

ENTERING THE BC SUPPLY CHAIN HERE'S WHAT WE LEARNED...

BC Micro License Association

Recent BCMLA Media:

<https://www.hellomd.com/health-wellness/5b69eac9a1805500087dba4e/micro-growers-fear-theyll-get-shut-out-of-legal-cannabis>

BC LDB News Release:

<https://www.bcldbcannabisupdates.com/news/10-08-2018-ldb-issues-product-call-non-medical-cannabis-determines-wholesale-mark>

Cannabis Sales Outside British Columbia:

Cannabis grown and / or processed in British Columbia does not necessarily have to be sold in BC. If the BC-based processor wants to sell their cannabis outside of BC, it must enter the supply chain in the province it wants to sell in, according to that province's rules and procedures:

Alberta: <https://aglc.ca>

Saskatchewan: <https://www.saskatchewan.ca/government/cannabis-in-saskatchewan>

Manitoba: <http://lgamanitoba.ca/cannabis-and-the-lga/>

Ontario: <https://ocscannabisupdates.com>

Quebec: <https://infocannabis.saq.com>

Nfld.: <http://www.shopcannabisnl.com/faq>

PEI: <https://www.princeedwardisland.ca/en/information/selling-cannabis>

NS: <https://www.mynslc.com/en/Cannabis/Cannabis>

NB: http://www2.gnb.ca/content/gnb/en/news/news_release/2017/09/1206.html (no useful information about NB's cannabis distribution model could be found)



Our Discussion With the BC LDB

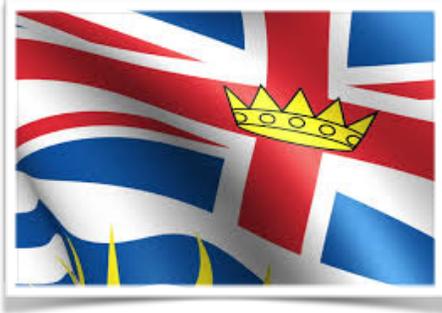
On August 10, 2018, the BC Liquor Distribution Branch issued a news release about its second product call for non-medical cannabis (see sidebar, left, for link). The announcement piqued our curiosity about some other issues related to micro-processors, like how much was the BC LDB prepared to pay for craft cannabis and how the micro-produced products would enter the LDB system. So, we called the LDB and had the pleasure of speaking with a very helpful representative of the LDB's cannabis merchandising team.

Here's what we learned about how the system will work for all processors wanting to sell their products to the BC LDB, straight from the source:

Step 1: Anyone wishing to enter the regulated supply chain in BC must complete the process to obtain a Health Canada processor licence; the processor cannot engage with the LDB until they have been granted a licence.

Step 2: The licensed processor will register as a vendor via the LDB's online portal.

Step 3: The processor must register their products (including



Federal Labelling and Packaging Requirements:

If anyone has been brave enough to check out the federal labelling and packaging rules found in the Cannabis Act and the regulations, you will have noticed they are incredibly complicated.

The rules can be found here:

Cannabis Act: Sections 25 to 28

Regulations: Sections 105 to 137

We strongly recommend those who will be seeking processing licences familiarize themselves with the packaging and labelling rules and begin thinking about what they will need and where to source the labels and packages, because the procurement process may take longer than anticipated.

We Want to Hear from You:

If any of our supporters ever have any questions / concerns, please send us an e-mail. Or, if there is some area you would like us to get information about, please let us know and we will try to assist. We are here as a resource.

images) via the online portal. Inherent in this step is having appropriate packaging and labelling, which must comply with the Cannabis Act, regulations, and meet Health Canada’s requirements (see sidebar, left).

Step 4: The processor must wait for the LDB’s product call, which will be posted on the LDB’s website on a regular but yet-to-be-determined schedule. Once the product call is issued, processors will make a submission using the LDB’s specified submission documents. Information required will include strain, species type, THC/CBD content, description of product, landed cost per gram (or ml.), cost per retail unit, unit quantity, quantity of units available, growing facility location, whether indoor / outdoor / green house grown, extraction method, and any additional comments.

Step 5: Once the processor has logged their submission, the LDB will review it, and initiate negotiations to determine pricing. There is no pre-determined limit on what the LDB will pay for a particular product; however, quality will be an important feature that will be considered, along with the LDB’s assessment of whether it is reasonable in regard to market conditions (including conditions in the “illicit”-market).

Step 6: Once pricing negotiations have been completed, the processor and LDB enter into a supply agreement and a purchase order is issued. Processors then send their product to the LDB’s distribution centre.

Step 7: The LDB publishes the processor’s product on its online B2B portal, for licensed retailers to browse through and order from. The retailer will see the wholesale price, which will include the LDB’s 15% mark-up. The retailer is able to sell the product for any price he or she determines to be appropriate; retail mark-up is at the discretion of the retailer.

The LDB representative said they were looking forward to engaging with craft producers. For updates on the development of the LDB’s cannabis business, their website link is: www.bcldbcanabisupdates.com

MedXtractor CO2-based Cannabis Oil Extractors

- Pure, Potent Cannabis Oil.
- Maximize crop value.
- Priced for craft growers.
- 2oz, 5oz, 16oz capacities.

Available now!
www.medxtractor.com

The Best Small-scale CO2 Extractor on the market today.

