

Business leaders urge premier to prepare for marijuana legalization



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A worker carries a marijuana plant at the Aphria greenhouses in Leamington on Thursday, Feb. 18, 2016. DAN JANISSE / WINDSOR STAR

Business leaders have estimated sales in Ontario for recreational marijuana will range between \$1 billion

to \$2 billion by 2024 should it be legalized by the federal government.

So, the economic stakes are high — both locally and across the nation — should pot be legalized as planned.

That is why the Windsor-Essex Regional Chamber is among groups pushing the provincial government to get going on what needs to be done to ease the transition toward marijuana legalization.

“Whether you agree with the decision or not, the federal government is proceeding on this,” said local chamber CEO Matt Marchand. “That’s already been decided.

“With the feds going forward we need to start an extensive conversation on the framework for distribution of marijuana in this province.”

At the urging of both Windsor’s chamber and Greater Niagara chamber, Ontario chamber president Allan O’Dette sent a letter Tuesday to Premier Kathleen Wynne calling on her to launch consultations so provincial regulations can be formed around recreational marijuana.

“Our membership has expressed interest in this issue and the impact it will have on businesses and communities across the province,” said O’Dette in his three-page letter.

“Appreciating issues of jurisdiction remain uncertain, we nonetheless think it important that Ontario be proactive in its policy planning in this area.”

The letter calls for eliminating the underground marijuana economy, limiting points of access, ensuring the private sector is involved and investing in addiction treatment.

Business leaders want to be at the table when legislation is developed around recreational marijuana, Marchand said.

“We have companies in the region ready to take advantage of the legislation,” he said. “We need to ensure business is consulted.

“We want to see the economic benefits maximized, but also the social risks minimized.”

On the heels of O'Dette's letter, the issue will again be discussed during the Canadian Chamber's annual general meeting which starts Saturday in Regina, Marchand said.

Given the looming economic boom around the marijuana industry, this region should be at the forefront given how Essex County has "unique growing skills and expertise unlike anything else in the world," he said.

A top executive with Leamington-based Aphria Inc. — the only licensed medical marijuana producer to date in Essex County — echoed how greater economic success looms for this area once recreational marijuana is legalized by the federal government.

The Essex County region will "absolutely" emerge as a prime player in Canada given the existing greenhouse industry, which is "unparalleled in North America," said Carl Merton, chief financial officer for Aphria.

"The infrastructure we have in place has no competitor," he said.

The only potential hurdle for Essex County — or other areas in Ontario — to emerge as a major player in the recreational marijuana industry is the province's high electricity costs, Merton said.

"But we believe Aphria is positioned to be a sales leader," he said. "We will have a lower cost than everyone because of the greenhouses we already have. The labour base is also already strong here. We can grow at the lowest price in the industry no matter what model the governments come up with."

Aphria currently has 80 employees with its most recent quarterly revenues released in May at \$2.8 million.

Aphria has a 900,000-square-foot site with less than 100,000 square feet currently approved for use by Health Canada for medical marijuana production — so there is plenty of room to grow, Merton said.

"When recreational marijuana gets approved we will be able to provide infrastructure to produce 60,000 kilograms per year," he said.

At today's prices, that potentially translates into \$480 million in annual revenues, Merton said.

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