



EIGHTH
REVOLUTION



ARCVIEW
CONSULTING

Cannabinoid MONTHLY PLAYBOOK

March 2022



TABLE OF CONTENTS

New York's Grey Market	7
MARKETS	
CBD vs THC Flower	9
Hemp Genetics Pricing	10
Minor Cannabinoid Pricing	11
Biomass Pricing	12
Wholesale Derivative Pricing	13
Sector Market Analysis	14
GLOBAL PERSPECTIVE	
Jurisdiction Roundup	15
International Update	16
New Jersey Cannabis Retail Licenses	17
MISCELLANEOUS	
Hot in the News	19
New York State "Free" Cannabis Gifts	20



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Dear Reader,

We want to thank you for your trust, and most importantly, your time. With the endless amount of resources at your disposal, we appreciate you leaning on us as your guide through the muddy waters of this industry's limitless news and intelligence.

In an industry that changes as aggressively as ours, we can't stress the importance of effective decision making enough. Though the information in the report is never meant to dictate specific actions or guarantee certain outcomes, we hope that we're able to provide another voice in the room, one that illuminates, simplifies, and supports you.

If you find one area more helpful than others and want us to expand on it, please never hesitate to reach out. For any suggestions or questions, we can be reached directly at info@8threv.com

Welcome to the Revolution



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IN THIS ISSUE

March 2022

From Corona to Eastern Europe

Kellen Finney, Eighth Revolution

Welcome to March everyone where our attention has shifted from the coronavirus to eastern Europe. The cannabinoid industry continues its push forward regardless of the world around us, with the Emerald Conference just wrapping up down in San Diego. As more states have legalized cannabis either recreationally or medically, the quality and quantity of scientific investigation into the cannabis plant have helped advance the industry.

The hemp industry continued to see wholesale prices for biomass stabilize with some even posting gains, suggesting that the industry will enjoy a stronger 2022. The widespread adoption of CBD products is gaining in popularity as more and more box stores are carrying CBD products. This fact, along with specific brands generating awareness in both cannabis and hemp could lead to a significant increase in demand moving forward.

Factors outside US may help expedite federal legalization

Bryan Fields, Eighth Revolution

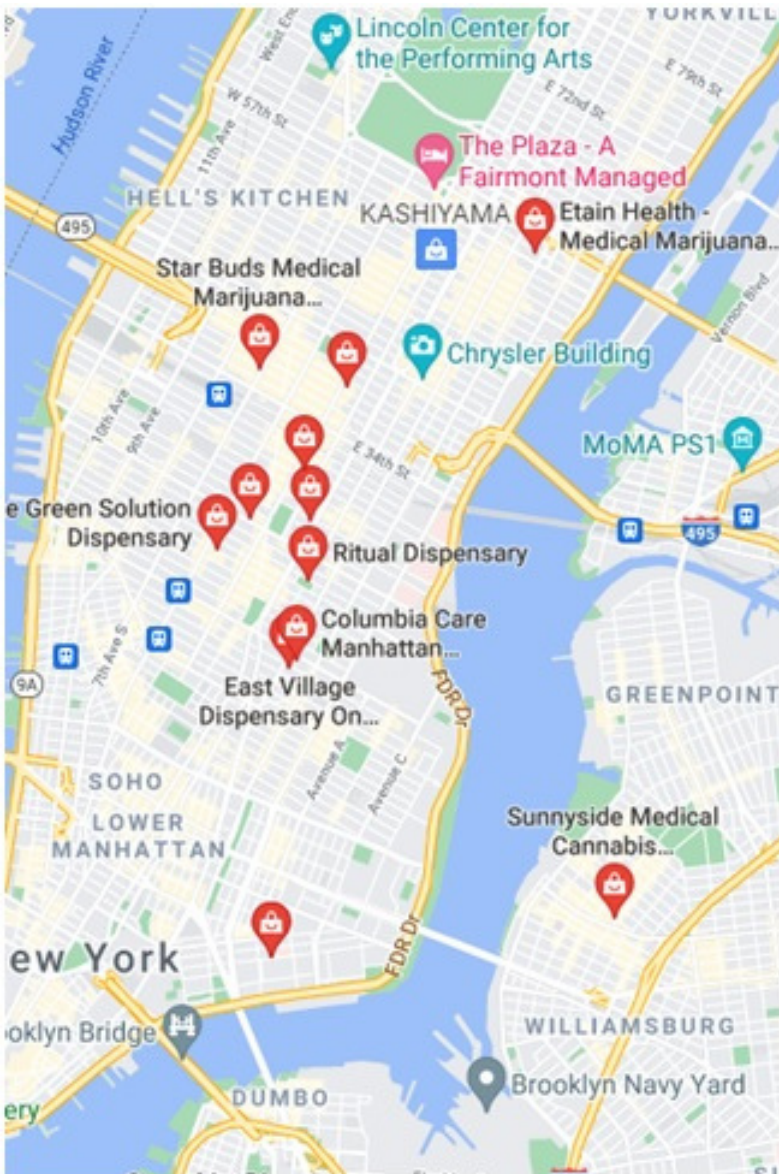
In the United States, Cannabis is a state-led story. However, each state is influenced by its constituents who then influence the federal government to act. One factor that may not be heavily considered is the international global pressure. With Canada facing a backlash with the WTO, from Columbia and Jamaica for trade violations, could these events add another layer to the decision-making inside DC?

