

# CANNABIS

## RETAILER

Business Magazine for Canadian Retailers

## BUILDING A GREAT TEAM

Budtenders have a multi-faceted role  
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### Flavours & Effects

Recommending an appropriate dose.  
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There's a huge opportunity to further expand this cottage industry. PAGE 18

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POS systems, secured dispensers & digital signage. PAGE 24

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# CANNABIS

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Summer 2018



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### Building a Great Team

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Recommending an appropriate dose.

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There's a huge opportunity to further expand this cottage industry.



### Implementing New Technology

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# EDITOR'S NOTES

by Mark Glenning

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On June 19th, Canada made history by approving Bill C-45. We are excited to become the first G7 country to legalize cannabis!

The government responded well to concerns from Indigenous communities. Health Minister Petipas Taylor and Indigenous Services Minister Jane Philpott promised extra money to fund Indigenous mental health and addiction treatment programs, a say in sharing revenues and jurisdictional issues, and special assistance in navigating the licensing process. The latter is a problem for any entrepreneur who wants to get their cannabis business off the ground, so we're excited to debut a new column offering valuable advice on the issues surrounding licensing, given by specialist cannabis lawyers.

There is still work to be done before provincial governments will issue retail licences. Keep in mind that what Canada is doing right now is unprecedented. The eyes of the world are not only upon the federal and provincial governments and how they handle the transition of cannabis into the wider society, but also the people on the front line; the entrepreneurs, the producers, and the advocates who are rolling up their sleeves and making all the necessary preparations to make sure that this works.

And it will! While there are high level concerns within government, such as how to split the proceeds of cannabis-related offences, there are other pressing concerns in the field. In this issue, we take a close look at how a licensed retailer

should approach the issue of recruiting staff. There's no doubt that it's tricky; budtenders will be by and large the public face of recreational cannabis, and it's vital that not only do they have the high-level customer service skills that we all expect, but also the deep knowledge of the product that is necessary to guide Canadians, many of whom will be curious and engaging with cannabis for the first time.

Among our regular columns on strains, innovations, and research, we take a deep dive into what you need to know and prepare for as an employer. This isn't solely about what strains are good for a certain health issue; you also need to be up-to-date on the latest legal developments. At the time of writing, it's a tough ask. It's an evolving situation, meaning that it's a minefield for retailers and producers. Along with those responsible for ushering in the necessary legislation, everyone is doing whatever it takes to play by the rules, but there are still a lot of unanswered questions. It's important to know that even when the day of legalization comes, there will still be uncertainties, and as Justin Trudeau said, "Legalization is not an event, it's a process. And that process will continue."

What is a certainty is that *Cannabis Retailer* will continue to bring you the news on the latest trends and developments within the industry, insight into the movers and shakers making a real impact in the sector, and advice from experts on every facet of cannabis. Welcome to our latest issue!

# CANNABIS RETAILER

**Fall 2018**

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**Classification of Cannabinoids** – What are the effects of CBD, CBC, CBN, CBDV, CBG, THC, and THCV?

**Testing Techniques** – How are products tested to ensure they're free of pesticides and mould?

**Connecting with your Community** – What events and activities can you put on to connect with people and other businesses in your neighbourhood?

**Privacy & Confidentiality** – How can you ensure customers' privacy and confidentiality?

# TRENDS

## Grassroots Support For CBD Pet Therapies Fueling Market

by Mark Glenning

You may not realize it, but many users of cannabidiol (CBD) are of the furry four-legged variety. As the market for both recreational and medicinal cannabis for humans is increasing, so is the demand for therapies designed for cats and dogs.

Cannabis products designed for pets do not get them high. They are made from hemp, the stem of the cannabis plant, which is low on tetrahydrocannabinol (THC), which is the psychoactive component that produces the feeling of getting high. CBD is the chemical compound that alleviates pain.

There are billions of reasons why cannabis companies are catching on to the trend. The latest figures show that in 2017, \$17.07 billion were spent on veterinary care, treatments and supplies in the US alone. This figure is estimated to rise to \$18.26 billion this year. Hemp CBD accounted for 19% of total US-based hemp product sales in 2016, worth \$130 million, and it's increasing. The *Hemp Business Journal* reports that Hemp CBD was the lead in channel sales in natural products, and declared that CBD pet care products were a "growth category to watch".

Given the expense of pet medication and veterinary fees, it's hardly surprising that CBD for pets is something that is gaining traction. In Canada, the medical expenses attached to owning a puppy in the first year of its life average at \$710, with kittens costing \$621. Given that both animals can have a lifespan between 15 to 20 years, the numbers soon start to rack up.



If we look at the number of cats and dogs in Canada, it gives us a perspective of the potential market. There are around 16 million dogs and cats in households across the country, which is driving an annual \$5 billion expenditure. Scaling that up to an estimated global number of pets of 350 million indicates a huge potential market to be tapped by companies making CBD therapies.

### What's Driving the Trend?

The gradual acceptance of the medicinal aspects of CBD has fuelled curiosity, and the decision taken by the federal government to legalize its recreational use has helped to legitimize this aspect. While there's little scientific backing to measure the efficacy of the treatment, there is a wealth of anecdotal evidence. This is partly fuelled by the notion that pets have no idea what you're giving them, or what it's supposed to do. The remedies either work or they don't, and the growing consensus of pet owners is that they do.

In some ways, pet owners have followed the word-of-mouth model that has been a feature of cannabis culture for years. There is some evidence to suggest that they have been connecting with CBD producers online and recommending products, which is feeding the trend. Speaking to [hempindustrydaily.com](http://hempindustrydaily.com), Brian Tasker, Director of Sales for Vancouver-

based MYM Nutraceuticals, which makes Dr. Furbaby CBD tinctures, said, "People might have a high-stress, high-anxiety dog, then they give them CBD and within seven days, they're walking with them. It's like a different animal. And people tell everyone they know."

### Attracting Big Players

Although veterinarians are the go-to source for medical advice, at present it's unlikely that they're willing to supply or recommend CBD products, given the lack of studies supporting their efficacy. However, this may change as Canadian producers are entering the market. CannTrust, a leading licensed producer, announced in April that it has entered a letter of intent with Grey Wolf Animal Health Inc. Established in 2015 by veterinarian Dr. Ian Sandler, Grey Wolf is an animal health company focused on licensing products for the Canadian and global markets. According to CannTrust, the partnership will aim to provide pet owners with "a trusted avenue to support the well being of their beloved pets."

Licensed producer True Leaf Medicine is also fuelling the trend with its True Leaf Pet division, which opened in 2015. The company reports that it has experienced "remarkable growth" and its products can now be found in over 1,500 stores in Canada, the US and New Zealand, as well as across Europe.



# Building a Great Team

by Alison McMahon

As Canada's recreational cannabis market goes live, a key part of its success will be the employees that power the industry.

Retail employees have a unique role. They are responsible for the in-store customer experience and for upholding regulations for safe selling. They are the glue between the consumer and the regulatory framework.

This is not your average retail operation and employees, often called budtenders, have a multifaceted role. It's important that business owners train staff to align their vision for customer service and the customer experience. Let's break down the role and look at the various components:

## Regulatory

Staff must be trained in safe and responsible cannabis sales. Upholding these regulations involves checking identification to verify legal age, prohibiting dispensary access to minors, selling in line with possession limits, and not selling cannabis to people with obvious signs of impairment.

## Product Knowledge

In order to be effective, store employees must have knowledge on the wide variety of products available in the store. This will include cannabis products, like flower and oils as well as accessories like vaporizers, rolling papers, and grinders.

However, retail staff will have to go beyond basic product knowledge. The types of cannabis products vary greatly based on their strain and potency. Each strain has different characteristics like smell, colour, and THC:CBD ratio. Strains affect each customer differently, and the method of consumption can vary from inhalation, ingestion, and topical application. Employees will have to educate customers on the potential effects of each product.

## Customer Service

Front-line employees will be responsible for upholding the customer service standards of the store. Budtenders will be responsible for greeting customers and ensuring an authentic experience. The need for strong

communication skills will be heightened in the retail environment, as customers will have varying levels of experience with cannabis. The budtender will need to use terminology that the customer can understand and use questions effectively to tailor the customer's experience.

