SEEDS, CLONES AND SEEDLINGS

Why supplying home growers is a revenue line for licensed retailers, and why it answers the Department's contamination objection.

Section 13 of the bill | Connecticut Cannabis Reform Project | August 2026

WHAT CONNECTICUT LAW SAYS TODAY

Conn. Gen. Stat. § 21a-420p(f)(1), as amended by section 64 of Public Act 26-8, effective October 1, 2026:

"A micro-cultivator may sell cannabis seedlings cultivated at its micro-cultivator establishment directly to consumers, excluding qualifying patients, qualifying out-of-state patients, caregivers and qualifying out-of-state caregivers, solely through delivery by either utilizing a delivery service or its own employees… No cannabis establishment other than a micro-cultivator shall sell cannabis seedlings to consumers…"

Two things follow. First, **only a micro-cultivator may sell a cannabis seedling at all**, and only three per consumer in any six-month period under subdivision (4) — so no dispensary facility or hybrid retailer, the outlets that serve patients as patients, may sell a plant. Second, patients and caregivers are excluded by name, and the 2026 amendment widened that exclusion from two categories to four, so it is a provision the General Assembly revisited deliberately rather than an oversight.

What this does not mean. A qualifying patient aged twenty-one or over is also a 'consumer' under section 21a-420(13), which is defined solely by age, and may buy from a micro-cultivator on that footing. The gap is a medical channel, a quantity cap and an age floor — not a bar on obtaining plants. The subsection addresses seedlings only and says nothing about seeds.

The Department has addressed this directly. Its knowledge base states that "only micro-cultivators may sell cannabis seedlings, directly to consumers over 21 years of age, through a delivery service," and that "qualifying patients and caregivers may purchase cannabis seedlings from micro-cultivators as consumers and are subject to applicable taxes." So the exclusion removes the medical channel; it does not remove access.

What is left is a mismatch of scale and status. A patient the statute authorizes to grow three mature and three immature plants — six and twelve under this bill — may lawfully buy three seedlings every six months, by delivery, from one license class, paying tax the medical program otherwise exempts. A registered patient aged eighteen to twenty is not a "consumer" and has no lawful retail source at all. And the dispensary facilities and hybrid retailers that serve patients as patients may not sell a plant.

1. The Current Rules

Rule	Source	Effect
Only micro-cultivators may sell seedlings to consumers	§ 21a-420p(f)(1)	Dispensary facilities, hybrid retailers and retailers are shut out entirely
Sales only through a delivery service	§ 21a-420p(f)(1)	No counter sales; no ability to see the plant before buying
Qualifying patients and caregivers excluded from the medical channel	§ 21a-420p(f)(1)	They may still buy as consumers, per DCP guidance, paying tax and outside the program
Not more than three seedlings per consumer per six months	§ 21a-420p(f)(4)	Six a year against a lawful three mature and three immature, or six and twelve under this bill
Seedling must be grown in Connecticut from seed or clone	§ 21a-420p(f)(2)(A)	Keeps genetics in-state — a good rule, retained
Not over six inches, no bud or flower	§ 21a-420p(f)(2)(B)	Reasonable, retained
Must be tested for pesticides and heavy metals	§ 21a-420p(f)(2)(B)(iii)	The state already requires contamination testing on plants sold to home growers

THIS ANSWERS THE DEPARTMENT'S CONTAMINATION OBJECTION

Commissioner Cafferelli's 2025 testimony objected that caregiver cultivation risks growing cannabis in soil that may contain heavy metals or other contaminants. Connecticut law already answers contamination by controlling the starting material: any seedling sold to a home grower must be tested for pesticides and heavy metals under § 21a-420p(f)(2)(B)(iii).

The problem is that the channel is so narrow — micro-cultivators only, delivery only, three plants per six months, patients excluded — that most home growers cannot use it and buy untested genetics from out-of-state seed banks instead. Widening the lawful channel increases the share of Connecticut home grows that begin with tested, tracked, Connecticut-grown material. That is a contamination-control measure, and it follows the Department's own logic.

2. What Section 13 Does

Change	Rationale
Removes the exclusion of qualifying patients and caregivers	They are the people the statute authorizes to cultivate. Excluding them from the plant supply is incoherent. The bill strikes eight words from existing law.
Authorizes dispensary facilities, hybrid retailers, retailers, cultivators, micro-cultivators and producers to sell seeds, seedlings and immature plants	Opens the channel to 45 licensed medical outlets across 39 Connecticut towns, plus adult-use retailers.
Allows wholesale acquisition from any licensed cultivator, micro-cultivator or producer	Cultivators propagate; retailers sell. Mirrors the Massachusetts structure and creates a second revenue stream for growers who do not want to retail.
Permits counter sales at licensed premises rather than delivery only	A person buying a live plant should be able to look at it. Delivery-only is a barrier with no safety purpose.
Requires tracking in the seed-to-sale system under § 21a-421n	Diversion control. Massachusetts tracks seeds as packages and clones as immature plants.
Keeps the testing, height, no-flower, Connecticut-origin and labeling requirements	These are good rules. Section 13 expressly preserves every one of them.
Sets purchase limits to match lawful plant counts	A person allowed three immature plants may buy three. A cultivating caregiver may buy up to their authorized count. No limit on seeds.
Treats medical seed and seedling sales as palliative use for tax purposes	Ends the anomaly of patients paying tax on plants when they are exempt on flower.
Requires free written cultivation guidance at point of sale, with a narrow liability shield	Education at the moment of purchase. The shield does not cover the condition of the plant at sale, so it does not excuse selling a diseased or contaminated plant.

