

2023 ANNUAL CANNABIS REPORT

Illinois Department of
Agriculture



David Lakeman | Cannabis Division

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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 broad swath 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.

Since the Department expanded the Bureau of Medicinal Plants into the Division of Cannabis Regulation in 2020, the Division has built out three new bureaus: the Bureau of Licensing and Administration, which is responsible for issuing licenses, administering the Hemp Program, agent registration cards, and other programs; the Bureau of Inspections, which is responsible for the inspectors charged with ensuring a safe and healthy cannabis market in Illinois as well as reviewing blueprints and construction plans; and the Bureau of Cannabis Testing, which is engaged in the process of building a first-in-the-nation state cannabis testing lab. There are also Division-level administrative staff.

At the time of this report, Annual Report, the Department has issued a total of 395 licenses. This includes: 21 Early Approval Adult Use Cultivation Centers, 88 Craft Growers, 54 Infusers, 222 Transporters, and 10 approved Cannabis Community College Vocational Pilot Program participants. Of those licensees, 10 Craft Grow licensees are operational, as well as 9 Infuser licensees, with dozens more of each license type engaged in the buildout of their facilities.

Of the 88 Craft Grow Licenses, one hundred percent of new licenses were issued to Social Equity Applicants. From 2021 to the present, the percentage of Black and Brown majority owned licensees increased from 43 to 46% of all total IDOA licenses.

The Department remains highly focused on its core mission of developing a well-regulated and equitable industry. With two cohorts of 100% social equity licenses awarded, and dozens of new licensees operational and building, 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 year as the industry grows and matures.

FY2023 ACCOMPLISHMENTS



FY2024 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 FY2024 Goals

1. Complete work on the first in the nation state cannabis testing laboratory
2. NLS business module rollout to licensees and IDOA staff to enhance efficiency of state regulatory efforts and communications.
3. Implement new Cannabis Regulator and Trainee titles for Inspections Bureau

IDOA FY2024 Essential Projects

1. NLS Electronic Business Module for registrations
2. Lab buildout
3. Complete administrative hearing process for Hemp Rules

