



Brazil can Lead the World in the Production of Medical Cannabis

The market is excited. This Tuesday (10), the regulation that allows the manufacture and trade of medical cannabis comes into force.

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Bacellar: The global medical cannabis sector is expected to exceed US\$100 billion annually in the next decade. (Photo: Publicity)

On Monday (9), Fausto Macedo, known for the investigative articles he writes to the newspaper *O Estado de S. Paulo*, published on his webpage an article that drew attention. The published text, signed by the entrepreneur and economist José Bacellar, is entitled *Brazil can Lead the World in the Production of Medical Cannabis*. Read the article below and find out why Brazil is prepared to be the leader of this commodity in 2021.

*By José Bacellar**

“Brazil joins a group of 47 countries, including Germany, Canada, Chile, Colombia, the United States and Portugal, that have approved the prescription and use of medical cannabis. Anvisa’s RDC 357, which creates a category of drugs based on cannabis derivatives, comes into effect on March 9, 2019. The new regulations outline the rules that will govern the importation and production of these drugs by pharmaceutical companies in Brazil, as well as regulating their distribution and sale in pharmacies and drugstores.

Anvisa has also simplified the rules for patients to continue to directly import medical cannabis products prescribed by their doctor, which will act to prevent shortages until the new products reach the market. By the second half of 2020, drugs based on cannabis derivatives registered by Anvisa should be available to doctors and patients and sold in pharmacies just as any other controlled substance.

Brazil’s National Congress now has an historic opportunity to enact a new law to create a workable regulatory framework for medical cannabis. Since October 9, 2019, a Special Commission of the Chamber has been assessing PL 399/2015 proposed by Deputy Fábio Mitidieri (PSD-SE), which provides for the regulation of medical cannabis. The president of the Commission, Deputy Paulo Teixeira (PT-SP), and its rapporteur, Deputy Luciano Ducci (PSB-PR), have visited Colombia and Uruguay to observe the effects of such laws in neighbouring countries.

The Commission received input from several government agencies – Anvisa, Embrapa, and the ministries of Agronomy, Justice and Health, among others. Patient and professional associations, pharmaceutical companies, prescribing physicians, as well as various experts on medical cannabis, have actively participated in the discussion, including through dozens of public hearings. The legislative process has been lively, democratic, inclusive and transparent.

A note of caution is needed, however: intellectual dishonesty has marked the arguments against medical cannabis by its detractors in Brazil. The national discussion is not about whether there will be a surge in illicit drugs or changes in the criminal treatment of illegal cannabis production in the country. The confusing of the issue of the production of medical cannabis with the proliferation of illicit drugs only aims to distort public opinion and disrupt the debate as well as the legislative process.

The legal status of medical cannabis in Brazil and the domestic production of plant extracts are the necessary conditions for reducing the costs of manufacturing. Production inputs within Brazil will reduce drug prices and expand the public's access to medical cannabis derivatives, in addition to saving Brazil's health care system (SUS) millions of reais every year.

Once regulations are in place, planting of cannabis on a commercial scale will have a strong domestic economic impact and allow Brazil to compete in the global market for cannabis-derived products. To create real economic benefits, the regulatory framework for medical cannabis should automatically include, by right, operations specializing in the production of plant extracts and other plant derivatives, including the many varieties of wellness, consumer and health products as is the case in the United States, for example.

Brazil can and should produce plant inputs and medical cannabis derivatives, both for export and for sale in the domestic market, of a wide variety of products. The global medical cannabis sector is expected to exceed US\$100 billion annually in the next decade. Brazil, which has one of the most competitive agricultural industries in the world, has all the right conditions to become the leading producer of this important new commodity of the 21st century.”

**José Bacellar is the founder and president of Verdemed, a medical cannabis company with operations in Latin America. He is an economist with a Master in Business Administration from FEA – USP and is the recipient of the Leadership Award from the Rotman School of Management at the University of Toronto. Previously he was a Strategy Consultant at McKinsey & Company, and President of Bombril S.A. and Vetril S.A.*