

Changes, Challenges, and Opportunities: Cannabis business summit on legal cannabis industry in RI

As I clipped on my name tag and walked into the Cannabis Business Summit on a recent crisp September morning, every table seemed to be filled to capacity with business professionals, hot coffees in hand and pocket full of business cards at the ready. Alongside the networking opportunity, those in attendance were surely hoping to get the latest scoop on the state of legal cannabis in RI, and what that might mean for their professional lives.

One panel focused on the emerging adult-use cannabis industry in RI, featuring local legal and financial experts in the space, as well as familiar faces like **Senator Josh Miller**, one of the foremost legislative champions of cannabis policy at the State House. Among the issues facing cannabis businesses in RI, it seems that complications related to banking, zoning, and business insurance remain the foremost concerns for cannabis entrepreneurs. Beyond raising capital, Miller said, “security was the biggest priority” for the stakeholders he met with, including the many “private security” services offered by retired law enforcement professionals looking to make a second career out of creating and managing security protocols for legal cannabis facilities.

All irony aside, there are very detailed regulations for security when it comes to medical marijuana facilities in RI, according to **Matthew Santacroce** of the Department of Business Regulation, and those requirements will remain the starting point for the adult-use industry, due to the hybrid licensing approach that will allow existing medical dispensaries to be the first to serve both the medical and adult-use markets.

While strict regulations can certainly be costly for business owners, it doesn't help that the RI cannabis market has been shrinking, at least according to those who spoke on the second panel, addressing challenges and opportunities in the nascent industry. **Spencer Blier**, CEO and Co-Founder of Mammoth, Inc. echoed the frustrations of many cultivators in the state, who have watched helplessly as wholesale flower prices in our state have fallen to less than half of those in neighboring Massachusetts, where more retailers and fewer cultivators create a market dynamic that is much different than in RI. According to Blier, advertising restrictions as well as packaging and labeling requirements can make it difficult for a small business to develop brand recognition in traditional ways, and social media marketing has been critical for companies like Mammoth, even in smaller markets such as RI.

Cannabis is really “an agricultural industry at heart,” according to **Dr. Jonathan Martin** of Pure Vita labs, who compared it to that of traditional wine production — so building a strong brand identity is even more important for small businesses that hope to stand out among corporate competition and out-of-state operators. Senator Miller shared a similar sentiment during his panel, advising that “[to] preserve the personality and vitality of the industry... smaller is better.” The future cannabis commissioners “will have a lot of work to do,” he said, “[in order to] avoid takeover from big finance.”

While “a well-funded group could easily control the entire market,” Santacroce admits, the new adult-use industry also presents an “opportunity to bring a diverse and competitive market array” to the

table, and he, too, will be looking to the Cannabis Commission to create a solid framework for licensing — one that deals with any loopholes that favor corporate competitors, as well as designates new and innovative license types that will help create a diverse and competitive industry in our state.

While I always welcome increased and ongoing public discourse around these issues, as I looked around the event I couldn't help but wonder what (or whom) it was all for. Perhaps it was a combination of the \$65 ticket price (hot continental breakfast included, don't worry), the overwhelming lack of demographic diversity in both the panelists and audience alike, and the noticeable absence of any substantial dialogue around cannabis equity issues, but the event felt like more of the same old tropes when it comes to business, the cannabis industry, and RI in general - it is more about money, connections, and "who you know" than anything else. As it happens, the Business of Cannabis Summit *was* actually reflecting the present and future of the RI cannabis industry - if we don't commit to doing better, that is.

Ed note: There is also a Cannabis Entrepreneurial Workshop by the Cannabis Career Institute coming up, either Sat, Oct 8 or Sun, Oct 9 for \$299 for a full day of tips, strategies and tactics.
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