Factsheet

Non-profit models for the legal sale of cannabis

Alternative models for the supply of non-medical cannabis now exist in many jurisdictions around the world (e.g., Canada, USA, Uruguay). The main existing non-profit approaches include home cultivation, Cannabis Social Clubs (CSC) and government monopolies. A study by RAND, commissioned by the Federal Office of Public Health, analysed these models and conducted initial policy impact assessments. Only little robust data is available on the effects of these alternative approaches, but they have the potential to prevent excessive commercialisation and thus promotion of cannabis use.

KEY FACTS

Non-commercial models of cannabis supply for non-medical use such as

self-supply models or government-run outlets

are possible.

The study compares non-profit alternatives to the supply of cannabis through a literature review and interviews with international experts. The impact of these models on public health and safety is examined. Individual (home cultivation) and collective (Cannabis Social Clubs) models of self-supply, government-run outlets and state-controlled supply of cannabis through pharmacies have been implemented to date.

Country	Sub-state regulation	Model	Coexistence with commercial models	Year of passage of law
Malta	No	a, b	No	2021
Australia	Yes	a	No	2019
Canada	No*	a, c	Yes**	2017
Spain	Yes	b	No	2014***
Uruguay	No	a, b, d	No	2013
USA	Yes	a	Yes	2012

*Legend: a : home cultivation ; b : CSC ; c : government-run outlets ; d : pharmacy sales ; * national legal framework plus federal regulation of distribution at provincial level; ** in Quebec only state-owned; *** no longer in force.*

Self-supply: Permitted in most legal cannabis markets

Home cultivation of a few cannabis plants by consumers themselves is allowed in almost all jurisdictions that have legalised cannabis, along with other distribution models. The regulations are not very complex and concern, among other things, the limitation of cultivation quantities (number of plants) and the question of sharing or gifting. **Cannabis Social Clubs (CSC)** are non-profit associations in which users produce cannabis collectively. Such distribution models exist in Uruguay and Malta (also in some autonomous regions of Spain, although local regulations have been repealed by the Spanish Constitutional Court). Regulatory differences exist, among others, with regard to the licensing system, the restriction of the number of members and the monthly quantities allowed to be sold.

Government monopolies: experiences from Canada and Uruguay

Models with a state monopoly for distribution and sales are relatively new. In Canada, **a state monopoly company for distribution with retail shops** can be found in the provinces of Quebec and Nova Scotia. These correspond to state retail monopolies for alcohol, as they also exist in Scandinavia. In other provinces, there is a state monopoly for online trade (hybrid models) in addition to profit-oriented physical sales outlets. The state sales outlets are intended to guarantee legal access to cannabis without encouraging consumption. Strict framework conditions apply, such as restricted product ranges. **Pharmacy sales** in Uruguay also comes close to a state monopoly,

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An increase in high-risk consumption

is less likely to happen with non-profit models compared to for-profit models of sales.

For-profit models have the

highest potential for black market displacement.

Only little data exists to compare the different models. Studies such as the

pilot trials in Switzerland

are needed to draw clear conclusions for cannabis policy.

as the authorities set the sales price and decide on the products and license the pharmacies and producers.

Estimated impacts on health and safety

There is only limited robust evidence on the impact of non-profit cannabis models. With pronounced state control of the production and distribution of cannabis, as in Uruguay and Quebec, it is evident that dangerous classes of products could also be displaced from the black market.

The following table shows the effects of the various models postulated by experts on the basis of their experience in comparison to the black market in the event of a ban.

	Product quality assurance	Likelihood of promotion of harmful use	Ability to reduce size of illegal market
Home cultivation	Limited	None	Very low
CSC	OK	None	Low, but depends on CSC coverage
Government sales	Very good	Low	Good
Commercial model	Good	Very high	Likely best, but will depend on enforcement

Note : Extract from Table 10, adapted from Caulkins et al. (2015).

There are still **hardly any rigorous impact evaluations** with comparison groups that allow a sound assessment of the different models. In addition, from a public health perspective, there are a number of other promising non-profit approaches such as **licensing non-profit organisations for sale** that pursue charitable purposes and a health-oriented agenda. Such approaches exist, for example, in the area of gambling services in New Zealand.

The **pilot trials** involving the dispensing of cannabis for non-medicinal purposes in Switzerland explore the different models and may provide policy-relevant insights into their individual social impacts. It should be noted that the individual models can be **implemented in very different ways** – for example in the areas of product safety and youth protection – and that their effects differ depending on the social framework conditions.