

Ep 18 Indoor vs Outdoor Podcast

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SPEAKERS

Jesse Larson, Cory Waggoner, Dionne Carroll, Adam Kulbach

A Adam Kulbach 00:13

Hello and welcome to the higher enlightenment podcast brought to you by higher yields cannabis consulting your seed to sale Cannabis Business Solutions team. My name is Adam. I'm your host today and part of the creative design team here at higher yields. today's podcast deals with cannabis greenhouse versus cannabis cultivation. What is the better investment? Our panel today is Jesse Larson, Dionne Carroll, and Corey Wagner. So let's get started with the show. So let's get started by having you guys introduce yourselves and tell us how you got started in cannabis and how you started getting interested in growing cannabis. Let's start with you, Dion,

D Dionne Carroll 00:56

either on Dionne Carroll. I'm multidisciplinary engineer with the background in Product Lifecycle Management. I was introduced to cannabis at a younger age for medical reasons. And really, as a Young Adult and Teen. I wanted to be able to help develop the cannabis plant as well as its delivery and consumption. And over the years, it's really grown into encompassing the operations around it. So yeah, that's really how I got into the cannabis industry.

A Adam Kulbach 01:31

Okay, how about you, Jesse?

J Jesse Larson 01:34

I'm Jesse Larsen. I got into the cannabis industry after leaving the Army in 2014. I got my business degree in International Business and reasons for getting into the cannabis industry was was really the after effects of service and seeing the opioid addiction through the veterans community. And seeing, seeing and being on the receiving end of the benefits of cannabis. With those issues, really got me involved and keeps me keeps me in the game.

A Adam Kulbach 02:08
Okay, and how about you Cory?

C Cory Waggoner 02:11
Cory Wagner, I'm the CEO here at higher yields consulting. I have been in the cannabis industry for about 12 or 13 years now. I started out in California, helping some of the caregivers out there get legal back in the wild, wild west days and made my way to Denver, Colorado. As far as my interest in the industry, I've always kind of had an interest in the plant and what its medicinal values are as well as recreational purposes. Here in the last five, six years.

A Adam Kulbach 02:41
Okay, thanks. Let's start with the major characteristics of the following facilities, cannabis grow cultivation, hemp cannabis greenhouse and outdoor cannabis hemp. Let's start with you, Dion.

D Dionne Carroll 02:56
Sure. Well, when it comes to indoor grows, you get a lot more automation, environmental control, and you're able to more so control quality quantities and quality when you're looking at greenhouses, especially when we're comparing between hemp and cannabis. I mean, I think that there's a bit of a more so hybrid environment. It's somewhat controlled, but I believe that in most cases, you'll sometimes see either lower qualities or in comparison to lower yields. But when you're looking at outdoor cannabis, that's more so when you'll see that lower quality with high quantities. And that's definitely a way to go when you're thinking about some of the hemp in some cases, but again, you're losing that lack of lack of environmental control. So that does go to affect your product at the end of the day.

A Adam Kulbach 04:05
Okay, what do you think the ratio is between indoor versus outdoor facilities?

C Cory Waggoner 04:13
on a on a ratio of licenses, I would say it's probably about 75 Well, probably about 50% Indoor 25% outdoor and 25% greenhouse, but when you're actually looking at square footage or amount of canopy coverage is probably pretty close because a lot of the outdoor facilities are quite a bit larger than the indoor facilities. It's much less expensive to to operate the outdoor that is to build out and operate one of the indoor facilities.

A Adam Kulbach 04:40

A Adam Kulbach 04:46

Okay, thanks. What makes you see the best place to work to assist clients in achieving their cannabis grow dreams, Cory?

