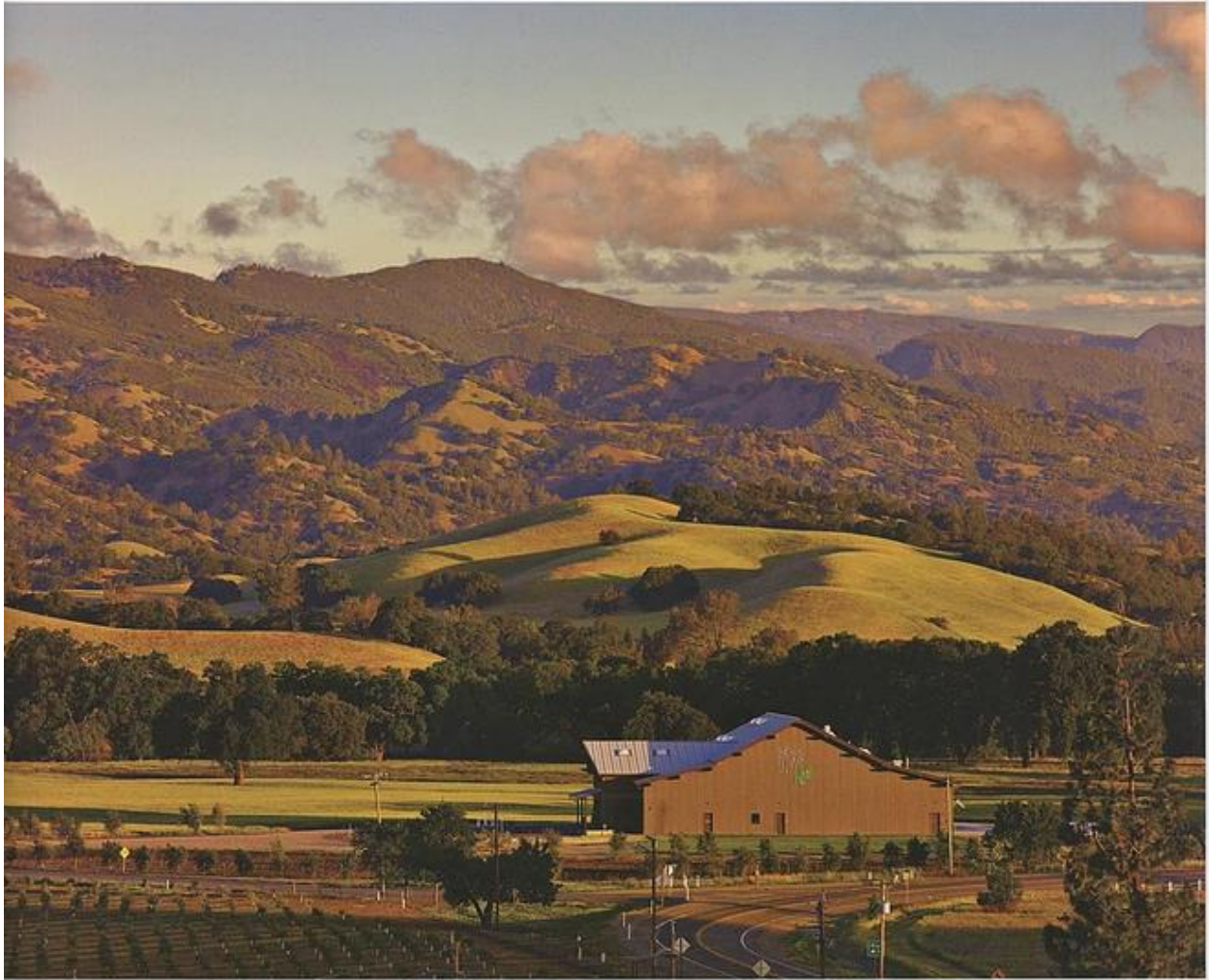


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KASE MANUFACTURING – *Striving to be a Leader in Legal Cannabis*



BY MELECE CASEY ♦ PHOTOS BY SUSAN DAVID

California's next big cash crop? Cannabis.

In January, the market for recreational marijuana was launched, allowing adults 21 and over to purchase the substance at licensed pot shops. The state's Department of Finance predicts retail stores will sell over a million pounds of legal weed worth nearly \$3.5 billion during the first financial year from July 2018 through June 2019.

But going green in the golden state is a slow process, involving a shifting legal landscape of state, county, and municipal codes.



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Reynolds explains.



"It's been kind of crazy navigating the chaos. We're hearing something new every day," says Mike Reynolds, Chief Operating Officer of Kase Manufacturing, a Ceres-based marijuana production facility, and vice president of the Modesto dispensary Jayden's Journey, run by his partner, Jason David. The two are also working on the newly green-lighted Kase's Journey dispensary in Ceres. "That will be our sister store," he says, adding the biggest difference between the two centers around the adults-only atmosphere of the new location.

