Kootenay Cannabis Landscape Assessment Report

A Baseline Analysis

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Executive Summary

The **Landscape Assessment Survey**, administered in April and May 2025, was designed to capture a comprehensive snapshot of the legal cannabis industry in the Kootenay study region, which includes the Regional District of Central Kootenay (RDCK) and the Regional District of Kootenay Boundary (RDKB). Its primary focus was to understand the industry's current status, meaning its composition, strengths, and weaknesses, by engaging cannabis cultivators, producers, and processors.

This report summarizes key findings from the survey, offering insight into the sector's structure and its role in regional employment and economic development. The survey explored licensing trends, production environments, product focus, and sales strategies, while identifying critical challenges such as high taxation, limited access to capital and banking, and regulatory complexity. At the same time, respondents highlighted opportunities for growth through international markets, regional branding, tourism, and collaborative governance.

By documenting the industry's baseline conditions, this report provides evidence-based insights to guide decision-making and inform strategic action by local, provincial, and federal stakeholders, as well as academic and community partners. It underscores the importance of ongoing, locally grounded research to support the sustainable development of the Kootenay cannabis sector.

Background and Context

The Kootenay region holds a unique position in Canada's legal cannabis economy, rooted in a rich history and a global reputation for producing high-quality cannabis. In the 1960s, an influx of draft dodgers and back-to-the-landers settled in the area; "with limited employment opportunities, cannabis production allowed these off-the-record refugees, who were already outside the law and mainstream society, to generate a living wage" (Harvey, 2021, p.7). Over decades, these growers refined their craft, developing distinct cultivars, and establishing the Kootenays as a renowned source of premium cannabis at the provincial, national and international levels. Prior to legalization in 2018, the region was a major contributor to British Columbia's cannabis industry, which itself was estimated to supply nearly half of Canada's illicit cannabis (Harvey, 2024).

Despite its rich history, the pre-legalization cannabis economy in the Kootenays offered valuable insights that were largely overlooked in the development of national cannabis policy (Harvey 2021). As a result, the region's transition to the legal market has been fraught with challenges. Deep-rooted stigma, miscommunication, distrust, and the region's complex legacy of cannabis cultivation have contributed to a turbulent shift for local producers (Harvey, 2021). Polson states that "legalization does not emerge as a clean slate — it comes into existence through the social relations crafted and routinized under prohibition" (2021, p.41). Today, regional stakeholders express concern over the potential loss of region-specific genetics, cultivation expertise, and the rich cultural history of cannabis production in the Kootenays, which is threatened by the uncertainties of the transition to a legal framework. Despite the region's legacy, research into the legal cannabis market's potential in the Kootenays remains limited. This gap creates an opportunity to engage with those with lived experience and deep-rooted knowledge, applying their insights to support the development of the sector. The Landscape Assessment offers a snapshot of the current state of the cannabis industry, as of May 2025, including its composition, challenges and strengths, laying the foundation for the broader initiative, *Exploring Progressive Solutions: Innovating within the Regional Cannabis Sector.*

Regulatory and Governance Landscape

Legalized in 2018, *The Cannabis Act* establishes the legal framework for regulating cannabis in Canada. Through Health Canada, the federal government oversees the implementation of policies related to the *Cannabis Act*. It sets the minimum legal age for consumption and possession, distributes licenses for cultivation, processing and sale for medical purposes, and establishes regulations around packaging and labelling requirements, THC limits, and allowable products (e.g. edibles, oils, etc.).

Retail licenses for non-medical sales are issued by each province. Until recently, oversight of the BC Liquor and Cannabis Regulation Branch (LCRB) was managed by the Ministry of Public Safety and Solicitor General. As of the spring of 2025, oversight is now shared between the Ministry of Agriculture and Food and the Ministry of Public Safety and Solicitor General, reflecting the province's interest in growing the sector while maintaining responsibility of compliance and enforcement (Brown, 2025). The Ministry of Agriculture and Food now leads responsibilities related to "policy and licensing issues" (Brown, 2025) while "modernizing British Columbia's liquor licensing and enforcement system... [and] growing our economy by supporting food and beverage producers, farmers, restaurants, and the tourism sector with flexible liquor, land use, and cannabis regulations" (Brown, 2025).

Municipalities, or local government establish cannabis regulation at the community level. Responsibilities include zoning and land-use regulations for cannabis retail and production facilities, business licensing for cannabis retail stores, public consumption bylaws including restrictions in parks, on sidewalks, and in public buildings, workplace policies for municipal employees, and enforcement of nuisance bylaws and building codes related to cultivation (Federation of Canadian Municipalities, 2018).

