



INTERVIEW REGARDING

Texas Hemp Regulations

This interview was conducted by CBD Oracle via Zoom in April 2024 and the audio transcript is provided here for full transparency. Learn more about CBD Oracle's Editorial Policy.

Cynthia Cabrera

Chief Strategy Officer Hometown Hero

Cynthia is a longtime industry advocate, bringing in over a decade of experience in the hemp and medical marijuana sectors, with a proven track record of coalition building, industry advancement, and operational expertise. In June 2023, the Hemp Industries Association (HIA) appointed her as Chair of the Cannabinoids Council, a position reserved for board members well-versed in regulations and policies surrounding hemp-derived cannabinoids.

CBD Oracle: So first off, Hometown Hero has been very much at the forefront of the fight around hemp in Texas, especially around Delta 8. So I was wondering quickly before we get into the main topic, if you could give me any update on how that case is progressing. I saw that they requested a review recently, maybe in March.

Cynthia: Yes. So we won the appeal in September, and then they had an offer. So basically, what they did was rather than appeal our appeal to the appeals court, because they lost, they went back to the Texas Supreme Court and said, Hey, we want you to throw this out and hear the thing all over again. And so that's what's happening now. I mean, they could just drop the whole thing. And it's, it's not a, it's not like a sexy lawsuit, right? Because it's like the Arkansas lawsuit, that's a sexy lawsuit, right? That is sexy. Ours is just, it's an Administrative Procedures Act violation, right? So, you know, anyway, they could drop it, but they don't. So we can't drop it. And so yeah, we're supplet to respond by the end of the month.



But I do think we have the ability to ask for an extension. I don't, I don't think that we will, but do have that option, I believe available to us. So anyway, yeah. So it's our turn now to respond. And so, you know, obviously our response is going to be, you know, they lost the first time they lost the appeal, you know, it was rejected by the Supreme Court once already, you know, just like, don't hear this case again, but you know, you never know what's going to happen. So we do have to, it's not like we can ignore it, you know?

CBD Oracle: Yeah. Makes a lot of sense. But it would be sensible to let it go. But then following on from that. So the most recent major thing was the Third Court of Appeals upholding the ruling. But with this new review of the rules coming up, is there any chance that this would put the conclusion into jeopardy? Could they then ban Delta-8 THC?

Cynthia: I mean, so when they put out their announcement, they didn't say they were intending to make any changes. And it's a, that is also a procedural thing. Every regulatory agency has to review the rules that they, you know, regulate an industry under every four years. So this is our four years. So this is, you know, it's procedure it, and they didn't say that they were planning to make any changes. I mean, that doesn't matter. I guess, you know, you can say you're not planning to make a change and then go make a change, you know. But they didn't say that. So we're hoping that it doesn't. I mean, and then it would just start the whole thing all over again, right? Because we have to sue all over again. And, you know, so what would they base it on this time? You know what I mean?

If they change the rules according, if they change the rules to try to ban Delta 8, what would, what would be the point? What, what avenue would they be using to try to ban it?

CBD Oracle: I see. I see. But if they did something like, for example, made it so that no consumable hemp products could contain a cannabinoid created through a chemical process from a hemp starting ingredient or something.

Cynthia: They could, but typically they have to show there has to be a reason for that. Right. And this is our home state. So, and I know that other states have attempted or succeeded in doing stuff like that without kind of like any pushback from the rest of the industry in that state. But we would push back because again, what would be the rationale? So, you know, your aspirin, vitamin C, all kinds of supplements, all of those are made through the exact same process. So what would be the basis for that? You can't say it's a, it's a, a health issue because then we'd have to stop consuming all these other products that we consume that are created using the same process. We'd have to see what, what the basis for it would be.

CBD Oracle: Yeah. That makes a lot of sense. So yeah. So the next thing is we would, I think it's kind of obvious, hopefully, that any hemp business in Texas should definitely submit a comment in response to this. What I was wondering was, I know you encourage consumers to do it, but is it especially helpful for consumers to do it? And if it is, is there anything in particular that consumers should think about saying in the comments?



