



# Discussion Paper 5-Year Review

*Cannabis Control and Regulation Act*

# Contents

- 1. Introduction..... 2
- 2. Pre-legalization: the illicit market ..... 3
- 3. Objectives of cannabis legalization..... 4
- 4. Public health ..... 6
- 5. Public safety..... 8
- 6. Protection of young persons..... 9
- 7. Economic contributors .....10

# 1. Introduction

The federal government legalized recreational cannabis in Canada with the enactment of the *Cannabis Act* on October 17, 2018. The Act regulates legal cannabis, for non-medical purposes, at a national level.

The federal and provincial/territorial governments have different responsibilities. The federal government is responsible for the licensing and oversight of legal cannabis production while provincial and territorial governments are responsible for the authorization and oversight of wholesale distribution and retail sale of recreational cannabis within their respective jurisdictions.

National and provincial/territorial legislation work together to manage recreational cannabis.

Cannabis laws in the Yukon are set out in the *Cannabis Control and Regulation Act (CCRA)* and its regulations. The CCRA requires a review of the Act every five years. With the first five years of legalization behind us, the review is now due.

## How can you contribute?

Please complete the survey at [online survey link](#).

The survey is open to all Yukon residents and will take about 15 minutes to complete.

**The survey will run from October 17 to December 1, 2023.**



All information you submit is confidential. The feedback you provide is protected by the Access to Information and Protection of Privacy act and the Statistics Act.

## 2. Pre-legalization: the illicit market

Consumption of recreational cannabis was common in Canada and the Yukon before it was legalized in 2018. As cannabis was an unregulated illegal substance, all trade and profits belonged to the illicit market. Before legalization, cannabis was the most widely used illicit drug in Canada.<sup>1</sup>

According to surveys, Yukoners consumed cannabis at a higher per capita rate than the national average prior to legalization. In the Yukon Addictions Survey 2005, 21% of Yukoners over the age of 15 reported using cannabis in the past 12 months, compared to 14% of Canadians overall.<sup>2</sup>

The rate of consumption has remained fairly stable in the decades that followed. National Cannabis Survey data in 2018 suggests that rates of past three-month cannabis use in the territorial capital cities – Whitehorse (23%), Yellowknife (27%), and Iqaluit (33%) – were up to double the national average prior to legalisation (16%).

The higher usage in the north continues after legalization: past-year cannabis use was reported by approximately 39% and 33% of residents in the territories in 2018 and 2019, respectively, compared to 16%-31% of respondents in the provinces.<sup>3</sup> The Yukon has the lowest consumption of all three territories.

Efforts by federal and territorial organizations to reduce activity in the illicit market are working. According to the Canadian Cannabis Survey in 2022, 61% of Canadian cannabis users purchased cannabis from a legal store front, an increase from 53% in 2021 and 41% in 2020.

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<sup>1</sup> Canadian Tobacco, Alcohol and Drugs Survey (CTADS) summary of results for 2017 (Health Canada, Ottawa), January 4, 2019.

<sup>2</sup> Yukon Addictions Survey (YAS) Preliminary Results 2005, A survey of Yukoners' use of alcohol and other drugs, Government of Yukon, Health and Social Services, Yukon Bureau of Statistics, 2005.

<sup>3</sup> Cannabis use prior to legalisation among alcohol consumers in Yukon and NWT, Hammond et al. 2021.

# 3. Objectives of cannabis legalization

## The federal Cannabis Act

The objectives of legalizing recreational cannabis at the federal level were to prevent youth from accessing cannabis, to protect public health and safety by establishing strict product safety and product quality requirements, and to deter criminal activity by imposing penalties for those operating outside the legal framework<sup>4</sup>.

Legalization means adults (18 and older) may possess up to 30 grams of dried legal cannabis (or equivalent form) in public, buy legal cannabis from a licensed retailer, grow up to four cannabis plants per residence for personal use, and make cannabis food and drinks at home, subject to restrictions under the federal regulations. Provinces and territories have the authority to impose further restrictions. For example, in the Yukon, the legal age to possess, purchase and consume cannabis is 19 years of age and older.