## Hiring Plays a Role

An important part of building the right team is to hire the right person from the start. Here are a few questions a retail cannabis store manager may want to add into an interview guide:

- Have you ever worked in a regulated environment? Explain.
- What are your interests and/or experiences with cannabis?
- Describe your philosophy towards customer service.
- Tell me about a time you managed a tense customer situation.

## Previous Cannabis Experience

Some employees will come to the table with cannabis experience. This may have been gained through previous recreational or medical consumption, or they may have been employed in the industry.

Previous experience may be beneficial. It may decrease the learning curve for the trainee and offer a base of knowledge to build off. However, previous cannabis experience can also be a disadvantage if the trainee is very set in their opinions of cannabis and those opinions don't align with the messaging of the retailer.

Previous cannabis experience can also be a disadvantage.



Josh and Eitan of Aura Cannabis. Courtesy of Cova

## Training New Employees

In order to ensure the budtender can meet all of these requirements, it is important for the business owner to establish a training plan. It can consist of online training, classroom programs, or custom training programs. The business owner will want to choose programs that are both cost effective and deliver the skills needed by retail cannabis employees.

Any employee entering the industry should have completed "Sell Safe" or equivalent training from their provincial regulator. This will be the cost of admission and ensures employees enter the retail sector with an understanding of the regulatory requirements.

New employees should also receive training on the cannabis plant, cannabis products, and accessories.



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Providing a new employee with a strong knowledge base will be important to the overall success of the store.

In addition to this, trainees need knowledge on advanced techniques to interact with customers. This involves greeting customers, identify if they're interacting with a new or experienced customer, using questions to make product recommendations, describing strains, and closing the sale.

Providing a new employee with a strong knowledge base will be important to the overall success of the store. However, keeping existing employees up to date with product knowledge will be equally important.

### Ongoing Product Knowledge

As new strains enter the market, staff will need to learn about the unique traits of each strain. Other new products will also

be introduced to the store, so training will be needed for those as well. Developing a product catalogue online can provide an easy way for new employees to reference product information.

### Training is a Cost of Entry

Cannabis legalization has high stakes and negative customer experiences can impact whether a customer returns to a store or moves on to a competitor. Training is a cost of entry for retailers; ill equipped staff can quickly tarnish a retailer's reputation, or worse—put them at risk for a regulatory infraction. The best retailers will use training as a competitive advantage to set themselves apart from the competition.

While retail cannabis jobs are often entry-level in nature, front-line staff have a multi-faceted role and are going to be a crucial part of the Canadian cannabis market. Retailers need to have effective hiring and training practices to make sure they are capturing and maintaining market share. ▀

*Alison McMahon is CEO of Cannabis at Work, a leading source in Canada for cannabis jobs, recruitment services, online industry training, and workplace impairment training. The company also writes about industry trends, offers cannabis policy conferences, and speaks at other events.*



# RESEARCH

by Mark Glening

## Could Cannabis Help Reduce Crack Use?

Cannabis has long been misrepresented as a gateway to higher risk drugs such as heroin or cocaine. However, the latest research being conducted points to the opposite being true, and that it can help people with a dependency on such substances to kick their addiction.

Scientists from the BC Centre on Substance Use (BCCSU) recently published a study that expands on their previous work with drug users in Vancouver's Eastside and Downtown South.

They observed 122 people who had a history of crack cocaine use, and reported on the frequency of their intake. It was found that their use declined when self-medicating with cannabis. This is exciting news, especially given that there is no current proven pharmaceutical therapy to treat crack dependency.

It's estimated that there are between 14 and 21 million users of cocaine across the world, with approximately 7 million of those with a "use disorder"; in other words, a clinically significant impairment. These people are exposed to numerous health risks, from cuts and burns from unsafe pipes to highly infectious diseases such as hepatitis and HIV.

### Limiting Intravenous Drug Use

Dr. MJ Milloy, an assistant professor in the Division of AIDS in the Department of Medicine at the University of British Columbia and research scientist at BCCSU, revealed the findings of a related study, saying, "Recently, we looked at the experiences of 450 young people living on the streets and using drugs who had not yet started to inject drugs, and zeroed in specifically on their cannabis use. There were periods where people who were using cannabis at least once a day, and we found that those people were 33% less likely to initiate injection. It was a statistically significant effect when we considered our model of the patterns of drug use such as

age and gender that impact the initiation of injection."

The BCCSU's findings align with smaller studies that have taken place in Brazil, which is experiencing an epidemic of crack cocaine use and is the world's largest consumer of the drug. In one study, 25 crack cocaine users who were seeking treatment reported using cannabis to reduce the urge to use crack. Over a nine-month period, 68% percent of them stopped using the drug.

It's a very encouraging statistic, but Dr. Milloy knows that there is much more work to be done, and sees the impending legalization of cannabis as an excellent opportunity to learn more about the phenomenon.

He said, "One of the first things we did was to ask people about the idea of substitution, as people might actually choose a strategy to use cannabis instead of other drugs. When we started, we thought they would use cannabis instead of opioids. Cannabis, as you know, has an analgesic effect, and we were very surprised when we found that the primary substance people reported substituting was crack cocaine. When we looked further into the data we found that this sort of intentional cannabis use was associated with a decline in crack cocaine use. This was a surprising result."

### How Does Addiction Work?

The team began to piece together the clues as to why this was happening. Many addictive substances set up a feedback loop in the brain, and the first part of it is the pleasure, pain relief, or other subjective effects. For crack, it's a very short-lived euphoria lasting about 15 minutes, and people who are withdrawing can suffer extreme cravings. These can be life threatening and are often the motivation behind increasingly dangerous drug use practices such as sharing pipes or needles.

Dr. Milloy describes how this feedback loop may be disrupted, adding "[Cannabis] interacts with the body by way of the endocannabinoid system which is a way that cells talk to each other. Endocannabinoid molecules help to regulate sleep, mood, hunger and all sorts of things that are reported effects of cannabis. They have cousins in the natural world called phytocannabinoids that are produced by plants. When humans expose themselves to these phytocannabinoids, they hijack the body's internal endocannabinoid system. What we're trying to do is to learn more about the system and harness these beneficial effects."



Dr. MJ Milloy

### Taking Research To The Next Level

The next step in the BCCSU's research is progressing at pace. The team is in talks with a partner in the private sector to start up a clinical trial, which will be a pilot study to see if by exposing people to cannabinoids, they can change some parameters of their addiction. This will include exposing them to cannabis in different ways. If any signals of effect are observed, then the next step will be a bigger study that will involve its subjects randomly assigned cannabis or a placebo.

Does the method of cannabis intake affect how it may help cure addiction? It's part of the puzzle preoccupying Dr. Milloy. He explains. "We're trying to tackle it head on and figure out the variance between individuals. For example, one person may want to use high-powered THC joints, while someone else may want to use high-CBD oils at night. We have suspicions of what methods may work better than others, but we don't have the scientific data we need to plan a trial right now."

Even though the current data is very promising, Dr. Milloy is well aware of the amount of work ahead. He recounted, "I'll never forget a couple of years ago when Dr. Julio Montaner (Director of the British Columbia Centre for Excellence in HIV/AIDS), an eminent researcher and physician who began treating people with HIV and AIDS before we even knew what it was in the earliest days of the pandemic, said to me, 'Cannabis science reminds me of where we were at with HIV 40 years ago. We don't really know anything!'"



# ISODIOL

## A CBD CHAMPION

Most cannabis retailers are familiar with THC and CBD, which are the two most important chemical compounds found in the plant. However, what some people don't realize is that CBD (aka Cannabidiol), is non-psychoactive and is found in abundance in both hemp and cannabis plants.

CBD has been recognized for, among other numerous benefits, its anti-anxiety, anti-inflammatory, and anti-seizure properties, prompting the World Anti-Doping Agency to recently remove it from its banned substances list. The natural molecule is so popular that it is showing up in capsules and tinctures, and is blended into creams, salves, beauty products, smoothies, edibles, and much more.

However, not all CBD products are created equal, and some skeptics, including freelance tech and culture journalist Janet Burns, recently reported in *Forbes.com* that "industry experts have warned that not all cannabis extracts are created equally, purely, or with the same methods of extraction."



