

Good afternoon, esteemed members of the House Committee on Government Operations, and thank you for the opportunity to share my own insights into the ongoing discussion of a tax and regulatory framework for cannabis in Vermont. My name is Geoffrey Pizzutillo, I'm a business owner in Burlington, the #17th registered caregiver on the Vermont Marijuana Registry (VMR), and Assistant Executive Director of Vermont Growers Association (VGA), a nonprofit organization with the mission to preserve, protect, and enhance Vermont's cannabis industry through advancing the interests of family farms and small businesses. I submit written testimony to your committee, today, to share my own personal thoughts on establishing an adult-use cannabis marketplace in Vermont, the importance of adhering to the unique and successful track-record of a craft, small business-centric model we enjoy with our state's other industries, such as beer and wine, and how the current legislation before us, s.54 and h.196, will prevent Vermont from obtaining that unique marketplace for cannabis.

As a state, Vermont has a well-earned reputation for vibrant, craft, small business-centric industry that's rooted in progressive and accessible pathways for market inclusion and participation. As a result, we've seen Vermont's unique marketplaces become innovation drivers, for instance, many of our breweries and wineries produce world-class products that have, in turn, received international praise, widening recognition within their own sectors, and for the state, itself. These craft marketplaces also become growth drivers for businesses themselves, as vital contributors for state revenue, and in supporting Vermont's well-regarded reputation, general desirability, and tourism economy.

It is well-reported and widely-held that our medical cannabis dispensaries are neither innovative, see "Mold at Medical Dispensary" [1], nor growth drivers, see "Vermont's Medical Weed Program Numbers are Wilting" [2]. As it stands today, sick Vermonters registered with the VMR are currently more likely to grow their own cannabis, or seek it from the black market, than source it from one of our dispensaries. Moreover, as a 20-year veteran cannabis cultivator immersed in the emerging national cannabis landscape, no one in the national medical cannabis industry, nor anyone in the national recreational cannabis industry considers our dispensaries to be innovative or of any significance; they simple aren't effective for patients seeking relief, nor are they desirable for the average adult cannabis consumer.

Allowing Vermont's medical cannabis dispensaries to operate solely and unopposed in a recreational marketplace through a temporary licensing system, would: increase uncaptured revenue as consumers turns elsewhere and the black market expands; further perpetuate the dispensaries questionable and undesirable cannabis products into our communities, of which medical patients and the citizenry have already effectively rejected, and local new outlets have reported as possibly unsafe; and most

importantly, it would run counter to the proven successful principals of a vibrant, craft, small business-centric marketplace that makes Vermont unique, diminishing our hard-earned reputation for high-end craft products.

I close my testimony with some keynote, open-ended questions to ask ourselves as the discussion continues into the best way for Vermont to adopt and implement a tax and regulatory framework for a cannabis marketplace.

Why perpetuate already unpopular cannabis products that carry questionable integrity to hastily jump-start a state cannabis marketplace when patients and the citizenry overwhelmingly prefer higher-quality cannabis from our small farmers?

What would better serve state revenue: 4 temporary licenses that cost \$75,000 for questionable, non-craft cannabis products with no current demand, or 100 family farms with licenses that cost \$7,500 for high-quality craft cannabis products?

What, if any, incentives will medical dispensaries have in sharing the marketplace when family farms and small businesses are allowed to participate, and is this approach aligned with Vermont's reputation for vibrant, craft, small business-centric industry?

With best regards,

Geoffrey Pizzutillo
Assistant Executive Director
Vermont Growers Association

[1] <https://vtdigger.org/2018/12/05/vtdigger-minute-mold-medical-dispensary-class-2012-college-outcomes/>

[2] <https://www.sevendaysvt.com/vermont/the-cannabis-catch-up-vermonts-medical-weed-programs-numbers-are-wilting/Content?oid=26820398>