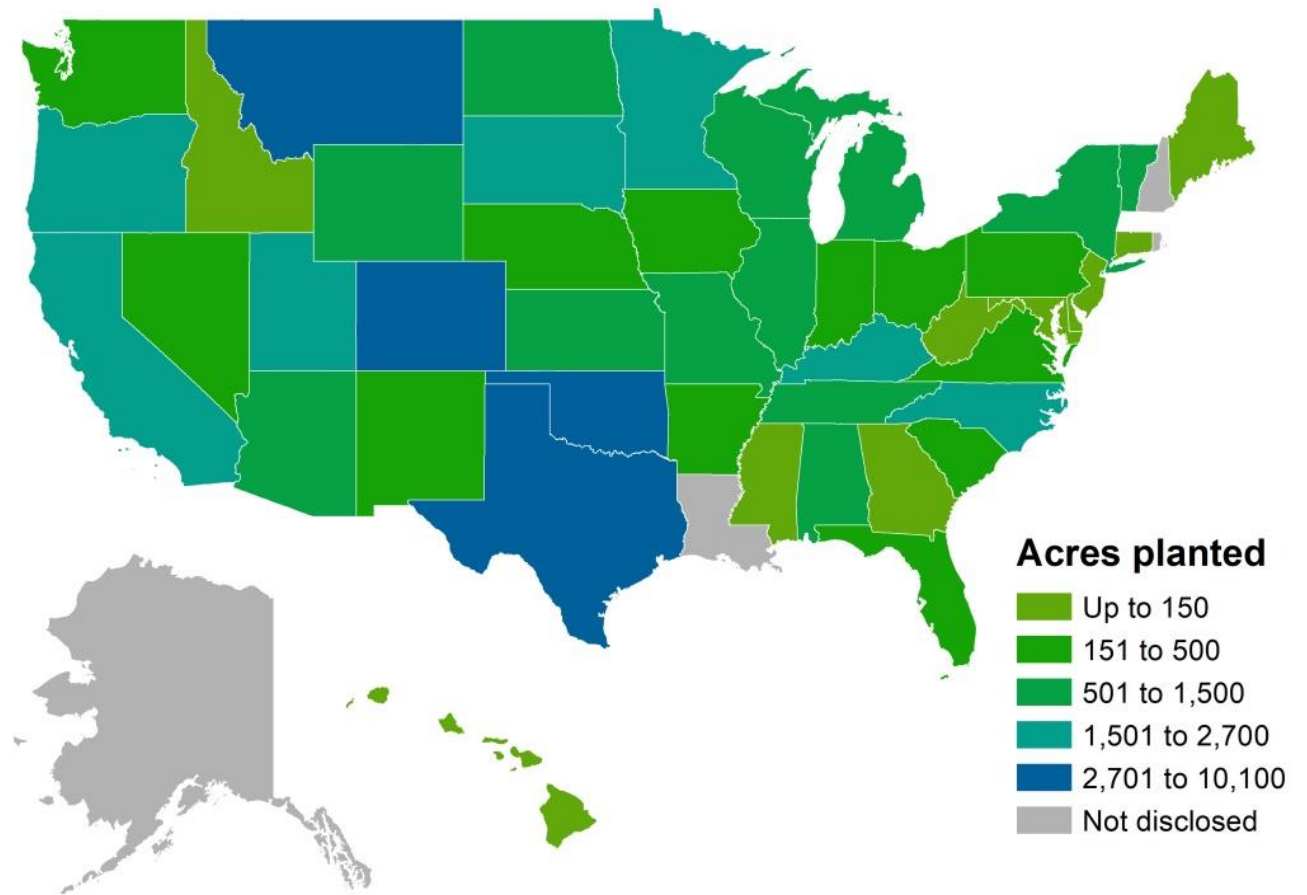
US & Global Hemp Market Opportunity

Federal Regulatory Agency – USDA Agricultural Exporting



Federal
Regulatory
Relationship to
State Regulatory
Adoption –
Hemp Acreage
Planted - 2021

