



ACE NEWS

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Why the Farm Bill is So Important

On December 20, 2018, President Trump signed the 2018 Farm Bill into law.

This new legislation brings about many major – and welcome – changes to the hemp industry and the hemp policy of the US government.

With strong support from Senate Majority Leader Mitch McConnell (R-KY), the Farm Bill legalizes hemp, albeit with restrictions.



What Does The Bill Mean for Hemp?

In essence, the 2018 Farm Bill removes hemp from the Controlled Substances Act. For years, hemp was not differentiated from other cannabis plants. With this new law, hemp is no longer considered a controlled substance like marijuana. Rather, it is now considered an agricultural commodity and falls under the jurisdiction of the US Department of Agriculture.

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Industry Events

Inaugural Hemp Biz Conference 2019, May 1-2, Denver Colorado

The Hemp Biz Conference will host its first event at the Crown Plaza Airport Conference Center in Denver. The event will feature industry speakers addressing issues unique to the hemp industry, while the B2B program will give attendees knowledge of the latest in hemp trends. To attend or learn more, visit <https://thehempbizconference.com>.



Cannabis World Congress & Business Exposition, May 29-June 1, New York City

The Cannabis World Congress offers cannabis businesses and organizations the opportunity to network at a major event space, the Javits Convention Center. It is one of the largest and most influential conferences in the cannabis community. To attend or register, visit <https://www.cwcbexpo.com/exhibit-nyc>.

NCIA Cannabis Business Expo & Summit, July 22-24, San Jose, CA

One of the cannabis industry's biggest organizations, the NCIA hosts more than 7500 attendees and 150 speakers at their San Jose event. The conference's keynote speaker is former Deputy Attorney General James Cole, author of the Cole Memo. To register, visit <https://www.cannabisbusinesssummit.com>.

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A Message from the CEO

Is 2019 the year for cannabis? Many seem to think so. The passage of the Farm Bill legalizing hemp, Michigan becoming the 10th state to legalize recreational marijuana and a liberal House majority may help cannabis reform a reality.

Two bills have already been filed: the CARERS Act to expand cannabis research and protect states rights, and HR 420, "Regulate Marijuana Like Alcohol" Act. These both have a high chance of passing in the Democrat-majority House.

Thirty-three states have now legalized medical marijuana, an accomplishment that seemed unlikely only five years ago. Both Republicans and Democrats have introduced legislation to ease access and reduce sentencing for cannabis. This year looks extremely bright for our industry. Here's to 2019!

Sincerely,

Steve Janjic, CEO

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Farm Bill Changes (continued)

Additionally, for the first time, hemp crops now qualify hemp farmers for federal crop insurance. This is a great benefit, as it provides partial payment for hemp crops that are lost due to catastrophic events.

Major Changes for the Hemp Industry

With the 2018 Farm Bill, the commercial production of hemp is now legal. This

The 2018 Farm Bill also redefines hemp to include the following:

- Derivatives
- Extracts
- Cannabinoids

signals big changes for the hemp industry in the United States, because it:

- Allows hemp to be grown for commercial and consumer purposes, not just for pilot-programs to study the emerging hemp industry
- Allows for the movement of hemp-derived products across state lines for commercial or other purposes
- Contains no restrictions on the sale, possession or transport of hemp-derived products (as long as they are within the law)

What Are Some of the Restrictions?

The 2018 Farm Bill stipulates that in order to comply with the law, hemp cannot contain more than 0.3 percent of THC. Anything above 0.3 percent is considered non-hemp cannabis, i.e., marijuana, and – if

this rule is violated – is subject to punishment.

There will be shared state/federal regulations regarding the production of hemp. State officials must develop and submit a hemp production plan to the Secretary of the USDA for approval.

Additionally, one main provision of the bill prohibits people with drug-related felonies from producing hemp for a decade after their conviction.

What Is the Economic Impact?

According to the Brightfield Group, the hemp industry in the United States will reach \$22 billion by 2022.

All of this translates into more jobs, more products, and more money invested into the economy – good news for every industry!

Hemp & Its Uses

Hemp is a versatile, sustainable and bio-friendly plant that can be used to make many products, including:

- Clothing
- Paper
- Plastic Composites
- Biofuel
- Building Materials
- Pet Food
- Organic Body Care

New Year, New Bills: Cannabis and the 116th Congress

With Congress back in session for 2019, the following cannabis bills have been filed:

H.R. 420: Regulate Marijuana Like Alcohol Act

Introduced by Congressman Earl Blumanauer (D-OR), this bill would remove cannabis from the Controlled Substances Act.

H.R. 493: Sensible Enforcement of Cannabis Act

Introduced by Representative Lou Correa (D-CA), this bill would preserve the now-rescinded Cole Memo into federal law.



Bill H.R. 127: Compassionate Access, Research Expansion, and Respect States (CAREERS) Act of 2019

Introduced by Rep. Steve Cohen (D-TN), this bill would end the conflict between state and federal medical cannabis laws, and remove cannabis from Schedule I of the Controlled Substances Act.

In addition to these three bills, we anticipate many more to be filed this year.

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