

2022 ANNUAL CANNABIS REPORT

Illinois Department of
Agriculture



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TABLE OF CONTENTS

Summary	2
FY2022 Accomplishments	3
FY2023 Goals	4
Key Data Points	5
Funding Usage	7
Legislation, Updates, and Initiatives	8

SUMMARY



The Illinois Department of Agriculture remains highly focused on its core mission of developing a well-regulated and equitable industry. With now a second cohort of 100% social equity licensees, we're proud to say that we have taken the first steps toward fulfilling the vision of the Cannabis Regulation and Tax Act passed by the Legislature. The Department looks forward to working with these licensees over the next weeks and months as the industry grows and matures.

The Illinois Department of Agriculture is the lead regulator for a substantial portion of the cannabis industry in Illinois. Beginning with the 21 Cultivation Centers originally licensed under the Compassionate Use of Marijuana Act in 2015, the role of the Department has grown with passage of the Cannabis Regulation and Tax Act in 2019 to include Craft Grow, Infuser, and Transportation licenses, as well as oversight of the Community College Cannabis Vocational Pilot Program.

The Department reorganized its cannabis regulation unit in September of 2020. Previously the Bureau of Medicinal Plants, the unit was expanded to the Division of Cannabis Regulation. The new Division contains two new bureaus: the Bureau of Licensing and Administration, which is responsible for issuing licenses, administering the Hemp Program, Agent Registration Cards, and other programs, and the Bureau of Inspections, which is responsible for the inspectors charged with ensuring a safe and healthy cannabis market in Illinois. There are also Division-level administrative staff.

In the time since the FY21 Annual Report, the Department has issued 362 licenses under the CRTA. This includes: 88 Craft Growers, 54 Infusers, 189 Transporters, and 10 approved Cannabis Community College Vocational Pilot Program participants.

Of the 48 Craft Grow Licenses in 2022, 42% (20) are majority Black-owned, 36% (17) are majority White-owned, 8% (4) are majority Hispanic-Owned, and 8% are owned by a partnership group. Six percent of awardees did not provide that information. One hundred percent of new licenses were issued to Social Equity Applicants.

Among the 2021 licensee cohort, 67% total reported being non-white. Regarding majority ownership, 98 applicants reported being Black owned, 19 Latinx, and 34 Black woman owned. From 2021 to 2022, the percentage of Black and Brown majority owned licensees increased from 43 to 46% of all total IDOA licenses.

These licensees now join those licensed by the Department last year to form the foundation of the legal cannabis industry in Illinois, and together will generate thousands of well-paying jobs across the state as they come online. Our team has remained highly focused on its core mission of developing a well-regulated and equitable industry. With now a second cohort of 100% social equity licensees, we're proud to say that we have taken the first steps toward fulfilling the vision of the Cannabis Regulation and Tax Act passed by the Legislature. The Department looks forward to working with these licensees over the next weeks and months as the industry grows and matures.

FY2022 ACCOMPLISHMENTS



FY2023 GOALS

Summary

In FY23, the Department is focused on its core goals of supporting a nascent program while building out an efficient, 21st Century regulatory structure to ensure a safe and equitable industry.

IDOA FY2023 Goals

1. Continue to support new licensees as they work toward buildout and operational status.
2. Website redesign and upgrade
3. Testing Laboratory buildout and staffing

IDOA FY2023 Essential Projects

1. Issuing 362 Licenses Under the CRTA
 - a. 88 Craft Grow
 - b. 54 Infusers
 - c. 189 Transporters
 - d. 10 approved Cannabis Community College Vocational Pilot Program Participants
2. Institution of IDOA Virtual Badging Program for Agent Cards to 4,963 (as of Sept. 2022) active agents in the IDOA system.
3. Translation Service for CRTA, Compassionate Use Act, Industrial Hemp Act, and associated Rules.

IDOA FY2023 Metrics

These goals will help us to maintain or improve upon agent badge approval times, increase the number of inspections, and to continue moving toward our goal of an entirely paperless licensing system.



