

CANADA PROMOTES CANNABIS TOURISM UNDER HARSH RESTRICTIONS



Since 2019, the Ontario government's idea seems simple: encourage investors to buy land and grow cannabis, then open the doors and offer tourists an experience like wineries around the world.

Entrepreneurs looking to seize the opportunity of cannabis tourism however have realized that it is not that simple after all and the rules are too complicated.

The legislation that came into force in 2019, enabling direct sales of cannabis from farms, is restrictive and complicated. **These projects are made more complex by the numerous regulations that control the cannabis industry in Canada** at the municipal, provincial and federal levels.

J.P. Mariwell, a company that grows marijuana and is trying to build a cannabis tourism business, envisions visitors strolling through its massive plantations, with thousands of potted plants and a guidebook extolling the health benefits of the abundant varieties.

The company would like to offer some of its marijuana harvest for sale on-site, along with bath balls and beverages from other local growers in the bucolic region, situated on the shores of Lake Erie. Mariwell's master grower imagines a cafe whose menu showcases his most stunning specimens.

Most of this project will probably be a dream only. Regulations require Mariwell's windows to be closed, barring minors from seeing what's inside. Fields walks are prohibited, according to rules designed to avoid contamination. And it is not even worth talking about a tasting room along the lines of nearby wineries: consuming cannabis on-site is not allowed. The staff itself cannot even taste the cultivated product. "I just wanted customers to be able to touch it or smell it," says Theresa Robert, the company's president and main investor.

Like many licensed marijuana operations in Canada, where the cannabis industry is booming, Mariwell is trying to sell its meticulously bred strains for medicinal and recreational use. A tourist operation would be welcome additional revenue. Mariwell is optimistic it will make its first profit this year - with about 5,000 plants growing well - and gross sales of about C\$10 million (about US\$7.8 million).

The company has raised C\$5 million, which it has invested in land, equipment, seeds, fencing and security - initial financing that allowed Mariwell to obtain a license to sell their products in shops. There is no guarantee yet that the provincially authorized distributor will allow the products to be stored.

Selling in a farm shop would require another round of licensing. "You have to put a lot of money into the business with the hope that it gets approved," says Theresa.

Last week, Sensi Brands opened its farm shop in a train carriage in St. Thomas, Ontario. The company fitted the carriage's small windows with one-way glass to comply with rules preventing the

interior from being seen. “We have conceived a really cool experience as our brand is Station House,” says Tony Giorgi, CEO of Sensi.

Station House is just one of three marijuana outlets - what the province refers to as “farm” shops - that have opened since the legislation passed. The middling interest in the business is caused by the strict rules, as investors don’t want to face so many hurdles, says Trina Fraser, a partner at Brazeau Seller Law. “I’ve met several clients who’ve said, ‘We don’t want to set up a farm shop, no way,’” she says.

Farm shops are subject to the same provincial rules as cannabis retail shops, says Daffyd Roderick, spokesperson for Ontario Cannabis Store, the state distributor in the region. ‘OCS will continue to monitor the success of the farm shop model and evaluate possible future modifications.’

While Ontario was the first province to allow cannabis shops, New Brunswick on the Atlantic coast recently launched a similar program. British Columbia, on the Pacific coast, meanwhile, is developing a plan.

George Smitherman, CEO of the Canadian Cannabis Council, an industry lobby group, says that cannabis tourism will flourish as growers find creative ways to attract visitors. He predicts consumers will find alternative solutions to consumption restrictions, such as shoppers taking their purchases to nearby parks. “There are a lot of creative, brave and fearless people,” he says.

Mariwell’s master grower, Brendon Ditmar, is radical to the max. Ditmar has the vocabulary of a botanist and the soul of a winemaker. His marijuana has names like Frisian Dew and Three Cheeses. “The Inverted Pineapple Cake is going to be a hit,” he says, pointing to a row of plants sixty centimeters tall.

“Right now, I’m working on several flavors of peanut buttercream,” says Ditmar. “A wine connoisseur would feel as I do. When we consider these unique characteristics, we feel like highlighting them, showing their unique profile.”

For now, marijuana connoisseurs who want to see Ditmar’s work will have to settle for a virtual tour of Mariwell’s website. He takes pride in his marijuana with its tropical fruit aroma and chocolate notes, the location of the farm and a panoramic display of all its varieties.

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