According to the *Cannabis Toolkit* published by the BC Assembly of First Nations (BCAFN) in 2021, Indigenous Nations hold inherent authority to "the cultivation, processing, sale, and consumption of cannabis within their territories" as per Articles 4, 20, 21, 23, 26, and 32 of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). In Canada, these rights are not formally recognized under Canada's existing cannabis framework, creating a "gray area" in which some First Nations exercise these rights independently of the Crown (BC Assembly of First Nations, 2020, p.5)

Project Purpose and Importance

The landscape assessment is part of a broader initiative designed to deepen understanding of the challenges and opportunities facing the rural cannabis sector in the Kootenay study region. This overarching project seeks to co-develop and co-pilot targeted action plans with stakeholders who bring lived experience and local insight. Grounded in participatory principles, the project is guided by four core objectives:

- To bring divergent groups from the Regional District of Central Kootenay (RDCK) and the Regional District of Kootenay Boundary (RDKB) together who have a history of fragmented relations and a lack of trust to inventory place-based regional strengths.
- Under the guidance of the smart specialization framework while supporting regional innovation, to identify where the region is at, develop tools, guide conversations, and identify and prioritize areas for investment and action.
- To develop refocused action plans and pilot between two and four select actions within the regional cannabis sector.
- To disseminate findings beyond the research team, study region and sector.

This landscape assessment is part of background research and represents a component of the larger framework required to successfully achieve each objective within the project.

Methodology

Timeline and Activities

The data collection strategy for the landscape assessment was developed in January 2025 and received approval from the Selkirk College Research Ethics Board (REB) under Project Number REB 2025-005 on March 7th, 2025. Data collection occurred between April and May 2025 using a 32-question survey designed to gather consistent and replicable information across participants.

The overarching research project is grounded in a Participatory Action Research (PAR) methodology, which, as Tapp, White, Steuerwald, and Dulin describe, constitutes “a family of research methodologies that pursue action (or change) and research (or understanding) at the same time. Action research is a way of generating research about a social system while simultaneously attempting to change that system. PAR is participative because change is usually easier to achieve when those affected by the change are involved in the research” (2013, p. 405).

To date, the research team has engaged the local cannabis industry in a variety of ways, mainly through formal and informal conversations (which were approved by REB as data points through Project Number REB 2025-006 on March 6, 2025), as well as through the Landscape Assessment Survey, and a series of inclusive industry breakfast meetings. During these sessions, the Primary Investigator (PI) shared background research and presented ten proposed pilot initiatives. These meetings also served as a platform for co-developing five pilot projects in collaboration with industry stakeholders and gathering feedback to guide the project’s direction and ensure alignment with community priorities.

Respondent Composition

In total, 20 people were surveyed out of the possible 21 respondents identified in the study region as of June 2025, yielding a 95% response rate. Data collection was conducted by the Primary Investigator who primarily verbally asked respondents the survey questions in person or on the phone, and the remaining was done by respondents directly, online. All respondents were cannabis cultivators, producers or processors, whose businesses were situated in either the RDCK or the RDKB.

Many of the respondents held multiple licenses and thus gave insight into business challenges and opportunities from several licensing perspectives. This iteration of data gathering did not include retailers within the study region (~27) or ancillary businesses like software developers, grow stores, laboratories, or consultants (~15).

In accordance with the ethics agreement, respondents were permitted to skip any question they did not wish to answer for any reason. Consequently, some questions were answered by fewer respondents, while others were answered by more respondents. This means that while our population size was 20, the response rate per question varies. See the response rate in Table 1.

Response # and Description	Responses	Response Rate
Q1: Informed consent	20	100%
Q2: Business location	20	100%
Q3: Company Name	20	100%
Q4: Nearest town	19	95%
Q5: Cannabis procurement map	20	100%
Q6: Health Canada license date	19	95%
Q7: License type	20	100%
Q8: # of employees	20	100%
Q9: Ownership structure	20	100%
Q10: Key business model	20	100%
Q11: Size of production/processing space	19	95%
Q12: Annual production/processing capacity	19	95%
Q13: Production focus	20	100%
Q14: Growing environment	20	100%
Q15: Growing medium	18	90%
Q16: Sustainable practices	20	100%
Q17: Local inputs	18	90%
Q18: Elaborate on local inputs	13	65%
Q19: International market	19	95%
Q20: Elaborate on int'l markets	13	65%
Q21: Domestic market	18	90%
Q22: Direct to retail	17	85%
Q23: Wholesale branding & labelling	18	90%
Q24: Annual gross revenue	15	75%
Q25: Supplementing Health Canada license	19	95%
Q26: Potential collaborations	17	85%
Q27: Current collaborations	17	85%

Q28: Future expansion	20	100%
Q29: Tourism	19	95%
Q30: Ranking challenges	20	100%
Q31: Elaborate on challenges	6	30%
Q32: Additional feedback	6	30%

Table 1: Survey response rate

	Population	Producers	Micro Cultivation	Standard Cultivation	Micro Processing	Standard Processing	Other
Central Kootenay & Kootenay Boundary	95,661	20	17	3	5	3	9
North Okanagan	91,610	15	5	10			
Cowichan	89,013	15	5	7			2

Table 2: Table outlining regional demographic information and production licenses. Population data for the Central Kootenay is from Census Canada and production license data was gathered via the Landscape Assessment Survey (please note, some producers hold multiple licenses); data for North Okanagan and Cowichan is from a Craft Cannabis Association of BC report (Craft Cannabis Association of BC, 2021).

