



## Saskatchewan Unveils its Plans for Selling Pot in the Province

### Description

Saskatchewan revealed how it plans to sell and distribute pot last week, which is great news for cannabis companies. While some provinces have looked at restrictive models where pot sales will have to go through government-run stores, [with Ontario perhaps being the most restrictive](#), others have looked at hybrid approaches where retail stores would be able to sell pot.

### Retail permits to be issued across many communities

In Saskatchewan, the province has opted for the more liberal end of the spectrum, where 60 retail permits will be issued for those looking to sell pot. Saskatoon will have room for seven retailers, while Regina will be allocated six permits. Currently, approximately 20 retailers in Saskatoon and Regina sell pot.

Wide distribution also looks promising, as any community with more than 2,500 people will be able to have a retailer for pot.

### Lottery to settle which applicants will receive permits

Those retailers looking to obtain a permit will need to first submit an application, which will then go through a two-phase vetting process. Applicants who pass the vetting stages will be entered into the lottery, where permits will be awarded at random.

The concern for cannabis companies such as Saskatchewan-based **Cannimed Therapeutics Inc.** (TSX:CMED), is that it could potentially be left without a permit, especially given the rising popularity of cannabis and the number of people who are vying to sell it. However, a big reason that the province has gone this route is the simplicity and assurance that it can be done in a timely manner.

The federal government has long been criticized for its efforts to rush through the legalization of marijuana (slated for this coming summer), despite numerous issues that have been raised and concerns that there isn't enough time to get everything ready.

## Minimum age still to be determined

While the province released most of its plan, it didn't specify a minimum age that would be required for cannabis use. However, it will likely be in line with other provinces, where the minimum age is either 18 or 19.

## What does this mean for investors?

Saskatchewan's private model looks to be the most favourable one for companies looking to sell pot. The frustration for companies like Cannimed and **Canopy Growth Corp.** ([TSX:WEED](#)) is that other provinces have not followed suit.

With no definitive answer as to which company will be given a permit, it isn't good news for any one cannabis company, but being able to facilitate growth in the province is helpful to the industry as a whole.

## Does this make the industry's prospects for growth any stronger?

Pot stocks are trading at very high valuations, and the growth expected in the industry is behind a lot of that hype. The question is whether there is enough of it to justify the [high prices](#) that stocks like Canopy Growth and other shares are experiencing.

Saskatchewan's plans for pot will help growth, but it's one of the smaller provinces in the country, which means the impact on the industry as a whole will be minimal.

## CATEGORY

1. Investing

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