Yeah. I mean, I hope that every business, every hemp related business in Texas submits comments. I, you know, I don't know what's going to happen because you're like, Oh, it's so logical, and it makes sense. Then the opposite happens. And you're like, I don't get it. So I don't know. I hope that they do, but the consumer perspective is important because legislators, you know, that's their constituent base, right? It's the consumer that's, that's who they, whatever. So when you talk about having a regulation, right, what you typically will hear is, Oh, we need to ensure these products are safe for consumers. Oh, we need to ensure that they're, they're getting products that have been tested, that they're safe. So, and that's great. We're fully in support of that. The consumer angle would be, Hey, we have been using these products that are tested. You know, this is the brand that we use and they have helped me because X, Y, Z. And so the thing that Texas did really well in 2019 is that when they passed, I'm sorry. Hey, Hey, get, get over here. I'm sorry. There's so much racket. It's the cats on the window and the dogs on the floor. And they're like doing this thing. So the thing about the consumers is what Texas did really well was that in 2019, when they issued their regulations, they immediately put in the testing, right? They already, they talked about making sure that the tests were available to consumers and packaging and all that. So they did a really good job. I mean, you know, when people ask me, which state do you think has the best regulations? I always say it's Texas. Lawsuit aside, that's a separate issue, but they did a really good job with the regulations. I mean, I would only add a couple of other things, but right now, Texas is already ensuring that every product that is legally sold has to undergo testing and you have to register with the state. So it gives consumers recourse if something does happen.

So I think that's really good. And I think, yeah, consumers would, you know, would help make that case.

CBD Oracle: Okay. That's great. Because hopefully, I mean, we're hoping that we will encourage businesses to do it if they didn't already decide. But I guess a lot of our readers would be consumers. So I was quite interested in that.

Cynthia: Yeah.

CBD Oracle: Yes. And I was reading through the Texas register from 2020 when the rules were first put in. And I noticed that there were 1,690 comments arguing against the smokeable hemp ban, and just two people in favor of it. And the rule still went ahead. So I was wondering if from this, there are some issues that you think that they would never, never touch, like, for example, with the smokeable hemp ban, it seems like it's from reading this, it would seem like no matter how much pressure the consumers put on the legislators to allow something like this, there are some issues that they just won't budge on. Do you think that would be a fair assessment?

Cynthia: No, I think your assessment is accurate. I mean, if you think about the smokeable hemp ban, and we were not in that fight, we weren't part of that lawsuit. But if you think about the smokeable hemp ban, what did they achieve? They continue to allow the distribution of it as long as it wasn't grown in Texas. So really, all they did was disadvantage their own growers. So I don't understand what the no one has still been able to tell me what the motivation for this was.



CBD Oracle: Yeah, I agree completely.
Actually, I already wrote some of this and I wrote exactly that. It's like if you ban people in Texas from selling and manufacturing and processing smokeable hemp, but people can sell it from outside, it's really you are just disadvantaging the businesses in your own state, but no benefit.

Cynthia: For no benefit. I mean, why would you do that? You know, and it's just unless it's a prohibitionist perspective, but it can't be because we have other hemp products. So it just doesn't make any sense. And I was I was surprised when they lost the case at the Supreme Court as well. And I did speak to an attorney about that. Not not somebody that I deal with all the time, but somebody who kept a really close eye on that case. And I asked her about it. And she said, well, you know, the court is appointed. And so, you know, whatever the politics are of whoever appointed them, it's very possible that they're just going to follow those same politics. But when you make I mean, if you look at the business case for it, there's just absolutely no rationale. It's absolutely just none. So, I mean, your assessment is correct. You know, over a thousand or sixteen hundred comments in favor of and it's still, you know, it's kind of disheartening to say something like that. But I think it really is. It makes you wonder about the power of the will of the people. Allegedly, that's what this country is built on.

CBD Oracle: You know, the power of people. If you say what they want you to say, then it's all fine.

Cynthia: Exactly.

CBD Oracle: OK, so this is probably the biggest question. It's a little bit broad. But do you think the hemp law in Texas needs to change? And if so, are there any specific changes that you would suggest?

