



OCTOBER 6, 2021

A detailed illustration of a cannabis plant, showing its characteristic serrated leaves and developing buds, positioned on the left side of the page.

# Vision, Principles, and Proposals for the Vermont Cannabis Control Board



**VERMONT CANNABIS EQUITY COALITION: VISION, PRINCIPLES,  
AND PROPOSALS FOR THE VERMONT CANNABIS CONTROL BOARD**

Dear members of the Vermont Cannabis Control Board (CCB),

The Vermont Cannabis Equity Coalition is pleased to submit our vision, principles, and proposals for a just, equitable, accessible, and reparative cannabis economy in Vermont. It is our sincere hope that the CCB integrate our vision, principles, and proposals into its work, process, and recommendations to the legislature. We likewise express our hope that the CCB take a different posture than the Vermont legislature, and invite in and prioritize the voices of Black, Brown and poor communities, individuals and communities disproportionately impacted by the criminalization of cannabis, as well as small businesses, legacy growers and cultivators, patients, nurses, caregivers, and small farmers.

These proposals include areas where the CCB is within its statutory authority to take action as well as areas in which CCB support and recommendations to the legislature would be greatly appreciated.

Sincerely,

Members of the Vermont Cannabis Equity Coalition:

Mark Hughes, *Vermont Racial Justice Alliance*

Maddie Kempner, *NOFA-VT*

Graham Unangst-Rufenacht, *Rural Vermont*

Joshua Decatur, *co-founder of Trace VT*

Geoffrey Pizzutillo, *Vermont Growers Association*



## **VERMONT CANNABIS EQUITY COALITION: VISION, PRINCIPLES, AND PROPOSALS FOR THE VERMONT CANNABIS CONTROL BOARD**

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# Vision, Principles, and Proposals for the Vermont Cannabis Control Board

## SECTION 1.1

### VISION

The Vermont Cannabis Equity Coalition shares a vision for a cannabis economy in Vermont which is racially just, economically equitable, agriculturally accessible, and environmentally sound. We envision a Vermont cannabis market where Black, Brown and poor folks are assured an equitable opportunity for success within every aspect of this industry. This vision for a racially just economy is grounded in an understanding of our true national history and the impacts of systemic racism; the history of criminalization and disproportionate, violent, enforcement of prohibition in communities of color and poor communities; and, the necessity for mechanisms of repair being established by members of those communities most impacted. In this decentralized economy, scale- appropriate regulations facilitate and prioritize small businesses, outdoor cultivation, and distributed access to the wealth generated by this industry to community members throughout the State. Cannabis is grown, packaged, and distributed in ways which protect and improve soil health, water quality and account is taken for climate change mitigation, adaptation, resilience, and human health.



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## SECTION 1.2

### PRINCIPLES AND OUTCOMES

Though we have broken our recommendations out into categories, we see them as deeply connected and interdependent. We endeavor to point out these intersections throughout this document.



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### **PROCESS**

Our coalition would like to call attention to the inadequate timeline within which the CCB has been asked to complete its rule making process, and the inadequacy of the associated timeline by which the legislature must act on the CCB's recommendations. In conversations with members of the CCB, with consultants hired by the CCB, and with legislators, our concerns about this timeline have repeatedly been confirmed. The CCB is doing its best within the limitations set by the legislature - however, it is very clear that the rule making process and regulatory considerations would be afforded more thorough public input and thereby move us further in the direction of our collective desired equitable outcomes, if more time were available.



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### RACIAL EQUITY

The Cannabis market is the first market to be created in Vermont since the acknowledgment of the existence of and the commitment to eradicate systemic racism. It is imperative that historical and ongoing economic oppression and exploitation of Black Americans be considered in every aspect of the development, rollout and regulation of this market.

The work of the Racial Justice Alliance in Vermont over the past several years has moved this state to an acknowledgement of the existence of systemic racism. Since 2017 much has been learned in the work of addressing systemic racism across all systems of state government in Vermont. With the 2019 appointment of the Executive Director of Racial Equity and Panel, greater emphasis continues to be placed on programmatic, data-driven approaches in addressing systemic racism. This year in Joint Resolution, the Vermont legislature pledged to commit to “the sustained and deep work of eradicating systemic racism throughout the State, actively fighting racist practices, and participating in the creation of more just and equitable systems”. The shared definition that the Vermont Racial Justice Alliance has offered in testimony is as follows:

“Systemic racism includes the complex array of antiblack practices, the unjustly gained political-economic power of whites, the continuing economic and other resource inequalities along racial lines, and the white racist ideologies and attitudes created to maintain and rationalize white privilege and power. Systemic here means that the core racist realities are manifested in each of society’s major parts [...] each major part of U.S. society – the economy, politics, education, religion, the family – reflects the fundamental reality of systemic racism.”

