

New York looks to become America's next marijuana hub

25 April 2021, by Daniel Hoffman



Jim Castetter, sales head of Empire Standard, displays CBD flower the company sells on April 13, 2021 in Binghamton, New York

Kaelan Castetter has plans for the unused offices next to his factory: dedicate all 35,000 square feet of it to growing marijuana, which just became legal for recreational use in New York state.

"We are going to build out a state-of-the-art and world-class genetics and cultivation facility along with our finished goods manufacturing," said Castetter, whose company Empire Standard has since last year made products using already legal cannabidiol (CBD) at a facility in the town of Binghamton that he now wants to expand.

The company produces and sells oils, salves, smokes, gummies and drinks containing CBD, a cannabis substance prized for its relaxing properties that Congress allowed to be cultivated in 2018.

However, tetrahydrocannabinol (THC), the active ingredient in marijuana, is illegal federally, but a number of US states have nonetheless green-lit its recreational use.

New York's governor last month signed a law allowing its possession and use for adults aged 21 and older, and expanding its distribution for medical purposes.

That allows companies like Empire Standard, which already are well-versed in [cannabis cultivation](#) for use in CBD, to now sell products with high concentrations of THC.

"How often do you get a chance to be in an established market with a product that has not been allowed to be sold? That's not even a once in a lifetime," said Jim Castetter, the company's sales chief.



Empire Standard's CEO Kaelan Castetter rented new office space for the company after New York state legalized marijuana

Historic opportunity

At the Binghamton factory's assembly line about three hours from New York City, Jim, Kaelan Castetter's father, watches as employees in white lab coats assemble small boxes of CBD flowers.

The 55-year-old is a pioneer in the New York cannabis industry, after having been involved in several more or less legal business ventures over the years.

He sees legalization as a historic opportunity.

"It's that change in generations, that change in mindset, the change in political structure, that now we've arrived at this point where everyone says 'This is no big deal,'" he said.

Among Americans, legalization has never enjoyed such strong support: 68 percent of respondents to a Gallup survey conducted at the end of last year are in favor of it, compared to less than half a decade ago.

Kaelan Castetter believes New York is primed to become a marijuana mecca on par with California, the most-populous state in the nation which legalized its [recreational use](#) via a voter-approved ballot measure in 2016.

"This can't be a better time for New York to legalise adult-use cannabis and create an industry that's 30,000 or 50,000 jobs and billions of dollars pumped into the economy," he said.



An Empire Standard employee assembles bottles containing CBD oil at their factory in Binghamton, New York on April 13, 2021

The road ahead

With the expanded factory, the 24-year-old plans to increase his workforce to more than 100 employees from 15.

However, the economic benefits of legalization may not be felt immediately.

To produce, distribute or sell cannabis, professionals will need to have a business license granted by a state commission currently being set up.

"I think we'll see licenses at the very end of this year, that would be the earliest, and that's like putting on a jet pack and all systems go," said Cristina Buccola, a New York lawyer specializing in the industry.

Recreational cannabis is now legal in 16 US states and the capital Washington, but remains prohibited at the federal level, meaning people who consume it could still face trouble under federal law.

"In face offs between state and federal government, the [federal government](#) pretty much always wins," Buccola said.

Supporters of nationwide legalization have taken heart from New York Senator Chuck Schumer, who leads the Democratic majority in the Senate and has said he is in favor of federal legalization.



Empire Standard's line of CBD products

Beyond business

New York's law stands out from other American states in its focus on social justice.

The law would direct part of the estimated \$350 million yearly tax revenues from cannabis sales to communities most affected by drug enforcement in the United States, particularly Blacks and Latinos.

The criminal records of those convicted of illegal cannabis possession will be purged, and half of businesses licenses will be set aside for minorities, women-owned businesses, wounded ex-military personnel or farmers affected by disasters.

"New York has set these priorities in legislation, but yet they're going to have to follow through and make an industry that truly is accessible to all," Kaelan Castetter said.

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APA citation: New York looks to become America's next marijuana hub (2021, April 25) retrieved 21 May 2021 from <https://medicalxpress.com/news/2021-04-york-america-marijuana-hub.html>

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