

Speaker 1 ([00:13](#)):

Welcome to the higher enlightenment podcast brought to you by higher yields cannabis consulting. Hello, and welcome to the higher enlightenment podcast brought to you by higher yields cannabis consulting, your seed to scale cannabis business solutions team, and the creators of the innovative cannabis consulting business solution system fire enlightenment. My name is Adam and I am part of the creative design team here at higher yields. And I'm here to introduce and give a little background on the higher enlightenment podcast. So what are these podcasts about? The higher enlightenment podcast was created to discuss everything cannabis, whether it be cannabis, industry news, cannabis, industry, insider insights, advice, and tips to establish your own successful cannabis business cannabis pop culture. In general, we'll also be discussing cannabis news from around the globe. Today's episode features Courtney Wagner, the CEO of higher yields consulting and our friend from the Netherlands RJ of four 20 consultancy. We also have our good friend, Carl of Europe, Hector Franco joining us from Mexico Randall from Canada, as well as Eric Green are minorities for medical marijuana and higher yields consulting. We appreciate you're choosing our theater and to make this experience more enjoyable for everyone. We hope you'll refrain from talking during the show. Thank you.

Speaker 2 ([02:36](#)):

Good morning. Good afternoon. And good evening everyone. And welcome. My name is Corey Wagner, and I'll be your host for this episode of the higher alignment podcast. Cannabis is booming and not just here in the United States, but worldwide the day of. So my favorite clients and colleagues around the world to discuss the global cannabis industry and to share a virtual happy hour drink together. Joining us from the European union today is my Rutger. John Haven is better known RJ. RJ lives in the Netherlands and has been a leading member for the development of the cannabis test program. That includes 10 LP licenses. He hopes that this program can create a scalable framework to be replicated across the European union. RJ, welcome to the show. What is your Friday drink of choice.

Speaker 2 ([03:22](#)):

All right. Great. And then, uh, coming in from Mexico is a good friend of mine. Hector Franco. Hector's worked as a politician in Mexico and last year, worked with the government to develop the regulations and standards for both cannabis and hemp in Mexico. Uh, Hector's had a ton of success and just last week opened his first CBD store. How are you doing today, Hector? I'm doing fine. Thank you. Fantastic. And then, uh, joining in from the UK is Carla spree, CEO and founder of American and African. Uh, last year, Carl began to develop a cannabis manufacturing operations spanning from Africa to Europe and is currently seeking other opportunities throughout the globe. Uh, Carl, what's your drink of choice today? That's just some one. My Cory I guys.

Speaker 2 ([04:07](#)):

Great. And then, uh, calling in from Canada is Randall. Randall's held higher yields on a few application projects, both here in the U S and internationally. He's an expert in cannabis cultivation extraction and has an abundance of information on the regulatory status of Canada. And how import export is currently operating Randall. How are you doing today? We're going to turn, how are you doing? Doing good, doing good. And then joining in from Florida USA to discuss cannabis in the us is Eric range. Eric is a board member and chapter leader of the minorities for medical marijuana here in the us has been an advocate for social equity across the country. And for the cannabis industry. What's your drink of choice today? Eric

Speaker 3 [\(04:49\)](#):

Drinking a Guinness stout, uh, I'm a stout lover, uh, and that's my go-to is the Guinness stout, but I also have a couple other, uh, new styles that I've picked up at the store that I will be trying a little bit later on today. But yeah, today I'm drinking Guinness. Awesome.

Speaker 2 [\(05:05\)](#):

Awesome. Um, well welcome to the podcast and thanks for your time. Uh, great. Well thank you everybody for coming on today and being a part of the higher Lightman podcast let's dig right in. Um, so Hector, first question for you, uh, finding the correct information of what's going on in Mexico has been pretty difficult and it seems that the only thing that's been consistent is it's taking a lot of time to get the industry moving down there. Um, can you kind of clear the air force and give us a little update on what's going on with hemp and cannabis in Mexico and how your projects are going? Okay.

Speaker 4 [\(05:38\)](#):

Let, let me tell you, I think in Mexico, it's getting, it's getting weird. Do you know Supreme court from Mexico order to the logistical team, uh, power to submit the laws about, uh, um, medicinal cannabis and also about, uh, recreational cannabis, but with COVID, this thing has stopped and it seems that there is no going to be the Congress is not going to be able to regulate this thing until next year. So we are a, we are in the middle of, of, uh, regulation changes that allow us to do some things, but another things are not allowed to do so that the business is not completed. You know, we don't have the enough regulation right now to have our business going well here in Mexico. Let me tell you an example. We have, uh, we opened a store, eh, our specialty is a compound medicine.

Speaker 4 [\(06:48\)](#):

We have a pharmacy, we call it here in Mexico. Um, well I think in the United States, the name is compounding medicine. So it, you get, um, a doctor's note and you can make the CBD, or they can discuss, uh, maybe seen in our lab in, in, in our shop. The thing is that we have some CBD that was important here, uh, to Mexico, maybe one year and a half ago with the, with the, uh, with another government. And, uh, we are running, running out of CBD. And this, this thing that is not clear, the law here Mexico is not allowing us to import CBD right now. So we are in the middle of opening a shop and maybe having to close it soon because we are, we are, we are running off. We are running out, uh, CBD. This shows that the legs, the Mexican laws are not complete and there is no interest from this government, complete the loss.

