

# Direct Delivery Program

BC Liquor Distribution Branch

July 2021



**LIQUOR  
DISTRIBUTION  
BRANCH**



# AGENDA

**1.**

Background

**2.**

Program  
requirements  
& eligibility

**3.**

Direct delivery  
model (short  
& long-term)

**4.**

Next steps

**5.**

Questions



1.

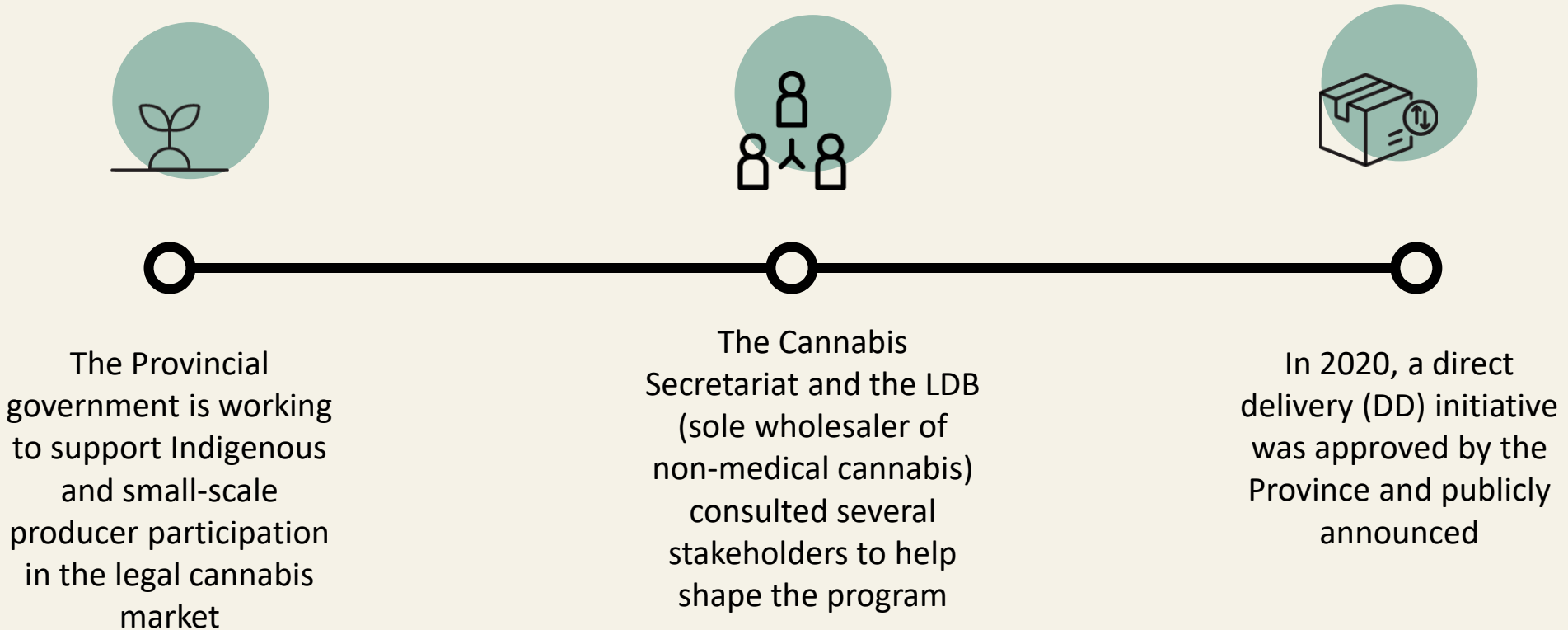
Background



**LIQUOR  
DISTRIBUTION  
BRANCH**



# 1. BACKGROUND



# 1. BACKGROUND: Direct delivery program



After consultation, the LDB is moving forward with developing a program to authorize nurseries and small-scale cultivators in BC cultivating up to 3,000 kilograms of cannabis annually to directly deliver products to retailers

Currently, legal, packaged cannabis is shipped to the LDB's distribution centre for sale and delivery to licensed retailers

