



Kootenay Cannabis Symposium - Report, reflections and summary

On October 19th 2018, Cannabis was legalized in Canada. This landmark decision created a new era for a plant that has spent the last 95 years in prohibition. Over the last 40 years, communities around BC developed an economy and culture intrinsic to cannabis. In light of the new legal framework, concern is prevalent regarding the livelihood of individuals, families and communities.

In response to these concerns the Kootenay United Cannabis Association was formed, 'To unite, protect, and advocate for the cannabis industry within the Kootenay region of British Columbia by supporting the right to a fair and reasonable transition into the legal market. Ensuring economic security and prosperity for our region and continued access to a growing market for our products.'

On April 11th, 2019, the Kootenay United Cannabis Association (KUCA) organized and hosted the Kootenay Cannabis Symposium gathering over 200 stakeholders at the Prestige Lakeside Inn, in Nelson, BC, to talk about the barriers and challenges of transitioning into the legal cannabis industry, and to workshop potential solutions. The symposium was comprised of members from the local industry, delegates from various levels of government, academics and non-governmental organizations. Although attendance was mostly regional, some participants came from across the country to attend the event.

This event represented the first occasion that the cannabis community assembled to discuss how it wanted to address the impacts/opportunities presented by cannabis legalization. The current legalization framework is posing drastic consequences to the socio economic wellbeing of rural communities in BC. It is imperative that the perspectives of all the stakeholders, particularly those held by members of the preexisting cannabis industry, be considered at both federal and provincial levels.

Support and Attendance

Participation in the event was considered substantial with two thirds of the event attended by local cultivators and processors. Although it is important to note that the most vulnerable populations from the industry were under-represented. This is a cross-section of the community that sees the least hope or simply does not have the immediate capacity to meet compliance requirements.

In attendance was Health Canada's Joanne Garrah, Director of Licensing and Security, Controlled Substances and Cannabis Branch. She presented the latest update from Health Canada. She was able to engage directly with a number of participants after her presentation and is keen to receive the report of findings that will come

from the event. It was a wonderful opportunity to have such a well-respected representative from Health Canada in the room as the lead federal department managing the Cannabis file.

The BC Cannabis Legalization and Regulation Secretariat (Ministry of Public Safety and Solicitor General) was represented by Mary Shaw, Executive Lead, and Wendy Norris, Senior Policy Manager. Ms. Shaw presented the latest update from their department. Together they participated in the day's agenda and were able to hear firsthand about barriers and solutions from participants. The Cannabis Secretariat is in the midst of a consultation process that will be informed by the content of the symposium.

Regional Rural Development Managers Richard Topeczer, Gerri Brightwell and Larry Olson from BC FLNRD Ministry were enlisted to help facilitate break-out sessions. In addition to their contribution to the event, they received the benefit of bearing witness to the scale and inner workings of the local industry. This experience informs them about what sector development work can be done to support the industry in transition.

The event was moderated by Brittny Anderson, from Nelson City Council and co-founder of the Cannabis Conservancy. Ron LeBlanc (Slocan Valley Economic Development Partnership/RDCK) and Meeri Durrand (RDCK Planning Department), participated as presenters and facilitators. Ms. Durand also participated in the afternoon panel discussion.

Others in attendance included Walter Popoff (RDCK Director, Area H), Jessica Lunn (Mayor of Slocan) Tom Zeleznik (Mayor of Nakusp) and Colin Moss (New Denver Town Councilor).

It was a mutually beneficial event in that local residents and industry members witnessed the engagement and felt the support of their local government representatives. While elected officials got an inside look into this sector, along with the opportunities and threats that hinge upon how the region's cannabis industry moves forward.

The symposium was supported and attended by Community Futures, Nelson and District Chamber of Commerce and Selkirk College's Community Education and Workforce Training. Tracey Harvey from Selkirk College and the University of Guelph was an active co-organizer, presenter and facilitator of the day. Her PhD academic research is focused on examining how to effectively transition to the new rural cannabis economy. Abra Brynne of The Food Policy Council was an active advisor, facilitator and hostess of the afternoon panel discussion entitled 'Moving Forward'. Her years of researching and reporting on food policy was a valuable asset to the day, giving tangible references to case studies in which we could draw similarities from.

Presentations

The schedule for the day included informative presentations followed by facilitated workshops.

