March 26, 2024

TO: Committee on Federal and State Affairs

RE: SB 555

Dear Honorable Senators,

My name is Gary Upah, and my company grows and manufactures medicinal cannabis products. We are one of the original 2019 Kansas Hemp Program licensees and make legal, non-psychoactive CBD and CBG products for pain, anxiety, and sleep. We distribute our products through Pharmacies, Pain Clinics, and Farmers Markets in Kansas, and several other States.

Bill SB 555 authorizing Medical Marijuana in Kansas was introduced in the Senate on March 18 and is scheduled for a hearing on March 28th. This bill does not meet the needs of Kansans, nor is it a fair bill to those who have worked diligently to build the current hemp program in Kansas. Specifically:

- 1. The bill calls for a 'pilot' Medical Marijuana program to be implemented in the State until 2029. There are currently 40 other states that allow Medical or Recreational Marijuana so the need for a pilot program has passed. This wording can only be construed to create a monopoly within the state for the next five years.
- 2. Only four entities will be allowed to grow, process, and manufacture medical marijuana. Based on production in other States, that is not enough operators to supply the projected need and will intentionally create a shortage to keep prices high for consumers and profits high for the lucky four entities.
- 3. The bill calls for distribution of marijuana first through Kansas pharmacies, and if not enough sign up, then back through the four entities. However, Federal law prohibits pharmacies from dispensing marijuana so it's a given that those entities will control <u>all</u> aspects of marijuana in the State, from growing through distribution.
- 4. Only a limited number of medical providers throughout the State will prescribe medical marijuana, so patients in smaller communities will be unserved.
- 5. The bill provides some guidance for qualifying for the four licenses, but <u>no</u> guidance on the selection process for obtaining one. In addition, the July 2024 commencement date does not provide enough time for a legitimate selection process, indicating the licensees have already been selected.

This bill seeks to create a predetermined monopoly within the State and is unfair to hemp stakeholders and Kansas citizens alike. I understand that a competing Medical Marijuana bill has been submitted (no bill number yet) which has been endorsed by local Kansas hemp groups. Bill SB 555 must be stopped entirely or delayed in order to review the other bill when available.

Respectfully,
Gary Upah, President
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