Crowd Growing:

A Simple Solution for Starting A Profitable Cannabis Business

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How to get into the international legal cannabis industry without land, financing, or start-up risks

Overview

Starting a cannabis business requires a serious monetary and time-investment. Cannabis businesses have higher license fees, extreme taxes and difficulty obtaining funding. Plus, cannabis businesses operate in a murky legal landscape. Despite all these challenges, the cannabis industry continues to be the biggest opportunity of your lifetime.

The demand for cannabis increases every year. According to one projection, by the year 2024, the global cannabis market value will be $103.9 billion (93.4 billion euros) up from the $7.7 billion dollars (6.92 billion euros) in 2017. This exponential growth is driven by the booming global medicinal cannabis market.

Where can the budding cannabis entrepreneur win? According to Javier Hasse in the book Start Your Own Cannabis Business: Your Step by Step Guide to Growing Marijuana, “efficiency is key”. Maximizing resources and minimizing risk makes cannabis business more profitable. And becoming a successful cannabis business owner depends on making the kind of decisions that promote efficiency.
The first and probably most important decision a new cannabis entrepreneur makes is determining the type of cannabis business suitable for his resources. There are two types of cannabis businesses to choose from: **plant touching businesses and non-plant-touching businesses.**

**Non-plant touching businesses** are based on cannabis and include, services, technology, for production and distribution. They involve less risk, according to Hasse but, success in non-plant-touching is directly related to overall growth of the industry. Non-plant touching businesses are still subject to changing laws and regulations and require an extraordinary amount of know-how and capital. The reality is all cannabis business relies on the plant-touching businesses.

The **“plant-touching”** offers a quicker and less dependent road to success. According to cannabis business expert, Tyler Strafford, “touching the plant may be the shortest way to making money and not remaining in debt over a long time”. At the top of the “plant-touching” business list is the cultivation and distribution of cannabis. The entire industry relies on cultivation and distribution. Unlike “non-plant touching” businesses, the size, strength and reach of a cultivation business depends on the desires and abilities of the cannabis entrepreneur and not on industry growth.

A new, more efficient way to enter the plant-touching side has come into the picture. A cannabis business with: 1) established avenues and networks of production and distribution, 2) hired and managed employees, 3) working capital and real estate, 4) cultivation and extraction techniques, 5) capabilities to expand and 6) profit. A cannabis business with reduced risks and income.

This paper discusses how an innovative business model called “crowdgrowing” allows new cannabis entrepreneurs to enter the business with less risk and greater income control. Crowdgrowing gets rid of the usual entry barriers such as licensing costs, cultivation and distribution expertise, networking, real estate, and significant capital funding. This business model offers entrepreneurs a lowered risk, turn-key efficient, plant-touching business from the start.

**The results? Significant reduction of risk and an increased reliability of regular income.**

In the following pages we take a look at how crowdgrowing works; why it works; the limits of crowdgrowing compared to not crowdgrowing; the steps to take; and an example of how cannabis entrepreneurs benefit.

True, crowdgrowing is not cannabis business in the traditional sense, but by leveraging established global cannabis production networks, crowdgrowing offers the benefits of plant-touching business with much less risk.
“Crowdgrowing” or e-growing leverages the power of partnerships in cannabis cultivation and distribution. Everyday people interested in becoming a part of the cannabis growing industry partner with cannabis cultivators.

A legally operating cannabis cultivation business must go through a process before the first plant is grown. That process includes:

- Obtaining licenses
- Raising capital
- Getting suitable land or greenhouses
- Hiring employees and management
- Training employees and management
- Hiring service providers such as lawyers

In cannabis cultivation and distribution, the business first must obtain a license to grow. Licenses are expensive and alongside legal requirements place restrictions on the cultivation and distribution channels. In the U.S. a license to cultivate can cost anywhere from $1200 to an astounding $44,517 for small to medium businesses. These costs are prohibitive to many starting a grow operation. In addition to licenses the cannabis business must acquire capital funding and real estate to produce the plant in wholesale quantities.

In certain U.S. states, proof of funding is required before a commercial license is granted. In Arizona the required of proof of funds is $250,000. In Nevada, proving $450,000 in funding is required for a commercial license. Pennsylvania requires you have cash in the bank totaling $500,000 or greater and total assets of $2 Million. Despite these barriers, demand for cannabis products remains high in North America and Europe.
European cannabis businesses have their own problems:

1. The banks in Europe are reluctant to grant credit to companies in the cannabis industry.

2. Bureaucracy within the European Union (EU) makes it difficult to use less expensive Hungarian and Bulgarian grown cannabis.

