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UPDATE ON CANNABIS LEGALIZATION IN CANADA



Update on cannabis legalization in Canada

CICAD Panel 10: “Control, legislation and regulation of access to cannabis: developments and experiences”

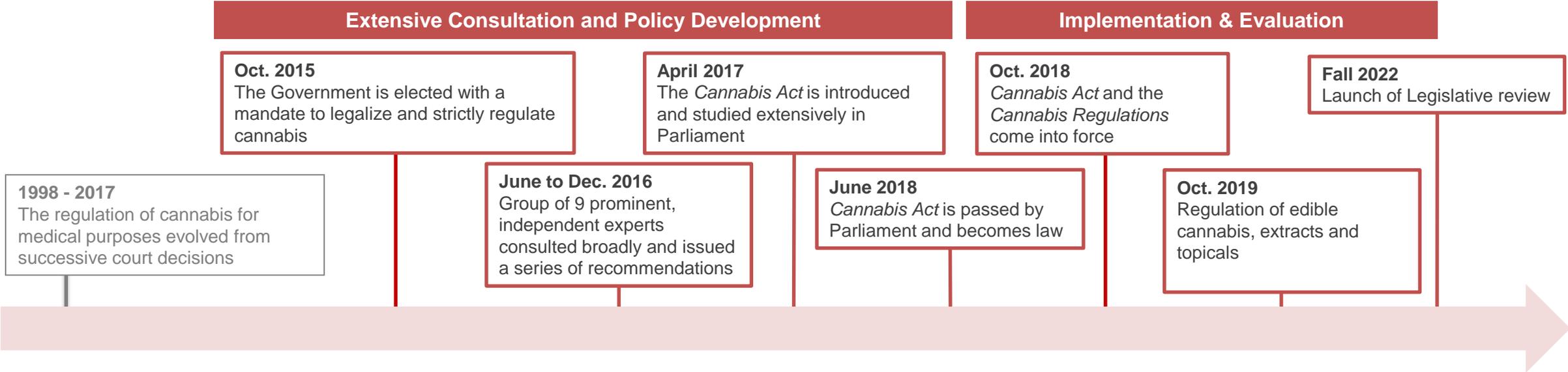
Friday November 11, 2022



Purpose

- Provide a recap of Canada's path to legalization;
- Highlight key legislative features and measures of Canada's legal framework;
- Share early evidence and trends observed in Canada; and,
- Identify areas of continued interest and effort

Canada's path to legalization and regulation



CANADA'S LEGAL FRAMEWORK

The *Cannabis Act*: An overview

The *Cannabis Act* was designed to address two key factors:

Persistently high rates of cannabis use, particularly among youth and young adults



Reported cannabis use in the past year

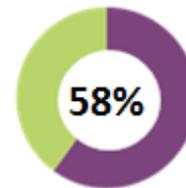
(Canadian Tobacco, Alcohol and Drugs Survey, 2017)

A pervasive illegal cannabis market present in communities throughout the country



Illegal market for cannabis

(Cannabis Economic Account, Q3 2018)



55,000 of 95,400 police-reported *Controlled Drugs and Substances Act* offences were cannabis-related

(Canadian Centre for Justice Statistics Juristat, *Police-reported crime statistics in Canada*, 2016)

The *Cannabis Act*: A public health approach

Canada has adopted a public health approach which shifts the focus from criminalization to the minimization of public health and safety harms

Educate and raise awareness of health and safety risks

Prevent problematic use and promote healthy choices

Protect public health and safety by restricting access for youth and strictly controlling the cannabis supply chain

Monitor cannabis use patterns and industry compliance

The *Cannabis Act*: An overview (cont'd)

Taking a public health approach, the *Cannabis Act* creates a control framework designed to:

Restrict youth from accessing cannabis

- Youth under 18 years of age are prohibited from accessing cannabis
- Protects young people and others from advertising, promotional activities and enticements to use cannabis

Control access to cannabis for adults of legal age

- Limits adult possession to 30 grams of legal cannabis products (dried, fresh, oil, extracts, topicals, and edible cannabis)
- Limits home cultivation to 4 plants per residence