“

"Cannabis
Industry Sounds
Alarm After
String Of
Thefts"

New York's Grey Market

When New York legalized recreational cannabis, they set a very clear sign: it's open season and with it an exploding grey market. What did they really expect to happen? New York is going to be a massive market with some estimates putting it upward of 4+ billion dollars within five years. Entrepreneurs are doing what they do best, which is seizing the moment, acting, and getting a head start even if it comes with a little bit of risk.



Instead of condoning illegal business, we are advocating for legalizing cannabis, initiating a continuous roll-out process. Unlicensed dispensaries are not "new," they've been around and are likely more common and accessible than most would believe. The big difference now is they are above ground, whereas previously they could only be found through word of mouth, or through connections. *Hat tip to you Dave!

A quick Google search brought up over 20 dispensaries listed on Google maps. Some are legitimate dispensaries owned and operated by Columbia Care and Curaleaf. Others, not so much.

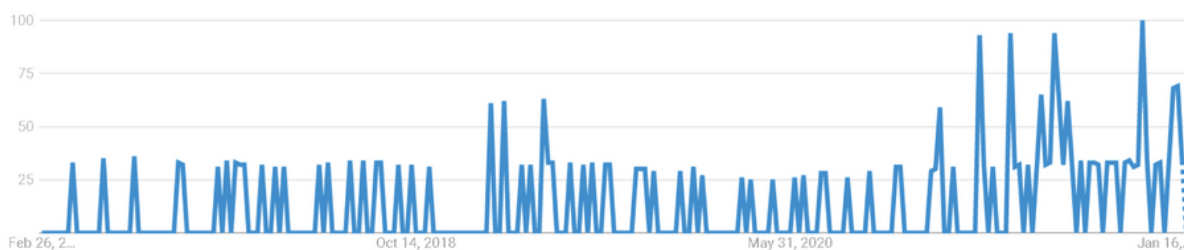
Then there is this one I found with the URL WeedInNYC.org. Maybe they are selling hemp products or maybe not. Either way, they are communicating a very clear and telling sign. You can purchase Weed in NY. Is this what regulators had in mind during this time?

New York's Grey Market



Search trends for New York Cannabis dispensaries are also trending up over the past 5 years, which is what you would expect for an area with eager consumers. They are interested and ready to consume cannabinoids and after seeing the Delta-8-THC explosion last year, the takeaway is the same. Consumers want to consume cannabinoid products now.

