

Ohio Senate  
General Government Committee  
March 7, 2023  
Opponent Testimony on Senate Bill 9

Good Afternoon, Chairman Rulli, Vice Chair Schuring, Ranking Member DeMora and members of the Senate General Government Committee. My name is Peggy Hollenback, I am an owner and operator of BeneLeaves, an independent processor in Ohio's Medical Marijuana Control Program. I appreciate the work of Senators Schuring and Huffman to improve the Medical Marijuana Control Program with the introduction of Senate Bill 9, but unfortunately I testify before you today as an opponent to the bill with grave concerns that as currently written the bill will do more harm than good to the program.

BeneLeaves is a minority, family/friend owned Ohio Medical Marijuana processor and we are proud to be part of the Ohio Medical Marijuana Program. We manufacture medicines at our facility in Columbus that are produced with cannabis purchased from Ohio cultivators, sold to Ohio dispensaries for the Ohio Medical Marijuana patients. We have neither a cultivation license nor a dispensary license, and as a stand-alone processor employ over 40 Ohioans.

When HB 523 was signed in 2016, initiating the Ohio Medical Marijuana Program, my partner and I were proud that Ohio was recognizing the need for and allowing an alternative medicine, another option for those with qualifying medical conditions. Like many others and many in this room, our lives have been touched by family and friends that needed an alternative medicine when faced with a myriad of medical conditions such rheumatoid arthritis or sadly, stricken with aggressive cancers. The opportunity to produce medicines that could help address our, and others, family/friend health issues appealed greatly to us. My partners and I come from big food manufacturing, FDA food processing, and felt we could transfer our expertise and institutional knowledge of good manufacturing processes to producing medicine for Ohio patients safely and with fidelity. We literally moved from collards to cannabis.

The application process was rigorous...and expensive. We took, and take seriously, the parameters that were required within the application and presently in daily operations. Our facility was built to FDA and Medical manufacturing

standards. BeneLeaves application scored very high, a license was awarded upon inspection and the ACH transfer of the \$100,000 annual licensing fee. Our license was granted on our strong merit and our hard work. BeneLeaves is one of the few minority-women-owned processors in Ohio, whereas many like us are denied participation in the industry because of the lack of a social equity study.

Because of our background, we only applied for a processing license. Although being a stand-alone processor might possibly expose our company to vulnerability in our ability to obtain cannabis, we possessed no expertise in cultivation. We entered the space replicating the business model that we had experience in and were very good at: develop and build relationships with the growers, the cultivators.

BeneLeaves has been operational since 2019, manufacturing a suite of medical products, yet we have not grown one cannabis plant. What we have worked very hard to cultivate is relationships with the cultivators in Ohio. We have never been faced with a dearth of cannabis, are contacted weekly by growers, market forces have pushed costs down, and supply and quality remain consistently high. After going through the rigors and cost of our application, I am concerned by the licensing hand-outs in this Bill. As stated, when I applied, I applied to be a stand-alone processor, with no expectation that there would be legislation to expand the program without the same parameters that were originally required to qualify for a license. Yet as this Bill is currently structured, a variety of operators and those that were denied licensure will be given a license. In addition, BeneLeaves does not stand to gain any free additional license, placing us at a competitive disadvantage, disrupting market forces, and exacerbating an already over-supplied market.

The program is 6+ years old, and a corrections Bill is most welcome. Yet what I read in the current iteration of SB 9, as an owner-operator, it seems to me that the Bill is focused on the wrong numbers. Instead of looking at increasing the number of cultivation square footage in Ohio, handing out a number of new processing licenses without a rigorous application or consideration of social equity, the number that should be focused on, the number that would benefit everyone not a few within the Ohio Medical Marijuana program, the number that should be focused on is the number of patients. The number of opinions of why that number is currently stagnant, I would venture is greater than the number of

people in this room today. As an owner/operator that entered this space because my passion to provide medicine to those in need; as a patient/caregiver that sees the patient facing side of the program, I firmly believe to correct those numbers, the Bill should be looking at provisions for greater access to the program by patients and caregivers, corrections not expansion.

BeneLeaves foundation has been, and always will be patient focused. Everything else that is being bandied about is moot, more this/more that, I just want to make and provide outstanding medicine to the patients in Ohio and bottom line, no patients/no program. To increase patient numbers perhaps the Bill could address greater accessibility to the program in Ohio by removing the onerous fee for a medical card, exempt the medicine provided to patients from taxation, an addition of more qualifying conditions, create a category for patients with life-long chronic conditions, remove barriers to and provide avenues for direct contact to patients through education, and frankly, remove the shroud, the whispered secret that Ohio even has a Medical Marijuana Program.

Marijuana is a plant that has been in existence long before any of us and will outlast any of us. Now is an opportunity to address and correct how medical marijuana is accessed and how the Medical Marijuana Program operates, and could operate better, in Ohio. Now is the time for corrections to provide greater patient access, increase the number of patients, not licenses, and strengthen the existing program.

Again, thank you for the opportunity to testify before you today. At this time, I would be happy to answer any questions you or the committee may have.