

# ADVOCACY **2023** SUMMIT

**[RE]DEFINE**



**10.10.23-10.12.23**



**Little Rock, AR, USA**

# Navigating the Cannabis Landscape: 2023 Successes and Setbacks



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## For Today

- Taskforce acknowledgement and mission
- 2023 Work and Wins
  - Maryland
  - Minnesota
- Acknowledging detractors and refocus on development



# TASKFORCE MISSION

*Our mission is to collectively understand and strategically navigate the intersection of hemp and cannabis in travel and industry.*

*With both destination development and the visitor economy in mind, we work to demystify the hemp and cannabis conversation and bring the conversation current with data, case studies, and facts.*

*Through our work, we will create a universal toolkit to support strategic navigation of cannabis and hemp opportunities.*



# 2023 Wins

Beginning in **2023**:

- **50** countries with legal hemp industries
- **30** countries with legal cannabis industries
- By **2030**, the global cannabis market is estimated to be **\$444.34** billion according to Fortune Business Insights



# Destination Organization Needs

## Help and Support:

- Understanding the landscape and opportunity, BOTH cannabis and hemp
- Supporting local government with data, information, and destination development strategy in the visitor economy
- Educating travel stakeholders about the cannabis experience addition to the local travel ecosystem and visitor economy



## 2023 Win: Maryland

- 22<sup>nd</sup> state to legalize recreational cannabis
- Geographic competitive advantage
- Cannabis Administration integrated into the Government



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# 2023 Win: Minnesota

- 23<sup>rd</sup> state to legalize cannabis
- Retail: No more than one per every 12,500 residents



Flag of Minnesota

**Legalized Hemp**

2018 - USA

**THC-Enriched  
Beverages**

2022 - MN

**Recreational Use**

August 1<sup>st</sup>, 2023 -  
MN





## **Brian Applegarth**

Founder

Cannabis Travel Association International

# 2023 SUCCESSES AND SETBACKS

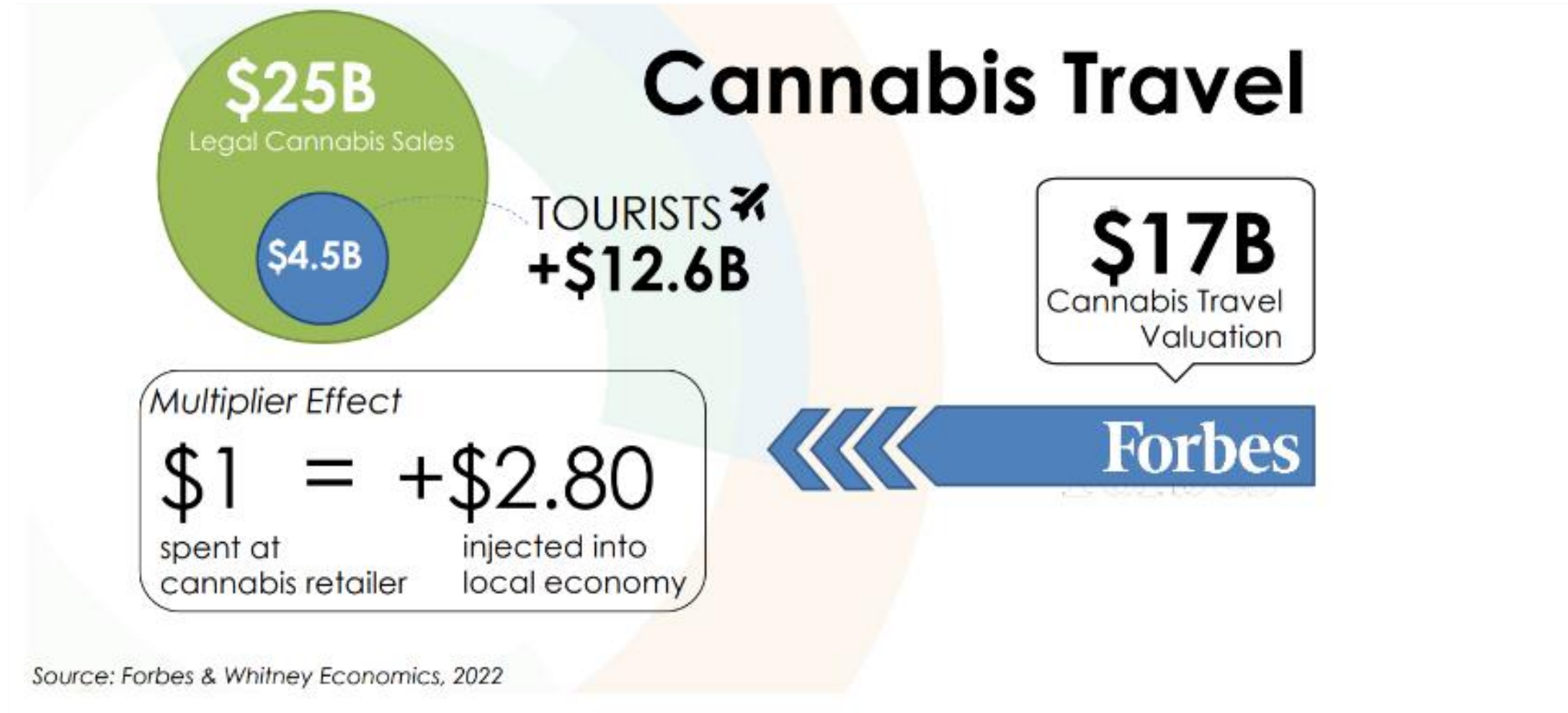
## Successes

- Adult-use recreational sales commenced – **Maryland** 07/01/23
- Adult-use recreational legalization passed – **Minnesota** 08/2023 sales started
- Adult-use recreational legalization passed – **Delaware** 04/23/23
- Medical legalization passed – **Kentucky** 01/01/23 medical sales
- Proposed adult-use legislation coming forward 12/1 - **New Hampshire**

## Setbacks

- Four states rejected adult-use referendums that would have legalized possession and sales for adults – **Arkansas, Oklahoma, North Dakota, South Dakota**
- Every county in **Oklahoma** voted against a March referendum that would have legalized possession and sales for adults. However, on the medical cannabis front, the Oklahoma Medical Marijuana Authority's has accepted approximately 136,838 licenses.
  - 130,288 patient licenses
  - 1,022 care giver licenses
  - 5,528 business licenses

# United States



# United States

The combined U.S. medical and recreational cannabis sales are expected to reach **\$33.6 billion by the end of 2023**, according to analysis from the MJBiz Factbook.