Analysis

Once the survey was completed, the raw data was exported from Survey Monkey into an Excel spreadsheet for review and data cleaning. The cleaning process ensured accuracy of the results by standardizing formats, and it also ensured ease of analysis. As respondents were recruited directly by the PI, there were no instances of duplication or incomplete surveys. Each question was categorized into major themes.

Survey Results

Using overarching project objectives to guide analysis, the data provided by respondents was examined regarding their business, needs, challenges, priority areas and potential opportunities to help us better understand the status of the sector, including some region-specific challenges and opportunities. This section begins with an overview of respondents' composition; the following sections are divided by topic based on the overarching themes presented in the survey and their associated responses.

Location

Most respondents were located within the RDCK, and only three were based in the RDKB. This distribution reflects the study region accurately as most production and processing businesses are within Central Kootenays. Respondents identified their nearest large town based on personal familiarity and comfort, which may vary. Five of the respondents' closest reported town was Winlaw, while three reported being closest to Nelson, and two were closest to Salmo. Beyond those three towns, every other respondent was closest to a different town. Other towns reported near each producer include: Castlegar, Christina Lake, Christian Valley, Crawford Bay, Creston, Beaverdell, Harrop-Proctor, Kaslo, Ymir, and Slocan.

Figure 1: Business location of survey respondents.

85% of respondents were interested in being a part of a "Cannabis Procurement Map", in which a public map could show locations where a customer can procure legal cannabis, as well as approximate locations of producers. The remaining 15% of respondents responded 'maybe'; some citing security concerns but they generally agreed with being on a map if the map did not reveal their exact location, but rather the approximate nearest town. The following map shows the general geographic distribution which was approved by all respondents at the time of writing.

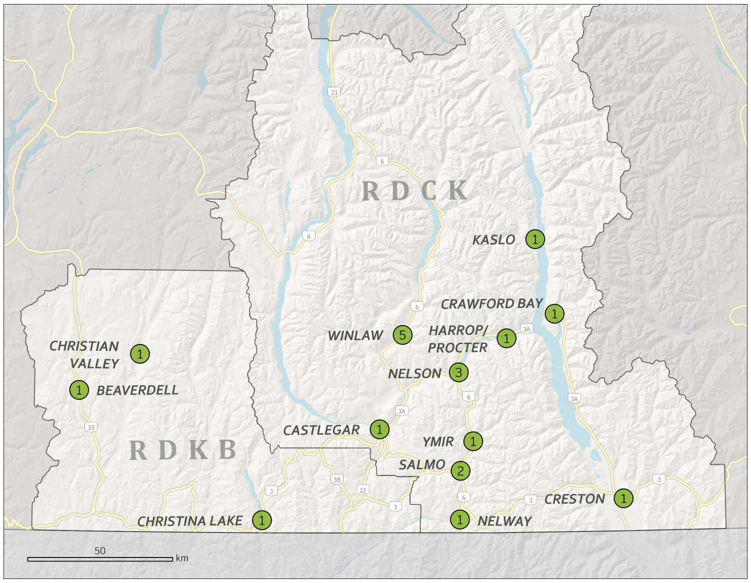

Figure 2: Study area map showing approximate location of cultivation and processing facilities, produced by Nicholas Hindbo.

Employment

The survey recorded that the cannabis production and processing industry in the study region (RDKB and RDCK) employs 222 full time employees, and 321 part time, totaling 543 total jobs as a result of the regional cannabis industry.

Employment Analysis

According to the 2021 Canadian Census, the Regional District of Kootenay Boundary (RDKB) had a population of 33,152, while the Regional District of Central Kootenay (RDCK) had 62,509 residents (Statistics Canada, 2021). Combined, these districts account for 95,661 residents in 2021. Of this population, 12,985 were employed in the RDKB and 27,215 in the RDCK, totaling 40,200 employed residents across the study area (Statistics Canada, 2021). Census data offers the most accurate region-specific employment figures, whereas provincial statistics, although more recent, are aggregated for larger areas that do not align with our study region. Survey results indicate that the cannabis industry employs approximately 543 within the study region, representing about 1.2% of the total employment. For comparison, the forestry sector in the Kootenay region employs roughly 1,350 people or 3.2%, according to the 2021 census (Work BC, 2025), highlighting the regional economic significance of the cannabis industry.

Business Composition

One of the project's goals is to understand the business composition of the study region, as guided by the Smart Specialization framework as described by Foray et al (2012). The landscape assessment helps identify where the regional cannabis industry is currently at, providing researchers, policy makers, and interested governments a baseline to begin the next steps in the framework: developing tools, guiding conversations and identifying priority areas for investment or action.

