

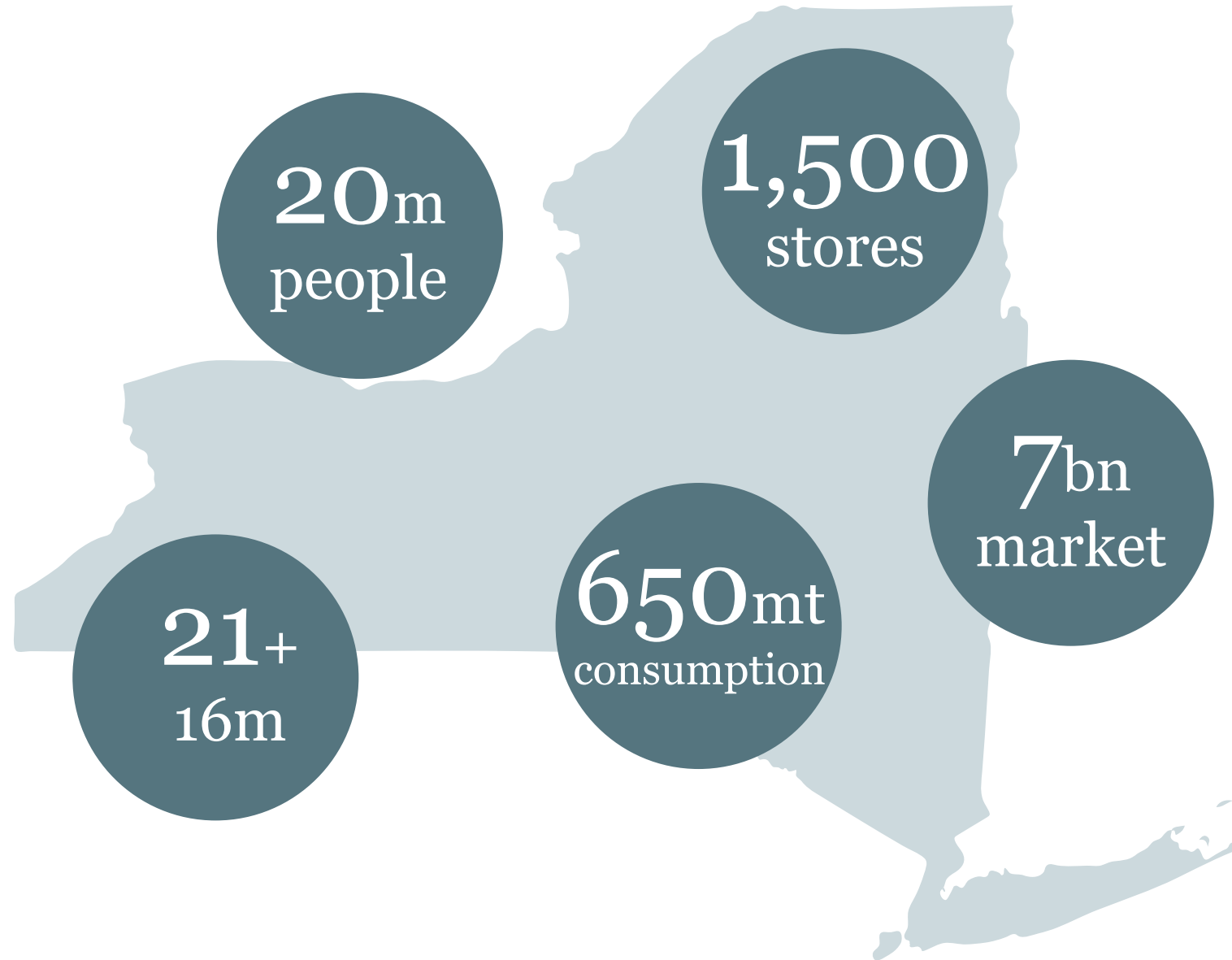
Curso CESED - Regulacion Justa de Cannablis

Cartagena, June 5, 2024

- **How We Did It in New York**
- **What Went Wrong**
- **What Went Right**
- **Takeaway**

