



THE ARKANSAS CANNABIS INDUSTRY

IS EXPECTED TO CREATE OVER 500 JOBS IN MORE THAN 30 COMMUNITIES ACROSS THE STATE. BUT THAT'S NOT ALL.

The cannabis industry in Arkansas is more than just cultivators and dispensaries. The industry also impacts sectors including construction, banking, analytical laboratories, security, transportation, insurance, marketing, and more. The economic benefits of the cannabis industry go far beyond direct sales.



\$10+ BILLION

According to The Arcview Group, the U.S. cannabis industry recorded more than ten billion dollars in legal cannabis retail sales in 2018.

\$67 MILLION

By 2025, the Arkansas medical marijuana industry is estimated by New Frontier Data to have annual sales of \$67 million.

\$11.5 MILLION

Sales of medical cannabis are projected to generate \$11.5 million or more in direct annual tax revenue for the State of Arkansas based on the above sales estimates. And the economic impacts don't stop there.

The Arkansas Cannabis Industry Association (ACIA) seeks to responsibly advance the cannabis industry in Arkansas through promoting best practices and sensible regulation in areas including patient safety, supply chain security, and product testing, and to foster education of medical providers and the general public, so as to provide safe access to medical cannabis to the Arkansans who need it.

5

Licensed Cannabis Cultivation Facilities

32

Licensed Cannabis Dispensaries

70%

Of Arkansas Medical Cannabis Patients Over the Age of 45

12,906

Registered Arkansas Patients as of May 31, 2019

For more information, visit:
www.arcannabis.org





Cannabis Banking Facts

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It is widely reported that the cannabis industry is unbanked, but this is inaccurate.

Following the enactment of FinCEN's February 2014 marijuana banking guidance, several financial institutions began serving the industry, despite the lack of a safe harbor. Nationwide, **over 75%** of licensed cannabis businesses reported having a bank account in 2018. *(Source: Marijuana Business Daily)*

As of March 31, 2019, **633 financial institutions** have filed marijuana-specific Suspicious Activity Reports ("SARs"), including **61,036 "Marijuana Limited" SARs**, each of which indicates that the institution filing the report is providing financial services to a marijuana-related business ("MRB") that the institution believes is operating in compliance with state law. *(Source: FinCEN Marijuana Banking Update, March 31 2019)*

While the FinCEN guidance provides no safe harbor to these institutions, there are **no known instances** of a bank or credit union losing its charter or its deposit insurance solely for serving MRBs consistent with the guidance. The guidance requires banks to perform significant customer due diligence on MRBs and their owners, and to monitor the accounts for compliance with state law, and for indicators of money laundering and other suspicious activity.

In Arkansas, in the first month of legal medical marijuana sales, with only two dispensaries open, over **107 pounds** of medical marijuana was dispensed to patients in **9,961 transactions**, representing retail sales in excess of **\$700,000**. Annual sales in the state are expected to exceed **\$67 million** by 2025. *(Sources: Arkansas Business, Marijuana Business Daily)*

Fortunately, most Arkansas medical marijuana businesses are banked today. Using technology developed locally, Abaca is enabling a state-chartered bank to serve the medical marijuana industry while meeting its obligations under the FinCEN guidance. Abaca is also deploying a secure, cashless payment method across dispensaries statewide this summer, called **MediPays**. This will further reduce the volume of cash moving across the state, with a clear benefit to public safety.

Please feel free to contact me with questions or for additional information, at **(501) 476-6696**.