3. In some EU states, it is extremely difficult to get a cultivation license.
   - When you're applying for a cannabis grower's license, you have to demonstrate that you understand personnel security requirements, physical security, detailed record keeping and stringent quality assurance protocols. Yes, the license application has to detail these and other mandatory requirements.
   - Over 20% of the applications are either rejected or withdrawn by the applicants because obvious requirements were not met. Nearly 45% of the applications are returned as incomplete. Only one third of the applications received are even being reviewed at this time, so two thirds have already failed the test.
   - The license application fee for a cannabis business can be prohibitive for small and medium businesses. The European cost of a cannabis growing license can go high than 55 000€.

In a “crowd growing” system, the distribution networks, processing systems, licenses, employees, and cultivation expertise are already in place through the partnerships and subsidiaries of the “crowd growing” platform. The partners and subsidiaries are fully licensed to cultivate and/ or process THC dominant cannabis which they export to markets in countries with pro-marijuana laws.

How do the partners and subsidiaries benefit?

Partnership and subsidiary cannabis producers receive a direct benefit from crowdgrowing- they receive funds for more rapid expansion and lower costs. The combined effect is making e-crowdgrower operations competitive in the cannabis export marketplace.

To employ a very simple example, a licensed growing operation in Limpopo, South Africa, grows medical grade cannabis for export to Germany, an EU country with pro-medical marijuana legislation and Good Manufacturing Practice (GMP) standards in place for the sale of medicinal grade cannabis. E-crowdgrowers enter into an agreement with the cannabis producer in Limpopo. An entrepreneur joins the business by picking a type of plant on the platform and purchasing the “plant”. The “plant” represents a pre-designated business income for the e-crowdgrower. The crowdgrowing platform uses the funds from the purchase of the plant for the expansion of the greenhouse at the Limpopo facility thereby increasing the production capacity and safeguarding the “e-crowdgrower’s” continual income from the original purchase.
While the e-crowdgrower gathers his income from harvest, the producers and distributors use legal international networks of distribution to export the product to marijuana friendly export and domestic markets.

Crowdgrowing takes advantage of the global emerging markets for medicinal grade cannabis cultivation and distribution.
Legalization

In 2015, a report from the European Convention on Human Rights (ECHR), stated that drug use, when not injuring others, should not be illegal in the EU. While there are 37 million people in Canada and 327 million in the United States, the European Union is home to almost 743 million.
Europe is an important component in the crowdfunding model and expected to lead the cannabis market by 2024. This exponential growth is due to the legalization of cannabis for medical use in most European Union (EU) member states.

By 2028 the European cannabis market will be worth 123 billion Euros.

Germany is expected to be the leading medical cannabis market in Europe. In 2018, 60,000 German patients used cannabis products as medication. In the next ten years the number of patients is expected to grow higher.

There are talks of favorable EU legislation for recreational cannabis. When this happens, we can expect an explosion of growth in the entire industry.

Now, demand for high-quality cannabis in Europe is high. To satisfy the demand a few European countries have developed export markets for medicinal marijuana.

“The UK, Germany, Italy and the Netherlands already have legal systems in place for medicinal cannabis and France and Spain are currently reviewing key legislative reform to align themselves with international practices.” —
In our example, the exported cannabis goes to a medical marijuana facility in Germany. While Germany represents a significant portion of the international cannabis market, according to Cannabis Industry Journal online, “the German market is the third largest cannabis market (in terms of size) behind the US and Canada”. But U.S. legislation and Canada’s international treaties ban the movement of cannabis across international borders leaving a large European market open to other avenues to access medical cannabis.

While the laws catch up to the driving medical need for cannabis cultivation and distribution, an EU council supports the World Health Organization in the reclassification of cannabis from criminal to useful for medicinal purposes, according to cannabisdispensaymag.com.

To satisfy the increasing demand, exports of medicinal grade cannabis grown in licensed, secured facilities, are being welcomed into a few European countries with import laws in place.

Europe is becoming known as the new frontier for medical and wellness cannabis.

CANNABIS EXPANSION IN EUROPE

The Brightfield Group predicts a 400% increase in the European non-psychoactive cannabis market (including vaping liquid) from $318m in 2018 to $1.7 billion by 2023. There is also an expansion into applications for non-psychoactive cannabis-based pet products.

Where will Europe get high-quality cannabis to meet the demand?

Colombia and South Africa are two nations who are answering the call to increase cannabis production. In both places, the region has the right conditions for cannabis growth - the soil is rich in nutrients and the weather is suitable for growing.
While these environmental conditions have always been present the legal landscape is catching up to match the export requirements in the European countries accepting cannabis from foreign soil.