48 hours

Agent Card
Application
Approval Time



100%

applications
online



+30%

inspections
quarterly

KEY DATA POINTS

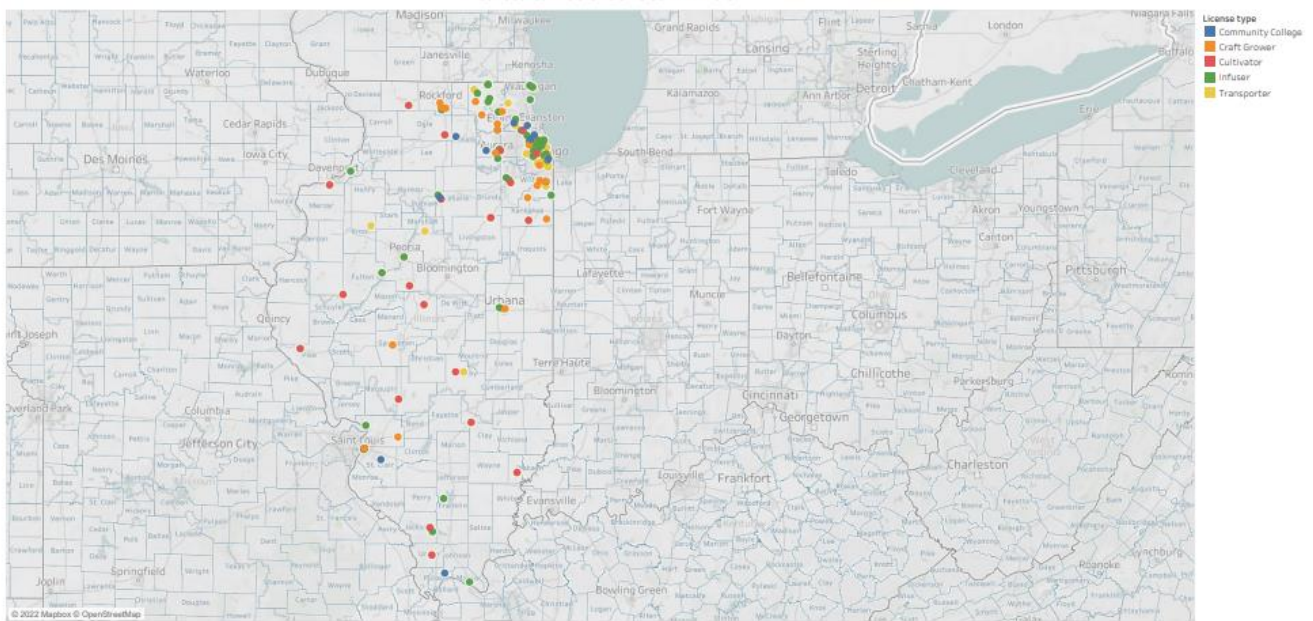
Cultivation Centers, Craft Growers, Infusers, and Transporters by County/Zip Code

In the charts below, find the number of licenses issued to cultivation centers, craft growers, infusers, and transporters by license type, and, in counties with more than 3,000,000 residents, by zip code, as required by Section 55-80(b)(1) of the CRTA.

Licenses Issued by County				Licenses Issued by Zip Code (Cook County)
County	# of Craft Growers	# of Infusers	# of Transporters	
Adams	1			
Alexander	1			
Champaign	1	1	4	
Coles			1	
Cook	29	19	71	
DeKalb			1	
DuPage			3	
Edgar			1	
Edwards	2		1	
Effingham	7		1	
Franklin	1	1	1	
Fulton			4	
Grundy			1	
Iroquois			1	
Jackson	1	1	4	
Jefferson	1		2	
Jo Daviess	2		2	
Kane	5	2		
Kankakee	2		2	
Kendall		1	1	
Lake	1	4	4	
LaSalle	1		1	
Livingston			1	
Logan			1	
Madison	2	1	1	
Marshall			1	
Mason	1			
Massac		1	1	
McDonough	1		2	
McHenry	7	8	12	

McLean	1		
Montgomery			0
Morgan		1	
Ogle			1
Peoria		1	3
Pulaski	1		
Rock Island	3	1	5
Sangamon	5		3
Shelby			1
St Clair	3	3	4
Tazewell	1	1	2
Union			1
Vermillion			1
Will	3	3	8
Winnebago	4	2	7

Licensed Cannabis Facilities in Illinois



Social Equity Applicant- or MBE-Owned Cultivation Centers, Craft Growers, Infusers, and Transporters

Find the total number of cultivation center, craft grower, infuser, and transporter owners that are Social Equity Applicants or minority persons, women, or persons with disabilities as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, as required by Section 55-80(b)(2) of the CRTA, below.