Provide oversight for the operation of the legal cannabis industry

- Permits, through federal licences, the production, cultivation and processing of cannabis
- Authorizes provinces and territories to distribute and sell cannabis, subject to federal conditions

Strictly regulate the supply chain

- Provides Canadians with access to a quality-controlled supply of cannabis
- Establishes strict product quality requirements (e.g., production standards, testing)
- Safeguards the integrity of the supply chain (i.e., Cannabis Tracking and Licensing System)

Establish strong penalties to protect public safety

- Creates new cannabis-related offences with serious penalties (i.e., selling cannabis to youth)
- Deters illegal activities through sanctions and enforcement measures

Key measures to minimize harms

- Public health controls in the *Cannabis Act* were informed by lessons learned from the regulation of other substances (e.g., alcohol and tobacco)
- Cannabis products
 - Delta-9-tetrahydrocannabinol (THC) limits for certain classes of cannabis products
 - Products and accessories must not have a form that appeals to youth
- Promotion
 - Promotion that is appealing to youth is prohibited
 - Restricted to informational promotion and limited brand-preference promotion to adults only
- Packaging and Labelling
 - Products must have plain, child resistant packaging with limited branding that does not appeal to youth
 - Labels must have a health warning message, standardized cannabis symbol, and the amounts of THC/cannabidiol (CBD)
- Age restriction
 - The federal minimum age for possession was set at 18
 - Provinces and territories can increase the minimum age in their jurisdiction
 - Most set minimum age at 19, except for AB (18) and QC (21)

Roles and Responsibilities – Federal partners

The cannabis file is primarily a public health and public safety responsibility; however, other departments have reflected changes in their mandates.

Public Safety	
<p>Public Safety Canada</p> <ul style="list-style-type: none"> Public education/awareness; funding provinces/territories to enhance law enforcement training (Drug Recognition Expert (DRE) and Standard Field Sobriety Testing (SFST) and purchase devices; no cost, expedited record suspensions for simple possession of cannabis; leading federal, provincial and territorial actions to disrupt illegal online sales 	
<p>Canada Border Services Agency</p> <ul style="list-style-type: none"> Traveler awareness; point of entry processing; prevent/interdict cross-border movement of cannabis; training (e.g. SFST) for officers 	<p>RCMP</p> <ul style="list-style-type: none"> Criminal Enforcement of the Cannabis Act; collects/analyzes intelligence on illegal market/organized crime; security screening reports for HC; prevention and outreach activities
Public Health	
<p>Health Canada</p>	
<p>Canadian Institutes of Health Research (CIHR)</p> <ul style="list-style-type: none"> Funds research to address knowledge gaps and provides the evidence-base for Federal, Provincial and territorial policy 	<p>Public Health Agency of Canada (PHAC)</p> <ul style="list-style-type: none"> Provides public health knowledge translation and public education
<p>Indigenous Services Canada (ISC/CIRNA)</p> <ul style="list-style-type: none"> Indigenous health services; land management economic participation; community governance; engagement 	

Roles and Responsibilities – Provincial, Territorial and local governments

Flexibility to establish more stringent controls on access

- Increase minimum age beyond 18
- Lower the possession limit
- Create additional rules for growing cannabis at home

License and oversee distribution and retail sales, subject to federal conditions

- Limits on promotion and advertising
- Fact-based health and safety information for consumers, supported by trained staff
- Retailers and distributors subject to penalties for operating outside of the legal system

