THE POLICY BRIEF

Hemp-Derived THC Policy

Preserve Market Access for Hemp-Derived THC Beverages

UNDERSTANDING THE BACKGROUND

The 2018 Farm Bill legalized hemp containing no more than 0.3% delta 9 THC, enabling the development of a market for low-dose hemp-derived THC beverages. **However, the 2025 Farm Bill reversed the legalization adding new restrictions on certain hemp-derived THC products, including beverages, at the federal level.**

Between 2018-2025, these beverages became an emerging segment of on-premises beverage menus, offering adult consumers additional beverage choices. The current market is regulated by a patchwork of state rules, with limited federal oversight, but without congressional action, hemp-derived THC beverages will be banned on November 12, 2026, creating significant uncertainty for restaurant owners and consumers.

WHY THIS ISSUE MATTERS TO RESTAURANT OPERATORS

Restaurants operate on extremely thin margins, with the median fullservice **pre-tax margin at just 2.8% in 2024 and 42% of operators reporting no profit.**

At the same time, consumer preferences are shifting toward alternatives to traditional alcohol beverages. **Hemp-derived THC beverages provide an opportunity for restaurants to meet evolving demand while driving incremental revenue.**

- 5% of restaurants serving alcohol already offer hemp-derived THC beverages
- 26% are interested in offering them when there is a clear regulatory framework
- The potential on-premises market is estimated at $1.6 billion annually

Abrupt federal prohibition would eliminate this emerging revenue stream and create operational disruptions, particularly for multi-state operators navigating inconsistent regulations.

Our Ask

The National Restaurant Association asks Congress to:

1. Delay the Impending Federal Ban
Support bipartisan legislation in both houses to delay the upcoming ban on hemp-derived THC beverages and preserve the current market while policymakers develop a long-term solution.

2. Establish a Federal Regulatory Framework
Create clear, top-line federal standards that ensure product safety while allowing flexibility for state and local governments to regulate their markets. Key elements should include:

- Age verification requirements
- Production and quality standards
- Clear labeling and dosing disclosures
- Marketing standards
- Impairment guidelines for safe service
- Regulatory clarity for operators serving these beverages alongside alcohol

NATIONAL RESTAURANT ASSOCIATION

America's Restaurant Owners and Small Businesses Need Certainty

Restaurant operators are navigating rising costs, shifting consumer preferences, and continued economic pressure. Hemp-derived THC beverages represent a new, regulated product category that can help operators remain competitive and responsive to consumer demand.

Without congressional action, the current market will be disrupted, eliminating a growing revenue opportunity and creating uncertainty across the industry; by contrast, providing regulatory clarity and avoiding abrupt market disruption will help restaurants maintain stable operations, meet evolving consumer preferences, support responsible and safe service environments, and continue contributing to local economies and job creation.

Hemp-Derived THC Market Snapshot

- 2018 Farm Bill legalized hemp (≤0.3% delta 9 THC)
- Rapid growth of low-dose THC beverage market
- 50-state regulatory patchwork with limited federal standards
- 5% of restaurants currently offer THC beverages
- 26% interested with regulatory clarity
- $1.6B estimated annual on-premises market
- Federal ban threatens market continuity without congressional action

SCAN TO GET MORE INFORMATION