New Frontier Data's researchers report that legal cannabis sales are **projected to reach \$71 billion by 2030** in the United States. The problem is total illicit cannabis sales in 2022 were \$76 billion, and by 2030, they're only expected to decrease to \$52 billion.

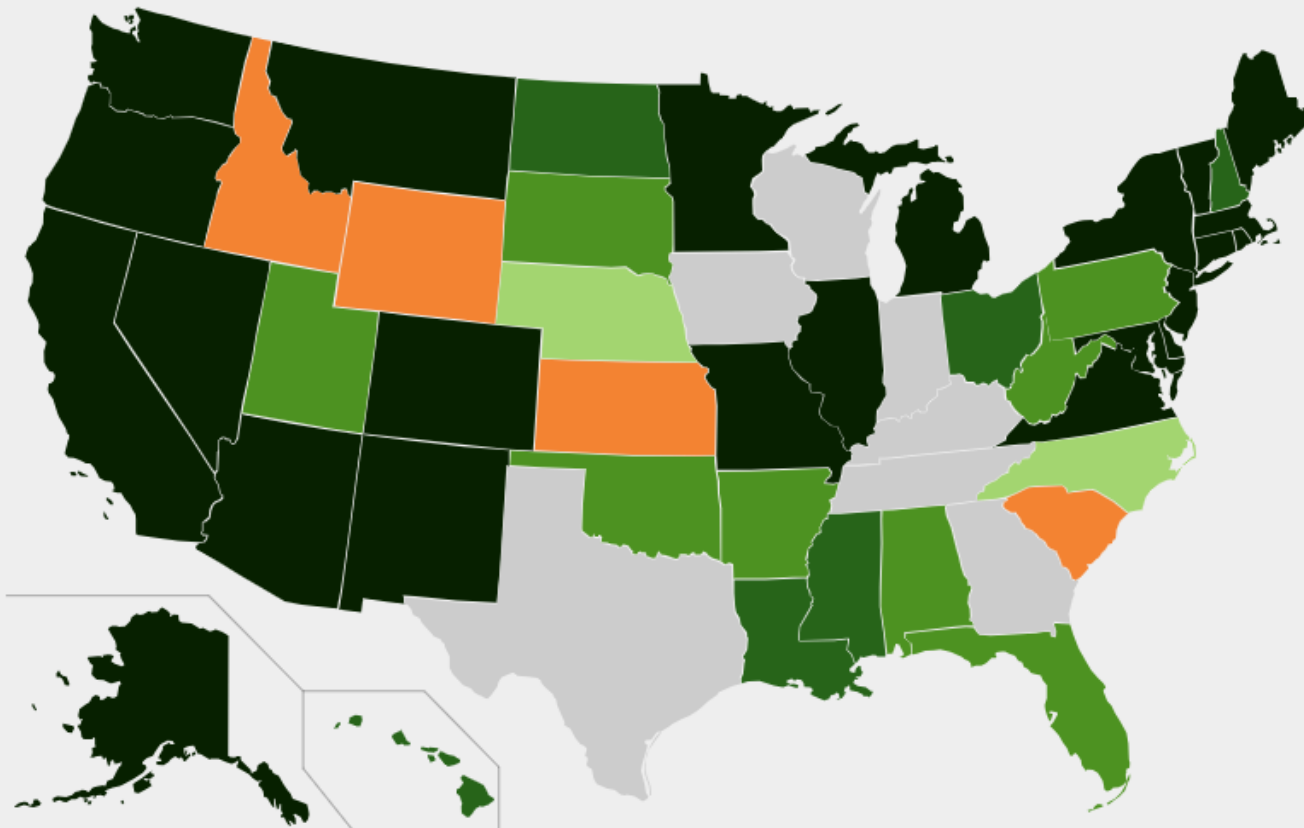




# United States Map

**Disclaimer:** This information is provided for educational purposes only and not as legal advice or opinion. The reader retains full responsibility for the use of the information contained herein. Employers or employees seeking a determination of legal rights should seek the counsel of an attorney or designated official of the applicable regulating agency.

● Legalized ● Medical and Decriminalized ● Medical ● Decriminalized ● CBD with THC Only ● Fully illegal



Three states that still prohibit cannabis entirely today are:

- Idaho
- Kansas
- Nebraska

## Sativex

**Sativex** is a cannabis-based medicine. It's used to treat the common MS symptom of muscle stiffness and spasms

## Marinol

Dronabinol (Marinol) is a cannabinoid. It's a synthetic (man-made) form of tetrahydrocannabinol (THC), which is an ingredient found in cannabis. It attaches to cannabinoid receptors in nerve cells to help with nausea and vomiting and improve appetite.

# United States Recent Development

## National / Federal

### **The Secure and Fair Enforcement Regulation Banking Act.**

The bill would provide **legal protection to banks or other financial institutions that offer services** to state-legal cannabis businesses. The bill gives legal cannabis businesses access to traditional financial institutions, including bank accounts and small business loans.

### **Rescheduling of Cannabis to Schedule III.**

On August 30, 2023, the U.S. Department of Health and Human Services (HHS) announced that it **recommends moving cannabis from Schedule I to Schedule III**. Schedule III substances are substances with moderate to low abuse potential, a currently accepted medical use, and a low potential for psychological dependence.

Tax implications. **Under Schedule III, cannabis businesses will be able to claim cannabis related deductions.** This tax break will make cannabis investments more appealing to investors as the businesses will not have to carry a tax burden that is inapplicable to most other businesses. Timeline of next inflection point, end of November.

# State Level Recent Developments

## State Level

**Nevada** - 7/25/23 - the Nevada Cannabis Compliance Board (CCB) approved the state's first conditional license for a **stand-alone cannabis consumption lounge**.