At the time of the survey, the largest share of producers in the study region (42%) sold 100% of their products domestically. The remaining respondents reported international exports ranging from 10% to 100% of their production. At least four respondents reported a minimum of 90% in international export sales. Among the countries exported to, nine producers exported to Australia, seven to Germany, three each to Israel and the United Kingdom, and one to Portugal at the time of data collection.

Additionally, 16 of the 18 producers who sold their products domestically sold their products within British Columbia. Seven sold to both Manitoba and Saskatchewan, four to Ontario, two to Quebec and five sold to a range of different provinces and territories (including but not limited to Nova Scotia and the Yukon). Since data was collected in the spring of 2025, these statistics are likely to have changed by the time of publication.

The majority of respondents (75%) – shared revenue details. Among those, seven businesses earned between $0 and 500,000 in gross annual revenue; six earned between $1,000,000 and $ 5,000,000; and three grossed anywhere from $5,000,000 to $10,000,000. Additionally, 64% of the respondents supplemented their Health Canada Licensed business with other businesses, while 36% did not.

License Type & Year Obtained

Among the 18 producers surveyed, 11 obtained their Health Canada licenses within a three-year span from 2022 to 2025. This trend is likely influenced, at least partially, by the Cannabis Business Transition Initiative, delivered through Community Futures Central Kootenay, which supported legacy growers in entering the legal market (Community Futures Central Kootenay, n.d.). The earliest micro producer license in the study area was issued in 2019. Licensing activity peaked in 2022, when five producers received their licenses, making it the most active year for cannabis licensing in the region.

By a large margin, micro-producer licenses were the most prevalent license in this study; 17 of the 20 respondents held micro-production licenses. The next most common license types were micro-processing and medical, both of which had five respondents each.

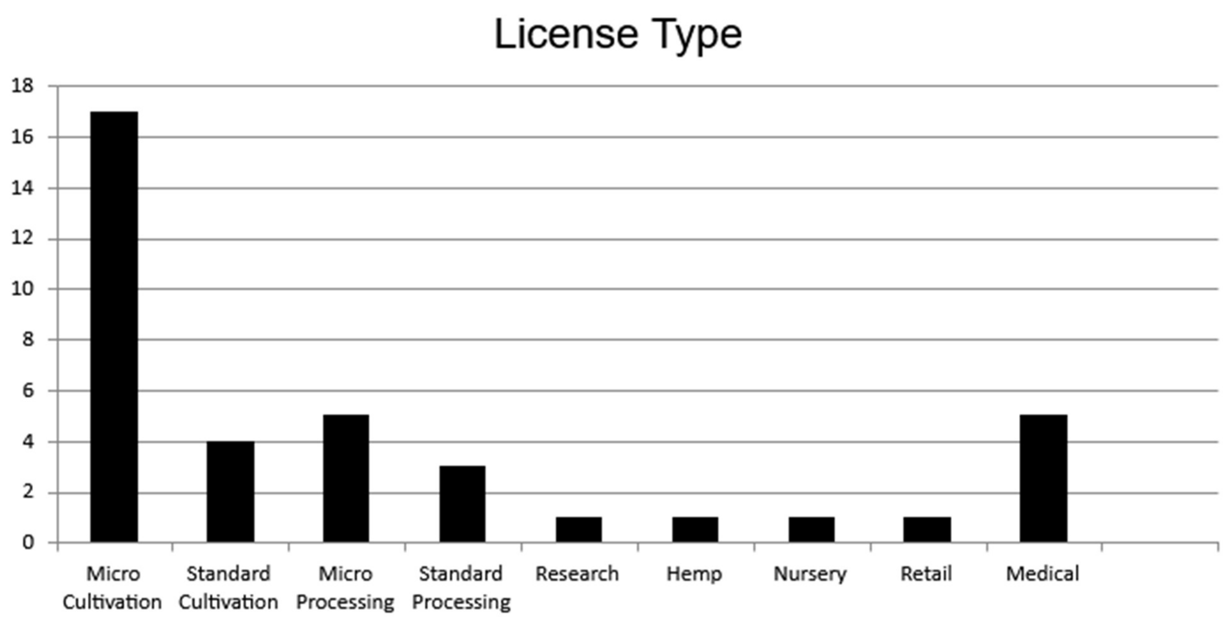

Figure 2: License type of survey respondents

Market Metrics

Survey results show that 41% of respondents offer Direct-to-Retail sales, while 30% do not. The remaining 29% fall into an 'other' category, which includes producers who sell Direct-to-Retail through a licensed processor, or those who are registered for Direct-to-Retail but are limited by capacity constraints. There was some debate on the program's overall benefit, as it requires additional resources yet incurs the same cost as distributing product through the BC Liquor Distribution Branch (LDB) (i.e., a producer pays a 15% mark-up distribution fee to the LDB whether they use their services or not). However, during the recent public sector strike, producers with a Direct-to-Retail license expressed satisfaction with having this option available.

