

**EXHIBIT  
A**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC dba BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD STORES  
FRANCHISING, LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT  
OF PUBLIC SAFETY STEPHAN BAYES in his  
official capacity, and IOWA SECRETARY OF  
AGRICULTURE MIKE NAIG in his official capacity,

Defendants.

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**PLAINTIFFS' BRIEF IN SUPPORT OF MOTION FOR  
TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION  
(REQUEST FOR EXPEDITED RELIEF AND ORAL ARGUMENT)**

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Pursuant to Federal Rule of Civil Procedure 65(a) and (b) and LR 7(i) & 65, Plaintiffs HW Premium CBD, LLC (“HW”), AJ’s Health and Wellness d/b/a American Shaman (“AJ’s Health and Wellness”), E. Krieger Land, LLC d/b/a Greene Goods Market & Greenhouses (“Greene Goods”), Green Onyx Inc. d/b/a Your CBD Store (“CBD Store”), Beyond CBD, LLC dba Beyond CBD (“Beyond CBD”), Campbell’s Nutrition Centers, Inc. (“Campbell’s”), TCI Enterprise, Inc. d/b/a Sky High (“Sky High”), Icanna, LLC (“Icanna”), Your CBD Stores Franchising, LLC (“Your CBD Franchising”) (collectively, “Plaintiffs”) by and through their counsel of record, respectfully submit this Brief in Support of their Motion for Temporary Restraining Order and Preliminary Injunction.

### **INTRODUCTION**

This case presents a time sensitive emergency, as Plaintiffs face imminent threat of criminal prosecution for possessing, manufacturing, and selling Plaintiffs’ *federally legal* consumable hemp products throughout Iowa at the stroke of midnight on July 1, 2024. If injunctive relief is not granted, the consequences are dire. Plaintiffs will be forced to shutter their businesses and destroy approximately between 80-100% of their existing hemp products—products that the Iowa Department of Health and Human Services (“DHHS”) has consistently authorized as legal to possess, manufacture, and sell in Iowa.

On May 17, 2024, Iowa Governor Kim Reynolds signed into law several amendments to the Iowa Hemp Act, including H.F. 2605 and H.F. 2641 (the “Hemp Amendments”). Compl. ¶ 2. The Hemp Amendments substantially alter the existing law concerning the manufacture, sale and shipment of hemp and hemp products that have governed Plaintiffs’ operation of lawful, licensed businesses within Iowa for years. The Hemp Amendments’ substantial deviations away from the 2018 Farm Bill—which authorized the legalization of production of hemp across the United



States—come with substantial risk to the Plaintiffs, including imminent risk of criminal prosecution, substantial monetary penalties, and immediate embargo of existing products. Compl. ¶¶ 1, 3, 10. The threat could not be more concrete, as these same law-abiding Iowans now risk the loss of their livelihoods on July 1, 2024, when the Hemp Amendments go into effect. This imminent, irreparable risk of harm imposed by the Hemp Amendments is only compounded by the fact that the Hemp Amendments take effect a mere *six weeks* after Governor Kim Reynolds signed them into law. Compl. ¶ 2.

This lawsuit challenges the constitutionality of the Hemp Amendments, and this Court can take several paths to ultimately render them unconstitutional. Most notably, the Hemp Amendments should be rendered preempted by federal law (the 2018 Farm Bill). Further, the Hemp Amendments violate Plaintiffs’ rights pursuant to the Due Process Clause, the Commerce Clause and the Takings Clause prohibited by the Fifth and Fourteenth Amendments of the United States Constitution. Plaintiffs respectfully seek an immediate temporary restraining order and preliminary injunction to prevent enforcement of the Hemp Amendments and to protect their constitutional rights until such matter may be heard on the merits.

### **FACTUAL BACKGROUND**

#### ***The 2018 Farm Bill***

Congress legalized production of hemp as a commodity in the Agriculture Improvement Act of 2018, commonly known as the “2018 Farm Bill.” P.L. 115-334 (2018) (“2018 Farm Bill”). Compl. ¶ 9. The 2018 Farm Bill expanded the 2014 Farm Bill’s definition of hemp to include “the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.”

*Id.*; 7 U.S.C. § 1639o(1). Most notably, the 2018 Farm Bill removed hemp from the Controlled Substances Act (“CSA”). Marian J. Lee, *The Legalization of Hemp*, FOOD & DRUG LAW INSTITUTE.<sup>1</sup> Compl. ¶ 39. Notably, under the 2018 Farm Bill, “a State or Indian tribe desiring to have primary regulatory authority over the production of hemp in the State or territory shall submit to the Secretary [of Agriculture] ...a plan under which the State or Indian tribe monitors and regulates that production...” Compl. ¶ 44; 7 U.S.C. § 1639p(a)(1). The State or Tribal plan concerns the production and testing of cannabis plants and must be approved by the federal government agency that oversees the production of hemp, the United States Department of Agriculture (“USDA”). Iowa submitted its plan, and it was approved by the USDA on or about March 20, 2020. *See* Compl. ¶ 44, Exhibit C.

### ***The History of Hemp in Iowa***

In 2019, Iowa passed the Iowa Hemp Act in accordance with the 2018 Farm Bill, legalizing the production and sale of hemp and hemp products in Iowa. Compl. ¶ 48. In accordance with the 2018 Farm Bill, the 2019 Iowa law defined “hemp” as a plant, or any derivatives thereof, with a maximum tetrahydrocannabinol (“THC”) concentration of 0.3%. 2019 Iowa Acts ch. 130, § 2. This mirrors the federal definition of “hemp” that remains operative today.

In 2020, Iowa expanded upon the Iowa Hemp Act. Compl. ¶ 50. The 2020 bill (the “2020 Iowa Hemp Bill”) provided for the legalization and regulation of “consumable hemp product[s].” *Id.* The 2020 Iowa Hemp Bill defined a “Consumable Hemp Product” as a product that could be consumed through digestion, internal absorption, or absorption through the skin, required persons manufacturing or selling consumable hemp products in Iowa to register with the state, and required

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<sup>1</sup> Marian J. Lee, *The Legalization of Hemp*, FOOD & DRUG LAW INSTITUTE <https://www.fdpi.org/2019/02/the-legalization-of-hemp/#:~:text=Any%20cannabis%20plant%20that%20contains,cannabis%20compounds%20in%20Schedule%201>.

compliance with packaging and labeling requirements. Compl. ¶ 51. It also provided procedures on hemp production license requirements and required inspections, testing and certificates of analysis regarding the hemp products. With this, Iowans were able to access cannabidiol (“CBD”), a naturally occurring cannabinoid derived from the cannabis plant. *See e.g.*, Compl. ¶ 75. Cannabis includes both hemp and marijuana. *See id.* ¶¶ 38, 39; Ex. 1, Declaration of Rick Wagaman ¶ 6 (“Wagaman Decl.”). CBD comes in many forms, including oils, edibles, topically-applied products, and drinks. Ex. 1, Wagaman Decl. ¶ 10. All of these products are legal under federal and current Iowa law. Section 204.2(2) included further language addressing what is a consumable hemp product:

- a. A consumable hemp product may be introduced into the human body by ingestion or absorption by any device including but not limited to an electronic device.
- b. A consumable hemp product may exist in a solid or liquid state.
- c. A hemp product is deemed to be a consumable hemp product if it is any of the following:
  - (1) Designed by the processor, including the manufacturer, to be introduced into the human body.
  - (2) Advertised as an item to be introduced into the human body.
  - (3) Distributed, exported, or imported for sale or distribution to be introduced into the human body.
- d. “Consumable hemp product” includes but is not limited to any of the following:
  - (1) A noncombustible form of hemp that may be digested, such as food; internally absorbed, such as chew or snuff; or absorbed through the skin, such as a topical application.
  - (2) Hemp processed or otherwise manufactured, marketed, sold, or distributed as food, a food additive, a dietary supplement, or a drug.

Compl. ¶ 51. From this point (until now), the Iowa hemp industry operated in a positive way, contributing to Iowa’s economy and creating a substantial amount of jobs. *See generally*, Ex. 1, Wagaman Decl.; Ex. 2, Declaration of Ashley Powell (“Powell Decl.”); Ex. 3, Declaration of Andy Krieger (“Krieger Decl.”); Ex. 4, Declaration of Diane Lahodny (“Lahodny Decl.”); Ex. 5, Declaration of Lacie Navin (“Navin Decl.”); Ex. 6, Declaration of Matthew Miller (“Miller

Decl.”); Ex. 7, Declaration of Threase Harms (“Harms Decl.”); Ex. 8, Declaration of Jason Glenn (“Glenn Decl.”).

### *The Hemp Amendments*

On May 17, 2024, Defendant Reynolds signed the Hemp Amendments into law, which amended the Iowa Hemp Act. Compl. ¶ 2. The Hemp Amendments substantially expand Iowa’s regulation of hemp and hemp products and provide for onerous criminal and civil penalties for the retail sale, distribution, manufacturing, possession, and use of hemp. H.F. 2605 will now limit consumable hemp products to: “(1) products with a maximum THC concentration that is less than or equal to the lesser of (a) three-tenth of one percent on a dry weight basis, (b) Four milligrams per serving and ten milligrams per container on a dry weight basis.” Compl. ¶ 54. H.F. 2605 further prohibits “synthetic consumable hemp products,” and raw bud or flower hemp product for the purpose of inhalation. *Id.* ¶ 55. F. 2605 also requires consumable hemp products have a notice affixed to the container warning of health risks associated with the products, but fails to indicate what that notice must say. *Id.* ¶ 57. Finally, H.F. 2605 enacts several criminal and civil penalties for violations of such laws. *Id.* ¶ 59.

H.F. 2641 implements a new regulatory structure regarding hemp production (i.e., the growing and testing of hemp), including enacting a criminal penalty for production, use, harvest, transportation, delivery, distribution, or sale of cannabis as a controlled substance unless compliant with Chapters 204 and 204A and allowing DHHS to confiscate and dispose of noncompliant products. The Hemp Amendments take effect six weeks after being signed into law and provide no grace period and no sell-through of existing product for Plaintiffs to phase in compliance. Compl. ¶ 2, 206. Instead, Plaintiffs risk immediate criminal and civil enforcement for the sale, transportation, manufacture and possession of noncompliant products as of July 1, 2024.

Additionally, H.F. 2605 requires that DHHS promulgate regulations to guide in implementing and enforcing H.F. 2605. Compl. ¶¶ 56, 58. DHHS has failed to do so, and has stated that it intends to adopt the final rules *no earlier* than July 17, 2024, with final rules published by August 7. Compl. ¶ 206, Ex. D at p. 6. No regulations have been proposed to implement and address enforcement of the amendments contained in H.F. 2641, which DALS has the authority to do under H.F. 2641. Compl. ¶¶ 56, 58.

### ***Plaintiffs***

Plaintiffs are retailers, hemp farmers, manufacturers, and distributors who are involved in the consumable hemp industry within Iowa. Compl. ¶ 73. Many have been in the hemp industry since its inception in Iowa and have grown thriving businesses that contribute to Iowa's economy. *See generally* Exs. 1-8. If not enjoined, these Plaintiffs do not have the infrastructure or capital to survive the enforcement of the Hemp Amendments, especially on such a truncated timeline. Indeed, one of Plaintiffs' locations has already shuttered in the face of the Hemp Amendments coming into effect on July 1. Ex. 2, Powell Decl. ¶ 19. Similar immediate and irreparable impact will befall the remaining Plaintiffs and their businesses, with the ripple effect of eradicating the entire consumable hemp industry in Iowa and threatening the supply of life-changing products to many Iowa families with loved ones suffering from severe ailments. *See e.g.*, Ex. 7, Harms Decl. ¶ 7, Ex. 1 - 3. Maintaining the status quo is the answer – a status quo established by Congress and the Iowa Hemp Act that has existed and allowed Plaintiffs to flourish since 2020. The need for temporary, preliminary, and permanent injunctive relief is imminent.

### **LEGAL STANDARD**

Considering the imminent risk of irreparable harm, Plaintiffs seek a temporary restraining order, in addition to preliminary injunctive relief. “A temporary restraining order under Rule 65(b)

is to prevent immediate and irreparable harm and typically to preserve the status quo until the Court can hear from both sides.” *Taylor v. Haugaard*, 360 F. Supp. 3d 923, 929 (D.S.D. 2019). A preliminary injunction is typically granted to preserve the status quo until the matter may be heard on the merits. *Dataphase Sys., Inc. v. CL Sys., Inc.*, 640 F.2d 109, 113 (8th Cir. 1981). Maintaining the status quo, particularly when doing so will not prejudice the non-moving party, is a central justification for granting preliminary injunctive relief. *See Walker v. Lockhart*, 678 F.2d 68, 71 (8th Cir. 1982).

To issue such injunctive relief, the Court must consider four factors: (1) the probability of success on the merits, (2) the threat of irreparable harm to the movant absent the injunction, (3) the balance between the harm and the injury that granting the injunction will inflict on other interested parties, and (4) the public interest. *Prudential Ins. Co. of Am. v. Inlay*, 728 F. Supp. 2d 1022, 1028 (N.D. Iowa 2010); *Dataphase Sys, Inc.*, 640 F.2d at 112109. *See also Davis v. Francis Howell Sch. Dist.*, 104 F.3d 204 (8<sup>th</sup> Cir. 1997); *Carlson v. Wiggins*, 760 F. Supp. 2d 811, 818 (S.D. Iowa 2011) (recognizing the *Dataphase* factors as the law governing preliminary relief in the Eighth Circuit), *aff’d*, 675 F.3d 1134 (8<sup>th</sup> Cir. 2012). “No single factor in itself is dispositive; rather, each factor must be considered to determine whether the balance of equities weighs toward granting the injunction.” *United Indus. Corp. v. Clorox Co.*, 140 F.3d 1175, 1179 (8th Cir. 1998). Because each of these factors weigh heavily in favor of the Plaintiffs, a temporary restraining order and preliminary injunction are appropriate to stay the enforcement of the Hemp Amendments pending further order of the Court.

## ARGUMENT

### **A. Plaintiffs are Likely to Succeed on the Merits of their Claims.**

The likelihood-of-success factor is considered the “most significant” in determining whether a temporary restraining order should be granted. *ARC of Iowa v. Reynolds*, 559 F. Supp. 3d 861, 878 (S.D. Iowa 2021). Likelihood of success on the merits requires that the movant find support for its position in governing law. *Heather K. by Anita K. v. City of Mallard, Iowa*, 887 F. Supp. 1249, 1258 (N.D. Iowa 1995). However, “the court is not deciding whether the movant for a preliminary injunction or a temporary restraining order will ultimately win.” *Id.*

#### **i. Plaintiffs are likely to succeed on their preemption claims.**

The Hemp Amendments run afoul of the 2018 Farm Bill, violating both express and conflict preemption principles. The Supremacy Clause of the U.S. Constitution ensures that federal law is “the supreme Law of the Land.” U.S. Const. art. VI, cl. 2. Thus, the Supremacy Clause “invalidates state laws that interfere with, or are contrary to, federal law.” *ARC of Iowa v. Reynolds*, 559 F. Supp. 3d 861, 878 (S.D. Iowa 2021) (internal quotations omitted). Where Congress enacts a law that imposes restrictions or confers rights on private actors and a state confers rights or imposes restrictions in conflict with that federal law, the federal law takes precedence, and the state law is preempted. Preemption has three branches, two of which are implicated here: “express” and “conflict.” *See e.g., TrueNorth Companies, L.C. v. TruNorth Warranty Plans of N. Am., LLC*, 423 F. Supp. 3d 604, 619 (N.D. Iowa 2019) (“There are three types of preemption – express, field and conflict preemption.”).

#### **a. The 2018 Farm Bill expressly preempts the Hemp Amendments.**

The 2018 Farm Bill contains an express preemption clause. When analyzing an express preemption clause, the U.S. Supreme Court has determined that courts “must in the first instance

focus on the plain wording of the clause, which necessarily contains the best evidence of Congress’s pre-emptive intent.” *Sprietsma v. Mercury Marine, a Div. of Brunswick Corp.*, 537 U.S. 51, 62-63 (2002) (quotations omitted). Here, the express preemption clause in the 2018 Farm Bill is unequivocal:

**INTERSTATE COMMERCE.**

- (a) Rule of Construction. Nothing in this title or an amendment made by this title prohibits the interstate commerce of hemp (as defined in section 297A of the Agricultural Marketing Act of 1946 (as added by section 10113)) or hemp products.
- (b) Transportation of Hemp and Hemp Products. No State or Indian Tribe shall prohibit the transportation or shipment of hemp or hemp products produced in accordance with subtitle G of the Agricultural Marketing Act of 1946 (as added by section 10113) through the State or the territory of the Indian Tribe, as applicable.

(emphasis added) (codified as 7 U.S.C.A. § 1639o note.)

This language “states the congressional intention to preempt state law by defining the scope of preemption.” *Lefaiivre v. Ky. Pharm. Co.*, 636 F.3d 935, 939 (8<sup>th</sup> Cir. 2011). Here, the plain language of the preemption clause illustrates that it was Congress’s intent to ensure that once it legalized hemp and hemp products defined by the 2018 Farm Bill, the interstate transport of such products could not be criminalized by states. This makes sense, as interstate commerce is fully within Congress’ constitutional authority. *See* U.S. Const. Art. I, § 3 cl. 3. Recently, this same express preemption clause was analyzed in detail and found to expressly preempt an Arkansas law that attempted to interfere with the right to transport hemp in interstate commerce— a law similar to the Hemp Amendments. *See Bio Gen, LLC v. Sanders*, 690 F.Supp.3d 927 (E.D. Ark. Sept. 7, 2023), appeal docketed, No. 23-3237 (Oct. 10, 2023).

Indeed here, just as in *Bio Gen*, the Hemp Amendments criminalize the possession and transportation or transshipment of consumable hemp products that do not comply with their



requirements. I.C.A. § 204.17(3) makes clear that only hemp products that meet the requirements contained in section 204.7, including the transportation of the products, are permitted. Section 42 of H.F. 2641 further provides that “[a] criminal offense involving hemp includes but is not limited to production, use, harvest, *transportation*, delivery, distribution, or sale of cannabis as a controlled substance except as otherwise provided in this chapter and chapter 204.” (emphasis added). The FAQs published by DHHS stated that “[s]elling non-conforming or illegal products in Iowa may result in civil and criminal penalties. Products which contain tetrahydrocannabinols and do not conform with Iowa’s Consumable Hemp law are ‘controlled substances’ pursuant to Iowa Code sections 124.101(20), 124.202, and 124.204(4)(m). Those possessing, manufacturing, or distributing controlled substances in Iowa may be criminally prosecuted.” Compl. ¶ 206, Ex. D H.F. 2605 FAQs at p. 6.

There are no effective exceptions to the Hemp Amendments to allow for the interstate transportation and shipment of non-compliant consumable hemp products, even if those products do comply with the 2018 Farm Bill. Compl. ¶ 97. The pre-existing Iowa Hemp Act and H.F. 2641 attempt to avoid preemption issues by deeming that the Iowa Hemp Act should not be construed as conflicting with federal law. However, the Hemp Amendments *only* permit the transportation of hemp products interstate if the products comply with their significantly narrowed requirements that alter the federal definition of hemp. For example, a Nebraska retailer shipping consumable hemp products compliant with the 2018 Farm Bill to Illinois will *not* be allowed to ship those products through Iowa without risking criminal and civil enforcement under the Hemp Amendments. An Iowa retailer who ships products to a Nebraska consumer cannot do so without violating the Hemp Amendments. This interferes with the free flow of interstate transportation of hemp products by criminalizing conduct expressly permitted under federal law, and therefore

should be preempted. *See e.g., United States v. State of Iowa, et al.*, Case No. 4:24-cv-00162-SHL-SBJ, 2024 WL 3035430, \*12 (June 17, 2024) (finding that Iowa immigration law criminalized acts to which the United States plainly gave permission to do and therefore finding Iowa law was preempted).

The “hemp transportation” provision in H.F. 2641 § 42 fares no better. With this provision, Iowa places strict limits on how hemp seed or harvested hemp can be transported in and through Iowa. It requires that the person transporting hemp carry a copy of a license, certificate of analysis, and bill of lading if the person meets the detailed requirements. Compl. ¶¶ 98-99; H.F. 2641 § 42. These requirements work to restrict the interstate transport of federally legal hemp which violates the 2018 Farm Bill’s express preemption clause. Because the Hemp Amendments criminalize the possession and transportation of hemp legalized under the 2018 Farm Bill, and because there are no exceptions for the federal law regarding the interstate transportation of hemp, the Hemp Amendments should be expressly preempted. *See Bio Gen*, 690 F.Supp.3d at 939-940.

**b. The Hemp Amendments are preempted because they conflict with the 2018 Farm Bill.**

If not rendered unconstitutional under the 2018 Farm Bill’s express preemption clause, the Hemp Amendments stand as an obstacle, and thus conflict, with the 2018 Farm Bill. Conflict preemption includes cases where “compliance with both federal and state regulations is a physical impossibility . . . and those instances where the challenged state law ‘stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.’” *Arizona v. United States*, 567 U.S. 387, 399 (2012) (citing *Florida Lime & Avocado Growers, Inc. v. Paul*, 373 U.S. 132, 142–143 (1963) and *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)). The 2018 Farm Bill defines hemp as “the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing

or not, with a delta-9 tetrahydro-cannabinol concentration of not more than 0.3 percent on a dry weight basis.” 7 U.S.C. § 1639o(1). The 2018 Farm Bill also removed hemp from the list of controlled substances. Compl. ¶¶ 38-40; *Bio Gen*, 690 F.Supp.3d at 938 (citing Pub. L. No. 91-513, 84 Stat. 1242 (1970)). With respect to the intent of Congress concerning the preemption of state laws regarding hemp regulation, the Conference Report for the 2018 Farm Bill made clear that Congress intended to preclude a state from adopting a narrower definition of hemp, and states: “state and Tribal governments ... are not authorized to alter the definition of hemp or put in place policies that are less restrictive.” *See* Exhibit 10, Conference Report for Agricultural Improvement Act of 2018, p. 738.

While states do admittedly retain some ability to regulate hemp *production* within their borders,<sup>2</sup> Congress neither intended nor allowed states to regulate the manufacture, distribution, and sale of hemp more stringently than what is provided in Title 7, chapter 38, subchapter VII of the United States Code to effectively alter the definition of hemp that can be sold within Iowa. *See also AK Futures LLC v. Boyd St. Distro, LLC*, 35 F.4th 682, 692 (9th Cir. 2022) (“...§ 1639o is unambiguous and precludes a distinction based on manufacturing method...The Farm Act’s definition of hemp does not limit its application according to the manner by which ‘derivatives, extracts, [and] cannabinoids’ are produced.”).

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<sup>2</sup> Plaintiffs anticipate that Defendants will cite to the “no preemption” provision at 7 U.S.C. § 1639p, which only applies to the *production* (i.e., growing) of hemp. This provision specifically directs a state or Indian Tribe to submit a written plan to the United States Department of Agriculture (USDA) if they desire to have regulatory authority over the *production* of hemp within their state. “Produce” is defined by the USDA as “[t]o grow hemp plants for market, or for cultivation for market, in the United States.” 7 C.F.R. § 900.1. Iowa did submit a written plan. Iowa’s plan that was approved by the USDA explicitly – and exclusively – concerns how hemp is grown. *See* Complaint ¶ 44, Exhibit C. Thus, this “no preemption” provision only grants states permission to regulate the production of hemp—with the approval of the USDA. *See also Bio Gen*, 690 F.Supp.3d at 940 (analyzing “no preemption” provision and holding that it “specifically references more stringent in-state regulation only as to the production of hemp, which means that Arkansas may continue to enforce laws regarding the growing of hemp within its borders, but not its interstate transportation.”).

Here, the Hemp Amendments (specifically, H.F. 2605) impermissibly narrow the definition of hemp provided in the Farm Bill in multiple ways, and thus stand as an obstacle to the 2018 Farm Bill. First, the definition of a consumable hemp product is restricted to require that the maximum total THC concentration contained within it be the lesser of the following: (1) three-tenths of one percent on a dry weight basis or (b) *Four milligrams per serving and ten milligrams per container on a dry weight basis*. Compl. ¶ 54. The 2018 Farm Bill has no such requirement regarding serving and container potency or dosages. It only limits allowable hemp to the total delta-9 THC concentration to three-tenths of one percent on a dry weight basis. *See* 7 U.S.C. § 1639o(1). The Hemp Amendments also prohibit the sale of “synthetic consumable hemp products” and raw or dried flower for purposes of inhalation. Compl. ¶ 55. Again, the Farm Bill makes no distinction between permissible hemp and impermissible hemp based on the method of production or consumption. *See* 7 U.S.C. § 1639o(1). These restrictions impermissibly narrow the definition of hemp by *recriminalizing* certain hemp-derived products that Congress legalized in the 2018 Farm Bill and that Iowa legalized in 2019 and 2020. *AK Futures LLC v. Boyd St. Distro, LLC*, 35 F.4th 682, 690 (9th Cir. 2022) (holding, *inter alia*, that “the only statutory metric for distinguishing controlled marijuana from legal hemp is the delta-9 THC concentration level. In addition, the definition extends beyond just the plant to ‘all derivatives, extracts, [and] cannabinoids.’”) (quoting 7 U.S.C. § 1639o(1)).

Products containing THC and that do not conform with the Hemp Amendments will now be considered “controlled substances,” and those possessing, manufacturing, selling or distributing controlled substances may be criminally prosecuted. Compl. ¶¶ 68-72; H.F. 2605 § 8; H.F. 2641 § 40. These same products are federally legal and thus the Hemp Amendments run headlong into

the 2018 Farm Bill’s provisions, serving as an unconstitutional obstacle to the full purposes and objectives of Congress in passing the 2018 Farm Bill.

ii. **Plaintiffs are likely to succeed on their due process claims (facial and as applied).**

The Fourteenth Amendment to the United States Constitution provides that “no person shall . . . be deprived of life, liberty, or property, without due process of law.” U.S. Const. amend. XIV. The Due Process Clause prohibits lawmakers from criminalizing behavior where a person of ordinary intelligence cannot discern what precise behavior is illegal. *See e.g., United States v. Articles of Drug*, 825 F.2d 1238, 1243–44 (8th Cir. 1987). *See also See Bio Gen*, 690 F.Supp.3d at 940. (“The Due Process Clause dooms certain laws that are too vague. A law crosses that threshold when it ‘either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application.’”). “If criminal penalties may be imposed for violation of the law, a stricter standard is applied in reviewing the statute.” *Articles of Drug*, 825 F.2d at 1244. In comparison, a statute that only provides for civil penalties, courts have “expressed greater tolerance . . . because the consequences of imprecision are qualitatively less severe.” *Vill. of Hoffman Ests. v. Flipside, Hoffman Ests., Inc.*, 455 U.S. 489, 498-499 (1982).<sup>3</sup> In the face of significant criminal penalties and imprisonment, the stricter standard must apply here.