Ron LeBlanc, the Slocan Valley Economic Development Coordinator, offered a summary of his report entitled 'Slocan Valley Cannabis Synopsis - The Business of Transition' which assesses the state of the industry and the potential impacts of legalization in the Slocan Valley. His anecdotal analysis suggests that many of the local cultivators will be prohibited from transitioning within the current framework.

Ron's leadership shows courage in bringing these concerns to the awareness of government.

Paul Kelly from Community Futures Central Kootenay (CFCK) spoke about the CFCK's commitment to transitioning industry and noted the significant effect that dollars generated by the cannabis community have had in creating a robust Kootenay economy.

He touched on the free "Cannabis Business Planning '101" class they've been running in conjunction with the RDCK. Their aim is to teach potential market entrants some basics around zoning and development permits,

Health Canada applications, basic legal business operations (Cash flow planning, GST, PST, Excise tax, BC employment standards, bookkeeping and payroll requirements), as this will be new to many transitioning growers.

He also outlined some of the additional supports CFCK is here to provide – Business loans, community business counselling, business training classes, and WorkBC's Self-Employment Program.

Tracey Harvey from Selkirk College and the University of Guelph offered an invaluable contribution to the day's content. She outlined salient points on the risks of not intentionally transitioning rural, historically producing cannabis economies and the need for genuine stakeholder participation during such a complex process that can deeply affect a mostly hidden, and underrepresented group. Highlighting how rural cannabis stakeholders have not been heard or understood during federal and provincial policy formulation and how these stakeholders are imperative to involve in partnership for equitable policy. She also discussed proven transitional economic strategies, which the Kootenay region is particularly well suited because of the top shelf quality craft cannabis that comes from this region, as well as the extensive experiential knowledge and strong social capital. Her final recommendation, to collaborate as a region to develop a cannabis cluster of economic innovation and knowledge generation is a functional strategy that should be driven by stakeholders, including industry.

David Robinson, board member of the BC Craft Cannabis Association has long standing relationships with many stakeholders in the cannabis industry. His garden store Pacific Northwest has been the main supplier for many in the industry. Known as the Garden Sage, David has been guiding people regarding cultivation practices for many years. David Robinson is a face that everyone in the local industry knows and trusts after years of business together.

He presented his thoughts on the importance of transitioning this industry and provided an estimate that 25,000 kilograms of high quality product is produced a year in this region. His optimistic vision is built upon twenty years of relationships with his customers, knowing that the Kootenay region holds the most knowledge and experience to produce the highest quality product. Given the proper tools and support from all levels of government he is assured that the Kootenay region will thrive.

Josh and Kelly Dunn of Dragonfly Earth Medicine and the Pure Collective are known internationally in the industry. They advocate for the plant and promote the case for growing regenerative cannabis on small farms. With a worldwide collective of Peer Certified farmers they have an informed perspective on the consequences of legalization in various regions across North America. Though they warn of a painful transition as the global industry opens up, they assert that sun grown, sustainable cannabis and hemp, collective cooperation and value added products will establish the most resilient path forward.

The Common Challenges and Barriers

The morning workshops were designed to identify the barriers faced by participants who are transitioning to the legal cannabis market. These sessions were developed to make room for a wide diversity of perspectives including the voices of cultivators and processors in their various capacities, local organizations, government representatives, academics, retailers and ancillary businesses.

By allowing participants to express their concerns and remain nameless, insight was gained regarding how regulations are impacting individuals on a personal level. This is significant. As Ron LeBlanc points out, there are various levels of capacity to transitioning. The experiential feedback demonstrates how policy is, and isn't, working and how different groups are affected and impacted.

Participants were invited to fill in personal worksheets. Followed by a collective sharing process that divided their points into four categories: Federal Barriers, Provincial Barriers, Local Government Barriers, Human Resources/Business/Finance Included here is a distilled and interpreted selection of the workshop sheets.

