

November 27, 2017

Honourable Brian Pallister  
Premier of Manitoba  
Room 204 Legislative Building  
450 Broadway  
Winnipeg, MB R3C 0V8

**Subject: Small Business' Involvement in Manitoba's Cannabis Retail Model**

Dear Premier:

We are writing today to raise our members' concerns regarding Manitoba's proposed retail model for recreational cannabis, and a lack of role for small business in the first phase of the model.

As you know, CFIB represents 4,800 independently-owned small- and medium-sized enterprises across Manitoba. Our members have made it clear that they would like to see a role for private enterprise in this emerging industry. CFIB surveyed members on this important issue between October 26 and November 10, 2017, and results were collected from 223 small business owners in the province. When asked: "Who do you feel should have the opportunity to sell recreational marijuana?," 58 per cent believed private retailers should have a role in the sale of recreational cannabis (32% supported regulated private retailers, 25% supported a private-public hybrid model), and 26 per cent supported a public retail model. Seventeen per cent of respondents did not know.

Given these preliminary findings, CFIB was initially pleased when your government announced the private-public hybrid retail model on November 7<sup>th</sup>, 2017. However, with the additional details that followed in the request for proposals, it is now clear that small businesses will be unable to participate in phase one.

CFIB is very concerned that small businesses have no role in the first phase of the proposed retail model. After some follow-up discussions with government officials, it appears that the request for proposals is limited to four businesses being approved, and each must possess a (nearly) province-wide distribution channel. As a result, on a practical level, small businesses will not be able to participate individually, nor will they have the time necessary to apply under a collective effort.


This retail approach operates counter to the direction your government has taken on other important files such changes in the taxi cab industry. Your government has made many small business-friendly decisions and reiterated the importance of small businesses in the provincial economy. It is essential

that small businesses serve an important role in this emerging industry and be free to compete with other firms, regardless of size. We are confident that small businesses can compete in the cannabis industry and continue to operate safely just as they already do in the alcohol and prescription drug industries. CFIB therefore urges your government to reconsider phase one of the proposed retail model and permit participation from all acceptable businesses, regardless of size.

Phases two and three of the proposed retail model should also allow participation from all qualified businesses, regardless of size. Information regarding these two phases should be made publically available as soon as possible to provide businesses with a fair opportunity to begin building their business plans and applications. Lastly, the second and third phases should be implemented by no later than July 2<sup>nd</sup>, 2018, to ensure no businesses, regardless of size, face a competitive disadvantage by entering an established market.

Thank you for your attention on this important issue. We look forward to providing our members' views on other aspects related to recreational cannabis, including safe and healthy workplaces and minimizing regulatory requirements, in the coming weeks. CFIB would be pleased to discuss this issue further with you or one of your colleagues. If you have any questions in the meantime, please contact our office at (204) 982-0817.

Sincerely,



Dan Kelly  
President & CEO



Jonathan Alward  
Director of Provincial Affairs, Manitoba

cc: Hon. Heather Stefanson, Minister of Justice and Attorney General  
Hon. Blaine Pedersen, Minister of Growth, Enterprise and Trade  
Hon. Cameron Friesen, Minister of Finance  
Hon. Cliff Cullen, Minister of Crown Services