



How Resellers Can Cash in on Cannabis Point of Sale



It's like a dream come true for point of sale (POS) VARs. There's a new consumer market with a product that people are clamoring for to the tune of \$20+ billion per year and anticipated growth of nearly 60% over the next three years: **Cannabis**.

If you haven't considered expanding into the Cannabis point of sale (POS) market, you could be missing out on one of the biggest opportunities your business will ever encounter.

A Snapshot of a Rising Industry

The legal cannabis industry is growing fast. In the U.S., cannabis use is legally allowed in some form for all but six states. As of early 2023, the plant is fully legal in 21 states and the District of Columbia. A report from cannabis industry analysts at BDSA states that the U.S. cannabis market is projected to grow from \$25 billion in 2021 to \$40 billion in 2026.¹ The product line is more diverse than you may think. Dispensaries sell oil, hash, shatter, and rosin that can be smoked or vaped. They also typically offer baked goods, candy, and the traditional flower. Drinks with cannabis have also hit the market and are becoming more widespread. Medical dispensaries also sell products, including CBD (cannabidiol), usually oil or candy, used to treat epilepsy or pain. The list of active licenses for marijuana businesses in the U.S. is growing — and all of them need a POS system to help manage their businesses.

¹ - Forbes.com: <https://www.forbes.com/sites/andrewdeangelo/2022/10/04/the-hockey-stick-turns-into-bell-curve-a-new-report-from-bdsa-sheds-light-on-cannabis-industry-growth/?sh=5fe01fe866f2>



What's Different About Cannabis POS?

There are some aspects of selling cannabis retail or through a dispensary that make it different from other business operations and that require different features than other retail POS systems. Here are five examples:

1. It's a cash business.

At least for now, cannabis businesses primarily deal in cash. There are still federal laws that define it as illegal, and banks, caught in the middle in states that have made it legal, are reluctant to open accounts for these businesses. Politics and legal battles aside, this presents unique challenges to cannabis businesses—which could really use trusted advisors well versed in retail and POS technology as well as strict cannabis regulations to help them solve business challenges such as this.



Recommended Product:
CD3-1616 Cash Drawer



Since all sales are cash, you'll have to equip your new customers with cash drawers that support error-free cash management and top-notch security to control shrinkage and loss.

While you are meeting the immediate needs of the industry, it's also a good idea to provide your customers with solutions that can adapt as the industry evolves into the future. Cannabis sales may not be "cash only" in a few years, so steer cannabis businesses toward systems that have the ability to accept other payment types without having to rip and replace the entire system.




2. Scales need to be sensitive.

You may have sold scales for deli, grocery, or bulk items. But cannabis scales have to be more accurate than a hundredth of a pound. The sensitivity of a cannabis sale must be accurate to a fraction of a gram – both to comply with regulations and to ensure maximum profits.




Recommended Products:
mC-Scales, Customer Line Display




A POS solution for the cannabis industry will include a highly sensitive scale that integrates with the POS and inventory management system for flawless measurement, seamless accounting and easy compliance reporting.

3. Labels are strictly regulated.

Cannabis customers are limited to a specific quantity they can purchase per day. That may seem straightforward, but considering a customer may be purchasing baked goods, candies or oil, the quantity of controlled substance won't be immediately obvious without a label. Some states also require labels to include information about testing that has been done on the products and traceability information back to the source of the cannabis flower.



Recommended Product:
TSP700II



As a cannabis POS solution provider, equip your customers with label printers capable of producing quality labels with the detail required to display information their customers need to make informed choices and compliant purchases.



4. Receipts are more than proof of purchase.

The information that needs to be included on a receipt provided by cannabis businesses are different depending on the regulations in each state. In Oregon, for example, receipts need to include store name and address, product category, something that identifies the products that are taxed, a breakdown of state and local tax, and a disclaimer that receipts are required for tax disputes. In California, for example, it's important to instruct your customers to save all copies of receipts from each day's sales for a minimum of three years in the event that the cannabis store is subject to an audit. Advise your customers to check on their individual state's regulations regarding cannabis receipts.



Recommended Products:
TSP100IV, TSP650II, SM-T300i



Your customers in the cannabis industry will need solutions that enable customizable receipts that include this information along with the price. Cannabis businesses may also want the ability to advertise a rewards program or other promotions in a practical, cost-effective way. Choose a flexible printer solution that will empower cannabis retailers to put promos right into their customers' hands by printing them onto receipts.

5. Stores need heightened security.

With an all-cash business, a desirable product, and tough regulatory scrutiny, cannabis stores and dispensaries will need a robust security solution. Today's state-of-the-art solutions enable business owners to track inventory with GPS, monitor facilities inside and out with high-resolution IP camera systems, guard blind spots in the store with hidden cameras, and protect their businesses with sensitive alarm systems that send alerts in the event of a break-in or fire. Integrating security with the POS system can provide information that helps business owners identify people responsible if theft occurs and give law enforcement the details it needs to act.

If you don't currently offer surveillance, security or access control solutions, consider expanding your business or partnering with a solution provider who does so you can provide cannabis businesses with a total solution.

Getting Schooled on Cannabis Regulations

To take the role as trusted advisor and to equip your customers with a POS solution that will keep them in compliance with the laws in their state, you will have to learn everything you can about regulations today and stay on top of changes that occur in the future. The following resources can help.

