



Protect Consumers and Ohio Operators from Oligopoly

Equitable Cannabis Supply Chain



Are we Pro Business and Pro Consumer?

Key Points

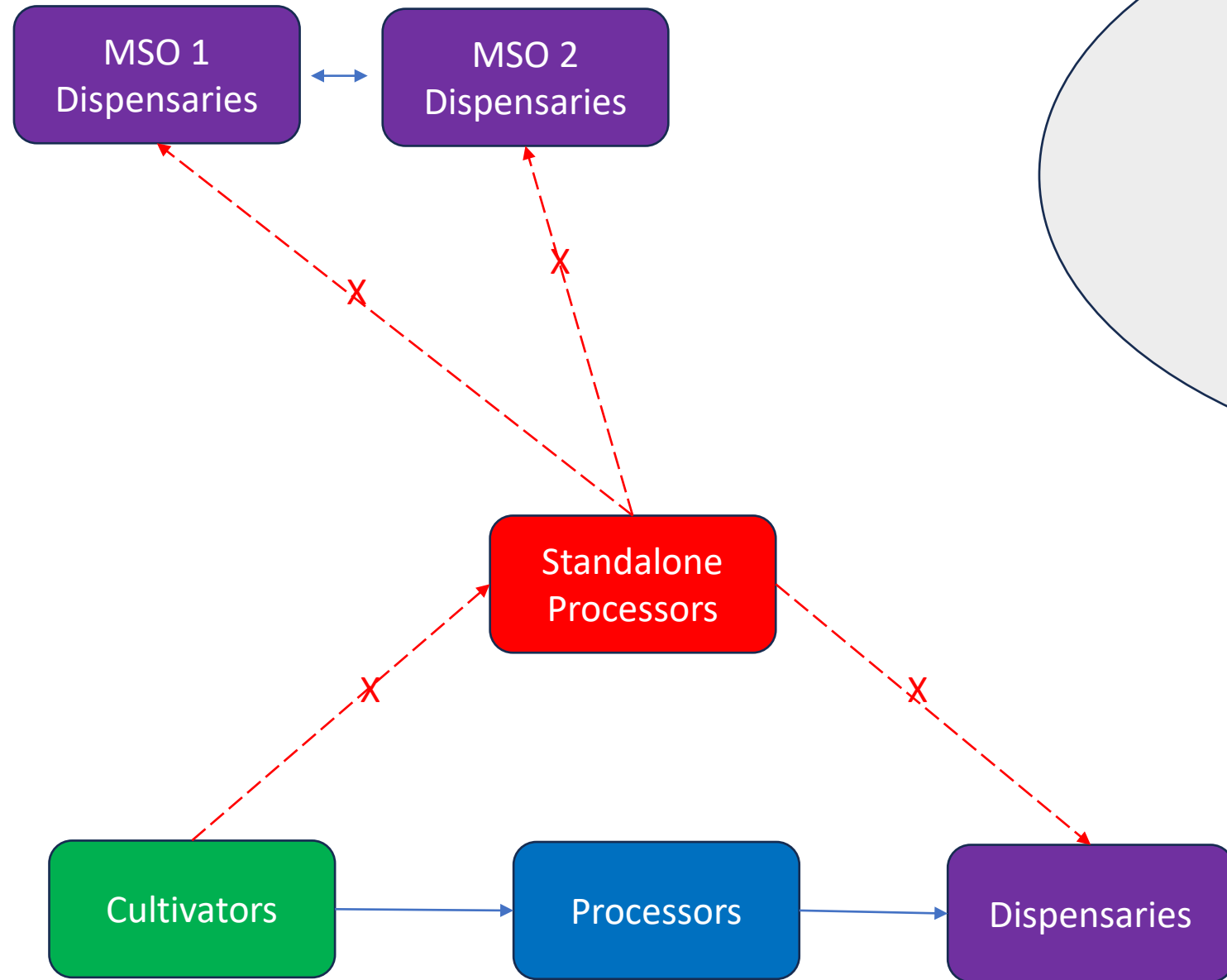
1. Current Verticals control consumer Product selection and pricing.
2. Competitors control our supply chain.
3. Biomass is being hoarded by those that control it.
4. We are being squeezed out of Dispensary shelf space.
5. Current program/statute limit's ability to fairly compete.

