



Canna BizVA

Cannabis Business Association of Virginia Leading the Way for Virginia's Cannabis Industries 2020 General Assembly Recap

CannaBizVA was established in May 2019 to advocate for the expansion of Virginia's regulated cannabis industries, including industrial hemp and pharmaceutical marijuana. With this mission in mind, the CannaBizVA Board adopted the following goals for its inaugural General Assembly session:

- Introduce CannaBizVA and its mission to the General Assembly, the Northam Administration, and its regulatory agencies, namely the Virginia Department of Agriculture and Consumer Services (VDACS) and the Virginia Board of Pharmacy (BOP);
- Promote commerce and business opportunities within Virginia's regulated markets
- Protect consumers without placing undue burdens on Virginia businesses.

Across the board, CannaBizVA found success (see below). The association also seized additional opportunities to promote Virginia's cannabis industries, stymie legislation threatening our growers, and team with long-standing agribusiness groups to further CannaBizVA's realm of influence.

Introducing CannaBizVA to the Commonwealth

The December 5, 2019 CannaBizVA Legislative Summit played host to two legislators (Del. Steve Heretick and Sen. Dave Marsden, Chair and Vice Chair of the Virginia Cannabis Caucus, respectively), an agency head (Dr. David Brown, Department of Health Professions), and more than 100 members of the public. CannaBizVA found early success engaging the state's regulatory agencies.

Not only did CannaBizVA submit public comments to VDACS and BOP in the months leading up to session, but both agencies sought CannaBizVA's feedback on every cannabis-related bill filed this year. Additionally, CannaBizVA established relationships with the Northam Administration by way of Secretary of Agriculture and Forestry, Bettina Ring, and her Deputy Secretary, Bradley Copenhaver, who sought our input on members' concerns over inconsistencies in law and regulatory guidance regarding smokable hemp. These conversations were the catalyst that spurred the Northam Administration to have Del. Danny Marshall introduce HB962 – CannaBizVA's biggest legislative success of the year.

2020 General Assembly Legislative Accomplishments

HB962 clarifies that it is legal to produce, sell, and consume hemp products (i.e., flower) intended for smoking. VDACS guidance had previously taken a contrary position, which threatened the largest and most profitable retail market for industrial hemp in Virginia. The bill also made clear that hemp intended for smoking is considered a "hemp product" as opposed to "industrial hemp," which requires a registration to possess or sell. Thanks to CannaBizVA's efforts, legislators understood that this measure would bring market certainty to growers, retailers, and consumers alike and passed the bill with overwhelming support.

Economic Impact of HB962:
From an agricultural standpoint, this bill's passage has the potential to generate \$120,000 to upwards of \$500,000 per acre depending upon smokable hemp flower quality, yield per acre and market conditions. From a retail perspective, a store selling 100 pounds of smokable flower per year could generate more than \$650,000 in incremental revenue.

CannaBizVA also led the effort – working with Virginia's pharmaceutical processors – to pass HB1670, which allows pharmaceutical processors to acquire industrial hemp grown in Virginia to formulate medical grade products; and, in so doing, developed a new in-state market for Virginia's industrial hemp growers and dealers.

Economic Impact of HB1670:
Growers can add a steady, new revenue stream conservatively estimated at \$30,000 per acre depending on the cultivar, the cannabinoid being processed and current market supply versus demand when pharmaceutical processors activate. Additionally, similar to HB962, this bill can reduce or eliminate legal fees to litigate contract issues or defend against criminal prosecution.

Finally, CannaBizVA worked to fend off proposals detrimental to the cannabis trade, such as HB1317. The measure sought to prohibit anyone from growing hemp within 100 yards of a residential area and would require hemp farmers to perform costly odor mitigation. Defeating this bill saves enormous amounts of money and heartache for Virginia hemp-based businesses otherwise subject to criminal prosecution and forfeiture of inventory and assets.

2021 Legislative and Regulatory Focus

Carrying over into the 2021 General Assembly session, CannaBizVA is working with study groups established by the 2020 legislature to expand the business opportunities for both the industrial hemp and pharmaceutical processors in Virginia.

- **HB491**, which directs VDACS to study the opportunities for development and manufacturing in the industrial hemp industry.
- **And HB347**, which directs the Secretary of Health and Human Resources to convene a work group to review the Commonwealth's medical cannabis program, including:
 - **The expansion of the medical cannabis program to additional licensees, and the medical use of cannabis flowers.**

This study group will report its legislative recommendations to the Governor, the Attorney General, and the Chairmen of the House Committee on Health, Welfare and Institutions and the Senate Committee on Education and Health no later than October 1, 2020.

Overall, CannaBizVA's focus in 2021 is to work with Virginia's legislative and regulatory bodies to:

- Expand the allowable hemp Total THC limit to exceed 0.3%
- Establish alternatives to the wholesale destruction of "hot" crops via crop remediation
- Expand the hemp crop testing window to 30 days prior to harvest rather than the current 15-day prior to harvest requirement
- Require VDACS testing to include a homogenized sample of the plant which includes not only material from the cola but also from leaves and stems
- Adopt Delta 9 THC testing versus whole (THC and tetrahydrocannabinolic acid – THCA) testing;
- Recognize certified THC testing by other states as valid without requiring additional THC testing in Virginia (full faith & credit / privileges & immunities)
- Allow licensed pharmaceutical processors to dispense smokable cannabis flower products.

CannaBizVA's successful 2020 General Assembly session has positioned our advocacy organization to help assure Virginia's cannabis industries continue to have a voice that is heard. To continue this momentum, we need your input and your support as members of CannaBizVA. Join us today by contacting one of our Board Members, email info@CannabizVA.org, or at www.CannaBizVA.org.