

Written Testimony Regarding Long-Term Structural Preparedness and Market Guardrails February 17, 2026

Chairs and Members of the Joint Committees,

Thank you for the opportunity to submit written testimony.

My name is Sara Farnsworth and I own Full Circle Farm, LLC, a Tier 3 Outdoor Cultivation business in Underhill, Vermont. I also am serving my second term on the Cultivator Working Group for the Vermont Growers Association.

In my prior testimony to the Senate Committee on Economic Development in May 2025, I spoke about the economic strain facing small cultivators and the barriers to sustainability in Vermont's regulated market. I appreciate that S.278 addresses several of those concerns and I support the bill's efforts to improve market functionality and stability.

Today, I want to focus on whether Vermont's statutory framework provides the guardrails small producers need to build long-term resilience and prepare for inevitable federal cannabis policy changes.

Currently, licensed cultivators and manufacturers operate largely in isolation, managing compliance, administration, marketing, processing, and distribution independently. S.278 makes meaningful improvements but does not provide statutory clarity for collaboration, shared infrastructure, or coordinated compliance, which are essential for small-producer viability. Without guardrails, fragmentation creates structural vulnerabilities:

- Risk of consolidation and loss of local control
- Operational inefficiencies and higher costs
- Limited access to capital and market opportunities

Effective guardrails are not restrictive—they enable responsible collaboration under regulatory oversight, allowing small producers to share infrastructure, coordinate compliance, and scale sustainably.

Federal cannabis policy is evolving. Rescheduling, legalization, or interstate commerce could introduce multi-state operators and federal capital into the market.

Without proactive guardrails:

- Vermont producers may remain structurally fragmented and disadvantaged
- Rapid consolidation could bypass Vermont-based ownership
- Small producers could be displaced before the state has a chance to respond

Thoughtful oversight now ensures Vermont businesses can remain locally owned, craft-focused, and competitive as federal changes unfold. This is prudent governance, not expansion.

To build a resilient and future-ready market, the following statutory enhancements are essential:

Annual Market Stability Review

- Tracks canopy, pricing, license transfers, market concentration, and retailer-supplier agreements
- Provides transparent, data-driven guidance for future policy decisions

Ownership Transfer / Material Change Oversight

- Requires Board notice and review for control changes
- Prevents hidden consolidation while supporting investment

Non-Voting Investment Authorization

- Enables passive capital without shifting control
- Supports cooperative/shared-service models and preserves Vermont-based governance

Temporary Market Stabilization Authority

- Allows the Board to respond to oversupply, undersupply, or market imbalance
- Limited in duration and subject to public notice

Trade Practice / Retailer Guardrails

- Prevents coercive shelf placement, slotting fees, and bundled purchasing requirements
- Ensures fair market access for small cultivators
- Aligns with Vermont alcohol regulatory principles

Vermont is nationally recognized for “Made in Vermont” products — celebrated for craft quality, small-scale production, and integrity. This reputation is an economic and marketing asset that the cannabis market can leverage now, not after federal changes arrive. By creating a clear, regulated framework for collaboration and shared infrastructure, Vermont cultivators can build Appellation of Origin for cannabis, preserving craft identity and local ownership while preparing

for interstate commerce.

Establishing these standards today ensures that Vermont-grown cannabis is recognized for quality and provenance, positioning small producers to compete successfully in broader markets, maintain their independence, and capture the full economic value of the state's craft reputation.

S.278 represents progress. The question is whether Vermont's framework provides the guardrails and statutory clarity necessary for small producers to:

- Collaborate responsibly
- Build resilience
- Maintain local ownership
- Prepare for future federal changes

In addition, I strongly support the Vermont Cannabis Equity Coalition's 2025 priorities. These priorities focus on directing excise tax revenue toward equity funding and land access, expanding direct markets for smaller cultivators and manufacturers, ensuring agricultural protections, completing expungements for all cannabis-related offenses, permitting public consumption consistent with tobacco rules, increasing homegrown allowances, and consolidating oversight under the Cannabis Control Board. Aligning policy with these priorities will help create a fair, accessible, and sustainable cannabis market in Vermont.

These provisions are future-proofing tools—ensuring Vermont producers remain viable, craft-focused, and competitive. Integrating market review, ownership oversight, capital structure, temporary stabilization, and trade practice protections will provide structure and governance for market equity and will help Vermont small producers thrive in both today's market and the markets of the future.

Thank you for your time and consideration.

Respectfully,

Sara Farnsworth

Full Circle Farm, Tier 3 Outdoor Cultivation, CLTV0250 est. 2021

Vermont Cannabis Cooperative - co-founding member

Ganjier Guild - Co-Founder