

Aloha Green Cannabis Collection



JHA House Information Session
Room 325
January 29, 2025

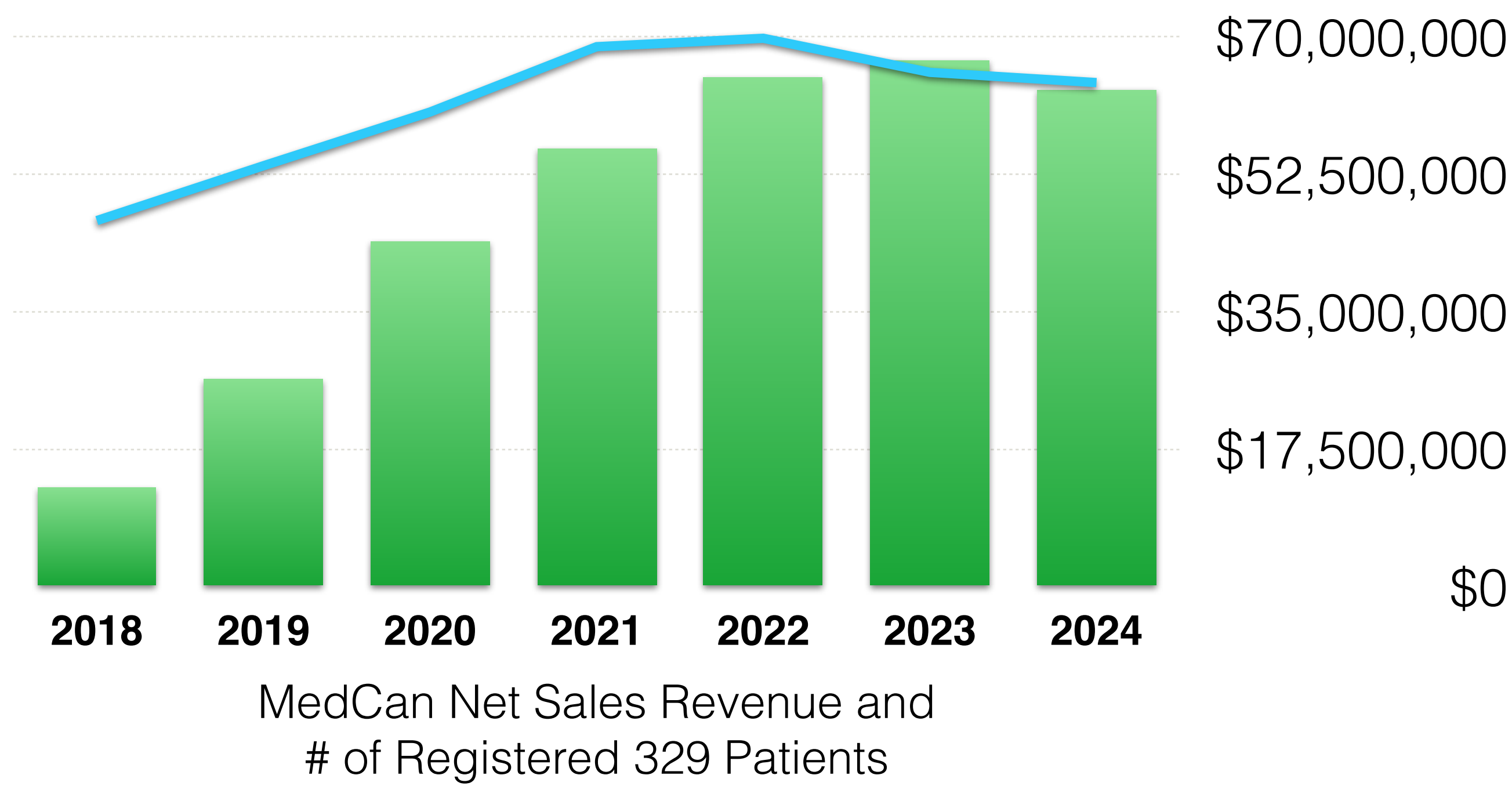
The background of the slide is a photograph of a vast field of green cannabis plants under a blue sky with scattered white clouds. A large, semi-transparent circular graphic is centered over the field. Inside this circle, the text 'Regulate Educate Tax' is written in a bold, white, sans-serif font. The circle's border is a thin white line. The text is arranged in three lines: 'Regulate' on the top line, 'Educate' on the middle line, and 'Tax' on the bottom line. The words are slightly shadowed to stand out against the green background of the circle.

