



Proposed Amendments to Regulations Amending the *Cannabis Regulations (Flavours in Cannabis Extracts)*

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On behalf of the Canadian Chamber of Commerce, the National Cannabis Working Group is pleased to provide a written submission with respect to Health Canada's proposed amendments to the *Cannabis Regulations* restricting flavours in inhaled cannabis extracts, as published in *Canada Gazette, Part I*, on June 19, 2021.

The National Cannabis Working Group (NCWG) represents over 60 leading licenced producers, retailers, technology firms, and ancillary businesses in the cannabis sector.

The NCWG recognizes and supports Health Canada's general approach to protect the health and safety of Canadians, especially young Canadians, while establishing a predictable regulatory framework for cannabis companies. To this end, any regulatory restrictions or requirements must be grounded in scientific evidence.

The proposed regulations' effects on will have a significant impact on industry. The new regulatory framework will have consequences for manufacturing, retail, partnerships, and legal obligations, both domestic and international. For these reasons, we would like to draw your attention to three key issues.

- The reference to "flavours typical of cannabis"
- Lack of evidence on youth appeal
- Implementation timelines

The Reference to "Flavours Typical of Cannabis"

Key to the proposed regulations is the concept of naming conventions towards a "flavours typical of cannabis." Cannabis plants come in many varieties, which in turn produce thousands of cannabis strains, which can vary in smell, flavour, taste, and other attributes. Additionally, a cannabis product's flavour can depend on several factors, including the cultivar, delivery method, and consumer physiology.

Regarding naming conventions, the proposed amendments suggest implanting a generic restriction on strain names that suggest a flavour “other than the flavour of cannabis”. Strain names are typically determined through the combination of different plants which together form a new plant. These combinations are the result of highly complex and global agricultural operations, which collaborate on strain naming. The NCWG recommends that Health Canada refrain from restricting the use of established strain names and hindering the innovation of new strains that will inevitably emerge on the market. Instead, Health Canada should prohibit the use of descriptors in the marketing of strain names rather than restricting the use of names themselves.

Lack of Evidence on Youth Appeal

In its regulatory proposal, Health Canada cites data from the Canadian Student Tobacco, Alcohol, and Drugs Surveys (CSTADS), specifically from the 2016-17 and 2018-19 editions. Given cannabis legalization in October 2018 and the legalization of cannabis vaping products in December 2019, the datasets used in those surveys exclusively reflect the unregulated products obtained through the illicit market. These unregulated products are not subject to the myriad retail and compliance requirements imposed on legal products.

In addition to misinformed data, the evidence in the Canadian Cannabis Survey (CCS) does not support the government’s proposal. Again, the youth usage data cited is from 2018 and 2019, which only reflects illicit market products. This therefore depicts an inaccurate conception of the cannabis industry and relies on statistically insignificant data. The NCWG recommends that rather than outright banning the sale of products, Health Canada could more effectively address youth usage concerns by combating the illicit and unregulated vaping product market.

Implementation Timelines

The National Cannabis Working Group is concerned about the length of the implementation period following the regulations coming into force. While the length of time is standard and appropriate for consultations of this nature, companies are concerned about the short implementation timeline envisioned for the final rule. 180 days does not provide industry with ample lead-time in adapting to the new regulatory regime. At a time when companies across all parts of the supply chain, from licenced producers to manufacturers to retailers, require stability and predictability, the timeline does not account for the timelines needed for a company to readjust their activities on this scale. Longer lead in times are vital to ensuring no disruption for the cannabis industry’s ability to bring products to market. The NCWG therefore suggests a timeline of at least one year to allow companies to recalibrate their practices.