Speaker 4 [\(08:05\)](#):

The loss in this year, um, seems that the, the, the government was interested at the beginning in allowing people you regressional use of marijuana. He used to make here in Mexico, and it seemed that it was going to be, um, uh, well now it's a Hopi road because it seems that as several, several advisers to the president are willing to, to make the, the legislation for Canada and Mexico, but the prescient doesn't want it is so it's very conservative. So it's clear that we are having trouble here, Mexico and is going, is not going be sold, been in this year. So we have medicinal cannabis right now. We can sell CBD for medicine. We can make a compounding medicine in our Shaw, but we are not allowed right now to import CBD. And we are not allowed to, um, roll our own way to, to extract the CBD. So we all been, we have a very clear success with people from, uh, 50 years old to older. It that's 95% of our clients are 45 or older, and they only want CBD for pain or for sleeping. And in this COVID, uh, anemia, uh, everybody's

having trouble for sleeping. So it was a success. We sell a lot of products for, uh, from CBD, from our CBD that we had, but now it's is, is going to be very hard to get more CBD.

Speaker 5 ([10:08](#)):

Okay,

Speaker 6 ([10:09](#)):

Cool. What, uh, what's so you said the most people are 45 and older. What's kind of the, what's the main product people are seeking down there.

Speaker 4 ([10:17](#)):

Uh, just, uh, oils just drops for sleeping and on, uh, for pain. Uh, also three-inch propane. That's our main product that we have. We, we made this in our lab and they sold them pretty fast, but that's the only thing that people want right now.

Speaker 6 ([10:39](#)):

Randall, did you have a question for Hector?

Speaker 4 ([10:41](#)):

So guys is going to be very embarrassed, low for Mexico. We wanted it to go faster. We were moving things in the Congress last year, maybe one year and a half with, with Cory's help. We were doing things. We are, we are, we were making some,

Speaker 5 ([11:03](#)):

Uh,

Speaker 4 ([11:04](#)):

Well, we were coming, uh, sometime with Congressman there in Mexico city. And it seems perfect. It seemed perfect, but now we don't know what's going to happen. It's going to be very slow here, man.

Speaker 5 ([11:19](#)):

Cool

Speaker 4 ([11:22](#)):

Though, that in our law, in our health low Jukin, you can have CBD medicine. I need an, a, you can have a medic, eh, pharmaceutical compounding, but now the, um, the government is blocking the, the importation, the importing process process.

Speaker 7 ([11:47](#)):

Randall has a Hector. So just a quick thought. Uh, so does it, does it mean that for medication medical use, you can import CBD, but for recreational, you cannot, or you cannot even import for medicine or user research purposes CBD into Mexico from other jurisdictions.

Speaker 4 ([12:07](#)):

There's no way to import a CBD right now, eh, to Mexico, any, any juice? What do you want to give it? You cannot import right now. So right now we have, uh, it's going to be another legal battle because we have been all the time with legal battles, legal battles. But right now the one is that they are, there is a procedure that if we're importing goods, that they are not even though in our law, in Mexico juke, and it provides CBD for Medici medicinal uses. When you try to import it there, they have, um, it's not illegal. It's, uh, arbiter. I dunno how to say it, but it's arbitrary there that you cannot do it. So we need to try to import some, to get, uh, a negative, to import it, to start a new legal process to it. So it's it's, we are going to make it, we are going to make it work, but it's going to take maybe another six months.

Speaker 7 ([13:25](#)):

It is very interesting. I grew up when you say that, because I believe there is pharmaceutical industry in Mexico, which imports opium from India and other countries like I was reading. So if they can import opium and CBD is way less addictive. So this is kind of a bit absurd on that side. There is so much pushback on that because I have in, when I was in India, I have seen how opium is exported and grown, and all the countries buy from India, Tasmania or other places. There's only five, six countries, which grow it actually legally as an industry. And every country honestly have this framework of opium, import, scolding, or whatever for medication, all they have to do is pick up those regulations, change them to some extent and start importing. So I believe it is just a political will, which is required by the politicians to make that move.

Speaker 4 ([14:18](#)):

Yeah. And let, let me tell you something, something funny in my shop, we, we, we, we make pharmaceutical compounding and if you need opium, uh, we can make the, the medicine for you. There is no problem, no problem. But with CBD is, is just a political battle that we are having right now in Mexico. It's, it's weird, really weird. And, and maybe it's the guts there or past government. Uh, they gave a lot of permits that were canceled with this new government because they, they are from political. They had a very, very far away political views. So, um, we think that is, it can be so old, but right now there is no, uh, uh, political, you know, nobody in the head of a precedent. There is no way right now to allow the CVD importation. I don't know.

Speaker 7 ([15:24](#)):

And Sam is with the exports of cannabis, blondes and of cannabis seeds and everything. So does it come under on one blanket?

Speaker 4 ([15:31](#)):

The thing is right now blocked. You don't can I have, uh, well, the Supreme court gave me, uh, allow me to, eh, have marijuana plants for, uh, regression on views. I had, uh, this legal battle. So I have my, we call a battle. We have an, I have my authorization, but they cannot import seeds. So the plants, I cannot have plants because I cannot import seeds.

Speaker 7 ([16:04](#)):

Well, yeah, I'm lucky I'm in Canada. Just more fun here. Yeah. Yeah. Okay. Got it. Yeah, that wasn't exact during, congrats on getting your store opened last week. That's okay.

