2026 Policy Paper

Unlocking the Full Potential of BC Cannabis

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CANNABIS CULTIVATORS OF B.C.
British Columbia, Canada

POLICY PRIORITIES FOR A THRIVING SECTOR

Cannabis Cultivators of British Columbia (CCBC) is a provincial industry association representing the interests of federally licensed cannabis growers across the province—from outdoor to greenhouse operators and craft producers. CCBC advocates for policies that enable sustainable, quality-focused cultivation, and regulatory fairness. Its work focuses on achieving full agricultural recognition for cannabis, improving market access and competitiveness, and ensuring that BC producers can thrive within the legal framework while contributing meaningfully to rural development, public health, and the province's global cannabis reputation.

In 2024, Canada's legal cannabis sector generated nearly $29 billion in total economic output, contributing $16 billion to national GDP and supporting over 230,000 jobs—figures that rival the economic footprint of dairy and automotive sectors[1]. At the heart of this supply chain are cultivators, who serve as the industrial rootstock of the industry. Production activity alone accounts for approximately 90% of the sector's GDP contributions, underscoring cultivators' foundational role in value-added activity and employment.

British Columbia is a national leader in cannabis production, with over 200 licensed producers responsible for 25% of Canada's legal output[2]. Yet despite this dominance, the province remains under-leveraged internationally, contributing just 14% of cannabis exports[3]. The sector has accomplished this growth organically and without any access to U.S. markets, which remain closed due to federal prohibition. This trade barrier creates a unique opportunity for Canada—and BC in particular—to develop a tariff-insulated export economy rooted in agriculture, health innovation, and sustainable manufacturing.

With coordinated provincial support, BC producers are well-positioned to displace illicit sales, grow international market share, and cement the province's leadership in the global cannabis economy.

CANNABIS: A CONTRIBUTING ECONOMIC SECTOR

1. CCBC Policy Recommendation: The BC government formally recognize cannabis as a priority economic sector and ensure equitable access to established provincial economic development programs.

British Columbia's cannabis industry has evolved into a high-performing engine of GDP growth, job creation, and rural development. The sector generates an outsized GDP multiplier of $1.13 per unit—well above the national average of $1.06—delivering high-impact returns even as many producers continue to face profitability challenges, restructurings, and barriers to accessing mainstream supports such as funding, employment programs, and export development opportunities.

Since legalization, the BC Ministry of Agriculture has made meaningful progress in extending agricultural program eligibility to cannabis producers, helping to address long-standing inequities. This leadership is commendable. However, as the sector matures and its contribution to the provincial economy grows, it is

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[1] High Impact, Green Growth: The Economic Footprint of Canada's Cannabis Industry, Canadian Chamber of Commerce Business Data Lab (Jul 2025)
[2] Cannabis in British Columbia: Results from the 2025 BC Cannabis Use Survey, BC Cannabis Secretariat (Nov 2025)
[3] Statistics Canada. Canadian International Merchandise Trade Web Application (Apr 2025)

time to expand that equity across all relevant government programs and agencies. Cannabis should be integrated into the full suite of economic development supports—on par with other regulated and high-potential industries.

With equitable access and focused provincial support, BC is well positioned to lead both nationally and globally in cannabis. Strategic alignment with other growth sectors would attract new investment, displace the illicit market, and unlock export potential in a value-added, regulated industry rooted in BC's agricultural expertise and global brand strength.

2. CCBC Policy Recommendation: Establish a provincial cannabis designation guarantee of product origin, reinforcing consumer trust, and positioning BC cannabis for long-term competitiveness and global leadership.

A formal BC cannabis designation would provide much-needed structure and identity to one of the province's most high-potential sectors. Much like the BC VQA designation for wine or the "Ontario Grown" cannabis badge launched by the Ontario Cannabis Store, a provincial designation for cannabis would guarantee product origin, enhance consumer trust, and distinguish BC-grown products from out-of-province or imported offerings. This kind of branding builds quality assurance into the supply chain, strengthens public health compliance, and empowers consumers to make informed purchasing decisions. In a competitive and maturing marketplace, origin-based designations can elevate market value and promote regional storytelling — all of which benefit all producers in the province.

British Columbia already enjoys global recognition for its cannabis heritage. Formalizing a provincial designation would allow the province to harness that reputation into a regulated market asset — one that supports domestic sales, tourism, and future export positioning. It would also complement broader government efforts to support rural economies and value-added agriculture. By establishing clear eligibility criteria (e.g., cultivation and processing within the province, regulatory compliance, traceability), the province can ensure the designation protects both consumers and the integrity of the BC brand.