Cynthia: Well, actually, I think Texas did a very good job for starters, because they immediately were like, OK, this is what you need for consumable hemp products. You know, you have to register the company and whatever, whether you're a distributor, manufacturer, retailer, whatever. The only two things that are missing that I would strongly recommend. And then Texas is like the perfect state. It's got the perfect balance of promoting innovation and business and balancing consumer safety. So the two things are there's no age limit. I mean, we voluntarily age gate at twenty one and over, but there's no state age limit. And there was a bill floated last year to put in an age gate. That's all it did. It just put in an age gate and it just got no traction whatsoever. And then the other thing would be child resistant packaging. We already use child resistant packaging because we just think it's good business, but it's not a state requirement. So those are the two things that I would add to it. And I mean, honestly, that is like when you look at it holistically or comprehensively, it's just a handful of things that are required to ensure that you are providing consumers with a safe product.

CBD Oracle: Right.

Cynthia: Anything beyond that is a land grab or a money grab or, you know, some kind of regulatory capture or something like that.



CBD Oracle: Yeah. Yeah. I mean, I agree. I was shocked, actually, when I was writing about Texas before, when the case was going on, when it was a lot more active, we wrote about it. And I was shocked that all through all the furore over this, over Delta 8, we still didn't manage to pass the simple bill like said, all you need to do is pass a bill that says don't sell this to children. And I mean, yeah, it's very straightforward. But I guess like I know that you do. And I feel like from my research, most hemp companies in Texas do institute an age limit anyway. Yeah. I think that's fair to say.

Cynthia: I mean, and I think you can give a lot of props to companies like ours and other companies in the state that do self-regulate. Right. So even in the absence of good regulation on, for example, the age limit, we just did it ourselves. Industry took it upon themselves. And I think that, you know. That deserves some recognition, right?

CBD Oracle: Absolutely.

Cynthia: Yeah. I mean, some legislators and policy folks and, you know, the haters in general, there's haters all over the place. But, you know, they'll just focus on every negative thing in the industry, despite the fact that every industry has negatives to it. You know, it doesn't matter what the industry is. Every industry has something that somebody is not happy about. But so they'll always focus on that. But they don't point to the fact that companies have self-regulated, have implemented safety measures. I mean, we're GMP certified, you know, just all these things. And so I think the industry is in really good shape. It just need, you know, if they want to add something or make a change, those two things, I think, would be great, you know, and that could be like the national model. Right.

There are so many states that have regulation that is just so burdensome and so onerous and just doesn't make any sense.

CBD Oracle: I agree. You mentioned that. Sorry. A little follow up. You mentioned that you are GMP certified and that's great. So, for example, if they propose that all businesses should make the products and GMP certified facilities, would that be like a positive change? Or would you say that it wasn't necessary?

Cynthia: Well, there is a cost associated with it. And I'm always hesitant to implement regulation that is too burdensome for a small business. Having said that, there are a lot of options for GMP certification. So, I mean, if there was a time limit to do it, so it can't be like with 30 days, you have to whatever it was a grace period, you know, maybe by the following year, you have to be, I think we could get behind that. That would be fine, because then it gives small businesses an opportunity to kind of ramp up and get ready for that.

CBD Oracle: Yeah. Yeah. it's a big change. It will be for some. I agree with you completely, totally right. And I mean, that's the end of the questions that I had prepared. But if there is anything that you would want to add, even if it's not completely related to this, to this coming period, like, please feel free to say anything. We will.

Cynthia: I will say that it seems here in Texas, it seems like the legislators and policymakers have a disconnect between what farmers grow and what ends up in like our products. Right. And so they seem to like. So there's this idea in Texas, it seems like that, you know, the future of hemp is, you know, the hemp houses and hemp sidewalks and all that stuff, which is great. It's great. But that's not happening today.