Issue 2 Initiated Statue Chapter 3780 Items of Concern

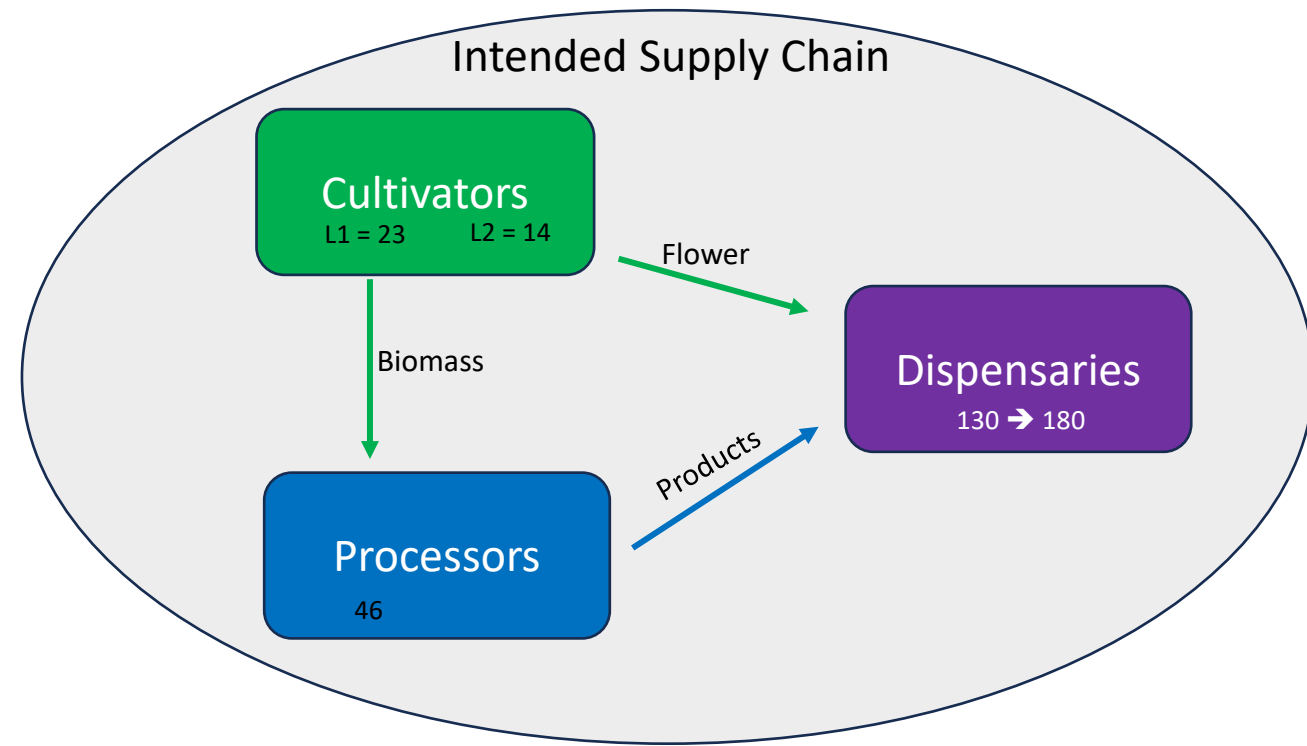
- Issue 2 supports Vertical oligopoly and further concentrates power in the hands of a few major players:
 - Most are out of state giants in the cannabis industry.
 - Limits competition and potentially leads to higher prices for consumers.
 - Can stifle innovation and hinder the development of new products and services.
- Small businesses, often thrive in competitive environments but
 - may face increased challenges and reduced opportunities for growth.
- With limited choices, consumers may experience:
 - reduced quality of service.
 - diminished ability to influence market dynamics through their purchasing decisions.
 - experience a lack of responsiveness to their needs.
- Potential for anti-competitive practices, such as collusion or price-fixing, should also be a point of concern.
- Oligopolies may have the incentive and ability to engage in such behaviors, ultimately harming both businesses and consumers by suppressing fair market competition.

