

I am the former owner of Rolling J's Farm, a tier 3 cannabis cultivator, and Stir the Pot Cannabis Kitchen, a tier 2 manufacturer. Both businesses closed as a direct result of the saturation and price compression of the Vermont cannabis market. Therefore, I am very appreciative of your committee's work on S.278. It contains several provisions that would have made a big difference to my business and that I hope will make a difference to others, including lower license fees and higher potency limits, which should allow many producers to cut their packaging costs by nearly half. Having cannabis production to be permitted under "current use" provisions would also have saved us some bureaucratic headaches when we got started.

In addition to raising the overall potency limit, I think there is also value in raising the per-serving potency limit to 10mg enable manufacturers to better compete with the products available on the legacy market. Moving consumers away from an unregulated market and into a safe one is always a good idea and whatever makes that happen is wise.

I particularly appreciate the abolishment of integrated licenses and the opening up of event permits and delivery opportunities for smaller cultivators and manufacturers. Getting space on retailers' shelves was the most difficult challenge for us from the very beginning and preventing self-dealing via integrated licenses will give small producers more opportunities to reach consumers. Similarly, adding delivery permits will give smaller operators a way to access the market directly. Both of these are excellent changes.

I do worry, however, that the delivery program is too limited. From some of the other provisions of the bill it seems that perhaps the intention is to run a pilot delivery program for a year and, if that is in fact the case, then I support that since a thoughtful rollout makes sense. However, for the longer term, I think the program would need to be quite a bit larger to make a real difference. Helping only 15 producers access the entire market is a good start, but there are hundreds of small producers out there and they need more opportunities than that.

More importantly, there's nothing in the bill about geographic distribution of the licenses, and I think this is essential. As I am sure you know, because cannabis statutes don't require all towns to hold an opt-in vote, the market is clustered around a relatively small number of towns, and dispensaries are forced to compete aggressively on price in order to differentiate themselves

from their neighbors. Ultimately, the price competition hurts producers the most. Without a requirement for geographic distribution of delivery, the same harmful price competition would be replicated, but this time between producers with delivery licenses in the same region.

Equally, the clustering of dispensaries means that many areas of the state are underserved - a pattern that particularly hurts medical patients and others who don't have the means or the physical ability to visit a dispensary. Delivery would be incredibly helpful to those people, but only if it is available to them. Thus, I would like to see a specific requirement in the statute for delivery permits to be spread out, and for there to be more delivery permits issued overall so that the most underserved parts of the state are sure to be covered. As a pilot, perhaps there could be 28 instead of 15 permits issued - two per county? And then, going forward, I think the ultimate number per county should be higher than that.

I'm also wondering why there's such a long delay in the initiation of rule-making for the new provisions - rather than starting on or before 1 July 2027, I would like to see the rulemaking be *completed* by that date so that permits can be issued sooner. Small producers are struggling and relief cannot come soon enough.

Finally, I found the "cannabis compact" portions of the bill very interesting and I applaud your foresight. Having done business under the administration of a governor hostile to cannabis, however, I would like to see the addition of a check-and-balance provision whereby the legislature can require the governor to initiate negotiations for a compact. Otherwise, I fear that we may be left behind states with more supportive chief executives.

With best regards and many thanks for your careful and thoughtful work on this so far,

Elizabeth

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