How We Did It in New York

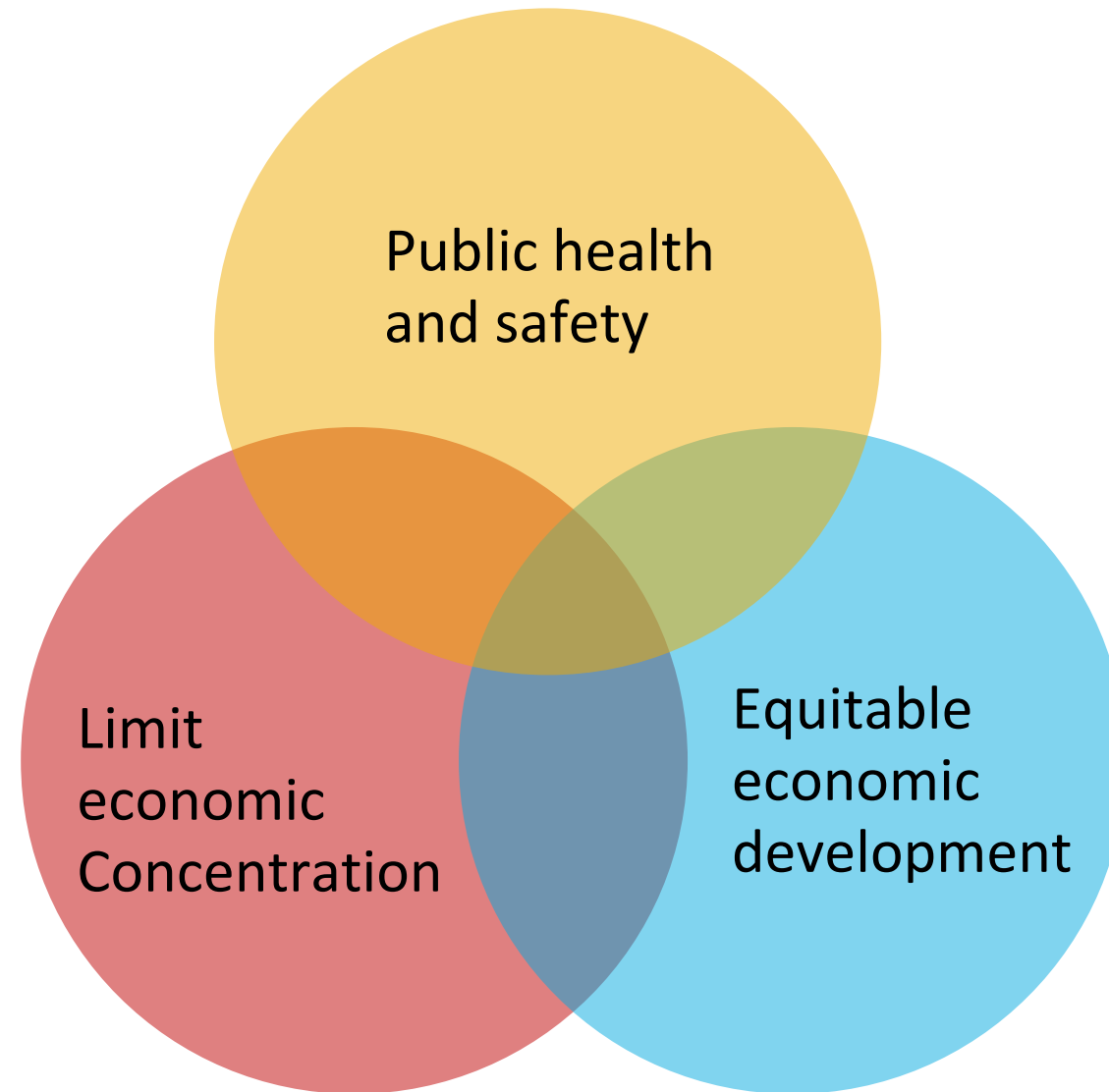
How We Did It in New York – Know Your Market



NY
2021

- ❖ Production per acre?
- ❖ Price per gram?
- ❖ Profit per store?
- ❖ Product innovation?

Three Priorities



Health & Safety Approach

- Limit marketing and advertising
- Track data on populations, products, and consumption
- Multiple, broad, relevant education campaigns
- Limit number of available points of sale
- Limit number of cultivators
- Sustainable cultivation practices
- Control for laboratory shopping

Limit Economic Concentration

- Separate supply and demand tiers
- Limit total number of licenses granted
- Limit size of licenses
- Limit number of licenses that can be owned by one group
- Control online platforms for purchasing by consumers (amazon)

Equitable Economic Development

- Encourage small, community based, businesses
- Encourage farmer collectives
- License formerly convicted individuals
- Provide technical support to new entities to ensure compliance
- Limit total number of competitors to ensure success and maintain prices
- Reinvest tax revenue in harm reduction and historically impacted communities

What Went Right

What Went Right

- From 55,000 arrests per year to **zero**
- New independent Office
- Breaking the supply chain:
 - Variety of products, small brands, community based businesses
 - Retailer making the decisions
 - Retailer profitability
- Starting with equitable licenses
- Not over licensing
- Using Non-for-profits
- **Understanding the actual market**

What Went Wrong

What Went Wrong

- Decriminalizing before legal market is up — phase in decriminalization
- HEMP / CBD
- Awarded supply licenses before retail licenses — phase in supply chain
- Understaffed the New Office of Cannabis Management
 - Licensing; Compliance; Enforcement
- Overly strict lab standards
- Tax: federal 280e, state Too high a tax before knowing production prices — phase in, be flexible
- Smoking in public

Takeaways

- Gradual decriminalization
- Limit licenses and Focus on small businesses – Agricultural cooperatives
- Provide technical support to help with compliance
- Understand your market: total demand, type of consumer, type of product, cost of running operations, supply chain
- Watch your taxes. Prices fluctuate
- New Office -- need technical know how in government. Economists and accountants.