Enter Soheil Samimi, one of Isodiol's founding directors and current Canadian president. In a few short years, Isodiol's team has become a global leader in industrial hemp-derived CBD, producing a 99% pure pharmaceutical-grade CBD isolate that is the key ingredient in a popular range of consumer products, which feed an increasingly hungry market for CBD.

### Advancing Phytocannabinoids

"Our mission is to advance the education, regulation, and use of phytocannabinoids through scientific methods, so they become globally accepted as key ingredients in wellness products," says Samimi. "We're setting the standards for bulk compounds, derived from hemp, to have the highest levels of purity, bioactivity, and bioavailability, for the purpose of formulating them into pharmaceutical, over-the-counter, and nutraceutical products that deliver a better quality of life to our loyal users."



The company recently announced what is truly a world's first. In April, Isodiol was granted consent from the UK Department of Health to manufacture CBD isolate under an official API (approved pharmaceutical ingredient) certificate. This puts the company in a unique position to produce and ship the highest-quality bulk CBD isolate worldwide, subject to local regulations.

"This new development sets us apart from all others. The API status speaks to the quality of our derived products, and makes us the go-to partner to supply CBD isolate to anyone seeking to formulate a pharmaceutical grade product, or conduct research or clinical trials," states Samimi. "We will continue to offer the purest products, in the delivery method of the consumer's choice, whether it's in capsules, tinctures, food, beverages, topicals, or other options."

## Leading the Industry

Isodiol is now one of the largest companies in the CBD space, but with that comes the responsibility to keep leading the industry forward for the sake of its customers. With rising requests for CBD-infused products, it may be a struggle for emerging companies to keep up with demand. For more than five years, Isodiol has invested heavily in

infrastructure and extraction capabilities to ensure their future customers can get what they want, when they want it, without supply interruptions.

"Our founders have been passionate about the benefits of CBD, long before it became popular," Samimi shares. "There was a stigma attached to it not too long ago, and now everyone is waking up to the advantages of CBD and other beneficial cannabinoids. This passion has led us to produce innovative new products, including pure pharmaceutical grade isolate and other innovations that directly support the well-being of our customers."

## Partnering with Retailers

Isodiol is currently active in assisting retailers with their plans to offer CBD products to their customer base, once it's legal. This process involves providing the necessary education required to become familiar with the category, as well as customizing the right product mix for each retail partner. With impending legislative changes about to open a wide market for such products in Canada, national supply agreements are already in the works with various partners to address the pending huge consumer demand.

"We like to be hands-on with our retailer partners and assist them carefully through the launch of this new category of wellness products," Samimi enthuses. "Not only do we have the ability to supply them with adequate manufacturing and distribution of our industry-leading line of Isodiol branded products, we also work with retailers to produce their own private label CBD products. We truly believe we're the best partner for both the national chains and also specialized local retailers seeking to enter the CBD market."

Isodiol is focused on providing users with the very best products in the CBD industry. This passion drives us on a day-to-day basis, and it's a great feeling to know that our products have the potential to help people in their everyday lives."



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# Cannabis Flavours and Effects

by Adam Earl

## Recommending an Appropriate Dose

Part of the responsibility of being a licensed cannabis retailer is having the ability to inform your customers on how to dose themselves with a particular product in order to get a desired effect. This is harder than it sounds; we don't know exactly how cannabis works on the human body, and things are complicated by the sheer range of strains and the different ways to consume them. The key to directing your customers lies in knowing what they want from their experience, and understanding how the different compounds found in certain plants can help achieve that experience.

There are many forms of cannabis intake. The effectiveness generally depends on the individual and oftentimes how comfortable the participant is in their surroundings; a calm, relaxing space at home is conducive to a positive experience.

There are many factors to dosing other than just seeking strains that are high in the dominant cannabinoids THC or CBD.

Terpenes are aromatic molecules of cannabis and are responsible for the fragrant smell and taste of the plant. The combination of terpenes and the therapeutic uses of cannabinoids interact with the body's endocannabinoid system, and can improve the absorption of cannabinoids, assisting them in a number of ways.

## What Factors Affect Dosage?

Many experienced consumers have come to find that taste and smell can and often do affect the experience. Becoming aware of the different terpene profiles in cannabis and their effects can help customize the overall experience. As with anything else cannabis related, you could always consume more to achieve the desired effect. However, unlike any other substance, the effectiveness of cannabis can decrease at an individual level once you've reached the 'Goldilocks zone' of dosing. This means that each individual may have a particular dose range. For many cannabis users, less can be more. The same amount of cannabis can produce opposite

effects in different people, so it's important to know your expectations before advising your customers.

There are many ways to consume cannabis, but we'll focus on the general properties and characteristics that the basic plant possesses. There are many ways to partake, ranging from smoking and vaporizing, to infused edibles and even topical rubs. Each method may produce varying effects, even with the same strain. For example, smoking from a water pipe will produce a much stronger, faster effect than ingesting an infused edible. Be mindful of limits and recommend that customers start out slow.

## A Primer on Terpenes

There are over 400 compounds that are active in the cannabis plant, but there are nine dominant terpenes, which we'll examine.

There are three basic types of cannabis plant: sativa, indica, and hybrid. Sativa strains are typically more energizing and



stimulating, so best for dosing during the day. Indica strains have a sedating effect on the body, producing a less bright, euphoric sensation in the head. These strains tend to be relaxing, so best for evening and nighttime. Hybrids are a combination of these plants with varying lineage that are bred to have the best effects of either their sativa or indica parents.

Hybrid strains contain the terpenes Limonene and Linalool. Limonene is the second most abundant terpene. It resembles lemons and often has a very citrus-like smell. Limonene has been known to improve mood and reduce stress and is found in many strains with the word “lemon” or “sour” in the name. Linalool tends to be responsible for cannabis’ distinctive aroma, with spicy and floral notes present

## The combination of terpenes and the therapeutic uses of cannabinoids interact with the body’s endocannabinoid system.

Sativa strains contain many flavourful terpenes like Alpha-Pinene and Beta-Pinene, responsible for the pine tree-like aroma found in Jacke Herer and Dutch Treat. These strains, and many flavoured versions like it, are great for upbeat energy. More importantly, these terpene properties typically produce focused, calm energy without the accompanied rushed or anxious feeling that can be attributed to some heavier sativa strains.

Indicas contain flavours rich in Myrcene, the most abundant terpene in cannabis and is mostly described as the earthy and musky notes of the plant. Myrcene is usually responsible for the heavy body and sedative effects, and can be found in such strains as Skunk, MK Ultra, and White Widow. Strains heavy with Myrcene are great for nighttime relief and relaxation.

throughout the plant. The flavour profile of Linalool can be found in other spices like lavender, mint, cinnamon, and coriander. Linalool has been found to be very relaxing and sedative.

Best known for its spicy peppery notes, Caryophyllene is a terpene found in many spices like cloves, basil, and oregano. It can be calming and relaxing for the joints and the body in general. Some strains high in Caryophyllene can make the user energetic and happy. Popular strains with Caryophyllene include Skywalker and the brighter, more euphoric Super Silver Haze.

Similar to chamomile, Bisabolol has a floral scent and can also be found in candeia trees. While it’s recognized to calm the body, it focuses the mind. Alpha-Bisabolol can be found in strains like Harle Tsu and Blue Power.




Also known as cineole, Eucalyptol is the main terpene of eucalyptus and has cool, minty tones. However, this terpene is rare and few strains contain it in large amounts.

energizing and can be found in strains like Pink Kush, Stardawg 91, and Calyx OG.

Another terpene that deserves an honorary

### Why Should you Start Small?

Ultimately, it's best to be cautious when advising your customers, and starting with small amounts, especially with concentrates such as shatter, is necessary. Although you will always be adding to your knowledge of different strains, the way a person's body processes cannabinoids and terpenes depends on their own biochemistry. Everyone is different and the old adage 'different smoke for different folk' rings true. Finding a balance is key, and with the knowledge of cannabis flavours and potential attributed effects, you can advise your customers about dosing with confidence. ▀

 The same amount of cannabis can produce opposite effects in different people.

