

The Battle of Botanicals: Hemp vs. Cannabis

In an industrial neighborhood of Indianapolis, Justin Jounay, the CEO of 3Chi, oversees a warehouse filled with hemp-derived cannabis products, despite marijuana's illegal status in the state.

Cannabis 42.0: Hemp's Legalization

With the passage of the Agricultural Improvement Act in 2018, hemp and its derivatives became federally legal, opening the door to a booming industry.

Navigating Legal Gray Areas

Despite being derived from hemp, which is legal at the federal level, the legality of THC-containing products remains uncertain due to conflicting regulations and interpretations.

The Market Boom

Hemp-derived products have surged in popularity, outpacing the sales of state-regulated marijuana products, reaching \$28 billion in sales compared to \$26 billion for legal marijuana products.

The "Civil War" Within the Cannabis Industry

Tensions between hemp and marijuana sectors are escalating, with some lobbying for the outlawing of hemp products due to regulatory disparities and perceived threats to the marijuana market.

Legal Ambiguity and Regulatory Challenges

While federal law allows for hemp-derived cannabinoids, such as THC, some states have banned these products, contributing to a legal gray area and market uncertainty.

The Red State Weed Phenomenon

Products like those from 3Chi, thriving in states where marijuana remains illegal, have been dubbed "Red State Weed," highlighting the legal and political complexities of the industry.

Industry Responses and Adaptations

Despite challenges, companies like 3Chi continue to grow rapidly, while others, including major players like Kiva, are expanding into the hemp market to navigate regulatory hurdles and access new markets.

With ongoing regulatory debates and market shifts, the hemp industry faces both opportunities and challenges as it continues to evolve and expand.