

FACT SHEET: DISPENSARIES AND LICENSED PRODUCERS

	DISPENSARIES	LICENSED PRODUCERS
LEGAL STATUS	<p>Illegal</p> <p>Dispensaries are illegal in Canada. The pending constitutional challenge against Canada's medical cannabis regime seeks to preserve the rights of small-scale home growers, not commercial dispensaries.¹ Enforcement against dispensaries varies at the local level.</p>	<p>Legal</p> <p>LPs are authorized and regulated under federal law, namely the Marihuana for Medical Purposes Regulations (MMPR). LPs must also comply with all provincial and municipal laws and by-laws (including zoning bylaws) and are required to communicate with their local city, police and fire officials about their activities.</p>
PRODUCT SOURCE	<p>Sourced from unregulated home grows</p> <p>Dispensaries procure their products illegally from private growers.²</p>	<p>Produced within regulated facilities</p> <p>LPs either grow their product within their own regulated facilities or buy it legally from other LPs. LPs may also import product from legal cannabis producers in other jurisdictions under strict controls.</p>
PRODUCTION PRACTICES	<p>No oversight or visibility</p> <p>Since dispensaries are not authorized or regulated by any governmental body, they are not required to have oversight or visibility into the production practices of their suppliers.</p>	<p>Rigorous GPP requirements</p> <p>LPs are subject to strict Good Production Practice requirements, including requirements to produce, package, label, and store product in a sanitary manner, to use only approved pest control products, and to maintain comprehensive SOPs relating to production.</p>
PRODUCT TESTING	<p>No requirements</p> <p>Since dispensaries are not authorized or regulated by any governmental body, dispensaries are not subject to consumer safety requirements, including product testing requirements.</p>	<p>Comprehensive product testing requirements</p> <p>LPs must test every batch of product for microbial and chemical contaminants prior to release. LPs must also test each batch for THC and CBD levels.</p>
PACKAGING / LABELLING	<p>No requirements</p> <p>Since dispensaries are not authorized or regulated by any governmental body, dispensaries are not subject to consumer safety requirements, including packaging/labelling requirements.</p>	<p>Strict safety and information requirements</p> <p>LPs must package product in a child-resistant, tamper-resistant package that keeps the product dry and free from contamination (among other requirements). The package label must bear certain information, including THC/CBD percentage, net weight, recommended storage conditions, and packaging date.</p>
PATIENT OVERSIGHT / SUPPORT	<p>None</p> <p>As reported in various media outlets, dispensaries often have a low threshold for patient admission.³ Further, dispensaries are not required to control patient usage.</p>	<p>Medical document required for registration; patient usage dictated by medical document</p> <p>Before they can order product from an LP, a patient must submit a valid registration form and medical document issued by an authorized healthcare practitioner. All medical documents are verified by the LP after receipt. Patient purchases cannot exceed the usage amount indicated on their medical document.</p>
PATIENT PROTECTION	<p>None</p> <p>Some dispensaries issue membership cards to their clients. However, these cards have no legal power and cannot prevent patients from being arrested and charged for possession of marijuana.</p>	<p>Patients are provided with proof of legal possession</p> <p>Each order of dried cannabis from an LP contains a client label and a separate document that constitute proof of legal possession. The MMPRs also set out a mechanism by which law enforcement officers can conduct further verification of patient status with LPs.</p>
DISTRIBUTION METHOD	<p>Unlicensed storefronts</p> <p>Some dispensaries also offer mail-order shipping, which is not subject to any regulatory requirements.</p>	<p>Mail-order delivery</p> <p>LPs must ship product in a package that ensures the security of its contents (anonymous, sealed, odour-proof), and must use a shipping method that ensures tracking and safekeeping of the package.</p>
RECORD KEEPING, REPORTING, AND RECALL POWERS	<p>No requirements</p> <p>Since dispensaries are not authorized or regulated by any governmental body, they are not subject to record-keeping or recall requirements.</p>	<p>Strict requirements around record-keeping, reporting, and serious adverse reaction reporting</p> <p>LPs must retain various documents, including records demonstrating that each lot or batch of product was produced, package, and labelled in accordance with the MMPR. LPs must also submit serious adverse reaction reports and other reports on a regular basis, and must establish and maintain a system of control that permits the rapid and complete recall of every lot or batch of dried cannabis that has been made available for sale. LPs are audited by Health Canada on a monthly basis for compliance with regulatory requirements.</p>
TAX DEDUCTION	<p>Not eligible</p> <p>Cannabis purchased illegally at dispensaries is not eligible for tax reimbursement.</p>	<p>Eligible</p> <p>Patients who purchase their medical cannabis from LPs receive the tax benefit of deducting that cost from their annual taxes, as an allowable medical expense.</p>

FOOTNOTES

¹ See Health Canada, Statement: Medical Marihuana Access Regulations Update at <http://www.hc-sc.gc.ca/dhp-mps/marihuana/access-access-eng.php>.

² See e.g. Bethany Lindsay and Tara Carman, "Dispensaries Can't Get Product Legally" (Vancouver Sun) at <http://www.canada.com/health/Medical+marijuana+dispensaries+product+legally/10781978/story.html>

³ See e.g. Margaret Gallagher, Medical marijuana dispensaries spread like weeds in Vancouver (CBC News) at <http://www.cbc.ca/news/canada/british-columbia/medical-marijuana-dispensaries-spread-like-weeds-in-vancouver-1.2900454> ("Other dispensaries advertise quick approval – sometimes onsite – and some even offer free samples"); and CBC, Medical Marijuana Easily "Dispensed" in Vancouver at http://www.huffingtonpost.ca/2015/02/02/medical-marijuana-easily-dispensed-vancouver_n_6583902.html