New York Cannabis Dispensaries



My biggest fear is that a consumer uses a grey market product and ends up getting sick. The massive backlash that ensues from society and others like Governor Ricketts is just another added hurdle. When consumers have access to products, they assume it has tested safe and is regulated. They have a false sense of security. One mistake or one issue where a consumer gets sick will cause an uproar for the operators already adhering to stringent rules and regulations. The legal operators in the industry are the ones already playing by the rules.

Finally, I'm not saying the grey or legacy markets need to be completely squashed. What needs to happen is that New York allows adult use, so consumers have the availability to select a tested and regulated product. This way it's clear that there is a risk with consuming unregulated grey market products.

SECTOR ANALYSIS*

INDICES	3 MONTH%	6 MONTH %
S&P 500	-6.86%	-3.67%
DOW JONES	-3.70%	-1.73%
NASDAQ	-11.41%	-6.06%
GLOBAL CANNABIS	-28.68%	-39.81%
AMERICAN CANNABIS	-11.80%	-25.01%



"The cannabis industry has 'a big disconnect' between stock prices and performance" - Dan Ahrens, Portfolio Manager of the AdvisorShares Pure Cannabis ETFs,

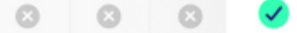
*This text expresses the opinion solely of the writer. The thoughts expressed are independently formed and the writer is not compensated by any third party.

SECTOR	3 MONTH	6 MONTH
HEALTHCARE	-10.16%	-3.67%
TECHNOLOGY Sector	-9.22%	-0.23%
INDUSTRIALS	-5.34%	-0.21%
FINANCIALS	1.95%	8.62%
CONSUMER CYCLICAL	-9.89%	4.45%
CONSUMER NON-CYCLICAL	3.12%	2.96%
BASIC	6.31%	5.79%
ENERGY	15.75%	40.56%
UTILITIES	-1.06%	2.03%
ALTERNATIVE HARVEST ETF (MJ)	-22.34%	-36.48%
MULTI-STATE OPERATORS (MSOS)	-17.45%	-26.10%

*Information retrieved from NCV and E*trade.

Jurisdiction Roundup

Powered By 



The Fyllo Regulatory Database creates unparalleled visibility at every level of government, with access to more than 4,300 sources in 1,450+ jurisdictions across the country. Today's leading MSOs, SSOs and law firms rely on Fyllo to accelerate research, track licensing opportunities and make better decisions.

To learn more or schedule a demo, please visit hellofyllo.com



Mississippi

Mississippi Governor Tate Reeves approved HB 2095, officially authorizing a medical cannabis program for people with debilitating conditions such as cancer, AIDS and sickle cell disease. Municipalities may opt-out (of one or more, or all activities) within 90 days of the effective date (which is May 3, 2022) or they cannot opt-out at all. Once a jurisdiction opts out, there is no restriction on when they may vote to opt back in, but once they hold the vote after first opting out, they cannot revisit the decision for two years. There is no cap on licenses, but the bill lays out standard distance requirements that could be trouble for future applicants via zoning restrictions. Under the bill, dispensaries will report to the Department of Revenue and all other licenses (testing and research facilities, distribution, cultivation, processing, and disposal) will be overseen by the Department of Health.



New York

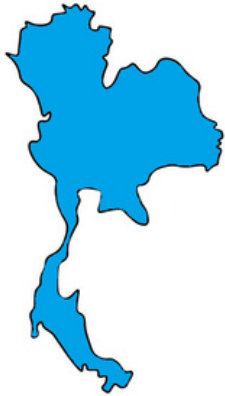
The New York State Office of Cannabis Management (OCM) sent letters ordering dozens of businesses suspected of illegally selling cannabis, including the practice of "gifting," which is the exchange of goods for memberships, subscriptions, or other goods, to cease and desist those operations or risk the opportunity to get a license in the legal market as well as substantial fines and possible criminal penalties. The letters explain that while cannabis has been legalized for those aged 21 and over, selling it requires a license under the law.