Authority to enact additional rules to protect public health safety

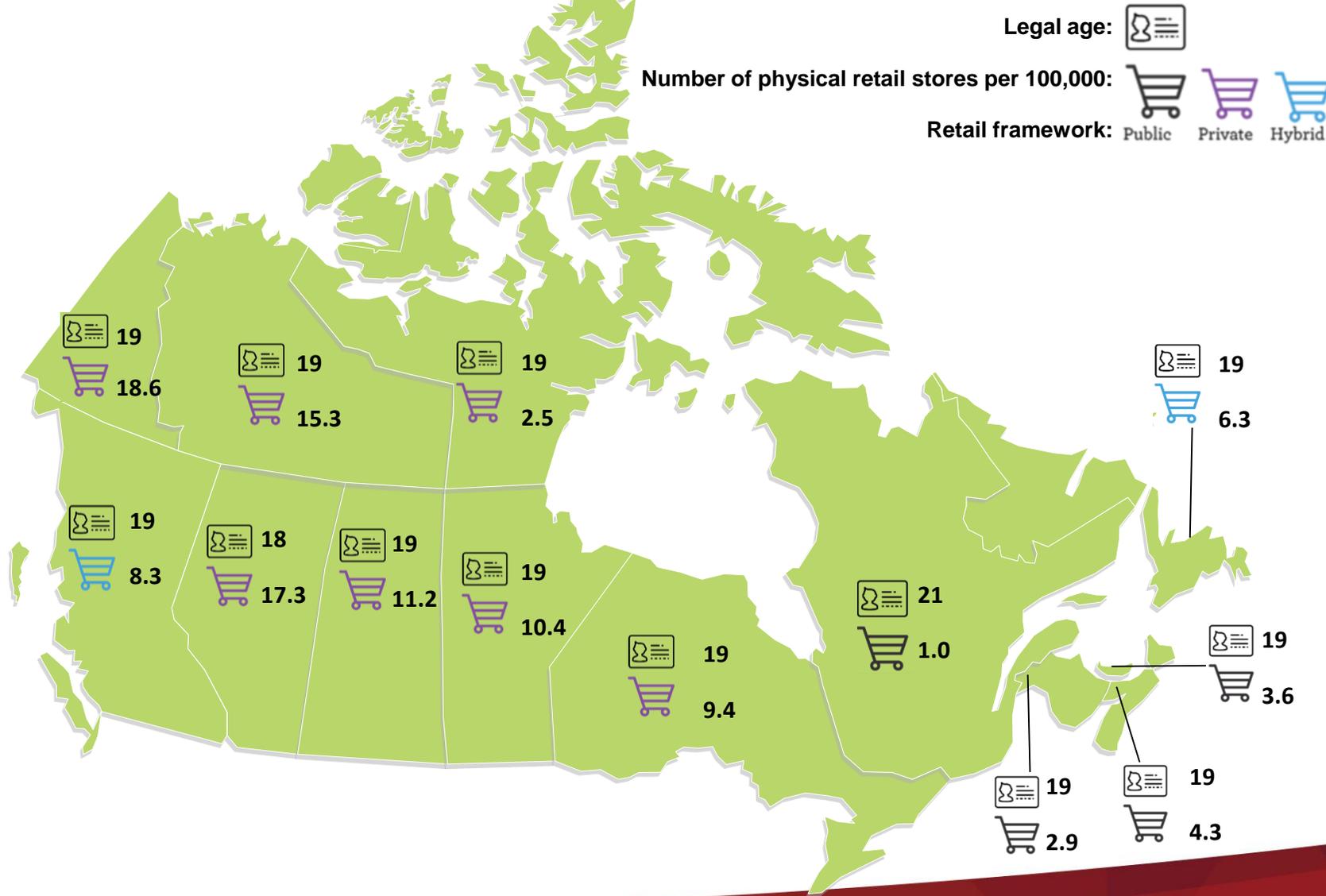
- Restrict places in which cannabis could be consumed
- Legislate/regulate to protect public health within areas of jurisdiction

Local governments/municipalities responsible for developing rules

- Zoning, public consumption, by-law and administrative enforcement, fire prevention, health and education, communications and public engagement

Implementation: Provincial and Territorial Regimes

- A range of private, public, and hybrid distribution and retail models are in place across the country
- Physical retail stores and online sales outlets are available in each of the 13 provinces and territories, providing wide access to cannabis for adults