**New York** - The new New York Recreational Cannabis law allows for an **adult-use on-site consumption license**, and we will increasingly see Amsterdam-styled coffee shops and lounges.

**California - AB374 - Known as the Cannabis Cafe Bill**, enables **all licensed cannabis retail shops in the state of California to commercially sell food, beverage, and entertainment tickets alongside cannabis products, and allow for entertainment and consumption - with consideration to local approval**. This Bill is historic and unlocks modern day cannabis experiences that are integrated with food and beverage, foodie and culinary experiences, programmed entertainment and performances, beverage bars, wellness spas, and smoking/vaping lounges experiences.

# Canada

Consumer **sales of recreational cannabis products rose in every Canadian province in March 2023**, according to data by Statistics Canada - MJ Biz

**Alberta's recreational cannabis sales increased 11.2% in March 2023 over the previous month to CA\$72.3 million.** In the remaining provinces, monthly cannabis sales and month-over-month changes were as follows

Top 3:

- British Columbia: CA\$63.4 million (+11.5%)
- Quebec: CA\$50.7 million (+12.6%)
- Manitoba: CA\$15.9 million (+10.6%)

source: MJBiz

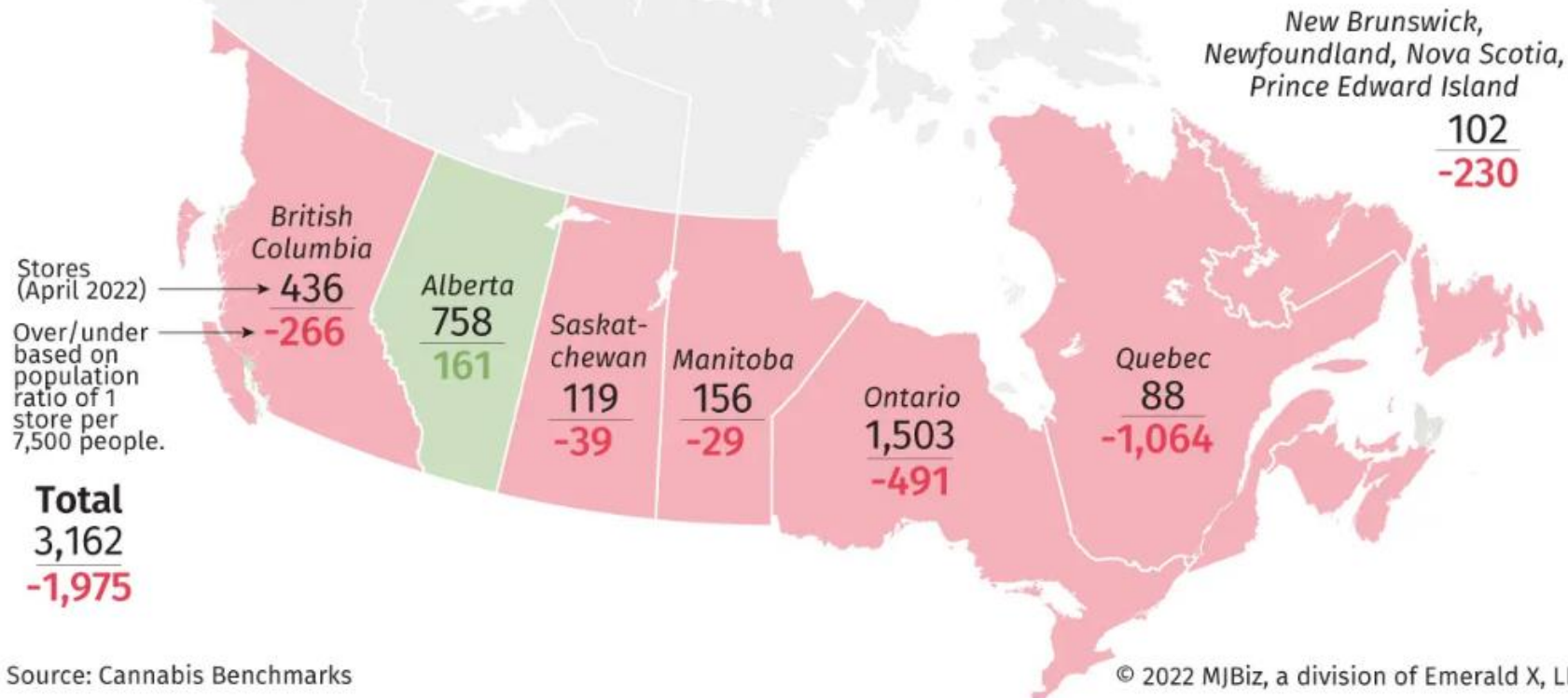




# Canada Map

## Canadian Cannabis Store Counts

An analysis of cannabis store counts in Canada shows that most provinces might have too few, based on a ratio of 1 store per 7,500 people.



Quebec is Canada's second-largest province by population, but it lags behind smaller Alberta and British Columbia in cannabis sales monthly.

Quebec (population 8.6 million) could support 1,064 more cannabis shops.

# 2024 DESTINATIONS TO WATCH

## **FLORIDA**

All eyes will be watching Florida in 2024. Florida already has the largest medical program in the country, with more than 830,000 patients enrolled and approximately 600 medical cannabis dispensary shops. The adult-use recreational legalization campaign in motion has already collected over 1 million signatures, surpassing the threshold needed to make the ballot.

## **OHIO**

The Buckeye State has two potential avenues to legalize adult-use marijuana: Voters could have a chance to weigh in on a ballot initiative in November, or the state legislature could pass a bill. But legalization bills have gone nowhere in previous sessions, and a ballot initiative was rejected by voters in 2015. Also, a bipartisan pair of lawmakers introduced a bill to legalize recreational marijuana, which could serve as another avenue for legalization if the ballot initiative does not succeed.

## **SOUTH DAKOTA**

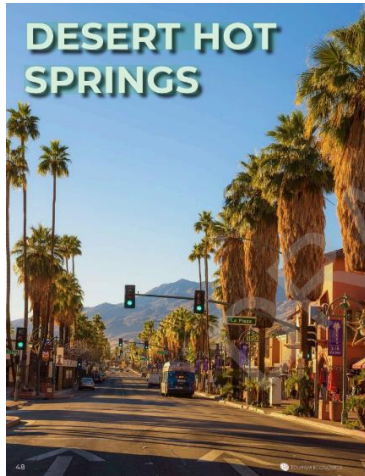
Advocates are aiming to get adult-use recreational cannabis on the ballot in South Dakota in 2024.

