

- **INTRO:**

- Chairman Birong, Vice Chair Hango, Ranking Member Rep. Evans, and distinguished Members of the Committee, thank you for the opportunity.
- I'm Jane Lanza, co-owner of Family Tree Cannabis Co. Family Tree holds charter licenses in the VT cannabis market as cultivators and producers since the 2022 marketing opening. We opened in 2018 as registered hemp farmers. FT is a small-batch, science-driven, hand-crafted family farm. We focus on creating premium VT sun grown cannabis, regenerative agriculture, regional flavor, and being a VT specialty producer through memberships with VOF, Vermont Fresh Network, Vermont Growers, Sun + Earth Certification, etc. We hope to continue to help VT work towards a regulated system that is safe, accessible, and beneficial to our communities.
- Many producers seek a wider funnel to be able to sell what they're licensed to grow. A snapshot of the current VT cannabis industry includes 500+ amazing producers, and 100+ retail shops, concentrated in 30% of the state.
- VT growers, manufacturers and retailers are competing with one another in an oversaturated market as well as with other states' legalized markets. Some of the most stable markets have lower taxes, no potency caps, producer to consumer retail avenues, and more room for product innovation and community engagement.
- VT has a unique pricing situation such that consumers and retailers seem settled on fair market value but growers are racing one another in a fight to the bottom for pricing. Let's all support this incredible stable market that we're creating together by offering it a stable supply chain.
- Vermont-grown cannabis has the potential to develop a strong reputation for quality, similar to craft beer or specialty agricultural products. We believe in order to do so that Vermont laws need to adapt to establish a direct-to-consumer license type for producers, which allows licensed producers to sell their products directly to consumers and potentially boost the local cannabis industry.
- **We recommend 3 primary solutions which I'll outline further. DELIVERY, MICRO BUSINESS LICENSE, and OPT OUT. We also encourage lawmakers that cannabis should be treated similarly to farming in Vermont.** I'll explain each recommendation further.

- **Background + Context- the Issues**

- There are impactful benefits to empowering VT producers. We believe a microbusiness license type add on could help local farmers, regions, and the state. We believe in a constructive relationship between producers and retailers upholding a sustainable wholesale market price by working together to prevent a race to the bottom with the oversupply.
- The trend towards allowing direct-to-consumer cannabis sales is growing nationally, as policymakers and industry stakeholders recognize its potential benefits for both producers and

consumers. It's likely that more states will adopt similar models in the future, especially if federal legalization occurs.

- Future Possibilities: The Small and Homestead Independent Producers (SHIP) Act, introduced in Congress, would allow direct-to-consumer sales and interstate commerce if cannabis is federally legalized.
- States like Colorado, and Oregon, (legalized markets which fully embrace cannabis farms, brands, and tourism) have strong cannabis local and tourist economies with revenues that pour back into their communities. CO, CA, NY, MA, and ME have been leaders stepping away from stigma and proudly into their cannabis industry's reputation. This is through some type of direct to consumer sales and most importantly, by standing behind their state's brand of strong farms and premium products.
- **MEANWHILE HERE IN VT:** In the process of getting legal weed through the seed to sale chain, and into the market, many VT growers like ourselves at Family Tree, are accustomed to these responsibilities in the: hunt for genetics- raise mothers+clone- or plant seeds- raise plants- flower them- harvest- test-cure- trim- package- label- register with state- we already handle transport/delivery, often free of charge.

Recommendations:

- **1. DELIVERY- We recommend the laws get updated such that retail license and producers can deliver:** Meaning that licensed cannabis producers and retailers can get approval from the CCB to deliver cannabis directly to consumers.
 - Cannabis delivery can significantly strengthen legal markets in several ways.
 - **Delivery limits:** Each delivery must adhere to the legal purchase limits for consumers:
 - Adult-use: Up to 1 ounces of cannabis per transaction, with no more than same # grams of concentrate to match retail customer limits.
 - Medical: Up to 2 ounces per day with no more than same # grams of concentrate to match medical customer limits.
 - **Strict regulations:** Deliveries are subject to strict regulations, including:
 - Age verification- can use technology supported verification
 - Product tracking- already required
 - Secure transportation- abiding by this regulation could include
 - An issued and valid drivers or possibly a chauffeur's license- which is not required here now to transport cannabis.
 - A two-person crew operating the vehicle with one staying with the vehicle at all times.