**Enabling Standalone Processors to Operate as a Vertical
Addresses these Concerns**

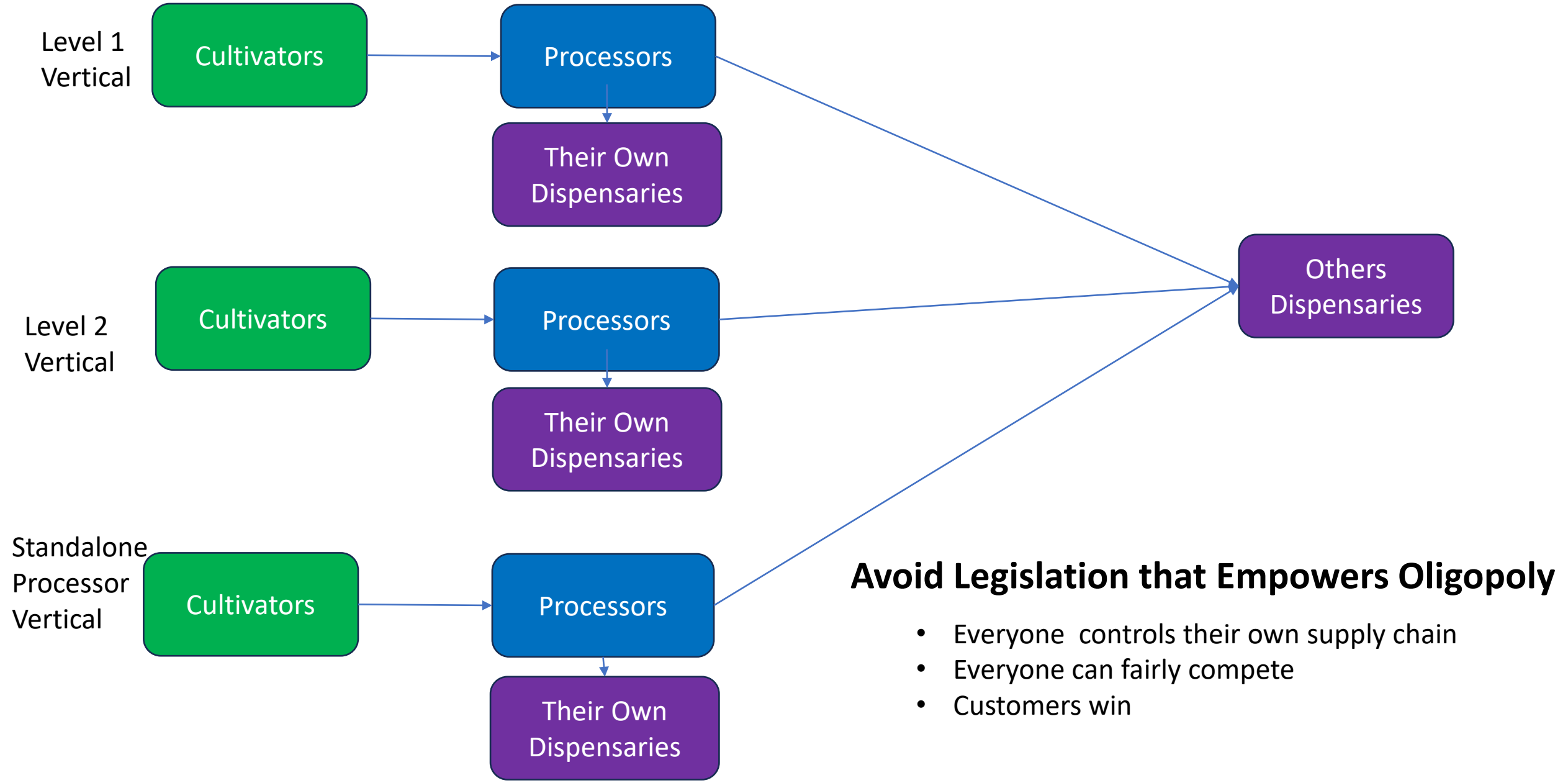
