Cannabis Retail During COVID-19

Introduction

In response to the COVID-19 pandemic declared in March 2020, many governments around the world imposed various types of “lockdowns” intended to slow the spread of the novel coronavirus by discouraging or restricting individuals and businesses from operating as usual. Among the lockdown efforts made in Canada in March, provincial and territorial governments announced that only those services and businesses deemed essential could remain operational. Most jurisdictions declared retail liquor and cannabis stores essential businesses. While the decision to keep liquor stores open attracted media attention, less attention has been paid to cannabis stores being kept open.

Canada legalized and regulated cannabis for non-medical purposes in October 2018. Under the Cannabis Act, the production of cannabis is regulated by the federal government. However, the rules around its retail sale are under provincial and territorial jurisdiction. Based on a scan of government and media sources, this report describes cannabis policy changes that have been made in response to COVID-19 between March and August 2020 in provincial and territorial jurisdictions. It will also briefly present preliminary information on changes in cannabis sales and patterns of use.

Jurisdictional Responses

Non-medical cannabis retail sales were officially declared an essential service in those jurisdictions that made such declarations or were treated as such in most other jurisdictions. Provinces and territories with physical retail outlets took steps to reduce person-to-person, in-store interactions. These steps consisted primarily of implementing physical distancing measures within stores, increasing sanitation measures and reducing operating hours. Newfoundland and Labrador, Prince Edward Island and Ontario took measures that went beyond such basic precautions, at times pivoting in their responses.

Newfoundland and Labrador

On March 17, 2020, Newfoundland and Labrador ordered non-medical cannabis retailers to close for “in-person service,” advising that they could continue to operate online or through phone-in services if they were able to do so. The province loosened restrictions on April 23 and gave stores the opportunity to re-open with physical distancing measures such as curb-side pickup in place.

Prince Edward Island

Prince Edward Island did not deem cannabis sales to be an essential service during the initial lockdown period and in response to the pandemic closed the province’s four physical cannabis retail stores on March 19, 2020, re-opening them on May 22, 2020. The province continued to make cannabis available to customers through online sales and set up a phone-service option. It also waived fees for shipping purchases made remotely.
Ontario

Ontario, one of the provinces initially hardest hit by COVID-19, since March has changed several times how it treats non-medical cannabis retail. Initially, on March 24, 2020, it declared non-medical cannabis an essential service, which allowed physical retail locations to remain in operation while implementing physical distancing measures. Soon after, on April 4, the province removed non-medical cannabis retailers from its list of essential businesses, prompting stores to shut down. This left residents with the government-run online retailer as the only legal option for purchasing cannabis in the province. Several days later, the government issued an emergency order through which it announced it would permit brick-and-mortar shops to offer two new approaches to retailing cannabis, curb-side pick-up and home delivery. The order was made on April 7, on a short-term basis, and has been renewed twice, on April 14 and May 14, extending the order until May 29. Stores were able to re-open on May 19, 2020, as part of the province’s Stage 2 measures, providing physical distancing requirements could be met.

Information on Sales and Patterns of Use

General retail sales in all sectors fell ten percent across Canada in March 2020 — the largest such decline in recorded history (Statistics Canada, 2020, May 22). Despite these overall declines, the retail cannabis sector continued to see increasing sales in every jurisdiction except Prince Edward Island (Myran et. al, in press). Although the increase in cannabis retail sales in contrast to the reduction in overall retail sales is notable, it is important to recognize that the continued increase itself followed a pre-existing trend and cannot be attributed to the impacts of the pandemic alone.

Polls conducted since the start of the pandemic indicate that Canadians’ use of cannabis has remained stable at a population level, with only 6% of those Canadians who report staying home more during the initial stage of the pandemic reporting an increase in use (Canadian Centre on Substance Use and Addiction, 2020). However, more recent polls indicate that frequency and quantity of cannabis use has increased by over 30% among the sub-sample of respondents who currently use cannabis (Mental Health Research Canada, 2020; Canadian Centre on Substance Use and Addiction and Mental Health Commission of Canada, 2021).

Conclusion

Monitoring the jurisdictional treatment of non-medical cannabis retail and Canadians’ patterns of use during the COVID-19 pandemic is key to understanding potential economic and health impacts, including the impacts of the pandemic on the emerging regulated market. Analyzing the relationship between the regulation of sales and patterns of use can inform approaches that prioritize a public-health approach as we progress through the pandemic response and beyond. Awareness of changes in sales and patterns of use may also help us to anticipate the types of substance-use services Canadians may need in the coming months and years. CCSA will continue to monitor policy changes and provide up-to-date information at www.ccsa.ca.
References


