



Industrial Hemp Act of 2023

Bill Summary
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S. 980
H.R. 3755

Why are the current regulations problematic?

- Unreasonable financial burden and risk to farmers
- Unnecessary burden on departments of agriculture
- Additional costs hinder industrial hemp's ability to compete with other commodity crops
- Confusion with industries including banking, transportation, insurance, and advertising
- Long-standing exemption for harvested hemp stalk and grain under the Controlled Substances Act is ignored

What is the solution?

A separation through the definition and regulation of industrial hemp from cannabinoid or floral hemp.

These crops are easily differentiated through a visual inspection.

Industrial Hemp Act (IHA) Framework

Maintain the current regulatory framework for cannabinoid hemp production with the following updated framework for Industrial Hemp grain and fiber:

- Creates **new sub-definition for Industrial Hemp**-harvested material is ONLY grain and/or stalk & fiber.
- Maintains **2018 Farm Bill licensing requirements including FSA reporting and GPS coordinates**. Adds a requirement for **farmers to designate the type of production with a signed declaration**.
- Farmers who designate industrial production **must pass a visual inspection verifying the crop production is consistent with a designation for industrial hemp grain, fiber, or stalk**.
- No background check required.
- If questions arise regarding the type or intent of cultivation, **regulators can require a harvest inspection or documentation** such as seed receipts or manufacturing contracts to verify intent.
- **Reserves authority to conduct THC testing**.
- **Strong enforcement for any non-compliance, including ineligibility to participate in the program for 5 years. Jurisdictions maintain discretion on the severity of any civil and/or criminal penalties.**

IHA rigorous compliance standards & visual inspections will prevent illegal marijuana cultivation under program

- **Agronomic differences clearly distinguish** industrial grain and fiber crops from cannabinoid crops:
 - Cannabinoid crops focus production on female flowers and wide spacing (1,500-2,000 plants/acre). (Male plants avoided in flower crops to eliminate production of seeds which reduces value of crop.)
 - Industrial crops have presence of both male and female plants and high planting density (400,000-600,000 plants/acre).
- **Mandatory inspections are a proven deterrent** of illicit conduct.
- Enforcement framework **maintains authority for THC chemical tests**.

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