Speaker 4 ([16:18](#)):

I hope it lasts a long time. We don't have a lot of CBD right now and we have a lot of people wanting it. So sorry, guys. I have to go for me. It's, it's a, I told Corey that I, I had to go with. It's very nice to see you. And next time I, I will be with you more time. Thank you.

Speaker 7 ([16:38](#)):

Great. Thanks for jumping on a sector. Thanks a lot. Thank you. Ma'am. Thank you. Bye. Alright, cool. So it's such a beautiful place. So many places you go. And, uh, I feel like when a lot of people talk about cannabis or say cannabis, one of the first things that comes to mind is Amsterdam and the coffee shops that have been there for so long. And it's one of the first places to openly, or kind of seemingly openly, um, have cannabis and where you can go and find cannabis since then. No, w what's kind of changed in Europe and what's going on there now,

Speaker 8 ([17:15](#)):

Quite a loss. I mean, that Amsterdam and you can still go to the golf shop and they're suffering at the moment. Is that pretty much because the COVID all the tourists are staying at home. So it's, it's just pretty sad over there, but, and still, and progress is being made in, in ongoing regulatory issue. And I should probably know them. It is allowed in HoloLens to, uh, to sell, uh, cannabis, uh, into coffee shops, but it's, uh, and that that's already allowed for more than 40 years. Uh, but there's still a multi-cloud to grow cannabis and to transport cannabis, which is a bit of a schizophrenic situation, of course, in which we are already in for more than 40 years. And in the past eight years, um, my colleagues knife, uh, worked on the, on the regulation of, uh, of, of, of, of the welfare of the production sites, uh, which we managed to, to, uh, to frame into a, to a law.

Speaker 8 ([18:11](#)):

And as a result is now in, um, that, that we are at the brink of starting an experiment. And then we have, uh, 101 cities in islands where we have coffee shops. Then of those will be participating in this experiment and start at 79 out of 573 coffee shops. And in the sensitivities, um, um, these coffee shops can buy their, uh, their cannabis from licensed producers. And then the government now is going to issue, um, a maximum of 10, uh, healthy licenses, um, uh, and these, but they can then grow for, for, for all these shifts, all these scholarships. And we're at a moment of very, uh, very much involved in, um, in, in compiling all the, the license applications, uh, they are due at the end of the end of July government, uh, gave us, um, a very short time because I only published, uh, last week and they made the announcement of the deadline and today gave Beverly some, uh, some of the regulation, uh, the final regulation, and another part is still still due to, uh, to be published.

Speaker 8 ([19:22](#)):

So we need to work really hard to get the license, a download. It's nice to, uh, to be in a process where, well, you, you, you fight and lobby for, for regulation on them. Also. Now in the final stage of applying for, for a license, some help, we hopefully, uh, local attaining one and then building a building of facilities, shall we, we started from scratch there, and then hopefully we have been two years or so flourishing their production facility that there's interesting times. And hopefully, uh, this, this, this, uh, all of the decisions in that sense, the, the, the first round free to regulate the recreational markets, um, Luxembourg, uh, at the moment, this also had drafting legislation, but that said that's still, uh, still bending. And also, uh, Switzerland announced that they also want to make steps to, to, uh, to recognize the recreational will our markets, as Switzerland already has regulated the CBD markets with the, with the highest percentage of that, uh, the allowed in this, this, the CBD bullets out to out to, uh, uh, what is

it 1%? And, uh, so yeah, hopefully these, these developments will, uh, will lead to, uh, to further regulation of the recreational market in Europe, especially and enough to do a lot of countries have regulated the medical markets. And then, then the years Germany, of course, are still, uh, uh, uh, very slowly in those in approaches. France was making steps, um, down, hopefully that that will lead them to, uh, do an ISO regulation also, um, uh, recreational markets in the Europe. I can count our and parts of the us.

Speaker 7 ([21:14](#)):

So do you think are here that the Netherland government will go, like there is two routes, majority understand two making cannabis legal, one is Canadian way. You keep it separate, uh, don't make it too much heavy on pharmaceutical GMP and stuff because cost of GMP adds up a lot. And specifically in Europe where wages are really high, like compared to Canada, or even us the minimum wage, do you think that these facilities which are coming online, will they be able to beat the price point? Because for example, in Canada, the cost of production of a GMP cannabis could be two euros or something. Uh, if you run the facility properly, it varies, but I still am giving like a mid-level number on the production, but do you think that European companies will be able to compete for the price 0.1 or second thing? Will the European governments might go the policy of protectionism where they don't allow the imports of cannabis from other countries? Because I have been dealing with German, uh, like I had some contacts in Germany with whom I'm talking and the price point of production, which some people like there are some research on that. It is really high. There's up to four to five-year-olds a gram of production cost. Do you have any thoughts on that?

Speaker 8 ([22:40](#)):

You, you you're talking medical markets or recreational markets,

Speaker 7 ([22:44](#)):

Uh, be, there are like, for example, I know imports right now or just for the medical market, which I understand if I changed in Germany specifically, I'm talking, but even for the recreational market, do you think that governments will allow import of cannabis from other countries like Canada, which is, I think one of the very few countries who can legally export to Europe right now,

Speaker 8 ([23:06](#)):

No, I am on the recreational side. I don't see that happening because if you look at the regulation, now it's a Dutch recreational market, and they really wants to have this kind of as Rome in the Netherlands. Uh, you need to ask, uh, a company that is legally established in the Netherlands to, uh, do buy for F four license. Uh, so they really wanted to, to have control. And the devil really wants to have the old, the whole regulatory, uh, control here in the, in the Netherlands. Um, and, um, uh, price-wise, I think there are Derrick can be, um, complete can, can produce a competing, uh, and price sensitive products, um, Y and that's a really big, big difference with between the Dutch situation and the Canadian situation. And we went over there and he studied the, did the whole thing, and also discussed it with, with, with, with, with the Dutch government in Canada, actually everybody can the dare garish, no limitation on the amount of licenses.