As an initial matter, the Hemp Amendments provide for both criminal<sup>4</sup> and civil penalties.

The criminal penalties specifically outlined include:

- Falsifying permit or certifications (H.F. 2641 § 40);

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<sup>3</sup> By way of example, *Pharm. Care Mgmt. Ass’n v. Gerhart*, found itself in the position to be reviewed with a “level of scrutiny appropriate for economic regulation,” which was less strict than what would have been afforded had the court found that the statute provided for criminal penalties. No. 4:14-CV-000345, 2015 WL 10767327, at \*7 (S.D. Iowa Sept. 8, 2015) (declining to hold that any civil statute with the potential penalty of license revocation constitutes a quasi-criminal statute). Because the Hemp Amendments do contain criminal penalties, the Hemp Amendments should be reviewed with less tolerance for vagueness.

<sup>4</sup> H.F. 2605 §§ 8, 9, 11, and 12 also provide for criminal penalties for violations of the Hemp Amendments.

- Possession, use, manufacture, market, transport, delivery, or distribution of hemp products that are intended for inhalation (H.F. 2605 § 8);
- Manufacture, production, distribution, marketing, or sale of a “synthetic consumable hemp product” (H.F. 2605 § 8);
- Selling, providing, or distributing consumable hemp products to a person under 21 years of age (H.F. 2605 § 12); and
- Production, use, harvest, transportation, delivery, distribution, or sale of cannabis as a controlled substance except as otherwise provided under Chapters 204 and 204A (H.F. 2641 § 40).<sup>5</sup>

The resulting criminal penalties are “serious misdemeanor[s].” *See* H.F. 2605 §§ 8, 9, 11. And the Hemp Amendments do not expressly limit criminal penalties to those provided in amended chapters 204 and 204A: a person found to be in violation may also face criminal penalties pursuant to chapters 124<sup>6</sup> and 453B<sup>7</sup> of the Iowa Code. The Hemp Amendments have left the Iowa hemp industry, as a whole, with uncertainty at best in determining what behavior is illegal, with less than six weeks to figure it out or risk *immediate* prosecution.

**a. The Hemp Amendments are vague, and therefore, void.**

A facial challenge to a statute is a claim that the law at issue is unconstitutional “in all its applications, regardless of the individual circumstances.” *United States v. Veasley*, 98 F.4th 906, 909 (8th Cir. 2024). There are key terms within the Hemp Amendments that are not defined and there are provisions of the Amendments that first require promulgation of rules that set the parameters of required conduct under the law. Such terms are undefined and such regulations are absent, rendering the Hemp Amendments void on their face.

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<sup>5</sup> And as previously noted, consumable hemp products that are not in compliance with the Hemp Amendments will be considered controlled substances. *Supra* (A)(I)(A).

<sup>6</sup> Iowa Chapter 124 codifies criminal penalties related to controlled substances, of which range from misdemeanors to felonies. *See generally* Iowa Ch. 124.

<sup>7</sup> Iowa Chapter 453B codifies penalties for failure to pay excise taxes on identified goods. *See generally* Iowa Ch. 453B.

First, a key term within the statute, “synthetic consumable hemp product” is not defined, yet those products are prohibited from sale within Iowa on July 1. Compl. ¶ 56.<sup>8</sup> A person of ordinary intelligence would not know what a “synthetic consumable hemp product” is on its own. Even individuals who are in the hemp industry have no idea what products would be considered as a “synthetic consumable hemp product.” Ex. 5, Navin Decl., ¶ 23. The Court in *Bio Gen* determined that a similar term (“synthetic substance”) “would confuse even an exceptionally intelligent reader,” and was vague and undefined by the statute at issue. *Bio Gen*, 2023 WL 5804185 at \*7.

Second, several of the Hemp Amendments’ provisions that include criminal penalties for violations mandate that regulations to be promulgated, which will not be completed for *at least two weeks after* the Hemp Amendments are to take effect and be enforced. For example, the Hemp Amendments include new labeling and packaging requirements:

(3) The consumable hemp product complies with packaging and labeling requirements, which shall be established by *rules adopted by the department of health and human services by rule*. Each container storing a consumable hemp product shall be affixed with a notice advising consumers regarding the risks associated with its use. *The department of health and human services shall adopt rules regarding the language of the notice and its display on the container.*

Compl. ¶ 57; H.F. 2605 § 4 (emphasis added). However, no regulations have been adopted. *Id.* ¶ 58. Without such “rules adopted by the department of health and human services,” these laws go into effect without Plaintiffs, or any other person or entity, knowing what the new labeling and packaging requirements are. And yet, all existing products that do not carry adjusted packaging and labeling requirements or a notice advising consumers of a to-be-determined risk will be

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<sup>8</sup> “A person required to be registered to manufacture or sell a consumable hemp product under section 204.7 shall not manufacture, produce, distribute, market, or sell a synthetic consumable hemp product, as defined by rules adopted by the department of health and human services.” H.F. 2605 § 8.

deemed illegal and subject the Plaintiffs to immediate risk of criminal prosecution and enforcement.

Plaintiffs recognize that several proposed regulations have been submitted by DHHS. However, that's just it—*proposed* regulations. The public hearings on these proposed regulations will not occur until July 2 and July 8, 2024, and DHHS has noted that it does not expect regulations to take effect any earlier than July 17, 2024. *See* Compl. ¶ 206, Ex. D, H.F. 2605 FAQ, p. 6. And this presumes that DHHS does not, or would not need to, alter the proposed regulations after the public hearings occur, which should, in turn, trigger a new notice period for public comment and new public hearings. *See generally* Iowa Code Ann. § 17A.1. In short, it could be *months* before Plaintiffs have a final set of regulations that are in effect to govern their behavior.

Without such guidance, this leaves the door open for arbitrary enforcement of civil and criminal penalties. *See e.g., Kolender v. Lawson*, 461 U.S. 352, 357–58 (1983) (“Although the doctrine focuses both on actual notice to citizens and arbitrary enforcement, we have recognized recently that the more important aspect of vagueness doctrine “is not actual notice, but the other principal element of the doctrine—the requirement that a legislature establish minimal guidelines to govern law enforcement.”). “Where the legislature fails to provide such minimal guidelines, a criminal statute may permit ‘a standardless sweep [that] allows policemen, prosecutors, and juries to pursue their personal predilections.’” *Id.* (quoting *Smith v. Goguen*, 415 U.S. 566, 575 (1974)). And the risk for arbitrary enforcement by DHHS or the Department of Public Health and Safety is easy to imagine. Any enforcement officer could enter Plaintiff’s retail store and determine that a product does not have a warning label on it that meets his or her interpretation of what should be required by the Hemp Amendments, subjecting that retail owner to immediate criminal enforcement and immediate embargo of product.



**b. The Hemp Amendments are also void in an as-applied challenge.**

The Hemp Amendments are void as-applied to Plaintiffs' conduct as well. Even if the Hemp Amendments contained the necessary definitions and regulations, Plaintiffs have been given a *mere six weeks* to come into compliance. Compl. ¶ 2. Given the extensive changes in the law, this is simply not enough time for Plaintiffs to change their entire businesses to comply. "Generally, a legislature need do nothing more than enact and publish the law, and afford the citizenry a reasonable opportunity to familiarize itself with its terms and to comply." *Texaco, Inc. v. Short*, 454 U.S. 516, 532 (1982). Plaintiffs have not been provided such opportunity.

After operating in compliance with current Iowa and federal law for years, Plaintiffs are now expected to conform in *six weeks* or risk facing criminal penalties for their once legal operations. This includes even possessing their existing product, of which about 80-90% will be considered non-compliant as of July 1, 2024 for most Plaintiffs. Ex. 1, Wagaman Decl. ¶ 13, 15; Ex. 2, Powell Decl. ¶ 21; Ex. 3, ¶ 11; Ex. 4, Lahodny Decl. ¶ 9; Ex. 5, Navin Decl. ¶¶ 25, 27; Ex. 6 Miller Decl. ¶; 7; Ex. 8, Glenn Decl. ¶ 9. And it is not as if the Hemp Amendments require simple or minor changes to the products sold in this industry. For example, there are new packaging requirements that not only will require certain notices to be affixed to all consumable hemp products, but also container size limitations that will require entirely new manufacturing specifications. H.F. 2605 §§ 2, 4. The timeline for enforcement of the requirements under the laws provides no "grace period" for Plaintiffs to even try to come into compliance before the Hemp Amendments take effect, effectively criminalizing the possession of product that the Plaintiffs legally acquired under federal law *and with the permission of DHHS*. Compl. ¶ 214; Ex. 3, Krieger Decl. ¶ 4; Ex. 5, Navin Decl. ¶ 5; Ex. 6, Miller Decl. ¶ 3; Ex. 8, Glenn Decl. ¶¶ 9, 12; *Cf Texaco, Inc.*, 454 U.S. at 532 (providing citizens a two-year grace period to allow "an opportunity to

become familiar with its terms.”). It is absurd to expect a business that has been operating for years – with the consent of the federal and Iowa governments - to be able to change their business models, plans, and products in a manner of weeks. In sum, Plaintiffs have shown a likelihood of success on their claim that the Hemp Amendments violate the Due Process clause.

iii. Plaintiffs are likely to succeed on their Commerce Clause claim.

The Hemp Amendments also violate the dormant Commerce Clause of the United States Constitution. Article I, § 8 of the Constitution provides that Congress shall have the power to regulate commerce among the several states. The dormant Commerce Clause is the negative implication of the Commerce clause: “states may not enact laws that discriminate against or unduly burden interstate commerce.” *S. Dakota Farm Bureau, Inc. v. Hazeltine*, 340 F.3d 583, 592 (8th Cir. 2003). A state law that is challenged on dormant Commerce Clause grounds is subject to a two-part analysis: (1) whether the challenged law discriminates against interstate commerce; and (2) if not discriminatory, the law will be struck down only if the burden it imposes on interstate commerce is clearly excessive in relation to its putative local benefits. *See Pike v. Burce Church, Inc.*, 397 U.S. 137, 142 (1970).

The Hemp Amendments burden interstate commerce in a manner in excess to local benefits.<sup>9</sup> *See id.* . “Where the statute regulates even-handedly to effectuate a legitimate local public interest, and its effects on interstate commerce are only incidental, it will be upheld unless the burden imposed on such commerce is clearly excessive in relation to the putative local benefits . . . If a legitimate local purpose is found, then the question becomes one of degree. And the extent

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<sup>9</sup> For clarity, Plaintiffs are not contending the Hemp Amendments provide discriminatory treatment toward in-state entities in comparison to out-of-state entities. If anything, the Hemp Amendments discriminate *against* in-state entities and will allow a black market of illegal product to be funneled into Iowa through online sales by out-of-state entities or by consumers traveling across the borders of Iowa to states that still allow sales of consumable hemp products consistent with the 2018 Farm Bill. Because the Plaintiffs are not challenging the Hemp Amendments on a discriminatory basis, the remainder of this Section focuses in on the substantial burdens placed on interstate commerce in the absence of a putative local benefit.

of the burden that will be tolerated will depend on the nature of the local interest involved, and on whether it could be promoted with a lesser impact on interstate activities.” *Id.* at 142.

Recently, the U.S. Supreme Court in *Nat’l Pork Producers Council v. Ross* reiterated that a law does not necessarily have to be facially discriminatory to violate the dormant Commerce Clause. 598 U.S. 356, 392 (2023) (“[a]s the Court’s opinion also acknowledges, however, the Court has ‘generally le[ft] the courtroom door open’ to claims premised on ‘even nondiscriminatory burdens.’”) (citing *Department of Revenue of Ky. V. Davis*, 553 U.S. 328, 353 (2008)). Consequently, even if the Hemp Amendments regulate even-handedly, their excessive burden on interstate commerce can exceed the local benefits and violate the Commerce Clause.

The Hemp Amendments place an excessive burden on interstate commerce as compared to the local benefits. Most notably, the Hemp Amendments substantially restrict the possession, manufacture, sale, and transportation, of non-conforming hemp and hemp products within Iowa. H.F. 2605 §§ 4, 8, 11; H.F. 2641 § 40; I.C.A. §§ 204.7(8), 204.17(4). This means that hemp and hemp products from other states, that were produced, manufactured, or sold *lawfully* in accordance with the 2018 Farm Bill, may not even enter the state of Iowa (even if they are just being transported through), or the possessor may face criminal penalties. This interferes with the free flow of interstate transportation and shipment of hemp and hemp products because a person in possession of noncompliant consumable hemp product within Iowa who is engaged in the sale, transportation, or shipment of that product may be subject to prosecution. Compl. ¶¶ 14, 100, 117.

Further, the Hemp Amendments’ new packaging and labeling requirements are the beginning of a slippery slope effect. If every state were to be permitted to enact their own definitions of hemp that differ from that provided by Congress—and mandating that such hemp products conform with labeling and size and container requirements that are not contemplated by

the federal law—the flow of interstate commerce regarding federally legal hemp products would be brought to a grinding halt due to suppliers and vendors’ unwillingness to change container size to meet multiple standards. *NPPC*, 598 U.S. at 406 (Kavanaugh, J., dissenting). To comply, a manufacturer supplying products into Iowa and other states they do business in would be required to have different serving sizes, containers, and labels for a single product.

The purported local benefits are severely outweighed here. The Hemp Amendments are touted as a something to “protect minors from dangerous and intoxicating products.” Compl. ¶ 185. While the protection of minors is certainly a purpose that should be considered when regulating consumable hemp products, it must be executed in a manner that will not have the ultimate chilling effect of eliminating the entire consumable hemp industry from Iowa. *Pike*, 397 U.S. at 142 (the “extent of the burden that will be tolerated will of course depend on the nature of the local interest involved, and on whether it could be promoted as well with a lesser impact on interstate activities.”).

Currently, Plaintiffs do *not* sell directly to minors under the age of 21 as a matter of business policy. Ex. 1, Wagaman Decl. ¶ 5; Ex. 2, Powell Decl. ¶ 16; Ex. 3; Krieger Decl. ¶ 8; Ex. 4, Lahodny Decl. ¶ 7; Ex. 6, Miller Decl. ¶ 5. For those retailers throughout Iowa (if any) that choose to voluntarily sell consumable hemp products to those under the age of 21, Iowa can restrict the sales of *federally legal products* in less restrictive means. To do otherwise, as currently contemplated by the Hemp Amendments, serves an alternative *illegitimate local purpose*, that is pervasively demonstrated throughout the legislative history and public testimony provided prior to the passage of the Hemp Amendments—to limit the sale of consumable hemp products to the benefit of the medical cannabis industry in Iowa. Compl. ¶ 62 (comments of Senator Dawson regarding limiting the Iowa Hemp law to a figure significantly less than the medical cannabinoid

program, which states at 4.5 mg, and allowing the Hemp Amendments to serve “as a guardrail” to distinguish CBD programs from medical hemp). However, the protection of one industry over another is *not* a legitimate local purpose and instead only serves to entirely eliminate the consumable hemp market in Iowa to the detriment of Iowans who do *not* qualify for Iowa’s medical cannabis program, or to the detriment of Iowans whose conditions do not respond to the very limited products that Iowa’s medical cannabis program authorizes for sale or for those Iowans who financially cannot afford to purchase the products provided for sale by Iowa’s medical cannabis program or even travel to those locations.<sup>10</sup> *See id*; Ex. 7, Harms Decl., Exs. 1-3. Indeed, there are less burdensome alternatives to accomplish the Hemp Amendments’ goals of protecting minors such as implementing an age requirement while keeping hemp products legal that comply with federal law. The Hemp Amendments go beyond this limited local benefit to significantly burden interstate commerce.<sup>11</sup> For at least the foregoing reasons, Plaintiffs are likely to succeed on their claim for violation of the dormant commerce clause.

iv. Finally, Plaintiffs are likely to succeed on their taking claim.

The Takings Clause under the Fifth Amendment provides: “[N]or shall private property be taken for public use, without just compensation.” U.S. Const., Amdt. 5.<sup>12</sup> There are two types of

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<sup>10</sup> Medical Cannabis Dispensary Locations, Iowa Department of Health and Human Services, <https://hhs.iowa.gov/programs/programs-and-services/medical-cannabis/medical-cannabis-dispensary-locations> (identifying only five dispensaries that serve medical marijuana throughout the entire state); Michaela Ramm, *Iowa’s medical marijuana program is 10 years old. How does it compare with other states?*, DES MOINES REGISTER (April 20, 2024), <https://www.desmoinesregister.com/story/news/health/2024/04/16/iowa-medical-marijuana-pot-weed-hemp-thc-law-10-years-on-what-to-know-states-outpacing/73260699007/> (noting two licenses manufacturers and five dispensaries in the state).

<sup>11</sup> And any local benefit of the Hemp Amendments must yield to the burdens they place on out-of-state entities. *See e.g., Bibb v. Navajo Freight Lines, Inc.*, 359 U.S. 520, 529–30 (1959) (“A State which insists on a design out of line with the requirements of almost all the other States may sometimes place a great burden of delay and inconvenience on those interstate motor carriers entering or crossing its territory. Such a new safety device—out of line with the requirements of the other States—may be so compelling that the innovating State need not be the one to give way. But the present showing—balanced against the clear burden on commerce—is far too inconclusive to make this mudguard meet that test.”).

<sup>12</sup> There is also a Takings Clause under the Fourteenth Amendment: “[N]or be deprived of life, liberty, or property, without due process of law.” U.S. Const. amend. XIV.

takings: *per se* physical taking and regulatory takings. The latter are relevant here. A regulatory taking has traditionally occurred when a regulation goes “too far.” *Cedar Point Nursery v. Hassid*, 594 U.S. 139, 149 (2021). The Supreme Court recently clarified that when determining whether a *per se* taking or a regulatory taking occurred, if either, the “essential question” is “whether the government has physically taken property for itself or someone else—by whatever means—or has instead restricted a property owner's ability to use his own property.” *Id.*

If the government enacts regulations that deprive an owner of all economically beneficial use of their property, that is considered a regulatory taking. *See e.g., Lucas v. S.C. Coastal Council*, 505 U.S. 1003, 1019, 112 S. Ct. 2886, 2895, 120 L. Ed. 2d 798 (1992). Separately, an owner whose deprivation is less than complete may nevertheless be entitled to compensation. *See e.g., Outdoor Graphics, Inc. v. City of Burlington, Iowa*, 103 F.3d 690, 695 (8th Cir. 1996); *Penn Central Trans. Co. v. City of New York*, 438 U.S. 104, 131 (1978). Such factors include: (1) the economic impact of the regulation on the claimant; (2) the extent to which the regulation has interfered with distinct, investment-backed expectations; and (3) the character of the government regulation. The first two factors are “primary”; the third “may be relevant in determining whether a taking has occurred.” *Lingle v. Chevron U.S.A. Inc.*, 544 U.S. 528, 528-29 (2005).

For one Plaintiff, the regulations are so restrictive that it has already closed one of its retail operations, thus depriving it of all or nearly all economically beneficial use of its property. Compl. ¶ 80; Ex. 2, Powell Decl. ¶¶ 19, 21-22. Several other Plaintiffs stand to suffer a devastating economic impact given that nearly all of their inventory will not be compliant. Ex. 1, Wagaman Decl. ¶¶ 13, 15, 18; Ex. 3, Krieger Decl. ¶ 11; Ex. 4, Lahodny Decl. ¶¶ 8, 10; Ex. 5, Navin Decl. ¶ 20; Ex. 6, Miller Decl. ¶ 7; Ex. 8, Glenn Decl. ¶ 9. For most Plaintiffs, at least 80 percent of their products will be illegal as of July 1. *See id.* Further, it is highly speculative whether product that

would comply with the Hemp Amendments even exists today, given the serving size and container limitations, coupled with the to-be-determined notice and labeling requirements and prohibition of “synthetic consumable hemp products.” *See e.g.*, Ex. 1, Wagaman Decl. ¶¶ 14-16. As of July 1, the Plaintiffs cannot even transport noncompliant products from Iowa to another state if they were to sell the products, because the mere possession and shipment of these products puts them at risk for criminal liability. *See e.g.*, I.C.A. § 204.17(3); I.C.A. § 204.7(8); H.F. 2605 §§ 4-6. Instead, DHHS has issued guidance that if industry participants have products on July 1 that do not conform with the Hemp Amendments, they can simply solicit the assistance of law enforcement to destroy the products. *See* H.F. 2605 FAQs, p. 5. Incredulously, the same product that they contend must be destroyed could be manufactured in smaller packaging and sold simply in larger quantities to the same consumer. Plaintiffs cannot even store noncompliant products until the constitutionality of the Hemp Amendments is final. I.C.A. § 204.7(8); H.F. 2605 §§ 4-6; Compl. ¶ 206, Ex. D, H.F. 2605 FAQs p. 5.

Second, the Hemp Amendments have also substantially interfered with Plaintiffs’ distinct, investment-backed expectations. The Plaintiffs have made reasonable, substantial investments in their businesses based on an established regulatory scheme that has existed in Iowa since at least 2020 and federally since 2018. Compl. ¶ 202. Even now, the federal government has begun the process of rescheduling **marijuana** (which by definition, exceeds the delta-9 THC threshold set forth in the 2018 Farm Bill) to schedule III of the CSA.<sup>13</sup> Given this, coupled with the cooperation of Iowa and DHHS in granting each Plaintiff a license to operate as a hemp retailer in Iowa, and approving for sale the products that they offer in their stores, Plaintiffs could have not reasonably

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<sup>13</sup> Zeke Miller, Joshua Goodman, Jim Mustian And Lindsay Whitehurst, US poised to ease restrictions on marijuana in historic shift, but it’ll remain controlled substance, The Associated Press (April 30, 2024), <https://apnews.com/article/marijuana-biden-dea-criminal-justice-pot-f833a8dae6ceb31a8658a5d65832a3b8>

expected that, in just six weeks' time, their investments, inventories, and segments of their businesses and for some, their *entire* business would be rendered worthless. Just with the full spectrum CBD products alone that Plaintiffs manufacture, distribute, and/or sell, they will lose all profitable use in nearly all of their inventory and some may, and already have, be forced to close shop. Compl. ¶ 203; Ex. 2, Powell Decl. ¶ 19. (“On June 22, 2024, AJ’s Health and Wellness closed the Indianola location as 95% of the sales in the store could not comply with HF 2605.”). For existing products, it is impossible for Plaintiffs to convert these to meet the new requirements. Ex. 2, Powell Decl. ¶ 22 (“current inventory that will become non-compliant is required to be destroyed. This will result in lost cost of goods of \$107,872 and lost revenue of \$207,094. This does not take into account the future lost revenue as many products previously available will not be sold in the store.”). *See also* Ex. 8 Glenn Declaration ¶ 11 (explaining that certain vendors have already informed him that they will cease doing business in Iowa due to the overreach by the state government, refusing to adjust products for one state).

Finally, the Hemp Amendments do not merely “adjust the benefits and burdens of economic life to promote the common good.” *AK Indus. Hemp Ass'n, Inc. v. Alaska Dep't of Nat. Res.*, 2023 WL 8935020, at \*6 (D. Alaska Dec. 27, 2023). The Hemp Amendments were publicized as being primarily motivated by a desire to ensure minors cannot obtain hemp-derived products. Compl. ¶ 61. But there are alternate measures to accomplish this goal, such as simply prohibiting the sale of the products to those under 21 years of age. Instead, the amendments severely restrict what is a permissible product in Iowa to the extent that the Plaintiffs can no longer use all or the great majority of their property, to the sole benefit of an entirely different group of industry participants – those within the medical cannabis industry in Iowa. Compl. ¶ 62; *Cedar Point*



*Nursery*, 594 U.S. at 149; *see also* Senate Video (2024-04-02), HF 2605 – Hemp Regulation at 12:42:20 – 12:43:56.<sup>14</sup> Plaintiffs have shown a likelihood of success on this claim as well.

**B. Unless this Court issues immediate injunctive relief, Plaintiffs, and the public, will suffer irreparable injury.**

The immediate risk of irreparable injury is clear, not based on conjecture, and is known and obvious to the Defendants. To demonstrate a threat of irreparable harm, “a party must show that the harm is certain and great and of such imminence that there is a clear and present need for equitable relief.” *Iowa Utils. Bd. v. Fed. Commc’ns Comm’n*, 109 F.3d 418, 425 (8th Cir. 1996).

First and foremost, Plaintiffs stand to face criminal prosecution, potential imprisonment and fines if injunctive relief is not granted for the mere possession of products that are currently on their shelves that are federally legal. *See e.g.*, Compl. ¶ 65. Second, Plaintiffs face a substantial financial impact that will make existing product worthless and future revenue opportunities impossible as a result of their complete elimination from the hemp market in Iowa and interstate. Compl. ¶¶ 73-88; Ex. 2, Powell Decl. ¶¶ 19, 21-22.

