



Cannabis (Ganja): Options, Considerations, Prospects and Lessons Learned from Decriminalization

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Outline

- Historical Background to Decriminalization Movement for Cannabis in the Caribbean
- Introduction & Background of Speaker
- Considerations for the Use of ***Cannabis***
- Prospects for Medical ***Cannabis***
- The Jamaican Experience: Lessons Learned
- Options & Conclusions



Background and Introduction



Historical Background for Cannabis Advocacy



Historical Background

- *Cannabis* came to the Caribbean during the post-emancipation period with the Indians who came to Guyana, Jamaica, and Trinidad and Tobago as indentured labourers.
- For much of the time prior to the 1900's *Cannabis* was freely used for a range of purposes, including medicinal uses. Even after initial prohibition, it was still widely used and it was only when strict enforcement ensued in the region, led by Jamaica.
- It was officially criminalized in 1913 under the Opium Law in Jamaica (known as the Ganja Law to many) when legislation expanded the prohibition and penalties. This process was largely supported by the white elites and the Evangelical Churches.



Historical Background

- In 1925, the League of Nations signs the revised International Opium Convention, adding *Cannabis* to the list of prohibited substances, signalling the beginning of a process of progressive criminalization of the plant
- That year, Trinidad and Tobago banned *Cannabis*, and in 1928 the United Kingdom first prohibited cannabis as a drug, adding *Cannabis* as an addendum to the Dangerous Drug Act (1920).
- This was a precursor to the criminalization that was to come elsewhere in the region in the 1930s after Britain enacted the Dangerous Drug Ordinance in 1937.



Historical Background

- That same year, the United States passed the Marijuana Tax Act, effectively prohibiting all use of cannabis across the federal United States.
- All of this was happening at a time when the growing Rastafarian movement was beginning to assert itself, identify with Marcus Mosiah Garvey and Africa and espouse the use of *Cannabis* (Ganja) as a sacrament in Jamaica, spreading across the region.



Historical Background

- In essence then, the process of prohibition and criminalization of *Cannabis* (Ganja), has been driven more by socio- and geo-political considerations than by science. This was exacerbated when the “masses” or all races across the region began to agitate for equity and has led to the iniquitous system that we have today where tens of thousands of our youth are criminalized for routine use of the plant.



Update on the Status of the Medical Use of *Cannabis* Globally



So where are we today?



Update on Status of Cannabis Regulations

- Single Convention on Narcotic Drugs (SCND)
 - international reference/benchmark on *Cannabis*
- Classified as a Schedule I and IV drug (high risk of abuse, produces ill effects and of “no therapeutic value”)
- *However, the ground is changing - rapidly*
- Several countries in Europe, Central and South America, Africa and the Caribbean all have moved to decriminalize; some legalized
- WHO/UN Commission on Narcotic Drugs - review
- Potentially the first new guidance on marijuana since 1935



Update on Status of Cannabis Regulations

- Uruguay was the first country to legalize cannabis for recreational use; must register and be 18 years or older
- Jamaica decriminalized in April 2015; medical ganja licenses issued in 2017
- Mexico – decriminalized for 5 gm;
- Belize – for 10 gm;
- Lesotho in 2017;
- Zimbabwe this year – medicinal and research



Update on Status of Cannabis Regulations

- **US** - 31 states and the District of Columbia have decriminalized *Cannabis* for ***medical use***;
- 9 have legalized it for ***recreational use***
- A prescription, authorization or medical recommendation along with a card or license is required in various states of the US;



Update on Status of Cannabis Regulations

- **Canada** first G-7 country to legalize for recreational:
 - medical cannabis available for use from 2001
 - recreational will be available come 17 October 2018
 - six licenses: cultivation, processing, testing, sale research and *Cannabis* drug
- Peru, Australia, Chile, Colombia, Germany, Greece, Israel, Italy, Poland, the Netherlands, Sri Lanka, & the UK *have implemented medical Cannabis legislation* while Belgium, Spain, Switzerland and Portugal allow use



TODAY'S NEWS

- As of next month Doctors in Northern Ireland will be able to prescribe *Cannabis* products to patients
- As of October 17th Canadians will be able to *fly* with up to 30g of *Cannabis* in their luggage!