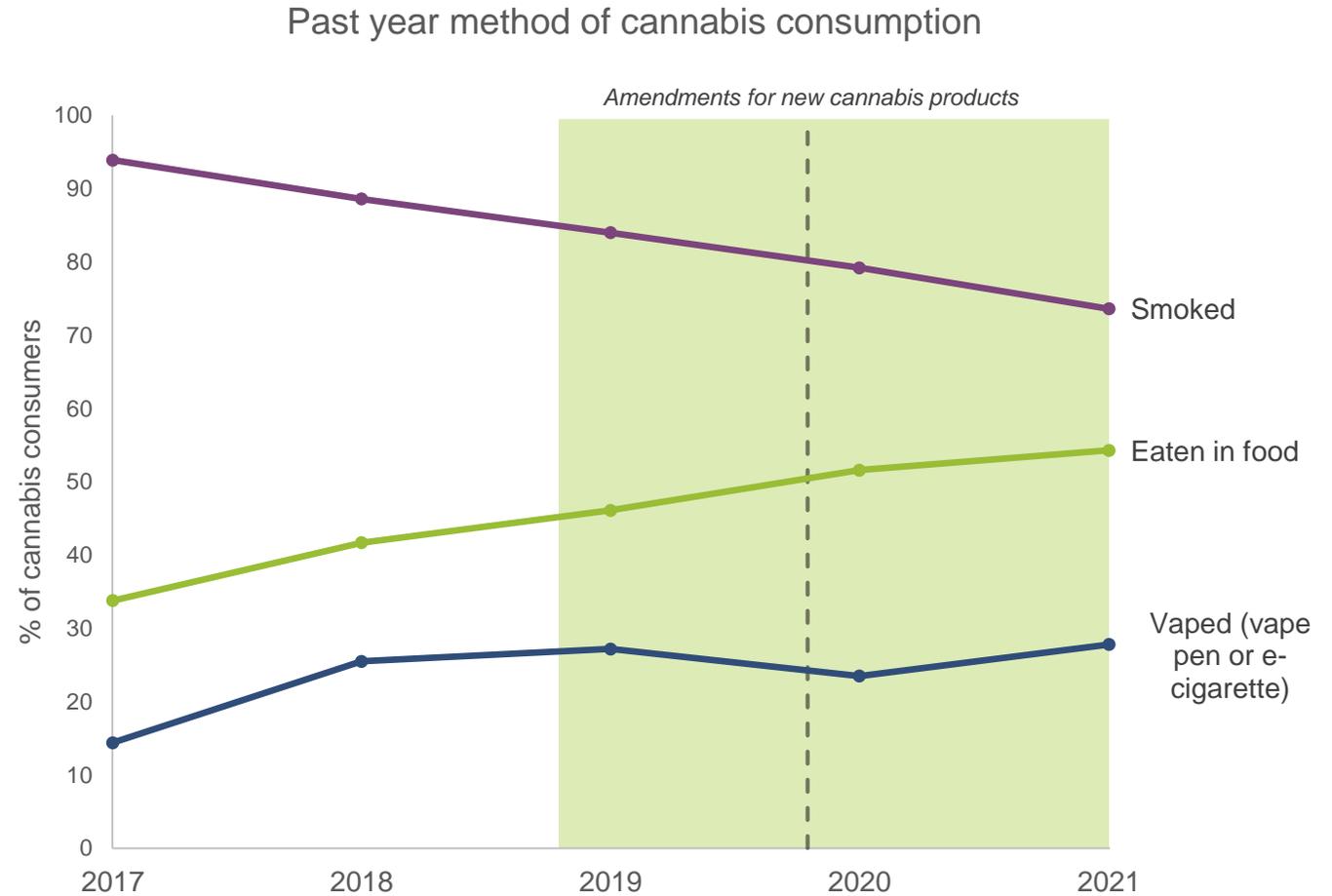


Source: Cannabis Tracking System

EARLY RESULTS

Consumers are shifting to lower-risk cannabis products

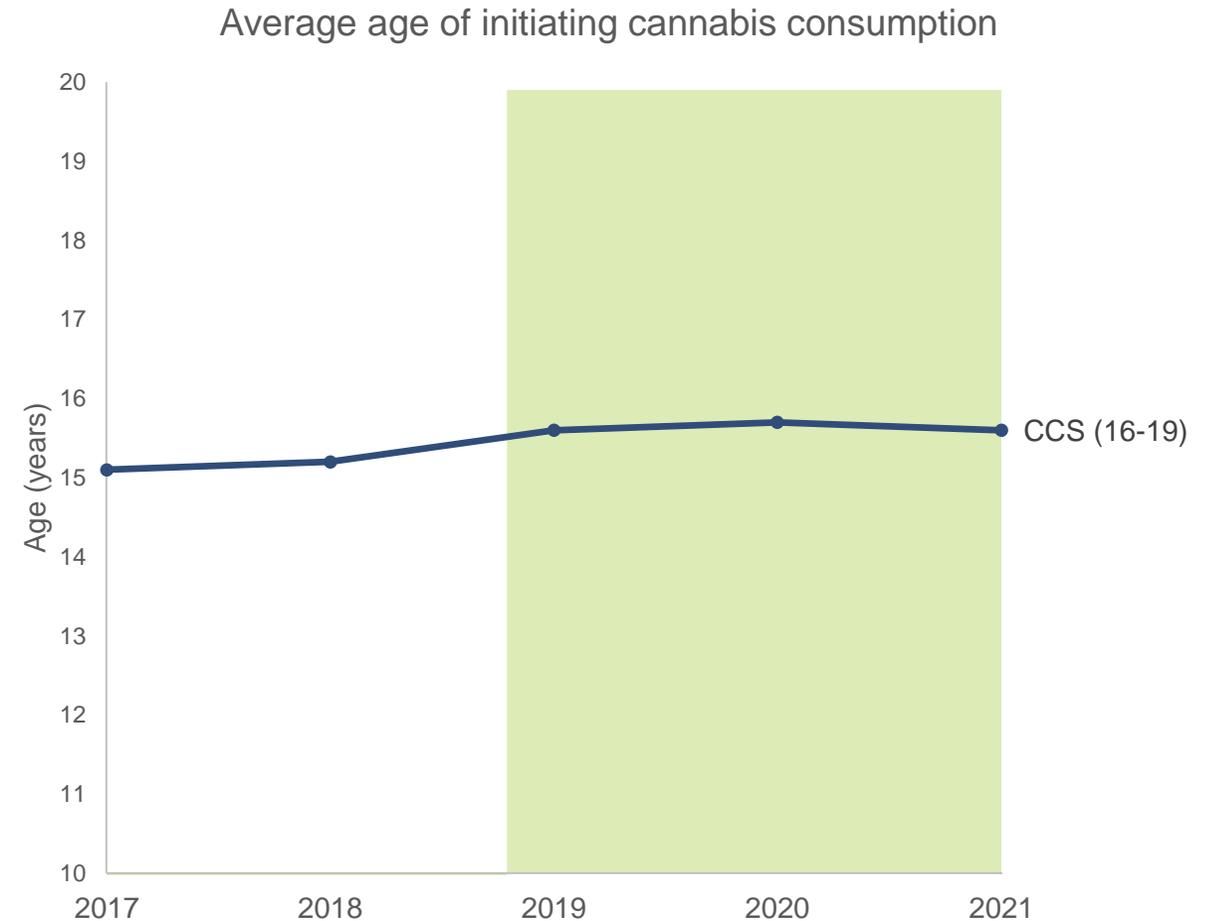
- Smoking remains the most common method overall, and is the most common method for frequent use (daily or near daily)
- Survey data points to a shift from smoking cannabis to ingesting it, and from commonly smoked products (e.g., dried cannabis, hash) to edible cannabis



Source: Canadian Cannabis Survey (2017-2021)

The rate of cannabis use among youth and the average age of initiation has not changed