C Cory Waggoner 04:56

Yeah, experience I think is the biggest thing in seems like most of the people who get involved in the industry are not really familiar with commercial construction. A lot of them I think, kind of approach it as a as a home Do It Yourself type of project, rather than what it actually is, is a multimillion dollar commercial development of a facility. And whether that be greenhouse or indoor, or even outdoor loose, there's quite a bit of cost to an outdoor facility, as far as getting a legal regulated one set up with security and fencing and equipment to actually take the plants down and process them and dry them and cure them and store them. Some of our experience that I think really helps people is each project we're on is a little bit different. And a lot of times it's it's a retrofit of a current building. So rather than us being able to do a ground up build, where we determine what it's going to look like, what the workflow is going to be, and how we're really going to operate it or make the best use of the space from from zero, we're going into a building that already exists. And so we're working within different ceiling heights, different layouts, different walls, different plumbing and electrical issues. And for us, you know, having that experience in those retrofits, we understand not just what to do, but why to do it, or how to overcome some of those threats, or how to kind of make opportunities out of things that maybe people don't recognize in those retrofits. And, and then a third thing, I think, is really just the team. You know, you're gonna need a solid team like of all the steps throughout our hire enlightenment process. commercial construction, in my opinion, is one where you have to have a team who everyone's on the same page, because it's all about making sure that everybody sticks to schedule, everybody gets to work on time, everybody gets their work done on time. Because if they don't, where you have one, one bad, one bad link in the chain, it pushes everything back. And that's where we see a lot of people fail through the development of these facilities.

A Adam Kulbach 07:05

What are the major advantages of growing inside versus outside?

J Jesse Larson 07:10

Oh, I'll jump in on that one. Coming from like Corey said, there's there's a lot of ins and outs when it comes to growing cannabis commercially. And one of the biggest things that we run into and see is lack of proper planning around climate control, risk mitigation, and cross contamination issues. And a lot of these issues can be avoided with a facility that is properly operated maintaining an indoor cultivation style. Growing outside as compared to that pest control, weather and threats from outside sources, mainly threat to theft, and vandalism, something that is commonly seen, especially if you're going to be growing outside and next, a heavily trafficked areas, crimes of opportunity are more likely to happen, each one of these plants can produce up to a couple \$1,000 worth of product. And that might be too too much to resist for some people. Definitely using inside versus outside and some type of hybrid type of facility you're going to be using. You want the environment to work with you and not against

you. However, taking some of these issues into consideration, especially the the location of the facility can't really grow outside in a metropolitan area. So it does limit you and what you're doing. Maintaining a discreet yet profitable facility. Inside is definitely, definitely a more logical route to go.

D Dionne Carroll 08:51

I just wanted to mention Yeah, exactly what Jesse said, yeah, there's a lot of those security, security comparisons. But what with quality versus quantity. However, you really have to be paying attention to your costs, because at some point, yeah, it might be more, it might be more secure for you to be able to set up this indoor environment. You know, because it's a lot easier to cut through a fence than a wall, you know, however, you still you may end up putting a lot more money into that setup than doing the outdoor grow.

C Cory Waggoner 09:38

Yeah, I think one thing too, that we always ask clients when they come into the industry is rather than what do you want to grow? What is the end product because we're going to grow outdoor for different things. We're going to grow a greenhouse for different things. We're going to grow indoor for different things. If the idea is to, to kind of have a kind of a wholesale retail model All, you know, it makes a lot of sense to do outdoor cultivation because you're just trying to provide the most product for the cheapest price. Whereas if you're growing for high end extracts, the indoor facility is going to provide a much more potent and higher quality product, that's going to give you a higher quality byproduct.

A Adam Kulbach 10:20

Okay, what's the better investment for a personal at home grower?

J Jesse Larson 10:26

I, I would say doing something indoors, if they're going to be serious about it, if you're going to make the investment, do a personal experience growing inside being able to do do it inside, especially where we are located in Denver, the the climate really doesn't provide for year round growing. If someone is not that serious about it, and they just want to grow some plants, throw them outside during the summertime and they're they're gonna they're gonna grow. Personally, I stick with inside it's easier to control. And if it's going to be something I'm consuming, I'd rather have more control over it.