IDOA FY2024 Metrics



**Maintain
48 hours**
inquiry
response time



100%
Online data
access

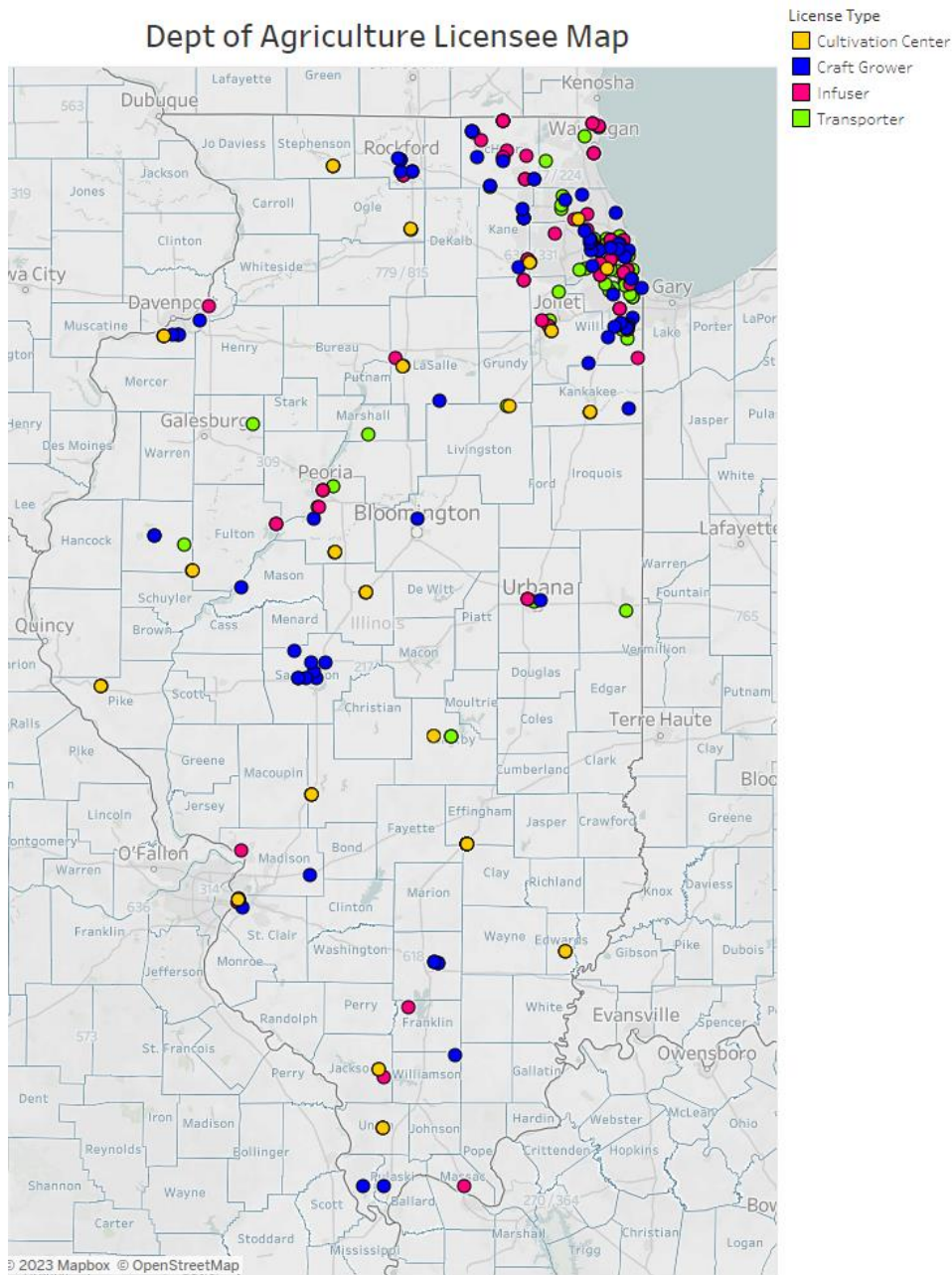


+40%
Number of
inspectors
hired

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.



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.

207	28	66	--
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	6	0	--
cultivation center licenses	cultivation center licenses	cultivation center licenses	cultivation center licenses
63	6	27	--
craft grower licenses	craft grower licenses	craft grower licenses	craft grower licenses
60	3	12	--
infuser licenses	infuser licenses	infuser licenses	infuser licenses
84	13	27	--
transporter licenses	transporter licenses	transporter licenses	transporter licenses

Data above are from the Cannabis Regulation Oversight Officer 2023 Diversity Survey, a mandatory survey of all cannabis companies that collects information about licenses and company demographics. This analysis is preliminary and further analysis will be ongoing and added to the CROO website, as well as part of the upcoming Disparity Study. These figures include raw counts of the licenses held by owners of companies, categorized by the demographics of the majority stake of the company (i.e., by the owners with more than 51% equity). Avoid using this data to draw conclusions about the companies or types of companies because a given company often has multiple owners and holds multiple licenses. Companies reported the race and gender identities of their owners to the best of their ability. Owners are counted as “people of color” or “women or non-binary” if the company reported the identities as something other than “white” or “male,” respectively. Blank, unknown, or “Prefer Not To Answer” responses are included in the estimates above.

*Disability status of owners not yet available.

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 FY2023, FY2022, and FY2021 can be found below.

255	19	26
total licenses issued in FY2023	total licenses transferred in FY2023	total licenses changed location in FY2023
0	0	0
cultivation center licenses	cultivation center licenses	cultivation center licenses
87	10	11
craft grower licenses	craft grower licenses	craft grower licenses
55	8	5
infuser licenses	infuser licenses	infuser licenses
113	1	10
transporter licenses	transporter licenses	transporter licenses

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	cultivation center licenses	cultivation center licenses
88	10	9
craft grower licenses	craft grower licenses	craft grower licenses
54	5	3
infuser licenses	infuser licenses	infuser licenses
82	2	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

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 FY2023. For spacing purposes, “N” here means “new” and “R” means “renewals”.

2,651 N/1,624 R Total: 4,275	628	86 N/19 R Total: 105	0
total new applications and renewals processed	total badges deactivated* or expired	total new applications and renewals* denied	total badges suspended or revoked
2,130 N/1,487 R Total: 3,617	559	67 N/18 R Total: 85	0
cultivation center badges 118 N/559 R Total: 677	cultivation center badges 27	cultivation center badges 3 N/0 R Total: 3	cultivation center badges 0
craft grower badges 144 N/5 R Total: 149	craft grower badges 15	craft grower badges 6 N/0 R Total: 6	craft grower badges 0
infuser badges 259 N/127 R Total: 386	infuser badges 27	infuser badges 10 N/1 R Total: 11	infuser badges 0
transporter badges	transporter badges	transporter badges	transporter badges

