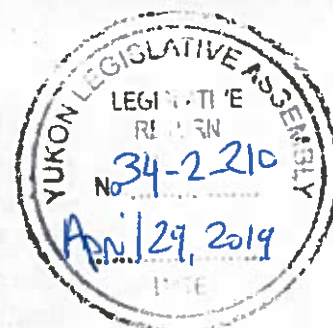


# LEGISLATIVE RETURN

SUBMITTED BY: Hon. John Streicker, Minister of Yukon Liquor Corporation



1. On Tuesday, April 23, 2019, Brad Cathers, Member of Lake Laberge

- asked the following oral question at page(s) \_\_\_\_\_ of *Hansard*
- submitted the following written question – WQ No. \_\_\_\_\_
- gave notice of the following motion for the production of papers – MPP No. 20

RE: Legal Cannabis Sales

The response is as follows:

- o As reported by Statistics Canada in the first quarterly report following legalization, the number of cannabis users has not significantly increased: "About 4.6 million or 15% of Canadians aged 15 and older reported using cannabis in the last three months. That was a similar percentage to what was reported before legalization." Source: Statistics Canada - National Cannabis Survey, fourth quarter 2018
- o Cannabis consumption in the Yukon as reported by Statistics Canada is higher than the provinces yet lower than the other territories. Note that other quarterly surveys have not reported on the Yukon, and this survey utilizes the capitals as representative of the territories.

Quarterly cannabis use	Q2 2018
Canada	16%
Newfoundland and Labrador	18%
Prince Edward Island	19%
Nova Scotia	21%
New Brunswick	17%
Quebec	11%
Ontario	18%
Manitoba	15%
Saskatchewan	10%
Alberta	16%
British Columbia	17%
Whitehorse (Yukon)	23%
Yellowknife (NWT)	27%
Iqaluit (Nunavut)	33%

Source: Statistics Canada - National Cannabis Survey, second quarter 2018

- o In 2016 two national studies were carried out to estimate the volume of cannabis consumed annually. Deloitte estimated that Canadians consume 600,000 kg (*Recreational Marijuana | Insights and opportunities, 2016*). The Parliamentary Budget Office estimated consumption at 655,000 kg (*Legalized Cannabis: Fiscal Considerations - 2016*).
- o According to a 2005 Yukon Addiction Survey: <http://pubs.aina.ucalgary.ca/health/60755YT.pdf> 21% of Yukoners over the age of 15 reported using cannabis in the past 12 months, compared to 14% of Canadians overall.

- Given that the Yukon is 0.11% of the Canadian population and that our consumption is 40-50% higher than the national average, this would put the Yukon's annual recreational consumption of cannabis in the range of 900-1,100 kg/year.
- As of April 17, 2019, \$ 2.2 Million of product had been sold through the Cannabis Yukon and e-commerce site. The volume sold equals 140 kg of cannabis over 6 months.
- Comparing the volume sold against the estimated total consumption, the Yukon market penetration ranges from 25-30% since legalization. While these volumes indicate displacement of the black market, uncertainty remains, and we need to continue to gather more information. By its very nature, the illicit market is difficult to track, both in activity and value.
- One month after legalization came into effect on October 17, 2018 an Ipsos poll conducted on behalf of Global News reported that of those who had purchased cannabis in the previous month, 35% went back to their pre-legalization sources.
- Based on data from Statistics Canada cannabis hub, the Yukon has had the highest monthly legal sales per capita in the country:

Sales	Dec-18	Jan-19	Population	Per person monthly sales
Canada	\$55,913	\$53,382	37,242,571	\$1.47
Newfoundland and Labrador	\$2,855	\$2,125	525,073	\$4.74
Prince Edward Island	\$1,348	\$1,313	154,750	\$8.60
Nova Scotia	\$6,422	\$5,408	964,693	\$6.13
New Brunswick	\$3,264	\$3,035	772,238	\$4.08
Quebec	\$11,993	\$11,218	8,421,698	\$1.38
Ontario	\$8,721	\$8,947	14,411,424	\$0.61
Manitoba	\$4,267	\$3,894	1,356,836	\$3.01
Saskatchewan	\$970	\$960	1,165,903	\$0.83
Alberta	\$14,225	\$14,037	4,330,206	\$3.26
British Columbia	\$1,239	\$1,963	5,016,322	\$0.32
Whitehorse (Yukon)	\$403	\$337	40,333	\$9.17
Yellowknife (NWT)	\$205	\$144	44,445	\$3.93
Iqaluit (Nunavut)			38,650	

Source: Statistics Canada - Cannabis Hub

- It is widely acknowledged, that the reduction of illicit sales will not occur immediately as a result of legalization. Time is required for:
  - stabilization of production;
  - effective distribution of products to match consumer needs and demands;
  - balancing of supply and demand to lower prices and more effectively compete with the illicit market; and
  - establishment of consumer confidence in the new legal system.
- Other factors which may affect the market include the legalization of edibles and the in-home growing opportunity.
- The Government of Yukon remains committed to reducing the illicit market and has taken the following steps to support this initiative:
  - provided access through the government store and e-commerce sites;
  - successfully secured a consistent cannabis supply, in a limited market;
  - introduced a private retail regime;
  - supported flexibility for communities to establish their preferred approach; and
  - developed a wholesale pricing approach that will allow private retailers to compete with the illicit market, by setting wholesale prices so that government will be revenue neutral.
- Without access to legal sales through Cannabis Yukon, cannabis users would continue to purchase cannabis products from the illicit market.

29-April, 2019

Date



Signature