

2.25.2026  
S.323, Hemp

Dear Senate Committee on Agriculture,

We appreciate the committee being attentive to this issue, and making time to hear from producers and organizations right now - working to support these producers, a fair and thriving market, and to proactively address potential changes federally. We suggest that this section of this bill also be referred to the Senate Committee on Economic Development, as much of this language has to do with products outside of the scope of agriculture, and more squarely in the scope of economic development within this sector, in particular now that hemp is not regulated by the VAAF, and rather the CCB (and this committee is the primary senate committee which currently interfaces with the CCB).

Rural VT has worked to support hemp producers and a hemp market in VT for a long time. In 2008, we worked with Vote Hemp and others to pass the Hemp for Vermont Bill, our director Amy Shollenberger said at the time, *"the Hemp for Vermont bill is another step toward legalizing this important crop for farmers. The United States is the only industrialized nation in the world that doesn't allow this crop to be grown. Looking at the Canadian experience, hemp provides a good return for the farmer. It's a high-yield crop and a great crop to mix in with corn."*

We have worked on hemp and adult use cannabis since this time - and have seen the various iterations of the regulated hemp programs that Vermont hemp producers have participated in.

In terms of how hemp regulation has been addressed in this bill, here are some of our thoughts:

- 1. We are in alignment with the CCB's and legislature's intentions to regulate intoxicating hemp products.
- 2. We are in agreement that we want to prevent negative consequences from the federal changes that have been made, and which may be implemented this coming year; and we want to support local producers and businesses in having a reasonably regulated market and economy to participate in, in VT.
- 3. We want hemp producers and businesses to be regulated in a way that is at least as affordable and accessible - if not more - than the federal regulatory and fee regime they currently exist within. We also think that this is a priority of the legislature based on what we have heard.

However, we have concerns that the language in this bill brings far greater allowance for regulatory authority to the hemp space than many hemp businesses currently operate under, and that there is a tone of suspicion in the language of the bill which implies a concern that hemp products and hemp distributors or producers may be growing or selling or manufacturing an adult use intoxicating product under the name of a non-intoxicating hemp product. We fully support the identification of, and more severe regulation of, intoxicating hemp products -

however, this bill proposes what seem to be stricter regulations on all hemp products regardless of whether they are intended to be intoxicating. Addressing hemp derived intoxicating products does not require treating all hemp producers as though they are potentially trying to subvert the regulated market. If we are going to bring this plant and its regulatory regime under the entity in VT which was created to regulate adult use and medical cannabis, we need to have clear language dictating a very different regulatory regime and perspective in alignment with how this product and its stakeholders have been regulated over time. We would like to see assurances in the language of the bill, and from the CCB, that these people and businesses will not face greater regulatory hurdles, or costs than they currently do being administered by the federal government - that this is going to be an accessible and affordable market for non-intoxicating hemp producers and products.

It would be helpful to have some clarity on what types of hemp businesses are or are not going to be subject to the new authority granted to the CCB in this bill. In the language of the bill, it seems to cover any type of hemp business given the definition of hemp and hemp product - and if so, it would be implementing new fees and requirements for testing, labelling, packaging, inspection, and more for particular hemp businesses which may not have previously been subject to fees and / or regulations of this nature. These businesses need consistency - and many small and new businesses cannot afford a new suite of fees and regulations which impact the viability of their businesses. Scale and product type appropriate regulations are critical - and this bill currently takes a one-size-fits-all approach to hemp which is at odds with its history of regulation. What may be a digestible new set of regulations and fees for a larger well capitalized farm may be non-starters for smaller, less capitalized businesses. This bill does not differentiate - and it asks us to trust the CCB's rulemaking process to address things like this. We think it is important for the legislature to put clear parameters and directions in this bill for the CCB.

The previous hemp program in VT was regulated by the VAAF. Based on our understanding, they are not able or willing to administer this program at this time. However, we have heard concerns from many in the hemp community that given the challenges to small cannabis businesses currently being regulated by the Cannabis Control Board, and the difficulties for licensees in that regulated space under that authority, that they are wary of coming under their authority and facing new regulations and fees and a particular approach to regulation in general which is at odds with how they have been regulated to this point. We have also heard specific concerns about naming the .4% THC cap in statute as Sen. Collamore suggested earlier, and as Sam Bellavance also addressed and suggested an alternative to.

It may be the case that legislative counsel can speak to this, and to the differences and similarities in how different hemp businesses may be regulated currently compared with how they may be regulated if this bill were to pass in its current form; and suggest some reasonable fixes. It would be helpful to hear from more small producers and product manufacturers to identify potential issues in the bill as written - and to identify more opportunities for improvement. Our recommendation would be to in as much as possible to have hemp businesses of different types - apart from those producing intoxicating hemp products -

regulated equal to, and not more strictly or expensively than, they currently are. We would like to see explicit language in the bill about the legislative intent of this bill being to create an accessible, and affordable system of regulation which supports small, Vermont based, hemp producers and products; and to have these products clearly differentiated in these ways from adult use cannabis products in how they are regulated. It is very important for the legislature to give clear guidance to the CCB and / or to explicitly make decisions themselves in statute - such as identifying topical products as a different class of product which must be regulated differently than ingestibles or intentionally intoxicating products; or lessening fees and potential requirements for products which are greater than those in the adult use-cannabis space.

Thank you,

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