



Hon. Katrine Conroy
Minister of Finance
MLA for Kootenay West
BC Legislature Victoria, BC
VIA EMAIL: Katrine.conroy.mla@leg.bc.ca

October 10, 2023

Dear Minister,

I hope you and your family are well and had a nice long weekend. On behalf of our members and supporters across BC (and Canada), thank you for your ongoing public service. Also, congratulations on delivering a \$700 million surplus for the BC government this year!

While happy that your government finances are in the black, we are worried that too many BC cannabis farmers and processors that stepped up to join the post-prohibition market since cannabis was legalized five years ago are seeing red.

As you know, the promise associated with cannabis legalization has not fully materialized for 'BC bud'. Instead of strengthening the hard-earned international reputation BC has enjoyed for decades, the legal framework is weakening our position.

Thousands of legacy medical farmers – many Indigenous – have been shut out of cannabis legalization. Barely 100 BC craft farmers have made the transition and most of them are struggling in a market that favours international companies and creates transition barriers for micro-producers.

After five years of legalization, a microscopic 1% of all legal cannabis production approved by Health Canada has been awarded to craft cannabis farmers (less than 2,100 sq ft). BC has the most to lose if Ottawa continues to leave craft cannabis farmers out.

While we have little confidence in Ottawa to recognize BC opportunities at the best of times, we know you understand that cannabis has significant potential to be even more of a job-creating economic engine for the BC economy which will also promote Indigenous collaboration and Reconciliation.

This year, the systemic challenges facing BC farmers grew with each new wildfire and evacuation order. Like other agriculture sectors, BC craft cannabis farmers have been – and continue to be - impacted by the devastation.

In this context and with your ongoing invitation to provide feedback on ways to strengthen the BC economy, we are providing some constructive solutions for you to consider:

Emergency Assistance – The provincial government has rightfully indicated they will provide support to agriculture producers impacted by the wildfires and evacuation orders. We hope your government will be able to confirm that craft cannabis farmers and processors in these fire zones will be eligible to receive the same recovery benefits and support as other agriculture sectors.



Farm Status – Craft cannabis farmers, processors and nurseries are often shut out of federal and provincial programs available to other agriculture producers. At the heart of this unfair reality is that neither BC or Ottawa fully recognize cannabis as a legitimate farm activity and product. With your colleagues, we hope you can finally correct this exclusion across BC legislation and regulations.

Excise Tax Collection – During our April 2023 BC Cannabis Summit, the Deputy Premier rightfully identified the current cannabis excise tax system as a significant burden on the sector. He singled out the extra-negative impact on small cannabis operations unable to capitalize economies of scale and said the problem needs to be solved. We agree! Unfortunately, BC’s solution to this regressive tax is to wait for Ottawa to act. Public statements and buck-passing amount to empty words unless they come with real actions that people can see, feel and touch. Your government has the tools to mitigate the unfairness of the excise tax on small producers, regardless of what Ottawa does.

As your department continues to benefit from tens-of-millions of dollars of revenue from a tax scheme your colleagues acknowledge is unfair, we hope your government can finally start returning some of these funds to small and struggling BC cannabis businesses while you wait for Ottawa.

Unfair Direct Delivery and Farm Gate Fees – Similarly, we hope your government will finally act on the unanimous recommendation from our 2022 BC Cannabis Summit to eliminate your government’s 15% handling fee on the direct cannabis delivery program. We hope there is now an understanding of how unfair it is for BC to charge our members a double-digit handling fee for not handling any product. This policy is opposite to the smart regulation required to make BC’s legal industry sustainable and economically viable. On behalf of our members, please eliminate this 15% non-handling fee this month.

If the direct delivery fee is at the top of the list of unfair and unsmart cannabis related fees, the \$7,500 non-returnable farm gate application fee is a close second. Similarly, we hope your government can destigmatize this policy over the coming month and finally bring the fee more in line with what BC charges for craft breweries, wineries and other similar licences.

We would be pleased to organize a small delegation of our members on the front line of the cannabis industry in BC to provide an unfiltered picture of the sector’s true state-of-affairs and at your convenience.

On a separate but related item, I have also attached recent correspondence to your colleague regarding the need for BC to prepare and act on a BC destination tourism strategy that fully leverages our international cannabis brand. We welcome your support and questions.

Yours truly,

Tara Kirkpatrick, President
BC Craft Farmers Co-Op



- cc. BC Premier
- BC Deputy Premier
- BC Agriculture Minister
- MLA for Nelson-Creston
- BC Opposition Leaders