Barriers/Challenges to transitioning

<u>Federal</u>	<u>Provincial</u>
<ul style="list-style-type: none"> ● Lack of clear and accessible licensing information <ul style="list-style-type: none"> ○ Around application process: compliance, building requirements, SOP's. ● Prohibitive licensing cost and taxation schemes for small entrepreneurs <ul style="list-style-type: none"> ○ High fees, taxes, compliance costs, cost of new builds and testing. ○ Taxation is not reasonable for micros which should be based on potential output for year. ○ The disconnect between the various levels of government adds a significant amount of confusion and complexity creating chaos at the local level in rural areas ● Unrealistic canopy size for micro license class <ul style="list-style-type: none"> ○ Both for indoor and outdoor ● Ineffective microbial testing <ul style="list-style-type: none"> ○ Plate cultures add a significant amount of time to the process; threshold levels unrealistic and impedes organic production ● No transition plan for pre-existing entrepreneurs <ul style="list-style-type: none"> ○ With no plan to transition existing economy, pre-existing facilities have to shut down, and face a lack of funding opportunities required for new-builds and land purchase/lease. ○ Pre-existing small farmers do not have capacity to transition and are left with no viable option to transition. ○ Pre-existing small farmers have no support around protecting their valuable genetics in the legal landscape ● Marketing and branding restrictions <ul style="list-style-type: none"> ○ Do not allow for differentiation of small craft and artisan producers. ● Restrictive hemp regulations <ul style="list-style-type: none"> ○ Hemp that is under the same licensing as cannabis will debilitate Canada's competitiveness on world market (ie with lost opportunities), as well due to limited strains allowed. 	<ul style="list-style-type: none"> ● Restrictive ALR regulations <ul style="list-style-type: none"> Non-Farm use variance Provincial <ul style="list-style-type: none"> ○ in ALR creates a series of issues (see appendix) ○ It is challenging to engage the ALC ● Lack of Provincial support for small business development <ul style="list-style-type: none"> ○ Call for price control measures to effectively compete with the illicit market and create certainty around market value ○ Address retail concerns and slow adoption of federal regulations creating expensive bottlenecks for the small entrepreneur as they remain in limbo ○ Address poor communication between federal government and the province to ensure clarity on regulations ○ Address lack of information and ability to answer questions about compliance issues, ie building science ● Centralized distribution issues <ul style="list-style-type: none"> ○ Distribution through LDB is environmentally unsustainable, and inequitable economically, and logistically for small entrepreneurs ○ Small entrepreneurs require farmgate and options for online sales.

<u>Local Government</u>	<u>HR/Business/Finance</u>
<ul style="list-style-type: none"> ● Limited local control and capacity: <ul style="list-style-type: none"> ○ Local government is tasked with addressing the roll-out of the legal cannabis industry, but with limited tools, due to the overarching and restrictive legislation of senior governments. ○ Results in an inability for locally derived, place-based solutions most appropriate for unique rural places ● Revenue sharing between province and local governments remains undetermined. <ul style="list-style-type: none"> ○ This needs to be addressed as soon as possible to increase incentive and reason to develop local policy for sector development including issues of water and land rights and access. ● Missing clarification regarding justice, equity programs and level of enforcement for transitioning areas <ul style="list-style-type: none"> ○ No accommodation of pre-existing industry participants ○ Address the trust issues of those who are the most vulnerable because of potential exposure of themselves and their families ○ Amnesty is required to create a more participatory environment 	<ul style="list-style-type: none"> ● Training and educational challenges <ul style="list-style-type: none"> ○ Need for adequate training in Health Canada procedures for staff (Master Growers, etc.) ○ Provide support to transition work force, acquire WCB, address CRA requirements and standard labor procedures ○ Address lack of business skills & training ● Micro license business viability concerns <ul style="list-style-type: none"> ○ Address capacity limitations through application support and by providing access to capital ○ Support issue of seasonality of outdoor production and staff availability ○ Revisit testing standards and risk of failures ○ Eliminate predatory consultancy costs farmers face because of the arduous application process by providing support for application ○ Address inequitable access to business advice and supply agreement consultation ○ Address significant CRA requirements that are prohibitive for a small business ○ Help with challenges around finding legitimate investors and/or funding, grants (like other sectors)

Data Crunch

22 tables took part in the facilitated workshops to identify barriers and challenges. With the intention of removing repetitive comments and streamlining the categories, a committed team of data processors compiled and summarized the information over lunch. As the symposium reconvened we were able to buy time for the team to complete their process with the sharing of some local grassroots cannabis culture poetry. Though not as timely as we had imagined, the data was processed and Tracey Harvey represented the findings to the larger group. A link to photographs of the original work sheets have been posted along with this report on our website.

Solutions Work shopping -

The data processed from the first session identified an overwhelming amount of feedback concerning the Federal Regulations. We felt it necessary to adapt the second workshop to provide ample opportunity to share ideas and solutions regarding federal issues.

