



Why Quebec's Plans for Cannabis Could Hurt Growth in the Industry

Description

As each province comes out with its plan for cannabis, it adds a little bit of complexity for companies such as **Aurora Cannabis Inc.** ([TSX:ACB](#)) and **Canopy Growth Corp.** ([TSX:WEED](#)) which have to keep track of what is and isn't allowed from province to province. However, it also brings us a step closer in the ultimate legalization of marijuana and ensures that the legalization date is still on track.

Quebec unveiled its plan for selling and distributing marijuana on Thursday, and it plans to follow a similar model to [what we saw unveiled for Ontario](#).

Government-controlled stores the only option for cannabis sales

Under Quebec's bill, cannabis will have to be sold through the government, and 15 stores are expected to be open in time for when marijuana is expected to be legalized next July. However, Finance Minister Carlos Leitao did open the door for the possibility of more stores being open, depending on how strong demand turns out to be.

This is a big contrast from what we saw Manitoba unveil, which explicitly stated it would [allow retail stores to sell pot](#).

Consumers in Quebec will also be able to purchase cannabis online, but that too will be controlled by the government.

Minimum age set to 18

The province is setting the minimum age for pot possession to be 18 years of age, and that is similar to what we've seen with other provinces, although Ontario is targeting a minimum age of 19.

Limit to carry up to 30 grams

Individuals will be able to carry a maximum of 30 grams of cannabis. In their own homes they can possess as much as 150 grams.

Zero tolerance on driving under the influence

Driving under the influence continues to be a tricky subject, and the province has said that it will go after drivers that have “any detectable presence of cannabis or any other drug in their saliva.” The caveat is that the federal government will first have to approve a technology that can carry out such tests.

One of the problems with marijuana drug testing is that it might not be very accurate; some users who may have consumed the drug days or weeks beforehand still tested positive. However, if there is a more accurate test that can be done, then this will certainly alleviate those concerns.

For now, the province is training police officers to look out for signs of marijuana use, and anyone suspected of being under the influence of pot while driving could be arrested.

What does this mean for investors?

Two of Canada’s largest provinces are now in favour of a heavy-handed approach to the marijuana industry, and that’s not going to be good for fostering growth. However, a new industry is going to be a learning process for all those involved, and just because we see restrictions in place now doesn’t mean that will be the case forever.

In the short term, investors need to curb expectations, since these highly restrictive environments will make it hard to see significant growth out of the gate, but over the long term, we could see that change.

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Date

2025/08/21

Date Created

2017/11/17

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