### BACKGROUND

Research indicates that most cannabis market rollouts address social equity with the status quo approach of attempting to “correct harm caused to those “impacted” by disproportionate policing of cannabis in Black and Brown



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### RACIAL EQUITY, CONTINUED

communities”. This is currently being attempted through methods like expungement, eliminating employment barriers for those with “marijuana” related charges and convictions and offering those previously arrested on “marijuana” charges assistance in entering the market. The Vermont Cannabis Equity Coalition sought to introduce a more substantive and appropriate approach that accounts for the impact of systemic racism across the entire market and beyond. The absence of racial impact analysis from the Marijuana Commission was problematic, and a significant deficit of anti-racist culture has existed in the legislature. This was coupled with the breakneck pace (continuing today) of the passage S.54 (Act 164, 2020). The following year the legislature introduced and passed S.25 (ACT 62) - neglecting to take up H.414, the bill drafted by our Coalition. Our success at incorporating language from H.414 into ACT 62 was marginal (we didn’t have time to complete H.414 prior to the session given the prior session ended in October - we were unable to fully integrate our agricultural access and economic equity proposals with our racial justice proposals). The current policy approach falls embarrassingly short of the bold efforts required to deploy an equitable cannabis market in Vermont. The approach is severely underfunded, shortsighted and financially unsustainable.

### GLOBAL RACIAL EQUITY RECOMMENDATIONS

We strongly urge the CCB to incorporate approaches in your operational processes to ensure the creation of a sustainable and equitable market from the onset. This list of global racial equity recommendations largely reflects the enabling statute of the Racial Equity Executive Director:

1. Fairness and Diversity Policy for staff, appointees and contractors;
2. Systemic Racism Awareness Training Program for staff, appointees and contractors;
3. Strategy for collection of racially disaggregated data (e.g., license issuances by type, business start-ups, trained personnel, etc. ...);
4. Hiring and appointment processes that support and promote the eradication of systemic racism;





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### RACIAL EQUITY, CONTINUED

5. Integration of the eradication of systemic racism into organizational and individual performance reviews;
6. Program establishment (consider outside consulting).

### SOCIAL EQUITY PROGRAM RECOMMENDATIONS

We urge the CCB to address equity with adequate funding and sustainable funding, taking into account the need for community approaches to promote employment infrastructure and building capacity relating to social determinants of health. *The three high level components of H.414 that we recommend to the CCB are as follows:*

1. Cannabis Development Fund, funded with integrated medical license fees, a cannabis registration fund, and 20% of revenues raised through cannabis excise tax (NTE 10M);
  - a. Racial Equity Land and Housing Fund:
    - i. This is one program deriving funding from the Cannabis Development Fund;
    - ii. The Racial Equity Land and Housing Fund contains money made available to *eligible black individuals* specifically for direct financial support of land and / or housing ownership. This fund has an annual or semi-annual application process and is administered by an entity constituted by individuals from black and historically marginalized communities, and individuals with expertise in racial and economic equity, and housing and land acquisition;
      1. (2) ELIGIBLE BLACK INDIVIDUAL – The term “eligible Black individual” means a person who –
        - a. Was born in the United States;
        - b. Is at least 21 years of age;
        - c. Has previously identified as Black or African American; and;
        - d. Has at least 1 parent of African ancestry;
      2. This definition is derived from the Justice for Black Farmers Act;



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### RACIAL EQUITY, CONTINUED

- iii. Land and / or housing which is granted money through this program does not need to be related to a cannabis business or an individual in the cannabis industry;
  - iv. Throughout this document of recommendations - the impacts of systemic racism and barriers related to access to land and capital are cited in numerous locations. Furthermore, after “legalization”, disproportionate enforcement of cannabis laws has continued to affect communities of color and communities which have a disproportionate lack of access to housing and land in States such as Massachusetts. When consumption is not allowed in public places, not allowed in rentals without the consent of the landlord, and no commercial / publicly accessible places of consumption are allowed, those without access to legal locations face disproportionate enforcement;
2. Community Social Equity Program, to directly address the impact of economic divestment, violence and historical overuse of criminal justice responses to community and individual needs by providing resources to support local design and control of community-based responses to these impacts, reducing concentrated poverty, protect communities from domestic violence through targeted investments and intervention programs, etc..., promote employment infrastructure and capacity building related to social determinants of health;
  3. Social Equity Programs - These programs would be funded with the support and contributions of Conditional Integrated License Applicants on an annual basis;
    - a. Vermont Community College Cannabis Industry Training Fund;
      - i. Fund may be used to pursue any type of educational goals;
      - ii. Fund is not required to be used for cannabis training and education;
    - b. Jobs Training Program for Reentry, and;
    - c. Cannabis Business Establishment Incubator.