For example, the Hemp Amendments will legalize between 70-85% of Plaintiffs’ currently existing product on July 1, 2024. *See e.g.*, Ex. 1, Wagaman Decl. ¶ 13 (80-85%); Ex. 5, Navin Decl. ¶ 24 (70%). Plaintiffs will be forced to destroy perfectly safe, quality product without receiving compensation for the same. This creates great financial hardship to Plaintiffs. *See e.g.*, Ex. 2, Powell Decl. ¶ 22. Further, this Court would not be treading on new ground to determine the loss of Plaintiffs’ opportunities to sell their products as irreparable. In Arkansas District Court, a preliminary injunction was granted to stay enforcement of an Arkansas statute given the nature of the new and emerging world of hemp, as Plaintiffs’ harm may not be made whole by monetary

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<sup>14</sup><https://www.legis.iowa.gov/dashboard?view=video&chamber=S&clip=s20240402114759428&offset=3258&bill=HF%202605&dt=2024-04-02&ga=90>

damages alone and is likely difficult to calculate. *See e.g., Bio Gen, LLC*, 690 F. Supp. 3d at 941 (“With regard to potential lost profits, I am not persuaded that Plaintiffs can be made whole with money damages, as the financial losses they stand to suffer by complying with the likely unconstitutional portions of the statute cannot be easily measured or reliably calculated, given the novelty of the hemp industry in Arkansas[.]”). And it is highly unlikely that Plaintiffs could recover any future lost revenues from the Defendants, given the Defendants’ status as governmental officials and the principles of sovereign immunity. That alone has been found to constitute irreparable harm justifying temporary and preliminary relief. *See e.g., Turtle Island Foods SPC v. Soman*, 632 F. Supp. 3d 909, 940 (E.D. Ark. 2022) (“the likely absence of money damages available should the State enforce Act 501 given that the State is subject to Eleventh Amendment’s sovereign immunity bar weighs in favor of irreparable harm.”); *Entergy, Arkansas, Inc. v. Nebraska*, 210 F.3d 887, 899 (8th Cir. 2000) (“The importance of preliminary injunctive relief is heightened in this case by the likely unavailability of money damages should the Commission prevail on the merits of its claims. Relief in the form of money damages could well be barred by Nebraska’s sovereign immunity”) (*citing Idaho v. Coeur d’Alene Tribe of Idaho*, 521 U.S. 261, 269 (1997)). This Court should arrive at the same conclusion and issue temporary and preliminary injunctive relief.

Further, the Hemp Amendments hurt the public. “CBD – by itself – is not impairing, meaning it does not cause a ‘high.’” <https://www.cdc.gov/cannabis/about/index.html>; *see also* Ex. 2, Powell Decl. ¶ 9. However, hemp or CBD products, may be used to prevent some types of seizures in people and animals. Epilepsy Foundation, Medical Marijuana, <https://www.epilepsy.com/treatment/alternative-therapies/medical-marijuana> (“Cannabidiol, or CBD . . . has been effective in reducing seizures in some people with epilepsy.”). Ex. 7, Harms

Decl. ¶ 8, Ex. 2. CBD may also be used in other ways, like improving mental state, decreasing minor discomforts, boosting immunity, improving rest, increasing one’s energy, and improving overall health. See Ex. 2, Powell Decl. ¶ 10. Iowan Families rely on available and affordable access of CBD products to assist loved ones with seizures and other disorders. See Erin Farquhar, *New Iowa law criminalizes life-saving treatments for kids*, Bleeding Heartland (June 21, 2024) <https://www.bleedingheartland.com/2024/06/21/new-iowa-law-criminalizes-life-saving-treatments-for-kids/> (“The bill even makes it illegal for me to provide my son the consumable hemp medication he has used for the past nine years to remain seizure-free.”). See also Ex. 7, *Harms Decl., Exs. 1-3*. The Hemp Amendments take this safe, non-invasive option away. Families will now be required to travel out of state in order to obtain these same treatments that they’ve been using for years. But then these families are faced with other hurdles, such as transporting the CBD products back in Iowa and providing them to, for example, a minor-child, which is also criminalized under the new law. See I.C.A. § 204.14D. See also Farquhar, Bleeding Heartland (“Even worse, HF 2605 makes it a crime for my husband and I to administer consumable hemp products to my son. Since he was 3 years old, we have been giving him the same product to treat his seizures, and **now it will be illegal in Iowa.**”) (emphasis in original). Starting July 1, 2024, these families will have little recourse in caring for family members that CBD once helped.

Without immediate injunctive relief preventing the Hemp Amendments from enforcement by July 1, 2024, Plaintiffs, and Iowan families, *will* suffer irreparable harm.

**C. The Public Interest and Balance of Equities Favor Plaintiffs.**

Where the government is the opposing party, the balance of the equities and public interest factors merge. *Nken v. Holder*, 556 U.S. 418, 435 (2009). “To determine the harms that must be weighed, the Eighth Circuit has looked at the threat to each of the parties’ rights that would result

from granting or denying the injunction.” *Bryant v. Nationwide Anesthesia Servs., Inc.*, 2021 WL 3912264, at \*6 (D. Neb. Sept. 1, 2021) (citation omitted). The balance of hardships factor differs from the irreparable harm analysis in that it “examines the harm of granting or denying the injunction upon both of the parties to the dispute and upon other interested parties, including the public, as well.” *Heather K.*, 887 F. Supp. at 1259. Further, “what public interests might be injured and what public interests might be served by granting or denying a preliminary injunction.” *Scott v. Benson*, 863 F. Supp. 2d 836, 844 (N.D. Iowa 2012). “[T]he determination of where the public interest lies is also dependent on the determination of likelihood of success on the merits,” because it is in the public interest to protect rights. *Phelps–Roper v. Nixon*, 545 F.3d 685, 690 (8th Cir. 2008).

Both of these factors fall in favor of injunctive relief. Plaintiffs stand to face the implementation of a law that is preempted by federal law, that violates the Commerce Clause and Due Process Clause. Further, Plaintiffs stand to face *criminal action* of a law that has violated their rights to due process. It is always in the public interest to protect constitutional rights. *See Pavek v. Simon*, 467 F. Supp. 3d 718 (D. Minn. 2020). It is against the public interest to not provide injunctive relief at this time when doing so would simply preserve the status quo of allowing the sale of consumable hemp products in accordance with the 2018 Farm Bill. *See supra* Counts I, II. As of July 1, 2024, families will be left with no recourse when it comes to obtaining life-changing products for their loved ones.

At worst, the only “harm” Defendants will face is an inability to enforce an unconstitutional law that would wreak havoc across the Iowa hemp industry and Iowan families. Therefore, such factor weighs in favor of Plaintiffs. Defendants’ interests are not impeded by an injunction, as laws already regulating the hemp industry, both on the state and federal levels, exist. Maintaining the

status quo until Plaintiffs can be heard, and until this matter may be heard on the merits, is a central justification for granting temporary and preliminary injunctive relief. *See Walker v. Lockhart*, 678 F.2d 68, 71 (8th Cir. 1982).

Plaintiffs have satisfied all of the relevant factors and request that a temporary restraining order and further injunctive relief, be granted.

**D. The Court should Forego the Bond Requirement.**

The Eighth Circuit “allow[s] the district court much discretion in setting bond” under Fed. R. Civ. P. 65(c). *Hill v. Xyquad, Inc.*, 939 F.2d 627, 632 (8th Cir. 1991). At times, the court may order that no security is required at all. *See e.g., Iowa Prot. & Advocacy Servs. v. Gerard Treatment Programs, L.L.C.*, 152 F. Supp. 2d 1150, 1176 (N.D. Iowa 2001). Indeed, “requiring a bond to issue before enjoining potentially unconstitutional conduct by a governmental entity simply seems inappropriate, because the rights potentially impinged by the governmental entity's actions are of such gravity that protection of those rights should not be contingent upon an ability to pay.” *Doctor John’s, Inc. v. City of Sioux City*, 305 F. Supp. 2d 1022, 1043-44 (N.D. Iowa 2004).

A bond requirement would negatively impact Plaintiffs’ rights by requiring them to pay a fee to protect their constitutional rights. It would also negatively impact the public, as the public has a right to be free from enforcement of unconstitutional policies as well. A temporary restraining order and preliminary injunction, at least until the matter may be heard on the merits, would not harm Defendants or the State. Therefore, no bond should be required in this matter.

**CONCLUSION**

Plaintiffs have established that a temporary restraining order and further injunctive relief is appropriate. The factors considered when such relief is requested weigh strongly in favor of granting a temporary restraining order against Defendants and in favor of protecting Plaintiffs’

constitutional rights. Accordingly, Plaintiffs respectfully request their Motion for Temporary Restraining Order and Preliminary Injunction be granted.

**REQUEST FOR ORAL ARGUMENT**

Plaintiffs respectfully request that a hearing for oral argument be set for this matter. As demonstrated above, good cause exists as Plaintiffs' constitutional rights are at stake and a hearing will permit all parties to be heard on the issue.

Dated this 25th day of June 2024.

HW PREMIUM CBD, LLC, AJ's HEALTH AND WELLNESS d/b/a AMERICAN SHAMAN, E. KRIEGER LAND, LLC d/b/a GREENE GOODS MARKET & GREENHOUSES, GREEN ONYX INC. d/b/a YOUR CBD STORE, BEYOND CBD, LLC dba BEYOND CBD, CAMPBELL'S NUTRITION CENTERS, INC., TCI ENTERPRISE, INC. d/b/a SKY HIGH, ICANNA, LLC, YOUR CBD STORES FRANCHISING LLC, Plaintiffs,

BY: /s/ Ryann A. Glenn  
Ryann A. Glenn – # AT0010530  
Alexa B. Barton (NE #27010)  
(Pro Hac Vice Forthcoming)  
HUSCH BLACKWELL, LLP  
14606 Branch Street, Suite 200  
Omaha, NE 68154  
Telephone: (402) 964-5000  
Facsimile: (402) 964-5050  
Ryann.glenn@huschblackwell.com  
Allee.barton@huschblackwell.com

Lowell D. Pearson (MO #46217)  
(Pro Hac Vice Forthcoming)  
HUSCH BLACKWELL, LLP  
630 Bolivar Street, Suite 300  
Jefferson City, MO 65101  
Telephone: (573) 635-9118  
Facsimile: (573) 634-7854

Lowell.pearson@huschblackwell.com

Matt Kamps (IL #6313183)  
*(Pro Hac Vice Forthcoming)*  
HUSCH BLACKWELL LLP  
120 South Riverside Plaza, Suite 2200  
Chicago, IL 60606  
Telephone: (312) 655-1500  
Facsimile: (312) 655-1501  
Matt.kamps@huschblackwell.com

Sierra J. Faler (MO #70050)  
*(Pro Hac Vice Forthcoming)*  
HUSCH BLACKWELL LLP  
4801 Main Street, Suite 1000  
Kansas City, MO 64112  
Telephone: (816) 983-8000  
Facsimile: (816) 983-8080  
Sierra.faler@huschblackwell.com

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 25<sup>th</sup> day of June 2024, the foregoing was electronically served by the court via EDMS and will be directed further to a Private Process Server for personal service to be completed.

/s/ Ryann A. Glenn

**EXHIBIT**

**1**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEATH AND WELLNESS d/b/a  
AMERICAN SHAMAN, GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC dba BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD  
STORES FRANCHISING, LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA DEPARTMENT  
OF HEALTH AND HUMAN SERVICES KELLY  
GARCIA in her official capacity, COMMISSIONER  
OF IOWA DEPARTMENT OF PUBLIC SAFETY  
STEPHAN BAYES in his official capacity, and IOWA  
SECRETARY OF AGRICULTURE MIKE NAIG  
in his official capacity,

Defendants.

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**DECLARATION OF RICK WAGAMAN**

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I, Rick Wagaman, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I own HW Premium CBD, LLC, which operates a store which does business under the name "HW CBD." It is a family-owned business and I am the only owner.

4. HW CBD opened on April 16, 2021 at 1821 22<sup>nd</sup> Street, Suite 102, West Des Moines, Iowa 50266. It currently operates at 8545 Hickman Road, Urbandale, Iowa 50322. The Hickman Road Store holds Iowa DHSS Retain Consumable Hemp Registration Number 253368.

5. HW CBD does not sell consumable hemp products to any individual under 21 years of age.

6. HW CBD opened with and maintains today a mission of providing a professional means of distributing natural health and wellness products to the general population as a component of a healthy lifestyle.

7. To that end, HW CBD sells a variety of products containing cannabinoids derived from industrial hemp.

8. CBD is an acronym of cannabidiol, which is a naturally occurring cannabinoid derived from the cannabis plant. Cannabis includes both hemp and marijuana. CBD was the first major cannabinoid discovered, known to provide health and wellness benefits. CBD is typically derived from hemp due to its high concentration levels. Hemp plants have low concentration levels of tetrahydrocannabinol (THC).

9. CBD is non-intoxicating. It does not have psychoactive properties that other cannabinoids, such as THC, which is predominantly found in the marijuana plant.

10. Consumable hemp products offer a wide range of health and wellness benefits including improved mental state, boost in one's immune system, improved sleep, reduced pain and inflammation, seizure control, and improved overall health.

11. Iowa customers purchase hemp-based products sold by HW CBD for many health benefits including seizure control and other neurological disorders, skin health, general wellness, blood pressure management, digestion, reducing anxiety and stress, improving energy levels, improving sleep and managing pain and inflammation.

12. The primary categories of hemp-based products sold by HW CBD are oils, edibles, topically-applied products, and drinks. Edibles include tincture oils, gummies, capsules, soft gels, and powders. Topically-applied products are in the form of creams, gels, balms and oils. Consumable drinks are available as seltzer waters, coffee, tea and powders.

13. Eighty to eighty-five percent of the products offered at HW CBD are what are called "full-spectrum" products. Full-spectrum products contain all the elements within the cannabinoids and most terpenes but has trace elements of THC Delta-9. Full-spectrum products sold by HW CBD are not intended to have an intoxicating or psychoactive effect, because the high levels of CBD counteract or dilute the low amounts of THC.

14. HW CBD's full-spectrum products are legal under the 2018 Federal Farm Bill because they are derived from hemp plants and they contain less than 0.3% THC by dry weight.

15. HW CBD's full-spectrum products would all be illegal under House File 2605. My understanding is that possession of any of these full-spectrum products by HW CBD could be a criminal violation effective July 1, 2024.

16. HW CBD does not know how to comply with the warning label requirement in House File 2605 because the statute does not provide what language must be included in the warning, and the Department of Health and Human Services will not have a final rule in place stating what language must be included. Further, HW CBD is uncertain as to what a prohibited “synthetic consumable hemp product is” and is therefore uncertain as to whether its products are legal under HF 2605. Effectively, HW CBD is uncertain as to whether we can sell any of our products without facing criminal liability as of July 1, 2024.

17. In 2022, HW CBD had gross sales of \$186,580.44. In 2023, HW CBD had gross sales of \$213,688.44. In the first five months of 2024, HW CBD had gross sales of \$89,845.36.

18. Eighty to eighty-five percent of HW CBD’s gross sales revenue will be from full-spectrum products that will be unlawful on July 1, 2024. Using the last full-year data and the more conservative eighty percent gross sales figure, HW CBD estimates an annual loss of approximately \$171,000 from House File 2605.

19. In 2022, HW CBD paid \$12,070.60 in sales tax. In 2023, HW CBD paid \$14,127.88 in sales tax.

20. The cost of inventory that would not be compliant come July 1, 2024 is \$6,028.00.

21. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24th day of June 2024.

*Rick Wagaman*

---

Rick Wagaman

**EXHIBIT**

**2**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC dba BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD STORES  
FRANCHISING LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT  
OF PUBLIC SAFETY STEPHAN BAYES in his  
official capacity, and IOWA SECRETARY OF  
AGRICULTURE MIKE NAIG in his official capacity,

Defendants.

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**DECLARATION OF ASHLEY POWELL**

---

I, Ashley Powell, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I am the owner of AJ's Health and Wellness, LLC d/b/a American Shaman and American Shaman of Greater Des Moines.

4. CBD American Shaman, LLC, based in Kansas City, Missouri, is a franchisor with approximately 200 franchisees across the United States. AJ's Health and Wellness operates the only 3 franchise locations in Iowa.

5. AJ's Health and Wellness operates three retail locations in Altoona, IA, West Des Moines, IA, and Indianola, IA.

6. AJ's Health and Wellness is registered and licensed with the Iowa Department of Health and Human Services as a retailer to sell consumable hemp products in Iowa. American Shaman Altoona holds registration number 200193. American Shaman West Des Moines holds registration number 203387. American Shaman Indianola holds registration number 220120.

7. AJ's Health and Wellness sells a variety of products containing ultra concentrated terpene rich CBD oil derived from all natural, high quality industrial hemp.

8. CBD is an acronym of cannabidiol, which is a naturally occurring cannabinoid derived from the cannabis plant. Cannabis includes both hemp and marijuana, but CBD is usually derived from hemp due to its high CBD and low THC levels.

9. CBD is non-intoxicating, meaning it will not bring a "high" experience as it lacks the psychoactive ingredient, tetrahydrocannabinol (THC), which is found in marijuana.

10. CBD offers a wide range of benefits including an improved mental state, decrease in minor discomfort, boost in immune system health, improved rest, increased energy, support for cardiovascular system, and improved overall health.

11. The products include topical serums, topical creams, oil tinctures, water solubles, gummies, and beauty products.

12. AJ's Health and Wellness also sells products including hemp-derived Delta-9-THC products.

13. Delta-9-THC products are intoxicating in certain amounts, but is legal in accordance with the 2018 Farm Bill insofar as it is derived from hemp plants and contains less than 0.3% THC by dry weight.

14. Delta-9-THC products are sold and consumed as edibles in the form of beverages, gummies, caramels, taffy, honey, and chocolate.

15. Delta-9-THC offers a variety of health benefits including positive mental support, improved joint function, improved relaxation, increased concentration, and improved sleep.

16. AJ's Health and Wellness does not sell consumable hemp products to individuals under the age of 21.

17. In 2023, AJ's Health and Wellness generated \$3,096,991 in total sales and \$1,201,779.42 of net income, employed 15 individuals at its peak, and paid \$21,076 in payroll taxes and \$215,500 in sales tax.

18. On average, the three stores received approximately 140 new customers per month throughout 2023.

19. On June 22, 2024, AJ's Health and Wellness closed the Indianola location as 95% of the sales in the store could not comply with HF 2605 because the consumable hemp products sold there will not comply with the serving and container size requirements in HF 2605.

20. Additionally, even if AJ's Health and Wellness's products did comply with the serving and container size requirements, we do not know what language must be included in the warning label required by HF 2605, nor do we know what specifically is prohibited by HF 2605's prohibition of sales of "synthetic consumable hemp products." Effectively, we are unsure whether we can sell *any* of our consumable hemp products as of July 1, 2024 without facing criminal liability and prosecution.

21. It is my understanding that selling consumable hemp products that do not meet the requirements contained in Chapter 204 (including HF 2605) is illegal, and that we can be prosecuted for selling or even possessing noncompliant consumable hemp products beginning July 1, 2024.

22. On July 1, 2024, should HF 2605 go into effect, current inventory that will become non-compliant is required to be destroyed. This will result in lost cost of goods of \$107,872 and lost revenue of \$207,094. This does not take into account the future lost revenue as many products previously available will not be sold in the store.

23. Ultimately, if HF 2605 takes effect, AJ's Health and Wellness will be forced to close all its locations.

24. With the closure of the Indianola location, AJ's Health and Wellness has reduced its number of employees to 7. Upon closure of the other two locations, the remaining AJ's Health and Wellness employees will be unemployed.

25. DHHS has communicated they will be unable to regulate online sales, allowing non-compliant products to remain in the state and drive business away from Iowa businesses.

26. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24th day of June 2024.

  
\_\_\_\_\_  
Ashley Powell



**EXHIBIT**  
**3**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC dba BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD STORES  
FRANCHISING LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT  
OF PUBLIC SAFETY STEPHAN BAYES in his  
official capacity, and IOWA SECRETARY OF  
AGRICULTURE MIKE NAIG in his official capacity,

Defendants.

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**DECLARATION OF ANDY KRIEGER**

---

I, Andy Krieger, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I am the owner of E. Krieger Land, LLC, d/b/a Greene Goods Market and Greenhouses ("Greene Goods") located at 1608 Westwood Drive, Jefferson, IA 50129.

4. Greene Goods has been in operation since 1961 as a greenhouse and floral shop. In addition to flowers and produce, Greene Goods sells a variety of products infused with industrial hemp-derived CBD. The CBD products Greene Goods sells contain trace amounts of THC. Greene Goods is licensed and registered with the Iowa Department of Health and Human Services ("DHHS") to sell consumable hemp products and all of the products currently sold by Greene Goods is approved by DHHS.

5. Greene Goods is also a hemp producer, with all of its hemp produced (i.e., grown) in Iowa. In 2020, Green Goods was granted the third grow license and is one of seven remaining growers in Iowa. Greene Goods is licensed and registered with the Iowa Department of Agriculture and Land Stewardship ("DALS") to produce hemp and its hemp complies with DALS requirements.

6. After harvesting our raw flower, Greene Goods sends it to Wisconsin and Minnesota for extraction and production under our own private label brand.

7. Greene Goods products include gummies, drinks, oral tinctures, muscle rubs, and lotions.

8. Per Greene Goods company policy, we do not sell products to anyone under the age of 21.

9. 80% of customers are between 65 and 90 years old. Greene Goods customers appreciate effective, all-natural alternatives to prescription drugs.

10. Greene Goods needs the CBD products to remain cashflow positive during the off-season of the flower shop and greenhouse. Without CBD products, the business is not financially viable.

11. 85% of the products we sell will be non-compliant if HF 2605 goes into effect on July 1. This is due to the serving and container limitations on consumable hemp products in HF 2605. Even though our CBD products have trace amounts of THC, even these minor amounts will exceed the serving and/or container size limitations. I understand that the sale and possession of these products will be subject to criminal penalties beginning July 1, 2024.

12. It is uncertain as to whether we can sell the remaining 15% percent of our products beginning July 1. HF 2605 requires a warning label to be placed on consumable hemp product containers if sold and prohibits the sale “synthetic consumable hemp products.” HF 2605 does not state what language is required to be in the warning, and does not define synthetic consumable hemp products but instead directs DHHS to clarify both of those issues. It is my understanding DHHS has only issued *proposed* regulations that will not be final as of July 1, 2024. We are therefore not sure what remaining products, if any, can be sold.

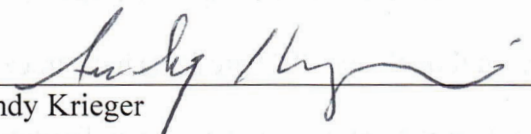
13. I understand that the transportation of hemp and hemp products that do not comply with HF 2605 and HF 2641 will be illegal as of July 1, 2024.

14. This is particularly concerning because Greene Goods produces hemp and transports it across state lines to Wisconsin and Minnesota to be manufactured into consumable hemp products. Even if Greene Goods does not sell these products in Iowa, I understand that the transportation of these products between Minnesota or Wisconsin to Iowa will be criminally prohibited, which means we either risk violating the law to get our products into Iowa or cannot access our own hemp products. The restrictions on the shipment of hemp through Iowa, as set forth

in HF 2641 will affect our ability to ship our hemp products to different states. I understand that if these requirements are not complied with we are subject to criminal penalties.

15. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24th day of June, 2024.

  
Andy Krieger

**EXHIBIT**

**4**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC dba BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD STORES  
FRANCHISING LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT  
OF PUBLIC SAFETY STEPHAN BAYES in his  
official capacity, and IOWA SECRETARY OF  
AGRICULTURE MIKE NAIG in his official capacity,

Defendants.

---

**DECLARATION OF DIANE LAHODNY**

---

I, Diane Lahodny, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I am the owner of Campbell's Nutrition Centers, Inc. ("Campbell's").

4. Campbell's operates two locations in Des Moines, Iowa and Urbandale, Iowa.

5. Campbell's is an 87-year-old health food store. We have been selling a variety of cannabidiol ("CBD") products for almost 10 years.

6. Campbell's is registered with the IA DHHS as a Retail Consumable Hemp Facility. A copy of my retail consumable hemp license issued by DHHS is attached hereto as Exhibit "1" to this Declaration and is a business record I maintain in the ordinary course of my business in Iowa.

7. Campbell's does not sell consumable hemp products to any individual under the age of 21 as a business policy.

8. I currently understand that over 50% of the CBD products available at Campbell's will be illegal after July 1, 2024. These CBD products contain only trace amounts of THC, but will not comply with the serving and container size requirements contained in House File 2605.

9. It is my understanding that it will be illegal to sell or possess consumable hemp products that do not meet the new Hemp Amendments<sup>1</sup> and that we could be criminally liable for the possession or sale of these products as of July 1, 2024.

10. Campbell's will lose at least \$50,000 in revenue per month without the CBD sales.

11. For the remaining 50% of Campbell's inventory, it is uncertain how those products can legally be sold because House File 2605 requires a warning label be affixed to every consumable hemp product container but does not provide what language is required to be in that label, and the Iowa Department of Health and Human Services ("DHHS") has only

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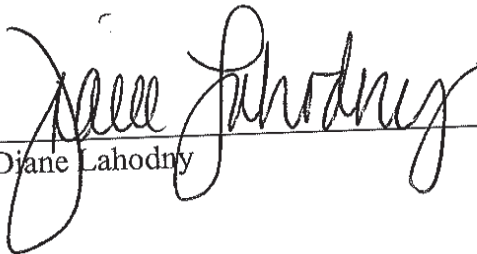
<sup>1</sup> Capitalized terms not otherwise defined in this Declaration refer to the definition set forth in the Complaint filed in this proceeding.

published draft regulations. The same is true regarding House File 2605's prohibition regarding "synthetic consumable hemp products." The bill does not define those products, and DHHS has only published draft regulations defining them. Without knowing how to comply with these two requirements of the Hemp Amendments, Campbell's risks prosecution for the sale of these consumable hemp products.

12. In order to comply with the Hemp Act by July 1, 2024, Campbell's will have to dispose of the products it believes will be noncompliant. The vendors will not take these products back.

13. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24th day of June, 2024.

  
Diane Lahodny

STATE OF IOWA DEPARTMENT OF  
**Health AND Human**  
SERVICES

**EXHIBIT**  
**1**

Kim Reynolds  
GOVERNOR  
Adam Gregg  
LT. GOVERNOR  
Kelly Garcia  
DIRECTOR

**BUREAU OF CANNABIS REGULATION**

FEE \$475.00

CONSUMABLE HEMP RETAILER

REGISTRATION #199930

**CAMPBELLS NUTRITION CENTER WEST**  
CAMPBELLS NUTRITION CENTER WEST  
4040 University Avenue  
Des Moines, IA 50311

The aforesaid, having deposited the required fee, is hereby granted the above registration pursuant to chapter 204, code of Iowa. This registration shall remain in full force from the date of issue until its expiration date, unless revoked or suspended for cause by the department of health and human services for noncompliance with chapter 204, code of Iowa or rules promulgated pursuant thereto.

