



NEW YORK STATE LEGISLATURE

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123rd Assembly District

SENATOR MICHELLE HINCHEY

41st Senate District

FOR IMMEDIATE RELEASE

June 27, 2023

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Lupardo & Hinchey Pass Legislation to Address Cannabis Crop Oversupply

Authorizes sale of cannabis products to New York's Tribal Nations

(ALBANY, NY) – A bill championed by Agriculture Chairs Assemblywoman Donna Lupardo and Senator Michelle Hinchey that would temporarily allow the sale of adult-use cannabis to Tribal Nations, has passed both houses (A7375A/ S7295A). They are encouraging the Governor to sign the legislation as soon as possible.

NYS authorized 2-year, conditional adult-use cultivator licenses to cannabis farmers with the understanding that a robust, state-wide market would exist during this 2-year timeframe. The slow rollout of this market has left these cultivators in dire straits, unable to sell enough of their product to make ends meet. 250,000 pounds of their 2022 crop is losing potency, color, and aroma in storage, greatly reducing its value. These factors leave many of New York's cannabis farmers in severe financial distress and unable to afford to plant a crop this growing season.

This requires swift action. The legislation authorizes conditional adult-use cultivators and processors to sell cannabis products to dispensaries licensed by Tribal Nations operating in the state. This short-term solution opens new market relationships between distressed growers and willing tribal retailers. There is no time to waste; if this bill is not signed into law this summer, New York risks losing experienced cannabis growers and their valuable contributions to the state's burgeoning cannabis industry.

Lupardo and Hinchey have long championed a sustainable and equitable cannabis market in New York. This type of market requires supporting New York farmers, especially distressed

farmers who were prioritized when granting cannabis cultivation licenses. The legislators worked on a previous version of this bill which would have allowed direct on-farm sales to consumers but adapted this legislation in response to discussions with the cannabis industry. Both legislators co-sponsored the original Marijuana Regulation and Taxation Act (MRTA) in 2021 and continue to advocate for the Act's focus on equity across the industry.

Assemblywoman Donna Lupardo said, "After months of uncertainty surrounding New York's adult-use cannabis market rollout, desperation is building amongst the state's cannabis farmers. They have been stranded with 250,000 pounds of unsold cannabis products from the 2022 season. The current pace of new retail openings will not resolve this issue, and this product is losing value every day we wait. This legislation complements the OCM's "pop-up market" concept to offer a combined solution to this agricultural emergency. Senator Hinchey and I have worked diligently to find a way to address this problem and encourage the Governor to quickly sign this legislation."

Senator Michelle Hinchey said, "The languishing rollout of New York's cannabis retail sector has left our small farmers sitting on thousands of pounds of stockpiled product from last year's harvest and facing extreme financial hardship. Assemblywoman Donna Lupardo and I have been working to address this crisis in a way that will get these products to market, and our farmers made whole while upholding the goals of the MRTA. Our bill provides a one-time, short-term solution authorizing cannabis sales to Tribal Nations, and we urge the Governor to sign it into law as soon as possible to deliver immediate financial relief to New York farmers and ensure that we can continue to have a locally-grown cannabis industry."

The **Shinnecock Nation Council of Trustees** said, "This legislation is critically important as conditional adult-use cultivator and processor licensees have a substantial amount of cannabis that has been grown, tested, packaged, sealed and ready for sale with a shelf life that is about to expire. Absent the enactment of this legislation, conditional adult-use cultivator and processor licensees will have product that has to be destroyed resulting in enormous financial loss that is not necessary as tribal nations around the state have established regulated and licensed dispensaries that are ready to accept and purchase the product." (Quote from attached support memo.)

Rickey L. Armstrong, Sr., President of the Seneca Nation said, "[This bill] will benefit our Native communities and allow us to continue diversifying our Nation economy. In particular, we appreciate the bill's recognition of Native Nation sovereignty. ... We believe that this bill reflects the type of common sense partnership between sovereigns by allowing Native Nation-regulated retailers to purchase cannabis and cannabis products that otherwise may be wasted or otherwise diverted for uses inconsistent with New York law." (Quote from attached support memo.)

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