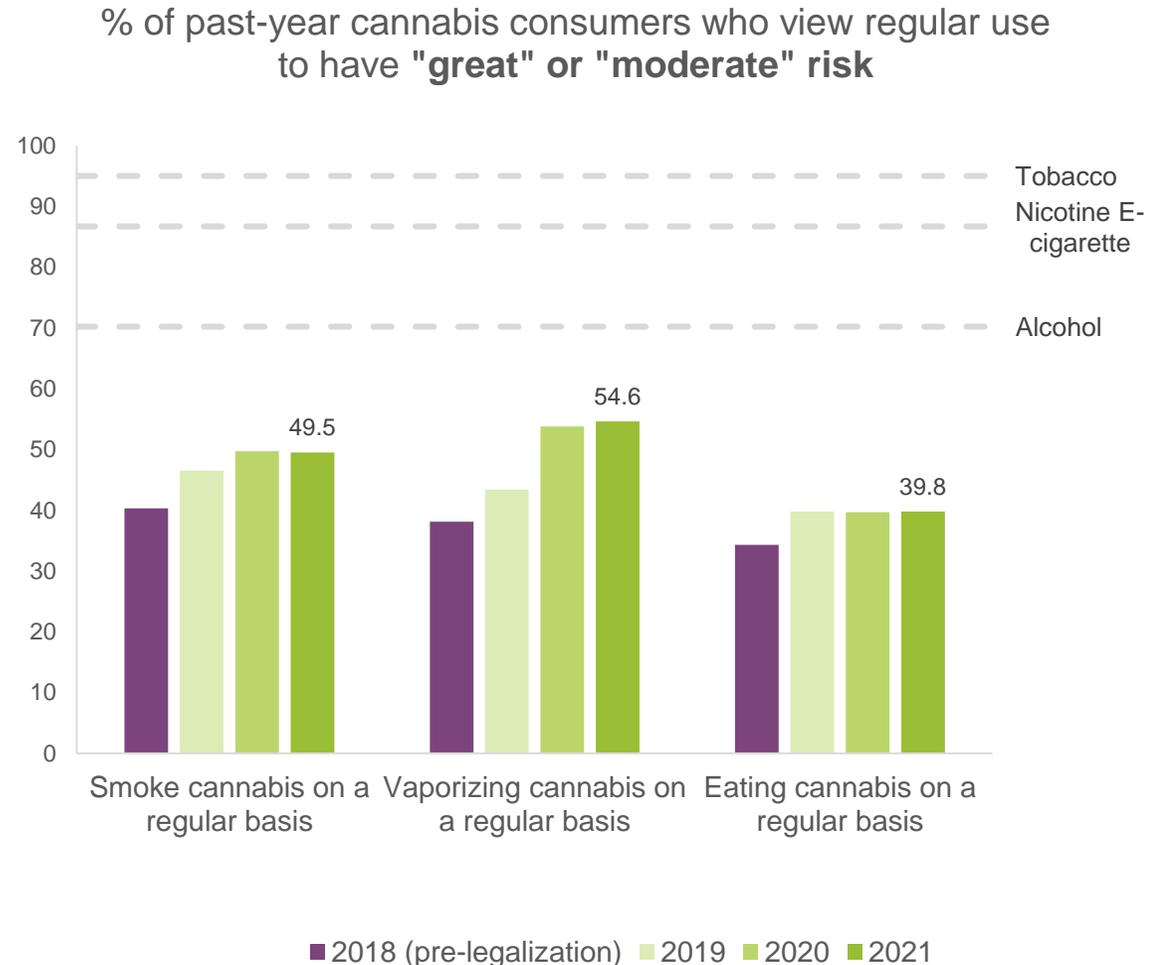
- Cannabis use remains higher among youth and young adults (aged 15-24) than in older age groups
- Youth rates of use have not followed the upward trend observed in the general population and have remained relatively stable
- The proportion of frequent use also remains unchanged, although the prevalence of daily or almost daily use among young adults is almost double that of the general population



Source: Canadian Cannabis Survey (2017-2021)

