



**Cannabis Council
of Canada**

**Conseil du
cannabis canadien**

January 11, 2020

John Clare
Director General
Strategic Policy, Cannabis
Controlled Substances and Cannabis Branch
Health Canada

Ref: Notice of intent — Consultation on the Cannabis Regulations: Other regulatory issues

Dear Mr. Clare,

We are writing you today on behalf of the Cannabis Beverage Caucus within the Cannabis Council of Canada. As you are aware, the Cannabis Council of Canada ('C3') is the national organization of licensed producers of cannabis under Health Canada's *Cannabis Act*. The Cannabis Beverage Caucus is a recently-formed group of C3's members with cannabis beverages in development and in-market. The Caucus is composed of Truss Beverage Co. ("Truss"), Canopy Growth Corporation ("Canopy"), and Fluent Beverages Limited Partnership ("Fluent").

The Cannabis Beverage Caucus remains committed to responsible adult use. We are fully aligned with the intent of the Regulations Amending the Cannabis Regulations (New Classes of Cannabis) to address the public health and public safety risks of these new classes of cannabis.

Each member company of the Cannabis Beverage Caucus will have provided comments in response to the *Notice of Intent, Parts 1 and 2* published in the Canada Gazette, Part I on December 12, 2020.

Of priority to the Caucus, this letter reiterates the opportunity to:

- **Better protect the health and safety of those who choose to consume cannabis beverage products by amending the Equivalent Amounts Table under Schedule 3 of the *Cannabis Act*.**

Currently, cannabis beverages are considered to be "non-solids containing cannabis" under the Equivalent Amounts provided in Schedule 3 of the *Cannabis Act*. Equivalencies are established by weight. Existing controls provide for a limit of 10 mg per container, regardless of overall weight.

The current controls have created unintended outcomes in two respects:

1. Consumers are permitted to possess significantly more quantities of other forms of cannabis products than they are permitted cannabis beverages. This is because cannabis beverages are by their nature higher in weight in comparison to other forms of cannabis products.
2. Consumers are permitted to possess more containers of low weight, potent cannabis beverages, and fewer containers of higher weight, diluted cannabis beverages which may contain up to 10 mg THC. This purchasing behaviour is reinforced by in-market offerings and restrictions around purchase. Within this same Schedule 3 class, current controls

allow for the purchase of even more cannabis extracts, where there is no 10mg THC limit per container. See Figures 1 and 2 below for illustration.

Allowing for possession of greater quantities of higher volume beverages strengthens the intent to introduce personal possession limits for dried cannabis and its equivalents to promote safe and responsible use while taking into consideration limits on scientific research and evidence, investments in law enforcement capacity, technology and tools, and public awareness.

POSSIBLE SOLUTIONS

The Caucus is committed to working with the regulator to arrive at a solution that prioritizes consumer education and safety and accounts for manufacturing and administrative burden. We would like to request a continued discussion with Health Canada on this issue to provide additional information in support of our position.

The Caucus believes that the public possession limit for cannabis beverages should be changed from a weight-based reference to something that is easier for purchasers of cannabis beverages to understand, and which better serves the public policy goal of encouraging responsible consumption.

If the Equivalency Table format is retained, one solution would be to add the product class “non-solids containing cannabis that are edible cannabis.” In making this distinction, and calculating equivalency accordingly, it should encourage the production and consumption of higher volume, lower THC products. It should also be expressed in a way that consumers can better understand.

In this regard, one proposed solution is that the maximum possession limit for this class increases to 48 units of cannabis beverages, irrespective of weight or volume of the unit. There is precedent to move beyond a weight-based equivalency, given the cannabis class, “cannabis plant seeds” is equivocated on a per seed/unit basis.

Given the current limitations on THC per container, this ensures that the maximum THC content that could be carried would be 480 mg (48 units at 10 mg of THC each), no matter the volume. Where the table continues to be used to express possession limits, this would equate a 0.625 g equivalency to 1 g of dried cannabis.

