Microeconomics

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**Ahead of Canada's Legalization date cannabis suppliers struggle to meet demand**

Rich Weissman in his article “Ahead of Canada's Legalization date cannabis suppliers struggle to meet demand” highlighted the fact that the legalization of cannabis is a threat to the adequate supply rate that would be sufficient enough to meet the demand of consumers. According to the insights of the projection made by C. D. Howe Institute, it has been brought into insight that the supply of licensed Cannabis in Canada can only meet the 30% to 60% of the needs of the users. The CEO of Aphria, one of the Canada's largest licensed cannabis producers has confirmed that the supply would be insufficient in the upcoming three months, adhering to the shortage of product. It has been highlighted that the supply chain issues are one of the chief problems[[1]](#footnote-1). Neufeld asserted that the main cause of the shortage is the legalization procedure adhering to which, the packaged cannabis products require a special stamp known as "excise stamp" from the government that is occasionally delayed. It is important to note that the harvest issues are also a major concern because the country usually prepares for "unprecedented" legalization. The author compared the supply of cannabis in Canada with the supply in North America that is relatively uncomplicated, more financial and political, adhering to the social pressures that are some major barrier. The mainstream suppliers of Marijuana in Canada are much slower to respond to the market while the adopter suppliers are more towards restricting the supplies of marijuana.

A special insight was given to the "Banks" and "Mainstream Suppliers" the banks are at a greater risk of lending marijuana to the companies in the recreational cannabis sector. In the past few years, the Massachusetts Credit Union has directed to offer certain services for the recreational marijuana, and it would be great heed towards the opening up of financing. In Canada, there is no such extension towards the analysis of the supply of marijuana, because there is greater stress in the huge upside potential. Rich Weissman addressed that he own property in the United States and Canada as well but there is a great difference between the availability of marijuana. He inferred that according to the Financial Post of Canada, there are certain cultivation issues as well, and it has been announced earlier that as the legalization was expected to hamper the trends of availability and the production will be effected side by side. The government agency of Canada, "Health Canada" estimated that the annual demand of cannabis in the country is about 2 million pounds, but there is no affirmed or justified data on the exact supply of the licensed recreational vendors[[2]](#footnote-2). It has been highlighted that although stress is made on the availability of the product, still it is not justified that there would be complete run out.

The major suppliers would be having certain availability. The recreational shops will not display empty shelves and emptied containers; however, there would be a considerable shortage. In a nutshell, assumptions are made regarding the recent and the future circumstances, stressing that there will be a shortage of the amount of cannabis in Canada. Certain reasons are also presented for the shortage of marijuana, affirming that the procedure of legalization is much longer and the market holders will not opt for certain lengthy proceedings and circumstances in order to make cannabis available, side by side, it has been inferred that there would not be a complete run out certain proportion of marijuana will always be available for the consumers However a comparison to United Sates, reflect great difference. The author inferred his insight to highlight that Canada is lagging the quantity of cannabis after legalization, adhering to the procedures and the proceedings.

References

1. "Ahead Of Canada's Legalization Date, Cannabis Suppliers Struggle To Meet Demand". 2018. *Supply Chain Dive*. Accessed January 11 2019. <https://www.supplychaindive.com/news/cannabis-supply-chain-legalization-challenges/539461/>.

1. Ahead Of Canada's Legalization Date, Cannabis Suppliers Struggle To Meet Demand". 2018. *Supply Chain Dive* [↑](#footnote-ref-1)
2. Ahead Of Canada's Legalization Date, Cannabis Suppliers Struggle To Meet Demand". 2018. *Supply Chain Dive* [↑](#footnote-ref-2)