

March 9, 2025

Hello,

My name is Myra Adams and I am a Vermont licensed Tier 1 Outdoor Cannabis Cultivator located in South Londonderry. Some of you may remember my testimony from last year on behalf of Rural Vermont regarding the financial burden I faced due to inconsistent policies across state departments particularly the Vermont Department of Agriculture and the Vermont Department of Environmental Conservation. I was wrongly accused of interfering with a Class II wetland, had to hire an engineer that disproved the claim, and wait a year for the state to agree to allow me to use my own property for cannabis cultivation. Had I been considered a farm, and received a farm determination letter, the VTDEC would not have questioned me.

Although, no changes were made to the law to help prevent this from happening again to anyone else, I still feel it is necessary to ask you to not only consider bringing cannabis more closely aligned with agriculture, but also consider the following issues harming our industry and the legislative (and/or CCB rule making) changes we seek to improve our situations as well as the situations of our communities and consumers.

Cost Reduction Initiatives & Financial Support

The legal cannabis market operates with little to no funding in the way of grants and low interest loans because of conflicts with Federal Law. We face higher costs to do business than any other industry between all of the fees we have to pay to the state, the extra fees we pay for banking, exuberant insurance costs, and the Federal 280E tax code. The intention of legalizing cannabis in Vermont was to bring small legacy, craft, growers into a legal and regulated market in order to provide safe cannabis products to the community while also generating a new revenue stream for the state. However, the expenses incurred by the small businesses that make the legal market possible are overwhelming, driving many to prematurely go out of business due to the State and Federal Government taking more than their fair share. I would like to recommend the following changes to help alleviate some of the financial burden placed on the small business owners in our industry:

- **Fee Removal/Reduction:**
 - **Change How Town's are Compensated** - Each licensee has to pay an annual town fee of \$100 upon initial licensure and each renewal. This is a lot for a small business owner struggling to make it to the next day and probably not much at all to a town. My suggestion to benefit the licensees, the towns, as well as the communities that opt-in to support cannabis establishments would be to give towns a percentage of the cannabis excise tax that is currently going into the state's "general fund." My community has recently experienced hikes in property taxes to pay for education costs (which has more to do with the rising costs of employee healthcare than education expenses), and new fees for

recycling that used to be free. Our business district was ravaged by the last flood and the flood before that. The local option sales tax of 1% has consistently been voted down because the residents simply can't afford any more increases in their daily cost of living. Our infrastructure is crumbling. Our roads and culverts desperately need repair and our residents cannot possibly shoulder any more of the financial burden especially with the cost of basic necessities continuing to rise. Even just a fraction of a percent of the cannabis excise tax could potentially bring tens of thousands of dollars in financial aid to towns that desperately need it. This could also potentially influence towns that currently do not support cannabis to "opt-in" for the additional revenue. Which in turn would allow more retailers to open throughout the state and help the bottleneck of supply find its way to more consumers.

- **Eliminate Reoccurring Background Checks** - Having to pay for a background check through a private company chosen by the CCB is very expensive. I can see how this may be needed at the beginning of the application process if you want to exclude certain people with felony convictions. But, haven't people that have been convicted of crimes already served their punishment? Exclusion is counter-intuitive to the social equity policies the state has adopted. The current President of the United States was convicted of 34 felonies and was never even sentenced. This makes having to pass a background check for a cannabis license seem ludicrous. At the very least it would make sense to not require background checks at all for renewals, because what is the likelihood of someone without a criminal record committing a felony that would exclude them from renewing? I would recommend adding a clause to the law (or rules) that if you are convicted of – whatever crimes you find disqualifying – then your license could be terminated. I know the CCB has proposed to change background checks to every four years, but is it really worth the added expense you put on licensees?
- **Reduce License Fees** – Why are they so expensive!?! Most of us are not currently profitable and we are not large corporations with access to never ending capital. Why cause this additional financial burden on small businesses? We have too many external factors that force our cost of doing business to be astronomical. There is plenty of tax revenue now that can go toward supporting the CCB's operations costs. Please consider reducing these fees. Especially for retailers that have the most overhead and are subject to paying the most taxes under 280E.
- **Eliminate Product Registration Fees** – It costs us \$50 annually for every product we want to sell. I believe the last count I heard was roughly 4,000 products are currently registered with the CCB. That's \$200,000 annually

coming out of the pockets of small business owners for the privilege to sell our own products. This is insane when our industry has generated enough tax revenue to more than compensate the CCB to manage product registration.

