

Stakeholder submission Buddha Barn cannabis dispensary

Buddha Barn is one of 12 dispensaries in Vancouver in good standing with the City of Vancouver.

Buddha Barn began four years ago when founder Jessika Villano became interested in cannabis baking for people self-medicating for health issues. Jessika was looking for healthier methods than smoking and started making lozenges and edibles for the relative, and others. This led to a great deal of researched and, eventually, the founding of the Buddha Barn.

Buddha Barn received a Business License from the City of Vancouver to operate as a medical cannabis dispensary and has earned a reputation as a sector innovator since being established in 2013. It was among the first dispensaries to integrate on-site health services, pay all sales taxes and incorporate lab testing of products which they started in 2016 in collaboration with two federally accredited BC based laboratories.

Buddha Barn has had a cooperative and positive relationship with the city of Vancouver. There have been no issues with neighbouring businesses or residents.

Specific Questions

1) What do you think about the different types of proposed licences (i.e., cultivation, processing, etc.)? Will they achieve the objective of enabling a diverse, competitive legal industry that is comprised of both large and small players in regions across the country?

a) We believe the proposed licenses will achieve the objective of enabling a diverse, competitive legal industry that is comprised of both large and small players so long as the compliance measures and associated fees are not too onerous.

There should be a single, cohesive, unified application process for one individual or organization applying for multiple levels of licenses.

b) Product limitations (ie amount of allowable THC, contaminants, etc.) should be the same for LPs & micro-cultivators and processors.

c) There must be a process that allows currently registered designated growers to transition into the legalized recreational market without closing them down at the beginning of legalization. Designated growers have already passed security checks and the sector needs their experience, expertise and product to end the black market.

More specifically, the process needs to be established quickly so small producers and processors can be ready to participate in the market by July 1, 2018. A sense of urgency is required.

In addition to ensuring existing producers do not have an unfair head-start on serving

the market, this will ensure these small entrepreneurs do not suffer financial hardship and become unable to sustain their operations.

2) What do you think would be an appropriate threshold to distinguish between a micro-cultivator and a standard cultivator, taking into account the reduced physical security requirements for a micro-cultivator? Should the threshold be based on the number of plants, size of growing area, total production, gross revenue, or some other criteria? What should the threshold be?

a) The threshold between micro- and standard cultivators should be based on canopy size. This is easily set, measured and monitored.

Indoor and outdoor cultivators require different canopy size limits as indoor cultivation has much higher yields. In BC, outdoor cultivators only get one crop per year. Indoor cultivators produce, on average, five crops per year and at a higher yield for a given area. Additionally, the indoor product wholesales for a higher price.

b) Regarding establishing a size-limitation, we believe this should be done in association with the establishment of a minimum-size for standard/licensed producers to ensure clarity and continuity. This is logical since the government is only proposing two producer categories, not including personal growing limit of four plants.

c) Notwithstanding b), we believe a starting point for a discussion regarding canopy size limits for micro-producers should not be less than 10,000 square feet to provide opportunities for expansion and economies of scale.

i) Indoor - 929 square metres (10,000 square feet)

ii) Outdoor – 15,000 square metres (161,460 square feet)

d) These limits would produce an annual yield between 1,200 and 1,800 Kilograms (cultivators report varying ranges of yield).

Licensed Producers (LPs) are currently building facilities with 700,000 square feet: this micro-cultivator limit would be 1/70 that size.

At 10,000 square feet, the potential economic benefits begin to justify the costs of the added requirements to be a LP.

Small growers in Washington State, with a small producer canopy size limit of 2,000 square feet, have reported difficulty sustaining their cultivation businesses at current prices, or even selling their licences.