REDUCING INTERPROVINCIAL BARRIERS AND STREAMLINING SUPPLY CHAINS

3. CCBC Policy Recommendation: Harmonize Canada's cannabis excise stamp system into a single national stamp to reduce costs, simplify compliance, improve inventory flexibility, and support a stronger, more unified domestic cannabis economy.

As Canada faces global trade volatility and economic uncertainty, there is renewed national focus on strengthening internal markets by dismantling interprovincial trade barriers. Promoting the free flow of goods and services across provinces is critical to unlocking domestic growth, improving competitiveness, and building economic resilience. For cannabis, this imperative presents a timely opportunity: by streamlining internal trade, licensed producers can scale more efficiently, reduce redundant regulatory burdens, and strengthen national supply chains—all while bolstering competitiveness in a sector still constrained by fragmented policy.

A clear barrier to this vision is Canada's current cannabis excise stamp regime, which requires province-specific stamps for every jurisdiction. Modeled after tobacco regulation, this outdated system is misaligned with the operational realities of cannabis production, where hundreds of licensed producers manage diverse product lines. Region-specific stamps drive significant inefficiencies, limit inventory flexibility, and impose high costs. Industry estimates suggest cannabis producers collectively spend over $100 million annually on excise stamping—driven by manual labour, co-packing costs, and the need to maintain segregated packaging runs per province[4]. These challenges are compounded by complex administrative requirements, monthly reconciliations, and regulatory inconsistencies across jurisdictions. The result is a fragmented, high-friction system that reduces profitability, and limits supply chain responsiveness.

Crucially, transitioning to a single national excise stamp would be entirely revenue-neutral for government, preserving tax collection while significantly improving operational efficiency for producers. This reform has the full backing of licensed producers, cannabis boards, and retailers across the country, representing rare, broad-based consensus in the sector. It has also been consistently raised by various jurisdictions and departments at Federal Provincial Territorial roundtables and included in recommendations in provincial/federal budgets and finance committee reports.

4. CCBC Policy Recommendation: Expand Direct Delivery eligibility to include BC producers of all sizes, reduce the markup structure, and introduce a non-competitive listing model.

The Direct Delivery program was designed to connect cultivators directly with retailers, improving efficiency, flexibility, and product diversity in BC's cannabis supply chain. Yet access for all producers in British Columbia remains limited, reducing fair market access and stifling innovation.

Expanding eligibility to all BC producers – regardless of size – would allow for a more resilient and responsive supply chain. Cultivators could more easily meet fluctuating demand, test new products, and provide a broader product selection to retailers. This flexibility is especially important given recent events: in the past three years, BC has experienced two significant cannabis distribution shutdowns due to labour strikes. These disruptions triggered product shortages, financial losses across the supply chain, and opened the door for renewed illicit market activity – market share that may take months to years to reclaim.

To preserve the integrity of BC's local cannabis identity, products eligible for Direct Delivery should be required to be grown and processed in the province.

For larger producers, the BC Liquor Distribution Branch (LDB) could adopt a non-competitive listing model—similar to Ontario's Flow-Through system—to allow licensed producers to bring new SKUs to market, expand consumer choice, and provide them with real-world sales data to inform future provincial listings. This model enables innovation without crowding out existing catalogue products, supporting both market responsiveness and regulatory stability.

[4] Cannabis Council of Canada. Open Letter to Prime Minister Mark Carney (Jun 2025)

5. CCBC Policy Recommendation: Streamline Canada's cannabis export framework by reducing export permit wait times and introducing a master export permit system to support BC's growing export sector, improve global competitiveness, and reduce administrative burden for both producers and regulators.

British Columbia has emerged as one of Canada's leading cannabis exporters, with international shipments growing exponentially over the past three years. BC cultivators are now actively supplying medical and adult-use markets across multiple continents, and demand continues to rise for high-quality, Canadian-grown cannabis. However, the current export permit process administered by Health Canada is no longer suited to the pace and scale of this opportunity.

Each cannabis export shipment requires a separate, pre-approved export permit—a system that has become increasingly slow and inflexible. In recent years, permit processing times have grown dramatically, creating uncertainty, missed delivery windows, and lost market share to more agile global competitors. For export-ready businesses in BC, these administrative delays are a critical bottleneck to growth, investor confidence, and long-term trade relationships. The export permitting process must be far more responsive than this.

As a federally legal agricultural commodity, cannabis should be treated more like other plant-based exports. Introducing a master export permit model—valid for a defined period (e.g. 12 months) and allowing multiple drawdowns—would align with the seasonal and fluctuating nature of agricultural production. This would enable producers to respond to crop variations, shifting market demand, and international purchasing cycles without being constrained by shipment-by-shipment approvals.

6. CCBC Policy Recommendation: Amend the excise duty remittance regime so that taxes are collected at the wholesale distribution level rather than at the point of product transfer—allowing governments to recoup excise revenue in full and on time, while improving administrative efficiency and preventing future arrears.