Speaker 8 ([24:08](#)):

Exactly. There are way too many licenses and way too many project production and, uh, not enough demands or that they, for whatever stuff that they cannot sell, uh, uh, can get rid of their, uh, their

cannabis in the Netherlands. There are only 10 licenses and, um, the coffee shops in the system need to, um, uh, to, to do buy from these strong many show you can read. And we, we did the calculations as well, and you, you, you can, can, um, and then you can make a very, very healthy, um, I will be living there and I'm a healthy profits, um, on, uh, once you have the license and if you run a smooth operation, um, and when it comes to medical, as he did, their dad is already a lot off, of course, um, import export going on with, especially bedrock at a Dutch, uh, medical, uh, uh, producer.

Speaker 8 ([25:06](#)):

Um, they're exporting it through to, to, uh, to Germany, to France, to Italy, and they down. I mean, I think are there, um, uh, I think two thirds or 75% of their, um, uh, uh, although the keynotes that they produce are being export that's, uh, that's quite easy, but on the recreational side, my, I don't know that there was always the, that, um, the thing that, that the Canadian investor, so the big, uh, the, the, the big cannabis companies that claim to their investors, well, we will be allowed to export to the rest of the world. And that's of course, uh, uh, still a difficult thing.

Speaker 6 ([25:52](#)):

I said, RJ, you got to come to MJ biz con last year in Las Vegas. How was it? Do you enjoy yourself?

Speaker 8 ([25:59](#)):

Yeah, yeah. I joined myself pretty dubious, especially, especially on the, uh, the party said you organized a Cory there, and it was very, very good it's, uh, it was, it was nice to do it, to see the, um, uh, such a show in, um, in the us. Um, you know, if you go to a two European shower, it's basically, um, a lot of genetic, uh, uh, companies and a lot of packaging and a lot of equipments for juicing, well, at small scale at set at home. Um, and if they got, I mean, it literally, it was 10 times bigger than an average. You were being show and there you have the big or culture tackles there. And they were very dominant and all the, the seed combination, genetic companies and packaging that was much more scaled down, and they were a bit more, uh, in the back of the room. So that wasn't, wasn't what was nice to see that, uh, the difference, but I learned an awful lot there. That was, that was good to see. Yeah.

Speaker 6 ([26:58](#)):

Awesome. Yeah. Yeah. It was good to, it was good to go meet you face to face when you were in town, so, yeah. Um, well, great. Yeah. Thanks. Thanks for that insight. Uh, Carl will pop over to you NYC we kind of know you as our international man of mystery. Every time I talked to you, you're in a new country or on a different continent. Um, but Africa has kind of been a main focus for you. And a lot of the bigger operators have been looking at Africa mainly because there's a lot of land, cost of labor is pretty low, but there's a lot of issues that also exist there, political issues, importing exporting into new territories. Uh, can you tell us a little bit about Africa and some of the issues that you've had to overcome when you've been, as you've set up your businesses?

Speaker 9 ([27:40](#)):

Uh, yeah. Thank you. Um, well, well, firstly, it's, it's always worth pointing out that Africa is not, I mean, people think of it as a big blob of countries and it is, it's about 54 countries, I think. And there's such, such large differences from country to country, from region to region in language legal structure, history, um, and also history with cannabis. So there's parts of Africa that have a long history of cannabis use there's parts of Africa that don't, um, and certainly both myself and my team have had experience across most of the continent from the West East, South Africa across a range of different businesses. So

we've seen, we've seen, um, some of the difficulties that just typically in Africa, but it's, it's worth remembering. It's the youngest continent on average in the world. And with that youth comes a lot of energy and a lot of willingness from local people in Africa to, uh, learn technologies from overseas, learn ways of doing things from overseas, um, and apply, apply that into new industries, um, specifically in cannabis, the first country to legalize, uh, was less suited to.

Speaker 9 ([28:46](#)):

And as you said in the question, there was quite a rush of international people into the suits and the suits. It's got a long history of growing cannabis, uh, obviously legally in the past, but now, um, we've seen a lot of medical producers move to the country as abattoir legalized soon after. And there's a raft of countries across the continent that are now looking at medical medical legislation. This is South Africa recently legalized recreational use of cannabis. But, um, other than that, it doesn't look likely that anyone else in the continent, um, will be legalizing recreational cannabis anytime soon. Um, then just in terms of the issues, there's, there's largely logistical issues depending where you are in Africa. But if we look really the two locations, um, where I spent a lot of time in the cannabis space, embalm where, and the suits you, they are quite proximate to the big economic powerhouse Africa.