REGISTRATION FOR  
FOLLOWING LOCATION:

2749 100th Street  
Urbandale, IA 50322

DATE OF ISSUE:

4/15/2024

EXPIRATION DATE:

4/15/2025

This registration is issued by:  
IOWA DEPARTMENT OF HEALTH AND HUMAN  
SERVICES BUREAU OF CANNABIS  
REGULATION

321 E 12TH ST FL 6  
DES MOINES, IA 50319-0083  
Phone: 877-214-9313  
Email: [consumable.hemp@idph.iowa.gov](mailto:consumable.hemp@idph.iowa.gov)  
Web Site: [hhs.iowa.gov/consumable-hemp](https://hhs.iowa.gov/consumable-hemp)



This QR code can be used  
to verify this Consumable  
Hemp Establishment

POST IN CONSPICUOUS PLACE

NONTRANSFERABLE

Visit [hhs.iowa.gov/consumable-hemp](https://hhs.iowa.gov/consumable-hemp)



STATE OF IOWA DEPARTMENT OF  
**Health AND Human**  
SERVICES

Kim Reynolds  
GOVERNOR

Adam Gregg  
LT. GOVERNOR

Kelly Garcia  
DIRECTOR

**BUREAU OF CANNABIS REGULATION**

FEE \$475.00

CONSUMABLE HEMP RETAILER

REGISTRATION #199932

**Campbell's Nutrition Center**  
IA  
4040 University Avenue  
Des Moines, IA 50311

The aforesaid, having deposited the required fee, is hereby granted the above registration pursuant to chapter 204, code of Iowa. This registration shall remain in full force from the date of issue until its expiration date, unless revoked or suspended for cause by the department of health and human services for noncompliance with chapter 204, code of Iowa or rules promulgated pursuant thereto.

REGISTRATION FOR  
FOLLOWING LOCATION:

4040 University Avenue  
Des Moines, IA 50311

DATE OF ISSUE:

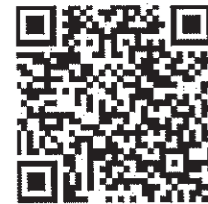
4/15/2024

EXPIRATION DATE:

4/15/2025

This registration is issued by:  
IOWA DEPARTMENT OF HEALTH AND HUMAN  
SERVICES BUREAU OF CANNABIS  
REGULATION

321 E 12TH ST FL 6  
DES MOINES, IA 50319-0083  
Phone: 877-214-9313  
Email: [consumable.hemp@idph.iowa.gov](mailto:consumable.hemp@idph.iowa.gov)  
Web Site: [hhs.iowa.gov/consumable-hemp](https://hhs.iowa.gov/consumable-hemp)



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to verify this Consumable  
Hemp Establishment

POST IN CONSPICUOUS PLACE

NONTRANSFERABLE

Visit [hhs.iowa.gov/consumable-hemp](https://hhs.iowa.gov/consumable-hemp)

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC d/b/a BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD STORES  
FRANCHISING LLC

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT OF  
PUBLIC SAFETY STEPHAN BAYES in his official  
capacity, and IOWA SECRETARY OF AGRICULTURE  
MIKE NAIG in his official capacity.

Defendants.

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**DECLARATION OF LACIE NAVIN**

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I, Lacie Navin, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I am the owner of two separate stores that sell products that Iowa has defined as “consumable hemp products,” and have operated as co-owner of two additional stores within Iowa as well.

4. I operate each one of my stores as a franchise of Sunmed™ Your CBD Store, which is a national franchise that specializes in cannabidiol (“CBD”) products. My first store that I opened in 2019 is located in West Des Moines, Iowa. My second store that I opened is located in Ankeny, Iowa. The two stores that I own a fifty percent (50%) interest in are also Sunmed™ franchises and are both located in Iowa.

5. The stores I operate are both licensed and registered with the Iowa Department of Health and Human Services (“DHHS”), and the consumable hemp products sold in those stores are currently approved by DHHS.

6. In December of 2019, I was contacted by an undercover police officer who purchased some of my product from my Sunmed™ West Des Moines, Iowa store. I ultimately was arrested and charged with multiple felonies for allegations that my products were “marijuana prepared,” which was a phrase that I understand Iowa did not define. As part of the investigation, my bank accounts were frozen and I was forced to shut down the entirety of my two stores that existed for the entirety of the investigation and court proceeding, which lasted nearly two (2) years. Ultimately, all charges against me were voluntarily dismissed by the State of Iowa, but the damage to me financially was substantial as the State did not return any of the money that was frozen, and I had lost revenue for the two-year period that I was shut down.

7. The two-year period of litigation was extremely detrimental to me, my business, and my family that I was trying to financially support. Since opening my businesses in 2019, I have followed every law – local, state, and federal – concerning the products that I offer for sale

in my stores.

8. I have owned my businesses throughout the transition in Iowa from the time the Agriculture Farm Improvement Act (the “2018 Farm Bill”) was passed to allow for the industrialization and possession of hemp and hemp-derived products, to the first Iowa bill that was passed to mirror the 2018 Farm Bill in 2019 (the “Iowa Hemp Act”), and then subsequently the second Iowa hemp bill passed in 2020 that provided for the legalization and regulation of “consumable hemp products” (H.F. 2581).

9. It is my understanding that there are very few Iowa licensed hemp growers within the State of Iowa.

***My Store Products Sold Within Iowa***

10. I entered into a Franchise Agreement for my stores on October 5, 2021 with Your CBD Stores Franchising, LLC. The Franchising Agreement has an initial term of five (5) years, with option to renew thereafter.

11. Because of the Franchise Agreement, I am restricted on what products I can offer in my stores and predominantly carry Sunmed™ products.

12. Sunmed™ offers a variety of products that are sold within my stores. In addition, I am one of very few stores that sells an Iowa-derived CBD tincture product that is manufactured by a local Iowa grower.

13. The majority of the product line that I sell in my Iowa stores are Sunmed™ products. Sunmed™ produces approximately sixty-four (64) products that are lab tested and third-party approved for quality assurance purposes. Each product has its own lab report published on the Sunmed™ website, available for any customer who wishes to see specific information about the safety of the product, as well as THC content.

14. For example, the full spectrum neuro water soluble CBD gummies sold in a container that contains 30 gummies, carry a .0145% total THC per serving (1 gummy) and .4591% total CBD per serving. The lab report prepared by ActLab is published on the website, a copy of which is attached hereto as Exhibit “1” to my Declaration and is a business record that I maintain and offer to my customers upon request in accordance with my ordinary course of business.

15. An additional example is our 1800 mg water soluble CBD tincture. That container has 19.282 mg of THC per package, but only .643 mg of THC per unit. Because of the size of the container, it is my understanding that this product would violate the laws set to take effect in Iowa on July 1, 2024 (the “Amendments”). A copy of the tincture lab report is attached hereto as Exhibit “2” to my Declaration and is a business record that I maintain and offer to my customers upon request in accordance with my ordinary course of business.

16. I also am one of the very few licensed consumable hemp retailers in Iowa that are authorized to sell raw hemp flower. A copy of the Certificate of Analysis that I carry in my store in order to sell this flower I receive from a local supplier in Iowa is attached hereto as Exhibit “3” to my Declaration and is a business record that I maintain and offer to my customers upon request in accordance with my ordinary course of business.

17. All of the products I sell in my stores are approved by the Iowa DHHS under my consumable hemp retailer license, a copy of which is attached as Exhibit “4” to my Declaration and is a business record that I maintain and post for public view within my stores.

***Impact on My Business and Irreparable Harm***

18. The Amendments were signed into law by Defendant Reynolds on May 17, 2024 through H.F. 2605 and H.F. 2641 and are set to take effect a mere six weeks later on July 1, 2024.

19. On February 14, 2024, I signed a five-year commercial lease for my 1,400 square

foot business in Ankeny, Iowa, with payments set to commence in May 2024.

20. If the Amendments go into effect on July 1, 2024, as planned, I have conservatively estimated that approximately 75% of my current product line that is currently offered for sale *legally* in Iowa will not comply with the Iowa Amendments.

21. The products that will be illegalized are largely due to the serving size and container size requirements that are set forth in HF 2605 definition of a “consumable hemp product” in which “the product’s maximum total tetrahydrocannabinol (“THC”) concentration is less than or equal to the lesser of the following: a) three-tenths of one percent on a dry weight basis; b) four milligrams per serving and ten milligrams per container on a dry weight basis.”

22. In addition, within the Amendments in ICA § 204.14A (Criminal offense-inhalation), a person “shall not manufacture, produce, distribute, market, or sell a *synthetic consumable hemp product*, as defined by rules adopted by the department of health and human services.”

23. A synthetic consumable hemp product is not defined in the Amendments, and the rules have not been finalized by the department of health and human services, leading to a large amount of confusion as to what products fall within the definition of a synthetic consumable hemp product.

24. The products that will be illegalized in my stores as a result of the Amendments (*excluding* any potential products that are considered “synthetic”) will be devastating, as they make up at least 70% or more of my monthly sales in each store.

25. The removal of these products from the Iowa marketplace will be detrimental to the Iowa consumers and public. Both of my stores service at *least* in excess of 12,000 customers.

26. The removal of these products will make the continuation of my business

impossible, as the Sunmed™ brand currently only carries approximately 40 products that would be considered compliant with the Amendments. It is my understanding that Sunmed™ will not create separate products that are compliant with only Iowa's law, as doing so for potentially all 50 states would be incredibly burdensome and costly to comply with.

27. Because of the Franchise Agreement, I am restricted on what products I can offer in my stores and am required to purchase a minimum inventory of Sunflora products that are manufactured by Sunmed™ on a quarterly basis.

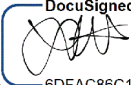
28. As a result, the Amendments will effectively prohibit me from purchasing the Sunflora products that I am required to purchase on a quarterly basis, directly interfering with my ability to comply with my Franchise Agreement as I understand it will be illegal for me to purchase the Sunflora products in Iowa under the Amendments.

29. Because of the effective date of the Amendments being a mere six weeks after the Governor signed them into law, coupled with the fact the industry stakeholders like myself do not have final regulations to fully understand how the Department of Health & Human Services and Department of Public Safety intend to enforce the Amendments, we are left not knowing what to do with the substantial amount of product currently on our shelves.

30. The risk of criminal enforcement as a result of the Iowa Amendments is incredibly concerning, especially in light of my prior experience and exceptional financial harm that was inflicted on me as a result of a criminal investigation and shutting down of my business as a result. I have a young family and cannot risk criminal enforcement and financial harm as a result of the State pursuing enforcement of the Amendments.

31. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 25<sup>th</sup> day of June 2024.

DocuSigned by:  
  
6DFAC86C1B6C44B...  
Lacie Navin





**EXHIBIT**  
**1**



SunFlora Inc.  
Order #: 84654  
Retail Batch #:  
112523FSNG

**CERTIFICATE OF ANALYSIS**

ISO/IEC: 17025:2017 Accreditation #: 103104  
License #: CMTL-0004

**Order Information**

Order #: 84654  
Order Name: Neuro Gummy  
Retail Batch #: 112523FSNG  
Received: 12/01/2023 13:27:49  
Complete: 12/08/2023 10:45:26

**Batch Information**

Create Date: Total Qty.: 0  
Exp. Date: Matrix: Gummy  
Size: 0 Pickup Weight: N/A

<b>CANNABINOID PROFILE</b> <b>TESTED</b>	<b>LABEL CLAIM</b> <b>NOT APPLICABLE</b>	<b>MICROBIAL ANALYSIS</b> <b>PASS</b>
<b>RESIDUAL SOLVENTS</b> <b>PASS</b>	<b>AGRICULTURAL AGENTS</b> <b>PASS</b>	<b>HEAVY METAL ANALYSIS</b> <b>PASS</b>
<b>TERPENES TOTAL</b> <b>TESTED</b>	<b>MOISTURE ANALYSIS</b> <b>NOT TESTED</b>	<b>WATER ACTIVITY</b> <b>TESTED</b>
<b>FILTH &amp; FOREIGN MATERIAL ANALYSIS</b> <b>PASS</b>	<b>HOMOGENEITY</b> <b>NOT TESTED</b>	<b>MYCOTOXIN ANALYSIS</b> <b>PASS</b>



**0.0145 %**  
Total THC

**0.4591 %**  
Total CBD

**0.7966 %**  
Total Cannabinoids

**Diana Asensio, M.S.**

Lab Director

**ACT Laboratories Florida**  
4001 SW 47th Avenue, Suite 208  
Davie, FL 33314  
(954) 514-9343





SunFlora Inc.  
 Order #: 84654  
 Retail Batch #:  
 112523FSNG

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**Sample Prep**

Tech: 4090  
 SOP: 418  
 Batch Number: 61912  
 Batch Date: 12/01/2023 12:21:23

**Sample Analysis**

Date/Time: 12/05/2023 08:56:09  
 Tech: 1012  
 SOP: 417  
 Final Weight: 1.0054 g  
 Volume: 10 ml

**CANNABINOID PROFILE**

HPLC-DAD

0.0145 % Total THC	0.728 mg THC Per Unit	0.728 mg THC Per Pkg
0.4591 % Total CBD	23.047 mg CBD Per Unit	23.047 mg CBD Per Pkg
0.7966 % Total Cannabinoids	39.990 mg Cannabinoids Per Unit	39.990 mg Cannabinoids Per Pkg

**Cannabinoid Potency**

ANALYTE	LOD/LOQ (mg/g)	DIL.	WEIGHT %	MG/G	MG/UNIT	MG/PACKAGE	LABEL CLAIM (mg)	% LABEL VAR.
CBC	0.004/0.013	1	0.0067	0.067	0.336	0.336	--	--
CBD	0.004/0.013	1	0.4591	4.591	23.047	23.047	--	--
CBDA	0.004/0.013	1	ND	ND	ND	ND	--	--
CBDV	0.004/0.013	1	0.0033	0.033	0.166	0.166	--	--
CBG	0.004/0.013	1	0.2927	2.927	14.694	14.694	--	--
CBGA	0.004/0.013	1	ND	ND	ND	ND	--	--
CBN	0.004/0.013	1	0.0037	0.037	0.186	0.186	--	--
d8-THC	0.004/0.013	1	ND	ND	ND	ND	--	--
d9-THC	0.004/0.013	1	0.0145	0.145	0.728	0.728	--	--
THCA	0.004/0.013	1	ND	ND	ND	ND	--	--
THCV	0.004/0.013	1	ND	ND	ND	ND	--	--

**Additional Cannabinoids**

ANALYTE	LOD/LOQ (mg/g)	DIL.	WEIGHT %	MG/G	MG/UNIT	MG/PACKAGE	LABEL CLAIM (mg)	% LABEL VAR.
CBDVA	0.004/0.013	1	ND	ND	ND	ND	--	--
CBL	0.004/0.013	1	<LOQ	<LOQ	<LOQ	<LOQ	--	--
CBT	0.004/0.013	1	0.0166	0.166	0.833	0.833	--	--
d10-THC	0.004/0.013	1	ND	ND	ND	ND	--	--
d9-THCP	0.004/0.013	1	ND	ND	ND	ND	--	--
exo-THC	0.004/0.013	1	ND	ND	ND	ND	--	--

mg/unit = 5.02 (g) per unit x cannabinoid concentration (mg/g)  
 Total THC = THC + (0.877 x THCA) and Total CBD = CBD + (0.877 x CBDA)  
 ND = Not Detected, NT = Not Tested, <LOQ = Below Limit of Quantitation

CANNABINOID TOTALS	WEIGHT %	MG/G	MG/UNIT	MG/PACKAGE
Total THC	0.0145	0.145	0.728	0.728
Total CBD	0.4591	4.591	23.047	23.047
Total Cannabinoids	0.7966	7.966	39.990	39.990

**Diana Asensio, M.S.**

Lab Director

**ACT Laboratories Florida**  
 4001 SW 47th Avenue, Suite 208  
 Davie, FL 33314  
 (954) 514-9343



This COA and Order are subject to the terms and conditions found at: <https://actlab.com/terms-and-conditions/>



SunFlora Inc.  
Order #: 84654  
Retail Batch #:  
112523FSNG

**CERTIFICATE OF ANALYSIS**

ISO/IEC: 17025:2017 Accreditation #: 103104  
License #: CMTL-0004

**Agricultural Agents**

GC-MS/MS

**PASS**

**Sample Prep**

Tech: 3393  
SOP: 402  
Batch Number: 61925  
Batch Date: 12/04/2023 15:13:41

**Sample Analysis**

Date/Time: 12/06/2023 11:55:52  
Tech: 2816  
SOP: 402  
Final Weight: 0.5124 g  
Volume: 10 ml

ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LEVEL (ppm)	RESULTS (ppm)
Captan	0.07/0.1	1	3	ND
Chlordane	0.01/0.1	1	0.1	ND
Chlorfenapyr	0.01/0.1	1	0.1	ND
Coumaphos	0.01/0.1	1	0.1	ND
Cyfluthrin	0.01/0.1	1	1	ND
Cypermethrin	0.01/0.1	1	1	ND
Methyl parathion	0.01/0.1	1	0.1	ND
Pentachloronitrobenzene	0.01/0.1	1	0.2	ND

**MYCOTOXIN ANALYSIS**

LC-MS/MS

**PASS**

**Sample Prep**

Tech: 3393  
SOP: 432  
Batch Number: 61924  
Batch Date: 12/04/2023 14:46:55

**Sample Analysis**

Date/Time: 12/07/2023 12:59:06  
Tech: 3445  
SOP: 424  
Final Weight: 0.105 g  
Volume: 2.5 ml

ANALYTE	LOD/LOQ (ppb)	DIL.	ACTION LEVEL (ppb)	RESULTS (ppb)
Aflatoxin B1	2/10	1	20	ND
Aflatoxin B2	2/10	1	20	ND
Aflatoxin G1	2/10	1	20	ND
Aflatoxin G2	2/5	1	20	ND
Ochratoxin A	2/10	1	20	ND

**Diana Asensio, M.S.**

Lab Director

**ACT Laboratories Florida**  
4001 SW 47th Avenue, Suite 208  
Davie, FL 33314  
(954) 514-9343





SunFlora Inc.  
 Order #: 84654  
 Retail Batch #:  
 112523FSNG

**CERTIFICATE OF ANALYSIS**

ISO/IEC: 17025:2017 Accreditation #: 103104  
 License #: CMTL-0004

**Agricultural Agents**

LC-MS/MS

**PASS**

**Sample Prep**

Tech: 3393  
 SOP: 432  
 Batch Number: 61924  
 Batch Date: 12/04/2023 14:46:55

**Sample Analysis**

Date/Time: 12/07/2023 12:59:06  
 Tech: 3445  
 SOP: 424  
 Final Weight: 0.105 g  
 Volume: 2.5 ml

ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LEVEL(ppm)	RESULTS (ppm)	ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LIMIT(ppm)	RESULTS (ppm)
Abamectin B1a	0.002/0.035	1	0.3	ND	Imazalil	0.002/0.01	1	0.1	ND
Acephate	0.002/0.04	1	3	ND	Imidacloprid	0.002/0.002	1	3	ND
Acequinocyl	0.002/0.002	1	2	ND	Kresoxim-methyl	0.002/0.002	1	1	ND
Acetamiprid	0.002/0.002	1	3	ND	Malathion	0.01/0.04	1	2	ND
Aldicarb	0.002/0.01	1	0.1	ND	Metalaxyl	0.002/0.004	1	3	ND
Azoxystrobin	0.002/0.04	1	3	ND	Methiocarb	0.002/0.01	1	0.1	ND
Bifenazate	0.002/0.002	1	3	ND	Methomyl	0.002/0.002	1	0.1	ND
Bifenthrin	0.002/0.002	1	0.5	ND	Mevinphos	0.009/0.036	1	0.1	ND
Boscalid	0.01/0.05	1	3	ND	Myclobutanil	0.002/0.04	1	3	ND
Carbaryl	0.002/0.004	1	0.5	ND	Naled	0.002/0.01	1	0.5	ND
Carbofuran	0.002/0.01	1	0.1	ND	Oxamyl	0.002/0.002	1	0.5	ND
Chlorantraniliprole	0.002/0.01	1	3	ND	Pactlobutrazol	0.002/0.004	1	0.1	ND
Chlormequat chloride	0.002/0.004	1	3	ND	Permethrins	0.002/0.01	1	1	ND
Chlorpyrifos	0.002/0.01	1	0.1	ND	Phosmet	0.002/0.002	1	0.2	ND
Clofentezine	0.002/0.002	1	0.5	ND	Piperonyl Butoxide	0.002/0.002	1	3	ND
Daminozide	0.01/0.04	1	0.1	ND	Prallethrin	0.002/0.01	1	0.4	ND
Diazinon	0.002/0.01	1	0.2	ND	Propiconazole	0.002/0.04	1	1	ND
Dichlorvos	0.002/0.04	1	0.1	ND	Propoxur	0.002/0.01	1	0.1	ND
Dimethoate	0.002/0.002	1	0.1	ND	Pyrethrins	0.001/0.013	1	1	ND
Dimethomorph	0.001/0.002	1	3	ND	Pyridaben	0.002/0.002	1	3	ND
Ethoprophos	0.002/0.01	1	0.1	ND	Spinetoram	0.001/0.003	1	3	ND
Etofenprox	0.002/0.002	1	0.1	ND	Spinosad	0.001/0.001	1	3	ND
Etoxazole	0.002/0.002	1	1.5	ND	Spiromesifen	0.002/0.002	1	3	ND
Fenhexamid	0.01/0.04	1	3	ND	Spirotetramat	0.002/0.01	1	3	ND
Fenoxycarb	0.002/0.004	1	0.1	ND	Spiroxamine	0.002/0.04	1	0.1	ND
Fenpyroximate	0.002/0.002	1	2	ND	Tebuconazole	0.01/0.04	1	1	ND
Fipronil	0.002/0.004	1	0.1	ND	Thiacloprid	0.002/0.002	1	0.1	ND
Fonicamid	0.002/0.01	1	2	ND	Thiamethoxam	0.002/0.01	1	1	ND
Fludioxonil	0.002/0.004	1	3	ND	Trifloxystrobin	0.002/0.002	1	3	ND
Hexythiazox	0.002/0.004	1	2	ND					

**Diana Asensio, M.S.**

Lab Director

**ACT Laboratories Florida**  
 4001 SW 47th Avenue, Suite 208  
 Davie, FL 33314  
 (954) 514-9343



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SunFlora Inc.  
 Order #: 84654  
 Retail Batch #:  
 112523FSNG

**CERTIFICATE OF ANALYSIS**

ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**TERPENES TOTAL**  
 GC-FID **TESTED (0.000 %)**

**Sample Prep**

Tech: 3393  
 SOP: 421  
 Batch Number: 61923  
 Batch Date: 12/04/2023 14:38:40

**Sample Analysis**

Date/Time: 12/08/2023 09:32:52  
 Tech: 2816  
 SOP: 419  
 Final Weight: 0.4069 g  
 Volume: 10 ml

TERPENE	LOD/LOQ (%)	DIL.	RESULTS (%)	TERPENE	LOD/LOQ (%)	DIL.	RESULTS (%)
3-Carene	0.001/0.003	1	ND	Geraniol	0.001/0.003	1	ND
alpha-Bisobolol	0.001/0.003	1	<LOQ	Geranyl acetate	0.001/0.003	1	ND
alpha-Cedrene	0.001/0.003	1	ND	Guaiol	0.001/0.003	1	ND
alpha-Humulene	0.001/0.003	1	ND	Hexahydrothymol	0.001/0.003	1	ND
alpha-Pinene	0.001/0.003	1	ND	Isoborneol	0.001/0.003	1	ND
alpha-Terpinene	0.001/0.003	1	ND	Isopulegol	0.001/0.003	1	ND
beta-Myrcene	0.001/0.003	1	ND	Limonene	0.001/0.003	1	ND
beta-Pinene	0.001/0.003	1	ND	Linalool	0.001/0.003	1	ND
Borneol	0.001/0.003	1	<LOQ	Nerol	0.001/0.003	1	ND
Camphene	0.001/0.003	1	ND	p-Mentha-1,5-diene	0.001/0.003	1	ND
Camphor	0.001/0.003	1	ND	Pulegone	0.001/0.003	1	ND
Caryophyllene oxide	0.001/0.003	1	ND	Sabinene hydrate	0.001/0.003	1	ND
Cedrol	0.001/0.003	1	ND	Terpineol	0.001/0.003	1	ND
cis-Nerolidol	0.001/0.003	1	ND	Terpinolene	0.001/0.003	1	ND
cis-Ocimene	0.001/0.003	1	ND	trans-Caryophyllene	0.001/0.003	1	ND
Eucalyptol	0.001/0.003	1	ND	trans-Nerolidol	0.001/0.003	1	ND
Fenchone	0.001/0.003	1	ND	trans-Ocimene	0.001/0.003	1	ND
Fenchyl alcohol	0.001/0.003	1	ND	Valencene	0.001/0.003	1	ND
gamma-Terpinene	0.001/0.003	1	ND				

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SunFlora Inc.  
Order #: 84654  
Retail Batch #:  
112523FSNG

**CERTIFICATE OF ANALYSIS**

ISO/IEC: 17025:2017 Accreditation #: 103104  
License #: CMTL-0004

**RESIDUAL SOLVENTS**

HS-GC-MS

**PASS**

**Sample Prep**

Tech: 2816  
SOP: 405  
Batch Number: 61935  
Batch Date: 12/06/2023 16:34:44

**Sample Analysis**

Date/Time: 12/07/2023 15:57:17  
Tech: 2816  
SOP: 405  
Final Weight: 0.0485 g  
Volume: 1 ml

ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LIMIT (ppm)	RESULTS (ppm)	ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LIMIT (ppm)	RESULTS (ppm)
1,1-Dichloroethene	0.6/0.63	1	8	ND	Heptane	6/140	1	5000	ND
1,2-Dichloroethane	0.012/0.12	1	2	ND	Hexanes	0.06/18	1	250	ND
Acetone	9/140	1	750	ND	Isopropyl alcohol	3/140	1	500	<LOQ
Acetonitrile	0.72/25	1	60	ND	Methanol	6/100	1	250	<LOQ
Benzene	0.06/1	1	1	ND	Methylene chloride	1.5/1.5	1	125	ND
Butane	48/50	1	5000	ND	Pentane	9/140	1	750	ND
Chloroform	0.2/1	1	2	ND	Propane	30/30	1	5000	ND
Ethanol	12/140	1	5000	<LOQ	Toluene	0.9/53	1	150	ND
Ethyl acetate	2.4/140	1	400	ND	Total xylenes	1.8/130	1	150	ND
Ethyl ether	6/140	1	500	ND	Trichloroethylene	0.3/1	1	25	ND
Ethylene oxide	0.6/2	1	5	ND					

**HEAVY METAL ANALYSIS**

ICP-MS

**PASS**

**Sample Prep**

Tech: 3396  
SOP: 428  
Batch Number: 61932  
Batch Date: 12/06/2023 10:23:57

**Sample Analysis**

Date/Time: 12/06/2023 14:05:56  
Tech: 3396  
SOP: 428  
Final Weight: 0.2311 g  
Volume: 60 ml

ANALYTE	LOD/LOQ (ppb)	DIL.	ACTION LIMIT (ppb)	RESULTS (ppb)
Arsenic	20/75	1	1500	ND
Cadmium	20/75	1	500	ND
Lead	20/75	1	500	ND
Mercury	20/75	1	3000	ND

**FILTH & FOREIGN MATERIAL ANALYSIS**

Result: **PASS**

**Sample Prep and Analysis**

Date/Time: 12/05/2023 14:17:46  
Tech: 4090  
SOP: 409  
Final Weight: 114.6 g

Diana Asensio, M.S.