Of the respondents, 37% used white labelling (domestic and international), while 63% retained their branding (domestic and international). There should be caution with the interpretation of this metric as it was nuanced; some respondents sold under white labelling with some companies but retained their brand with others. Additionally, co-branding also sometimes occurred, which wasn't clearly captured in the survey.

Product Focus

Many respondents reported producing a variety of products, with cured flower and pre-rolls emerging as the two most common. Bulk cured flower, fresh flower and rosin were also among the top product focuses. Most other categories were selected by only one or two respondents, and beverages were the only category not chosen by any producer.

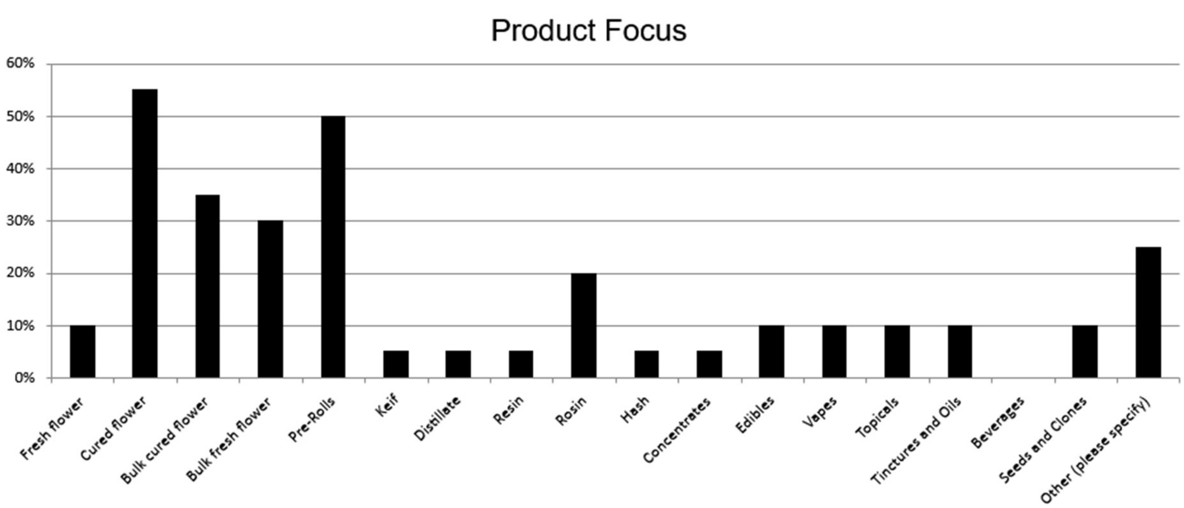

Figure 3: Product focus of survey respondents.

Analysis - Business Composition & Market Metrics

The data indicates the majority of businesses (42%) operated primarily within Canada's domestic market, with British Columbia serving as the primary distribution hub. During in-person project engagement sessions occurring after the survey data was collected, an increased interest in selling internationally became clear. While international sales from the Kootenays at the time of data collection remained less common than domestic, global engagement appears to be increasing, particularly with markets such as Australia and Germany. Policy support and a focused investment in resources could better support international opportunities. The high proportion of those who sell domestically may be a result of the challenges faced by entering the international market, particularly for small companies.

Revenue data highlights that most respondents are either small or medium sized businesses, with two-thirds of businesses earning under $5 million annually. A significant proportion (64%) supplement their cannabis operations with other business ventures, suggesting either financial necessity or strategic diversification. Most businesses are relatively new to the legal market, with the majority acquiring Health Canada licenses between 2022 and 2025. Our survey did not inquire if the respondents took part in the legacy market due to the nature of our low-risk REB file. However, understanding the transition from the legacy to the legal market may help further advance goals of this research to support the economic development of the legal sector.

Micro-production is the dominant license type among respondents, reflecting the craft or small-scale nature of most regional operations in the Kootenays. In terms of sales strategy, 41% of producers offer Direct-to-Retail sales, signaling a strong interest in building retailer relationships, brand recognition and customer loyalty. The use of white labelling, especially in wholesale distribution, suggests a mixed approach to branding, with more businesses retaining their brand domestically than in international markets. While Direct-to-Retail provides an alternative route to market, retailers may face challenges with consistent supply and shipment scheduling. At the same time, producers emphasized the value of cultivating strong relationships with retailers, viewing these connections as a key benefit of the program.

Challenges

The top three challenges reported by respondents were: (1) taxes (excise tax, provincial mark-ups, etc.); (2) access to capital, financing and banking; and (3) regulatory hurdles and bureaucracy. For example, one respondent noted that under the current tax structure, financial incentives should be available to licensed producers, similar to other agri-business sectors in Canada. At least three respondents identified financial constraints as their greatest barrier, citing issues such as inconsistent cash flow, limited marketing budgets, high excise tax rates, costly facility upgrades, and lack of access to business loans. Others highlighted the complexities of the licensing process, and confusion around procedures, particularly during the early implementation of the legal framework.

