Pakalolo Project Legislative Brief

Farmer-Inclusive Framework for Adult-Use Cannabis in Hawai‘i

Prepared by
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EXECUTIVE SUMMARY

During the 2025 Legislative Session, Senate Bill 1613 was introduced to expand Hawai‘i’s medical cannabis framework toward adult use. While the bill advanced through committee hearings, it did not become law. The process highlighted unresolved structural issues, particularly the exclusion of independent local farmers from meaningful participation.

This brief outlines the primary structural issues identified during the SB1613 process and presents a farmer-inclusive framework for future adult-use legislation that aligns with Hawai‘i’s agricultural priorities, sustainability goals, and economic interests.

POLICY CONTEXT

Hawai‘i’s current cannabis system is built around vertically integrated dispensary licenses. While this structure supports regulated retail, it limits supply flexibility, concentrates ownership, and excludes local agricultural operators.

Future adult-use legislation must address these limitations to ensure market stability, local ownership, and long-term resilience.

These structural limitations will carry forward into any adult-use framework unless explicitly addressed in statute.

These limitations constrain supply, elevate prices, and restrict local agricultural participation.

KEY ISSUES IDENTIFIED

INDUSTRY CONFIRMATION

The following issues emerged consistently during committee discussion and public testimony.

> “Those who choose to consume cannabis but refuse to join the medical program are driven into the illicit market.”
> Karlyn Laulusa. CEO. Noa Botanicals.

- Dispensary-only production models cannot meet adult-use demand at scale
- Restrictive access within the medical-only framework sustains illicit market activity
- Concentrated ownership increases risk of consolidation and outside acquisition
- Independent farmers lack licensing pathways to participate legally
- Cannabis policy remains misaligned with agricultural sustainability goals
- Supply constraints increase price volatility and market fragility

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WHY FARMER INCLUSION MATTERS

Farmer inclusion strengthens Hawai‘i’s cannabis system by:

- Stabilizing supply through distributed production
- Supporting rural economies and local agriculture
- Retaining revenue within Hawai‘i
- Reducing reliance on outside capital and operators
- Aligning cannabis regulation with existing agricultural policy

Cannabis is an agricultural crop.

Regulation should reflect existing agricultural policy frameworks.

Medical dispensary operators warn that continued delay places Hawai‘i growers at a structural disadvantage and increases consolidation risk once adult-use policy advances.

“Continued hesitation only ensures that when legalization does arrive, Hawai‘i’s growers will be left playing catch-up.”
TY Cheng. President. Aloha Green Apothecary.

POLICY RECOMMENDATIONS

- Establish independent cultivator licenses for Hawai‘i-based farmers
- Authorize regulated wholesale sales from farmers to dispensaries
- Evaluate limited direct-to-consumer sales through narrowly scoped pilot programs
- Enable cooperative production, processing, and distribution models
- Implement local ownership safeguards and residency requirements

EXPECTED OUTCOMES

A farmer-inclusive adult-use framework will:

- Improve supply stability and market resilience
- Prevent excessive consolidation
- Support local economic circulation
- Strengthen regulatory compliance through transparency
- Build public trust in legalization efforts

The medical-only model introduces access delays unique to cannabis and inconsistent with standard healthcare delivery.

“Cannabis remains the only medication that cannot be obtained the same day it is prescribed.”
Karlyn Laulusa. CEO. Noa Botanicals.

LEGISLATIVE POSITION

The Pakalolo Project supports adult-use cannabis legalization when independent farmer participation is included as a core structural component.

Legalization without these safeguards risks repeating extractive economic patterns seen in other Hawai‘i industries.

“Without a recreational market, Hawai‘i continues to delay the inevitable.”
TY Cheng. President. Aloha Green Apothecary.

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This document is intended to inform legislative discussion and policy development related to adult-use cannabis in Hawai‘i.

Operator quotes sourced from Aloha State Daily. January 14, 2026.