

POLITICO PRO

Morning Cannabis

Politico Pro

Mona Zhang and Paul Demko

October 16, 2024

[\[Link\]](#)

QUICK FIX

— The U.S. Supreme Court heard oral arguments in a case involving a truck driver who lost his job after consuming CBD products. The case, however, is less about cannabis and more about the technicalities of personal injury.

— Kamala Harris is making her final pitch to drum up support among Black men. Part of that push is a commitment to legalizing weed and creating economic opportunity.

— A California court dealt a blow to the hemp industry by refusing the block enforcement of emergency hemp rules. Meanwhile, a court in New Jersey went a different direction.

IN THE COURTS

SCOTUS CONSIDERS RICO CASE — The U.S. Supreme Court [heard oral arguments Tuesday in a case involving a truck driver](#) who lost his job after consuming CBD.

Douglas Horn took steps to ensure that the product was free of THC, because he knew that his job as a truck driver would be jeopardized if he tested positive for the substance. But after testing positive for THC and losing his job, he had the CBD products tested by an independent lab. The products came back positive for THC.

The key issue of this case doesn't have to do with cannabis. Instead, it's about whether Horn's personal injury (being fired) constitutes an injury to business and property.

While the justices questioned both sides carefully, Zack Kobrin, a partner at Saul Ewing, said it seemed like the justices were leaning in favor of Horn.

Even if they ruled in favor of Horn, the case would merely be sent back to the Circuit Court for further proceedings. He would still have to convince the court that Medical Marijuana, Inc. should be held liable in order to receive damages.

“Just because you can bring the suit doesn't mean you can prove what you need to win the day,” Kobrin said.

2024 ELECTION

HARRIS APPEALS TO BLACK MEN WITH LEGAL WEED — Kamala Harris is spending the week trying to ramp up support among Black men. On Monday, her campaign released [a set of policy proposals](#) that include small business loans, training and mentorship programs, and yes, legalizing weed.

“She will also fight to ensure that as the national cannabis industry takes shape, Black men — who have, for years, been overpoliced for marijuana use — are able to access wealth and jobs in this new market,” her proposal read.

Cannabis advocates were quick to praise the proposal. “Vice President Kamala Harris ... has made full legalization a central part of her platform, reflecting how crucial the cannabis vote has become for both parties,” U.S. Cannabis Council’s David Culver said in a statement.

But others cautioned that federal legalization will be a tricky policy to actually implement. Her proposal is encouraging, said Safe Harbor Financial CEO Sundie Seefried, but, “It’s important to consider the complexities that come with moving toward full federal legalization.”

Parsing her promise: “Kamala Harris will legalize recreational marijuana,” [she tweeted on Tuesday](#).

But Harris would be powerless as president to legalize cannabis. The most she could do through executive power would be to order an HHS review of marijuana’s scheduling status, something that the Biden administration has already done.

Harris is planning a host of events tailored to Black men in a sign that her campaign is worried about polling among Black voters, [POLITICO’s Eugene Daniels and Rachael Bade report](#).

HEMP WATCH

CALIFORNIA COURT REFUSES TO BLOCK TOUGH NEW HEMP RULES — California’s hemp industry [suffered a big setback](#) in its effort to block new regulations issued by Gov. [Gavin Newsom](#) that amount to a near-total ban on hemp products with any amount of THC.

A California court on Friday [ruled against the plaintiffs](#) — trade group U.S. Hemp Roundtable and six California hemp producers — who argued that the emergency regulations will cause them irreparable harm and were implemented improperly.

“Petitioners do not demonstrate that these regulations will cause widespread and catastrophic destruction of the hemp industry,” the order reads.

What’s next: The plaintiffs are still weighing next steps. The court set a hearing to determine if the case is ready for trial for Nov. 22 — moving it up from January.

Meanwhile in New Jersey, cannabis regulators announced that the state is “unable to begin enforcement” of key parts of a new hemp law that was supposed to take effect on Saturday, [POLITICO’s Daniel Han reports](#).

