

UPDATES

BC Micro License Association

Wow:

This article has some interesting facts about post-legalization supply and demand:

<https://ottawacitizen.com/news/local-news/demand-for-pot-will-be-much-higher-than-anyone-anticipated-after-legalization-says-report-commissioned-for-health-canada>

Based on Health Canada's most recent estimates, there may be a 576,000 kg difference between the demand and the available supply. So, **62.2%** of the market will be serviced by.....? Well, you can probably guess where the vast majority of consumers will get their cannabis from.

The municipalities and the provincial bodies should be able to figure out that making it *more* difficult for micro licence applicants has the direct result of diminishing the economic benefits to small business owners, local communities and BC in general, right? It seems pretty obvious to us so we will keep preaching to anyone in government who will listen.

Keep this in mind - in 2017, Stats Can estimated that **36.6%** of the cannabis produced in Canada came from BC:

<https://www150.statcan.gc.ca/n1/daily-quotidien/180430/dq180430b-eng.pdf>

Imagine if, in the future, regulated BC producers could maintain the same level in the new framework. We'd be able to contribute 338,916,000 grams to the national supply (assuming HC's estimate of a 926,000 kg demand is more or less accurate).

The \$1.00 / gram federal cannabis excise tax would be \$338,916,000.00, with 75% of that going back to BC (according to the 75-25 provincial-federal split agreed upon).

We think there are *potentially* 254,187,000 reasons that the municipalities and the provincial bodies need to get on board now and start making smart decisions, decisions which will encourage and promote the interests of micro licence applicants.



BC Liquor Distribution Branch

We continue to communicate with the BC LDB about getting micro-produced cannabis into the BC supply chain. They are prepared to work with us on a future newsletter so we can provide more detailed information. Based on our recent conversation with their representative, the additional information is very interesting and will be useful for a greater understanding of how things will work.

We have reached out to the Alberta cannabis distribution branch to get the same type of information from them. Hopefully, we will be able to have a discussion with them in the near future. Ontario is also on our "to do" list.

The BCMLA + CAMCD Supply Chain Collab

Our friends at CAMCD (Canadian Association of Cannabis Medical Dispensaries) have helped us produce a one-page snap-shot of the supply chain - from seed to sale. We hope to get the document out on one of our platforms by early next week.

BC's Cannabis Legalization & Regulation Secretariat

We have a "meet and greet" scheduled with the province's Secretariat later in the month and we are looking forward to finding out more about the province's point of view on the micro industry.

We have also sent out a letter to the Secretariat's and the Union of BC Municipalities's task force, the JCCR (Joint Provincial-Local Government Committee on Cannabis Regulation) outlining our concerns about (1) their



Got A Question?

If anyone has any questions about:

- the new regulatory framework, or
• municipal bylaw issues, or
• ALR stuff, or
• the supply chain, or
• anything else,

please send us an e-mail. We're here to help. If we don't have the answers, we will try to help you get them.

Or, if you have any comments on what we are doing, or how we are doing it, please don't be shy - we want your feedback.

Let us know what's happening in your municipality, or not happening.

If you like what we are doing, you can support our efforts:

https://www.gofundme.com/b.c-micro-license-association

Our Sponsors:

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https://evolvedextraction.com

https://craftdepot.ca

lack of consultation with industry players, (2) their apparent lack access to accurate industry information and (3) their apparent lack of of an overall strategy for managing the implementation of the Cannabis Act, especially at the municipal level.

In our letter, we requested a meeting with the JCCR. One of the things we want to ask for is help with blasting out our message to the municipalities. It seems like the municipalities were left on their own by the federal government and by the UBCM / JCCR to figure out how to manage land use and zoning bylaw issues.

We do not have the resources to lobby and educate each individual municipality in BC - why can't the province or the UBCM come up with some sort of strategy to ensure all of the municipalities are in the position to make well informed, thoughtful decisions on small scale cannabis production? One of the most serious issues right now is municipalities continuing to push all cannabis activities onto ALR at the same time that the ALR has severely restricted the ability of future federal licence holders to operate on ALR: https://www.alc.gov.bc.ca/assets/alc/assets/legislation-and-regulation/information-bulletins/information_bulletin_04_cannabis_production_in_the_alr.pdf

The ALR's Information Bulletin is complicated and difficult to figure out. We have reached out to the ALR with a few questions about the details of their Information Bulletin. Stay tuned.

A cynical person might say it looks like the province or the ALR went out of their way to make things as difficult as possible for future micro-licence holders. We're trying to stay hopeful.....or, are we delusional? Time will tell.

HC - Cannabis Tracking and Licensing System

Yesterday, Health Canada put up some new information on the canada.ca/cannabis website: https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/tracking-system.html

We quickly went through the Monthly Reporting Guide and were struck by the level of detail and amount of information that will be required for licence holders. Every. Single. Month. This is interesting stuff to look at right now, and in the future we will have more to say about it.

A friend of the BCMLA with on-going LP application has access to the new CTLS and has reported it is easy to understand and easy to use. This is good to know because new micro applicants will have access to the CTLS after October 17, 2018, when the application process opens.

Two super-important things that need your attention right now:

Security Clearance Application information (at page 50): https://www.canada.ca/en/health-canada/services/publications/drugs-health-products/cannabis-licensing-guide.html

Canada Revenue Agency Cannabis Excise Tax information: https://www.canada.ca/en/revenue-agency/campaigns/cannabis-taxation.html?utm_campaign=not-applicable&utm_medium=vanity-url&utm_source=canada-ca_cannabis-excise

FYI - we are still waiting to hear back from HC about our request for a round-table discussion in Vancouver.

