

Scale Appropriate Regulations for Direct to Consumer Retail Sales for Small Cannabis Producers

This document includes proposals with statutory language allowing limited and well-regulated direct sales for small cultivators and manufacturers. Each proposal was developed with extensive industry, community, and agency input and includes baseline license parameters and an official rulemaking process which will meaningfully address security, tracking, point of sale, and other critical rules to ensure public safety, regulatory compliance, and market equity.

From the VT Farm to Plate Food System Plan Market Brief on Direct Markets:

“Direct markets are critical because they allow producers to capture more income for each product sold (compared to wholesale), require low up-front investment, give producers more autonomy over the products they sell, and foster customer relationships through experiential marketing (an increasingly important tactic across all industries). The trends towards consolidation and downward price pressure in wholesale markets favor larger producers and create challenges for many small to medium-scale producers, accentuating the importance of strengthening direct markets as the foundation of a working landscape of diverse farms at all scales.”

Option 1: Supplemental Direct Retail Sales License for Small Producers

A Supplemental Direct Retail Sales License for Small Producers is limited to smaller tiers of production for licensed cultivators and manufacturers and allows for regulated on-site and off-site sales of their own products directly to consumers based on rules determined through a public rulemaking process conducted by the Cannabis Control Board.

§ 907a. Supplemental Direct Retail Sales License for Small Cultivators and Manufacturers:

(a) In addition to the authorized conduct in 7 V.S.A § 904 for licensed cultivators, 7 V.S.A. § 906 for licensed manufacturers, and 7 V.S.A § 907 for licensed retailers:

a. Tier 1 and 2 cultivators with a Supplemental Direct Retail Sales License may sell cannabis, cannabis products using cannabis produced by the licensee, immature cannabis plants, and cannabis seeds directly to consumers based on rules and regulations developed by the Cannabis Control Board; and,

b. Tier 1 and 2 product manufacturers with a Supplemental Direct Retail Sales License may sell cannabis products produced by the licensee directly to consumers based on rules and regulations developed by the Cannabis Control Board.

c. The Cannabis Control Board is to finalize rules for this license to be scale appropriate, accessible, and affordable, accounting for the limited production and sales of smaller tier licensees through a public rulemaking process by November 15, 2025; they must allow for on and off-site sales; and must address:

(a) Security

(b) Taxation

(c) Point of Sales requirements and training

(d) Tracking

(e) Inspection

(f) Transportation

d. Supplemental Direct Retail Sales licensees are not subject to 7 V.S.A. § 863 (a)(1) and (a)(2).

e. The Supplemental Direct Retail Sales License shall be open for application beginning no later than December 15, 2025.

§ 910 (4)(c). Licensed cultivators and manufacturers who sell directly to the public with a Supplemental Direct Retail Sales License shall be assessed an annual licensing fee of \$500.00.

Option 2: Limited Direct Retail Sales Temporary Event (Farmer's Market)

A *Limited Direct Retail Sales Temporary Event* is restricted to licensed cultivators, propagators, and manufacturers and allows for temporary events with regulated on-site sales directly with consumers with rules to be promulgated by the Cannabis Control Board.

§ 910a. Limited Direct Retail Sales Temporary Event

(a) In addition to the authorized conduct in 7 V.S.A § 904 for licensed cultivators, 7 V.S.A §904b for licensed propagators, and 7 V.S.A. § 906 for licensed manufacturers:

(a) Cultivators can sell cannabis, cannabis products, seeds, and immature plants principally produced by the licensee at a permitted temporary event.

(b) Propagators can sell cannabis seeds and living plants produced by the licensee at a permitted temporary event.

(c) Manufacturers can sell cannabis products principally produced by the licensee at a permitted temporary event.

(b) A Limited direct sales temporary event shall be 48 hours or less at one location and one alternative location, indoors or outdoors, for individuals 21-years-old or older, or with Cannabis Control Board Medical Cannabis Program patients and caregivers card in good standing.

(c) All inventory is to be pre-approved through product registration by the Cannabis Control Board 30 days before the event is planned to take place.

(d) The permitting process is to include pre-approved advertising by the Cannabis Control Board during the permitting process to allow for all licensees to fairly promote the event.

(e) A Limited direct sales temporary event is not subject to 7 V.S.A. § 863 (a)(1) and (a)(2).

(f) A Limited direct sales temporary event shall be further articulated based on rules and regulations developed by the Cannabis Control Board through a public rulemaking process by January 1, 2026. Temporary event retail permits shall be issued no later than March 1, 2026. The Cannabis Control Board rulemaking process shall address:

- Security
- Compliance
- Permit application process
- Medical care program admittance
- Advertising
- Inventory pre-approval and taxation

~~§ 910.~~ § 911. Cannabis establishment fee schedule

(6) Events.

(A) Limited Direct Retail Sales Temporary Events shall be assessed a one-time permit fee of \$100.00.