## **RURAL - KOOTENAY ROCKIES, MENDOCINO COUNTY**

## **URBAN - OAKLAND, SAN FRANCISCO, SANTA ANA, WEST HOLLYWOOD**

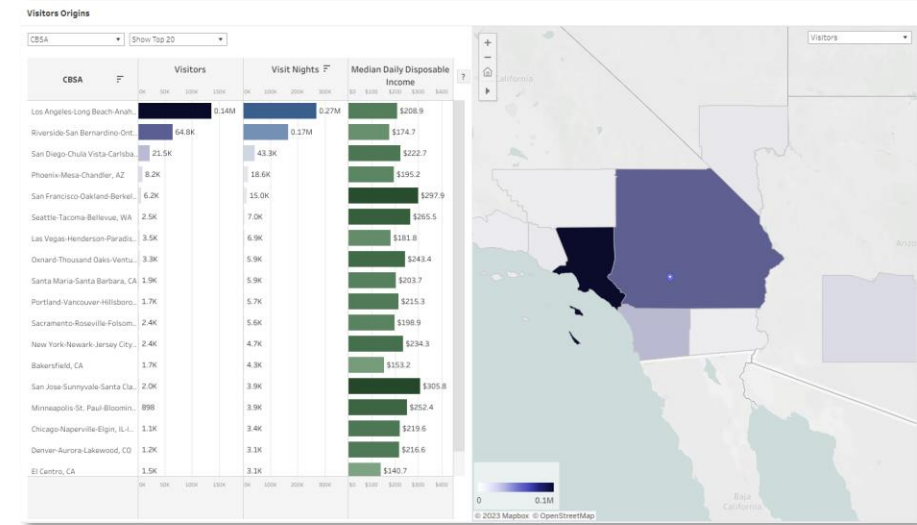
Destinations with active cannabis and hemp programs and strategies

# Case Study #1: City of Desert Hot Springs



## Cannabis Entertainment Permits

- Aqua Soleil Hotel
- Outdoor Vintage Camper Resort (under construction now)



## DESERT HOT SPRINGS CANNABIS INDUSTRY SUMMARY ECONOMIC IMPACTS

**DIRECT SPENDING IMPACTS**

The cannabis industry in **Desert Hot Springs** generated significant economic impacts as residents and visitors purchased cannabis from retailers in **Desert Hot Springs**.

In addition to purchasing cannabis, out-of-town "cannabis" visitors also spent money at local establishments during their stay in **Desert Hot Springs**, including local restaurants, hotels, retailers, and recreation/entertainment venues.

Total direct spending associated with the cannabis industry amounted to \$31.7 million in 2020.

### SUMMARY DIRECT IMPACTS



## TOTAL ECONOMIC IMPACTS

The cannabis industry's direct spending impact of \$31.7 million generated a total economic impact of \$46.5 million in the local economy, which supported 2,400 part-time and full-time jobs and generated \$20.7 million in state and local taxes.

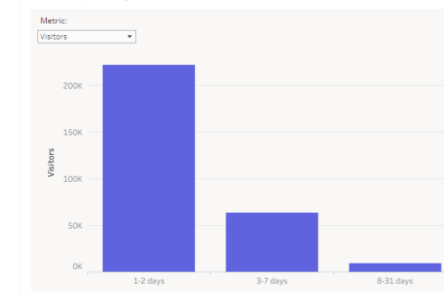


### SUMMARY ECONOMIC IMPACTS DESERT HOT SPRINGS CANNABIS INDUSTRY

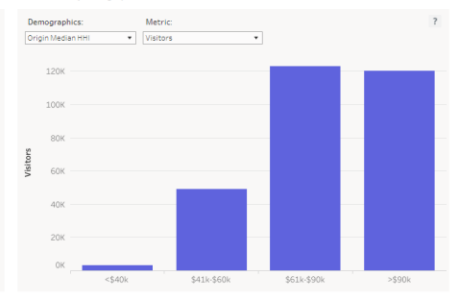
The cannabis industry in Desert Hot Springs had a direct impact of \$31.7 million, including resident and visitor spending on cannabis and cannabis visitor spending in the local economy. This spending generated a total economic impact of \$46.5 million and supported 2,400 total jobs in the local economy. The total economic impact of \$46.5 million generated approximately \$20.7 million in total state and local tax revenues.



## Breakdown By Visit Lengths



## Breakdown By Demographics



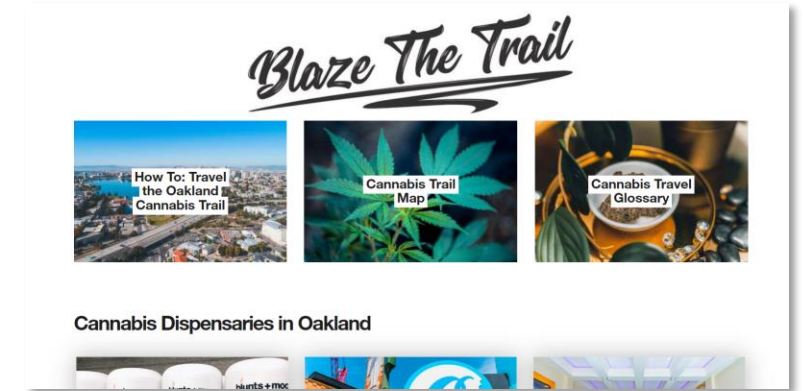
VISITOR ECONOMY DESTINATION  
DEVELOPMENT REPORT & ANALYSIS\*



DATA INPUTS: SOURCE MARKET, VISIT LENGTH,  
VISITOR SPENDING POTENTIAL, AND REAL ESTATE



# Case Study #2: Visit Oakland



US TRAVEL  
2023 ESTO AWARDS FINALIST\*

VISIT  
**Oakland**





# MODERN DAY CANNABIS TRAVEL REPRESENTS WELLNESS AND WELLBEING

## The Endocannabinoid System

The Endocannabinoid system contains of two receptors, called CB1 and CB2.