Respondents expressed additional challenges beyond the top three, specifically related to cultivation and business development. The latter includes building rapport with customers, other businesses, and industry partnerships. Regarding the former, multiple respondents reported experiencing issues related to the specifics of growing (e.g., biological issues like mold, plant genetics, biomass production, finding the right cultivar, etc.).

One respondent emphasized the importance of value-added products and the need for diverse offerings to remain competitive in the market, which is a goal that is difficult to achieve without strong business and industry partnerships. This challenge was echoed by at least one other respondent, highlighting collaboration as an ongoing concern. These insights sparked further interest in understanding the role and significance of partnerships within the regional industry, which are explored in a following section.

Beyond survey results, informal in-person conversations provided valuable insights into some of the most pressing challenges. Marketing restrictions were frequently citied, falling under the broader category of regulatory hurdles and bureaucracy. Respondents highlighted the difficulty of marketing cannabis compared to their perception of the permissiveness of alcohol marketing. They also noted that the province-wide Buy BC marketing campaign currently excludes cannabis products, explicitly listing "cannabis-related activities" as ineligible program activities (Buy BC Partnership Program Guide Summer, 2025, p.11).

Challenges Analysis

The discussion on challenges highlights the complex interplay between regulatory barriers and the realities of operating in the cannabis sector in this rural region predominantly as micro producers. Respondents' emphasis on industry partnerships and product diversification suggests that success for small-scale businesses may depend as much on collaboration and innovation as overcoming regulatory constraints. These findings point to the need for continued support for regulatory reforms like reduced taxation and streamlined licensing, while also pursuing locally focused solutions, including providing more collaborative opportunities within the regional industry.

Other significant challenges identified include bureaucratic hurdles in selling within the Canadian market, and the difficulty of maintaining profitability under heavy taxation and regulatory restrictions. Participants also highlighted the imbalance between supply and demand in the domestic market. Many noted that the current oversupply, driven largely by large-scale, publicly traded producers, has led to prices so low that small-scale and craft micro-producers struggle to compete. As of December 2024, there was an estimated 53 million unsold cannabis products in Canada, clearing indicating a persistent oversupply issue (Skodzinski, 2024).

Opportunities

Survey responses highlighted collaboration as the strongest opportunity in the Kootenay cannabis sector. Nearly all respondents (17 of 20) reported current or planned partnerships, ranging from joint marketing and supply chain innovations to genetics sharing and cross-sector collaborations with tourism and academia.

Several participants emphasized the region's cooperative culture, noting that collaboration is a legacy value that allows businesses to "unite without competing." Ideas included forming a regional industry group or appointing an ambassador to coordinate efforts, streamlining communication, and supporting joint initiatives such as grant applications or marketing campaigns.

Cannabis tourism generated enthusiasm. Respondents described opportunities to host events, strengthen community, and spotlight local growers. Multiple respondents compared the long-term potential of Kootenay cannabis tourism to the established wine tourism industry in the Okanagan.

International sales were also identified as a growth opportunity. While few respondents provided detail, several recognized the potential of global markets. This view aligns with broader national trends, as Canadian cannabis exports have grown steadily since 2023, especially in dried cannabis and cannabis oil (Brown, 2025).

Opportunities Analysis

Collaboration clearly emerges as both a defining feature of the Kootenay cannabis sector and a foundation for its future development. Existing networks, such as Woody Nelson's country club and flight club, Sweetgrass' efforts to showcase local producers, and Rosebud's Rose Buddies program illustrate the strength of the region's cooperative culture and the potential to build on it (Woody Nelson, n.d; Sweetgrass Cannabis, n.d; Brown, 2022).

This collaborative spirit is not only cultural but strategic. It offers a pathway to addressing systemic challenges such as limited access to capital and complex regulatory environments by pooling resources and coordinating action. The interest in a regional industry group or ambassador role demonstrates momentum toward more formal structures that could enhance efficiency and amplify collective impact.

Tourism represents a particularly promising avenue for reinforcing regional identity, engaging communities, and creating new revenue streams. Similarly, while international sales are less developed locally, they represent a forward-looking opportunity that aligns with growing global demand and Canada's expanding export market.

To summarize, collaboration, tourism, and export potential form the backbone of the region's opportunities. With stronger coordination and shared infrastructure, these strengths could be leveraged into sustained competitive advantages for the Kootenay cannabis industry.

Tourism

There survey sought to gauge industry interest in cannabis tourism, events, the farm-gate model, consumption spaces, and product sampling. As a disclaimer, these questions were posed in a hypothetical context, recognizing that events and sampling are currently subject to strict federal, provincial, and municipal regulations. At present, activities such as sampling and cannabis focused events are only permitted for those with the appropriate licenses, such as special event licenses and/or marketing licenses. The intent was to gauge interest in these areas to inform future research and potential pilot project efforts.

