

New Jersey Hemp Farming Act - *NJ Cannabis Blog*

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Lost amidst the cannabis news last week indicating that adult use marijuana may be heading to a voter referendum in 2020 while medical marijuana likely will expand this year, the Senate introduced legislation to establish NJ's hemp program.

Under the 2018 Farm Act, the Federal Government de-scheduled hemp from the Controlled Substances Act and authorized states to develop their own proposed rules for establishing a hemp industry in each state.

On May 13, 2019, Senate Bill No. 3686 was introduced by Senator Sweeney and 3 other co-sponsors. The Bill would repeal the law passed last year designed to establish a hemp pilot program in the state.

Consistent with the 2018 Farm Act, hemp is defined as any part of the cannabis plant containing not more than 0.3 percent THC (the psychoactive element in cannabis) on a dry weight basis, including hemp derived CBD products. It provides that licensed hemp producers are authorized to cultivate, harvest and process hemp products (but it remains unlawful for unlicensed persons to cultivate, handle or process hemp plants, seeds, leaves or floral materials.)

The bill requires the NJ Department of Agriculture to adopt interim rules within 90-days of adoption of the law.

The bill directs the Department to establish rules to comply with the requirements of the 2018 Farm Act, but largely leaves the details to the Department to develop. The bill provides that producers who negligently violate any rule are not subject to violations, but will be permitted to adopt corrective action plans, except producers that have 3 negligent violations in five years shall be ineligible to participate

in the program for five years. The bill would prohibit persons who have been convicted of controlled substances violations from participating in the hemp program. The bill would authorize hemp products, including hemp derived CBD to be added to cosmetics, personal care products and products for human and animal consumption to the fullest extent permitted by federal law. The bill authorizes retail sales of hemp products produced pursuant to other state's hemp programs and the transport of NJ hemp products outside of the state.

So while adult use marijuana legislation may be delayed, NJ is poised to move forward promptly with the development of its hemp industry. As indicated in the bill, this is intended to promote not just the popular hemp derived CBD products but an entire industry of hemp derived products including cosmetics, personal care products, cloth, cordage, paper, plastics, particleboard and other products.

Pashman Stein Walder Hayden is carefully monitoring developments in New Jersey and federally with respect to marijuana legislation and will be available to help its clients navigate the sure-to-be complex regulatory framework of this potential business frontier.

Please contact Sean Mack at smack@pashmanstein.com or 201.270.4919 for further information.