Once again, individual worksheets were geared towards identifying personal perspectives. Asking participants to reflect on key barriers and suggest potential solutions to address them. The room was divided into groups which collectively compiled solutions and ideas in response to identified barriers. Participants were also given time to offer feedback solutions on other categories (provincial, local etc) below is a distilling of the top issues from each category.

The format for these discussions, although limited, supplied a sampling of ideas. These have been edited to a degree though some may remain vague in explanation. This Report will seek to develop upon a selection of the last section of the report. .

The collective worksheets on barriers/challenges and solutions can be found in the attached appendix or is available for download on the website under [KUCA Symposium Report](#)

Federal Regulations

<u>Barriers</u>	<u>Solutions/Ideas/Suggestions</u>
<ul style="list-style-type: none">Lack of clear accessible licensing information	<ul style="list-style-type: none">Establish a Health Canada intake process to clear up any questions on application elements and processIncrease dedicated cannabis representatives who can be contacted for timely assistance to questionsCreate accessible information packagesStreamline process to be more timelyHire more staff to process questions and applicationsProvide federal building standards and SOP examples to follow.

<ul style="list-style-type: none"> • Prohibitive licensing cost and taxation schemes for small entrepreneurs 	<ul style="list-style-type: none"> • Suggestion to implement a smaller license class to address the needs of smaller cultivators • Allow for stacked micro licensing: that includes nursery, cultivating and processing operations for entrepreneurs and artisans to maintain boutique advantage, opportunities to support tourism and farmgate sales. • Examine small farm livestock licensing for application to the cannabis industry • Suggest Health Canada commits to a goal to achieving a certain number of licensed micros by end of 2019 • Suggest a quota for micro system,
<ul style="list-style-type: none"> • Unrealistic canopy size for micro license class 	<ul style="list-style-type: none"> • Suggestion to Increase canopy size for indoors to double, and outdoors to quadrupled, to support a viable business which is prone to crop failure, and when sungrown, limited to one crop per year.
<ul style="list-style-type: none"> • Ineffective microbial testing 	<ul style="list-style-type: none"> • GPCR tests more effective at identifying specific pathogens, quicker turnaround times and more flexible for allowing beneficial microbes (more suitable for organics) • Consult smaller producers as to what works for them • Support for more localized labs • Differentiate between pathogenic and non-pathogenic microbes • Allow for non-pathogenic microbes
<ul style="list-style-type: none"> • No transition plan for pre-existing entrepreneurs 	<ul style="list-style-type: none"> • Support a staged transition for existing ACMPR holders so they can realistically transition over a number of years. • Focus on testing compliance so those transitioning can get product to market and meet supply demand and pay taxes. • Recommend an amnesty period for those that are in transition or retraining to encourage previous participants to transition • Consider equity program like that is employed by The City of Sacramento CA which prioritizes previous industry and charges zero applications fees.

<ul style="list-style-type: none"> Restrictive hemp regulations 	<ul style="list-style-type: none"> Allow for more strain diversity. Remove hemp licensing from same classification as Cannabis, or make security and licensing process simpler to open the various low risk benefits the plant can bring to small farmers. Suggest the Ministry of Agriculture handles the cannabis program to allow for access to existing programs.
<ul style="list-style-type: none"> Branding and Marketing is too restrictive 	<ul style="list-style-type: none"> Some allowance to differentiate for micros Allow for smaller brands (micros) to tell story Certification branding (regenerative, organic, micro?)

Provincial Regulations

<u>Barriers</u>	<u>Solutions/Ideas/Suggestions</u>
<ul style="list-style-type: none"> Restrictive ALR regulations 	<ul style="list-style-type: none"> Allow for more reasonable process in determining ALR land use for cannabis production. Suggestion for indoor cannabis production on ALR to perhaps be based on land quality, local agricultural economy, and grandfathering historical sites Suggest more greenhouse design options with open floor or permeable floor with <u>perimeter foundations</u> for more high technology options that can produce multiple crops per year Advocate for better response times and more responsive relationships with ALC.
<ul style="list-style-type: none"> Centralized distribution issues 	<ul style="list-style-type: none"> Allow for localized distribution Create regional testing facilities, then allow direct sales to outlets or drop shipping costs Farmgate and online sales for micro entrepreneurs. Examine meat sales licenses for small farms as a potential model to emulate which ensures safety and traceability.

