

Vermont Cannabis Trades Association Briefing: Response to 10.29.2021 CCB Meeting November 2021

## Medical Patient Priority

The Vermont Cannabis Trades Association (VCTA) remains committed to supporting the medical cannabis program in Vermont (VT).

Should medical and adult-use dispensaries be collocated, medical patients will have priority access to the services they rely on the medical dispensaries for. Medical patients will not be required to wait in line or give up any of the privacy they expect from the current medical dispensaries. The medical dispensaries represented by VCTA are happy to provide a separate entrance specifically for medical patients as well as partitions that provide privacy.

VCTA is aware of the concerns around product availability for the medical patients of VT. Currently, some medical products are often produced at a loss or at a break-even. Allowing for reciprocity will only increase product availability as it will provide integrated licenses to take advantage of economies of scale.

As previously recommended to the advisory committee's medical sub-committee, the integrated license would like to reserve biomass for the medical program based on the previous quarter's sales rather than products based on the previous year's sales. This ensures that should the program expand, patients are allotted a greater amount of biomass as to keep up with demand. Product demand changes year to year – one year cookies could be the most popular edible while the next year it is caramels. Reserving biomass provides flexibility for the integrated licenses to produce what is in demand by the patients.

Patient safety is the top priority of the medical dispensaries. It is imperative that products are of the highest quality, and lab testing is critical to guaranteeing that. The integrated licenses support extensive lab testing for both medical and adult-use product.

## Social Equity Fund & Craft Grower Inclusion Requirements

The six-month period in which integrated licenses are permitted to open adult-use retailers ensures the support of the social equity fund and the inclusion of craft growers into the adult-use market from the very beginning. The integrated licenses are happy to contribute to the social equity fund based on those initial six months. Should the end date of that contribution be lifted, we ask that all participants in VT's adult-use cannabis market contribute to the fund. The integrated licenses look forward to purchasing 25% of product from craft growers in the first six months of adult-use sales. If the end date on that requirement is lifted, integrated licenses could be facing difficulties acquiring 25% of product from craft growers when other retailers come online. Craft growers will have the choice of who to sell from and may wish to determine who to sell to on their own rather than based on a state requirement.

## Inventory Transfer

It is the understanding of the integrated licenses that medical and adult-use inventory will be collocated. With collocated inventory, there would be no need to transfer product between medical and adult-use. VCTA is seeking clarity on the discussion around inventory transfer.

## Canopy

Concerning the reference to 75,000 square feet (SF), VCTA would like to make clear that none of the integrated licenses intend to have more than 20,000-25,000 SF of canopy as determined by the CCB.