

## Statement From the U.S. Hemp Growers Association on USDA Decision Not to Make Hemp Eligible for CFAP

U.S. Hemp Growers and its Board and members are very disappointed to learn that the U.S. Department of Agriculture (USDA) has not agreed to make Hemp growers eligible for the Coronavirus Food Assistance Program (CFAP.) We believe our farmers did present evidence of losses to our growers that were 5% or more in the first quarter of 2020.

Many of our members are confused as to how hemp is declared ineligible when such products as **aloe leaves** have been granted standing when “no price decrease was identified”, but they were affected by market chain disruption. Cut flowers were also granted standing. Hemp has been affected by market chain disruption, and measurable price decline, but mysteriously hemp has not received equal treatment from the USDA.

Hemp is such a newly legal crop that it does not have the advantage of data to be gathered by the National Agricultural Statistics Service (NASS) or the Farm Service Agency (FSA) or the Risk Management Agency (RMA) – all at USDA. We do not know of any regional data collection as cited by the Department.

Currently, the data available to understand the market is gathered privately by several reputable data companies. In this case two of these companies released data publicly which USHGA believes showed a 5% pricing decrease and more in hemp and hemp products in the first quarter of 2020. We are grateful to these organizations for opening their data from behind their paid firewalls that serve private users.

Links to some of that data are here:

1. Hemp Benchmarks  
<https://www.hempbenchmarks.com/hemp-market-insider/april-2020-hemp-spot-price-index-report/>  
Hemp Benchmarks' April 2020 Hemp Spot Price Index Report shows a drop in CBD Biomass price of approximately 12%-13% from January to April across the nation.
2. New Frontier Data  
<https://newfrontierdata.com/cannabis-insights/ask-our-experts-commodity-pricing-of-hemp-biomass>

New Frontier Data reports that from February 2020 to March 2020 Colorado saw a 26% decline in price per percent of CBD per pound of hemp with Kentucky, Oregon and the Northeast showing similar declines.

While a number of hemp growers will suffer severe damage, many others are continuing to grow hemp and offer it for processing into many products - from CBD to food products such as hemp seed and hemp hearts to hemp flour, and textiles, building materials, plastics and paper.

However, these growers are very concerned that USDA may not support the newly legal hemp crop as evidenced by the unequal treatment during the Coronavirus outbreak. There are family farmers who have been damaged by the downturn in the first quarter and who deserve fair treatment by USDA for CFAP coverage. All hemp farmers are now wondering what kind of treatment they will receive should there be future problems.

USHGA will continue to work with private data companies and with USDA to encourage the collection of accurate and comprehensive data about hemp and its products. And we will expect to be treated fairly as this information grows.

For comment please call: Caren Wilcox, Executive Director, U.S. Hemp Growers Association at (202) 792 2556.

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