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### **RACIAL EQUITY, CONTINUED**

#### SOCIAL EQUITY PROGRAM AREA RECOMMENDATIONS: MARKET STRUCTURE, LICENSING, TAXES, AND FEES

1. Create a structure that waives the application fee and the license fee, in perpetuity, for SE applicants until an annual review of racial equity is determined by CCB advised by Racial Justice Community Partners;
2. Introduce a Retail Delivery License – Reserved for Social Equity applicants;
3. Social Equity Integrated License – Specifically structured for Social Equity applicants;
4. Social Equity Coop Licenses:
  - a. Social Equity Coop License - One license / one category allocated to a group of individually qualified Social Equity applicants working in cooperative, worker-owned. Requested or CCB referred;
  - b. Social Equity Integrated Coop Option - One license / all categories allocated to a group of individually qualified Social Equity applicants working in cooperative, worker-owned. Requested or CCB referred;
5. Increase Integrated Medical License holders Development Fund contribution & require additional equity program support as outlined in H.414;
6. Provide for a conditional license and require Integrated Medical License holders to commit to participation in one of the equity programs as per H.414 for full license;
7. Provide specialized outreach, legal support and full technical support for all Social Equity applicants.

#### PUBLIC HEALTH

1. Consult Health Equity Advisory Committee (and VDH) and community organizations in approach planning;
2. Outreach, training and education must be culturally sensitive, race conscious and delivered by community partners;
3. Targeted approach for training and education in impacted communities with community partners;
4. Create programs for peer-to-peer outreach, education, etc. models.



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### RACIAL EQUITY, CONTINUED

#### SUSTAINABILITY

1. Recognize and consider the barriers to market entry for black-owned businesses due to limited access to land or capital based on Act 250 and other Vermont land use laws;
2. Consider a model that incentivizes towns for supporting Black-owned businesses;
3. Support a racial equity analysis and assessment of Act 250 and propose changes to ACT 250 to ensure market equity.

#### COMPLIANCE AND ENFORCEMENT

1. Ensure protection for Black-owned businesses;
2. Create exceptions for home-growers who are renters (with landlord approval);
3. Enforcement should create a “new” model that emphasizes equity and accounts for systemic racism. This model should avoid the use of law enforcement;
4. Re-zoning should be conducted to mitigate existing inequities;
5. Commercial zoning should not be a requirement for growers;
6. Employ Social Equity Program Monitoring to mitigate fraud.

#### LAB SAFETY AND PRODUCT STANDARDS

1. Create targeted Social Equity incubator program for emerging Black-owned labs;
2. Establish a lab equipment purchasing program for Social Equity applicants;
3. Ensure specialized lab training programs for Social Equity applicants.

#### RECOMMENDATIONS RELATED TO (ACT 62)

We have conducted a high-level review of Act 62 (2021) with a racial lens and submit the following proposals for your consideration:

*Sec. 8 § 881, Q*

Change approach from one of addressing harm to that of addressing the



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### **RACIAL EQUITY, CONTINUED**

economic impact of systemic racism, obstacles existing for entering into and operating within the cannabis market and the adverse impact the cannabis market could potentially have on Black, Brown and poor Vermonters.

#### *§ 843 Advisory Committee*

Appoint a member from the community with expertise in addressing systemic racism.

#### *§ 861 Definitions*

- Revise definition of Social Equity applicant;
- Black, Indigenous, other People of Color, or;
- Resides in and Impacted area, and;
- Resided in the state for two years.

#### *§ 881 Rulemaking*

Q – Refine to address systemic racism.

#### *§ 978 Advertising*

- Discounted for Social Equity applicants;
- Technical assistance for Social Equity applicants.

#### *§ 987 Cannabis Development Fund*

- Funding must be sustainable and annual;
- Increase Integrated License holder financial responsibilities;
- Increase and ensure funding is recurring;
- Administration must be managed with sufficient representation of impacted community and community partners.

#### *§ 988 Social Equity Loans and Grants*

“...procure by contract all or part of the necessary underwriting, execution, and administration services required for loans and grants to be made...” should be changed to indicate that this function is administered by the state in partnership with a Black-led organization versed in strategies in eradicating systemic racism.



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### **RACIAL EQUITY, CONTINUED**

#### *Sec 15 Implementation of the Medical Cannabis Registry*

Establish timelines and steps whereby the Medical Cannabis Registry and the regulation of the cannabis dispensaries comports to the principles, standards and rules established by the CCB, regarding equity.

#### *32 V.S.A § 7909 Substance Misuse Prevention Funding*

Give consideration to the historic poor outcomes of this approach in impacted communities. This program must be re-branded and tailored to a culturally sensitive program administered by Black-led organizations to effectively benefit Black and Brown communities and individuals.



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS

§ 904a. SMALL CULTIVATORS the language states that “(a) It is the intent of the General Assembly to move as much of the illegal cannabis market as possible into the regulated market for the purposes of consumer protection and public safety. It is also the intent of the General Assembly to encourage participation in the regulated cannabis market by small, local farmers...”