- A planned route that is entered into your state’s cannabis regulatory systems with a printed copy in the vehicle during transport.
- Cannabis that’s sealed and isn’t accessible in transit.
- Record-keeping- already required

BENEFITS:

- **Increased Accessibility and Convenience:**
- **Reaching more consumers:** Delivery expands the reach of legal cannabis businesses, making it easier for consumers who may have difficulty accessing physical stores (due to location, mobility, or other factors) to purchase products legally.
- **Convenience factor:** Delivery offers a convenient alternative to visiting a dispensary, potentially attracting new customers and increasing sales for legal businesses. It can be difficult for many VTers to get outside their own region and only 30% of the state is licensed to sell/buy cannabis.
- **Enhanced Competition and Market Growth:**
- **Leveling the playing field:** Delivery allows smaller businesses and startups to compete more effectively with established dispensaries, fostering a more diverse and competitive market.
- **Improved Public Safety:**
- **Reduced impaired driving:** Delivery provides a safer alternative for some to driving to a dispensary after consuming cannabis.
- **Discouraging illicit market activity:** Convenient and accessible legal delivery options can make it less appealing for consumers to turn to the illicit market.
- **Boosting Revenue and Economic Benefits:**
- **Increased sales:** Delivery can lead to increased sales for legal businesses, generating more tax revenue for VT
- **Job creation:** The delivery sector creates new VT jobs in the cannabis industry, contributing to economic growth.
- **Data Collection and Market Insights:**
- **Consumer preferences:** Delivery platforms can gather valuable data on consumer preferences and purchasing habits, helping businesses to better understand their customers and tailor their offerings.
- **Market trends:** This data can also provide insights into market trends, informing business decisions and regulatory policies.

- **2. MICROBUSINESSES:**

- Licensees are already familiar with necessary security, inventory tracking, cost of operation, taxation, compliance at their facilities.
- By nature, this license type would not be duplicative. The scope is to highlight a brand and producer. It feels very VT.
- **Direct sales allowed:** Such as in the legal cannabis market in Michigan- Microbusinesses, can be defined as small-scale cannabis businesses licensed to cultivate, process, and sell cannabis, can sell their products directly to consumers.
 - Scope can be defined such that no more than say 500 LBS or 1000 LBS annually can be sold into the market by the producer- can be proportional to the license tier held.
 - **Washington Proposed Legislation:** A new bill (SB 5403) is currently under consideration in Washington state that would allow cannabis producers to sell up to 1,000 pounds of marijuana flower directly to consumers annually.
 - **Limited production:** Microbusinesses could have set limits on the amount of cannabis they can grow, and they can only sell products they produce themselves (no outside sourcing or selling for other producers).

- **3. OPT OUT NOT IN**

- As it stands about 30% of VT has opted-in to sell cannabis and it's increasingly sensitive and sought after territory. We continue to advocate for spreading out retail opportunities with opt out and not in- such that a town would have to vote against, rather than for, a retail outlet to open there.
- Let's help this market better thrive with sensible and innovative adaptation of the laws and regulations to better serve consumers, producers, retailers, and communities.

- **4. ACT 166- SUNGROWN CANNABIS IS AG. —** A priority we want to highlight this year is to defend the ag policy VGA got enacted in 2022, which then got expanded in 2023, that treats outdoor cannabis similar to farming. Last year, the League of Cities and Towns managed to chip away at some of this ag policy, and while they failed to remove all of it, and they tried, they did get enacted setbacks, and cultivation districts for outdoor and the outdoor portion of mixed-use. You may find these regressive policies in Act 166 (2024) ([link](#)). As a result, a top priority this year is to remove the setbacks and cultivation districts in Act 166, to maintain that cannabis is ag, and to express to lawmakers that cannabis should be treated similarly to farming in Vermont.

- To support this effort, last year in Act 166, VGA wrote a legislative report tasking the CCB with forming a working group to study the setbacks and cultivation districts and make recommendations to lawmakers for the 2025 session. The CCB sent its outdoor siting report ([link](#)) to legislators on January 15 where it

recommends lawmakers remove the setbacks and cultivation districts because it is confusing to licensees and town and will harm the licensees and the market overall. So, this session we want to urge lawmakers to pick up and adopt the CCB's recommendations in its outdoor siting report to reverse the regressive setbacks and cultivation district language in Act 166 from last year.

- **CONCLUSIONS:** Here are some of the key benefits we hope to help initiate:
 - **Higher Profits for Producers:** By eliminating the middleman (distributor and retailer), producers can retain a larger share of the profits, which can be reinvested in their businesses or passed on to consumers at lower prices.
 - **Lower Prices for Consumers:** Direct sales can potentially lead to lower prices for consumers, as producers are not required to mark up their products to cover the costs of distribution and retail.
 - **Increased Consumer Choice:** Consumers gain access to a wider variety of products and can connect directly with the people who grow their cannabis, fostering a more personalized and informed purchasing experience.
 - **Support for Small Farmers:** Direct-to-consumer sales can help small, craft cannabis producers compete with larger companies, promoting a more diverse and equitable market.
 - **Increased Market Accessibility:** Consumers in areas with limited retail access can benefit from delivery services, expanding the reach of legal cannabis.
 - **Reduced Barriers to Entry:** For new businesses, the two-tier system can lower the initial investment needed to enter the market, as they don't need to invest in a retail storefront.
 - **Regulations are key:** Well-crafted regulations are needed to ensure responsible delivery practices and public safety.
 - **Equity considerations:** Social equity programs should be implemented to ensure fair access to delivery licenses. VT has been shown leadership prioritizing other license types in this way.
 - Family Tree remains committed to the success of Vermont's cannabis industry.
Thank you for the opportunity.
 - Happy to answer any questions.