

# BEEHOUSE

## BPLP – Monthly Developments

### February 2022

- The legal US cannabis industry added 107,000+ jobs in 2021 and now employs a total of 428,000+ full-time equivalent workers, according to Leafly's 2022 Jobs Report and Whitney Economics. This represents growth of 33% year-over-year, making 2021 the fifth consecutive year of annual job growth greater than 27%. California (83,607), Colorado (38,227), Michigan (31,152) and Illinois (28,992) have the most cannabis-specific jobs in the country.
- The National Collegiate Athletic Association (NCAA) lowered cannabis penalties for student athletes and increased the THC threshold in drug tests. The NCAA is reviewing a key committees' recommendation that student athletes should no longer automatically lose their eligibility following a positive test. Effective immediately, the THC threshold for a positive test was increased from 35 to 150 nanograms per milliliter, as determined by the NCAA Committee on Competitive Standards and Medical Aspects of Sports (CSMAS). This threshold aligns with that of the World Anti-Doping Agency.
- SAFE Banking passed the House for the sixth time, after being attached to the America COMPETES Act. The manufacturing and innovation-focused bill was passed 222-210. Rep. Perlmutter (D-CO) confirmed he has been in talks about revising the legislation in the Senate version that would address social equity concerns of Senate Majority Leader Chuck Schumer (D-NY) and his peers.
- Senator Chuck Schumer (D-NY) announced his aim to formally file his own bill to federally legalize cannabis in April. House Judiciary Committee Chairman Jerrold Nadler (D-NY) also discussed progress on his separate legalization bill.
- After voters approved a ballot measure to legalize medical cannabis in Mississippi in the November 2020 election, the state's legislation officially became law, allowing qualified patients to obtain medical cannabis. Mississippi now has 60 days to begin issuing registry ID cards to qualifying patients and 150 days to begin providing licenses to dispensary operations.
- Colorado set a record of cannabis sales in 2021, hitting \$2.2B in combined medical and recreational sales. Total sales since January 2014 have hit \$12.2B.
- Arizona's cannabis industry generated \$1.4B in sales in 2021, the first full year of recreational sales. This also includes sales of medical cannabis in the state.
- Illinois cannabis sales hit \$117.3MM in January, down from a record \$137.9MM in December 2021. Year-over-year, January sales were up 32%. Out-of-state residents accounted for \$35.3MM, or 30%, of sales.
- Montana recreational sales reached \$12.9MM in January, the first month of the program.
- Arkansas medical cannabis sales hit \$20.5MM in January, with \$2.8MM in taxes collected in the month. Since the program's launch in May 2019, the state has collected \$60.2MM in taxes, which includes collection from the regular 6.5% state sales tax and the 4.0% privilege tax.
- New Jersey's Cannabis Regulatory Commission (CRC) hinted at a possible mid-March launch of recreational sales in the state, after surpassing the February 22 deadline. While state regulators say there is no firm date, Executive Director Jeff Brown noted that the CRC has 90 days to review a recreational application, which would be March 15. Governor Phil Murphy has also indicated that medical dispensaries being able to sell recreational cannabis is "within weeks."
- New York Governor Kathy Hochul signed the "Conditional Cannabis Cultivation" bill, which focuses on equity, inclusion and sustainability. The bill approves licensed hemp growers to obtain temporary conditional licenses to cultivate and process cannabis ahead of the state's recreational market launch. To be eligible, applicants must possess a hemp grower authorization from the Department of Agriculture and Markets as of year-end 2021, be in good standing and have grown hemp for two of the last four years. Both cultivator and processor licenses must participate in a social equity mentorship program and an environmental sustainability program. The licenses will be valid until mid-2024.

# BEEHOUSE

## BPLP – Monthly Developments

- ⬡ New York regulators issued “cease and desist” warnings to more than two dozen cannabis businesses that are exploiting a “gifting” provision of the state’s cannabis law. Adults 21 and older are permitted to possess and publicly consume cannabis, as well as gift cannabis to other adults without compensation. Dozens of companies have taken advantage of that provision in the period between cannabis decriminalization and recreational sales turning on in the state by setting up “gifting” storefronts.
- ⬡ Almost 10% of jobs created in Missouri last year came from the state’s legal medical cannabis industry. The cannabis sector added almost 7,000 new jobs in 2021.
- ⬡ Over 75% of Floridians support recreational cannabis legalization, according to the University of North Florida’s Public Opinion Research Lab.
- ⬡ A new political action committee called Better Organizing to Win Legalization (BOWL) PAC was launched by former NORML lobbyist Justin Strekal to fight for cannabis legalization and elect pro-reform politicians.
- ⬡ The National Football League awarded \$1MM in research funding to two medical research teams to study the effects of cannabinoids on pain management and neuroprotection from concussions in elite football players.
- ⬡ Tavarres King, ex-Georgia Bulldogs and seven-year NFL veteran, noted that around 80% of players in the NFL use cannabis to relieve pain from the physicality of the sport.
- ⬡ According to the National Survey of Drug Use and Health, in 2021, the proportion of adults 65 or older who reported recent cannabis use jumped by 18%.
- ⬡ PepsiCo’s Rockstar Energy brand launched a hemp-infused beverage named “Rockstar Unplugged.”