SEEDS, CLONES AND SEEDLINGS

Why Supplying Home Growers Is a Revenue Line for Licensed Retailers, and Why It Answers the Department's Contamination Objection

Sections 10 and 11 of the draft bill | Josiah Schlee | August 9, 2026

WHAT CONNECTICUT LAW ACTUALLY SAYS TODAY

Conn. Gen. Stat. § 21a-420p(f)(1), verbatim:

"a micro-cultivator may sell its own cannabis, including, but not limited to, its own cannabis seedlings, to consumers, **excluding qualifying patients and caregivers**, through a delivery service. **No cannabis establishment other than a micro-cultivator shall sell cannabis seedlings to consumers**, and no cannabis establishment other than a delivery service shall deliver cannabis seedlings sold by a micro-cultivator to consumers."

Read that twice. **Medical cannabis patients and their caregivers are expressly excluded by statute from the only lawful in-state source of cannabis plants.** And all 45 licensed medical outlets in Connecticut are barred from selling seedlings to anyone.

The result is a law that tells a patient she may grow three plants and then makes it unlawful for any dispensary in the state to sell her one. DCP's guidance works around the exclusion by advising patients to buy as adult-use "consumers" and pay taxes they are otherwise exempt from. That is a workaround for a drafting problem, not a policy.

1. The Current Rules, Stated Plainly

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	§ 21a-420p(f)(1)	The people the law authorizes to grow cannot lawfully buy plants in-state
Not more than three seedlings per consumer per six months	DCP guidance re § 21a-420p(f)	Six per year against a lawful 3 mature + 3 immature per adult, 12 per household
Seedling must be grown in Connecticut from seed or clone	§ 21a-420p(f)(2)(A)	Keeps genetics in-state — a good rule worth keeping
Not over six inches, no bud or flower	§ 21a-420p(f)(2)(B)	Reasonable, worth keeping
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**
No returns accepted	DCP guidance	Reasonable

THE PROVISION THAT DEFEATS DCP'S SECOND OBJECTION

Commissioner Cafferelli's 2025 objection was that caregiver cultivation risks *"growing cannabis in soil that may have heavy metals or other contaminants."* Connecticut law **already** requires that any seedling sold to a home grower be tested for pesticides and heavy metals under § 21a-420p(f)(2)(B)(iii).

So the state's own answer to contamination is to control the starting material. 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 legal channel increases the share of Connecticut home grows that begin with tested, tracked, Connecticut-grown material.** That is a contamination-control argument, and it is DCP's own logic.

2. What Sections 10 and 11 Do

Change	Rationale
Remove the exclusion of qualifying patients and caregivers	They are the people the statute authorizes to cultivate. Excluding them from the plant supply is incoherent.
Authorize 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. This is the revenue line.
Allow 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.
Permit counter sales at licensed premises, not delivery only	A person buying a live plant should be able to look at it. Delivery-only is a barrier with no safety purpose.
Require tracking in the seed-to-sale system under § 21a-421n	Diversion control. Massachusetts tracks seeds as packages and clones as immature plants in Metrc.
Keep the testing, height, no-flower, Connecticut-origin and labeling requirements	These are good rules. The bill retains every one.
Set 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.
Treat 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.
Require free written cultivation guidance at point of sale, with a liability shield for the seller	Education at the moment of purchase. The shield is what makes retailers willing to participate.

3. Why Licensed Operators Should Want This

The strategic case, and it is the one you have seen work: home growers and retailers are not actually competitors, and treating them as competitors costs retailers money.

– **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 three plants still buys concentrate, edibles, vapes and flower between harvests, and buys nutrients, media and equipment. Cultivation is seasonal; consumption is not.

– **It converts the most motivated critics into customers.** The people testifying against the industry at General Law are the same people who would buy genetics from it. That is a cheap way to change the tenor of a hearing.

– **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 or an unlicensed source.

– **Adult-use seed and seedling sales are taxable.** Unlike medical flower, adult-use genetics sales generate sales and excise revenue — a point worth making to OFA, since most of this bill's other provisions do not.

BE HONEST ABOUT THE EVIDENCE HERE

The claim that home cultivation increases retail sales is **plausible and widely believed in the industry, but I could not locate a rigorous study establishing it.** Do not present it as an established finding. Present it as the business case that licensed operators themselves can make — and then let one make it. Carl Tirella of BUDR already testified in support of HB 5429 as a multi-location retailer. Ask him to speak to this section specifically. A retailer saying "this is revenue for me" is worth more than an advocate asserting it, and it cannot be rebutted the same way.

4. The Massachusetts Precedent

Massachusetts already does what Sections 10 and 11 propose. Seeds and clones are sold at wholesale to licensed adult-use retailers, delivery operators and medical treatment centers, and then sold directly to consumers. Licensees selling seeds or clones must participate in the state's seed-to-sale tracking system: seeds tracked as packages, clones tracked 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.

Connecticut is the outlier in New England on this, not the innovator. That framing matters with members who are cautious about being first.

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
Lawful cultivation allowance	3 mature + 3 immature per adult; 12 per household	§§ 21a-278c, 21a-408d(b)

DO NOT PUT A DOLLAR FIGURE ON THIS

There is no Connecticut baseline for seedling sales volume, no published price series, and no way to estimate attachment rates honestly. Any revenue number would be invented. Describe the opportunity in units — 45 outlets, 39 towns, 30,505 patients — and let OFA or the operators themselves supply the economics. A fabricated projection here would undermine the credible projections elsewhere in the packet.

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. Plant counts are unchanged by Sections 10 and 11.
“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. Mitigation: the bill lets them sell at their own premises for the first time and lets them wholesale to all 45 medical outlets — trading an exclusive retail channel 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. Present both sides.
“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 exclusion of qualifying patients and caregivers	Conn. Gen. Stat. § 21a-420p(f)(1)	**Verified** — quoted verbatim
Only micro-cultivators may sell seedlings; delivery only; effective July 1, 2024	DCP Cannabis Knowledge Base, *Where can I buy seedlings?*, dated March 5, 2025	**Verified**
Six-inch height, no bud or flower, pesticide and heavy metal testing, CT-origin, labeling	§ 21a-420p(f)(2)(A)–(C); DCP guidance	**Verified**
Three seedlings per consumer per six months; no returns	DCP guidance re § 21a-420p(f)	**Verify exact subdivision** — DCP states the rule but LCO must locate it in statute
Patients and caregivers may buy as consumers and pay applicable taxes	DCP guidance	**Verified**
45 licensed medical outlets in 39 towns	CT DCP medical and hybrid retailer dataset	**Verified**
Massachusetts wholesale-to-retail seed and clone model, Metrc tracking	Cannabis Control Commission announcement	Verified as reported — **confirm against 935 CMR 500 before citing**
New York home-cultivation supply rules	9 NYCRR § 115.4	**Verified**
Home cultivation increases overall retail sales	—	**UNVERIFIED.** Industry belief, not established research. Do not assert as fact.

Prepared August 9, 2026. Statutory text quoted from the current General Statutes and must be reconfirmed as of filing. This is policy analysis, not legal advice.