And what's keeping hemp farmers in business are the, you know, finished goods like our products. Right. And so there's this disconnect where a lot of legislators seem to feel like that's not they're they're not connected and they are absolutely connected. And then the other thing is and there's been some press about it or whatever, which is just irritated the daylights out of me because it's so clearly what do you call that? Like. Manipulated or whatever. And so the medical there's only like three medical marijuana license holders in Texas, and one of them has gotten very vocal lately about how, oh, hemp is unregulated. I got to tell you, I lose my mind. It's unregulated. I'm like, have you looked at the statute? Have you looked at the like, hello, it's not unregulated. And so that somebody is willing to like write an article or be quoted in an article saying that it's unregulated, just it already tells me that they didn't do any research. Right. They're just unhappy about something. And there's this idea because Texas has like Texas and Oklahoma are the exact opposite. Right. They each have medical marijuana programs, but one is like super restrictive and the other one is crazy liberal. Right. It's crazy open. And, you know, they just like so that each of those creates a set of problems. And then there's a sentiment with some legislators that do support medical marijuana use, that the reason that the program is not successful. So there's 30 million people, approximately 30 million people in Texas. And I think the last time I checked, there were like thirty four thousand people signed up to the Compassionate Use Texas Compassionate Use Medical Program. It's not a lot of people. And so some folks will say, oh, well, the reason it's not successful is because hemp products exist. Not true. It's not successful because it's overly restrictive.

I mean, you know, it's just if you make something so restrictive that it can't serve the population it's meant to serve, then it's not going to be successful.

CBD Oracle: Yeah. It's not going to get to the people who need it. And I think you made a really important point about how it's like medical marijuana companies are talking about hemp industry as being unregulated and kind of dangerous. I think it's very short sighted because this is what people would have said about the marijuana industry just 20 years ago or 10 years ago. People would be saying, oh, well, you know, you can't trust these companies to give you safe products. You need to do all these things. And it's like, have you forgotten that these are the same points that were made against you not so long ago?

Cynthia: I hate to use this word, but it's the only one that fits. The hypocrisy is unbelievable. It's unbelievable. So these same I mean, I think part of it has to do with the fact that like the activists and the people who were advocating for, you know, free the plant and all that. I think those guys, those hippies from the 60s and 70s, they're probably all dead by now. And we have a bunch of MSOs, you know, corporate suit type, whatever, who want to eliminate their competition. And they thought, you know, they spent so much money. Nobody told you to spend all that money. They spent all this money, you know, setting up a business. And then, you know, the farm bill gets expanded. And suddenly they're like, boo hoo. And it's like, well, too bad. Why? And have you noticed that more marijuana companies are moving into the hemp space?



CBD Oracle: Yeah, yeah, actually. And buying to get hemp products sold in dispensaries as well, rather than sold in normal hemp stores.

Cynthia: Well, but see that that's another version of trying to diminish the market. Why are you going to force it to go through a dispensary? Yeah, right. In some states, you have to register the dispensary, you have to pay. The farm bill was written in such a way, or the definition of hemp was written in such a way so as to promote innovation and exploration and all that good stuff. And then you're going to talk about just only selling it through one channel. It's ridiculous.

CBD Oracle: Yeah, exactly.

Cynthia: Why would you do that? And again, it's market capture through regulation.

CBD Oracle: Yeah. Yeah, exactly. It's a turf war for the customers that are there.

Cynthia: Yeah, it's like a marijuana civil war. Poor George has to listen to me all the time go on and on about how much I just like the and there's a really great article that I read today. I emailed it to myself, I can forward it on if you want. But it got the hypocrisy of these marijuana companies with hemp. And I thought it was really well written. Yeah, just shocking, because most of the stuff written about hemp is terrible.

CBD Oracle: Yeah. That's fair. No, but it's completely true. It's completely true. I think it's very strange that it's turned into this civil war. And I don't I'm not convinced that it really helps anyone, to be honest.

Cynthia: It doesn't help anybody. You want to sell me and I always say this, and it falls on deaf ears for most of the time. And I'm like, don't make it harder for us. Let's make it easier for you.

CBD Oracle: Yeah.

Cynthia: The success of the hemp industry is proof that marijuana doesn't have to be regulated as you know, so stringently that can make any money and it puts people out of business. Yeah, they should be using hemp as the example.

CBD Oracle: So yeah, yeah. But that's great. Thank you. **I**