Supply Chain Scenarios



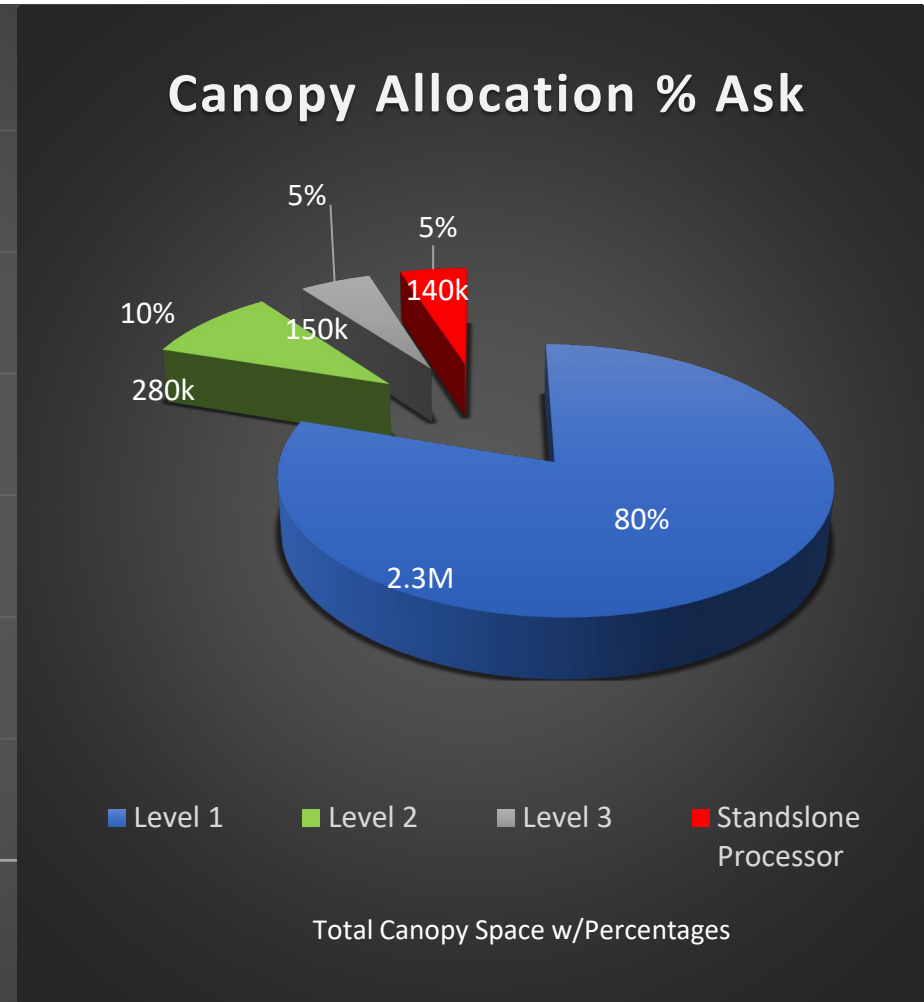
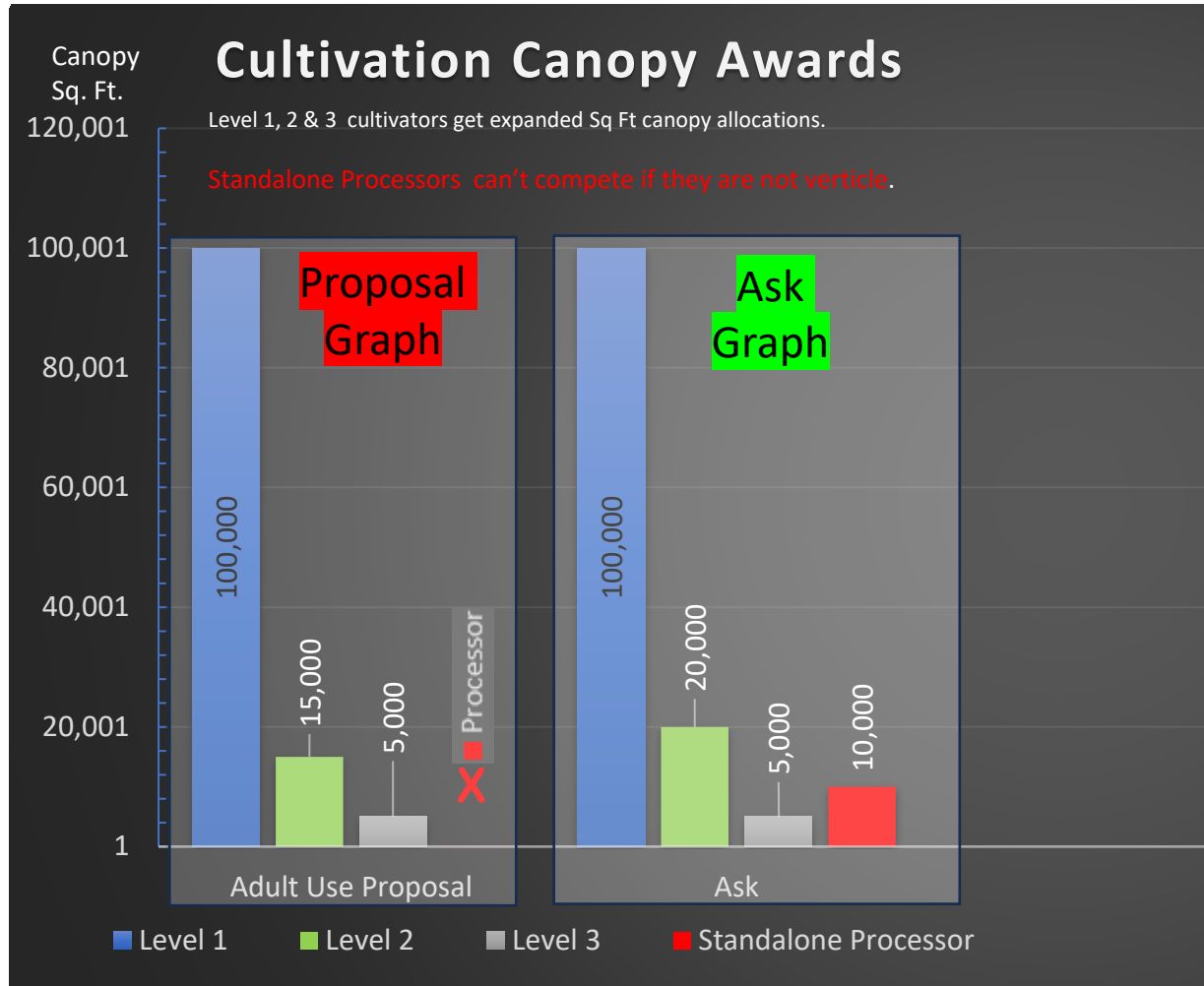
Vertical (all 3 License Types)



