

Hemp Companies Say Ohio Governor's Bill Threatens Their Survival

Ohio Hemp Industry Faces Potential Shutdown as Senate Bill 56 Heads to Governor's Desk

Ohioans in the intoxicating hemp industry are sounding alarms over Senate Bill 56, which has passed the Ohio Senate and now awaits Governor Mike DeWine's (R) signature. Industry leaders warn that the legislation could put many hemp businesses out of operation as early as March if signed into law.

The bill aligns with recent federal measures by banning intoxicating hemp products from being sold outside licensed marijuana dispensaries, a move critics argue will upend the livelihoods of thousands of business owners, employees, and families statewide.

Hemp Entrepreneurs Fear Job Losses and Business Closures Across Ohio

Ahmad Khalil, co-owner of Hippie Hut Smoke Shop with locations in Ohio and Washington, told reporters, "This bill is going to put businesses like me and families like me out of business. Overnight, we're going to see tens of thousands of people directly impacted, which will ripple effect into 50,000 families that are also dependent on this person."

Khalil, a nine-year veteran of the hemp industry, described the bill as a devastating blow to his "American dream."

Jason Friedman, owner of Ohio CBD Guy in Cincinnati, expressed similar frustrations, noting that he may be forced to close his East Walnut Hills location, reducing employee hours and potentially resulting in job losses. Friedman advocates for regulations rather than outright bans, including age-gating, testing requirements, and packaging restrictions, arguing that the federal government's prohibition changes make little sense in light of marijuana's longstanding illegality.

Wholesale Hemp Suppliers Warn of Economic Ripple Effects

Mark Fashion, president of Midwest Analytical Solutions, a Delaware, Ohio-based hemp product wholesaler, said the legislation could endanger hundreds of businesses statewide. Fashion supplies more than 500 stores selling intoxicating hemp products and described the bill as "despicable" for creating market uncertainty and slowing business growth.

Fashion also questioned the bill's impact on children, advocating instead for a 21-and-over age restriction, and warned that legal challenges are likely if the bill becomes law.

Kim Bryant, a salesperson at Your CBD Store Marion, emphasized the importance of these products for consumers managing anxiety, sleep issues, and chronic pain. She expressed concern that older customers—typically around 50 years old—may not migrate to marijuana dispensaries if intoxicating hemp is banned.

Senate Bill 56 Also Imposes New Restrictions on Ohio Marijuana Laws

In addition to banning intoxicating hemp products, S.B. 56 reduces THC levels in adult-use marijuana extracts from 90 percent to 70 percent, caps flower THC content at 35 percent, and prohibits smoking in most public areas.

The bill also restricts transportation of marijuana: consumers must keep it in its original packaging, and drivers must store it in their trunks. Interstate possession of marijuana is explicitly criminalized, making Ohio unique among legal cannabis states.

Morgan Fox, political director at NORML, criticized the bill as a “re-criminalization” effort undermining civil protections for consumers and creating confusing compliance obligations. Fox compared Ohio’s rules to those in other states, noting that laws in places like California, Colorado, and Washington emphasize sealed packaging and trunk transport but do not criminalize possession of out-of-state cannabis.

Recreational Marijuana Legalization in Ohio Is Already Generating Revenue

Ohio voters legalized recreational marijuana in 2023 with 57 percent approval, and the first year of sales, beginning in August 2024, has already exceeded \$702.5 million. S.B. 56 proposes allocating 36 percent of adult-use marijuana sale revenue to municipalities with recreational dispensaries, an effort praised by the Ohio Cannabis Coalition and OHCANN Executive Director David Bowling as a measure to benefit local communities.

However, hemp entrepreneurs argue the bill disproportionately targets small businesses, stifling competition and innovation while leaving enforcement and compliance challenges unclear.

Industry Experts Advise Hemp Businesses to Plan for Risk Amid Regulatory Uncertainty

As Ohio hemp businesses face a rapidly changing legal landscape, experts recommend proactive risk management strategies. Companies should consider operational adjustments, legal consultation, and insurance coverage to protect employees, assets, and supply chains.

[Cannabis Risk Manager](#) provide guidance for compliance, regulatory risk, and business continuity planning in the cannabis and hemp sectors, helping entrepreneurs navigate complex and evolving legislation like S.B. 56.

Future Outlook for Ohio Hemp Companies Remains Uncertain

While the bill allows five-milligram THC beverages to be sold until December 31, 2026, the broader ban on intoxicating hemp products threatens thousands of jobs and small business operations. Entrepreneurs like

Khalil, Friedman, and Fashian remain vocal about the negative consequences, emphasizing that regulatory frameworks, rather than outright prohibitions, would better balance consumer safety, market stability, and economic growth.

As Ohio approaches the potential enactment of S.B. 56, stakeholders across the hemp and cannabis sectors continue to monitor developments, advocate for reform, and explore strategic pivots to sustain their businesses in a rapidly shifting regulatory environment.

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