Speaker 9 ([29:41](#)):

So getting equipment is reasonably easy, getting qualified people is reasonably easy. Um, and, uh, you know, although the bureaucracy, the kind of the institutions that we used to in the West artists developed in these countries, so to your points, uh, exploiting product is a bit more difficult because when you're looking at country to country, you need these, um, bureaucratic export licensing port licensed systems in place. And a lot of these countries, even the government labs, we have to go spend a lot of time with a country to work on, um, putting in place the, the measures and the protocols that are acceptable to the important country, for example. Um, but I think, you know, obviously it's worth remembering the positives, as you said, land, uh, availability of land. Hasn't been an issue anywhere. We've been, um, willingness of the governments to welcome us in welcome investment.

Speaker 9 ([30:35](#)):

Welcome the jobs that come with the industry has been very, uh, um, very, we've been very happy to see. Um, and you know, of course there's lots of concerns about the industry around security, around, uh, leakage of the products into the local population. So we spend a lot of, a lot of time mitigating and showing the mitigation steps for that. And, um, and of course you're in you're in any country, you need to act respectfully. You need to act within the rules of law that countries, and you need to be thinking about how, what you doing, uh, brings benefit, not just to the country and to the ministry of health, but to the local community, to the larger community in the country, um, skills transfer, uh, all those, uh, all those good things that we put in place at our sites.

Speaker 8 ([31:23](#)):

It called. Can I ask you a question? What do you know about the, uh, the situation in, in, in Zimbabwe it's? Uh, I heard that they also tried to, to regulate, um, at least the, the, the medical markets. Um, but somehow it didn't did it, did it wasn't announcements made last year or two years ago, and then it became a little bit corny. I do, you know, if, if, if licenses haven't been handed out or what's your classes,

Speaker 9 ([31:47](#)):

Licenses were handed off almost a year ago, but the first, um, the first round of the first six licenses that were handed out were all done as per the legislation where the foreign owner could only own 60% of the license. The government had a free carry or 40%, and all kinds of us had to be grown on a government farm. And so six licenses were handed out including to myself and, um, no one invested any money because I can, we have a license and a suture. You can own a hundred percent and you can own your own, but you can, you can grow on any farm that you choose. So there's an, by the way, the licensing, um, conditions were so restrictive that no one bothered to spend capital in the country and on the industry, I guess what's happened in the last, maybe about six weeks ago, the gun doesn't bug me through lots of consultation with the law.

Speaker 9 ([32:38](#)):

The holders is finally agreed to drop the 60, 40% of conditions. So now all licensed holders have had a hundred percent of the license given to them. And they've also removed the condition on, um, stating which farm you grow your product on. So I suspect you'll start to see people, um, looking at some Baba almost more favorably than the suits you at the moment. And the main reason for that is less suited to, you know, although it's a great, uh, climates, the suture has one, one major logistical issue is that the only flights going from the suit to then in South Africa, so exporting from the suit to inevitably means that you have to land a plane in South Africa, unless you charter. Whereas Zimbabwe has its own routes, you know, DHL from Lufthansa flight directly, Carolyn as you know, probably fly directly to Zimbabwe.

Speaker 8 ([33:28](#)):

Okay. And then what about the security situation there? I mean, you said, is it safe to start your farm there, or should you fear it as a, that you're being robbed or that the government is just gung gung gonna take your land?

Speaker 9 ([33:41](#)):

No, the art, obviously there's a lot of people applying in South Africa I'd have much more fear about the security situation in South Africa. I have no fear about the script, the security situation in Zimbabwe and the sutures are very peaceful country. Um, certainly the suits do title has never been taken away from anyone in Zimbabwe. Obviously they've got to check it history with, um, the title of farm ownership, but then it was a specific, there was a specific political problem. And you know, that there's been a, there's a new regime, actually, some of that is being redressed. And I don't, you know, I haven't done business there before. I don't know anyone that's had any title issues, barring that very specific political, uh, political period when there was, um, a large kind of large scale wind farms that were taken back. But, uh, you know, there's really no, um, there's no physical security or legal security issue that we haven't involved with, or even that I envisaged.

Speaker 8 ([34:37](#)):

So they're now six, \$6 still six licenses.

Speaker 9 ([34:40](#)):

There's probably more, but nothing's really been about a year and a half of everyone holding licenses. No one did anything because it wasn't even a 40%, um, dilutes of interest. It was a free carrier, 40%. And you grow on your putting your 60% capital on someone else's farm that you don't have to talk to loans. So all those ambitions have been scratched. And now, so again, I had a license and we were very reluctant to spend anything. And now that we've seen the condition script, we will start to see that real

invest in the country now on the space. That was good, good lawsuit. And assume if we are then everyone else on the, on the list will too. So yeah, sure.

Speaker 7 ([35:22](#)):

That's interesting. So I was in the Soto last year and one thing which I encountered was that the government a year or two ago issued too many licenses. And then nobody has money investing money into Africa for the licensing. Like people are very hesitant to invest in Africa because I pushed a lot of investors try to convince them to invest in the, to the projects were good. The land was good. Even the ministry of health was very supportive for everything, but I still think that people are comfortable to some extent investing in South Africa, but the way government have changed, especially after the apartheid, I believe that, uh, because of the structure of the government, many, I would say best in country. Western investors are a bit hesitant in investing in, sorry, in South Africa or in the Africa in general. What are your thoughts on that? Like, did you face the same difficulty? Like what I faced in North America or Europe is different?