My Involvement with The Cannabis Licensing Authority



Background

- Jamaica decriminalized in April 2015
- The GOJ wanted someone who:
 - had a strong scientific background who could understand the technical issues
 - understood the issue with trade and exporting sensitive products into the international market
 - understood the sensitive socio-economic and socio-political issues involved in trying to right a historic wrong
 - had a track record to “doing the impossible”: getting Jamaica into the market before the opportunity was gone



André Gordon, Ph.D., CFS

Technical

- Ph.D. Food Processing (Guelph)
- M.Phil. Food Microbiology (UWI)
- Food/Applied Scientist
- 32 years manufacturing / food industry practice
- 26 years Technical Services Management
- HACCP & Production Systems Specialist
- Thermal Process Authority
- Technical Assignments in 14 Caribbean countries, Canada, US, UK, Botswana, West Africa (USAID, CED, UN, CDB)

André Gordon, Ph.D., CFS

Business

- Business Management – 26 years
- Senior Executive/Director – 24 Years
- 10+ Public Sector Boards (since 1992)
- 5 Organizations (JEA, JAPA, TCC, PSOJ, JAMPRO)
- Boards of 5 private companies
- USAID / CARICOM Expert on Public / Private Partnerships
- Key contributor to National Industrial Policy ('92-94)
- Organizational Development – 20 years

André Gordon, Ph.D., CFS

- JEA Director responsible for Agribusiness, Standards and Technical Matters from 1997; President
- Helped to design, lead and implement JEA Export Projects BizTech, CPEC, the JCCP & JBRP, EGIF (USAID, DFID, EU, CIDA); Helped to design National/Regional projects Target Europe, PSDP, PIP (EU), ASSP (IDB)
- *Re-opened the US Market for Jamaican Ackees* in 2000 after a 27 year ban; *EU market for Seafood* (Jamaica, Grenada); *US Market for Cheese*
- Proven understanding of Trade, Market Access, Standards and close *working relationship* with *International Regulators* (FDA, CFIA, EU, others)
- Extensive work with Farmers, Processors, Clusters to develop their sectors and export to developed country markets

Prospects and Possibilities for Medical *Cannabis*



Medical Applications for *Cannabis*

- ***Endocannabinoid system (ECS)***: plays an important role in our bodies, influencing the function of our central and peripheral nervous systems
- Helps to regulate physiological activities and those related to learning (cognitive activities)
- Impacts activities such as memory and learning, physical exercise, appetite, pain sensation, mood, as well as fertility, pregnancy and pre- and post-natal development, among others



Medical Considerations for *Cannabis*

- The ***ECS*** is the system through which (natural) endocannabinoids exert their influence.
- The ***ECS*** also mediates the main pharmacological effects of *Cannabis*.
- The *Cannabis*-derived *phytocannabinoids* mimic the effects of the *endocannabinoids*, with the two main ones influencing euphoria and well being (THC); and appetite, pain management and functioning of the immune system (CBD).
- Others (less studied) likely to have similar mimetic effects



Basic Components of *Cannabis*

- *Cannabis* (Ganja) consists of two main classes of components: **cannabinoids** and **terpenes**
- The cannabinoids have been identified as the constituents that have the main psychoactive and medicinal properties
- Typically, when medicinal *Cannabis* is discussed, mainly **Cannabidiol** (CBD) and (for contrast) **Δ^9 Tetrahydrocannabinol** (THC) are discussed.



Basic Components of *Cannabis*

- However, there are more 100 cannabinoids in *Cannabis*, some of the major ones being:
 - *Cannabigerol* (CBG)
 - *Cannabichromene* (CBC)
 - *Cannabigerivarin* (CBGV)
 - *Tetrahydrocannabivarin* (THCB)
 - *Cannabidivarin* (CBDV)
 - *Cannabichromevarin* (CBCV)
 - *Cannabinol* (CBN) – trace amounts (THC by-product)

As well as:

- *Cannabidiol* (CBD)
- **Δ^9 Tetrahydrocannabinol** (THC)



Basic Components of *Cannabis*

- The most heavily researched and applied for medicinal uses is CBD which is used for:
 - treatment of patients *undergoing chemotherapy*
 - *pain relief*
 - *epilepsy* (e.g. from Charlotte's web)
 - *anti-inflammatory* (could help with *Chron's disease*, *rheumatoid arthritis* and *multiple sclerosis*, among others)
 - *anticonvulsive* (*epilepsy*); *reduces ocular tension* (*glaucoma*); *stimulates bone growth*.



