

Dear Conferees,

As negotiations continue on a final conference report, the Cannabis Small Business Association respectfully asks that any transition period associated with the revised hemp definition be extended through July 1, 2027, when Virginia's regulated cannabis marketplace is scheduled to begin operations.

An August 15, 2026 deadline does not provide a meaningful transition for Virginia farmers, processors, manufacturers, retailers, and other small businesses that relied on existing Virginia law when making planting, hiring, inventory, leasing, and investment decisions.

Most importantly, many Virginia farmers already have crops in the ground. Those planting decisions were made months ago under the current legal framework. Changing the rules after those investments have been made places the burden of this policy shift squarely on Virginia agriculture.

We are also concerned that the combination of the revised hemp definition, the abbreviated transition period, and the 20-mile radius restriction risks producing a marketplace in which existing Virginia operators are forced to close before they have a meaningful opportunity to participate in the new regulated system. The Commonwealth should not be in the position of eliminating current competitors before the new marketplace even opens.

The 20-mile radius provision raises similar concerns. In many communities, particularly rural areas and smaller cities, it will significantly limit opportunities for existing Virginia operators to transition into the new system and may unnecessarily reduce competition. Taken together, these provisions create the appearance that existing Virginia businesses are being forced out of the marketplace while future competitors are protected from competition before the regulated market even begins.

Virginia can establish a safe and well-regulated cannabis marketplace without creating winners and losers during the transition period. Extending the transition period until July 1, 2027 would protect farmers with crops already in the ground, allow businesses to adjust responsibly, preserve jobs, and ensure that existing operators are not effectively eliminated before the new marketplace opens.

We have also heard concerns from Richmond-based Legend Brewing Company that provisions of the legislation could create significant economic hardship for the company and its employees. Regardless of where one stands on the broader policy debate, businesses that have operated lawfully under Virginia law should be afforded sufficient time to adapt to any new regulatory framework.

We respectfully request that the final conference report:

- Extend the transition period through July 1, 2027;
- Reconsider the revised hemp definition and its impact on farmers and existing Virginia businesses;
- Reconsider the 20-mile radius restriction; and
- Ensure that existing Virginia businesses and farmers are provided a fair opportunity to transition into the regulated marketplace rather than being forced out before it begins.

Virginia can achieve its public safety and regulatory objectives while still treating farmers, small businesses, manufacturers, retailers, and employees fairly.

Thank you for your consideration.

Sincerely,

Charlie Jackson