*The outdoor, soil based, sun grown, cultivation of cannabis is fundamentally an agricultural activity, the most accessible means of entering the cannabis marketplace and inviting in the legacy market and small farmers, as well as the most environmentally sustainable method of cultivation.*

#### SPECIFIC RECOMMENDATIONS

1. Recommend to the legislature that it change existing statute to designate the outdoor cultivation of cannabis, and cannabis produced outdoors itself, “agricultural”;
  - a. The designation of the cultivation of cannabis, and the product itself, as non-agricultural creates immediate and substantial barriers to entry for current farmers and legacy cultivators. Other than a narrow provision of Act 164 allowing up to 1,000 sqft. of canopy (smaller than even the smallest tier of outdoor production we recommend) on land in current use, or under agricultural easements, and associated agricultural infrastructure - all land in Current Use, all land in Agricultural Easements, all equipment and infrastructure which is designated agricultural or used for existing agricultural purposes is restricted from use. Programs focused on supporting agriculture will also not apply to cultivators - grants, loans, technical assistance, etc. This removes the ability to direct market one’s own product without further license purchases - which is heavily relied upon by small farms to remain viable in markets dominated by economies of scale;
    - i. We are concerned that unless the outdoor production of cannabis is declared “agricultural” - or substantially greater allowances are made for production on land, and using infrastructure, enrolled in Current Use and in Agricultural Easements, and direct sales



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

are facilitated for producers, among other benefits of agricultural designation - a significant portion of the legacy economy will not integrate into the legal economy based on our research, and there will be very few farmers who will diversify into, and participate in, this industry;

- b. The Vermont Required Agricultural Practices define “Agricultural Product” as “any raw agricultural commodity, as defined in 6 V.S.A. § 21(6), that is principally produced on the farm and includes products prepared from the raw agricultural commodities principally produced on the farm”. Though outdoor cultivation is not considered agricultural, it is still regulated under particular sections of the RAPs in current statute. This double standard is inappropriate, inequitable, and promises to cause unnecessary regulatory confusion and challenges. If designated as agricultural, the RAPs in their entirety would apply to outdoor production - which is more appropriate and in line with our current regulatory apparatus and expectations from the agricultural community;
- c. Cannabis is a product which can be “principally produced on the farm”. The cultivation of crops for alcohol, of hemp, of biofuels, and more are considered agricultural. The State of Vermont’s Strategic Agricultural Plan (2020) has multiple Briefs about the critical nature of alcohol sales, production of alcohol ingredients, the cultivation of hemp, and more non-food products and related activities to the State of Vermont’s agricultural future;
- d. By designating outdoor production as “agricultural” and outdoor grown cannabis as an “agricultural product”, it ensures direct market access for producers and consumers as crops “principally produced on the farm” can be sold on the farm and directly to consumers off the farm as well. We suggest this is important for all outdoor production and consumer access and education - and that reasonable and accessible retail and delivery conditions can be made which suit on-farm sales, CSAs, etc. and which are not overly burdensome for small growers. This would also ensure that a town “opting out” of retail sales - would not be able to





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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- prohibit a community member from purchasing product directly from the grower, and vice versa;
- e. Currently, farmers of all types, but small and medium farms in particular, face significant financial challenges - and the State of Vermont faces what many are calling an “inflexion point” as relates to agriculture, our working lands more broadly, and development as the average age of farmers increase, and as farm viability challenges and debt persist. Recreational Cannabis has the potential to be a very small part of the products being produced at many farms in Vermont which could substantively impact those farms’ viability. Not only does it have the potential to impact existing farms - but it has the potential of bringing more people into farming in Vermont, by offering them a far more lucrative means of making a living from the soil than most agricultural crops provide, positioning them well to diversify into other agricultural products and ventures;
  - f. It is important to pre-empt towns putting more restrictive or inequitable zoning requirements on cultivators;
  - g. By establishing barriers for outdoor production and facilitating a more indoor focused cultivation economy, there is the potential to contribute to more unnecessary development and “sprawl” as opposed to more plants in the soil;
  - h. To our knowledge, there has been no analysis done to assess the impact of this designation on market access and equity by the Legislature; to assess the impacts on the agricultural community; to assess the impacts on historically marginalized communities; to assess the impacts on the environment;
  - i. Though this lowers the economic bar of entry for agricultural and outdoor production, the amount of agricultural land, and the number of farms, owned by people of color in Vermont and nationally, is extremely disproportionate to the population of folks of color. Nationally, 98% of rural land is owned by people identifying as white, and only 1.4% of the nation’s farm owners identify as black (a nearly 90% loss in



