

Farm Gate Program Development

Building on and reinforcing items in our submission of June 2021

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The Kootenay Cannabis Economic Development Council is pleased to support the development of the Farm Gate program which aims to help address the needs of micro cultivators and to address power imbalances in the supply chains. Further to our submission in June of 2021, we offer these additional considerations:

Program Structure & Implementation

- No testing of government assumptions behind the program by the people in the sector who will be impacted means that there is no advance option for determining how well the program will land if it will truly serve the stated goal of supporting the micro cultivators
- No willingness to try a pilot of the two programs (Farm Gate & Direct Delivery) to be able to adjust them before a full-province roll-out may lead to costly retrofits and adjustments by both government and the cultivators
- LDB 15% tax is too high, on top of all the other costs to get the product to the consumer; needs to be lower, as does the Excise tax
- Those able to do farm gate sales will operate as “an agent of the LDB so will not need a sales amendment”. This needs to be an easy registration or other process in terms of process, cost, and turn-around confirmation for the cultivator.
- In order for this to be accessible for cultivators, it will be important that they not be held up with an obligation to receive SKUs from LDB. Mechanisms for tracking and reporting sales need to align with the program goal of truly enabling new market channels for micro-cultivators.

Rural Context: Many of the micro cultivators for whom this program is being developed are scattered across the rural and remote landscape. As a result, very few will be able to ever become a tourist destination where there will be sufficient volume of traffic to justify the infrastructure, staffing and inventory expense. Some ways to still make this work for them:

- Allow for “farm gate” to actually be located not at the production site but on a more traveled route and location
- Allow micro cultivators to collaborate by being able to carry inventory from other cultivators in the area
- Allow re-purposing of an existing multipurpose room for the farmgate sales venue
- Ongoing farm-gate venues will not work for most, given the requirements of staffing and security. An option to include farm gate in harvest timing or regional promotional events will bring higher value to the cultivators
- Allow for online bookings for those wanting to visit the farm sites so that the operator can predetermine a schedule that works for them and aggregate interested consumers into specific dates
- Ensure that farm gate promotion can be integrated into other tourism / regional promotion events, activities and communications platforms (websites, flyers, social media etc).

Expanding the scope of the farm gate program

- Allow a centralized supportive rural processor or other cultivator to be the stand-in “farm gate” venue, carrying and selling product from area micros. This could point to the need

to adjust the program language from “farm gate” to something like “production site licence”

- For example, Antidote is on a major highway, centrally located, zoned correctly and is already processing craft products. If Antidote had a retail store it would draw tourists in, highlight the product, give info out about farm tours, have a bus pick up people for tours and promote the craft growers. Timing is also an issue: farm tours happen between May-Oct- product cultivated outdoors isn't ready for sale until late Oct and Nov. Business model of the processor can also be a consideration for allowing access to the farmgate : Antidote is owned by multiple craft growers.

Local Government preparedness / support

- Commercial sales may not be allowed in all zones where micro cultivation is permitted. Local government officials and civil servants need to be clear on the implications for them of this new program and, where necessary, adjust zoning bylaws accordingly, to enable farm gate sales.
- Positive messaging and tools provided by the provincial government may help to ensure greater opportunities for farm gate sales rather than having pre-emptive bylaw amendments that preclude farm gate sales (as we understand Abbotsford has recently done)
- Closer collaboration with the UBCM Cannabis Committee may help to galvanize increased leadership and support for the cannabis sector

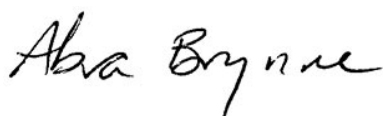
Thinking outside the box: Farmers Markets

- Liquor can be sold at Farmers Markets. Use the Farm Gate Sales program to advance the ability to sell cannabis at Farmers Markets.
- Farmers Markets have long been a low-barrier avenue for small scale producers to connect with consumers, to market test their products, assess pricing and adjust as necessary. For many it is a jumping off site to more traditional sales channels. This could be really valuable for micro cultivators making the transition to the legal recreational market.

Consumption options

- Allowing consumption options in the farmgate program will enable micro cultivators to cater to consumers looking for specialty products.

Thank you for taking into consideration and sharing with your colleagues these further recommendations on the development and roll out of the Farm Gate cannabis program.



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