

**North Carolina Advisory Council on Cannabis
Market and Regulatory Subcommittee**

Co-Chairs:

Daniel Hirschman, General Counsel, NC Division of Environmental Quality

Missy Welch, Executive Director, Alcoholic Beverage Control Commission

Meeting Minutes

August 21, 2026, 1:00-3:00pm

Virtual via Teams

Attendees

Council Members Present – Daniel Hirschman; Kris Gardner; Forrest G. Parker, Missy Welch; Patrick Brown; Pat Oglesby; Gary Sikes

Council Members Absent – Rep. John Bell; Sen. Bill Rabon

Staff Members Present – Renee Metz; Kaycee Deen; Charles Mitchell; Anne Doyle

Guest Speakers – Renee Metz, Assistant General Counsel, Alcoholic Beverage Commission; Paul Furfaro, Village Farms, Quebec, Canada

Agenda

- I. Welcome, Roll Call, and Ethics Statement
- II. Presentation: State Control Model in Canada (Paul Furfaro)
- III. Presentation: ABC Commission (Renee Metz)
- IV. Approval of July Minutes, Other Business, and Next Steps

Purpose

Purpose Statement: The Market Structure and Regulatory Agency Structure Subcommittee will review market structure and regulatory agency structure considerations related to cannabis regulation and develop recommendations on oversight agency structure, licensing and compliance standards, and manufacturing requirements to support a well-regulated, safe, and economically viable cannabis market in North Carolina

Presentation 1: State Control Model in Canada – Paul Furfaro

- Participating in the state-run adult use market in Quebec, Canada and international medical markets
- Unique model because Quebec is a unique providence
 - Reporting into the Health Department (unusual in Canada, usually finance instead)
- Goal: Migrate an existing consumer, NOT generate new users of cannabis
 - Nothing promotional
 - Just existing consumers migrated to legal channel that is safe, tested, and can be guided

- through purchase and transaction
 - Noticing data of rising cannabis use and declining alcohol use/sales
 - Amount consumed, price, etc.
- State controlled wholesale and retail
 - One of the only providences that does both
 - Pros and cons for both
 - You can help advise safe uses of the products and mitigate dangers of overconsumption
 - Background check, extensive training, and trial/probation period for budtenders (called advisors instead because poor connotation with “budtender”)
- Limitations on products and stricter age limits
 - Focused on fighting an illicit market
 - Alcohol is 18, but cannabis is 21 and want to push it to 25 because of brain development
 - No edibles (especially not gummies) because they do not want to attract new or younger consumers
- Billions in revenue, hundreds of millions in dividends
 - Revenue – costs and everything left over goes to the government
- Use of funds: education and research
 - Education dedicated to the risks of using cannabis
 - 50% public education and 50% to research (governmental department)
 - All education is geared toward not attracting new customers
 - Maybe want it for other public services (if we could)

Q&A Presentation 1

- Kris Gardner: Do you have a potency limit? Edibles and vapes are banned, flower is lawful, but is there a market for beverages?
 - Response: Quebec is the only providence with a potency limit, which is 30% for flower
 - There are rules (milligram per liter/milliliter) and a total limit for a specific unit and in Quebec it's 5mg per unit [providence and federal rule]
 - Flower is the dominant and most consumed category (pre-rolls, then vapes, and then edibles and beverages roughly 5-8%) in Canada and THC is the driving cannabinoid
- Forrest Parker: The original intent is health. Question: What portion or percentage of biomass stays in providence versus what percentage biomass is exported internationally, and how does that affect revenue?
 - Response: At the beginning, 95% stayed in the country. It took a long time for legal producers to get their license. Some small incentive to support local (providence). So many companies opened up, so the supply glut translated to lower prices. Retailers were losing money and the price was getting so low, more people and new people got interested.
 - 70% of the illegal market converted to the legal channel.
 - Tax exemption for four years helps with payback, related to helping the farmers who are licensed producers within a pilot program in the Netherlands (example)
 - The benefit of the international market = it's growing. However, when Canadian producer ships product internationally, it is excise (tax free) so the government out on

