

# Hemp Businesses in Virginia Weigh Pivot Ahead of Federal Ban

## Richmond-Based Bingo Beer Enters Hemp-Derived THC Market With THC Seltzers Amid Growing National Trend

Richmond-based Bingo Beer officially joined the rapidly expanding market for hemp-derived THC products earlier this year, launching a line of THC seltzers aimed at consumers looking for alternatives to alcohol.

The nonalcoholic beverage category has been gaining momentum nationwide, appealing to Americans who want to reduce or eliminate alcohol consumption. A recent Gallup poll found that just 54 percent of Americans report drinking alcohol, reflecting a gradual decline in beer and other alcoholic beverage sales.

Bingo Beer co-owner Jay Bayer told the *Mercury* earlier this year that THC seltzers represent a “big and growing segment of the economy.” He emphasized that offering hemp-derived products has provided a lifeline for alcohol beverage companies, allowing them to adapt to changing consumer preferences while maintaining revenue streams.

## Federal Ban Looming: Hemp-Derived THC Products Could Face Abrupt Halt by November 2025

Despite the recent growth, hemp-based THC products could see a sudden industry-wide disruption. Last-minute language in a government spending bill, passed as part of efforts to end the most recent government shutdown, effectively bans most hemp-derived THC products, potentially taking effect by November of next year.

Industry analysts warn that the ban could have a significant impact on companies like Bingo Beer, which rely on hemp-derived THC as a primary product line. Bayer expressed skepticism about the ban’s effectiveness: “I don’t think the solution is to put the genie back in the bottle,” he said, underscoring the popularity of these products among consumers.

## For Cannabis-Adjacent Companies, Offering THC Products Has Been a Vital Survival Strategy

Bayer described THC seltzers as a strategic pivot that helped Bingo Beer survive in an evolving marketplace. He explained that the product line meets consumers’ needs while supporting business continuity amid declining alcohol consumption.

Looking ahead, Bayer sees potential opportunities in Virginia’s emerging legal cannabis market. “If we were to switch over to THC from marijuana, consumers would come over with us,” he said, signaling that

companies with existing THC experience may have a competitive edge in the forthcoming state-regulated market.

## **Hemp Businesses Nationwide Scramble to Assess Risks and Explore Contingency Plans**

The looming federal ban has left hemp businesses across the U.S. reevaluating operations and pivot strategies. In North Carolina, hemp entrepreneurs are preparing for potential legal challenges to protect their businesses, particularly in states where cannabis remains illegal.

Dana Burham, co-owner of Otherside Hemp, told NC Newsline last month, “We can’t really pivot,” reflecting the uncertainty facing companies heavily invested in hemp-derived THC products in states without legal cannabis frameworks.

## **Virginia Hemp Companies in a “Privileged” Position With Diversified Operations and Emerging Cannabis Market**

Virginia hemp businesses may have more options than counterparts in other states. Tanner Johnson, co-owner of Pure Shenandoah, described Virginia as being in a “privileged” position, with access to both industrial hemp applications and a forthcoming legal cannabis market.

Pure Shenandoah has a diversified portfolio, from contracts studying hempcrete with the U.S. Air Force to supplying Bingo Beer’s THC seltzers. Johnson suggested that while the federal ban “pulls the rug” out from under the national hemp industry, Virginia-based businesses may have greater flexibility to pivot or transition into cannabis rather than shuttering operations.

## **Industry Experts Highlight the Challenge of Transitioning Amid Conflicting Federal and State Policies**

The passage of the federal hemp provision in 2018 laid the groundwork for the industry, but Johnson described the new spending bill language as a major disruption. Cannabis-adjacent businesses are now forced to balance compliance with federal restrictions while preparing for Virginia’s legal cannabis regulations.

Johnson also serves as a representative of the Virginia Cannabis Association, advising lawmakers on policy development. He emphasized that businesses with diversified portfolios and experience in THC products may be uniquely positioned to navigate this transition successfully.

## **Virginia’s Emerging Legal Cannabis Market Offers Potential Lifeline for Hemp-Derived THC Producers**

Despite the federal ban, Virginia presents a unique opportunity for hemp-derived THC producers to leverage their expertise in the state’s emerging cannabis market. Companies like Bingo Beer may be able to transition products, consumer bases, and operational knowledge into a regulated THC environment.

Johnson described the situation as “threading a needle,” where the federal hemp market faces closure just as a state-regulated cannabis market opens, providing potential continuity for businesses that can pivot efficiently.

# Uncertain Future for Hemp Businesses Nationwide While Virginia Prepares Regulatory Framework

While hemp entrepreneurs across the country face an uncertain outlook, Virginia's regulated market and policy engagement provide a pathway for adaptation. Bayer and other business owners are monitoring federal developments closely, but see Virginia's cannabis market as a potential buffer against nationwide disruption.

For Richmond-based Bingo Beer and other THC producers, success may depend on strategic pivots, regulatory alignment, and leveraging consumer loyalty to ensure survival and growth in an increasingly complex legal landscape.

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