

Cannabis Operators Move to Halt THCA Sales Ahead of Federal Ban

Cannabis Operators Move Early to Shut Down THCA Competitors as Federal Ban Nears

Hemp Derived THC to Become Illegal Under Federal Law in 2026 but Some Cannabis Operators Are Taking Action Now

Hemp-derived intoxicants such as THCA flower will be prohibited under federal law in late 2026, following President Donald Trump's signing of a sweeping federal spending bill last week. The measure closes one of the most lucrative loopholes in the hemp market by redefining legal hemp and outlawing forms of THC sold outside regulated cannabis systems.

But some state-licensed marijuana operators aren't waiting two years for federal enforcement to begin. Instead, they're using the courts to attack hemp competitors already cutting into their regulated market share.

Missouri Cannabis Companies Sue Local Smoke Shops Over THCA Flower Sales

A coalition of Kansas City cannabis businesses filed a civil lawsuit Nov. 13 in Jackson County Circuit Court, targeting multiple smoke shops and independent retailers accused of selling illegal "THCA flower," the *Kansas City Star* reported.

The suit seeks monetary damages as well as a permanent injunction shutting down the hemp merchants' operations.

According to attorney Chris McHugh, who represents the plaintiffs, the lawsuit highlights the disparity between regulated cannabis businesses and unlicensed sellers who profit from federal ambiguity.

"Licensed dispensaries are following Missouri's rules and regulations — they're paying taxes, paying licensing fees, testing their products, age-gating," McHugh told *The Star*. "Meanwhile, these totally unlicensed Temu versions of dispensaries are making millions by saying what they're selling isn't marijuana."

The group is seeking "tens of millions of dollars" in damages, McHugh said, and more lawsuits are expected in additional Missouri jurisdictions.

Missouri's THCA Crackdown Follows Trade Group Report Claiming Widespread Illicit Sales

The litigation comes shortly after a trade association report from MoCannTrade alleged that 96% of hemp-derived THC products sold in Missouri are, in fact, illegal marijuana.

According to licensed operators, hemp retailers are using wording from the 2018 Farm Bill to justify selling intoxicating products outside Missouri's highly regulated cannabis market — bypassing testing, age verification, and tax obligations.

Missouri's regulated cannabis market remains one of the strongest in the country, reporting \$1.5 billion in legal sales in 2024, outperforming much larger states like New York. Still, licensed operators warn that unregulated hemp THC products are siphoning off customers and destabilizing the market.

Federal Redefinition of Hemp Will Close the THCA Loophole Nationwide

The federal spending bill passed last week represents the most significant national shift in hemp policy since 2018. The new language narrows the legal definition of hemp to include only cannabis plants and derivatives containing no more than 0.3% total THC — including THCA — on a dry weight basis.

This explicitly bans THCA flower, which converts to THC when heated and has become a widespread product sold in gas stations, online retailers, and smoke shops.

In addition to THCA, the revised definition removes protections for many popular hemp-derived cannabinoids, including:

- HHC, which cannot be naturally produced by the plant
- THC-P, which regulators classify as a synthesized cannabinoid

The impact could be seismic. The hemp-derived cannabinoid industry is valued at \$28.3 billion, with THCA flower alone estimated to be worth hundreds of millions annually.

Enforcement of the Federal Ban Remains Unclear as States Chart Their Own Paths

Despite the federal shift, it is uncertain how enforcement will unfold.

Key questions include:

- Will the DEA or FDA take the lead in cracking down on hemp THC?
- Will states that already regulate hemp intoxicants choose to ignore the new federal standard?
- Will unregulated online THCA sellers fall under immediate federal scrutiny?

Some states — such as Colorado and Oregon already regulate hemp intoxicants strictly, while others like Texas allow widespread sales.

Until enforcement begins, lawsuits like those emerging in Missouri may become the primary weapon for licensed cannabis operators fighting to protect their markets.

A Nationwide Market on the Brink of Transformation

With hemp-derived THC products set to become illegal federally and regulated cannabis operators accelerating legal action, the THCA flower market faces an uncertain future.

The success of Missouri's lawsuits could serve as a template for similar challenges in other states, while the looming federal ban intensifies industry tensions.

What's clear is that the lines between hemp and marijuana blurred for years are about to be redrawn. Whether the courts or federal regulators enforce them first remains to be seen.

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