

Seeing Green

THC420420

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\$300M+
Taxes Generated
(First Legal Year in CA)

300K+
Jobs Created
From Cannabis
Businesses
(Nationwide) <https://www.bls.gov/>

Unzipping the Benefits of Legal Cannabis

As the cannabis market is expected to reach \$26B in the United States, and \$166B globally by 2025, we look into the benefits of regulation, taxation and moderation for the American public. The dramatic growth of the market creates new jobs, generates money for city infrastructures, and allows scientific research to prove the medical properties contained in the plant. With only a few states left to give the green light for growing and cultivation, and a handful that accept recreational use, there is no slowing down for companies looking to cash in.

Growth of Cannabis in U.S. Media

The media and cannabis haven't always got along, especially after the War on Drugs made it impossible for research and independent studies to be done. Early propaganda like movies such as "Reefer Madness" in 1936, deceived the American society's views of the plant into something criminal. It wasn't until the 1970's when the term "marijuana" was created, and the plant was classified as a Schedule I drug (and still is today) alongside the worst offenders like heroin, meth, and cocaine. It was also heavily discussed in terms of drug trafficking and framed low-income, minorities to be the main users. Still, movies like "Up in Smoke" with Cheech and Chong broke the barriers of the media, and inspired other movies to follow suit. During the 1990s, there was less focus on cannabis in criminal terms and instead, articles about observing the plant for medicinal purposes increased. By the 2000s, it was hardly described in terms of drug abuse and trafficking, and movies about the stereotypical "stoner" were more normalized. Now in 2019, there are a plethora of movies and more educational TV shows.

Biggest Cannabis Economies by Country

*Based on GDP

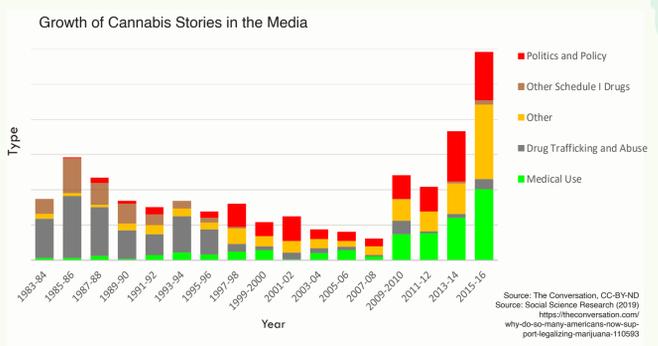
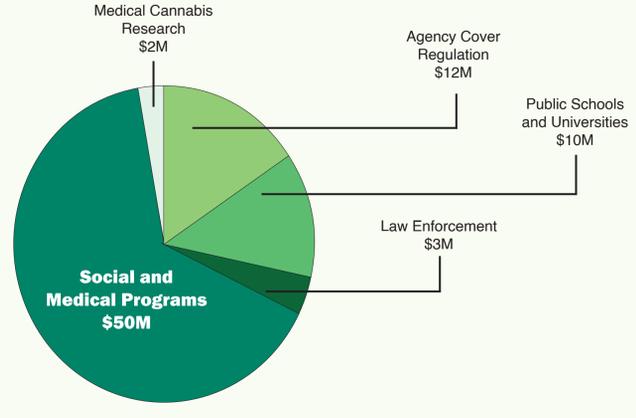
1	2	3	4	5	14
LATVIA	AUSTRALIA	CZECH REPUBLIC	SLOVENIA	NEW ZEALAND	UNITED STATES

When it comes down to which country has the highest GDP in the cannabis market, the U.S. is ranked lowest on the list with only 0.14% of combined sales generated from the plant.

- Latvia has a population of just under 2 million people, but with a whopping 0.64% of GDP. Although cannabis is unlawful to buy, sell, or produce, according to Rand Corporation Data, "...\$97 million of the plant [is generated] per year... In a country of just under 2 million citizens, that's about \$48.50 spent on pot per year for every man, woman, and child."
- In Australia, their GDP adds up to 0.47%, and roughly \$3.2B is spent annually on the plant. It is illegal to possess with punishments varying by state.
- The Czech Republic has a GDP of 0.45% from cannabis, and legalized recreational use in 2013. It is legal to possess 15 grams without risking a criminal penalty.
- Slovenia generates 0.36% GDP but possession is punishable by a fine. Recreational users turn to non-profit cannabis clubs to get their supply. In a small country of just over 2 million people, the turnover is about \$120 million.
- Lastly, New Zealand makes the list with 0.35% GDP, but getting caught with possession can land you a \$500 fine, or in prison for three months. According to the Herald-DigiPoll survey, almost 45% of locals supported legalization or decriminalization. (www.nzherald.co.nz)

Source: <https://precise cannabis.com/Post/The-4-Largest-Cannabis-Economies-in-the-World>

Most of CA's Taxes Distributed to



Harsh Criminal Justice System

"Marijuana is just a word, so it is not inherently racist, but a strong case can be made that prohibitionists specifically used the word to exploit racism and rising xenophobia."

- David Jenison (@prohibit)

In the 1980's, the War on Drugs created an imbalanced, biased opinion of cannabis in the media and aimed to incarcerate young, black, and Latino individuals. Low-level drug offenses were turned into life-long sentences that still affect people behind bars today. It wasn't until the 1990's when stories discussing cannabis in criminal terms became less prevalent. As more people started using the plant for both medical and recreational purposes, the number of people who believed the criminal justice system was too harsh also increased. Factors like politics, age, and better education have shifted the public opinion to more accepting views. Now in 2019, more than half of Americans agree the criminal justice system is too harsh, with an almost 8% increase of cannabis users since the 80s.

