

Marijuana's Reclassification Affect On Hemp Industry

With the reclassification of marijuana, Leafy8 discusses the possible implications facing the hemp industry.

ORLANDO, FL, UNITED STATES, May 8, 2024 /EINPresswire.com/ -- On April 30th, 2024, The DEA announced they were reclassifying marijuana from Schedule I to Schedule III. We had heard about this early this year when Matthew Zorn, a Texan lawyer, published a document from the DEA discussing this reclassification.

This news has stirred discussions across various sectors, including the hemp industry. This shift holds potential implications for businesses involved in the production, distribution, and sale of THC derived from hemp. In this article, we delve into the specific impacts of this reclassification on the hemp-derived THC sector.

Understanding the DEA
Reclassification

Marijuana was previously classified as a Schedule 1 Drug, putting it in the same category as heroin and LSD. This article clarifies that when it uses the term "marijuana," it refers to all parts of the cannabis sativa plant. In recent months, Scientists from the U.S. Food and Drug



How will the Reclassification of Marijuana affect the hemp industry?



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Administration have stated in recently released documents that marijuana “has a potential for abuse less than the drugs or other substances in Schedules I and II” and should be reclassified as a Schedule III. This document also revealed evidence backing it as a medical treatment.

According to the Alcohol Policy Information System, Marijuana has been a Schedule I Drug since the Controlled Substances Act of 1970. In the years after that legislation, 11 states moved to decriminalize cannabis possession. As many following the Cannabis Rights movement know, the cause has only recently begun to move.

This reclassification didn't come as a surprise to those following marijuana news. In August of 2023, HHS Assistant Secretary for Health Adm. Rachel Levine wrote a 252-page letter to the Drug Enforcement Administration. In this letter, she states her support for the reclassification to Schedule III.

For reference, the Schedule III category is for “drugs with a moderate to low potential for physical and psychological dependence”. This category includes ketamine, testosterone, and Tylenol with codeine. A doctor can prescribe all these substances.

This reclassification brings about several potential changes to the marijuana landscape. Rescheduling marijuana has several benefits. This includes easing federal restrictions, allowing stability for those involved with marijuana, more leniency on marijuana-related offenses, and general growth in industry legitimacy.

Regulatory Changes for Hemp-Derived THC

In 2018, The Farm Bill removed Hemp from the controlled substance list and allowed products below 0.3% THC were allowed to be produced and sold across the United States. From there, It was left up to the states to decide on the legal status of hemp-derived goods. This has led to an ambiguous nature surrounding these kinds of products as it vary from state to state.

As of this release, Hemp's regulation hasn't changed and it hasn't even been mentioned. It is unclear how this reclassification will affect the hemp industry.

A common trend with the legalization of marijuana in a state is the banning or heavy regulation of [Delta-8](#) THC and other cannabinoids. For example, the first state to legalize marijuana was Colorado in 2014. At the time, Delta-8 was still legal, as it was very new to the retail landscape at this point. However, in 2021, Colorado deemed Delta-8 a controlled substance and banned the substance. They stated, “chemically modifying or converting any naturally occurring cannabinoids from industrial hemp is non-compliant with the statutory definition of ‘industrial hemp product.’” In basic terms, their government finds it dangerous due to chemical synthesis being involved. For reference, many products, like the Impossible Burger and vegan cheese, are made from chemical synthesis.

Other states such as Oregon and New York have followed suit. All these states legalized marijuana and then subsequently banned Delta-8 later down the road. This trend could be influenced by market competition. In 2022, Adult-Use Cannabis generated \$12,852,000 in [tax revenue](#) for the entire year, and in 2022-2023, after the illegalization of Delta-8, the industry generated \$15,939,000 in tax revenue in just 6 months. While numerous factors play into this difference in revenue, the illegalization of hemp-derived cannabinoids significantly impacts this number.

Though this has no direct impact on hemp's future, it sets a worrisome precedent now that the reclassification has brought the opportunity for legalization closer.

Stigma around Hemp-Derived Products

Not only is the legal status of Delta-8 potentially being questioned, but this reclassification could also affect how hemp-derived products are viewed. Despite the growing acceptance of cannabis products for medicinal and recreational use, the stigma has begun to grow with products using Delta-8 and Delta-9. Consumers may become wary of hemp-derived THC products, fearing legal repercussions or questioning their safety and efficacy. This shift in perception could lead to decreased demand and sales, impacting businesses across the US.

Delta-8's Importance to Consumers

All this is to say, the reclassification of marijuana is a step in the direction of legalization and decriminalization. However, certain implications have business owners and consumers worried.

If more states were to ban Delta-8 for the legalization of Marijuana, there would be detrimental effects on business owners, employees, and consumers. Many consumers find marijuana or Delta-9 to be too intense or abrasive and prefer the mildness of Delta-8. These people use Delta-8 for pain management, stress relief, and anxiety relief.* Not having access to Delta-8 could lead these people to more harmful, but legal substances such as nicotine and alcohol.

Conclusion

With Marijuana being reclassified, there is potential for less stigma, legalization, and lesser criminal prosecution. However, this change may carry some significant implications for the hemp-derived THC industry. With the clear trend between legalization and banning of hemp-derived products and the rising stigma of hemp-derived products, the hemp industry is left unsure of what this will mean for them. While the full extent of these impacts may unfold gradually, consumers and businesses must remain adaptable and informed to navigate the evolving landscape effectively. By staying attuned to regulatory changes, market trends, and consumer preferences, businesses can position themselves to thrive amidst shifting dynamics in the hemp industry.

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