

Virginia Fines Hemp Businesses Nearly \$11M for Rule Violations

Virginia Levies \$10.77 Million in Fines on Hemp Businesses for Violations

Virginia authorities have imposed \$10.77 million in fines on nearly 350 businesses across the state for violating regulations on hemp-derived cannabinoid products. The state's Department of Agriculture and Consumer Services reported that out of 424 businesses inspected, 346 were found to be in violation of the new rules, which went into effect on July 1, 2023.

Scope of Violations and Penalties

The inspections, conducted between July 1, 2023, and June 30, 2024, revealed a total of 17,715 violations. Despite the significant fines levied, only \$433,262 of the assessed penalties have been collected to date. The fines were issued to businesses that failed to comply with Virginia's stringent regulations, which limit the THC content in hemp products to 0.3%, with individual products not exceeding 2 milligrams of THC. An exception to this rule allows for a 25-to-1 ratio of CBD to THC, a formulation believed to negate most intoxicating effects for the majority of users.

Regulatory Compliance Challenges

The crackdown on non-compliant businesses highlights the state's rigorous enforcement of its hemp regulations, which also include requirements for child-resistant packaging and specific labeling standards to prevent confusion with non-hemp products. This latest round of fines follows a smaller-scale enforcement action approximately a year ago, during which Virginia issued noncompliance letters with fines ranging from \$13,000 to \$97,500.

Industry Response and Federal Context

Hemp industry advocates have argued that such products are protected under the 2018 Farm Bill, which legalized hemp and hemp-derived products at the federal level, provided they contain no more than 0.3% THC. However, federal authorities have increasingly scrutinized and penalized businesses that sell hemp products with THC levels exceeding this limit, particularly when these products are marketed in ways that could appeal to children, such as packaging that mimics popular snacks and cereals.

Ongoing Regulatory and Enforcement Dynamics

The enforcement actions in Virginia reflect broader concerns about the regulation and sale of hemp-derived products, particularly those containing cannabinoids like Delta-8 THC, which can produce intoxicating effects similar to those of Delta-9 THC found in marijuana. As the legal landscape for hemp and cannabis continues to evolve, both state and federal authorities are likely to maintain strict oversight to ensure

compliance with existing laws and protect public health and safety.

This latest enforcement action underscores the challenges faced by the hemp industry in navigating complex regulatory environments, as well as the ongoing tension between state regulations and federal guidelines regarding hemp and cannabis products.

Email: info@cannabisriskmanager.com | Phone: +415-226-4060

© Copyright 2025 Cannabis Risk Manager. All Rights Reserved