High Taxes & The Black Market

Legalization comes with a price, and for many individuals, that is a risk worth taking. However, taxes have reached the highest they've ever been, particularly in major states like California and Washington D.C. where city taxes can reach anywhere from 15% - 45%! For some people, it makes them wonder if they'd pay over 10% tax on alcohol or cigarettes. The issue with legal cannabis regulation is the rise of the Black Market taking back the sales from those who can't afford regular dispensary prices. The price gap causes both vendors and buyers to scramble for cheaper prices, while maintaining an increased profit (on top of the separate taxes farmers and business owners pay to operate legally.) A report from Fitch Rating warned that, "high taxes on legal cannabis will likely continue to divert sales to illegal markets."



Side Effects include:

- Elation
- Relaxation
- Sedation
- Pain relief
- Memory impairment
- Energy
- Hunger
- Drowsiness
- Increased heart rate
- Dry mouth
- Red eyes
- Slower perception of time
- Laughter
- Dizziness
- "Couch-lock"
- Anxiety/paranoia

The first step to understanding THC is to understand cannabinoids. Cannabinoids are chemical compounds found in the cannabis plant that interact with receptors in the brain and body to create various effects. Because humans (and many other animals) have receptor systems that THC binds to, we can also reap the benefits of cannabinoids for both health and enjoyment.

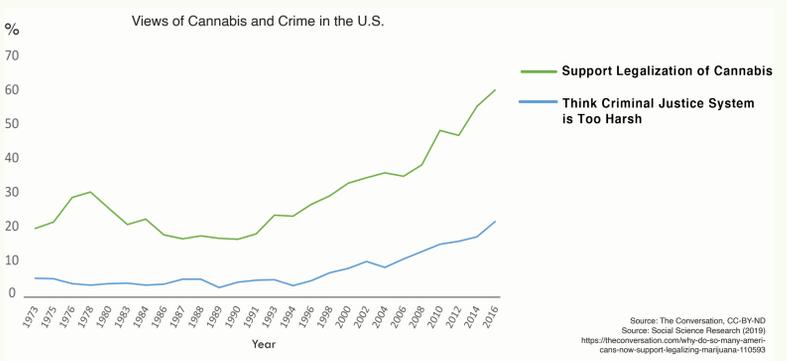
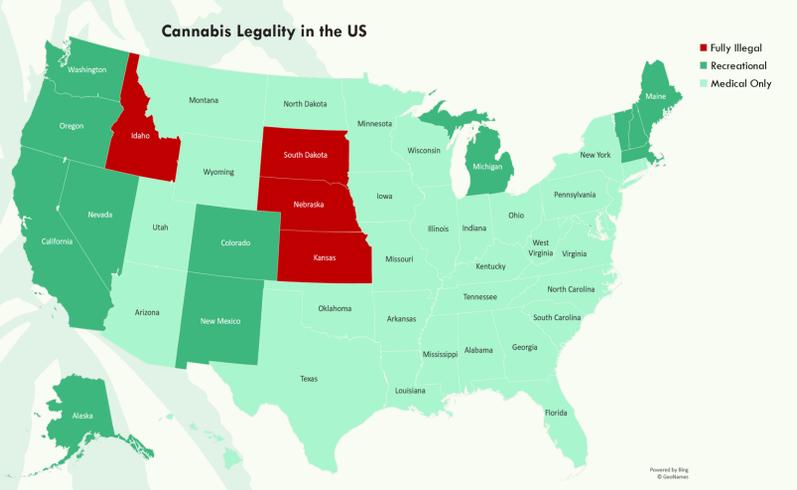
High-CBD strains tend to deliver very clear-headed, functional effects without the euphoric high associated with high-THC strains. They're typically preferred by consumers who are extremely sensitive to the side effects of THC (e.g., anxiety, paranoia, dizziness). A high-CBD strain would also be a great choice for someone needing to medicate throughout the day to control pain, inflammation, anxiety, or other chronic conditions.

Medical Effects Alleviate:

- Cancer
- Epilepsy and seizures
- Pain
- Inflammation
- PTSD
- Anxiety
- Crohn's disease
- Multiple sclerosis
- Opioid withdrawal
- Neuropathic and chronic pain
- Appetite loss
- ADHD

Legalization in the U.S. by State

This map shows the progress of legal, recreational cannabis across the states. Although cannabis support is at an all time high with more than 85% of the map approving of medicinal or recreational use, the plant is still federally illegal, and classified as a Schedule I drug alongside heroin, meth, and cocaine. States that approve the medicinal use of cannabis have THC restriction - the active cannabinoid that gets you high - and most only approve CBD, the chemical that is responsible for the medicinal benefits, such as alleviating anxiety, chronic pain, loss of appetite, and more. In 2016, an astonishing eight out of nine states voted to legalize cannabis, and in the last 2 years, the number of states have increased putting the initiative on their ballot, with only four states left to legalize it. In places where it is allowed, it is illegal to directly sell to those around you without a license, but many have opted for the "gifting option" which is much more safe, and legal. Nationally, 63% of Americans support cannabis legalization, but that number is even higher when it comes to medical cannabis- at a staggering 93% that would approve.



Source: Bureau of Labor Statistics: <https://www.bls.gov/>
Leaffy: <https://www.leaffy.com/news/industry/legal-cannabis-jobs-report-2019/>
Cannabis Price Index: <http://weedindex.ca/>
High Taxes: <https://www.bizjournals.com/sanfrancisco/news/2018/04/04/cannabis-taxes.html>
Livescience.com
Huffingtonpost.com
Digit.co