These receptors are found on cell surfaces and impact various biological process.

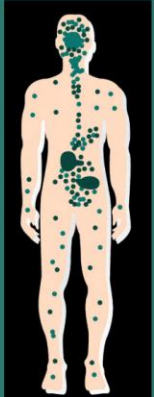
**CB1**

Located in the brain, central nervous system and many other parts of the body

**CB2**

Found throughout the body on cells associated with our immune system


CBD interacts with CB1 and CB2 receptors for many effects still being studied.



**CB1**  
CB1 receptors target:  
motor activity, thinking, motor co-ordination, appetite, short term memory, pain perception, immune cells


**CB2**  
CB2 receptors are more broader than CB1 and influence most of the body  
Gut, Kidney Pancreas, Adipose Tissue, Skeletal muscle, Bone Eye, Tumors, Reproductive system, Immune system, Respiratory tract, Skin, CNS, Cardiovascular System, Liver

## CONSUMPTION




**Flower**

The most common form and can be consumed in different ways through combustion or convection.



**Concentrates**

A more potent form of cannabis because of extraction methods that allow higher concentrations of cannabinoids and terpenes.




**Edibles**

Edibles are cannabis infused foods or drinks made with cannabis extract or flower and can be found in butters, oils, & baked goods.





**Tinctures**

Tinctures are made by steeping cannabis and is often consumed sublingually.



**Topicals**

Topicals are cannabis-infused products like lotions, balms, sprays, transdermal patches, or salves meant to be applied directly to the skin.

Broad Leaf

Narrow Leaf

# CANNABIS TRAVEL AUDIENCE - 2023





# CANNABIS TRAVEL AUDIENCE - 2023

## A Look at the Cannabis Traveler

An active leisure traveler interested in participating in a cannabis-related activity while on vacation.

**37%**

of Active Leisure Travelers

**3.7**

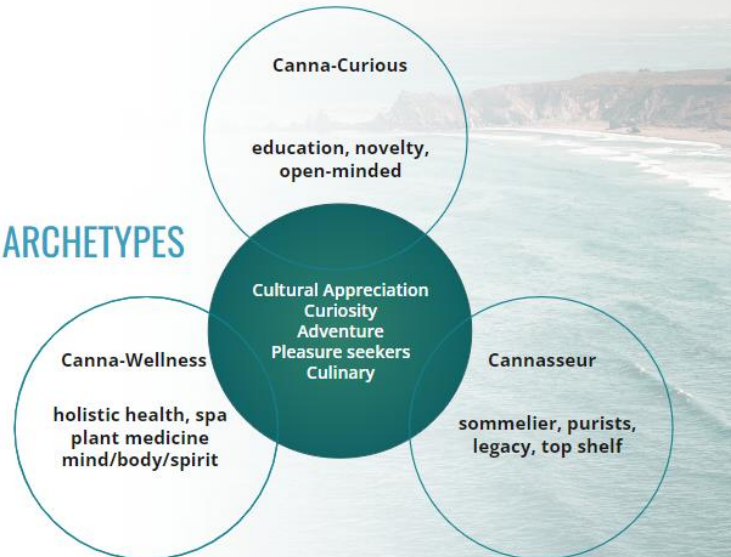
Number of leisure trips  
expect to take during  
the next 12 months

**\$3,156**

Average amount expect to  
spend on leisure trips  
during the next 12 months



### ARCHETYPES



**Nearly 6 in 10 of Gen Z and Millennial Travelers Say They Have An Interest in Participating in At Least One Cannabis-Related Activity on Vacation.**



**37%** 2022 **37%** 2022

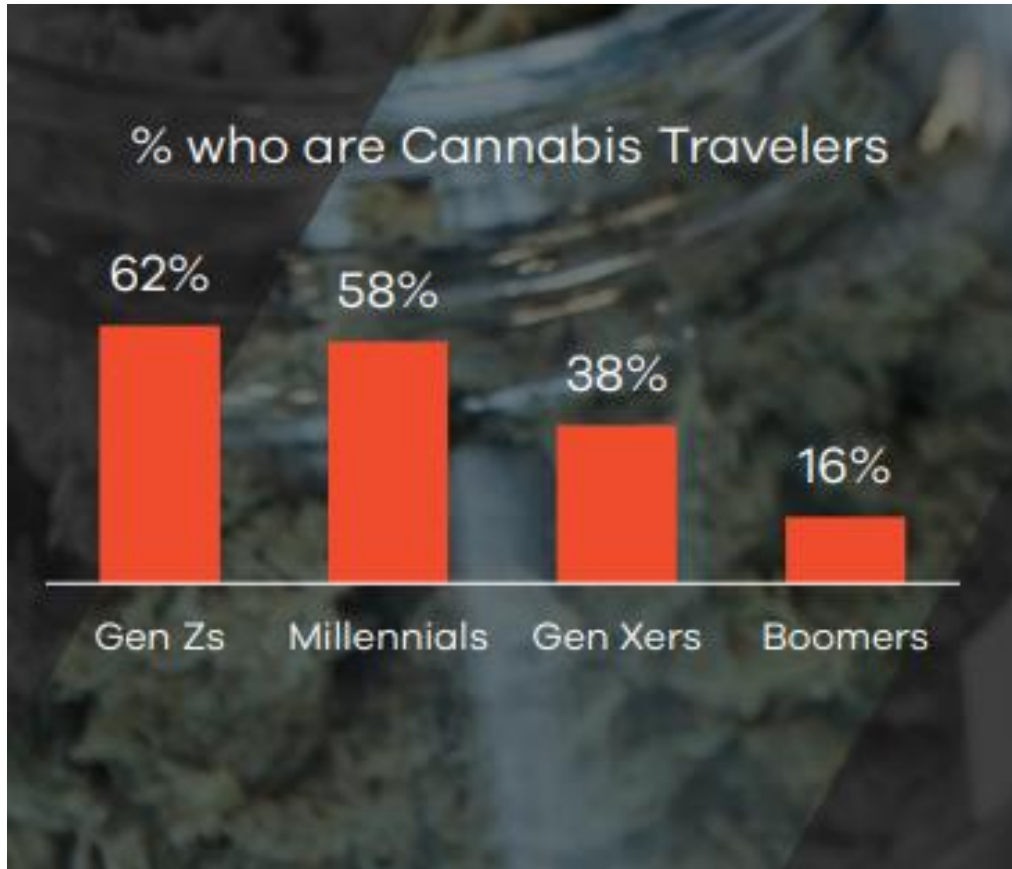
of travelers are interested in participating in at least one cannabis-related activity while on vacation.

