



# COALITION FOR ADULT BEVERAGE ALTERNATIVES

## CODE OF CONDUCT

12/2024

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## EXECUTIVE SUMMARY

The Coalition of Adult Beverage Alternatives (CABA) aims to educate on the emerging hemp beverage industry and provide a clear code of operating conduct and sensible product and marketing regulations.

With the goal of responsible category management and growth, the attached information provides insight into current state regulatory environments that have put regulations in place and outlines similar regulations for Texas. These guidelines include regulations to ensure compliant, low-dose hemp beverages be sold through traditional alcohol retail channels.

# CABA CODE OF CONDUCT SUMMARY

## EXHIBIT A

### OVERVIEW

#### Dosage Caps

- 10mg THC per serving / 100mg THC per package  
As context, this would allow you to sell a 4-pack of 10mg cans that have a total of 40mg in the package, as well as 80mg in a traditional "spirit" format (750ml bottle) that has 5mg per single shot (16 shots per bottle)

#### Multi Serve Packaging Requirements

- Products compliant with the proposed dosage caps can be multi serve as long as each serving is a minimum of 1.5 fluid ounces of liquid.

#### Packaging Guidelines

- No packaging that is displaying toys, characters, or other imagery or messaging that target underage consumers, as well as additional packaging requirements that outline 21+, Responsible consumption, and impairment warnings similar to alcohol packaging.
- QR code that points directly to 3rd party test results

#### Testing Requirements

- Full panel 3rd party testing for both potency and any residual solvents

#### Cannabinoid Profile

- The only cannabinoid we advocate for being available for sale is naturally derived Delta-9 THC.
- For clarity, all synthetic cannabinoids will be removed from the marketplace (Delta-8, Delta-10, HHC, etc)

# FULL CABA CODE OF CONDUCT

## EXHIBIT B

**The Coalition for Adult Beverage Alternatives (CABA)** is a national 501c4 focused on:

- Federally representing adult beverage alternatives, particularly cannabinoid-infused beverages in the short-term
- Legalizing naturally-occurring cannabinoids from hemp in the Farm Bill
- Empowering states to regulate how those naturally-occurring cannabinoids from hemp are used in CPG

Unite THC Beverages: Support Low Dose Hemp D9 & Regulated Marijuana Beverage Market:

The Coalition for Adult Beverage Alternatives supports low dose THC beverages being sold and served where alcohol is available (and in dispensaries, if desired), while higher dosed products remain in the regulated marijuana market, as outlined below. While legal definitions of hemp and marijuana determine the channels to market and supply chain logistics when it comes to THC-infused products, CABA is agnostic to the origin of the THC in terms when it comes to:

- Future Regulation - Intoxicating cannabinoids to be regulated by the Alcohol & Tobacco Tax & Trade Bureau (TTB)
- Low dose (defined below) THC beverages to be available where alcohol is sold and served
- Until TTB oversees intoxicating cannabinoids, intoxicating cannabinoids, particularly low dose THC beverages, to be regulated by the states
- High dose THC beverages to be available through the dispensary channels

The purpose of this code of conduct is to ensure consumer safety while providing access to THC beverages manufactured and marketed responsibly. We will adjust our code of conduct as the industry changes.

**The main goals to achieve through the code of conduct:**

- Ensure consumer safety
- Keep intoxicating products out of the hands of children
- Build trust with retailers, regulators, and the broader community
- Establish quality expectations and guidelines for cannabis beverages and unify standards across disparate markets
- Provide clear and accurate information to consumers
- Respect the letter of applicable food laws and regulations (federal and state)

Many of the manufacturing and marketing guidelines below could be applied to all THC infused beverages, but due to the current market, this document is specifically written to address hemp D9 THC beverages currently being sold and served where alcohol is available across the United States. The hemp D9 THC beverage category is rapidly emerging, but as the marketplace matures and challenges are overcome, CABA will adjust the Code of Conduct as needed.

