

Despite Hurdles, the Future of Cannabis Looks Bright

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In March, the legal cannabis industry in the United States received one of its most important stamps of approval to date: “essential business” designations during lockdowns in several states where the sale of medical and recreational marijuana is legal.

That kicked off what’s been a pretty busy season for cannabis sales. The industry, which is on track to reach \$15 billion in the U.S. this year, continues to see higher average cart sizes and has nimbly adjusted to the requirements of a socially distant economy. On a panel to round out Adweek’s virtual event, Elevate: Cannabis and CBD, three industry leaders discussed what that growth means for the future.

The essential designation was “an incredible moment of legitimacy,” said James White, CMO at Curaleaf. But it didn’t come without complications, he said. For starters, the cannabis industry wasn’t fully digitized at the beginning of the crisis. “That was a bit of a scramble for a lot of businesses,” White said.

There was also a lot of uncertainty about how cannabis dispensaries would be treated during lockdown at the beginning of the pandemic, said Poseidon co-founder and managing partner Emily Paxhia.

“It was initially extremely scary because some jurisdictions did try to shut them down,” she said. “What keeps happening with cannabis is that the gauntlet gets turned down and then the people rise up and they speak. And there’s no better indication of interest around cannabis than when people find out that a store might be closing and they line up around the

block because they need to get access to that product.”

A lot of the conditions cannabis users are medicating for—like anxiety and depression—were only exacerbated by the pandemic, leading in part to a greater demand for CBD and cannabis products.

When talk of closing dispensaries began to circulate, Ricardo Baca, founder and CEO of agency Grasslands, wrote an open letter to the mayor of Denver arguing that dispensaries should be considered in the same category as pharmacies, given the nature of so many of the products they sell. He also penned op-eds for several publications—which ultimately led to the essential business designation for dispensaries in Denver and elsewhere.

“I recognized that we were on the precipice of a seismic shift of the national conversation,” Baca said. “I was a journalist for 25 years, and this is really my awakening as an advocate and an activist on behalf of the truth and on behalf of this plant.”

But one win doesn’t mean the industry isn’t still facing difficulties. Cannabis businesses still face banking restrictions that require them to deal mainly in cash, increasing risk for businesses and consumers, Paxhia noted.

The history of the substance itself also reveals the same racial inequities that were brought to the forefront of the national conversation after the March 25 police killing of George Floyd in Minneapolis, said White. There is still a lot of advocacy and policy-change work to be done to reverse the damage the weaponization of cannabis since the the War on Drugs has done to the Black community.

“Cannabis has been a tool for stop and frisk, has been a tool for all of the ways that police have had probable cause,” White said. And while both the private and public sectors have a role in addressing those inequities, “we’ve got to change

legislation,” he said.

Curaleaf’s role right now, White said, is on the business side of the issue. “We’re trying to focus on how do we put ideas around growing businesses in Black communities and creating ownership,” White said. Curaleaf is working to create “win-win” opportunities to build financial and legislative support to grow the business and ultimately change laws.



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