

Thank you for the invitation for our coalition today. It's important to us to be provided the opportunity to present together in this way.

My name is Graham Unangst-Rufenacht, I am the policy director at Rural VT. Rural VT is a member of the VT Cannabis Equity Coalition.

Our Coalition has been advocating together for a number of years now for a regulated cannabis community and economy which is racially just, economically equitable, and agriculturally accessible. We are all member based, not for profit organizations representing people who live in Vt. We hope to be a resource for policymakers in relationship to cannabis policy, and connecting directly with constituents who are stakeholders. We have a list of policy priorities for 2024, many of which we bring before you today which are relevant to agriculture, land, and equity.

I will speak briefly at this point- but would appreciate the opportunity to return to wrap up our coalition's testimony and provide some statements for Rural VT. I am also happy to speak during other testimony and respond to questions or with framing and context when it is helpful.

Some of our priorities are included in two bills introduced last year - H.426 and S.127; but many are not. H.612 is the miscellaneous cannabis bill currently in House Gov Operations and is a potential vehicle for the inclusion of these recommendations as well. As I wrote in our request for testimony before the committee, given H.612 (and these other bills) already have language directly related to agricultural status and outdoor cannabis production, the history of work towards recognizing outdoor cannabis production as agriculture within and without the statehouse (including your committee), and your committee's domain related to agriculture - we feel that you are in a unique position to both: hear from and understand these concerns and the people who have experienced them, and to support the ushering of these recommendations and voices into the appropriate committees and legislation.

I would like to now move from this introduction to the substance of our time here today, beginning with Rev Mark Hughes representing the VT Racial Justice Alliance.

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FURTHER COMMENTS NOT PROVIDED IN COMMITTEE:

**Social and Racial Equity and Importance for Ag Committee's voice and role here:**

In revisiting Rev Hughes and our focus on social and racial equity - I want to speak to some of the ways systemic racism has been recognized to have affected our agricultural community nationally over time, and some examples of potential use of funding related to ag and land:

USDA Secretary of Agriculture Tom Vilsack said in 2021: "I am here today to discuss with you something not unrelated—the systemic racism and discrimination perpetuated against Black

Farmers, and the history of discrimination against Black Farmers by USDA that has prevented numerous African-Americans, among other people of color, from fully realizing the same level of prosperity and success as their white counterparts...Despite all that has been done, clearly more needs to be done to drive our efforts deeper. Here are two steps we must take. First, we must redress the discrimination that has proven to be systemic, evidently reflecting the way we have designed or implemented our programs, laws and regulations. By focusing on determining whether producers can prove specific, individualized discrimination, our past actions have failed to do the necessary work tailored to addressing the systemic discrimination socially disadvantaged producers face. Second, we must establish the support systems to enable socially disadvantaged producers to have the opportunity to succeed. Only with the establishment of such systems, will we be able to finally address the cumulative effect of discrimination and break the cycles that are holding these producers back.”

Systemic racism has been recognized as a public health emergency in Vt - by the VT Legislature - and it carries particular impacts related to land, housing, education, and capital (some of which Rev. Hughes mentioned in committee); all of which are critical aspects to participating in VT's agricultural community, and economy. There are now entities and processes within and without the agricultural sector which will work towards realizing repair, remuneration, and a just transition moving forward, such as the Land Access and Opportunity Board. Reading from the LAOB Feb 2023 report: “The [Land Access and Opportunity] Board exists because ... historical barriers [to access for housing, land and land-based enterprise] continue to exist within systems of legal oppression and exclusion, economic domination, and exploitation of land, creating ongoing, pervasive challenges for historically marginalized and disadvantaged communities, and all those living at the intersections of marginalization, to access land, home security and welcoming communities. Our mission is the programmatic and systematic dismantling of these systems of oppression. In their place, we will seek out, create, fund, and build alternative models for land access, finding home, and mobilizing a network of safe, welcoming communities. We will create the economic and social conditions to make Vermont a haven for individuals, families, and collectives of historically marginalized and disadvantaged communities to live, grow and thrive. (LAOB Priority Objectives Document at Attachment B).” Local entities - whether instrumentalities of the state like the LAOB, and / or community based groups - working towards racial and social equity in the context of land, agriculture, education, housing, and more could benefit substantially from a share of the excise tax from adult use cannabis.