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SunFlora Inc.  
 Order #: 84654  
 Retail Batch #:  
 112523FSNG

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**MICROBIAL ANALYSIS**  
**PASS**

**Sample Prep**

**Sample Analysis**

Tech: 3393  
 SOP: 406

Batch Number: 61930  
 Batch Date: 12/05/2023 12:41:15

Date/Time: 12/06/2023 23:47:01  
 Tech: 3571  
 SOP: 406

Final Weight: 1.0291 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Total yeast and mold	qPCR	NA	NOT DETECTED	PASS

**Sample Prep**

**Sample Analysis**

Tech: 3393  
 SOP: 406

Batch Number: 61926  
 Batch Date: 12/05/2023 10:47:38

Date/Time: 12/07/2023 16:32:09  
 Tech: 3358  
 SOP: 406

Final Weight: 1.0238 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Pathogenic e. coli	qPCR	NA	NOT DETECTED	PASS

**Sample Prep**

**Sample Analysis**

Tech: 3393  
 SOP: 406

Batch Number: 61926  
 Batch Date: 12/05/2023 10:47:38

Date/Time: 12/07/2023 16:32:09  
 Tech: 3358  
 SOP: 406

Final Weight: 1.0238 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Aspergillus flavus	qPCR	< 1 CFU/g	NOT DETECTED	PASS
Aspergillus fumigatus	qPCR	< 1 CFU/g	NOT DETECTED	PASS
Aspergillus niger	qPCR	< 1 CFU/g	NOT DETECTED	PASS
Aspergillus terreus	qPCR	< 1 CFU/g	NOT DETECTED	PASS

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SunFlora Inc.  
 Order #: 84654  
 Retail Batch #:  
 112523FSNG

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**MICROBIAL ANALYSIS**

**PASS**

**Sample Prep**

Tech: 3393  
 SOP: 406

Batch Number: 61926  
 Batch Date: 12/05/2023 10:47:38

**Sample Analysis**

Date/Time: 12/07/2023 16:32:09  
 Tech: 3358  
 SOP: 406  
 Final Weight: 1.0238 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Salmonella	qPCR	< 1 CFU/g	NOT DETECTED	PASS
STEC e. coli	qPCR	< 1 CFU/g	NOT DETECTED	PASS

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SunFlora Inc.  
Order #: 84654  
Retail Batch #:  
112523FSNG

**CERTIFICATE OF ANALYSIS**

ISO/IEC: 17025:2017 Accreditation #:  
103104  
License #: CMTL-0004

**WATER ACTIVITY**

Water Activity Meter  
**Water: 0.645 Aw**

**Sample Prep and Analysis**

**Date/Time:** 12/05/2023 14:14:48  
**Tech:** 4090  
**SOP:** 407  
**Final Weight:** 1.0280 g

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**EXHIBIT**  
**2**



SunFlora Inc.  
Order #: 84839  
Retail Batch #:  
Neuro FS Natural  
1800mg Water  
Soluble  
(1223FSNRO)

**CERTIFICATE OF ANALYSIS**

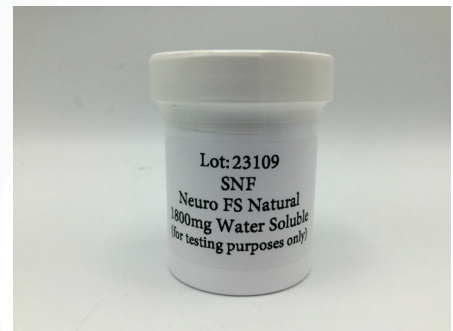
ISO/IEC: 17025:2017 Accreditation #: 103104  
License #: CMTL-0004

**Order Information**

Order #: 84839  
Order Name: Neuro FS Natural 1800mg Water Soluble (1223FSNRO)  
Retail Batch #: Neuro FS Natural 1800mg Water Soluble (1223FSNRO)  
Received: 12/27/2023 14:32:27  
Complete: 01/02/2024 11:15:07

**Batch Information**

Create Date: Total Qty.: 0  
Exp. Date: Matrix: Tincture  
Size: 0 Pickup Weight: N/A



<b>CANNABINOID PROFILE</b> <b>TESTED</b>	<b>LABEL CLAIM</b> <b>NOT APPLICABLE</b>	<b>MICROBIAL ANALYSIS</b> <b>PASS</b>
<b>RESIDUAL SOLVENTS</b> <b>PASS</b>	<b>AGRICULTURAL AGENTS</b> <b>PASS</b>	<b>HEAVY METAL ANALYSIS</b> <b>PASS</b>
<b>TERPENES TOTAL</b> <b>TESTED</b>	<b>MOISTURE ANALYSIS</b> <b>NOT TESTED</b>	<b>WATER ACTIVITY</b> <b>TESTED</b>
<b>FILTH &amp; FOREIGN MATERIAL ANALYSIS</b> <b>PASS</b>	<b>HOMOGENEITY</b> <b>NOT TESTED</b>	<b>MYCOTOXIN ANALYSIS</b> <b>PASS</b>

**0.0643 %**  
Total THC

**5.2789 %**  
Total CBD

**5.7968 %**  
Total Cannabinoids

**Diana Asensio, M.S.**

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SunFlora Inc.  
 Order #: 84839  
 Retail Batch #:  
 Neuro FS Natural  
 1800mg Water  
 Soluble  
 (1223FSNRO)

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**Sample Prep**

Tech: 3445  
 SOP: 418  
 Batch Number: 62037  
 Batch Date: 12/26/2023 14:33:06

**Sample Analysis**

Date/Time: 01/02/2024 11:10:39  
 Tech: 3445  
 SOP: 417  
 Final Weight: 0.2013 g  
 Volume: 40 ml

**CANNABINOID PROFILE**

HPLC-DAD

0.0643 % Total THC	0.643 mg THC Per Unit	19.282 mg THC Per Pkg
5.2789 % Total CBD	52.768 mg CBD Per Unit	1583.037 mg CBD Per Pkg
5.7968 % Total Cannabinoids	57.945 mg Cannabinoids Per Unit	1738.345 mg Cannabinoids Per Pkg

**Cannabinoid Potency**

ANALYTE	LOD/LOQ (mg/g)	DIL.	WEIGHT %	MG/G	MG/UNIT	MG/PACKAGE	LABEL CLAIM (mg)	% LABEL VAR.
CBC	0.064/0.1954	1	0.0440	0.440	0.440	13.195	--	--
CBD	0.064/0.1954	1	5.2789	52.789	52.768	1583.037	--	--
CBDA	0.064/0.1954	1	ND	ND	ND	ND	--	--
CBDV	0.064/0.1954	1	0.0312	0.312	0.312	9.356	--	--
CBG	0.064/0.1954	1	0.3784	3.784	3.782	113.475	--	--
CBGA	0.064/0.1954	1	ND	ND	ND	ND	--	--
CBN	0.064/0.1954	1	<LOQ	<LOQ	<LOQ	<LOQ	--	--
d8-THC	0.064/0.1954	1	ND	ND	ND	ND	--	--
d9-THC	0.064/0.1954	1	0.0643	0.643	0.643	19.282	--	--
THCA	0.064/0.1954	1	ND	ND	ND	ND	--	--
THCV	0.064/0.1954	1	ND	ND	ND	ND	--	--

mg/unit = 1 (g) per unit x 0.9996 (g/ml) x cannabinoid concentration (mg/g)  
 Total THC = THC + (0.877 x THCA) and Total CBD = CBD + (0.877 x CBDA)  
 ND = Not Detected, NT = Not Tested, <LOQ = Below Limit of Quantitation

CANNABINOID TOTALS	WEIGHT %	MG/G	MG/UNIT	MG/PACKAGE
Total THC	0.0643	0.643	0.643	19.282
Total CBD	5.2789	52.789	52.768	1583.037
Total Cannabinoids	5.7968	57.968	57.945	1738.345

**Diana Asensio, M.S.**

Lab Director

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SunFlora Inc.  
 Order #: 84839  
 Retail Batch #:  
 Neuro FS Natural  
 1800mg Water  
 Soluble  
 (1223FSNRO)

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**Agricultural Agents**

GC-MS/MS

**PASS**

**Sample Prep**

Tech: 4090  
 SOP: 402  
 Batch Number: 62045  
 Batch Date: 12/27/2023 14:57:12

**Sample Analysis**

Date/Time: 01/02/2024 09:43:35  
 Tech: 2816  
 SOP: 402  
 Final Weight: 0.5241 g  
 Volume: 10 ml

ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LEVEL (ppm)	RESULTS (ppm)
Captan	0.07/0.1	1	3	ND
Chlordane	0.01/0.1	1	0.1	ND
Chlorfenapyr	0.01/0.1	1	0.1	ND
Coumaphos	0.01/0.1	1	0.1	ND
Cyfluthrin	0.01/0.1	1	1	ND
Cypermethrin	0.01/0.1	1	1	ND
Methyl parathion	0.01/0.1	1	0.1	ND
Pentachloronitrobenzene	0.01/0.1	1	0.2	ND

**MYCOTOXIN ANALYSIS**

LC-MS/MS

**PASS**

**Sample Prep**

Tech: 4090  
 SOP: 432  
 Batch Number: 62044  
 Batch Date: 12/27/2023 14:56:48

**Sample Analysis**

Date/Time: 01/02/2024 09:36:00  
 Tech: 3445  
 SOP: 424  
 Final Weight: 0.1042 g  
 Volume: 2.5 ml

ANALYTE	LOD/LOQ (ppb)	DIL.	ACTION LEVEL (ppb)	RESULTS (ppb)
Aflatoxin B1	2/10	1	20	ND
Aflatoxin B2	2/10	1	20	ND
Aflatoxin G1	2/10	1	20	ND
Aflatoxin G2	2/5	1	20	ND
Ochratoxin A	2/10	1	20	ND

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SunFlora Inc.  
 Order #: 84839  
 Retail Batch #:  
 Neuro FS Natural  
 1800mg Water  
 Soluble  
 (1223FSNRO)

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**Agricultural Agents**

LC-MS/MS

**PASS**

**Sample Prep**

Tech: 4090  
 SOP: 432  
 Batch Number: 62044  
 Batch Date: 12/27/2023 14:56:48

**Sample Analysis**

Date/Time: 01/02/2024 09:36:00  
 Tech: 3445  
 SOP: 424  
 Final Weight: 0.1042 g  
 Volume: 2.5 ml

ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LEVEL(ppm)	RESULTS (ppm)	ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LIMIT(ppm)	RESULTS (ppm)
Abamectin B1a	0.002/0.035	1	0.3	ND	Imazalil	0.002/0.01	1	0.1	ND
Acephate	0.002/0.04	1	3	ND	Imidacloprid	0.002/0.002	1	3	ND
Acequinocyl	0.002/0.002	1	2	ND	Kresoxim-methyl	0.002/0.002	1	1	ND
Acetamiprid	0.002/0.002	1	3	ND	Malathion	0.01/0.04	1	2	ND
Aldicarb	0.002/0.01	1	0.1	ND	Metalaxyl	0.002/0.004	1	3	ND
Azoxystrobin	0.002/0.04	1	3	<LOQ	Methiocarb	0.002/0.01	1	0.1	ND
Bifenazate	0.002/0.002	1	3	ND	Methomyl	0.002/0.002	1	0.1	ND
Bifenthrin	0.002/0.002	1	0.5	0.015	Mevinphos	0.009/0.036	1	0.1	ND
Boscalid	0.01/0.05	1	3	ND	Myclobutanil	0.002/0.04	1	3	ND
Carbaryl	0.002/0.004	1	0.5	ND	Naled	0.002/0.01	1	0.5	ND
Carbofuran	0.002/0.01	1	0.1	ND	Oxamyl	0.002/0.002	1	0.5	ND
Chlorantraniliprole	0.002/0.01	1	3	ND	Pactlobutrazol	0.002/0.004	1	0.1	ND
Chlormequat chloride	0.002/0.004	1	3	ND	Permethrins	0.002/0.01	1	1	ND
Chlorpyrifos	0.002/0.01	1	0.1	ND	Phosmet	0.002/0.002	1	0.2	ND
Clofentezine	0.002/0.002	1	0.5	ND	Piperonyl Butoxide	0.002/0.002	1	3	ND
Daminozide	0.01/0.04	1	0.1	ND	Prallethrin	0.002/0.01	1	0.4	ND
Diazinon	0.002/0.01	1	0.2	ND	Propiconazole	0.002/0.04	1	1	ND
Dichlorvos	0.002/0.04	1	0.1	ND	Propoxur	0.002/0.01	1	0.1	ND
Dimethoate	0.002/0.002	1	0.1	ND	Pyrethrins	0.001/0.013	1	1	ND
Dimethomorph	0.001/0.002	1	3	ND	Pyridaben	0.002/0.002	1	3	ND
Ethoprophos	0.002/0.01	1	0.1	ND	Spinetoram	0.001/0.003	1	3	ND
Etofenprox	0.002/0.002	1	0.1	ND	Spinosad	0.001/0.001	1	3	ND
Etoxazole	0.002/0.002	1	1.5	ND	Spiromesifen	0.002/0.002	1	3	ND
Fenhexamid	0.01/0.04	1	3	ND	Spirotetramat	0.002/0.01	1	3	ND
Fenoxycarb	0.002/0.004	1	0.1	ND	Spiroxamine	0.002/0.04	1	0.1	ND
Fenpyroximate	0.002/0.002	1	2	ND	Tebuconazole	0.01/0.04	1	1	ND
Fipronil	0.002/0.004	1	0.1	ND	Thiacloprid	0.002/0.002	1	0.1	ND
Fonicamid	0.002/0.01	1	2	ND	Thiamethoxam	0.002/0.01	1	1	ND
Fludioxonil	0.002/0.004	1	3	ND	Trifloxystrobin	0.002/0.002	1	3	ND
Hexythiazox	0.002/0.004	1	2	ND					

**Diana Asensio, M.S.**

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SunFlora Inc.  
 Order #: 84839  
 Retail Batch #:  
 Neuro FS Natural  
 1800mg Water  
 Soluble  
 (1223FSNRO)

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**TERPENES TOTAL**  
 GC-FID **TESTED (0.368 %)**

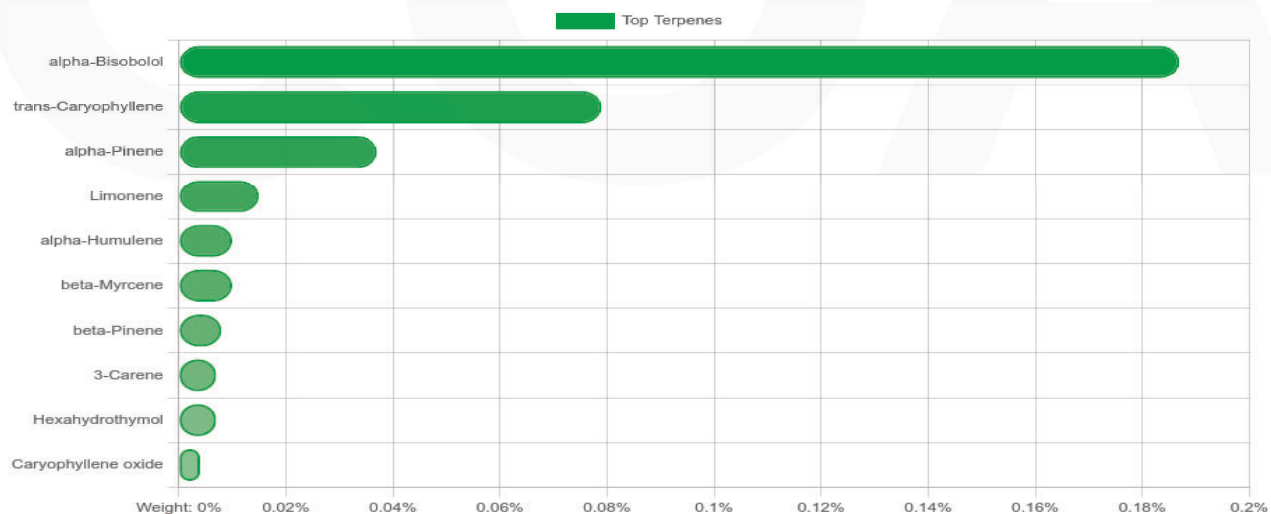
**Sample Prep**

Tech: 4090  
 SOP: 421  
 Batch Number: 62033  
 Batch Date: 12/26/2023 10:36:24

**Sample Analysis**

Date/Time: 12/28/2023 09:03:08  
 Tech: 2816  
 SOP: 419  
 Final Weight: 0.4175 g  
 Volume: 10 ml

TERPENE	LOD/LOQ (%)	DIL.	RESULTS (%)	TERPENE	LOD/LOQ (%)	DIL.	RESULTS (%)
3-Carene	0.001/0.003	1	0.007	Geraniol	0.001/0.003	1	ND
alpha-Bisobolol	0.001/0.003	1	0.187	Geranyl acetate	0.001/0.003	1	ND
alpha-Cedrene	0.001/0.003	1	ND	Guaiol	0.001/0.003	1	0.004
alpha-Humulene	0.001/0.003	1	0.010	Hexahydrothymol	0.001/0.003	1	0.007
alpha-Pinene	0.001/0.003	1	0.037	Isoborneol	0.001/0.003	1	ND
alpha-Terpinene	0.001/0.003	1	<LOQ	Isopulegol	0.001/0.003	1	ND
beta-Myrcene	0.001/0.003	1	0.010	Limonene	0.001/0.003	1	0.015
beta-Pinene	0.001/0.003	1	0.008	Linalool	0.001/0.003	1	ND
Borneol	0.001/0.003	1	ND	Nerol	0.001/0.003	1	ND
Camphene	0.001/0.003	1	ND	p-Mentha-1,5-diene	0.001/0.003	1	<LOQ
Camphor	0.001/0.003	1	ND	Pulegone	0.001/0.003	1	ND
Caryophyllene oxide	0.001/0.003	1	0.004	Sabinene hydrate	0.001/0.003	1	ND
Cedrol	0.001/0.003	1	ND	Terpineol	0.001/0.003	1	<LOQ
cis-Nerolidol	0.001/0.003	1	ND	Terpinolene	0.001/0.003	1	<LOQ
cis-Ocimene	0.001/0.003	1	ND	trans-Caryophyllene	0.001/0.003	1	0.079
Eucalyptol	0.001/0.003	1	ND	trans-Nerolidol	0.001/0.003	1	ND
Fenchone	0.001/0.003	1	ND	trans-Ocimene	0.001/0.003	1	ND
Fenchyl alcohol	0.001/0.003	1	ND	Valencene	0.001/0.003	1	ND
gamma-Terpinene	0.001/0.003	1	<LOQ				



**Diana Asensio, M.S.**

Lab Director

**ACT Laboratories Florida**  
 4001 SW 47th Avenue, Suite 208  
 Davie, FL 33314  
 (954) 514-9343



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SunFlora Inc.  
 Order #: 84839  
 Retail Batch #:  
 Neuro FS Natural  
 1800mg Water  
 Soluble  
 (1223FSNRO)

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**RESIDUAL SOLVENTS**

HS-GC-MS

**PASS**

**Sample Prep**

Tech: 2816  
 SOP: 405  
 Batch Number: 62049  
 Batch Date: 12/27/2023 18:20:28

**Sample Analysis**

Date/Time: 12/28/2023 16:50:49  
 Tech: 2816  
 SOP: 405  
 Final Weight: 0.0516 g  
 Volume: 1 ml

ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LIMIT (ppm)	RESULTS (ppm)	ANALYTE	LOD/LOQ (ppm)	DIL.	ACTION LIMIT (ppm)	RESULTS (ppm)
1,1-Dichloroethene	0.6/0.63	1	8	ND	Heptane	6/140	1	5000	ND
1,2-Dichloroethane	0.012/0.12	1	2	ND	Hexanes	0.06/18	1	250	ND
Acetone	9/140	1	750	<LOQ	Isopropyl alcohol	3/140	1	500	<LOQ
Acetonitrile	0.72/25	1	60	<LOQ	Methanol	6/100	1	250	<LOQ
Benzene	0.06/1	1	1	ND	Methylene chloride	1.5/1.5	1	125	ND
Butane	48/50	1	5000	ND	Pentane	9/140	1	750	ND
Chloroform	0.2/1	1	2	ND	Propane	30/30	1	5000	ND
Ethanol	12/140	1	5000	<LOQ	Toluene	0.9/53	1	150	ND
Ethyl acetate	2.4/140	1	400	ND	Total xylenes	1.8/130	1	150	ND
Ethyl ether	6/140	1	500	ND	Trichloroethylene	0.3/1	1	25	ND
Ethylene oxide	0.6/2	1	5	ND					

**HEAVY METAL ANALYSIS**

ICP-MS

**PASS**

**Sample Prep**

Tech: 3396  
 SOP: 428  
 Batch Number: 62050  
 Batch Date: 12/28/2023 10:19:09

**Sample Analysis**

Date/Time: 12/28/2023 14:34:30  
 Tech: 3396  
 SOP: 428  
 Final Weight: 0.2629 g  
 Volume: 60 ml

ANALYTE	LOD/LOQ (ppb)	DIL.	ACTION LIMIT (ppb)	RESULTS (ppb)
Arsenic	20/75	1	1500	ND
Cadmium	20/75	1	500	ND
Lead	20/75	1	500	ND
Mercury	20/75	1	3000	ND

**FILTH & FOREIGN MATERIAL ANALYSIS**

Result: **PASS**

**Sample Prep and Analysis**

Date/Time: 12/29/2023 11:41:08  
 Tech: 3393  
 SOP: 409  
 Final Weight: 78.4 g

Diana Asensio, M.S.

Lab Director

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SunFlora Inc.  
 Order #: 84839  
 Retail Batch #:  
 Neuro FS Natural  
 1800mg Water  
 Soluble  
 (1223FSNRO)

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**MICROBIAL ANALYSIS**  
**PASS**

**Sample Prep**

Tech: 4090  
 SOP: 406

Batch Number: 62042  
 Batch Date: 12/27/2023 14:11:14

Date/Time: 12/28/2023 18:32:27  
 Tech: 4302  
 SOP: 406

**Sample Analysis**

Final Weight: 1.0144 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Total yeast and mold	qPCR	NA	NOT DETECTED	PASS

**Sample Prep**

Tech: 4090  
 SOP: 406

Batch Number: 62043  
 Batch Date: 12/27/2023 14:11:53

Date/Time: 12/29/2023 15:19:51  
 Tech: 3358  
 SOP: 406

**Sample Analysis**

Final Weight: 1.0146 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Aspergillus flavus	qPCR	< 1 CFU/g	NOT DETECTED	PASS
Aspergillus fumigatus	qPCR	< 1 CFU/g	NOT DETECTED	PASS
Aspergillus niger	qPCR	< 1 CFU/g	NOT DETECTED	PASS
Aspergillus terreus	qPCR	< 1 CFU/g	NOT DETECTED	PASS

**Sample Prep**

Tech: 4090  
 SOP: 406

Batch Number: 62043  
 Batch Date: 12/27/2023 14:11:53

Date/Time: 12/29/2023 15:19:51  
 Tech: 3358  
 SOP: 406

**Sample Analysis**

Final Weight: 1.0146 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Pathogenic e. coli	qPCR	< 1 CFU/g	NOT DETECTED	PASS

**Diana Asensio, M.S.**

Lab Director

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SunFlora Inc.  
 Order #: 84839  
 Retail Batch #:  
 Neuro FS Natural  
 1800mg Water  
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 (1223FSNRO)

**CERTIFICATE OF ANALYSIS**  
 ISO/IEC: 17025:2017 Accreditation #:  
 103104  
 License #: CMTL-0004

**MICROBIAL ANALYSIS**

**PASS**

**Sample Prep**

Tech: 4090  
 SOP: 406

Batch Number: 62043  
 Batch Date: 12/27/2023 14:11:53

**Sample Analysis**

Date/Time: 12/29/2023 15:19:51  
 Tech: 3358  
 SOP: 406

Final Weight: 1.0146 g

ANALYTE	TEST METHOD	ALLOWABLE CRITERIA	ACTUAL RESULT	PASS/FAIL
Salmonella	qPCR	< 1 CFU/g	NOT DETECTED	PASS
STEC e. coli	qPCR	< 1 CFU/g	NOT DETECTED	PASS

**Diana Asensio, M.S.**

Lab Director

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SunFlora Inc.  
Order #: 84839  
Retail Batch #:  
Neuro FS Natural  
1800mg Water  
Soluble  
(1223FSNRO)

**CERTIFICATE OF ANALYSIS**

ISO/IEC: 17025:2017 Accreditation #:  
103104  
License #: CMTL-0004

**WATER ACTIVITY**

Water Activity Meter  
**Water: 0.916 Aw**

**Sample Prep and Analysis**

**Date/Time:** 12/29/2023 11:41:08  
**Tech:** 3393  
**SOP:** 407  
**Final Weight:** 1.0146 g

**Diana Asensio, M.S.**

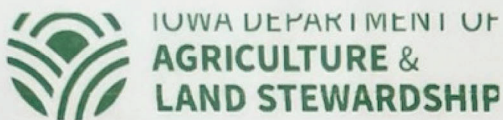
Lab Director

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(954) 514-9343



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**EXHIBIT****3**Mike Naig  
Secretary of Agriculture

Iowa Laboratory Facility

2230 S. Ankeny Boulevard, Ankeny, IA 50023

(515) 725.1470

www.iowaAgriculture.gov

## 2022 Iowa Hemp Certificate of Analysis (COA)

**COA Number:** IA-09272022-2  
**Hemp License #:** 19-0155 **Issuance Date:** September 27, 2022  
**Licensee:** Iris Aisle **Phone:** (515) 988-9800  
 2352 Holliwell Bridge RD **Email:** earlramey@live.com  
 Winterset, IA 50273 **Variety:** Holliwell  
**Part of Plant Tested:** Floral material **Lot:** 1  
**Date Sampled:** September 26, 2022 **Date Tested:** September 27, 2022  
**Sample Number:** 092622-LK-19-0155-1 **Is This a Retest?** X No  Yes

Per the requirements of Iowa Code chapter 204 and Iowa Administrative Rule chapter 96(204), hemp crops must be officially sampled and tested to determine percent concentration of total delta-9 tetrahydrocannabinol (THC), postdecarboxylation, on a dry weight basis.