# FULL CABA CODE OF CONDUCT

## EXHIBIT B: CONTINUED

### ACTIVE INGREDIENT OF FOCUS

THC / D9, regardless of the origin of the plant

*The Coalition for Adult Beverage Alternatives is also in support of all naturally-occurring cannabinoids in beverage, with sensible regulation pertaining to dosage. Other ingredients and manufacturing processes in the production of THC beverages should be commonly used or best practices in the food & beverage industry.*

### BEVERAGE CATEGORY: THC BEVERAGES

Broader category: Adult Beverage Alternatives

### LOW DOSE BEVERAGE DEFINITION

10mg THC cap on single use units

- 100mg per package (allowing for 4-packs, 6-packs, 10-packs, etc.)

100mg THC cap on multi-serving (spirits-like) products

- Packaging must be resealable
- Serving sizes must be 10mg or under
- Volume of final product for multi-serving must be a minimum of 750ml

*Any beverage promoting higher serving sizes or potencies than the above should be sold through the dispensary channel. Most states have, or are attempting to implement, regulations that cap low dose beverages between 5 and 10mg THC. CABA agrees that this is the appropriate dose for an audience that may not be familiar with cannabis/THC, and incremental progress can be made over time as it becomes normalized.*

### REGULATORY

CABA is committed to regulatory compliance at the state and federal level.

- CANNRA's Best Practices and Guidance for Regulating Cannabinoids for Safety when applicable to the beverages
- Abide by state and federal regulations
- Abide by traditional food & beverage best practices and standards

### PROCESSING, MANUFACTURING, AND TESTING

Ingredients and brands to abide by standard food & beverage best practices throughout the supply chain.

- Quality control & quality assurance
  - Certificates Applicable to Food & Beverage – Certified Good Manufacturing Practices (CGMP) Certificates and Generally Recognized as Safe (GRAS) standards (even though cannabinoids have not received GRAS status yet, other ingredients in the final product should be GRAS)
- Testing of Final Product with Documentation
  - Potency
  - Purity
  - Certificate of Analysis

# FULL CABA CODE OF CONDUCT

## EXHIBIT B: CONTINUED

### MARKETING/PACKAGING

Products must have clear labels, with total THC on the front label, and not include imagery or verbiage that may appeal to children.

- Applying Tax & Trade Bureau marketing guidelines that apply to alcohol
  - Age restriction: 21+
  - Require age-check online prior to entering ecommerce or brand website
  - No marketing to minors (same standards as applied to other adult beverages)
    - State and federal penalties for marketing and/or selling intoxicating beverages, similar to alcohol counterparts, include, but are not limited to: fines, license revocation, distribution, loss of distribution rights, etc.
- Packaging Requirements
  - “THC”, any other intoxicant(s), and total mg per package clearly defined on the front of each unit and secondary packaging\*\*
  - Full Nutritional Panel - Abiding state or Food & Drug Administration (FDA) requirements as needed.
    - Multi-serving single-use products to include the dual column nutritional panel. *See example shown.*
  - QR code for 3rd party lab testing results and manufacturing information
  - Inclusion of State and Federal required warnings
    - Food & Drug Administration (FDA) required & voluntary warnings & icons (if not already covered in state and federal requirements), may include, but are not limited to, the following:
      - WARNING: Keep out of reach of children.
      - The FDA has not evaluated this product for safety and efficacy.
      - Consult with your physician before use.
      - Do not consume if pregnant, nursing, or if you have any diagnosed or undiagnosed health conditions.
      - Do not operate a vehicle or heavy machinery when consuming this product.
      - Not for sale to persons under the age of 21/21+ icon
      - Drink Responsibly.
  - Proper inclusion of applicable logos and icons on packaging (certified organic, non- GMO project, gluten free, vegan, etc.)
    - Universal THC icon (approved by ASTM)
  - No health claims.

Nutrition Facts			
Serv. size		1 can (355mL)	
	Per 1/2 can	Per 1 can	
<b>Calories</b>	<b>15</b>	<b>25</b>	
	% DV*	% DV*	
<b>Total Fat</b>	0g 0%	0g	0%
<b>Sodium</b>	0mg 0%	0mg	0%
<b>Total Carbohydrate</b>	3g 1%	6g	2%
Total Sugars	3g	6g	
Incl. Added Sugars	3g 6%	6g	12%
<b>Protein</b>	0g	0g	

\*% DV = % Daily Value.