(Activities are listed on the next page)

Gen Zs: **62%**  
Millennials: **58%**  
Gen Xers: 38%  
Boomers: 16%

Have Kids: **55%**  
Don't Have Kids: 30%  
Less than \$100K: **42%**  
More than \$100K: 32%

# CANNABIS TRAVEL AUDIENCE - 2023



## Top Travel Motivators:

- To get away and unplug (85%)
- Explore nature and the outdoors (82%)
- Spend time with spouse/children (76%)

/ Significantly more likely than non-cannabis travelers to consider themselves to be "environmentally conscious" and an "outdoor adventurer."

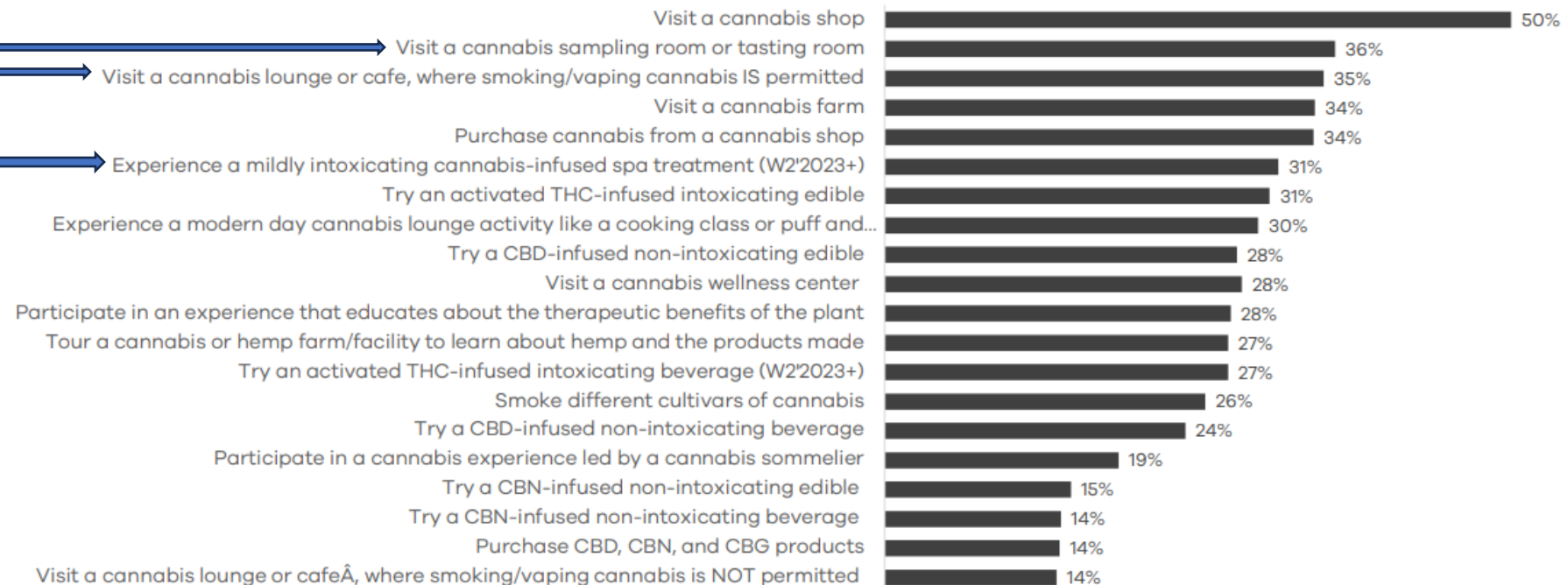


# CANNABIS TRAVEL AUDIENCE - 2023

## Visiting a Cannabis Shop Is the Most Popular Cannabis Vacation Activity of Interest

### Interested in Cannabis Activities

(Among the 37% of travelers who are interested in at least one activity)



# CANNABIS TRAVEL AUDIENCE - 2023

## One-third of Respondents Interested in Cannabis Experiences are Interested In Experiencing Mild to Medium Intoxicating Effects While on Vacation

**Interested in Cannabis Experiences**  
(Among the 37% of travelers who are interested in at least one activity)

Interest in Effects	Active Leisure Travelers
Interest in feeling mild intoxicating cannabis effects while on vacation.	35%
Interest in feeling medium intoxicating cannabis effects while on vacation.	31%
Interest in experiencing cannabis effects that complement and enhance food experiences like fine-dining or sampling local signature dishes.	31%
Interest in experiencing cannabis effects that complement and enhance art experiences like mural walks, theater, and live music performances.	29%
Interest in feeling strong intoxicating cannabis effects while on vacation.	27%
Interest in experiencing cannabis effects that complement and enhance nature experiences like a hike in the redwoods or a day at the beach.	25%
I am only interested in non-intoxicating cannabis and hemp activities and experiences while on vacation.	23%
All of the above	12%

# ADVOCACY

## CANNABIS STRATEGY AS A VEHICLE FOR EVOLVING THE ROLE OF A DESTINATION ORGANIZATION IN THE COMMUNITY



### A Strategic Road Map for the NEXT Generation of Destination Organizations



DESTINATION  
**NEXT**



### Top 50 Strategies

# DNext 2023 - FUTURES STUDY





# #2 - Focus on Developing Authentic Experiences for the Customer

## Authentic travel experiences are a competitive advantage

- Newly accessible authentic experiences
- Hidden culture coming into the light
- Plant wellness
- Exciting technological advances

Authentic cannabis experiences are wide ranging, informed by place geography and local culture, and offer intersectionality with culinary, the arts, patient access, sustainability, EDI, and wellness.