<ul style="list-style-type: none"> • Lack of Provincial support for small business development/Price controls/Retail concerns and bottlenecks 	<ul style="list-style-type: none"> • Suggestion to move the cannabis portfolio into Ministry of Agriculture or Ministry of Jobs, Trade, Technology • Advocate for more local control over micro-licensing in BC because of its pre-legalization importance to provincial economy and society • Create a provincial task force to address federal licensing and industry concerns for small entrepreneurs.
<ul style="list-style-type: none"> • Need for transparent and honest education 	<ul style="list-style-type: none"> • Provide an education program that supports communities to transition. • Raise awareness of economic importance of industry • Educate to remove traditional stigmas and create a more balanced display of health risks/benefits.

Local Government

Barriers	Solutions/Ideas/suggestions
<ul style="list-style-type: none"> • Limited local control and capacity: <ul style="list-style-type: none"> ○ Local government is tasked with addressing the roll-out of the legal cannabis industry, but with limited tools, due to the overarching and restrictive legislation of senior governments. ○ Results in an ability for locally derived, place-based solutions most appropriate for unique rural places. 	<ul style="list-style-type: none"> • Local government agencies need to be supported in making decisions that promote respectful and inclusive industry development that support the health and well-being of their communities • Encourage and support collaboration with other local governments • Advocate to the provincial government to create guidelines for micro licenses with appropriate zoning recommendations • Grandfather existing operations • Local government should play a supportive role in dialogues between local applicants and ALC for a more localized discernment of land use • Consider utilizing existing models of micro-brewery and winery tourism to apply to this sector • Permit consumption lounges further creating local and small town opportunities • Encourage regional government involvement in supportive roles for business development and education.

<ul style="list-style-type: none"> • Revenue sharing between province and local governments remains undetermined. • This needs to be addressed as soon as possible to increase incentive and reason to develop local policy and place specific sector development as well address water and land rights and access. 	<ul style="list-style-type: none"> • Establish revenue share of excise tax to support local governments that are interested in developing a cannabis industry • Support local government investment through R&D, tourism, grants for community based projects (to encourage involvement and investment for long term success)
<ul style="list-style-type: none"> • Missing clarification regarding justice, equity programs and level of enforcement for transitioning areas 	<ul style="list-style-type: none"> • Explicitly accommodate pre-existing industry participants • Address trust issues of those who are the most vulnerable because of potential exposure of themselves and their families • Amnesty is required to create a more participatory environment • Establish guidelines for how municipalities can regulate the industry based on user experience and safety, rather than enforcement • Support a staged transitional period for pre-existing industry participants • Explicitly protect those that are most dependent and vulnerable during this transition (families, single parents, elders)

Human Resources/ Business/ Finance

<u>Barriers</u>	Solutions/Ideas/Suggestions
<ul style="list-style-type: none"> • Training and educational challenges <ul style="list-style-type: none"> ○ Need for adequate training in Health Canada procedures for staff (Master Growers, etc...) ○ Address lack of business skills & training ○ Provide support to transition work force, acquire WCB, and address CRA requirement's and standard labor procedures. 	<ul style="list-style-type: none"> • Create programs to support industry in acquiring necessary training • Create a (local) Selkirk College Cannabis Facility <ul style="list-style-type: none"> ○ eg. To train QA's to HC requirements • Create, distribute and share resources as related to QA staff, SOP's and GPP's • Consider creating a hub to manage shared resources and services like transport services, and staff sharing • Offer Business Training 101

<ul style="list-style-type: none"> • Micro license business viability concerns <ul style="list-style-type: none"> ○ Address capacity limitations by providing access to capital and help finding legitimate investors and/or funding, grants (like other sectors) ○ Revisit testing standards to help reduce risk of failures ○ Eliminate predatory consultancy costs by providing support for applications ○ Address inequitable access to business advice and supply agreement consultation ○ Address significant CRA requirements that are prohibitive for a small business ○ Overcome restrictions around branding ○ Support issue of seasonality of outdoor production and staff availability 	<ul style="list-style-type: none"> • Advocate for single stacked license that entails nursery, cultivation and processing for micro license applicants • Promote farmgate sales, and drop shipping/distribution requirements and costs for micro license applicants • Support tourism as value-added growth to businesses • Work collaboratively and regionally to create a regional brand • Partner with existing local certifications • Create and promote regional appellations such as common with wine • Advocate for different supply management structure for micro's who cannot absorb the same degree of risk as corporate large LP's • Application guides must be made available to help avoid consulting fees • Wave fee for first year and implement service standards - bill in arrears • Focus on production practices, localized testing, and traceability of product by allowing direct sales system for micro's (which reduces major public safety concerns experienced by large centralized operations) • Promote local business models that support healthy wages to sustain living standards • Support for the creation of Co-Ops (producer and worker-owned), collectives and clusters of businesses. • Consider unionization • Consider government sanctions on large corporations prohibiting import deals and giving Canadians at least a 5 year head start in the cannabis business