Cannabis consumers increasingly believe that regular use has risks

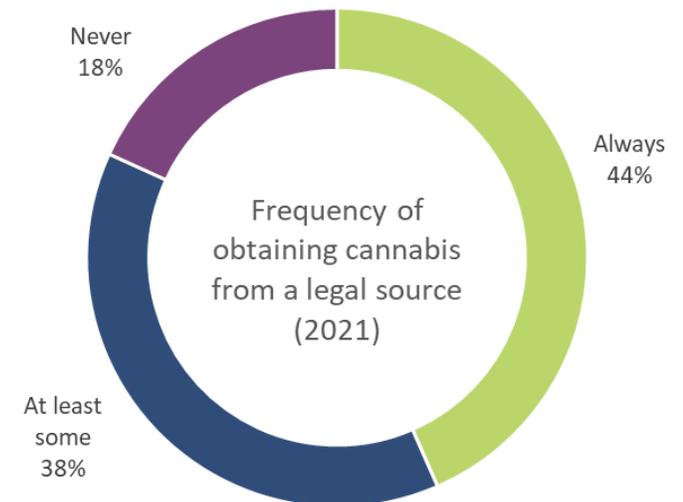
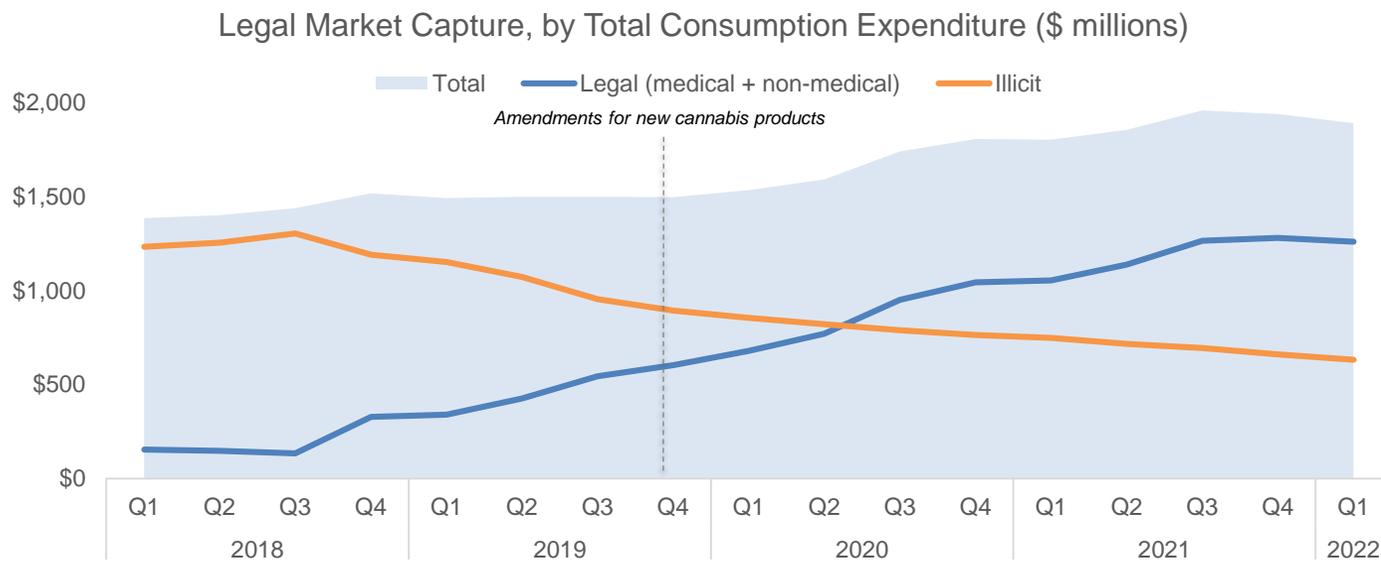
- Relative to 2018, more Canadians who had used cannabis in the past year believed that regular cannabis use has “moderate” or “great” risk
- Cannabis is viewed as having less risk than alcohol, tobacco and e-cigarettes
- Risk perceptions related to cannabis use have been fairly stable among non-consumers
- Among youth, around 1 in 10 students in grades 7-12 believe there to be “no risk” associated with regular cannabis use



Source: Canadian Cannabis Survey 2018-2021 and Canadian Student Tobacco, Alcohol and Drugs Survey 2018-2019

Legalization's impact on combating the illegal market

- Survey and market data indicate a substantial shift from the illegal market to the legal market
- Since the coming into force of the *Cannabis Act*, Statistics Canada estimates that the legal share of household consumption expenditures on cannabis increased from 21.6% to 69.1%
- There are still areas of concern regarding illegal cannabis activity, especially illegal online sales, and increases in cannabis interdictions by the Canada Border Services Agency



*[Statistics Canada Household Consumption Expenditure](#). Note that household consumption expenditure includes sales taxes as well as the value of home production so the figures may not align perfectly with data reported in the Cannabis Tracking System.