- **How to Relieve Additional Financial Burdens:**

- **Allow Cash Management Options for Small Tiers** - While others are receiving interest, cash back, and rewards from their banks, we are charged, often expensive, fees for the privilege of having a bank account. Banks can choose how many cannabis clients they want to manage, and when the most affordable stop taking clients, this forces new licensees into either doing business with banks they cannot afford, or relinquishing the prospect of having a cannabis license.
- **Eliminate Redundant Testing Requirements:**
 - Why does trim from flower need to be tested again to sell it? It all came from the same place and is processed at the same time. For example: I had someone offer me \$100 a pound for two and a half pounds of trim I wasn't planning to use. I checked with my inspector to make sure the testing from the flower could follow the trim, but was informed I had to re-test for pathogens and pesticides, again. That meant I would have to spend \$340 for testing to make \$250.
 - Why is there a limit to 5 strains for pesticide Testing? If I have 100 plants all grown in my greenhouse what difference does it make if there is one strain or ten strains if they are all grown the same way in the same location? I happened to have 6 strains this past year. I could test 5 together. That one additional strain came at a cost of an extra \$200 for testing. The more strains we grow, the more it costs us in testing. It's understandable that we would want to test each strain separately for things like Cannabinoids and Terpenes because that will be different for each strain. But, there's either pesticides or there's not regardless if I send a sample from one strain or ten grown in the same way in the same place.

Regulation Changes to Help Us Succeed

While I believe Vermont has done a much better job than most states at rolling out their legal Cannabis program, we still have room for much improvement to maintain a successful cannabis program. I understand that it feels safer to change or create new laws when there is precedent, but we need to stop always looking to see if another state has done it first. Vermont is a state like no other and we need to be the one that others look to for guidance.

- **THC Should Be Listed on Flower as a Range Rather Than a Single Number:**
 - Out of the many pounds of a particular strain that we produce just 4 grams is sent for Cannabinoid testing at roughly \$80 per strain. If you don't like the results, you send in another sample and pay another \$80. This cycle continues until you achieve the desired result or you run out of money, which ever comes first. The point is that no matter how many samples you send of the same strain, they will not produce the exact same results. The THC% should be listed as a range to more accurately portray the flower's THC content.
 - The THC numbers matter more to people than they should. No matter how much we try to educate the public the numbers still matter to the retail partners we rely on to purchase our products. 50% of the retail stores I have brought samples of a particular strain to, would not even consider it, because the THC was not above 20%. It tested at 17% and is a strain that is not meant to be over 20%. It's average range is 16%-20%. Had I been able to list it at a range of 3% lower and higher (14% to 20%) perhaps I may have been able to make more sales. Regardless, this labeling would be more reflective of the variance in the content.

- **Direct to Consumer Sales for Cultivators:**
 - As I mentioned above, 50% of the retail owners/managers I approached about purchasing my cannabis flower immediately rejected it based on THC content alone because they cannot sell it as fast as they would like to. However, I personally know plenty of people that would love to buy it. We need the ability to sell to the niche market that the retailers are unable or unwilling to cater to. We also need the ability to financially survive when our products are rejected for reasons other than quality. I understand the reservations of retailers that think direct sales would negatively impact their bottom line. However, we just want to be able to serve the customer segment that retailers do not cater to and those customers still working with legacy growers because they are not comfortable going to a dispensary. We do not want to do retail volume sales, we want to grow, AND have a legal way to sell directly to a small, potentially untapped, corner of the market.
 - I've heard Kyle with the CCB comment that if you want to sell your product directly, just get a retail license. Well, I do not have \$10,000 for a retail license, nor do I have the space or ability to implement all of the required security measures, I cannot afford a POS system, I cannot afford the added insurance costs, I don't