- 3) What do you think would be an appropriate threshold to distinguish between a micro-processor and a standard processor, taking into account the reduced physical security requirements for a micro-processor? Should the threshold be based on total production, on-site inventory, gross revenue, or some other criteria? What should the threshold be?
- a) **The threshold between micro- and standard processors should be based on the number of cultivators they process for. This is simple to state, and easy to measure and enforce.**
 - b) **A micro-processor should be limited to processing for at least ten (10) cultivators. This would allow a number of local cultivators to pool resources to process their product.**
 - c) **The final thresholds for micro-processors will be scaled in association with the establishment of canopy size limits for micro-producers.**
- 4) What do you think of the proposed rules and requirements (i.e., physical security, good production practices, etc.) for the different categories of authorized activity? Do you think that the requirements are proportional to the public health and safety risks posed by each category of activity?
- a) **The proposed rules and requirements appear to be proportional and appropriate.**
- 5) What do you think about the proposed requirements for certain individuals associated with a licensed organization to hold a security clearance issued by the Minister of Health? Do you think the proposal appropriately addresses positions of greatest risk?
- a) **The proposed requirements for certain individuals associated with a licensed organization to hold a security clearance issued by the Minister of Health appear appropriate, and appropriately address positions of greatest risk.**
 - b) **Individuals involved in home delivery of cannabis should be required to go through a criminal background check.**
 - c) **There must be an appeal process for people who are initially denied a security clearance.**
- 6) What do you think of the proposed criteria for determining whether or not an individual is eligible to hold a security clearance? Do you think that the proposed approach should permit individuals with a history of non-violent, lower-risk activity (such as simple possession or small-scale cultivation of cannabis plants) to obtain a security clearance and participate in the legal cannabis industry?

- a) **Yes, individuals with a history of non-violent, lower-risk activity, such as simple possession or small-scale cultivation of cannabis plants, should be permitted to obtain a security clearance and participate in the legal cannabis industry. Only convictions should be considered, not police interactions.**
- b) **Upon legalization, a process should be initiated to provide formal pardons of people with convictions for non-violent, lower-risk activity, such as simple possession or small-scale cultivation of cannabis.**

7) What do you think about the proposal not to restrict the types of product forms that industry will be able to manufacture and sell (for example, pre-rolled dried cannabis, or cannabis oil capsules and oral sprays)? Are there any specific product forms that you think should be prohibited?

- a) **No further restrictions are needed.**
- b) **It is a significant mistake to effectively outlaw edibles, vaping solutions and hash in the first year.**

Edibles (6.5 % of Washington market in 2016) and vaping solutions (8.3%) are healthier modes of consumption compared to smoking. It makes no sense from a health perspective to tell people to use an inherently unhealthier product while you work out the fine points regulating a healthier choice.

Concentrates (including hash) are a substantial part of the market (approximately 10% in Washington state in 2016) Translated into the legal Canadian marketplace, that is \$800 million guaranteed for the black market on day one of “legalization”. Hash is easy to include in the regulations – just as the Cities of Vancouver and Victoria have allowed it, so should Canada.

source: <http://headset.io/blog/on-the-come-up-concentrates-category-shows-consistent-growth>

8) What do you think about the proposed THC limits based how a product is represented to be consumed (i.e., by inhalation or by ingestion)? What do you think about the proposed limits on a unit or serving basis?

- a) **The threshold for canna-caps or derivatives should be 100 mgs. Seasoned cannabis users will be disappointed with a lower limit and will look to the black market for products that will deliver relief.**

The 30 milligrams per millilitre limit on THC concentration for cannabis oil is appropriate.

- 9) What do you think about the proposed rules for the packaging and labelling of cannabis products? Do you think additional information should be provided on the label?
- a) **While we support and greatly welcome labelling regulations that include important health information such as presence of pesticides, CBD and THC levels, we do not believe dramatic warning labels are required on cannabis if the government does not choose to impose them on alcohol. We comment further on this in the response to question 12.**
 - b) **The proposed packaging and labelling rules for cannabis products will create enormous amounts of waste for very little effect. They will increase the bulk of the product and therefore transportation and storage costs, leading to price pressure that increases the risk of black market penetration. The quality of product will be jeopardized by too much handling during this stage of packaging and labelling.**
 - c) **Specifically, the proposal “to carry (either as part of the product label, attached to the product container, or attached to an outer package) additional consumer information developed by Health Canada” is patronizing, wasteful and costly.**
- 10) What do you think about the proposed approach to providing cannabis for medical purposes? Do you think there should be any specific additional changes?
- a) **Maintain current program and establish a plan to transition designated growers to micro-producers to help meet government supply challenge.**
 - b) **Use proceeds from the new sales and excise tax to make significant investments in health research. This can include the establishment of a National Centre of Excellence in Cannabis Research in partnership with Canadian universities. This investment should be at least \$40 million per year over five years.**
 - c) **As evidence presents itself, cannabis can become more widely available for medical purposes through health insurance and provincial medical service plans.**
- 11) What do you think about the proposed restrictions on the sale of health products containing cannabis authorized by Health Canada? Do they strike an appropriate balance between facilitating access to safe, effective and high quality health products, and deterring illegal activities and youth access?
- 12) What do you think about the overall regulatory proposal? Is there any additional feedback that you would like to share on the proposed approach to the regulation of cannabis?
- a) **In the proposed regulations, a micro cultivation license allows one to: "Cultivate cannabis with more than 0.3% THC, below a certain threshold (to be established in the regulations)"**

Health Canada should not set a limit on the maximum THC allowed in a plant. If a grower can grow a plant with 28% or more, that is a master grower. You should not be legislating mediocrity.

