

Texas Hemp Industry Battles Delta-8 Ban as Court Ruling Nears

The Texas Supreme Court's Decision on Delta-8 THC Could Reshape the Entire Hemp Industry in the State

The Texas hemp industry is at a pivotal moment, facing conflicting state policies and awaiting a significant ruling from the Texas Supreme Court that could reshape the future of hemp-derived products in the state. Central to this debate is delta-8 THC, a popular yet controversial cannabinoid, which has prompted a key lawsuit that could determine the industry's trajectory. With the potential for legislative changes on the horizon and the impending update to the U.S. Farm Bill, the court's decision could have far-reaching consequences.

Hometown Hero Challenges Texas Hemp Ban Amid National Debate

The 2021 lawsuit, led by Hometown Hero, a prominent hemp brand, challenges Texas' efforts to ban delta-8 THC. Represented by Cynthia Cabrera, head of the Texas Hemp Business Council, the lawsuit argues that the state's ban is overly broad and could inadvertently restrict a wide range of cannabinoids. "The way that ban's language was written, it includes anything that could contain a trace of delta-8, which would be all cannabinoids," Cabrera explained in an interview with *Green Market Report*.

This legal dispute is not happening in isolation. It mirrors similar struggles in states like California, New Jersey, and Georgia, all of which have recently imposed restrictions on delta-8 THC. Missouri also tried to enforce a complete ban on delta-8, only to backtrack after a lawsuit from the Missouri Hemp Trade Association forced a reconsideration.

Hemp Industry's Economic Impact

While the legal battles continue, the economic stakes for Texas' hemp industry are immense. The state's rapidly growing market includes a range of interests, from major retailers selling hemp-derived products to medical marijuana advocates. Despite regulatory uncertainties, the industry remains a substantial contributor to Texas' economy.

Beau Whitney, an economist who has studied the sector, provided *Green Market Report* with insights into the industry's financial impact. He estimated that the Texas hemp industry contributed an impressive \$8 billion to the state's economy in 2022, with direct sales accounting for \$6 billion. "Contrary to some narratives, the hemp-derived market pays a lot of taxes; it's just not as heavily taxed as marijuana," Whitney explained, underscoring the industry's financial significance.

The broad economic impact highlights how crucial the Supreme Court's decision will be, not only for businesses directly involved in hemp production and sales but also for state tax revenues and job creation.

Texas Hemp Industry Awaits Court Decision

The Texas Supreme Court's decision is expected in early 2025, leaving the industry in a state of uncertainty. In the meantime, a variety of stakeholders are preparing for a drawn-out battle over the future of hemp regulation in Texas. The range of interests includes mainstream retailers, beer distributors, and veterans who rely on hemp products for health reasons.

Cynthia Cabrera, speaking for the Texas Hemp Business Council, expressed concerns about the disproportionate influence of a few large players in the state's tightly controlled medical marijuana market. "There's only three medical marijuana license holders in Texas, and one of them has 70% of the market," she said, highlighting the limited options available to most patients. Cabrera fears that if the delta-8 ban is upheld, consumers may turn to unregulated markets, compromising public safety and weakening the regulated hemp industry.

National Implications and Congress' Role in Hemp Regulation

The Texas hemp industry's legal struggles are occurring against a backdrop of evolving federal policy. Two competing bills currently in Congress could dramatically reshape the national hemp landscape, each proposing different approaches to the regulation of cannabinoids like delta-8 THC.

Senator Ron Wyden (D-OR) introduced the Cannabinoid Safety and Regulation Act, which aims to establish national standards for hemp products while banning synthetic cannabinoids. This bill reflects growing concerns over the safety and purity of hemp-derived products, particularly those manufactured using synthetic processes.

On the other hand, Senator Rand Paul (R-KY) has proposed the HEMP Act, which would raise the permissible THC content in hemp from 0.3% to 1%. This change would ease restrictions on farmers and processors, allowing them greater flexibility in hemp cultivation and production. This bill has been welcomed by some in the industry as a way to relieve pressure on farmers struggling to stay within the current THC limits.

Broader Industry Impact

The outcome of the Texas Supreme Court case and the eventual direction of federal policy will likely have ripple effects across the entire hemp industry. Texas, being one of the largest and most economically significant states, could set a precedent for how other states approach the regulation of delta-8 THC and other hemp-derived cannabinoids. The impending updates to the U.S. Farm Bill and the two competing bills in Congress only add to the uncertainty surrounding the future of the industry.

For now, the Texas hemp industry remains in limbo, awaiting the court's ruling and the potential for a new legislative framework. The decisions made in the next few years could either solidify the industry's standing in Texas or lead to significant disruptions, driving businesses out of the state or into unregulated markets.

As the debate over hemp products like delta-8 THC continues, the Texas Supreme Court's decision could serve as a defining moment for the state and possibly the nation's broader hemp industry, setting the stage for future legal and regulatory battles.

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