

Cannabis Cultivation regulation compliance in Australia

a confusing topic for new investors

Starting a medicinal cannabis business in Australia can be a daunting process. Investors and operators need to have access to technical and engineering expertise to produce healthy, sustainable and saleable cannabis crops, pharmaceutical products and source materials.

There are complex documentation requirements for licence applications, including site selection studies/soil tests, seed sourcing, crop planning programs, supplier audits, environmental monitoring, and mandated personnel training and security programs. Cost-effective climate controls are also necessary to avoid negative net incomes/declining profit margins. Meeting national and international regulations, e.g., GACP, GMP requirements, can be challenging for individuals accustomed to working in less-regulated sectors.

Globally, significant volumes of rejected cannabis crops and recalled medicines have had to be destroyed due to quality and safety concerns. These are some of the key factors that have impacted the industry's profit margins and share prices. Instability of corporate boards and/or management teams is also an issue for this industry, often initiated after a lack of profits and/or a steep decline in profit margins, over time.

But like all businesses, start-up investment costs will take time to generate a return. Despite unprecedented growth rates in demand --- in some regions, exceeding 200% to 400% a year – operational efficiencies are a necessity for sustainability. The fact is, it's a lucrative industry, but an increasingly competitive field as more licences are granted across the world. Capital investment decisions and future expansion plans must be built into these businesses in the earliest stages of development, by experts in the sector.

To reduce industry confusion about what's required to meet stringent government and health product regulations for medicinal cannabis production and exportation, the 2nd Australian Medicinal Cannabis Conference is being held in Melbourne, over 2 days, 23 to 24 March 2020. For more information visit: ...<https://www.pharmout.net/> or <https://www.pharmout.net/medicinal-cannabis-conferences/australian-medicinal-cannabis-conference/>

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