



CANNABIS ASSOCIATION OF NEW YORK

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Dear Chairwoman Tremaine Wright and Members of the Cannabis Advisory Board,

As representatives of New York's largest cannabis industry association, we are writing to express our deep concern regarding the Cannabis Control Board's (CCB) recent discussions about dramatically increasing the number of cannabis licenses in the state. We believe that this approach, if implemented without proper analysis and stakeholder input, will have disastrous consequences for the fledgling industry and public health.

During the CCB meeting Thursday, it became clear that the state government is considering a rapid expansion of the cannabis market. While we understand the desire to address certain issues, we strongly believe that handing out licenses without a thorough understanding of the market's capacity will lead to oversaturation, business failures, and unintended public health risks.

As the cannabis industry in New York is still in its early stages, many licensed retailers are already facing challenges competing with the illegal market. Flooding the market with additional licenses exacerbates this problem and potentially leads to a wave of closures, undermining the state's social equity goals and leaving vulnerable entrepreneurs in an unsustainable market.

Further, an oversaturated market poses significant public health risks, as some operators might resort to irresponsible practices to survive, such as selling to minors, ignoring compliance, or engaging in illicit sales. This could result in a public health crisis that undermines the achievements of legalization for years to come.

To address these concerns, we urge the Cannabis Advisory Board to fulfill its statutory obligations by convening a stakeholder meeting to discuss the licensing rollout and conduct a comprehensive market analysis prior to any major policy decisions. Engaging with industry voices and adopting a data-driven approach are essential to ensuring a healthy and sustainable market. We, therefore, implore the CCB to not take any action on major policy changes until the CAB concludes a formal review with industry stakeholders.

As New York navigates the challenges of legalization, we must learn from the successes and failures of other states. A measured, well-informed approach to licensing is essential to ensuring an industry that benefits all New Yorkers. We believe that by working together and engaging in open dialogue, we can find a path forward that promotes a thriving, equitable, and responsible cannabis market.

Thank you for your attention to this critical matter of setting a meeting date for stakeholders to be heard. We look forward to the opportunity to discuss these issues further and contribute to the development of sound policies for New York's cannabis industry.

Sincerely,

Damien Cornwell
President