



*Vermont Growers Association
PO Box 5324
Burlington, VT 05402
vermontgrowers.org*

Senate Committee on Agriculture
Senator Robert Starr, Chair
Vermont General Assembly
115 State Street
Montpelier, VT 05633

Re: Cannabis Regulation, Committee Discussion

Dear Chair Starr, and Honorable Members of the Senate Committee on Agriculture,

Good morning, thank you chair and committee members for allowing me time to speak. It is good to see you all again, Happy New Year, welcome back and thank you for taking up the important issue of cannabis regulation once again. I also want to say good morning and thank you to my friends and colleagues that have spoken before me today, and those that will speak after me.

For the record, my name is Geoffrey Pizzutillo, I am an indoor regenerative farmer and the Executive Director of Vermont Growers Association, the state's cannabis trade association, and though we have growers in our name we represent the entire supply chain, with over 80 members, from retailers, growers, manufacturers, and labs, to non-plant touching businesses that service and support the adult-use cannabis market, such as security companies. VGA is also a founding member of the Vermont Cannabis Equity Coalition, which includes the Vermont Racial Justice Alliance, Green Mountain Patients Alliance, NOFA-VT, and Rural Vermont, collectively representing the local communities most impacted and with the greatest stake in the adult-use and medical markets, and I will be giving testimony as a member organization of the coalition today.

We have been in this committee in years past, notably with my colleague Graham Unangst-Rufenacht, Policy Director of Rural Vermont, and Maddie Kempner, Policy Director of



NOFA-VT, discussing the issues central to the communities we represent, they remain allocating 20% of the cannabis excise tax revenue to reinvestment in communities disproportionately harmed in a community reinvestment fund administered by members of these communities; 10% of the cannabis excise tax revenue to the Cannabis Business Development Fund; designating all tiers of outdoor cannabis cultivation as agriculture, or a designation with similar benefits as agriculture designation, as in Act 158 (2022), which includes exempting local control, lifting the current-use criteria in statute, and including agricultural structures in the designation; reasonable direct-market access for small cultivators and manufacturers, including seeds and living plants for cultivators; the allowance for cultivators to own the cannabis products principally produced with their cannabis flower; increase the increase home grow allowance to 10 mature plants; increase the manufacturing tier 1 annual gross cap to \$100,000; and to support the medical cannabis policy reforms of the Green Mountain Patients Alliance. I have included over email and submitted to the public record the full list of the coalition's priorities.

Last year we held conversations in multiple committees and with several policymakers, including those in the Cannabis Control Board, about the importance of not advancing the adult-use market any further without first allocating funds for community reinvestment and a business development fund to help seed, assist, and support those in need and those most impacted by cannabis prohibition and system racism. Even though we are in an agricultural committee, every decision we make in this industry must be weighed with the consideration of the harms caused by prohibition and the individuals and communities most affected by the so-called War on Drugs, and this is why we are asking lawmakers to allocate 20% of the cannabis excise tax revenue to a community reinvestment fund administered by members of these communities, and 10% to the Cannabis Business Development Fund.

Every year VGA surveys the general public, the cannabis industry, and its members, and direct-market access remains a priority for Vermont licensees and prospective licensees. Some form of direct-market access for small cultivators and manufacturers is not optional, this is a missing component to the markets' structure, and direct-to-consumer is a pillar



of the market. Looking across the country at states with more mature markets, they struggle without this missing component of the market's structure, in some states, they are even bailing-out their small producers, Vermonters see this, and this issue should be of top priority for lawmakers this year. We are asking for on-farm and off-farm direct sales allowances for cultivation tiers 1,2 Indoor, 1,2,3 Mixed, and 1,2,3 Outdoor, to include allowances for all cultivators to sell products manufactured from their plants wholesale; and the "direct market" tiers to also directly market particular manufactured products; and direct sales allowances for manufacturer tiers 1,2 with an annual gross cap of \$2 million of cannabis products produced by the licensee. I have included over email and submitted to the public record the coalition's complete direct-market language.

In committee last year we deliberated the agriculture designation of outdoor cannabis cultivation in bill S.188 and the conversation struck a compromise on limiting benefits to tier 1 cultivators and those in current use. This year we seek to expand the benefits as outlined in Act 158 (2022) to all outdoor tiers of cultivation, and the outdoor aspects of the mixed category, including exempting local control, lifting the current-use criteria, and including agricultural structures. Not only is this issue of great urgency for current and prospective licensees, posing a barrier to entry to many, but we have also heard relative state agencies, such as the Cannabis Control Board and the Tax Department, support these initiatives as well.

Vermont has some of the lowest plant count allowances for adults to grow in their homes, which is proving problematic as most Vermonters that do grow often grow more plants than the current statute allows, which is 2 mature plants and 4 immature plants. New York State just enacted 6 plants, and there is likely going to be a medical cannabis bill this year that the CCB supports increasing the medical home grow allowance to 6 mature plants and 12 immature plants. We are asking lawmakers to increase the home grow allowance for adults to 10 mature plants or the number in the upcoming medical bill.

When the CCB first developed its initial rules it defined a tier 1 manufacturer license type to be an at-home business that includes an annual gross cap of \$10,000. At the time



the Board could not foresee the wild expenditures associated with starting an adult-use cannabis business, such as banking and insurance fees, let alone packaging and other regulations, and we have found many tier 1 manufacturer licensees are operating in the red. The annual gross cap needs to be adjusted, and we are asking lawmakers to increase it to \$100,000. Note, the CCB also supports increasing this annual gross cap and has made a proposed change to its rules, while it is in its rule amendment process, at the moment.

While taking all of these priorities into consideration this year, and in the discussion today, the coalition asks that you not only weigh your decisions with the consideration of the harms caused by prohibition and the individuals and communities most affected by the so-called War on Drugs and system racism, but equally by the understanding and recognition of the medical cannabis community, here in Vermont, and the unique interests and challenges intrinsic to the patients and caregivers of that community. A medical cannabis program currently exists in Vermont but it has largely been ignored and as a result become dilapidated, losing focus of the interests of those it is intended to serve, patients and caregivers, and the Green Mountain Patients Alliance has a robust platform of policies that we support and urge to read, we have sent them along in email, as well. Thank you for your consideration and time, and I am happy to answer any questions.

Thank you,

Geoffrey Pizzutillo

*Executive Director and Cofounder,
Vermont Growers Association,
Founding member organization,
Vermont Cannabis Equity Coalition*