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Senate Committee on Economic Development, Housing, and General Affairs
Senator Alison Clarkson, Chair
Vermont General Assembly
115 State Street
Montpelier, VT 05633

Dear Chair Clarkson and Honorable Members of the Senate Committee on Economic Development, Housing, and General Affairs,

Good morning, Committee. Thank you, Chair, Vice Chair, and Committee Members, for allowing me time to testify before your Committee today on Bill H.321, an act relating to miscellaneous cannabis amendments.

For the record, my name is Geoffrey Pizzutillo, a long-time indoor natural cannabis farmer and the co-founder and Executive Director of Vermont Growers Association, the state's cannabis trade association. VGA was formed in 2019 as a member-based nonprofit. Though we have growers in our name, our dues-paying members represent the entire supply chain with over 80 members, from retailers, growers, and manufacturers to non-plant-touching businesses that service and support the adult-use cannabis market, such as security companies. VGA is a founding member of the Vermont Cannabis Equity Coalition, which includes the Vermont Racial Justice Alliance, Green Mountain Patients Alliance, NOFA-VT, and Rural Vermont. Collectively, the Vermont Cannabis Equity Coalition serves and represents the communities in Vermont most impacted and with the greatest stake in the adult-use and medical cannabis markets. I will be testifying today as a member organization of the coalition and as Vermont Growers Association.

I have some clear proposed changes to Bill H.321 for your consideration, including a few nuanced changes from VGA and more broad foundational changes with the Coalition,



which I will touch upon and my colleague Graham will speak to in greater detail. Before I go into our legislative requests for your consideration, I want to take a moment to offer our perspective on the industry and its conditions, which we arrive at from steady input from our members and other licensees.

Vermont is nearly three years into a regulated cannabis marketplace, and participating farms, businesses, and consumers are beginning to feel the shortcomings of the market structure, solvable issues that reside within the statute, and where its solutions are held by legislators and not the Cannabis Control Board. The adult-use cannabis marketplace is not a viable business ecosystem for its small growers and manufacturers, let alone those who still wish to join the market. The shortcomings that burden the Vermont cannabis industry start with the issues impacting its small producers.

What separates the Vermont cannabis market from other state markets are the unique qualities and strengths that local small producers and businesses bring to shape the entire marketplace. To date, legislators, you all, and the CCB did a better job than most states in forming and implementing a regulated market, but now we must begin to address the shortcomings of the market to continue to support that progress, or it will collapse, as we see every other state-regulated market experience. As of March, the CCB reports there are around 414 cultivators, around 90 manufacturers, and around 100 retailers – this progress, along with the over \$20M in state revenue and the estimated over 1,600 jobs created by this still nascent market, are all at risk if we don't act this legislative session.

Strike the retail siting rules language in Section 4, which is in the bill to create the effect of a two-year moratorium for new retail licenses. As detailed in previous testimony, this language started as a two-year legislative moratorium. That original language was then changed to the language we see today, which amends the CCB retail siting rules that will prevent new retail licenses from being issued. At a time when we must work on ways to open up market channels or risk the collapse and mass exit of our small producers, this language proposes closing market channels, it is entirely inappropriate



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and it is not supported by the agency or the industry. You directed the CCB to develop rules on retail siting last year with Bill H.612, or Act 166, allowing the CCB to have mechanisms to determine if towns like Burlington need another retailer, administrative rules that the agency spent several months developing with industry input. There is no need to have this language in the bill aside from shutting down market channels, which will have a detrimental effect on the market. This small request to change the bill will bring tremendous value to the viability of the market economy.

Strike the trim and harvest license from the bill and replace it with straightforward and reasonable employee identification card reform allowing individuals to work for multiple licensees. We do not generally hold dissenting positions from the CCB, but this license concept is not an urgent issue, the industry is not asking for it, and how things have been working now and over the last nearly three years is working fine. It was noted during the walkthrough of this bill that the justification for this additional license type came as a suggestion from licensees during the Lieutenant Governor's roundtable event, which took place back in March. If you playback the video from that event you will not see a witness ask for this license, rather, the most apparent and consistent themes from that event were requests for direct sales and public consumption. We are nearly three years into the regulated market, cultivators are properly hiring individuals with employee identification cards to assist with their trim and harvest, there is no biosecurity issue, as stated in previous testimony, or other urgent matters warranting this additional license, and in fact, we are hearing from licensees that this license would create uncertainty. A more sensible approach is to make minor technical changes to the employee identification card to allow individuals to work for multiple licensees. I want to note that most adult-use states do not have employee identification cards, most states simply allow individuals to work with licensees and it is on the business to hire and manage their employees similar to other sectors.

My final ask on behalf of VGA is to allow licensed cultivators to sell seeds and living plants to retailers and directly to consumers. Bill H.321 currently includes language



proposing to allow the propagation license type to sell. Cultivators should have this allowance as well. Cannabis seeds and living plants fall below the THC threshold that the federal government defines as hemp, these products are not psychoactive, and they pose no threat to public safety, and no threat to the supply chain. The ability for farmers to sell seed and living plants is a strong historical precedent and essential to small producers as a means of supplemental income. This issue is noncontroversial and I would be surprised if there was any opposition to this request.

Thank you for your time today, and please consider the Vermont Growers Association and the Vermont Cannabis Equity Coalition as leading resources for all matters related to cannabis for Bill H.321, and any other cannabis-related issues.

Thank you,

Geoffrey Pizzutillo
Executive Director and Cofounder,
Vermont Growers Association