Regulate Educate Tax



Hawaii MedCan Highlights

- State announced the selection of 8 vertical licensees in April 2017
- Dispensaries first opened in August 2018
- 24 retail dispensaries operating in Hawaii today (1 lost in Lahaina)
- Hawaii MedCan program generated 759 FTE jobs (2023)
- No criminal complaints and no serious adverse health cases
- 86% of Hawaii Voters SUPPORT cannabis legalization (KITV, 2023)
- 88% of Americans FAVOR legalization (Pew, 2024)





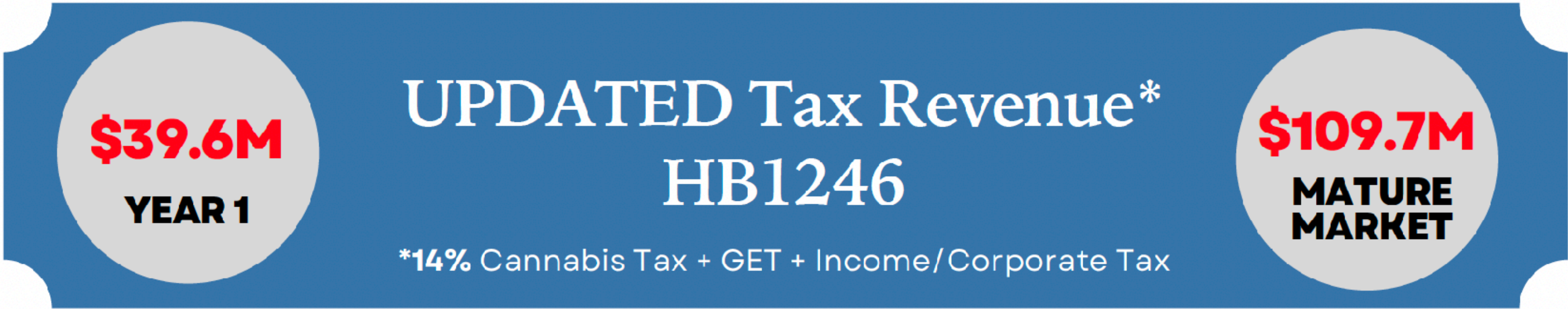
Dual-Use **Tax Revenue** Projections

- MedCan Program sales peaked in 2023 with a total of \$66.9m and \$3.1m GET
- Flower prices have dropped from initial high of \$550 to as low as \$99 per ounce (illicit price \$150 per oz)
- In accordance with other States, estimate a 3-4x dual-use market vs. medical sales only initial bump
- HICIA estimates Hawaii dual-use market between \$170m to \$430m annually
- Massachusetts cannabis tax revenue \$272.5m (2024) with an initial regulatory budget of \$7.5m

Table 1 - Projected State Tax Revenue by Year, Adult-Use Cannabis

	YEAR 1	Year 2	Year 3	Year 4
Factor of Current MedCan Sales	2.58X	3.63X	5.10X	6.51X
Adult Use Gross Sales Volume	\$170,112,495	\$239,418,630	\$336,961,023	\$429,476,205
Total State Tax Collections*	\$39,600,169	\$61,228,830	\$86,174,285	\$109,664,875

*14% Cannabis Tax + GET + Corporate/Income Tax



References
State annual cannabis revenue: <https://www.fool.com/research/marijuana-tax-revenue-by-state/>



New Jobs

- Marijuana Policy Project projects an additional 6,446 jobs for Hawaii's proposed dual-use program based on NV market
- HICIA projects an additional 3,375 new jobs (2023)
- Aloha Green Apoth operates 60,000 square feet modern state-of-the-art production center on converted Dole lands
- Aloha Green Apoth employs 80 FTE employees
 - 30 Cultivators (including UH Bachelors and Master graduates soil science, agriculture and botany graduates)
 - 5 Lab technicians (PhD and Master degrees)
 - 45 Dispensary Staff (4 locations)



Returning Hawaii Residents

- A wahine-owned and operated cannabis brand from California by two Hawaii residents who left Hawaii to pursue cannabis
- One owner has since returned to Hawaii with her young family
- <https://www.auntiealoha.com/>