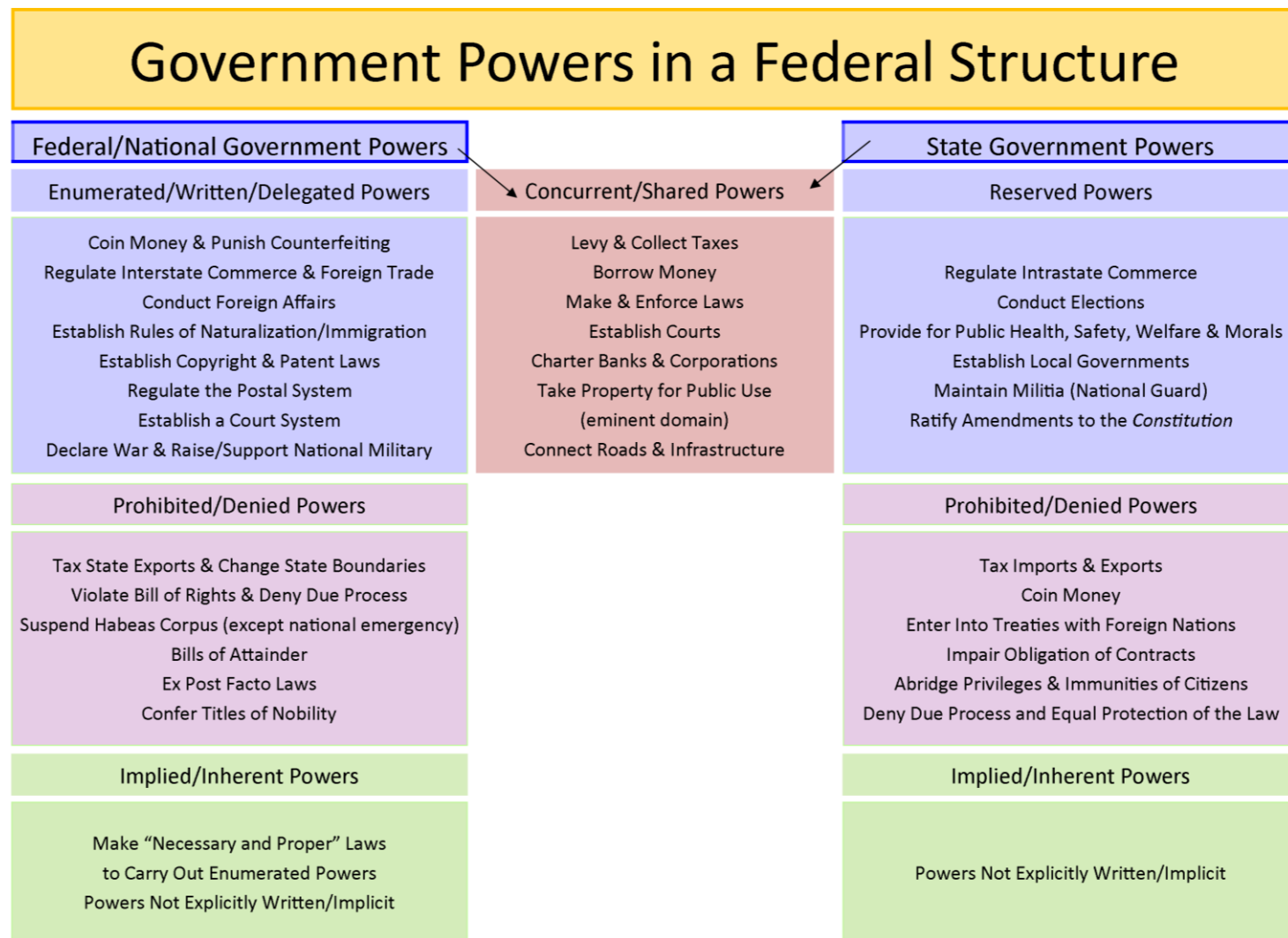
Industrial hemp acreage by state



Source: U.S. Department of Agriculture (2021)

Graphic by Noah Wicks  AgriPulse
Balanced Reporting. Trusted Insights.

Federal Government & State Government Overlap





Status of State and Tribal Hemp Production Plans for USDA Approval

[HOME](#) | [RULES & REGULATIONS](#) | [HEMP PRODUCTION](#) | [STATUS OF STATE AND TRIBAL HEMP PRODUCTION PLANS FOR USDA APPROVAL](#)

This table summarizes the submission and approval status of State and Tribal hemp production plans. Once a plan is formally submitted, USDA has 60 days to approve or disapprove the plan. Once a plan is approved by USDA, it remains in effect unless suspended or revoked by USDA pursuant to the procedures described in the Final Rule, or unless the State or Tribe revises their plan and resubmits it for USDA approval.

Federal Regulatory Relationship to States – Production Plans - Hemp

State Implementation of Federal Statutory Law & Regulatory Rules – State Hemp Statutory Laws

State	Citation	Summary
Pennsylvania	Pa. Cons. Stat. Ann. tit. 3 § 701 to 710 (Purdon 2016)	<ul style="list-style-type: none">■ Allows institutions of higher education or the Department of Agriculture of the commonwealth to research hemp under an industrial hemp pilot program.■ This chapter shall expire if the secretary of agriculture of the Commonwealth determines a federal agency is authorized to regulate hemp.
Rhode Island	R.I. Gen. Laws § 2-26-1 to 2-26-9 (2016)	<ul style="list-style-type: none">■ Establishes a commercial hemp program overseen by the Department of Business Regulation.<ul style="list-style-type: none">○ Allows the Division of Agriculture in the Department of Environmental Management to assist the Department of Business Regulation in regulating hemp.■ Growers must verify they are using certified seeds.■ The department shall authorize institutions of higher education to grow hemp for research purposes.
South Carolina	S.C. Code Ann. § 46-55-10 to 46-55-40 (Law. Co-op 2016)	<ul style="list-style-type: none">■ Allows hemp growth for commercial and research purposes.