We identify the cannabis excise tax as a particularly appropriate source of funding given the widely recognized racialized criminalization of cannabis in the United States, including VT. See the ACLU's 2020 Report, “A Tale of Two Countries: Racially Targeted Arrests in the Era of Marijuana Reform”, and its previous report, “The War on Marijuana in Black and White”. Despite using cannabis at a slightly lower rate than their white counterparts, Black people are roughly four times more likely to be arrested for cannabis. Over the last 100 years the implementation and disproportionate policing of these laws has contributed to and exacerbated the impacts of systemic racism. These impacts include (but are not limited to) housing and loans, education, incarceration and relationships with children and community, ability to save

money and grow wealth, ability to get a job, trauma - and they are not limited to the individual persecuted; they pass down through generations and travel across our communities. From the perspective of our coalition, it is deeply troubling, immoral, and unjust for the state of Vermont to have legalized and regulated cannabis without full exoneration, or including these communities in determining how funds from the market will go towards addressing systemic harms and creating opportunities moving forward. We ask this committee to support us in making the case for a portion of the excise tax to be devoted to these purposes, as determined by these communities.

**Testimony of Myra Adams / Hidden Leaf Botanicals - The inclusion of agricultural status related to wetlands regulations for outdoor producers:**

This follows the stated objective of the legislature, the CCB and this coalition to treat outdoor production as much like ag as possible without calling it ag and conflicting with the federal government. We feel this is reasonable and in line with the work this committee and the legislature moved forward on last year. We'd appreciate thoughts of leg council related to specific language. Myra was in touch with us a number of months ago and she's been a fantastic advocate for herself and remarkably resilient given the barriers and costs she's faced. It is her - and our intention - that this change will mean that other people will not run into the same challenges that she has faced. James Pepper briefly spoke to this in his testimony before you - and we have on multiple occasions asked for their support on this. It seems they feel it may not be appropriate for them to do so - though as you discussed with Pepper they have made at least one other recommendation related to agricultural status related to fire code for farm buildings (which we support). We are concerned that the Board feels incapable of responding to the barriers faced by some of the people and businesses it is in charge of regulating - and hope that the legislature and Board can come to some clarity around this, because to us it feels very frustrating and to some extent arbitrary which aspects of the law they are willing to make recommendations on and which not.

**Direct markets For Small producers and manufactures.**

We propose a fairly reasonable next step in our legislation for online sales, as contained in S.127. It is an online delivery license which would be further defined by the CCB in its rulemaking process. As producers and manufactures can speak to - they already track and trace all cannabis and cannabis sales, they have compliance officers, they are willing to engage in supplemental training; and they do not see the changes or risks as substantial. This will not negatively impact existing retailers - as the retailer we invited in testified - and will in fact bring a measure of market equity and choice for producers, manufactures, and consumers (all of whom are currently dependent on retailers). When Pepper suggested to you in committee that many people want to push some form of Farmers Market - we actually disagree. Most people and businesses we speak to want a form of direct sales for small producers and manufacturers such that they can sell the very products they produce and have some greater leverage and equity in the market. Sen Collamore asked Brynn - "Individual growers determine the price of the

product?” Brynn rightly said that no, they negotiate. But what’s not said here, and what needs to be recognized, is the lack of power producers and manufacturers have in negotiating when they have no alternative for sale themselves. Nearly all of the leverage is with the wholesaler or retailer. Imagine how many of the small farms in Vt would still be viable or around if they were forced to sell wholesale and not allowed to directly sell to the consumer. As Brynn pointed out, Most tier one outdoor producers are “not well capitalized”. They’d be able to retain more capital from the product they produce if they had the option of selling some of it directly to the consumer. Not only does it take significant capitalization to access the retail license, but these producers do not want to have a retail license - they just want to sell their own product, not everyone else’s. Direct marketing for small producers and manufacturers of their own product could support geographic equity of access, access to more of a share of the profits from the product they produce, and support greater market access, equity and success for these smaller tiers of licensure (especially in years such as this in which outdoor producers were significantly negatively affected by the weather). An online sales proposal is in our bill - and is a more equitable alternative (for producers and consumers) than the proposed special event licensure for existing retailers being debated in other committees. Concerns related to security, etc can be taken up in the CCB rulemaking process.

## **Employment**

People need reasonable regulations related to employment in their businesses and on their farms. Regulations which protect the dignity and safety and just livelihoods of employees - and which enable the employer to accessibly and affordably navigate the regulations. We heard from multiple producers today related to the lack of reasonable employment laws, and access laws related to cannabis related to: challenges with seasonal work needs and restrictions on the number of employees, and costs of getting them covered from a regulatory perspective; the inability to have family and children in proximity to plants or helping out around the business; the need to exclude farm buildings used for outdoor production from the definition of “public building”.

## **“Market Saturation” and Capping Licenses**

There has been discussion of “market saturation” and of capping the total numbers of licenses available. We think this is not an appropriate or equitable way of addressing this concern. We have proposed limiting the scale of production (ie the largest tiers of production) as opposed to the number of licenses. We believe that there is real potential for wealth distribution in cannabis - and see a bill limiting the number of licenses as favoring wealth concentration for a few at the cost of participation and the benefit of the many. There are boom years and bust years - we cannot account or control for climate change and variability, and should allow people to have the opportunity to join the market and participate with scale appropriate regulations ensuring accessible and affordable means of stepping into the regulated space.