

# THE CANNABIS INDUSTRY INFORMATION MEMO

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## 4/20 Bill Could Sour Relationships Between Cannabis Growers and Sellers

As we previously wrote, New York has seen several delays in its rollout of recreational cannabis licenses for the majority of the State's hopeful dispensary applicants. As a result of the delays, some adult-use conditional cultivator (AUCC) licensees have seen their cannabis crops go to waste without a sufficient number of licensed and operational dispensaries to sell the cannabis to consumers. New York State Assemblywoman Donna Lupardo, frustrated with the delays and aware of the issues they are causing to the industry's supply chain, introduced a bill on April 20, 2023 that would allow licensed cultivators to sell their own cannabis products for a limited period of time.

The bill, dubbed the "Cannabis Crop Rescue Act" (the Act), would permit AUCCs to sell directly to consumers until Sept. 30, 2023. The Act would also authorize AUCCs to make such sales on their farms as long as all products have been properly tested, packaged and sealed. Further, the Act would create a loan program to assist AUCCs with the costs associated with processing their cannabis into distillate products.

However, the Act is far from a one-off solution as initially drafted. Some AUCCs are concerned the Act would be the catalyst for competition and resentment between cannabis cultivators and dispensaries. Since the Act allows cultivators to essentially operate as limited dispensaries, New York's initial impetus of its cannabis regulations—the absence of vertically integrated businesses—would potentially take a hit, as might many of the recently licensed conditional adult-use retail dispensaries that are just starting to open their doors.

Bond's cannabis attorneys continue to closely monitor developments surrounding New York's cannabis industry. For questions about the information provided above or about the cannabis industry in general, please contact [Dustin M. Dorsino](#), [Jeffrey B. Scheer](#) or the Bond attorney with whom you are regularly in contact.