It's great for relaxation, and can encourage an overall happy feeling. Eucalyptol can be found in such strains as Headband and Yoda OG.

Humulene has a profile like hops and its aroma contains woody and spicy notes. It tends to be

mention is Camphene, best described as having the aroma of fir needles, musky earth, and damp woodlands. It can be found in strains like Ghost OG, Strawberry Banana, and even Mendocino Purps, and can be characterized as inducing a feeling of happiness, but can make the user feel flushed.

# STRAINS

by Mark Glenning

One of the big problems faced by licensed retailers is that of recommending the right strain to suit your customer's needs. Their names sound colourful, creative, and even funny, but how many of them are there?

The answer is not as straightforward as you might think as cannabis growers everywhere constantly experiment with creating new strains. Leafly, which is the largest cannabis website in the world, lists 2,494 at the time of writing. These include strains that are well established and can be found in lots of stores, but it also includes many that are obscure and harder to track down. Things get more complicated when you understand that new strains pop in and out of existence all of the time. A licensed producer may create a new strain and give it a catchy name to market it. If it becomes popular, its legitimacy may be recognized, but if not, it may quietly slip away, never to be heard of again.

Breeding new strains is a big part of cannabis culture, and amateur growers also experiment in bringing out certain combinations of cannabinoids. Although they never make it to market, unique strains may still exist in the black market.

Let's take a look at some of the more popular strains currently available:

## L.A. Confidential

A pure Indica strain, L.A. Confidential has won many awards including High Times Strain of the Year. It was created by DNA Genetics Seeds and is a cross of pure Afghani Indica and O.G.



LA Affie. It's known for its hardiness; it can be grown indoors, outdoors, or in a

greenhouse. It's resistant to mildew and can be forced to flower at a height of around a meter if it's clipped early on. With a growth cycle of seven to eight weeks, it can yield 300–500 grams per square meter. It's notable for a smooth taste and piney aroma.

Being an Indica, it's renowned for inducing strong waves of relaxation and calm euphoria. It's recommended for evening or nighttime use, as it can be effective against insomnia, and is a good choice for those who have loss of appetite and nausea. It's an analgesic, and so is good for treating chronic pain such as arthritis, and some users may find that it helps with depression, stress, and PTSD.

Few people find that it has any cerebral effects, and some of the negative reactions that users may experience are dry mouth and eyes, paranoia, dizziness and headaches, especially with a higher dosage.

The average THC content of L.A. Confidential is around 18%, but it has been tested as high as 25%, with CBD levels around 0.21%.

## CBD Shark

CBD Shark is an 80% Indica, 20% Sativa hybrid. It's lineage and genetics are a closely guarded secret, but it's thought that it's a cross between an unknown CBD-rich plant and Shark Shock,



an extremely strong strain that is known for causing an intense "stone". On average, it takes between seven and nine weeks to flower.

It features an aroma of sweet fruit, with herbal and pine notes, and earthy garlic and herbal tea aftertastes. Appearance-wise, it features dark green buds with rich orange

hairs and amber undertones. Its effects include making the user euphoric, relaxed, focused, and hungry. It boasts powerful pain relieving qualities and can be used to treat chronic conditions such as multiple sclerosis, anxiety, gastrointestinal disorders, inflammation, and arthritis. It's an ideal everyday strain that promotes relaxation and relief, with a mild sedation that allows the user to remain completely functional.

The negative effects reported consist mainly of dry eyes and mouth, with very few reports of it inducing anxiety and paranoia.

CBD Shark aims to produce a 1:1 THC to CBD ratio; in short, it's suited for people who want relief from pain, but don't want a cerebral high.

## Thin Mint Girl Scout Cookies

Thin Mint GSC is a phenotype of the highly regarded Girl Scout Cookies strain, and is a hybrid of Durban Poison and OG Kush. This impeccable lineage makes for a very potent,



near 50/50 balance of Indica and Sativa. It can reach nearly two meters in height and takes between 10-12 weeks to flower. As the name suggests, it has rich mint flavours and aromas, with sweeter notes of spice and vanilla.

Some tests have placed this strain's THC levels at 24% or more, which is very high. Conversely, its CBD levels are too low to recommend it to people who have disorders than can be treated with cannabis. The high experienced includes mental and physical effects, such as an uplifting physical buzz, strong hunger, mental relief, and a powerful creative boost with psychoactive sensations.



# medigreen

PLANT BASED MEDICINES

If cannabis is one of the fastest-growing industries in North America, then the cannabidiol (CBD) category is the gasoline that fuels its engine. CBD is the second most prominent cannabinoid found naturally in cannabis and hemp plants.

Fittingly, and with a background in the automotive sector, Jay Dadrass now drives product development and operations for Vancouver-based MediGreen, an emerging company that works to provide consumers with premium CBD and other plant-based medicines.

“Our real mission is to educate consumers with the goal to provide effective wellness products, while continuing to remove the negative stigma associated with cannabis and cannabis derivatives,” Dadrass states. “We truly believe that plant-based medicines will be the future of holistic wellness, as it was for thousands of years, and will be again.” Indeed, late last year, the World Health Organization, a specialized agency of the United Nations, tabled a report that concluded, “In its pure state, cannabidiol does not appear to have abuse potential or cause

harm.” While falling just short of endorsing it for medical use, the report went further to say, “Initial evidence from animal and human studies shows that its use could have some therapeutic value for seizures due to epilepsy and related conditions.”

## Industry Innovations

From a retail and consumer perspective, all of this sounds promising, especially as Canada’s forthcoming *Cannabis Act* will likely re-classify CBD as a nutraceutical, which may place CBD products





in grocery stores and pharmacies. MediGreen was one of the first Canadian companies to introduce CBD to the marketplace and it continues to innovate with new CBD products sourced from around the globe through its manufacturing partner Isodiol. Such innovations include the incorporation of new technologies, such as nano-emulsification, which helps increase the bioactivity and bioavailability of CBD in the body.

## Educating Customers & Trade Partners

"As a vertically-integrated manufacturer, distributor, and wholesaler, we actively work to educate customers and our trade partners about the potential benefits of CBD," Dadrass shares. "We work with retailers to empower and train their sales teams, taking every opportunity to get the word out. It's been great to see the gradual increase in awareness of CBD as a medicine within mainstream consumer consciousness."

MediGreen's most popular products include its CBD oil tinctures and daily capsules. That being said, the company's objective is to provide a full range of SKUs for all tastes and to be established as a central distributor for all categories of CBD products.

## CBD's Role in our Bodies

"CBD is already created through our endocannabinoid system, making it one of the most naturally-occurring chemicals within the human body," explains Dadrass. CBD is incredible—it provides communication between a host of cells and systems that regulate certain cells, which defend the body. For example, if you are injured, CBD helps direct cells to the injury site to regulate inflammation."

Dadrass suggests that modern pharmaceuticals act at the symptomatic level, while CBD performs at the systemic level to promote homeostasis, bringing the body to balance.

"Research is being conducted across the globe and there will soon be many more clinical studies available to support the already vast amounts of anecdotal evidence," he explains.

## Launching New Products

Based on that same research, MediGreen will continue to launch new products to Canadian retail in the coming months. Among these offerings will be a new line CBD oil tinctures. These products will be based on full spectrum CBD hemp oils with unique phytocannabinoid composition, blended

with a proprietary mix of organic herbal extracts and terpenes (aromatic chemicals).