**[Canadian Cannabis Survey, 2021](#)

CONTINUING EFFORTS

Public Education and Awareness

- In preparation for legalization, and in the early days after the Act came in to force, Health Canada has communicated extensive information about cannabis to make Canadians aware of the risks associated with cannabis use, and to support informed choices including ways to prevent problematic use:
 - Paid advertising focusing on lower risk use of cannabis for adults and impaired driving
 - Videos featuring information about the amended regulations and health and safety facts about the new products
 - Consumer Information Sheet, which must be available at point of sale
 - Mandatory health warning messages, which must be displayed on product packages
- However, in 2021, 39% of survey respondents said they did not notice any education campaigns or public health messages, compared to 24% from 2019, indicating the need for sustained public education efforts
- Future campaigns could utilize a more targeted approach, focused on reaching priority audiences with evolved messaging



Source: Canadian Cannabis Survey 2019-2021

Monitoring emerging risks

Health Canada has a comprehensive set of tools to respond to new or emerging risks to public health and public safety posed by specific cannabis products

- Health Canada actively monitors available data sources and surveillance systems to identify and track emerging trends and risks with cannabis products. This data and information is obtained from:
 - Federal licence holders (e.g. notices of new cannabis products)
 - Health care professionals and hospitals (e.g. adverse reaction reports)
 - Provincial/territorial authorized retailers
 - Poison control centres
 - Consumers (e.g. complaints, adverse reaction reports)
 - Population surveys (e.g. Canadian Cannabis Survey; Canadian Tobacco, Alcohol and Drugs Survey)
 - Cannabis Tracking System data (i.e. monthly reports submitted to Health Canada by regulated parties on inventories and sales)
- In addition, licence holders who sell or distribute a cannabis product are required to report to Health Canada, through the Canada Vigilance Program, all serious adverse reactions within 15 days of becoming aware of the issue
 - Licence holders must prepare an annual summary report of all adverse reactions

What's Next

- Continued oversight on the licensed, legal supply chain
 - Considerable progress has been made in establishing a functional supply chain, continue to focus on compliance promotion across the supply chain as the market matures
- Expand targeted public education and awareness activities
 - Continue public education efforts on health effects and drug-impaired driving, focusing on youth and young adults and other priority populations
 - Expand messaging to include guidance on lower-risk use and the unique risks associated with edible cannabis, extracts and topicals
- Ongoing research, monitoring and surveillance
 - Closely monitoring the results of national cannabis surveys and other key indicators to begin to help answers questions about early impacts
 - Focusing on developing the evidence base necessary to evaluate the Canadian cannabis regulatory regime in light of its public health objectives
- Moving forward with the Legislative Review
 - The Act requires a review of the legislation to start three years after coming into force, and a report to be tabled in both Houses of Parliament no later than 18 months after the review begins
 - This review will provide an opportunity to evaluate the *Cannabis Act* against its public health and safety objectives

Questions?

Contact:

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APPENDIX

Available online resources

- The [Cannabis Act](#) and [Cannabis Regulation](#)
- [Cannabis](#): The Government of Canada homepage for cannabis. It links to information on cannabis, the process of legalization, health effects, addiction, medical use, applying for industry licenses, consumer information, market data, travelling with cannabis, talk about cannabis, and cannabis research.
- [Cannabis Stats Hub](#): Statistical information provided by Statistics Canada on matters related to health (i.e. use of cannabis by age, sex, etc.), justice (i.e. cannabis offences along with estimates of drug impaired driving), economy (i.e. household spending on cannabis), and prices (i.e. consumer price of cannabis by province and territory).
- [Cannabis Research and Data](#): The Government of Canada homepage for cannabis research and data. It links to surveys, market data, and statistics on cannabis.
- [Canadian Cannabis Survey](#) (CCS): The CCS provides detailed information about the habits of people who use cannabis and behaviours relative to cannabis use. Health Canada has published the CCS annually since 2017.
- [Packaging and Labelling Guide for Cannabis](#): This guide provides guidance and information about the packaging and labelling requirements for cannabis products under the *Cannabis Act* and *Regulations*
- [Cost recovery for the regulation of cannabis](#)
- [2020-2021 Report on Fees](#)