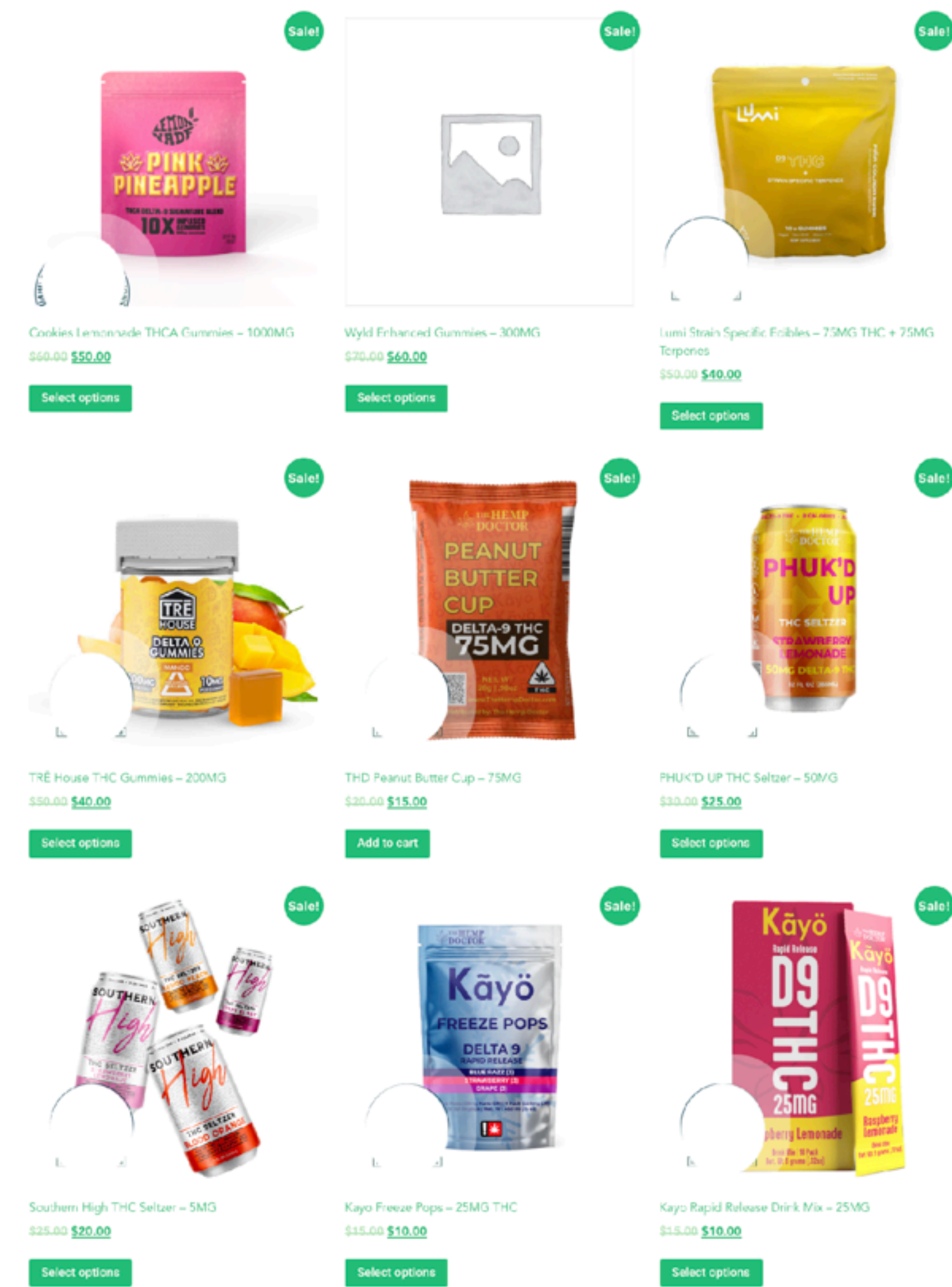
Illicit Cannabis in Hawaii?





Illicit Cannabis Available in Hawaii

- Public health threat to children and visitors but not a law enforcement priority
- Allegedly derived from hemp (<0.3% THC, Farm Bill) but manufactured to concentrate THC levels or synthetically alter cannabinoids to get around current laws in order to sell intoxicating products
- In 2023, there were less than ten (10) storefronts illegally selling cannabis labeled as hemp on the island of Oahu
- In 2024, there are now over forty (40) identifiable storefronts on Oahu
- #1 dispensary on Google Reviews is an illegal dispensary and has been for most of 2024 into 2025 and offers delivery to your school or hotel room
- Illegal Dispensaries and Grey Market Hemp stores sell:
 - EDIBLES with up to 100mg THC per piece and 1000mg THC per package vs medcan dispensary limit of 10mg per piece and 100mg per package
 - DRINKS with up to 25mg of THC vs medcan dispensary limit of 10mg
 - Products are not properly lab tested; not properly labelled or packaged; no age gating at retail or online stores with delivery; untaxed
- Farm Bill loopholes allow sale of DELTA-8 THC and THC-A, but local lab testing shows illicit sales of DELTA-9 THC found in cannabis