Basic Components of *Cannabis*

- Research has shown that Cannabinol (CBN), for example, is
 - the most sedative and helps with *insomnia*, *sleep apnea* and *other sleep disorders*
 - effective in *pain relief* in a manner synergistic to CBD
 - anti-inflammatory (could help with *Crohn's disease*, *rheumatoid arthritis* and *multiple sclerosis*, among others)
 - anticonvulsive (*epilepsy*); *reduces ocular tension* (*glaucoma*); *stimulative of bone growth*; *antibiotic*.



Setting up the Jamaican Industry



Timelines in Jamaica

- DDA Amendment Act gazetted in April, 2015
- CLA Board Appointed end May, 2015
- First meeting June 1, 2015
- Consultants contracted in June, 2015
- Final Report received in September, 2015
- Outline of regulations in process in October, 2015
- Process towards drafting started in Nov., 2015
- Drafting Instruction on January 25, 2016
- Regulations (inc. *licenses*) ready, **February, 2016**
- First licence issued **18 October 2017**



Guiding Principles of the Cannabis Licensing Authority



CLA Guiding Principles

The main focus of the CLA is to foster the growth, development and orderly regulation of a legal marijuana (ganja) and hemp industry in Jamaica, including the use of the plant and/or derivatives thereof for medical, therapeutic and scientific purposes. This must be done consistent with Jamaica's international treaty obligations regarding the cultivation, production, use and export of narcotic substances.

The Dangerous Drug (Amendment) Act (DDA Act) 2015 gives the CLA the power to issue such licences, permits and authorizations, as may be appropriate, for the handling of hemp and marijuana (ganja) for medical, therapeutic or scientific purposes. The CLA does not have jurisdiction over religious use of ganja, but rather this remit falls to the Ministry of Justice.



CLA Guiding Principles

Marijuana (defined as *Cannabis sativa* with THC levels in excess of 1%) remains an illegal drug in Jamaica, a status which has not been changed under the DDA Act.

The CLA recognizes, respects, will actively seek the counsel of and will seek to protect the rights of, persons who have been long standing advocates for and the pioneers in the development of legal marijuana and hemp industries in Jamaica, including small farmers. This is recognized by the representation of these interests on the Board.



CLA Guiding Principles

The CLA recognizes the unique contribution and cultural and historical legacy of Rastafarians to the development of the industry and will work closely with their representatives and the Jamaica Intellectual Property Office (JIPO) in supporting the protection of their cultural identity as the industry develops and grows. This is reinforced by the presence of their representatives on the Board as members of civil society.

In guiding the development of the marijuana industry, the CLA will place primary focus on strains and cultivars that are indigenous to Jamaica, for which the country can claim intellectual property rights and can leverage the advantages of its global brand recognition.

CLA Guiding Principles

The CLA is strongly against the use or handling of marijuana by children, teenagers, adolescents and at-risk adults given the well-known and scientifically established potentially negative effects of the drug on physical and mental health. In this regard, the CLA fully subscribes to, endorses and will actively support initiatives of the National Council on Drug Abuse (NCDA) to educate at risk groups about the potential negative effects of the drug. This support is also consistent with Government's obligations to fund activities of the NCDA and is recognized by a position on its Board being reserved for the NCDA.

CLA Guiding Principles

The CLA is cognizant of parallel frameworks that may need to be developed and implemented to form comprehensive guidelines for the industry. These, however, may fall outside of the remit of the Authority, as stated in the DDA Act, and will be considered if they impact those areas of the industry under the CLA's regulatory control.