Cultivators without a processing license will be required to partner with a licensed processor to package their product

# 1. BACKGROUND: Program objectives

The elimination of the illicit cannabis market

---

Small-scale cannabis producers to enter the legal market

---

Legal market competitiveness for small-scale producers in BC



# 1. BACKGROUND: Benefits to LPs

Helping LPs to establish and nurture brand recognition and loyalty at a local level

Increasing their access to market and building business; in turn, this may improve access to financing and potential investors

Supporting them to maintain product quality through locally-managed delivery

Expediting their supply chain timelines and increasing freshness of product sold in retail stores

Better supporting environmental initiatives (reducing handling and transportation of product)



# 1. BACKGROUND: Benefits to Licensed Retailers

Increasing their options for product assortment

Proving opportunities to carry regional products and small-batch local products

Providing opportunities to develop relationships with local producers

Creating opportunities for 'farm-to-shelf' assortments





2.

# Program requirements & eligibility



**LIQUOR  
DISTRIBUTION  
BRANCH**



## 2. PROGRAM REQUIREMENTS & ELIGIBILITY

To be eligible for the DD program, BC-based LPs must meet basic requirements related to federal cannabis licensing and annual production volume

Nursery Licence  
(Any size)

Allowed to direct  
deliver plants and  
seeds

Cultivation Licence  
Only

(< 3,000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Cultivation &  
Processing Licence

(< 3, 000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Processing Licence  
Only

Allowed to direct  
deliver for eligible  
cultivators only

## 2. PROGRAM REQUIREMENTS & ELIGIBILITY

### Scenario A:

Federally licensed nurseries are permitted to direct deliver plants and seeds

Nursery Licence  
(Any size)

Allowed to direct  
deliver plants and  
seeds

Cultivation Licence  
Only

(< 3,000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Cultivation &  
Processing Licence

(< 3, 000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Processing Licence  
Only

Allowed to direct  
deliver for eligible  
cultivators only





## 2. PROGRAM REQUIREMENTS & ELIGIBILITY

### Scenario B:

In order to be eligible, a licensed cultivator must not cultivate more than 3,000 kg/year

The licensed cultivator must work with a licensed processor (not required to be in BC) to have their product packaged (dried flower, pre-rolls, extracts, etc.)

Nursery Licence

(Any size)

Allowed to direct  
deliver plants and  
seeds

Cultivation Licence  
Only

(< 3,000 kg annual  
cultivation only)

Allowed to direct  
deliver

Cultivation &  
Processing Licence

(< 3,000 kg annual  
cultivation only)

Allowed to direct  
deliver

Processing Licence  
Only

Allowed to direct  
deliver for eligible  
cultivators only



## 2. PROGRAM REQUIREMENTS & ELIGIBILITY

### Scenario C:

A producer holding both a cultivation and processing licence may participate only if they cultivate no more than 3,000 kg/year under their cultivation licence

Nursery Licence  
(Any size)

Allowed to direct  
deliver plants and  
seeds

Cultivation Licence  
Only

(< 3,000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Cultivation &  
Processing Licence

(< 3, 000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Processing Licence  
Only

Allowed to direct  
deliver for eligible  
cultivators only



## 2. PROGRAM REQUIREMENTS & ELIGIBILITY

### Scenario D:

Direct delivery is not permitted for Licensed Producers that only hold processing licences

Nursery Licence  
(Any size)

Allowed to direct  
deliver plants and  
seeds

Cultivation Licence  
Only

(< 3,000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Cultivation &  
Processing Licence

(< 3,000 kg annual  
cultivation only)  
Allowed to direct  
deliver

Processing Licence  
Only

Allowed to direct  
deliver for eligible  
cultivators only





3.

