

# CANNABIS SMALL BUSINESS ASSOCIATION

Empowering Virginia Small  
Businesses in the Cannabis Industry



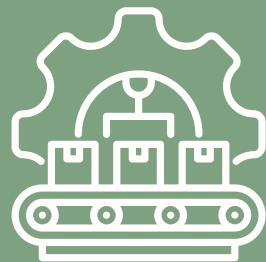


# WHO IS THE CSBA?

The Cannabis Small Business Association is a vital organization that champions the diverse interests of small businesses within the emerging cannabis industry. By representing various sectors, including cultivation, retail, manufacturing, and ancillary services, the association provides a unified voice to advocate for fair regulations and policies that support growth and sustainability.



Retailers



Processors/  
Manufacturer



Farmers



Ancillary



# WHEN WE GET THE RULES WRONG, IT HURTS VIRGINIA

- 2022 & 2023 law changes redefined hemp beyond federal standards.
- Small growers and processors faced sudden, costly compliance hurdles.
- Many Virginia businesses closed or moved to out of state.
- Consumers lost access to quality hemp products.



# THE 2023 HEMP LAW CHANGE

- Lowered allowable THC levels below the federal 0.3% Delta-9-THC standard.
- Added new criminal penalties for certain federal legal hemp-derived products.
- Imposed expensive labeling and testing requirements.
- Created regulatory uncertainty for farmers, processors, and retailers.
- Disrupted established supply chains overnight.





# ECONOMIC FALLOUT IN VIRGINIA

- Hundreds of hemp processors & growers closed or relocated.
- Hundreds of jobs lost.
- Millions of dollars in sales shifted out-of-state.
- CBD products used by veterans can be sold in other states but not VA.
- Virginia crippled the hemp industry.

Number of hemp operators plummeted from **2019** to **2025**

From **191** licensed hemp processors to **39**

From over **1200** licensed growers to under **200**





# HEMP AND MARIJUANA: THE SAME PLANT

Both are Cannabis Sativa L. species.

Hemp:  $\leq 0.3\%$  THC | Marijuana:  $> 0.3\%$  THC.

Cultivation, processing, and retail skills are the same

Hemp businesses already operate under incredibly strict regulation.



**65.3%** of US small businesses are **profitable**

Only **27%** of US marijuana businesses are **profitable**

Cannabis businesses that are profitable face an **effective federal tax rate** of **52.5%**

**Capital scarcity** and the inability to declare **bankruptcy** add to failure

# STATE OF CANNABIS ACROSS THE COUNTRY





# AVOIDING THE SAME MISTAKES

- Virginia is preparing to launch a retail cannabis market.
- Without small business protections, large entities will dominate.
- Local hemp farmers and businesses risk being locked out entirely.
- The first licensing round will shape the market for decades.
- We have one chance to ensure opportunity and help support small businesses succeed in the new market.





# LOWERING BARRIERS, RAISING OPPORTUNITY

Leveling the playing field for  
small entities and aspiring  
entrepreneurs.







# BARRIERS IN PREVIOUS BILLS CREATE AN UNEVEN FIELD

- Potential of **high license fees & capital requirements.**
- Complex **compliance** structures.
- Burdensome and **unrealistic security requirements.**
- Too few retail and grow **licenses.**



# WHY SUPPORT HEMP LICENSEEES?

Virginia's hemp licensees followed the rules, invested in the industry, and created jobs here. They took the risk early — before the market was mature — and it's only fair that they have a fighting chance to benefit from the cannabis retail rollout.

Vetted & compliant

Built-in consumer trust

Established operators

Reward honest operators





# JLARC STUDY FINDINGS

\$154–\$308M in tax revenue

2–3 years to fully implement

No early starts for large biz





# CSBA POLICY RECOMMENDATIONS

Protect the hemp industry and its definition

Guarantee low licensing fees, capital requirements, and fair taxes for small businesses

Increase marijuana license caps and outdoor canopy limits

Establish Small Business Start-Up Fund





# CONTACT INFORMATION

If you have any questions we are happy to address them.

📧 [info@csbassociation.com](mailto:info@csbassociation.com)

🌐 <https://www.csbassociation.com>

📷 <https://www.csbassociation.com>



THANK YOU FOR YOUR TIME.  
WE WELCOME YOUR QUESTIONS.