Interpreting the data

A significant amount of common ground was shared during the event, yet the primary intent of the day was to address the hurdles being experienced by the Micro license applicants, and/or those within the pre-existing cannabis economy wanting to transition to the legal market. Due to the prevalent nature and important

community structure involving families, the success of a transition for these smaller cultivators is imperative to the well-being of the regional economy. There is a focus on those attempting the application process, but we will also be addressing the perspectives of those that are not seeing a path to transitioning. The following paragraphs will seek to develop and examine some of the key content from the barrier and solutions data, yet it should be noted that this content is interpreted by KUCA.

Again, the raw worksheets can be accessed through the KUCA website for reference.

Policy does not support Rural B.C. Communities

the general feedback from our work shopping suggests that the majority of the challenges come from the Federal Regulations. Overwhelmingly the data shows a lack of consideration on the part of policy makers of the existing cannabis economy.

We are faced with federal policy that is unrealistic for most to navigate. From the perspective of policy analysts, the regulations are not designed with the goal of having small farmers succeed. The policies are clearly written for corporate entities and did not take into account the grassroots or historic rural communities that rely on the cannabis economy. Indeed, rural communities historically were not adequately consulted with respect to developing policy relevant to rural hinterlands.

As it stands the provinces can tweak retail and distribution to suit their jurisdictions. A question that arises is why provinces cannot deal with cultivation as it suits their jurisdictions, at least in the case of micro-licenses. Each province has its own differences with the value and meaning of the industry in the pre-legalization era. For rural BC, this industry has been important to its well-being for the past 40 years.

The current policy framework allows only a small number of pre-existing operators to transition into the new legalized cannabis economy. The rest will be left facing grave consequences of the loss of their livelihood.

Caught in the Illicit Market

While some cultivators do not intend to transition for various reasons, it is important to note that in face of this policy most are left with no choice as they are under resourced with time, capital and/or knowledge to make the transition. Stonewalled and pigeonholed, those that are most vulnerable; families, single parents, and older generations, are the least likely to make the transition. Many communities throughout BC rely on this economy. When forestry sectors crashed in the late 80's, cannabis cultivation became a safety net for rural areas keeping these communities alive. There are few other options for employment in many rural regions where the cannabis industry filled that need.

With the most vulnerable populations remaining in the black market, and their eventual exposure to impending enforcement, it is imperative for the three levels of government to consider these socio economic impacts in such communities. In order to make the transition fair and equitable for those that have historically relied upon cannabis cultivation and the accompanying culture, it is crucial to review cannabis policy and its limitations affecting this largely misunderstood population.

A concern voiced in the work shopping is the risk of 'sticking one's head out' and potentially jeopardizing livelihood. Although some of these individuals want to produce product for the legal market, none are currently offered a reasonable option for moving forward.

No Transition Plan, No Reasonable Options

Unfortunately, a lack of consultation with rural industry participants led to unreasonable policy for small farmers that currently means licensing is largely unattainable. To intentionally transition the industry, staged timelines for adoption and amnesty of transition into CRA's database are needed. Testing outcomes, rather than building standards, could have been the starting point for Micro license applicants. Additionally, timelines for transition could have been laid out, which allowed applicants to meet certain requirements by certain dates. This would provide ACMPR license holders the opportunity to produce product that could be sold on the legal marketplace if it passed testing. A focus on product quality, and methods of production would have determined its outcomes. Lessons can be applied from Sacramento California, where a previous illicit industry is intentionally being transitioned. Sacramento is prioritizing previous industry participants, or pre-existing license holders, giving them top priority on the license application process, no application fees, and a secure allotment of dedicated applications for this portion of the industry.

In comparison, one can look to the meat policy implemented across Canada in 2007. Similarly, small farmers were not consulted. Overnight a community of small farmers became criminals for processing their farm raised livestock themselves and selling it to their neighbors. While the reverse is true for cannabis regarding the law, the policy is having a similar effect on the communities' socio-economic wellbeing. In time a class licensing system was put in place for livestock production, but the damage was already done. It may seem worthwhile to consider this case in comparison, and implement a similar system. The Class E, C and D licensing system of livestock production does not transpose exactly, but it could inform policy regarding cannabis law. Small farms need permission to produce products and sell directly to customers and regulation standards need to focus on quality control and traceability rather than excessive testing and incompatible distribution models.