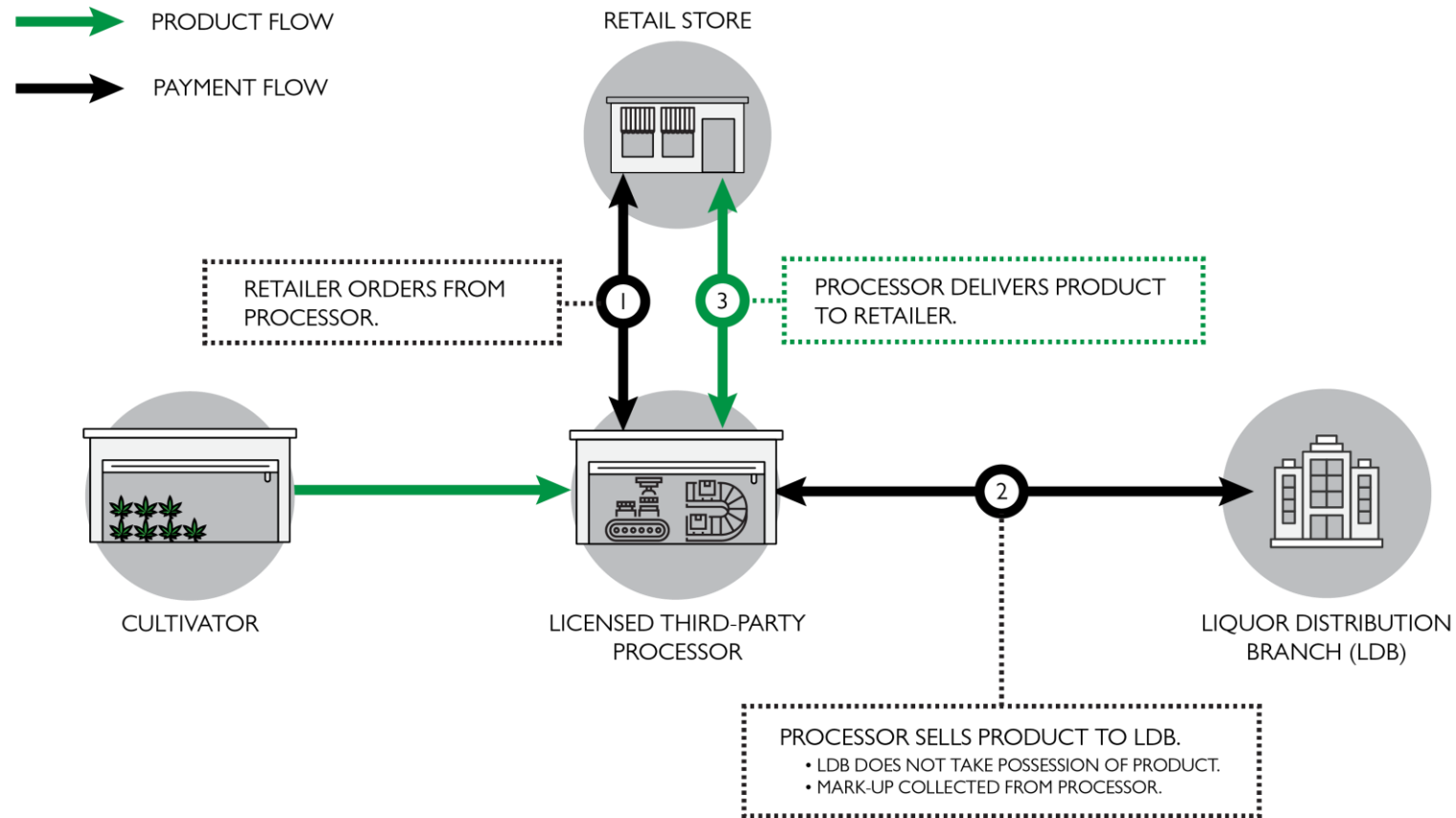
# Direct delivery (DD) model



LIQUOR  
DISTRIBUTION  
BRANCH



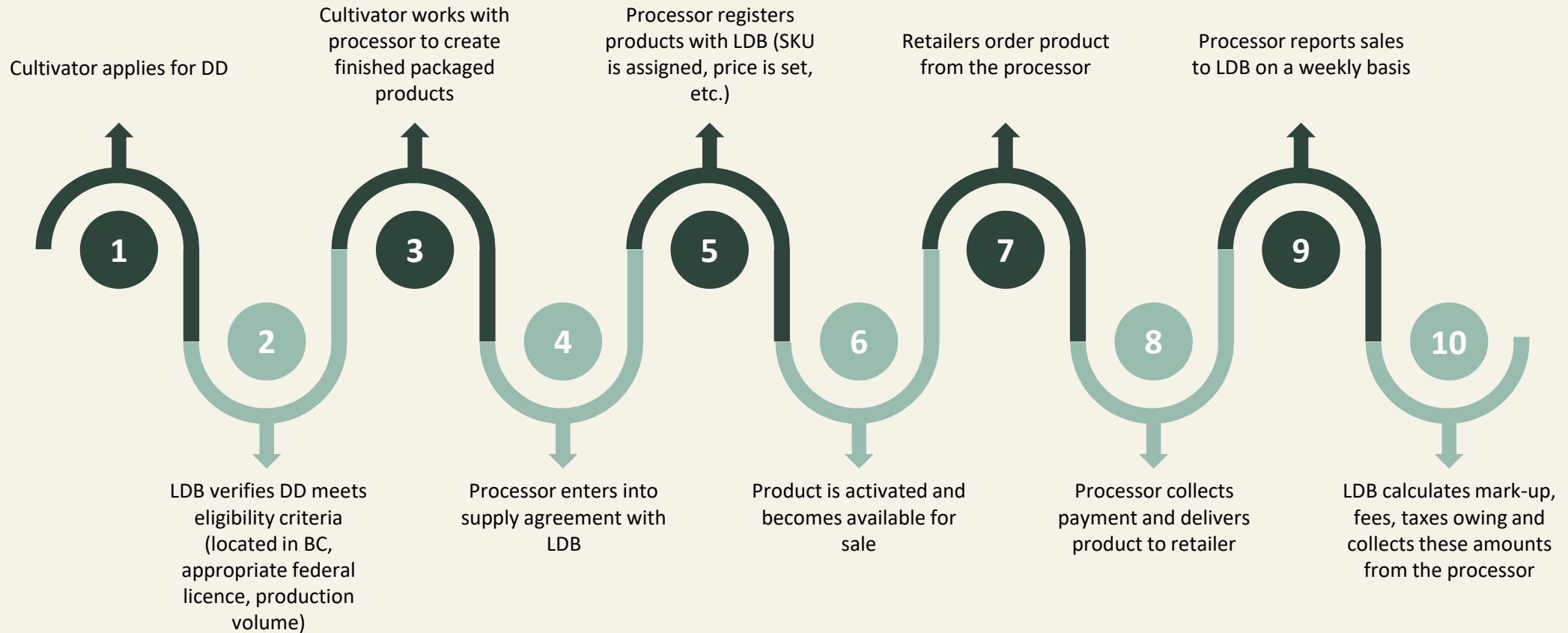
### 3. DD MODEL: Sample supply chain



### 3. DD MODEL: Short-term process

Short-term Sales Reporting Option launching in Fall 2022

The DD processor is responsible for distribution and communication with the customer and order fulfillment





### 3. DD MODEL: Long-term process

LDB is working on expanding its technological capabilities to be able to transition to a more sophisticated, centralized ordering/reporting process in the future

4.

Next steps



**LIQUOR  
DISTRIBUTION  
BRANCH**



## 4. NEXT STEPS



### Step 1

Summer through early Fall 2021

- LDB will be preparing information and communication for cultivators, nurseries, licensed producers and licensed retailers to provide information on the program
- Producers who qualify and are interested in taking part in the program are asked to contact [directdelivery@bcldb.com](mailto:directdelivery@bcldb.com)
- A centralized website is being developed to provide up-to-date info on the program; stay tuned for details



### Step 2

Expected late Fall 2021

- LDB will connect directly with eligible producers expressing interest in the program to provide further details on the model and process