Pennsylvania

Pennsylvania regulators issued a mandatory recall of medical cannabis products due to additives not approved by the FDA- related to the previous "review of vaporized medical cannabis products. Letters were sent to patients and caregivers to inform them of the recall and provide them with additional details.

INTERNATIONAL UPDATE



Thailand

Welcome to Thailand: Ganja anyone?

The Land of Smiles is not going to turn into the land of ganja any time soon. That means you still cannot smoke pot openly as you will be jailed. However, omelets mixed with ganja or kratom leaves, or deep broth with wagyu beef are popular dishes and highly recommended for persons who need a quick stir for their emotions.



German

German Recreational Cannabis Market Poised To Be Europe's Largest



Canada

World's first in-airport cannabis store taxiing toward takeoff in Canada

The Prince George Airport in British Columbia is one step closer to hosting what reportedly would be the world's first in-airport cannabis store.

Open for Business: New Jersey Cannabis Retail Licenses

A new chapter will open in the history of Tri-state cannabis on March 15th. New Jersey will beat Connecticut and New York by becoming the first to accept license applications for adult recreation retail businesses. All three states approved opening an Adult Rec. cannabis market in 2021, but New Jersey is set to be the first to open its door by at least six months.

The application process for limited cultivation, manufacturing and testing licenses opened on December 15th, 2021.

As with most states, applying for and obtaining a license will not be easy, with several hurdles in the way, including:

- 70% of municipalities, or almost 400 towns have banned cannabis operations
- MSOs are already present in the medical market and are aggressively expanding their cultivation and manufacturing facilities in hopes to dominate the new adult use market
- Although there is no deadline for applying, hundreds of applications for a limited number of retail license and permitted retail locations is expected

So why apply at all?

- \$2+ Billion-dollar annual adult use market within four years of opening
- Limited licenses and permitted locations mean less competition and higher profit margins
- 98 Municipalities will allow cannabis retail operators
- First in Tri-state area to bring adult rec sales online

Apply for a license now!

So, while it won't be easy to get a retail license, if you obtain one you'll likely have a very profitable business on your hands. We also know from experience from other states that opportunities for finding a permitted retail location will expand as the market becomes established. More municipalities will allow for cannabis retail operators after tax, employment and other benefits become clear. However, having 'first mover advantage' by being one of the first operators in the state can do wonders to increase the value of your operation, the ability to establish a brand, build a loyal local client base, and ease expansion of your operations when new opportunities arise. Getting a license now is the first step.

Social Equity

Under the New Jersey application process your chances of obtaining a license are increased if you are a minority, or come from a disadvantaged, veterans or formerly incarcerated group. The New Jersey Cannabis Regulatory Commission has prioritized applications for review, scoring and approval in the following manner:

1. Social Equity Businesses Applicants: owned by people who have lived in an *Economically Disadvantaged Area* of the state, or who have convictions for cannabis-related offenses (expunged or not)
2. Diversely Owned Businesses Applicants: minority-owned, woman-owned, or disabled veteran-owned and certified as such by the New Jersey Department of the Treasury in one or more of the listed categories
3. Impact Zone Businesses Applicants: located in an *Impact Zone*, owned by people from an Impact Zone, or employing residents of Impact Zones
4. License Applicants receiving bonus points for collective bargaining agreements, project labor agreements or residency
5. All other applicants*

<https://www.nj.gov/cannabis/businesses/priority-applications/>

Open for Business: New Jersey Cannabis Retail Licenses

Microbusiness licenses:

Are you a native of New Jersey with strong roots in your community? Applying for a microbusiness license might be the right course for you. A significant number of licenses may be issued for this category. New Jersey cannabis microbusinesses will only need to compete against one another during the application process, not against the bigger, better-funded MSOs and other large players who want to enter the market. This gives start-up companies and entrepreneurs seeking a path toward market entry an opportunity.