*Deactivated can mean that the card has been expired for over 31 days 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

18%	31%	5%
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

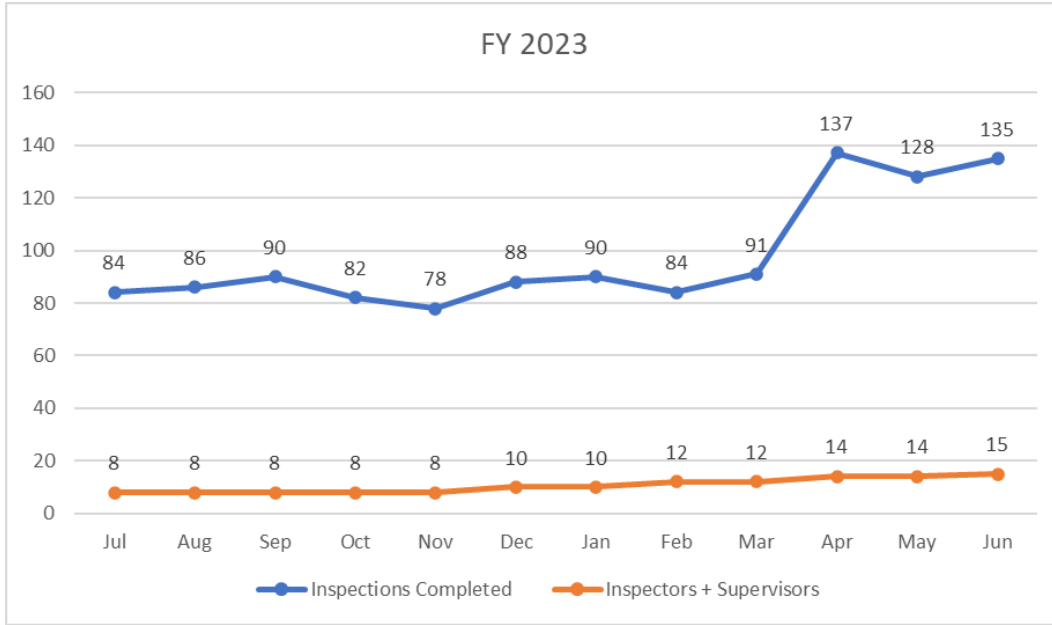
15%	34%	5%
cultivation center employees	cultivation center employees	cultivation center employees
--	--	--
craft grower employees*	craft grower employees*	craft grower employees*
34%	28%	2%
infuser employees	infuser employees	infuser employees
33%	23%	10%
transporter employees	transporter employees	transporter employees

Data above are from the Cannabis Regulation Oversight Officer 2023 Diversity Survey, a voluntary survey of all cannabis employees that collects information about employees and their workplaces. The response rate was approximately 20% of industry-wide employees (2,300 responses) and varied across companies and facilities. Like any survey sample, this data may not be representative of the industry workforce on all dimensions. This analysis is preliminary and further analysis will be ongoing and added to the CROO website, as well as part of the upcoming Disparity Study. Employees could self-identify their racial and gender identities. People are counted as "people of color" or "women or non-binary" if they reported identities as something other than "white" or "male," respectively. Blank, unknown, or "Prefer Not To Answer" responses are included in the estimates above.

*Too few responses for craft grow employees to report.

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

518 inspections	547 inspections	1173 inspections
Conducted at Cultivation Centers in FY2021	Conducted at Cultivation Centers in FY2022	Conducted across all license types in FY2023
518	547	934
cultivation center licenses	cultivation center licenses	cultivation center licenses
0	0	86
craft grower licenses	craft grower licenses	craft grower licenses
0	0	153
infuser licenses	infuser licenses	infuser licenses
0	0	0
transporter licenses	transporter licenses	transporter licenses