Speaker 9 ([36:26](#)):

Well, I am, are you doing this? Sorry. Were you asking me? Yes. I'm asking you that. I mean, I agree with you people, if you have a license in Illinois, it's a, it's a big jump to go from Illinois, wherever, you know, where things are. It's cheap to construct. Logistics is cheap in Africa. Things are far away. It's a new legal systems that you have to deal with. So really you had to weigh up the risk of, um, getting used to something new with the fact that the cost of capital base, the capital cost basis, you know, a fraction of what it costs in the West and the operating cost based is a fraction of what it costs in the West. Um, I can I share, I share your, I know you were jumping between Africa, South Africa. Let's do two in, but I think you were talking about the broader Africa, but certainly South Africa as a country, the country I'm from, I'd be very nervous to do large gun investing in at the moment, the sushi much less nervous.

Speaker 9 ([37:23](#)):

This never there has been no change in government. It's always been, it's always been an independent country. Um, and actually there's quite a lot of, there's quite a lot of investment in the suits at the moment. So we probably will be when we complete in to the construction in two months time, we will be the eight facility builds of different sizes. I mean, the biggest facility was the, uh, is it the Supreme facility? And that's a massive facility where lots of these, a lot of capital being spent on it. There's, um, canopies built something. Uh, we've got a large amount of private companies from South Africa of builds facilities. And then there's our facility, which was a reasonably large facility. But just to give you an example, to construct the facility in a suit to, and we're looking at the exact same size facility in Portugal, and the cost will be 200, two and a half times the cost to build that facility in Portugal as it would be in a suit.

Speaker 9 ([38:13](#)):

Now, of course, there's, there's a, there's a risk to referring to. There's a risk that comes with that. I can, you know, I, I'm very comfortable with that risk because we've done, I've done business all over Africa, but everyone has to have their own kind of, uh, risk assessments in terms of, uh, somewhere new. I would be, I'll be very uncomfortable going to Mexico. Whereas, um, I'm sure the previous guy on the call, you know, for him, Mexico is his backyard. He knows it. I just don't know the new is worse than for someone that's never been there before.

Speaker 7 ([38:41](#)):

Because when I was in South Africa, interesting factor was that somebody mentioned that how the currency has diminished since 1990s or 1980s, the rand compared to us dollar. And that was like, I was never educated on that. I mean, I was shocked like at one point of time, South African currency and the economy was even by equal to us dollar, it was like when it comes to the court,

Speaker 9 ([39:10](#)):

It was, it used to be stronger than the us dollar. The one rand you used to have to pay multiple dollars to buy a round. And now it's 18 rand to get a dollar. But if you exploding into dollars and you know, to be clear, the only market in the sutures and export market, there's a, it's a, it's a relatively poor country of a million people. Then you're the weak, local currency is a margin positive for you. So

Speaker 7 ([39:32](#)):

Yeah, it is good for the business, but overall, I'm just saying that overall, how the, like, even these old political structures, what are right now in place are also, I believe impacting to some extent in a negative way, the whole, uh, establishing of the cannabis industry. Like that's how, like, when some people told me when I was there, like I'm, of course I'm not expert on African

Speaker 9 ([39:55](#)):

Out of interest. Was this in South Africa? Or was this in the suit?

Speaker 7 ([39:59](#)):

Uh, I went to South Africa. People were telling me the same people. They were like back and forth from the Soto. So I first went to South Africa to conference. Then I went to the Soto, had a meeting with the, some political figures over there because, uh, some of my guys were interested in going there and, you know, trying to establish something in the Soto. But within three, four months, everybody backed out said, no, we are not doing anything here. And then the COVID hit and everything stopped.

Speaker 9 ([40:25](#)):

Yeah. I, I, um, I think the government of the sutures bends over backwards to invite new investors to come in sort of real Christians. Once you filter this, can you export the product? And do you have the technical support that's as I said earlier, that the depth of institutions in the country isn't as deep as what you have in Europe. So government labs getting things certified for export, these are all issues that are there in the suture that you might not have in Canada, because everything's a bit more organized. Um, but those are the things you could work with the government to fix. There is no, I feel, you know, we feel very welcome and this into, and I know there are lots of people building, uh, facilities in the, the suits for that reason. And then again, you're not. And then we, again, like I said, we weigh it up on a financial decision as the, um, for two reasons. One is the capital cost. And then eventually as the world moves to, um, growing outside, we went to Northern hemisphere and the Southern hemisphere grow. We don't want to only be stuck in one hemisphere. So, you know, so I guess some people on that basis move to Colombia. We much more comfortable in the sutures near, near where I was born. So

Speaker 6 ([41:34](#)):

A native of Africa, Carl, how has how's, COVID-19 kind of affected your, your business model. If at all,

Speaker 9 ([41:42](#)):

We shut down when, when it hit the, it was very late to shut down. It shut down before there had even been a single case of COVID in the country. I think to date they might've had, it's probably less than 10 cases confirmed in the whole country because they, um, you know, they're not exactly the biggest international, uh, traveling hub in the world. So it's been very well. It's been very well controlled. It hasn't been a single death. Um, South Africa has had a very, very hard shutdown on me on the streets, police really enforcing quite draconian lockdown measures. And again, South Africa has had a few hundred deaths rather than anything like we've seen in Europe or North America. Um, a few weeks ago, we were in the middle of our construction phase. So we had to send down everyone. We had to transport people back to Zimbabwe and South Africa from where some of the construction staff live.