228	25	62	0
total licenses majority owned by Social Equity Applicants	total licenses majority owned by women	total licenses majority owned by people of color	total licenses majority owned by persons with disabilities
0	1	0	0
cultivation center licenses 76	cultivation center licenses 7	cultivation center licenses 27	cultivation center licenses 0
craft grower licenses 54	craft grower licenses 3	craft grower licenses 5	craft grower licenses 0
infuser licenses 98	infuser licenses 15	infuser licenses 30	infuser licenses 0
transporter licenses	transporter licenses	transporter licenses	transporter licenses

Changes in Cultivation Center, Craft Grower, Infuser, and Transporter Ownership and Location

In addition to issuing and renewing licenses, the Department also approves changes in ownership and location for all cultivation centers, craft growers, infusers, and transporters. The number of licenses issued, transferred, and approved for a change in location in FY2022, FY2021, and FY2020 can be found below.

224	22	19
total licenses issued in FY2022	total licenses transferred in FY2022	total licenses changed location in FY2022
0	5	0
cultivation center licenses 88	cultivation center licenses 10	cultivation center licenses 9
craft grower licenses 54	craft grower licenses 5	craft grower licenses 3
infuser licenses 82	infuser licenses 2	infuser licenses 7
transporter licenses	transporter licenses	transporter licenses

0	0	0
total licenses issued in FY2021	total licenses transferred in FY2021	total licenses changed location in FY2021

0	0	0
cultivation center licenses	cultivation center licenses	cultivation center licenses
0	0	0
craft grower licenses	craft grower licenses	craft grower licenses
0	0	0
infuser licenses	infuser licenses	infuser licenses
0	0	0
transporter licenses	transporter licenses	transporter licenses

0	2	0
total licenses issued in FY2020	total licenses transferred in FY2020	total licenses changed location in FY2020

0	2	0
cultivation center licenses	cultivation center licenses	cultivation center licenses
0	0	0
craft grower licenses	craft grower licenses	craft grower licenses
0	0	0
infuser licenses	infuser licenses	infuser licenses
0	0	0
transporter licenses	transporter licenses	transporter licenses

Cultivation Center, Craft Grower, Infuser, and Transporter Agent, Agent-in-Charge, and Principal Officer Badging

Below, please find summary-level figures on Department action taken on agent, agent-in-charge, and principal officer badges in FY2022.

5,369	1,031	38	***0
total applications and renewals processed	total badges deactivated* or expired	total applications and renewals *denied	total badges suspended or revoked

4,966	969	38	*
cultivation center badges	cultivation center badges	cultivation center badges	cultivation center badges
20	0	0	*

craft grower badges 22	craft grower badges 6	craft grower badges 0	craft grower badges *
infuser badges 361	infuser badges 56	infuser badges 0	infuser badges *
transporter badges	transporter badges	transporter badges	transporter badges

*Deactivated can mean that the card has been expired for over 31 days, and is thus deactivated, or can mean the agent quit or was terminated.

**The majority of denials are when an agent quits before the credential is approved. Denials can also rarely occur if an individual submitted incorrect information on their application.

Cultivation Center, Craft Grower, Infuser, and Transporter Employee Diversity

16%	38%	<1%
of all employees identified as people of color [^]	of all employees identified as women or non-binary ^{^^}	of all employees identified as persons with disabilities ^{^^^}
-----	-----	-----
*	*	*
cultivation center employees	cultivation center employees	cultivation center employees
*	*	*
craft grower employees	craft grower employees	craft grower employees
*	*	*
infuser employees	infuser employees	infuser employees
*	*	*
transporter employees	transporter employees	transporter employees

[^] Data from 2021 CROO Diversity Survey sent to cannabis employees; roughly 40% of employees responded. 20% of cultivation employees chose not identify their race..