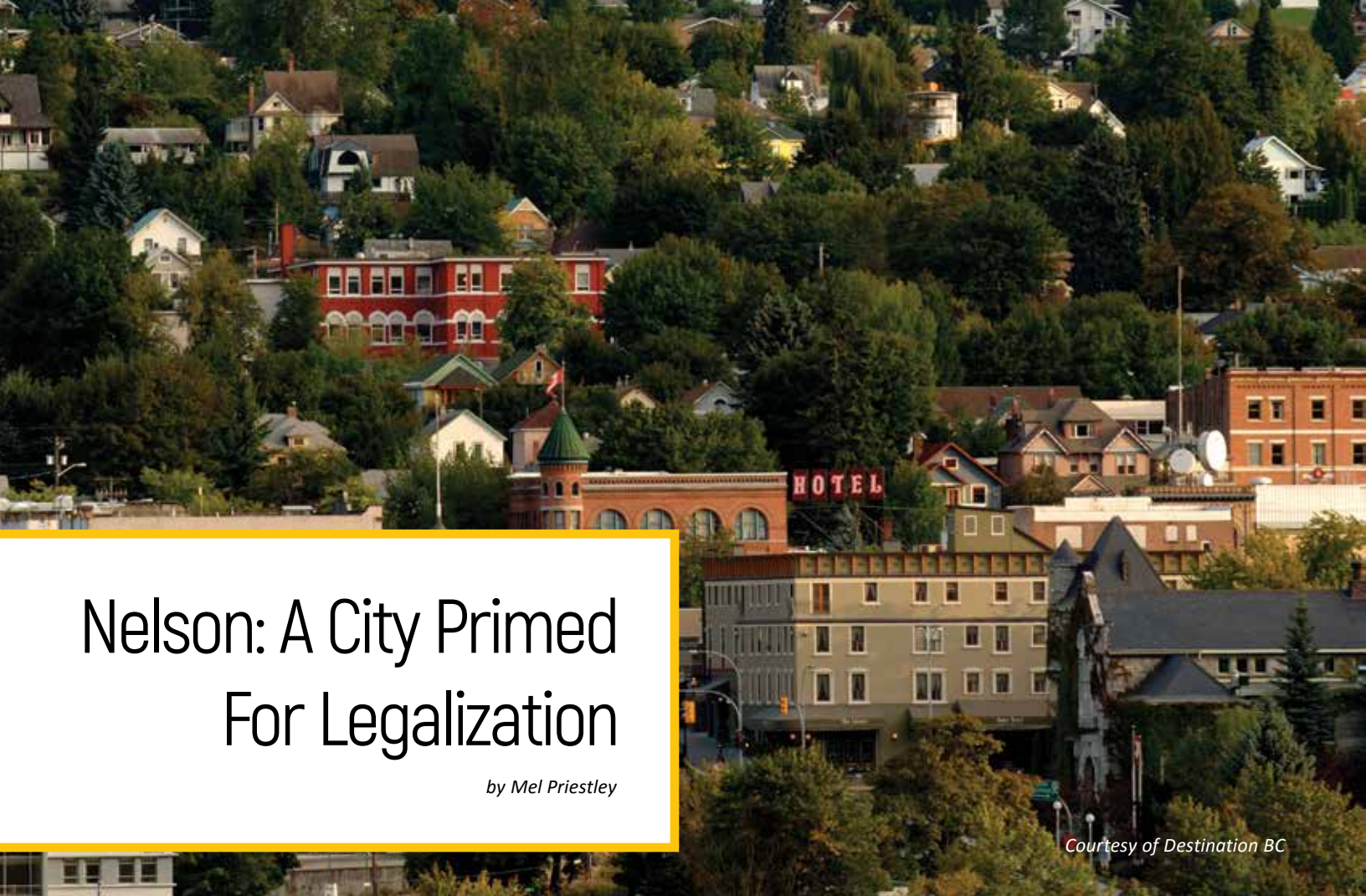
The MediGreen team is a dedicated group of professionals who are focused on bringing high-quality and effective plant-based medicines to the Canadian retail marketplace. They take pride in working with reputable suppliers, who work with high-CBD, non-GMO, organic hemp strains. All products are THC-free and lab tested to be free of pesticides, heavy metals, and mycotoxins.

"The most enjoyable part about working with MediGreen and its many retail partners, is being a part of the social mission," Dadrass concludes. "We strive to provide Canadians with the most affordable, high-quality CBD and other non-psychoactive phytocannabinoids in the marketplace."

"I'll admit that I hesitated to join the industry at first, but as I educated myself on the science and observed the first-hand results from people using our products, I couldn't deny that CBD is a game-changing product," he admits. "I quit my day job in R&D in the automotive industry and haven't looked back since!"

For more information, visit [www.MediGreen.ca](http://www.MediGreen.ca)





# Nelson: A City Primed For Legalization

by Mel Priestley

Courtesy of Destination BC

The Kootenays have become a hub of cannabis production and distribution, with the city of Nelson at its heart. Cannabis is integral to its identity, and is a major contributor to the local economy. The impending legalization of recreational cannabis heralds significant change for the area, both positive and negative: there's a huge opportunity to further expand this homegrown cottage industry, but the changes also put the area in a vulnerable position.

David Robinson is one of Nelson's cannabis experts. Known as the "Garden Sage", Robinson came to Nelson in 2003 and opened a location of Pacific Northwest Garden Supply, a BC-based chain of hydroponic retail stores. Robinson has been with the group since 1996, previously managing their head office in Surrey. He's the director of the Craft Cannabis Association, a non-profit advocacy group working on behalf of the rights of small cannabis growers and producers. He also published a book in 2010: *The Grower's Handbook: Teachings of the Garden Sage*.

Robinson has watched Nelson's cannabis industry evolve significantly over the last 15 years. "This is a very unique place," he says.

"There are third generation growers here. It is 100% part of the identity of the area."

Nelson has an extensive network of producers and processors: Robinson estimates that upwards of 10% of the area's population is

There's a huge opportunity to further expand this homegrown cottage industry.

## The Rise of Kootenay Craft Cannabis

There were a handful of hydroponic stores when Robinson first arrived in Nelson, but his store is the only one remaining. He attributes this to the level of professionalism and expertise that he brought to the marketplace. "They were charging a lot for the products, really too much, and they weren't giving good service," Robinson explains. "They weren't really professional. It was one of those circumstances where you could just put anybody behind the counter and still make money... When you come into a situation where the public has not experienced that level of professionalism and service, it really gets the public's attention."

employed in some aspect of the cannabis industry. "When I came to this town, there were a lot of gardening methods that were being used that were not necessarily the most sustainable and consistent ways to produce high quality crops without the use of pesticides and fungicides," he says. "So I coached the community into some more solid, practical and productive gardening practices, which then slowly seemed to multiply and multiply over the years to the point where Kootenay craft cannabis is highly demanded."

## A Plan for Processing

Outdoor growing of cannabis has its advocates in the form of the Kootenay

Outdoor Producer (KOP) Co-op. Todd Veri has been its President since 1997 and was a small grower of cannabis from 1998 to 2001. Since 2017, he's been the President of the KOP Co-op Board of Directors, which includes representatives from Kaslo and Salmo as well as Nelson. The Co-op seeks to promote economic development in the area, and create well-paid seasonal jobs.

Veri describes, "Our larger farms are about a hectare with about 1,700 plants with the potential to reach over three meters in height. We'll send in our people with clippers, scissors, and scanners. They'll break the plant down into large buds and small arms that they can pack up into containers in the field. The stalk will be left. The large fans—the classic pot leaf—don't have much THC so they'll be composted on site. What will be left are the branches with the buds so we "debone" them, or disconnect the buds from the stalk and drop them into a tote. This will be scanned then taken back to trimmers waiting at the facility. They will physically separate the large buds, trim them with scissors then dry them. They're then weighed.

"At that point, the crop is separated. Anything hand trimmed goes to the "smokables" side. Just before it's almost dry, we "sweat it", or bring the last of the moisture out in a way that increases the smokability. The "extractables", the trimmed leaf and small buds, are dried out completely.

"We'll now have our small buds and containers of trimmings. Most of that goes to CO2 extraction.

"After extraction, you're left with cannabis oil, but that's not the finished product. If you use indoor bud then that oil is close to 100%



Courtesy of David Robinson.

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Courtesy of Destination BC

THC. If you use bud grown outdoors you have 50-60% THC per gram of oil. There are other things in it such as wax, which doesn't have to be cleaned if you're going to make edibles, but they do if it's for smoking. Now you have the base ingredient for processing oils or other extracts. If you want to sell the oil, it can be no more than 30% THC, so it has to be blended with a carrier oil."

"There are also some other products such as bubble hash. With that, you freeze your dried product then extract it with water.

"Council decided to put in some temporary regulations and put a lid on any additional expansion until it was legalized and we could go through a proper public consultation and hear from the public on what they would like to see happen, where these stores should be located, and all those type of questions," Cormack explains.