"Parents can no longer bring their kids into the dispensary," he says. "It's not as though there's on-site consumption, but we would like to meet the kids and have a consultation. That's really what we've been known for (in the Modesto store located at 5054 Pentecost Dr.," he explains. "Both of our kids were some of the first kids to use medical cannabis. It's a huge part of what we do. We're still trying to figure it out."

Meanwhile, Kase Manufacturing is the first marijuana manufacturing plant allowed to operate in Stanislaus County.

Pot Production

"It's bigger than I ever imagined. My initial goal was to have a little corner in a building somewhere," says Reynolds. "I was looking all over California and found it right here in Ceres." Kase Manufacturing is a 22,000-square-foot cannabis compound involving research and development, growing, harvesting, drying, curing, grading, extracting and producing cannabis products. "We put a lot of thought into what we do. It's science. It's health. We're trying to set the standard and bring a different perspective to cannabis," he explains.



Marijuana is fast becoming California's big bonanza, with cities like Ceres willing to open the doors in exchange for expected revenue windfalls. Meanwhile, entrepreneurs struggle to innovate and invest in an industry governed by a patchwork of state and local rules and regulations. "We're beyond California compliant. We're doing things that aren't required at the state level but they are the way we think things should be done. It's not underground," says the former Ceres schoolteacher. "The expectation of a business standard was there from the beginning." The goal is to provide alternative medications for their children and patients across the state.

Last May, the Ceres City Council approved the marijuana manufacturing plant in an industrial area in southwest Ceres. "We're building a multi-million dollar facility in an industry that was non-existent," observes Reynolds, explaining that pot production is clean, controlled and highly technical. "Our big focus is manufacturing, but we want to show that you can grow indoors and not be a nuisance."

The secured state-of-the-art compound consists of a collection of specialized rooms designated for different stages of the manufacturing process, including an automated grow room and an 800-square-foot extraction room to create concentrates used in making marijuana-based medicine. The main psychoactive compound in cannabis is THC; levels determine mind-altering effects. In contrast, CBD levels determine health benefits for those suffering from cancer, epilepsy, post-traumatic stress disorder, multiple sclerosis, and other medical conditions. And strain-specific plants are tailored to treat specific ailments.

All of the marijuana grown, processed, and tested at the facility will be under intense supervision. A sophisticated climate control system regulates heat, humidity, and carbon dioxide while recycling the indoor air. "It's a lot of heat, and it's a lot of cooling," says Reynolds. "It meets all of the requirements for a closed loop system in cannabis." Air filtration and circulation systems are essential for controlling heat buildup and eliminating exhaust odors. Additionally, there's a packaging area along with plenty of office space at the high-tech complex.





Legal Weed

Not far away, the company's second dispensary is under construction at 4030 Farm Supply Drive. Kase's Journey plans to cater to customers purchasing legal weed in an environment that's similar to a pharmacy. "Clean and classy," says Reynolds. "We're not going to have the 'weed bar' atmosphere. And, we never want to lose the medical side."

The shop is named for his son, who suffers from life-threatening seizures controlled by cannabis. California has been allowing the legal sale of medical marijuana in an unregulated environment for the past 20 years. In fact, according to a state-sponsored UC Davis study combining medicinal use and a booming black market, cannabis in California is already a \$22 billion industry.

By 2019, the state's legal pot market is expected to top \$5 billion. Nationwide, the legal cannabis industry could be worth \$21 billion by 2021. But it's still illegal under the federal Controlled Substances Act.

Meanwhile, cannabis consumers are buzzing about projected price hikes at long-awaited legal pot shops. "On the tax side, 20 to 30 percent is where they are

going," says Reynolds. "It does make it tough, but eventually I think you're going to see a race to the bottom." Flower. Oil. Elixers. Topicals. Edibles. Legal weed is a budding industry with a large learning curve that still has government officials and business owners scrambling to comply with an evolving regulatory framework. In July, stiffer testing requirements for pesticides and other contaminants will be enforced.

"California's great at growing things. It's the ag capital of the world," observes Reynolds. "I never expected to learn what I've learned in the past nine months." It's been a long and challenging journey. He says the company is guided by the unwavering commitment that he and his partner have to change attitudes and achieve success in the cannabis industry. The reason? "It's because of our kids," he explains. "The drive to 'not fail' is really high. It goes to the heart."

Kase Manufacturing will initially employ a staff of 15. That's expected to increase to 45 by the end of the year. *S_M*

Editor's Note: The longterm effects of the use of Cannabis, CBDs and THC in children have not yet been determined.