



On my radar: The green rush ripple effect

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April 30, 2017

Last month, news broke of the Western Cape High Court's landmark ruling, ostensibly allowing for the possession, cultivation and use of cannabis (AKA marijuana) at home, for private use, in two years' time – the time frame Parliament has to change sections of the Drug Trafficking and Medicines Control acts.

Predictably, there was a flood of reaction from South Africans: from the delighted nudge, nudge, wink, wink brigade to the outraged who felt that this would be the unravelling of society. However, this ruling was just a cog in a set of wheels that has been set in motion. The decriminalisation of the medicinal and recreational use of cannabis is sweeping around the world, and South Africa is merely following this global trend.

In February, Parliament had already given the (ahem) green light for the manufacture of cannabis for medicinal use in another watershed ruling, and one that usually precedes the eventual decriminalisation of recreational use.

Opponents of decriminalised cannabis should consider the other aspects of this new industry. It's not just for people wanting to smoke and chill. Since the decriminalisation of cannabis in other countries, specifically in America, an entirely new industry is rising: one that has created jobs and generated tax revenue, as well as spawned new products, ranging from medicinal to cosmetic.

Dagga products

Take, for example, a new female-focused cannabis brand called Foria. They produce Foria Relief suppositories, specifically designed to ease the symptoms associated with menstruation. The suppositories contain a specially formulated blend of THC and CBD: cannabinoids which are known to relax muscles and release tension and cramping, without a psychotropic ("high") effect.

CBD For Life is another company that launched in 2016 with medicinal rubs for pain relief. It offers skincare products, including face cleansers, hand creams and eye serums. Studies have shown that cannabis has anti-inflammatory and anti-oxidant properties that can help revitalise ageing cells.

In San Francisco, a coffee company called Ritual has collaborated with Somatik – a cannabis product company – to develop a cannabis-infused, cold brew coffee that promises to give you a unique lift. This infusion is available from licensed cannabis dispensaries as well as from a

delivery service called Cannvis. And therein lies one of the biggest opportunities in The Green Rush: the merging of an unstoppable on-demand economy, with a cannabis economy – think UberEats but for cannabis.

Eaze is a delivery service specifically for medicinal cannabis. Last year the company received \$13m in funding, making it the fastest growing and most funded cannabis technology company.

Octavia Wellness, another start-up company, aims to introduce cannabis to the elderly population, allowing members of the online service to receive next-day deliveries and access a member-based consulting network.

If you look at the diversity of all these new companies, the opportunities that The Green Rush will provide – in terms of product development, branding, package design and services throughout this new value chain – are mind-boggling.

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Cannabis' identity has to be completely reinvented and, since there will be two distinct user streams, this doubles the opportunity. For example, creating a product (and narrative) for a grandparent easing the discomfort of glaucoma versus a product for a college student looking to enhance their experience at a music festival.

Opportunities along the “seed-to-sale” supply chain are slowly revealing themselves; from investing and financing to manufacturing and distributing, there is potential to design and create systems, services and structures that enable cannabis' path to a commercial market.

For sceptics reading this, who still believe that society will unravel, let me point you to a report released last year by the Cato Institute – a public policy research organisation – titled Dose of Reality: The Effect of State Marijuana Legalizations. The report assessed the impact of decriminalised cannabis in the various American states, and a synopsis of it reads:

“Advocates think legalisation reduces crime, raises tax revenue, lowers criminal justice expenditures, improves public health, bolsters traffic safety and stimulates the economy.

“Critics argue that legalisation spurs marijuana and other drug or alcohol use, increases crime, diminishes traffic safety, harms public health and lowers teen educational achievement.

“Systematic evaluation of these claims, however, has been largely absent. Our conclusion is that state marijuana legalisations have had minimal effect on marijuana use and related outcomes. Based on available data, however, we find little support for the stronger claims made by either opponents or advocates of legalisation. The absence of significant adverse consequences is especially striking given the sometimes dire predictions made by legalisation opponents.”

So if there is a “moral” stalemate about decriminalised cannabis, then let's look at the numbers from a tax perspective. When the state of Colorado decriminalised recreational cannabis, the new industry brought in over \$270m – in just the first quarter. New research from the American tax foundation reveals that the nationwide decriminalisation of cannabis could generate \$28bn in tax revenue for federal, state and local governments.

If we're talking about radical economic transformation in South Africa, then this is a radical industry we should be considering.