

Village Farms Cannabis Selected for Key Rescheduling Hearing

Village Farms International Selected as Sole Cannabis Industry Representative for DEA's Rescheduling Hearing

In a groundbreaking moment for the cannabis industry, **Village Farms International** has announced that it will be the only cannabis operator participating in the **Drug Enforcement Administration's (DEA) Administrative Law Judge (ALJ) hearing** concerning the potential rescheduling of marijuana. This hearing, set for January or February 2025, will examine the proposal to reclassify marijuana from a **Schedule I** to a **Schedule III drug** under the **Controlled Substances Act (CSA)**. Village Farms is one of only 25 organizations selected for the hearing, marking its role as a key advocate in a movement that could reshape cannabis regulation in the United States.

Village Farms: Advocating for Cannabis Reform

As the only cannabis industry operator invited, **Village Farms International** brings a unique perspective to the hearing, grounded in its longstanding experience in controlled environment agriculture and its advocacy for cannabis reform. The company's President and CEO, **Michael DeGiglio**, expressed the importance of the upcoming hearing, stating that Village Farms is proud to stand at the forefront of this historic moment.

"As a U.S.-based company with 35 years of experience in controlled environment agriculture, we are proud to advocate for what we believe is one of the most important movements in health and wellness in our lifetime," DeGiglio said. He further emphasized that the rescheduling of cannabis aligns with the broader global shift toward regulated cannabis, where countries are increasingly adopting policies that prioritize public health over political interests.

The upcoming hearing offers Village Farms an opportunity to share its expertise and vision for the cannabis industry with U.S. policymakers. DeGiglio underscored the need for commonsense reform in the U.S. that reflects the views of the American public, many of whom support the reclassification and regulation of cannabis. "It is long overdue for U.S. policymakers to accept the majority will of the American public and enact commonsense reform that fixes the broken system of criminalization we have today," he added.

The DEA's Proposed Rescheduling: What It Means for the Industry

The DEA's proposal to shift cannabis from **Schedule I** to **Schedule III** could bring significant changes to the cannabis landscape. Currently, as a Schedule I drug, cannabis is classified alongside substances like heroin and LSD, indicating a high potential for abuse and no recognized medical use. This classification severely restricts research and development and imposes significant limitations on how cannabis products can be marketed and sold in the U.S.

If reclassified as a Schedule III drug, cannabis would be grouped with substances such as ketamine and anabolic steroids, which are considered to have a lower potential for abuse and recognized medical applications. This change could reduce regulatory restrictions, facilitate research, and potentially provide economic benefits to the cannabis industry. Additionally, rescheduling could reduce tax burdens on cannabis operators and pave the way for greater access to banking and financial services.

For Village Farms, rescheduling represents an opportunity to push forward with its mission of expanding access to cannabis products within a legal, regulated framework. Village Farms believes that with the DEA's support, this rescheduling effort could signal the start of a new era for cannabis in the U.S., fostering an environment that promotes public health and industry growth.

Village Farms' Representation at the Hearing

Dr. John Harloe, Global Cannabis General Counsel for Village Farms, will serve as the company's representative witness at the rescheduling hearing. Dr. Harloe, along with **Shane Pennington**, an external counsel and partner at **Porter Wright Morris & Arthur, LLP**, will present Village Farms' case to the DEA and offer expert insights into the potential impact of rescheduling.

Dr. Harloe is expected to emphasize the scientific and policy-related benefits of reclassifying cannabis. His background and expertise in cannabis law will enable him to provide an informed perspective on why cannabis deserves a different classification within the Controlled Substances Act.

Pennington, who has an extensive background in administrative law and drug policy, will support Village Farms' case with a comprehensive understanding of federal cannabis law and international drug policy. His work includes publications on the **Single Convention on Narcotic Drugs of 1961** and analyses of how administrative agencies interpret drug policy, positioning him as a formidable advocate for change.

A Historic Moment for U.S. Cannabis Policy

The DEA's rescheduling hearing could be a defining event for the U.S. cannabis industry, as well as for the broader conversation around drug policy reform in the country. The hearing reflects a growing awareness of the potential benefits of cannabis regulation, aligning with trends seen globally as countries move toward adopting more progressive policies.

For Village Farms, participation in this hearing is not only an opportunity to advocate for regulatory change but also a chance to bring its expertise in agriculture and cannabis operations to the national stage. The company has long championed policies that align with public health goals and consumer access to safe, regulated cannabis products.

In his statement, DeGiglio remarked on the positive international shifts toward cannabis regulation and the need for the U.S. to follow suit. Countries such as Canada, Germany, and Australia have already established regulated cannabis markets, providing valuable models for U.S. policymakers to consider.

The Potential Impact of Rescheduling on the Cannabis Industry

Reclassifying cannabis as a Schedule III substance would likely have far-reaching effects on the cannabis industry. This shift would:

Facilitate Scientific Research: The reclassification would make it easier for researchers to study cannabis, potentially leading to new medical applications and a broader understanding of the plant's health benefits.

Provide Financial Relief: Currently, cannabis businesses are subject to Section 280E of the Internal Revenue Code, which prevents them from claiming typical business deductions. Reclassification to Schedule III would remove this restriction, easing tax burdens for cannabis operators.

Enhance Access to Financial Services: If rescheduled, cannabis companies could gain access to banking services and capital markets, a critical step for growth and expansion.

Promote Public Health: A regulated framework for cannabis products ensures that consumers have access to safe, high-quality products, aligning with public health objectives.

For Village Farms, a leading voice in advocating for cannabis policy reform, these changes would support its mission of providing consumers with safe and accessible cannabis products while fostering a legal framework that enables responsible industry growth.

Village Farms' Role in Shaping Cannabis Policy

The invitation to participate in the DEA's rescheduling hearing is a testament to Village Farms' leadership and commitment to advancing cannabis policy reform in the United States. Over its 35 years in controlled environment agriculture, Village Farms has developed a reputation as an industry leader, bringing knowledge and experience that could help inform future cannabis regulations.

DeGiglio's vision for the company's role in cannabis policy is clear. By participating in the hearing, Village Farms seeks to support policies that allow for safe, regulated access to cannabis, addressing both public health and economic growth objectives. The company hopes that the DEA's rescheduling hearing will be a turning point in federal cannabis regulation, moving away from the outdated criminalization approach and toward a framework that aligns with the values of modern U.S. society.

What's Next for Village Farms and the DEA Hearing?

The upcoming DEA rescheduling hearing in early 2025 is anticipated to be a crucial moment for the future of cannabis regulation in the United States. Village Farms will play an instrumental role in these proceedings, drawing on its expertise to support the case for cannabis rescheduling.

As the only cannabis operator selected to participate, Village Farms' presence highlights the importance of industry representation in regulatory decision-making. For advocates and consumers alike, this hearing represents hope for a future where cannabis is no longer subject to the harsh restrictions of Schedule I classification, and instead recognized as a substance with potential benefits and legitimate medical uses.

Village Farms remains committed to its mission and values, and the company's involvement in the rescheduling hearing reaffirms its role as a leader in the push for sensible cannabis policy. If successful, the rescheduling of cannabis could usher in a new era of growth, innovation, and opportunity for the industry—and for consumers across the United States.

About Village Farms International

Village Farms International is a U.S.-based agricultural company with 35 years of experience in controlled environment agriculture. With a focus on responsible cannabis production, Village Farms is committed to providing safe, regulated access to high-quality cannabis products and advocating for progressive industry policies.

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