

# Direct delivery program

Information session for licensed cannabis retailers

July 20, 2022



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# Introductions

- Jeff Ring, Director, LDB Wholesale Supply Chain

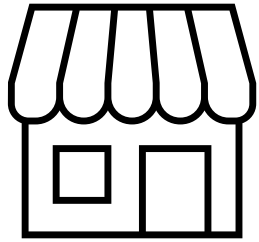


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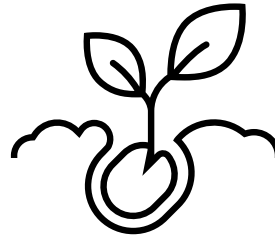
# Virtual housekeeping

- 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](mailto:directdelivery@bcldb.com), and will be answered within three business days.

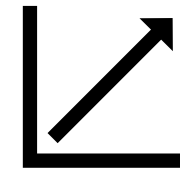
## Direct delivery program objectives



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.

# Categories of direct delivery



# Supplier eligibility for Standard Direct Delivery

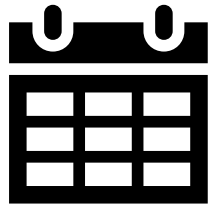
## Cultivator

- 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.

## Engaging with cannabis retailers for direct delivery

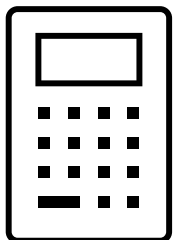
- Licensed processor must take orders from licensed cannabis stores
- Licensed processor must communicate product assortment and product availability to retailers they will deliver to
- Only LDB registered and active direct delivery products may be offered for sale
- Licensed processor must maintain 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



## Important notes for retailers

- LDB will post a list of registered direct delivery products on the Wholesale website for verification of eligibility
  - The licensed processor is required to confirm product availability and delivery footprint
- Some products may be offered for sale in both distribution channels: direct delivery and central delivery
- Processors may charge shipping fees at their discretion, confirm with the processor
- Ordering, payment, delivery and returns are facilitated by the processor, not LDB

# Important notes for retailers

- Processors are required to take returns and issue credit to retailers under the program if products are:
  - Shipped in error
  - Defective
  - Recalled
  - Aged
- Processors will report sales to LDB at the SKU and store level
- Financial transaction occur directly between the retailer and the processor; the processor is responsible to charge the correct amount (wholesale price plus applicable taxes and fees)

# Direct delivery program webpage

<https://www.bclddbcanabisupdates.com/LDBDirectDeliveryProgram>



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# Direct delivery supplier webpage

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



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# Contacts

Program Questions

[directdelivery@bcldb.com](mailto:directdelivery@bcldb.com)

Operational Questions- Cannabis Customer Care

[businesscustomercarecentre@bcldb.com](mailto:businesscustomercarecentre@bcldb.com)



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# THANK YOU

Please send any questions you have following this session  
to [directdelivery@bcldb.com](mailto:directdelivery@bcldb.com)

Responses will be provided within three business days



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