



BC Craft Farmers Co-Op
Response to Deloitte Canada Cannabis Survey
February 2024

The BC Ministry of Agriculture has hired Deloitte to create a survey to help establish a craft cannabis brand. This overview captures the BC Craft Farmer's Co-Op (BCCFC)'s response to survey questions received from Deloitte.

What is the main function of your organization?

BCCFC was established in 2020 under the BC Cooperatives Act to:

- Support BC's world-class cannabis farmers transition to the Canada's new legal market.
- Maintain BC's global cannabis brand.
- Ensure consumers and medical patients have access to best craft cannabis in the new legal system.

Do you perceive your organization to be craft? What aspects qualify your organization as craft?

BCCFC members include Health Canada licenced micro-cannabis and medical cannabis license holders who operate small scale cannabis farms in BC. Whereas maintaining BC's global cannabis brand is part of our mission, BCCFC has been calling on the provincial government to collaborate with our members and other cannabis associations to develop a BC craft cannabis brand since we were established in 2020.

In August 2023, responding to a previous request for feedback from provincial government leaders at the 2023 BC Cannabis Summit, BCCFC proposed an inclusive BC Cannabis Tourism Partnership to implement a series of pilot projects to create:

- Temporary consumption licensing for host venues/events in partnership with 5-10 municipalities and Indigenous governments.
- Made-in-BC marketing campaign, with destination/tour examples and BC craft cannabis brand.
- Multi-lingual directory of facilities/destinations/rules in collaboration with regional tourism agencies and other sector associations.
- On-site sampling with BC farm gate policy.
- High-profile international 4/20 destination event and summit(s) – similar in scale to the annual Vancouver and BC Pride weekend celebrations.



What is your definition of “craft” cannabis?

This is the wrong question. The question should be about how to define ‘British Columbia Craft Cannabis’. More than the plant, what makes 'BC Bud' and our cannabis culture so special are the people growing the cannabis and the place it is being farmed.

To start the conversation on some simple reference points consumers can easily understand, BCCFC suggests a definition of BC craft cannabis start with geographic-based elements, in line with the **Buy BC** approach embraced with other agriculture sectors:

BC Grown	BC Owned	BC Processed and Packaged	BC Origin	Indigenous
Plants must have been grown in BC.	Majority of company’s owners are BC residents.	Cannabis processed and packaged in BC.	Strain must be bred or pheno-hunted* in BC.	Majority of company’s owners and high percentage of employees are Indigenous and in BC.

**Pheno-hunting is a process of seed selection that results in the establishment of commercially viable and uniform strains of cannabis*

Is there a specific size parameter in terms of area of production that could qualify as "craft"? How about assessing quality for "craft" cannabis products?

Beyond geographic references, size and quality are other elements needed to define BC Craft:

Size	<ul style="list-style-type: none"> As part of their responsibility for regulating cannabis production, Canada created a special category for small-scale (‘micro’) cannabis farmers and processors. These regulations cap the size of the farm’s cultivation space and the processor annual volume. Unfortunately, they are too low to sustain a small business. If these arbitrary/artificial caps are increased (at minimum doubled), possession of a federal micro-production or micro-processing license should qualify as craft. Since 2020, BCCFC has recommended BC fight for this simple regulatory change with Canada. We have seen no evidence this has occurred.
Quality	<ul style="list-style-type: none"> Establishing sector consensus on a simple quality standard will be difficult. Risk of complicating what should be an easy-to-understand brand for consumers. With responsibility for production/processing, Canada established a quality control process to ensure cannabis meets basic testing and product standards. To keep things simple at the outset for consumers and the supply chain, a BC craft quality standard should be achieved with a valid Health Canada license.



What challenges is your organization facing that a craft designation could help with?

Provincial and federal governments are not supporting craft farmers and processors in making the transition to the legal market. By the time BC gets around to creating a BC craft cannabis brand, there may be none left in the legal market. We estimate 20+ cannabis producers have closed their doors in the past year alone, including some of BCCFC members.

If the BC government continues to ignore suggestions from BC's expert cannabis sector, our provincial economy will lose out on billions of dollars of economic opportunities. In the first five years of legalization, barely 100 of BC's globally recognized craft cannabis farmers have transitioned to the legal market.

By contrast, thousands of British Columbians hold a current medical cannabis production licence from Health Canada. Many have been renewing these licences for decades. Pathways to include these small-scale medical cannabis farmers and processors in the BC Craft designation should have started years ago.

If barriers and stigma can be addressed, a BC craft cannabis designation that recognizes BC's cannabis culture has the potential to also support national and international marketing. When a tourist visits to a BC retail outlet, most will seek 'BC Bud'.

What types of marketing / promotional support may be beneficial with a craft designation?

For years, BCCFC has been encouraging the BC government to adopt **Buy BC** and tourism promotion campaigns, just like BC wine, craft beer/distillery and other agriculture products, particularly as it relates to Indigenous craft and medical farmers. While a BC craft cannabis designation can be central to these campaigns, these opportunities are blocked by too many federal and provincial regulatory barriers.

What are the biggest barriers to selling craft cannabis under a craft brand?

- Lack of incentive for micro cannabis famers/processors to transition to the legal market.
- Unfair treatment from provincial and federal governments that favour their own operations or large-scale corporate producers/processors.
- BC's unfair 15% markup for direct cannabis delivery and their non-refundable, \$7,500 farmgate application fee.
- Unreasonable marketing and promotion rules, particularly compared to more harmful activities like liquor consumption and gambling.
- Ongoing stigma, perpetuated by over-government regulation and financial institutions.
- Some municipalities do not recognise unique opportunities for BC craft cannabis farming.
- Inconsistent application and enforcement of ALR regulations.