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

number since 1920). Though black farmers and community members do not have an equitable access to agricultural land in Vermont, we see agricultural zoning of outdoor production as one path towards facilitating more opportunities for livelihoods from farming the soil, and more opportunities for land and farm acquisition and business development, for people of color. This is because access to land for agricultural production (which doesn't have to be "agriculturally zoned" land) remains far more accessible financially than commercially zoned land, and one doesn't need a significant amount of owned or leased land to participate in the recreational cannabis market (based on our recommendations). As stated in the previous bullet point, it also positions people to grow products on the farm beyond cannabis, and to cultivate skills and assets which have been stolen from these communities by systemic racism in the US over time. This is also another reason to support a percentage of revenue from the cannabis industry in Vermont in perpetuity to be devoted to racial equity and justice initiatives such as land acquisition, business development, and more as we have suggested. We hope that this industry can provide opportunities for more members of the BIPOC community to access agriculture, land, and wealth;

2. Recommend to the legislature a designation for indoor cultivation which facilitates community members cultivating in small amounts at their homes with a lesser regulatory burden;
  - a. This could be a "micro" license of approximately. 250 sqft., which would allow for a very small amount of home-scale indoor commercial production;
  - b. In order to effectively meet and bring in cultivators in the current "illicit" space, we must recognize that many of these people are cultivating in small amounts inside their homes, and facilitate this continuing at a small and reasonable scale. This not only provides a very accessible point of access to the market, it also offers an opportunity to trial this market and type of production prior to committing to building



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- or renting a larger commercial space and meeting a higher regulatory bar;
- c. This license would not carry all of the code requirements of other indoor production facilities, rather having a more scale appropriate suite of requirements to meet (similar to how we have differential regulatory requirements for different scales and types of agriculture - i.e. on-farm poultry processing vs. USDA);
  - d. Though this lowers the economic bar of entry, and encourages existing cannabis operations to move into the legal space, it does not address the racial disparities in home ownership. The need to address systemic racial inequities related to home ownership, land ownership, and access to capital among other disparities is critical to achieving a just and equitable legal cannabis marketplace, criminal justice system, and society. For example, we have heard from allies in MA that due to lack of equity in home and land ownership, the disproportionate enforcement of cannabis laws, and criminalization of people and communities, has continued with the legal marketplace given the limits on where people can consume. Addressing market access and industry access alone via “social equity” programs does not adequately address racial equity or justice, and will not adequately affect how people of color continue to be negatively and disproportionately affected by the criminalization of cannabis;
3. Implement a scale appropriate and affordable licensing structure with mechanisms for direct market access, which differentiates between indoor / mixed light / and outdoor production;
- a. Differentiate caps on production and scales of license for indoor, mixed-light, and outdoor at a scale of approximately 1:2:4 (indoor: mixed-light: outdoor);
    - i. Outdoor and indoor production differ substantially in production ability (seasonal as opposed to year-round production), in vulnerability to crop loss, and in impact with respect to water, electrical, facilities, visual and more;



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- ii. Mixed light shall remain in the scope of artificial lighting. The use of “light deprivation” shall not be considered mixed light;
  - iii. Entities can purchase one of each type of license:
    - 1. E.g. A business can purchase a cultivation license for indoor, outdoor, and / or mixed light cultivation;
  - iv. It is notable that this ratio takes into account the amount of space and how it can be used over the course of a year in terms of accounting for equity of available space - but it does not account for disparities in crop loss which disproportionately affect outdoor growers based on pest, disease, weather, etc.. We have spoken with outdoor growers who have suggested an even greater allocation of space for outdoor production compared with indoor production to account for these vulnerabilities;
- b. All licenses shall be unlimited in number;
- i. In order to limit overall production (and the risk of oversaturating and commodification of the market in Vermont) and market speculation, we recommend that production caps serve as the primary mechanism as opposed to limiting the number of licenses, in particular in the smallest category of license. The Craft Tier is the most accessible license tier, and ensuring that these licenses are available to anyone seeking to enter the market facilitates the transition of legacy growers and access to entrepreneurs;
  - ii. All licenses shall be unlimited in number allowed, and all Craft Tier licenses shall be issued on an ongoing basis, and with a less burdensome application process;
  - iii. If the CCB recommends licensing scales of production greater than those we recommend (10,000 sqft. for indoor, 20,000 sqft. for mixed-light, 40,000 sqft. for outdoor) - then we do recommend limiting the number of licenses at those scales and facilitating equitable access to those limited licenses through the licensing process;



