



Government appoints the LDB as wholesale distributor of non-medical cannabis

Industry Partner / External Stakeholder FAQs

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General

1. Why has government appointed the LDB to be the wholesale distributor of cannabis?

The LDB has a proven track record in managing a safe, regulated supply chain for liquor. Having LDB-run distribution will help to support government's key priorities of protecting children and youth, ensuring health and safety standards, and keeping the criminal element out of cannabis.

2. Will the distribution of cannabis be a separate area of business from liquor?

Yes. In becoming the sole distributor and wholesaler of non-medical cannabis in the province of British Columbia, the LDB will be creating a separate business operation for cannabis.

3. Will the LDB acquire a new facility for cannabis distribution?

The LDB intends to set up a separate warehouse for cannabis distribution. Further information will be shared with our industry partners as it becomes available.

4. Will there be a delay to the relocation of the Vancouver Distribution Centre (VDC) to the new facility in Delta?

The relocation of the Vancouver Distribution Centre to a new facility in Delta is proceeding in 2018 as planned.

5. What will the mark-up/tax on cannabis be?

The mark-up/taxation for cannabis will be determined by the provincial government, in alignment with the federal government's requirements. We will provide more information as it becomes available.

6. Where can I get more information?

For information and updates, please visit: www.bcldb.com/cannabis or email: cannabis@bcldb.com.

For information from the federal government, please visit:

<http://health.canada.ca/en/services/health/campaigns/marijuana-cannabis.html>



Wholesale customers

1. If LDB is distributing cannabis, will this affect my business (i.e. delivery times)?

It is business-as-usual for LDB Wholesale operations. Our focus remains on customer service and ensuring our wholesale customers receive their orders uninterrupted.

2. Will we have the ability to purchase cannabis through the LDB to sell at our retail stores (i.e. wine stores, grocery stores, licensee retail stores, rural agency stores)?

The government is still considering its options related to the retail of cannabis, but has indicated they are planning to adopt a retail model that includes both public and private stores, similar to the model we currently have for the retail of liquor.

At this point, it is not confirmed whether the model would involve the co-location of liquor and cannabis sales. We expect to have more details in the new year.

3. Other provinces are building brick-and-mortar cannabis stores. Will the LDB be doing the same in BC?

At this point, we don't have more information other than government's indication of a private/public hybrid retail model. We will have more details in the new year.

4. How do I get a licence to sell cannabis?

The Liquor Control and Licensing Branch (LCLB) has expertise in managing the licensing, regulation and inspection of liquor retailers – this is something the provincial government may look at leveraging for cannabis retailers.

At this point though, government has only decided on a private/public hybrid model for retailers – decisions around whether those stores would be standalone cannabis stores or co-located with liquor are yet to be determined.



Suppliers and Manufacturers

1. Will this change impact my business in any way? Will it take longer for my product to get shipped to stores?

It is business-as-usual for LDB Wholesale operations. Our focus remains on customer service and ensuring our wholesale customers receive their orders uninterrupted.

2. Will my liquor product be stored in the same facility as cannabis?

The LDB will be creating a new and separate business operation to support the distribution of cannabis and we intend to setup a separate warehouse. When we have more information, we will be sure to share it with our industry partners.

3. Will third-party liquor warehouses be able to store cannabis in their warehouse? Will LDB be leveraging private distributors?

We are still in the early stages of developing this model. The policy work on these issues is currently under way.

4. As a licensed BC liquor manufacturer, will I also be able to produce and directly sell cannabis to retail customers?

Under the federal government's proposed Cannabis Act, all producers of cannabis or cannabis products will need to be federally licensed to operate.