

Manitoba Announces Distribution and Retail Model for Cannabis in the Province

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On November 7, 2017 the Premier of Manitoba announced the proposed model of cannabis distribution throughout the province when the Federal *Cannabis Act* comes into force on July 1, 2018. Unlike the Ontario and Quebec models, whereby the liquor control bodies in each province have been designated as distributors and retailers of cannabis, the model in Manitoba is considered a hybrid retail and distribution, carving out roles for both the public and private sector.

Similar to the model in Ontario, the Manitoba Liquor and Gaming Authority (LGA) will be responsible for regulating the entire distribution channel for the sale of cannabis from federally licensed producers. The Manitoba Liquor and Lotteries Corporation (MBLL) will be responsible for securing and tracking the supply of cannabis in the province. However, the proposed model will allow for the private sector to apply for and be approved to sell cannabis at retail outlets within the province. This is a significant departure from the proposed Ontario retail outlets operated by the Ontario Cannabis Retail Corporation, a subsidiary of the Liquor Control Board of Ontario.

The stated goal of the Premier of Manitoba is to leverage the public sector to secure safety of the distribution of cannabis, while using the private sector to promote competition and accessibility to drive out the black market for cannabis. Retail applications will have to meet certain requirements, including certain distances away from schools.

All cannabis sold in retail stores must be purchased from MBLL, and MBLL will be responsible for safe storage and shipment of cannabis and will have the option to contract those responsibilities to third parties licensed through the LGA.

While the regulatory and licensing regime of the LGA with respect to cannabis is currently in development and has not been made public, the government of Manitoba has opened applications for retail outlets. The current application deadline has been set for December 22, 2017.

We Can Help

For more information on how Cassels can assist your business, please contact Chad Podolsky or Jonathan Sherman for Corporate and Regulatory advice, and Larry Weinberg or Frank Robinson for issues related to franchise, retail, food and beverage, or another member of our firm's cross-disciplinary Cannabis Group.

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