The citizens of Nelson are quite amenable to the cannabis business. The city sent out a survey to every household and brick-and-mortar business a few months ago asking for input on the issue. Cormack notes that

There has been no decision yet on what will happen with the medical dispensaries.

### Allowing Transition to the Legal Market

While legalization will open up new market opportunities for retailers, Robinson also feels that Nelson's cannabis industry is in a very vulnerable position right now.

"What I'm really about is supporting the transition of the industry pioneers to the newly emerging licit market," Robinson says. "The reason that we're under threat is [that] if provisions are not made to allow these pioneers to transition to the licit market, there could be some really serious economy crashes in small towns like this.

"The licensed [medical] producer designation is really something mostly for big business," he continues, noting that it can cost hundreds of thousands of dollars to become a licensed grower. "That's why I volunteer my time for the Craft Cannabis Association as the director. We feel that we have made a difference because the government came out with the micro-producer regulations."

Cannabis is intimately connected to the history and economic prosperity of Nelson and the surrounding area. As the industry transitions, individuals and organizations on both sides will need to work together to ensure prosperity for all.

"We're hopeful that this is going to be an inclusive marketplace," Robinson says. "But we still feel that there's a good chance we're going to need to continue letting them know what we need, and what's right, and how to shape the future so that the right people can be involved." ▀

70% felt that retail cannabis stores in Nelson were appropriate.

### An Accepting Community

Kevin Cormack, Nelson's city manager, confirms that the city is not accepting any applications for recreational cannabis retailers until the BC government establishes their provincial regulations. After that, Nelson will finalize its policies and rules concerning business licensing, zoning, and other bylaws.

A number of medical cannabis dispensaries have popped up in Nelson, to the point that the city put a moratorium on any new locations opening. The city also instituted a bylaw for those dispensaries and charged them a \$5,000 licensing fee, which is significantly higher than the average business licence (Robinson pays less than \$200 for his). Technically, these dispensaries are operating illegally; it takes considerable time and expense to shut such operations down.

the response rate was 30%—phenomenal for surveys of this type—and the majority of people were in favour of cannabis retail stores.

"There was a strong community desire for it and that included people who used or didn't use cannabis," Cormack says. "The tolerance was there that they accept it and it's not an evil... 70% felt that retail cannabis stores in Nelson were appropriate, and probably about the same amount also felt that, similar to liquor stores, there should be a cap on how many are allowed."

There are currently four liquor stores in Nelson. While he emphasizes that nothing has been decided yet, Cormack says it seems likely that there will probably be about the same number of recreational cannabis retailers.



# Edmonton Awarding Licences by Lottery

by Mark Glenning

For potential licensed cannabis retailers in Edmonton, the success in gaining a licence will not just be down to how quickly they submit their applications, or how diligent they are in ensuring they meet all the requirements. It seems that Lady Luck will ultimately decide their fate.

Edmonton council's urban planning committee voted on May 22 to introduce a lottery system to award applications, instead of granting them on a first come, first serve basis.

As part of this system, applicants are required to submit an expression of interest, requiring no fee. The order in which their paperwork will be processed will be decided at random in late June.

Councillor Michael Waters, chair of the committee, explained that due to the surge of interest in applications, a luck-of-the-draw approach was a reasonable way to create a sense of fairness in creating a queue.

The city administration pointed out a number of factors that could prove to be advantageous, such as every application having an equal chance of being the first to be reviewed.

Certainly, it puts smaller companies on an equal footing with larger corporations with more resources. The council's report also highlighted the fact that it would reduce wait times and lineups at the Edmonton Service Centre, as it was anticipated that employees could have been overwhelmed when the application process opened up.

## Is it Fair?

On the other hand, it could prove to be a grueling process, with companies that have no current investment in the industry receiving a permit ahead of those that have already gone through the AGLC's costly application process.

The decision has not gone down well with some businesses. As the system introduces a note of uncertainty, it could harm investment in the industry, and there have been calls that only applicants who have applied via the AGLC should have eligibility to enter the lottery, as this would reduce the risk for companies that have already invested time and money, and would also reduce the number of applications the city has to process.

The AGLC started accepting applications on March 6 and has received more than 600 applications province-wide as of mid-June.

Currently, provincial zoning laws require a distance of 100m from healthcare facilities and schools, and 200m between cannabis retail locations. Early in May, the urban planning committee voted to charge an \$8,100 startup fee for shops as well as a \$5,600 permit required for development and a \$2,500 annual business licence fee that will be applicable to every retail location, processing facility, and cultivation site.

The AGLC applications themselves cost \$4,100, and should list shareholders, directors, officers, managers and associated businesses as well as floor and site plans. All applications are listed by the AGLC for three weeks, and during this time other businesses that could be affected can lodge an objection.

All in all, a prospective cannabis business owner can expect to pay nearly \$10,000 and not be approved. It's a high risk for smaller shops.

An independent body will conduct the lottery to ensure fairness, at a cost of around \$50,000. ▀

# Delta 9

by Mark Glenning



The origin of Delta 9 is a story that many people who have discovered the medicinal qualities of cannabis can relate to. Based in East Winnipeg, the company was founded by father and son team Bill and John Arbuthnot in 2012 amid a convergence of events that would prove to be highly influential. John had originally created a university project that was a plan for a cannabis business. He and his father had been discussing the creation of a cannabis company for years, as Bill's first exposure to it was seeing the beneficial effects that medical marijuana had on a close relative that was experiencing a serious illness.

It wasn't until the government decided it was going to revamp the Canadian medical cannabis program in 2013 that things started to gain traction. Delta 9 received a license to cultivate in December of that year, and then one to sell product in March 2014. Two months later, the company had sold its first batch to medical patients.

## An Innovative Approach to Cultivation

Since then, the company has firmly established itself in an 80,000 sq. ft. production facility, and uses a proprietary Grow Pod system. Marshall Posner, VP of Sales and Marketing, explains, "Grow Pods are 40-foot shipping containers that have been completely retrofitted. They're essentially turnkey grow rooms, and they're standalone units that can be "plugged in" when they're ready to go. Each one holds about 250 plants. We grow hydroponically and each room has its own self-contained climate controlled system, along with CO2 pumps and lighting. They produce 6,300 grams of product every two months depending on the strain."

Al Roney, VP of Retail Operations, adds, "The temperature and CO2 levels are adjusted in each Grow Pod to move the plant from growing into flowering. This produces a consistent and predictable crop. It

turns it into a method of production instead of just growing a plant. The pods feature hospital-grade interiors and are highly sanitary as cleanliness is a huge part of what we do. It helps us to control any problems that may occur."

If there was a problem with a batch, only those plants inside a Pod would have to be destroyed as opposed to a whole grow room. It's a smart way of mitigating the risks involved. Another advantage to the approach is that it makes it easier for the company to grow. Al says that it didn't originally form part of Delta 9's business plan, but it has become an important part of the growth strategy.

Recently, Delta 9 announced that it had entered into a deal with Westleaf Cannabis Inc. to acquire the property adjacent to its current location in Winnipeg, adding a further 80,000 sq. ft. to its capability. It's a big step in expanding the company's footprint, and it plans to use the space wisely. Posner explains, "Since we use Grow Pods, we capture quite a high percentage of the overall space for production. A normal cannabis company that uses the "sea of green" method would likely use 40,000 to 48,000 sq. ft. of an 80,000 sq. ft. facility as actual production space. We would use 65,000 to 70,000 sq. ft., because we stack the pods three high in some cases."

## Perfect Timing

The expansion comes at just the right time. In March of 2018, Delta 9 entered into an agreement with CanPharma GMB to export medicinal cannabis to Germany. Under its terms, it will ship a minimum of 480 kilograms of cannabis per year over to the continent, and there exists the potential to supply more for the expanding market; when medicinal cannabis was legalized in March 2017, only 1,000 patients were granted access to it by the German government. At the beginning of 2018, that figure had increased to 30,000 and is expected to keep climbing.



## Entering the Brewing Industry

The company has its sights set beyond cannabis though, and recently announced that it has teamed up with the Fort Garry Brewing Company to produce a hemp beer, which will be sold across Canada. With alcoholized and non-alcoholized versions hitting the market, neither brew will contain cannabis or a psychoactive agent, but will be infused with hemp seeds provided by Delta 9. The products are expected this summer in time to mark the expected legalization of cannabis. John Arbuthnot comments, "Combining our joint expertise will allow us to provide some really innovative beverages for customers from coast to coast."