### THC Analysis: 0.38 % = PASSED

The 2021 Iowa measurement uncertainty is  $\pm 0.09\%$ , therefore if the postdecarboxylation THC value is  $\leq 0.39\%$  total THC then the test result is considered to be an acceptable hemp THC concentration.

### Test Conclusion:

Analysis concludes this crop qualifies as hemp according to the State of Iowa and United States Department of Agriculture (USDA) 2018 Farm Bill provisions.

**Remarks:** Tested at the Iowa Department of Agriculture, DEA registration number RI0476122. Tested with Gas Chromatography. These results use an accredited method (IDALS-H.8002: Delta-9-Tetrahydrocannabinol by GC-FID) under strict ISO/IEC 17025:2017 requirements.

Robin D. Pruisner, Iowa Hemp Administrator

**Law enforcement officials or individuals with questions should contact:**  
 Robin Pruisner, [Robin.Pruisner@iowaAgriculture.gov](mailto:Robin.Pruisner@iowaAgriculture.gov), 515-725-1465 office  
 515-231-4481 after hours

**EXHIBIT**  
**4**

STATE OF IOWA DEPARTMENT OF  
**Health AND Human**  
SERVICES

Kim Reynolds  
GOVERNOR  
Adam Gregg  
LT. GOVERNOR  
Kelly Garcia  
DIRECTOR

## BUREAU OF CANNABIS REGULATION

FEE \$475.00

CONSUMABLE HEMP RETAILER

REGISTRATION #199056

### YOUR CBD STORE VALLEY JUNCTION

Green Onyx Inc  
2801 Grand Avenue  
Ames, IA 50010

The aforesaid, having deposited the required fee, is hereby granted the above registration pursuant to chapter 204, code of Iowa. This registration shall remain in full force from the date of issue until its expiration date, unless revoked or suspended for cause by the department of health and human services for noncompliance with chapter 204, code of Iowa or rules promulgated pursuant thereto.

REGISTRATION FOR  
FOLLOWING LOCATION:

125 5th Street  
West Des Moines, IA 50265

DATE OF ISSUE:

3/16/2024

EXPIRATION DATE:

3/16/2025

This registration is issued by:  
IOWA DEPARTMENT OF HEALTH AND HUMAN  
SERVICES BUREAU OF CANNABIS  
REGULATION

321 E 12TH ST FL 6  
DES MOINES, IA 50319-0083  
Phone: 877-214-9313  
Email: [consumable.hemp@idph.iowa.gov](mailto:consumable.hemp@idph.iowa.gov)  
Web Site: [hhs.iowa.gov/consumable-hemp](https://hhs.iowa.gov/consumable-hemp)



This QR code can be used  
to verify this Consumable  
Hemp Establishment

POST IN CONSPICUOUS PLACE

NONTRANSFERABLE

Visit [hhs.iowa.gov/consumable-hemp](https://hhs.iowa.gov/consumable-hemp)

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC dba BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD  
STORES FRANCHISING LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT OF  
PUBLIC SAFETY STEPHAN BAYES in his official  
Capacity, and IOWA SECRETARY OF  
AGRICULTURE MIKE NAIG in his official capacity,

Defendants.

---

**DECLARATION OF MATHEW MILLER**

---

I, Mathew Miller, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I am the owner of ICanna, LLC, ("ICanna") located at 2316 230<sup>th</sup> Street, Ames, Iowa. ICanna manufactures and sells products that Iowa has defined as "consumable hemp products." ICanna's manufacturing and retail operations are both licensed and registered with the Iowa Department of Health and Human Services ("DHHS"), and the consumable hemp we manufacture and sell is currently approved by DHHS. ICanna serves about 500 customers.

4. One hundred percent of the products ICanna makes are derived from Iowa hemp, and approximately 20.4 percent of our retail sales is from Iowa-grown hemp products.

5. ICanna does not sell consumable hemp products to anybody younger than 21 years old.

6. The Amendments were signed into law by Governor Reynolds on May 17, 2024 through H.F. 2605 and H.F. 2641 and are set to take effect just six weeks later on July 1, 2024.

7. Over 99% of ICanna's current retail products, which are currently legal, will not comply with the Amendments as of July 1, 2024.

8. The products that will be illegalized are largely due to the serving size and container size requirements set forth in H.F. 2605's definition of a consumable hemp product" in which "the product's maximum total tetrahydrocannabinol ("THC") concentration is less than or equal to the lesser of the following: a) three-tenths of one percent on a dry weight basis; b) four milligrams per serving and ten milligrams per container on a dry weight basis."

9. Additionally, within the Amendments in ICA § 204.14A (Criminal offense-inhalation), a person “shall not manufacture, produce, distribute, market, or sell a *synthetic consumable hemp product*, as defined by rules adopted by the department of health and human services.”

10. A synthetic consumable hemp product is currently not defined in the Amendments, and the rules have not been finalized by DHHS, leading to a large amount of confusion as to what products fall within the definition of a synthetic consumable hemp product as of July 1.

11. ICanna sells full spectrum consumable hemp products. These products primarily contain cannabidiol (CBD) but contain very small amounts of THC. There is so little THC per serving that our products contain less than 1mg of THC per serving. But if the Amendments go into effect, the new container size requirements will make our products illegal because the containers contain far more than 10 servings.

12. More than 99% of our products will be illegal because of the size and container requirements set forth in the Amendments. These products are currently legal in Iowa and have been approved by DHHS.

13. It is my understanding that the sale of consumable hemp products that do not comply with the Amendments is illegal, as is the possession of noncompliant consumable hemp products as of July 1, 2024.

14. The potential criminal penalties are especially concerning because it is unclear how we can comply with the Amendments in order for our products to be legal even if we are somehow able to comply with the serving and container size requirements. In addition to the uncertainty about what a “synthetic consumable hemp product is,” the Amendments require

warning labels to be placed on every container of consumable hemp product but the Amendments do not specify what language must be included in the warning. It is not clear whether *any* hemp product that is currently defined as a consumable hemp product can be sold by July 1, 2024 without facing criminal liability.

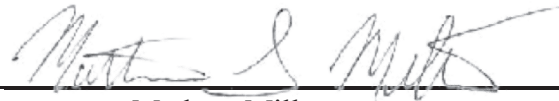
15. Nearly all of the consumable hemp product ICanna currently has will become worthless as of July 1, 2024 because we cannot sell it, or even possess it, as of that date.

16. On July 1, 2024, should HF 2605 go into effect, current inventory that will become non-compliant is required to be destroyed. This will result in lost cost of goods and lost revenue.

17. DHHS has communicated they will be unable to regulate online sales, allowing non-compliant products to remain in the state and drive business away from Iowa businesses.

18. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 25th day of June 2024.

A handwritten signature in black ink, appearing to read "Mathew Miller", is written over a solid horizontal line.

Mathew Miller

DOCID: DOCPROPERTY DOCXDOCID DMS=NetDocuments Format=<<ID>>



**EXHIBIT**  
**7**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC dba BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD STORES  
FRANCHISING LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT  
OF PUBLIC SAFETY STEPHAN BAYES in his  
official capacity, and IOWA SECRETARY OF  
AGRICULTURE MIKE NAIG in his official capacity,

Defendants.

---

**DECLARATION OF THREASE HARMS**

---

I, Threase Harms, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I am a registered lobbyist and for over 10 years I have been engaged in the cannabidiol (“CBD”) and medical cannabis movement in Iowa and engage with and facilitate the legislative process in Iowa regarding medical cannabis and hemp.

4. This legislative session (2024) I represented multiple groups and individuals who would be negatively affected by H.F. 2605 and/or H.F. 2641 before the Iowa Legislature. As part of my efforts to represent their interests before the Iowa Legislature, I submitted multiple written statements prepared by various organizations to members of the Legislature and the Governor of Iowa.

5. Many organizations that I represented before the Legislature opposed H.F. 2605 because it contained language that criminalized parents, guardians, and caregivers who give persons under the age of 21 consumable hemp products and penalizes children under the age of 21 who consume or possess consumable hemp products. Some individuals with qualifying illnesses under Iowa’s medical cannabis program find relief and benefit from CBD in consumable hemp products while others benefit from products in Iowa’s medical cannabis program.

6. With the new requirements set forth in H.F. 2605, patients’ ability to access CBD consumable hemp products will be eliminated or nearly eliminated.

7. I submitted to Governor Reynolds a letter prepared by Dr. Ryan Vandrey, PhD at Johns Hopkins Medicine. In this letter, Dr. Vandrey detailed the therapeutic benefits of CBD products and explained that a threshold for a THC dose expected to cause adverse events or impairment in adults and children is still being determined and as a result, he recommended caution in enacting legislation that puts a finite limit on an allowable amount of THC per dose in a hemp product. He also explained that the 10mg THC per container restriction could prevent very sick individuals who rely on hemp products with very high concentrations of CBD and low THC

concentrations but require larger volume containers of the product because they need to take larger doses to achieve relief. Attached as Exhibit “1” to this Declaration is a true and accurate copy of the letter I submitted.

8. Attached as Exhibit “2” to this Declaration is a true and accurate copy of a letter that I submitted to the Iowa Legislature on behalf of the Epilepsy Foundation and the Epilepsy Foundation of Iowa through the Governor’s communication portal and to the Governor’s staff.

9. Attached as Exhibit “3” to this Declaration is a true and accurate copy of a letter that I submitted to Governor Reynolds on behalf of the Brain Injury Alliance of Iowa through the Governor’s communication portal.

10. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24 day of June, 2024.



---

Threase A. Harms

Ryan Vandrey, PhD

*Professor*

*Behavioral Pharmacology Research Unit*

*5510 Nathan Shock Drive*

*Baltimore, MD 21224-6823*

*Phone / Fax: (410) 550-4036 / (410)*

*550-0030 E-mail: rvandrey@jhmi.edu*



JOHNS HOPKINS  
M E D I C I N E

DEPARTMENT OF PSYCHIATRY AND BEHAVIORAL SCIENCES

4/04/2024

The Honorable Kim Reynolds  
Office of Governor  
Iowa State Capitol  
1007 East Grand Ave.  
Des Moines, IA 50319

Re: HF 2605 - Consumable Hemp,  
Penalties and Licensing

Dear Governor Reynolds,

I am a Professor at Johns Hopkins University and am considered a leading expert on the acute effects of cannabis in the world. My team at Hopkins conducts controlled experiments in which we administer a variety of cannabis products (that reflect the range of retail products available in the US) to healthy adults and evaluate the effects each has on subjective drug effects, performance on tasks, cardiovascular effects, and drug testing outcomes. I have provided a copy of my CV so that you can see my credentials.

I have been contacted by individuals concerned about the negative impact that proposed legislation in Iowa relating to maximum THC levels in retail hemp products could have. Specifically, there is concern that allowing up to 4mg THC per serving would have the unintended consequence of legalizing acute doses of retail hemp products that could produce intoxication and impairment in adults or children. In addition, there is concern that placing a restriction of 10mg total THC per retail product container could hurt very sick individuals who rely on hemp products to treat debilitating health conditions such as seizure disorders, autism, PTSD, or other significant anxiety disorders. For those patients, many rely on hemp products with high concentrations of cannabidiol (CBD) and low THC concentrations, but require larger volume containers of their medicine either because they need to take large doses of CBD in order to achieve symptom relief and/or because they require frequent dosing regimens. As a result, legislation that restricts a maximum amount of 10mg THC per container may require patients to purchase their medication on a more frequent basis and at higher cost than larger containers from major retailers.

I want to be clear that I wholeheartedly support Iowa's effort to eliminate the proliferation of unsafe, unregulated, intoxicating hemp products such as delta-8-THC, HHC, THC-O, "hemp-derived" delta-9-THC, and related products sold with the express intent to produce intoxication in the user. These products should not be available to the public due to myriad safety concerns. That said, it is important that the legislation enacted to serve the public health of Iowa residents for this purpose must be careful to both eliminate impairing hemp-derived products in Iowa from all sources (manufactured both within and out of state) and protect individuals who

rely on legal hemp products produced in a manner consistent with the spirit of the 2018 farm bill that legalized hemp and hemp-derived medicines being made to help sick patients.

Research conducted in my laboratory has shown two things that speak to this issue. First, we have shown that the initiation of hemp products can significantly improve the health of individuals with a variety of health concerns. Specifically, we have shown that the therapeutic use of high CBD containing hemp products improves quality of life, reduces healthcare utilization, improves mood, and improves sleep among individuals using hemp products for a variety of ailments (1). Specifically, we have observed significant improvements in anxiety, depression, and adverse effects associated with epilepsy medications (2, 3). In this project, which evaluated the health effects of over 1200 patients, the average dose of CBD was 79mg per day and the average THC dose was 3mg per day (1). These were clearly not individuals seeking to get high. However, if a maximum dose of 10mg THC per container is imposed, these folks would need to purchase new medication every 3-4 days on average (some more frequently). This is a pretty substantial burden given that most of these patients use CBD oil for extended periods of time. My uncle is one such patient. He uses a CBD oil to manage side effects of chemotherapy for Stage 4 lung cancer. He has been taking it for 4 years now, has far outlived the initial life expectancy given to him upon his diagnosis, and experienced a massive improvement in quality of life after starting the oil. Currently he uses 2mL per day of a hemp oil product, each dose contains 50mg of CBD and 0.6mg THC. These doses do not get him high or impair his functioning in any way. However, the 100mL bottle that he buys in order to save costs on the product (cheaper than smaller bottles) and shipping (he purchases from a web-based vendor) contains 60mg THC per bottle and would be outlawed under the current language in your proposed legislation. Moreover, the retail cost of this medicine is \$95, which is an exorbitant cost per mg of THC given that a 1-gram joint of cannabis that contains 25% THC would contain 250mg THC and can be purchased for \$5-10 from dispensaries or street dealers. So, you can see, the total amount of THC in a container of a high CBD hemp product is not the correct target for eliminating products likely to be abused and can inadvertently harm truly sick individuals that rely on hemp medication for their health and well-being.

The second result of research that we have conducted here at Hopkins that relates to this legislation is controlled experiments that show acute dosing of 5mg THC can cause subjective intoxication, adverse effects, and impairment of cognitive performance in some healthy adults. This includes research in which 5mg THC inhaled after vaporization produces drug effects that are clearly different from placebo and have abuse liability (4). It also includes an example in which oral doses of an oil containing 100mg CBD and 3.7mg THC produced subjective intoxication and the feeling of impairment in an individual that elected to stop participation in one of our ongoing studies. We did not observe these kinds of effects in the same study at lower THC doses (2.8mg, 2mg, 1mg, or 0.5mg THC combined with 100mg CBD). To be clear, most adults will adequately tolerate a 4mg dose of THC, but we have observed that some volunteers for our studies report a moderate to strong drug effect, experience anxiety/paranoia, and feel that their ability to complete tasks is impaired after a 4mg THC dose. Thus, there is some concern regarding the proposed regulation to allow acute unit doses of hemp products that are as high as 4mg THC. While I acknowledge that THC doses of 4mg or higher may benefit some individuals seeking to use cannabis for therapeutic purposes, those products are better made available under a medical cannabis access program than being allowed to be sold in regular retail stores as unrestricted hemp products. Because the threshold for a THC dose expected to cause adverse events or impairment in healthy adults, older adults, or children is still being determined, I would recommend caution in enacting legislation that puts a finite limit on an allowable amount of THC per dose in a hemp product.

The last example I will provide you with that is relevant to the pending legislation is research our lab has done evaluating the THC content and acute effects of topical hemp products. We recently published findings from an experiment in which 5 retail topical hemp products were purchased, tested for cannabinoid content, and then administered to healthy volunteers in a controlled study (5). None of the products evaluated produced any acute drug effects, exhibited any evidence of abuse liability, or resulted in positive urine drug tests after 2 weeks of twice daily use. However, one of the products (a hemp-infused lotion manufactured by a veteran-owned company) was found to have 100mg THC in the container. This highlights the importance of the product type and intended route of administration on risk for adverse effects and abuse potential. Thus, I implore you to regulate hemp products based on science that can speak to the nuance of risk. Risk is clearly impacted by chemical composition, formulation and route of administration, but can also be impacted by economics. A hemp product that contains mostly CBD, trace amounts of THC and costs 10 times more per mg of THC than medicinal cannabis or black market cannabis products will have negligible abuse liability.

I am happy to work with your office to think through reasonable legislation that is evidence-based, will protect families from predatorial cannabis products, but also maintain the availability of needed medicines. If you have any questions or if I can be of additional assistance to you or your staff in this matter, please feel free to reach out to me.

Regards,



Ryan Vandrey, PhD

- (1) Schlienz NJ, Scalsky R, Martin E, Jackson H, Munson J, Strickland JC, Bonn-Miller MO, Loflin M, Vandrey R. A Cross-Sectional and Prospective Comparison of Medicinal Cannabis Users and Controls on Self-Reported Health. *Cannabis Cannabinoid Res.* 2021; 6, 548-558.
- (2) Strickland JC, Jackson H, Schlienz NJ, Salpekar JA, Martin EL, Munson J, Bonn-Miller MO, Vandrey R. Cross-sectional and Longitudinal Evaluation of Cannabidiol (CBD) Product Use and Health Among People with Epilepsy. *Epilepsy Behav.* 2021; 122:108205.
- (3) Martin EL, Strickland JC, Schlienz NJ, Munson J, Jackson H, Bonn-Miller MO, Vandrey R. Antidepressant and anxiolytic effects of medicinal cannabis use in an observational trial. *Frontiers in Psychiatry.* 2021; 12:729800.
- (4) Spindle TR, Martin E, Grabenauer M, Woodward T, Milburn MA, Vandrey R. Assessment of Cognitive and Psychomotor Impairment, Subjective Effects, and Blood THC Concentrations Following Acute Administration of Oral and Vaporized Cannabis. *J Psychopharmacol.* 2021; 35(7):786-803.
- (5) Zamarripa CA, Tilton HE, Lin S, Cone EJ, Winecker RE, Flegel RR, Kuntz D, Beals M, Jaques M, Clark M, Welsh ER, Wagner L, Bonn-Miller MO, Vandrey RG, Spindle TR. Pharmacokinetics and pharmacodynamics of five distinct commercially available hemp-derived topical cannabidiol (CBD) products. *Journal of Analytical Toxicology*, In press.



**EXHIBIT**  
**2**

March 11, 2024

Dear Members of the Iowa House,

On behalf of the Epilepsy Foundation and our local chapter, Epilepsy Foundation of Iowa, we oppose House File 2605 as written. We urge you to amend House File 2605 to remove the language that criminalizes parents, guardians, and caregivers who give their children under the age of 21 consumable hemp products and penalizes children under the age of 21 who consume and or possess consumable hemp products. The proposed language restricts access to legal nonintoxicating, full spectrum CBD products that individuals with epilepsy may rely on. This suggested prohibition directly contradicts Senate File 2360, passed by the 2014 legislature, which sanctioned the possession and use of cannabidiol with less than 0.3% THC for treatment of epilepsy. We urge you not to impose limitations on the number of servings per container for nonintoxicating, hemp-derived products.

The Epilepsy Foundation is the leading national voluntary health organization that speaks on behalf of the at least 3.4 million Americans and 30,000 Iowans living with epilepsy and seizures. We foster the wellbeing of children and adults affected by seizures through research programs, educational activities, advocacy, and direct services. Epilepsy is a medical condition that produces seizures affecting a variety of mental and physical functions. Approximately 1 in 26 Americans will develop epilepsy at some point in their lifetime. There is no "one size fits all" treatment for epilepsy, and about a third of people living with epilepsy suffer from uncontrolled or intractable seizures, with many more living with significant side effects, despite available treatments. Uncontrolled seizures can lead to disability, injury, and even death. Therefore, people living with uncontrolled seizures turn to medical cannabis and consumable hemp when other options have failed.

Ten years ago, many desperate families traveled to Colorado to secure safe and effective CBD products for their children. They have continued to utilize CBD products from a variety of manufacturers based on the formulation that works best for the individual living with epilepsy. Not all Iowans need a medical card through Iowa's Medical Cannabis program because they don't utilize MedPharm products. Instead, they use consumable hemp products. Just like all other medical treatments, not every individual can benefit from the same treatment option. The health care providers who work with our Iowa families and make recommendations for them to try various forms of CBD products recognize this as well.

The legislature needs to understand that some individuals living with epilepsy benefit from the CBD in consumable hemp products while others find benefit from products in Iowa's Medical Cannabis program. People living with epilepsy need to have a choice in identifying the right cannabidiol product to treat their individual health needs.



The Epilepsy Foundation is committed to supporting person-centered, physician-directed care, and to exploring and advocating for all potential treatment options for epilepsy, including cannabidiol (CBD) and medical cannabis. Individuals in the epilepsy community with intractable or treatment-resistant seizures, in consultation with their treating providers, have relied on CBD products as part of their daily routine for more than a decade – before an FDA-approved CBD product for the treatment of seizures associated with some rare forms of epilepsy came to market. People with uncontrolled seizures live with the continual risk of serious injuries and potential loss of life. For these reasons, some people living with uncontrolled seizures and their physicians turn to cannabidiol (CBD) when other treatment options have failed. The Foundation urges more research to better understand why CBD products seem to reduce or control seizures for some people with epilepsy. The Foundation also believes that if an individual and their health care providers feel the potential benefits of CBD outweigh any potential risks, individuals and families need to have that legal option as well as meaningful access to products. Nothing should stand in the way of individuals gaining access to this life-changing and potentially life-saving treatment option. As with any other treatment regimen, it is critical that physicians have the ability to consult and closely monitor individuals using medical cannabis and/or CBD, and physicians must have the ability to legally do so.

Not everyone with epilepsy should or would consider CBD or medical cannabis as a treatment option, and further research is needed, but CBD and medical cannabis, when recommended by a treating physician, may be the best alternative for some individuals living with drug-resistant epilepsy and uncontrolled seizures. Legal access to CBD and cannabis would support increased research efforts and allow individuals who have failed to gain seizure control on all existing therapies an option for treatment.

The Epilepsy Foundation and Epilepsy Foundation of Iowa urge you to remove the language in HF 2605 banning access to safe CBD products and penalizing parents and caregivers for giving their children legal CBD products. Please contact Dominique Brown, Senior Manager, State Relations and Policy, at [dbrown@efa.org](mailto:dbrown@efa.org) with questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Roxanne Cogil".

Roxanne Cogil, BS, CBIS  
Executive Director, Regional Teams  
Epilepsy Foundation Iowa

A handwritten signature in black ink that reads "Bernice Martin Lee".

Bernice Martin Lee  
Chief Executive Officer  
Epilepsy Foundation



**EXHIBIT**

**3**

The Honorable Kim Reynolds  
Iowa State Capitol Building  
1007 E. Grand Ave.  
Des Moines, IA 50319

Dear Governor Reynolds,

On behalf of the nearly 100,000 Iowans living with a brain injury and the thousands more who care for them, the Brain Injury Alliance of Iowa urges you to veto House File 2605 which would restrict access to nonintoxicating consumable hemp products used by Iowans living with brain injuries. The language in HF2605 would eliminate nonintoxicating hemp products that Iowans have had access to for several years. You may not be aware, but brain injuries are not on the list of approved conditions to access the treatments available through Iowa's medical cannabis program. However, many individuals living with a brain injury utilize consumable hemp as a therapeutic aid. BIAIA believes it is imperative for individuals living with a brain injury to have access to all avenues that may offer relief and improvement in their quality of life.

Brain injuries, whether traumatic or acquired, can have profound and long-lasting effects on an individual's cognitive and physical functions. The current treatment options for brain injury often come with significant limitations and side effects, leaving patients and their caregivers searching for alternative approaches to manage symptoms and promote recovery. Full spectrum nonintoxicating consumable hemp products are an option for many.

Nonintoxicating consumable hemp contains compounds known as cannabinoids which have demonstrated neuroprotective and anti-inflammatory effects in preclinical and clinical studies. These properties suggest that hemp-derived products, not cannabis-derived products that are otherwise available through the medical program, could hold promise as adjunctive therapies for some brain injury patients.

Research indicates that consumable hemp possesses antioxidant and anti-inflammatory properties, which are crucial for mitigating the secondary damage that occurs following a brain injury. Additionally, it has been shown to modulate neurotransmitter function and promote neurogenesis, the formation of new neurons, potentially aiding in the repair and regeneration of damaged brain tissue.

If HF 2605 is signed into law, not only will it ban access to these products that provide health benefits, but it will also prohibit families from being able to administer safe & legal consumable hemp products to their children under 21 who have safely used it for several years. Banning these nonintoxicating legal products and a parent's ability to administer them will be devastating to many of the families we support across the state.

On behalf of those we serve and their loved ones, we urge you to Veto HF 2605. While we appreciate the legislature's desire to eliminate access to intoxicating products, this bill as written has significant unintended consequences. We encourage you to veto this bill and have the legislature come back next year to pass a bill to accomplish their goals without impacting others.