^{^^} Data from 2021 CROO Diversity Survey sent to cannabis employees; roughly 40% of employees responded. 18% of cultivation employees chose not to identify their gender identity..

^{^^^} Data from 2021 CROO Diversity Survey sent to cannabis employees; roughly 40% of employees responded. Fewer than 1% of cultivation employees reported having a disability.

* The 2021 CROO Diversity Survey received responses primarily from cultivation center employees. Too few responses were received from craft grower, infuser, or transporter companies to be disclosed independently by their facility type but their responses are included in the totals above.

Cultivation Center, Craft Grower, Infuser, and Transporter Inspections and Disciplinary Action

* inspections conducted in FY2020	518 inspections conducted in FY2021	547 inspections conducted in FY2022
unavailable	518	366
cultivation center licenses 0	cultivation center licenses 0	cultivation center licenses 0
craft grower licenses 0	craft grower licenses 0	craft grower licenses 0
infuser licenses 0	infuser licenses 0	infuser licenses 0
transporter licenses 0	transporter licenses 0	transporter licenses 547

*FY20 inspection data unavailable.

6 inspectors
+ Supervisor
in FY2020

\$0
in fines collected in FY2020

6 inspectors
+ Supervisor
in FY2021

\$31,000.00
in fines collected in FY2021

8 inspectors
+ Supervisor
in FY2022

\$80,500.00
in fines collected in FY2022

0 citations issued in FY2020	5 citations issued in FY2021	5 citations issued in FY2022
0	5	8
cultivation center licenses 0	cultivation center licenses 0	cultivation center licenses 0
craft grower licenses 0	craft grower licenses 0	craft grower licenses 0
infuser licenses 0	infuser licenses 0	infuser licenses 0
transporter licenses 0	transporter licenses 0	transporter licenses 0

0 appeals
filed in FY2020

0
product recalls issued in
FY2020

0 appeals
filed in FY2021

0
product recalls issued in
FY2021

0 appeals
filed in FY2022

0
product recalls issued in
FY2022

Total Revenue from Cultivation Centers, Craft Growers, Infusers, and Transporters

Find the total number of revenues received from cultivation centers, craft growers, infusers, and transporters, by license type, as required by Section 55-80(b)(3) of the CRTA, below.

\$ 3,969,650.00	\$ 5,940,635.85	\$ 9,183,788.56
FY2020 total revenue received	FY2021 total revenue received	FY2022 total revenue received

Total revenue of fees required by statute and regulation as reported in Fiscal Years 20, 21 and 22.

Wholesale Sales by Product Type

Find annual wholesale sales by product type for FY2020, FY2021, and FY2022 below.

Total Revenue from Craft Growers and Infusers Sharing Premises or Ownership with a Dispensary

No revenue generated at the time of report.

Total Revenue from Craft Growers Sharing Premises or Ownership with an Infuser

No revenue generated at the time of report.

Total Revenue from Infusers Sharing Premises or Ownership with a Craft Grower

No revenue generated at the time of report.

Total Revenue from Craft Growers Sharing Premises or Ownership with a Dispensary

No revenue generated at the time of report.

Total Revenue from Infusers Sharing Premises or Ownership with a Dispensary

No revenue generated at the time of report.

Total Licensing Revenue from Transporters

\$ 772,883.08

Total Revenue from Taxation, Licensing, and Other Fees

\$ 3,294,430.90

FY2020 total cultivation State
tax revenue

\$ 22,539,841.78

FY2021 total cultivation State
tax revenue

\$ 31,154,168.76

FY2022 total cultivation State
tax revenue

Data source: CC-1 Cultivator Return, Monthly Collections Remitted to the State Comptroller

IDOA Tax Rate Recommendations

Under Section 55-80(b)(10) the Department is required to include any recommendations for changing the tax rate applied to sales of adult use cannabis in its annual report. At this time, the Department does not have a tax recommendation change for FY23.