Considerations



Two-Tier Regulation Development

- Interim Regulations (February 2016):
 - Governs licensing regime: types of licences, forms, fees, terms and conditions, revocation/suspension, etc.
 - Covers cultivating, harvesting, transporting, **manufacturing**, retailing (teahouse and therapeutic), and importing
 - Code of practice for licensees
 - Transitions entities now governed by the MSTEM Orders
- Comprehensive Regulations (April 2016):
 - Covers the regime for all licences – updates the interim regulations as necessary, also includes renewal process
 - Full processing standards, including packaging and labelling
 - Intellectual property considerations
 - Tax regime



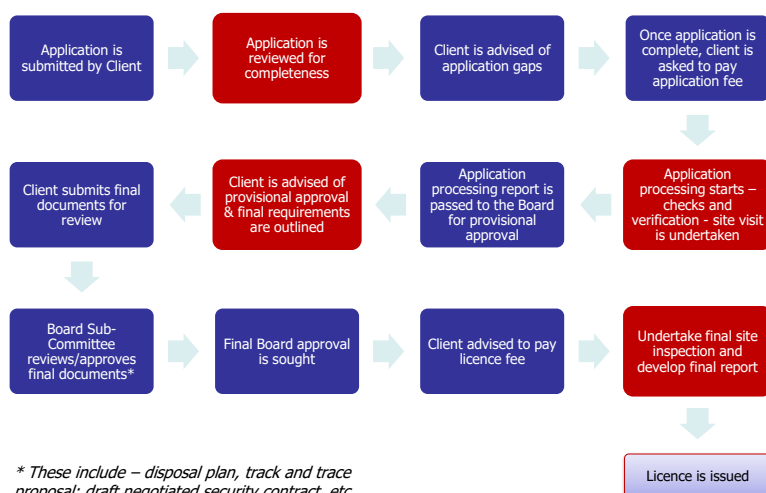
Types of Licenses

- Cultivator Licences
 - Under 1 acre
 - 1-5 acre
 - Over 5 acres
- Transportation Licences
- Retail Licences
 - Pharmacy/Dispenser
 - Tea-House
 - Therapeutic
- Manufacturing/Processing
 - Tier 1 – under 2,000 sq. ft.
 - Tier 2 – over 2,000 sq. ft.
- Research and Development
 - Experimental
 - Analytical
- Import
- Export

N.B. Items in burgundy will be handled in the comprehensive regulations



Application Processing



** These include – disposal plan, track and trace proposal; draft negotiated security contract, etc.*





Lessons Learned from the Jamaican Experience to Date



Additional Information and Decisions Needed for Optimal Start-up and Operations



Additional Information: Security

- Proposed a 24 hour multi-layered security system
- Monitor operations 24/7 as is done in Colorado; elsewhere
- Required specially trained inspectors and staff, some with forensic investigative capabilities
- Needed to be able to do inspections anywhere; anytime
- *Staffing, adequate resources* available when and as needed and *a suitable location* are critical to proper start-up and operations.
- **These were non-negotiable requirements**



Additional Information: Demand

- International Narcotics Control Strategy Report (ICNSR) 2015 – 37,000 acres of ganja in Jamaica;
- Estimated supply – 25,000 MT (BOTEC)
- Domestic demand is only 200-300 MT (about one tenth (10%) of the current domestic supply)
- Basically an export industry.
- Temper expectations for transit from illicit to licit
- **Best immediate opportunity – domestic consumption of medical marijuana by visitors**
- **Maybe US\$1-2M in direct sales; US\$4M in permit fees by 2020; US\$20M multiplier**



Decisions to be Taken

- Was the intention of the law that persons would be able to import marijuana products (>1.0% THC) in keeping with a medical prescription?
- What about raw material? (Refer to 7A(4) of the DDA)
- The CLA proposed to administer the Medical permit on behalf of MoH and remit all funds due them.



Decisions to Be Taken

- The CLA proposes a completely integrated, cashless system of transactions for the entire industry.
- *It would need therefore to be the single entity handling all transactions on behalf of all ministries involved.*
- It would also need to have direct control of the finances, and intends to automatically remit to the respective Ministries and agencies, those funds to which they are entitled.