A Adam Kulbach 11:11

What do you think is the better investment for a commercial grower?

D Dionne Carroll 11:15

D Dionne Carroll 11:13

Well, like we said, it's definitely going to depend on their resources, their locations. Also, I guess pointing to their location, the market that they're working in. If they're in a market where you know it might be medical, perhaps only CBD products and they can only grow low THC hemp then you know what there's, there's often times where it's fair to set up a majority of your cultivation outside. Again, your the lack of environmental control, so you do have to make sure that that THC isn't going to be too hot. However, when you're looking for a final product, as Corey mentioned, I like to start with the end in mind. So if we're looking for final products where you know you want top shelf or you're looking to extract live Roz in in like high quality products, then I would more than likely suggest that you go with the indoor because you're going to be able to get more than likely higher THC in cannabinoid potencies and be able to dial in your process, dial in your processes as well as your production schedules to better meet your business needs.

A Adam Kulbach 12:50

Do you believe growing medical marijuana is a better investment than recreational cannabis.

J Jesse Larson 12:56

Jump on that one. There's still quite a bit of stigma associated with the use of cannabis in states where it is legalized and where it's not. Most clients I've seen come through dispensaries from from working inside of a dispensary are concerned about we're getting back to their employers. Lists coming out with with people who use it and and some of that is associated with the medical side of cannabis. Now, with recreational though a lot of those. Those tracking systems are not put in and and the amount of product that you're buying per day is tracked. And so it's a little bit more of a discrete use for adults in states where it's becoming legal. Personally, I would I would say that recreational would be more of a lucrative route to go medical will always be there. But likewise recreational just like alcohol sales. More people are going to be buying marijuana on an adult use basis openly than for medical in my opinion.

D Dionne Carroll 14:13

chime in. Yeah, definitely what Jesse said the market for adult use is definitely there. However, when it comes to medical and I've seen this in a few places, if you're able to get in on the medical side before adult use has been legalized then you have a better chance of being able to move into the adult use side within that local market because you've already been established and approved by the state. So it's it becomes a little strategic based on timing and resources.

A Adam Kulbach 14:54

Do you believe that growing cannabis is a better investment than hemp? It really

D Dionne Carroll 14:59

is. Can it really depends on who your end purchases purchasers are with then your business unit with it with him, we you have a lot more opportunity within the national market to to be able to produce products and sell CBD products. When you're talking about cannabis, you're more so you're more so constrained to the to those legal in local markets so And don't get me wrong it's a it's it's become a adult use industry as well as medical cannabis has become like extremely lucrative billion dollar industry. So it for the personal business, it really depends on your business model and how you and how you're in basically your partnership agreements with who's purchasing. However, if you're looking at it from a pure numbers standpoint, I would say that the adult use market is one that's a booming a lot more however, I wouldn't, I wouldn't just knock the hemp market simply because of the way that you do have that versatility within the market.

A

Adam Kulbach 16:32

What are the most fundamental business factors people often don't realize when beginning a cannabis grow cultivation or extraction facility?

D

Dionne Carroll 16:42

I think starting with the end in mind, kind of, as we've been mentioning, but there's a lot that we end up seeing throughout the industry actually, just yesterday, we everybody heard, but there's an entire state that didn't necessarily think about drying their product. But the entire a lot of times we see people missing different steps within the entire business plan or roadmap sometimes they're more so pigeon holed to, you know, their growth style or their pigeon and or there's only focusing on their design and getting a blueprint laid out. But they're not really focusing on how that blueprint is going to play out through the rest of their operations are is are you going to be able to grow the quantities of product that you want within there are you going to be able to produce the quality of product that you want within there. So a lot of it is just being able to step back and look at it from a bigger picture. And establish your requirements in understand the entire roadmap of setting up this operation and checking off those boxes, be it be it sequentially or in tandem with each other. And sometimes a lot of our clients don't necessarily know when to do what

J

Jesse Larson 18:08

or how. And to piggyback on that a little bit, you know, there are often little things overlooked that become bigger issues down the road biggest one that comes to mind is budget, a lot of these projects can can grow, especially when when the availability of a license or more land becomes available, the client might see more dollar signs than are actually feasible in in, in reality and and usually that budget corresponds with that. With that scale, the larger you want to go. Usually the more investment you're going to have to make time as well. A lot of these projects do take four to six months to see through to fruition. And a lot of people want a quick turn around they want to get product in the door and out as quickly as possible. These are living things that take time to grow and mature and get to the point where they can be harvested for that products like Dion said, which is your end goal to get out the door.

