MEDICAL MARIJUANA IN FLORIDA-
POT OF GOLD OR TIN PAN

JIM SPRATT
MAGNOLIA STRATEGIES, LLC
JIM@MAGNOLIASTRATEGIESLLC.COM
(850) 228-1296
HOW DID WE GET HERE?

• 2014 CHARLOTTE'S WEB

• 2015 LAWYER RELIEF FUND

• 2016 CONSTITUTIONAL AMENDMENT

• 2016-2018 LEGISLATIVE CHANGES

• 2019 LEGISLATIVE OUTLOOK
IN THE BEGINNING.....

• 2014-157 LAWS OF FLORIDA: THE CODIFICATION OF FLORIDA’S FIRST STEP INTO MEDICAL MARIJUANA.
  • DEFINED LOW-THC AS HAVING .8% THC AND MORE THAN 10% CBD WEIGHT BY WEIGHT
  • CREATED A PATIENT REGISTRY AS WELL AS PHYSICIANS REGISTRY
  • CREATED 5 REGIONAL LICENSES OF MMTCS
    • VERTICALLY INTEGRATED (GROW, PROCESS, MARKET, DISPENSE)
    • REQUIRED A LICENSE FROM FDACS FOR 30 YEARS AND INVENTORY OF MORE THAN 400K PLANTS
  • LIMITED TO PATIENTS SUFFERING FROM CANCER OR SYMPTOMS OF EPILEPTIC SEIZURES
  • REQUIRED DEPARTMENT OF HEALTH TO ADOPT RULES TO IMPLEMENT
VOICE OF THE VOTERS

• 2016 CITIZEN PETITION PROCESS TO ADD MEDICAL MARIJUANA TO FL CONSTITUTION

• EXPANDED QUALIFYING PATIENTS TO A LIST OF “DEBILITATING DISEASES”
  • CANCER, EPILEPSY, GLAUCOMA, HIV, AIDS, PTSD, ALS, CROHN’S DISEASE, PARKINSON’S, MULTIPLE SCLEROSIS, MEDICAL CONDITIONS IN SAME CLASS, A TERMINAL CONDITION, OR CHRONIC NONMALIGNANT PAIN

• TYPES OF DELIVERY (SMOKABLE?)

• BROUGHT IN MEDICAL MARIJUANA IN ADDITION TO LOW-THC
2016, 2017 & 2018 FLORIDA LEGISLATIVE ACTION

• LOTS OF “TWEAKS” MAYBE A FEW TWERKS….
  • 30 YEARS/ 400K LICENSE NO LONGER, SIMPLY THAT YOU HAVE AN FDACS LICENSE
  • ADDED ADDITIONAL LICENSES 10 MMTCS
    • AWARDED TO ANY ORIGINAL APPLICANTS IN LAWSUIT PRIOR TO 1/1/17 OR
    • APPLICATION SCORE WAS WITHIN 1 POINT OF THE HIGHEST SCORE IN THEIR REGION
    • APPLICANT WAS PART OF PIGFORD V GLICKMAN., 185 F.R.D 82 (D.D.C) 1999 OR IN RE BLACK FARMERS LITIGATION., 856 F. SUPP 2D 1 (D.D.C) 2011
  • 100,000 NEW PATIENTS 4 ADDITIONAL LICENSES, AND SO ON
  • MMTC DISPENSARIES LIMIT TO 25 PER LICENSE
    • 100,000 NEW PATIENTS (5 ADDITIONAL DISPENSING LOCATIONS) AND SO ON
    • NUMBER OF DISPENSING LOCATIONS WITHIN A REGION BASED ON POPULATION
2019 LEGISLATIVE SESSION

• NEW GOV. RON DESANTIS WAS SWORN INTO OFFICE.
  • SAYS THE WILL OF THE PEOPLE (2016 AMENDMENT) IS NOT BEING MET
  • GIVES LEGISLATURE TO MARCH 15TH TO PASS UPDATED LAW
  • WITHDRAW LEGAL CHALLENGE STARTED BY THEN GOV. RICK SCOTT
  • SUGGEST THE VERTICAL INTEGRATION OF MMTC BUSINESSES ESTABLISHED “CARTELS”

• LEGISLATION:
  • TO SMOKE OR NOT TOO SMOKE?
    • HOUSE BILL CURRENTLY ALLOW SMOKING WITH LIMITS/ SENATE BILL NO SMOKING
  • REVAMPED BUSINESS MODEL.
    • BREAKS APART THE VERTICAL INTEGRATION
NOW THAT WE HAVE CLEARED THIS LAW UP....
LIVING THE DREAM
BUSINESS OPPORTUNITY - CHALLENGES

• STILL CONTRARY TO FEDERAL LAW
  • CANNABIS STILL A SCHEDULE 1 NARCOTIC (SANS HEMP EXCLUSION).

• IMPACTS ON BUSINESS
  • STIGMATA FROM VENDORS, BUYERS FOR UNDERLYING BUSINESS
  • SIGNIFICANT CASH FLOW UP FRONT TO GET LICENSE, CONSTRUCTION AND DEVELOP MARKET BASE

• PEST AND DISEASE
  • GROWING IN STRUCTURES IN SUB-TROPICAL CLIMATE (MOLD, MILDEW, THRIPS, APHIDS)
  • NOTHING LABELED FOR USE, FORCED TO SOAPS AND OILS
CHALLENGES CONTINUED

• NOT ORGANIC- STILL USE SYNTHETIC FERTILIZERS

• BANKS, SUPPLIERS, THE WHOLE BUSINESS CHAIN IS SHIFTY

• UNDERSCORES WHY ONLY A COUPLE OF ORIGINAL 5 LICENSES AND FRANKLY MOST NEWER LICENSES HAVE ALL BEEN SOLD OR THE GROWERS HAVE A GREATLY DIMINISHED ROLL
OPPORTUNITIES - POSITIVES

• IF LAW DOESN’T CHANGE, MORE PATIENTS = MORE LICENSES

• FLORIDA NET POSITIVE MIGRATION 100 YEAR AVERAGE 527 PEOPLE A DAY, RECENT YEARS CLOSER TO 1,000 PER DAY.

• EXPECTATION IS FEDERAL GOVERNMENT WILL CANNABIS OFF SCHEDULE 1 (~5 YEARS)

• DO NOT EXPECT TO SEE PHARMACY CHAINS (WALGREENS/ CVS, ETC.) MAKING PUSH TO DISPENSE AT THEIR LOCATIONS

• CONTINUED FOCUS ON OPIOIDS OPENS DOOR FOR RESEARCH AND USE OF ALTERNATIVES.
WILD CARD(S)

• CONSTITUTIONAL AMENDMENT TO MAKE FLORIDA A RECREATIONAL STATE.

• REMOVING ANY REFERENCE TO FDA SQUARES LICENSE TO QUALIFY

• REMOVING THE VERTICAL INTEGRATION DESIGN OF THE LAW
SUMMARY

• Medical marijuana is not a get rich quick type of business

• Not for the faint of heart, risk adverse personalities should stay far away,

• Yet, for some, even in unstable regulatory environments, have the opportunity to turn the green into "gold"
THANK YOU

QUESTIONS?