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- c. Create and define a “Processing” license;
  - i. Processing License:
    - 1. This license covers services such as trimming, drying, and curing which people in the community may want to provide to a cultivator;
    - 2. Cultivators are automatically allowed to process their own product without a separate “processing” license. This license is not intended to be required for cultivators who must be allowed under a cultivation license to process their own product. It is suggested as a means of facilitating the legal offering of a service which some cultivators may prefer to contract for as opposed to providing themselves; and recognizing that this is an offering uniquely different from “Manufacturing”;
- d. Redefine “Manufacturing” license;
  - i. Manufacturing License: The goal here is to differentiate particular forms / types of product manufacture from others based on safety, impact, accessibility, etc.:
    - 1. Volatile;
      - a. These are types of manufacture or extraction which have a high energy use, have particular safety concerns, etc.;
      - b. Potentially with sub-categories related to different types of manufacture;
    - 2. Non-volatile;
      - a. These are types of manufacture or extraction - such as “water hash / bubble hash”, “sift”, screen-made hash, etc. - which are readily accessible, do not carry safety concerns, and have a low impact;
- e. Allow cultivators to process their own flower into “manufactured” product without an additional license if the type of manufacturing is “non-volatile” and does not carry safety concerns and represents a reasonable value added product for a producer;



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- f. Require “non-volatile” Manufacturing license type when manufacturing products from purchased flower, and be differentiated from the “volatile” license type by increased affordability and accessibility;
- g. Develop Craft License Tier:
  - i. Craft licenses can sell products from, and service only, craft cultivators;
  - ii. All fees are annual;
    - 1. Our suggestions have been developed in relationship to feedback from stakeholders in Vermont;
  - iii. Craft Cultivator – \$1,000;
    - 1. Craft Cultivator licensees are able to sell to non-craft wholesalers and retailers;
  - iv. Craft Nursery;
  - v. Craft Processor;
  - vi. Craft Manufacturer – \$2,000;
  - vii. Craft Retailer – \$2,500;
  - viii. Craft Delivery – \$2,500;
    - 1. Craft Delivery licensees can direct deliver from \*any type\* of producers to home users;
  - ix. Craft Integrated License – \$2,000;
    - 1. Allowing cultivation, processing, non-volatile product manufacturing, and retail sales on-site, and via CSA / Buyers Club (including delivery), and ONLY from product produced by the business at the craft production cap;
    - 2. This license can sell to craft and non-craft retailers, wholesalers, product manufactures, etc.;
    - 3. Develop on-farm sales facility / CSA / Delivery requirements which are less than, and differentiated from, a Retail License (as would be allowed under agricultural regulations, i.e. sales of principally produced product from the farm):
      - a. Demonstrate secure location and storage;
      - b. Set up for tracking, etc.;



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- c. Training in sales, ID check, etc.;
  - h. Develop Non-Craft Cultivation Tier;
    - i. Outdoor Cultivation Type 1, 10,000 sqft. – \$2,500;
    - ii. Outdoor Cultivation Type 2, 20,000 sqft. – \$5,000;
    - iii. Outdoor Cultivation Type 3, 40,000 sqft. – \$15,000;
    - iv. Mixed-Light Cultivation Type 1, 5,000 sqft. – \$2,500;
    - v. Mixed-Light Cultivation Type 2, 10,000 sqft. – \$5,000;
    - vi. Mixed-Light Cultivation Type 3, 20,000 sqft. – \$15,000;
    - vii. Indoor Cultivation Type 1, 2,500 sqft. – \$2,500;
    - viii. Indoor Cultivation Type 2, 5,000 sqft. – \$5,000;
    - ix. Indoor Cultivation Type 3, 10,000 sqft. – \$15,000;
  - i. Integrated License Fee Set to Adequately Funding CCB and Social Equity Programs;
    - i. Minimum \$250,000 integrated license fee would represent a small fraction of projected first year revenue while providing the funds necessary to build out Cannabis Control Board oversight and permitting operations as well as establish Social Equity programs;
  - j. Ensure adequate staffing and technical assistance to deliver equitable access to the licensing process;
  - k. Despite the efforts at lowering the economic barriers to entry via our proposed scale appropriate licensing structure (including the following section on Production Caps), systemic racial inequities related to access to capital, access to and ownership of land, access to education and more remain which present significant barriers to BIPOC communities accessing this marketplace equitably. Given the history of disproportionate violence and discrimination - and its ongoing presence and impacts - faced by these communities in relationship to this plant and market, it is critical that funds from this industry be devoted to addressing systemic racism outside of “social equity” programs and market access assistance;
4. Production caps for all tiers and types of recreational cultivation, including Integrated Licenses;



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- a. Implement a tiered permit system allowing at maximum;
    - i. 1 acre (app. 43,500 sqft.) for outdoors;
    - ii. 22,000 sqft. for mixed-light;
    - iii. 10,000 sqft. for indoors;
  - b. And at the smallest tier, the “Craft Tier”:
    - i. 4,000 sqft. for outdoors;
    - ii. 2,000 sqft. for mixed-light;
    - iii. 1,000 sqft. for indoors;
  - c. Beginning the recreational market in Vermont by limiting licenses to a relatively small scale of production space achieves a number of outcomes:
    - i. Market access, affordability, and wealth distribution;
    - ii. Discouraging market speculation and influence by those with significant capital;
    - iii. Discouraging market saturation;
    - iv. A more equitable alternative to limiting the number of licenses in order to discourage market saturation (as discussed previously);
5. Canopy Size Definition;
- a. Current Definition: (22) “Plant canopy” means the square footage dedicated to live plant production and does not include areas such as office space or areas used for the storage of fertilizers, pesticides, or other products;
    - i. Proposed New Definition:
      1. “The designated area(s) at a licensed premises (except for nurseries) that will contain mature (flowering) plants at any point in time, as follows:
        - a. The canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all the areas that will contain mature plants at any point in time. Canopy shall not include any space (such as space between plants, storage, drying, curing, etc.) other than that which will contain mature plants;





