

# Hemp Is Legal So Why Is This Growing Industry Under Attack?

## Congress's Quiet Policy Shift Threatens a Thriving Hemp Industry and Could Cost 300,000 Jobs

### *A Last Minute Legislative Maneuver With Massive Economic Consequences*

Congress just executed one of the most sweeping and arguably most shortsighted federal cannabis actions in years. By inserting a major policy overhaul into a budget deal and framing it as a “public safety” measure, lawmakers effectively moved to eliminate an entire national industry without hearings, debate or public input.

If this change stands, it could destroy a \$28+ billion market, erase roughly 300,000 American jobs and shut down what has become one of the most promising pathways toward safe, sensible and regulated cannabis access nationwide.

It is, as advocates argue, a dramatic example of the federal government “burning down a house to kill a spider.”

Polling underscores this disconnect: Only 1 in 10 Americans believe marijuana should be illegal. Yet Congress just advanced a measure that, in practice, bans most hemp-derived cannabinoid products altogether.

## The Straw Man Argument: Painting Hemp as an “Unregulated Threat”

Lawmakers backing the ban claim that intoxicating hemp derivatives—like delta-8 THC—represent a public health threat. They argue such products are sold to minors, poorly tested and made possible only by a “loophole” in the 2018 Farm Bill.

But while issues with unregulated products do exist in pockets of the market, these concerns represent regulation problems not justification for a national prohibition.

Every emerging industry faces bad actors. Legitimate policy would address those actors with clear rules:

- Maximum potency limits
- Mandatory lab testing
- Packaging standards
- Age verification
- Enforcement mechanisms

Instead of creating a regulatory framework, Congress opted for elimination.

And leading the charge is Sen. Mitch McConnell (R-KY), who championed the 2018 Farm Bill and now describes the hemp market it created as “gas station cannabis.” His solution: not oversight, but eradication.

## **The 2018 Farm Bill Created a National Market And Businesses Built Around It**

The 2018 Farm Bill did not accidentally legalize hemp-derived cannabinoids. It explicitly legalized hemp and its derivatives, creating a pathway for:

- Manufacturers
- Retailers
- Farmers
- Processors
- Financial partners

Hundreds of millions have since been invested into compliant, taxpaying, regulated businesses. The sector supports hundreds of thousands of workers and has given farmers a valuable alternative crop during periods of falling demand for corn, soy and tobacco.

The newly added provisions, however, would impose an impossibly low threshold of 0.4 mg total THC per container which industry analysts say would eliminate at least 95% of hemp-derived products on shelves today.

And all of this occurred with no hearings, no expert testimony and no public comment.

## **History Shows Prohibition Doesn't Eliminate Demand, It Eliminates Safety**

If Congress's goal was to increase public safety, experts say the outcome will do the opposite. Eliminating regulated markets has historically driven consumers toward:

- Unregulated sellers
- Untested products
- Higher-risk formulations
- Black market distribution channels

The result? Reduced safety, reduced oversight and reduced tax revenue.

The legal cannabis market, already hamstrung by federal prohibition, offers a cautionary tale. While regulated cannabis sales totaled \$35 billion last year, the illicit market is estimated to exceed \$100 billion. Prohibition didn't eliminate demand—it multiplied unregulated supply.

The hemp industry now faces the same fate.

## **A Misguided Fix, Not a Coordinated National Strategy**

Some industry leaders fear the hemp ban is a sign that federal cannabis legalization is slipping further from reach. But analysts say this is not part of a coordinated crackdown—it's simply bad policymaking, rushed through the appropriations process.

The cannabis sector's maturity, they argue, depends on its ability to distinguish between:

- Good policy
- Bad policy
- Bad political process

This is firmly the latter.

## **Other Regulated Industries Provide a Clear Blueprint**

Alcohol is regulated.

Tobacco is regulated.

Caffeine is regulated.

Cannabis itself is regulated at the state level.

The hemp sector is asking for the same thing—not a free pass, but clear, enforceable, scientifically informed standards.

A responsible federal framework could include:

- Potency caps
- Mandatory third-party lab testing
- Licensing requirements
- Age restrictions
- Packaging and labeling rules
- Enforcement authority for regulators

Instead, Congress inserted a dramatic policy reversal into fine print of a budget bill that very few lawmakers even had time to read in full.

## **Eliminating Hemp Would Remove Revenue, Jobs and Oversight**

If the ban takes effect, experts warn:

- 300,000+ workers could lose their jobs
- Billions in tax revenue would disappear
- \$28–\$30 billion would be stripped from the U.S. economy
- Farmers would lose profitable, legal crops
- Consumers would lose access to regulated, tested options
- Illicit channels would fill the void especially for minors

In other words: the ban doesn't protect consumers; it punishes responsible businesses and rewards the black market.

## **Congress's Approach Creates a Bigger Problem Than the One It Claims to Solve**

If lawmakers are serious about protecting children, supporting farmers and ensuring consumer safety, they must take the same path used for every other regulated industry: transparent, science-backed, public policymaking.

Hold hearings.

Invite experts.

Engage regulators.

Work with the industry.

Fix, don't destroy.

Right now, Congress has created a problem far larger than the one it claims to be addressing.

As industry leaders warn:

We can have regulation, safety and a thriving legal market.

We just can't get there by banning hemp entirely.

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