

Session 13

Ambition to Action – Capturing the opportunity for Australian Cannabis

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Founder & Managing Director,
SourceCertain





Ambition to Action

Capturing the opportunity for Australian Cannabis

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Cameron Scadding

Founder & Managing Director, Source Certain

- From regional Western Australia.
- Grew up on my family farm located in the Wheatbelt.
- Left the farm to study forensic science.
- 20+ years of experience as a forensic practitioner.
- Extensive complex investigation experience and contributes to the international conversation on supply chain transparency.



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2019/2020



WHAT IS OUR PROMISE?

HOW DID WE USE THIS FRAMEWORK?

- Policy - led by the promise
- Practice - how do you do it?
- Performance - walk the talk and measure that you are
- Verification - have it verified by someone independent

leading the world as a cannabis industry will take a strong foundation of integrity and being trusted

- Policy - led by the promise
- Practice - how do you do it?
- Performance - walk the talk and measure that you are
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We need to be respectful of our history – it shapes, at least, our approach to the future

Where did this industry come from?

- Regulators, Patients, Doctors, Cultivators
- Popularity:
 - Patients want access to medicine
 - This does not mean that, by default, it is universally accepted as a good idea
- Illegal background

Being cannabis and being popular is not enough.
The supply chain and its stakeholders all have a role to play in ensuring that the sector is trusted and has social licence.



We are still <10 years old and so the learning is still intensive

Where did this industry come from?

Where is it going?

- Law changed to allow prescription of medical cannabis in November 2016.
- In January 2018, the government announced the opening of the export market to Australian cannabis.
- Narcotics Drug Act completed and reform is afoot.
- Deepak did a fantastic job this morning providing details here.

What does this all mean for developing a supply chain?



<https://freshleafanalytics.com.au/wp-content/uploads/2020/03/Freshleaf-Q1-2020-Report.pdf>

AUSTRALIA
Australian Government
Department of Health

Review of the Narcotic Drugs Act 1967
Final Report
Professor John McMillan AO
10 July 2019

AUSTRALIA
Australia Moves to Allow CBD Sales Over the Counter, Calls for Public Input
Today, cannabidiol is in Schedule 4, and therefore allowed only with a prescription.
APR 24, 2020 5:22PM EDT

State of play and impact to global supply chains – reality

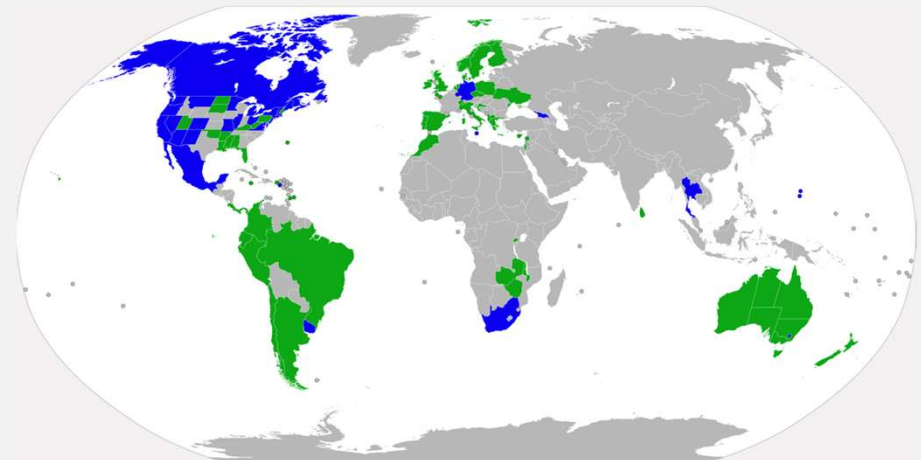
What is the consequence of a patchwork of regulation globally?

- Is there really a supply chain?
- Islands of supply and demand?
- Nuanced market access.
- Comparison of FMCG, CPG and Pharmaceuticals.

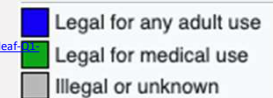
It is difficult to manage the supply chain if there is not a free flow of goods along it.

The harmonisation of regulations is the key to this but cannabis is still so new.

Which regulations though?



