

Bill to Reopen U.S. Government Poised to Kill the Multi-Billion Dollar Intoxicating Hemp Products Industry

Cannabis Business Legal News

By Darren Grady on November 14, 2025

On November 12, 2025, legislation was enacted to end the longest government shutdown in the history of the U.S. While the government is open and operational, the passage of the reopening bill has sent shockwaves through the hemp industry, and for good reason.

The bill provides funding for the government for the next 10 weeks and also contains three fiscal year appropriations packages. One of those packages is an extensive spending bill for the agriculture industry. The agriculture appropriations package contains language that most industry experts see as a death knell for the U.S. hemp industry.

The Farm Bill Industrial hemp became legal in the U.S. with the passage of the 2018 Farm Bill. The Farm Bill removed hemp from the Controlled Substances Act and reclassified it as an agricultural commodity. This effectively ended the federal prohibition of hemp, provided the plant meets specific requirements.

The Farm Bill explicitly defines hemp as the *Cannabis sativa L* plant (including seeds, derivatives, extracts, and cannabinoids) with a delta-9 tetrahydrocannabinol (THC) concentration of no more than 0.3 percent on a dry weight basis.

The Farm Bill also created something of a loophole in the hemp industry. Since the bill's passage, intoxicating hemp-derived THC products have been gaining in popularity nationwide at an incredible rate and have helped elevate the hemp industry's value to nearly 30 billion dollars.

Consumers are currently able to freely purchase these products in businesses operating outside of state regulated (and taxed) cannabis retail locations. The products can be purchased at gas stations, bodegas, convenience stores, liquor

stores, and other locations.

How the New Spending Bill Threatens the Hemp Product Industry

This whole industry is now very much in jeopardy, as the spending bill passed to reopen the government radically changes the federal definition of hemp.

While the bill will likely not affect the production of hemp products designed for industrial use such as rope, fiber, or fabric, the spending bill slams the aforementioned loophole closed by redefining numerous hemp derived products that contain THCA, delta-10 THC, and/or delta-8 THC (the predominant compounds in intoxicating hemp products) as *federally illegal cannabis*.

Further, the spending bill sets forth that any hemp derived product purportedly containing “quantifiable amounts” (whatever that means, as this is not actually defined in the bill) of THC, or any cannabinoid with similar effects, *would be entirely illegal*.

The effective result is that intoxicating hemp products, or any products with a detectable amount of THC, *will be completely banned*. CBD (which is not intoxicating on its own) product makers should also be very concerned, as most if not all CBD applications often contain various, and sometimes very small, levels of THC.

The Future of U.S. Hemp Regulation

It remains to be seen what, if anything, can be done about this undoubtedly significant blow to the industry.

Although the bill passed, there were some lawmakers who advocated for the removal of the redefinition of hemp before passage, including Senator Rand Paul and Rep. Thomas Massie of Kentucky (a state which produces a large amount of hemp, the third most of any state in the U.S.).

It is possible that this issue, at the behest of opposing lawmakers, could be subject to further debate in the coming months. It is also possible that lawmakers could establish a regulatory framework for intoxicating hemp products. There could also be a shift to state regulation of these products, much like the way cannabis is regulated in cannabis legal states today.

The ban on these products does not go into effect until November 12, 2026, so those operating in this multi-billion dollar industry have some time to consult with advisors, adapt, prepare, advocate, and legislate. What we know for sure is that 2026 will be a critical year for future of the hemp industry in the U.S.

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