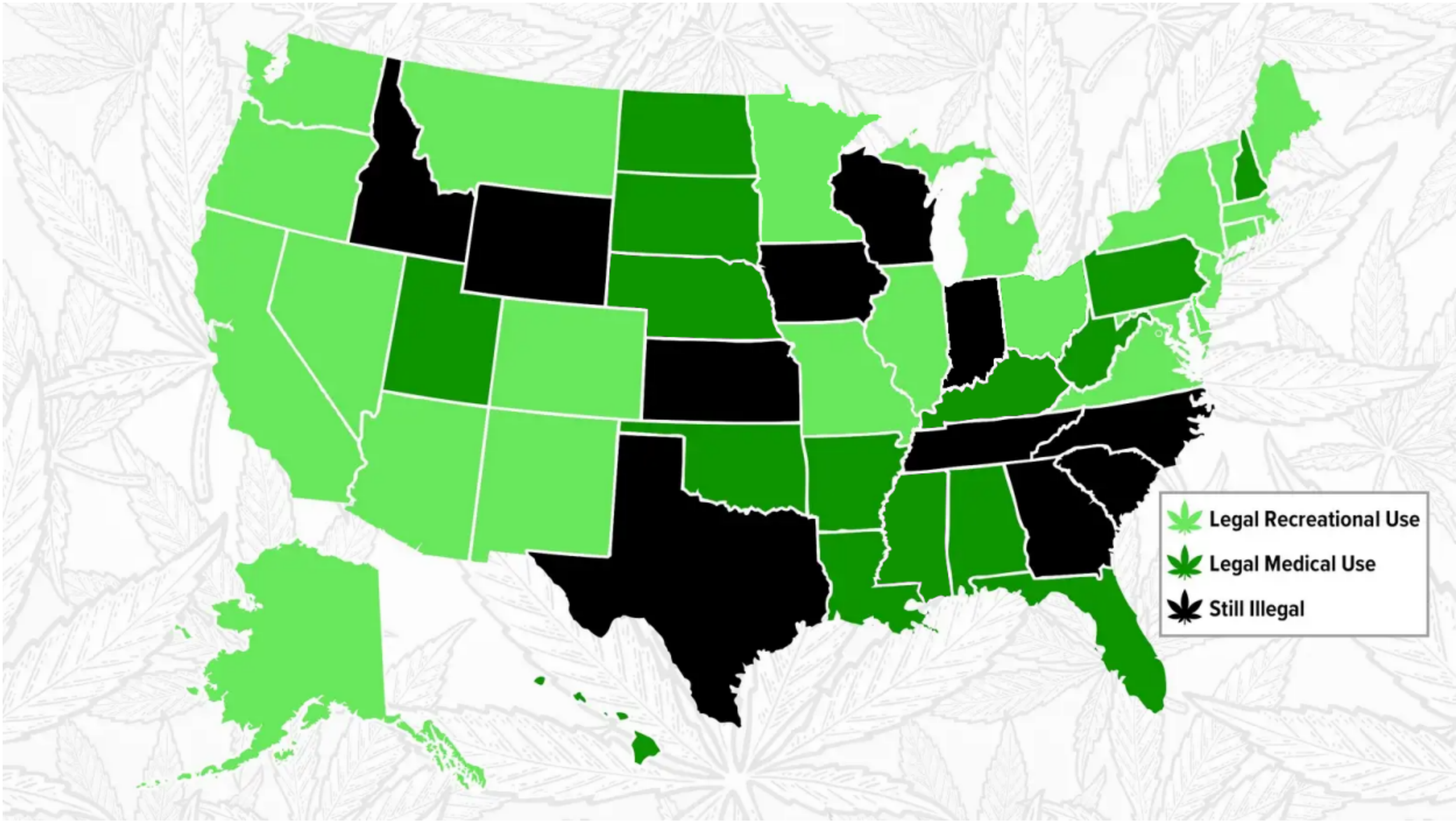


Hawaii an “Island”, the last Democratically Controlled State without Dual-Use Cannabis

