

# Cannabis Legalization

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## A Discussion with Manitoba's Municipalities

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## July 1, 2018: It's not just Canada Day

- This is the Federal Government's intended date for legalized production, sale and consumption of cannabis in Canada
- Provinces / territories are responsible for regulatory guidance relating to cannabis production and distribution
  - *The Cannabis Harm Prevention Act* was passed in June 2017
  - An RFP was released on November 7 for Manitoba's Retail Cannabis Stores

## Manitoba's Cannabis Framework

- The Liquor and Gaming Authority (LGA) will regulate the purchase, storage, distribution and retail of cannabis
- Manitoba Liquor and Lotteries (MBLL) will secure and track supply of cannabis sold in Manitoba
- The private sector will operate retail locations

## Why this approach?

- Manitoba's objective is to eliminate the black market, keep cannabis out of the hands of youth, and create new opportunities in the marketplace
  - Public sector's role in the industry will ensure safety
  - Private sector's role will ensure competitiveness and accessibility

## Short term activity (immediate)

- RFP closes December 22, 2017 with initial Retail Cannabis Stores to open July 2, 2018
  - MBLL and Growth, Enterprise and Trade (GET) developing MOUs to secure supply from Licensed Producers for the Manitoba market
  - GET developing retailer agreements
  - MBLL refining its supply chain management
  - LGA revising its regulatory framework and licensing regime

## Mid term vision (post July 2, years 1-3)

- MBLL/GET to monitor equilibrium of supply and demand
- Allow for product differentiation through branding
- Federal government's regulatory framework for edibles and derivatives to be put in place

## Long term vision (years 3-5+)

- Competitive mix of large, medium and small Licensed Producers
- Extraction and processing markets fully developed
- Export Manitoba grown / manufactured products to other provinces

## Municipal considerations

- Informal / media-derived municipal feedback to date has focused on the impact of retail cannabis
  - Zoning (ex.: permitted locations)
  - Permits/licensing (ex.: operating hours)
  - Advertising/signage (ex.: size, content)
  - Policing and public safety
  - Local option
  - Revenue (through taxes)



## For your consideration

- What about the economic impacts of cannabis?
  - Retail cannabis stores must get supply from Licensed Producers through MBLL
  - Health Canada regulates Licensed Producers
  - Licensed Producers may want to operate in your municipality
    - It's industrial agriculture
    - It's manufacturing – of dried bud, of oil, and using cannabis by-products (ex.: unused plant in textile production)
    - These raise notable economic opportunity

## Illicit cannabis is in our communities

- One of Manitoba's primary goals is to displace black market cannabis through legalization
- GOAL: Within in 2 years, 90% of Manitobans can access legal cannabis in 30 minutes or less
- GOAL: Within 2 years, legal cannabis has a 50% market share

## Unlike black market cannabis, legal cannabis is tested for:

- **THC and CBD content** (chemicals that produce a high)
- **Aflatoxins** (a toxin produced by black mould)
- **Heavy metals** (ex.: lead, mercury, cadmium)
- **Microbiologic** (ex.: bacteria, yeast, mould, E.coli, salmonella, bile tolerant gram negative bacteria)
- **Staphylococcus, Pseudomonas, Pesticides**
- **Moisture content recorded and visually inspected to ensure it's free from foreign matter**

## QUESTION:

How do – or how can - municipalities support the province's goals around:

- Disrupting the black market
- Access to legal product
- Economic development

while responding to community concerns about youth safety and public health?