<https://freshleafanalytics.com.au/wp-content/uploads/2020/03/Freshleaf-2020-Report.pdf>



The supply chain and connectivity – to patient not consumer

Supply Chain Connectors

- Cultivation
- Extraction - Getting to an active
- Manufacture - Precursor
- Manufacture - API
- Manufacture - FDF
- Medicine Registration - Clinical Trials
- Distribution
- Point of Sale
- Healthcare
- Regulators



THE SUPPLY AND VALUE CHAIN



- Value Creation
- Value Sharing
- Integration of functions
- Vertical integration
- Supply chain trends
- Sustainability of the supply chain
- It is not just about the product



Opportunity in a now global marketplace, albeit not globally connected.

Looking to the future

Transparency

We now have another set of stakeholders. These are critical stakeholders - can we translate the trust we have built as an industry into these relationships?

Technical

Not all will be good at supply chains. Think BioTech v Pharma?

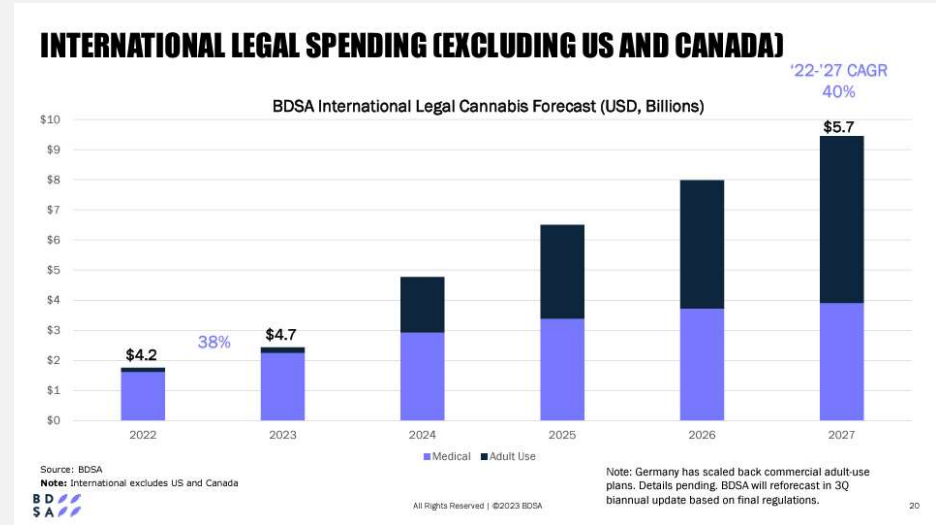
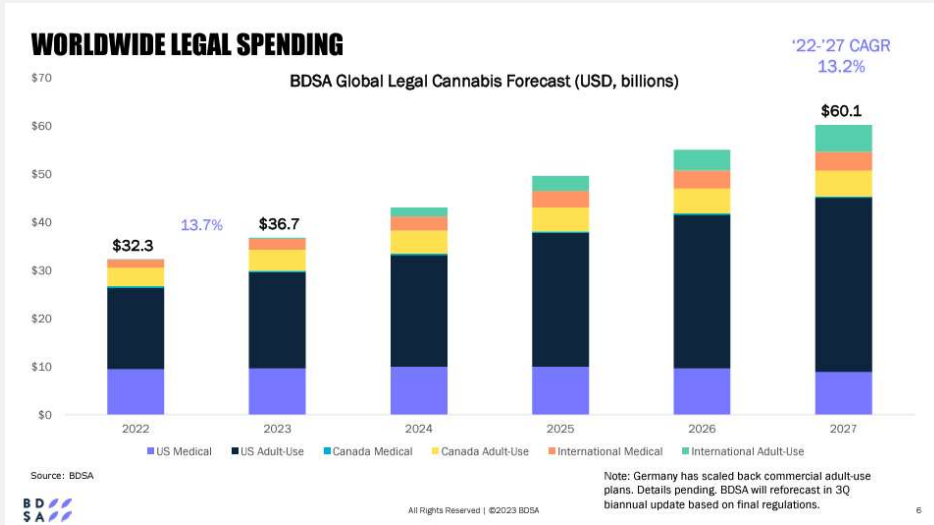
What about trade - Technical and Non-Technical trade considerations.

What is competitive?

We must take care in this stage not to get sucked into competing with each other.

