

Janelle LaPlante
Portland, ME
LD 104

Dear Members of the Maine Veterans and Legal Affairs Committee,

I am writing to express my strong opposition to Legislative Document 104, "An Act to Protect the Health of Medical Cannabis Patients and Streamline the Mandatory Testing of Cannabis." As a small cannabis business owner in Maine, I share the goal of ensuring patient safety and providing high-quality products. However, I believe that LD 104, as currently drafted, will place an unsustainable burden on businesses like mine and ultimately harm the very patients it aims to protect.

The Maine cannabis market is at a critical juncture. While overall sales figures may show growth, several concerning trends are emerging that threaten the viability of small operators:

Market Saturation: We are seeing increasing evidence of market saturation, particularly in certain areas. This is leading to intense competition and downward pressure on prices.

Declining Profitability: The average price per gram of cannabis has been declining, squeezing profit margins for businesses.

Business Exits: We are beginning to see businesses, including larger ones, exiting the Maine cannabis market, indicating that the current economic climate is challenging.

In this context, LD 104's proposed mandatory testing requirements represent a significant threat to the survival of small cannabis businesses. My concern is further amplified by the fact that Maine already has mandatory testing and tracking in its adult-use cannabis program.

Recent events have demonstrated that the existing mandatory testing framework in the adult-use program is not foolproof. Despite these requirements, the Office of Cannabis Policy has found adult-use products on shelves that had failed testing. For example, in September 2024, four adult-use cannabis products were recalled due to a failure in yeast and mold testing.

This raises a critical question: Why should we implement a system of mandatory testing in the medical cannabis program when that same system has already shown significant shortcomings in the adult-use program? If the current testing and tracking system cannot prevent contaminated products from reaching consumers in the adult-use market, what confidence can we have that it will adequately protect patients in the medical market?

I. Disproportionate Impact on Small Businesses

Financial Strain: The costs associated with mandatory testing will disproportionately affect small-batch cultivators and dispensaries. Unlike larger corporations, we lack the economies of scale to absorb these additional expenses.

Risk of Closure: For many small businesses, the added financial burden of mandatory testing could be the tipping point that forces them to close. This would reduce market diversity, limit patient choice and harm Maine's economy.

Competitive Disadvantage: Mandatory testing creates an uneven playing field, favoring large corporations that can more easily absorb the costs. This will stifle competition and harm the small businesses that are the backbone of Maine's cannabis industry.

II. Concerns for Medical Cannabis Patients

Increased Prices: As businesses struggle to comply with mandatory testing requirements, the increased costs will inevitably be passed on to patients. This will make medical cannabis less affordable, particularly for those on fixed incomes, who rely on it for their health and well-being.

Reduced Access: If small businesses are forced to close, patients, especially those in

rural areas, will face reduced access to the medical cannabis products they need. This will create significant hardship and could jeopardize their health.

Limited Product Variety: Small cultivators often specialize in unique strains and products tailored to specific patient needs. Mandatory testing costs may lead to a homogenization of the market, with only the most profitable, mass-produced products remaining available.

III. Alternative Solutions

I urge the Committee to consider alternative approaches that protect patient health without jeopardizing the viability of small cannabis businesses:

Financial Assistance: The State of Maine should provide financial assistance to help small businesses comply with testing requirements. This could include grants, tax credits or other forms of direct support.

Streamlined Testing Processes: Implementing efficient and cost-effective testing procedures would minimize the financial burden on businesses. One effective approach could involve the Office of Cannabis Policy conducting random product testing at the point of sale, rather than requiring each batch to undergo expensive pre-sale testing. This would allow for consistent regulatory oversight and patient safety, while easing the economic strain on producers and retailers. Such a model supports a more equitable and sustainable cannabis industry without compromising on quality or compliance.

Support for Small Growers: Set up a fund to help small growers with the costs of testing, so they aren't driven out of business.

Many operators in Maine's cannabis industry, including myself, voluntarily test our products to ensure safety and quality. While not every operator follows this practice, it's important to recognize that many of us are committed to maintaining high standards—even without being required to do so. However, current mandatory testing requirements do not always reflect the realities of how responsible cultivators operate.

For example, if a grower does not use pesticides, it seems unnecessary and financially burdensome to require pesticide testing for every strain, every harvest. To put this into perspective, a full-panel adult-use flower test costs \$505 per batch. If a small cultivator grows six strains per harvest, that results in \$3,030 in testing expenses every 2.5 months—amounting to approximately \$14,544 annually. These costs can be unsustainable for small businesses and do not always lead to improved patient safety, especially when the risks being tested for are not applicable.

I appreciate the opportunity to share my perspective as a small business owner in Maine's cannabis industry. I urge you to consider the potential unintended consequences of LD 104 and to find solutions that ensure both patient safety and a healthy, diverse and sustainable cannabis market.

Sincerely,
Janelle LaPlante