

Ohio House Government Oversight Committee
Senate Bill 261
Peggy Hollenback, Managing Partner, BeneLeaves
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Good afternoon Chairman Wilkin, Vice Chair White, Ranking member Brown and members of the Government Oversight Committee -- I am so incredibly appreciative of this opportunity to speak before you today. My name is Peg Hollenback. I am fortunate to be one of the owners of BeneLeaves, an independent medical cannabis processing facility. BeneLeaves is friend, family, and minority owned and operated. I am one of the small handful of woman owners in the State of Ohio, and BeneLeaves is a member of OMCIA.

As one of the few stand-alone processors, BeneLeaves is sandwiched between cultivators and dispensaries; the Department of Commerce and Pharmacy. SB 261's consolidation of the program underneath the Ohio Department of commerce benefits our operation and the program by leaving us with one regulatory authority to work with instead of two.

We are completely dependent on the Ohio cultivation facilities to purchase the biomass needed to produce the medicine for Ohio patients. We have developed strong relationships with a variety of growers throughout the State, and we do not have any issue acquiring plant material, at fair market value, to produce our processed products. However, we harbor a looming fear that one day, that supply chain of biomass will be disrupted, or worst-case halted, leaving BeneLeaves unable to continue operation.

Currently, there are 13 stand-alone processors. My understanding is that there is a portion of SB261, that will award a few stand-alone processors a license to grow medical cannabis. My understanding is that BeneLeaves would not be included in that expansion of the program, and would not reap that largess that would lessen our dependence on cultivators. My concern is that the erosion of the number of independent processors without cultivation, will expose our company to additional business vulnerability and possibly limit our ability to access biomass to produce medicine.

Furthermore, it is also our understanding that SB 261 contains a social equity study to determine whether there is a compelling interest to implement social equity measures in Ohio's Medical Marijuana Control Program. As a minority owned business we fully support this measure, and fear that any expansion granted through SB 261 will undercut this study before it has had the opportunity to report its findings.

BeneLeaves entered the medical cannabis space because of family health issues, and our commitment has always been to our core philosophy: patient-focused. BeneLeaves produces over 80 line items of medical products, and we can sell only to Ohio dispensaries. Costs of production and overhead is substantial, yet we strive to the best of our ability, to provide our medicine at a reasonable cost to dispensaries. Insurance plans do not cover medical cannabis under any prescription plan, and those costs are completely out-of-pocket for the Ohio patient. Dispensaries can affix whatever price to our product at their discretion, often at a usurious rate. Yet, the onus for patient returns falls on BeneLeaves, by the individual discretion of each dispensary. As an independent processor, we have an inequitable access to patients for advertising and education about our medical products. BeneLeaves is

also on unequal footing with Multi-State operators in our ability to advertise, and provide dispensary personnel with swag. Advertising is desperately needed to raise the awareness of the Ohio Marijuana program above a whisper. How to get a card? Qualifications? All should be broadcasting the triple testing, and safety of the program, while gas stations are selling Delta 8 without little government oversight. While exorbitant testing costs impel our company to test in the largest batches possible for economic efficiencies, limiting us from small batch research and development for new products for patients.

As a processor, BeneLeaves falls under the purview of the two government agencies: Commerce and Pharmacy. The departments can often bring different viewpoints, enforcement, and inconsistencies for operators, and a streamlined process would be welcomed.

BeneLeaves is a small, independent processor, but our facility was built to FDA/Pharma-grade standards. Our facility is located 9 minutes from the Ohio State House, and our welcome mat is always out for tours. We are truly proud of our operations, staff, and facility, and to be a member of the Ohio Medical Marijuana program.

Mr. Chairman and members of the committee, thank you for your attention and interest on this important topic, and at this time, I would be happy to answer any questions you or the committee may have, thank you.