

Provinces Should Disclose Cannabis Data to Support Research

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Key Points

- Despite cannabis legalization's many potential impacts on Canadian society, provincial governments have disclosed few details about their recreational sales.
- Detailed proactive data disclosure, like that done in Colorado and Washington state, helps researchers understand legalization's impacts and suggest regulatory improvements.
- To ensure Canada's upcoming regulatory review is evidence-based, provinces must at least start monthly publication of the recreational cannabis sales data they already collect.

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Canada's recreational cannabis legalization in October 2018 began a grand policy experiment that has attracted world-wide attention. To support that experiment, the federal government has funded medical, scientific, and policy research,¹ and committed itself to a national regulatory review in October 2021.² But both research and review are made harder by provincial governments' inadequate disclosure of their cannabis sales data. Provinces must become more transparent with those data so that we can better understand the consequences of Canada's cannabis legalization policy and find ways to improve it.

While the federal government regulates cannabis production and medical cannabis sales across the country - requiring all licensed producers to file monthly reports through Health Canada's Cannabis Tracking and Licensing System (CTLS) regarding their harvesting, processing, and shipments³ - provincial governments regulate recreational cannabis sales within their respective jurisdictions. Each province or territory has a designated agency, such as Alberta Gaming, Liquor, and Cannabis (AGLC), or the Ontario Cannabis Store (OCS), that reports the province's recreational sales, in both dollars and product volume terms, within 15 days of month-end to Health Canada. However, few of these data are currently made public. Health Canada posts national total sales volumes for both recreational and medical products on its web site (<https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/research-data/market.html>), but only the medical volumes are broken down by province. Provincial agencies are less transparent. While some publish quarterly sales totals, several report only annually, and none disclose data monthly.

Not only is provincial data publication sparse, many of the agencies also refuse requests for information. For example, during recently published research,⁴ Health Canada could not release provincial breakdowns without provincial permission and only two provinces subsequently shared their monthly data. Journalists' requests for data are also often rebuffed. For example, Alberta's chief medical officer suggested in July 2020 that cannabis use might have increased during COVID-19 lockdowns. While the province's monthly sales numbers could have shed light on that hypothesis, AGLC refused to release them (<https://www.cbc.ca/news/canada/calgary/alberta-health-liquor-cannabis-sales-no-actual-data-1.5612664>).

This provincial secrecy contrasts starkly with the proactive disclosure practiced by several U.S. states. Colorado publishes monthly cannabis sales broken down by county,⁵ while Washington breaks down sales to the store level.⁶ Thus, for example, from October 2018 to March 2019, Colorado posted 228 retail sales data points online and Washington provided 2,591, but Ontario released just one. Washington furthermore allows researchers to analyze its (anonymized) sales databases containing millions of retail and wholesale transactions.⁷

Such detailed feedback enables better assessments of legalization's impacts.⁸ Consider the basic regulatory question of how many cannabis stores to allow. Too few stores might mean users remain with illegal dealers, while too many shops might encourage greater usage. Washington's detailed reporting allowed researchers to better understand that trade-off there. One study showed legalization itself did not lead to increased cannabis use but opening more stores did.⁹ Another found there were too few stores to ensure competition, meaning each shop

had substantial influence over customer purchasing behavior.⁷ Neither study could currently be replicated in most Canadian provinces.

Some medical and social science researchers would likewise find detailed sales data helpful. The extent to which legalization might (?) reduce physical harms to users, and/or law enforcement harms to minorities, partly depends on how many existing users start buying legal products. Studies of legalization's impact on hospitalizations and emergency room visits could especially benefit from sales data broken down by month and location.¹⁰ But such research instead relies on indirect measures of regional sales, such as licensed store counts.¹¹

Detailed data are also useful when revising government regulations.⁸ The Cannabis Act itself requires that a federal regulatory review begin in October 2021.² But it will be hard for medical professionals, social justice advocates, or economists to contribute meaningfully if just three annual data points are publicly available to analyze per province. Cannabis producers and retailers, however, will likely be well-prepared for the review, as they can draw upon their own sales databases to bolster their arguments. An industry working group has already begun preparing a submission (<https://chamber.ca/committee/national-cannabis-working-group/>) and will likely request relaxed advertising regulations to let firms “market to the non-cannabis consumer” (<https://www.thegrowthop.com/cannabis-news/cannabis-beverage-challenge-can-cannabis-beverages-overcome-the-tobaccoization-of-cannabis>).

The national regulatory review therefore risks having three unequal groups: federal officials, who can access extensive Health Canada records; industry representatives, who can rely on their own data; and all other stakeholders, who will have little access to either.

To enhance our public understanding of legalization's outcomes and avoid this skewed situation, provincial governments must become more transparent with their cannabis data. At a minimum, they should begin posting online the monthly data they already report to Health Canada, within the same 15-day window. This would include total sales in both dollars and product volume terms, broken down by major product categories. Ideally each province would go further by providing monthly sales breakdowns at the individual municipality and/or census area level, much like Colorado and Washington do. They could also invite researchers to access, subject to consumer privacy protections, their large sales databases.

This open government approach of providing frequent detailed cannabis data disclosure would allow more interested parties to conduct their own analyses and thereby help us understand this complex policy experiment for the betterment of all. That in turn could help health care organizations and other stakeholders advocate for evidence-based regulatory improvements in October 2021.

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