A

Adam Kulbach 19:14

Okay, this one's for Cory. What technology would you like to see come to fruition that would change the game in indoor cannabis and outdoor cannabis.

C

Cory Waggoner 19:24

So it's been really interesting the last 12 years or so in the industry. And really the last five or six is where we've seen the most, the biggest jump and like technology and people really trying to get involved in the industry and some of its old technology. It's already been utilized and it's been being used for hundreds of years. One thing that I think would be really cool, though, is something that would allow people to basically scan their plants before they actually harvest them to kind of better understand what potencies they are or understand maybe genetic backgrounds of some of them. And I think that would be something that would really help the industry, not just the farmers and understanding what's good and great, but also helping with genetic research. Because I think what we find about hemp and cannabis, CBD and cannabis is, you know, the plant has medicinal values, and those medicinal values, they really vary strain to strain. But if there was a way to actually scan those plants before we went through the whole process of growing them, and then waiting and then testing them, I think that would really jumpstart some of the medical research that would be really helpful in the industry and understanding exactly which strains are, are best for, for different ailments, or different diseases, or different issues, that medical issues that people run into. And, and one area that we've seen a big jump in, especially in hemp, in the last couple of years is tissue cultures, you know, rather than people going in and cutting clones, which oftentimes creates a lot of issues, because you really, your whole garden kind of depends on your mother plants being healthy, or you taking good clones from already vegetative plants. But we see a lot of we see a lot of genetic drift, you know, where the first time we run the plant were at 30% THC, but by the time we've cut on that mother three or four times, it's testing out to 20 22%. So we're starting to see that drift. And even with that drift, we start to see more problems with pests, they become more susceptible to disease as we get as we drift further from that initial mother plant or from that seed. Whereas tissue culture, we're not hacking on the plants as hard as we would, we need a very small amount of that plant to create a clone, it does take a little bit longer. But like everything else in an indoor or outdoor facility, you know, it's all about kind of setting that rotation and just understanding what the lead time is for each area of cultivation.

A

Adam Kulbach 21:56

Okay, what's your favorite part of working with clients in design build? Well, I

D

Dionne Carroll 22:01

love the energy that a lot of folks come into it with, it's really fun, you get a slew of different types of folks. And the diversity within the industry is always amazing to see. Because with all of them, you see different levels of passion or reasons why they entered the industry. So and you're able to relate and that really resonates with me, especially. So it's it's really amazing to work with different types of folks, as well as the challenges that they bring, you know, as first of

all kids finish in a job, but it's also really fun to be able to solve and develop and as well as deliver and implement solutions with our clients to actually see them be fruitful and successful within their businesses.

J Jesse Larson 22:51

Yeah, likewise, that being able to see a client going from the conception phase of what they want to do and bringing it to fruition and helping them achieve their goals for long lasting effects, not only for them, but but but for the industry as well. Every client that comes in, you can bring something new, and then something that might change the way the industry operates and what kind of product we provide. So

