

# CLIENT ALERTS

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## North America's Next "Budding" Industry?

10.18.2018

At 12:00 AM on October 17, 2018, Green was a "GO" in Newfoundland Canada. From there, every hour, legalized marijuana went into effect across each province and territory. The Cannabis Act allows for all people 18 or older (in Quebec and Alberta, and 19 or older everywhere else) to possess up to 30 grams of legal marijuana, or "equivalent non-dried form."

Consumers won't simply be buying the marijuana for consumption like it's the 70's, or even just for use in oils. The act allows for the creation, sale, and consumption of marijuana-infused products like food and drinks.

Developing and implementing infrastructure and supply-chain channels are undoubtedly a nuanced issue in the preliminary stages of any industry – let alone a highly regulated industry. With minimal brick and mortar retailers, initial sales of Canadian cannabis will be driven primarily through online sales, which could create long-term growth opportunities for supply-chain service companies in the US interested in getting a piece of the BAKE-on.

With the marijuana industry in Canada expected to surpass \$4-5 billion, it's no secret that companies like Anheuser-Busch, Coca-Cola, and other major players have been experimenting, at least to some degree, in the infused beverage space. And, it makes sense, since many industry experts predict a \$4-5 billion Canadian market could skyrocket to \$22 billion if marijuana-infused drinks were unleashed into the market.

The fundamental issues our neighbors to the south will have to address will undeniably act as a case study for the US when its time comes, and Canada's approach will likely lay the groundwork for marijuana laws here in the US. Currently, 9 states allow for recreational marijuana, and 30 have medical marijuana laws in place. In 2017, the US marijuana market proved

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to be a \$9 billion industry. With developing infrastructure and technology coming out of Canada, the sky is the limit on how high the cannabis-market ceiling may grow.

Butzel Long's Cannabis Law Specialty Team is a cross-disciplinary group of talented lawyers, actively engaged to address the myriad of legal and regulatory issues germane to the rapidly expanding cannabis industry in Michigan and elsewhere.

Our Cannabis Law Specialty Team professionals offer a wide variety of services including:

- Entity Formation and Corporate Structure
- Licensing and Regulation
- Application Assistance
- Commercial Real Estate
- Municipal Approvals
- Government Relations
- Zoning and Land Use
- Banking and Financing
- Litigation
- Dispute Resolution
- Cybersecurity and Data Privacy
- Intellectual Property
- licensing, branding, trademark, and copyright
- HIPAA Compliance
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- Taxation (Section 280E Impact)
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- Labor and Employment
- Contract Drafting

Our attorneys have the knowledge and experience to successfully represent clients with regard to cannabis industry issues in each specialized area. Each attorney remains current with all legal developments and cases that define the boundaries of cannabis law in Michigan and beyond.

Contact a member of Butzel Long's Cannabis Law Specialty Team today.