Speaker 9 ([42:33](#)):

And, um, and then as things started opening up in the suit too. So that opened up in the suits. You before South Africa, we managed to get our staff back into country and obviously, uh, observing the social distancing and mass sparring and hand feeding protocols in place. And in the Susu, we've now re we commenced three weeks ago, our construction. So we, you know, we were in the middle of, cause we got the full construction team back in working and, uh, we'll be finished in two months as far as the rest of it, I suppose, just to kind of be on Zimbabwe that hasn't, that hasn't come out of lockdown. There's also been very little effect of COVID in the country, but it is still, it's still full of lockdown with quarantine, for international returning visitors. And so it makes it difficult. Otherwise I will be in the suture now, if I could just hop a claim and if I go on a plane to South Africa, I mean a hotel in the airport for 14 days. So I'm going to wait for that to wait for that, for that to stop. Probably a good idea. Yeah.

Speaker 6 ([43:32](#)):

Well, cool. Well, yeah, thanks for that insight, Carl. No problem. And then, uh, Randall, you, you know, the Canadian market extremely well, what can you tell us about the role that Canada is going to play in the international trade of cannabis as far as a regulatory framework and just import export?

Speaker 7 ([43:51](#)):

Yeah, sure. So what I was saying was that Canadian government have done an exemplary job in having all the framework required for the cannabis industry specifically to import exports. I think the only thing is that in Canada, you can import cannabis only for medical and recreational only medical purposes or research purposes. So as our dad was mentioning before, even here in Canada, you can't import for rec market. So that is a kind of restriction government has, but I don't see Canada importing that much cannabis or CBD isolate or anything. I see. They will be more exporting because the population of Canada is less than California, honestly. And then at least a Canadian population is so low and we have over 200 licenses to produce and process cannabis. Like there will be too much, uh, influx of the product from these LPs into the open market.

Speaker 7 ([44:52](#)):

And that is export strategy of the Canadian, uh, of the industry overall and how the Canadian government has smoothed. And it is a really an excellent example, in my opinion, like I was seeing the regs of New Zealand and Australia as well, and specifically New Zealand at many instances last year, they referred when they were asking the industry partners to like, okay, uh, what do you guys would like to have those question lines and everything? A lot of time they met, they give a reference of Canadian regulations. So it wouldn't be a bad idea for any new government who was trying to have a regulation in

place just to go through the Canadian regulations. And if you already have the framework there, you can just modify it to fit in their own situations. For example, uh, Mexico protected was talking about that, how the Mexico regulations are not ready yet.

Speaker 7 ([45:46](#)):

And like, if there is enough political will all, they have to go and read this three, 400 pages document and then they can, you know, uh, use it as a reference point and to modify their own regs on that. So framework is available. It is not that they have to do something new. Same as, as I mentioned before, the opium trade angle is also very important in this. And I see that Canada is I consider Canada is already a leader in a smoothing this process for the world and anybody or any government who is looking to do business in cannabis and stuff. Uh, I think Canada is their first choice. However, the day you go, the most interesting thing for me personally, would be to see the day United States go legal federally. Uh, I'm not sure if they ever will, or it is the next elections are very important for that. As soon as they go legal, then it would be interesting that how the framework works, because I haven't read a few regulations, work Illinois or Colorado, even Nevada, the regulations are very relaxed compared to Canada. So that would be an interesting play to see once the us go legal, then how the Canadian industry will respond, how they will compete with the United States specifically because United States has a lot of cheaper ways to produce the taxation is a bit different. So it really interesting to see how that plays out

Speaker 10 ([47:21](#)):

Well and something we haven't really hit on. Um, but you know, in all these countries and here in the U S and all the States, cannabis has been illegal and we're still dealing with the black market. Do you guys still have a black market there in Canada? And how, um, you know, is it thriving, is it dying what's what's going on there? Do you know?

Speaker 7 ([47:42](#)):

So black market hasn't gone anywhere. Like actually since the COVID headed, um, one day I have seen from some people in the cannabis legal industry, they say that, uh, the prices of cannabis has skyrocketed in black market, uh, because it is easily available. Uh, like you, the thing is that it depends who is your user. For example, the people who started smoking after the legalization of cannabis, they don't go and buy it from the dealer or any illegal source because they don't have faith in that. They say, you know what? This is a legal product government regulated. It is safe to consume blah, blah, blah. When it comes to the corner, sewers have been smoking for 20 years. It is very hard for them to switch their dealer. Whoever is selling them. The cannabis first thing is the quality quality of black market cannabis to some extent is better than the legal cannabis so far, like some new LPs are coming, which are very good quality.

Speaker 7 ([48:40](#)):

But the thing is that it is mainly the, at the retail end, which is, uh, which I believe is a bit of a, which is, which has to be worked out by the government. Because for example, in some provinces, the government buys the product at a certain price, for example, in Ontario or in British Columbia, and then the whole of the product for a few months. And by that time, the quality of the flour and whatnot deteriorates significantly, and the smoke becomes harsh. And people don't like the quality and whatnot Ramirez in the black market case, the guy harvested today and the cured it and whatever, uh, as once the product is ready, it goes right to the end client and which quality is compared to better than the market. That is where if the retail structure is tuned up a bit, then only I believe.