Example dual-column nutritional panel

### \*\*Future Implementation & Suggestions: Total Intoxicating Cannabinoid Content (TICC) icon\*\*

The TICC initiative is in the process of completing appropriations to become part of federal law and is actively going through the American Society for Testing and Materials (ASTM) process to become a national standard. The Coalition for Adult Beverage Alternatives believes this is a proactive step to help consumers clearly identify the dosage of an infused beverage.

# FULL CABA CODE OF CONDUCT

## EXHIBIT B: CONTINUED

### **TRANSPARENCY**

Brands, suppliers, manufacturers/co-packers, testing facilities, and other ancillary services should be preparing for cannabinoid-infused beverages to eventually be regulated by the Food and Drug Administration (FDA) for ingredient quality and safety, and the Alcohol & Tobacco Tax & Trade Bureau (TTB) when it comes to distribution, taxes, etc. Products currently in the food and beverage industries are held to food grade standards that require thorough quality and testing documentation throughout the supply chain. Low dose THC beverages should also be meeting or exceeding the standards.

### **DOCUMENTATION STANDARDS**

Supply chain partners should be able to provide the following documentation to ensure the final product is safe and meets label claims:

- Potency
- Purity
- 3rd Party Lab Tests
  - Chemical process testing
- Chain of Custody

### **DISTRIBUTION/POINT-OF-SALE**

- Sold and served where alcohol is legally available
- Age restriction: 21+ years of age

### **EFFICACY**

- Expected onset times and duration can be included in messaging (optional).
- No leading statements about application and efficacy of cannabinoids without supporting data.

For the hemp D9 beverage category to reach its full potential, standards and boundaries must be established. Proactively abiding by these standards prepares brands and supply chain partners for future regulation, ensuring safe, consistent, and enjoyable low dose THC infused beverages are accessible through mainstream retail and hospitality channels.

# KEY STATE REGULATIONS

## EXHIBIT C

### LOUISIANA REGULATIONS

**THC Limits:** Louisiana has strict regulations on hemp products. As of January 1, 2025, intoxicating hemp beverages are limited to 5 mg of THC per serving.

**Age Restrictions:** 21+

**Product Approval:** All hemp products must be reviewed and approved by the Louisiana Department of Health to ensure they meet quality and safety standards.

**Packaging Requirements:** Containers must clearly indicate when a serving has been consumed, and products must include a measuring device for non-beverage fluids.

**Retail Restrictions:** Bars, restaurants, and gas stations are prohibited from selling hemp products as of January 1, 2025. Only establishments with existing permits can continue to sell these products.

### TENNESSEE REGULATIONS

**THC Limits:** Only hemp-derived cannabinoids with less than 0.3% Delta-9 THC by dry weight are permitted.

**Age Restrictions:** 21+

**Product Approval:** All hemp products must be reviewed and approved by the Tennessee Department of Agriculture (TDA) to ensure they meet quality and safety standards.

**Packaging Requirements:** Hemp products must have clear labeling, including a warning statement, ingredient list, and a QR code linking to lab results.

**Advertising:** There are no specific advertising restrictions for hemp products, but general advertising laws apply.

### MINNESOTA REGULATIONS

**THC Limits:** Beverages can contain up to 0.3% Delta-9 THC by dry weight.

**Serving Size:** Each beverage container can have up to two servings, with each serving containing no more than 5 mg of Delta-9 THC. This means a maximum of 10 mg of Delta-9 THC per container, per package is 50mg.

**Packaging Requirements:** The packaging must not resemble any commercially available food product and should not mislead consumers.

**Labeling:** Labels must clearly display the amount of THC per serving, a warning statement, ingredient list, and a QR code linking to lab results.

**Age Restrictions:** 21+

**Retail Restrictions:** Beverages must be kept behind the counter in retail stores, and only licensed retailers can sell these products.