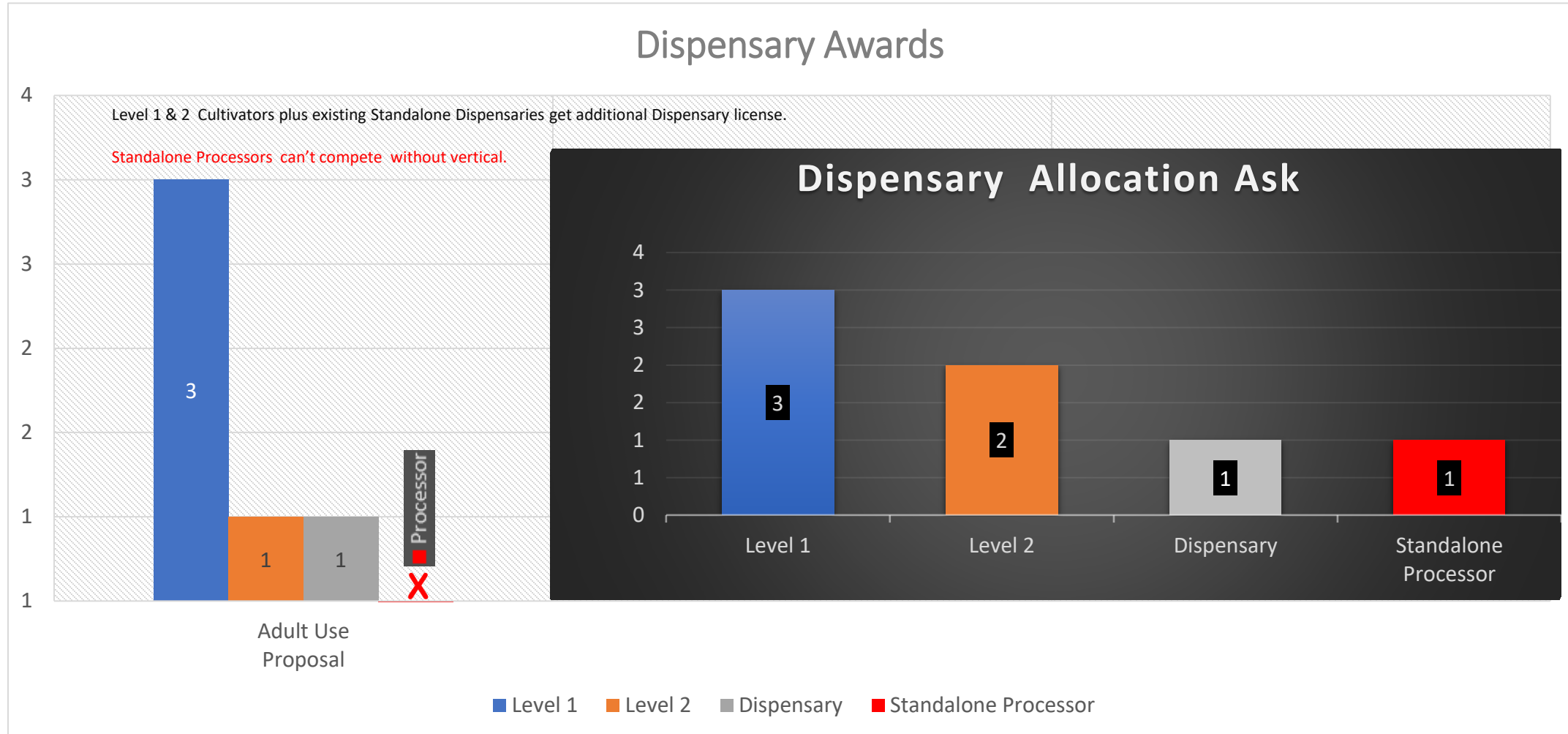
Supply Chain Ask



Cultivation Sq. Ft. Award by License

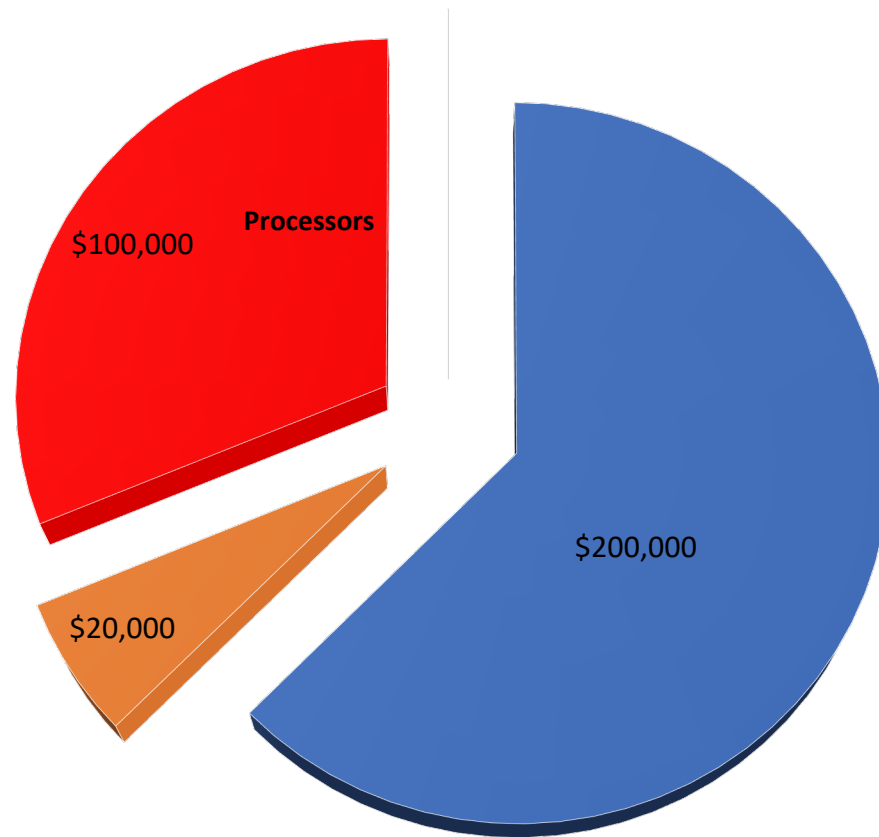


Dispensary Awards by License



License Fees by License Type

License Fees



■ Level 1 ■ Level 2 ■ Processor

The Ask

- Enable Standalone Processors to operate as a Vertical and control their supply chain
- Enable equitable treatment to compete fairly
- **Avoid Legislation that Empowers Oligopoly**



<u>License Type</u>	<u>Adult Use Statute Current License Allocation</u>			<u>Equality License Allocation Ask</u>		
	Grow Sq Ft	Processor	Dispensary	Grow Sq Ft	Processor	Dispensary
Level 1 Grow	100,000	0	3	100,000	1	3
Level 2 Grow	15,000	0	1	15,000	1	2
Level 3 Grow	5,000*	0	1	5,000	1	1
Standalone Processor	0	0	0	10,000	N/A	1
Dispensary	N/A	N/A	1	N/A	N/A	1

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Key Actions....Implement Statute that PREVENTS

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Enable standalone processors to operate as a VERTICAL



THANK YOU