- the benefit, but there are more income taxes
- Kris Gardner: How does the cannabis market compares to the alcohol market in Quebec
 - o Response: The alcohol dividend is still much higher, but the cannabis market is growing
 - o No more growth in the alcohol market, and part of that has to do with cannabis; however, no U.S. alcohol so that's another factor that's impacting the alcohol market [tariffs]
 - o Alcohol and cannabis are sold entirely separate in Quebec and the locations of stores is targeted (try to separate)
 - Pat Oslegby: What are the per capita sales in Quebec versus the rest of Canada?
 - o Response: Not sure, but dollar per capita is probably lower than the rest of Canada because of price. There are a lot of illegal growers here and Quebec wanted to compete with them, so Quebec made very conscious decisions on price. Focused on cost structure and Quebec doesn't have a bonus structure.
 - The consumer has to pay the price Quebec's cannabis market bought it from the cultivator, the 30% margin plus 15% on sales tax that goes part to the providence and part to the federal government
 - Pat Oglesby: What are the people who want gummies doing?
 - o Response: The demand for gummies is high. Some people can drive a few minutes into another providence and get gummies. We didn't want to encourage that. There is certainly a demand, but the health minister has still decided against gummies and candies because of their appeal to youth.

Presentation: ABC Commission – Renee Metz

- The State ABC Commission never owns spiritus liquor (common misconception)—the set up: local boards order the product from the state ABC board warehouse and then it is sold to the individual board
- Chapter 18B is where you can find all of the ABC Commission information and statutes (housed within Public Safety)
- Sale, Possession, and Consumption
- How are we going to regulate cannabis? (In relation to spiritus liquor)
 - o There are a lot of different options
- Law enforcement
 - o Support alcohol law and submit reports to ABC Commission for violations
- Encourage the system for cannabis to be similar
 - o Keeping track of what is legal is confusing and difficult, so making this clear is important
- ABC boards and local appointing authority by county versus municipality
- Everyone in the entire state pays the same price for a bottle and the markup is what gets to the profits (then the distributions go toward law enforcement toward alcohol, education, and treatment). High local benefit.
- Straight dispensary permit (probably doesn't need to be that broad for cannabis now); must be a resident of the state; not everyone has an in-state permit though
- Recommendation for more commissioners in cannabis (more than the three in ABC Commission)
 - + rules committee
 - o ABC Commission has 74 total employees

- Strong education outreach program “Talk It Out” that would likely be good to have with cannabis as well
- Three-Tier-Level
 - Producer
 - Distributor/Wholesale
 - Retailer
- Some exceptions treating in-state versus out-of-state entities (common reason to sue state ABC Commissions), so something to be aware of
- Age restrictions
- Permitting—annual registration for permanent permits; also offer temporary permits
- Enforcement through ALE
- Violations: ABC violation reports are submitted electronically, accepted into database, assigned to attorney
- Penalties: Monetary penalty, suspend permits up to three years, and revoke

Q&A Presentation 2

- Kris Gardner: The public health focus in Quebec. Focused on lack of profit motive in Quebec and that was one of the problems that led to prohibition of spirits.
- Forrest G. Parker: Interested in the domestic market focused on health and safety; concerns about supporting governmental regulatory structure with no tax or low potential upside per dollar. Argues that profitability is needed to keep the market strong. There still has to be enough profitability—Canada seems to be making up for lack of profit focus with international sales.
- Discussion of the balance between profitability and safety standards/regulations (help good players be good players)
- Questions of enforcement
 - Arresting the illegal seller?
 - Need for regulation
 - Limited licenses? The problem of oversaturation and overserving the communities. Want to combat illicit market, so there can’t be too much safe regulated cannabis or people are going to end up being jobless because the price is going to drop.
 - Oklahoma is an example of everyone getting the licenses and then the price collapsed
- Do we want an ABC model for cannabis?
- Setting aside a certain number of permits for smaller/independent family farms or something like that?
- Addressing MSO and that’s the first step (Forrest Parker)
 - Virginia is doing adult-use next year with 350 licenses with another 100 special licenses that go to small businesses, smaller farmers, certain demographics or categories of Virginia to support and look out for (setting them up for success)
 - Argument that it’s a good idea but it needs good execution
- A need to have high dose products in a control type model (whether it’s like an ABC store)
 - Compare to spiritus liquor versus beer and wine
- Dormant Commerce Clause (may want to cover this in the future)

Learning Resources Shared

- Pat Oglesby: [Arguments for and against state monopoly retailing](#)
- Paul Furfaro's email: pfurfaro@villagefarms.com

Action Items / Next Steps

- Microbusiness" licenses

Adjournment

Meeting concluded at 3:00

Next Meeting Date: Friday, September 18