3. Why Licensed Operators Benefit

Home growers and licensed retailers are not competitors in the way the current statute assumes.

– **A new margin line with no new license.** Clones and seedlings are high-margin, fast-turning and require no manufacturing. Cultivators already run mother rooms.

– **Home growers are retail customers.** A person who grows a few plants still buys concentrate, edibles, vapes and flower between harvests, along with nutrients, media and equipment. Cultivation is seasonal; consumption is not.

– **It moves demand out of the unlicensed market.** Every clone bought from a licensed Connecticut outlet is one not bought from an out-of-state mail-order seed bank.

– **Adult-use seed and seedling sales are taxable.** Unlike medical flower, adult-use genetics sales generate sales and excise revenue — relevant to the fiscal note, since most of the bill's other provisions do not.

– **Section 280E relief improves the economics.** Since April 2026, licensed medical operators may deduct ordinary business expenses on their medical lines. A newly deductible line of business is a better place to add a product category than a 280E-burdened one.

> **ONE CLAIM THIS DOCUMENT DOES NOT MAKE**
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> That home cultivation increases overall retail sales is plausible and widely believed in the industry, but no rigorous study establishing it could be located. It is stated here as the business case licensed operators are in a position to make for themselves, not as an established finding. A licensed multi-location retailer testified in support of the 2025 bill; operators are better placed than advocates to speak to their own economics.

4. The Massachusetts and New York Precedents

Massachusetts already does what Section 13 proposes. Seeds and clones are sold at wholesale to licensed adult-use retailers, delivery operators and medical treatment centres, then sold directly to consumers, with licensees required to participate in seed-to-sale tracking — seeds tracked as packages, clones as immature plants.

New York regulates the same activity under 9 NYCRR Part 115, requiring registered organizations, retail dispensaries, microbusinesses and ROD licensees to update standard operating procedures before selling for home cultivation, and imposing detailed labeling on each clone, seedling, immature plant, propagation material, tissue culture or seed package.

On this question Connecticut is the outlier in New England, not the innovator.

5. Sizing the Opportunity

Input	Figure	Source
Licensed medical outlets currently barred from seedling sales	45 (44 hybrid retailers, 1 medical-only)	CT DCP retailer dataset
Connecticut towns with a licensed medical outlet	39	CT DCP retailer dataset
Registered medical patients	30,505	CT DCP, July 2026
Registered caregivers	2,591	CT DCP, July 2026
Projected cultivating caregivers, central case	855	Participation model
Current lawful purchase ceiling	3 seedlings per consumer per 6 months	DCP guidance

NO DOLLAR FIGURE IS GIVEN HERE, DELIBERATELY

There is no Connecticut baseline for seedling sales volume, no published price series and no honest way to estimate attachment rates. Any revenue figure would be invented. The opportunity is described in units — 45 outlets, 39 towns, 30,505 patients — and the economics are left to the Office of Fiscal Analysis and to operators. A fabricated projection here would undermine the credible projections elsewhere.

6. Anticipated Objections

Objection	Response
“This expands access to cannabis.”	It expands access to tested, tracked, Connecticut-grown starting material for cultivation that is already lawful. Section 13 does not change any plant count.
“Diversion risk from live plants.”	Every seedling remains subject to the six-inch, no-flower, testing and labeling rules, and the bill adds seed-to-sale tracking that current law does not clearly require for retail seedling sales.
“Micro-cultivators will lose their exclusive channel.”	The most likely opposition, and it is real. Micro-cultivators hold a statutory monopoly today. In exchange the bill lets them sell at their own premises for the first time and wholesale to all 45 medical outlets — an exclusive retail channel traded for a much larger wholesale one.
“Tax revenue loss from the medical exemption.”	Real but small, and offset by taxable adult-use genetics sales through a far wider channel.
“Municipalities may object.”	No new premises, no new license type, no change to local zoning authority.

7. Sources

Claim	Source	Status
§ 21a-420p(f)(1) text, including the exclusion	Conn. Gen. Stat. § 21a-420p(f)(1)	Verified — quoted verbatim
Only micro-cultivators may sell seedlings; delivery only	DCP Cannabis Knowledge Base	Verified

Claim	Source	Status
Six-inch height, no bud or flower, testing, CT origin, labeling	§ 21a-420p(f)(2)(A)–(C)	Verified
Three seedlings per consumer per six months	DCP guidance	Verify exact subdivision — LCO must locate it in statute
45 licensed medical outlets in 39 towns	CT DCP retailer dataset	Verified
Massachusetts wholesale-to-retail model, seed-to-sale tracking	Cannabis Control Commission	As reported — confirm against 935 CMR 500
New York home-cultivation supply rules	9 NYCRR § 115.4	Verified
Home cultivation increases overall retail sales	—	UNVERIFIED — industry belief, not established research

Statutory text quoted from the current General Statutes and must be reconfirmed as of filing. This document is advocacy and policy analysis. It is not legal advice and its author is not an attorney. Statutory citations were verified against the current General Statutes on August 9, 2026.