want to be a retailer or have a store front. I just want to be able to sell MY products to my community, not the products of others. I've also heard him comment that only about 7% of total revenue generated by small farms in Agriculture is from direct sales. Well, for many of us our wholesale revenue is currently at or near 0%, so that 7% would be extremely helpful. If you do not allow for regulated, tax revenue generating, direct sales to consumers when we have no other way to sell our cannabis flower, than what we hear is that you'd rather cultivators go back to the illicit market.

- Plants and seeds are not regulated by the Federal Government. If I did not have a cultivator license I could sell plants and seeds to the public without interference. But, since I have a license I am prohibited from selling plants and seeds to the public. This makes absolutely no sense and is one of many reasons I would not recommend an illicit grower join the legal market. It is absurdly difficult for us to generate revenue. And for retailers that choose to sell our plants and seeds for us, these items that do not contain THC should be excluded from the cannabis excise tax and excluded from product registration fees.
- **Simplify It – THC Caps, The Medical Program, & Over Regulation:**
 - There is no difference between recreational cannabis and medical cannabis. It's all just cannabis. Limiting THC in products has only led to excluding people from being able to choose the type of products they prefer to consume, complications for the producers of cannabis products, and more regulation for the CCB. If you have a high tolerance for THC, you are essentially limited to smoking/vaping. Edibles are not an option for you because it would cost a significant amount more to achieve the dosage you require because of the current caps. People that have a very low tolerance for THC are limited to edibles, because most retailers will not stock low THC flower. People should not be forced into trading their second amendment rights for a medical card just so they can access higher THC products and spend less money. Nor should they be forced to go through the hassle of having to see a doctor and jump through the hoops required to get a medical card. Equal access should be available to all! If you want to continue to extend a tax break to medical cardholders that is wonderful! But, do not force cultivators and retailers to abide by even more rules and regulations regarding medical labeling and separation of products. Just remove the illogical caps and allow us to bring much needed products like RSO to the market for everyone. Not just those that choose to get a medical card.

- **Abolish the Cultivator Setback Law:**
 - In act 166 cultivator setbacks were introduced to give towns more authority over cannabis cultivation. There is no grandfather clause for existing cultivators, nor is there any clarification about oversight or penalty clarification if a cultivator is in violation of the setbacks. There is no guidance regarding enforcement. It also states, “The adoption of a cannabis cultivation district shall not have the effect of prohibiting cultivation of outdoor cannabis in the municipality.” So, what exactly is this law supposed to accomplish?

- **Allow Minors in Retail Stores:**
 - We are supposed to be working toward removing the stigma around cannabis that the Federal Government unduly created. Minors are allowed in gun shops, liquor stores, bars, pharmacies, but are wrongly kept from entering a cannabis shop, where everything is kept behind glass and locked doors. This creates a hardship for consumers and employees that may be forced to leave young children unattended in a vehicle or outside when they would be much safer inside of the store with their guardian. Some shops are family owned and yet owners are expected to keep their children away at all times. This is just another needless restriction that causes harm to families.

- **It is Illegal to CONSUME Cannabis in Vermont, Unless:**
 - It is illegal to consume cannabis in Vermont unless you are a homeowner or have the permission of the homeowner. The inability to create consumption lounges or to be able to consume cannabis where you can consume tobacco puts most visitors to our state that consume cannabis and people who rent their homes in a precarious situation. It makes zero sense that we would sell and profit from cannabis while causing visitors and residents to be in violation of the law.

- **Wish List Item:**
 - I would love to see a license created for bar owners to serve beverages that contain THC. Personally, I would enjoy that much more than drinking alcohol and I don’t believe I am the only one. Most likely the only people I could see being in opposition of this would be the Alcohol Industry because it would cut into their profits.

Thank you for your time and consideration.

Myra Adams

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