Cannabis Dual-Use States

Democratic Trifecta	Mixed Government
California	Alaska
Colorado	Arizona
Connecticut	Michigan
Delaware	Minnesota
Illinois	Nevada
Maine	Vermont
Maryland	Virginia
Massachusetts	D.C.*
New Jersey	
New Mexico	
New York	
Oregon	
Rhode Island	
Washington	
Hawaii	

Republican Trifecta
Ohio
Montana
Missouri



Source: <https://lifehacker.com/where-is-weed-legal-in-the-us>
https://ballotpedia.org/State_government_trifectas



Mahalo

TY Cheng, Founder and Chairman

TY@agapoth.com

Please visit our site at: agapoth.com

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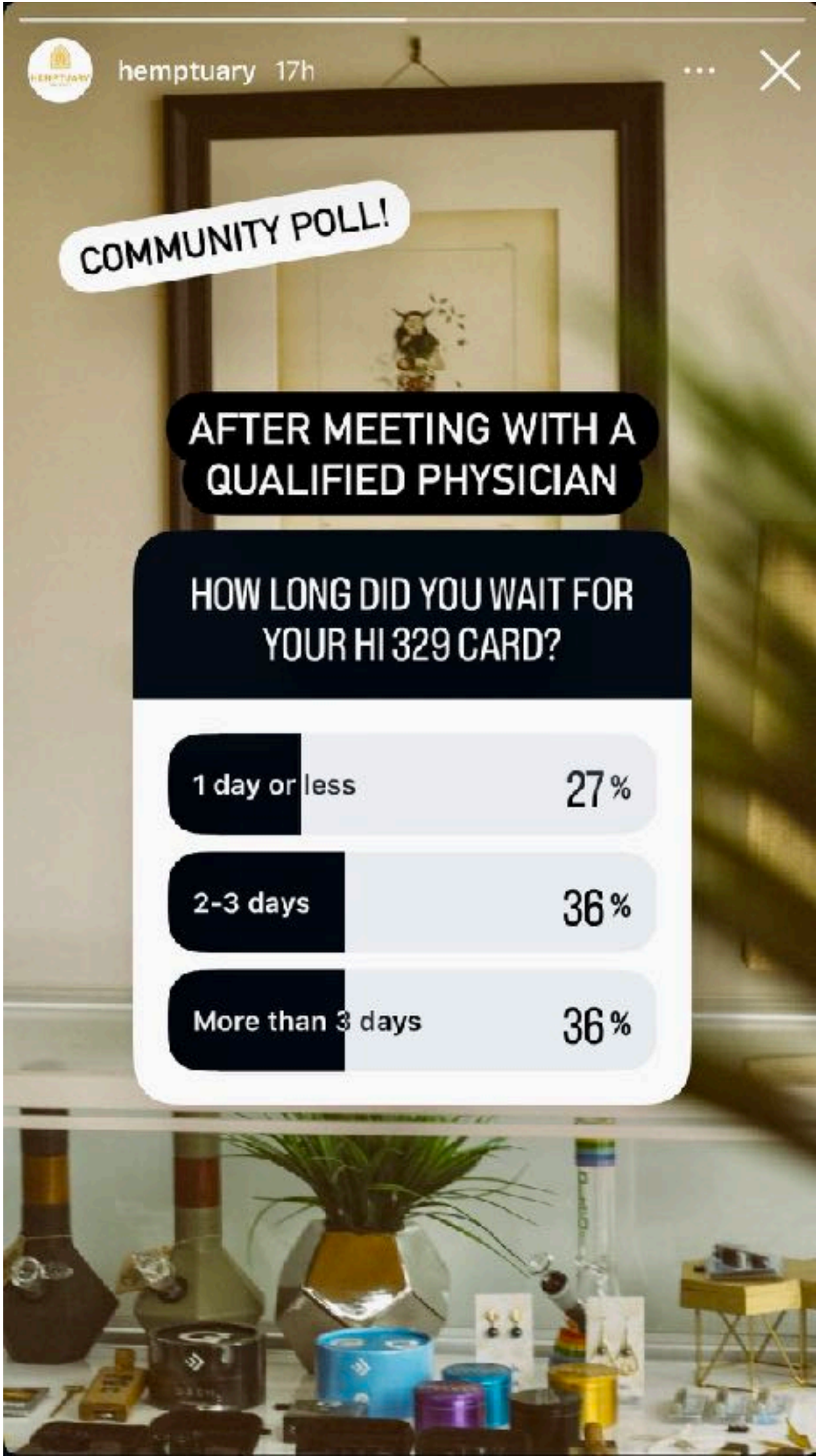
