

Testimony Prepared for Joint Senate Session in New York: Solutions for the Cannabis Markets

Address by the Cannabis Farmers Alliance

Honorable Senators, distinguished members of the committee, and fellow citizens, I am Joseph Calderone, Vice President and Co-Founder of Cannabis Farmers Alliance (CFA), COO of Grateful Valley Farm (AUCC #34), and member of Farm Bureau.

My first humble request is that the Senate formally recognize the CFA as the voice of over 1/3 of all AUCCs. CFA was formed to advocate for growers who did not feel properly or fairly represented by existing trade organizations or the Office of Cannabis Management. We have submitted many documents as evidence and exhibits, including personal testimony, depicting the distressed and heartbreaking state of our member growers. We hope the committee will consider the overwhelming evidence.

On behalf of the Cannabis Farmers Alliance (CFA), I am here today with a deep sense of urgency and a plea for your immediate intervention to rescue our distressed farmers who are facing immense challenges. While I understand the complexities of governance and legislation, it is crucial that we address the existential needs of our cannabis farmers particularly where their livelihoods and lives are at stake.

CFA urges the Senate to pass a bill that would repeal the **Potency Tax Issue - S4831 (Cooney)/A4619 (Peoples-Stokes)** that would amend the collection method for adult use of cannabis. **Cannabis as an Agricultural Crop - S1752 (Hinchey)/ A1234 (Lupardo)** and **Cannabis Exemption from Sales/Use Tax- S1017 (Cooney)/ A1232 (Lupardo)**.

New York promised to put independent businesses at the heart of the legal cannabis industry. Now major medical marijuana companies are rolling out millions of square feet of indoor growing supply capacity while small, independent farms are being crushed by wrongheaded regulations and a failed retail roll out.

Legally, AUCCs, CAURDs, AUCPs “relied” on the Office of Cannabis Management fulfill its regulatory and legal obligations to construct a functioning program in a conditional structure that

- a.) Promoted Social and Economic Equity
- b.) Promoted Environmental Sustainability

From our perspective, I don't see how this program, as well intentioned as it was, is on the path to fulfill these objectives.

With the introduction of ROs, and the resilience of 36,000 statewide illicit and illegal businesses many conditional members will have a choice to be legal or illegal. The consequence of the current program is an alternative program that will be running parallel to the legal market consistently eroding the ability for legal operators, especially small and micro businesses, to survive.

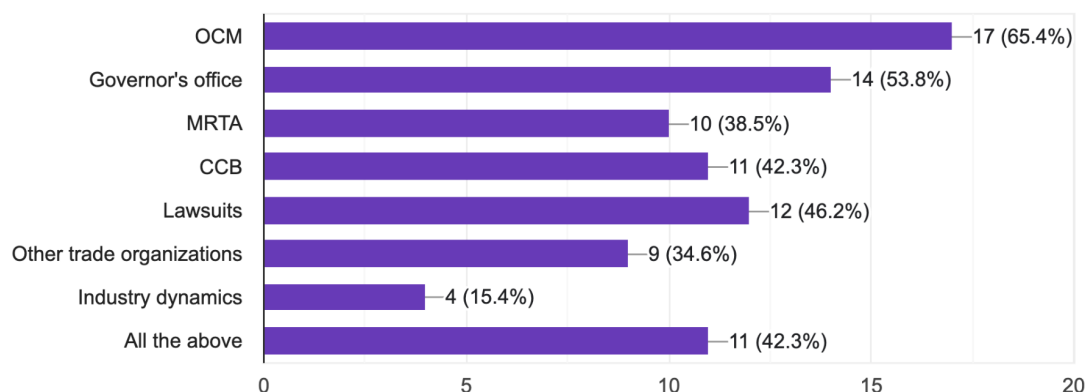
Our immediate concern is the inventory of over 300,000 pounds from the '22-'23 crop season, which remains unsold due to insufficient retail outlets. Farmers are in dire need of relief.

To date, the projected year 1 \$1.1 Billion dollar market has brought in \$87 million. Based on a Marijuana Policy Group study, the New York Cannabis market should have experienced direct, indirect and induced economic multiplier effects of 2.4. For every 100 cannabis jobs created 204 additional would multiply throughout the economy. Based on our members' experience we are seeing jobs lost, businesses closing, homes foreclosed, family's broken and mental health tested to extremes. Listening to our members' testimonies is breathtaking in its tragedy. CFA sees this as a negative and even injurious multiplier.

Based on a recent survey, CFA AUCCs place fault the following organization for their distressed position in this industry:

Who do you hold accountable for this disastrous roll out?

26 responses



65% of our respondents blame the OCM for their current challenges while 35% feel other trade organizations did not properly represent their interests. 46% see lawsuits holding back the industry. Regardless of the percent, all of these issues can be attributed to decisive missteps of the office, deviating from the original intent of the MRTA. The shaky build out of this industry amounted to inexperienced trade organizations and their lobbyists misinforming a well-meaning but inexperienced government regulatory body.

What is the remedy? How can the OCM and state fulfill the promise of the MRTA? Since the industry is approximately \$1billion dollars short of its projected revenue, there needs to be legislation that makes up for this shortfall. Passage of the aforementioned laws will go a long way but economic relief should come in bill form and should come expeditiously. Is a \$1billion dollar relief for the entire industry an outrageous ask? This number serves to point out the magnitude of the financial losses for industry stakeholders.

Our concerns are particularly urgent given this legislative session. The current legislation, as it stands, will have profound negative impacts on our agricultural sector, including the potential loss of thousands of jobs, the closure and sale of numerous farms, and the loss of hundreds of

millions of dollars in revenue and taxes. This will have a ripple effect throughout the industry and will only serve to drive many potential consumers to an already thriving black market.