## Did you know?

- In 2022, 27% of Canadians (older than 16) reported having used cannabis in the past 12 months, an increase from 25% in 2021. Provincial/territorial estimates ranged from 18% to 41%<sup>5</sup> with higher usage in the territories, including the Yukon. This is in line with higher-than-average usage in the Yukon prior to legalization.



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<sup>4</sup> Government of Canada, Cannabis Act, S.C. 2018, c. 16, s. 7.

<sup>5</sup> Canadian Cannabis Survey 2022.

## The Cannabis Control and Regulation Act

Like the federal Act, in the Yukon the purpose of the Cannabis Control and Regulation Act is to regulate adult consumption of recreational cannabis while protecting public health and safety – and specifically to discourage young persons from accessing and consuming cannabis. These goals are further accomplished by facilitating distribution and consumption only of cannabis produced by federally licensed producers to guarantee a safe and high-quality supply.

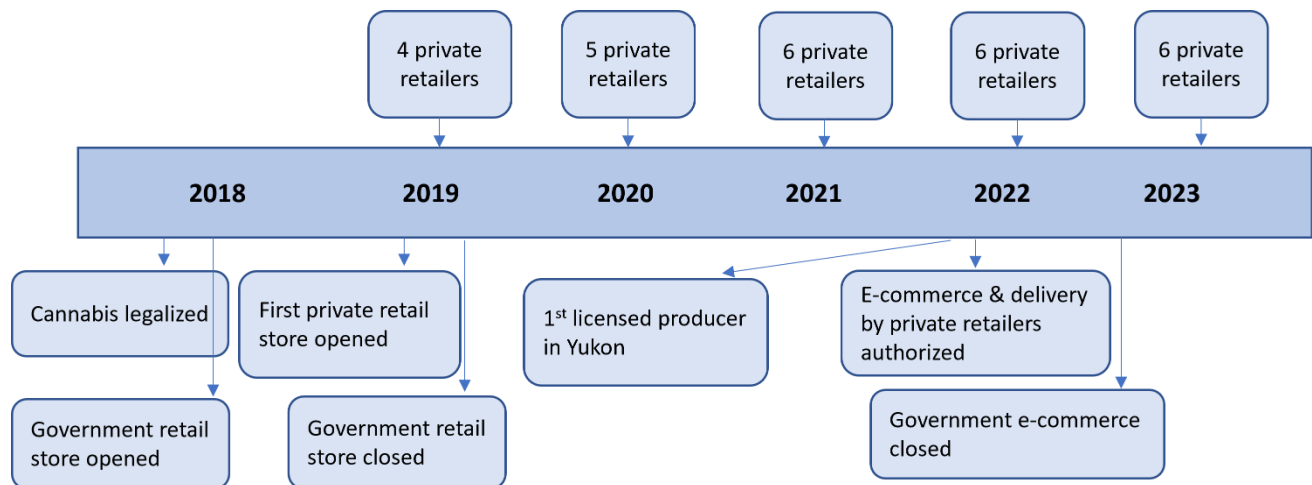
To achieve these objectives, the Act lays out the laws for distribution, licensing of cannabis retail stores, sale and possession of cannabis, home cultivation, where cannabis can legally be consumed and fines or other penalties that may be imposed if laws are broken.

### Did you know?

- Consumption of cannabis is only allowed in a permanent or temporary residence (as defined by the legislation) or adjoining property, such as a backyard.
- An individual cannot possess cannabis in a vehicle unless it is in a closed container and inaccessible to all people in the vehicle.
- Licensed retailers can only purchase their cannabis inventory from the distributor corporation.

### Timeline

The following timeline shows how the cannabis sector has advanced in the Yukon in the five years since the legalization of cannabis.



## 4. Public health

A challenging fact of the cannabis legislation is that it serves multiple, sometimes seemingly conflicting, objectives, such as providing access to a controlled substance, while simultaneously restricting its consumption to support public health or safety.



Public health is a core pillar of cannabis legalization. As cannabis is a controlled substance, raising public awareness about the risks of cannabis consumption aims to reduce health-related harms.

Cannabis use has short-term and long-term effects on the body and brain that vary from person to person. Health risks can be reduced by choosing not to consume cannabis, applying moderation if choosing to consume, and increasing the age of initiation.