## Combining Family and Corporate Cultures

According to Posner and Roney, the Arbuthnot family takes a hands-on approach to management, and this has kept the family feel of the company intact as it continues to expand from its humble beginnings. Posner provides an insight into the early days of Delta 9, saying, "It started out small, and the industry as a whole didn't look the same way as it does now. The industry has evolved and matured quite a bit over the past four years, but so has the company. We started out on a shoestring budget out of necessity, but we've continued to grow and build our infrastructure to become a good sized company."

Some things stay the same though. Roney says that Bill and John work every day in the production plant, and adds, "They're very hands on and their family values towards customers have transitioned into the corporate culture. They're ingrained in the organization, and the people who work here share those values. We're a Manitoba-based company, and there's a lot of pride in that."

## Beyond Legalization

Delta 9 recently entered into a letter of intent to supply Pharmasave with medicinal cannabis. The chain has around 650 locations across Canada, but Delta 9 has plans to open its own stores. Posner sets out the company's plans, saying, "As soon as the federal government gives it Royal Assent, we're hoping to roll out 18 to 20 recreational cannabis stores of our own across the province that will enable us, as a producer and retailer, to bring fresh product right from our grow rooms, grown by Manitobans to Manitobans. We've also submitted an application to open retail locations in Saskatchewan."



Raising public awareness about cannabis is also high on the agenda. The company has already held education sessions about some of the more practical elements of cannabis culture, including homemade edibles and topicals, and how to pick the right vaporizer for your needs and your budget. As public safety is high on the government's agenda, so it is for Delta 9. Posner sums up its attitude, adding,

"We're going to teach people a lot of different things about cannabis. It's all about the safe, healthy, responsible use of the product and that's absolutely what our values are and what we want to offer our customers." ▀



# Implementing New Technology

by Rebecca Hardin

If you want a successful recreational cannabis retail business that will stand the test of time, you will need to stay ahead of the competition by implementing the best technology possible throughout your store. Getting it right at the beginning will allow you to adapt quickly to industry changes relating to compliance regulations, consumer shopping experiences, and inventory management.

## Compliance and Security

As stated in *A Framework for the Legalization and Regulation of*

*Cannabis In Canada* by the Government of Canada, shopper and retailer safety and security is a top priority. To name a few, there will be regulatory requirements such as maximum grams sold per person, age restrictions to ensure no minors gain access to products, and proof that the products being offered are from licensed producers only. Technological systems such as ID scanners, security cameras, and secured dispensers can be implemented to manage this compliance and enforcement efficiently.

Secured dispensers are commonly known for monitoring tobacco, but they are translating to cannabis inventory management where



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**CANNABIS LICENSING & DISPUTES**

MJB Lawyers has been watching carefully as the new cannabis rules evolve from the Federal Government, Provincial Government and Local Governments around the province.

Dennis Coates, who has specialized in liquor licensing and enforcement matters for the past 25 years, will continue to apply this expertise as it relates to cannabis marketing and retailing in B.C.

If you require assistance with any stage of the cannabis licensing process, MJB Lawyers can help.

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prepackaged items can be securely dispensed by budtenders only. They verify that customers are legally allowed to make a purchase and process the sale via the point-of-sale system (POS). Then the secure vend machines dispense the packaged product

it offers inventory management such as barcode conversion. At the point of sale, you can automatically keep track of expiration dates, test results, and product recalls, all through a single interface.

Seed-to-sale tracking also assists in all

## Your POS must offer seed-to-sale tracking via radio frequency identification barcodes.

with the push of a button. These systems fit under counters or can be located in the back of the house to offer a central distribution point. We don't know yet if they will be permitted in every province until the final regulations are determined, but retailers are testing the capabilities of these machines now to determine their viability. The bonus of secured dispensers is that retail space is maximized to enhance the shopping experience by incorporating all inventory into a safe and secure system that is only accessed by authorized individuals.

### POS Systems and Seed-to-Sale Tracking

The most important technology to consider is your store's POS system. It will tie into the customer's experience and business operations, such as inventory management. Select a robust, adaptable, and high performing POS that has been created to specifically manage cannabis retail sales. These systems will use either on-site servers or cloud-based technology that stores data in a safe and secure way. If you're considering multi-unit retail store locations, cloud-based data storage is highly recommended because it offers further product purchasing flexibility, multi-unit analytical reporting, and scalability for further locations.

Your POS, must offer seed-to-sale tracking via radio frequency identification (RFID) barcodes. Seed-to-sale tracking offers the ability to monitor every stage in the product's cycle. It allows for the monitoring of plants and includes strain notes about potency and genealogy, crop yields, and nutrient and watering cycles. Through the processing and manufacturing stages,

facets of compliance. You will have access to transport manifests, track how near the purchase limit your customers are in real time, keep an account of waste and moisture loss, and even ensure that you have compliant labels that have been customized with your own branding.


Hardware integration, such as wireless scanners, can streamline your store's workflow by tracking every action and updating information in real time.

Your POS should also be at the heart of customer analytics. Out of the box, a good seed-to-sale system will provide automated reports including financials, sales, purchasing, and human resources.

An important feature to look for is that of accessing your POS by any Internet-enabled device. Not only can you manage your store on the go, you can also save money by not having to purchase expensive, specialized hardware.

### Consumer Shopping

In order to be competitive, stores need to elevate the guest shopping experience. Customers need to feel comfortable and safe in this emerging and unique shopping environment. When planning décor and layout, some storeowners are implementing digital signage into their locations to further drive education and awareness. Digital signage allows for consumers to obtain real time product information, including images, inventory levels, usage details, and CBD and THC content along with pricing. It enhances the shopping experience while allowing customers to take in information at their own pace. It can translate into additional



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revenue for storeowners, as customers make purchases based on knowledge and experience.

In addition to digital signage, retailers are implementing in-store tablets that are linked into the POS system. Customers can search and learn about strains while they're in the store and budtenders can make sales on the tablets.

### Invest Wisely

Be sure to do your due diligence and find the best provider for your business needs. Look for an established company that has a solid track record for providing customer service. As a cannabis retail storeowner, you will need to invest wisely in your POS system along with other complementary hardware and software. Ensure your purchase aligns with your company vision, both now and into the future. A good provider will work with you to understand your business requirements, and they will be willing to demonstrate how their system is suited for your needs prior to purchase. Ongoing support is often offered and a collaborative long-term relationship can be built as your business grows in this exciting new industry.

Implementing key technologies into your store is critical. As the market evolves, it's reasonable to assume that both the provincial regulations along with consumer shopping behaviours will change over time. When making decisions about which technology you will adopt, be sure it is something that can adapt to these aspects of your business. Ultimately, technology should enhance your store and give your team the ability to focus on your customers' needs. ▀

Visit [CannabisRetailer.ca](http://CannabisRetailer.ca) for articles, trends and research to help you set up and run a legal cannabis store in Canada.

The image shows a screenshot of the CannabisRetailer.ca website. At the top, the logo reads "CANNABIS RETAILER Business Magazine for Canadian Retailers". The navigation menu includes: NEWS, PROFILES, INNOVATIONS, MAGAZINE, ADVERTISE, ABOUT US, CONTACT, a search icon, and a "Subscribe" button. The main content area features a grid of article thumbnails with titles such as "EDMONTON AWARDED LICENCES BY LOTTERY", "SASKATCHEWAN SELECTS RETAILERS", "SENATE VOTES YES TO LEGALIZED RECREATIONAL CANNABIS", "MARKETING YOUR STORE - A CASE STUDY", "BC CANNABIS STORES", "BC GOVERNMENT STORE BRAND UNVEILED", and "SASKATCHEWAN ACCEPTING WHOLESALERS". To the right, a "LATEST ARTICLES" section lists: "BC INTRODUCES LEGISLATION", "THE PATCHWORK OF PROVINCIAL CANNABIS RETAIL RULES", "INDIGENOUS COMMUNITIES GET INTO CANNABIS", "WHAT ARE CANADIANS PAYING FOR CANNABIS?", "SECOND CUP & NAC ALLIANCE", and "ALBERTA AMENDING ACT". Below the main grid, there is a featured article preview for "INSIDE SPRING 2018" with sub-sections: "SELECTING A LOCATION", "SETTING UP YOUR SUPPLY CHAIN", "BRANDING", and "DESIGNING A STORE". To the left of this preview are two magazine cover thumbnails for "SPRING 2018" and "2018 midfall". To the right is an advertisement for "ACTION RETAIL OUTFITTERS" with the website "WWW.ACTIONRETAILOUTFITTERS.CA". Below the ad is an "ARCHIVES" section with links for "JUNE 2018", "APRIL 2018", and "MARCH 2018".