[Here is a helpful chart from DISA Global Solutions](#) that shows the legality of cannabis in each state (as of January 2023), as well as a link to that state's laws.

STATE	LEGAL STATUS	MEDICINAL	DECRIMINALIZED	STATE LAWS
Alabama	Mixed	Yes	No	View
Alaska	Fully Legal	Yes	Yes	View
Arizona	Fully Legal	Yes	Yes	View
Arkansas	Mixed	Yes	Yes	View
California	Fully Legal	Yes	No	View
Colorado	Fully Legal	Yes	Yes	View
Connecticut	Fully Legal	Yes	Yes	View
Delaware	Mixed	Yes	Yes	View
District of Columbia	Fully Legal	Yes	Yes	View
Florida	Mixed	Yes	No	View
Georgia	Mixed	CBD Oil Only	No	View
Hawaii	Mixed	Yes	Yes	View
Idaho	Fully Illegal	No	No	View
Illinois	Fully Legal	Yes	Yes	View
Indiana	Mixed	CBD Oil Only	No	View
Iowa	Mixed	CBD Oil Only	No	View
Kansas	Fully Illegal	No	No	View
Kentucky	Mixed	CBD Oil Only	No	View

Louisiana	Mixed	Yes	Yes	View
Maine	Fully Legal	Yes	Yes	View
Maryland	Mixed*	Yes	Yes	View
Massachusetts	Fully Legal	Yes	Yes	View
Michigan	Fully Legal	Yes	Yes	View
Minnesota	Mixed**	Yes	Yes	View
Mississippi	Mixed	Yes	Yes	View
Missouri	Fully Legal	Yes	Yes	View
Montana	Fully Legal	Yes	Yes	View
Nebraska	Fully Illegal	No	Yes	View
Nevada	Fully Legal	Yes	Yes	View
New Hampshire	Mixed	Yes	Yes	View
New Jersey	Fully Legal	Yes	Yes	View
New Mexico	Fully Legal	Yes	Yes	View
New York	Fully Legal	Yes	Yes	View
North Carolina	Fully Illegal	No	Yes	View
North Dakota	Mixed	Yes	Yes	View
Ohio	Mixed	Yes	Yes	View
Oklahoma	Mixed	Yes	No	View
Oregon	Fully Legal	Yes	Yes	View
Pennsylvania	Mixed	Yes	No	View
Rhode Island	Fully Legal	Yes	Yes	View
South Carolina	Fully Illegal	No	No	View
South Dakota	Mixed	Yes	No	View
Tennessee	Mixed	CBD Oil Only	No	View

Texas	Mixed	CBD Oil Only	No	View
Utah	Mixed	Yes	No	View
Vermont	Fully Legal	Yes	Yes	View
Virginia	Fully Legal	Yes	Yes	View
Washington	Fully Legal	Yes	Yes	View
West Virginia	Mixed	Yes	No	View
Wisconsin	Mixed	CBD Oil Only	No	View
Wyoming	Fully Illegal	No	No	View

To stay updated on the everchanging state laws and regulations surrounding the use and sale of cannabis, visit The NORML Foundation’s “State Laws” section (<https://norml.org/laws>). It provides practical information and a wealth of resources all in one place. However, it’s always best to look into individual state statutes for the most up-to-date information, which can be found on their websites. Remember to always hire an attorney for legal advice, especially regarding business and commercial cannabis use.

The National Cannabis Industry Association’s webpages can help you stay informed on other states’ cannabis policies and bills that have been introduced to the U.S. Congress:

State-by-State Marijuana <i>(Interactive Map)</i>	https://thecannabisindustry.org/state-marijuana-policies-map/
Priority Legislation – U.S. Senate	https://thecannabisindustry.org/priority-legislation-u-s-senate/
Priority Legislation – U.S. House of Representatives	https://thecannabisindustry.org/u-s-house-representatives-ncia-priority-legislation/

You will also need information by state to set up a POS system to help your cannabis POS customers handle tax collection and payment. Cannabis businesses pay a lot in taxes, and the rules may change on a dime. Your customers may need help accurately managing this part of their business.

Each state has its own taxation division, but a starting guide with updated resources can be found [here from the Urban Institute](#).

This information is provided for educational purposes only and is not legal advice or a substitute for legal counsel.

Partner with a Subject Matter Expert

The cannabis industry is in its earliest stages, so it will be important for you to establish partnerships that will help you develop this part of your business as you expand your VAR into a new market, stay on top of regulatory developments, and search the market for solutions that will provide your customers with the greatest value.

Expanding your business to include cannabis POS will take an investment of time and resources, but the right partner can give you a head start by helping you find the information you need and pointing you in the direction of the best solutions.

Star Micronics has POS experts on staff who are available to help you select solutions for your business's growth in the expanding cannabis POS market.

For more information, contact us at sales@starmicronics.com

About Star Micronics

Star Micronics America, Inc. is a subsidiary of Star Micronics Company Ltd., one of the largest printer and POS manufacturers world-wide. Star Micronics also manufactures high precision machine tools and precision parts. Star Micronics Company Ltd. is ranked as one of the Top 50 "Most Stable" Japanese companies on the Japanese Nikkei. For more information, visit www.starmicronics.com or call 800-782-7636.