Reconsider Canopy Sizes

The prescribed canopy sizes for micro licenses are not considered economically viable for many. Farmers request the sanctioned indoor canopy size to be doubled at the current limit, and the outdoor quadrupled. The reason for the larger increase for outdoor production is because outdoor cultivation produces only one crop per annum and many of the licensing fees are still substantial. Ideas for an alternative 'mini' micro license have also been suggested. This idea includes the limitation of production size while broadening the license to a stacked or an all in one license ie. Nursery, cultivation, production. This mini-micro option would allow more flexibility for marketing, cannabis tourism and bud & breakfast integration. It could be a more accessible model for many smaller cultivators. Again, referral could be made to the class licensing system of livestock production which aims to meet the various needs of different scales of operations in rural areas.

Testing

From the perspective of the grassroots and the general micro applicant attempting to meet compliance standards within the legal framework, the regulations around quality assurance and testing is prohibitive. The methodologies for the larger scale producers do not meet the needs of the micro licenses. Though quality control is recognized as an important issue, the policy approach to this topic is reminiscent again of what happened to small farms around meat production in 2007. We suggest a focus on environmental controls, good practices and traceability (direct sales records) for the smaller cultivators and producers rather than rigorous sterility and unrealistic standards currently being mandated. This is a major issue from a small business perspective. Furthermore, small producers will likely have to rely on irradiation as microbial parameters are unrealistic.

As was referred to in the solutions work shopping, a more specific form of testing needs to be adopted. In various states in the US, qPCR (quantitative Polymerase Chain Reaction) is a more specific way to test and even more accurate when looking for particular pathogens. This method is also significantly quicker. The current regulations have very low tolerance for any microbes. While cannabis has been historically consumed outside of this degree of scrutinization, with proper protocols in place it should be highly feasible to produce a product that is 'safe' to consume. It was voiced as a concern by many that these limitations annihilate the possibility of truly organic standards. Organic production utilizes many beneficial microbes to promote healthy plant growth and to keep harmful ones away.

Environmental Concerns and wasteful use of resources

The content of this report is largely focused on the barriers to transitioning, yet it must be stated that a large amount of feedback was offered around the potential environmental impacts resulting from the regulations at all levels. From the excessive packaging mandated by the federal government, to the central distribution model of the provincial system that relies on unnecessary transport of all product to one location. More nuanced are the ecological costs implicit with zoning, ALR, and finance. The reasoning for this lies in a few factors. The first being the need to finance with clean capital. As the preexisting industry has to find ways to create clean paths financially, many are left having to abandon suitable, existing farm buildings since there is often no traceability back to clean funds used for their construction. Zoning setbacks and ALR regulations also create a similar situation in which cultivators have to drop existing structures and build a new or not at all. This is a massive and wasteful barrier implicit of restrictive bureaucracy. From both an economic and ecological perspective, a case could have been made for 'grandfathering' in preexisting operations (ACMPR, MMAR license holders)

The Global Context

The global marketplace for Cannabis is said to be valued between 130 to 200 billion dollars. As the second country in the world to federally legalize cannabis, Canada is well positioned to be a leader in this industry. While it is an ever-changing marketplace, it would seem as if there would be plenty of room to promote and support the pre-existing industry to mobilize and be a part of this opportunity. Removing the Cannabis portfolio from Health Canada's control could open up opportunities for this industry on the global platform. Many participants in the workshops expressed the wish for this file to be shifted to the Ministry of Agriculture, to federally leverage existing programs to support activities of the industry.

For the Kootenays and many other rural areas in British Columbia the international and historical reputation for cannabis culture is renowned. The opportunity that exists for these rural regions should be supported. If this unique culture is not backed for success, another economic opportunity will pass us by around cannabis tourism. When one looks at wine tourism throughout BC over the last 15 years we can only begin to imagine what this could mean for economic growth in rural regions of our province as people come to explore the cannabis culture, farms, and history.

Moving Forward?