Here are a few of the criteria needed to qualify for a microbusiness license:

- All of the owners of the business must be current New Jersey residents, and must have resided in New Jersey for the past two consecutive years.
- At least 51% of the owners, directors, officers, and employees must be residents of the municipality where the business will be located (or at least an adjoining municipality).
- The business can have no more than 10 employees.
- The business operating space can be no more than 2,500 square feet

Microbusiness applications are currently being accepted for cultivation and manufacturing. Retail microbusiness licenses will be accepted on March 15th. The cap on cultivation licenses does not apply to those applying for a microbusiness cultivation license.

<https://www.nj.gov/cannabis/businesses/>

Current medical market

New Jersey enacted a very limited medical cannabis program in 2010 that has been expanding patient access and business licenses. Gov. Phil Murphy signed the Jake Honig Compassionate Use Medical Cannabis Act law in 2019 which increased the number of conditions to qualify for a medical card and patient count increased rapidly.

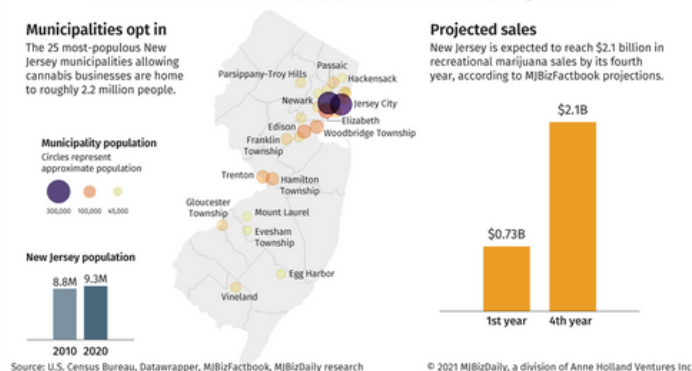
23 medical dispensaries are currently operating with 30 more medical retail licenses just awarded in late 2021. New Jersey currently has over 121k registered patients with a total annual market size of under \$200 million.

Market opportunity:

The Governors of New Jersey, New York, and Connecticut signed adult-use cannabis sales into law in 2021. New Jersey is poised to be the first of these states to come online. Market projections show New Jersey could have \$730 million in sales the first year of sales and increase to a \$2+ billion annual market within four years.

Cannabis Commerce in New Jersey

The majority of New Jersey municipalities have opted out of allowing cannabis businesses, but a number of major population centers are opening their doors.



Conclusion

Being one of the first license holders and operators in New Jersey will be lucrative in the long run and a prime location to build a national and global brand. The regulations in New Jersey will have strong social equity components for those harmed by the War on Drugs and allow for microbusiness licenses for the little guy. If you aren't a publicly traded multimillion-dollar MSO, you still have a fair chance to get a license and realize your cannabis business dreams.

Reach out to Arcview Management Consulting at <https://arcviewconsulting.com>

HOT IN THE NEWS

March 2022

TILT To Distribute Cannabis Brand 'Toast,' Product Rollout Starts In Massachusetts

D.C. Mayor Signs Bill To Let Older Patients Get Medical Marijuana Without Doctors And Create 4/20 Cannabis Tax Holiday

Majority Of Arkansas Voters Support Marijuana Legalization, Poll Finds As Activists Pursue 2022 Ballot Initiatives

Apple Secretly Joined Amazon In Advancing Commercial Cannabis Reform

Leafly announces contest to celebrate budtenders on International Budtender Day

Several states in play to legalize marijuana this year through legislation

New York Senate OKs bill to allow hemp farmers to grow adult-use marijuana

Cannabis beverage startup Cann raises \$27M as it expands to Canada (edited)

In New York State, “Free” Cannabis Gifts Come With Unexpected Costs

In New York’s up-and-coming cannabis industry, it’s the season of giving: free cannabis, that is.

