

July 25th, 2022



Attention:

Dear Hon. Member of the Manitoba Legislative Assembly

This letter is intended to highlight the issues and concerns currently facing the local cannabis industry. Cannabis consumer's access to safe and legal cannabis is in jeopardy if real action is not taken to ensure Manitoba's cannabis industry remains competitive. Sustainable development of this sector will not only allow businesses of all sizes to prosper, but it will also keep Manitobans safe from the proliferation of unregulated, and untested, illegal market cannabis products. Legislative action is necessary if the Province of Manitoba is to accomplish its own goals of cannabis legalization, including but not limited to making the health of Manitobans the priority and eliminating the illicit market. In the government's own words, "We believe cannabis sourced from federally licensed producers and sold by provincially licensed and regulated retailers will better protect the health and safety of Manitobans."¹

My name is Steven Stairs, and I am a long-time cannabis activist and the Chair of the Cannabis Business Association of Manitoba (CBAM). Our Association represents most of this province's cannabis business leaders. From some of Canada's top producers of cannabis, to small independent, family-owned businesses, CBAM is dedicated to bringing progressive change to legislation across the entire cannabis industry.

As you may know, the economic growth of the cannabis sector has been far less than analysts had expected. Many individuals have taken on significant economic risks to participate and expect that the government will take steps to help ensure the industry's survival through its early lifecycle which has been significantly further impacted by the covid pandemic and the continued proliferation of illicit cannabis sources. This industry will continue to struggle in a perpetual downward spiral if immediate action is not taken by our elected officials to relieve some of the pressure being felt.

We Ask You To:

- **Eliminate** the Social Responsibility Fee (SRF) of 6% on retail cannabis sales in Manitoba. This tax is unnecessary and an incredible financial burden on both small and large cannabis retailers in Manitoba.
- **Support** cannabis retailers on the extremely important safety issue of "window coverings." While federal law requires retailers to ensure that packages of cannabis and accessories can not be seen outside of the store, retailers would like local support and guidance on this issue. Reducing the risk of harm to our employees is equally important as protecting our children from viewing cannabis through our shop windows. There must be a happy medium that can accomplish everyone's goals.
- **Allow** for cannabis consumption space legislation consultations and creation to take place immediately.
- **Immediately** act towards eliminating the underground illegal cannabis sales, events and competition that has prospered in Manitoba since legalization. Jurisdictional responsibility

¹ <https://news.gov.mb.ca/news/index.html?item=44679&posted=2018-10-10>

- shifting has resulted in legal cannabis operators being forced to compete with illegal cannabis sellers who face no consequences for doing so. This is unacceptable.
- **Overhaul** the MBLL cannabis ordering system to benefit the small retailers just as well as the big producers/purchasers.
 - **Reduce** the markups charged by MBLL prior to offering cannabis for sale to retailers for purchase. The smallest price differences could determine the success or failure of the illegal market in Manitoba. MBLL should be required to justify its markups on a cost-recovery basis.
 - **Establish** clear and reasonable requirements for temporary retail store licenses for ALL businesses in Manitoba. From small venues to large festivals, from independent retail to large cannabis companies. There is a huge desire and need for the expansion of where, when, and how cannabis can be sold and consumed by adults over 19.
 - **Create** a working group with members of this community including our Indigenous partners in the industry. So, we may move forward, working together for the sustainable and economic future of the cannabis industry in this province and in this country.

This association is asking you to please start a dialogue with our community. Building an established, sustainable cannabis industry from all levels is in the best interest of every Manitoban.

Please do not let this wonderful opportunity for Canada to be a world leader in progressive cannabis legislation slip away.

Our Association and its members, anticipate hearing from you shortly, to arrange a meeting.

Thank you, Merci, Miigwetch,

Steven Stairs

Chairperson – Cannabis Business Association of Manitoba

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Plus, many more who support this letter in spirit!