

The state of cannabis legislation

Cannabis legislation is a hot topic at the moment in the Americas. **Thomas Walker** takes a look at a number of countries that are creating legislation to accommodate commercial production of the crop.

Despite the COVID-19 pandemic, cannabis legislation is moving forward on all fronts. Most notably, in December of 2020, the United Nations Commission on Narcotic Drugs (CND) accepted the World Health Organisation's (WHO's) recommendation to withdraw cannabis from Schedule IV of the 1961 Single Convention on Narcotic Drugs.

It has been a long, uphill battle to enact this historic change, but the efforts made by many organisations and individuals will slowly start showing results in many countries that are on the verge of decriminalising or legalising cannabis use and cultivation.

IT IS CLEAR FROM GLOBAL PRECEDENT THAT CANNABIS IS BECOMING 'GREEN GOLD', WITH PROMISING RETURNS FOR EARLY MARKET ENTRANTS WITH AN APPETITE FOR RISK

Let's take a look at how things stand in the US and South America.

Several states in the US have continued to work towards 'cannabis legislation'. Medical use of cannabis is now legal in 35 states, and recreational cannabis has been approved in 14 states. Only two states, Idaho and Nebraska, consider cannabis entirely illegal.

Federal legislation is at odds with state legislation, and until cannabis is federally legal, cross-state business is still prohibited.

With the appointment of President Joe Biden, renewed optimism has been seen across the states with regard to legislation and decriminalisation.

Biden recently stated, while on his campaign trail: "I think we should decriminalise marijuana, period." He added that anyone who had a criminal record for cannabis-related crimes should have that record expunged, while anyone doing time for cannabis-related crimes should be set free.

SOUTH AMERICA

Recently, South America has also seen a slew of countries decriminalise cannabis and institute medicinal cannabis legislation. In January 2021, I was inundated with requests for pre-licence consultations in Costa Rica, Mexico and Chile.

All the way back in 2018, the supreme court of Mexico declared the prohibition of cannabis to be unconstitutional. Unfortunately, progress thereafter was slow because there were no regulations to follow. Then, in 2019, Mexico's supreme court mandated that regulatory agencies create a medicinal cannabis framework. Fast forward to November 2020, when Mexico's senate passed a bill to legislate legal cannabis trade in the country. The lower house of the senate is due to vote on the bill shortly.

Currently, with cannabis decriminalised in Mexico, individuals are permitted to grow four plants at home and possess up to 28g of dried cannabis.

Should the bill be voted in, Mexico could possibly become the largest legal, adult-use cannabis market in the world. The sheer amount of interest garnered from expos in Mexico attests to this.



Permits for the cultivation of medicinal cannabis in Mexico can be requested from the National Service for Agrifood Health and Quality (SENASA).

The use of cannabis in Costa Rica is currently decriminalised, but is still considered somewhat of a taboo.

In 2019, independent legislator Zoila Rosa Volio introduced a bill to push forward the commercialisation of cannabis.

On 7 May 2020, President Carlos Alvarado indicated his support for the bill, saying: "We will present another project to the legislature that will allow and promote the production of hemp in the country."

SOUTH AFRICA

What of the situation in South Africa? According to the Africa Cannabis Report of March 2019, compiled by international research group Prohibition Partners, Africa's climate, affordable land and low-cost labour offer enormous opportunities in a market that could exceed \$US7.1 billion (R107 billion) by 2023.

The Department of Trade and Industry and the Agricultural Research Council have estimated that the current cannabis industry in South Africa is worth R14 billion and by 2024 this could double to R28 billion, making up 70% of the estimated R44 billion African market.

While the regulatory landscape remains fluid, what is increasingly clear from international precedent is that cannabis is fast becoming 'green gold', with promising returns for early market entrants with the requisite financial wherewithal and appetite for risk.

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