6 inspectors
in FY2021

8 inspectors
in FY2022

15 inspectors
in FY2023

\$31,000.00
in fines collected in FY2021

\$80,500.00
in fines collected in FY2022

\$0
in fines collected in FY2023*

2 citations
issued in FY2021

5 citations
issued in FY2022

0 citations
issued in FY2023

2
cultivation center licenses

0
craft grower licenses

0
infuser licenses

0
transporter licenses

5
cultivation center licenses

0
craft grower licenses

0
infuser licenses

0
transporter licenses

0
cultivation center licenses

0
craft grower licenses

0
infuser licenses

0
transporter licenses

0 appeals
filed in FY2021

0 appeals
filed in FY2022

0 appeals
filed in FY2023

0
product recalls issued in
FY2021

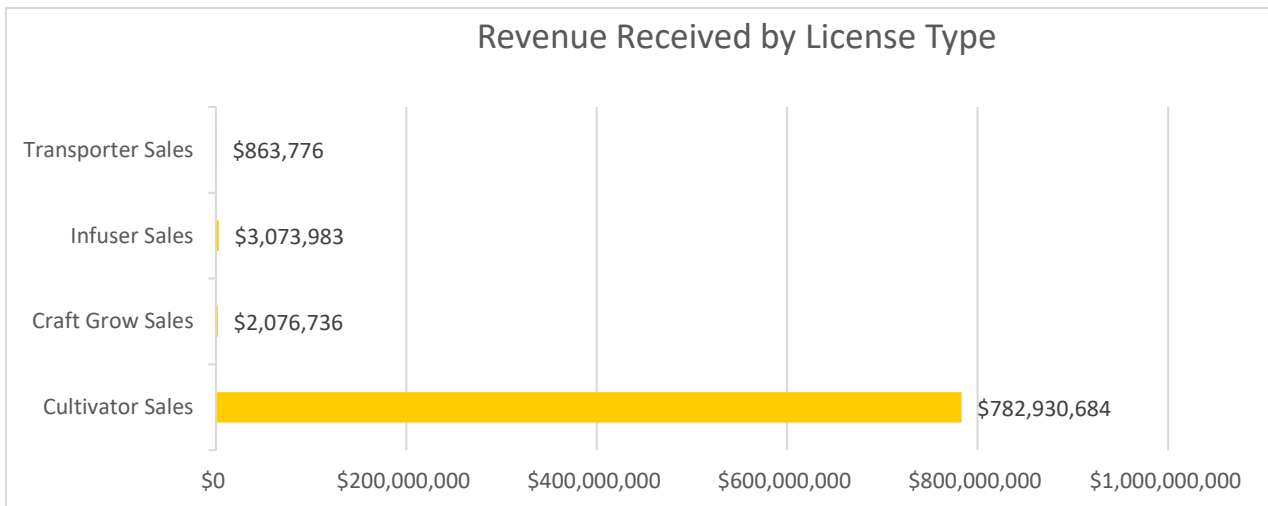
0
product recalls issued in
FY2022

0
product recalls issued in
FY2023

*At the time of this report, the Department is in the review process for several citations that are not yet complete.

Total Adult Use and Medical 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.



\$718,659,903.78

FY2021 total wholesale sales

\$915,456,540.74

FY2022 total wholesale sales

\$785,430,402.37

FY2023 total wholesale sales

Wholesale Sales by Product Type

Find annual wholesale sales by product type for FY2021, FY2022, and FY2023 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 Revenue from Transporters