Please allow Iowans living with a brain injury to continue to access nonintoxicating consumable hemp to realize its potential as a safe and effective therapeutic treatment option. By embracing innovative approaches to healthcare, we can offer hope and improved outcomes for those in need.

Respectfully,

June Klien-Bacon  
Executive Director  
Brain Injury Alliance of Iowa



**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF IOWA  
CENTRAL DIVISION**

HW PREMIUM CBD, LLC,  
AJ's HEALTH AND WELLNESS d/b/a  
AMERICAN SHAMAN, E. KRIEGER  
LAND, LLC d/b/a GREENE GOODS  
MARKET & GREENHOUSES, GREEN  
ONYX INC. d/b/a YOUR CBD STORE,  
BEYOND CBD, LLC d/b/a BEYOND CBD,  
CAMPBELL'S NUTRITION CENTERS,  
INC., TCI ENTERPRISE, INC. d/b/a SKY  
HIGH, ICANNA, LLC, YOUR CBD STORES  
FRANCHISING LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM REYNOLDS in her official  
capacity, DIRECTOR OF IOWA  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES KELLY GARCIA in her official capacity,  
COMMISSIONER OF IOWA DEPARTMENT OF  
PUBLIC SAFETY STEPHAN BAYES in his official  
capacity, and IOWA SECRETARY OF AGRICULTURE  
MIKE NAIG in his official capacity,

Defendants.

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**DECLARATION OF JASON GLENN**

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I, Jason Glenn, do hereby attest as follows:

1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.

2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

3. I am the owner of Beyond CBD, LLC, d/b/a Beyond CBD.

4. Beyond CBD operates one location at 5914 SE 14th Street, Des Moines, IA 50320.

5. Beyond CBD is a locally-owned, family business offering a wide range of products infused with cannabidiol (“CBD”). We are registered with DHHS to sell hemp products in Iowa.

6. As of today, Beyond CBD has provided products to over 1,760 customers through our customer loyalty database. That does not include those customers who come into the store without creating a loyalty account. Beyond CBD does ship some of its products outside of Iowa and receives much of its products from outside the State of Iowa.

7. Beyond CBD employs two part-time employees. If required to close, their employment will be significantly reduced.

8. Since Beyond CBD opened in August 2022, its revenue has grown by 5% and is projected to continue its growth trajectory.

9. With the implementation of HF 2605, Beyond CBD will only be able to sell 10% of products currently available. This is primarily due to the serving size and container limitations contained within HF 2605. In addition, because there is no final rule concerning what DHHS considers to be a “synthetic” cannabinoid, I am uncertain as to the total volume of our products that may qualify as containing synthetic cannabinoids as of July 1.

10. Beyond CBD does not sell its products to minors as a matter of business policy.

11. One beverage vendor, Cantrip, has informed me they will not amend their product to be compliant. A true and correct copy of a business record communication from Cantrip representatives confirming the same is attached as Exhibit “1” to this Declaration.


12. Losing previously compliant products will result in significant revenue loss. For the remainder of 2024, Beyond CBD's projected revenue will drop from \$100,284 to \$11,346 for a total revenue loss of at least \$88,938.

13. In 2025, Beyond CBD projects its revenue will drop from \$237,244 to \$23,724 resulting in a total loss of revenue of at least \$213,520.

14. In 2026, Beyond CBD projects its revenue will drop from 219,106 to \$24,911 resulting in a total loss of revenue of at least \$194,195.

15. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24<sup>th</sup> day of June 2024.

  
\_\_\_\_\_  
Jason Glenn



----- Forwarded message -----

From: **Dylan Lowery** <[dylan@drinkcantrip.com](mailto:dylan@drinkcantrip.com)>

Date: Mon, Jun 10, 2024 at 3:37 AM

Subject: Re: Changes to the Iowa Consumable Hemp Program

To: Jason Glenn <[jasong@beyondcbd.com](mailto:jasong@beyondcbd.com)>

<b>EXHIBIT</b> <b>1</b>
----------------------------

Thanks Jason.

If these are the rules it's likely we will not participate.

Clear over reach of the law on beverages and package sizes.

Regards,

Dylan Lowery  
908-455-0175

On Jun 9, 2024, at 10:10 PM, Jason Glenn <[jasong@beyondcbd.com](mailto:jasong@beyondcbd.com)> wrote:

In an effort to communicate as much information as we can, please find below updated information from HHS regarding the Iowa Consumable Hemp Program. Regulations expected to take effect July 1.

Adam Gregg LT. GOVERNOR  
Kim Reynolds GOVERNOR

Kelly Garcia DIRECTOR

Consumable Hemp: HF 2605 FAQ – What It Means, Draft Rules, Townhall Info  
On May 17, 2024, Governor Reynolds signed HF2605 into law. This FAQ is provided to current Consumable Hemp Registrants to help them understand regulatory changes to the program that will be in effect on July 1, 2024, and pursuant to rules promulgated by HHS.

On May 24, 2024, HHS released an FAQ and proposed draft rules to registrants, and requested comment from the industry. This FAQ contains specific updates to the May 24 communication, and also contains updates to the draft rules.

Packaging and Labeling: Serving and Container Definitions, Warning Label  
How will HHS define a “Serving?”

“Serving” means the size or portion customarily consumed per eating occasion, expressed in a common household measure as established in table 2 of 21 CFR 101.12 (as amended through May 27, 2016). If a solid consumable hemp product is packaged in a manner that includes more than a single serving, each serving must be clearly identified and severable from the other servings in the container. If a liquid consumable hemp product is packaged in a manner that includes more than a single serving, the number of servings must be conspicuously labeled. Liquid consumable hemp products shall be packaged in a container that holds a minimum of 12 fluid ounces

Serving sizes for various consumable hemp products cannot surpass the amounts indicated in Federal guidelines for packaging and labeling, and cannot contain >4 mg total THC. Please review table 2 in the provided link for any serving sizes not described below:

Edibles – See “Sugar and Sweets” in table 2

Gummy (fruit snack) = 30 g

Chocolate, confectionaries = 10-30 g

Carbonated and non-carbonated beverages = 12 fl oz (360 mL)

Syrups = 30 mL (2 tbsp)

Ingestible Fats and Oils – See “Fats and Oils” in table 2

Drink mixes = Amount to make 360 mL drink

How will HHS define a “Container?”

“Container” means the object which holds one or more servings of a consumable hemp product.

Examples:

Edibles

Compliant – A 5-pack of gummies at 2 mg THC per gummy

Compliant – A 10-pack of gummies at 1 mg THC per gummy

Compliant – A 10 mg chocolate bar scored into 5, 2 mg THC squares

Compliant – An individually packaged gummy containing 4 mg THC

Not Compliant – An individually packaged gummy containing >4 mg THC

Beverages

Compliant - An individual 12 fl oz can at 4 mg THC

Compliant – An individual 24 fl oz can at 8 mg THC

Compliant – An individual 30 fl oz can at 10 mg THC

Not Compliant – A 12 fl oz can containing >4 mg THC

Not Compliant – A liquid consumable hemp product in a container with <12 fluid ounces, regardless of the mg of THC it contains.

What is the language in the required warning label?

HHS intends to propose the warning label information below:

“This product has not been analyzed or approved by the United States Food and Drug Administration. There is limited information on the side effects of using this product, and there may be associated health risks and medication interactions. This product may cause the consumer to fail a drug test for THC. Products containing THC may cause impairment and a consumer’s ability to operate a vehicle. This product is not recommended for use by pregnant or breastfeeding women. KEEP THIS PRODUCT OUT OF REACH OF CHILDREN”

How will total THC be calculated and reviewed by HHS?

The formula used by HHS to calculate THC per serving and per container shall be the following:

4 mg per serving ?  $\Delta\text{-9 THC} + (0.877 \times \text{THCa})$

10 mg per container ?  $\Delta\text{-9 THC} + (0.877 \times \text{THCa})$

NOTE: Products containing “synthetic cannabinoids,” including but not limited to Delta-8, Delta-10, THC-P, HHC, THC-O etc., may no longer be sold in Iowa on July 1.

Examples:

A gummy product contains 3 mg per serving of Delta-9 THC and 1 mg THCa per serving. There are 2 gummies per package, and the serving size is designated as 1 gummy per serving. The total THC per serving would be 3.877 mg. The total THC per container would be 7.754 mg. This product would be permissible.

A tablet contains 1 mg of Delta-9 THC, and the serving size is designated as 1 tablet per serving. There are 10 tablets per bottle. The total THC per serving would be 1 mg, and the total THC per container would be 10 mg. This product would be permissible.

A chocolate bar contains 4 mg of Delta-9 THC per square, and there are 12 squares per chocolate bar. The serving size designated is 1 square per serving. The total THC per serving would be 4 mg. The total THC per container would be 48 mg. This chocolate bar would NOT be permissible.

Prohibited Products on July 1, 2024

What products are prohibited for sale in Iowa on July 1?

Consumable hemp products containing more than 4 mg total tetrahydrocannabinol (THC) per serving and more than 10 mg total THC per container will be prohibited from sale in Iowa on July 1. As of July 1, products in excess of these THC limits are considered a controlled substance under Iowa law and not legal for sale in the state.

Synthetic consumable hemp products in any form.

“Flower” or “raw bud” consumable hemp product.

How will HHS define a “synthetic consumable hemp product?” Can I still sell them?

“Synthetic consumable hemp products” are products containing synthetic or semi-synthetic cannabinoids. Synthetic and semi-synthetic cannabinoids refer to a class



of cannabinoids created through a chemical process, and are structurally similar to naturally occurring cannabinoids, or cannabinoids that may occur in very small amounts naturally. Examples of synthetic consumable hemp products include, but may not be limited to:

Delta-8 THC

Delta-10 THC

Hexahydrocannabinol (HHC)

Tetrahydrocannabiphorol (THC-P)

Tetrahydrocannabinol-O-acetate (THC-O)

On July 1, synthetic consumable hemp products will be prohibited and may no longer be sold in Iowa. Any product containing these cannabinoids will not be approved for sale, and Registrants must remove such products from their product lists and from sale at their establishments.

Can I sell any form of “flower” or “raw bud” product?

Raw or dried flower marketed or distributed for the purposes of inhalation is prohibited in Iowa’s consumable hemp program.

Any raw or dried flower form marketed or distributed in Iowa shall contain a notice stating “this is a raw or dried agricultural commodity is not suitable or intended for human consumption in conjunction with Iowa code section 204.14A, subsection 1, paragraph “b” or “c”.”

HHS will evaluate proposed and marketed flower products to determine whether, despite having the required notice affixed, such product is being sold with the intent that it be used for human consumption or for inhalation

Registrant Preparation with HF2605

Will there be a “grace period” for on-hand products that do not meet the new serving and container limits?

No, products that contain >4 mg total THC per serving or >10 mg THC per container must not be available for sale on July 1. Registrants should ensure that they are not in possession of these products on July 1. HHS is not responsible for the facilitation or the destruction of non-compliant products.

Products not compliant with HF2605 are considered controlled substances pursuant to Iowa Code section 124.401. Penalties may range from a serious misdemeanor to a class B felony, depending on the amount of product in their possession.

As a Consumable Hemp Retailer, can I repackage or relabel on-hand products to conform with the new serving and container limits?

No, pursuant to 641 IAC chapter 156.6(4), a retailer cannot manufacture, process, package, repackage, relabel, mix, blend, or otherwise manipulate a consumable hemp product.

What should I do with the non-conforming products that I have on-hand?

Registrants should inquire with product vendors to determine if non-conforming products can be returned to the vendor. If this is not possible, Registrants may work with local law enforcement to destroy the product.

Can I store or warehouse non-conforming products in Iowa if I am not selling them directly to consumers?

No, consumable hemp products not conforming with these regulations are prohibited in Iowa, whether they are distributed, exported, imported, or offered for sale pursuant to Iowa code section 204.2, subsection 2, paragraph c.

Will there be changes to the Registrant Portal and how I submit my product list?  
There will be minimal changes to the Registrant Portal and the product list process. The Product List Upload Template will have minor changes to reflect “mg Total THC per serving” and “mg total THC per container” reporting for each product.

As a Retail establishment, how should I be communicating with my product vendors?

Retail Registrants should inform their product vendors of Iowa’s new law, particularly the ban on synthetic consumable hemp products and the per serving and per container total THC limits. Retail Registrants should inquire with their vendors about the opportunity to return non-conforming product prior to July 1.

As an in-state or out-of-state Manufacturing Registrant, how should I prepare and be communicating with Retailers?

Out-of-state Manufacturing Registrants should prepare to no longer distribute non-conforming products to Iowa retailers prior to July 1, and should communicate with their retail partners about these changes.

In-state Manufacturing Registrants should prepare to no longer manufacture or distribute non-conforming products to Iowa retailers prior to July 1, and should communicate with their retail partners about these changes.

How should I verify that I am not selling products to persons under 21?

Registrants should check photo IDs of every individual purchasing consumable hemp products to verify they are 21 years of age or older prior to making a sale.

How should I prepare for these changes?

HHS encourages registrants to contact their product vendors regarding updated regulations, remove non-conforming products from sale, and update their product lists to prepare for these changes. Registrants may also want to understand vendor and manufacturer processes for updating packaging and labeling pursuant to the forthcoming administrative rules on labeling.

It is the Registrant’s responsibility to ensure they are compliant with all changes pursuant to HF 2605.

Penalties and Enforcement

What are the penalties if I sell or distribute products to persons under 21?

Individuals or business owners found selling, giving, or otherwise distributing consumable hemp products to a person under age 21 may be found guilty of a simple misdemeanor pursuant to Iowa code section 204.14D.

What are the penalties if I sell non-conforming or illegal products?

Selling non-conforming or illegal products in Iowa may result in civil and criminal penalties. Products which contain tetrahydrocannabinols and do not conform with Iowa’s Consumable Hemp law are “controlled substances” pursuant to Iowa Code sections 124.101(20), 124.202, and 124.204(4)(m). Those

possessing, manufacturing, or distributing controlled substances in Iowa may be criminally prosecuted.

Additionally, HHS may order confiscation and disposal of any non-conforming hemp product or product sold by a person who is not registered with HHS.

Reasonable costs incurred for destroying non-conforming products may be assessed to the Registrant or unregistered individual.

What are the penalties for selling products without a registration?

Penalties for selling consumable hemp products without a registration are severe.

Businesses selling consumable hemp products without a registration may be subject to civil penalties of up to \$10,000 per day and/or criminal penalties pursuant to Iowa code sections 204.14B and C.

Expectations of HHS and the Rulemaking Process

Will I have the opportunity to provide comment on the draft rules?

HHS will be conducting a one-hour, Virtual Town Hall on June 10 to outline draft rules and host a public comment period. Entry into the meeting will be limited to 1,000 participants.

The meeting information is below:

Date and Time: Monday, June 10 – 12:00 pm – 1:00 pm CST

Zoom Link – HF2605 Implementation Townhall

Click the link to join at the scheduled time

Passcode: 073735

Webinar ID: 160-034-3671

Dial-in: 669-254-5252, 1600343671#

Participation in the public comment period will on a first come, first served basis, and participants will be given two minutes to provide comment.

If you desire to participate in the public comment period, please provide your name and contact information to [consumable.hemp@idph.iowa.gov](mailto:consumable.hemp@idph.iowa.gov). Your screenname must be clearly identified in the participants list in order to be promoted to speak.

Will there be additional administrative rules and clarifications about these changes?

Yes, administrative rules have been drafted to implement this legislation, and have been updated following comments on the initial release from May 24. To support registrant understanding and preparation for the implementation of HF2605, these draft rules have been posted to the Consumable Hemp website.

UPDATE- DRAFT: 641:156 – HF2605 Implementation, Red Tape Review  
Standard administrative rule adoption procedures will apply and Registrants will be able to provide comments on proposed and noticed rules throughout the process and before the rules become effective.

Is HHS aware of key dates of the rulemaking process?

Yes, a Notice of Intended Action (NOIA) of proposed administrative rules is expected to be published on June 12. Registrants will be notified, and the public comment process will be provided with the NOIA.

Virtual public hearings are planned to be hosted by HHS on July 2 from 3:00 pm to 4:00 pm, and July 8 from 10:00 am to 11:00 am.

Rules are intended to be adopted no earlier than July 17, with final rules published August 7.

What should Registrants expect from HHS regarding inspection and enforcement? Registrants should be aware that the penalties for non-compliance implemented by HF 2605 are severe and HHS intends to enforce these new regulations when they become effective on July 1. Registrants should expect enforcement activities on and on behalf of HHS.

If Registrants are unsure of the legality of the products they intend to sell or manufacture, they are strongly encouraged to contact HHS or seek private legal counsel.

Thank you,  
Bureau of Cannabis Regulation  
Compliance Division  
Iowa Department of Health and Human Services  
(877) 214-9313  
[consumable.hemp@idph.iowa.gov](mailto:consumable.hemp@idph.iowa.gov)  
[hhs.iowa.gov/consumable-hemp](https://hhs.iowa.gov/consumable-hemp)

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On Mon, May 20, 2024, 11:50 AM Jason Glenn <[jason@beyondcbdia.com](mailto:jason@beyondcbdia.com)> wrote:

Good morning –

As a vendor who we currently do business with or someone that we've recently been in discussions with I felt it important to share information with you regarding Iowa's Consumable Hemp Program. I know keeping up with legislative changes around the country can be overwhelming, hopefully, this message doesn't come as a complete surprise, but in case you didn't know I felt you would want to know about changes that will be coming.

In the last few days, Governor Kim Reynolds signed HF2605, making changes to the Consumable Hemp Program. I have attached a copy of the file for your reading. Barring any legal action that would stop this from moving forward, we expect this to be enforced July 1, 2024.

As a retailer, we have concerns about much of this, but most urgently we are trying to decide what products we'll be able to offer our customers and if there is still a path forward that makes financial sense to remain open.

One of the most notable changes regarding products that contain THC is as follows:

- (2) Its maximum total tetrahydrocannabinol concentration is less than or equal to the lesser of the following:
  - (a) Three-tenths of one percent on a dry weight basis.
  - (b) Four milligrams per serving and ten milligrams per container on a dry weight basis.

We understand that there are many CBD products that contain little or no THC, or other products such as mushrooms that we could offer, but in our nearly two years of being open, those products represent a very small percentage of our business. If we're not able to find products that most of our customers will be looking for at a cost, they can still find value, there's not much incentive to remain open.

I am reaching out to start the conversation, were you already aware of these changes coming, and if you plan to offer products that comply, or if your company intends to cease operations in Iowa once these changes are implemented?

If you intend to make products that comply, I'd be interested to learn more about what those are.

Thank you. I look forward to speaking with you in hopes of finding a way that we can all continue to do business despite these changes.

Jason

Cell: 515-556-6955

--

Jason Glenn  
Beyond CBD, Owner  
5914 SE 14th Street  
Des Moines, IA. 50320  
515-348-1252 (Store)



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115TH CONGRESS } 2d Session }	HOUSE OF REPRESENTATIVES	{ REPORT 115-_____
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AGRICULTURE IMPROVEMENT ACT OF 2018

\_\_\_\_\_  
\_\_\_\_\_.—Ordered to be printed  
\_\_\_\_\_

Mr. Conaway, from the committee of conference,  
submitted the following

CONFERENCE REPORT

[To accompany H. R. 2]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2), to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2023, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) *SHORT TITLE.*—This Act may be cited as the “Agriculture Improvement Act of 2018”.

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

*Sec. 1. Short title; table of contents.*

*Sec. 2. Definition of Secretary.*

**TITLE I—COMMODITIES**

*Subtitle A—Commodity Policy*

*Sec. 1101. Definition of effective reference price.*

*Sec. 1102. Base acres.*

*Sec. 1103. Payment yields.*

*Sec. 1104. Payment acres.*

*Sec. 1105. Producer election.*

*Sec. 1106. Price loss coverage.*

*Sec. 1107. Agriculture risk coverage.*

*Sec. 1108. Repeal of transition assistance for producers of upland cotton.*

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*Subtitle B—Marketing Loans*

- Sec. 1201. Extensions.*
- Sec. 1202. Loan rates for nonrecourse marketing assistance loans.*
- Sec. 1203. Economic adjustment assistance for textile mills.*
- Sec. 1204. Special competitive provisions for extra long staple cotton.*
- Sec. 1205. Availability of recourse loans.*

*Subtitle C—Sugar*

- Sec. 1301. Sugar policy.*

*Subtitle D—Dairy Margin Coverage and Other Dairy Related Provisions*

- Sec. 1401. Dairy margin coverage.*
- Sec. 1402. Reauthorizations.*
- Sec. 1403. Class I skim milk price.*
- Sec. 1404. Dairy product donation.*

*Subtitle E—Supplemental Agricultural Disaster Assistance*

- Sec. 1501. Supplemental agricultural disaster assistance.*

*Subtitle F—Noninsured Crop Assistance*

- Sec. 1601. Noninsured crop assistance program.*

*Subtitle G—Administration*

- Sec. 1701. Regulations.*
- Sec. 1702. Suspension of permanent price support authority.*
- Sec. 1703. Payment limitations.*
- Sec. 1704. Adjusted gross income limitations.*
- Sec. 1705. Farm Service Agency accountability.*
- Sec. 1706. Implementation.*
- Sec. 1707. Exemption from certain reporting requirements for certain producers.*

**TITLE II—CONSERVATION**

*Subtitle A—Wetland Conservation*

- Sec. 2101. Wetland conversion.*
- Sec. 2102. Wetland conservation.*
- Sec. 2103. Mitigation banking.*

*Subtitle B—Conservation Reserve Program*

- Sec. 2201. Conservation reserve.*
- Sec. 2202. Conservation reserve enhancement program.*
- Sec. 2203. Farmable wetland program.*
- Sec. 2204. Pilot programs.*
- Sec. 2205. Duties of owners and operators.*
- Sec. 2206. Duties of the Secretary.*
- Sec. 2207. Payments.*
- Sec. 2208. Contracts.*
- Sec. 2209. Eligible land; State law requirements.*

*Subtitle C—Environmental Quality Incentives Program and Conservation Stewardship Program*

- Sec. 2301. Repeal of conservation programs.*
- Sec. 2302. Purposes of environmental quality incentives program.*
- Sec. 2303. Definitions under environmental quality incentives program.*
- Sec. 2304. Establishment and administration of environmental quality incentives program.*
- Sec. 2305. Environmental quality incentives program plan.*
- Sec. 2306. Limitation on payments under environmental quality incentives program.*
- Sec. 2307. Conservation innovation grants and payments.*
- Sec. 2308. Conservation stewardship program.*
- Sec. 2309. Grassland conservation initiative.*

*Subtitle D—Other Conservation Programs*

- Sec. 2401. Watershed protection and flood prevention.*
- Sec. 2402. Soil and water resources conservation.*
- Sec. 2403. Emergency conservation program.*
- Sec. 2404. Conservation of private grazing land.*

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- Sec. 2405. *Grassroots source water protection program.*
- Sec. 2406. *Voluntary public access and habitat incentive program.*
- Sec. 2407. *Wildlife management.*
- Sec. 2408. *Feral swine eradication and control pilot program.*
- Sec. 2409. *Report on small wetlands.*
- Sec. 2410. *Sense of Congress relating to increased watershed-based collaboration.*

*Subtitle E—Funding and Administration*

- Sec. 2501. *Commodity Credit Corporation.*
- Sec. 2502. *Delivery of technical assistance.*
- Sec. 2503. *Administrative requirements for conservation programs.*
- Sec. 2504. *Temporary administration of conservation programs.*

*Subtitle F—Agricultural Conservation Easement Program*

- Sec. 2601. *Establishment and purposes.*
- Sec. 2602. *Definitions.*
- Sec. 2603. *Agricultural land easements.*
- Sec. 2604. *Wetland reserve easements.*
- Sec. 2605. *Administration.*

*Subtitle G—Regional Conservation Partnership Program*

- Sec. 2701. *Establishment and purposes.*
- Sec. 2702. *Definitions.*
- Sec. 2703. *Regional conservation partnerships.*
- Sec. 2704. *Assistance to producers.*
- Sec. 2705. *Funding.*
- Sec. 2706. *Administration.*
- Sec. 2707. *Critical conservation areas.*

*Subtitle H—Repeals and Technical Amendments**PART I—REPEALS*

- Sec. 2811. *Repeal of Conservation Corridor Demonstration Program.*
- Sec. 2812. *Repeal of cranberry acreage reserve program.*
- Sec. 2813. *Repeal of National Natural Resources Foundation.*
- Sec. 2814. *Repeal of flood risk reduction.*
- Sec. 2815. *Repeal of study of land use for expiring contracts and extension of authority.*
- Sec. 2816. *Repeal of Integrated Farm Management Program Option.*
- Sec. 2817. *Repeal of clarification of definition of agricultural lands.*

*PART II—TECHNICAL AMENDMENTS*

- Sec. 2821. *Technical amendments.*
- Sec. 2822. *State technical committees.*

*TITLE III—TRADE**Subtitle A—Food for Peace Act*

- Sec. 3101. *Labeling requirements.*
- Sec. 3102. *Food aid quality assurance.*
- Sec. 3103. *Local sale and barter of commodities.*
- Sec. 3104. *Minimum levels of assistance.*
- Sec. 3105. *Food aid consultative group.*
- Sec. 3106. *Issuance of regulations.*
- Sec. 3107. *Oversight, monitoring, and evaluation.*
- Sec. 3108. *Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.*
- Sec. 3109. *Consideration of impact of provision of agricultural commodities and other assistance on local farmers and economy.*
- Sec. 3110. *Allowance for distribution costs.*
- Sec. 3111. *Prepositioning of agricultural commodities.*
- Sec. 3112. *Annual report regarding food aid programs and activities.*
- Sec. 3113. *Deadline for agreements to finance sales or to provide other assistance.*
- Sec. 3114. *Minimum level of nonemergency food assistance.*
- Sec. 3115. *Termination date for micronutrient fortification programs.*
- Sec. 3116. *John Ogonowski and Doug Bereuter Farmer-to-Farmer program.*