## WELLBEING AND BALANCE





# #3 - Better Integrate Tourism and Economic Development

## Tourism + Economic Development = A Data-Driven Visitor Economy Development Point of View

- Licensing a nascent and burgeoning industry; retail and consumption spaces
- Altered effects and public safety
- Controlled substances element
- Customer/visitor satisfaction
- Travel economy education and safety

Aggregate data, take inventory, and develop cannabis stakeholders and experience outposts. Elevate on-brand travel products, services, and personalities. Uplift newsworthy and travel worthy cannabis experiences.

## DESTINATION DEVELOPMENT and MARKETING, TARGET CANNABIS TRAVEL AUDIENCE PROFILE



# #5 - Have a Greater Role in Destination and Product Development

**Earn the reputation of a serving as a community resource and steward of place.**

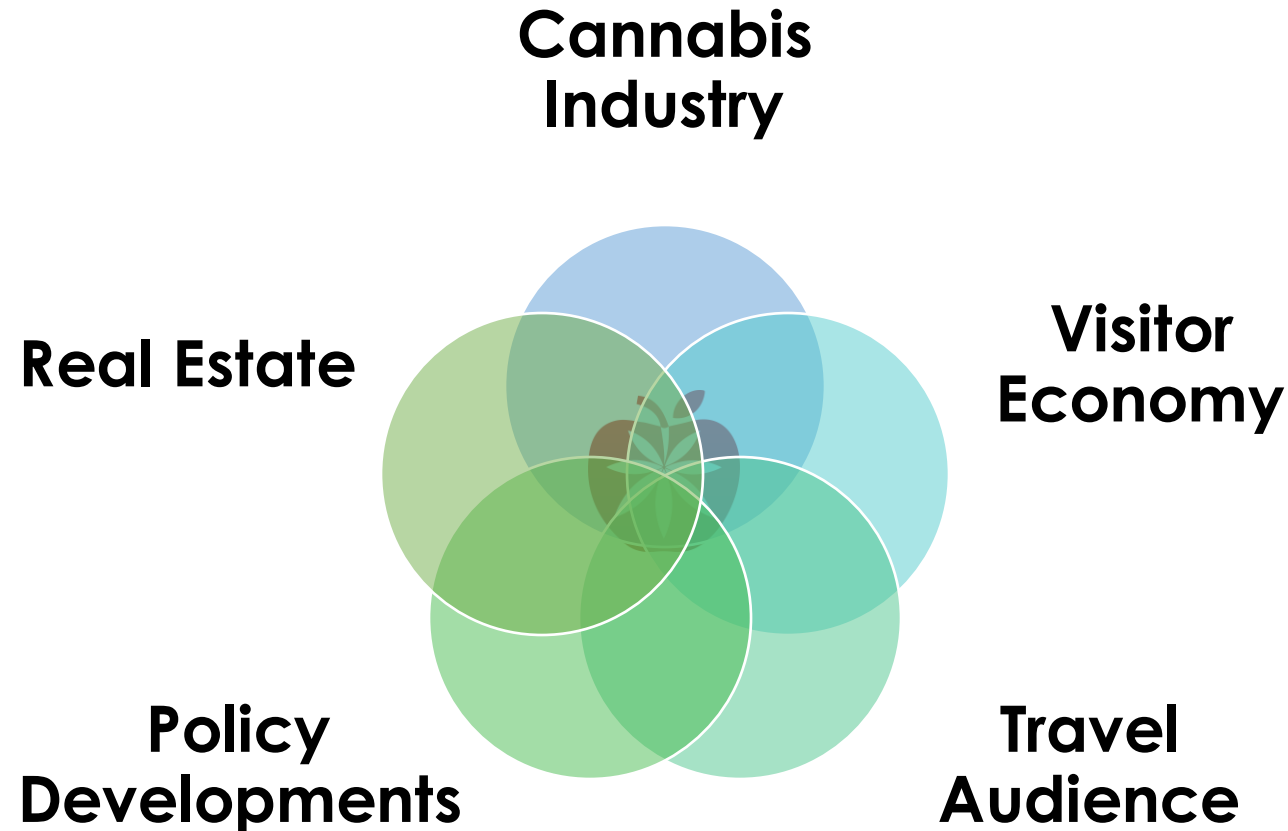
- Strategic cannabis experience outposts in the visitor ecosystem
- Cannabis event innovation
- First mover data opportunities that highlights local destination strengths

Take inventory and develop cannabis stakeholders, nurture experience outposts, and elevate on-brand travel products, services, and personalities. Uplift newsworthy and travel worthy cannabis experiences - **DESTINATION DEVELOPMENT and MARKETING, TARGET CANNABIS TRAVEL AUDIENCE PROFILE**



# #9 - Develop a Data-Driven Plan for a More Sustainable Visitor Economy

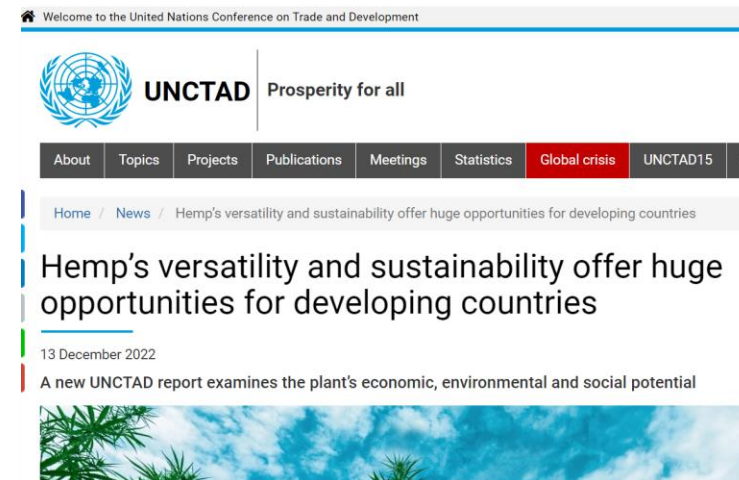
Recommend a data-driven strategies that informs sustainable destination development in the visitor economy.