## Applying for a Non-Medical Cannabis Retail Licence in BC

With so much uncertainty still surrounding recreational cannabis regulations in BC, many would-be licensed retailers are still in the dark about several key aspects. *Cannabis Retailer* reached out to Shea Coulson, founder and principal of Coulson Litigation, to answer your questions:

“BC is set to soon open the application process for non-medical Cannabis Retail Licences. Applications will be assessed by the Liquor Control and Licensing Branch (LCLB) using both the statutory criteria set in the *Cannabis Control and Licensing Act* (CCLA) and regulations as well as internal policy. The CCLA has been released to the public, but the regulations and policies are not yet available.

“It is anticipated that the government will receive a very large volume of applications. The LCLB is required by law to turn its mind to each application and apply the require criteria in a reasonable manner. The LCLB must also engage in a fair and unbiased process. If the LCLB denies a licence application, the applicant will be entitled to reconsideration as well as a potential judicial review in the BC Supreme Court.”

***Q: I want to build a separate cannabis store attached to my existing liquor store. Are there any restrictions in BC that stipulate how far away it has to be?***

The Province of BC is not setting any restriction on the number and location of non-medical cannabis retail licences. Instead, the province has indicated that the LCLB will defer to the decisions of municipalities in this respect. As such, municipalities will set their own distance and concentration criteria. It is likely that most municipalities will set distance restrictions of 300-500m between retail outlets and from various prohibited zones.

***Q: Once you are approved for a retail licence from the province, can that licence be located anywhere in BC or will you need to submit your location to the province for approval?***

Municipalities will set their own application requirements that are not



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yet fully known. Applicants will have to ensure their application package provides both what the LCLB requires and what the local municipality in which they are located requires. In the future, any application to move a licence will also have to pass a similar process with the local government into which the licence is to be moved.

This delegation of all location decisions to municipalities could pose a legal issue for the province. It is not currently clear that it is lawful for the LCLB to delegate all decisions on this issue to municipalities and refuse to turn its own mind to the unique circumstances of a particular applicant. Though the CCLA requires the LCLB to obtain a “recommendation” from the local government prior to issuing a licence, if a local government were to outright refuse to issue licences, this could undermine the purpose of the federal *Cannabis Act*, which has its own licensing regime that comes into play when provinces do not implement a provincial regime. It may be that a conflict between the federal *Cannabis Act* and a local government’s outright refusal will end up in a legal battle.

**Q: How long will the portal remain open once the province opens it?**

The application process will likely only be open for a period of about one to two months.

**Q: If you’re awarded your retail licence now, will it allow you to sell cannabis edibles when and if they become legal at some future time?**

Currently, edibles are excluded from the non-medical cannabis retail framework. At this time, it is not clear whether all non-medical retail licences will eventually be permitted to stock edibles or if an additional licence application or special endorsement will be required. Given the government’s concern with carefully regulating edibles, however, it is likely that not all licences will be granted the right to sell edibles when legalized.

**Q: As a liquor retailer, the government is both your supplier and competitor. Does the government plan to be fair with distributing cannabis to licensed retailers?**

All cannabis production in Canada is federally regulated. However, provincially, the various liquor monopolies will have jurisdiction and a monopoly over distribution to non-medical retail licensees. In BC, the Liquor Distribution Branch (LDB) will build a separate warehouse to conduct distribution services for the industry. Cannabis retailers will not be permitted to buy directly from federally licensed producers, but will be required to purchase from the LDB, which will itself purchase from federal producers. Early indicators are that there could be significant issues with supply as the LDB is not currently offering strong prices to producers, who are not required to sell to the LDB. Given the supply shortages likely at the commencement of legalization, it is very possible that federal producers will sell their products to provincial monopolies, such as Quebec and Ontario, which are promising to pay more, and to focus on the lucrative export markets. As such, the early supply of cannabis in BC could be highly constrained, of lower quality than desired, and with lesser selection than is ideal.

*Shea Coulson, founder and Principal of Coulson Litigation, is a lawyer in Vancouver specializing in commercial and regulatory litigation. Shea has a special emphasis on cannabis regulation and has acted for the hospitality industry for the past 10 years in a range of commercial and regulatory matters, including the regulation of liquor.*

*If you have legal questions you would like answered in this column, please email them to [mark@emcmarketing.com](mailto:mark@emcmarketing.com).*

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# INNOVATIONS

by Mark Glenning

As we head into summer—and legalization—all eyes are on the latest products and innovations to hit the market in an effort to determine what could be a big hit with consumers in the coming months. Here's a round-up of products that are breaking new ground:

## Retail Technology

Could the problem of lost keys be a thing of the past? Newman Loss Prevention Solutions is now offering electronic locks for showcases and cabinets. Programmable Radio Frequency Identification (RFID) cards are now available to ensure that your product is safe and secure. Newman offers options for 12, 5 and 2 doors per controller. [www.lpexperts.ca](http://www.lpexperts.ca)

## Oils

Offering your customers a range of options when it comes to enjoying recreational cannabis is important, but there may be some things that discourage people from trying a particular method. Dynamix™ says it has solved what it calls a fundamental problem with cannabis oils: foul tastes, lingering textures, and the inability to mix with water or other beverages. Its proprietary emulsion blend completely mixes legally obtained, medical cannabis oils into what it claims is a great tasting beverage that won't leave lingering aftertastes or residue. [www.drinkdynamix.com](http://www.drinkdynamix.com)

Rarefied's Artisanal Enhanced CBD oils with Adaptogens combine a daily dose of phytocannabinoids with other superfood oils and adaptogenic herbs like Passionflower and Bacopa Monnieri (Brahmi), which are plants that exert a normalizing influence on the body. Like the systemic balancing effects of CBD, they

help the body adapt to the effects of stress, fatigue, trauma, and anxiety. Rarefied's proprietary formulas include a blend for Sleep & Relaxation as well as a blend for Energy & Vitality. [www.medigreen.ca](http://www.medigreen.ca)

## Strains

**Shishkaberry:** A hybrid that leans towards Indica, this was created by crossing DJ Short Blueberry with an unknown Afghani strain. Shishkaberry's flowers have a fruit and berry aroma and its looks reflect this, with rich shades of purple. THC: 15.24%, CBD: <0.05% [www.weedmd.com](http://www.weedmd.com)

**SnowDome:** A pure indica, SnowDome from Aurora Cannabis is a very potent strain. Its origins lay in pure Afghani indica and OG LA Affie. It's notable for inducing "couch lock"—a physical numbing sensation that is a hallmark of strong indicas—and a calm, relaxing euphoria. Some users have

reported psychedelic effects when using it. With a lime green and purple appearance, it's known for earthy and pine flavours. THC 20.2%, CBD 0.0% [www.auroramj.com](http://www.auroramj.com)

**Galiano:** A strain from BC's Broken Coast Cannabis is a 90% sativa dominant hybrid. Notable for its sweet, spicy flavour and resin-rich flowers, it's touted as a perfect strain for new and experienced users due the gentle onset of its uplifting and relaxing effects. THC 17.3%, CBD 0.06% [www.brokencoastcoast.ca](http://www.brokencoastcoast.ca)

**Warlock:** An indica-dominant strain that has moderate levels of THC, CannTrust's Warlock has its genetic roots in landrace Afghani, Acapulco Gold, and Columbian Gold. It has an herbal, musky aroma with sweet higher notes of pine. Its stimulating effects are said to help users focus. THC 17%, CBD %0.04 [www.canntrust.ca](http://www.canntrust.ca)



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