All except for one respondent was interested in some aspect of cannabis tourism. Cannabis tourism has many different facets, in this case, participants were very interested in farm tours including the potential for family friendly farm tours (at hemp-based facilities), showing guests how cannabis products are processed, and teaching about cultivation. Additionally, many participants expressed excitement around hosting or taking part in community events, where producers in the region could get together and learn from each other. Over the past summer, several cannabis businesses collaborated to host the Kootenay Jamboree event on August 8th, 2025. This event reflects the eagerness within the industry to gather for knowledge-sharing and community building. Some participants displayed an interest in engaging politicians and various levels of government to demonstrate the effort behind local production facilities.

Cannabis tourism in the Kootenays faces several challenges, primarily due to the rural nature of the region, regulatory restrictions on cannabis friendly events, a lack of farm status for cannabis production sites, and the absences of formalized consumption spaces. Rurality was a current theme, particularly when discussing tourism and the farm-gate model. Most production facilities have little to no foot traffic, meaning potential visitors would need to intentionally seek out producers. Despite these hurdles, there was strong interest in a cannabis procurement map, which could serve both individuals seeking cannabis-related experiences and visitors drawn to Kootenay tourism destinations who encounter the map incidentally.

Marketing models from other sectors, such as wine agri-tourism, highlight the gap faced by the cannabis sector: guests can pay to sample curated wines under the guidance of a sommelier, whereas cannabis businesses face strict limitations. Under BC regulations, licensed cannabis operators may provide samples only to individuals who also hold a cannabis license, making public on-site sampling illegal (BCLCRB, 2024). While alternate models are possible, for example designated outdoor consumption spaces can be developed, cannabis tourism within the current regulatory frameworks remains challenging. Still, opportunities exist to design engaging events that comply with current regulations, focusing on education or cannabis culture rather than samples.

Tourism Analysis

The Kootenay region is known for its breathtaking landscapes, plentiful outdoor recreational activities, and unique ecological climate. There is already a draw for regional tourism, which underscores the potential for success in the cannabis tourism market (Kootenays Rockies Tourism, 2019).

Selkirk College and Kootenay-Rockies Tourism published a report which delved deeper into the opportunities and challenges of cannabis tourism in the region (Rattu, Harvey & Breen, 2022). Key findings reflect similar insights provided by our respondents, particularly regarding the protection and promotion of the Kootenay brand. The report notes that cannabis tourism can support economic diversification and stimulate local economies while engaging a new target market of tourists. However, a significant barrier to developing a cannabis tourism strategy similar to an agri-tourism model, is that cannabis farms in BC currently lack official farm status, even those within the Agricultural Land Reserve (ALR). Farm status offers agricultural producers tax exemptions and access to funding and support programs, including agri-tourism opportunities. Without farm status, cannabis farms are excluded from tax exemptions, are ineligible for certain funding and support programs and cannot legally offer farm tours as a part of agri-tourism (Wilson, 2022).

The Kootenay region's well-established tourism appeal creates a strong foundation for developing cannabis tourism, however, regulatory barriers are slowing its growth. Despite cannabis being recognized in the provincial Ministry of Agriculture's mandate as an economic opportunity, current policies, such as the lack of farm status for cannabis growers, prevent producers from fully participating in agri-tourism activities like farm tours. Another example is the lack of uptake of farmgate licenses; the limited number of cannabis farmgate licenses in the province suggests that current regulations may not be accessible, or the financial investment may not be worth it for small producers. For the Kootenay cannabis industry to capitalize on the interest of tourism, it is important to consider the regulatory challenges and work to align policy with industry interest and tourism potential present in the region.

Limitations

Due to the scope and nature of the research project, there are limitations to this landscape assessment. First, due to the voluntary nature of data collection, it was not possible to include individuals who chose not to participate. Among those contacted, only one declined participation, indicated by a lack of response.

A survey is a snapshot in time and does not necessarily reflect the status of the industry before and after the data was gathered. For instance, one company has since closed its doors. Surveys may lack the depth of information that is captured through in-person semi-structured interviews.

Despite these limitations, the research team's ongoing community engagements, surveys, and informal conversations ensure that these limitations were addressed to the best capability. Additionally, as this project is developing iteratively, there are new informative survey questions that the research team would have liked to include in the initial survey. Additional survey ideas are discussed in Opportunities for Further Research, next.

Opportunities for Further Research

Cannabis-related research is expanding, addressing gaps that previously existed and opening numerous avenues for future study. One recommendation is to conduct a follow-up survey at the conclusion of this project in 2027. This landscape assessment provides a snapshot of the regional cannabis industry in 2025; a closing survey and subsequent analysis would offer insight into how attitudes have evolved, which business models have proven most resilient, and allow for comparison with the 2025 baseline. Such a survey could also draw on ideas from similar reports, such as the *Cannabis in the Cowichan Valley* report published in 2023 by the Craft Cannabis Association of BC, which explored some related topics in greater depth than covered in the current dataset.