Background: Gov. [Phil Murphy](#) signed legislation in September designed to regulate intoxicating hemp products, which have proliferated in popularity. The products produce similar effects to cannabis but have not been under the purview of the state’s Cannabis Regulatory Commission, with growing concerns that minors are able to purchase them.

The CRC cited a recent [ruling in a lawsuit from the hemp industry](#), which challenged much of the new law, in halting enforcement. The judge’s ruling on Thursday explicitly blocked parts of the new law that intended to have intoxicating hemp products only manufactured in New Jersey,

although many watching the lawsuit interpreted the ruling as allowing much of the new law to remain intact.

THE STATE OF MARIJUANA

MISSOURI QUESTIONS VALIDITY OF MOST SOCIAL EQUITY APPLICANTS — More than half of Missouri's social equity applicants who were awarded microbusiness licenses might be ineligible for the program, according to [a review by the state's chief equity officer](#).

The background: Missouri awarded 57 dispensary and wholesale microbusiness licenses in July. But under the state constitution, the chief equity officer must conduct a review within 60 days of whether the licensees meet the requirements for social equity status. There are nine different ways to qualify, including having a past conviction for a nonviolent marijuana-related offense and living in a zip code where more than 30 percent of residents make less than the federal poverty level. The eligible applicant must have at least a 50 percent ownership stake in the business seeking a license.

The deets: The review determined that 32 out of 57 licensees might not qualify for the program. That included 17 out of 24 dispensary licensees that couldn't be certified, as well as 15 out of 33 wholesale applicants. Issues flagged included owners with a disqualifying felony offense and failure to provide documentation proving the owner's eligibility for social equity status.

What's next: Licenses that are not certified as eligible are subject to revocation. Once they receive a notice of revocation, businesses have 30 days to submit additional information aimed at proving their eligibility.

Also in Missouri: The Department of Health & Senior Services issued [its annual report](#) on the state's medical and adult-use cannabis programs.

AROUND THE WORLD

SPAIN CONSIDERS MEDICAL CANNABIS — Spain's Ministry of Health recently proposed a medical cannabis program that would allow patients to access regulated forms of cannabis, which would set rules for qualifying patients and prescriptions, [Forbes reported](#). Producers would have to follow EU Good Manufacturing Practices.

More context: Spain is home to a flourishing unregulated cannabis market, where cannabis clubs have sprung up most prominently in Catalonia, [Natalie reported](#). The model has become an example for other European countries looking to liberalize their own cannabis laws without running afoul of international drug conventions.

DUTCH PILOT PROGRAM COULD BOOST BOTTOM LINES — A cultivation pilot program aimed at supplying cannabis retailers in 10 Dutch cities could boost the revenues of Village Farms International, the only publicly traded cannabis company participating in the program, according to a report from cannabis consulting firm Zuanic & Associates.

The details: There are more than 560 cannabis retailers in the Netherlands, but they have all historically sourced cannabis from the illicit market. The price of cannabis at these "coffee shops" average more than \$10 a gram. And the number of retailers compared to the population is on par with U.S. states California and Missouri. The overall cannabis market in the country is worth \$3.2 billion to \$3.6 billion, not counting tourists, the report found.

Only about 80 retailers are participating in the pilot program, and none of the country's major cities are participating. The 10 participating cities account for 10 percent of the Dutch population.

What's next: Retailers in participating cities plan to stop selling cannabis from the illicit market at the end of this year. There are only four regulated suppliers that have shipped products to participating retailers, though more, including Village Farms, are expected to come online by the end of the year.

POT-POURRI

— Connecticut's cannabis sales declined by 12 percent in September, continuing a trend that started in August when sales declined 7.6 percent. ([MJBizDaily](#))

— New Mexico's cannabis market is facing over-saturation and under-regulation, according to advocates who are asking lawmakers to give regulations more authority. ([KRQE](#))

— Indigenous researchers in Maine are using hemp to clean up PFAS, toxic compounds known as "forever chemicals." ([Fast Company](#))