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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- b. If mature plants are being cultivated using a shelving system, the surface area of each level must be included in the total calculation of the canopy;
  - c. The canopy may be noncontiguous, but each unique area included in the total canopy calculation must be separated by an identifiable boundary that includes, but is not limited to: interior walls, shelves, greenhouse walls, hoop-house walls, garden benches, hedgerows, fencing, garden beds, or garden plots;
  - d. Nursery licenses shall be calculated by square footage of ground or floor space or live plant count.”;
  - ii. Seed production and breeding must be defined and categorized at some point, and determining how to address calculating that space equitably is important. These plants do reach maturity when growing for seed - but it may be important to still differentiate this from cultivation license canopy calculation as that flower’s primary use is seed. One question which emerges in talking with seed producers is, “will there be a way for me to sell / make use of the remaining plant parts (e.g. extract) for product after seed harvest without buying a separate cultivator license?”;
  - iii. Nursery License: Nursery licenses must be included in the first round of licensing in order to assure access to all types of home and commercial cultivators;
6. Develop reasonable recommendations for alternative and appropriate security requirements for outdoor production for the Legislature;
- a. For example, “Indoor and mixed-light cultivation can only occur in an enclosed locked facility - outdoor cultivation may be secured at the discretion of the cultivator”;
7. Implement independent, 3rd party, reliable, affordable, comprehensive, scale appropriate, and accessible testing;
- a. Testing must not serve as a barrier to accessing this market due to affordability, accessibility, scale of operation, racial inequities, etc.;



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- b. Full panel testing including water activity, heavy metals, and for specific pathogenic organisms, rather than total microbial activity in general, etc.;
    - i. See recommendations from Vermont Hemp Program (VAAFV);
  - c. Consider the logistics, accessibility, and cost of testing for small cultivators and Social Equity applicants, and develop recommendations for improving the affordability and accessibility of testing through means which may include but are not limited to State operated infrastructure, or subsidized services;
  - d. Vertically integrated Medical Licenses shall NOT be able to test their own product. All cannabis grown in Vermont should face independent regulatory scrutiny, and scrutiny relative to the scale of operation and potential for contamination;
  - e. We recommend testing the end product vs. live plants or vs. having multiple tests which producers must submit product to in each season;
  - f. Consider how to address a potential dilemma of a seasonal bottleneck in testing and processing similar to what is faced in the livestock slaughter / processing industry, in particular for outdoor production. What are the implications of delays in testing for producers and the product they produce? (shelf-life, storage capacity, cost, etc.) How can we proactively address this potential bottleneck?;
8. Develop recommendations for direct marketing for producers beyond the Vertically Integrated Small Farm License;
- a. Most of the existing local legacy cannabis economy - indoor and outdoor production - and much of the small farm economy, is dependent on direct sales from producers to local consumers. Confining cultivators to selling in the wholesale marketplace confines them to being “price takers” not “price makers” and creates a disproportionate degree of market influence and power for cultivators at greater scales of production, wholesalers, retailers, product manufacturers and dispensaries. A lack of allowance for direct markets harms producers and consumers - the latter being left with fewer competing retailers



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

- in the marketplace, and no option for a direct relationship with the grower themselves. If outdoor production is considered “agricultural”, that would enable those producers to sell directly to consumers as they would for other “agricultural” products principally produced on the farm;
- b. Direct Marketing of product to consumers from producers shall not be controlled by the Opt-In aspect of statute. This means that towns cannot prohibit sales of cannabis to consumers directly from producers;
9. Recommend to the legislature an increase in the number of plants a home cultivator may possess at any given time;
- a. 10 Mature Plants;
    - i. Existing law (2 mature and 4 immature plants) is challenging to realistically comply with. Harvestable cannabis flower comes from female plants, and in most cases, one does not know the sex of the plant inside the seed. For this reason, one must start more seeds than the allowable number of plants in order to assure that one ultimately has the allowed number of female plants. Currently, the designation is also not differentiated between indoor and outdoor - creating a marked difference in production ability and vulnerability depending on which method one uses to grow. In a controlled indoor environment, there is also substantially less likelihood of crop loss due to weather, disease, pests, etc.;
    - ii. The Maine regulated medical program offers a 10 mature plant allowance per adult, 21+, and a 5 patient allowance per caregiver – allowing a registered caregiver to grow a maximum of 50 plants. This cottage-industry approach enables mobility in the market, allowing for home growers to fine-tune their craft and scale-up into the market;
10. Technical assistance for commercial and home cultivators;
- a. We hear this from home and commercial cultivators from a technical service provider standpoint, as well as folks advocating for access to the marketplace itself and needing support in navigating the regulatory