# #13 - Increase Support with Local Government Leadership to Influence Policy

Invest in up-to-date data and information that outlines the existing and evolving local visitor economy landscape, and potential. Develop and communicate data-backed talking points to the local government strategically that point to key insights and why they are tailored to strengthen community alignment and inform visitor economy destination development.

- Visitor economy economic impact
- The development of local intellectual capital, uplifting residents and place
- Notify stakeholder on recent policy development and why they matter





# Cannabis Infused Lexicon

## LEXICON OVERLAP

- Help
- Information
- Opportunity
- Development
- Change

## CANNABIS INDUSTRY LEXICON EXERCISE

- Equity
- Banking
- Legal
- Safety
- Taxes



## United States

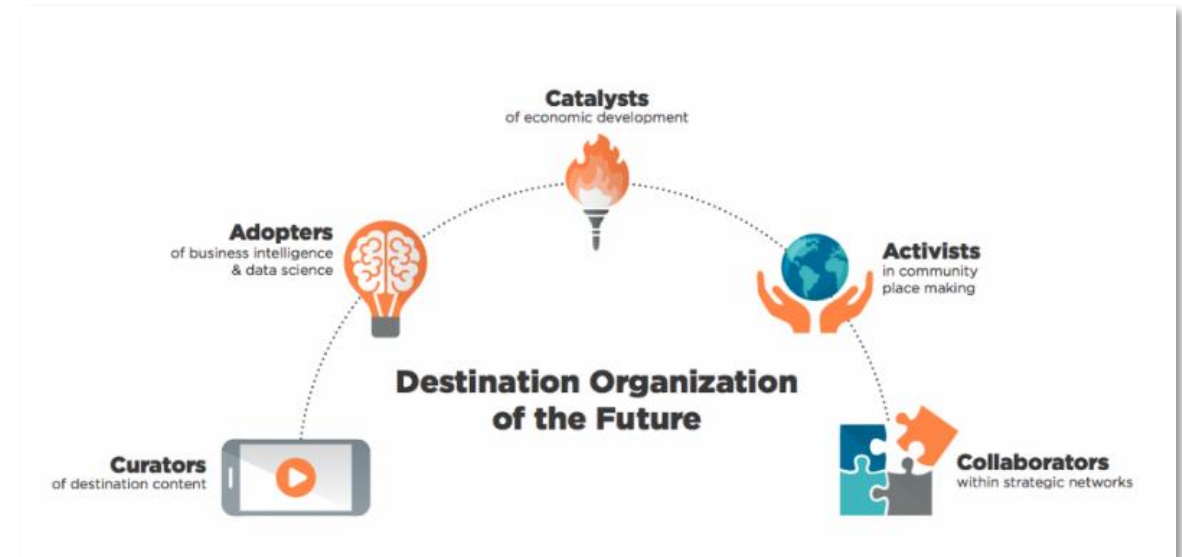
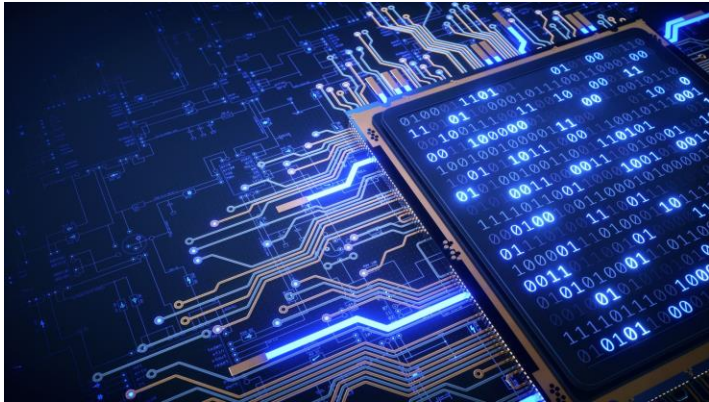




# Cannabis Infused Lexicon

Destination organizations are here to **HELP** elected officials and the greater community navigate cannabis and hemp destination development in the visitor economy.

Destination organizations offer valuable **INFORMATION** that provides context around the current cannabis travel landscape and identifies data-driven **OPPORTUNITIES** grounded in sustainable destination **DEVELOPMENT**, specifically development related to tourism centers and the visitor ecosystem.



# Call to Action: Further Develop into a Valued Information Source with a Specific Point of View that is Visitor Economy Development Minded and Community Aligned

## THE OPPORTUNITY for DMO's

- Fact: cannabis keeps destination leaders and other members of the community up at night. It is a passionate and complex problem to solve. **Help them navigate, specifically for destination development in the visitor economy.**
- Data is needed and coveted. Be a **steward of high-value data** sets and insights.
- From destination development to destination marketing, BOTH cannabis industry development and visitor economy development **strategies** are part of the problem-solving matrix.



## Next Steps

- Scan QR code
- Complete destination checklist
- Join DI Cannabis and Hemp Task Force
- Subscribe to Cannabis Travel Weekly



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CANNABIS READY: DESTINATION CHECKLIST

2023

As of June 2023, the Cannabis Travel Audience in the United States now accounts for over 72 million Americans (source: MMGY Travel Intelligence). There are 23 states with recreational cannabis laws, where adults 21+ are able to enjoy cannabis as part of their destination experience.

Destinations organizations are increasingly asking themselves - Are we cannabis ready and how can we prepare? How do we integrate cannabis into our strategies? The CANNABIS READY Destination Checklist is a resource to help Destination Organizations get started and organized.

Completing the five tasks below will help your destination get cannabis ready.

### DESTINATION CHECKLIST

- ☐ Download and read the [DESTINATION CANNABIS 101 INFO DECK](#)  
Science-based cannabis and hemp education brings the conversation current and helps combat lingering stigma and misinformation of the past.
- ☐ Download and read the [HOTEL, LODGING & SHORT TERM RENTAL TOOLKIT](#)  
Hotels are key stakeholders in the travel economy. Understanding cannabis and hemp hotel opportunities will support strategic roadmap development.
- ☐ Research the visitor-facing cannabis businesses that exist in your destination and create a "CANNABIS SHOP AND LOUNGE" [spreadsheet](#)  
Understanding and organizing what cannabis assets exist in your destination is vital to developing a well-informed strategy.



**Thank you**

**Q&A?**