

The Medical Cannabis Revolution

Aspirin, the most widely used medication in the world, is facing a new and unlikely rival: cannabis. This historically stigmatized drug is now being touted as the new wonder treatment, despite being in the early stages of medical research.

The growing exuberance over the drug’s potential medical uses is driven largely by patients. Most governments remain out of step with the sea change in public opinion, particularly among those suffering from arthritis, anxiety, PTSD, glaucoma, chronic pain, and the like. Millions of people today self-medicate using some form of cannabis, with or without their doctor’s approval.

As of 2019, there are an estimated 263 million cannabis consumers globally, according to New Frontier Data, one of the leading independent cannabis data analytics firm. Some 1.2 billion people have ailments for which cannabis has shown to provide some therapeutic value. The global market now exceeds USD\$344 billion, according to New Frontier Data’s “Global Cannabis Report: 2019 Industry Outlook.” Cannabis is rapidly becoming a major economic force with the potential to stimulate growth in stagnant sectors including manufacturing, retail and agriculture. It will also turbocharge the pharmaceutical sector.



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– New Frontier Data



Medical cannabis is legal in some form in more than 50 countries and 34 U.S. states plus the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands. At the beginning of 2018, even those working in the U.S. medical cannabis business believed that the market would expand gradually until the U.S. government formally legalizes it.

But ordinary Americans have pressured their states to legalize or decriminalize cannabis, even in states known for their hardline drug policies, such as Arkansas and Oklahoma. Canada fully legalized the drug in 2018, thereby igniting a global race to cash in on cannabis products and attracting early American investments in what is expected to become the largest (medical and recreational) cannabis consumption market in the world.

The headlines often emphasize the recreational use of cannabis – getting high. Already cannabis bars are opening everywhere to satisfy demand for the drug in a familiar setting, an indication of just how mainstream it has become. In Oklahoma, one tiny, religious, conservative town of 8,000 residents just opened its third cannabis shop. This trend will no doubt continue for decades to come.

However, in the near-to-long term, our attention should also be directed at the medical innovations that are expected to emerge within the cannabis industry. Already there are signs of cannabis’ potential to revolutionize the domain of medicine. However, research into cannabis to date has been prohibited in most places – notably in the U.S. – with Israel taking center stage as the world leader in cannabis research.

The U.S. Drug Enforcement Administration (DEA) was ordered three years ago to overhaul its regulations against cannabis research, though a major policy shift has yet to occur. At the same time, the U.S. Food and Drug Administration (FDA) is flooded with applications to produce cannabis products for medicinal purposes.

Despite the rigorous government approval process, many companies are going to market with untested and unapproved products that are flying off the shelves. American researchers are left trying to develop medicine using a single, very old plant strain that has been cultivated at the University of Mississippi since the 1960s, rather than adopting the many newly developed strains already available to the general public. The private sector is doing it on its own – consequences be damned.

Medical cannabis is already a cross-border industry. It is being exported, for instance, from Canada and Latin America into Europe. The corporate behemoths in the pharmaceutical, agricultural and beverage sectors are beginning to overtake the market with abandon. And once the U.S. federal prohibition is dropped, the industry will be awash in enormous investments and relentless innovation.

The clearest indicator of what will happen when the Americans enter the game full force is exemplified by a major deal signed last spring involving Canopy Growth, Acreage Holdings and Constellation Brands. Canopy Growth, one of the leading Canadian cannabis companies, announced it had bought the right to acquire one of the largest multi-state operators in the U.S., Acreage Holdings, when the U.S. federal ban is finally lifted. Constellation Brands, an international producer and marketer of beer, wine and spirits and

the largest beer import company in the U.S., bought a stake in Canopy in order to position itself for both U.S. legalization and the booming international cannabis trade. This move positioned all three companies to benefit enormously from the global cannabis mergers and acquisitions market that has steadily been heating, especially in Europe, Israel and Latin America. The pace will only accelerate in 2020.

It is a terrific time for non-U.S. players to fast-track research, build companies and achieve recognition as cannabis global leaders before full U.S. legalization occurs and the mega-companies vault into action to dominate the burgeoning global cannabis market.

Elaine Carey is a managing director and co-leader of the Cannabis practice within the Forensic & Litigation Consulting segment of FTI Consulting.

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Elaine Carey
Managing Director
213.452.6324
elaine.carey@fticonsulting.com



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