Under the current regime, cannabis producers are required to remit excise duties at the point of product transfer to provincial boards—not at the point of sale to retailers. This differs from the alcohol sector, where excise is remitted by provincial wholesalers out of funds received from the retail network. This timing mismatch in cannabis has contributed to a growing backlog of unpaid duties: at the beginning of 2024, the Canada Revenue Agency (CRA) was owed more than $200 million in outstanding cannabis excise tax[5].

Shifting the point of remittance to the wholesale level would resolve this gap. It would ensure that governments collect the full amount of excise due each month, reduce collection arrears, and eliminate the mismatch between tax liability and actual revenue. The operational mechanism for such a model already exists: the BC LDB currently collects and remits excise duties this way for alcohol.

Aligning cannabis with alcohol in this respect is both fair and operationally feasible. It would also reduce administrative burden for producers while preserving tax neutrality for government.

[5] MJBizDaily. Canada's canceled licenses, 'uncollectible' cannabis taxes soar. (Apr 2024)

CANNABIS IS AGRICULTURE:

7. CCBC Policy Recommendation: Modernize the Producer Retail Store (farm-gate) licensing program to reduce barriers to entry and operations for BC licensed producers, ensuring broader access and equitable participation across the cultivation sector.

The Producer Retail Store (PRS) licence—commonly known as farm-gate—was established to enable federally licensed cannabis cultivators in British Columbia to sell their products directly to consumers from their production sites. While the model holds real potential to support rural economic development, enhance consumer education, and build BC-based cannabis brands, its uptake has been extremely limited.

As of 2025, only three non–First Nations farm-gate stores are active in the province. This low participation rate is not due to lack of interest, but rather to a series of systemic barriers that make adoption impractical for most producers. These include a complex and costly application process, rigid and often unnecessary structural requirements, narrow product allowances, and provincial markup policies that severely limit viability. In particular, excessive security requirements—despite the low-risk nature of controlled, on-site sales—create additional disincentives for producers to expand into farm-gate retail or participate in agri-tourism activities. Unlike other agricultural sectors in BC, cannabis producers face unique and disproportionate limitations that prevent them from offering experiences like tours, tastings, or on-farm events—activities that are widely supported elsewhere in BC's agri-food economy.

Additionally, duplicative reporting obligations and lengthy record retention timelines impose undue administrative burden, especially for small-scale operators, diverting time and resources away from business growth and consumer engagement. Streamlining these requirements for low-risk activities would significantly reduce friction and make farm-gate participation more accessible across the sector.

As a result, the core goals of the farm-gate model—revitalizing rural economies, strengthening legal access, and establishing a clear identity for BC-grown cannabis—have yet to be realized. This is especially concerning given that BC is home to over 200 federally licensed producers, the majority of which are located in rural or semi-rural areas. Without meaningful modernization of the PRS framework, the province risks sidelining these producers from one of the few legal avenues for direct consumer engagement. Moreover, recent consultations suggest the Liquor and Cannabis Regulation Branch (LCRB) may consider requiring a PRS licence for participation in future provincial programs—a move that would be fundamentally exclusionary unless barriers to entry and operation are addressed comprehensively.

8. CCBC Policy Recommendation: Add federally licensed cannabis cultivation to the list of Qualifying Agricultural Uses under the BC Assessment Act's Classification of Land as a Farm Regulation—ensuring cannabis is treated equitably alongside other regulated crops and unlocking the full economic potential of the ALR for legal producers.

Cannabis generated $2.7 billion in farm cash receipts in 2024—exceeding those of total receipts from greenhouse and field vegetables alone—making it one of Canada's top agricultural commodities[6].

However, despite being legally recognized as an agricultural commodity at the federal level, licensed cannabis cultivation remains excluded from the list of Qualifying Agricultural Uses (QAU) under the *BC Assessment Act* and the *Classification of Land as a Farm Regulation (LAF)*. This exclusion means that cannabis production sites are currently ineligible for Class 9 – Farm designation, which confers important property tax benefits and supports broader agricultural land use rights.

The issue is not one of general recognition but rather a regulatory gap: QAU designation is the essential mechanism through which a crop or commodity becomes eligible for Class 9 assessment. This regulation falls under the purview of the Ministry of Finance, with input from the Ministry of Agriculture and Food, and is administered by BC Assessment.

For cannabis producers—particularly those operating on Agricultural Land Reserve (ALR) properties—this classification has significant operational consequences. Without Class 9 status, licensed producers are ineligible to host events or gatherings on ALR land and must also pay a higher property tax rate than traditional farms. While the Ministry of Agriculture has waived farm classification as a barrier for participation in most of its programming, the regulatory exclusion still leaves cannabis producers at a disadvantage in land-use flexibility and ongoing operational costs.