As with any drug, the same form, dosage and potency can have different effects on different people. Some individuals may feel relaxed, lively, talkative and giddy, while others may feel tense, anxious, fearful or confused.

Cannabis can be consumed in a number of ways, and the method of consumption can impact the way effects are felt. For example, people who inhale cannabis smoke feel the effects more quickly than when it's consumed in food, brewed in a tea, or taken as a capsule or oral spray.

### Did you know?

- In the Yukon, private retailers play a role in protecting public health and safety. For example, all retail staff must take mandatory training which covers the impact of cannabis on health, social responsibility and legislative requirements.
- All labels on legally sold cannabis products in the Yukon contain health warnings.
- Yukon Liquor Corporation's [cannabis annual reports](#) track health indicators.

## Social responsibility initiatives

Since legalization the Yukon Liquor Corporation has undertaken a range of social responsibility initiatives to educate Yukoners on the potential health risks of cannabis consumption.



In particular, the Corporation has:

- Implemented the Check 30 initiative in private retail stores. This initiative requires retail staff to ask for identification from anyone who looks under 30 years of age.
- Developed, launched and maintained the “Be A Responsible Server-Cannabis” (BARS-C) online training for all cannabis private retail staff.
- Distributed Cannabis Talk Kit brochures in all Yukon communities, in all Corporation liquor stores and on Yukon.ca. The information is designed to be a guide for parents or guardians on how to discuss cannabis with youth.
- Promoted the Government of Canada’s social media posts through the Yukon Liquor Corporation Facebook page on the risks of cannabis use, intoxicated driving, and safer consumption.
- Distributed a cannabis information brochure called Cannabis 101 that is available in cannabis stores and online. This content explains the risks of cannabis use on health, how to keep cannabis use legal and safer consumption methods.
- Participated in Mothers Against Drunk Driving red ribbon campaigns, with the Minister and Corporation staff attending check stops.
- Distributed Canada’s Lower-Risk Cannabis Use Guidelines brochure in Corporation liquor stores and private retail stores. This material was created by the Canadian Research Initiative in Substance Misuse to help people reduce the health risks of cannabis use.
- Completed inspections to ensure licensees follow legal requirements.
- Collaborated with the Canadian Centre on Substance Use and Addiction to share information about cannabis consumption risks during the pandemic on social media and in Corporation liquor stores.



## 5. Public safety

The public safety component of cannabis legalization is geared towards reducing the illicit market and keeping profits out of the hands of criminal organizations.



Reducing production and sales in the illegal market further contributes to public health as legally produced cannabis needs to meet rigorous product safety requirements and testing. Legal cannabis products are considered safe while illegal products can be laced with harmful pesticides or other pollutants, or even lethal substances such as fentanyl.

Public safety also relates to measures taken to prevent impaired driving by raising awareness and public education. A Yukon example of this is the Planning Ahead campaign run by the Department of Highways and Public Works.

Enforcement of the Yukon's cannabis laws is handled by enforcement officers through a set of fines, penalties and possibly jail time depending on the seriousness of the offence. Yukon Liquor Corporation inspectors enforce licensed premises and licensees only, while RCMP have authority to take enforcement measures regarding all cannabis laws.

### Did you know?

- Legal cannabis can be easily recognized by its packaging. Legal cannabis containing THC has:
  - An excise stamp indicating the product has been legally produced and taxes paid. The Yukon's stamp is dark pink in colour.
  - A standardized cannabis symbol.
  - Health warning messaging.
- Police-reported data for 2020 on impaired driving indicates that the highest rates (per 100,000 population) are observed in the Yukon, Prince Edward Island, the Northwest Territories and Nunavut<sup>6</sup>. Cannabis is one of the most frequently detected class of drugs among drivers.



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<sup>6</sup> Public Safety Canada, *Annual Data Report to inform trends and patterns in drug-impaired driving, 2021*.

## 6. Protection of young persons

There are measures in place in the Yukon to support the protection of youth from cannabis harms by limiting exposure and discouraging consumption of cannabis. Examples of these measures are age-gating of websites where cannabis can be ordered, restrictions on advertising and a complete ban on access, sale or delivery of cannabis to youth.