A topic which was not discussed at length in the data collection for this landscape assessment was sustainable production and processing practices. This is an area to go deeper into in future research and was not addressed in initial research.

Discussion

The purpose of this landscape assessment, which is part of the background research, was to collect data to better understand challenges, opportunities, and needs of cannabis producers in the study region and to document the current landscape by painting a clear picture of the regional cannabis industry.

Desire for Growth and Collaboration

One prominent theme throughout the data was the desire for growth and collaboration. 85% of respondents mentioned collaboration, either as an existing practice or as a future goal. This strong interest provides insight into what resonates with regional producers and where pilot project resources should be focused. Prioritizing businesses already engaged in or open to collaboration allows resources to be leveraged to strengthen existing relationships and foster new ones, ensuring limited resources are allocated to approaches and projects that best suit the study region.

Tourism

Another key area in which 95% of respondents expressed interest was getting involved in cannabis tourism. There were many respondents who had a range of ideas on how to involve their business in cannabis tourism, as noted in our results section. However, one key barrier is the current regulations; they need to advance to better support this area of potential growth. For example, farm-gate licensing needs to have reduced barriers to participate in that program, and agri-tourism needs to be available for cannabis farms. Currently, there are multiple barriers to gaining farmgate status in BC, for example the total average application cost is $10,000 CAD, which does not account for the additional costs of building a retail space on the site (Brown, 2023). Another example includes the Buy BC agricultural marketing program in BC, which provides BC-based agricultural products with shared marketing and other incentives. This program, as of October 2025, explicitly excludes cannabis products (British Columbia Ministry of Agriculture and Food, 2025).

Challenges

Several barriers to advancing the regional cannabis industry were identified in the results, some of which could be mitigated through opportunities that producers expressed interest in. However, one of the most significant obstacles is limited access to capital, which restricts the ability to pursue these opportunities. For instance, applying for a farmgate retail license requires a fully constructed retail space before approval, which is an upfront investment that many producers cannot secure. This challenge is compounded by difficulties accessing loans and banking services, as large financial institutions often deny support due to the cannabis industry’s association with risk. These financial barriers are closely tied to stigma, which persists not only within banking institutions but also in broader public perceptions of the cannabis sector.

Regional Value

This assessment indicates that the cannabis industry is an important economic, historical, and cultural contributor within the region. The Kootenays have long been associated with cannabis and were known for producing high-quality “BC Bud” prior to legalization. Understanding the current legal market landscape is therefore critical. Producers and processors within the Kootenay study region provide over 500 jobs locally. Businesses are diverse and geographically dispersed, with 90% sourcing products from within the Kootenays and across BC and selling primarily within the region and province. Despite ongoing stigmatization, the importance of the cannabis industry should not be underestimated, and cannabis must be incorporated into regional economic development strategies moving forward.

Feedback

During data gathering in the spring of 2025, community engagement sessions were planned for cannabis producers. By the end of the summer, three sessions had been conducted to learn from and adjust the course of action based on feedback from local producers and processors with firsthand experience. These meetings enabled validation of research, collection of input on priorities, and co-development of viable paths forward while fostering community connections, facilitating difficult conversations, and integrating ongoing feedback.

Recommendations

The primary recommendation is for industry participants and survey respondents to form collaborative working groups to advance the pilot projects they helped co-develop. These groups can align research objectives with business goals, fostering practical outcomes and shared success. Co-designing the structure and purpose of each group collaboratively will be essential to ensure long-term commitment and sustained industry support.

Conclusion

This landscape assessment was conducted to better understand the current state of the regional cannabis industry, its position, key challenges, and the primary goals of respondents. The findings are intended to support researchers, governments, policymakers, and businesses in providing more targeted assistance and identifying synergies that make collective efforts more effective. Guided by the Smart Specialization framework, this work establishes a baseline to inform future tools, guide conversations, and identify priority areas for investment and action.

From the data collected, several priority areas emerged, with collaboration standing out as the most consistent theme. Participants emphasized the importance of working together across businesses, with government and academic partners, and through public outreach to strengthen the sector. Many producers expressed a strong desire to maintain and expand collaborative efforts. In response, opportunities for structured collaboration were explored, such as working groups to advance pilot projects, developing a regional brand, designing marketing campaigns, formalizing efforts through a governance model, and creating educational content.

Participants also identified persistent barriers to growth, including excessive taxation, limited marketing resources, and restrictive federal regulations that constrain traditional promotion. This landscape assessment provides a clear snapshot of these challenges and a foundation for developing informed, practical strategies to address them.

Overall, the assessment offers a comprehensive understanding of the cannabis industry in the study region. It equips stakeholders, including researchers, governments, policymakers, and industry partners, with the insight needed to make evidence-based decisions, design tailored tools and strategies, and foster a more supportive environment for sustainable industry development.

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