

Thank you, Chair Starr and committee members, for your time this morning, it is good to be back in this committee with you all, again, discussing the issue of cannabis. It was about a year ago my colleagues and I were in this committee discussing bill S.25, another cannabis bill, which became Act 62, and it is good to be back with you today to discuss S.188.

For the record, my name is Geoffrey Pizzutillo, I am a long-time cannabis cultivator, small business owner, and co-founder and executive director of the Vermont Growers Association, the largest member-based cannabis nonprofit in the state. VGA members represent every corner of the emerging cannabis market, the state's cannabis retailers, manufacturers, wholesalers, cultivators, and farmers. We vet our members, many of them are active in the hemp industry, and many are Vermont's legacy cannabis market small businesses and families, all who wish to participate in the emerging adult-use marketplace to make Vermont a national leader in legal craft cannabis, if given a fair chance. And I believe that is why we are here today, to talk about making sure there is a fair chance. VGA is also proud of our associations and coalitions, we are members of the Vermont Cannabis Equity Coalition, along with our friends at the Vermont Racial Justice Alliance, NOFA-VT, Rural Vermont, and allies, such as Vermont Cannabis Nurses Association, and we are also members of a national coalition of interstate craft cannabis growers seeking to define national craft cannabis standards and protect small businesses in the face of the inevitable federal legalization.

I am here today to express support for designating all outdoor cannabis production as agriculture, all tiers, not just tier 1, also called the craft cultivation license, to support the O'Grady amendment, specifying the designation for outdoor production, indoor production should not be considered agriculture, at any tier, to urge the committee to consider adopting language to increase the current home grow allowance to the same plant count numbers proposed in S.186, which is 6 mature plants and 12 immature plants, to broaden the current proposed language in S.188 allowing cultivators to sell live plants and seed stock to include consumers, to not allow wholesalers to buy or sell living plants, as S.188 currently recommends, and to advocate for not excluding outdoor cannabis production from Vermont's long-standing agricultural principles of farmer sovereignty through on-farm sales of agricultural products principally produced on the farm.

Outdoor cannabis cultivation is farming, as our organization has advocated for since our founding in 2019, including the efforts to amend bill S.54, which became Act 164, the enabling statute for adult-use market enacted in black October 2020. Many of our members that farm, such as Off Piste Farm, located in Bradford, have expressed concern over the accessibility of the currently proposed market structure for licensure in the adult-use market, therefore any capacity for this committee, and the legislature, to simplify and streamline outdoor cannabis cultivation for farmers into their current crop and farm management plans will have a direct relationship on the participation rates of local farms entering the new market and its overall viability and success. It is the stated intent of Act 164 to transition Vermont's unregulated businesses into a legal framework, designating all outdoor cannabis cultivation as agricultural is in alignment with the law's stated intent.

It was heartening to hear Cary Giguere offer VAAFM's support in this committee for ensuring fair treatment for our state's farmers when it comes to tax differences. Much of the same inputs, materials, and equipment needed to cultivate cannabis outdoors Vermont farmers already purchase for non-cannabis crop production, therefore, to ask local farmers to exclude cannabis from their current taxation and land conservation practices would be unreasonable and the likely outcome will be less farmers participating in the emerging market. Cannabis is a high-value crop, and this is an opportunity to build, and rebuild, generational wealth across the state. Local farmers have told us that designating outdoor production as agriculture will have a material impact on their ability to participate in the emerging adult-use market

Similar to Chair Starr's recently expressed sentiments that 1,000 sqft doesn't seem like that many plants for outside crop production, and he is right, we have heard this same sentiment from farmers across the state, that the smallest proposed cultivation tier of 1,000 sqft is not adequate for outdoor production. Farmers typically grow larger cannabis plants outside and space them further apart than indoor production, a 1,000 sqft canopy inside is not equal to a 1,000 sqft canopy outside and the proposed tier structure should reflect this difference. Vermont farmers see this inequity in the proposed tiers, which is why we propose a 1:2:4 cultivation ratio, as we see in other legal states, such that, a sqft of indoor canopy equals 2 sqft of mixed-light, and 4 sqft of outdoor – moving tier 1 canopy for outdoor to 4,000 sqft.

S.188 allows tier 1 cultivators to sell living plants and seed stock to other license cultivators, we urge you to consider broadening that language to allow sales directly to consumers, as well, and under the same allowances and regulations the CCB proposes for the nursery license type. Vermont has talented cannabis cultivators, but it also has talented cannabis breeders who, for decades, have been developing unique and regionally diverse cannabis genetics, or strains of cannabis. Providing a pathway to market for those individuals and businesses has yet to be addressed by statute or the proposed market structure, these individuals will be left out of the emerging marketplace, so we ask you consider including living plant and seed stock sales for all cultivators in the language in S.188.

Traditionally, cannabis wholesaler licenses allow for the buying and selling of harvested cannabis or cannabis products. It is unique for a cannabis wholesale license to allow for the buying and selling of living plants, to do so would require setting up a completely different environment, a cultivation site similar to that of a nursery, to support living plants, and a concern is that creating that much overlap with the nursery license proposed by the CCB could reduce its intended value, not to mention that none of the prospective wholesalers we here from are planning to build out a cultivation site, they are concerned with transportation and safe storage of bulk inventory. We recommend leaving the wholesale license as proposed by the CCB, and if anything, allow for the buying and selling of seed stock, only, since that would create less overlap with the nursery license and would allow the wholesalers to further diversify their product offerings without building out a cultivation site.

The national average for home grow allowances for adults in states that allow home grow is around 6 plants – New York just legalized and allows 6 plants per household – Vermont has

been 2 plants for far too long. 2 cannabis plants is not a reasonable amount of plants to produce an adequate crop, such that many Vermont adults that choose to grow in their homes cultivate more than 2 plants. Again, many Vermonters who grow at home, currently grow more than 2 plants. Vermont must meet its citizenry where they are at on these issues. Vermonters will not stop growing what they consider to be a reasonable amount, and the 6 mature plant limit proposed in S.186 will move us into a better position for Vermonters. Increasing the plant count to a more acceptable level is important for preventing the re-criminalization of the plant after legalization.

To conclude, as VGA and the Vermont Cannabis Equity coalition continue to develop cannabis policy for Vermont, we do so in consultation with other state advocacy groups with more mature cannabis markets to learn their lessons and avoid the mistakes and issues that come from implementing and forming an entirely new marketplace. California and other states are finding their legal cannabis markets in crisis for several reasons, but the primary factor states with more mature markets are beginning to reassess their market structure and rules is to address a failure to transition legacy, or unregulated, cannabis growers into the legal market. Fair pathways to market for small producers are vital to an adult-use cannabis market's overall viability. California, Oregon, Washington, and other states are now exploring ways to create pathways to the market for their small producers through direct sales. Vermont must learn from the mistakes in other states, and an important lesson is to take the time to front-load accessibility and equity and build it in before the market forms.