Colombia, a nation with a past rooted in the notoriety of illegal drug-trafficking is seizing the opportunity to use its nutrient rich soil and lands to operate legitimately on an international playing field. According to The Washington Post, “...[Colombia] passed a landmark law legalizing medical marijuana for both domestic use and export, laying the groundwork for the new industry.” Licensed Colombian cannabis producers follow strict standards to assure the marijuana produced and exported complies with the policies of the export market. The standards are a step towards Colombia’s mission to become the number one grower and exporter of cannabis in the world.

In Africa, a few countries have the right climate and legal landscape to be strong competition for Colombian growers and exporters. South Africa is one such country which has approved medicinal cannabis for growth and export. Like Colombia, the cost of labor and the right climate facilitate the production of high-quality, wholesale cannabis inexpensively.

Despite the United States still closing its export market to cannabis, “Germany, Italy, Peru, are seen as fast-developing export markets”. As more countries allow medical marijuana, growing operations in Colombia, South Africa, and other countries where production occurs legally, will need to increase their output to satisfy the global demand for medicinal and recreational cannabis.

**Why crowdgrowing and investing are different**

When an investor purchases a share of a company or fund, the investor hopes the price of the share goes up. Valuation is based on several factors such as: company management, the general financial conditions, the industry conditions, the financial analysts reports, other investors, and more. The value of the share price is based on future value estimations. In a new industry where the rules of the game are being changed the fluctuation in price changes quickly due to the overall uncertainty of the industry.

Crowdgrowing income isn’t dependent on general conditions of the industry or the overall financial markets. **The expected income of every e-crowdgrower’s harvest is shown at the time of sale.**
“Convincing foreign governments to allow imports will probably be the biggest challenge for growers”, — said Bethany Gomez, research director for Chicago-based Brightfield Group, a market research firm.

Allocation of Funds

All the funds JuicyFields raises will help our partners with:

- legal and other expenses: 10%
- marketing efforts: 35%
- financing for project development: 55%
The Benefits of Crowdgrowing with JuicyFields

When choosing the crowdgrowing platform, the following criteria is recommended:

1. Legally established company in a country which has pro-marijuana legislation
2. Subsidiaries and partnership agreements with operations in countries with pro-marijuana laws
3. Operations in areas favorable to high-quality/medicinal grade cannabis production
4. Strong potential for operational growth and output
5. A platform with a visible income model for participants

JuicyFields gives you the opportunity to join the cannabis industry with a few simple clicks.

You don’t have to petition your local authorities to get a cannabis license, and you don’t have to spend hundreds of thousands of dollars at a time unless you really want to.
There are inherent risks in any cannabis production and distributions operation. However, “e-crowdgrowers” benefit from participation in the following ways:

- An efficient cannabis growing and distribution business model
- High-quality medicinal grade cannabis products made to meet growing demand in export markets.
- An existing network of licensed cultivation partnerships and subsidiaries
- Lowered costs
- A profit with each harvest, and multiple harvests are guaranteed each year
- No raising capital

Lowering your risks thereby maximizing efficiency is the safest and easiest way to make an income with a plant-touching business.

Our costs are competitive for buyers

<table>
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<th>COMPANY</th>
<th>COSTS’ $/g dry weight Cannabis</th>
<th>PRICE RECEIVED $/g Cannabis</th>
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</table>

Costs decrease as the expansion of growers’ groups to 10-15 projects leads to further cost synergies.

Source: Company information

How much do we produce in total?

- **Q2 2020** — CCTV cameras installation
- **Q3 2020** — launch of oil production
- **Q3 2020** — Juicy Box start installation
- **Q4 2020** — 25,000kg of dry flower
- **Q4 2021** — 75,000kg of dry flower
Crowdfunding lowers risk and increases the chances of being profitable quicker than starting a cannabis growing operation without the expertise and necessary resources.

**How it works?**

Simply select the strain of cannabis you want to grow, choose how many plants you want to have, and our partners’ growing experts will cultivate the plants in their greenhouses. You can start making a profit in as little as 108 days.

From Clone shop menu, you have many options to select which kind of Cannabis you would like to grow. We offer your 4 type of Cannabis called JuicyFlash, JuicyMist, JuicyKush, and JuicyHaze, that will give you different profits depending on the the size and quantity of the harvests. Thanks to the experience of our partners and favorable climatic conditions, their plants will be harvested 2-4 times a year, depending on the variety.

**Juicy varieties that we offer you to grow online are really certified varieties that our local partner has the right to grow. By purchasing a clone, e-grower gets not only the plant itself, but also the prepared growing area and staff time**

These are only licensed varieties with high THC.

