



October 28, 2019

The Honourable Doug Ford, MPP  
Premier of Ontario  
Legislative Building  
Queen's Park  
Toronto, ON  
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Dear Premier Ford,

There are few, if any sectors, which have invested as much and created as many jobs in Ontario, or across Canada, as the cannabis sector. Indeed, Ontario is the centre of licensed cannabis production in Canada: of the 243 licenses to produce cannabis approved by Health Canada, 110 of these (45%) are located in Ontario. The most recent Statistics Canada survey showed that as of the end of 2018 that our sector directly or indirectly employed 5700 people across the province, and this number has significantly increased in 2019. Collectively, Canada's licensed cannabis producers are very proud of our record and look forward to continuing to contribute to the growth of provincial and national economies.

Unfortunately, our ability to continue to invest and sustain the jobs that we have created is being severely challenged by the province's current retail cannabis policy framework. As Canada's licensed cannabis producers, we'd like to work with you and your government to leverage the significant capital investment and direct and indirect jobs that we have created in the province.

In this respect, we urge you to instruct your Ministers and officials to make every effort to enact all the necessary regulations to allow the number of private cannabis retail points of sale to significantly increase to support Canada's licensed cannabis producers.

Although the province has allocated an initial 25 private retail licenses and has begun the process of allocating a further 50 retail licenses this is clearly not enough. Compared to other provinces, Ontario is lagging far behind. There is one retail cannabis store for every 590,000 Ontarians, whereas in other provinces that also regulate a private retail "bricks-and-mortar" framework, like Alberta where there is a store for every 14,000 people, or Newfoundland and Labrador where there is one for every 21,000. Even Nova Scotia, New Brunswick, Prince Edward Island and Quebec, which all operate government owned retail networks, are significantly outpacing Ontario.



We're not alone in calling on your government to increase the retail cannabis footprint in Ontario. In a recent landmark report the Ontario Chamber of Commerce called on the province to re-open the application process for prospective operators and licensed producers as quickly as possible and proceed with a licensing system based on merit (i.e., prior retail experience, industry knowledge, capital, infrastructure, etc.) for the next phase of private retail. They also called on Ontario to follow the Government of Alberta's approach, to relax "rules governing partnerships between retailers and LPs while also allowing LPs to operate retail stores, whose total number of stores could be capped as a percentage of the market".

Premier Ford, Ontarians and their families employed in the cannabis sector need your support to create retail points of sale for the products they make.

- There is ample supply of cannabis for the adult recreational market - there simply is no longer a shortage.
- There is no downside for allowing more private retail cannabis stores to be opened. The risk and costs for operating these stores is fully borne by private sector operators. In fact, the more stores that operate to facilitate sales will drive increasing revenue from excise and sales tax to the provincial coffers, providing much needed funding for our schools and hospitals.
- The best way to combat the illicit cannabis market and to ensure that Ontario cannabis consumers have ready access to a regulated cannabis supply is to facilitate access to cannabis produced by Canada's own regulated licensed producers.
- Private cannabis retailers currently operating in Ontario and across Canada have already demonstrated that they have a clear focus on promoting the responsible use of cannabis. Regulated cannabis stores provide consumers with a full range of advice and education on the responsible use of cannabis and are "age-gated" to prevent those under the legal age for consumption to even enter the premises. The illicit "dispensaries" which are still operating in cities and towns across Ontario offer no such protection and should be shut down.

We also urge your government to revisit the policy which precludes licensed producers from operating more than a single cannabis retail store at one of their production facilities. Ontario should immediately allow licensed producers to open cannabis retail stores at production facilities if supported by the local municipality. If this was to happen several licensed producer stores could be operational in a very short time across the province. These would include locations in many small towns and rural areas that were not part of the initial retail roll-out, which was limited to those municipalities with populations over 50,000 which chose to "opt-in" and allow cannabis retail.



As the cannabis sector continues to grow and develop, and as Canada continues to establish itself as a global leader in the growing cannabis industry, ongoing research and development on cannabis will be key to sustaining this leadership. As in other provinces where they have business operations, Canada's licensed producers have developed research partnerships with universities and colleges across the province. These partnerships are invaluable for licensed producers and these post-secondary institutions alike. However, unless the Government facilitates the continued success of the sector by allowing an increased retail footprint, continuing these investments will simply be unsustainable.

Canada's licensed cannabis producers are job creators in Ontario and nationwide; we want to continue to grow in the province. We want to employ more Ontarians and invest more in the province. Unless the Ontario government changes course and allows for an expanded regulated retail network we won't be able to meet that objective and consumers will continue to turn to the illegal market.

Yours sincerely,

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CC: The Honourable Doug Downey, MPP, Attorney General  
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