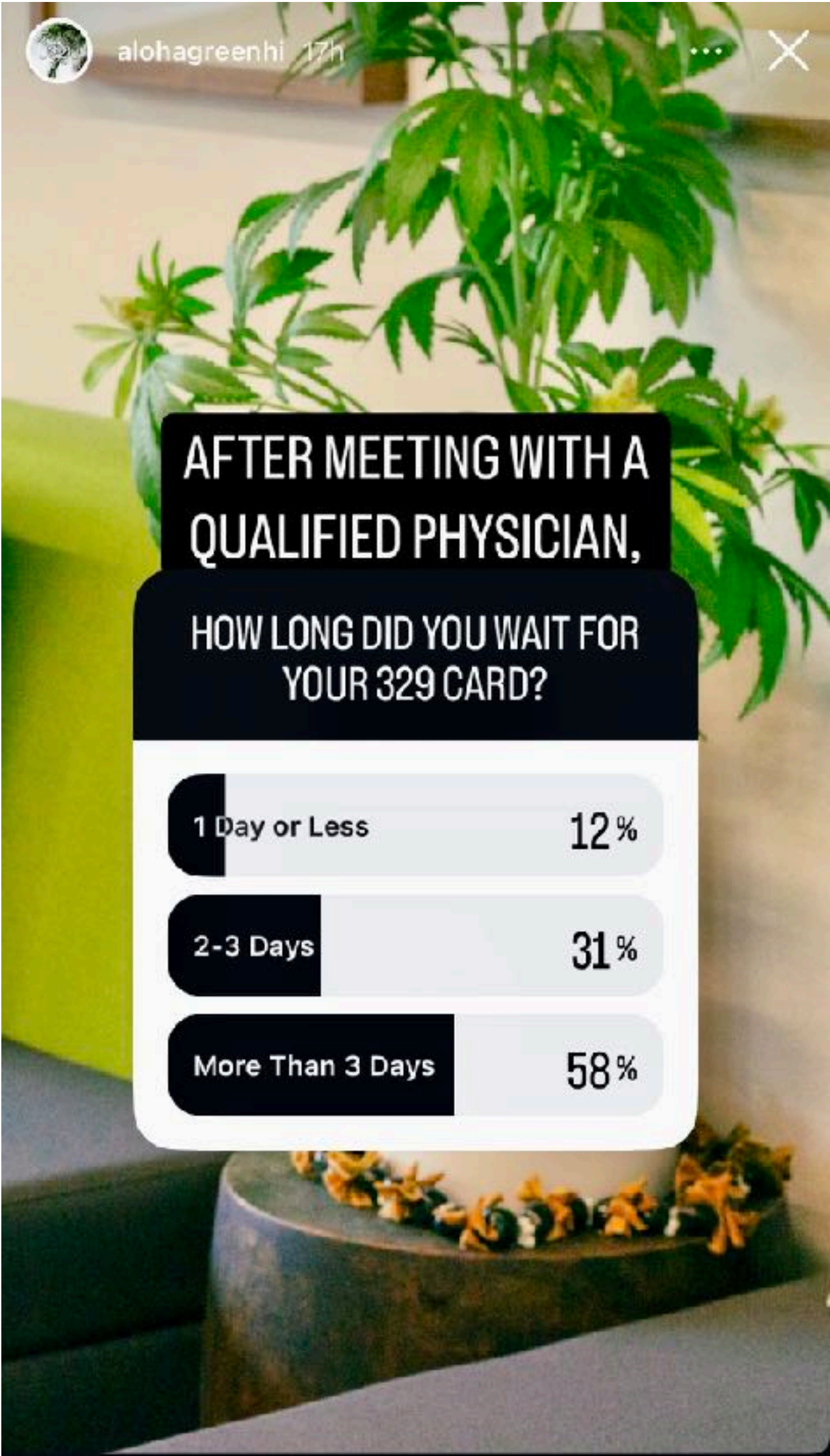
1350 S King Street, Unit 230

Honolulu, Hawaii 96814

USA



Dual-Use is Timely Adult Access to **Safer, Lab-Tested and Regulated Product** vs. **Illicit Market**



- 4 out of 10 MedCan patients wait 3 or more days to receive their 329 Card from the State after being qualified by a physician
- DOH Registry is not open on weekends
- DOH Registry is open government office hours only
- 83% of 329 Patients qualify for Severe Pain (Dec 2024)

References
<https://health.hawaii.gov/medicalcannabisregistry/submenu/program-statistics/>
Instagram polls January 28, 2025