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**Briefly about 4 Juicy varieties**

**JuicyFlash**

Price (for one plant) — **€50** for those who are in doubt or want to get a quick result we suggest starting with this variety.

Grow period is now 108 days. Profitability is the total amount returned minus the costs. In this case we need to subtract the €50 cost from this total making the profitability figures between 18 and 33.
Other 3 varieties has a fixed price (for one plant clone) — **€2,000** regardless of its strain

**Juicy Mist**

4 harvests per year, up to 1,600€ every 12 months. You can expect to generate about 3600-4800€ of total profit in 3 years by purchasing a JuicyMist clone.

These are approx figures since harvests may vary from batch to batch. If you are looking to cash out on your profits every 3 months this is a plan for you. JuicyMist is the strain with the fastest flowering period that we have. Harvests are bit less compared to JuicyKush or JuicyHaze but are more frequent.

**JuicyKush**

3 harvests per year, up to 2,250€ every 12 months. You can expect to generate about 6,000-9,000€ of total profit in 4 years by purchasing a JuicyKush clone.

For maximum yields we have a very special strain with amazing yields. Only two harvests a year but look at the figures:

**JuicyHaze**

2 harvests per year, up to 2,400 every 12 months. But, the contract is 5 years, which makes it about 9,000-12,000€ in total profit.

Each plant has information about the harvesting life cycle, plant renewal, harvest amount per gram, sell price euro per gram and the expected profitability. Using Greenhouse and Warehouse menu in personal Grower’s account, you can watch and monitor your plants and how they grow. Once your plant reaches maturity, our partner’s experts will harvest, process, and sell the cannabis flower. Profit from sale goes to your internal Grower’s balance.
Summary

This Greenpaper gives an overview of the benefits of cannabis crowdfarming.

Crowdfarming attracts entrepreneurs who want to get into cannabis growing with ease. Choosing to become a cannabis entrepreneur is the first step.

The capital expenditures associated with license fees, funding, networking, and acquiring expertise can be avoided with a simplified business model. Precisely why crowdfarming is an efficient way of starting an international cannabis production business from scratch without experience.

There’s a huge demand and it keeps growing. Worldwide cannabis sales will grow 853% from the end of 2019 to 2024. Which makes now the right time to get into cannabis production on an international level. Crowdfarming presents a simpler, less risky, profitable business alternative for the mass production and exportation of cannabis.

Your risks are protected by 99%, we will reserve 1% for force majeure, namely natural disasters and military actions. In all other cases, we guarantee that your plant will yield a crop that we will successfully sell.

To learn more visit www.juicyfields.io
JuicyFields Map

Juicy Fields is a legally established company based in Berlin, Germany, with partnerships and subsidiaries in Colombia, North Macedonia, South Africa, Lesotho, and Germany, countries with laws favorable to marijuana production and exporting. **JuicyFields has entered into agreements with the following licensed cannabis companies:**

**Sabores Púrpura, Portugal**

A EU GMP licenced producer from Portugal that focuses on luxury segment of medical products. The aim of the company is providing a truly quality products and maintaining production process on the highest level with the brand new equipment, strong technologies and profound expertise. Having an experience in the market, Sabores Púrpura carefully preserves all nutrients and flavors of the plants in order to ensure the highest quality of the end-product.

**KannaByte**

KannaByte is a fully licensed, Medellin, Colombia based innovative company that specializes in the cultivation and transformation of MJ oil and cannabis for medical purposes. Kannabyte operates 3.5 hectares of lands, capable of producing up to 500 grams per 1 square meter and up to 1 liter per 25 square meters.

The strictest international GAP and GMP standards are utilized throughout the production and distribution processes which are enhanced by the usage of Blockchain technology.
JuicyFields is a crowdgrowing platform for interested people to connect with and fund a global cannabis cultivation and distribution business. All funding done project development, marketing, and necessary expenses such as legal expertise for the partnership and subsidiary businesses.

JuicyFields platform also is supported by Cannabis Advisory Board. Established connections with cannabis professionals and entrepreneurs for support from all business sides

- agriculture / horticulture
- cannabis lawyers
- medical and biochemical specialists
- FINTECH
- sales and investment
- influencers and opinion leaders

JuicyFields is a crowdfunding platform for interested people to connect with and fund a global cannabis cultivation and distribution business. All funding done through Juicy Fields is for profit and goes to the expansion of grow facilities, project development, marketing, and necessary expenses such as legal expertise for the partnership and subsidiary businesses.

For a demonstration of JuicyField’s grower’s income model, visit juicyfields.io