



Submission by Aphria to the House of Commons Standing  
Committee on Health

Bill C-45, The Cannabis Act

## About Aphria

Aphria Inc.(Aphria) is a Health Canada Licensed Producer of high-quality medical cannabis products, proudly founded and based in Leamington, Ontario. At Aphria, we leverage our years of combined experience in the high-tech agricultural, pharmaceutical, and medical fields to provide a 100% natural greenhouse-grown product to patients across Canada.

In a nascent industry still struggling to find maturity, Aphria brings expertise, accountability, and responsibility to our valued patients. Our state-of-the-art greenhouse cultivation facility adheres to the highest quality control and assurance operating procedures at each stage of our production process, and serves as a testament to our commitment to providing Canadians with a safe, clean and reliable product they can place their confidence in.

As Canada implements a regime legalizing marijuana for recreational use, it is of vital importance that the increase in demand for cannabis products is answered by suppliers that Canadians can trust. Aphria's track record as a conscientious and responsible producer of cannabis products places us firmly in that group of trustworthy Licensed Producers. The cumulative business acumen and agricultural expertise of Aphria's executives and directors enable Aphria to scale operations and increase production while maintaining our strict quality and safety standards in a responsible manner.

## Executive Summary

The Government of Canada has shown leadership as it works to legalize and regulate the use of cannabis. Aphria supports these initiatives and appreciates the opportunity to comment on Bill C-45. The following are four recommendations that we believe will benefit the cannabis industry and all Canadians.

Recommendation 1: Aphria recommends that the Government of Canada introduce a strict product-testing regime, similar to regimes currently operable in the pharmaceutical industry. The costs associated with the new regime should be funded by the industry.

Recommendation 2: Aphria recommends that the Government of Canada allow for the continued operation of the current medical cannabis program.

Recommendation 3: Aphria recommends that the Government of Canada allow for the distribution of medical and recreational cannabis through pharmacies.

Recommendation 4: Aphria supports regulations that include allowances for responsible branding and promotion in order to protect youth and all Canadians, while also ensuring that Licensed Producers can compete effectively with the black market.

## Introduction

Aphria is pleased to provide this submission to the House of Commons Standing Committee on Health concerning Bill C-45, *The Cannabis Act*. The legalization and regulation of cannabis use is a bold and complex policy development that shows tremendous global leadership. Building a recreational cannabis market will require strict regulation and compliance measures to ensure that we keep cannabis out of the hands of youth, filter out organized crime, and allow legitimate players to build a world class industry, employing thousands of Canadians – many in rural Canada - to offset the loss of manufacturing jobs over the years.

According to a report by the Parliamentary Budget Officer, Canada is already facing supply shortages, even prior to legalization when demand is expected to increase to at least 10 times current supply levels. To avoid the damaging shortages that have plagued states south of border, Canada must ensure that trusted producers like Aphria are able to grow outputs to meet consumer demand.

Overall, Aphria supports the federal government's move to legalize and regulate cannabis use, and is pleased to offer the following four recommendations:

### **1. Industry Funded Product Testing and Inspection**

*Aphria recommends the Government of Canada introduce a strict product-testing regime, similar to regimes currently operable in the pharmaceutical industry. The costs associated with the new regime should be funded by the industry.*

Product quality control is of critical importance to an evolving cannabis industry. Consumers must have confidence in the product they are purchasing and consuming. Aphria supports the measures in Bill C-45 with regard to inspections and believes that the Government of Canada should implement a strict product-testing and inspection regime, similar to regimes currently operable in the pharmaceutical industry. This regime will ensure that Canadians are receiving a product that has been rigorously tested to ensure that it is safe for consumption.

The costs associated with the regime should be funded entirely by industry, through fees levied by the government for service. In our experience, this formula ensures that industry players are committed to product quality and testing.

### **2. Continued Operation of the Current Medical Cannabis Program**

*Aphria recommends that the Government of Canada continue allow for the continued operation of the current medical cannabis system.*

The Task Force on Cannabis Legalization and Regulation recommended a five-year review of the medical cannabis program. With Bill C-45 silent on the Government of Canada's plans concerning the medical cannabis system, there is a risk that the medical cannabis program will be eliminated, leaving the recreational system as the only option for cannabis distribution in Canada.

Aphria believes that Canadians who will require cannabis and cannabis-related products for medical purposes will be better served by the continued operation of the current medical system. These patients

require clinical advice to avoid side effects and potential interactions with prescription medications, and ensure they are receiving proper treatment and use guidelines for their medical need.

The continued operation of the medical cannabis program is also important for the future of research and development of cannabinoid medicine, a crucial component to the long-term success of the medical cannabis industry. Medical practitioners have witnessed the anecdotal patient based evidence of cannabis treatment, but continued research is still required. Should the medical system be discontinued, Aphria believes ongoing cannabinoid research will suffer.

### **3. *Pharmacy as a Distribution Model***

*Aphria recommends that the Government of Canada allow for the distribution of medical and recreational cannabis through pharmacies.*

Pharmacies across Canada are a natural distribution channel for both medical and recreational cannabis. They incorporate a sophisticated distribution network that currently handles controlled substances safely, and will develop Learning Management Systems for patients to seek education, advice and counsel. Additionally, they have an immediate network of more than 10,000+ locations across the country, including in many First Nations communities.

Pharmacies also have safeguards in place for medication inventory management, which helps prevent theft and diversion. Both Canadian Association for Pharmacy Distribution Management (CAPDM) and Health Canada have rigorous standards and protocols in place to ensure the safe delivery of narcotics from manufacturer to front line distributor.

### **4. *Reasonable Limits to Promotion, Packaging and Labelling***

*Aphria supports regulations that include allowances for responsible branding and promotion in order to protect youth and all Canadians, while also ensuring that Licensed Producers can compete effectively with the black market.*

Aphria is partnering with sixteen of Canada's Licensed Producers (representing approximately 90% of the current legal medical cannabis market), the Canadian Medical Cannabis Council, Cannabis Canada Association and Advertising Standards Canada (ASC) to develop guidelines on the branding and promotion of cannabis.

Aphria and their partners are interested in working with federal, provincial and municipal governments on promotional and branding principles that first and foremost protect youth and promote safety to all Canadians, while also ensuring Licensed Producers are able to compete effectively with the illicit market. Aphria supports adults-only branding, and believes that Licensed Producers be allowed to explain to adult consumers why the products they develop are better and safer than those on offer by the illegal market.