Decisions to Be Taken

- **Sacramental Rights – How will this be treated**
- **Transportation**
- **Edibles****
- **Are we going to decriminalize? Legalize? Do nothing?**



Cannabis Industry in Jamaica - Update

- The Cannabis Licensing Authority (CLA) has received 524 applications (at last check);
- Licenses issued: 22
- Categories:
 - Retail: 4
 - Growers (All Tiers) 13
 - Total Issued 22
- CLA's Export License not yet drafted but **2 sets of exports done** of **CBD products**



Cannabis Industry in Jamaica - Update

- Ministry of Health (MOH), Ministry of Science Energy and Technology (MSET) and Ministry of Industry, Agriculture and Fisheries (MICA) all involved
- Overlaps not clarified
- Needs attention: Analytical framework, Security Infrastructure, Enforcement, Financial, Communication & Extension of Support to Traditional Farmers & Sacramental Growers



Considerations for Medicinal *Cannabis*



Considerations For St. Kitts & Nevis

- Make use of the opportunity
- Don't allow the benefits to be derived only by others
- Not widespread
- Consider driving and impact on acuity – must be tested
- How is growing controlled?
- Fully consider the medical benefits
- Think about controls on smoking in enclosed and public spaces
- Decriminalizing vs. legalization – impact on society



Market Considerations for *Cannabis*

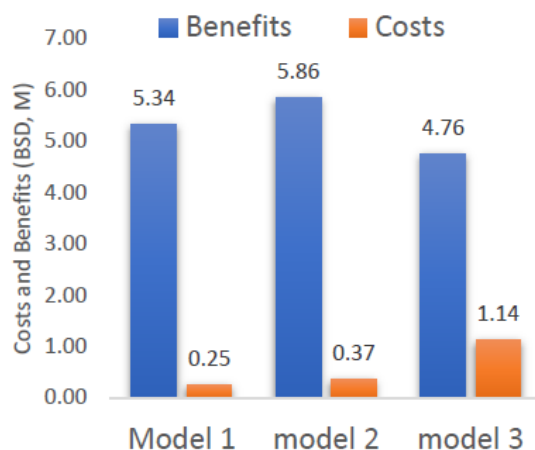
- Import or Grow Locally?
- Hemp and/or marijuana?.
- How will we regulate it? What is the structure of the national system going to look like?
- Are we going to decriminalize? Legalize? Do nothing?
- Expungement? Criteria?
- Incoming tourists/visitors or exports?
- Infrastructure to support this



Summary of Legalization and Decriminalization Experiences			
Area of Impact	Impact		
	Model 1	Model 2	Model 3
Adult Prevalence	↑ 0.03% points, over the first 6 years of decriminalization (PRT) ↑ 10 % points (14-40) over 20 years (AUS).	↑ 7.5% in by the second year of legalization: Habitual users (URY). ↑ 16.7% between 2001 and 2014: marijuana smoking prevalence (URY).	↑ 2.58% points between 2012 and 2014 (WA). ↑ 4.52% points between 2011 and 2014 (CO).
Youth Prevalence	↑ 5.69% points (16-18 years) in the first 4 years of decriminalization (PRT).	↑ 8.6 % points between 2001 and 2014, 1 year after legalization (URY).	↑ 9.45% (12-17 years) in 2012 to 10.06% in 2014 (WA). ↑ 10.57% (12-17 years) in 2012 to 12.56% in 2014 (CO).
Vehicular Accidents/ Fatalities	↑ 190 percent: the number of fatal accidents where the driver tested positive for marijuana. (Various US States).	↓ 4.51% between 2011 and 2015, 2 years after legalization: Vehicular accidents (URY). ↓ 5.11%, 1 year after legalization: Traffic fatalities (URY).	↑ 105%, from 10.8% in 2013 to 22.19% in 2014, the year of legalization: proportion of traffic fatalities where driver tested positive for recent marijuana use (WA). ↑ 300% from 2% in 2013 to 8% in 2014: proportion of traffic fatalities where driver tested positive for recent marijuana use (CO).

Summary of Legalization and Decriminalization Experiences			
Area of Impact	Impact		
	Model 1	Model 2	Model 3
Black Market		<ul style="list-style-type: none"> 60% of marijuana consumed was bought in the black market in 2014, 1 year after legalization (URY). 	<ul style="list-style-type: none"> The black market makes up between 35 and 50 percent of the total marijuana market (WA). And about 30 percent in Colorado. In Oregon, large quantities of legal marijuana are funneled out of the state through the black market.
Gov't Revenues	↓ 1.9% law enforcement expenditure (MA).	<ul style="list-style-type: none"> Marijuana activity fees: US\$128,192 in 2016. Projected to reach US\$665,412 by 2019 (URY). Estimated license fees of US\$1.3 million between 2017-2019 (URY). 	<ul style="list-style-type: none"> US\$102.3 million (2014/2014) and US\$156.7 million (2015/2016): revenues collected from sale and excise taxes (CO). US\$65.7 million (2015, US\$189.2(2016) US\$319.1(2017): tax revenues collected (WA).
Cost of Implementation/Enforcements		<ul style="list-style-type: none"> Cost of running IRCCA was US\$650,000 in 2016 and estimated to grow to US\$1.2 million by 2020 (URY). 	<ul style="list-style-type: none"> US\$ 5.1 million (2014/2015), US\$ 8.06 million (CO) US\$34 million, US\$42 million in 2016 and 2017, resp. (WA) .

