

Monday, March 3, 2025

Senate Committee on Commerce and Labor Nevada State Legislature
401 S. Carson Street
Carson City, Nevada 89701
Sent via email: SenCL@sen.state.nv.us

Re: Support for SB 157 – Increasing Cannabis Testing Lot Sizes

Dear Chair Pazina and Members of the Senate Committee on Commerce and Labor,

On behalf of Green Thumb Industries, Inc. ("GTI"), I respectfully submit these comments in support of SB 157. We appreciate Senator Flores taking the critical step to bring Nevada's testing standards in line with industry best practices. GTI has operated in Nevada since 2016 and maintains cannabis cultivation and dispensary operations in 14 other highly regulated cannabis states. This extensive experience gives us firsthand knowledge of how testing practices impact business operations, product quality, consumer health and safety, and ultimately consumer costs. We are grateful for the opportunity to share our insights and support efforts to optimize Nevada's cannabis market.

1. Increasing Lot Size Aligns Nevada with National Industry Standards.

SB 157 would modernize and streamline Nevada's cannabis testing protocols, bringing the state in line with the majority of regulated cannabis markets.

Currently, Nevada defines lot size under NCCR 1.125 as five pounds of flower and 15 pounds of trim. These limits were established nearly a decade ago, when Nevada became an early adopter of medical cannabis. Since then, nearly all states that have legalized cannabis have adopted significantly larger lot sizes while maintaining rigorous safety standards. Of the 38 states with legalized cannabis marketplaces, an overwhelming 92% permit lot sizes exceeding five pounds, with 26 states allowing for 20 lbs or more, and, of those states, 13 impose no maximum limitations at all.¹ Washington and Maryland recently increased their lot sizes – Washington increased to a maximum of 50 pounds, and Maryland to a maximum of 20 pounds.

Given a decade of advancements in testing and extensive data from other states, re-evaluating Nevada's lot size limits is both necessary and long overdue. The evolution of testing protocols in other states demonstrates that increasing lot size does not compromise consumer safety. Rather than relying on arbitrary weight limits, modern cannabis programs and other botanical industries define batch size based on product homogeneity. As other states, like Maryland and Washington, have refined their approaches, Nevada must also re-evaluate whether its restrictive limits remain appropriate given advances in testing and data analysis.

¹ <https://ccb.nv.gov/wp-content/uploads/2024/05/Public-Comment-Lab-Workshop-043024.pdf>

2. Lot Size does not Correlate with Consumer Safety.

There is no direct correlation between small lot sizes and enhanced consumer safety. A 2024 report by the GMP Collective found that focusing solely on small lot testing does not necessarily enhance safety or quality. Instead, statistically relevant sampling methods ensure the representativeness of testing without limiting lot sizes or increasing costs. States like Florida and Minnesota have adopted similar approaches for their cannabis programs, with no arbitrary cap on batch size. Nevada should follow this example, ensuring that batch size is determined by factors such as growth conditions, while requiring representative sampling for testing.

The GMP report further emphasized that the most effective means of protecting public health is to implement market-relevant, accredited standards and best practices, such as Quality Management Systems and Good Manufacturing Practices (GMPs), rather than restricting batch sizes.”² Interestingly, the Americans for Safe Access’ 2022 report, which analyzes and ranks medical cannabis programs, scored Nevada at 148 out of 200 possible points for “Consumer Protection & Product Safety.”³ While states with larger lot sizes, such as Maryland and Connecticut, scored higher in this category:

- Maryland - 169 / 200 (max batch: 20 lbs.)
- Connecticut - 160 / 200 (max batch: 40 lbs.)

Adopting modernized batch size protocols does not mean lowering safety standards. It ensures that Nevada remains competitive while continuing to protect consumers through scientifically validated testing methods.

3. Restrictive Lot Size Drives Up Costs, Encouraging Sales in the Illicit Market.

The artificial five-pound lot size increases operational costs for businesses in addition to the cost of testing each lot. A single cannabis test to evaluate product quality and safety can range between \$400 to upwards of \$1,000 per test. These burdens lead to higher retail prices for consumers, which make the illicit market more attractive to price-sensitive individuals.

Increasing Nevada’s lot size above five pounds would align more closely with other cannabis programs across the U.S. and similar agricultural and botanical industries such as industrial hemp, tobacco, and grains, which base batch size on product uniformity, such as strain type or growing conditions rather than an arbitrary weight cap. For example, the U.S. Domestic Hemp Production Program defines “lot” based on contiguous growing areas and product homogeneity, not weight limits:

² <https://ccb.nv.gov/wp-content/uploads/2024/05/Public-Comment-Lab-Workshop-043024.pdf> (“the states that allow for larger flower lot sizes often incorporate requirements rooted in Good Manufacturing Practices (GMPs) or Quality Management System (QMS) standards”) April 2024

³ https://assets.nationbuilder.com/americansforsafeaccess/pages/27187/attachments/original/1675362731/StateoftheStates22_P5.pdf?1675362731 pg. 93

“For the purposes of these procedures, a “lot” is a contiguous area in a field, greenhouse, or indoor growing structure containing the same variety or strain of cannabis throughout. In addition, “lot” refers to the batch of contiguous, homogeneous whole of a product being sold to a single buyer at a single time. The size of the “Lot” is determined by the producer in terms of farm location and field acreage and is to be reported as such to the Farm Service Agency.”⁴

Modernizing Nevada’s batch size standards as contemplated in SB 157 would allow Nevada’s cannabis industry to scale effectively, reduce unnecessary costs, enhance consumer affordability while maintaining high safety standards. The ability to test larger batch sizes is not only feasible but necessary for the future success and competitiveness of Nevada’s cannabis market.

Passing SB 157 would bring Nevada’s cannabis testing policies in line with industry best practices, improve operational efficiency, and reduce costs for both businesses and consumers. The ability to test larger batch sizes is not only feasible but necessary for the future success and competitiveness of Nevada’s cannabis market. We strongly urge the legislature to support SB 157 to ensure that Nevada remains a leader in the regulated cannabis industry.

Thank you for your time and consideration.

Sincerely,

Tiffany Newbern-Johnson
Director, Government Affairs
Green Thumb Industries

⁴ US Domestic Hemp Production Program. (2021, January 15). *Hemp sampling guidelines issued January 15, 2021*. USDA.gov. <https://www.ams.usda.gov/sites/default/files/media/SamplingGuidelinesforHemp.pdf>