LET'S TALK ABOUT HEMP

December 19, 2018

By: Colin M. Roopnarine

Why are we talking about hemp? Last week, in passing the 2018 Farm Bill, Congress approved the Bill that essentially legalizes the commercial cultivation of hemp in the United States and has removed hemp from the federal controlled substances list. President Trump is set to sign the Farm Bill within the upcoming coming days or weeks

What is hemp? Hemp is a variety of the cannabis plant that contains negligible amounts of THC, the chemical that causes hallucinogenic and other drug related effects when consumed in any form. In other words, it would be very difficult, if at all possible, to "get high" off hemp. Hemp is a very fibrous plant that needs little care in the way of water or fertilizers to grow, and while it does not contain elevated levels of THC, it does contain higher levels of cannabidiol, which is currently produced and tested for consumer use. CBD oil has been used by many people who tout its efficacy in soothing a number of symptoms of ailments for both themselves and also for domestic pets, and include inflammation, allergies and healing skin lesions. None of these uses have been approved by the FDA, however, nor can a company advertise that this is the case with their CBD oil.

What can it be used for? Besides its production of cannabidiol, hemp fibers can be used for the production of rope, clothing, cosmetics, paper, food products, textiles and biofuels. The possibilities are seemingly endless, and the more research being conducted the more uses are being discovered for hemp. In fact, hemp is being used in some countries to create thermal insulation building materials and even fiber board. Thomas Jefferson once wrote that, "Hemp is of first necessity to the wealth and protection of the country."

What does hemp mean for Florida? Currently, Florida operates under legislation that allows for field studies that are being or will be conducted by Florida A&M University and the University of Florida. The practical application of the Farm Bill however could see the rise of hemp production nationwide and in Florida as an alternative crop or a rotation crop (in Kentucky, hemp is being used to replace tobacco farming as it is no longer economically viable to grow tobacco). This crop rotation allows for soils bereft of nutrients to nutrify while the farm produces a cash crop rather than have the fields lie fallow. With the many issues facing Florida's agriculture today, it would behoove the state to increase its focus and expand its willingness to allow hemp production and become an innovator and leader in the soon to be booming hemp industry nationwide. The economic benefits and the reduced environmental impact of a crop that requires minimal water resources and harsh fertilizers cannot be overstated. With Nikki Fried's commitment as Florida's new Agricultural Commissioner, and a willing legislature, Florida could and should become a leader in the expanding hemp industry. In addition, the banking industry should be more focused on this as a boost to the banking business as the deregulation of hemp now removes "hemp banking" from a high risk industry due to former federal regulation, to a more conventional industry that is not reliant on large amounts of cash transactions, and one that will no longer (for all intents and purposes) be targeted by the federal government as being "state legal," but not legal federally. The specter of fear has been removed and Florida should be poised to seize this opportunity both for the banking community and the future of Florida agriculture.

For more information on this topic, please contact the author, Colin Roopnarine, on our Government and Regulatory Team.

Related Practices

Related Practice Teams

Government and Regulatory

Related Team Member(s)

Colin M. Roopnarine

Topics

Administrative Law

Medical Marijuana