

Direct delivery program

Information session for licensed producers, processors,
cultivators and nurseries

July 20, 2022



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Introductions

- Jeff Ring, Director, LDB Wholesale Supply Chain



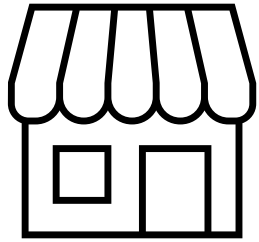
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Virtual housekeeping

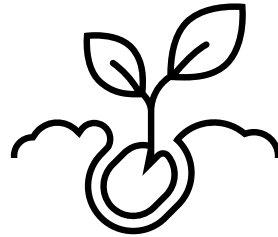
- All participants have been muted to avoid disruption throughout the session
- Participants were invited to submit questions ahead of today's session; Questions submitted prior to Friday, July 15 will be answered following the presentation
- Additional questions arising from the session can be sent to directdelivery@bcldb.com, and will be answered within three business days



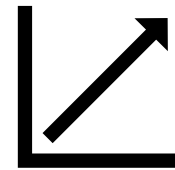
Direct delivery program objectives



Support the
elimination of the
illicit cannabis
market



Enable small-scale and
Indigenous cannabis
producers to enter the
legal market



Facilitate legal
market
competitiveness for
small-scale
producers in B.C.

Direct delivery supplier webpage

[https://www.bcldbcanabisupdates.com/
bcldb-cannabis-direct-delivery](https://www.bcldbcanabisupdates.com/bcldb-cannabis-direct-delivery)



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Categories of direct delivery



Supplier eligibility for Standard Direct Delivery

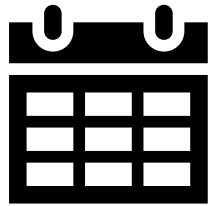
Cultivator

- Cultivation facility must be in BC
- Total annual production below 3,000kg dried flower equivalency
- Must utilize a Licensed Processor to sell & deliver
 - Except for plants and seeds

Licensed processor

- Must source cannabis solely from an eligible cultivator for direct delivery products
- Must register direct delivery products with LDB
- Production facility may be in any province
- No production volume limit
- A processor must complete the sale of the eligible products after they have been registered and approved by the LDB

Implementation timeline



Direct delivery will launch on Monday, August 15, 2022

August 15, 2022, is the earliest date processors and cultivators can begin engaging with authorized and licensed cannabis retail stores to arrange direct delivery

Cultivator, licensed processor, and product registration may begin now



Direct delivery: participation for cultivators

Review	Review program details on the direct delivery supplier website
↓	
Declare	Declare eligibility to participate in direct delivery
↓	
Sign	Complete and sign the direct delivery cultivator registration form and send to LDB for review
↓	
Submit	Submit company information, annual production volume information, site and ownership details, and copy of Section 119 agreement
↓	
Partner	Cultivators producing products other than plants/seeds must partner with registered processor with supply agreement
↓	
Arrangements	Make business arrangements for LP to perform business activities required to support directly delivery

Direct delivery: participation for licensed processors

Register	Register with the LDB for direct delivery and provide the appropriate federal cannabis licenses
Review and sign	Review and sign the supply agreement for non-medical cannabis and send to the LDB
Banking information	Provide banking information and sign Pre-Authorized Debit (PAD) approval form
Submit	Submit product registration forms identifying the distribution method as direct delivery & cultivator
Confirm	LDB to confirm successful registration and product activation for direct delivery
Offer	Offer activated direct delivery products for sale to licensed cannabis retailers at registered LDB wholesale price
Maintain	Continue to maintain product attributes and pricing for all active SKUs
Perform	Perform financial transactions and delivery/returns with cannabis retailers for approved direct delivery products
Submit	Submit weekly sales and returns reporting to the LDB
Remit	Remit fees, taxes, and markup to LDB for direct delivery sales via PAD

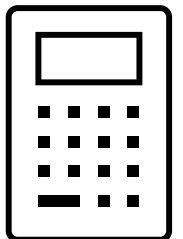
Engaging with cannabis retailers for direct delivery

- Licensed processor must take orders from licensed cannabis stores
- Licensed processor must communicate product assortment and product availability to retailers they will deliver to
- Only LDB registered and active direct delivery products may be offered for sale
- Licensed processor must maintain pricing and product attributes with the LDB
- Licensed processor may charge shipping fees on a separate invoice
 - LDB will not collect or remit taxes or markup for shipping fees
- Licensed processors must follow program policies and requirements



Direct delivery pricing and payment for retailers

- LPs will take payment from authorized and licensed cannabis retailers
- LPs must accept returns according to the LDB Direct Delivery Returns policy; Processors must provide credits to retailers directly
- Payment from retailers is due immediately upon shipping
- Acceptable payment methods are PAD/cash or debit card only; credit card is not permitted
- All products must be sold at LDB wholesale price plus all applicable fees, taxes
- Preferential pricing for select retailers is not permitted



Reporting

- Licensed processors will be required to report direct delivery sales to the LDB on a weekly basis (at the SKU and store level)
- Reporting templates and information about how to submit weekly reports is available on the direct delivery supplier website:
<https://www.bcldb cannabisupdates.com/bcldb-cannabis-direct-delivery>



Contacts

Vendor Relations (for licensed producer / processor enquiries)

Cannabis.vendor@bcldb.com

Cultivator Registration (regulatory and compliance)

regemail.@bcldb.com

Weekly sales and returns reports for direct delivery

cannabisreporting@bcldb.com



THANK YOU

Please send any questions you have following this session to directdelivery@bcldb.com

Responses will be provided within three business days



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