

# Big Alcohol Wants Temporary Ban On Hemp Derived THC

## Alcohol Industry Sends Conflicting Signals As Congress Weighs a Hemp-Derived THC Crackdown

### Alcohol Industry Split As Congress Debates Recriminalizing Hemp-Derived THC

Amid a fierce fight in Washington, D.C. over whether to recriminalize hemp-derived THC products, federal lawmakers are receiving mixed—and increasingly contradictory—messages from some of the nation’s most influential alcohol industry groups.

On one side, a coalition of alcohol distributors is urging Congress *not* to pursue prohibition. Instead, they want lawmakers to regulate and tax intoxicating hemp products like alcohol.

But just 24 hours earlier, the country’s largest alcohol lobbying organizations sent a starkly different letter: They want Congress to *immediately remove hemp-derived THC products from the marketplace* until strict federal rules are in place.

The conflicting pressure highlights an industry struggling to position itself as hemp-derived THC beverages surge in popularity and disrupt traditional alcohol sales.

### Government Shutdown Drama Could Determine Hemp THC’s Future

Even as the federal government remains in a record-breaking shutdown, congressional staff, lobbyists, and lawmakers are still working behind the scenes on the future of hemp-derived intoxicants.

A growing bloc of Republican lawmakers is pushing to rewrite the federal definition of hemp—a move critics say would effectively ban most hemp-derived THC products, including the booming category of hemp-infused beverages now sold at major retailers nationwide.

Observers warn that hemp-restrictive language could be tucked into the eventual spending bill—a move that would instantly shutter much of the hemp-derived THC market the moment the shutdown ends.

### Alcohol Distributors Back a Regulated Hemp Beverage Market

On Wednesday, more than 50 alcohol distributors from across the country delivered a letter to congressional leadership urging regulation—not prohibition.

The distributors argued that intoxicating hemp beverages should be taxed, regulated, and controlled *just like alcohol*, citing both public safety benefits and economic gains.

They praised the 2018 Farm Bill for opening new opportunities for farmers and beverage manufacturers adapting to rapidly shifting consumer behavior.

“As demand for alcohol has shifted downwards in recent years, hemp products have created jobs, driven new investment, and helped us meet changing consumer demand,” the letter stated.

They also invoked the lessons of alcohol Prohibition nearly a century ago.

“If prohibition is enacted, that demand will not disappear—it will simply move into unregulated channels, undermining both public health, safety and legitimate businesses.”

## **But Major Alcohol Lobbies Want Hemp-Derived THC Removed From Shelves Now**

The distributors’ argument sharply contrasts with another letter lawmakers received one day earlier from some of the most powerful alcohol trade associations in the U.S.

In a Nov. 4 letter, the American Distilled Spirits Alliance, Beer Institute, Distilled Spirits Council of the United States (DISCUS), Wine America, and the Wine Institute called for a swift crackdown.

They aligned themselves with 39 state attorneys general who have urged Congress to “address the proliferation of unregulated intoxicating hemp products.”

Their message to Congress: act *immediately* to remove hemp-derived THC products from the U.S. marketplace until a comprehensive federal regulatory structure exists.

The signatories represent virtually “all the beer, distilled spirits, and wine available in every state”—and include some of the world’s most influential beverage brands. They are also among the highest-spending alcohol lobbyists in Washington.

Their argument hinges on what they describe as exploitation of the 2018 Farm Bill:

“Unfortunately, the ambiguous language contained in the 2018 Farm Bill has been manipulated and exploited by certain actors, fueling the rapid growth of a largely unregulated market that is knowingly and willfully ignoring the FDA’s position that the addition of intoxicating cannabinoids...to food is illegal.”

## **A Growing Policy Clash With Billions at Stake**

The unusual split within Big Alcohol underscores the magnitude of the issue. With the hemp-derived THC market now worth billions and growing both traditional alcohol companies and hemp innovators are racing to shape federal policy.

Whether Congress ultimately bans, restricts, or regulates intoxicating hemp products could reshape two major American industries and determine whether hemp-derived THC beverages become the next mainstream consumer category or the next casualty of federal prohibition.

Email: [info@cannabisriskmanager.com](mailto:info@cannabisriskmanager.com) | Phone: +415-226-4060

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