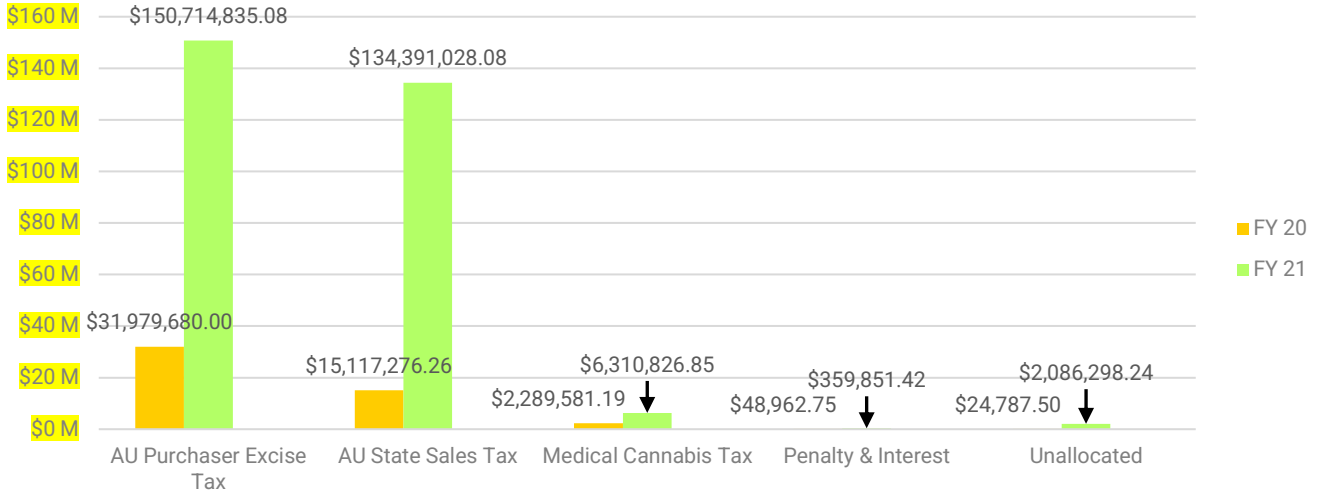
\$ 853,776.19

Total Revenue from Taxation, Licensing, and Other Fees

\$ 9,317,836.62

Find an analysis of revenue generated from taxation, licensing, and other fees for the State, as required by Section 55-80(b)(10) of the CRTA, below.

State Cannabis Revenues by Source (FY2020-2023)



\$22,539,841.78

FY2021 total cultivation State tax revenue

\$31,154,168.76

FY2022 total cultivation State tax revenue

\$30,979,054.60

FY2023 total cultivation State tax revenue

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. With the industry remaining in a nascent stage, the Department has no recommendations 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 was appropriated \$10,961,200.00 which included \$500,000.00 appropriated from the Industrial Hemp Fund 862. For FY23, the Division was appropriated \$28,425,500.00 including \$2,019,500.00 from the Industrial Hemp Fund 862.

\$ 16,574,341.37

0912 appropriation balance as of June 30, 2023

\$ 4,637,341.90

0075 appropriation balance as of June 30, 2023

FY2023 Expenditures

For Fiscal Year 2023 the Department was appropriated \$ 26,405,900.00 for staff and operational costs for the Adult-Use Cannabis & Compassionate Use of Medical Cannabis program.

Spending to date for FY23 as of 08/28/23 is \$ 8,795,430.67.

Of this amount, \$ 7,466,450.07 from 0912 Cannabis Regulation Fund and \$ 1,328,980.60 has been spent from the 0075 Compassionate Use of Medical Cannabis Fund.

FY23 spending from 0912 Fund:

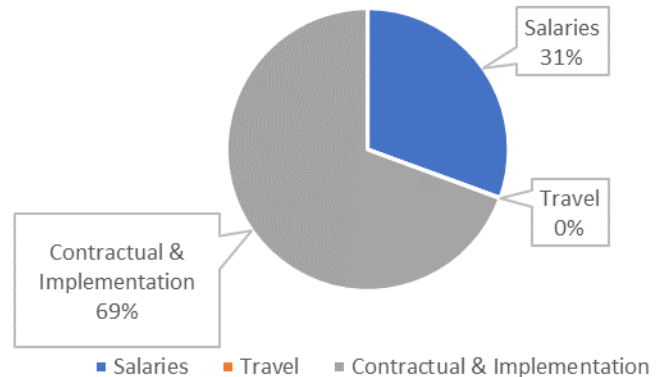
Salaries	\$ 2,266,303.30
Travel	\$ 3,833.72
Contracts & Implementation	\$ 5,146,580.17
Repayments to Licensees*	\$ 49,732.88
	\$ 7,466,450.07

FY23 spending from 0075 Fund:

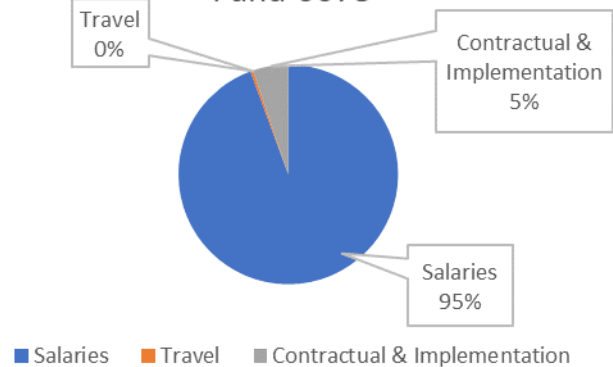
Salaries	\$ 1,254,529.34
Travel	\$ 4,991.67
Contracts & Implementation	\$ 69,459.59
	\$ 1,328,980.60

*repayments due to overpayment of fees

Cannabis Regulation Fund 0912



Compassionate Use of Medical Cannabis Fund 0075



LEGISLATION, UPDATES, AND INITIATIVES

Summary of FY2023 Legislation

No relevant legislation impacting the Division of Cannabis Regulation passed in the FY23 Legislative Session.