



August 7th, 2025

The Honorable Gavin Newsom, Governor
State of California
State Capitol
Sacramento, CA 95814

Dear Governor Newsom,

We are California companies in the hemp CBD industry who have played by the rules since the 2018 Farm Bill, which defined hemp as cannabis plants containing no more than 0.3% THC (tetrahydrocannabinol) on a dry weight basis, along with AB 45, which was enacted three years ago. We are at risk of being forced out of business in our state if AB 2223 (Aguiar-Curry) is enacted in its current form.

The .25 per milligram cap on THC milligram as proposed is not based in science or even anecdotal evidence. It would wreak havoc on the hemp CBD industry in California by effectively banning non-intoxicating full spectrum and broad-spectrum hemp products, which are the largest segments of the market. In addition, the bill limits the number of servings per package to 5, which is economically unfeasible to achieve.

The vast majority of the market consists of products that are high in CBD and very low in THC. If the level of THC is forced down to this miniscule level, the therapeutic benefits that consumers demand will dissipate and the demand for hemp CBD products will evaporate.

Beyond the impact to consumers who would no longer have access to the products that benefit their lives, the impact to the state would be sizable. While market projections are still evolving for this emerging industry, the most comprehensive analysis based on state level data, 2023 National Cannabinoid Report prepared by Whitney Economics, pegs the California hemp CBD market at \$3.5 billion with approximately 41,000 jobs across the state.



The loss of most of the hemp CBD marketplace under an enacted AB 2223 would mean a loss in state sales tax revenue approaching a quarter of a billion dollars. That does not include the loss in additional sales tax to cities with higher rates as well as payroll and business tax revenue. Even competing projections that are more conservative than the Whitney analysis (Nielsen and Grand View Research) still put California’s market at upwards of \$1 billion, threatening a major impact to tax revenues under the current AB 2223.

We recognize that the intent of the bill is to address concerns about those hemp CBD businesses that have not complied with the law. We support that, as shown by our compliance with the 2018 Farm Bill, multiple state regulations, and AB 45. However, to that end, AB 2223 takes an indiscriminate cudgel to the entire industry, without any scientific basis, and wipes out the good with the bad.

We urge you to protect the small California businesses that you helped to create with the enactment of AB 45 and work to secure a milligram cap that achieves the bill’s goal while protecting the hundreds of compliant small hemp CBD businesses.

We thank you.

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- U.S. Hemp Roundtable
 - Medterra CBD
 - CV Sciences
 - Gotham Green Partners
 - Golden State Extracts
 - Imperial CBD Extraction
 - Sunmed | Your CBD Store
 - U.S. Hemp Authority
 - Cornbread Hemp
 - Veterinary Cannabis Society
 - Mad Tasty CBD
 - Binoid CBD

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- Holistic Caring & The Green Nurse
 - Bloom Hemp
 - Life Elements
 - Flora Works
 - The Werc Shop
 - Cheech & Chong
 - CBD Living Water
 - Koi CBD
 - Sunday Scaries
 - Bailey’s CBD for Pets
 - Flora Works