FUNDING USAGE

Summary

The Division of Cannabis Regulation Fund receives appropriations from the Cannabis Regulation Fund 912 and the Compassionate Use of Medical Cannabis Fund 075. For FY21 and FY22, the Division of Cannabis Regulation received \$10,961,200.00 which included \$500,000.00 appropriated from the Industrial Hemp Fund 862.

\$ 4,924,953.18

0912 appropriation balance as of June 30, 2022

FY2022 Expenditures

For Fiscal Year 2022 the Department was appropriated \$ 10,961,200 for staff and operational costs for the Adult-Use Cannabis program. Spending to date for FY22 as of 08/05/22 is \$ 5,249,092.22. Of this amount, \$ 1,916,190.95 has been spent from the 0075 Compassionate Use of Medical Cannabis Fund and \$ 3,332,901.27 from 0912 Cannabis Regulation Fund.

FY22 spending from 0912 Fund:

Salaries	\$ 1,409,160.49
Travel	\$ 679.20
<u>Contracts & Implementation</u>	<u>\$ 1,923,061.58</u>
	\$ 3,332,901.27

FY22 spending from 0075 Fund:

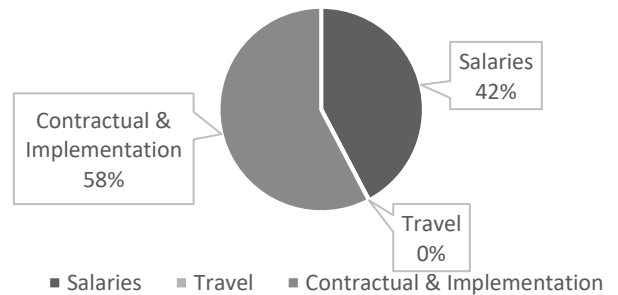
Salaries	\$ 1,293,609.03
Travel	\$ 678.15
<u>Contracts & Implementation</u>	<u>\$ 621,903.77</u>
	\$ 1,916,190.95

For Fiscal Year 23, the Department has been appropriated \$ 26,405,900.00 from the 0075 Compassionate Use of Medical Fund and 0912 Cannabis Regulation Fund.

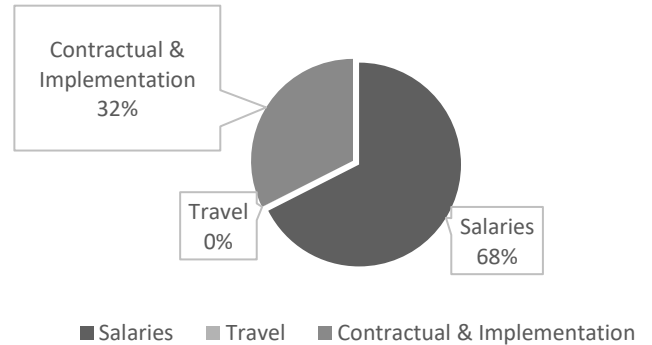
\$ 770,850.52

0075 appropriation balance as of June 30, 2022

Cannabis Regulation Fund 0912



Compassionate Use of Medical Cannabis Fund 0075



LEGISLATION, UPDATES, AND INITIATIVES

Summary of FY2022 Legislation

No significant legislation impacting the IDOA Cannabis Program.

Summary of FY2022 Initiatives

2022 saw a number of IDOA initiatives have come to fruition. In April, the Agency's digital badging system came online. This system allows for much faster and less labor-intensive approval of Agent Badges, and also comes at a significant cost-savings to the state, with an average of 77% reduction in freight costs since implementation.

The Department also completed a full translation of the Cannabis Regulation and Tax Act, Compassionate Use Act, and Industrial Hemp Act, as well as the associated Administrative Rules, into Spanish and posted them on its website.

The Department has continued to add appropriate staff to aid in the efficient regulation of this new industry, and to serve the 362 new licensees in addition to the existing 21 Cultivation Centers.