Australia - An opportunity

Opportunity



Some context

54.04t

dried flower exported from Canada for medical use in 2022

8,598l

oil exported from Canada for medical use in 2022



1.51t

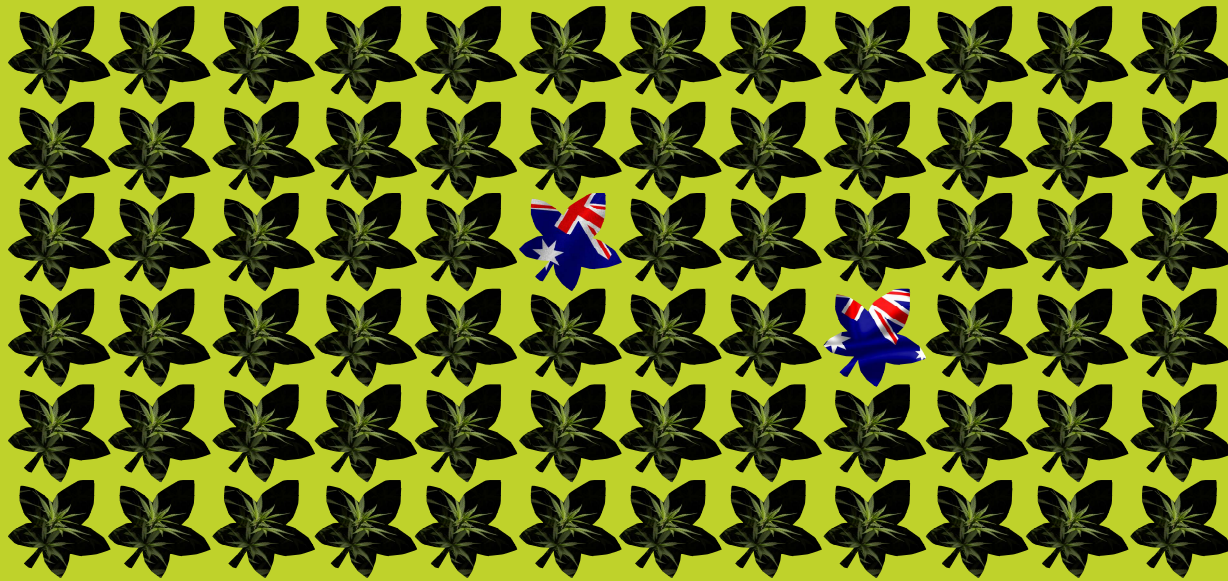
dried flower exported from Australia for medical use in 2022

24.39t

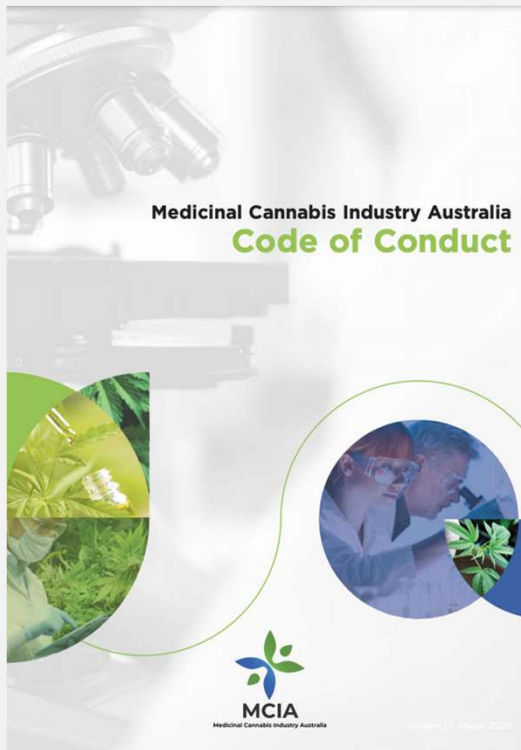
total dried flower produced in Australia in 2022



Patient, not consumers – looking different, better, best.
How?



The foundation



What is the promise?

- Plant-derived cannabinoid medicine which delivers on what is promised
- All medicine is produced ethically and complies with the expected Australian regulatory standards
- The Australian Medical Cannabis industry and all of its stakeholders are committed to transparency



PLANT DERIVED



REGULATED



TRUE TO LABEL



TRUSTED

An Australian promise

The supply chain work is challenging enough as it is. How do strategically communicate to build market?

PRODUCT SAFETY

PRODUCT QUALITY

SUSTAINABILITY

TRUSTED & SOCIAL LICENCE

DELIVERING ON PROMISES





Thank you



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