Speaker 7 ([49:29](#)):

And also the pricing, the government also has to reduce the end retail pricing of the cannabis, because right now, with all the overhead costs in the legal market or for quality assurance compliance, all that, it adds a lot of overhead costs and the LP is going to make a lot of profit. So that is where even the retail store. So the price of the legal cannabis, which is people think is not that good quality compared to the black market, that is where the people buy a cheaper product, good quality product then going for the legal product. So, especially with the COVID thing where people don't have much to do, they're sitting in the home. So liquor sales and the cannabis sales are skyrocketing in Canada, and the black market pricing has increased four or \$500 a pound. What did you use to be before on top of that?

Speaker 10 ([50:24](#)):

So it's mostly, you know, the U S seems a little bit on right now, more COVID

Speaker 2 ([50:28](#)):

Cases than any other country in the world, protests all over the nation and some stretching across the globe to some of the places where you are all from. Uh, there's a lot going on here right now, but cannabis has been deemed an essential business. And most illegal States, we believe cannabis is going to be a major opportunity to help rebuild and create jobs and tax revenue. As the United States tries to bounce back, Eric, you work closely with social equity opportunities, which we're seeing more and more of a new emerging States and with the movement going on right now, I would think we can expect to see more of these programs and potentially better programs and opportunities for minority entrepreneurs. Can you give us an update on what is going on here in the U S and how it relates to the cannabis industry?

Speaker 3 ([51:09](#)):

Yeah, absolutely. Um, you know, we've seen States, uh, of course during this COVID-19 crisis, uh, deemed medical cannabis, uh, as essential businesses and here in the state of Florida, where I am, uh, even CBD dispensary's have been deemed essential because they fall under food, uh, established Flint businesses. Uh, so we're seeing a lot of that happened right now. Uh, but one of the things that I think we'll see moving forward is a Mo a greater focus on, uh, you know, minority owned cannabis businesses, being able to operate, you know, situations like in Massachusetts right now. Uh, you have, uh, one of the first minority owned, uh, cannabis companies, which was unable to actually, uh, operate during this time because they weren't deemed a medical business. And so I think we may even see some of that begin to stretch, uh, to other rounds of the industry as well, but from a social equity standpoint, uh, you know, we've tried different things.

Speaker 3 ([52:06](#)):

We still have a very hotspots system here in this state, uh, in the States, um, where each state gets to kind of determine how they want to play the game with social equity. Uh, and so, you know, many of them have been, you know, somewhat successful, but not as successful as they would hope. And so we, as a organization, minorities for medical marijuana and many others, a minority cannabis business association, uh, we are working with local and state officials to help them craft better social equity programs, help them to identify some of the weaknesses of the programs that have been established and look at ways that we can, uh, create better programs. And I think one of those ways is to expand our understanding of social equity to move beyond just licensing and looking at how do we, uh, also include, uh, ancillary businesses in that minority owned ancillary businesses, uh, as well as how do we take some

of the tax revenues that come from these programs, uh, to help rebuild failing infrastructure in communities that really bore the brunt of the war on drugs. So, you know, here in the U S there's a lot going on, and there's going to continue to be a large scale, uh, development, uh, or, you know, large-scale effort from a grassroots standpoint, uh, to make sure that we're holding the legislators accountable as well as the cannabis industry as well. And so I think moving forward, you also see more cannabis businesses take on social equity initiatives and look at how they, as a business can also help to advance this cause.

Speaker 2 ([53:48](#)):

So that being said, do you, do you feel like with, with everything going on and in cannabis seems to be kind of at the middle of all of it, um, the COVID stuff, the protests, um, do you think these programs are actually going to get better?

Speaker 3 ([54:04](#)):

Absolutely. Um, you know, I'm one of those people who, uh, believe that you learn from, uh, your failures and his shortfalls. And I think, uh, we have tremendous amount of information that we are learning, uh, as different States attempt different types of programs and, you know, have varying degrees of success. So, uh, we can certainly learn from what we're already seeing and some of the, uh, things that have worked and, and, you know, finding ways to strengthen those, uh, but then also recognizing what hasn't worked and how we can be better. So I absolutely believe that things will get better again. And that's why groups like minorities for medical marijuana. This is why we exist, uh, to help, to continue to shape that and what it looks like. So I'm very optimistic about where we're heading. We're already seeing, uh, States like Illinois and Massachusetts who were being very, uh, progressive in their approach to social equity. Again, the jury is still out on how effective they've been. Um, but we're seeing more and more aggressive programs come up and, uh, you know, so we're, we're very, um, you know, optimistic about the future.

Speaker 2 ([55:13](#)):

Great. Well as always, man. Thank you. Uh, thanks for your insight and enjoy your Guinness.

Speaker 3 ([55:19](#)):

Yes. Thanks. Thanks for having me.

Speaker 2 ([55:21](#)):

Yep. All right. Well, that's going to conclude the higher enlightenment international podcast for today. I appreciate everybody being a part of it and bringing really good insight and bringing it all together here. And I wish everybody the best of luck in your projects moving forward. Um, thank you guys, and have a great day. Thank you.

Speaker 1 ([55:46](#)):

We'll return to the higher enlightenment podcast in a moment. Do you need help in applying for cannabis business license? Do you have questions about the process? Are you feeling overwhelmed? Good news, higher yields cannabis consulting can help our cannabis licensing experts offer industry leading support for all cannabis related businesses. Our team of experienced application writers has worked on over 100 cannabis license applications. Higher yields has worked on regulations and cannabis licensing in over 25 States across the USA. And in more than 10 countries, we've also helped our clients

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Speaker 1 ([57:07](#)):

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