Cost/Benefit Projection for The Bahamas



Options for Treating with *Cannabis* in the Current Global Dispensation



Possibilities for Medical *Cannabis* in SKN

- The potential for application of *Cannabis* for medical uses is rapidly growing worldwide
- Potential road blocks are clearing rapidly:
 - The DEA in the US has recently moved a Cannabis-derived drug to Schedule 5 (from Schedule 1) – admitting no risk for addiction or money laundering



Vision and Operation of Jamaica's Cannabis Industry

*ANDRÉ GORDON, Ph.D., CFS
Founding Chairman,
Cannabis Licensing Authority
Jamaica*



Vision

- Multiple farmers will supply different varieties to a Tea House or Therapeutic Centre
- Small farmers use industry best practices to grow various indigenous cultivars of ganja to deliver specific benefits to their target market.
- Every farmer has a specific market that will pay him a good price from his crop
- Farmers earn 5-10 times current from the new industry



Vision

- Jamaica is world renowned for as a therapeutic centre offering cutting edge therapies for a range of illness using ganja
- Entire communities will develop community-based tourism experiences, *including* therapeutic centres and teahouses for a growing number of visitors
- Integrated experiences capturing real community life: hiking, trails, therapy and relaxation



Vision

- Therapeutic Centres offer a variety of experiences treatments, baths, massages, etc. for which visitors pay premium prices – branded and marketed globally (Negril experience)
- Tea Houses offer a unmatched but varied experiences for visitors – branding their offerings and partnering with specific farms
- Traditional breeders in demand for high value, IP protected varieties



Vision

- Jamaica is the repository for traditional knowledge on ganja and its application to treat a range of illness – The world's leading biotechnology and wellness firms flock to Jamaica to set up research centres to benefit from this knowledge, our indigenous strains and locally developed therapies



Vision

- Local and international firms will undertake cutting edge research in facilities located not only in Kingston but geographically diverse, according to the ease of access of certain strains
- Jamaica produces a range of high value treatments, nutraceuticals, pharmaceuticals and herbal products from ganja (including hemp)



Vision

- Jamaica has developed a hemp industry selling high value clothes and other finished goods, branded and made in Jamaica for export to the World, in a manner similar to Sea Island Cotton; IP important
- The Rastafarian community (as a whole) and individual members thereof have created the kind of wealth Indian communities in the US are doing now by leveraging their brand into a range of products for which the consumer pays a good price.



How The CLA was Expected to Operate to Support This



Operations

- Fully technology enabled operations with all media channels operational and fully manned
- Calls responded to within 5-24 hours
- Specially trained staff working closely with key government and other partners provide unparalleled, transparent, efficient service
- Completely cashless transactions with automatic remittance to respective entities
- Fully enabled, automatic system for generation of real time reports for INCB, Financial authorities, etc.



Operations

- *Staffing, adequate resources available when and as needed and a suitable location*
- World-class offices and facilities
- Active Research and Industry development/liaison function

Security

- A 24 hour multi-layered security system
- Will monitor operations 24/7 as is done in Colorado; elsewhere
- Specially trained inspectors and staff, some with forensic investigative capabilities
- Needs to be able to do inspections anywhere; anytime
- Immediate uploading of reports or available within 8 hours
- Reports available from system.



*Our options are limited only
by our vision*





The Essence of Survival

"Every morning in Africa a gazelle wakes up. It knows it must run faster than the fastest lion or it will be killed. Every morning a lion wakes up. It knows it must outrun the slowest gazelle or it will starve to death. It matters not whether you are a lion or a gazelle. When the sun comes up you'd better hit the ground running".





~ THANK YOU ~

OPEN DISCUSSION