

# GROW WEST CANNABIS COMPANY

January 28, 2025

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

Dear Chair Beidle and Members of the Senate Finance Committee:

On behalf of Grow West MD, LLC, a Standard Licensed Grower, and The Apothecary, LLC, a Standard Licensed Dispensary, both located in Cumberland, Maryland, I wish to express my opposition to **Senate Bill 221: Cannabis - Wholesaler License - Establishment**.

Grow West MD has been licensed since 2017 and has weathered the many changes to the Medical and Adult-Use cannabis program in Maryland. We have acted in good faith and have complied with all regulations set forth by the MMCC, MCA, and Maryland legislators. While not all regulations may be popular, it is essential for all license holders that these regulations enable businesses to survive and prosper. Much relies on the narrow margins in small business. Adding another layer to the supply chain reduces margins for manufacturers (growers) and retailers (dispensaries), ultimately raising prices for the end consumer.

Together with other licensees, we have successfully expanded our network to provide quality products directly to dispensaries. This has allowed us to build relationships with those who understand and appreciate the variety of choices available from different manufacturers and processors in Maryland. These differences are important aspects of this "living product."

Raw materials that become finished products are crucial to a manufacturer's operation, but the sales process must align with the production schedule, which is planned months in advance. If the proposed ten wholesale distributors purchase products from the manufacturer, how does the manufacturer decide what to cultivate and in what quantities? Will our sales representatives continue visiting dispensaries to sell our product while the orders are sent to the distributor?

Currently, our sales representatives work closely with all dispensaries throughout Maryland, keeping a finger on the pulse of the market. This close connection ensures we can quickly adapt to market trends and consumer preferences, providing patients with the variety and quality they deserve. However, if the proposed wholesale distributor model is implemented, it will disrupt this dynamic. New licensees looking to enter the market will lose the ability to establish direct connections with dispensaries, which is critical for selling their unique products. Manufacturers would be left guessing market demands, risking overproduction or underproduction. Distributors,

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with no direct stake in cultivation, may misinterpret market demand, leading to unsold products, lost revenue, and wasted resources.

This model creates a "big box store" approach, where consumers have limited choices and are only offered products selected by the distributors. This will lead to the disappearance of small brands and specialized medicinal products, pushing out smaller growers while favoring high-volume, large-scale operations. Such a shift would destabilize the market, harm innovation, and fail to meet the needs of Maryland consumers.

Additionally, implementing this bill would have a direct and devastating impact on our business and the community we support. For instance, it would result in the elimination of **20 jobs** currently held — positions that are vital to the livelihoods of our employees and their families. These jobs are not just numbers; they represent the commitment, expertise, and passion of our team members who work tirelessly to ensure patients have access to the highest quality products.

The Maryland cannabis program was built by pioneering growers, processors, and dispensary owners/operators who invested vast amounts of resources, time, capital, expertise, and knowledge into the industry. Over the past eight years, we have risen to meet the challenges. However, this bill threatens to undo the progress we have collectively achieved.

Senate Bill 221 is a solution in search of a problem. We urge the legislature to consider the far-reaching consequences of Senate Bill 221. Let current and future licensees continue fostering a healthy and thriving market—one that delivers tax revenue to the state, creates sustainable jobs for the community, and ensures patients and consumers have access to fair market prices and a wide variety of quality products.

Respectfully,

Susan Valois, President

Grow West MD, LLC

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