



Cannabis.consultation@canada.ca

Notice of Intent – Consultation on Potential Amendments to Health Canada *Cannabis Act* Regulations (Streamlining)

May 2023

Dear Health Canada,

Further to your request for feedback regarding potential amendments to Health Canada Regulations, we have reattached our November 2022 submission in response to the *Cannabis Act* review on behalf of the BC craft farmers, processors, independent retailers and supporters we represent.

These simple recommendations remain relevant today. Implementing them will send a message to thousands of BC's craft cannabis farmers that Health Canada is interested in encouraging a just transition to the legal cannabis market. For immediate reference, we are recommending:

- At least double the micro-production and micro-processing caps
- Security clearance at the start of the application process
- Roll back May 2019 Health Canada "build facility before applying" policy
- Allow craft labeling on cannabis products
- Adjust edible packaging limits upwards
- Increase purchase and possession limits from 30 grams

These recommendations are supported by the Retail Cannabis Council of BC, Craft Cannabis Association of BC and Kootenay Cannabis Council. Together, we have asked the Province of BC to support these urgent changes too.

These licensing, security, production and processing suggestions represent the least Health Canada can do in the short term for craft farmers and micro-processors. All these suggestions will streamline existing requirements, eliminate inefficiency and reduce administrative burden.

The regulatory climate created by the *Cannabis Act* is at the root of many problems facing BC's micro producers and processors. Barely 90 have received licenses in the first 4.5 years of legalization. In reality, thousands are needed to meet local, national, and international demand for BC bud.

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According to Health Canada's own data, less than 1% of the legal cannabis being produced in Canada comes from micro-license holders. This reality, created by the *Cannabis Act*, harms BC more than any other province. As a result, our globally celebrated cannabis community is not close to achieving its full potential, and the illicit market satisfies demand instead.

Obtaining a processing license today is virtually impossible for most BC farmers, due to a number of barriers. The processing license adds significant financial (including upfront costs for an excise bond and recall insurance) and administrative burdens that are unmanageable for small teams. Also, the requirement for a quality assurance person with very specific and exceedingly narrow prior experience physically present at the facility severely limits rural BC farmers. Most qualified QAPs live in cities and few want to move to rural locales.

This reality has resulted in a market where BC farmers are forced to sell their products to their competitors.

Instead of a vibrant and diverse cannabis market Canadian adult consumers are left with the thriving illicit market and a corporate monopoly the original cannabis Task Force warned about in 2016. We hope Health Canada will finally listen and take action to help achieve the original public interest goals of the *Cannabis Act*.

Yours truly,

Tara Kirkpatrick, President
BC Craft Farmers Co-Op



ATTACHMENT

Health Canada Submission Cannabis Act Review: Engagement Report and Questionnaire November 2022

Introduction

- Canada has launched an 18 month Cannabis Act review one-year later than was required under the Act.
- Health Canada has asked for sector feedback. Some have expressed an openness to interim improvements.
- BC Craft Farmers Co-Op (BCCFC) is responding to that invitation on behalf of the craft cannabis farmers, processors, nursery operators, independent retailers, consumers and supporters we represent.

Goals

- Achieve the public interest objectives of Cannabis Act
- Transition BC craft farmers and help them create thousands of rural jobs
- Maintain BC's international brand
- Support regional economic development

Cannabis Act Review

Waiting two years for changes to the Act will be catastrophic for BC craft farmers and the industry in general. BCCFC has identified a series of initial questions for the Minister, federal representatives and elected officials to consider:

- What is the Government of Canada going to do over the next 18 months to address urgent challenges facing the sector? How many small, independent cannabis businesses need to close and lay off workers before the Government will take action?
- The federal government is appointing an "expert" panel to review the Act? How will BC and cannabis farmers be represented given our province's rich cannabis history and culture?
- If the Government is pre-occupied with addressing the illicit market, why are you making it so hard for experienced medical and legacy farmers to transition to the legal market?

Medical Access

Ensure the current medicinal cannabis program is maintained and strengthened.

Allow BC's network of 6,000 legal medical cannabis farmers to create a safe supply of cannabis for licenced compassion clubs to share with at-risk populations in response to the overdose crisis. Invite these designated medical cannabis farmers to also produce a safe supply of psilocybin (mushrooms) for patients with legal access.

Provide funding to support the establishment of a National Centre of Excellence for Cannabis Health Research in BC.



Interim Measures

Regulatory

We have five easy-to-make changes the federal government can make in the interim to help small farmers transition and combat the illicit market. These were supported by 400+ delegates at the April 2022 BC Cannabis Summit in Kelowna:

- doubling of the unreasonably low micro-production and micro-processing caps
- pre-clearance of security checks instead of waiting until the end of the process
- allow craft labelling on cannabis products
- adjust edible packaging limits upward
- increase purchase and possession limits from 30 grams (interim legislative change)

Expungement

Introduce legislation to allow a person who has been convicted of cannabis possession to have their record expunged and that no fee be associated with this process

Economic Development

In collaboration with BC, Indigenous governments and sector leaders, develop and fund a made-in-BC cannabis economic development and destination tourism strategy to maximize the BC cannabis industry's potential and create thousands of legal jobs.

Collaborate with the newly-formed Canadian Cannabis Tourism Alliance (CCTA) to develop a national cannabis destination tourism strategy with provincial and Indigenous agencies.

All relevant federal government agencies officially recognize across all legislation that cannabis is a legitimate and legal farm activity and product.

Work with Meta, Google, and TikTok and other digital platforms to allow for Canadian legal and licensed producers, retailers and authorized industry professionals to post content and discuss about cannabis in an educational manner on their platforms.

Conclusion

If significant improvements are not made to the Act and Health Canada continues to approve craft cannabis production licences at the current rate (20/year in BC), jurisdiction should be transferred to an agency mandated to support the industry and help it flourish.

This Agency transfer option should include consideration for Indigenous and provincial governments to take over responsibility for licensing cannabis production and processing within their jurisdictions.

This transition would include the transfer of cannabis tax revenue to provincial and Indigenous government jurisdictions.