The energy generated at the symposium was lively, productive and inspiring. The experience of collectively identifying and unifying around issues in the changing industry, built upon participants' common ground. The importance of the momentum that came from this day and its ripple effects cannot be overstated. Participants left with a sense of hope, encouraged by the significant levels of shared experience and the support of the surrounding community. While the intangible aspect of the connections made and the information shared cannot be quantified, grassroots events like these give communities an opportunity to start mobilizing and

building capacity. This is something the corporate world has had a great head start on. The KUCA witnessed a tremendous value in this process and hopes to find the support to initiate events like these again, both locally and provincially. The day resulted in showing several identifiable initiatives that are already unfolding as positive steps for removing barriers within the community.

Community Futures has become instrumental in providing business education in their Cannabis 101 workshop. They are also proactive in seeking partnerships and funding to support the application process and compliance requirements, as well as to reduce costs and confusion for applicants.

As many of the outlined barriers and challenges are policy based, advocacy is a major component. The Kootenay United Cannabis Association will continue to update their policy papers and build membership. With community input, we will advocate politically on their behalf. With our mandate and commitment to non-biased organizational processes we aim to keep a united movement so that the Kootenay small farmers have a fair chance to a prosperous future. We will also endeavor to develop relationships throughout BC that promote the success of small farmers, producers, retailers and communities that have relied on cannabis cultivation.

It is our hope that our advocacy and regional focus will provide agency and groundwork for other regions, and organizations throughout BC and Canada.

The symposium corresponded with the BC Cannabis Secretariat's consultation process. We anticipate that this process reflected the many voices and perspectives shared at the event. There is a general and potential feeling of provincial support, however it is vital that the livelihood of small farmers and rural communities reliant on cannabis cultivation, continues to be considered.

Tracey Harvey's thesis asserts that the success of transitioning rural economies lies in cluster groups of diversification and value added products. While corporate entities are speedy at mobilizing and getting to market, there is the hypothesis that long term sustainability of this industry for small cultivators lies in cooperative groups and collectives. These business models and social structures will offer communities and small farmers more security and democracy as this industry unfolds. A number of coops and collectives are already in process in the Kootenays and we expect more forming soon in order to address the specific needs of small producers.

Summary

The Kootenay Cannabis Symposium was a landmark event for the region. The significance of an event of this nature has been reviewed throughout BC. For the first time the grassroots cannabis community was able to come out and work together to identify solutions to the many challenges they are faced with in transitioning to the legal market. For many outsiders to the industry it was eye opening to see a community of family people and everyday citizens who rely on the livelihood this plant brings them.

As the many presentations and discussions reiterated during the day, the importance of and dependence on cannabis in this region, and throughout BC, cannot be overstated. The plant and its cultivation is intrinsic to the history, culture, customs and economy of the Kootenays. A number of anecdotal attempts have been made to quantify its contribution to the economy, however, due to the historical underground nature of the industry, the exact economic relevance can only be guessed. We can categorically assert that this industry is tied deeply to communities, local schools and businesses, to hardware, garden supply and groceries stores. The economic multiplier effect resulting from consequences of the Cannabis Act will impact families and communities throughout BC if this industry is not given a reasonable chance to succeed.

Furthermore, the symposium offered an opportunity for the local cannabis community to feel the support of government, municipalities and regional organizations. The facilitated process that KUCA provided revealed the potential of how policy might have been developed had cannabis experts of the grassroots been consulted. These policies reflect little to no interest and understanding of the small scale producer, underpinning the stigmatization and barriers still faced. We support the academic and anecdotal research presented by Tracey Harvey that suggests that the creation of good policy must include dialogue with those that it impacts, namely in this case, the small farmers and producers. To reiterate, developing policy that integrates the pre-existing industry is imperative to the economic well-being of many rural communities across BC. As the legalization process progresses, it is necessary and fair to ensure an atmosphere of leniency and safety in order to have an appropriate consultation process.

British Columbia, and specifically the Kootenays, has the skills and workforce ready to adapt and transition to the new cannabis economy. In many ways this is Canada's 'ground zero' for Cannabis. The wealth of knowledge, the community support, the clean environment and historic legacy make it prime to be a leader in producing quality cannabis for both the recreation and medical markets as well as value added products. We invite policy makers to make room at the table for rural communities in BC; including the farmers, medical patients and workers. And by so doing, recognizing their historical contribution and expertise and allowing them a reasonable and equitable opportunity to transition.

Thank You, the KUCA Directors

<http://www.kuca.ca/>

Kootenay United Cannabis Association would like to thank our sponsors