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*Subtitle B—Agricultural Trade Act of 1978**Sec. 3201. Agricultural trade promotion and facilitation.**Subtitle C—Other Agricultural Trade Laws**Sec. 3301. Growing American Food Exports.**Sec. 3302. Food for Progress Act of 1985.**Sec. 3303. Bill Emerson Humanitarian Trust Act.**Sec. 3304. Promotion of agricultural exports to emerging markets.**Sec. 3305. Cochran fellowship program.**Sec. 3306. Borlaug International Agricultural Science and Technology Fellowship program.**Sec. 3307. International Agricultural Education Fellowship program.**Sec. 3308. International food security technical assistance.**Sec. 3309. McGovern-Dole International Food for Education and Child Nutrition program.**Sec. 3310. Global Crop Diversity Trust.**Sec. 3311. Local and regional food aid procurement projects.**Sec. 3312. Foreign trade missions.**TITLE IV—NUTRITION**Subtitle A—Supplemental Nutrition Assistance Program**Sec. 4001. Requirements for online acceptance of benefits.**Sec. 4002. Re-evaluation of thrifty food plan.**Sec. 4003. Food distribution program on Indian reservations.**Sec. 4004. Simplified homeless housing costs.**Sec. 4005. Employment and training for supplemental nutrition assistance program.**Sec. 4006. Improvements to electronic benefit transfer system.**Sec. 4007. Review of supplemental nutrition assistance program operations.**Sec. 4008. Retail incentives.**Sec. 4009. Required action on data match information.**Sec. 4010. Incentivizing technology modernization.**Sec. 4011. Interstate data matching to prevent multiple issuances.**Sec. 4012. Requirement of live-production environments for certain pilot projects relating to cost sharing for computerization.**Sec. 4013. Quality control improvements.**Sec. 4014. Evaluation of child support enforcement cooperation requirements.**Sec. 4015. Longitudinal data for research.**Sec. 4016. Authorization of appropriations.**Sec. 4017. Assistance for community food projects.**Sec. 4018. Emergency food assistance program.**Sec. 4019. Nutrition education.**Sec. 4020. Retail food store and recipient trafficking.**Sec. 4021. Public-private partnerships.**Sec. 4022. Technical corrections.**Subtitle B—Commodity Distribution Programs**Sec. 4101. Commodity distribution program.**Sec. 4102. Commodity supplemental food program.**Sec. 4103. Distribution of surplus commodities to special nutrition projects.**Sec. 4104. Food donation standards.**Subtitle C—Miscellaneous**Sec. 4201. Seniors farmers' market nutrition program.**Sec. 4202. Purchase of fresh fruits and vegetables for distribution to schools and service institutions.**Sec. 4203. Service of traditional foods in public facilities.**Sec. 4204. Healthy food financing initiative.**Sec. 4205. The Gus Schumacher nutrition incentive program.**Sec. 4206. Micro-grants for food security.**Sec. 4207. Buy American requirements.**Sec. 4208. Healthy fluid milk incentives projects.**TITLE V—CREDIT**Subtitle A—Farm Ownership Loans**Sec. 5101. Modification of the 3-year experience eligibility requirement for farm ownership loans.*

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- Sec. 5102. Conservation loan and loan guarantee program.*
- Sec. 5103. Limitations on amount of farm ownership loans.*
- Sec. 5104. Relending program to resolve ownership and succession on farmland.*

*Subtitle B—Operating Loans*

- Sec. 5201. Limitations on amount of operating loans.*
- Sec. 5202. Microloans.*
- Sec. 5203. Cooperative lending pilot projects.*

*Subtitle C—Administrative Provisions*

- Sec. 5301. Beginning farmer and rancher individual development accounts pilot program.*
- Sec. 5302. Loan authorization levels.*
- Sec. 5303. Loan fund set-asides.*
- Sec. 5304. Use of additional funds for direct operating microloans under certain conditions.*
- Sec. 5305. Equitable relief.*
- Sec. 5306. Socially disadvantaged farmers and ranchers; qualified beginning farmers and ranchers.*
- Sec. 5307. Emergency loan eligibility.*

*Subtitle D—Miscellaneous*

- Sec. 5401. Technical corrections to the Consolidated Farm and Rural Development Act.*
- Sec. 5402. State agricultural mediation programs.*
- Sec. 5403. Compensation of bank directors.*
- Sec. 5404. Sharing of privileged and confidential information.*
- Sec. 5405. Facility headquarters.*
- Sec. 5406. Removal and prohibition authority; industry-wide prohibition.*
- Sec. 5407. Jurisdiction over institution-affiliated parties.*
- Sec. 5408. Definition of institution-affiliated party.*
- Sec. 5409. Prohibition on use of funds.*
- Sec. 5410. Expansion of acreage exception to loan amount limitation.*
- Sec. 5411. Repeal of obsolete provisions; technical corrections.*
- Sec. 5412. Corporation as conservator or receiver; certain other powers.*
- Sec. 5413. Reporting.*
- Sec. 5414. Study on loan risk.*
- Sec. 5415. GAO report on ability of the Farm Credit System to meet the agricultural credit needs of Indian tribes and their members.*
- Sec. 5416. GAO report on credit service to socially disadvantaged farmers and ranchers.*

*TITLE VI—RURAL DEVELOPMENT**Subtitle A—Improving Health Outcomes in Rural America*

- Sec. 6101. Combating substance use disorder in rural America; prioritizations.*
- Sec. 6102. Distance learning and telemedicine.*
- Sec. 6103. Refinancing of certain rural hospital debt.*

*Subtitle B—Connecting Rural Americans to High Speed Broadband*

- Sec. 6201. Access to broadband telecommunications services in rural areas.*
- Sec. 6202. Expansion of middle mile infrastructure into rural areas.*
- Sec. 6203. Modifications to the Rural Gigabit Program.*
- Sec. 6204. Community Connect Grant Program.*
- Sec. 6205. Outdated broadband systems.*
- Sec. 6206. Default and deobligation; deferral.*
- Sec. 6207. Public notice, assessments, and reporting requirements.*
- Sec. 6208. Environmental reviews.*
- Sec. 6209. Use of loan proceeds to refinance loans for deployment of broadband service.*
- Sec. 6210. Smart utility authority for broadband.*
- Sec. 6211. Refinancing of telephone loans.*
- Sec. 6212. Federal broadband program coordination.*
- Sec. 6213. Transition rule.*
- Sec. 6214. Rural broadband integration working group.*

*Subtitle C—Miscellaneous*

- Sec. 6301. Exclusion of certain populations from definition of rural area.*

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- Sec. 6302. *Establishment of technical assistance program.*
- Sec. 6303. *Rural energy savings program.*
- Sec. 6304. *Northern Border Regional Commission reauthorization.*
- Sec. 6305. *Definition of rural area for purposes of the Housing Act of 1949.*
- Sec. 6306. *Council on Rural Community Innovation and Economic Development.*

*Subtitle D—Additional Amendments to the Consolidated Farm and Rural  
Development Act*

- Sec. 6401. *Strategic economic and community development.*
- Sec. 6402. *Expanding access to credit for rural communities.*
- Sec. 6403. *Water, waste disposal, and wastewater facility grants.*
- Sec. 6404. *Rural water and wastewater technical assistance and training programs.*
- Sec. 6405. *Rural water and wastewater circuit rider program.*
- Sec. 6406. *Tribal college and university essential community facilities.*
- Sec. 6407. *Emergency and imminent community water assistance grant program.*
- Sec. 6408. *Water systems for rural and native villages in Alaska.*
- Sec. 6409. *Rural decentralized water systems.*
- Sec. 6410. *Solid waste management grants.*
- Sec. 6411. *Rural business development grants.*
- Sec. 6412. *Rural cooperative development grants.*
- Sec. 6413. *Locally or regionally produced agricultural food products.*
- Sec. 6414. *Appropriate technology transfer for rural areas program.*
- Sec. 6415. *Rural economic area partnership zones.*
- Sec. 6416. *Intermediary relending program.*
- Sec. 6417. *Access to information to verify income for participants in certain rural  
housing programs.*
- Sec. 6418. *Providing for additional fees for guaranteed loans under the Consoli-  
dated Farm and Rural Development Act.*
- Sec. 6419. *Rural Business-Cooperative Service programs technical assistance and  
training.*
- Sec. 6420. *National Rural Development Partnership.*
- Sec. 6421. *Grants for NOAA weather radio transmitters.*
- Sec. 6422. *Rural microentrepreneur assistance program.*
- Sec. 6423. *Health care services.*
- Sec. 6424. *Rural innovation stronger economy grant program.*
- Sec. 6425. *Delta Regional Authority.*
- Sec. 6426. *Rural business investment program.*
- Sec. 6427. *Rural business investment program.*

*Subtitle E—Additional Amendments to the Rural Electrification Act of 1936*

- Sec. 6501. *Amendments to section 2 of the Rural Electrification Act of 1936.*
- Sec. 6502. *Loans for telephone service.*
- Sec. 6503. *Cushion of credit payments program.*
- Sec. 6504. *Extension of the rural economic development loan and grant program.*
- Sec. 6505. *Guarantees for bonds and notes issued for electrification or telephone  
purposes.*
- Sec. 6506. *Expansion of 911 access.*
- Sec. 6507. *Cybersecurity and grid security improvements.*

*Subtitle F—Program Repeals*

- Sec. 6601. *Elimination of unfunded programs.*
- Sec. 6602. *Repeal of Rural Telephone Bank.*
- Sec. 6603. *Amendments to LOCAL TV Act.*

*Subtitle G—Technical Corrections*

- Sec. 6701. *Corrections relating to the Consolidated Farm and Rural Development  
Act.*
- Sec. 6702. *Corrections relating to the Rural Electrification Act of 1936.*

**TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS**

*Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of  
1977*

- Sec. 7101. *Purposes of agricultural research, extension, and education.*
- Sec. 7102. *Matters related to certain school designations and declarations.*
- Sec. 7103. *National Agricultural Research, Extension, Education, and Economics  
Advisory Board.*
- Sec. 7104. *Specialty crop committee.*

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- Sec. 7105. *Renewable energy committee discontinued.*
- Sec. 7106. *Veterinary services grant program.*
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- Sec. 7108. *Agricultural and food policy research centers.*
- Sec. 7109. *Education grants to Alaska Native serving institutions and Native Hawaiian serving institutions.*
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- Sec. 7111. *Land-grant designation.*
- Sec. 7112. *Nutrition education program.*
- Sec. 7113. *Continuing animal health and disease research programs.*
- Sec. 7114. *Carryover of funds for extension at 1890 land-grant colleges, including Tuskegee University.*
- Sec. 7115. *Extension and agricultural research at 1890 land-grant colleges, including Tuskegee University.*
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- Sec. 7117. *Scholarships for students at 1890 institutions.*
- Sec. 7118. *Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.*
- Sec. 7119. *Grants to upgrade agriculture and food sciences facilities and equipment at insular area land-grant institutions.*
- Sec. 7120. *New Beginning for Tribal Students.*
- Sec. 7121. *Hispanic-serving institutions.*
- Sec. 7122. *Binational agricultural research and development.*
- Sec. 7123. *Partnerships to build capacity in international agricultural research, extension, and teaching.*
- Sec. 7124. *Competitive grants for international agricultural science and education programs.*
- Sec. 7125. *Limitation on indirect costs for agricultural research, education, and extension programs.*
- Sec. 7126. *Research equipment grants.*
- Sec. 7127. *University research.*
- Sec. 7128. *Extension service.*
- Sec. 7129. *Supplemental and alternative crops; hemp.*
- Sec. 7130. *New Era Rural Technology program.*
- Sec. 7131. *Capacity building grants for NLGCA Institutions.*
- Sec. 7132. *Agriculture advanced research and development authority pilot.*
- Sec. 7133. *Aquaculture assistance programs.*
- Sec. 7134. *Rangeland research programs.*
- Sec. 7135. *Special authorization for biosecurity planning and response.*
- Sec. 7136. *Distance education and resident instruction grants program for insular area institutions of higher education.*

*Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990*

- Sec. 7201. *Best utilization of biological applications.*
- Sec. 7202. *Integrated management systems.*
- Sec. 7203. *Sustainable agriculture technology development and transfer program.*
- Sec. 7204. *National training program.*
- Sec. 7205. *National strategic germplasm and cultivar collection assessment and utilization plan.*
- Sec. 7206. *National Genetics Resources Program.*
- Sec. 7207. *National Agricultural Weather Information System.*
- Sec. 7208. *Agricultural genome to phenome initiative.*
- Sec. 7209. *High-priority research and extension initiatives.*
- Sec. 7210. *Organic agriculture research and extension initiative.*
- Sec. 7211. *Farm business management.*
- Sec. 7212. *Urban, indoor, and other emerging agricultural production research, education, and extension initiative.*
- Sec. 7213. *Centers of excellence at 1890 Institutions.*
- Sec. 7214. *Clarification of veteran eligibility for assistive technology program for farmers with disabilities.*
- Sec. 7215. *National Rural Information Center Clearinghouse.*

*Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998*

- Sec. 7301. *National food safety training, education, extension, outreach, and technical assistance program.*
- Sec. 7302. *Integrated research, education, and extension competitive grants program.*

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- Sec. 7303. *Support for research regarding diseases of wheat, triticale, and barley caused by Fusarium graminearum or by Tilletia indica.*  
 Sec. 7304. *Grants for youth organizations.*  
 Sec. 7305. *Specialty crop research initiative.*  
 Sec. 7306. *Food Animal Residue Avoidance Database program.*  
 Sec. 7307. *Office of Pest Management Policy.*  
 Sec. 7308. *Forestry products advanced utilization research.*

*Subtitle D—Food, Conservation, and Energy Act of 2008*

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- Sec. 7401. *Agricultural biosecurity communication center.*  
 Sec. 7402. *Assistance to build local capacity in agricultural biosecurity planning, preparation, and response.*  
 Sec. 7403. *Research and development of agricultural countermeasures.*  
 Sec. 7404. *Agricultural biosecurity grant program.*

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- Sec. 7411. *Grazinglands research laboratory.*  
 Sec. 7412. *Farm and Ranch Stress Assistance Network.*  
 Sec. 7413. *Natural products research program.*  
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*Subtitle E—Amendments to Other Laws*

- Sec. 7501. *Critical Agricultural Materials Act.*  
 Sec. 7502. *Equity in Educational Land-Grant Status Act of 1994.*  
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 Sec. 7504. *Agriculture and Food Research Initiative.*  
 Sec. 7505. *Extension design and demonstration initiative.*  
 Sec. 7506. *Repeal of review of agricultural research service.*  
 Sec. 7507. *Biomass research and development.*  
 Sec. 7508. *Reinstatement of matching requirement for Federal funds used in extension work at the University of the District of Columbia.*  
 Sec. 7509. *Renewable Resources Extension Act of 1978.*  
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*Subtitle F—Other Matters*

- Sec. 7601. *Enhanced use lease authority program.*  
 Sec. 7602. *Transfer of administrative jurisdiction over portion of Henry A. Wallace Beltsville Agricultural Research Center, Beltsville, Maryland.*  
 Sec. 7603. *Foundation for food and agriculture research.*  
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 Sec. 7605. *Legitimacy of industrial hemp research.*  
 Sec. 7606. *Collection of data relating to barley area planted and harvested.*  
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 Sec. 7608. *Agriculture innovation center demonstration program.*  
 Sec. 7609. *Smith-Lever community extension program.*  
 Sec. 7610. *Mechanization and automation for specialty crops.*  
 Sec. 7611. *Experienced services program.*  
 Sec. 7612. *Simplified plan of work.*  
 Sec. 7613. *Review of land-grant time and effort reporting requirements.*  
 Sec. 7614. *Matching funds requirement.*

**TITLE VIII—FORESTRY**

*Subtitle A—Cooperative Forestry Assistance Act of 1978*

- Sec. 8101. *Support for State assessments and strategies for forest resources.*  
 Sec. 8102. *State and private forest landscape-scale restoration program.*

*Subtitle B—Forest and Rangeland Renewable Resources Research Act of 1978*

- Sec. 8201. *Repeal of recycling research.*  
 Sec. 8202. *Repeal of forestry student grant program.*

*Subtitle C—Global Climate Change Prevention Act of 1990*

- Sec. 8301. *Repeals relating to biomass.*

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- Sec. 8401. Promoting cross-boundary wildfire mitigation.*
- Sec. 8402. Authorization of appropriations for hazardous fuel reduction on Federal land.*
- Sec. 8403. Repeal of biomass commercial utilization grant program.*
- Sec. 8404. Water Source Protection Program.*
- Sec. 8405. Watershed Condition Framework.*
- Sec. 8406. Authorization of appropriations to combat insect infestations and related diseases.*
- Sec. 8407. Healthy Forests Restoration Act of 2003 amendments.*
- Sec. 8408. Authorization of appropriations for designation of treatment areas.*

*Subtitle E—Repeal or Reauthorization of Miscellaneous Forestry Programs*

- Sec. 8501. Repeal of revision of strategic plan for forest inventory and analysis.*
- Sec. 8502. Semiarid agroforestry research center.*
- Sec. 8503. National Forest Foundation Act.*
- Sec. 8504. Conveyance of Forest Service administrative sites.*

*Subtitle F—Forest Management*

- Sec. 8601. Definition of National Forest System.*

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- Sec. 8622. Forest Service participation in ACES program.*
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- Sec. 8627. Kisatchie National Forest land conveyance.*
- Sec. 8628. Purchase of Natural Resources Conservation Service property, Riverside County, California.*
- Sec. 8629. Collaborative Forest Landscape Restoration Program.*
- Sec. 8630. Utility infrastructure rights-of-way vegetation management pilot program.*
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- Sec. 8641. Definitions.*
- Sec. 8642. Clarification of research and development program for wood building construction.*
- Sec. 8643. Wood innovation grant program.*
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**SEC. 2. DEFINITION OF SECRETARY.**

*In this Act, the term “Secretary” means the Secretary of Agriculture.*

## **TITLE I—COMMODITIES**

### **Subtitle A—Commodity Policy**

**SEC. 1101. DEFINITION OF EFFECTIVE REFERENCE PRICE.**

*Section 1111 of the Agricultural Act of 2014 (7 U.S.C. 9011) is amended—*

*(1) by redesignating paragraphs (8) through (25) as paragraphs (9) through (26), respectively; and*

*(2) by inserting after paragraph (7) the following:*

*“(8) EFFECTIVE REFERENCE PRICE.—The term ‘effective reference price’, with respect to a covered commodity for a crop year, means the lesser of the following:*

*“(A) An amount equal to 115 percent of the reference price for such covered commodity.*

*“(B) An amount equal to the greater of—*

*“(i) the reference price for such covered commodity;*

*or*

*“(ii) 85 percent of the average of the marketing year average price of the covered commodity for the most recent 5 crop years, excluding each of the crop years with the highest and lowest marketing year average price.”.*

**SEC. 1102. BASE ACRES.**

*(a) TECHNICAL CORRECTIONS.—Section 1112(c)(2) of the Agricultural Act of 2014 (7 U.S.C. 9012(c)(2)) is amended by striking subparagraph (A) and inserting the following:*

*“(A) Any acreage on the farm enrolled in—*

*“(i) the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.); or*

*(8) Hemp production*

The Senate amendment provision amends the Agricultural Marketing Act of 1946 to allow States to regulate hemp production based on a state or tribal plan. The amendment requires that such plan includes information on locations of hemp production, testing for THC concentration, disposal of plants that are out of compliance, and negligence or other violations of the state or tribal plan. It requires the Secretary to establish a plan, in consultation with the U.S. Attorney General, for States and tribes without USDA approved plans to monitor and regulate hemp production. The section clarifies that nothing in this subtitle affects or modifies the Federal Food, Drug, and Cosmetic Act or authorities of the HHS Secretary and FDA Commissioner and clarifies that nothing in this title authorizes interference with the interstate commerce of hemp. (Sections 10111 & 10112)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendment, including auditing authority and a grandfather clause regarding program participation. (Sections 10113 and 10114)

In Sec. 297A, the Managers intend to clarify, within the hemp production subtitle, that hemp is defined as the plant *cannabis sativa* L, or any part of that plant, including seeds, derivatives, and extracts, with a delta-9 tetrahydrocannabinol (THC) concentration of not more than 0.3 percent on a dry weight basis.

In Sec. 297B, the Managers intend to authorize states and tribal governments to submit a state plan to the Secretary for approval to have primary regulatory authority over the growing and production of hemp. The Managers do not intend to limit what states and tribal governments include in their state or tribal plan, as long as it is consistent with this subtitle. For example, states and tribal governments are authorized to put more restrictive parameters on the production of hemp, but are not authorized to alter the definition of hemp or put in place policies that are less restrictive than this title.

Within 60 days of receiving a state or tribal plan, the Secretary must approve or deny the plan. The Secretary is required to consult with the Attorney General regarding the approval or denial of state plans, but the Managers intend for the final decision to be made by the Secretary. The consultation with the Attorney General should not alter the 60 day requirement to approve or deny a plan.

The Managers authorized the Secretary to audit state and tribal compliance with an approved plan and take corrective action, including revoking approval, based on a state or tribal government's noncompliance, as appropriate. The Managers intend to allow state and tribal governments to appeal decisions by the Secretary pertaining to a state or tribal plan for hemp production and do not intend to preclude a state or tribal government from resubmitting a new state or tribal plan for consideration at a later date. If a state or tribal plan is denied or revoked, the Managers intend for hemp production in that state or tribal area to fall under the Secretary's jurisdiction as authorized in section 297C.

The Secretary is authorized to provide technical assistance to states and Indian tribes to aid in the development of a state or tribal plan.

The Managers define negligent and other types of producer violations that require enforcement under a state or tribal plan. The Managers also set limits on who may participate in state or tribal plans. Any person convicted of a felony relating to a controlled substance shall be ineligible to participate under the state or tribal plan for a

10-year period following the date of the conviction. However, this prohibition shall not apply to producers who have been lawfully participating in a state hemp pilot program as authorized by the Agricultural Act of 2014, prior to enactment of this subtitle.

Subsequent felony convictions after the date of enactment of this subtitle will trigger a 10-year nonparticipation period regardless of whether the producer participated in the pilot program authorized in 2014. Additionally, anyone who materially falsifies any information in their application to participate in hemp production through a state, tribal, or USDA plan shall be ineligible.

In Sec. 297C, the Managers intend to require the Secretary to develop a USDA plan or plans to be implemented in states and tribal territories that forego developing and submitting a state or tribal hemp production plan. The Managers expect the USDA plan or plans to meet the same content requirements as state and tribal plans in Sec. 297B. The USDA plan may contain, as determined by the Secretary, additional practices and procedures that are otherwise consistent with this subtitle. It is the Managers intent that the Secretary have discretion regarding the appropriate number of plans, one or more than one, needed to implement Sec. 297C.

The Managers require the Secretary to collect, maintain, and make accessible to Federal, state, territorial, and local law enforcement, real-time information regarding the status of a license or other authorization for all hemp producers, whether participating under a state, tribal, or USDA plan. The Managers encourage the Secretary to develop a memorandum of understanding with Federal law enforcement agencies to define the parameters of this system and to potentially share the costs of such information sharing system.

In Sec. 297D, the Managers clarify that the Secretary has the sole authority to issue guidelines and regulations regarding the production of hemp. However, nothing in this subtitle shall affect or modify the authority granted to the Food and Drug Administration and the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) or section 351 of the Public Health Service Act (42 U.S.C. 262), including for hemp-derived products. The Secretary is required to consult with the Attorney General on the promulgation of regulations, but ultimately, the regulations shall only be issued by the Secretary of Agriculture. To ensure that the Secretary moves forward with issuing regulations in as timely a fashion as possible, the Secretary shall periodically report to Congress with updates regarding implementation of this title.

While states and Indian tribes may limit the production and sale of hemp and hemp products within their borders, the Managers, in Sec. 10112, agreed to not allow such states and Indian tribes to limit the transportation or shipment of hemp or hemp products through the state or Indian territory.

*(9) Recognition and role of State lead agencies*

The House bill amends section 2(aa) of the Federal Insecticide, Fungicide, and Rodenticide Act (“FIFRA”) to include a definition of “State lead agency” for the purposes of FIFRA. It amends section 22(b) of FIFRA by limiting regulations to those promulgated by the EPA or within the authority of a State lead agency. The subsection further amends section 23(a)(1) of FIFRA to authorize States or Tribes to establish and maintain uniform regulation of pesticide through cooperative agreement with the Administrator of the EPA (“Administrator”). The section further amends section 24(a) of

the FIFRA to restrict the authority of a political subdivision of a State to regulate a pesticide beyond the Federal limits. Additionally the House bill amends section 25(a)(2) of FIFRA by requiring the Administrator to publish any comments regarding prescribed regulations promulgated pursuant to FIFRA from the Secretary or any State lead agency in the *Federal Register*, including any response to the comments, if such comments are received within 30 days of receipt of a copy of any such regulation. The section further allows for the Secretary or a State lead agency to request that any comments sent to the Administrator regarding prescribed regulations promulgated pursuant to FIFRA within 15 days of receipt of a copy of the regulation, including any responses to the comments, be published in the *Federal Register*. (Section 9101)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

*(10) Pesticide registration and use*

The House bill amends section 3(c)(5) of the FIFRA to require the Administrator of the EPA to register a pesticide if the Administrator determines that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. It further amends section 3 to require the Administrator to use the best scientific and commercial information available, which may include species and habitat information from the Secretary of Interior or Secretary of Commerce, and consider all restrictions on use when considering the criteria for the registration of a pesticide. The Administrator shall not be required to consult or communicate with the Secretary of the Interior or the Secretary of Commerce under the authority of any other statute when making such determination, unless otherwise petitioned by the registrant of the pesticide. The House bill amends section 3(c)(7) of FIFRA to require the Administrator to conditionally register or amend the registration of a pesticide under special circumstances if the Administrator determines that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. The House bill amends section 3(g)(1)(A) of FIFRA to require the Administrator to complete the determination, and subsequent periodic reviews, that a pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species, over the following schedule: by October 1, 2026 for an active ingredient first registered on or before October 1, 2007; by October 1, 2033 for an active ingredient first registered between October 1, 2007 and the day before enactment; and not later than 48 months after the effective date of registration for an active ingredient registered on or after the date of enactment. The House bill amends section 5(a) of FIFRA to require the Administrator, when issuing an experimental use permit for a pesticide, to determine that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. The House bill amends section 6(b) of FIFRA to require the Administrator, when issuing a notice to cancel or change the classification of a pesticide, to determine that the pesticide, when used in