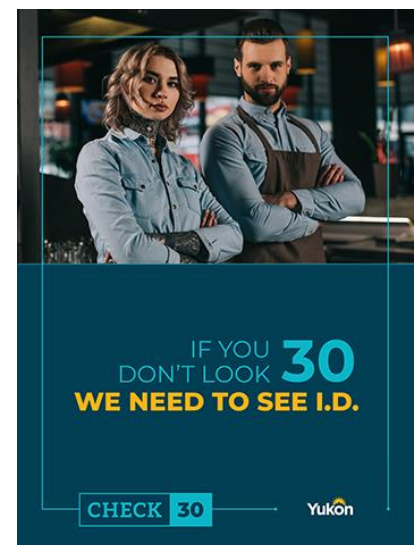
Other rules in place that may help protect youth in the Yukon include:

- Minors are not allowed to be present in a cannabis store.
- Individuals should not be able to see into or hear any activity inside a cannabis store.
- Sale or delivery of cannabis to a minor is not allowed. Cannabis retailers must check the identification of any individual who appears to be a younger than 30 years. This applies to in-store sales, online orders and deliveries.
- Minimum distance requirements from elementary and secondary schools for cannabis retail stores.

There are also restrictions on the promotion of cannabis under the federal Cannabis Act, as well as limitations on flavours that could be appealing to youth such as candy or fruits.

### Did you know?

- Canada-wide, 37% of survey respondents in the 16-19 year old age group responded having used cannabis in the past 12 months in 2022. This demographic is the second highest user group, preceded only by 20-24 year olds with a reported usage of 50%.<sup>7</sup>
- There was no change in cannabis use for these two younger age groups between 2021 and 2022, while usage among people 25 years and older increased from 22% in 2021 to 25% in 2022.



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<sup>7</sup> Canadian Cannabis Survey 2022.

# 7. Economic contributors

At time of legalization, the Yukon established a government-run wholesale and distribution model and opened a government cannabis store with the commitment to transfer cannabis retail to the private sector. Now, five years later all cannabis retail is in the hands of private cannabis retailers.

The first private sector cannabis store opened in spring of 2019, leading to the closure of the government store in October 2019. In May of 2022, private retailers were authorized to offer online sales and delivery and in fall 2022 the government e-commerce site was closed. With that, the transition from government-run retail to fully private cannabis retail was complete.

The Government of Yukon continues to run the wholesale and distribution model guaranteeing a safe and reliable supply and serving six cannabis retailers across the territory. Licensing and regulation of licensed retailers is also a function of government.

Cannabis legalization has diversified the Yukon economy and created a legal industry that generates revenue. This supports the capture of market share from illegal cannabis operations.

**Table 1** shows the growth in cannabis sales and the number of licensed retailers over time.

Retailers choose to enter a highly regulated industry and must navigate stricter requirements compared to other, less regulated, types of retail. Despite the challenges, legal retail sales have shown strong growth, year over year.

**Table 1: Cannabis sales Yukon Liquor Corporation 2018-2023<sup>8</sup>**

Cannabis Sales, Growth and Number of Licensed Retailers		
October 2018 – March, 2019	\$2,030,459	1 government retail store open
April 2019 – March, 2020	\$4,863,403 (139.5% growth)	5 private retail stores open
April 2020 – March 2021	\$6,070,156 (24.8% growth)	5 private retail stores open
April 2021 – March 2022	\$7,091,758 (16.8% growth)	6 private retail stores open
April 2022 – March 2023	\$7,708,150 (8.7% growth)	6 private retail stores open

The local cannabis industry in the Yukon is strong. Estimates indicate that five years after legalization, the market share of legal cannabis is roughly 70-80%. This means that a significant piece of the illicit market has been replaced by legal sources.

**Did you know?**

- Collectively, the Yukon’s licensed retailers employ approximately 40 employees.
- The Yukon’s cannabis private retail is firmly established, leading to an estimated higher legal cannabis market share than the national average.
- The territory’s most popular cannabis products are dried cannabis, extracts and edibles. The biggest growth in 2022 was driven by growth in inhaled extracts such as vaporizers and concentrates.

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<sup>8</sup> Source: Annual Reports 2019 - 2023, Yukon Liquor Corporation.