With a 48-unit limit, consumers could more easily understand a maximum carrying limit in terms of better understood consumer retail units. For example, it could be easily communicated to consumers at the point of purchase that the maximum is 2 x 24 packs of beverages. Additionally, it will incentivize the availability of higher volume, lower THC beverages which are consumed over a longer period of time. This reduces the risk of overconsumption and promotes moderate consumption.

NEXT STEPS

The Caucus would be glad to discuss with Health Canada the above or other solutions to establish possession limits for cannabis beverages. We support the development of a solution that would encourage the safe and responsible consumption of higher volume beverages with zero or diluted THC content.

We look forward to working together to further refine a potential solution with the regulator in the coming weeks.

Regards,



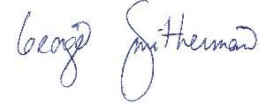
Karyn Sullivan Head
of Legal & Corporate
Affairs, Truss
Beverage Co.



Sean Webster
Head, Government &
Stakeholder
Relations – Canada,
Canopy Growth
Corp.



Andrew Johnston
Chief Financial
Officer,
Fluent Beverages
Limited Partnership



George Smitherman
President & CEO,
Cannabis Council of
Canada

Cannabis Beverage Caucus
Cannabis Council of Canada

Figure 1: Current possession limits based on weight allow for the possession of higher quantities of THC in other cannabis products, including those with lower volumes.





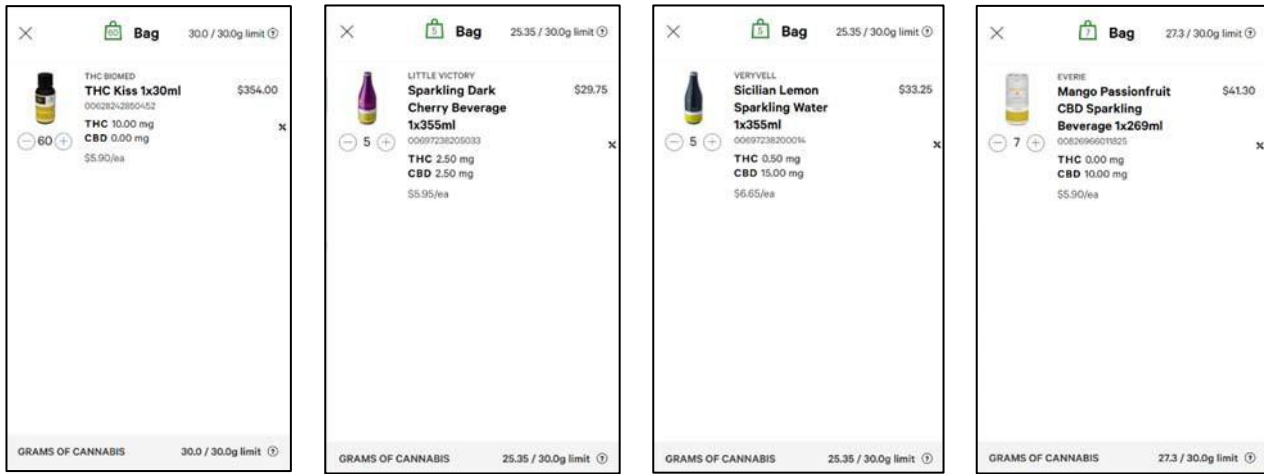
				
Schedule 3 Class	Non-solids Containing Cannabis	Non-solids Containing Cannabis	Non-solids Containing Cannabis	Non solids Containing Cannabis
Schedule 4 Class	Extracts	Edible cannabis	Edible Cannabis	Edible Cannabis
Weight	30g	35g	355g	355g
Total THC Content (per unit)	~400mg	10mg	5mg	2mg
Total CBD Content (per unit)	~16mg	0mg	5mg	2mg
Equivalency to 30g dried flower (per unit)	0.4g	0.5g	5.07g	5g
Max. Possession Limit	70 bottles	60 bottles	5 bottles	6 cans
Total THC at Max. Possession Limit	28,000mg	600mg	25mg	12mg

Figure 2: Current possession limits based on weight encourage the production and purchase of higher quantity THC, lower volume cannabis beverage products (source: OCS.ca)



Cart #1

Cart #2

Cart #3

Cart #4