In September 2021, Henrietta-based business HempSol announced that customers would receive a “free” cannabis gift with the purchase of a \$65 t-shirt. This business model alerted New Yorkers to other “cannabis gift with purchase” arrangements at CBD and smoke shops, as well as pop-up cannabis gifting events throughout the state. With the [sale of an overpriced t-shirt](#), lighter, or other items, numerous CBD businesses and smoke shops offered New Yorkers a THC-infused gift throughout the fall of 2021 and early winter of 2022.



While some consumers regard this cannabis gifting as [resourceful and innovative](#), Cannabis Control Board Chair Tremaine Wright has condemned cannabis gifting from its conception, insisting that there is “[no gray market](#)” in the state’s developing cannabis industry.

Under the Marijuana Regulation and Taxation Act (MRTA), which legalized cannabis in New York in 2021, only regulated cannabis sales are legal. Yet, amidst the pandemic and rising concerns regarding cannabis policing and social equity, regulations for cannabis retail sales have yet to be published. This prompted some New York cannabis growers to employ a creative, yet legally fuzzy strategy of cannabis gifting.



Businesses offering cannabis gifts were not formally penalized until [early February](#) when more than two dozen received letters from the NY Office of Cannabis Management. These letters instructed businesses to cease and desist cannabis gifts, or risk substantial fines, possible criminal penalties, and an inability to obtain a legal cannabis license. Although Wright and others insist on a regulated cannabis market, legal cannabis sales can only begin after New York approves regulations governing those sales.

Wright predicts that draft regulations will be released by late winter/ early spring of 2022; after a 60-day comment period and final approval, applications to open cannabis businesses can finally be submitted. So, what's the holdup? Through its recently-launched Cannabis Conversations, the New York government is attempting to answer this question by engaging directly with its cannabis community. The publication of regulations for retail cannabis is partially delayed due to public health concerns. Before sales commence, Wright and others want to ensure the safety of consumers, citing the unregulated sale and gifting of concentrated cannabis cartridges in 2019, some of which contained deadly Vitamin E acetate and were associated with 2,800 hospitalizations and 68 deaths. Another key concern is the development of a "supportive ecosystem" for all cannabis business owners, says Wright: "New York is prioritizing social equity applicants, including women-owned businesses, distressed farmers, and those harmed by over-policing and mass incarceration." Finally, New York's much-anticipated cannabis regulations must outline the industry's use of sales tax revenues, which Wright intends to reinvest in the community. After covering the cost of Office of Cannabis Management operations, equity applicants, and law enforcement training, 40 percent of remaining tax revenue will support NY schools, says Wright; another 40 percent will be returned to communities most harmed by disproportionate cannabis policing, with the final 20 percent dedicated to drug treatment programs and public education. Consumer safety and social equity are essential to a healthy cannabis industry; yet as Wright acknowledges, it will take time to design and cultivate this ecosystem. As New York cannabis consumers and businesses await MRTA regulations, cannabis gifting is expected to decrease in response to the February crackdown. Yet throughout the state, the spirit of cannabis entrepreneurship remains vibrant.

Particularly for social equity applicants, the regulatory delays may serve as an unexpected blessing, giving cannabis business owners the gift of time - time to establish funding, legal expertise, and customer relationships - in lieu of cannabis gifts.



Takeaways:

- In New York's recently legalized cannabis industry, some businesses have employed a "cannabis gift with purchase" model to establish their customer bases in anticipation of a fully-regulated cannabis industry.
- The New York Office of Cannabis Management openly condemns cannabis gifting in New York and recently distributed cease-and-desist letters to businesses engaging in the practice.
- The delayed publication of cannabis regulations in New York - and subsequent popularity of cannabis gifting - can be attributed to a number of factors, including the state's focus on social equity applicants, concerns about public safety, and detailed plans for cannabis sales tax revenue.



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