ENHANCING PUBLIC SAFETY THROUGH INCREASED ENFORCEMENT AND ILLICIT MARKET DISPLACEMENT

9. CCBC Policy Recommendation: Increase enforcement against illicit cannabis retailers (including online operations), expand public education on the benefits of legal sources, and prosecute operators outside the legalized framework to protect consumers, strengthen the regulated market, and displace illicit supply.

While legal market capture increased significantly in the early years following legalization, national progress has since plateaued in the mid 70% range, underscoring the persistence of a deeply entrenched illicit market that cannot be diminished by market forces alone. Without coordinated, cross-government action, unregulated supply continues to undermine public health, consumer confidence, and the integrity of the legal system.

Province-specific data reflect similar challenges in British Columbia. According to the *2025 BC Cannabis Use Survey*, although a growing share of users now report purchasing cannabis from legal sources (72% in 2025, up from 55% in 2021), follow up questions indicate that at least 31% of adults may still obtain some products from illicit stores, websites, or dealers—a significant proportion of the market operating outside the regulated system.

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[6] The Canadian Press. Organigram Global Releases Landmark Report: Legal Cannabis Added $16B to Canada's GDP in 2024 (Sep 2025)

In BC, this dynamic is further complicated by illicit online retailers that operate openly—accepting credit cards, shipping via Canada Post, and mimicking legitimate packaging—making it difficult for consumers to distinguish between lawful and unlawful sources. Despite provincial enforcement efforts through the Community Safety Unit (CSU), these illicit channels persist, eroding legal market share and posing risks to public health. Illicit cannabis frequently bypasses regulatory testing, and independent lab analyses have consistently shown higher rates of pesticide residues, microbial contamination, and incorrect potency labelling compared with products available through regulated channels[7].

Given these trends, stronger enforcement paired with strategic public education is necessary. Enforcement must focus both offline and online, targeting websites and unlicensed vendors that exploit gaps in regulatory oversight. At the same time, consumer outreach campaigns should emphasize the safety, traceability, and compliance advantages of purchasing from licensed retailers—reinforcing the value of the legal market and reducing demand for illicit goods.

10. CCBC Policy Recommendation: Modernize rules for non-activated cannabis products to reduce costs, support accessibility, and align with real-world risk.

Canada's current regulatory framework generally treats all cannabis products as if they pose the same level of risk, regardless of whether they are psychoactively active in package. This creates unnecessary barriers, especially for non-activated products like dried flower that do not produce intoxicating effects until heated. Two specific reforms could modernize this approach while maintaining public safety.

First, non-active cannabis samples should be explicitly exempted from federal inducement prohibitions to enable product education and retail decision-making. Sharing samples that contain no active cannabinoids (i.e. dried flower) would allow retailers and consumers to assess visual quality, aroma, and packaging—key factors in purchase decisions. This is a common and accepted practice in other sectors, including alcohol, food, and cosmetics, and would improve product education and competitiveness in the legal market without raising public health concerns.

Second, Health Canada should remove the requirement for child-resistant packaging on non-activated cannabis products, such as sealed dried flower, which carries low risk of accidental ingestion in its raw form. This change would reduce unnecessary costs for producers, improve accessibility for seniors and people with disabilities, and enable the use of more sustainable and recyclable materials. These packaging updates would also bring cannabis more in line with other adult-use regulated products, like alcohol or herbal remedies.

11. CCBC Policy Recommendation: Exempt sealed, excise-stamped cannabis products from the 30-gram public possession limit to align with legal market realities, support compliance, and reduce illicit market advantages.

Canada's 30-gram public possession limit—originally introduced as a law enforcement tool—has become a barrier in today's regulated market. Applied even to sealed, excise-stamped cannabis, it limits consumer

[7] StratCann. BC report shows high levels of pesticides, inaccurate THC levels in illicit cannabis, vape carts (Jul 2022)

access, particularly in rural areas where bulk purchases are common and practical. Other regulated industries, such as alcohol, do not impose limits on the amount an adult can purchase or carry. At the same time, illicit cannabis sellers face no such restriction, giving them a competitive advantage and weakening the legal market's reach.

CONCLUSION: A MOMENT OF OPPORTUNITY AND RISK

Cannabis is no longer a policy experiment—it is a pillar of British Columbia's regulated economy. With targeted support, the province can create jobs, expand exports, and secure public health outcomes. Without reform, many cultivators risk insolvency, and illicit actors will continue to dominate.

Now is the time to act. The Cannabis Cultivators of British Columbia call on the Province to unlock the full potential of a sector that is ready to lead.