

Is Hemp Too Big To Ban In Texas?

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A field of hemp plants
TEXAS FARM BUREAU

Texas is not the first, nor is it the only state currently attempting to regulate or outright ban hemp, but the sheer size of Texas and its own hemp industry beg the question: Has hemp become too big to ban?

The 2018 [Farm Bill](#), once it was passed into law, removed intoxicating hemp from the Controlled Substances Act based on the measurement of one specific cannabinoid, delta-9 THC. Although delta-9 THC is the psychoactive agent in cannabis that can get users high, it is not the [only one](#) in cannabis.

As a result, states across the country, especially those without legal cannabis markets, are now home to gas stations that sell vapes and THCA flower, and liquor stores that carry delta-8 weed drinks.

State regulators across the country are attempting to reign in this wave of new hemp products that are flourishing.

Calculating the size of hemp

Grand View Research estimated that the industrial hemp market hit \$1.63 billion in 2023, with an expectation that it will surpass \$6 billion by 2030.

“I think we’re close to the point where the hemp industry is too big to get rid of completely,” said Zachary Kobrin, a partner at Saul Ewing. “I do think that there will be some kind of correction whether its codifying the total THC formula, or more strict on synthetic cannabinoids, maybe something lie that.”

Texas is one of several states where lawmakers are attempting to shut down the hemp-derived intoxicants industry, despite the fact that hemp has grown into a multi-billion industry since the 2018.

All eyes are on Texas

Currently, the Texas House is considering whether or not it will go along with a hemp ban that has already passed the Senate.

Texas hemp has reached \$5.5 billion in annual sales, according to a recent [market report](#) developed by Whitney Economics and distributed by Hometown Hero CBD. The industry employs about 53,000 workers and operates about 8,500 storefronts across the Lone Star State.

Lt. Gov. Dan Patrick, who has been an outspoken proponent of banning intoxicating hemp, argued that the size of the Texas market is exactly the problem.

"Who opens 8,000 locations in less than four years, most of them since 2023? What business starts out at \$8 billion in revenue?" asked Patrick during a March 19 [press conference](#), in support of the ban. "This is a bill that we have to ban THC and shut all of these stores down. that includes THC being sold in liquor stores in drinks. there's no exception to this. this is a poison to our public."

Last week, a House subcommittee sent a competing hemp bill to the House floor that would still allow edibles and non-synthetic smokable flower as long as it was grown in Texas and not imported.

“If SB 3 ends up getting passed and the governor signs it, that’s going to completely destroy the hemp industry in that state,” said Kobrin. “At the same time, i think there are certain states that even as regulated, allow for a really interesting framework, such as Tennessee, Florida and Minnesota.”

Michelle Bodian, a hemp beverage attorney, explained that total bans on hemp products are increasingly less likely in part because that industry has grown so large, but also because the hemp industry has thus far been nimble at maneuvering around state restrictions.

“We’ve seen prohibition doesn't work, maybe states are getting there faster on the hemp side of the plant. Regulation saying something is prohibited does not necessarily stop the industry from functioning, and I think states are being more strategic,” she said. “Maybe there's an alternative to an outright 'no.'”

Bodian also said that states are more likely to take a second look at the potential economic impact of a hemp ban.

“All the operators and all those selling via the internet, those all of a sudden within 24 hours shut down their business, lay off their entire teams and close their stores or close their businesses,” she said. “So I do think states are taking a little bit different of approach and looking more at regulation rather than straight prohibition.”

Some businesses are pivoting toward hemp

Despite the increased scrutiny from state governments, larger companies such as multi-state operators in the cannabis space and even companies with no previous experience in cannabis are getting involved.

Edible Arrangements recently [announced](#) that it would start offering delivered edible hemp products and beverages in select markets.

Meanwhile, established cannabis companies, such as Curaleaf and Glass House Brands are getting into legal hemp.

“If you are a regulated THC company like Curaleaf, moving into hemp-derived products is a natural push. Most THC cannabis companies have been trying to set themselves up to create a national distribution network. Moving into hemp, it’s obviously different, but you can do interstate commerce.”

Despite the interest from large companies, Kobrin was not optimistic that hemp would remain a financial boon for very long.

“This kind of Wild West mentality, you’re capitalizing on as much maximum revenue as quickly as you can, knowing that probably in the next three to five years, this is going to scale down, said Kobrin. “There's going to be some kind of regulatory correction, but I don't think they're going to close the loop hole completely.”

Drinks have especially been booming, in part because they do well in age-gated businesses such as liquor stores.

"drinks are particularly interesting because that is an area where we're seeing a ton of growth, in terms of the hemp industry. Popularity is really booming," said Bodian. "What's the outlook for them? Clearly things are doing great, but there are some states where it's gonna be more and more difficult to get into stores."

"Whether or not you're an alcohol beverage producer, or a soft drink company, I think moving into that space is a natural movement," added Kobrin. "We're already seeing a lot of the beer distributor companies want to be involved in this space. I think the beverage market is a ripe opportunity for these traditional non-cannabis related companies to pivot over."