If the government insists on establishing a limit on the maximum THC allowed in a plant then it must be the same for all cultivators and processors, not a different limit for micro-cultivators and large-scale cultivators.

- b) Overall the tone of the proposed regulations are very negative and restrictive. In general, government needs to recognize the economic opportunities and potential benefits that come with the expansion of the sector—not just the risks.

Government, in collaboration with financial institutions, needs to make capital available so small producers can access capital to invest in their operations and meet new standards.

Government should consider creating a grant program based on existing regional development and/or agricultural investment funds.

- c) This government prides itself on making “science-based decisions”. It regularly compares cannabis to alcohol and tobacco, and yet, by virtually all the scientific data available, cannabis has fewer harms than alcohol and tobacco.

Harm

In one of the most cited studies looking at the addictiveness and harm of various drugs, the UK’s leading advisor on drug policy, David Nutt, proposed a “rational scale to assess the harm of drugs of potential misuse”. With 0 being no harm and 3 being extreme harm, experts across a range of

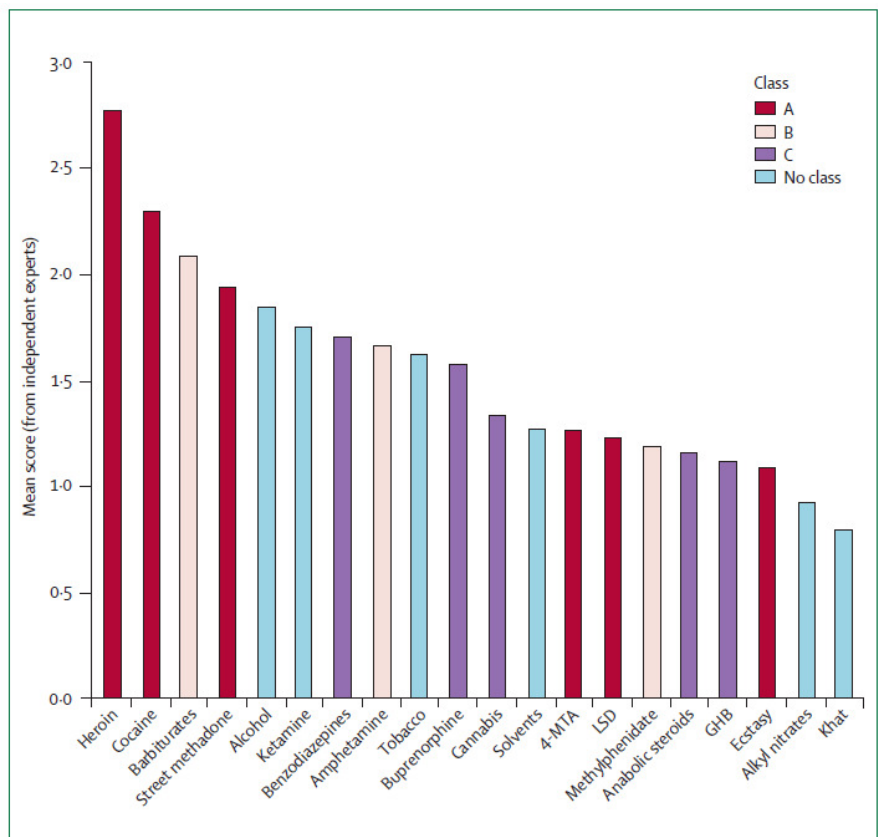


Figure 1: Mean harm scores for 20 substances

relevant medical fields rank drugs across several criteria in three main groups: physical harm, dependences and social harm. Rolling up the three categories provides an overall Mean Harm Score, shown in the chart. Alcohol is the fifth highest harm, tobacco is ninth, and cannabis 11th.