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PATH TO HEMP

In Texas

December 2018
CONGRESS PASSES 2018 FARM BILL
LEGALIZING INDUSTRIAL HEMP

December 2018
AG COMM. MILLER CALLS
TO LEGALIZE HEMP

May 2019
TEXAS LEGISLATURE
PASSES H.B. 1325

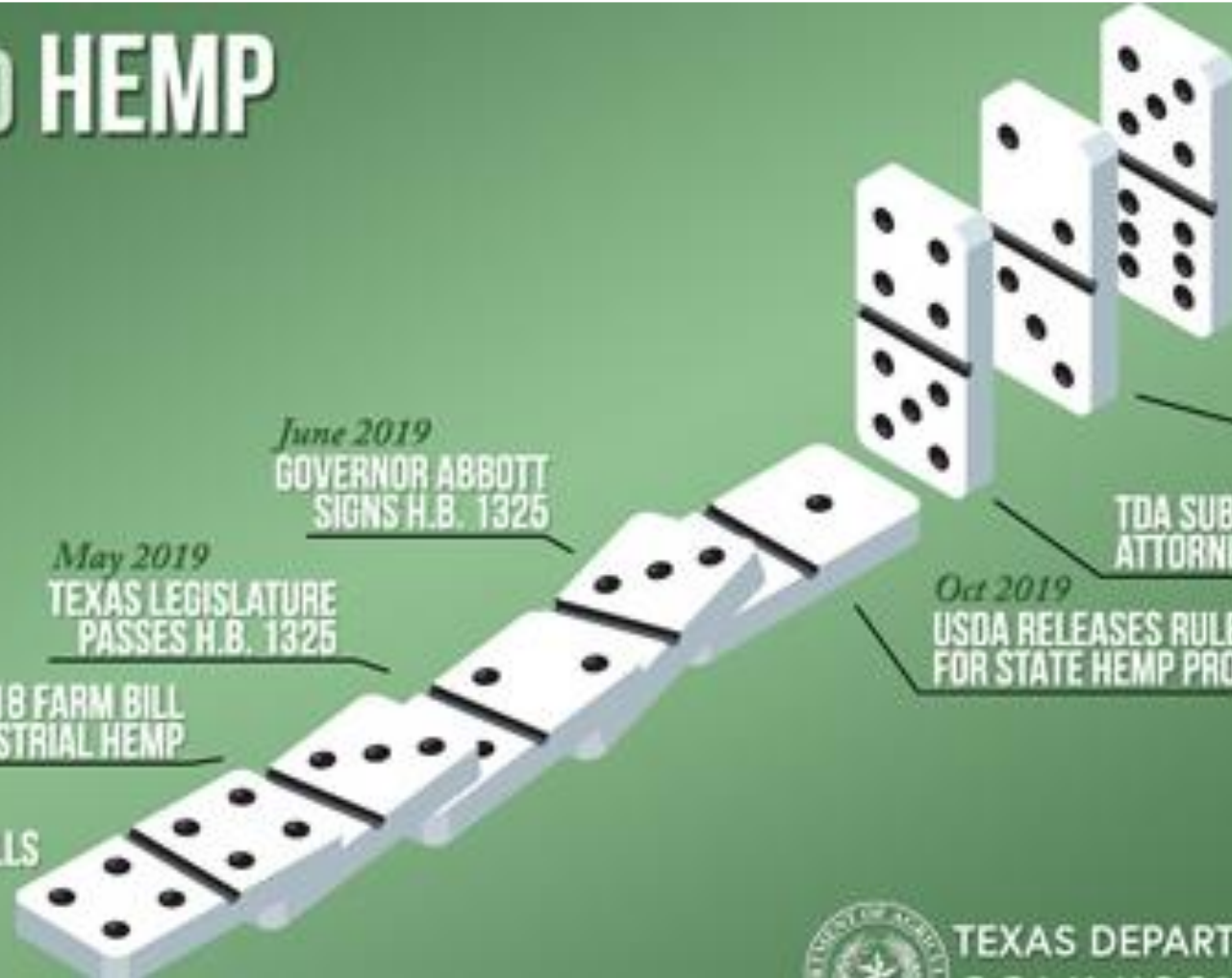
June 2019
GOVERNOR ABBOTT
SIGNS H.B. 1325

Oct 2019
USDA RELEASES RULES
FOR STATE HEMP PROGRAMS

TDA SUBMITS HEMP PLAN TO GOVERNOR,
ATTORNEY GEN & USDA FOR APPROVAL

UPON APPROVAL, TDA CAN
ISSUE GROWERS LICENSES

estimated 2020
INDUSTRIAL HEMP LEGALLY
GROWN IN TEXAS



TEXAS DEPARTMENT OF AGRICULTURE

State Implementation of Federal Statutory Law & Regulatory Rules -
Hemp