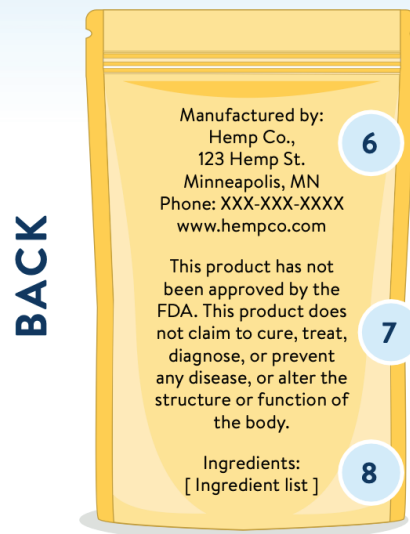
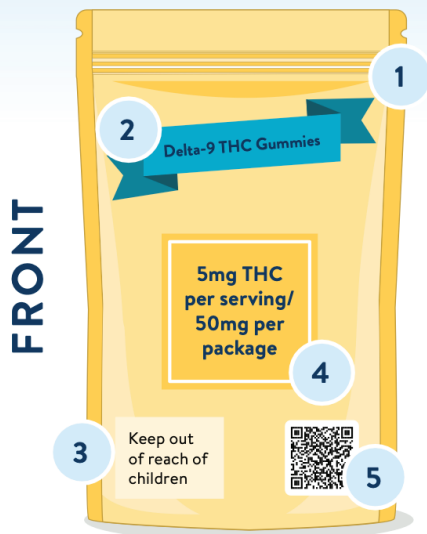
# MINNESOTA HEMP PACKAGING REGULATIONS

## EXHIBIT D

### Hemp-Derived Cannabinoid Product Compliance QUICK GUIDE

This guide is intended as a resource for information purposes regarding the sale of cannabinoids derived from hemp as described in [Minnesota Statutes Sec. 151.72](https://www.revisor.mn.gov/statutes/cite/151.72) (<https://www.revisor.mn.gov/statutes/cite/151.72>) and is not intended to provide legal advice to any individual or entity. Failure to comply with the requirements of Minnesota law could result in product being embargoed, fines up to \$10,000 per occurrence, or both.

#### EDIBLES



**1** Packaging is child-resistant, tamper evident, and opaque.

**2** Cannabinoid type is **Delta-8, Delta-9** THC, or non-intoxicating such as CBD.

**3** Must contain this statement.

**4** Must display milligram amount per serving **AND** per package of THC.

**5** Batch number and testing data for that specific batch must be on the label **OR** linked via QR code, plus the laboratory name and address.

No other types of synthetic THC permitted

5 mg/ serving and 50 mg/ package

**6** Manufacturer name, address, telephone, and website.

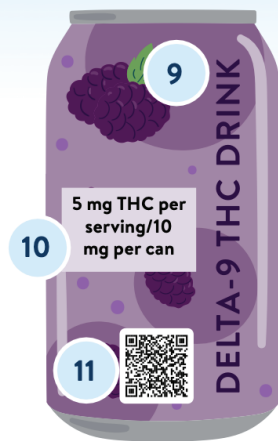
**7** FDA and health statement/ disclaimer must be included. No health/medical claims may be made on any label or in marketing materials.

**8** List of ingredients, including any allergens.

# MINNESOTA HEMP PACKAGING REGULATIONS

## EXHIBIT D: CONTINUED

### BEVERAGES



- 9 All of the same label requirements as edible products.
- 10 Beverages may contain up to two servings per container and 10 mg THC total.
- 11 Same testing requirements as edible products.

### TOPICALS

Non-edible products that are applied externally to the skin are allowed if they do not contain more than 0.3% of any THC, and they do not make any medical or health claims such as “pain relief.”

### REMEMBER THESE KEY FACTS:

Edibles must be behind the counter or in a locked case.

Only people 21 years of age or older may purchase.

The following cannabinoids and products are **NOT LEGAL** in Minnesota:

- THC-P, HHC, THC-O, or any other intoxicating cannabinoids besides Delta-8 and Delta-9 THC
- Vapes containing any kind of hemp-derived cannabinoids or CBD
- Dabs and waxes of any kind
- Tinctures are permitted if they are sold with a calibrated dropper and contain no more than 50 mg THC per container and 5 mg THC per serving. Sublingual delivery methods are not permitted.
- Products like meat, poultry, or dairy product

### HIGH RISK PRODUCTS

- Any edible or beverage cannabinoid products that contain more than 2x the legal THC limit
- Products that are marketed toward children, such as real or fictional cartoons, fruit, or animal shapes



**High risk products are subject to immediate destruction.**