Source: The Lancet, Vol 369 March 24, 2007.
<http://dobrochan.ru/src/pdf/1109/lancetnorway.pdf>

It is worth noting that Professor Nutt's results were contrary to what the government and general public wanted to hear. The backlash from his study led to his firing as the leading UK drug adviser.

The results of his study are still regarded by many as being the most accurate.

Addictiveness

There are a number of scales that attempt to measure addictive potential, such as the Henningfield and Benowitz ratings. These compare six common substances and assess their addiction potential. Dr. Jack E. Henningfield is from the National Institute on Drug Abuse and Dr. Neal L. Benowitz is from the University of California at San Francisco. They based their addiction potential on five criteria including: withdrawal, reinforcement, tolerance, dependence, and intoxication. Averaging the criteria ratings provides the following overall rankings (lower number = higher addictive potential)

Henningfield Ratings

1. Heroin (9)
2. Alcohol (12)
3. Cocaine (15)
4. Nicotine (15)
5. Marijuana (27)
6. Caffeine (27)

Benowitz Ratings

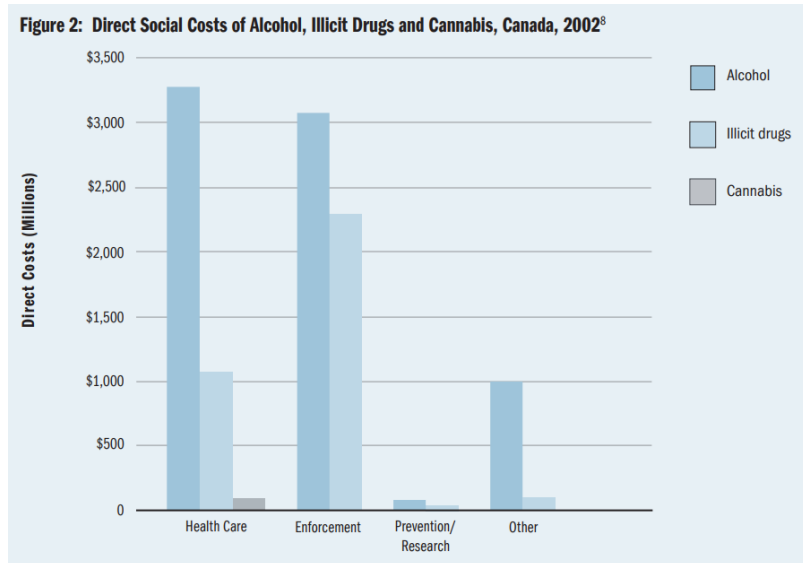
1. Heroin (10)
2. Cocaine (11)
3. Alcohol (13)
4. Nicotine (18)
5. Caffeine (22)
6. Marijuana (26)

The Public Health Burden

According to a 2007 report from the Canadian Centre on Substance Abuse *Comparing the Perceived Seriousness and Actual Costs of Substance Abuse in Canada*, "total direct social costs associated with alcohol (\$7,427.5 million) are more than double those for all illicit drugs combined (\$3,565.5 million); (2) direct alcohol-related health care costs (\$3,306.2 million) are nearly three times as high as for all illicit drugs, excluding cannabis (\$1,061.6 million), and **over 45 times higher than the direct health care costs of cannabis (\$73 million)**"

<http://www.ccdus.ca/Resource%20Library/ccsa-011350-2007.pdf>

Given the scientific data, Health Canada's proposed packaging and labeling regulations on cannabis are ridiculous and hypocritical compared to the complete absence of restrictions on alcohol advertising, with lifestyle ads on every media channel, no restrictions on labeling, and no health warnings on domestic alcohol products.



Compared to tobacco, it is again hypocritical to require heavier restrictions on cannabis labeling regarding colours and fonts than are required for tobacco.

If the government wishes to avoid charges of hypocrisy, retain any claim to a science-based decision-making process, and have any credibility with the public on cannabis, it must seriously reconsider the regulatory approach to the labelling of cannabis and alcohol.

Cannabis labeling should indicate its potency, that it is free from pesticides and other harmful contaminants, and have simple warnings appropriate to the proven harms and addictiveness, rather than repeating speculative research from clearly biased parties.

Or Health Canada should put warnings on alcohol appropriate to the far greater individual harms and public health burdens that have been scientifically proven for years.