

**Testimony of Cannabis Farmer's Alliance  
Public Protection and General Government  
January 25, 2024**

**By Joe Calderone  
Vice President**



**Testimony Prepared for Joint Budget Hearing  
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Thank you, Chairs Krueger, Weinstein, Hinchey, and Lupardo, and Members of the New York State Senate and Assembly. 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.

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. Cannabis farmers desperately need immediate financial relief. We have conducted a survey of our membership, which has approximately 185 members, and the results were stark:

- 97% of cannabis farmers are operating at a loss.
- 91% need operating funds to remain solvent.
- 83% need capital funds to maintain operations.

These are the numbers of an industry in crisis. Farms are the backbone of the supply chain. Without farms, there is no cannabis industry in New York. And frankly, without immediate financial relief, that is the likely result.

It is important to note that this crisis is not solely related to the delayed rollout of retail dispensaries. There are, in fact, structural issues that have hurt farmers. The State has asked farmers to:

- prepay taxes (because of the nature of the potency tax as an excise tax)
- extend product on consignment (thereby acting like a bank); and
- placed onerous restrictions around growth.

None of this should be news.

Farmers are collectively sitting on tens of thousands of pounds of unsellable product. We are the first in the supply chain and last in the payment chain. We have mortgaged our homes, our lives and our future for broken promises. We need immediate financial relief.

We are requesting \$300 million in operating funds and \$100 million in capital funding to sustain our industry. This represents a fraction of our own investment into this industry. This represents a fraction of what the industry should be: Missouri recently reached \$1.7B in cannabis sales in 11 months. By comparison, New York's population is 3.25x that of Missouri. By this metric, New York's market could have been \$5.25B dollars. Most importantly, this represents a fraction of the need for relief. So much has been lost. We need immediate financial relief.

We are in need of direct cash transfers, low or zero interest loans and grants, capital grants, and any other immediate financial relief that you can find. We applaud the Governor's pivot from the disastrous potency tax towards a more manageable excise tax. However, this pivot will not be a

panacea for farmers, either. We believe that a portion of the new excise tax should be rebated to farmers, we support our partners efforts to make the tax a refundable credit. We don't believe this effort is enough without immediate financial relief.

We stand with our industry partners- the Retail Association, the Association of New York Cannabis Processors, and the Medical Cannabis Industry Association in our advocacy. We support their critical initiatives, and you can find our consensus positions on cannabis topics in our joint press release. However, I would be remiss in my position as Vice-President of CFA if I did not put this in the clearest terms: without immediate relief for farmers, none of our priorities matter, as there will not be a cannabis industry in this State.

We are in crisis. We are 3 years into an industry that has failed largely due to State management. Without immediate financial relief, we will take nothing from this endeavor save hollow promises.