

Policy Recommendation Memo

To: Whom It May Concern

From: Van Maxwell

Date: March 24, 2024

Subject: Cannabis Byproduct Utilization Program

Introduction:

Cannabis legalization has been controversial but has produced a very lucrative source of revenue in Washington State since 2012. Federal legalization is expected soon. The industry's growth has led to a rapid generation of highly nutrified waste byproducts, which presents either an opportunity for economic and environmental optimization or the risk of increased greenhouse gases and pollution if no action is assumed.

Background:

Cannabis, historically stigmatized and federally prohibited, has altered both public perception and legislative recognition. The American Medical Association has opposed its prohibition since its original probate in the early 1900s (University of Washington Botanic Gardens, n.d.). It was also one of the first organizations to publicly recognize this underlying racial discrimination. Washington state legalized cannabis in 2012, which created a new industry to dispense medical and in time, recreational, cannabis. To date this has generated \$485,009,000 in excess taxes, and approximately \$272,510,367 in estimated revenue potential (*Cannabis Tax Revenue & Nationwide Cannabis Tax Policy Blueprint*, n.d.). Due to these challenges and cost benefits, the market primarily focuses on cannabis, its flower, and extracts, leading to substantial waste during the cultivating process.

Analysis:

The current dependency on cannabis flower/concentrate markets limits revenue potential and governmental funding opportunities (Washington State, n.d.). Repurposing cannabis byproducts, such as fiber and seed/grain, can realize significant fiscal benefits for both industry shareholders and the government. All the data used in the analysis is based on the Washington State Liquor and Cannabis Board's 2022 report (Washington State Liquor and Cannabis Board, 2022).

Policy Recommendation:

This proposal advises the implementation of a Cannabis Byproduct Utilization Program to streamline the recycling and repurposing of cannabis waste. This program would incentivize farmers to repurpose byproducts, help provide additional revenue streams, reduce and mediate environmental impacts. Taxation close to or at the current market rate on repurposed byproducts would generate civic profit, benefiting local, state, and federal governments.

Implementation Plan:

1. Conduct a comprehensive analysis of cannabis byproduct utilization, which includes waste quantification and potential revenue streams.
2. Establish taxation mechanisms for repurposed byproducts, assuring equitable revenue distribution among stakeholders.
3. Develop partnerships with relevant industries to facilitate the integration of cannabis byproducts into existing supply chains.
4. Provide subsidies and resources for research on efficient processing and utilization of cannabis byproducts.

Monitoring and Follow Up:

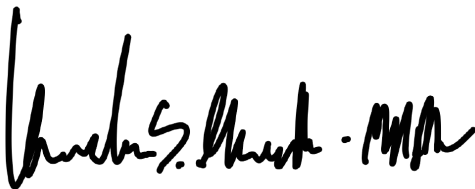
Routine monitoring and evaluation must be performed to assess the program's effectiveness and identify areas for improvement. Key performance indicators will include revenue generated, environmental impact reduction, and industry participation rates. Many of the monitoring systems are already in place for cannabis flower and concentrates; these could be implemented for the byproduct, streamlining the data collection and flow of information(RCW 69.50.540: Dedicated Cannabis Account—Appropriations (as Amended by 2022 c 16)., 2012).

Conclusion:

The Cannabis Byproduct Utilization Program represents a proactive approach to harness the economic and environmental potential of cannabis waste. There is even a need for increased cannabis fiber due to its sustainable nature, compelling many future interest possibilities (Theresa Bennett, 2020). By repurposing byproducts, we can create new revenue streams, mitigate environmental harm, and contribute to the long-term sustainability of the cannabis industry.

Additional documents available upon request:

1. Cannabis Byproduct Utilization Program Overview.
2. Sample Byproduct Utilization Study.

A handwritten signature in black ink, appearing to read 'Van S. Maxwell-Miller'.

Van S. Maxwell-Miller
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Work Cited

Cannabis Tax Revenue & Nationwide Cannabis Tax Policy Blueprint. (n.d.). Retrieved March 26, 2024, from <https://taxfoundation.org/research/all/state/cannabis-tax-revenue-reform/>

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