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### AGRICULTURAL AND ECONOMIC EQUITY AND ACCESS, CONTINUED

framework and licensure process. As we've seen in the agricultural realm (i.e. NMPs, FSA paperwork, NRCS paperwork, etc.), there is significant need for regulatory support which is highly variable among different populations (for example, internet and computer literacy variability);

b. How can we fund and support a robust service provider and technical support system for Vermont's cannabis growers?;

#### 11. Miscellaneous:

a. Weather contingency;

i. We recommend researching, drafting, and adopting a weather contingency allowing farmers to propose a "weather contingency plan" to the regulatory body such that in the event of an adverse weather event threatening crop loss cultivators are able to harvest early or take particular actions to salvage some degree of value of their crop.



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## SECTION 1.6

### ENVIRONMENTAL INTEGRITY

In general, we feel our broader recommendations (from scale appropriate licensure, to outdoor production being regulated as agriculture, to testing and technical assistance) support a cannabis marketplace in Vermont which is set up to be as environmentally sound as possible. Our recommendations reduce unnecessary urban sprawl and materials and energy and water use (facilitating outdoor production and allowing for cultivation outside of “commercially” zoned areas), they reduce environmental impact by reducing overall scale and distributing impact vs. concentrating it, they advocate for comprehensive testing to assure no dangerous products are used in production, etc.

1. No Carbon Market trading or carbon offsets as part of Vermont’s cannabis program;
  - a. Carbon Markets and Carbon Offsets do not support climate change mitigation and do not lessen pollution - rather allowing companies to pay in order to continue polluting. As we have seen in the PES and Climate Council realms in Vermont - there is little appetite or belief in the integrity of carbon markets in Vermont;
2. Product Packaging:
  - a. There must be a reasonable balance between dosing amount / packaging and environmental concerns re: waste.



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## SECTION 1.7

### PROHIBITED PRODUCTS

We recommend striking the THC caps for flower and concentrates and increasing the manufactured products per serving limit to 10 mg. A 5 mg serving limit is below the market average serving limit, runs contrary to consumer behavior, is more restrictive than other legal states, will reduce our market standing amongst our neighbors, and will most likely increase packaging waste, particularly plastics.

1. The restrictions on cannabis concentrate laid out in Act 164 (2020) would effectively mandate vaporizer cartridge use, creating a massive amount of avoidable packaging and electronics waste;
2. Most cannabis concentrates have a higher THC content than 60%. Implementing an arbitrary THC limit for concentrates is impractical and disincentives clean extraction processes, potentially leading to the use of adulterants to help producers dilute their concentrates into an acceptable potency range;
3. Additionally, the 5 mg per serving and 50 mg total per product restriction will create undue burdens and obstacles for consumers and product manufacturers, alike. These minimal dosages are the lowest in the country and will ensure consumers will pay more for an effective dosage than they would in other legal states, or even in the local illicit market, reducing Vermont's overall market competition and the ability for local illicit businesses to transition into the legal market.



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## SECTION 1.8

### MEDICAL CANNABIS REGISTRY

Pursuant to the CCB's stated priority to maintain continuity of current medical cannabis program services and determine how the integrated licensees will effectively serve patients as well as the adult-use market, the following recommendations will re-center the state program around patients and caregivers needs, and increase access and affordability to those in the program. These recommendations were developed in collaboration with the Vermont Cannabis Nurses Association.

1. Eliminate the three-month requirement for a bona fide health care professional-patient relationship;
2. Expand the definition of debilitating medical condition to include any disease, condition, or treatment as determined in writing by a qualifying patient's health care professional;
3. Eliminate the requirement that patients with chronic diseases re-apply annually for their medical card;
4. Allow patients and caregivers to purchase from any registered adult use dispensary or medical dispensary without paying taxes;
5. Allow adult-use retailers to deliver to registered patients;
6. Require medical dispensaries to return to a non-profit status;
7. Increase flowering plant count to 12 and eliminate immature count for patients and caregivers (near alignment with our adult use recommendations);
8. Allow caregivers to care for 5 patient, and patients to have 3 caregivers;
9. Eliminate fingerprint requirements for caregivers;
10. Allow for reciprocity with other state medical programs and registered card holders;
11. Ensure that the limitation of one vertically integrated license per entity be enforced; provide timelines and steps whereby the registry and the regulation of cannabis dispensaries come into compliance with equity.