



Profiting from Marijuana in Pablo Escobar's Old Neighbourhood

Description

Colombia and its second largest city Medellin, which was once home to the infamous Medellin cartel headed by flamboyant drug baron Pablo Escobar, is fast becoming a focal point for legal cannabis cultivation. By the mid-80s it was estimated that Escobar's cartel was providing over 90% of all cocaine consumed in the U.S. and that up to 60% of the marijuana available in the U.S. came from Colombia. Before becoming the king of cocaine, Escobar cut his drug trafficking teeth smuggling marijuana.

After a devastating U.S. backed war on drugs that by some accounts claimed tens of thousands of lives, many of which were civilians, Colombia's government is positioning the South American nation to become a leading global producer of legal marijuana. Some pundits have even gone as far as to claim that Bogota wants to become the Saudi Arabia of legal pot cultivation, which would serve as a massive boost for an ailing economy weighed down by oil's sustained slump.

Significant comparative advantages

Colombia possesses a comparative advantage over many other countries that have legalized marijuana cultivation, including a desirable temperate climate, a long history of agricultural cultivation, established agricultural infrastructure and low costs. It has been estimated by some analysts that in Colombia, a gram of pot costs anywhere between \$0.05 to \$0.10 to produce compared to \$1.50 in Canada.

In addition to those incredibly positive traits, Colombia possesses a transparent regulatory environment, stable legal system and high degree of investor protection, which makes it easy to understand why the South American nation will become a leading jurisdiction for legal cannabis cultivation.

The booming legal marijuana industry has also seen it considered as a potential crop that can be substituted for illegal coca cultivation in Colombia, creating further incentive for Bogota to promote licenced cannabis cultivation, as the government of President Duque has been battling to contain

cocaine production, with Colombia once again emerging as the world's largest supplier of the narcotic.

Emerging cannabis boom

Recently introduced legislation has sparked a pot boom in the hills near the town of Rio Negro, which is located 20 kilometres southeast of Medellin and is Pablo Escobar's birthplace. It is here that Colombia's [leading marijuana](#) cultivator, **PharmaCielo** ([TSXV:PCLO](#)) has established its headquarters and main growing facility. The company has had a rocky start since listing on the **TSX Venture Exchange** earlier this year, losing almost 4% in value since then.

Nonetheless, PharmaCielo is poised to become Colombia's leading legal cultivator of pot. In February 2019, it was granted a proprietary licence for 10 unique cannabidiol (CBD) and tetrahydrocannabinol (THC) strains under Colombia's national cultivation registry. It is also one of the few fully permitted operators in Colombia's burgeoning marijuana industry receiving its manufacturing licence in 2016.

PharmaCielo is currently producing CBD-focused cannabis oil extracts. Along with ramping up cultivation activities, the company is constructing a downstream cannabis processing facility. It anticipates that once that infrastructure is complete, it will commence producing and selling CBD-focused and THC-focused cannabis oil extracts during the second half of 2019. That will be a tremendous tailwind for PharmaCielo and will see it positioned to service the growing demand for cannabis based medical products in North America and eventually globally.

Why it's time to buy

The demand for marijuana will grow at an exponential rate. It has become a widely accepted drug for a range of medical applications across the world, which, along with a growing push for the legalization of recreational consumption in several jurisdictions, will cause demand to grow exponentially. There is every indication that marijuana is fast going mainstream.

Colombia's competitive advantages, notably its temperate climate, should see it become the global hub of legal pot cultivation. That means as the [major](#) Canadian cannabis companies like **Canopy Growth**, which recently joined the **S&P/TSX 60 Index**, expand their operations, companies like PharmaCielo that are operating in Colombia but listed on the TSX could eventually become takeover targets, causing their stock to soar.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. TSXV:PCLO (PharmaCielo Ltd.)

PARTNER-FEEDS

1. Msn
2. Newscred

3. Sharewise
4. Yahoo CA

Category

1. Cannabis Stocks
2. Investing

Date

2025/07/05

Date Created

2019/04/23

Author

mattdsmith

default watermark

default watermark