

EXCLUSIVE: New deal gets Seattle's DeepCell THC-infused sugar into California's massive market

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DeepCell Industries has signed a deal with a California medical marijuana company to manufacture and distribute its cannabis-infused sugar throughout the southern half of the Golden State.

The deal sets Seattle-based DeepCell up for even more distribution when regulators begin issuing licenses for recreational retailers in California.

"We are preparing for the long game," DeepCell CEO [Kelly Ogilvie](#) said. "California's GDP is bigger than most countries' GDP. ... It is going to be the biggest market for cannabis in human history."

California voters approved recreational marijuana by a relatively wide margin last year, following Washington and Colorado. The measure gives the state until Jan. 1, 2018, to begin issuing sales licenses for recreational retailers.

DeepCell's technology fuses THC from marijuana with salt and sugar crystals. The startup licenses that technology and its branding to producers and processors to take its products to market.

It started with its infused sugar – called Ruby – in the medical market in Washington before launching into the recreational-use category, and is now doing the same in California, Ogilvie said.

DeepCell recently [inked a new deal with manufacturer](#) Evergreen Herbal in Washington to get Ruby into more recreational stores here.

The licensing agreement in California is with PSA Organica. Financial details were not released. The deal will put Ruby in 20 stores to start, but Ogilvie said the goal is to expand to 750 in the first six to nine months.

"It is very aggressive," he said. "But in California, you've got to understand, it is different than here – there are distribution companies in California with massive networks."

Ogilvie said he is in talks to find a licensing partner to distribute Ruby throughout the northern part of California, but nothing has been signed yet.



DEEPCELL

Kelly Ogilvie, CEO of DeepCell Industries, is setting the Seattle-base company up for when regulators begin issuing licenses for recreational marijuana retailers in California. He just signed a licensing agreement with a company to get the company's THC-infused sugar in medical dispensaries there.

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