QUICK REVIEW OF COLORADO DISPENSARY SYSTEM
J. SUGANO (PARENT CAREGIVER)
VISITED ~12 DISPENSARIES, & 1 COMMERCIAL GROW SYSTEM
OCTOBER 12, 2014

EXAMPLE OF STORE FRONT
Location / numbers set by county / local government

SEPARATION OF MEDICAL & RECREATIONAL: SEPARATE REGISTERS / INVENTORY
EXAMPLE OF ROAD SIDE SIGNAGE

ROCKY ROAD

Strict business hours
closed by 7 pm
NON RECIPROCATING: OUT OF STATE PATIENTS HAVE NO ACCESS

SIMPLE TO ELEGANT SYSTEMS
Many facilities are cash only and have ATM machines in the lobby. Problematic to run a business as CASH ONLY.

NEVER IMMEDIATE ACCESS TO PRODUCT
FOR PROFIT BUSINESSES ADMINISTERED UNDER THE DEPARTMENT OF REVENUE

LOUNGE AREAS
FULL RANGE OF PRODUCTS
FULL RANGE OF PRODUCTS

BENEFITS NOVICE TO ADVANCED INDIVIDUALS
EDIBLES ARE SUBJECT TO HEALTH AND TESTING STANDARDS

SOME EDIBLES WERE IN CHILD PROTECTED CONTAINERS. SOME WERE NOT
New regulations on medical marijuana edibles will be placed on manufacture in Colorado. Under the new state regulations, edible concentration will be limited to 100 milligrams of THC, which also being broken into 10 milligram parts and shipped in child-resistant packaging.

"The Marijuana Enforcement Division's primary concern is to ensure public safety," Natrice Bryant, a spokeswoman for the Department of Revenue, wrote in an e-mail. "...The Marijuana Enforcement Division feels that clear serving size requirements within the industry is a vital part of responsible regulation."
FULL RANGE OF PRODUCTS

COST

PLANTING MATERIALS
10/13/2014

SEED MATERIAL

70/30 RULE FOR SALES/ PURCHASES
SELL 70% OF WHAT IT GROWS

PURCHASE OR SELL 30% OF INVENTORY TO ANOTHER DISPENSARY
PLANT: 8" TALL WITH ROOTS
ANYONE 21+
CAN BUY 6
PLANTS A DAY

KNOWLEDGEABLE BUD TENDERS / STAFF
10 YEARS CONVICTION
FREE EMPLOYEES
Plants:
You can grow your own, use a caregiver or give your plants to a grow center.

Only grow centers have lab access at present.

Patients who dedicate their plants to a grow center receive discounted prices.

Plant count determined by condition & use: 6-99+
Recreational-based on sales (reselling 85% of inventory)
Medical-based on patient plant numbers
AFTER SALE: LOCKED CONTAINER
Buds remain the highest selling product in Colorado based on dispensary owners and growers' testimonials.

Delivery services are offered to some rural locations.
EXPERIENCED TOMATO GROWER TURNED CANNABIS FARMER

TRACE BACK
INDOOR COST: LIGHTING, FIRE PREVENTION, CO2, SAFETY, SECURITY, AIR CIRCULATION, ETC.
TRACEBACK
SEED TO SALE:
SOFTWARE
Whole Plant Culture: Nothing Gets Wasted: Edibles/ oils, etc.
Compliance, Licensing & Surprise Inspections

CAMERAS EVERYWHERE
EXTRA SECURITY
EX POLICE / MILITARY FIRMS.

MANDATORY SIGNAGE
PLACEMENT, FONT, ETC.
ONGOING EDUCATION

Quality Assurances

Testing: Lack of uniform marijuana standards between labs.

Cannabinoid potency, mold, and pesticides are some of the standard test.
Taxes

Medical: subject to state excise tax. Not much profit. Funds used to support registry and system.

Some counties only allow medical such as Colorado Springs

Recreational taxes can include state excise, county and city taxes ~25%+

Will Taxes / Fees be Enough to Sustain Program & Support in HI

• If no additional taxes will be placed on medical dispensaries (aside from the Hawaii state sales tax), assessments need to determine if the taxes/fees collected is enough to sustain and expand the MMJ program in Hawaii.

• Evaluate which state department will oversee the medical dispensary programs in Hawaii.
Medical marijuana is taxed at a lower rate.

Note total revenue to state (left) 5 million in 2012.

Denver Post (8/12/14)

Recreational marijuana is taxed at a higher rate, making it considerably more expensive.

In September 2014, recreational sales surpassed medical.

Washington Post (9/11/14)
Overcoming the FEAR Factor

- Security and youth access: High level of security, no one under 21, many women run / operated systems
- Educated Staff: Highly professional, educated and extremely patient
- Store Frontage: Many are not highly visible unless you’re looking for it. Found via Weed Maps application (example on right).
- Advertising: No marketing or promotional material of marijuana seen around town, aside from inside dispensaries.
Reckless Use?
Post Amendment 64:
Colorado traffic fatalities are lower in 2014 (past 6 months) than the 2012 average

Raw data from the Colorado Dept. of Transportation

Youth Concerns

- Our assessment is that very few companies would risk their business to sell marijuana to minors (<21)

- Fear or concerns re: minor access needs to be addressed similar to alcohol/tobacco/firearm use, etc. vs prohibiting a medical dispensary system

- Easier for my kids to access alcohol on this trip vs. entering a dispensary (right-Coors Brewing Tour)

- Education and marketing strategies should be evaluated to minimize access and maintain high level of security
Marijuana Use and Minors

Black Market Access

- Based on the level of security we observed, youth are more likely to get access to marijuana from the black market than a dispensary.

- If the state controls / regulates both medical and recreation cannabis products, perhaps less products will be available on the black market (may also affect black market pricing, etc.)?

- Increase in recreational use does not mean the demise of the black market. The increase could be due to an increase in marijuana tourism—an industry growing rapidly in the state (Washington Post, 9/11/14).
Access by Minors Controlled by State

No Colorado marijuana stores found selling to minors in police checks

By John Ingold The Denver Post
Thursday, June 26, 2014 - 6:20 a.m.

Oppunities & Concerns Noted

• Enhancing Hawaii’s economy via agriculture / agri-tourism vs. heavily relying on tourism

• Opportunities: increased local businesses, skilled workforce development, capturing of revenues, increased tourism, etc

• Concerns- Workplace safety: smells, etc.

• Opportunity to expand Hawaii’s diversified agriculture sector as federal restrictions prohibit trafficking products from out of state

• Concerns- Lack of licensed crop protection chemicals for MMJ esp in Hawaii with increased pest and disease pressure

• Cost of indoor grow systems in Hawaii i.e. Electricity, water, etc.
Increased interest in Denver as a domestic destination based on web searches for hotels

Reciprocation:
Allowing out of state patient to fill their medication in Hawaii could also be an attractive quality to those searching for a place to vacation

Concerns:
Banking Issues

Many operations are cash only system as federal law considers marijuana and its proceeds illegal.

Colorado is looking to pass a bill that would allow cooperatives to be created if approved by the US Federal Reserves
References: Local Denver Contacts

Mahalo!

- Greg Duran & Teri Robnett, Rx Mary Jane
- Ron Nixon, iComply
- Mindful Grow Center (Meg & Phillip)
- Mark Wu, Hawaii Cannabis Care
- Local dispensaries (~12)
- We will continue to push for whole plant MMJ access and dispensaries in Hawaii.