C Cory Waggoner 23:20

yeah, and similar to Jessie and Dion, you know, just seeing people's dreams come true. And construction, I feel like is one of those areas where you can really see the fruits of your labor. It's so cool to see people coming in, and they're excited about, you know, what they're going to grow, how they're going to grow it. But then we actually started the process of designing that out on paper and building the team and laying out a schedule. But then you get to a point where it's time to go and you see this raw piece of land just over the next 468 months to start to build up, you see the whole team coming together, you see all the paperwork coming to life. And then at the end of it, you've got this facility that otherwise didn't exist before. And people can now start growing in it. And it's, it's one of the biggest investments, it's usually the biggest investment that operators are going to make into the industry. And in my opinion, it's one of the most stressful pieces of it because it is so time consuming. It is so expensive. There are some nuances and there's always troubleshooting through it. So really helping people see their way through to get to that end goal which is developing out their dream facility and just watching it, you know, day to day, week to week, month to month just seeing the strides that you make to get to that point and then seeing that final piece is really rewarding to me.

A Adam Kulbach 24:43

Okay, I guess I'll ask starting with Dion, I guess I'll ask all of you. If you could design your own cannabis cultivation facility, what type would it be and why?

D Dionne Carroll 24:55

Okay, yeah, first, I definitely would go with indoor are automated facility, I intend to actually be vertically integrated with the rest of my business, while actually trying to bring on contractual agreements with other businesses that are developing to help develop other cannabis of businesses and entrepreneurs within the industry. That would be like a dream goal of mine if I had funds to.

A Adam Kulbach 25:24

Okay, Jesse, your dream facility:

Okay, Jesse, your dream facility,

J Jesse Larson 25:27

I likewise, would like to see a nice big automated indoor facility. However, I would like to incorporate some greenhouse aspects to it have a retractable roof for supplemental light and that kind of stuff. Likewise, being able to throw in a fully automated extraction facility to help move some products, I would really like that and have it be able to be ran by veterans mainly and, and kind of get back to that camaraderie kind of lifestyle inside a cannabis facility with the aspects of the military.

C Cory Waggoner 26:06

I would kind of like Jesse Antion, you know, I would like to create some sort of hybrid, if I had my pick, to be able to do indoor greenhouse and outdoor, and to be able to have that extraction at the end. Um, so you can really have everything that there is, you know, you've got the lower end products that you can run through for edibles that are still quality and get quality oil out of them. But then you have the higher end stuff that you can create those higher end extracts, or just have those higher end flowers. And what's been really cool to see in the last couple of years is a lot more states are starting to push towards LED lighting. And for about the first seven or eight years of my involvement in the industry, LED lighting was it was pretty crappy. You know, everybody had had data on how many cucumbers they could grow under LEDs, or how many tomato plants or asparagus or whatever. And it just wasn't, the technology wasn't there. But last three or four years, not only is the technology starting to catch up to some of these lights, the more kind of what we call hot lights and warm lights. But now we're also trying to people are starting to figure out that we can actually rather than approaching a room in square footage, we approach it in cubic footage. So we're a lot of tiered growing. So while the the cooler LED lights don't run as hot as like cubby does in other types of lights like that, we're actually able to put them on top of each other and build these racking systems. So we're actually pushing more product out per square foot. And the LEDs are actually starting to cut down on the amount of time it takes to flower like for I'm not sure why that is. Yeah, but it seems like what Kavita has, they almost it takes an extra week for the plant to get to full maturity, we're ready to cut it down. Whereas the LEDs seem to be cutting back on the amount of time that's needed in the flowering side, which is really interesting and that having that full vertical would would just be really cool because there's there's pros and cons to growing outdoor indoor and angry and in greenhouses and it'd be great to have one facility where we could just work and function off of all three of those to make sure that the end products are everything that the consumer could possibly need.

A Adam Kulbach 28:18

Okay, well, thank you. I think that's all the time we have for today. And I'd like to thank you all for being on the podcast. Really appreciate it. And I hope to have you all back soon. As we'd like to thank everybody for tuning in today and listening to our podcast. For information on how to follow the higher enlightenment podcast. Please be sure to check out the description below. You'll receive all the latest and greatest podcasts news and announcements will also let you know when we release new episodes. If you'd like to be a guest on the higher enlightenment podcasts, or have ideas about upcoming episodes, please be sure to check out the description

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